



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

Growth Programme Board, June 2023

1. ERDF Programme Delivery

Purpose:

To advise the GPB on progress with European Regional Development Fund (ERDF) Programme delivery to 31st March 2023.

Recommendation(s):

That the GPB note the position to end of March 2023.

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: 1085 projects (inc.11 financial instruments (FIs)) with ERDF of **£3,173m** committed², a decrease of £27m since the last quarter. This represents 100% of the programme budget. The majority of the reduction is due to 3 project withdrawals.

There is now only 1 continuation in pipeline (£1m).

Adding contracted projects with those in the pipeline, represents 100% of the current programme budget.

Overall Progress – Expenditure: Cumulative claims paid by the Managing Authority (MA) to grant recipients total £2,362m ERDF, an increase of £141m from the previous quarter.

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

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.

³ Output Targets reflect the latest Programme modification

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 (64.7%) and PA2 – LDR: P3: Additional businesses with broadband access min 30Mbps. (64.9%). Financially completed projects have, however, delivered an excess of outputs. If the remaining projects deliver to contract, the targets should be achieved.

N+3 Target: Cumulative ECPAs to the end March 2023 were valued at €2,909.6m against the final 2023 overall Programme target of €3,649m (79.3%). A further ECPA will be submitted in May.

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 March 2023. We are now contracted at 100% of the programme value.
- 3.2. The project count is 1085 contracted projects. Of these 494 have had their final claim paid. Closure of projects is now being monitored closely as we approach the end of the Programme.



Figure 1

3.3. Figure 2 sets out ERDF programme commitment as at 31st March 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	£1,837	102%	£1,838	102%
Transition	£945	£935	99%	£935	99%
Less Developed	£409	£402	98%	£402	98%
Grand Total	£3,163	£3,173	100%	£3,175	100%
No. of projects		1085		1086	

Figure 2

3.4. The pipeline includes 1 Project continuation (£1m).

4. N+3 Target

- 4.1. We are now in the final year of the Programme so the N+3 target for 2023 is ensuring that the full value of the programme is realised, this is the same as the 2023 performance framework financial target.
- 4.2. Cumulative ECPAs to the end March 2023 were valued at €2,909.6m (79.3%). A further ECPA will be submitted in May.

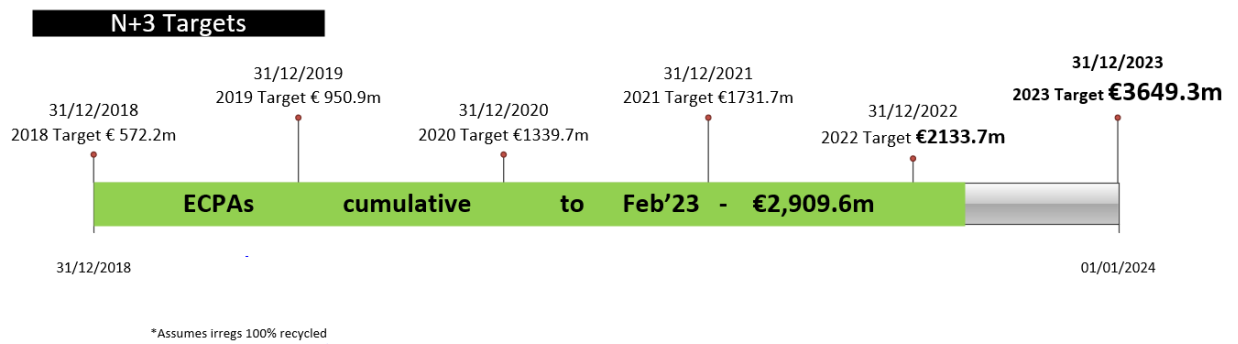


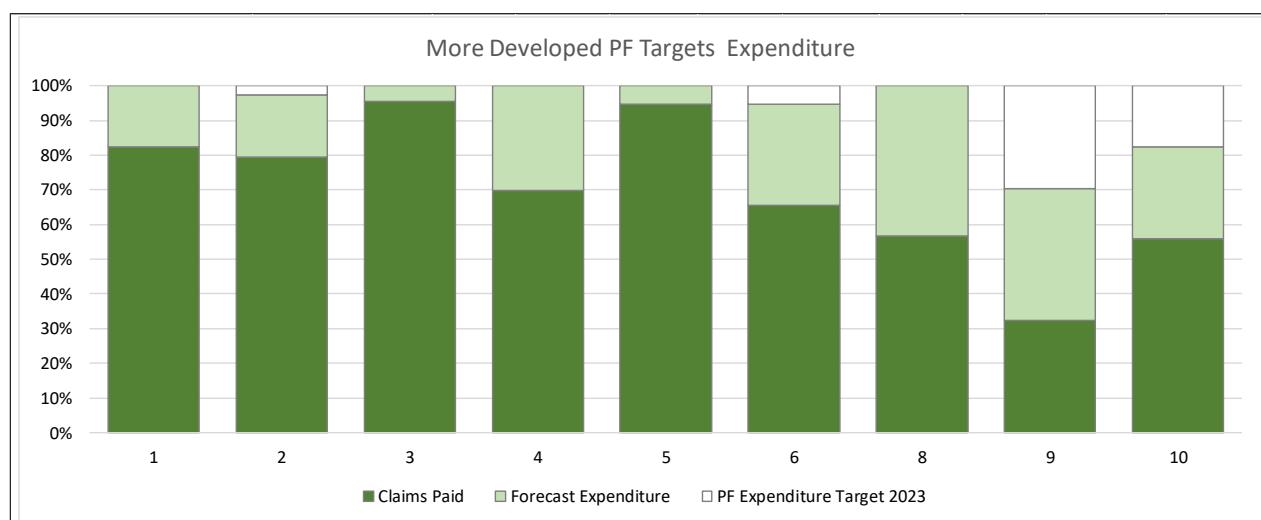
Figure 3

- 4.3. We used the Covid flexibility option to drawdown ERDF at a 100% intervention rate, a 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.

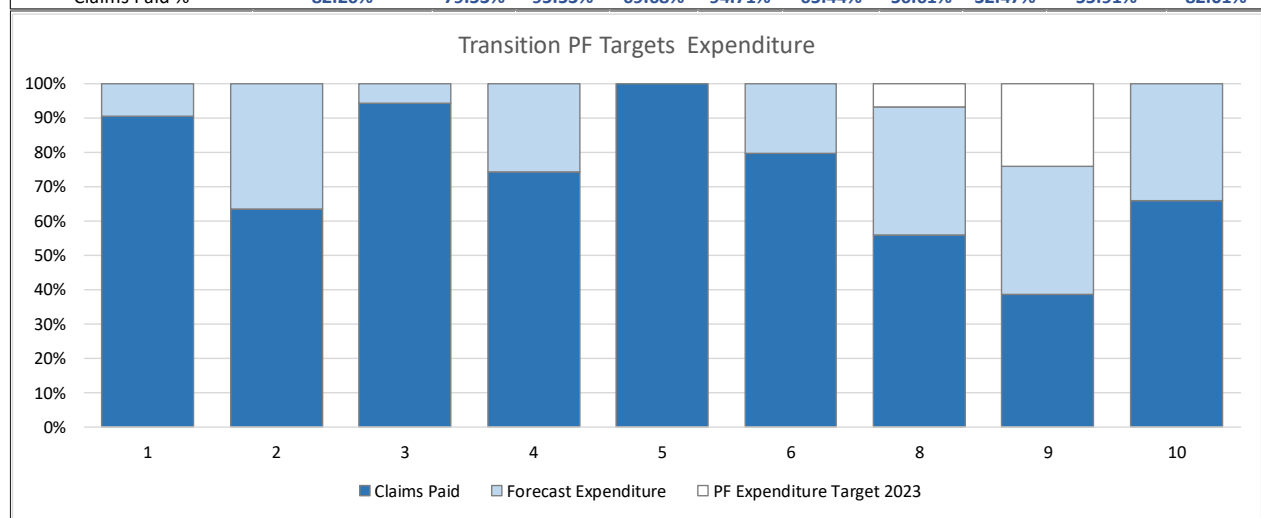
5. 2023 Performance Framework Expenditure targets including paid claims (€m) by Priority Axis across each of the Category of Regions from *contracted* projects

Performance Framework Expenditure

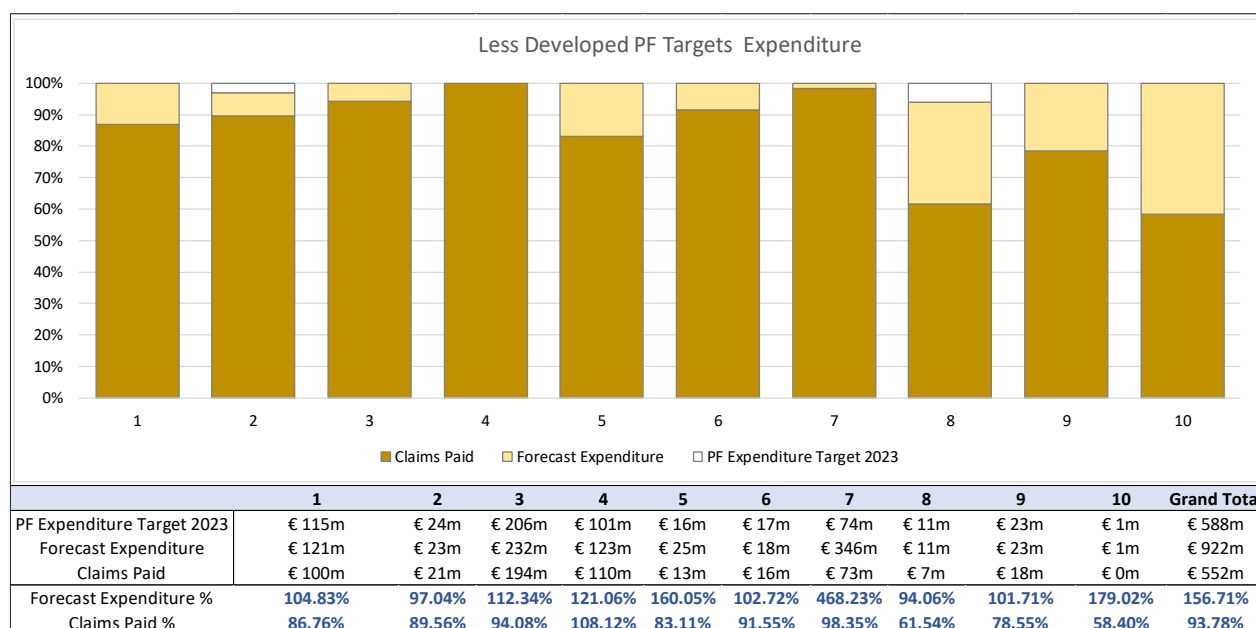
- 5.1. 2023 Performance Framework Expenditure targets are measured in Total Eligible Expenditure (ERDF plus match funding).
- 5.2. All regions have contracted sufficient projects to achieve the minimum Performance Framework expenditure threshold.
- 5.3. 19/25 targets (excluding PA9) have actual achievement above 65% of the minimum threshold, 7 of which are Less Developed Category of Region, 6 are Transition, and 6 are More Developed
- 5.4. PA4: With significant increase in the value of claims paid in the More Developed Region, the minimum expenditure threshold has now been achieved across all categories.
- 5.5. PA6: With increase in the value of claims paid in the More Developed Region, the minimum expenditure threshold has now been achieved across all categories.



	1	2	3	4	5	6	8	9	10	Grand Total
PF Expenditure Target 2023	€ 881m	€ 127m	€ 1,796m	€ 963m	€ 35m	€ 81m	€ 26m	€ 168m	€ 92m	€ 4,170m
Forecast Expenditure	€ 908m	€ 124m	€ 2,010m	€ 982m	€ 48m	€ 77m	€ 29m	€ 118m	€ 76m	€ 4,372m
Claims Paid	€ 725m	€ 101m	€ 1,715m	€ 671m	€ 33m	€ 53m	€ 15m	€ 55m	€ 52m	€ 3,420m
Forecast Expenditure %	103.06%	97.23%	111.94%	101.94%	136.90%	94.79%	112.71%	70.40%	82.44%	104.86%
Claims Paid %	82.26%	79.53%	95.53%	69.68%	94.71%	65.44%	56.61%	32.47%	55.91%	82.01%



	1	2	3	4	5	6	8	9	10	Grand Total
PF Expenditure Target 2023	€ 388m	€ 32m	€ 916m	€ 297m	€ 54m	€ 30m	€ 9m	€ 71m	€ 18m	€ 1,815m
Forecast Expenditure	€ 427m	€ 33m	€ 1,063m	€ 299m	€ 70m	€ 32m	€ 9m	€ 54m	€ 21m	€ 2,008m
Claims Paid	€ 351m	€ 20m	€ 863m	€ 220m	€ 65m	€ 24m	€ 5m	€ 28m	€ 12m	€ 1,588m
Forecast Expenditure %	109.89%	104.96%	116.05%	100.56%	130.25%	107.77%	93.03%	75.85%	117.00%	110.60%
Claims Paid %	90.38%	63.60%	94.21%	74.14%	121.23%	79.52%	55.81%	38.74%	65.93%	87.47%



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. (Unchanged from previous report:) All regions have contracted sufficient projects to achieve the minimum output threshold with the exception of PA4 – LDR; C34: Estimated GHG Reductions

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.

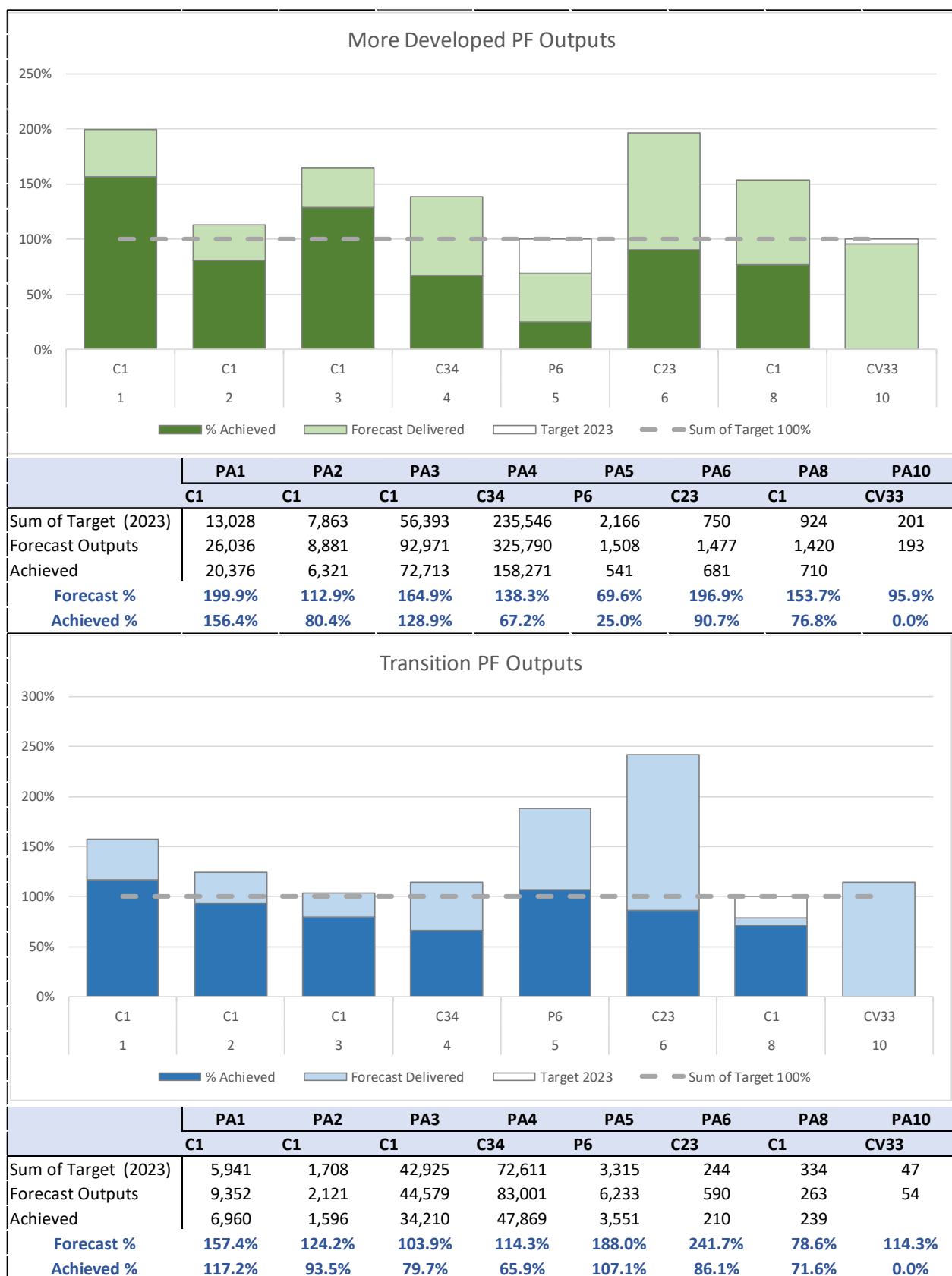
- 6.2. 19/26 targets have actual achievement above the minimum threshold of 65%

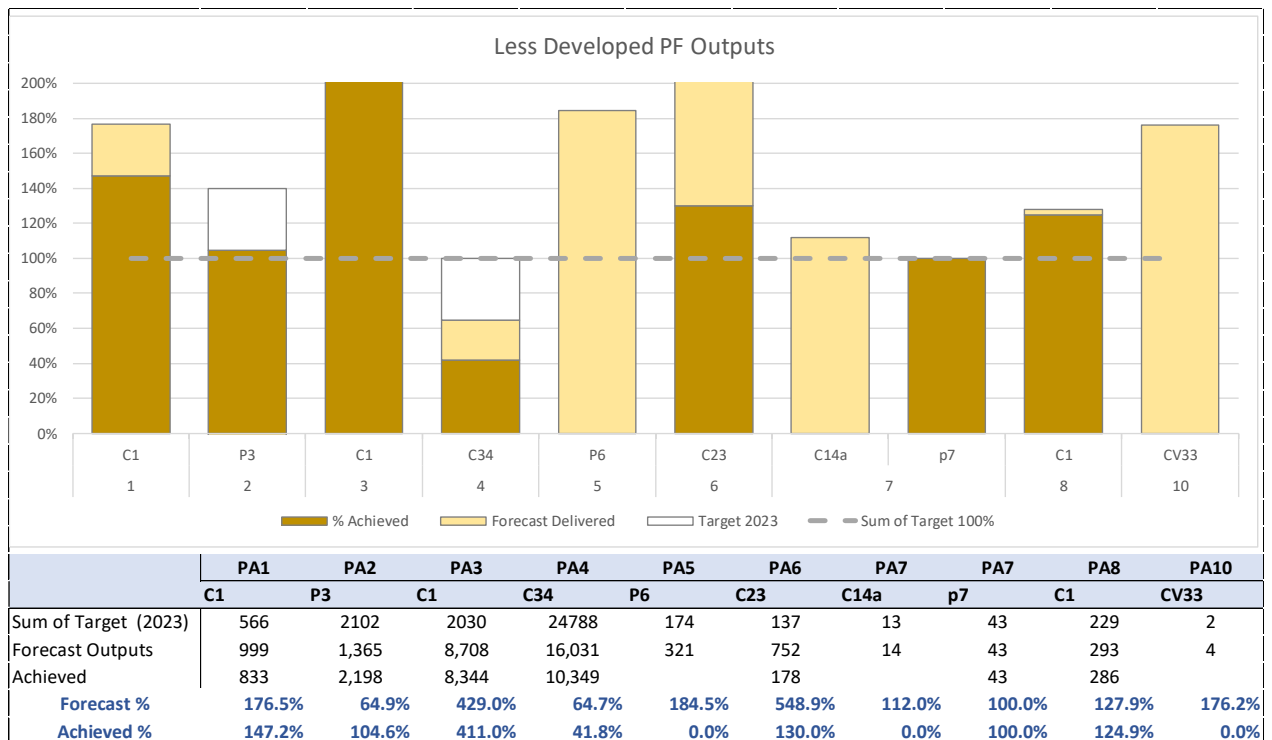
- 6.3. PA4: Sufficient PF outputs have been delivered in the More Developed and Transition regions to meet the minimum threshold.

- 6.4. PA5: Sufficient PF outputs have been delivered in the More Developed and Transition regions to meet the minimum threshold. There has been a significant

increase in Transition from 56% to 107% achieved.

6.5. Transition: only PA10 has not achieved 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. The significant increase in reported outputs achieved in Transition is reflected here with the coefficient increasing from 47% to 88%.

	More Developed	Transition	Less Developed
PA1	C1 - 100%	C1 - 100%	C1 - 100%
PA2	C1 - 100%	C1 - 100%	P3 - 100%
PA3	C1 - 100%	C1 - 85%	C1 - 100%
PA4	C34 - 96%	C34 - 89%	C34 - 39%
PA5	P6 - 26%	P6 - 88%	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 March 2023. The drawdown status for each fund is also included.

Project	Invested End March 23	Private Sector Leverage	Outputs End March 23	Drawdown Status	Next Drawdown
Access to Finance Funds					
Northern Powerhouse Investment Fund (NPIF)	£392,557,987	£609,081,116	Investments made - 1,164 Jobs Created - 8,026 New Enterprises - 114 New Product to Firm - 242 New Product to Market - 145 Non Financial Support - 601	NPIF has now drawn down all 4 tranches of funding £140,359,192 (ERDF).	All 4 Tranches have been drawn
The North East Fund	£102,100,000	£105,000,000	Investments made - 405 Jobs Created - 873 New Enterprises - 188 New Product to Firm - 14 New Product to Market - 1 Non Financial Support - 541	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)	£225,531,043	£344,867,348	Investments Made - 648 Jobs Created - 3,002 New Enterprises - 81 New Product to Firm - 92 New Product to Market - 79 Non Financial Support - 234	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 - 19 New Enterprises - 0 Non-financial support - 0	The fund has drawn down three tranches of funding which equates to £8.464m.(ERDF)	4th draw down will take place in Q2 2023
Cornwall & Isles of Scilly Investment Fund (CloSIF)	£19,182,613	£66,806,484	Investments Made - 55 Jobs Created - 367 New Enterprises - 9 New Product to Firm - 11 New Product to Market - 3	CloSIF has drawn down three tranches of funding.	The 4th draw down will take place in Q4 2023
London SME Fund (GLIF)	£56,180,000	£317,200,000	Investments Made - 121 Jobs Created - 1771 New Enterprises - 28	The fund has drawn down three tranches at a total of £25,500,000 (ERDF)	The 4th draw down 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 - 17,729 Decrease energy consumption - 39,282,902	MEEF has now drawn down all 4 tranches.	All 4 Tranches have been drawn
Greater Manchester Fund of Funds	£63,895,820	£63,895,820	Investment made - 6 Buildings renovated/created - 10,000sqm	GM FOF has drawn down all 4 tranches	All 4 Tranches have been drawn
Liverpool City Region Urban Development Fund	£38,935,000	£15,707,000	Investment made - 4 Buildings renovated/created - 7,78sqm Annual decrease of GHG -	The fund has drawn down 2 tranches at an ERDF value of £12.5m	The 3rd draw down 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 draw down will take place in Q2 2023
Lancashire Urban Development Fund	£0	£0	0	First tranche was drawn down in Q2 2021 at an ERDF value of £5m.	The 2nd draw down 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.
- 8.4. GM FOF have recently drawn down their fourth tranche and a number of UDF's including Liverpool and Cheshire & Warrington are forecasting drawdowns in June.
- 8.5. The PDT's are currently working with the CA to establish a closure process for the FI's.

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.

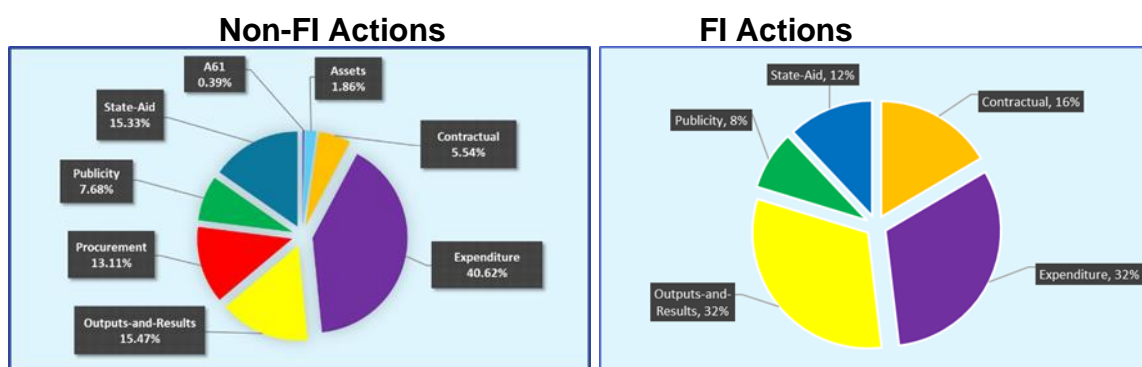
10.Reopening High Streets Safely Fund (RHSS)/ Welcome Back Fund (WBF) - Priority Axis 10

- 10.1. There is only one project running under this priority axis: the 'Welcome Back Fund' project approved during the Covid pandemic and specifically aimed at supporting local authorities (LAs) in England to create and promote a safe environment for local trade and tourism, particularly in high streets as their economies reopened. The project came to an end in the first half of 2022. 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%).

- 10.2. Whilst not formally closed yet, 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. The non-FI 2023 visit schedule commenced in February. To the date of the report 20 visits were in progress and 7 closed. Visits from the 2022 non-FI schedule are ongoing with 28 in progress and 121 closed. At the end of the visit year 28 visits were moved over to the 2023 schedule from the 2022 schedule. In this final year of delivery we continue to constantly review capacity, visit readiness and re-prioritise visits as required
- 11.3. OTSVs for financial instruments are carried out annually, with the FI visit year running from January to December. To the date of the report there remains one OTSV, with 2 sub funds, still in progress from the 2022 schedule. This will be closed by the end of April. The 2023 FI schedule has commenced, with one OTSV visit closed and two visits, encompassing 11 sub funds, in progress.
- 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 undertaken.
- 11.5. Regular analysis of A125 OTSV actions is carried out, with actions broken down by category and sub-category.



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

A127 Audit of operations, position as of 15 May 2023

		Concluded Audits		Draft Reports		Outstanding
	Total Audits	Final	Closed	Draft	Outstanding	
22-23 ACR						
Semester 1 (Jan-23)	22	0	1	1	20	
21-22 ACR						
21-22 total	48	13	31	4	0	
20-21 ACR	39	3	36	0	0	
19-20 ACR	58	0	57	0	1	
18-19 ACR	44	1	43	0	0	
17-18 ACR	56	0	56	0	0	
16-17 ACR	22	0	22	0	0	
Grand total	289	17	245	4	23	

- 13.1. Fieldwork on the 22-23 semester 1 audit sample is well underway. One draft report and One closed report has been issued to 15 May. Overall progress is slightly behind forecast.
- 13.2. The semester 2 audit sample is expected following the submission of the next ECPA in May.
- 13.3. Four reports remained at draft on conclusion of the 21-22 ACR and accounts submitted in February 2023. Three reports related to Financial instruments where no expenditure was identified at risk. One report related to ongoing investigation which was unable to conclude in time for the submission of the accounts and ACR. In this instance the maximum preliminary error for this operation was calculated and included in the total error rate calculation in the ACR.
- 13.4. The Total Error Rate was concluded at 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.

- 13.5. In March 2023 the European Commission undertook an audit on the work of GIAA which included sampling a number of the A127 audit of operations from the 21-22 account year. An observation letter was received on 20 April, GIAA and the MA are currently reviewing the findings.

14. Irregularities and corrections

To end April 2023

	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	£6,580,527	£3,115,476	155	4,659,135	£2,368,657	84	£513,703	£249,542	4	£11,753,364	£5,733,675	243
2023	£2,277,497	£1,042,821	48	2,435,017	£1,293,410	107	£22,500,000	£7,650,000	1	£27,212,514	£9,986,231	156
Grand Total	£21,731,467	£10,482,767	988	20,837,719	£9,589,223	595	£23,155,354	£7,968,987	7	£65,724,540	£28,040,977	1590

- 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)

Sum of exp. Total	2017	2018	2019	2020	2021	2022	2023	Grand Total
assets				£2,340				£2,340
disposal				£2,340				£2,340
contractual		£50,599	£17,596	£436,382	£1,749,384	£44,483	£211,119	£2,509,563
applicant-in-breach-of-gfa		£50,599	£13,192	£407,719	£1,318,886	£44,259	£66,410	£1,901,065
no-or-insufficient-evidence			£4,404	£28,663		£224	£144,709	£178,000
underperformance					£430,498			£430,498
expenditure	£6,105	£1,145,674	£824,023	£862,124	£274,726	£3,317,432	£278,526	£6,708,610
apportionment	£30	£17,186	£77,549	£12,274	£47,454	£102,285	£41,337	£298,115
calculation-error	£516	£183,906	£77,618	£100,305	£66,180	£26,235	£15,333	£470,094
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	£70,696	£228,818
ineligible-expenditure	£5,505	£774,555	£626,752	£701,564	£146,198	£3,088,217	£150,815	£5,493,605
no-or-insufficient-evidence	£2	£52,262	£23,612	£22,385	£11,586	£21,079	£345	£131,271
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	£849,070	£8,133,360
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	£60,000	£258,250
contract-notice-and-tender-spec-above-ojeu		£400,980	£1,481,551	£40,041		£105,252	£539,719	£2,567,542
contract-notice-and-tender-spec-below-ojeu		£644,590	£22,507	£38,475	£253,156	£39,566	£182,316	£1,180,611
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	£67,036	£159,233
publicity		£342						£342
non-compliance-with-publicity-requirements		£342						£342
state-aid				£3,432,401		£2,898	£938,781	£4,374,081
non-compliance-with-state-aid-solution				£3,432,401		£2,898	£938,781	£4,374,081
Grand Total	£59,450	£2,465,735	£2,824,059	£4,903,213	£2,620,986	£6,580,527	£2,277,497	£21,731,467

- 14.3. Within the 2023 irregularities typology values, non-Compliance with state aid solution and Procurement- contract notice and tender spec above OJEU, are the stand out values. Drilling into this, the full value of the state aid irregularity and 64% of the procurement - contract notice and tender spec above OJEU irregularity, relate to a single project identified in the EC audit of 2020 with final confirmation of the irregularity completed in April 23.

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 £296.64m (101.16%) of the SUD allocation – an increase of £0.270m (0.09%) since the last Growth Programme Board report. There are no further projects in pipeline.

ERDF Allocation to SUD Projects	£293,250,000	100.00%
ERDF Contracted	£296,640,000	101.16%



Annex A – Detail of Contracted Financial Instruments

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