



ESIF Funds Growth Programme Board
Progress on EAFRD Growth Programme

Purpose:

To provide the Board with an update on the current position on the EAFRD part of the EU ESI Funds Growth Programme.

Recommendations

The Board is invited to note the information set out in this paper.

Summary:

As of 22 February, under the 3 rounds of the Rural Development Programme for England (RDPE) Growth Programme, a total of £156m had been awarded in grants to 974 projects across the Tourism Infrastructure, Food Processing, Business Development and Tourism Co-operation themes.

Of this £156m, in total £147m has been paid out, contracting 5,302 FTE jobs, of which 4,756 have already been created.

In addition, there are 17 contracts for funding totalling £69m under the Rural Broadband Infrastructure offer. These projects are at varying stages of delivery.

From 1 July 2022, cash payments on a number of RDPE Programme Measures, including those relating to the EAFRD Growth Programme, were switched to domestic funding rather than EU funding. This switch will have no impact on project beneficiaries or on the outputs we have committed to delivering, although we will no longer be reporting these to the European Commission.

While all outstanding projects were contracted to complete and claim by end December 2022, arrangements have been established to enable any projects that have experienced unavoidable supply and/or manpower issues to have extended claim periods. This is possible because we have switched to domestic funding.

EAFRD GROWTH PROGRAMME UPDATE

Total Scheme Delivery Update

1. As of 22nd February, £156m of grant funding had been awarded to 974 projects under the three rounds of the RDPE Growth Programme. The Rural Payments Agency completed the contracting stage of the final round of this scheme on schedule in June 2021. All allocated RDPE Growth Programme funding has, therefore, now been committed to projects.
2. Although the number of contracted projects has again dropped since the last report the number is continuing to slow, 8 projects worth £1m have withdrawn from the scheme in the last 3 months. In the current economic climate this is not unexpected and some of this released funding will be used to cover variations on other projects. As there is no further scope to contract new projects, the remainder will be used to meet wider Programme commitments.
3. Of the £156m that has now been awarded, £147m has been paid to projects, an increase of £7m since the last report. To date, 5,302 FTE jobs have been contracted and RPA records show that 4,756 have been created. This is an increase of 598 jobs created since the December update.
4. The main EAFRD Growth Programme has provided funding to projects under four separate Measures within the EU Rural Development Regulations: Measure 4.2 (Food Processing); Measure 6.4 (Rural Business Development); Measure 7.5 (Tourism Infrastructure); and Measure 16.2 (Tourism Cooperation).
5. As noted since 1 July 2022 EAFRD Growth Programme payments have been made from domestic funding. However, in total under EU and domestic funding:
 - a. the Tourism Infrastructure Measure has funded 123 projects, with £27m of grant funding awarded and £25m so far been paid out to projects.
 - b. under the separate Tourism Cooperation Measure, which was only offered in Round 1, 12 projects were contracted which have now completed and £705k has been spent.
 - c. food processing contracts totalling £66m have been awarded to 231 projects. To date spend is £62m.
 - d. there have been 608 Rural Business Development projects contracted under Measure 6.4, worth £62m. Of this, £59m of funding has been paid to date.

Rural Broadband Infrastructure Fund

6. In addition to the four Measures being used under the main EAFRD Growth Programme, a fifth Measure (7.3) is the basis for the Rural Broadband Infrastructure Fund, which is supporting Local Authorities to bring superfast broadband to some of the most remote parts of rural England.
7. There are currently 8 live RBIS contracts and 9 closed projects where £42m has been paid to projects. The infrastructure funded is forecast to 'pass' 152,160 business premises and 60,244 other premises, to the benefit of a population of 152,160.

8. Some broadband and other projects have indicated delays to project delivery due to shortage of workers with the necessary skills and of some components. We recognise the difficulties in delivering projects in the current economic, supply and manpower climate and we have established a process to enable the RPA to grant limited project extensions to end of 2023 where these are necessary and justified.

Emma Friend

07 March 2023

ANNEX 1

Table 1. Rural Broadband infrastructure offer.

As at 22 February	Rural Broadband
Total Budget (£)	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	6
Number Contracted	17
Value of contract (£m)	68.9
Value of grant paid to date (£m)	42
Number Projects closed	9

Table 2. Project outputs to date by theme.

Rounds 1-3	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure and Cooperation
FTE Jobs Forecast	5,302	2,576	1,742	984
FTE Jobs Created	4,756	2,073	1,614	1,069

Table 3: Total number of RDPE Growth Programme projects, funding committed and spend by theme as of 22 February 2023.

Theme/Measure	No. of Projects	Funding Committed	Spend to Date
Tourism Infrastructure (M7.5)	123	£27,227,699	£24,746,120
Tourism Cooperation (M16.2)*	12	£601,362	£704,756
Food Processing (M4.2)	231	£65,620,021	£62,124,046
Business Development (M6.4)	608	£62,212,122	£59,360,533
Total	974	£155,661,205	£146,935,456

*Theme offered in Round 1 only.

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1, 2 and 3 contracted and spend actual figures 22nd February 2023.

