

# National Evaluation of English ERDF Programme 2014-20

Unit Cost Analysis Paper

March 2023



Ministry of Housing,  
Communities &  
Local Government



**European Union**

European Regional  
Development Fund

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# 1. ERDF Unit Cost Analysis

## 1.1 Introduction

The ERDF unit cost analysis provides an analysis of the typical costs for achieving key project outputs across ten of the main output indicators used in the 2014-20 English ERDF Programme. The indicators are chosen to cover key outputs represented in a large number of projects across the range of priority axes.

These indicators are:

- Number of enterprises receiving support (C1)
- Employment increase in supported enterprises (C8)
- Number of enterprises supported to introduce new to market products (C28)
- Number of enterprises cooperating with research entities (C26)
- Number of potential entrepreneurs assisted to be enterprise ready (P11)
- Additional businesses with broadband access of at least 30Mbps (P3)
- Total surface area of rehabilitated land (C22)
- Surface area of habitats supported in order to attain better conservation status (C23)
- Estimated GHG reductions (C34)
- Business premises with reduced flood risk (P6)
- Public of commercial buildings built or renovated (P2)
- Square metres public or commercial building built or renovated in targeted areas (P12)

This analysis follows a similar methodology to an equivalent exercise undertaken in 2013<sup>1</sup>, towards the end of the 2007-13 English ERDF programme, where similar unit costs were calculated. In many cases the indicators analysed are very similar in definitions, and so, where possible, the earlier analysis is referenced in this paper to provide a comparison.

The analysis draws on project level cost and output data exported by the ERDF team in the Ministry of Housing, Communities and Local Government (MHCLG) in July 2022. The database contains a mixture of completed projects and those which were still in delivery at the time the data was exported.

Given that many of the projects for which data is provided are unfinished, there were two main options for analysis of the data:

- **Using actual spend and outputs recorded by July 2022.** While this would give us accurate data on what has been actually achieved and claimed to date, the challenge would be that for all the incomplete projects there is typically a significant lag between spend being incurred and claimed, and outputs being achieved. As such the risk with using this data is that the findings would overestimate the cost per output that might be seen by project and programme completion.

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<sup>1</sup> Regeneris Consulting, England ERDF Ex-ante Evaluation: Unit Cost Analysis, December 2013

- **Using contracted spend and outputs for projects as recorded in July 2022 (latest forecast lifetime expenditure and output).** This approach would not capture actual spend and output achieved data and therefore in one sense is less accurate than using the actuals data above. However, projects are being closely contract managed and where there is expected change in project spend or output achievement, the MHCLG team have worked with projects to undertake project modifications. As such the resultant data recorded (incorporating these updates) is expected to be a more accurate reflection of the final spend and output achievement position for each project.

While neither approach will give fully accurate findings, the latter is more likely to provide an accurate estimate of unit costs at this point. This also aligns with the approach taken in the 2013 analysis.

Where there is enough project level data the analysis has focused only on those projects that are at least two thirds of the way through delivery (based on expenditure), on the basis that the spend and output profiles for these projects are likely to be more accurate estimates of final project position than those projects at earlier stages of delivery. This has been the case for indicators: C1, C8 and C28.

## 1.2 Methodology

### 1.2.1 Total Public Sector Investment

For each indicator unit costs were assessed against the total public sector investment. This combined the total contracted ERDF and public sector match spend for each project at the time of the July 2022 data export. This excluded any private sector match funding. For the first six of the 12 indicators this was only based on the revenue element of the funding. For C34 this included both capital and revenue spending, and for the other five indicators this only focused on the capital element of the funding.

### 1.2.2 Matching Contracted Outputs to Applicable Costs

Most projects had numerous output indicators which the project costs contributed towards, meaning it could be challenging in some cases to appropriately align costs with a single output type. In order to address this, for each indicator, the analysis only included data from projects where that indicator was one of the most significant outputs. The alignment with either capital or revenue funding (or both) outlined above was part of the approach to addressing this. In some cases however, a further step was needed. In particular:

- **C1 and C26 indicators** – both indicators were included in this analysis, and many PA1 and PA4 projects included both indicators. To ensure the analysis could better isolate unit costs relating to each indicator, a first step was to sum the total outputs for both C1 (enterprises supported) and C26 (enterprises co-operating with research entities) together. For the analysis of project unit costs for C1, the analysis only included projects in the analysis where at least 50% of that total value (of C1s and C26s)

comprised C1 outputs. Similarly for C26 analysis the analysis only included projects where at least 50% of that total value (of C1s and C26s) comprised C26 outputs.

- **C1, P11 and P13 indicators** – similar to above, both the C1 (enterprises supported) and P11 (potential entrepreneurs assisted) indicators were included in this analysis, but many PA3 and PA8 projects included more than one of these indicators. The same process as above was applied, such that the analysis of unit costs for C1, only included projects in the analysis where at least 50% of the total (of C1, P11 and P13 (enterprises receiving information, diagnostic or brokerage support) outputs) comprised C1 outputs, and the analysis of unit costs for P11, only included projects in the analysis where at least 50% of the total (of C1, P11 and P13 outputs) comprised P11 outputs.
- **C22 and C23 indicators** – similarly, both indicators were included in this analysis, but many PA6 projects include more than one of these indicators. The same process as above was applied, such that the analysis of unit costs for C22, only included projects in the analysis where at least 50% of the total (of C22 and C23 outputs) comprised C22 outputs, and the analysis of unit costs for C23, only included projects in the analysis where at least 50% of the total comprised C23 outputs.

### 1.2.3 Other Data Cleansing

A number of other data cleansing tasks were undertaken to improve the overall quality of data included in the analysis:

- **Interventions primarily providing non-grant finance to SME** were removed from the analysis, as these were debt and equity investments, where the amount recouped from those investments was not yet known. As a result, these projects would over-estimate the actual public sector unit cost of support delivered by these projects.
- **Projects where there were fewer than five contracted outputs** for an indicator being analysed, were removed from the analysis for that indicator. The very low number of outputs often meant this was not a core output indicator for the project and could lead to skewed unit costs.
- **Removing the top and bottom 2% of project unit costs**, to remove more distant outliers. This was undertaken wherever there were at least 25 data points for that indicator (after the other data cleansing approaches outlined above). Below this threshold, the approach was not applied as it would lead to too few findings for the analysis.

### 1.2.4 Calculate Unit Costs for Each Project

Based on the contracted outputs and spend claimed from the July 2022 data, simple unit costs were derived for the relevant set of projects for each of the twelve indicators that the analysis reports on.

The reporting focuses on the median figure in each case, to avoid the average figure being skewed by remaining outliers. The reporting also includes upper and lower quartile figures as well as the minimum and maximum from the range. An overall distribution chart of findings across all projects used in the analysis for each indicator is also shown.

### 1.2.5 Breakdowns of Analysis

Where the sample size was sufficient (typically where there were at least 40 findings overall), further analysis of median unit costs by type of intervention has been provided. These draw on the typology of ERDF projects used for the evaluation as a whole (aligning closely with the investment priorities), and those included in this analysis are summarised in the table below. Breakdown data was only provided for categories where there were at least five data points for analysis.

**Table 1-1: Summary of Intervention Types used in Evaluation Analysis**

Priority Axis	Intervention Type Categories
1	<ul style="list-style-type: none"> <li>• R&amp; I Infrastructure</li> <li>• Research Collaborations</li> <li>• Innovation support to businesses</li> </ul>
2	<ul style="list-style-type: none"> <li>• Digital infrastructure investments</li> <li>• Business support for digital technologies</li> </ul>
3	<ul style="list-style-type: none"> <li>• Advice, support and grants to support business start-up</li> <li>• Sector-focused business advice and support</li> <li>• General business advice and support</li> <li>• International Trade Support</li> <li>• New workspace - incubators, managed and grow on space</li> </ul>
4	<ul style="list-style-type: none"> <li>• Support for renewable energy generating infrastructure</li> <li>• Support for SME energy efficiency and renewable energy generation</li> <li>• Support for public and housing sector energy efficiency, renewable energy generation and smart energy management</li> <li>• Place based low carbon strategies</li> <li>• Business advice, grants or finance to support low carbon innovation</li> </ul>
5	<ul style="list-style-type: none"> <li>• Flood risk mitigation schemes</li> </ul>
6	<ul style="list-style-type: none"> <li>• Green and blue infrastructure investments</li> <li>• Business advice and grants to support environmental innovation</li> </ul>
8	<ul style="list-style-type: none"> <li>• Implementation of CLLD strategies and action plans</li> </ul>

Where the sample size was sufficient, analysis was also undertaken by geographic region and economic geography type to explore whether unit costs vary in different areas, using the LEP classifications developed for the overall evaluation, summarised in the table below. Projects that covered multiple geography categories were removed from this analysis.

**Table 1-2 Summary of Geographies and Economic Geography Types used in Breakdown Analysis**

<b>Geography Categories</b>	<b>Economic Geography Types<sup>2</sup></b>
Greater South East	London and Core Cities
London	More Urbanised - Higher Productivity
Midlands	More Urbanised - Lower Productivity
North East, Yorkshire & Humber	Mixed Urban-Rural - Higher Productivity
North West	Mixed Urban-Rural - Lower Productivity
South West	

Where there was sufficient sample size, the analysis also compared findings for projects delivered pre-Covid, compared to those with delivery periods extending into the period following the outbreak of Covid-19 (taking the former group as those with practical completion up to June 2020, and the latter as those with practical completion after June 2020).

### 1.2.6 Interpreting the Unit Costs

The analysis encompassed a large number and broad range of projects and as such, a number of caveats need to be made clear.

- Firstly, as outlined above, many of the projects were still in delivery and so the analysis does not reflect the actual spend and achievements of completed projects. The use of contracted spend and outputs does reflect some of the realities of project delivery as these figures were adjusted to reflect project change controls, however it is not a complete picture as these figures are not finalised project figures.
- Secondly, most projects reported on a number of different outputs to reflect the different activities they are delivering. The methodology used applies full project cost (either revenue or capital or both depending on the indicator) to each output which was being delivered, which could result in over-estimating the cost in some cases. To mitigate this, projects were only incorporated for a specific indicator analysis if that was the main indicator relating to that project, as described above. More detailed analysis involving attributing spend to individual indicators within each project was not possible within the scope of this analysis.
- Thirdly, the nature of the ERDF programme was that there could be substantial variation in the nature and intensity of project delivery which could affect unit costs. Factors include: the intensity of assistance (for example all C1 enterprise support indicators have to involve at least 12 hours or £1,000 of support as a minimum, but

<sup>2</sup> Each LEP area was designated to one of five economic geography types, which allowed analysis of difference in findings in different types of economic geography. These categorisations included one comprising London and the eight core city LEP areas, then four others based on the proportion of the population living in urban areas (75% or greater was defined as more urbanised; less than 75% was defined as mixed urban-rural) and higher or lower productivity (with areas that have an average GVA per hour worked of 90% of the UK average or greater defined as higher; and those below this level defined as lower).

there was no upper limit on the scale of support offered) and the type of activities delivered (in many cases projects often involved light touch support for a certain number of businesses, with a subset of these going on to get more intensive support).

- Fourthly, it is important to note that costs are gross, nominal and undiscounted over time.



## 2. Number of enterprises receiving support (C1)

The C1 indicator related to the number of enterprises receiving support, and was used across priority axes 1, 2, 3, 4, 6 and 8. To count towards this indicator, enterprises were required to have received at least 2 days (12 hours) of active consultancy support, a grant or loan / risk finance investment of at least £1,000 (although the projects providing the latter are excluded from this analysis). Cost per output data has been analysed for this indicator across 382 projects.

Figure 2-1 below sets out the distribution of unit costs for the C1 indicator, with the figures summarised in Table 2-1. There is a large range in the figures from just under £2,000 up to over £80,000 per enterprise supported, with the median around £9,400.

The distribution of unit costs reflects a wide range of the different business support activity which the ERDF projects support. These are broken down further by intervention types under Figure 2-2.

A similar analysis of unit costs under the 2007-13 ERDF programme identified a median cost per business assist of £10,200. The slightly differing nature of methodologies, between the earlier study and this, means that these figures are not directly comparable, however it is notable that these unit cost figures are of a similar order across the two programmes.

**Figure 2-1: Distribution of unit cost for C1 indicator**

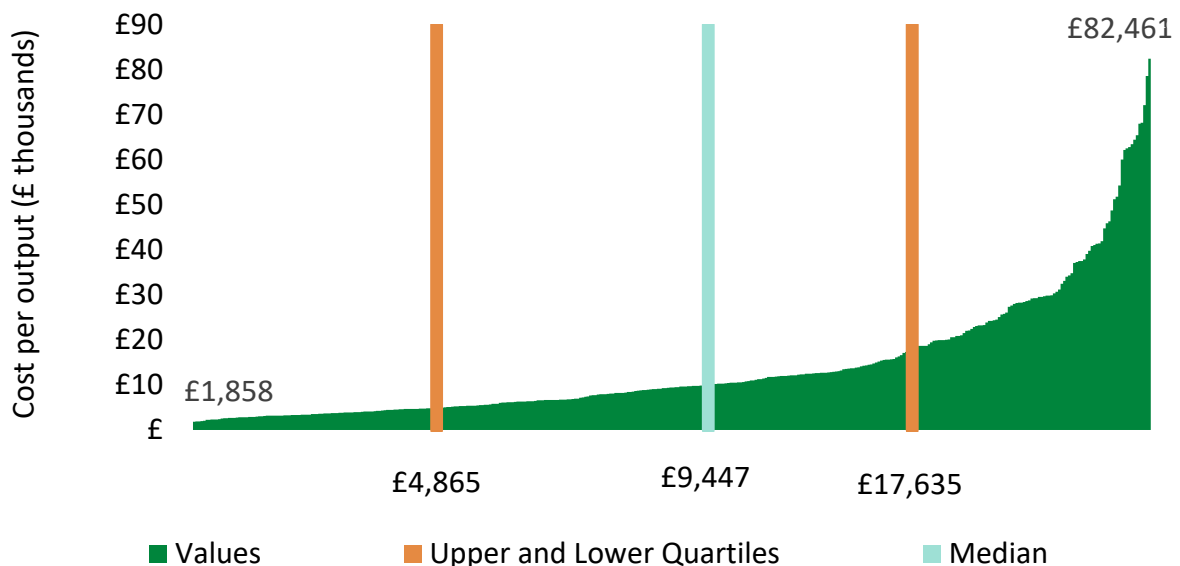


Table 2-1: Summary of median, upper and lower quartile unit cost figures for C1 indicator

	<b>Unit Cost for C1 Indicator</b>
Min	£1,858
Lower Quartile	£4,865
<b>Median</b>	<b>£9,447</b>
Upper Quartile	£17,635
Max	£82,461
N	382

It is possible to compare the median unit costs for C1 indicators by a range of factors including intervention type, delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. These findings highlight the following.

- Figure 2-2 shows higher median cost per outputs are seen for more research intensive support types including research collaborations (under PA1) and support for low carbon innovation (under PA4). Lowest median cost per output was seen for support for business start-ups (under PA3) and support for digital technologies (under PA2).
- Figure 2-3 suggests that the cost per output was higher in the post-COVID period, potentially reflecting more challenging delivery context for projects following the pandemic outbreak in March 2020, as well as some previously supported businesses receiving additional support following the COVID-19 outbreak, which could not have been recorded again as C1 outputs. In the post-COVID outbreak period there were also more businesses supported by projects for under 12 hours, which used project resources, however did not result in C1 indicators being recorded.
- Figures 2-4 and 2-5 highlight that the cost per output was typically lower in LEP areas with higher productivity and in London and the Greater South East. This may reflect lower costs for delivery in more productive regions, or may reflect that the more productive areas received lower overall sums of ERDF funding, and hence designed projects with lower unit costs in order to use available funding to reach more enterprises.

Figure 2-2: Breakdown of C1 cost per output by intervention type (number of data points for each intervention shown in brackets)

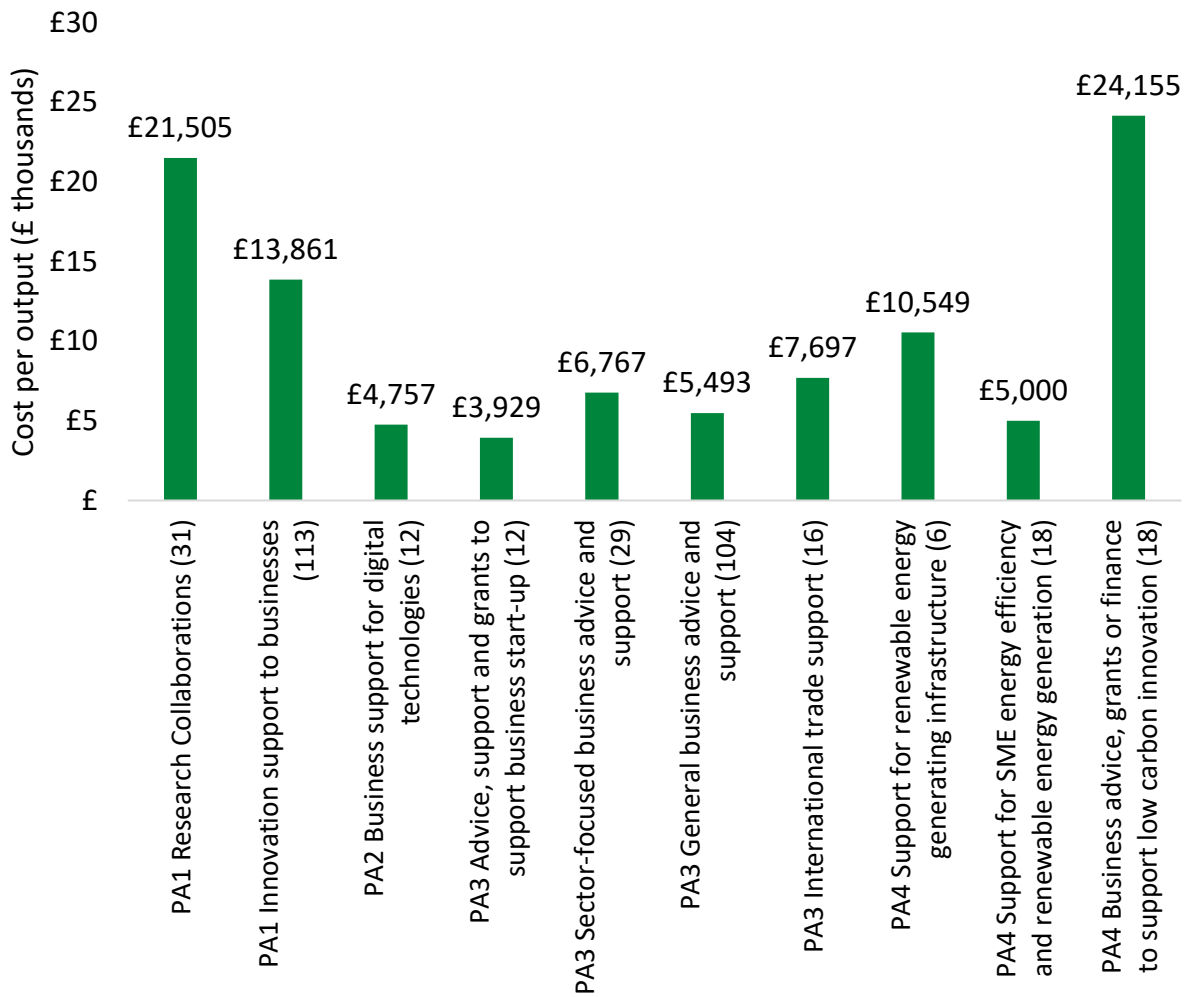


Figure 2-3: Breakdown of C1 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)

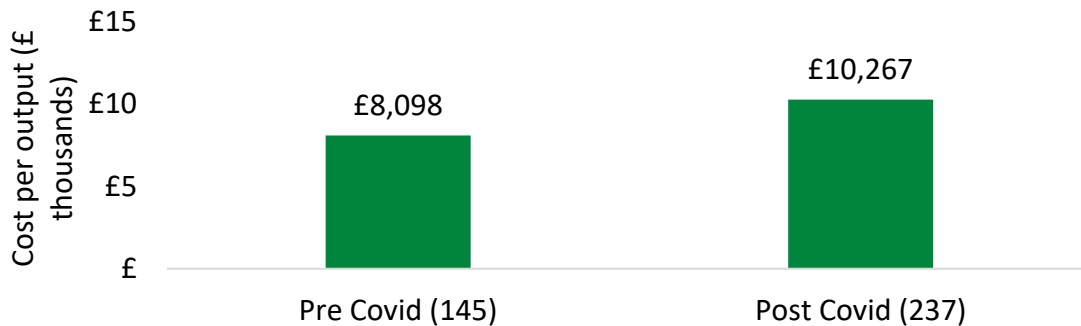


Figure 2-4: Breakdown of C1 cost per output by economic geography type (number of data points for each intervention shown in brackets)

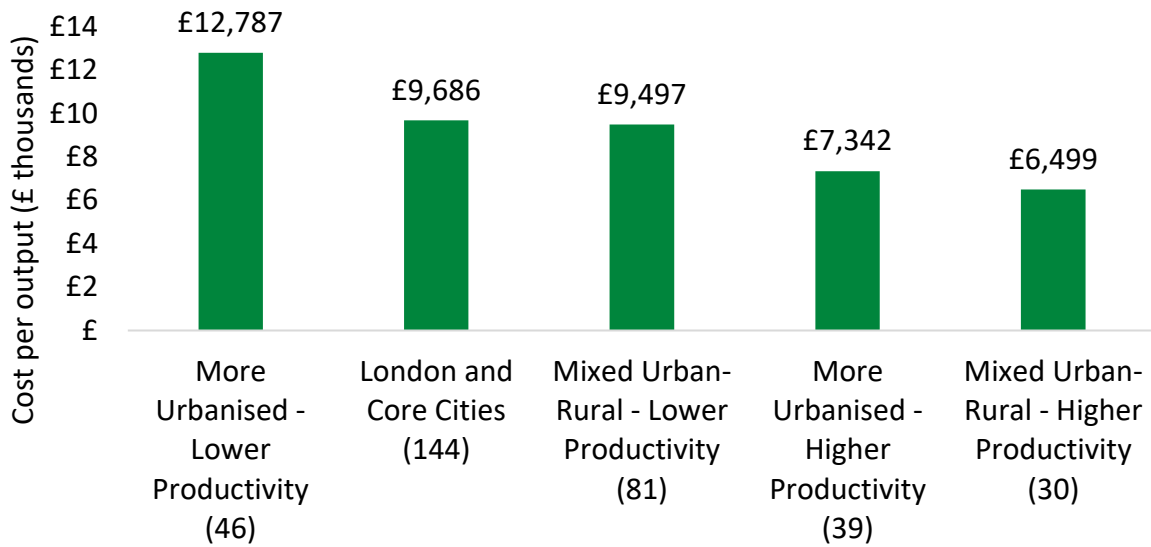
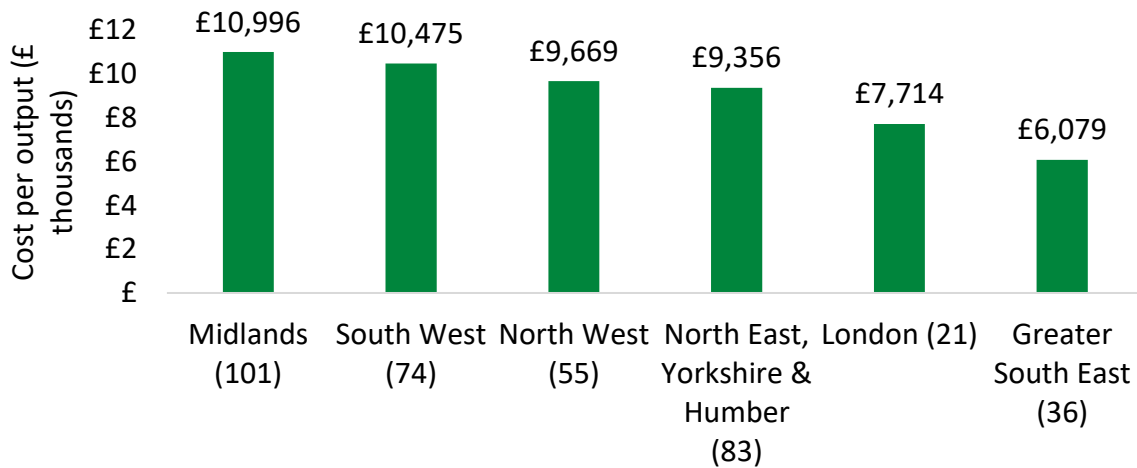


Figure 2-5: Breakdown of C1 cost per output by region (number of data points for each intervention shown in brackets)



### 3. Employment increase in supported enterprises (C8)

The C8 indicator related to the number of additional full-time equivalent individuals employed in supported companies at the end of the intervention compared to the start of the intervention. The jobs could only be counted if the intended life expectancy of the job was at least 12 months. Cost per output data has been analysed for this indicator across 318 projects.

Figure 3-1 below sets out the distribution of unit costs for the C8 indicator, with the figures summarised in Table 3-1. There is a large range in the figures from £2,500 up to nearly £350,000 per additional employee, with the median around £24,600.

A similar analysis of unit costs under the 2007-13 ERDF programme identified a median cost per business assist of £25,700. The slightly differing nature of methodologies, between the earlier study and this, means that these figures are not directly comparable, however it is notable that these unit cost figures are of a similar order across the two programmes.

Figure 3-1: Distribution of unit cost for C8 indicator

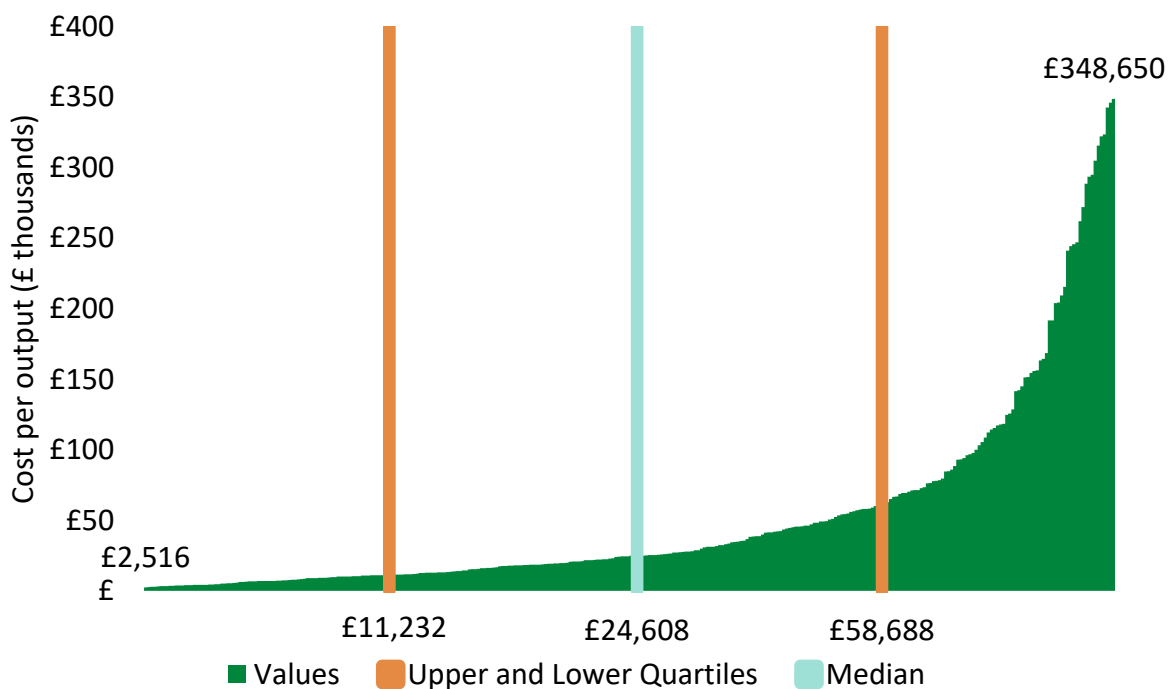


Table 3-1: Summary of median, upper and lower quartile unit cost figures for C8 indicator

	Unit Cost for C8 Indicator
Min	£2,516
Lower Quartile	£11,232
<b>Median</b>	<b>£24,608</b>
Upper Quartile	£58,688
Max	£348,650
N	318

It is possible to compare the median unit costs for C8 indicators by a range of factors including intervention type, delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. These findings highlight the following.

- Figure 3-2 shows higher median cost per outputs are seen for more research and innovation intensive support types including research collaborations and to a lesser extent Innovation Support to Businesses (under PA1). Lowest median cost per output was seen for support for business start-ups and general business support (under PA3). Although the C8 data does not allow us to distinguish salary levels for jobs created, those associated with research and innovation support are commonly higher than those supported with more general business support.
- Figure 3-3 suggests that the cost per output was higher in the post-COVID period, potentially reflecting that businesses were less likely to be increasing employment given the more challenging economic climate following the pandemic outbreak in March 2020.
- Figures 3-4 and 3-5 do not show any clear patterns in terms of the nature of the geographic spread of unit costs.

Figure 3-2: Breakdown of C8 cost per output by intervention type (number of data points for each intervention shown in brackets)

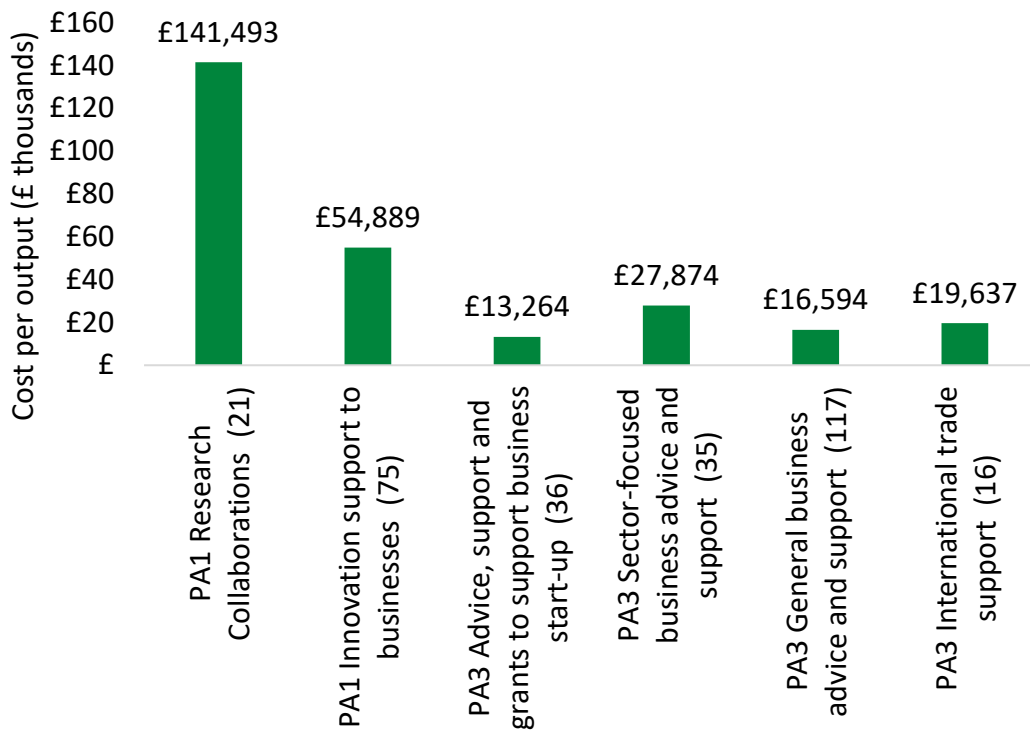


Figure 3-3: Breakdown of C8 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)

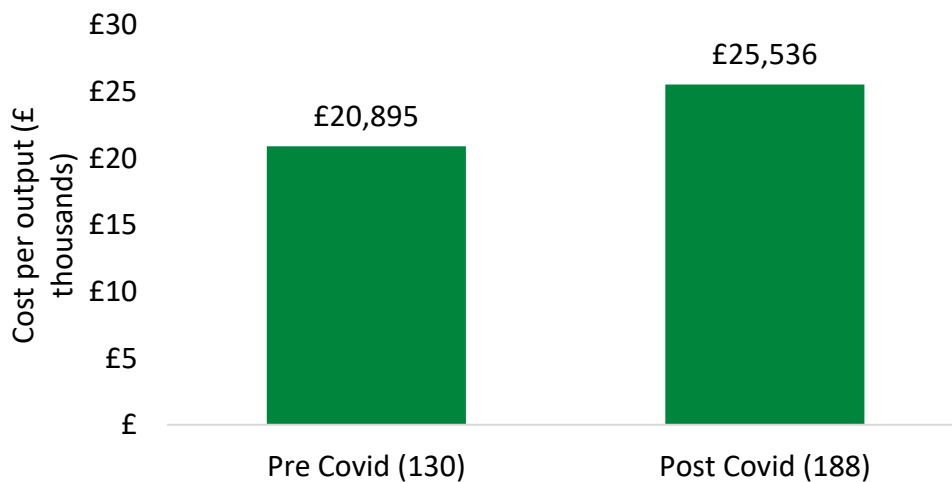


Figure 3-4: Breakdown of C8 cost per output by economic geography type (number of data points for each intervention shown in brackets)

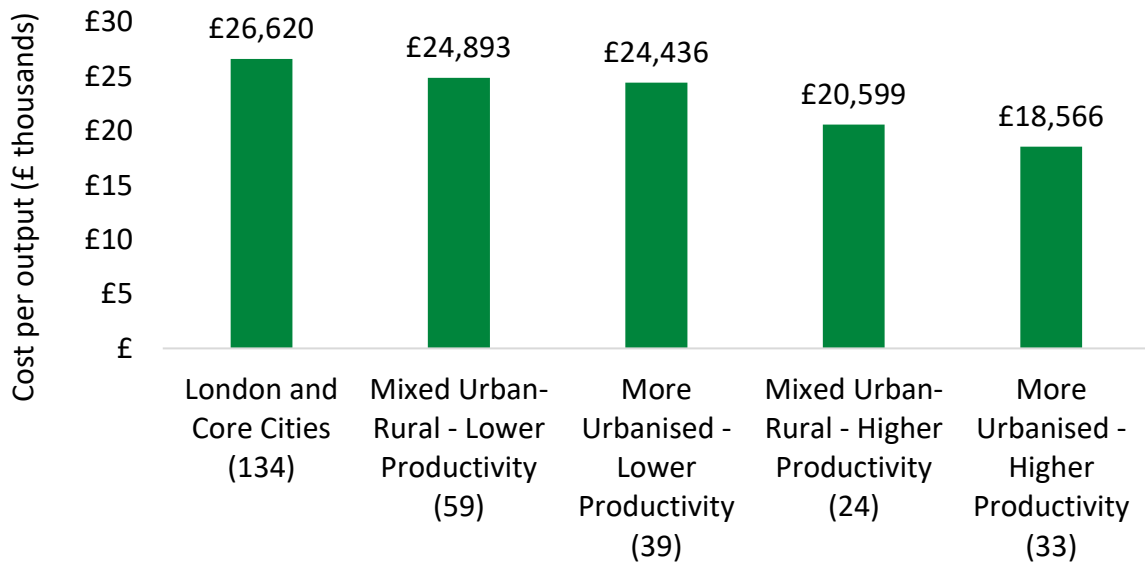
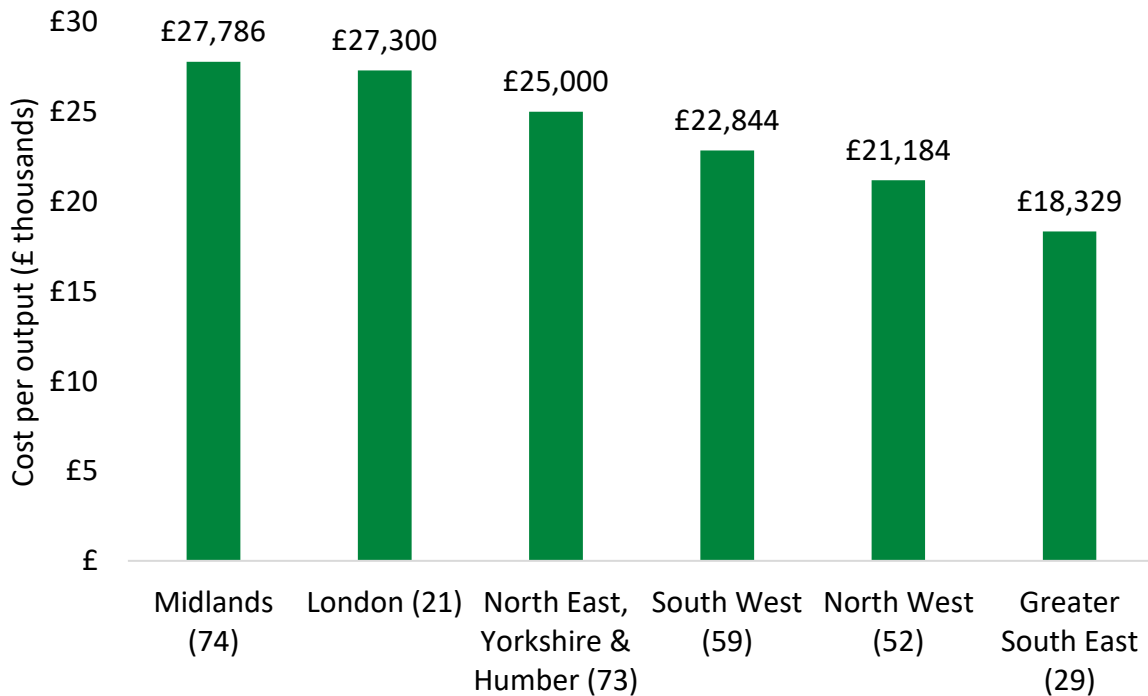


Figure 3-5: Breakdown of C8 cost per output by region (number of data points for each intervention shown in brackets)





## 4. Number of enterprises supported to introduce new to market products (C28)

The C28 indicator related to the number of enterprises receiving support to introduce new to the market products, processes or services, and was used across priority axes 1 and 3. Cost per output data has been analysed for this indicator across 156 projects.

Figure 4-1 below sets out the distribution of unit costs for the C28 indicator, with the figures summarised in Table 4-1. There is a large range in the figures from £13,700 up to around £450,000 per enterprise supported, with the median around £95,000.

A similar analysis of unit costs under the 2007-13 ERDF programme identified a median cost per business supported with new to market products of £28,000. The slightly differing nature of methodologies, between the earlier study and this, means that these figures are not directly comparable, however it is notable that the figure in the current programmes is substantially higher, which may indicate a more challenging climate for bringing new products to market in the current programme period. More generally there might be a number of reasons why the cost of introducing a new product to the market differs, including the complexity of the types of products and services being developed.

Figure 4-1: Distribution of unit cost for C28 indicator

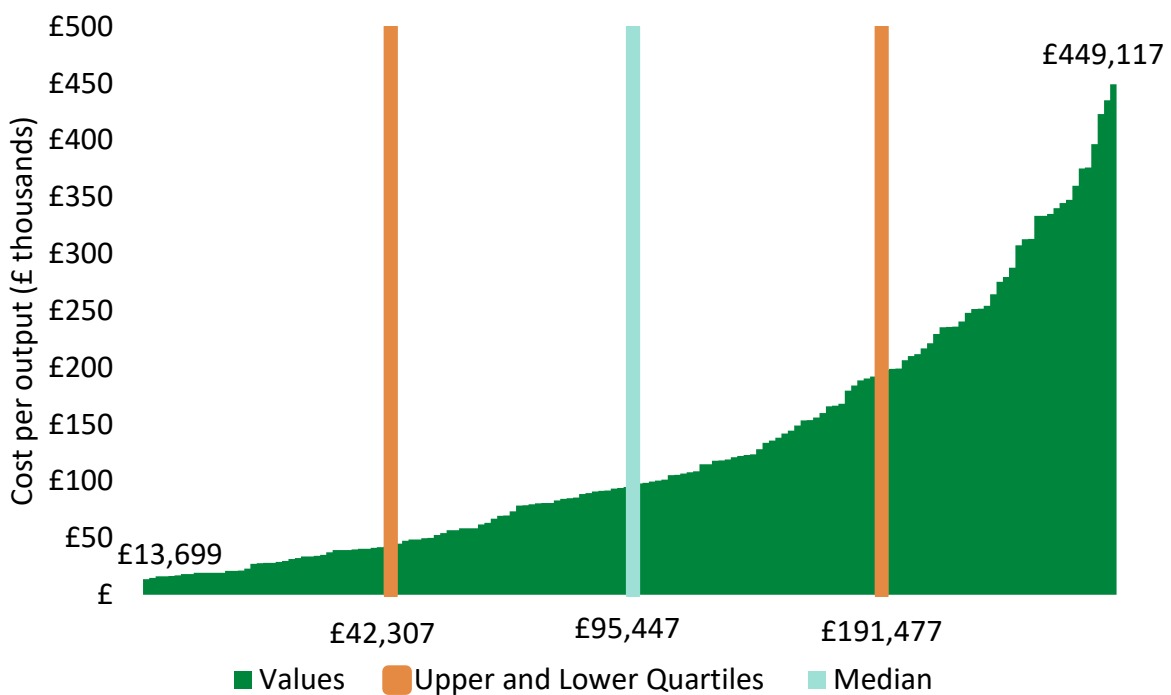


Table 4-1: Summary of median, upper and lower quartile unit cost figures for C28 indicator

	Unit cost for C28 indicator
Min	£13,699
Lower Quartile	£42,307
<b>Median</b>	<b>£95,447</b>
Upper Quartile	£191,447
Max	£449,117
N	156

It is possible to compare the median unit costs for C28 indicators by a range of factors including intervention type, delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. These findings highlight the following.

- Figure 4-2 shows the highest median cost per outputs are seen for more research intensive support types (under PA1) while the lowest median cost per output was seen for support for business start-ups (under PA3).
- Figure 4-3 suggests that the cost per output was higher in the post-COVID period, potentially reflecting more challenging economic climate for businesses seeking to bring new products to market following the pandemic outbreak in March 2020.
- Figures 4-4 and 4-5 highlight that the cost per output was typically higher in areas with lower productivity, including in the Midlands and North West, and cost per output was lower in more productive areas including in London and the Greater South East. This may reflect that firms in more productive regions are typically more innovative and so a lower unit cost is required to support new product development.

Figure 4-2: Breakdown of C28 cost per output by intervention type (number of data points for each intervention shown in brackets)

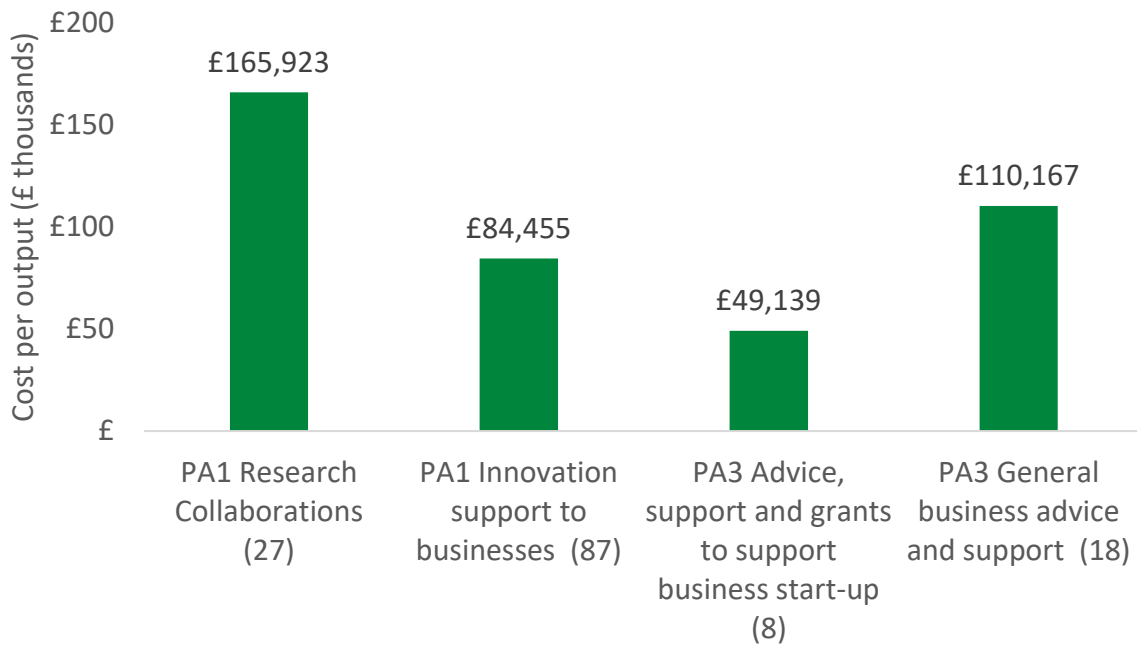


Figure 4-3: Breakdown of C28 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)

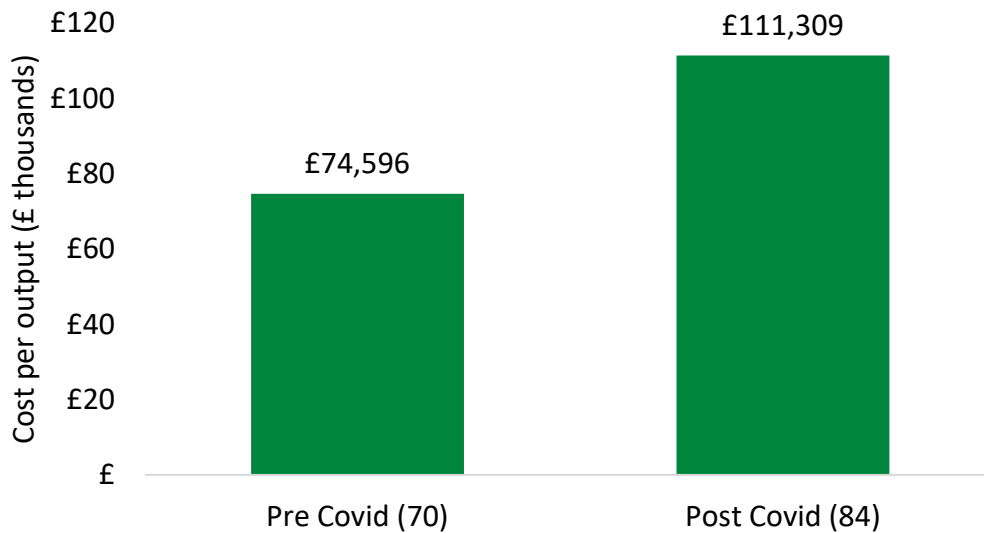


Figure 4-4: Breakdown of C28 cost per output by economic geography type (number of data points for each intervention shown in brackets)

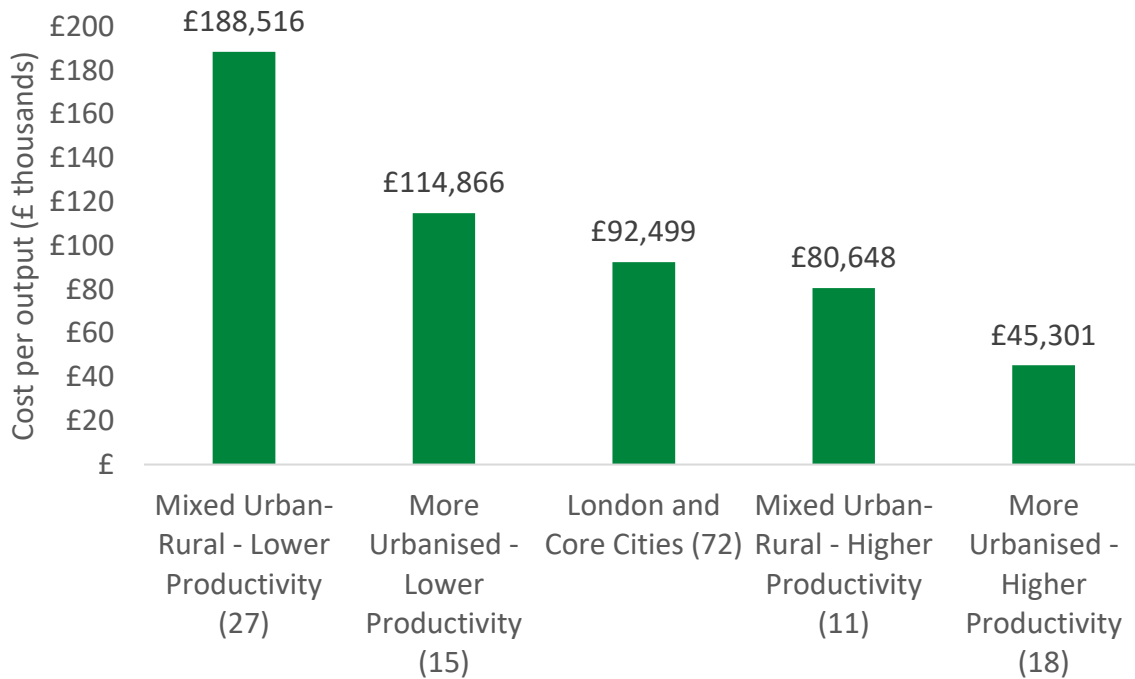
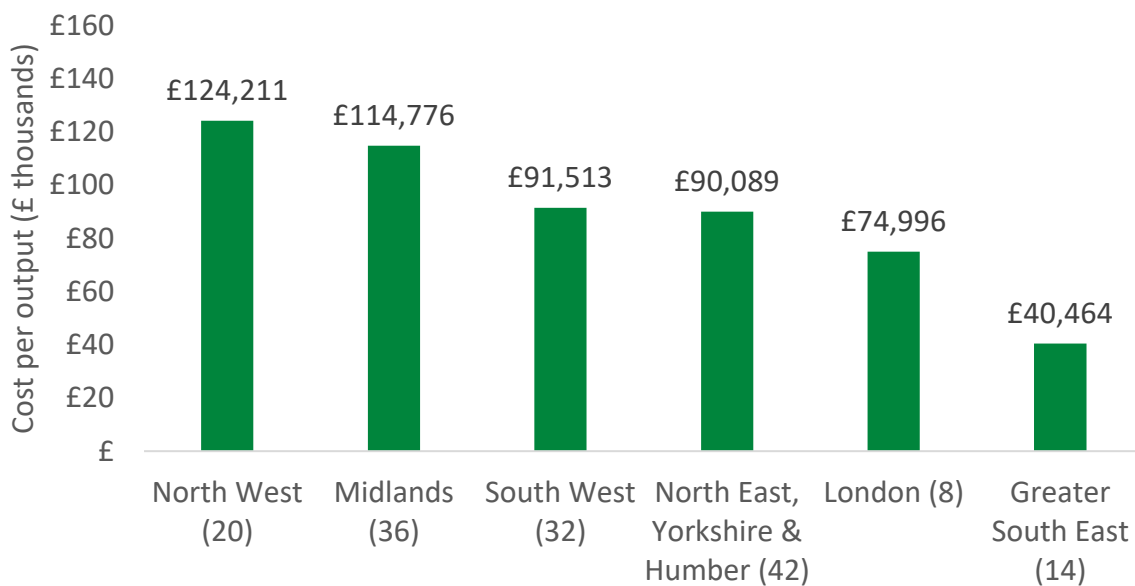


Figure 4-5: Breakdown of C28 cost per output by region (number of data points for each intervention shown in brackets)



## 5. Number of enterprises cooperating with research entities (C26)

The C26 indicator related to the number of enterprises collaborating with a research entity through a formal co-operation, and was used across priority axes 1 and 4. Cost per output data has been analysed for this indicator across 17 projects.

Figure 5-1 below sets out the distribution of unit costs for the C26 indicator, with the figures summarised in Table 5-1. There is a large range in the figures from just over £2,000 up to over £90,000 per enterprise co-operating with a research entity, with the median around £23,000.

A similar analysis of unit costs under the 2007-13 ERDF programme identified a median cost per business assist of £38,200. The slightly differing nature of methodologies, between the earlier study and this, means that these figures are not directly comparable, however it is notable that the unit costs in the current programme are lower than in the previous programme.

**Figure 5-1: Distribution of unit cost for C26 indicator**

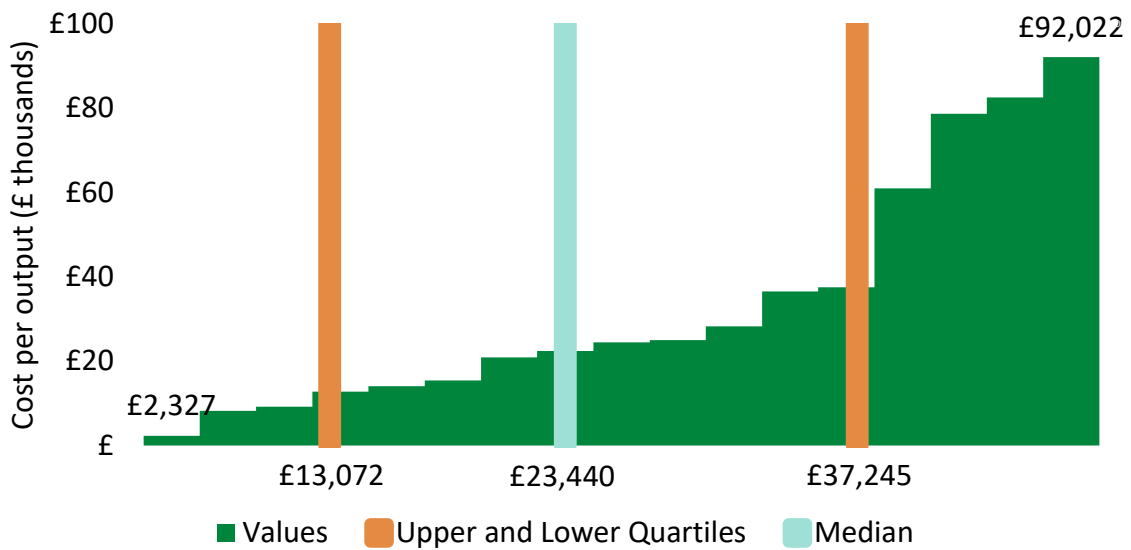


Table 5-1: Summary of median, upper and lower quartile unit cost figures for C26 indicator

	<b>Unit Cost for C26 Indicator</b>
Min	£2,327
Lower Quartile	£13,072
<b>Median</b>	<b>£23,440</b>
Upper Quartile	£37,245
Max	£92,022
N	17

There are insufficient data points in this analysis to enable a breakdown by intervention type, geography or pre / post COVID period.

## 6. Number of potential entrepreneurs assisted to be enterprise ready (P11)

The P11 indicator related to the number of individuals supported as part of a journey towards setting up an enterprise, and was used across priority axes 1 and 8. To count towards this indicator, individuals were required to have received at least 2 days (12 hours) of assistance. Cost per output data has been analysed for this indicator across 51 projects.

Figure 6-1 below sets out the distribution of unit costs for the P11 indicator, with the figures summarised in Table 6-1. There is a large range in the figures from under £400 up to over £11,000 per individual assisted, with the median around £3,500.

Figure 6-1: Distribution of unit cost for P11 indicator

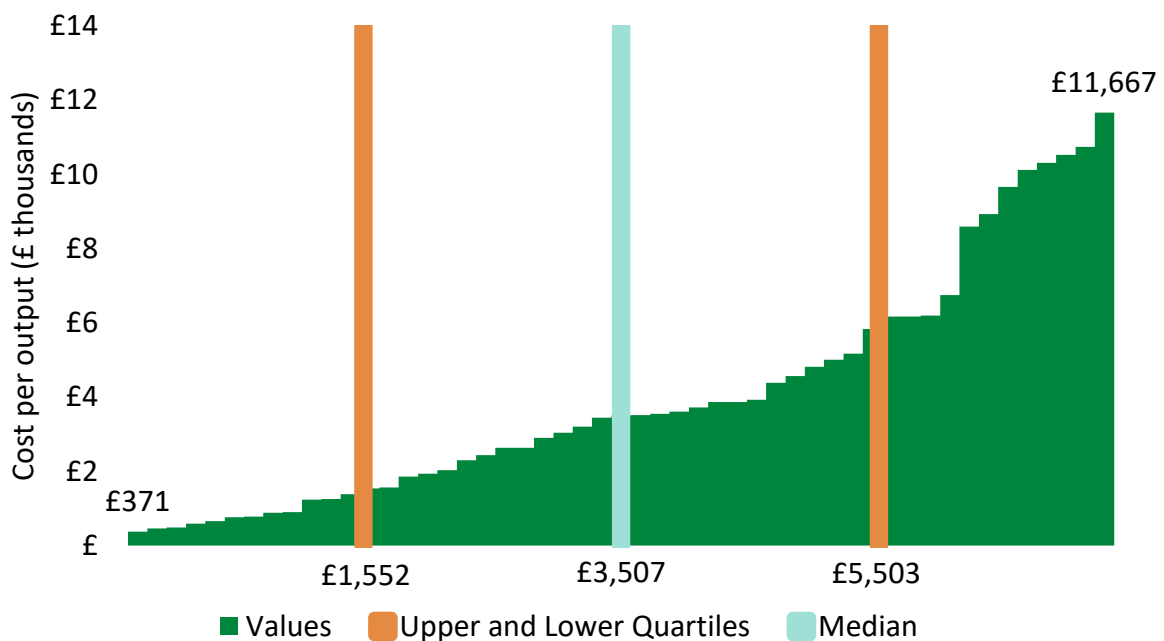


Table 6-1: Summary of median, upper and lower quartile unit cost figures for P11 indicator

	Unit Cost for P11 Indicator
Min	£371
Lower Quartile	£1,552
<b>Median</b>	<b>£3,507</b>
Upper Quartile	£5,503
Max	£11,667
N	51

It is possible to compare the median unit costs for P11 indicators by intervention type and delivery in the pre- and post- COVID periods. These findings highlight the following.

- Figure 6-2 shows higher median cost per outputs are seen for supporting individuals through community led local development projects under PA8, and much lower median costs for activity under PA3. This reflects that support to targeted individuals in more deprived parts of the country (the focus of PA8 investment) commonly requires more intensive support than for less targeted schemes in other areas.
- Figure 6-3 suggests that the cost per output was higher in the post-COVID period, potentially reflecting a more challenging delivery context for projects following the pandemic outbreak in March 2020. It may also reflect the greater delivery of the higher cost-per-output PA8 projects in the post outbreak period, which had been more limited in the pre-COVID outbreak period.

Figure 6-2: Breakdown of P11 cost per output by intervention type (number of data points for each intervention shown in brackets)

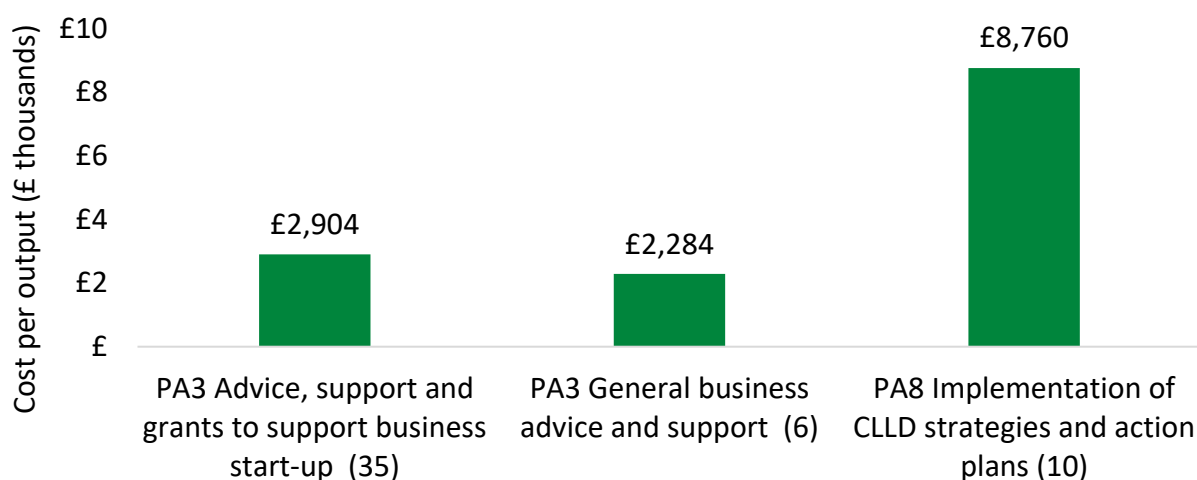
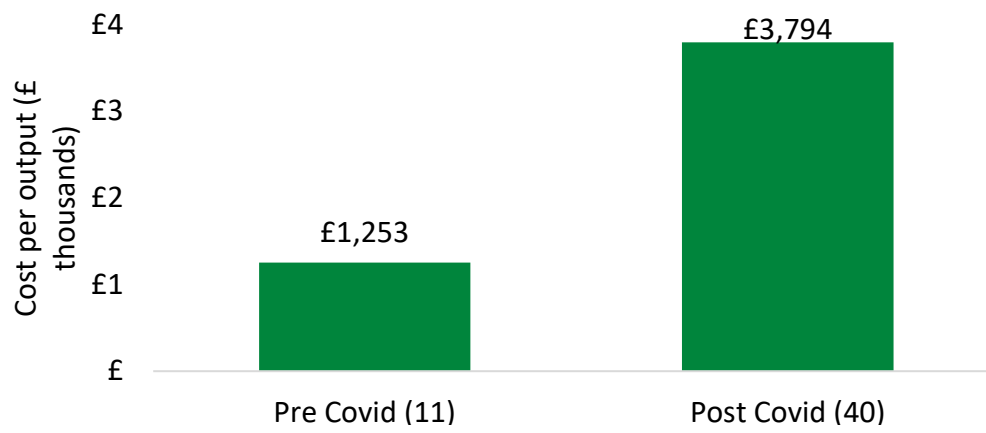




Figure 6-3: Breakdown of P11 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)



## 7. Additional Businesses with broadband access of at least 30Mbps (P3)

The P3 indicator related to the number of enterprises supported to access superfast broadband speeds (minimum of 30Mbps) and was used in priority axis 2. Cost per output data has been analysed for this indicator across 13 projects.

Figure 7-1 below sets out the distribution of unit costs for the P3 indicator, with the figures summarised in Table 7-1. There is a large range in the figures from just under £2,000 up to £33,000 per business with access to superfast broadband, with the median around £5,500.

Figure 7-1: Distribution of unit cost for P3 indicator

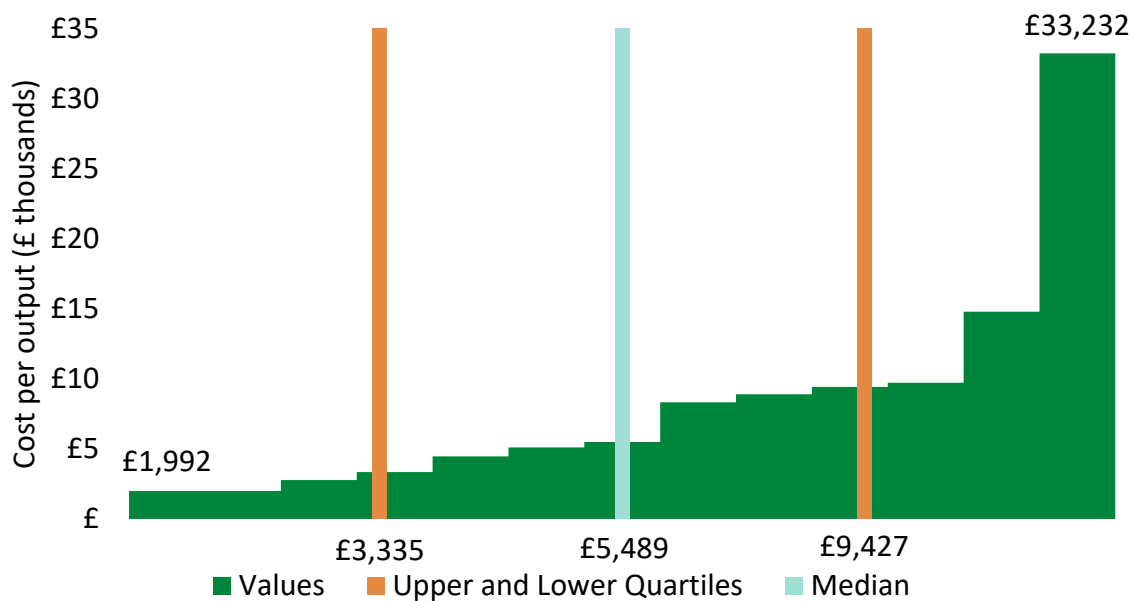


Table 7-1: Summary of median, upper and lower quartile unit cost figures for P3 indicator

	Unit Cost for P3 Indicator
Min	£1,992
Lower Quartile	£3,335
Median	£5,489
Upper Quartile	£9,427
Max	£33,232
N	13

There are insufficient data points in this analysis to enable a breakdown by intervention type, geography or pre / post COVID period.

## 8. Total surface area of rehabilitated land (C22)

The C22 indicator related to the total number of hectares of contaminated or derelict land that has been remediated for Green/Blue Infrastructure and made available for economic, biodiversity or community activities, and was used under priority axis 6. Cost per output data has been analysed for this indicator across six projects.

With very limited data available for this indicator, the figures are simply summarised in Table 8-1 below. The figures show a substantial range, from around £7,000 up to £266,000, with the median around £122,000, reflecting that unit costs can vary substantially depending on the specific project context.

**Table 8-1: Summary of median, upper and lower quartile unit cost figures for C22 indicator**

	Unit Cost for C22 Indicator
Min	£7,129
Median	£121,510
Max	£265,918
N	6

There are insufficient data points in this analysis to enable a breakdown by intervention type, geography or pre / post COVID period.

## 9. Surface area of habitats supported in order to attain better conservation status (C23)

The C23 indicator related to the number of hectares of the surface area of habitats supported to attain better conservation status, based on a defined area of existing habitat, with a management plan demonstrating how the proposed activity would improve the biodiversity of the site. This indicator was used across priority axes 5 and 6. Cost per output data has been analysed for this indicator across 42 projects.

Figure 9-1 below sets out the distribution of unit costs for the C23 indicator, with the figures summarised in Table 9-1. There is a large range in the figures from just under £1,000 up to over £400,000 per hectare surface area of habitats supported, with the median around £32,000.

Figure 9-1: Distribution of unit cost for C23 indicator

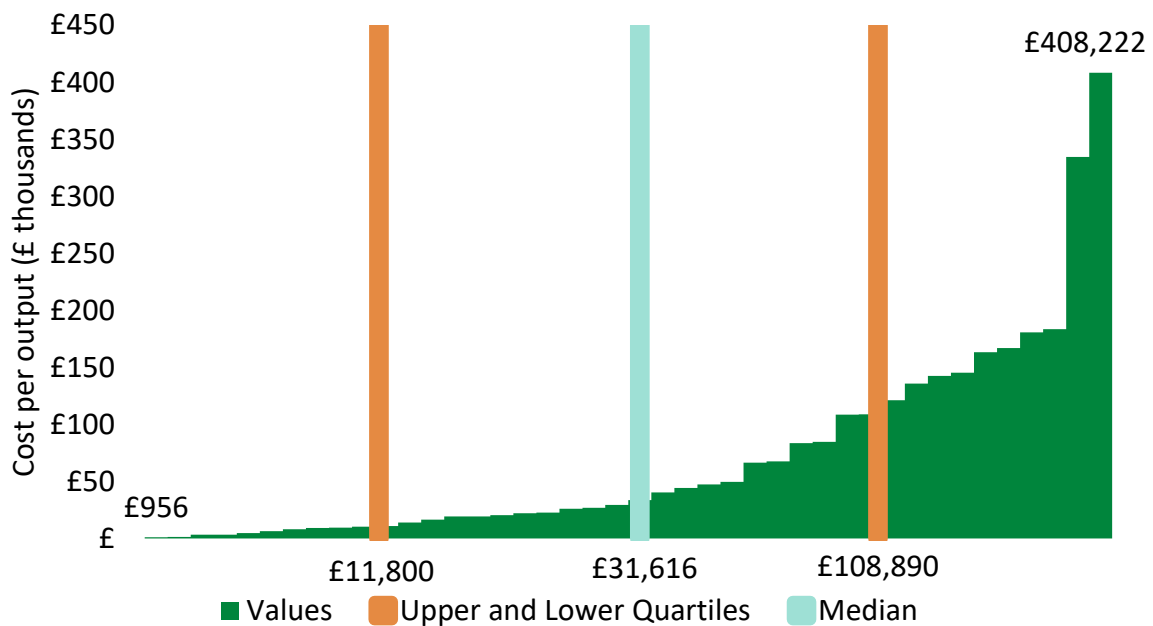


Table 9-1: Summary of median, upper and lower quartile unit cost figures for C23 indicator

	Unit Cost for C23 Indicator
Min	£956
Lower Quartile	£11,800
<b>Median</b>	<b>£31,616</b>

Upper Quartile	£108,890
Max	£408,222
N	42

It is possible to compare the median unit costs for C23 indicators by a range of factors including delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. With respect to interventions, almost all data points relate to green and blue infrastructure projects under PA6, so no breakdown is provided for this. The findings highlight the following.

- Figure 9-2 suggests that the cost per output was lower in the post-COVID period than in the pre-COVID period. One finding from the evaluation was the greater value placed on enhanced local green and blue infrastructure following the COVID-19 outbreak and periods of lockdown, which might have led to increased demand, and therefore greater choice to enable more cost effective projects to be prioritised for investment in the post-COVID period. Alternatively, it may just happen that the seven projects in the pre-COVID analysis happened to have higher overall unit costs for reasons not related to COVID.
- Figures 9-3 and 9-4 reflect that this funding was more greatly focused in the North and Midlands, and much less in London and the South East, but there are not particularly notable trends in the breakdown of costs by geography.

**Figure 9-2: Breakdown of C23 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)**

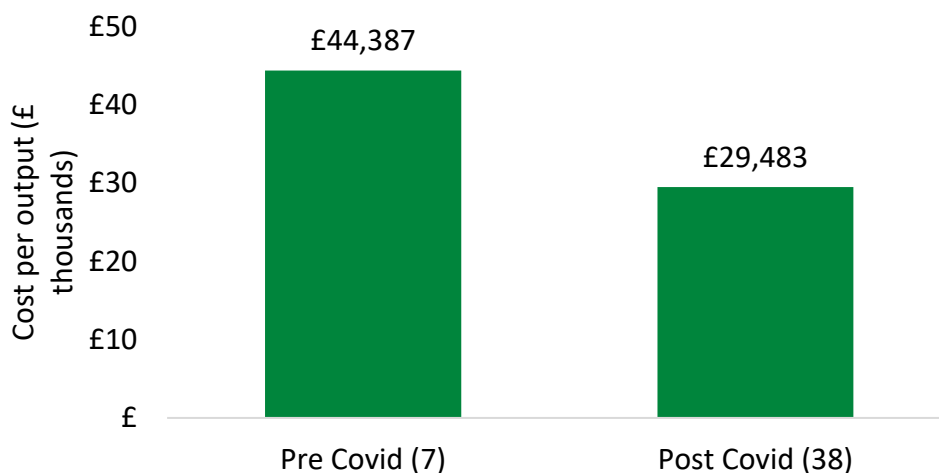


Figure 9-3: Breakdown of C23 cost per output by economic geography type (number of data points for each intervention shown in brackets)

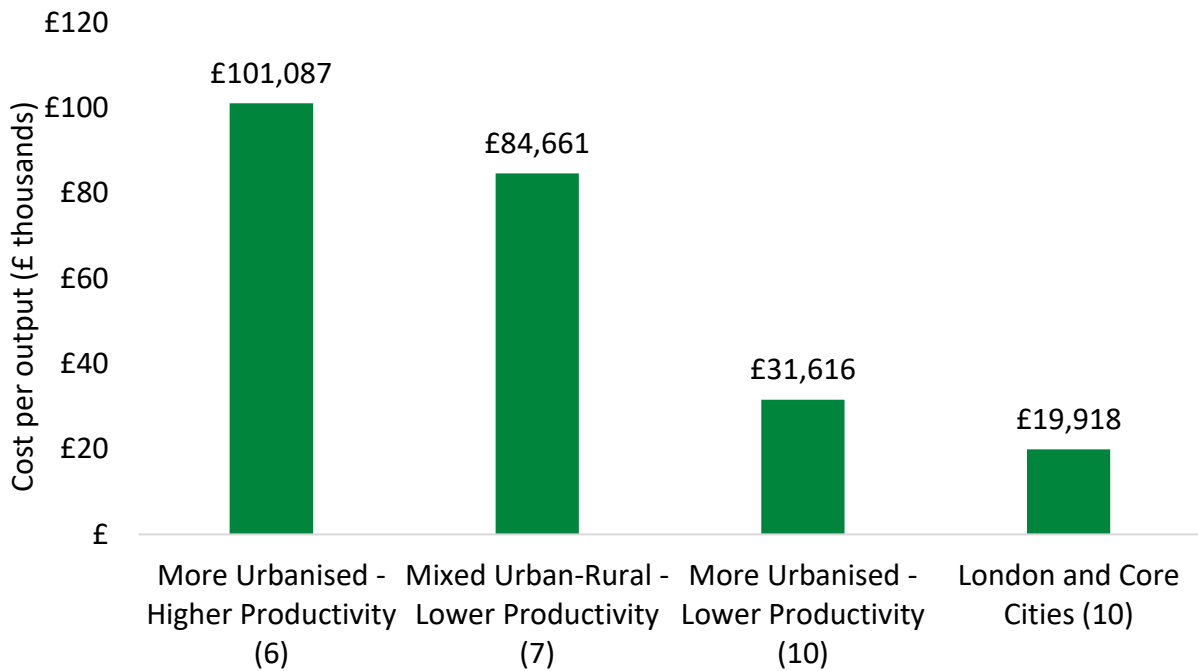
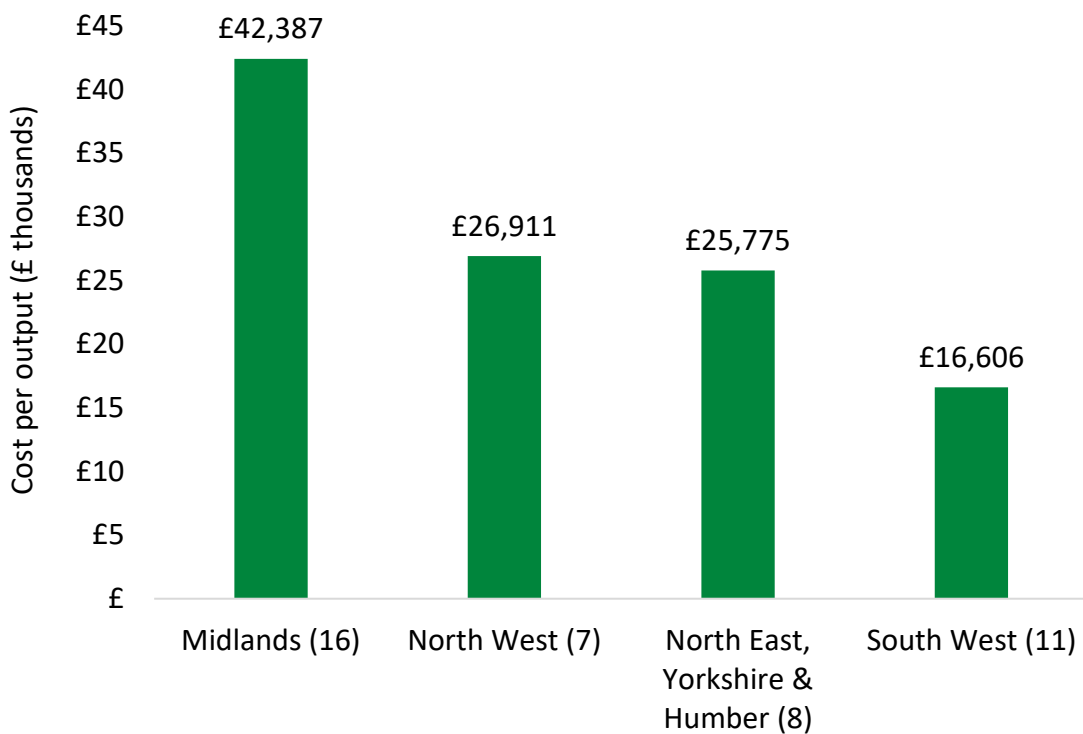


Figure 9-4: Breakdown of C23 cost per output by region (number of data points for each intervention shown in brackets)



## 10. Estimated GHG reductions (C34)

The C34 indicator related to an estimate of the annual savings of greenhouse gas emissions (tonnes) associated with the delivery of a project, and was used under priority axis 4. Cost per output data has been analysed for this indicator across 137 projects.

Figure 10-1 below sets out the distribution of unit costs for the C34 indicator, with the figures summarised in Table 10-1. There is a large range in the figures from just under £200 up to over £45,000 per tonne of annual GHG reduction, with the median around £3,400.

Figure 10-1: Distribution of unit cost for C34 indicator

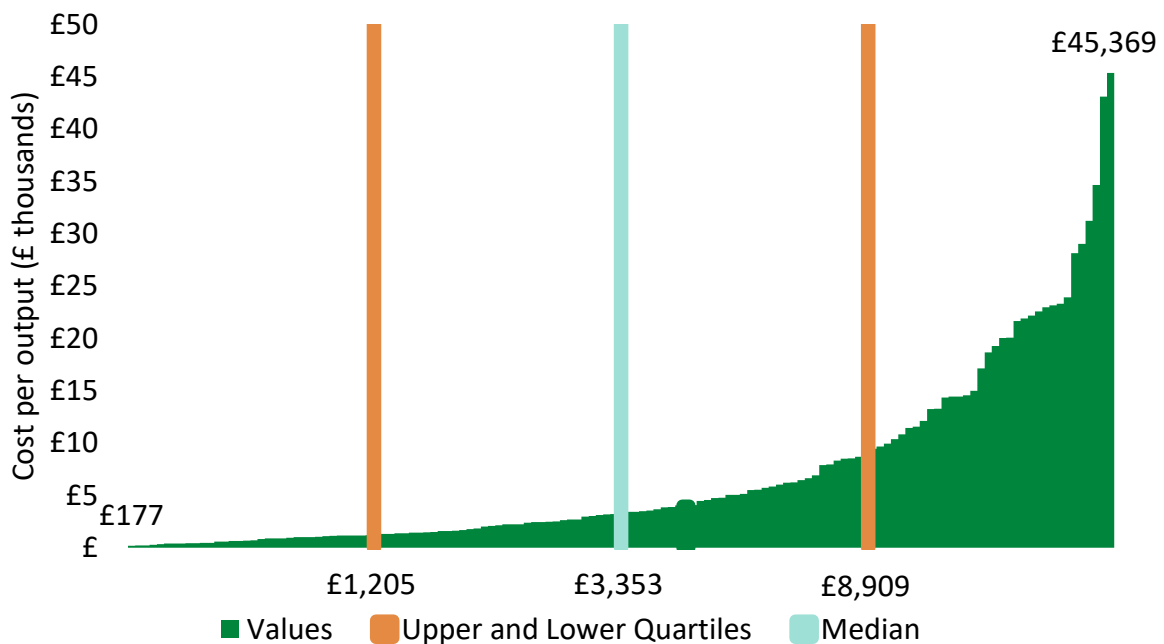


Table 10-1: Summary of median, upper and lower quartile unit cost figures for C34 indicator

	Unit Cost for C34 Indicator
Min	£177
Lower Quartile	£1,205
<b>Median</b>	<b>£3,353</b>
Upper Quartile	£8,909
Max	£45,369
N	137



It is possible to compare the median unit costs for C34 indicators by a range of factors including intervention type, delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. These findings highlight the following.

- Figure 10-2 shows higher median cost per outputs are seen for place based low carbon strategies, while lowest median costs were found for support for SME energy efficiency and renewable energy generation.
- Figure 10-3 suggests that the cost per output was higher in the post-COVID period, potentially reflecting more challenging delivery context for projects following the pandemic outbreak in March 2020.
- Figures 10-4 and 10-5 highlight that the cost per output was typically lower in LEP areas with higher productivity, and notably higher in the North East, Yorkshire & Humber region. This may reflect the specific nature of projects supported in these regions, as well as more productive areas receiving lower overall sums of ERDF funding, and hence being able to be more selective in choosing projects to fund, enabling the choice of projects with lower unit costs.

Figure 10-2: Breakdown of C34 cost per output by intervention type (number of data points for each intervention shown in brackets)

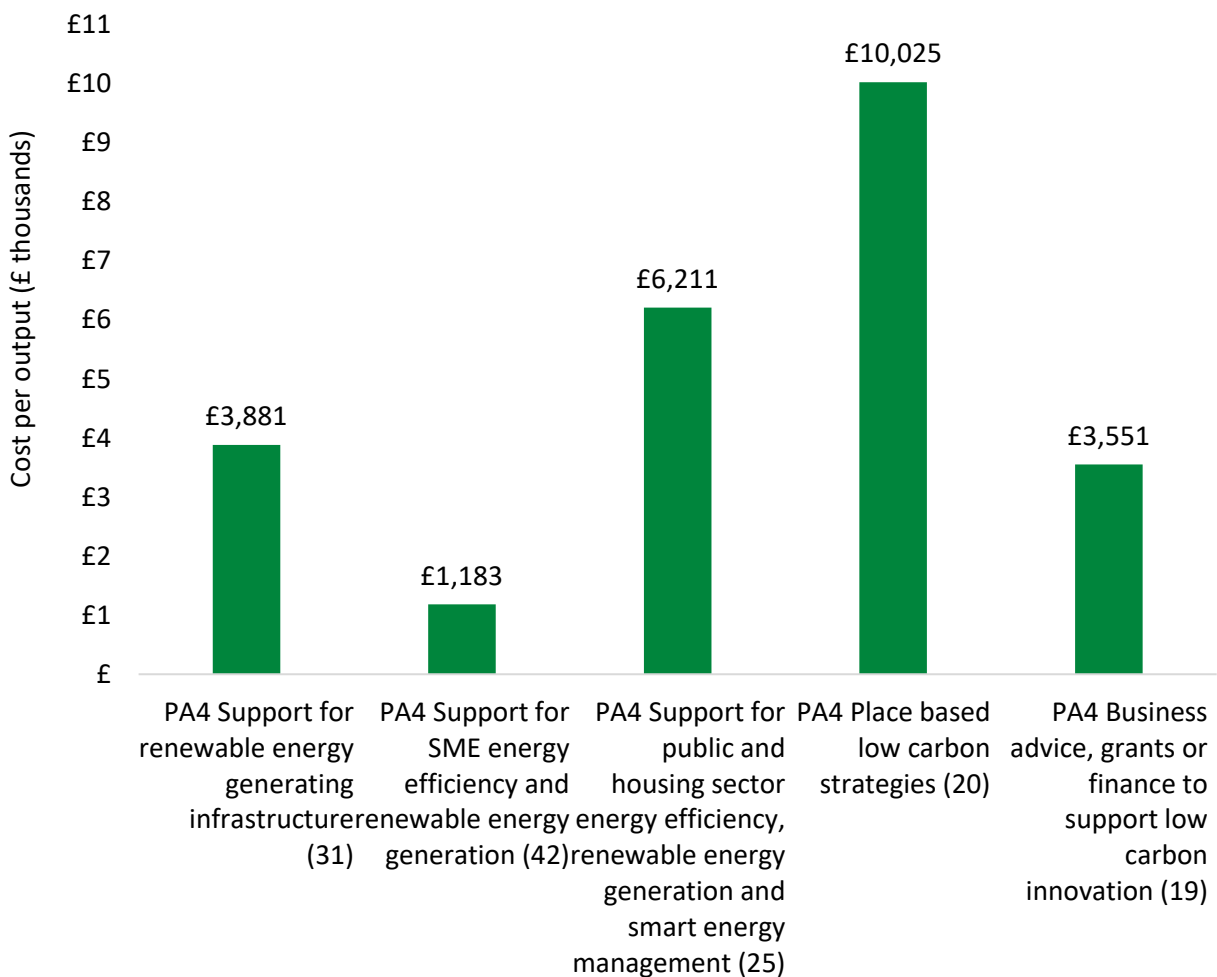


Figure 10-3: Breakdown of C34 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)

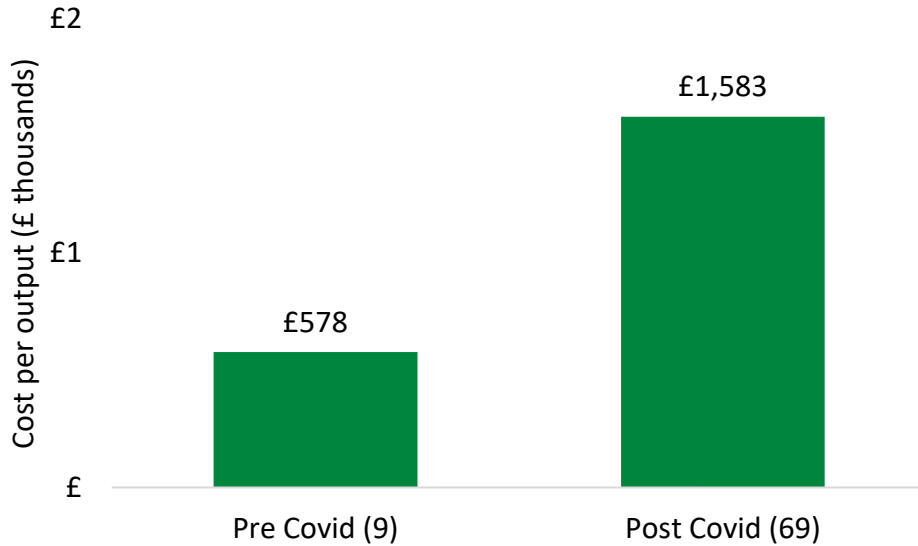


Figure 10-4: Breakdown of C34 cost per output by economic geography type (number of data points for each intervention shown in brackets)

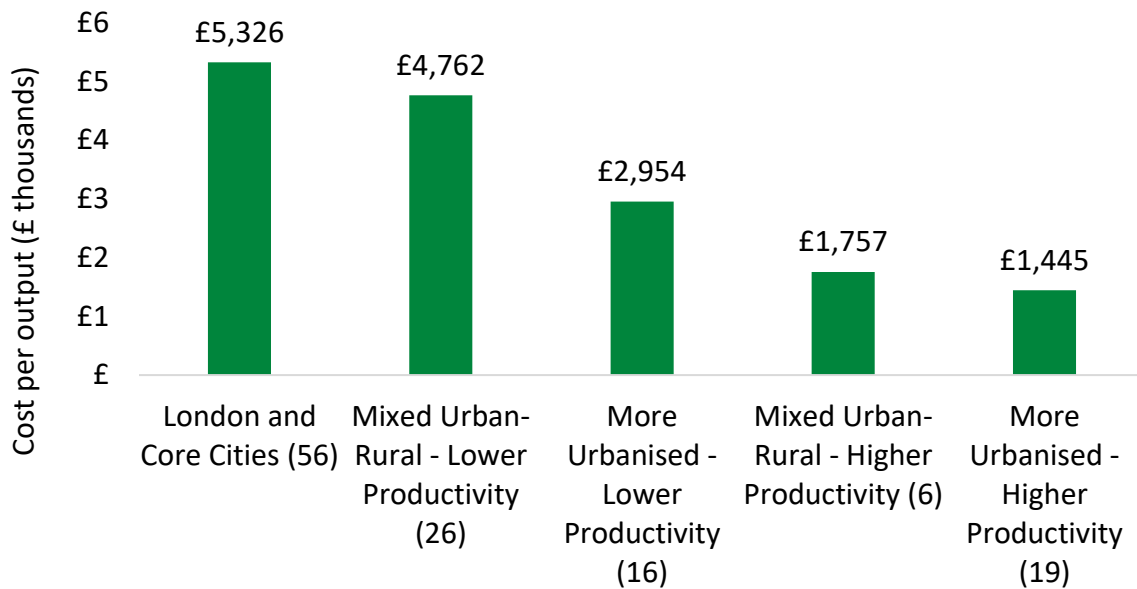
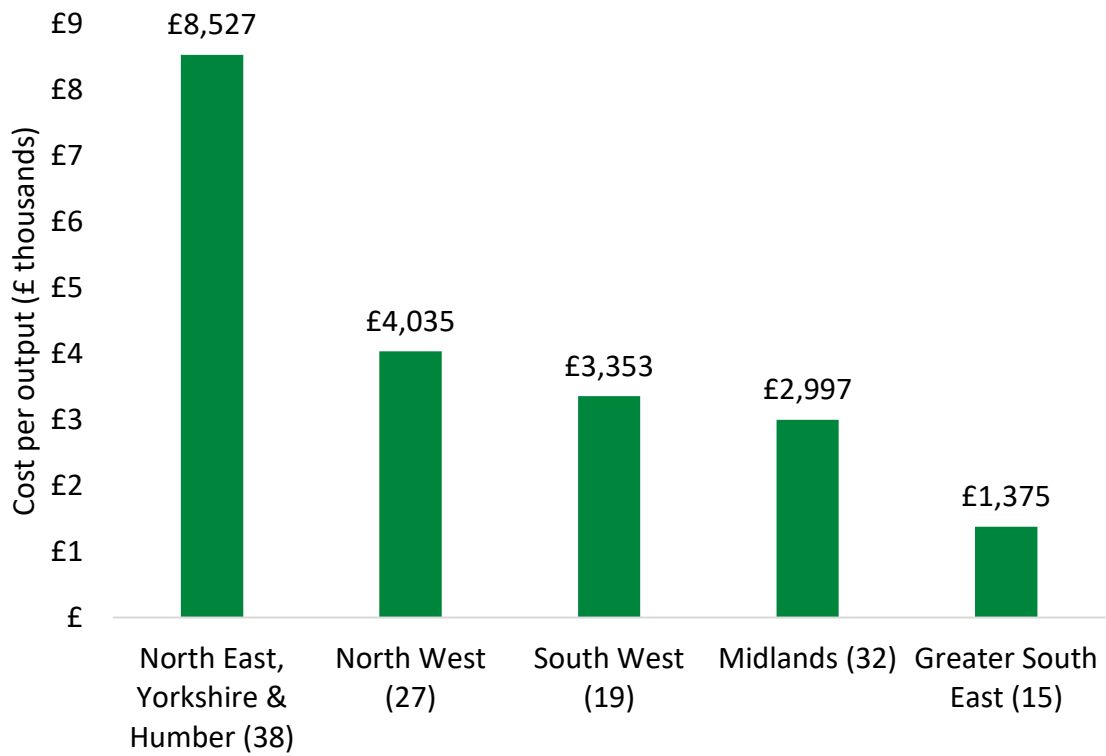


Figure 10-5: Breakdown of C34 cost per output by region (number of data points for each intervention shown in brackets)

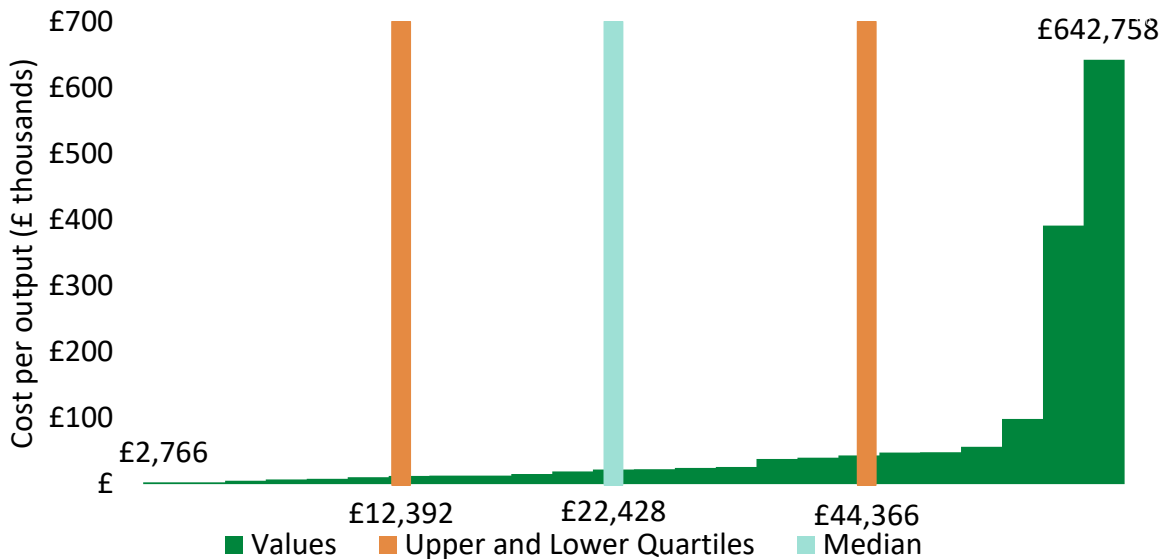


# 11. Business premises with reduced flood risk (P6)

The P6 indicator related to the number of business premises that have reduced risk of flooding and/or coastal risks as a result of project activity, and was used under priority axis 5. Cost per output data has been analysed for this indicator across 24 projects.

Figure 11-1 below sets out the distribution of unit costs for the P6 indicator, with the figures summarised in Table 11-1. There is a large range in the figures from just under £3,000 up to over £640,000 per business premise with reduced flood risk, with the median around £22,400.

**Figure 11-1: Distribution of unit cost for P6 indicator**



**Table 11-1: Summary of median, upper and lower quartile unit cost figures for P6 indicator**

	Unit Cost for P6 Indicator
Min	£2,766
Lower Quartile	£12,392
Median	£22,428
Upper Quartile	£44,366
Max	£642,758
N	24

There are insufficient data points in this analysis to enable a breakdown by intervention type, geography or pre / post COVID period.

## 12. Public or commercial buildings built or renovated (P2)

The P2 indicator related to the internal area of newly built or upgraded buildings in square metres, and was used across priority axes 1 and 3. Cost per output data has been analysed for this indicator across 121 projects.

Figure 12-1 below sets out the distribution of unit costs for the P2 indicator, with the figures summarised in Table 12-1. There is a large range in the figures from around £130 up to £11,700 per square metre built or renovated, with the median around £2,500.

Figure 12-1: Distribution of unit cost for P2 indicator

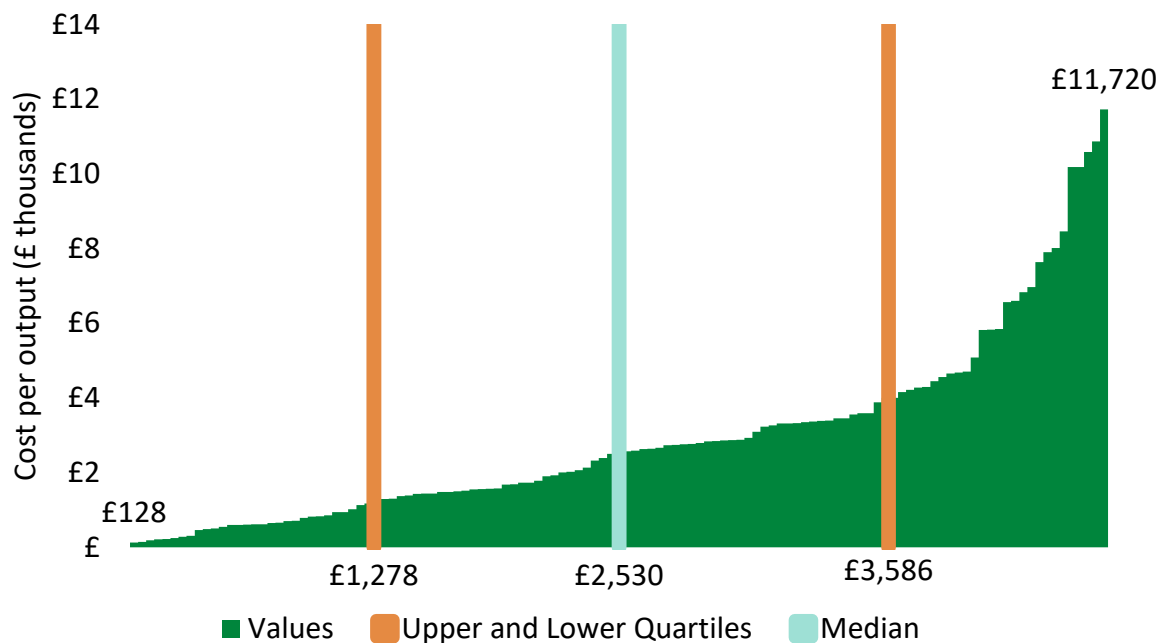


Table 12-1: Summary of median, upper and lower quartile unit cost figures for P2 indicator

	Unit Cost for P2 Indicator
Min	£128
Lower Quartile	£1,278
<b>Median</b>	<b>£2,530</b>
Upper Quartile	£3,586
Max	£11,720
N	121

It is possible to compare the median unit costs for the P2 indicator by a range of factors including intervention type, delivery in the pre- and post- COVID periods, and geography, as set out in the charts below. These findings highlight the following.

- Figure 12-2 shows higher median cost per outputs are seen for research and innovation infrastructure (under PA1) and lower for more general workspace (under PA3), reflecting the likely higher specification required for the former.
- Figure 12-3 suggests that the cost per output was slightly higher in the post-COVID period, which may to an extent just reflect inflationary increases over the programme period.
- Figures 12-4 and 12-5 highlight that the cost per output was typically higher in LEP areas with lower productivity and in areas in the South. The latter may reflect higher costs of land and premises in the South compared with the North and Midlands. The former may reflect that more productive areas received lower overall sums of ERDF funding, and hence were able to be more selective in choosing projects to fund, enabling the choice of projects with lower unit costs.

Figure 12-2: Breakdown of P2 cost per output by intervention type (number of data points for each intervention shown in brackets)

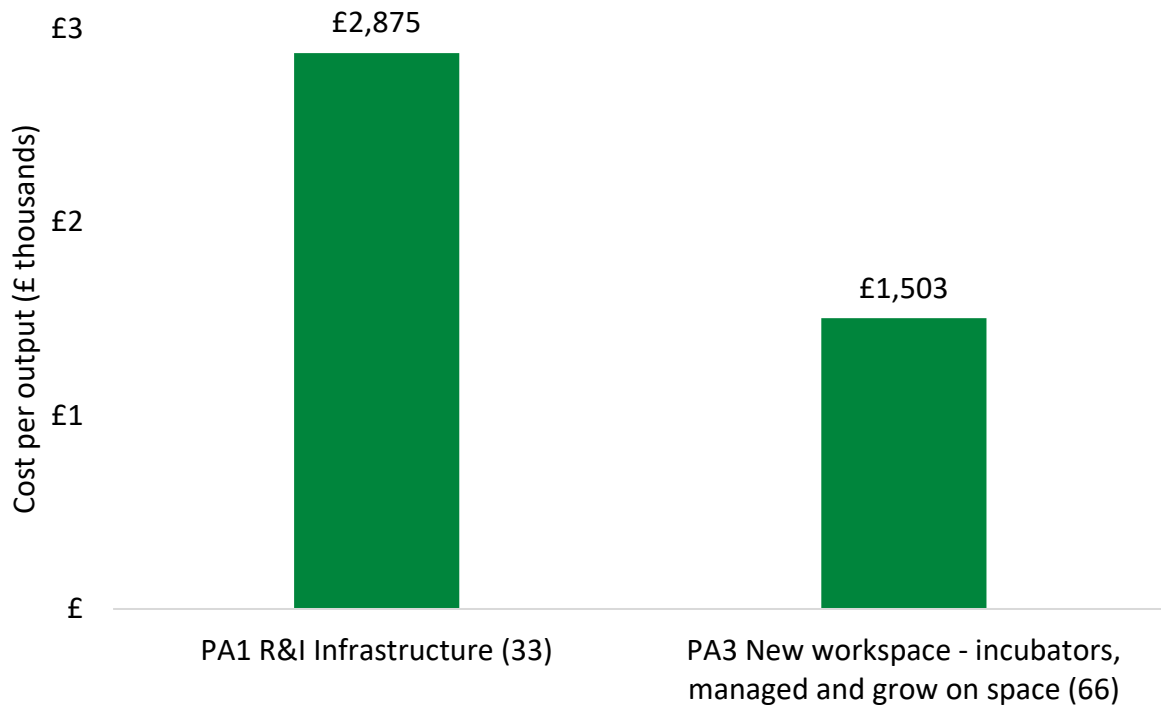


Figure 12-3: Breakdown of P2 cost per output by delivery in the pre- and post- COVID outbreak periods (number of data points for each intervention shown in brackets)

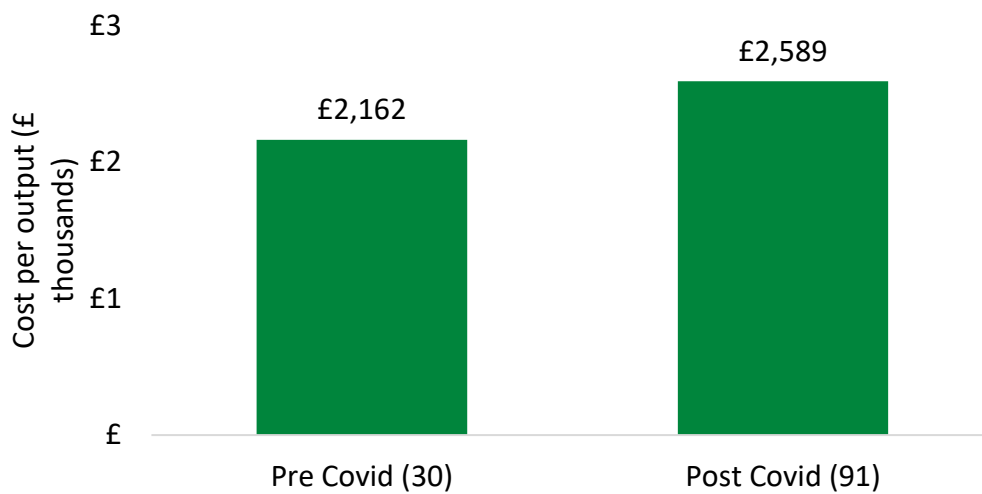


Figure 12-4: Breakdown of P2 cost per output by economic geography type (number of data points for each intervention shown in brackets)

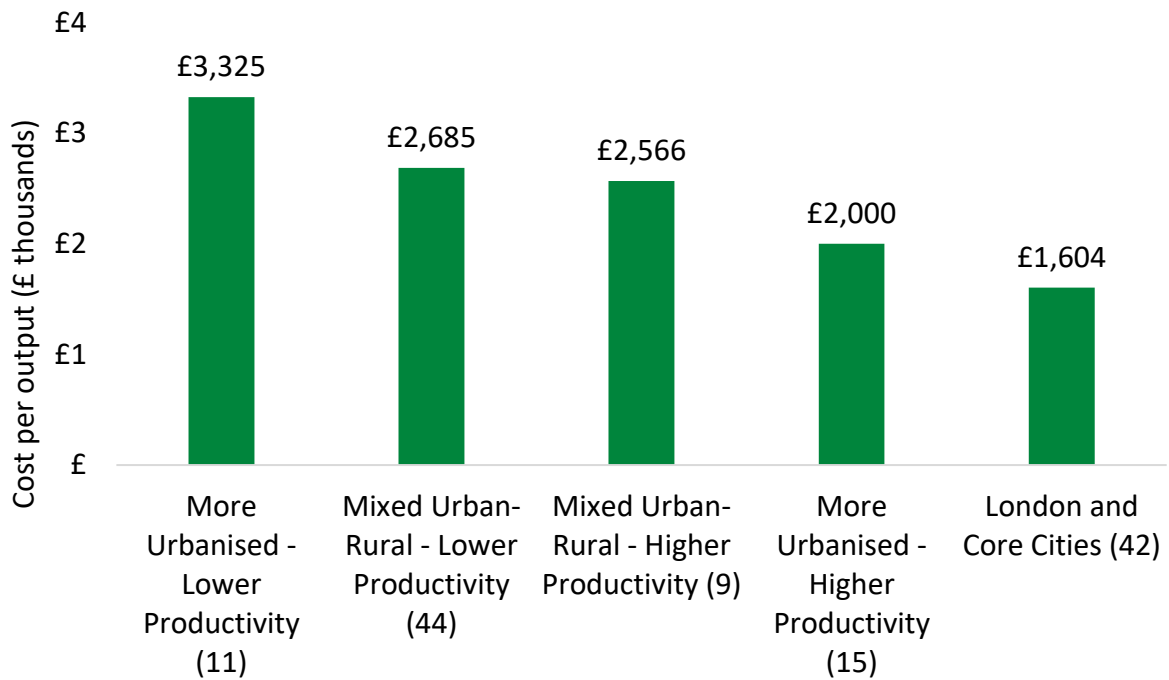
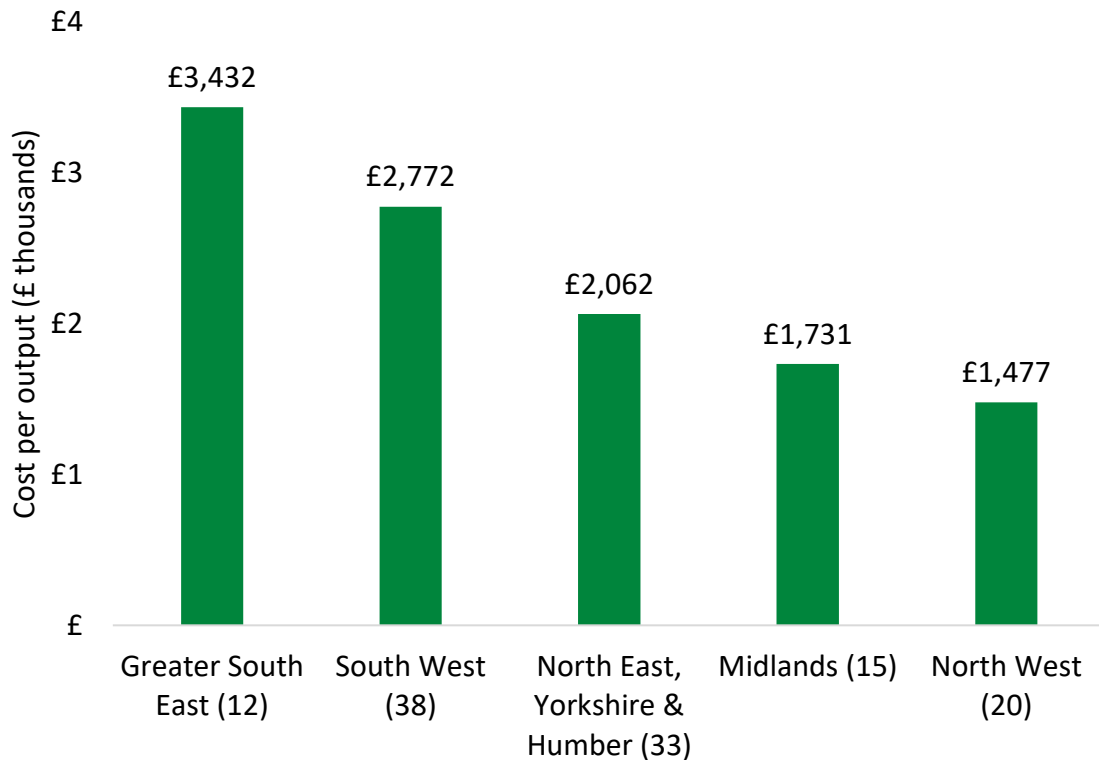


Figure 12-5: Breakdown of P2 cost per output by region (number of data points for each intervention shown in brackets)





# 13. Square metres public or commercial building built or renovated in targeted areas (P12)

The P12 indicator related to the internal area of newly built or upgraded buildings in square metres in an agreed community led local development (CLLD) area, and was used under priority axis 8. Cost per output data has been analysed for this indicator across 13 projects.

Figure 13-1 below sets out the distribution of unit costs for the P12 indicator, with the figures summarised in Table 13-1. There is a large range in the figures from around £240 up to £7,500 per square metre built or renovated in targeted areas, with the median around £1,300.

Figure 13-1: Distribution of unit cost for P12 indicator

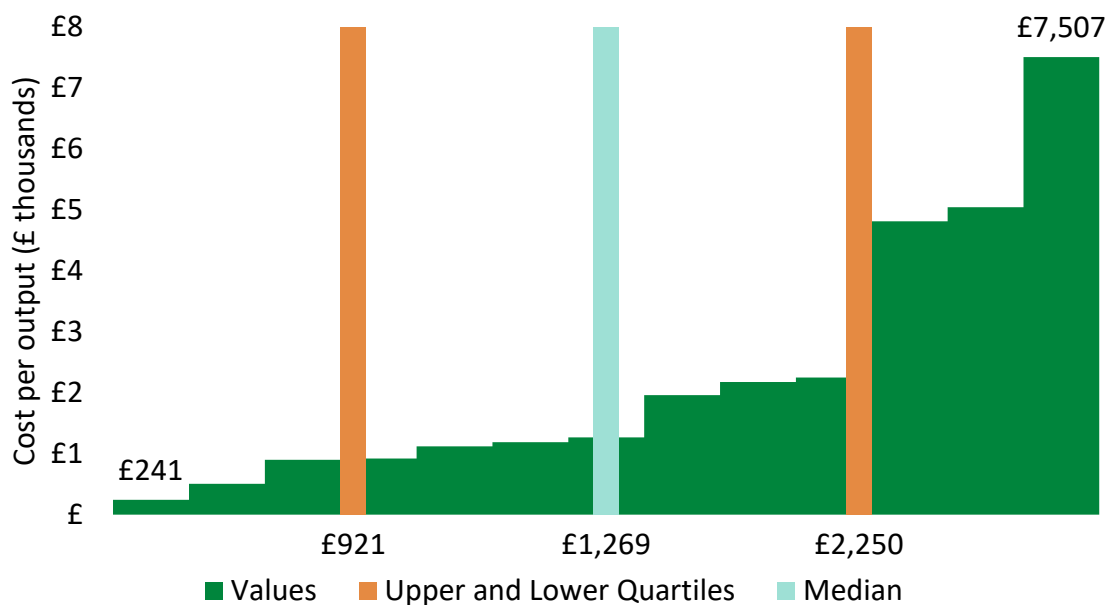


Table 13-1: Summary of median, upper and lower quartile unit cost figures for P12 indicator

	Unit Cost for P12 Indicator
Min	£241
Lower Quartile	£921
Median	£1,269
Upper Quartile	£2,250
Max	£7,507
N	13

There are insufficient data points in this analysis to enable a breakdown by intervention type, geography or pre / post COVID period.

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