



European Structural and Investment Funds (2014-2020) Growth Programme for England

Growth Programme Board, March 2023

1. ERDF Programme Delivery

Purpose:

To advise the PSC on progress with European Regional Development Fund (ERDF) Programme delivery to 31st December 2022.

Recommendation(s):

That the PSC note the position to end of December 2022.

Summary:

Currently, the overall sterling value of the Programme is valued at £3,163m (@. 0.8666)¹ and this is subject to exchange rate movements which are being closely monitored. The Performance Framework targets for both expenditure and outputs have been updated with the latest Operational Programme modification.

Overall Progress – Contracting: 1088 projects (inc.11 financial instruments (FIs)) with ERDF of **£3,200m** committed², an increase of £51m since the last quarter. This represents 101% of the programme budget. In the last quarter 3 projects / continuations have been contracted (the project count has remained static due to project withdrawals).

There remain 2 continuations in pipeline (£2m).

Adding contracted projects with those in the pipeline, represents 101% of the current programme budget.

Overall Progress – Expenditure: Cumulative claims paid by the Managing Authority (MA) to grant recipients total £2,221m ERDF, an increase of £158m from the previous quarter.

¹ The revision to the operating value of the Programme at the March GPB alongside the MAs Maximising Expenditure Strategy.

² Includes £26m of Technical Assistance and anticipated future FI investments.

2023 Performance Framework (PF) Targets - Exp /Outputs³: Steady progress is being made. All PF expenditure targets are *contracted* above the minimum threshold (65%).

For PF outputs, all regions have contracted sufficient projects to achieve the minimum output threshold with the exception of PA4 – LDR; C34: Estimated GHG Reductions. Financially completed projects have, however, delivered an excess of outputs. If the remaining projects deliver to contract, 80% of the target will be achieved.

N+3 2022 Target: Achieved well ahead of scheduled. Cumulative ECPAs to end Nov 2022 were valued at €2,671m against the 2022 target of €2,912m.

2. Programme Value and Targets

- 2.1. The value of the programme is €3,649m and an Operational Sterling value of £3,163m. Instead of a single foreign exchange rate being used the Sterling budget is now based on funds drawn down from the EU and annual forecast exchange rates up to the end of 2023. The forecast rate is provided by MHCLG Finance. Clearly there is a level of volatility and risks that the sterling budget may reduce have to be considered.
- 2.2. The Programme's total eligible expenditure (TEE), ERDF + Match, is valued €6,572m.
- 2.3. Programme performance is measured by the EU using the following targets:
 - N+3 - Ensuring that the ERDF annual budget is drawn down from the EC within 3 years of the budget being allocated.
 - 2023 Performance Framework – These targets sit at priority axis by category of region and are based 2 elements:
 - Financial – The TEE declared.
 - Outputs – The number of Performance Framework outputs achieved for the TEE declared.

Progress against the performance framework in 2023 will be assessed based on the output/financial achieved coefficient as set out in section 7 below.
- 2.4. The Operational Programme value and all returns to the European Commission are based in Euros. Internal Performance Monitoring is also done in Sterling.

3. Programme Budget & Contracting

- 3.1. Figure 1 shows the amount and % of ERDF that has been contracted over time to December 2022. We are now contracted at 101% of the programme value.

³ Output Targets reflect the Programme modification currently awaiting adoption by the EC

- 3.2. The project count remains at 1088 contracted (the project count has remained static due to project withdrawals). The net overall increase of project commitments is £51m ERDF.

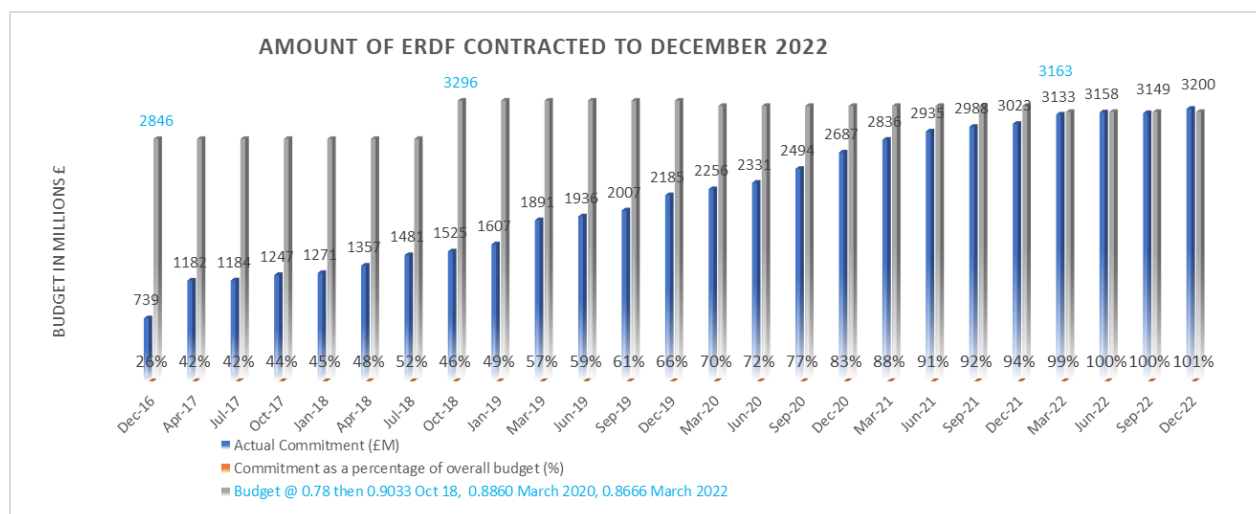


Figure 1

- 3.3. Figure 2 sets out ERDF programme commitment as at 31st December including the pipeline.

Category of Region	Allocation £M	Commitment £M (inc. additional Fis)	Commitment % of Allocation	Pipeline and Commitment £M	Pipeline and Commitment % of Allocation
More Developed	£1,809	£1,857	103%	£1,858	103%
Transition	£945	£939	99%	£940	100%
Less Developed	£409	£404	99%	£404	99%
Grand Total	£3,163	£3,200	101%	£3,202	101%
No. of projects		1088		1090	

Figure 2

- 3.4. The pipeline includes 2 Project continuations (£2m) applications.

4. N+3 Target

- 4.1. As set out in the figure 3 the programme has achieved its N+3 target for 2022:



Figure 3

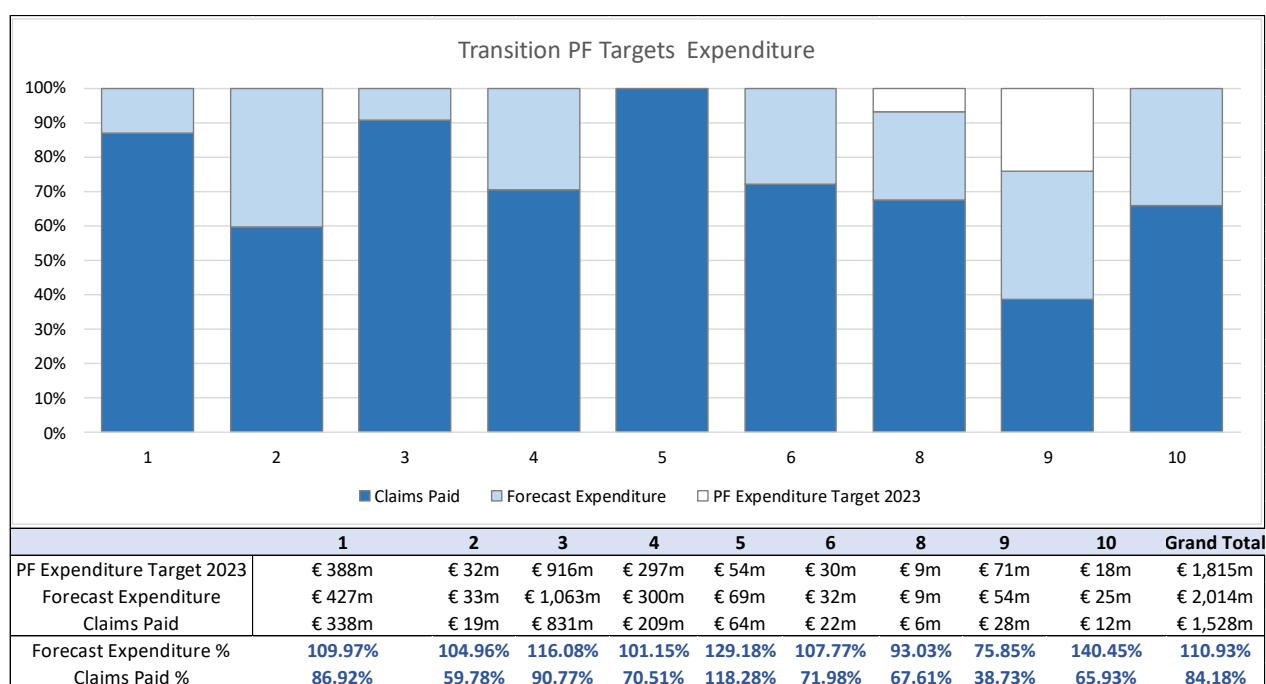
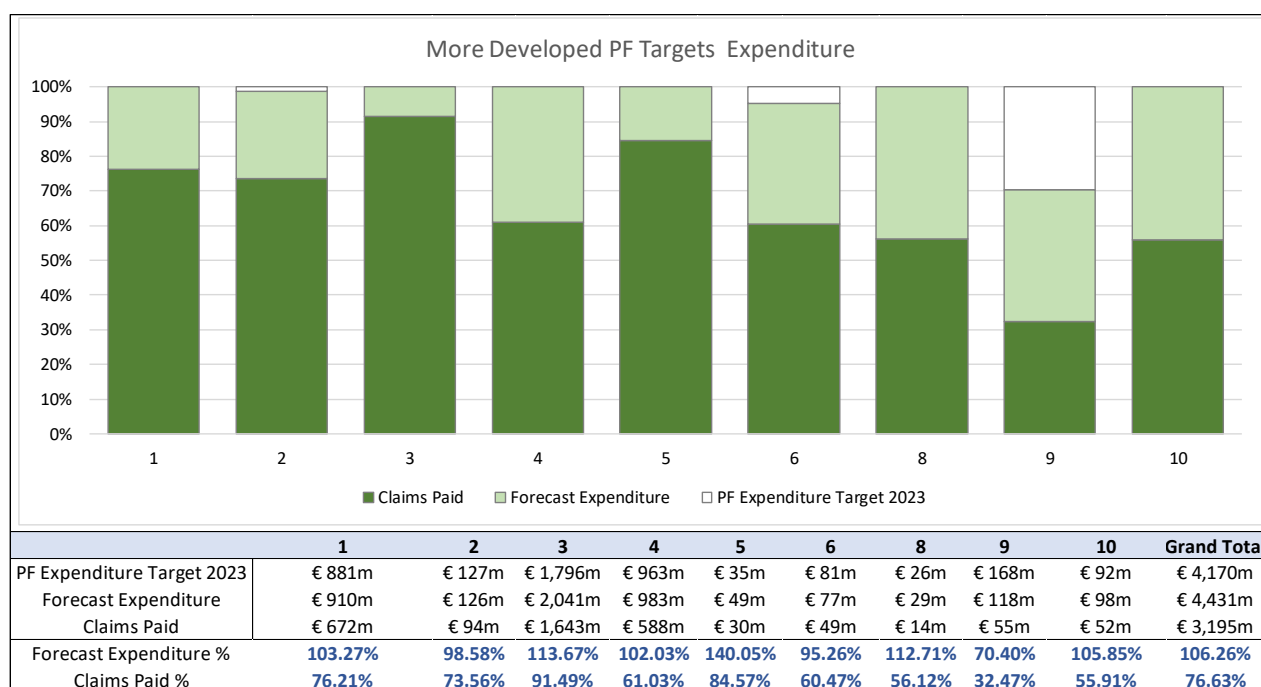
- 4.2. This has been achieved by making use of the ability to drawdown ERDF at a 100% intervention rate last year.
- 4.3. The consequence of this approach is that the MA has drawn more ERDF than it has paid out to beneficiaries at this point. This will be paid out in the later stages of the programme, but the MA is working with the CA to ensure that the accounts are balanced.
- 4.4. The N+3 target in 2023 is ensuring that the full value of the programme is realised, this is the same as the 2023 performance framework financial target.

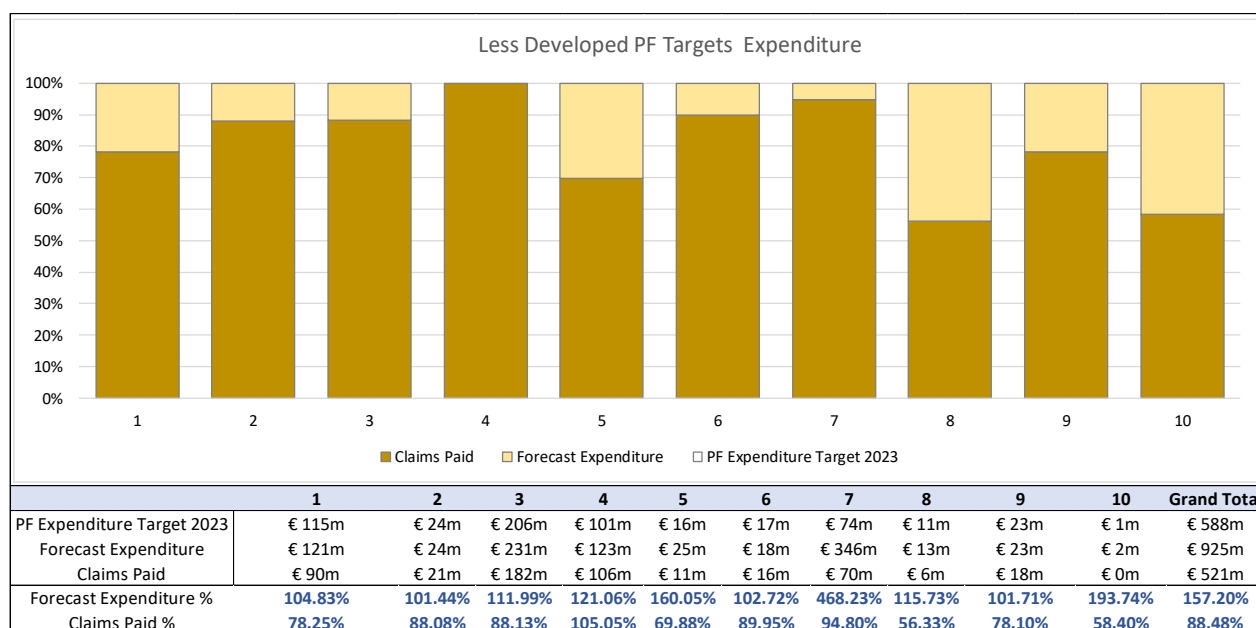
5. 2023 Performance Framework Expenditure targets including paid claims (€m) by Priority Axis across each of the Category of Regions from *contracted* projects

Performance Framework Expenditure

- 5.1. 2023 Performance Framework Expenditure targets are measured in Total Eligible Expenditure (ERDF plus match funding). Changes to targets resulting from the programme modification are reflected here.
- 5.2. All regions have contracted sufficient projects to achieve the minimum Performance Framework expenditure threshold.
- 5.3. 18/25 targets (excluding PA9) have actual achievement above 65% of the minimum threshold, 7 of which are Less Developed Category of Region, and 7 are Transition.
- 5.4. PA8: Following the Programme Modification and with significant progress in claims paid, spend in all categories of regions is now > 50% to date; in Transition, the minimum expenditure threshold has been achieved.
- 5.5. PA5: Following modifications to the targets for More Developed and Transition categories of region, and with significant progress in spend for Transition and

Less Developed categories of region, the minimum expenditure threshold has been achieved across the PA.





6. Forecast Delivery of Performance Framework Outputs as % of 2023 target by Priority Axis across each of the Category of Regions, from *contracted* projects

Key to indicators:

C1: No of enterprises receiving support.

C34: Estimated GHG reductions.

C23: Surface area of habitats supported.

P7: Length of Railway with new/enhanced signalling.

P3: Additional businesses with broadband access min 30Mbps.

P6: Business & properties with reduced flood risk.

C14a: Length of track reconstructed or upgraded roads;

I6: No. of local development strategies in place.

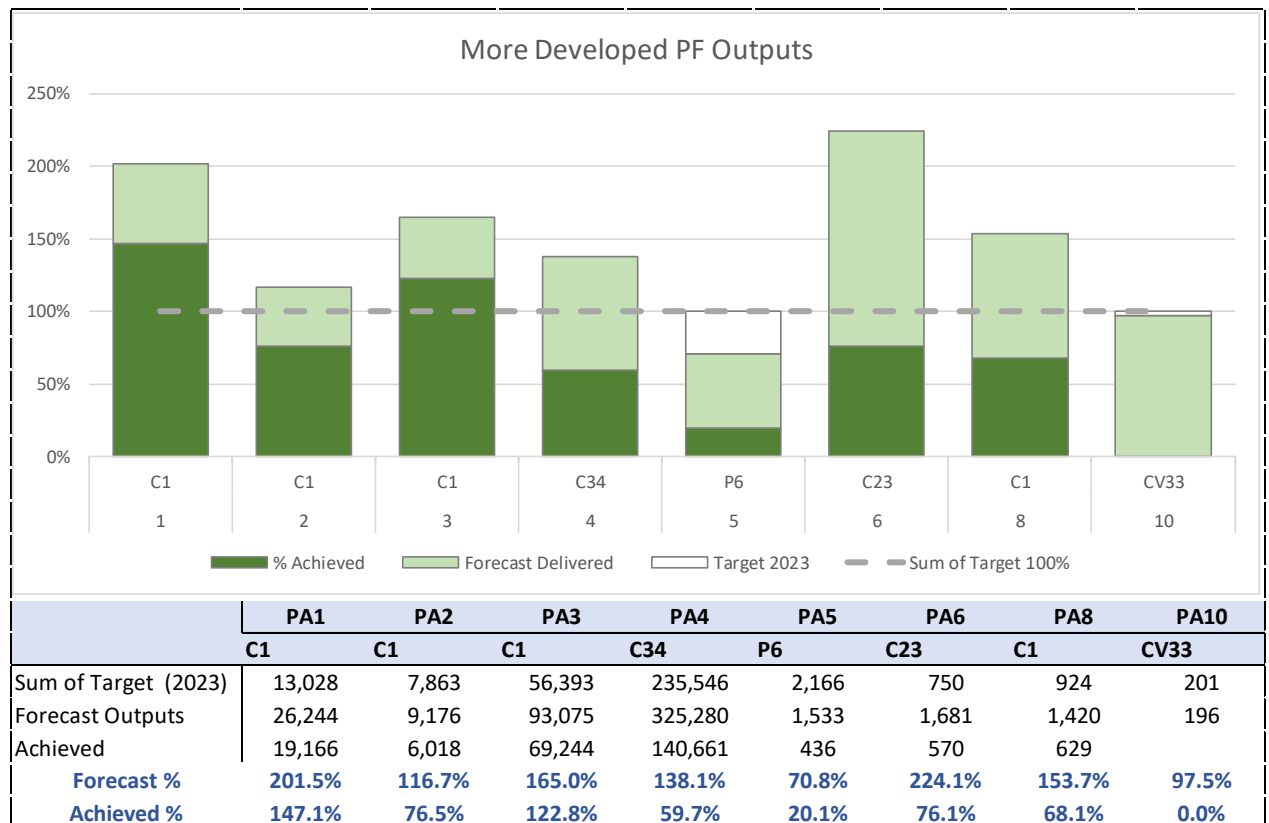
Performance Framework Outputs

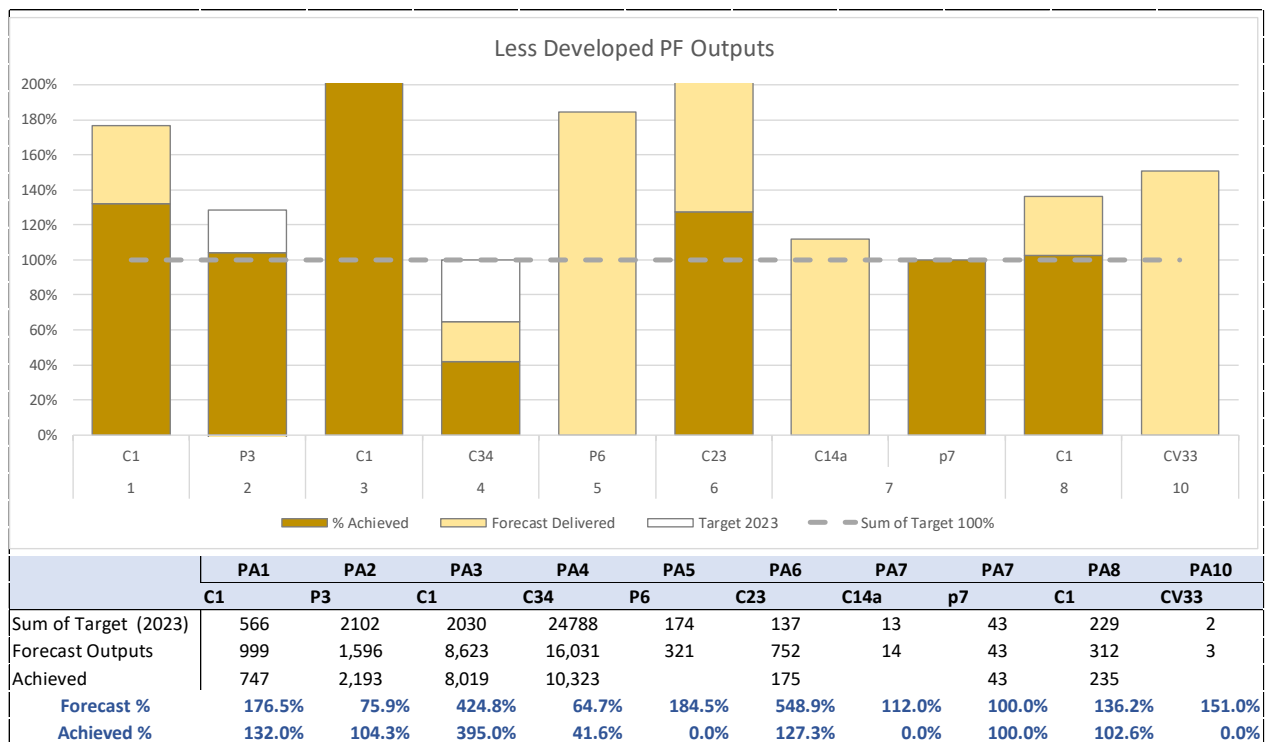
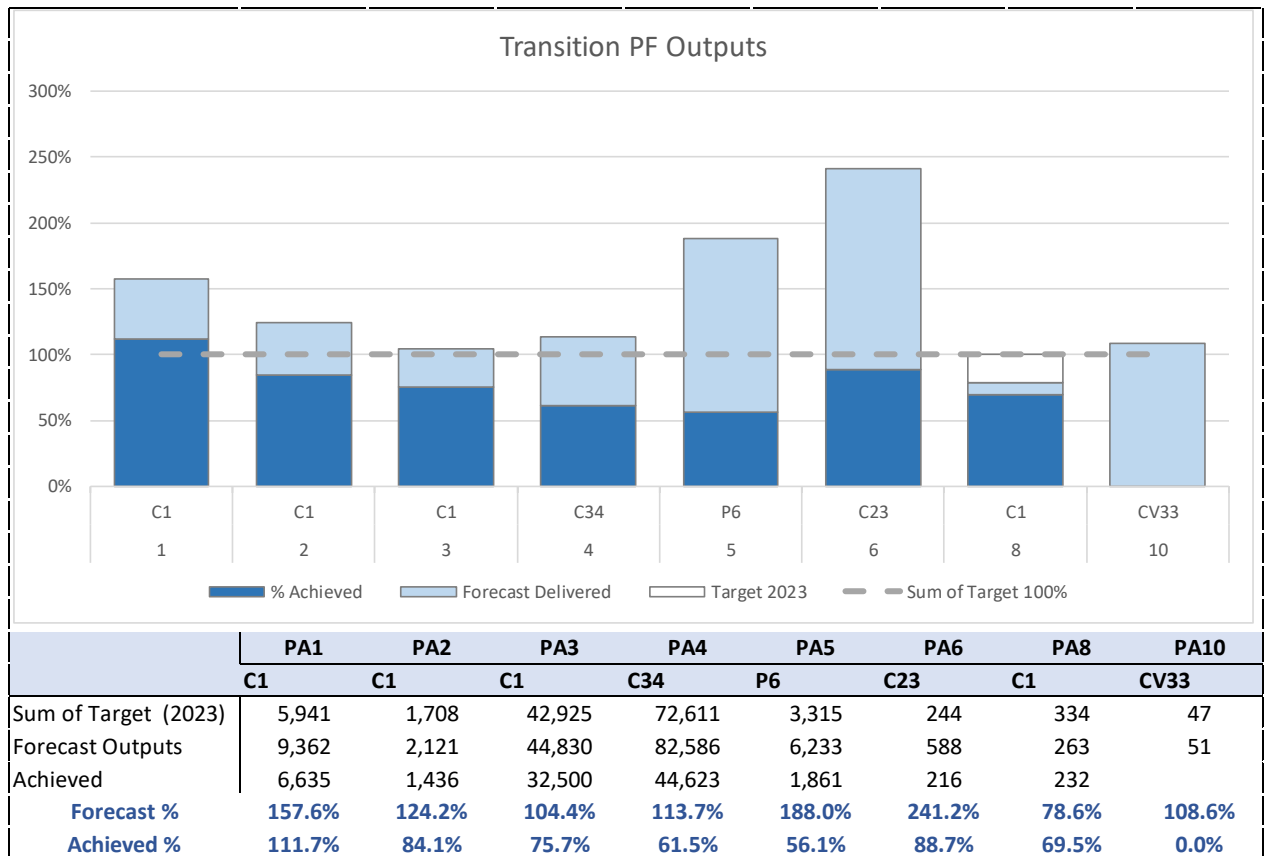
- 6.1. All regions have contracted sufficient projects to achieve the minimum output threshold with the exception of PA4 – LDR; C34: Estimated GHG Reductions.

The programme modification has resulted in an increased PF target for PA4 LDR - reducing the contracted percentage from 69.0% to 64.7%. The (3 of 7) financially completed projects have, however, delivered an excess of outputs. If the remaining projects deliver to contract, 80% of the target will be achieved. It should be noted that the remaining live projects have not reported any outputs to date, though this is not unexpected for this PA.

- 6.2. 17/26 targets have actual achievement above the minimum threshold of 65%

- 6.3. PA8: Significant number of achieved PF outputs for More Developed and Transition regions have been reported which, along with a reduction in the target for More Developed, has brought the achieved percentages above the minimum threshold.
- 6.4. PA5 – MDR: Following the reduction in target and small increase to contracted outputs, this is now forecasted to deliver above the minimum threshold.





7. Output/Financial Achieved Coefficient

- 7.1. This is a measure of the rate of Performance Framework outputs which have been delivered against spending. A value of 100% shows that the proportion of contracted PF outputs that have been delivered in a Priority Axis, is equal to, or greater than the proportion of contracted expenditure which has been claimed.
- 7.2. PA4 – LDR: The low rate is a result of research projects which deliver a comparatively smaller amount of outputs, and capital projects which deliver the PF output on completion.
- 7.3. PA5, PA7 – C14a: The lower rates reported here are due to capital projects which deliver the PF output on completion

	More Developed	Transition	Less Developed
PA1	C1 - 100%	C1 - 100%	C1 - 100%
PA2	C1 - 100%	C1 - 100%	P3 - 100%
PA3	C1 - 100%	C1 - 83%	C1 - 100%
PA4	C34 - 98%	C34 - 87%	C34 - 40%
PA5	P6 - 24%	P6 - 47%	P6 - 0%
PA6	C23 - 100%	C23 - 100%	C23 - 100%
PA7			C14a - 0%
PA7			p7 - 100%
PA8	C1 - 100%	C1 - 100%	C1 - 100%
PA10	CV33 - 0%	CV33 - 0%	CV33 - 0%

8. Financial Instruments

- 8.1. To 31st March 2022, the ERDF programme had contracted eleven financial instruments (FI) worth £1,293.191bn; comprising of £523.694m ERDF and £769.496m match funding. These are detailed in annex A.
- 8.2. The table below details what has been achieved with regards to outputs and expenditure to the end of December 2022. The drawdown status for each fund is also included.

Project	Invested End Dec 22	Private Sector Leverage	Outputs End Dec 22	Drawdown Status	Next Drawdown
Access to Finance Funds					
Northern Powerhouse Investment Fund (NPIF)	£373,452,180	£582,249,514	Investments made - 1,118 Jobs Created - 7,863 New Enterprises - 112 New Product to Firm - 232 New Product to Market - 143 Non Financial Support - 543	NPIF has now drawn down all 4 tranches of funding £140,353,132 (ERDF).	All 4 Tranches have been drawn
The North East Fund	£68,700,000	£105,000,000	Investments made - 335 Jobs Created - 2,381 New Enterprises - 156 New Product to Firm - 14 New Product to Market - 1 Non Financial Support - 337	The fund has drawn down three tranches Total ERDF value drawn to date is £43.875m.	All 4 Tranches have been drawn
Midlands Engine Investment Fund (MEIF)	£212,438,578	£305,601,832	Investments Made - 626 Jobs Created - 2,857 New Enterprises - 81 New Product to Firm - 31 New Product to Market - 78 Non Financial Support - 228	MEIF has now drawn down all 4 tranches of funding £78,550m (ERDF).	All 4 Tranches have been drawn
Low Carbon Innovation Fund II	£11,391,014	£33,242,810	Investments Made - 13 New Enterprises - 0 Non-financial support - 0	The fund has drawn down three tranches of funding which equates to £8,464m (ERDF)	3rd drawdown will take place in Q2 2023
Cornwall & Isles of Scilly Investment Fund (CloSIF)	£18,532,613	£52,851,516	Investments Made - 54 Jobs Created - 353 New Enterprises - 3 New Product to Firm - 10 New Product to Market - 2	CloSIF has drawn down two tranches of funding. The 2nd in October 2020. Total drawdown £16m ERDF.	3rd drawdown will take place in Q3 2022
London SME Fund (GLIF)	£56,180,000	£317,200,000	Investments Made - 121 Jobs Created - 1,771 New Enterprises - 28	The fund has drawn down three tranches at a total of £25,500,000 (ERDF)	The 3rd drawdown will take place in Q3 2023
Urban Development Funds					
Mayor of London Energy Efficiency Fund (MEEF)	£102,400,000	£173,000,000	Investment made - 10 GHG Decrease - 17,723 Decrease energy consumption - 39,262,302	MEEF has now drawn down all 4 tranches.	All 4 Tranches have been drawn
Greater Manchester Fund of Funds	£48,580,000	£15,000,000	Investment made - 4 Buildings renovated/created - 10,000sqm	The fund has drawn down three tranches (£45m ERDF).	The 4th drawdown will take place in Q2 2023
Liverpool City Region Urban Development Fund	£29,222,000	£15,707,000	Investment made - 4 Buildings renovated/created - 7,78sqm Annual decrease of GHG -	The fund has drawn down tranches at an ERDF value of £12.5m	The 3rd drawdown will take place in Q2 2023
Cheshire & Warrington Urban Development Fund	£15,210,000	£66,850,000	Investment made - 4 Buildings renovated/created - 5,028sqm	The fund has drawn down 2 tranches totalling £10m ERDF	The 3rd drawdown will take place in Q2 2023
Lancashire Urban Development Fund	£0	£0	0	First tranche was drawdown in Q2 2021 at an ERDF value of £5m.	The 2nd drawdown will take place in Q2 2023

- 8.3. All funds have drawdown at least one tranche of funding. A number including NPIF, MEIF, MEEF and the NE fund have now drawn down all four tranches of funding. The funds continue to perform well with several drawdowns due to take place in Q2 & Q3 2022.

9. Community-Led Development (CLLD) Priority Axis 8

- 9.1. CLLD Accountable Bodies and Contract Managers are now focussing on identifying and overcoming barriers to closing CLLD projects. Eight projects have now completed their activities.
- 9.2. Contract Managers are working closely with their DWP counterparts to ensure that management and administration budgets are not exceeded. Contract Managers will also continue to track forecasts for outputs and expenditure. Summative Assessments will assess the impact of Covid on the achievement of ERDF targets and will describe the longer term economic benefits CLLD projects provide to local communities.
- 9.3. Projects are reporting delivery of performance framework C1 outputs "Number of Enterprises Receiving Support. In relation to claims submitted (not all authorised) to date, 694 C1's in the More Developed Category of Region have been achieved (63 % of the OP target), 239 C1's in Transition (71 %) and 286 C1's in Less Developed (112 %).
- 9.4. There is still considerable work to do if the More Developed/Transition performance framework targets are to be met. The Less Developed Category of Region target has now been achieved.

10.Reopening High Streets Safely Fund (RHSS)/ Welcome Back Fund (WBF) - Priority Axis 10

- 10.1. There is only one project running under this priority axis: a £107.8m ERDF 'Welcome Back Fund' project approved during the Covid pandemic specifically aimed at supporting local authorities (LAs) in England to put in place additional measures to create and promote a safe environment for local trade and tourism, particularly in high streets as their economies reopen.
- 10.2. No changes since the last report: the project has come to an end and submitted their final claim. In total the project has claimed £85.4m of the original ERDF grant i.e. 79.2%. It has exceeded its output target of 250 entities supported in combating or counteracting the effects of the COVID-19 pandemic (indicator ref. PA10/IP8b/CV33) by 53 (+21.2%).
- 10.3. An evaluation (summative assessment) of the project is available and provides more comprehensive detail on the impact of the project.

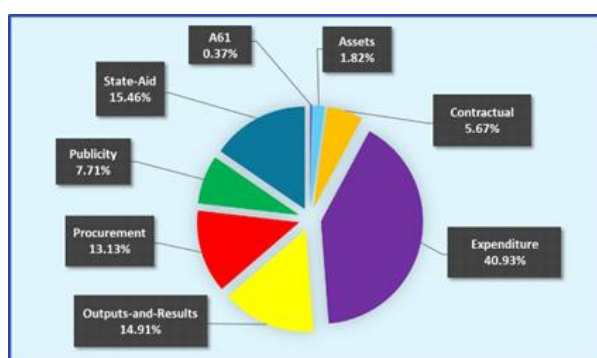
11.Compliance

- 11.1. The EC requires an annual schedule of first level compliance checks to be undertaken by the MA. The general principle of the A125 on the spot verification visit (OTSV) is to test that ERDF projects and financial instruments (FIs) are delivering their contracted requirements, in accordance with the regulations as set out in (EC) 1303/2013 and identify any potential areas requiring correction.

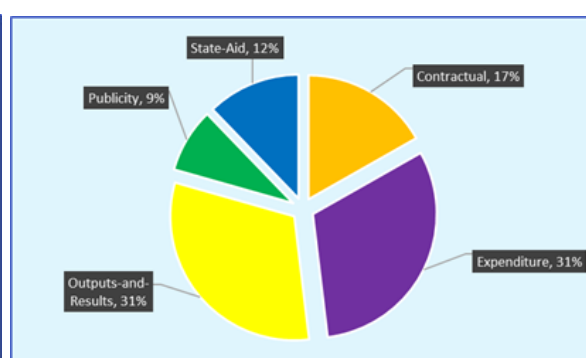
The work undertaken by the Assurance team provides assurance to the EC whilst reducing the impact of irregularities on the MA error rate.

- 11.2. Since the 2022 schedule began in February, 123 non-FI visits have commenced with 76 of those closed. The target for the year is 249 which includes ongoing visits from previous years and OTSVs for financial instruments; 151 visits included in this target have been finalised and closed. We constantly review visit readiness and re-prioritise visits as required. It is anticipated that 30 non-FI visits will have to be carried over to the 2023 schedule
- 11.3. OTSVs for financial instruments are carried out annually, with the FI visit year running from January to December. At the end of the 2022 FI schedule year OTSV visits to all 11 FI projects, encompassing 37 sub funds, have been undertaken; of which 35 sub fund checks are fully complete.
- 11.4. The team are closely monitoring the work schedule and resourcing for programme closure and are continuing to track outstanding checks to ensure all required verifications are complete. The team are working closely with the programme delivery teams to ensure all required checks are included.
- 11.5. Regular analysis of A125 OTSV actions is carried out, with actions broken down by category and sub-category. A report of actions and irregularities is provided to each PDT on a quarterly basis.

Non-FI Actions



FI Actions



12. Cross cutting themes

- 12.1. A draft of the National ERDF Evaluation was sent for review in Jan 2023. This contains a section evaluating the approach to, and implementation of horizontal principles in ERDF projects.
- 12.2. Of the project level summative assessments reviewed, only 62% contained reference to approaches to horizontal principles, and the available evidence around the impacts of these approaches was limited. Nevertheless, the findings help to draw out key approaches taken, and examples of good practice where specific projects were more proactive and innovative in their approaches and may provide lessons that future projects can draw from.

- 12.3. Sustainable development was particularly core to PA4 - 7, but in practice many projects in other priority axes also highlighted that sustainable development was designed in as a core part of their projects. This included benefits arising from reduced travel as a result of enhanced ICT use (PA2) and investments in low carbon innovation such as the Manchester Fuel Cell Innovation Centre, funded under PA1.
- 12.4. Projects involving capital build commonly cited that works had been completed to high BREEAM or CEEQUAL levels. Many projects also reported a reduction in project carbon footprint of projects as a result of virtual support practices adopted following the outbreak of COVID-19.
- 12.5. More proactive approaches involved:
- Requiring SMEs to have an environmental policy as a condition of support
 - Requiring SMEs to have a measurable environmental objective as a condition of support
 - Promotion of an assessment of life cycle of new products and technologies developed through ERDF support
 - Adding a sustainable development agenda item to all project board meetings
- 12.6. On equalities, the findings showed a mixed approach. A common finding was to follow the existing equal opportunities policy of the lead organisation. However more proactive approaches were also reported.
- 12.7. Projects involving capital build commonly highlighted that buildings had been completed with minimum accessibility requirements built in. A number of projects noted that changes to the delivery of business support enforced by the outbreak of COVID-19, with much support activity shifting from in-person to online delivery helped to reduce the barriers to participation for some, with remote attendance reducing the time commitment (by reducing travel to venues) and improving the flexibility around joining training and workshop sessions.
- 12.8. Other approaches include:
- Careful curation of marketing material to ensure inclusive messaging for a wide range of applicants
 - Research to provide tailored support for female entrepreneurs and women led businesses
 - Targeted engagement with businesses run by people from ethnic minority communities, through networking with business leaders and local community groups. The approach was found to be highly effective
 - enhancing accessibility under PA7 including pedestrian ramps, accessible parking provision and a shuttle bus to meet the needs of disabled users
 - gathering of equalities data as an evidence base for future activities

- 12.9. At project level, contribution continues to be reported on through claims, with required equality and diversity data reported where applicable with claimed outputs.

13. Audit

Audit position as of 10 February 2023

Audit position as of 10 February 2023					Concluded Audits		Total concluded	Draft Reports		Outstanding	
	Total Audits	% outstanding	% draft	% concluded	Final	Closed		Draft	Outstanding		
21-22 ACR											
Semester 1 (Jan-22)	29	0.00%	3.45%	96.55%	11	17	28	1		0	
Semester 2 (May-22)	19	0.00%	15.79%	84.21%	6	10	16	3		0	
21-22 total	48	0.00%	8.33%	91.67%	17	27	44	4		0	
22-23 ACR											
Semester 1 (Jan-23)	22	100.00%	0.00%	0.00%						22	
20-21 ACR	39			100%	6	33	39	0		0	
19-20 ACR	58			98.28%	0	57	57	0		1	
18-19 ACR	44			100%	1	43	44	0		0	
17-18 ACR	56			100%	0	56	56	0		0	
16-17 ACR	22			100%	0	22	22	0		0	
Grand total	289			100%	24	238	262	4		22	

- 13.1. The 21-22 Annual control report, ACR 8, is currently being concluded and due to be submitted to the European Commission by 15th February. As of 10th February, 27 audits have been closed, 17 are at final report stage and 4 are at draft.
- 13.2. The delivery of the A127 audit schedule has been stretched in the later stages of 2022 resulting in reports being received late in 2022 with some falling into 2023. This has meant limited time for PDTs to work with grant recipients to remedy any negative audit findings. 3 of the 4 audits still at draft report relate to financial instruments where funds were not identified at risk with the remaining audit having initially identified significant funds at risk.
- 13.3. The Total Error Rate has been confirmed as 1.349% for the audit year with the Residual Total Error rate 1.327. The RTER is therefore below the 2% materiality level outlined in the regulations where a penalty would apply if exceeded.
- 13.4. The European Commission are due to audit the work undertaken by GIAA in March 2023, including sampling a number of the A127 audit of operations from the 21-22 account year.
- 13.5. One audit from the 19-20 ACR plan remains outstanding. Expenditure was originally removed from the 19-20 accounts against this project, pending further investigation. Significant work has been undertaken to address state aid issues and the PDT continue to work with legal and stakeholders with the aim to present a state aid notification to the Commission for their consideration.

13.6. The semester 1 audit sample for the 22-23 account year has been drawn with 22 projects selected. The Semester 2 sample is likely to be drawn in June following the submission of the next ECPA.

13.7. Six system audits have concluded in the 2022 reporting year. The closure preparedness audit moving to final report in late October 2022 and the MA and CA audits reaching final report in January 2023.

Delegate IB	Category 2 – Unqualified
GLA - IB	Category 1 – Unqualified
Reliability of information – AIR	Category 1 – Unqualified
Closure Preparedness	Category 2 – Unqualified
MA	Category 1 - Unqualified
CA	Category 1 - Unqualified

13.8. The MA systems audit report made two findings, one in regards to records management and the second relating to risks of double funding in PCRs where the GR is requesting additional funds.

13.9. EC Audit (2020); conclusions have been made to the audit. Irregularities relating to two projects have been confirmed and a programme self-correction will be necessary as these irregularities raised the RTER to 2.391%. This results in a correction of €4,195,114 TEE.

14. Irregularities and corrections

	IRR			SDA			TCA			Total Expenditure	Total ERDF	Total No.
	Expenditure	ERDF	No.	Expenditure	ERDF	No.	Expenditure	ERDF	No.			
2017	£59,450	£19,594	11	10,971	£5,486	2				£70,422	£25,080	13
2018	£2,465,735	£1,180,907	376	9,613,866	£3,678,213	83				£12,079,601	£4,859,120	459
2019	£2,824,059	£1,428,659	169	2,768,046	£1,479,274	132	£38,889	£18,064	1	£5,630,994	£2,925,997	302
2020	£4,903,213	£2,397,127	108	797,416	£465,464	101	£102,763	£51,381	1	£5,803,391	£2,913,972	210
2021	£2,620,986	£1,298,184	121	553,269	£298,719	86				£3,174,256	£1,596,903	207
2022	£6,584,187	£3,117,213	156	4,693,215	£2,394,175	85	£513,703	£249,542	4	£11,791,105	£5,760,930	245
Grand Total	£19,457,631	£9,441,683	941	18,436,783	£8,321,331	489	£655,354	£318,987	6	£38,549,767	£18,082,002	1436

14.1. The table above indicates the value and number of confirmed irregularities and Self-declared adjustments (SDA), by calendar year. Irregularities and SDAs are based on error in paid claims.

14.2. The following table provides a view of the irregularity by typology, by year the irregularity was confirmed (this does not include SDAs)

	2017	2018	2019	2020	2021	2022	Grand Total
assets				£2,340			£2,340
disposal				£2,340			£2,340
contractual		£50,599	£17,596	£436,382	£1,749,384	£44,483	£2,298,444
applicant-in-breach-of-gfa		£50,599	£13,192	£407,719	£1,318,886	£44,259	£1,834,655
no-or-insufficient-evidence			£4,404	£28,663		£224	£33,291
underperformance					£430,498		£430,498
expenditure	£6,105	£1,145,674	£824,023	£862,124	£274,726	£3,317,432	£6,430,084
apportionment	£30	£17,186	£77,549	£12,274	£47,454	£102,285	£256,778
calculation-error	£516	£183,906	£77,618	£100,305	£66,180	£26,235	£454,761
claimed-prior-to-defrayal	£51	£43,043	£9,236	£341		£6	£52,677
claimed-prior-to-start-of-project		£18,324	£7,060	£8,647			£34,030
duplicate-items		£56,398	£2,197	£16,608	£3,309	£79,610	£158,122
ineligible-expenditure	£5,505	£774,555	£626,752	£701,564	£146,198	£3,088,217	£5,342,790
no-or-insufficient-evidence	£2	£52,262	£23,612	£22,385	£11,586	£21,079	£130,926
outputs-results		£3,172					£3,172
insufficient-supporting-evidence		£3,172					£3,172
procurement	£53,345	£1,265,949	£1,982,440	£169,966	£596,877	£3,215,713	£7,284,289
contract-implementation-above-ojeu		£5,900			£58,141	£176	£64,217
contract-implementation-below-ojeu		£154,708	£36,511	£4,441	£1,290	£1,300	£198,250
contract-notice-and-tender-spec-above-ojeu		£400,980	£1,481,551	£40,041		£105,252	£2,027,824
contract-notice-and-tender-spec-below-ojeu		£644,590	£22,507	£38,475	£253,156	£39,566	£998,295
evaluation-of-tenders-above-ojeu	£53,345	£26,104	£439,496	£73,581	£264,511	£3,046,469	£3,903,506
evaluation-of-tenders-below-ojeu		£33,665	£2,375	£13,427	£19,780	£22,950	£92,197
publicity		£342					£342
non-compliance-with-publicity-requirements		£342					£342
state-aid				£3,432,401		£3,178	£3,435,579
non-compliance-with-state-aid-solution				£3,432,401		£3,178	£3,435,579
Grand Total	£59,450	£2,465,735	£2,824,059	£4,903,213	£2,620,986	£6,580,807	£19,454,250

14.3. Within the 2022 irregularities typology values, ineligible expenditure and Procurement- evaluation of tenders above OJEU, are the stand out values. Drilling into this the evaluation of tenders above OJEU category value relates to 5 projects, two were identified through Audit of operations A127, £2.1m and three were identified through OTSV, £0.94m.

14.4. The ineligible expenditure category value relates to 63 irregularity cases against 43 projects one of which was for £2.85m representing 92% of the category irregular value. This case was in relation to a change of use of an asset resulting in the expenditure being no longer eligible. Of the total category value, £3.088m, £108k was identified through A127 audit of operations, 3.51%

15.Sustainable Urban Development

15.1. There is a regulatory requirement that at least 5% of the ERDF resources allocated at UK level are committed to SUD.

15.2. The level of ERDF committed to live SUD projects is £295.37m (100.72%) of the SUD allocation – an increase of £18.37m (6.26%) since the last Growth Programme Board report. There are no further projects in pipeline.

ERDF Contracted to live projects	£295,370,000	100.72%
Not Contracted	£-2,120,000	-0.72%
Balance remaining	£0.00	0.00%
Total SUD value	£293,250,000	100.72%

North East: Six projects c£13.9m representing 71% of the £19.5m allocation are in delivery. Since the last report one project has withdrawn.

West Yorkshire: Five projects c£8.7m representing 48% of the £18m allocation are in delivery. Since the last report two projects have withdrawn.

Sheffield City Region: Three projects c£16.9m representing 174% of the £9.7m are in delivery. The increase in funds above the allocation have been attributed to mainstream ERDF where there is resource availability in the transition category of region.

London: The GLA secured additional funding for the Mayor of London's Energy Efficiency Fund thus allowing additional funding to invest in the SUD programme.



European Union
European Structural
and Investment Funds

GPB 20191218 Item 2
European Structural and Investment
Funds
2014 - 2020
Growth Programme for England- ERDF

Project	FI Type	Applicant	Start Date	Financial Completion Date	LEP's	Funds	Total Investment	Match
Northern Powerhouse Investment Fund (NPIF)	Access to Finance	BEIS (BBB)	1st November 2016	31st December 2023	Cheshire & Warrington, Cumbria, Lancashire, Liverpool, Greater Manchester, Humber, Tees Valley, Yorkshire, Sheffield & Leeds	Equity £50k - £2m. Debt £100k- £750k. Micro £25k- £100k	£402m (ERDF £140m)	EIB £183.65m, BBFSL £50m, BEIS £27.35m
The North East Fund	Access to Finance	North Tyneside Council (for 7 LAs in NELEP area)	1st March 2018	31st December 2023	North East	Debt, Equity & Mezzanine	£140m (ERDF £58.8m)	EIB £60m, Legacy £21.5m
Midlands Engine Investment Fund	Access to Finance	BEIS (BBB)	14th February 2017	31st December 2023	Black Country, Coventry & Warwickshire, Greater Birmingham & Solihull, The Marches, Stoke & Staffordshire, Worcestershire, D2N2, Greater Lincolnshire, Leicester & Leicestershire, SEMLEP	Equity £50k - £2m. Debt £100k- £1.5m. Small Business £25k-£150k. POC up to £750k	£266.15m (ERDF £78.55m)	EIB £122.5m, BBFSL £32.5m
Cornwall & Isles of Scilly Investment Fund	Access to Finance	BEIS (BBB)	1st March 2018	31st December 2023	Cornwall & Isles of Scilly	Equity £50k - £2m. Debt £25k- £1m.	£40m (ERDF £32m)	£3m (SME) & £5m Growing Places
London SME Fund	Access to Finance	SME Wholesale Finance London Limited	1st June 2018	31st December 2023	London	Debt & Equity	£100m (ERDF £35m)	£65m (EIB £50m)
Low Carbon Innovation Fund II	Access to Finance	Norfolk County Council	1st April 2019	31st December 2023	New Anglia, Hertfordshire & Cambridgeshire & Peterborough	Equity £50k-£2m	£22.57m	£11.28m Private Sector Match
Urban Development Funds								
Mayor of London Energy Efficiency Fund	Urban Development & Energy Efficiency	Amber Fund Management	1st June 2018	31st May 2023	London	Debt & Equity	£86m (ERDF £43m)	EIB £43m
Greater Manchester Fund of Funds	Urban Development	Greater Manchester Combined Authority	1st November 2016	31st December 2023	Greater Manchester	Debt	£120m (ERDF £60m)	£60m
Cheshire & Warrington UDF	Urban Development	Cheshire East Council	1st July 2019	31st December 2023	Cheshire & Warrington	Debt	£40m (ERDF £20m)	£20m co-investment
Liverpool UDF	Urban Development	Liverpool City Region Combined Authority	1st April 2019	31st December 2023	Liverpool City Region	Debt	£43.2m (ERDF £25m)	Co-investment £16.8m, LCRCA £1.4m
Lancashire UDF	Urban Development	Lancashire County Council	17th October 2019	31st December 2023	Lancashire	Debt	£33.33m (ERDF £20m)	£13.33m co-investment