



EAST MIDLANDS 2007-13 ERDF INVESTMENT FRAMEWORK

Document

Document Title	East Midlands 2007 – 2013 ERDF Investment Framework		
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Date	04 Dec 2007	Filename	
URL	NA		
Access	Internal Shared Drive		

Document History

Version	Date	Comments
Version 1	04 Dec 2007	Draft
Version 2	14 Feb 2008	PMC endorsed
Version 3	07 Jan 2009	Updated with investments information
Version 3	28 Jul 2010	Updated with investments information
Version 4		

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Introduction

The East Midlands Operational Programme (EMOP) sets out the region's strategy for delivering ERDF funds for the period from 2007 to 2013 under the EU's new Structural Funds Competitiveness and Employment Objective.

The overall **Strategic Programme Objective** is:

“To become a region of highly productive, innovative and sustainable businesses and support the most disadvantaged of our communities to realise their economic potential”.

This will be achieved through two main Priority Axes:

- Priority Axis 1: Innovation and sustainable business practice; and
- Priority Axis 2: Sustainable economic and enterprise activity in disadvantaged communities.

The Programme will also benefit from Technical Assistance support, and the Priority Axes will be underpinned by the cross cutting themes of environmental sustainability and equality.

Priority Axis 1 is concerned with increasing productivity through innovation and sustainable business practice. Resources will be thematically targeted to focus on increasing commercialisation of innovation in Small and Medium Enterprises (SMEs) in priority sectors and in businesses with high growth potential to create higher value added products and services, and will include support for SME engagement in Research and Development (R&D) for emerging and enabling technologies. It will also promote and support innovation to improve resource efficiency.

Priority Axis 2 is concerned with increasing sustainable economic and enterprise activity in disadvantaged communities and will be spatially targeted to focus resources on the most disadvantaged areas whilst exploiting the potential linkages to adjacent areas of economic growth. The aim is to create new indigenous economic opportunities by building local capacity, resources and support; reviving local infrastructure and environments and stimulating and supporting enterprise and new market opportunities.

Purpose

One of the Programme's key delivery principles is the need for improved strategic and operational integration, as recommended in the Department of Communities and Local Government (CLG) *Good Practice Guide*. The Programme Monitoring Committee (PMC) is responsible for considering and approving the criteria for selecting the operations to be financed under the Programme, and the Investment Framework (IF) has been developed to identify

Key Products and Programmes of Activity for endorsement, with provision made for detailed set criteria relevant to each area identified by the appropriate Priority Axis Sub Group (on behalf of the PMC).

For each Key Product or Programme of Activity the IF will provide a detailed narrative on the activity (referencing the appropriate EMOP strand(s) and indicative actions), along with:

- Strategic fit;
- ERDF resources needed;
- Likely Outputs, Results and Impacts from the activity (including additional indicators where appropriate);
- Partner organisations and match funding needed/secured (where known); and
- Recommended procurement method(s).

The Investment Framework will be a 'living' document and will be updated prior to each PMC meeting. It will be subject to tight version control and will, over time, provide a comprehensive record of investment decisions taken and the objectives achieved.

Operation

The PMC is supported and advised by two thematic sub-groups, one for each of the main Priority Axes. These groups are tasked with identifying areas of activity in which ERDF should be invested in order to meet the objectives of the Operational Programme (OP).

emda as the Programme Secretariat (on behalf of the PMC) will be responsible for amending and updating the Investment Framework, and will populate each version with Key Products or Programmes of Activity recommended for inclusion by the thematic sub-groups.

New or revised entries seeking PMC endorsement will be coloured RED in each IF version.

Strategic Context

The Operational Programme was built on an analysis of the region's main challenges, needs, strengths and opportunities as set out in the socio-economic and SWOT analyses, and the policy frameworks and drivers set out in the European Commission's Community Strategic Guidelines (CSG) and the UK's National Strategic Reference Framework (NSRF). In addition, the Programme is both set within the framework of, and will contribute to the delivery of, the Regional Economic Strategy (RES). The Operational Programme seeks to add value by enhancing and extending RES commitments to the Lisbon and Gothenburg agendas.

Guiding Principles

Cross Cutting Themes

The purpose of Cross Cutting Themes (CCT) within the East Midlands Operational Programme (EMOP) is to ensure that Equalities and Environmental Sustainability underpin and inform all activity financed through the Programme. The aim is to integrate, or mainstream, the themes across all activities. Mainstreaming ensures that cross cutting themes are considered at every stage of the life of a project, from its development, application and delivery, to how it is monitored and evaluated.

Equalities

The EMOP states that the principal objective of the Equalities CCT is:

- To reduce economic and social inequalities by ensuring that opportunities generated by the programme are available to everyone (regardless of their Gender, Disability, Race, Age, Sexual Orientation or Religion/Belief).

This cross cutting theme supports the aim of the Achieving Equality strand of the Regional Economic Strategy:

- To reduce economic inequalities and increase productivity by ensuring that everyone has the opportunity to contribute to and benefit from the region's sustainable economic growth.

Equality of opportunity is important for economic, legislative and moral reasons. Only by ensuring that everyone has equal access to opportunities will we achieve our goal of being a 'flourishing region'. More specifically, equality of opportunity is critical to the success of the ERDF programme. People from traditionally excluded groups make up a significant proportion of the region's population and evidence shows that many experience barriers to social and economic inclusion. If exclusion continues to inhibit the prospects of these groups, economic opportunities will not be maximised and social cohesion threatened. The effective integration of Equalities into the Programme will assist more people and businesses to access the opportunities that the Programme offers and thereby improve not only their quality of life, but also the regional economy.

Priority Axes 1 and 2 provide significant opportunities for funding specific activities that promote equality of opportunity, either directly or indirectly. However, all EMOP Products or Programmes of Activity will also be required to demonstrate alignment with the principles of equality of opportunity as a cross-cutting theme.

Specifically, all EMOP Products & Programmes of Activity should:

- Ensure the needs of **all** potential beneficiaries are considered at project design stage in order that the service is appropriately delivered;

- Ensure that community consultation is undertaken to ensure that the proposed project is designed to meet the needs of all;
- Ensure all communication mechanisms are accessible for all i.e. events, websites, promotional materials; and
- Ensure all physical regeneration i.e. new buildings and upgrading existing premises is subject to Inclusive Design Principles.

Environmental Sustainability

The EMOP states that the objective of the Environmental Sustainability (ES) CCT is:

To minimise environmental and resource impact, respect environmental capacities, and maximise the potential for the environment as an economic driver.

The effective integration of Environmental Sustainability into the Programme can help deliver a more competitive, dynamic and innovative regional economy by embracing and responding to the economic opportunities that environmental integration provides.

This is in line with the Regional Economic Strategy (RES) which states that “the region's environment is an important asset and protecting and investing in it makes economic sense”. A high quality environment enhances quality of life, helps tackle deprivation and attracts people, businesses and investment. Improving environmental performance through measures such as energy and resource efficiency, sustainable transport and waste minimisation, saves businesses money while helping to reduce carbon emissions and reduce the whole life costs of buildings and premises.

The EMOP recognises environmental sustainability as one of the three pillars of Sustainable Development. The inclusion of an environmental sustainability cross cutting theme means that, whilst achieving their social and economic goals, the Programme and individual projects should also aim to minimise negative environmental impacts and, where possible, enhance environmental benefits.

This should be done with particular reference to the EMOP strategic environmental objectives, as identified in the Strategic Environmental Assessment (SEA) of the East Midlands ERDF Operational Programme¹. The EMOP is set within the framework of, and therefore contributes to the delivery of environmental objectives within both the RES and Integrated Regional Strategy (IRS).

The ES CCT will, where appropriate, draw on the experience and best practice established during the 2000-2006 East Midlands Objective 2 Programme. Minimising a project's environmental impact and, where possible, enhancing environmental benefits will be achieved both directly by funding specific activities under the main EMOP priorities and indirectly by raising awareness of, promoting

¹ The SEA is available to download from <http://www.goem.gov.uk/goem/euro/struct-funds/ERDF07-13/?a=42496>

and developing environmental sustainability approaches in project design, delivery, monitoring and evaluation. Section 3 provides further information on how the cross cutting theme of environmental sustainability can be integrated within Key Products or Programmes of Activity.

Priority Axes 1 and 2 provide significant opportunities for funding specific (or vertical) activities that promote environmental sustainability. However, all EMOP Products or Programmes of Activity will also be required to demonstrate alignment with the principles of environmental sustainability as a cross cutting (or horizontal) theme.

Specifically, all EMOP Products & Programmes of Activity should promote mitigation and adaptation approaches to climate change and contribute to a more resource efficient regional economy by:

- Minimising the need to travel, and where necessary, taking steps to minimise the environmental impact of travel & transport (including procurement measures which allow locally produced/sustainably sourced goods and services to compete on equivalent terms);
- Wherever practicable, Products/Programmes of Activity should, through the consumables they buy and use, seek to minimise environmental impact(s) and maximise cost savings through the efficient use of resources;
- Undertake to reduce, reuse, recycle or reclaim wastes and surplus materials wherever possible;
- Require subcontractors, and encourage clients and collaborators, to do the same; and
- Consider opportunities for related social and economic benefits (e.g. involvement of local groups/volunteers).

Those Products and Programmes of Activity involving **capital investments in land and/or buildings** should:

- Prioritise existing buildings and brownfield land as development sites (where local conditions permit);
- Achieve BREEAM “Excellent rating” for **new build** projects (unless site constraints or project objectives mean that this requirement conflicts with the obligation to achieve value for money) or BREEAM “Very Good rating” for **refurbishment** projects. Where alternative environmental assessment methods are used (E.g. EcoHomes, Code for Sustainable Homes) an equivalence rating should be achieved;
- Have regard to the conservation of biodiversity; and
- Incorporate climate change adaptation measures at design stage.

The above will apply to both Programme/Product design and delivery (operational) stages.

Whilst the requirements above will help to ensure low-carbon Products and Programmes of Activity, additional resource use and carbon monitoring

requirements may be required to support SEA monitoring, impact assessment and evaluation purposes.

Risk

Guidance from the European Commission and CLG recommends that ERDF Programmes should experiment with 'new approaches' and manage the accompanying risk by pursuing a portfolio approach that can balance 'riskier' (e.g. novel or untested) interventions with proven activities. The EMOP will seek to achieve this balanced approach.

Procurement

All goods, services and works supported through this Programme will be procured in a way that meets the requirements laid down by European Union (EU) procurement legislation, UK Government law, and accepted best practice. Purchases of goods and services will be made not just on the basis of the lowest price, but also by taking into account other factors such as quality, relevant environmental performance, approximate carbon impact and the 'whole-life' cost.

The principles of sustainable development in linking economic and environmental issues with social goals can be consistent with achieving value for money and meeting EU and UK rules on procurement. Consideration of the cross cutting themes will therefore be integrated into the earliest stages of procurement processes and throughout project development.

A number of procurement procedures (or 'routes to market') are detailed in the EMOP and supported by the Implementing Provisions:

- **Open bidding:** where any number of potential project applicants or delivery organisations are invited to apply directly for grant for specific operations and/or outputs;
- **Limited bidding:** where a limited number of project sponsors are identified and invited to bid to deliver a series of programme targets and outputs or to deliver a specific operation; and
- **Non-competitive Selection:** where a single project sponsor (or perhaps two or more) is selected as appearing to be the appropriate vehicle for delivering specific operations and or programme targets and outputs and are approached directly to submit an application.

Additionality

The additional ERDF resource available to the region through the EMOP will increase the level of investment to support the key policy areas of innovation and enterprise. ERDF will be used to enable enhanced programmes of support to be delivered and it will accelerate the rate of the delivery of regional and sub-regional strategies and action plans, thereby producing outputs and impacts in support of the Lisbon growth goals during the period of the Programme.

Under Priority Axis 1, Community Added Value will be demonstrated by providing additional ERDF funds to existing regional and national resources to support the delivery of the regional Innovation Strategy and Action Plan (ISAP) that sets out the region's ambition to become "a dynamic region founded on innovative and knowledge-focused businesses, competing successfully in a global economy".

Under Priority Axis 2, ERDF will allow certain forms of support to be provided in localities where there is limited mainstream provision. The additional resources will allow a focus on the outreach and mentoring role of enterprise support in disadvantaged areas where communities often face multiple disadvantage which is not addressed by mainstream business support services. The interventions will be developed to accord with the Business Support Simplification agenda and will provide a bridge through the provision of in depth and extended programmes of support that will then link into the mainstream offer.

The Programme will support a focus on responding to the region's resource efficiency needs and, as such, will maximise opportunities to be gained in moving towards a low carbon economy. ERDF will be used to support the region's innovation and R&D needs to improve resource efficiency measures and will also encourage new enterprise to exploit opportunities emerging from low carbon technologies, processes and services in disadvantaged areas.

At an operational level, the appraisal and selection processes will need to confirm Programme added value before any investment is approved.

State Aid

The objective of State Aid control is to ensure that Government interventions do not distort competition and intra-community trade. In this respect, State Aid is defined as '*an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities*'.

By adopting a strategic approach to investment by identifying Key Products or Programmes of Activity via the Investment Framework, aid (if present) can be minimised and where possible 'designed out' during the early stages of development. However, if aid remains, the appraisal process will detail how this is to be addressed (i.e. delivery under a block exemption).

Section 1: Definition of Strands/Indicative Actions

1.1 Priority Axis 1 – Innovation and Sustainable Business Practice

Strand	Ref:	Indicative Actions
1a. Supporting Knowledge and Technology Transfer, Innovation and R&D	1a-1	Activities to identify and support the development of emerging and enabling technologies through HEI / business collaborations, including support for spin outs.
	1a-2	Collaborative R&D projects between SMEs and HEIs to develop new products, services and processes to improve business performance including grant funds.
	1a-3	Activities to promote the benefits of enabling technologies and processes to SMEs and support for SMEs to assess the implications of new technologies and processes, including ICT – e.g. events.
	1a-4	Activities to support technology and knowledge transfer through either HEI/ business collaboration or business-to-business collaboration including support for graduate and undergraduate placement schemes.
1b. Innovation Support for Business	1b-1	Information, diagnostic and brokerage activities.
	1b-2	Expert advice to improve technical, managerial and workforce competence to enable SMEs to innovate in order to bring about and exploit new products, processes, services and create new markets, including support for the regional Manufacturing Advisory Service.
	1b-3	Activities to support the exploitation of funding opportunities to support innovative activities, in particular opportunities from FP7 and the CIP.
	1b-4	Consultancy support for process innovation, technology strategy development and subsequent implementation.
	1b-5	Initiatives to support firms to develop new and improved products, processes and services, and access new markets.

	1b-6	Activities to raise awareness of, and stimulate demand for, finance to fund business innovations.
	1b-7	The development of appropriate financial instruments to encourage investment in the commercialisation of R&D and to increase take up of technologies to improve resource efficiency including JEREMIE.
1c. Creating the Environment for Innovation	1c-1	Initiatives that develop the supportive environment for innovation in SMEs, including the organisation, management and promotion of networks and industry groups within key sectors. For example, iNets for each of the key sectors.
	1c-2	The development of premises and facilities to support innovation, e.g. iNet Hubs.
	1c-3	Funding will also be available to upgrade and extend existing premises and facilities for innovation.
	1c-4	Awareness raising activities, including events and competitions. Management of appropriate communication vehicles including the development of a regional innovation portal.
1d. Resource Efficiency	1d-1	Action to promote greater efficiency in the use of resources (energy, water, materials) and assistance for businesses to establish and develop environmental management systems.
	1d-2	Action to develop and adopt new technologies (including renewable energy), products, processes and services to improve resource efficiency.

1.2 Priority Axis 2 – Sustainable Economic and Enterprise Activity in Disadvantaged Communities

Strand	Ref:	Indicative Actions
2a. Enterprise Support	2a-1	Enhanced enterprise and start-up initiatives including enterprise awareness coaching, mentoring provision and initiatives to support enterprise in target communities.
	2a-2	Bespoke business support initiatives for businesses and social enterprises to develop and enter new markets, including those concerned with waste minimisation, renewable energies and resource efficiency opportunities, including financial assistance and consultancy support.
	2a-3	Developing the capacity of local businesses and social enterprises to access local procurement opportunities.
	2a-4	Creation and refurbishment of premises, employment sites and small scale enterprise facilities.
2b. Access to Finance	2b-1	Development and provision of appropriate financial instruments, including Community Development Finance Instruments (CDFI).
	2b-2	Access to finance and investor readiness support.
2c. Access to Resources and Support	2c-1	Developing and improving access to employment opportunities, including local transport initiatives, connectivity (including ICT) and accessibility.
2d. Reviving Local Infrastructure and Environments	2d-1	Rehabilitation and development of local environments to create more attractive places for communities and investors.

Section 2: Thematic and Spatial Targeting Requirements

2.1 Priority Axis 1 – Thematic ERDF priorities

Priority Axis 1 support will be targeted thematically with a particular focus on the region's four Key Sectors:

- Transport Equipment;
- Construction;
- Food and Drink; and
- Health.

High growth businesses (defined by the demonstration of an annual increase in turnover of over 15%), and resource efficiency needs for all SMEs throughout the region, will also be targeted for support.

2.2 Priority Axis 2 – Spatial ERDF Priorities

The focus of Priority Axis 2 is to provide support and resources to localities with high levels of deprivation and low levels of economic and enterprise activity in order to increase sustainable economic and enterprise activity. Within the OP 12 target districts have been identified. These areas have been allocated under 3 broad spatial categories:

Spatial Category	Districts
Urban	Derby City Leicester City Lincoln Nottingham City
Coastal/Peripheral	Boston East Lindsey
Former Industrial	Ashfield Bassetlaw Bolsover Chesterfield Corby Mansfield

The Priority Axis 2 Sub Group (on behalf of the PMC) will help sub-regional and local partnerships identify areas or groups of particular need within their districts and, through the development of local plans, justify specific interventions and identify delivery mechanisms. Given that spatial targeting is no longer a question of eligibility, but one of focus and concentration, it may be possible for limited activities to be funded outside the target districts provided their impact on the target areas/groups can be quantified and measured.

Section 3: Activity

3.1 Priority Axis 1 - Innovation and Sustainable Business Practice

This Priority Axis seeks to create a high value-added economy by supporting innovation and sustainable business practice. It will build on the region's key strengths and exploit opportunities.

The main objectives are to:

- Increase the number of businesses investing in innovation;
- Raise the overall level of business investment in innovation;
- Improve the effectiveness of ideas commercialisation;
- Recognise and build on regional strengths to ensure sustainable competitive advantage;
- Increase the frequency and value of business / university interactions;
- Build business resilience and productivity through resource efficiency and adaptation to climate change measures; and
- Maximise the economic and environmental benefits of the deployment of renewable energy and low carbon technologies.

3.2 Approved Key Products or Programmes of Activity

Priority Axis 1 - Summary						
Reference	Key Product or Programme of Activity	ERDF Resources (£)				Date PMC Approved
		2008	2009	2010	2011	
3.3.1	Innovation call for activity	4,166,667	8,333,333	8,333,333	4,166,667	14 February 2008
3.3.2	iNets	3,991,000	3,473,000	3,473,000	-	14 February 2008
3.3.3	Employment Workspace IAGF	1,000,000	4,000,000	4,000,000	1,000,000	14 February 2008 ²
3.3.4	Resource Efficiency Business Support	750,000	1,500,000	2,250,000	500,000	14 February 2008
3.3.5	Second innovation call for activity	0	10,000,000	8,000,000	2,000,000	21 May 2009
3.3.6	Economic recovery package	0	3,000,000	1,000,000	1,000,000	21 May 2009
3.3.7	JESSICA	0	10,000,000	0	0	21 May 2009
		0				
Total		9,907,667	40,306,333	27,056,333	8,666,667	

² The PMC later agreed on 11 November 2008 to reassign the £10m ERDF from the Employment Workspace IAGF to extend the PA1 Innovation Call to £35m ERDF.

3.3 PA 1 - Key Products or Programmes of Activity

3.3.1	
Programme of activity	Strand Reference Number (s)
Innovation call for activity	Actions across all strands of Priority Axis 1 could be funded.
Activity Start Date	Activity End Date
1 July 2008	30 June 2011
Description	
<p>The 'call' will invite applications that demonstrate they can contribute to the achievement of PA1 objectives/outputs and results through eligible activities across all the PA 1 strands, and looks to commit £25million of ERDF over the 3 year period to the end of June 2011. It will be launched in early March through the publication of a <i>Prospectus</i> which will be developed by the PASG (on behalf of the PMC).</p> <p>The application process will have two stages, with an initial Expression of Interest (Eoi) - which all organisations wishing to apply will need to complete – which will be assessed against agreed criteria (detailed in the <i>Prospectus</i>). Successful applicants will then be invited to prepare full applications which will be formally appraised. Until a contract offer letter is issued, the ERDF funding is not guaranteed. All applications will need to demonstrate how their proposals align with the UK Government's Business Support Simplification Programme (BSSP) framework. Applicants will need to set out what their proposals will achieve in terms of PA1 objectives/outputs and results, and that they have fully integrated the cross-cutting themes into project design.</p>	
Objectives	
<ul style="list-style-type: none"> • Increasing the number of businesses investing in innovation. • Raising the overall level of business investment in innovation. • Recognising and building on regional strengths to ensure sustainable competitive advantage. • Increasing the frequency and value of business / university interactions. • Building business resilience and productivity through resource efficiency and adaptation to climate change measures. • Maximising the economic and environmental benefits of the deployment of renewable energy and low carbon technologies. 	

3.3.1

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
Up to 40%	25,000,000	37,500,000		62,500,000
Proposed Outputs/Results/Impact				
Number of businesses engaged in new collaborations	Projects are expected to deliver a proportionate share of Programme outputs and results.			
No of businesses assisted to improve performance				
Public / private sector investment leveraged				
Sq metres of new or upgraded floor space				
No. of jobs created				
No. of new businesses created or attracted to the region				
No of graduates placed in SMEs				
GVA resulting from businesses improving performance				
Cross Cutting Themes				
All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.				
ERDF Expenditure by Year (£)				
2008	2009	2010	2011-13	Total
4,166,667	8,333,333	8,333,333	4,166,667	25,000,000

3.3.2	
Programme of activity	Strand Reference Number (s)
iNets The establishment of iNets will bring considerable focus to the drive to increase levels of innovation and awareness of innovation and knowledge support options across the region. The role of iNets is clearly highlighted in the EMOP as a key aspect of delivering the region's Innovation Strategy and Action Plan. They will make appropriate tools and mechanisms available to bring together research expertise and businesses, enabling meaningful and relevant knowledge exchange, thereby increasing the rate and level of innovation in businesses and our research institutions.	Activities across Strands 1a - b
Activity Start Date	Activity End Date
From date of approval of funding	Likely to be 2010/11 – dependant on start date.
Description	
<p>This iNet programme encompasses a range of potential activities that will support the delivery of the key outcomes and outputs of the Programme. These include:</p> <ul style="list-style-type: none"> • Establishment of the iNet infrastructure (where appropriate). • Higher Education Institution (HEI) collaboration funds - the iNets will provide support for the development of collaborative Research and Development programmes that can deliver sustainable competitive advantage for the region. • Innovation support to business - a key role for the iNet teams will be to identify innovation needs in client companies, providing IDB support and directing them to the most appropriate type and source of specialist innovation support available. • Innovations promotions and iNet Events. • Grants to SMEs – to maximise particular regional research or exploitation strengths. 	

3.3.2**Objectives**

- Building innovation networks for knowledge exchange
- Delivering high quality innovation support for businesses
- Fostering enabling and emerging technologies
- Creating an effective environment for innovation

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40	10,937,000	19,766,000		30,703,000

Proposed Outputs/Results/Impact

Number of businesses engaged in new collaborations	1410
No of businesses assisted to improve performance	1120
Public / private sector investment leveraged	£2,675,000
Sq metres of new or upgraded floor space	800
No. of jobs created	870
No. of new businesses created or attracted to the region	1
No of graduates placed in SMEs	10
GVA resulting from businesses improving performance	1,000,000

Cross Cutting Themes

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

3.3.2**ERDF Expenditure by Year (£)**

2008	2009	2010	2011-13	Total
3,991,000	3,473,000	3,473,000	-	10,937,000

3.3.3

Programme of activity	Strand Reference Number (s)
Employment Workspace Invitation to Apply for Grant Funding (IAGF).	1c
Activity Start Date	Activity End Date
1 April 2008	30 June 2011
Description	
<p>The <i>High Quality Employment Floor Space Fund</i> aims to create more skilled jobs in the region by providing high quality, sustainable sites and buildings. The three year programme will offer grants to both private and public sector organisations wanting to create new employment floor space – either through new developments or bringing existing buildings and facilities into more productive use. An allocation of up to £10m will enhance the available fund and thereby ensure that greater resources are available to the region to support these key innovation and R&D related infrastructure investments.</p> <p>Projects considered for funding will include:</p> <ul style="list-style-type: none"> • Employment space in the key priority sectors of transport equipment, food and drink, construction and healthcare; • Science and technology space supporting the growth in the knowledge economy; • Incubator space for start-up companies particularly in the science and technology sector; • Upgrading existing or commercially unattractive sites to increase high quality employment space; and • Grow-on space to support the development of the priority sectors and growing science and technology companies. 	

3.3.3

Objectives

The High Quality Employment Floor Space fund aims to create and encourage more skilled and higher added-value jobs in the East Midlands by providing quality sites and buildings for regional businesses. Priority will be given to key sectors as identified in the Regional Economic Strategy (transport equipment, food and drink, construction and healthcare and technology), provision of science and technology floorspace, incubator space for start-up companies, upgrading existing or commercially unattractive sites and grow-on space to support growing science and technology companies. It will assist in contributing to the 1.5% annual growth rate for employment floor space across the region – a key objective in the 2006 Regional Economic Strategy.

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40%	10,000,000	15,000,000	Not known	25,000,000

Proposed Outputs/Results/Impact

Number of businesses engaged in new collaborations
No of businesses assisted to improve performance
Public / private sector investment leveraged
Sq metres of new or upgraded floor space
No. of jobs created
No. of new businesses created or attracted to the region
No of graduates placed in SMEs
GVA resulting from businesses improving performance

Projects are expected to deliver a proportionate share of Programme outputs and results.

Cross Cutting Themes

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

3.3.3**ERDF Expenditure by Year (£)**

2008	2009	2010	2011-13	Total
1,000,000	4,000,000	4,000,000	1,000,000	10,000,000

3.3.4

Programme of activity	Strand Reference Number (s)
Resource Efficiency Business Support	1d and 1b
Activity Start Date	Activity End Date
14 February 2008	13 February 2011
Description	
<p>This programme of Resource Efficiency Business Support will be targeted on actions that promote greater efficiency in the use of resources and assist businesses establish and develop environmental systems.</p> <p>The following activities might be supported:</p> <ul style="list-style-type: none"> • Intensive support for businesses to adopt cleaner design processes; • Increase the Business Link managed Business Transformation Grant (BTG) to implement resource efficiency improvements identified through Business Link's Information, Diagnostic and Brokerage (IDB) model; • Development of specialist intensive business support products (including tailored programmes in specialist sectors such as construction, retail and food and drink, materials and product support; • Supporting the development of markets for high quality recycled product (based on priority materials) and the recycling and reprocessing collection infrastructure in the East Midlands; and • Coordinating business waste and resource management in partnership with local authorities and third sector organisations. <p>The PASG will determine the most appropriate activities for support and the delivery mechanisms / 'route to market'.</p>	

3.3.4

Objectives

- Incentivise efforts to reduce, re-use, recycle waste and recover energy from waste.
- Target action on materials, products and sectors with the greatest scope for improving economic and environmental outcomes.
- Stimulate investment in collection, recycling and recovery infrastructure, and markets for recovered materials that will maximise the value of materials and energy recovered.

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40	5,000,000	7,500,000		12,500,000

Proposed Outputs/Results/Impact

Number of businesses engaged in new collaborations
No of businesses assisted to improve performance
Public / private sector investment leveraged
Sq metres of new or upgraded floor space
No. of jobs created
No. of new businesses created or attracted to the region
No of graduates placed in SMEs
GVA resulting from businesses improving performance

Projects are expected to deliver a proportionate share of Programme outputs and results

Cross Cutting Themes

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

3.3.4**ERDF Expenditure by Year (£)**

2008	2009	2010	2011-13	Total
750,000	1,500,000	2,250,000	500,000	5,000,000

3.3.5

Programme of activity	Strand Reference Number (s)
Second Innovation Call for Activity	Actions across all strands of Priority Axis 1 could be funded.
Activity Start Date	Activity End Date
12 June 2009	11 June 2012
Description	
<p>The 'call' will invite applications that demonstrate they can contribute to the achievement of PA1 objectives/outputs and results through eligible activities across all the PA 1 strands, and looks to commit £20million of ERDF over the 3 year period to 11 June 2012. It is to be launched on 12 June 2009 through the publication of a <i>Prospectus</i> which will be developed by the PASG (on behalf of the PMC).</p> <p>The application process will have two stages, with an initial Expression of Interest (EoI) - which all organisations wishing to apply will need to complete – which will be assessed against agreed criteria (detailed in the <i>Prospectus</i>). Successful applicants will then be invited to prepare full applications which will be formally appraised. Until a contract offer letter is issued, the ERDF funding is not guaranteed. All applications will need to demonstrate how their proposals align with the UK Government's Business Support Simplification Programme (BSSP) framework. Applicants will need to set out what their proposals will achieve in terms of PA1 objectives/outputs and results, and that they have fully integrated the cross-cutting themes into project design.</p>	

3.3.5**Objectives**

- Increasing the number of businesses investing in innovation.
- Raising the overall level of business investment in innovation.
- Recognising and building on regional strengths to ensure sustainable competitive advantage.
- Increasing the frequency and value of business / university interactions.
- Building business resilience and productivity through resource efficiency and adaptation to climate change measures.
- Maximising the economic and environmental benefits of the deployment of renewable energy and low carbon technologies.

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40	20,000,000	30,000,000		50,000,000

Proposed Outputs/Results/Impact

Number of businesses engaged in new collaborations	<i>Projects are expected to deliver a proportionate share of Programme outputs and results</i>
No of businesses assisted to improve performance	
Public / private sector investment leveraged	
Sq metres of new or upgraded floor space	
No. of jobs created	
No. of new businesses created or attracted to the region	
No of graduates placed in SMEs	
GVA resulting from businesses improving performance	

Cross Cutting Themes

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

3.3.5				
ERDF Expenditure by Year (£)				
2008	2009	2010	2011-13	Total
Nil	Nil	7,500,000	12,500,000	20,000,000

3.3.6				
Programme of activity		Strand Reference Number (s)		
Economic Recovery Package		1b-2, 1b-4, 1d-1		
Activity Start Date		Activity End Date		
21 May 2009		31 December 2013		
Description				
The Economic Recovery Package of activity is intended to respond to the current, unprecedented economic conditions in the region. The proposed package is centred around resilience and recovery, with a focus on the role of innovation and new ways of working to drive business growth.				
Objectives				
<ul style="list-style-type: none">Provide a flexible and responsive package of activity to further support the region's economic recoveryExpand support services to businesses through a range of areas of activity allowing them to work with greater numbers				
Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40	5,000,000	7,500,000		12,500,000
Proposed Outputs/Results/Impact				

3.3.6				
Number of businesses engaged in new collaborations		<i>Projects are expected to deliver a proportionate share of Programme outputs and results</i>		
No of businesses assisted to improve performance				
Public / private sector investment leveraged				
Sq metres of new or upgraded floor space				
No. of jobs created				
No. of new businesses created or attracted to the region				
No of graduates placed in SMEs				
GVA resulting from businesses improving performance				
Cross Cutting Themes				
All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.				
ERDF Expenditure by Year (£)				
2008	2009	2010	2011-13	Total
Nil	1,000,000	1,750,000	2,250,000	5,000,000

3.3.7	
Programme of activity	Strand Reference Number (s)
JESSICA Urban Development Fund	1c
Activity Start Date	Activity End Date
12 June 2009	31 December 2013

3.3.7**Description**

The current economic climate is having a significant impact on the availability of funding to support regeneration and development activity. It is essential that regional bodies, and indeed the ERDF Programme, pursue a twin track approach to supporting the region through the recession. Firstly, it is important that adequate resources are directed at short term, business support measures, but it is also vital that investment is made in capital development activities to build the infrastructure required to aid our long-term recovery and future growth. The JESSICA fund provides an innovative way of securing private and banking sector contributions at a time when public match funds are being stretched.

Objectives

- To establish a £20m UDF that will invest in key urban development projects (through equity, loans and guarantees) in the East Midlands
- To attract additional investment (at the Fund level) of at least £5m
- To create a sustainable legacy Fund for future regeneration activity

Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
40	10,000,000	15,000,000		25,000,000

Proposed Outputs/Results/Impact

Number of businesses engaged in new collaborations	<i>The Fund will deliver a proportionate share of Programme outputs and results</i>
No of businesses assisted to improve performance	
Public / private sector investment leveraged	
Sq metres of new or upgraded floor space	
No. of jobs created	
No. of new businesses created or attracted to the region	
No of graduates placed in SMEs	
GVA resulting from businesses improving performance	

3.3.7**Cross Cutting Themes**

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

ERDF Expenditure by Year (£)

2008	2009	2010	2011-13	Total
Nil	Nil	2,500,000	7,500,000	10,000,000

3.4 Priority Axis 2 - Sustainable Economic and Enterprise Activity in Disadvantaged Communities.

This Priority Axis aims to promote economic growth by increasing the level of enterprise, creating new jobs and moving towards a more knowledge-based economy. Resources will be directed at the region's most disadvantaged communities in order to support and develop a range of bespoke economic and enterprise activities to meet the specific identified needs of localities and target communities and will:

- Increase the size and diversity of the enterprise base;
- Stimulate demand for new services within localities i.e. exploiting local procurement opportunities;
- Support the development of local enterprise initiatives to support the resource efficiency objective;
- Increase the level of private sector investment in disadvantaged communities;
- Improve access to employment opportunities; and
- Improve the physical (green and built) environments and attractiveness of disadvantaged areas.

The Government's Business Support Simplification agenda identifies Business Link (BL) as the primary gateway between small business and publicly funded business support services. Therefore, the majority of *Enterprise Support for Disadvantaged Communities* and *Access to appropriate Financial Instruments* activity will be procured and managed as 'regional' Programmes, but will only be available to the targeted districts. Details of these Key Products or Programmes of Activity are given at Section 3.6 below. It is anticipated that these investments will require approximately 20% of the PA2 resource.

The remainder (for the first three operating years of the Programme in the first instance) will be allocated between the 12 target districts on an indicative basis as described at Section 3.7 below. This approach is intended to give Partners the ability to plan activity/investment strategically, with the appropriate assurance that ERDF funding will be available (and at a specified level) for eligible activities. The allocations are however, indicative only and commitment/spend will be closely monitored by the PMC and reviewed every year. Depending on performance, funds could be re-allocated between individual districts and/or regionally managed Programmes.

3.5 PA2 - Approved Key Products or Programmes of Activity

Priority Axis 2 - Summary						
Reference	Key Product or Programme of Activity	ERDF Resources (£)				Date PMC Approved
		2007	2008	2009	2010	
3.6.1	Regionally managed activity	2,750,000	2,750,000	2,750,000	2,750,000	14 February 2008
3.7	Target area allocations	10,719,205	10,933,587	11,152,261	11,375,305	14 February 2008
Total		13,469,205	13,683,587	13,902,261	14,125,305	

3.6 PA2 - Key Products or Programmes of Activity – Regional

Enterprise Support for Disadvantaged Communities and Access to appropriate Financial Instruments

3.6.1	
Programme of activity	Strand Reference Number (s)
Regionally managed activity	2a-1 to 2b-2
Activity Start Date	Activity End Date
1 July 2008	30 June 2011
Description	
<p>The Government's Business Support Simplification agenda identifies Business Link (BL) as the primary gateway between small business and publicly funded business support services. To ensure business support products funded through the ERDF Programme fully support this aim, it is recommended that a programme of activity be procured and managed by <i>emda</i> on a regional basis (with delivery/support benefiting only the targeted districts). This regionally managed package of activity aims to enhance and extend enterprise and start up support in the target areas, as well as facilitating access to appropriate financial instruments.</p> <p>Activities supported might include:</p> <ul style="list-style-type: none"> • Additional targeted Business Start Up support; • Additional Community Development Finance Institution (CDFI) provision; and • Additional Selective Finance for Investment in England (SFIE) provision with increased grant limits. <p>The PASG will continue to work with <i>emda</i> to scope the programme(s) and identify the appropriate management and feedback arrangements.</p>	

Objectives				
<ul style="list-style-type: none">Targeted enterprise and start-up initiatives including enterprise coaching.Assistance for businesses and social enterprises to develop and enter new markets, including those concerned with waste minimisation, renewable energies and resource efficiency opportunities.Developing the capacity of local businesses and social enterprises to maximise local procurement opportunities.Additional support to augment the mainstream start-up offer for those facing multiple barriers to enterprise development / self employment.Development and provision of appropriate financial instruments, including Community Development Finance Institutions (CDFI).				
Target District(s) covered				
All target areas will be covered by this programme.				
Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
62.72%	11,000,000	6,538,265		17,538,264
Proposed Outputs/Results/Impact.				
No of businesses assisted to improve performance		<i>Projects are expected to deliver a proportionate share of Programme outputs and results.</i>		
Public / private sector investment leveraged				
Sq metres of new or upgraded floor space				
No. of people assisted to start a new business				
Brownfield land reclaimed or redeveloped (ha)				
No. of jobs created				
No. of businesses improving performance				
No. of new businesses created and new businesses attracted to the region.				
GVA resulting from businesses improving performance				
Cross Cutting Themes				

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

ERDF Expenditure by Year (£)

2007	2008	2009	2010	Total
2,750,000	2,750,000	2,750,000	2,750,000	11,000,000

3.7 Key Products or Programmes of Activity – Sub-Regional

12 Target Districts Indicative Allocations

Target District	ERDF (£)					%
	2007	2008	2009	2010	Total	
Ashfield	719,842	734,239	748,924	763,902	2,966,907	6.7
Bassetlaw	696,056	709,977	724,177	738,660	2,868,870	6.5
Bolsover	535,960	546,679	557,613	568,765	2,209,017	5.0
Boston	535,960	546,679	557,613	568,765	2,209,017	5.0
Chesterfield	627,828	640,384	653,192	666,256	2,587,660	5.9
Corby	535,960	546,679	557,613	568,765	2,209,017	5.0
Derby City	1,471,608	1,501,040	1,531,061	1,561,682	6,065,391	13.7
East Lindsey	862,559	879,810	897,406	915,354	3,555,129	8.1
Leicester City	1,792,094	1,827,936	1,864,495	1,901,785	7,386,310	16.7
Lincoln	545,202	556,106	567,228	578,573	2,247,109	5.1
Mansfield	623,446	635,915	648,633	661,606	2,569,600	5.8
Nottingham	1,772,690	1,808,143	1,844,306	1,881,192	7,306,331	16.5
Total	10,719,205	10,933,587	11,152,261	11,375,305	44,180,358	100

To access PA2 ERDF funding Districts were asked to produce an ERDF Local Investment Plan that clearly outlines local ERDF priorities/objectives and explains how these relate to existing local, sub-regional and regional strategies including Local Area Agreements, Multi Area Agreements (where appropriate), Sub Regional Investment Plans and the Regional Economic Strategy. The Plans provide detail on potential activities (including expectations regarding match funding) and demonstrate how proposed activities to be supported contribute to the Operational Programme. Districts have included activities under all of the PA2 delivery Strands and indicative actions (from the Operational Programme) but when bringing projects forward they will need to demonstrate that activity will not duplicate the PA2 regionally managed business support provision (Investment Framework Ref 3.6.1) when this is finalised, and that their proposals align with the Business Support Simplification Programme (BSSP).

The Districts in the 'Former Coalfields' (Ashfield, Bassetlaw, Bolsover, Chesterfield and Mansfield) have agreed to work together and manage their allocations collectively to allow more flexibility and to facilitate the delivery of larger scale investments, as have the three Districts in Lincolnshire (Boston, East Lindsey and Lincoln). In both instances, a single combined ERDF Local Investment Plan has been produced.

Open 'Calls' for activity are planned in every area and, should they wish to utilise an alternative more restrictive 'route to market', Partners have undertaken to seek Secretariat agreement that it is appropriate.

3.8 Priority Axis 3 – Technical Assistance

This Priority Axis seeks to support the implementation and monitoring process of the Operational Programme to achieve the overarching Strategic Programme Objective, *“to become a region of highly productive, innovative and sustainable businesses and support the most disadvantaged of our communities to realise their economic potential.”*

The main objectives are to:

- Support the efficient, accountable, and compliant management of the Programme;
- Maximise the quality of Programme implementation and its impact;
- Ensure improved monitoring and evaluation of the Programme; and
- Ensure improved information and publicity of the Programme.

3.9 PA3 - Approved Key Products or Programmes of Activity

Priority Axis 3 - Summary						
Reference	Key Product or Programme of Activity	ERDF Resources (£)				Date PMC Approved
		2008	2009	2010	2011 - 2015	
3.10.1	Core Management and Implementation Activity	342,160	523,636	460,908	2,288,296	14 February 2008
3.10.2	Programme Facilitation	Nil	Nil	946,250	2,838,750	14 February 2008
Total						

3.10 PA3 - Key Products or Programmes of Activity

3.10.1	
Programme of activity	Strand Reference Number (s)
Core Management and Implementation	PA3 Technical Assistance
Activity Start Date	Activity End Date
1 October 2007	31 December 2015
Description	
<p>This project supports the required ERDF staffing structure within <i>emda</i> to ensure compliance across all elements of the Programme from the outset. This includes the creation of a new European Programme Secretariat (EPS) team within the Strategy and Communications Directorate to manage and implement the Programme; a bespoke ERDF team within the Shared Resource Centre to appraise and monitor ERDF projects; and additional posts within the Finance team to manage issues related to the financial elements of the Programme. This project will also support the development and implementation of the Programme's Management Information System, and the delivery of the Programme's Publicity and Communications, Technical Assistance, and Monitoring and Evaluation Strategies as agreed by the PMC.</p>	
Objectives	
<p>The key objectives of the project are to:</p> <ul style="list-style-type: none"> • Deploy the staffing, systems, processes & procedures necessary to manage & implement the Programme; • Establish & facilitate appropriate Programme governance structures; • Introduce Programme level strategies to support implementation of the Programme; • Deliver a Programme launch event & annual information events thereafter from 2009-2010; • Generate sufficient commitments to meet the Programme's annual spend targets; • Prepare aggregate claims to CLG for payment; and • Produce Programme performance reports as required by the PMC, CLG, European Commission, and <i>emda</i>. 	

3.10.1				
Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
50%	3,615,000	3,615,000		7,230,000
Proposed Outputs/Results/Impact				
<p>There are no standard outputs for this project as it is concerned with supporting the management of the Programme. The following Publicity and Communications outputs will be attributable to this project:</p> <ul style="list-style-type: none"> • Annual ERDF Information Events (x2) • Articles published featuring the Programme (x10) 				
Cross Cutting Themes				
<p>All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.</p>				
ERDF Expenditure by Year (£)				
2008	2009	2010	2011-15	Total
342,160	523,636	460,908	2,288,296	3,615,000

3.10.2				
Programme of activity		Strand Reference Number (s)		
Programme Facilitation		PA3 Technical Assistance		
Activity Start Date		Activity End Date		
4 December 2008		31 December 2013		
Description				
The 'call' will invite applications under PA3 from organisations that demonstrate they can contribute to the delivery of the Programme through eligible 'Programme Facilitation' activities under one or more of the key priority areas set out in the Programme's Technical Assistance (TA) Strategy. There will be some £3.78m of ERDF available for TA 'Programme Facilitation' activity for the life of the Programme. This Prospectus will invite applicants to submit bids that could deliver activity up until the end of 2010.				
Objectives				
<ul style="list-style-type: none">• Secure the involvement and engagement of partners in delivering the Programme;• Ensure representation of partners in the Programme;• Build capacity in those partners or organisations that are new to ERDF; and• Support the development of local ERDF investment plans (under Priority Axis 2), particularly where target areas may be working together across authority boundaries.				
Intervention Rate (%)	ERDF Requested (£)	Public Sector (£)	Private Sector (£)	Total Cost (£)
Up to 50%	Up to £3,785,000	Up to £3,785,000		7,570,000
Proposed Outputs/Results/Impact				

3.10.2

Projects will be expected to identify and deliver quantifiable SMART outcomes and targets from project proposals that fit with the aims and objectives of this Priority. These may include the number and type of networks and consortia that will be created/supported; a quantifiable measure of the effectiveness of the network/consortia created or supported (e.g. number of proposals brought forward/approved, number of capacity building initiatives); a quantifiable increase in the level of awareness of, and participation in, the Programme amongst partners and potential beneficiaries; or a quantifiable measure of support for the agreed PA2 delivery arrangements.

Cross Cutting Themes

All projects will need qualitative and/or quantitative indicators, with appropriate targets for each CCT (Equality and Environmental Sustainability), to demonstrate how the project will contribute to each theme. This will ensure that activity relating to the CCTs is included in the project delivery plan, and will enable projects to measure, report and evaluate this activity. Monitoring of the CCTs will be included as an integral part of the wider project monitoring process under the Programme, and projects will, as a result, be asked to provide demonstrable evidence to support their achievement.

ERDF Expenditure by Year (£)

2008	2009	2010	2011-13	Total
Nil	Nil	Up to £946,250	Up to £2,838,750	£3,785,000

Section 4: Funding Allocations, Commitment & Spend

4.1 East Midlands ERDF Allocation

The East Midlands 2007-2013 ERDF allocation is **€268.5m** (approx £188m). The full Programme value including match funding is therefore **€537m** (approx £376m).

The East Midlands allocation has been split across three Priority Axes:

Summary Financial Table (€)					
	ERDF	National Public	National Private	Total	Grant Rate
PA1 Innovation and sustainable business practice	115,453,273	142,974,111	30,205,798	288,633,182	40%
PA2 Sustainable economic and enterprise activity	142,302,871	74,507,636	10,068,599	226,879,106	62.72%
PA3: Technical Assistance	10,739,839	10,739,839	0	21,479,678	50%
Total	268,495,983	228,221,586	40,274,397	536,991,966	50%

* For ease of reference, figures in the following tables are shown in £s, and have been rounded to the nearest £100K. They may be subject to change during the life of the Programme to reflect €/£ exchange rate fluctuations.

4.2 Allocation & Commitment PA1

Year (£m)								
	2007	2008	2009	2010	2011	2012	2013	Total
Allocation	10.5	10.8	11.0	11.2	11.4	11.7	11.9	78.5
Commitment		.1	20.7	20	17.2	8.5	1.5	68
Shortfall	10.5	-10.7	+9.7	+8.8	+5.8	-3.2	-10.4	10.5

4.3 Allocation & Commitment PA2

Year (£m)								
	2007	2008	2009	2010	2011	2012	2013	Total
Allocation	13.0	13.3	13.5	13.8	14.0	14.4	14.7	96.8
Commitment		0	3.3	12.6	10.8	1.	0.03	28.23
Shortfall	13.0	-13.3	-10.2	-1.2	-3.2	-12.9	-14.67	-68.57

4.4 Allocation & Commitment PA3 (Technical Assistance)

Year (£m)								
	2007	2008	2009	2010	2011	2012	2013	Total
Allocation	1.0	1.0	1.0	1.0	1.1	1.1	1.1	7.3
Commitment		.5	.5	.8	-	-	-	1.8
Shortfall	1.0	-0.5	-0.5	-0.2	-	-	-	5.5

Section 5: Outputs, Results & Impacts

5.1 Priority Axis 1

	Expected		Contracted		Actual	
			No.	%	No.	%
Outputs						
No. of businesses assisted to improve performance ³	5,600	8,362	149	2,035	36	
No. of businesses engaged in new collaborations with the UK knowledge base	2,300	2,680	116	296	12	
Public and private investment leveraged (€)	87,000,000	40,238,446	46	6,376,758	7	
Sq metres of new or upgraded floorspace (internal premises)	17,000	27,044	159	4,020	23	
Results						
No. of jobs created	2,400	3,137	130	331	13	
No. of businesses improving performance	3,900	3,586	91	160	4	
GVA resulting from businesses improving performance (€)	146,000,000	124,499,627	85	6,185,277	0.5	
No of graduates placed in SMEs	4,000	1,583	39	65	1	
No. of new businesses created and new businesses attracted to the region	400	531	132	9	2	

³ It is anticipated that approximately 20% of these businesses will receive support related to energy and resource efficiency.

5.2 Priority Axis 2

	Expected	Contracted No.	%	Actual No.	%
Outputs					
No. of businesses assisted to improve performance ⁴	3,700	2,999	81	97	2
Public and private investment leveraged (€)	129,000,000	33,745,290	26	1,500,358	1
Sq metres of new or upgraded floorspace (internal premises)	19,000	16,804	88	1,152	6
No of people assisted to start a business	2,700	2,570	95	235	8
Brownfield land reclaimed or redeveloped (ha)	17	9.95	58	0.04	0.5
Results					
No. of jobs created	6,200	1,663	26	53	1
No. of businesses improving performance	3,300	1,156	35	41	1
GVA resulting from businesses improving performance (€)	118,000,000	16,526,227	14	0	0
No. of new businesses created and new businesses attracted to the region	1,600	961		13	

⁴ It is anticipated that approximately 20% of these businesses will receive support related to energy and resource efficiency.

Section 6: Monitoring & Evaluation

6.1 Monitoring

The majority of monitoring activity will be based on financial data and those indicators referenced in the OP, particularly in relation to the Programme's Priority Axes. Quantitative data against the following categories will be monitored and used to identify the physical progress of the Programme:

- Achievement of outputs and results;
- Financial information including commitment levels, forecast information and achievement of spend against N+2 targets;
- Number of projects, project location and sector breakdown;
- Breakdown of the use of funds (including Lisbon categorisation); and
- Cross-Cutting Themes (CCTs) using demographic data and Strategic Environmental Assessment (SEA) indicators.

The primary means of collating quantitative data will be through the submission of quarterly claims from projects. The Programme's Management Information System has been specifically designed to capture all required quantitative data to facilitate monitoring the Programme's overall performance.

The main method of reporting the Programme's performance will be through the completion of an Annual Implementation Report (AIR), which must be considered and endorsed by the PMC prior to submission to the European Commission, by 30 June each year. The AIR will provide a clear overview of the implementation of the Programme for each year of delivery and will include quantitative data and narrative assessments derived from Programme monitoring activities.

6.2 Evaluation

The overall aim of evaluation is to understand the effectiveness and impact of the Operational Programme in delivering the overarching Strategic Programme Objective, *"to become a region of highly productive, innovative and sustainable businesses and support the most disadvantaged of our communities to realise their economic potential."*

EC Regulation 1083/2006 represents a shift from the concept of a fixed-point, mid-term evaluation driven by regulatory imperatives towards a more flexible, demand-driven approach to evaluation during the programming period, particularly at the OP level. The Programme's evaluation framework has been developed therefore on the basis of an ongoing evaluation process. The following schedule of evaluation activities is proposed within the Strategy:

- Interim Programme Assessment – 2010/11
- Interim Programme Performance and Impact Evaluation – 2011/12
- Final Programme Performance and Impact Evaluation – 2014/15

The results of each evaluation exercise will be reported to the PMC for consideration and endorsement, and thereafter to the European Commission.

For further information on the Programme's approach to monitoring and evaluation please refer to the Programme's Monitoring and Evaluation Strategy.

Section 7: Eligibility & Selection Criteria

In considering the appropriate procurement method(s) or 'route to market' for recommended Key Products or Programmes of Activity, the two thematic sub-groups (on behalf of the PMC) will consider, and where appropriate recommend, eligibility and selection criteria. Where procurement via 'open' or 'limited' bidding is suggested, criteria against which applications will be assessed will be agreed by the appropriate Priority Axis Sub Group on behalf of the PMC.

Section 8: Technical Assistance

ERDF will be used to finance the preparatory, management, monitoring, evaluation, information and control activities of this Operational Programme, together with activities to reinforce the administrative capacity for implementing the Funds. In accordance with EU Regulations, the Technical Assistance allocation will not exceed 4% of the total Programme value.

The PMC will be invited to approve a plan for the use of Technical Assistance during the duration of this Operational Programme. This will be sent to the Commission for information. The Technical Assistance Strategy will be kept under review and may be changed, subject to the agreement of the PMC.

Section 9: Publicity and Communications

In accordance with Article 69 of Council Regulation 1083/2006 and Articles 2 to 10 of Commission Regulation 1828/2006, the East Midlands ERDF Competitiveness Programme for 2007-13 must set out a strategy and budget for communications and publicity. The Strategy must be agreed by the PMC and submitted for approval to the European Commission within four months of the adoption of the Operational Programme.

The Strategy will guide the communications activity undertaken during the whole programming period and provide a short-term detailed Action Plan to ensure that the benefits of the ERDF are communicated to the wider public. Innovative publicity activities and campaigns using print, broadcast and creative media will be used to clearly promote and position the ERDF identity, and potential beneficiaries will be informed of funding opportunities and the publicity requirements linked to receiving ERDF funding during the programming period.

Annexes

Annex 1 - Glossary & Abbreviations (from EMOP)

AA	Audit Authority
BBS	Business Birthrate Strategy
BREEAM	Building Research Establishments Environmental Assessment Method
CA	Certifying Authority
CDFI	Community Development Finance Instruments
CSG	Community Strategic Guidelines
DCLG	Department for Communities and Local Government
DEFRA	Department for Environment Food and Rural Affairs
DTI	Department for Trade and Industry
DWP	Department for Work and Pensions
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EFF	European Fisheries Fund
EIB	European Investment Bank
EMDA	East Midlands Development Agency
EMOP	East Midlands Operational Programme
EMRA	East Midlands Regional Assembly
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
GOEM	Government Office for the East Midlands
IB	Intermediary Body
IRS	Integrated Regional Strategy
ISAP	Innovation Strategy and Action Plan
JEREMIE	Joint European Resources for Micro to Medium Enterprises
JESSICA	Joint European Support for Sustainable Investment in City Areas
MA	Managing Authority
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
PASG	Priority Axis Sub Group
PMC	Programme Monitoring Committee
PMG	Performance Management Group
RIP	Regional Implementation Plan (for EAFRD)
RDA	Regional Development Agency
RES	Regional Economic Strategy
RESPE	Regional Strategic Partnership
RSS	Regional Spatial Strategy
SCP	Sustainable Consumption and Production
SEA	Strategic Environmental Assessment
SME	Small and Medium Sized Enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats analysis

Annex 2 – Definitions (from EMOP)

Impact Indicators	- relate to longer term impacts of the programme, but directly linked to actions taken under the programme. There might also be global longer term impacts affecting a wider population.
JEREMIE	JEREMIE is the acronym for the Joint European Resources for Micro to Medium Enterprises initiative of the European Commission's Directorate General for Regional Policy (DG Regio) and the EIB Group (European Investment Fund and European Investment Bank). JEREMIE provides the framework for a series of coherent financial actions to improve the financial environment for small businesses (medium, small and micro enterprises, known as SMEs) at national, regional and local level. Increasing small businesses' access to finance and risk capital enables economic growth and competitiveness.
JESSICA	As part of the consultation on the Operational Programme, partners expressed an interest in "Jessica" - Joint European Support for Sustainable Investment in City Areas - this is an EU financial instrument which aims to support enhanced cooperation on financial engineering for sustainable urban development using an appropriate combination of grants and loans, or other financial products as appropriate. The region has the option to deploy part of its ERDF allocation through the Jessica approach, if appropriate. Initial discussions have begun with the European Commission in order to establish whether it would be beneficial for the region to utilise the Jessica model and to explore whether any existing vehicles e.g. URCs or Blueprint meet the European criteria for an Urban Development Fund.
Lisbon Agenda	In March 2000, European Heads of State and Government committed themselves to a ten-year strategy to become the 'most competitive and dynamic knowledge-based economy in the world, capable of creating sustainable economic growth with more and better jobs and greater social inclusion' by 2010. In March 2005, EU Heads of Government re-launched the Lisbon Strategy with a new focus on jobs and growth.
Lisbon National Reform Programme	Sets out the UK Government's strategy for delivery long term sustainable growth through: macroeconomic policies for jobs and growth; promoting higher productivity; and increasing employment opportunity for all.
National Strategic Reference Framework	On 23 October 2006 the UK Government published the National Strategic Reference Framework which sets out the national priorities and regional funding allocations for the 2007-13 Structural Funds Programmes.

Operational Programme (OP)	Document submitted by the Member State and adopted by the Commission. The Operational Programme sets out the strategy and priorities for spending Structural Funds in the region.
Output Indicators	- relate to activity and are measured in physical or monetary units, for example, length of railway or motorway constructed, number of firms financially supported.
Priority Axes	The choice of priority axes should be justified in light of the NSRF thematic priorities and the specific objectives of the programme. The financial allocation priority axis should be justified by the programme strategy.
Result Indicators	- relate to the direct and immediate effect on direct beneficiaries, such as improved performance, brought about by a programme. These can be physical (e.g. reduction in journey times) or financial leverage of private sector resources).
Strategic Programme Objective	The identified 'need' of the region that should be consistent with the priorities identified at the National Strategic Reference Framework (NSRF) and with the National Lisbon Reform Programme developed under the Lisbon process as a response to the Integrated Employment and Economic Guidelines.
Specific Programme Priorities	The programme's priorities which aim to achieve in line with the strategic programme objective. The link between the programme's specific objectives and the priority axes should be clearly established. The achievement of specific objectives should be measured by result and impact indicators as appropriate, when they lend themselves to quantification. The indicators must be achievable by the interventions carried out under the respective priority axis. The Lisbon indicators may be used for this purpose.
Technical Assistance	Uses a percentage of the region's ERDF allocation to assist with programme preparation and administration, evaluation and publicity.