

**Yorkshire and The Humber Regional Competitiveness and Employment
Programme 2007-2013**



ANNUAL IMPLEMENTATION REPORT 2008

CCI: 2007 UK162PO009
June 2009



The Region's
Development Agency



European Regional
Development Fund

CONTENTS

Chapter		Page
1.	Identification and Introduction	3
2.	Overview of the implementation of the Operational Programme	9
2.1	Achievement and analysis of the Programme	9
2.2	Compliance with Community Law	36
2.3	Significant problems encountered and measures taken to overcome them	36
2.4	Changes in the context of the Operational Programme implementation	36
2.5	Substantial modification under Article 57 of Regulation (EC) 1083/2006	41
2.6	Complementarity with other instruments	42
2.7	Monitoring Arrangements	43
3.	Implementation by Priority	59
3.1	Priority 1	60
3.2	Priority 2	66
3.3	Priority 3	72
3.4	Priority 4	77
3.5	Priority 5	79
3.6	Priority Financial Allocations	82
4.	Major Projects	85
5.	Technical Assistance	87
6.	Information and Publicity	88
Annexes		
A	Beneficiary data	94
B	Information and publicity documents	96

Front Cover European Commissioner, Danuta Hübner, visiting the University of Sheffield's Advanced Manufacturing Research Centre with Boeing. The Centre is part of the flagship Advanced Manufacturing Park in South Yorkshire that has been part financed by ERDF

PLEASE NOTE

**All financial information contained in this report is provided in both Sterling and in Euros.
An exchange rate of £1 = €1.1965 (December 2008) is used throughout to convert Sterling amounts to Euros.**

Chapter 1: IDENTIFICATION AND INTRODUCTION

1.1 Identification

OPERATIONAL PROGRAMME	Objective: Regional Competitiveness and Employment
	Eligible Area: Yorkshire and The Humber
	Programming Period: 2007-2013
	Programme Number: CCI 2007 UK162PO009
	Programme Title: Yorkshire and The Humber Competitiveness Operational Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT	Reporting Year: 2008
	Date of approval of the annual report by monitoring committee: 23rd June 2009

1.2 Introduction

I am pleased to present the Annual Implementation Report 2008 for Yorkshire and The Humber's Operational Programme 2007-13 which has been allocated ERDF resources under the Competitiveness and Employment objective (**CCI: 2007 UK162PO009**). The report describes the implementation of the Programme in both the phasing-in region of South Yorkshire and Rest of the Region, which is not phasing-in, between 1st January and 31st December 2008.

The Managing Authority for the Programme, along with all other English ERDF Programmes is the Department for Communities and Local Government. Yorkshire Forward, the regional development agency for Yorkshire and The Humber was appointed as an Intermediary Body under Article 59 of regulation EC 1083/2006 to undertake certain management authority functions. The necessary powers were granted to Yorkshire Forward by the Government through a Statutory Instrument on 31st January 2008.

This report was prepared by the Programme's management team within Yorkshire Forward and shared with the Programme's Monitoring Committee (PMC) as a draft. The report was discussed by PMC on 16th June 2009 and members were given a further week (until 23rd June 2009) to submit any comments. All comments received were incorporated and the report was approved by PMC through written procedures.

2008 was the first full year of the Programme. The European Commission approved the Programme on December 7th 2007 resulting in only three weeks of activity in 2007 which also included the Christmas and New Year holidays.

Despite the fact that no payments were made in the year and that all the outputs and results are still to be achieved, 2008 can still be seen as a successful year for the Programme. Its many achievements have created solid

foundations on which to build the activities in the remaining years to the Programme.

Experience in the region has shown that taking a thoughtful and considered approach to programme implementation, carefully establishing the foundations of sound governance, rigorous process and committed partnership working at the start, is best suited to delivering the strategic interventions that are key to improving the region's economy and increasing lasting opportunities for the region's businesses, communities and people. Time taken at the beginning to secure these foundations will pay dividends in the years to come.

1.3 Report Overview

The report is divided into separate chapters, each covering different aspects of the Programme's implementation; it also has two annexes and links to website that provide further and fuller information:

- **Chapter 1** is an introduction and summary and contains some brief highlights of programme activity in 2008.
- **Chapter 2** provides an overview of implementation including information of the achievement and analysis of the Programme; information about compliance with Community Law; significant problems encountered and measures taken to overcome them; changes in the Programme's context; modifications under Article 57 of Regulation (EC) 1083/2006; how it complements other instruments; and governance and monitoring arrangements
- **Chapter 3** looks in detail at the progress being made in implementation taking each of five programme priorities in turn. This section looks at financial progress made during 2008 and cumulatively as well as progress against the various targets for outputs, results and impacts.
- **Chapter 4** looks at the Programme's major projects
- **Chapter 5** looks at technical assistance
- **Chapter 6** looks at Information and Publicity measures undertaken by the Programme
- Two Annexes are attached:

Annex A Beneficiary Data Table

Annex B Information and Publicity Documents

1.4 Yorkshire and The Humber Region

Yorkshire and The Humber is one of the nine regions in England and is at NUTS1 level of territorial organisation. It has a population of approximately 5 million, and covers an area of 15,411 sq km. The region has four sub-regions: The Humber, North Yorkshire, South Yorkshire and West Yorkshire. The region is both geographically and economically diverse. North Yorkshire is predominantly rural, containing two National Parks, coastal resorts and a significant tourist industry. It has half the region's land area but only a seventh of its population. West Yorkshire has the largest population, mainly a series of urban conurbations and contains Leeds/Bradford, the most powerful economy in the region. The Humber is also rural, except for Kingston-upon-Hull and a number of medium sized towns. It contains the Humber Ports and 130 miles of coastline. Parts of The Humber, North Yorkshire and West Yorkshire benefited from an Objective 2 Programme during the 2000 to 2006 programming period.

North and West Yorkshire and The Humber comprise the non phasing-in part of the region.

South Yorkshire is a metropolitan county of 1.3 million people and 1,559 sq km lying to the south of the region and containing the urban districts of Barnsley, Doncaster, Rotherham and Sheffield. South Yorkshire is at NUTS2 level of territorial organisation. The sub-region was an Objective 1 area between 2000 and 2006 following the decline of its industrial base of coal and steel and ancillary engineering industries in the previous decade. Recent economic performance, however, has been one of growth and South Yorkshire moved out of Objective 1 status for 2007-13 and is “phasing-in” for this programming period. South Yorkshire is characterised by flat arable land to the east, moor land of the Peak District National Park to the west and the four major conurbations in the middle.

1.5 **2008 – Highlights of the Year**

The various chapters in this report will cover the programme’s progress in detail, but I would like to take this opportunity of highlighting what I believe to have been some of the more significant achievements of 2008:

- The programme was launched in Sheffield on the 15th February 2008 by Danuta Hübner, European Commissioner responsible for Regional Policy and John Healey MP, Minister for Local Government. This high profile event also attracted UK MPs/MEPs and over 400 others including stakeholders from the region and further afield.
- To coincide with the launch, the Commissioner toured South Yorkshire’s Advanced Manufacturing Park, a flagship ERDF investment under the 2000-2006 Objective 1 programme, then toured ERDF projects in Hull as well as announcing European assistance for the region from the Solidarity Fund to help the region recover from the disastrous floods of 2007.
- The ERDF Programme is the region’s programme, managed by Yorkshire Forward, the Regional Development Agency. Therefore, partnership and governance arrangements are important to successful delivery. The Programme has established effective governance structures including a Programme Monitoring Committee (PMC), two Performance Management Boards (PMB), a Cross Cutting Themes sub-committee and an Evaluation Steering Group. PMC met five times in 2008, the two PMBs met sixteen times (seven South Yorkshire PMBs and nine Rest of Region PMBs), the Cross Cutting Themes sub-committee met five times and the Evaluation Steering Group met once.
- The Programme developed, agreed and published a Technical Assistance strategy, Evaluation Plan, Communication Plan and agreed the local Monitoring and Control arrangements. The Communication Plan has been used by the Commission as an exemplar for other regions in the UK and in other Member States. The programme developed a bespoke Management Information system compatible both with the RDAs existing management information system and the requirements of CLG as Managing Authority.
- The Programme is progressing well, despite starting a year late, currency devaluation that has seen €1 worth 67p at the outset and worth 92p currently. This has raised the sterling value of the programme from £394m to over £500m. As the second biggest English ERDF programme (27% of the ERDF in Competitiveness Programme’s in England) the currency shift is far more significant than for most other regions. However current forecasts indicate a surplus over the N+2 target for 2009.

- A transitional Call for Proposals (launched in 2007 closing on 29th February 2008) and the full open Call (launched April 2008 closing March 31st 2009) generated a significant volume of project ideas from sponsors. At the end of 2008, four projects were contracted with commitments worth £10.032m (€12.004m) ERDF. A significant pipeline of projects were in development including around £116.83m (€139.78m) ERDF in project proposals endorsed by the Programme's Management Boards with a further £148.88m (€178.13m) of ERDF in projects, earlier in the development cycle, seeking endorsement.
- The Programme submitted a major project application to the Commission in September. The project, Digital Region, was the one notified in the Operational Programme. The Commission approved the project in December 2008.

1.6 Projects Contracted in 2008

Four projects were contracted in 2008:

Priority 1: Promoting Innovation and R&D

Project: **Innovation Networks**

Lead Partner/Beneficiary: Yorkshire Forward

ERDF Committed: €2,284,145 Eligible Expenditure: €4,568,290

Starts: 7.10.08 Ends: 7.10.11

The aim of this project is to establish four Innovation Networks to improve regional GVA and levels of investment by business in R&D in the region. This will be achieved through a significant increase in business to business and business to knowledge base collaborative projects resulting in increased innovation.

Innovation Networks are enduring innovation communities bringing together companies with the potential to grow through innovation and leading expertise from the regional knowledge base. Their role will be to encourage collaboration and the free exchange of ideas in areas of mutual technical and commercial interest. They are managed business-led organisations designed to stimulate innovation, mainly through collaborative projects, but also by commissioning studies and disseminating market intelligence, innovation best practice and leading edge knowledge. Three ingredients – growing companies, cutting-edge knowledge and innovation – combined with three principles – collaboration within a managed network, clearly defined projects, and regional, national and international visibility – comprise the key elements of an Innovation Network. The key outputs are:

- ▶ more regional companies collaborating with each other and with the knowledge
- ▶ base to introduce innovative products, processes and services into new and existing
- ▶ markets
- ▶ increased expenditure by regional companies on R&D
- ▶ increased participation by regional companies in regional, national and European
- ▶ schemes to encourage innovation and fund collaborative R&D
- ▶ a more developed culture of collaboration and open innovation throughout the region.

Priority 2: Stimulating and Supporting Successful Enterprise

Project: Hambleton Managed Workspace

Lead Partner/Beneficiary: Hambleton District Council

ERDF Committed: €2,926,882 Eligible Expenditure: €7,025,688

Starts: 1.11.07 Ends: 31.8.10

The Hambleton Managed Workspace Programme will deliver two targeted managed workspace projects within North Yorkshire:

- ▶ **Leeming Bar Food-grade Workspace** – a 24,000 ft² development providing affordable, rented, food grade premises for new or young SMEs within secondary food production to build upon the area's existing food cluster. It will deliver 6 x 1,500 ft² food grade starter units and 4 x 3,000 ft² grow-on units together with a 3,000 ft² management suite inclusive of a 1,000 ft² test kitchen.
- ▶ **Northallerton Managed Workspace** – a 20,000 ft² development with 14,000 ft² of operational managed business space (20 x 700 ft²) in Northallerton. Total space will include: management space; communal space, such as meeting rooms; service space etc. The need was identified in the Hambleton Renaissance Business Plan and a feasibility study has confirmed demand for small, flexible, business units with business support and administrative/IT support.

Project: Yorkshire and Humber Manufacturing Advisory Service

Lead Partner/Beneficiary: YFM Business Development Ltd

ERDF Committed: €4,095,073 Eligible Expenditure: €8,171,392

Starts: 20.10.08 Ends: 30.9.11

The Manufacturing Advisory Service (MAS) is a national service that was first announced in the 2001 Government White Paper 'Opportunity for All in a World of Change'. The rationale was the productivity gap between the UK and its major global competitors. The MAS addressed this issue by providing 'practical hands-on assistance' to enable manufacturers to adopt new methods, processes and technologies to improve their productivity and quality performance, and ultimately improve their competitiveness. The scheme serves all manufacturers focuses on SMEs. Phase 1 of MAS operated over 2002-5, phase 2 over 2005-8, and the current proposal is to support Phase 3 2008-11.

The MAS delivers its services through a number of nationally agreed levels of support providing telephone and web-based helpline, manufacturing reviews, awareness and training events, and in-depth consultancy. To address the changing need of manufacturers, the scope of MAS has recently been broadened from productivity improvement to include assistance with the following;

- a) finding suppliers, services or equipment
- b) development or introduction of new products
- c) improving resource efficiency
- d) working with the supply chain or supply base
- e) development of a long term manufacturing strategy
- f) applying lean techniques across the whole enterprise.

The Yorkshire & Humber MAS is part Department of Business, Enterprise and Regulatory Reform (BERR) funded, part Yorkshire Forward/ERDF funded, with the Yorkshire Forward/ERDF element forming an increasingly greater proportion of funding package. The proposed £7m investment will deliver 7,500 jobs created /safeguarded.

Priority 3: Sustainable Communities

Project: Hull Enterprise Partnership

Lead Partner/Beneficiary: Goodwin Development Trust

ERDF Committed: €2,698,102 Eligible Expenditure: €5,505,096

Starts: 1.4.08 Ends: 31.3.11

The Hull Enterprise Partnership project aims to extend the ladder of economic opportunity down into Hull's most deprived communities through building on an established city wide partnership of dispersed neighbourhood networks to provide a package of outreach interventions that lead individuals into the mainstream Business Link offer and the wider economy. The project aims to simply support the growth of more enterprise at a neighbourhood level that creates more income locally, generates more local employment and delivers and improves the choice of goods and services within deprived neighbourhoods. The project's objectives include:

- ▶ Support the development of new enterprise whether social enterprise, private enterprise or self employment.
- ▶ Support the growth of existing enterprise through provision of managed workspace and specific actions to tackle Corporate Social Responsibility.

1.7 Conclusion

Finally, this report, I believe, offers convincing evidence to show that the ERDF Programme for Yorkshire and The Humber has made a sound start, continuing the significant contribution made by Structural Funds towards the region's economic transformation. However, there is clearly a lot of work still to do. We have made a good start but continued efforts will be required to secure the results that the region and its people expect. Building on the success of earlier European investments, it is increasingly evident that the positive role played in regional development by Structural Funds is widely appreciated by partners as is the on-going positive support from colleagues at the European Commission.

Malcolm Taylor
Head of European Operations
Yorkshire Forward

Chapter 2:

OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

2.1 Achievement and Analysis Of Progress

2.1.1 Information on the physical progress of the Operational Programme

Within the 2008 report period, implementation activity commenced as projects were developed by regional partners but no expenditure was claimed against the Programme. The financial and output indicator targets, therefore, still remain to be achieved in full. Data will become available in the 2009 Annual Implementation Report.

Note: Baseline figures are not yet available. During 2008, analysis of resources indicated that the expertise did not exist within the Programme's management team to accurately ascertain baseline data for Programme indicators. Equally, management time was prioritised on getting the implementation of the Programme underway. It was decided, therefore, that the establishment of baseline positions could be undertaken, under contract, by external consultants during 2009. A contract is in the process of being let and baseline positions will be established and included within the 2009 Annual Implementation Report.

Table 1

Total Programme Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	19,192
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	18,706
	Baseline	-	-	-	-	-	-	-	-	-	-
No of businesses assisted that are social enterprises inc in above	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,340
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD Projects	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	486
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects inc. no. of co-operation project enterprises - research institutions (ERDF 5)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	243
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects over-coming barriers to Employment	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	617
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects ensuring Sustainability and Improving the attractiveness of towns & cities	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	23
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	22
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	177,882
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,072
	Baseline	-	-	-	-	-	-	-	-	-	-
Information Society projects (ERDF 11)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	28,796
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	tbc
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 1 continued

Total Programme Indicators (continued)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Gross jobs Safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	17,391
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£969,147,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Total no. of businesses improving capability / performance	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,131
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3,839
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of additional businesses covered by or improving broadband	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,253
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,054
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	19,675
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£808,913,123
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	11,868
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£488,159,785
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 2

South Yorkshire 'Phasing-in' Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	6,308
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	6,104
	Baseline	-	-	-	-	-	-	-	-	-	-
No of businesses assisted that are social enterprises inc in above	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	434
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	204
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects inc. no. of cooperation projects enterprises Research institutions (ERDF 5)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	102
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects over-coming barriers to employment	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	278
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects ensuring sustainability and improving the attractiveness of towns & cities	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	23
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	22
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	93,447
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,293
	Baseline	-	-	-	-	-	-	-	-	-	-
Information Society projects (ERDF 11)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	10,615
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	tbc
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	6,584
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£329,185,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Total no. of businesses improving capability / performance	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,304
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,262
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 2 continued

South Yorkshire 'Phasing-in' Indicators (continued)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of additional businesses covered by or improving broadband	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,253
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	645
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	7,218
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£291,836,500
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,476
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£182,188,093
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 3

Rest of Region (excluding South Yorkshire) Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	12,884
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	12,602
	Baseline	-	-	-	-	-	-	-	-	-	-
No of businesses assisted that are social enterprises inc in above	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	906
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	282
	Baseline	-	-	-	-	-	-	-	-	-	-
No of RTD projects -inc. no of co-operation projects enterprises research institutions (ERDF 5)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	141
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects over-coming barriers to employment	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	339
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	84,435
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,779
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	18,181
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	tbc
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 3 continued

Rest of Region (excluding South Yorkshire) Indicators (continued)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	10,807
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£639,962,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Total no. of businesses improving capability / performance	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,827
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,577
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,409
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	12,457
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£517,076,623
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	7,392
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£305,971,692
	Baseline	-	-	-	-	-	-	-	-	-	-

Financial Information (in euros)

Table 4

Priority axes by source of funding (EUR)					
Total Programme					
	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority	Corresponding public contribution	Private expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority Axis 1: Promoting Innovation and R&D	0	0	0	0	0
Of which ESF type expenditure	0	0	0	0	0
Of which ERDF type expenditure	0	0	0	0	0
Priority Axis 2: Stimulating and Supporting Successful Enterprise	0	0	0	0	0
Of which ESF type expenditure	0	0	0	0	0
Of which ERDF type expenditure	0	0	0	0	0
Priority Axis 3: Sustainable Communities	0	0	0	0	0
Of which ESF type expenditure	0	0	0	0	0
Of which ERDF type expenditure	0	0	0	0	0
Priority Axis 4: Economic Infrastructure For A Competitive Economy	0	0	0	0	0
Of which ESF type expenditure	0	0	0	0	0
Of which ERDF type expenditure	0	0	0	0	0
Priority Axis 5: Technical Assistance	0	0	0	0	0
Of which ESF type expenditure	0	0	0	0	0
Of which ERDF type expenditure	0	0	0	0	0
Grand Total	0	0	0	0	0
Total in transitional regions in the grand total	0	0	0	0	0
Total in non-transitional regions in the grand total	0	0	0	0	0
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF	0	0	0	0	0
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF	0	0	0	0	0

2.1.2 Categorisation of Funds

The Operational Programme must categorise expenditure against a series of categories which the European Commission will use across the European Union to identify the type of project / activity being funded, the form of finance being used and the spatial areas being targeted. This will enable the European Commission to aggregate and compare programme expenditure information across all of the programmes in the EU.

The European Commission has identified a range of 'priority themes' under which to classify the type of activity being funded, however, these themes cover the whole range of potential Structural and Cohesion Fund investments across the EU - only a handful are applicable to the activity identified in Yorkshire and The Humber's ERDF Operational Programme, and anticipated activity has therefore been allocated under these theme headings as set out below. ERDF Operational Programme, and anticipated activity has therefore been allocated under these theme headings as set out below.

Cumulative breakdown of allocations of the Community contribution by category

ERDF in Area without Transitional Support (Rest of Region)

Combination of codes of dimensions 1 to 5					
Code * Dimension 1 Priority theme	Code * Dimension 2 Form of Finance	Code * Dimension 3 Territory	Code * Dimension 4 Economic Activity	Code * Dimension 5 Location	Amount **
01	01	00	NA	NA	312,539,633
02	03				
03					
04					
05					
06					
07					
08					
09					
13					
14					
15					
61					
52					
85					
86					
Total					312,539,633

ERDF in Area with Transitional Support (South Yorkshire)

Combination of codes of dimensions 1 to 5					
Code * Dimension 1 Priority theme	Code * Dimension 2 Form of Finance	Code * Dimension 3 Territory	Code * Dimension 4 Economic Activity	Code * Dimension 5 Location	Amount **
01	01	00	NA	NA	271,041,327
02	03				
03					
04					
05					
06					
07					
08					
09					
10					
13					
14					
15					
52					
61					
85					
86					
Total					271,041,327

- * The categories are coded for each dimension using the standard classification
 ** Allocated amount of the Community contribution for each combination of categories

Categorisation of Structural Funds assistance for 2007-2013

<i>Table 1:</i>	<i>Codes for the priority theme dimension.</i>	<i>ERDF in area without transitional support €</i>	<i>ERDF in area with transitional support €</i>	<i>Total ERDF</i>	<i>ERDF Expenditure to date</i>
Code	Priority theme				
	Research and technological development (RTD), innovation and entrepreneurship				
0 1	RTD activities in research centres	4,163,028	3,321,449	7,484,477	0
0 2	RTD infrastructures (including equipment, instrumentation and high speed computer networks between research institutes) and specific technology competence centres	20,815,140	16,607,244	37,422,384	0
3	Technology transfer and improvement of cooperation networks between SMEs and research institutes	16,652,112	13,285,795	29,937,907	0
4	Aid for the RTD in particular in the SMEs (including access to RTD services in the research centres)	4,163,028	3,321,449	7,484,477	0

Yorkshire And The Humber Regional Competitiveness and Employment Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT 2008
CCI: 2007 UK162PO009

5	Advanced supporting services in companies and groups of companies	115,889,696	63,098,421	178,988,117	0
6	Assistance to SMEs for the promotion of environmentally products and processes	20,271,321	11,197,042	31,468,363	0
7	Investments in companies directly related to research and innovation (<i>innovative technologies, creation of new companies by the universities, RTD institutes and existing companies, ...</i>)	6,244,542	4,982,173	11,226,715	0
8	Other investments in firms	33,129,201	22,496,430	55,625,631	0
0 9	Other actions aiming at stimulation of research and innovation and entrepreneurship in SMEs	44,755,110	29,057,015	73,812,126	0
	Information society			-	
10	CI infrastructures (<i>including broad-band networks</i>)	-	33,338,083	33,338,083	0
11	Information and communication technology (<i>access, safety, interoperability, prevention of risks, research, innovation, e-content...</i>)	-	-	-	
12	Information and communication technology (TEN-TIC)	-		-	
13	Services and applications for the citizen (<i>e-health, e-government, e-learning, e-inclusion, ...</i>)	4,688,095	4,065,620	8,753,714	0
14	Services and applications for the SMEs (<i>electronic trade, education/training, networking, ...</i>)	9,063,649	6,301,711	15,365,360	0
15	Other actions aiming at access to the TIC by the SMEs and their effective use	4,375,555	2,236,091	6,611,646	0
	Transport			-	
16	Rail	-		-	
17	Rail (TEN-T)	-		-	
18	Mobile rail assets	-		-	
19	Mobile rail assets (TEN-T)	-		-	
20	Motorways	-		-	
21	Motorways (TEN-T)	-		-	
22	Trunk roads	-		-	
23	Regional/local roads	-		-	
24	Cycle tracks	-		-	
25	Public transport	-		-	
26	Multimode transport	-		-	

Yorkshire And The Humber Regional Competitiveness and Employment Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT 2008
CCI: 2007 UK162PO009

27	Multimode transport (TEN-T)	-		-	
28	Intelligent transport systems			-	
29	Airports	-		-	
30	Ports	-		-	
31	Internal inland waterways (<i>regional and local</i>)			-	
32	Internal inland waterways (TEN-T)	-		-	
	Energy			-	
33	Electricity			-	
34	Electricity (TEN-E)			-	
35	Natural gas			-	
36	Natural gas (TEN-E)			-	
37	Petroleum products			-	
38	Petroleum products (TEN-E)			-	
39	Renewable energy: wind	-	-	-	
40	Renewable energy: solar	-	-	-	
41	Renewable energy: biomass	-	-	-	
42	Renewable energy: hydroelectric, geothermal, and others	-	-	-	
43	Energy efficiency, combined heat and power, control of energy	-	-	-	
				-	
	Environment and risks prevention			-	
44	Domestic and industrial waste management			-	
45	Drinking water management and distribution			-	
46	Waste water (<i>treatment</i>)			-	
47	Air quality			-	
48	Prevention and integrated pollution control			-	
49	Mitigation and adaptation to climate change	-	-	-	
50	Rehabilitation of factory sites and contaminated land			-	
51	Promotion of biodiversity and nature conservancy (<i>including Natura 2000</i>)			-	
52	Promotion of clean urban public transport	625,079	2,710,413	3,335,493	0

Yorkshire And The Humber Regional Competitiveness and Employment Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT 2008
CCI: 2007 UK162PO009

53	Risks prevention (<i>including the development and implementation of plans and actions to prevent and manage the natural and technological hazards</i>)			-	
54	Other actions aiming at the safeguarding of the environment and the prevention of risks			-	
	<i>Tourism</i>			-	
55	Promotion of natural assets			-	
56	Protection and development of natural inheritance			-	
57	Aid for the improvement of tourist services			-	
	<i>Culture</i>			-	
58	Protection and safeguarding of cultural heritage			-	
59	Development of cultural infrastructure			-	
60	Other assistance for the improvement of cultural services			-	
	<i>Urban/rural rehabilitation</i>			-	
61	Integrated projects for urban/rural rehabilitation	15,202,492	44,180,737	59,383,229	0
	<i>Increasing adaptability of workers and enterprises</i>			-	
62	Development of lifelong learning systems and strategies in companies; training and services for workers and managers to increase their adaptability to change			-	
63	Design and dissemination of innovative and more productive forms of work organisation			-	
64	Development of specific employment, training and support services for company and sector restructuring, and the development of systems to anticipate economic change and future occupational and skills requirements			-	
	<i>Enhancing access to and sustainability of employment</i>			-	
65	Modernisation and strengthening of labour market institutions			-	
66	Implementation of active and preventive labour market measures, including encouraging active ageing and prolonging working lives			-	
67	Encouraging active ageing and prolonging working lives			-	
68	Supporting self-employment and entrepreneurship	-	-	-	

Yorkshire And The Humber Regional Competitiveness and Employment Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT 2008
CCI: 2007 UK162PO009

69	Actions to increase the sustainable participation and progress of women in employment; to reduce gender-based segregation in the labour market and to reconcile work and private life including by facilitating access to childcare and care for dependent persons	-	-	-	
70	Actions to increase migrant's participation in employment and thereby strengthen their social integration			-	
	<i>Reinforcing social inclusion of people at a disadvantage</i>			-	
71	Pathways to integration in employment for disadvantaged people including in the social economy; combating discrimination in accessing the labour market and promoting diversity in the workplace	-	-	-	
	<i>Enhancing human capital</i>			-	
72	Design and introduction of reforms in education and training systems, in order to improve the labour market relevance of education and training; to raise their responsiveness to the needs of a knowledge-based society and continually update the skills of teaching and other personnel			-	
73	Increase participation in education and training; including initial vocational and tertiary education; and actions to achieve a significant decline in early school leaving			-	
74	Raising potential human capital in research and innovation, notably through post-graduate studies and training of researchers and related networking activities between universities, research centers and enterprises			-	
	<i>Investments in social infrastructures</i>			-	
75	Infrastructures for education			-	
76	Infrastructures for health			-	
77	Infrastructures for childcare	-	-	-	
78	Infrastructure for housing			-	
79	Other social infrastructures	-	-	-	
	<i>Mobilising for reforms in the fields of employment and inclusion</i>			-	
80	Promoting partnerships, pacts and initiatives through networking of			-	

	relevant stakeholders at national, regional and local level				
	<i>Strengthening institutional capacity at national, regional and local level</i>			-	
81	Mechanisms to improve the design and delivery of good policy and programmes at national, regional or local level, capacity building in the delivery of policies and programmes.			-	
82-84	<i>Reduction of additional costs hindering the outermost regions' development</i>			-	
	<i>Technical assistance</i>			-	
85	Preparation, implementation, follow-up and control	10,626,347	9,215,405	19,841,752	0
86	Evaluation, studies, conferences, publicity	1,875,238	1,626,248	3,501,486	0
		312,539,633	271,041,326	583,580,959	0

<u>Table 2:</u>	<i>Coding of the form of financing dimension.</i>	<i>ERDF in area without transitional support €</i>	<i>ERDF in area with transitional support €</i>	-	
Code	Form of financing			-	
1	Non-refundable aid	299,100,429	242,500,674	541,601,103	0
2	Refundable aid (<i>loan, interest subsidies, guarantee</i>)			-	
3	Venture capital (<i>public capital holding, venture capital fund</i>)	13,439,204	28,540,652	41,979,856	0
4	Other form of financing			-	

<u>Table 3:</u>	<i>Coding of the territory dimension.</i>	<i>ERDF in area without transitional support €</i>	<i>ERDF in area with transitional support €</i>	-	
Code	Territory			0	
1	Urban centre			-	
2	Mountains			-	
3	Islands			-	
4	Sparsely populated areas			-	
5	Rural areas (not covered by 01-04)			-	
6	Former EU external borders			-	
7	Outermost region			-	

				-	
8	Cross-border cooperation area			-	
9	Transnational cooperation area			-	
10	Interregional cooperation area			-	
0	No application	312,539,633	271,041,326	583,580,959	0

2.1.3 Information about the breakdown of the use of the Funds

As Programme expenditure has not been claimed during 2008, there is no progress to report on the breakdown in the use of the funds.

2.1.4 Assistance by target groups

The Operational Programme requires the ERDF team to undertake an annual review of the targets and the targeted groups within the Programme which will inform activity developed.

2.1.5 Gender Equality and Equal Opportunities

The Operational Programme promotes the objectives of equal opportunities and non-discrimination on the basis of race, ethnic origin, religion or belief, disability age or sexual orientation, as required by Article 16. This involves assessing the impact of operations on these objectives, on appraisal and during the course of project monitoring and evaluation.

All project applicants are required to submit the form 'Equality and Diversity in Your Organisation' along with a copy of the Equal Opportunities Policy or equivalent at Outline Business Plan to meet minimum gateway criteria. The existence of these policies and their implementation is verified during the pre-engagement visits. At this stage, projects are expected to detail if the market failure the project will address is specific to a certain gender or ethnic group. Targets to support BAME (Black, Asian and Minority Ethnic) groups and women have been set for the Programme and relevant targets should be set for these groups.

The project applicant is required, at this stage, to submit details of what has been done to ensure that the benefits of the project are available to all. These are checked by the Thematic Impacts Manager at gateway appraisal/Outline Business Plan stage and a score of "Good", as a minimum, is required.

An Equalities Impact Assessment is required for each project's appraisal. The Equality Impact Assessment Framework aims to ensure that projects do not discriminate, and where possible, promote equality for all. It is a process that encourages project applicants to consider possible alternatives to develop and deliver the project, consulting formally with relevant group or groups, making arrangements for monitoring and evaluating the performance of the project.

2.1.6 Sustainable Development

The Operational Programme will promote the objectives of sustainable development as required by Article 17. These have been reflected in the Programme strategy and objectives. The Programme has been the subject of a Strategic Environmental Assessment as required under Directive 2001/42/EC.

The Managing Authority will, in accordance with Article 10 of (EC) Directive 2001/42/EC, monitor the significant environmental effects of the Operational Programme in order to identify unforeseen adverse effects and be in a position to undertake appropriate remedial action. This monitoring is undertaken at three levels:

- First, the Environmental Report has suggested a selection of tracking indicators that can be used to monitor the environmental performance of the area. These are primarily monitored through individual project reporting and remedial action will be taken targets and standards are not being achieved. These indicators need to be added to priority level indicators and incorporated into offer letters so they can be monitored through the claims process at project level. Progress against the Priority level indicators will be reported in the Annual Implementation Reports and discussed at meetings of the PMC. In 2008 the progress of projects is not at a point to monitor against these indicators.
- Secondly, the Strategic Environmental Assessment of the Operational Programme proposed sustainability assessment questions that could be used to assess the credentials of potential projects. These cover the categories of promoting resource efficiency, natural and built environment and local community (eg safety and security). The suggested areas have been embedded into the Outline Business Plan gateway and appraisal process so that potential adverse effects of supported activities are identified and can be appropriately managed. No projects have been identified in 2008 that have significant negative effects that cannot be mitigated.
- Thirdly, at Full Business Plan, procedures are in place to detect any project with a potentially negative effect on Natura 2000 sites and other sites designated for nature conservation. The project development and appraisal process also covers opportunities to strengthen the environmental aspects of projects and guidance has been developed to advise how this is to be done. Suitable milestones should be incorporated in project offer letters to enable monitoring of these policies both at pre-engagement visit and through the claims process.

In 2008 Yorkshire Forward appointed consultants 'Global to Local Ltd' to provide project appraisal and specialist advice and support to the development of the Environmental Good Practice cross cutting theme in projects. This support helps projects to achieve at least the minimum criteria. Consultants provide bespoke analysis of CCT implications and offer practical, project specific, support rather than generic recommendations.

2.1.7 Assistance repaid or re-used

As no Programme expenditure has been claimed during 2008, there has been no assistance repaid or re-used following cancellation of assistance as referred to in Council Regulation (EC) 1083/2006 Article 57 and Article 98(2).

2.1.8 Qualitative analysis

Table 5:

Key Milestones in 2008		
January	22	Yorkshire Universities briefing workshop
	25	Cross Cutting Themes sub committee
	28	Rest of Region PMB
	31	Statutory Instrument 3619 came into force
February	14	South Yorkshire PMB
	15	Programme Launch and Commissioner visit to ERDF funded projects in South Yorkshire and The Humber
	20	Cross Cutting Themes sub committee
	28	PMC
	29	Close of Transitional Call for Proposals
March	3	West Yorkshire sub-regional launch and workshop
	4	North Yorkshire sub-regional launch and workshop
	6	South Yorkshire sub-regional launch and workshop
	7	The Humber sub-regional launch and workshop
	7	Rest of Region PMB
April	17	South Yorkshire PMB
	18	PMC
	21	Workshop for Yorkshire Forward Project managers
	22	Workshop for Yorkshire Forward Project managers
	25	Cross Cutting Themes sub-committee
	28	Workshop for Yorkshire Forward Project managers
	30	Call for Proposals and Priority Prospectus issued
May	7	Rest of Region PMB
	15	South Yorkshire PMB
	20	EC approves Communications Plan
June	12	South Yorkshire PMB
	13	Rest of Region PMB
	18	Cross Cutting Themes sub committee
	24	PMC
	26	Annual Implementation Report 2007 submitted
July	14	Annual Implementation Report 2007 approved
	15	Rest of Region PMB
August	7	South Yorkshire PMB
	8	Cross Cutting Themes sub-committee
September	4	Rest of Region PMB
	12	European Year of Intercultural Dialogue event
	16	PMC
	17	Digital region major project application submitted to Commission
October	9	South Yorkshire PMB

	10	Rest of Region PMB
	22	Europe in My Region event
November	3	Evaluation Steering Group
	24	PMC
	28	Voluntary and Community Group Workshop, Hull
December	2	Rest of Region PMB
	3	Commission approves Digital Region major project application
	4	South Yorkshire PMB
	17	Cross Cutting Themes sub-committee

Managing the Programme

Yorkshire Forward was designated as the Intermediary Body, in accordance with Council Regulation (EC) 1083/2006 Article 59c and by Statutory Instrument No. 3619 (2007) "The European Regional Development (Yorkshire and The Humber Operational Programme) (Implementation) Regulations 2007" on 31 January 2008 for the delivery of the ERDF Programme within the Yorkshire and The Humber region.

The Statutory Instrument can be viewed on the Yorkshire Forward website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/governance-partnership-and-management>

The allocation of functions relating to the management and implementation of the Operational Programme is laid out in the Schedule of Functions of the Managing Authority for the ERDF which was published on 19 December 2007.

Regulation 3(2) of the Statutory Instrument entrusts functions to Yorkshire Forward by reference to the Schedule. Section two of the Schedule sets out the functions reserved for the Department for Communities and Local Government (CLG) as the Managing Authority.

Section 3 sets out the functions of Yorkshire Forward as the Intermediary Body to be carried out under the responsibility of the Managing Authority.

The Schedule of Functions can be viewed on the Yorkshire Forward website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/governance-partnership-and-management>

ERDF Management Team

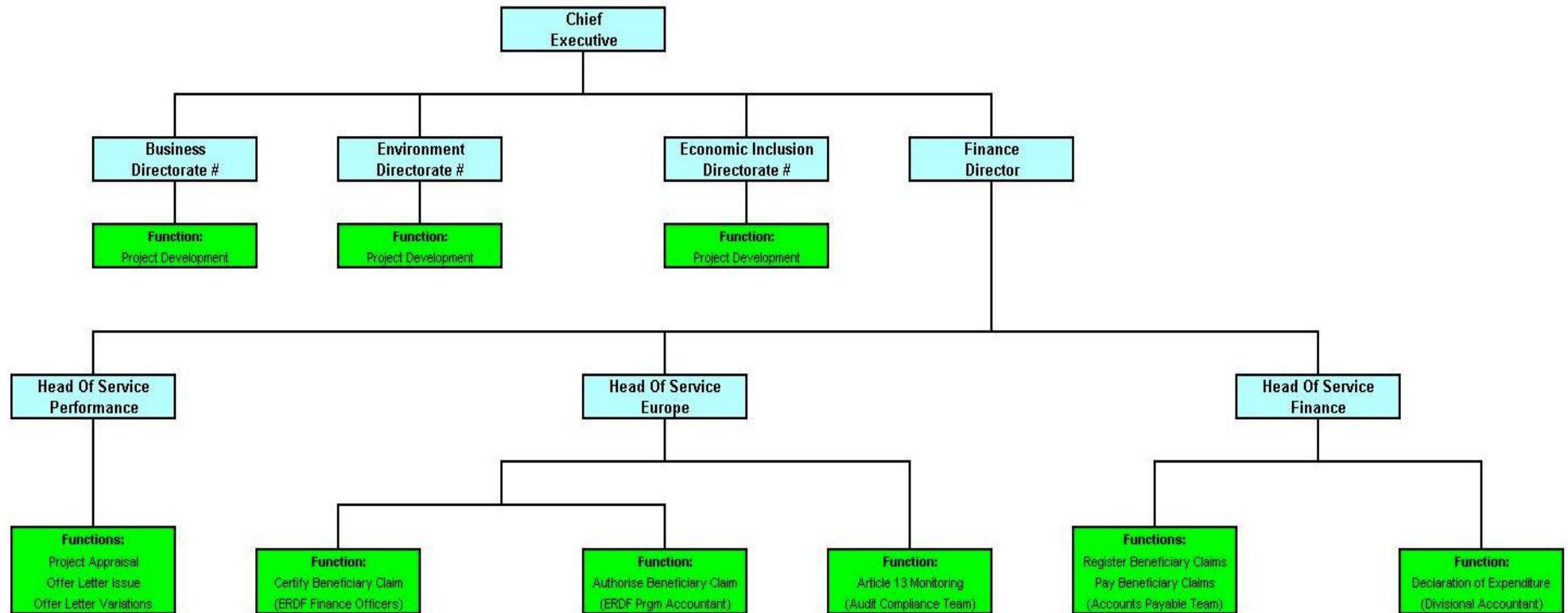
Yorkshire Forward has continued during 2008 to provide and develop its resources package to ensure that the Agency meets its obligations derived from Council Regulation (EC) 1083/2006 Articles 58-62, the Implementing Provisions contained in the Operational Programme and the Statutory Instrument are met. Principally, this has meant:

- Providing a European Team to co-ordinate all Programme activity; including dedicated resources for the South Yorkshire "phasing-in" element of the Programme and dedicated resources for the Rest of the Region element and common resources for financial management, governance, monitoring and communication functions.

- Increasing capacity within Yorkshire Forward's existing structure to ensure the efficient and successful end-to-end management and delivery of all ERDF funded projects leading to greater alignment of domestic and European funds and improved co-ordination of investments.

In undertaking this, however, Yorkshire Forward has been mindful of the need to comply with the principle of separation of functions as laid down in Article 58 of Council Regulation (EC) 1083/2006. Figure 1 illustrates this separation within Yorkshire Forward.

**Yorkshire Forward
ERDF Programme 2007-2013
Separation Of Functions Overview**



Footnote:

- indicates Yorkshire Forward directorates that are potentially a final beneficiary of ERDF grant.

Figure 1

Throughout the ERDF project lifecycle separation is maintained at all times, achieved both within the Yorkshire Forward European Team and between other Yorkshire Forward teams involved in project development or the management and control system. This, essentially, means that:

- those assisting in the development of a project do **not** carry out its appraisal or subsequent re-appraisal, should one be required at a later date.
- anyone approving a project or revising an existing approval will **not** have been directly involved in either its development or appraisal / re-appraisal.
- Article 13(2) (b) verifications, of Council Regulation (EC) 1828/2006 will **not** be completed by any of the personnel used to:
 - carry out the project appraisal
 - project manage the delivery of a project
 - verify or authorise payments made to the project.

The ERDF team is, essentially, separated into two functions:

- The Programme Management team is responsible for compliance issues with UK national and EU regulations to ensure all activity is delivered appropriately. The key functions are managing the Programme finances, project inspection and verification, risk management, quality assurance and state aid.
- The Programme Implementation team is responsible for priority axes commitment attainment, commissioning, overseeing project delivery and ensuring delivery of the cross cutting themes. The ERDF secretariat, servicing the PMC and PMBs also sits within this team.

Recruitment for a number of vacant positions took place in 2008. Some vacancies were the result of existing staff moving on to new responsibilities while others were for positions yet to be filled. Some slight reorganisation of roles and reporting lines occurred during the year.

In summary the changes in 2008 were:

- Team Support Executive appointed.
- Implementation Manager for South Yorkshire (phasing-in region) appointed
- Two Partner Project Development Managers, South Yorkshire, were appointed
- Communications Manager post brought within the ERDF team, reporting direct to the Head of European Operations. Post advertised and filled from September
- Programme Assurance Manager left the ERDF team to lead the Contract management team for Yorkshire Forward. Priority 4 Control Manager became the new Programme Assurance Manager.
- Partner Project Development Manager, Humber was promoted to lead the ERDF Contract team. A new Partner Project Development Manager, Humber was appointed.
- The South Yorkshire team was enhanced by appointment of an ERDF Project Support Officer

- Lead Finance Officer was promoted to become Programme Finance Manager and a new Lead Finance Officer was promoted from Programme Finance Officer.

Changes in the embedded roles in other Directorates were as follows:

- Communications Manager was incorporated in the core ERDF team and ERDF Contracts team leader appointed as reported above
- ERDF Evaluation Officer appointed
- A Performance Management Executive left the ERDF team and a new one appointed.

All recruitment has been driven by the need to attract and attain quality personnel with the appropriate level of experience, especially those who have worked on previous Programmes in a managing authority capacity

The two charts below show the organisational structure of the ERDF team and also the other ERDF posts elsewhere in Yorkshire Forward. The first chart shows the position at the start of 2008 and the second the position at the end of 2008.

1st January 2008

Yorkshire Forward ERDF Team Structure and Other ERDF Related Posts

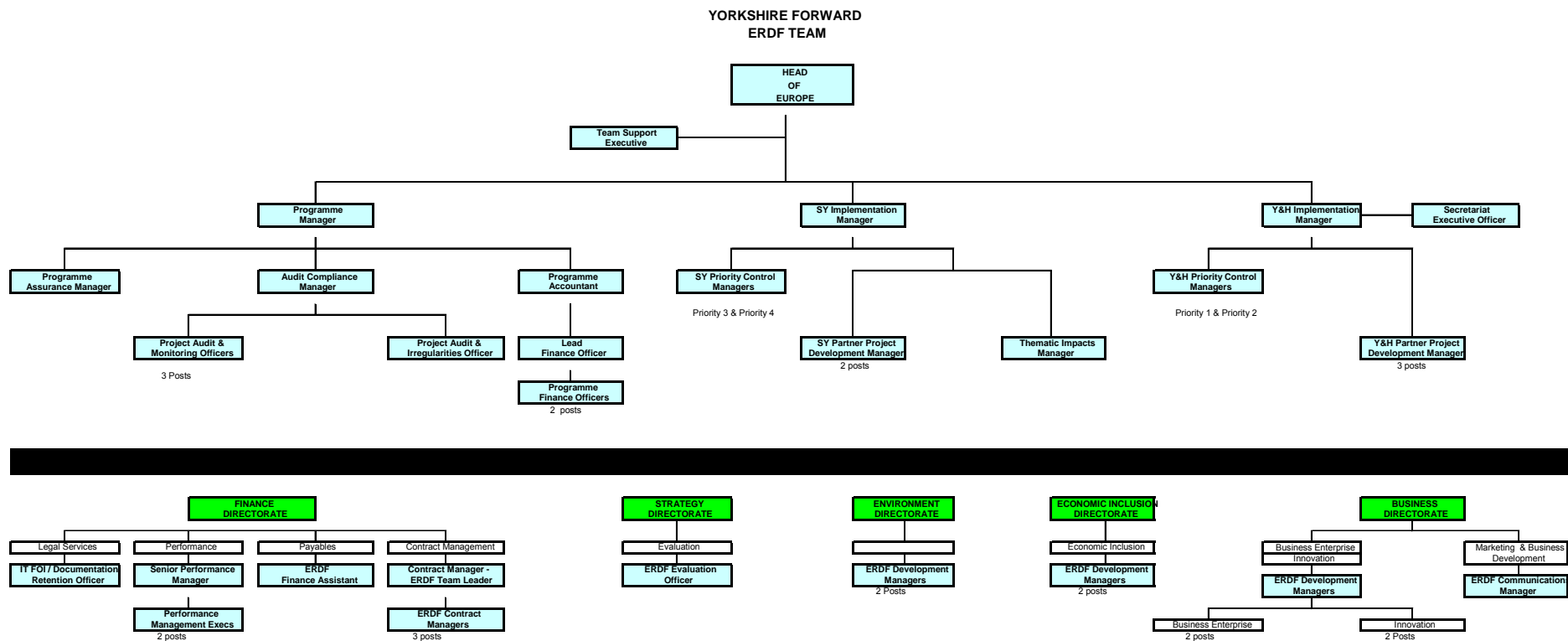


Figure 2

Yorkshire And The Humber Regional Competitiveness and Employment Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT 2008
CCI: 2007 UK162PO009

31st December 2008

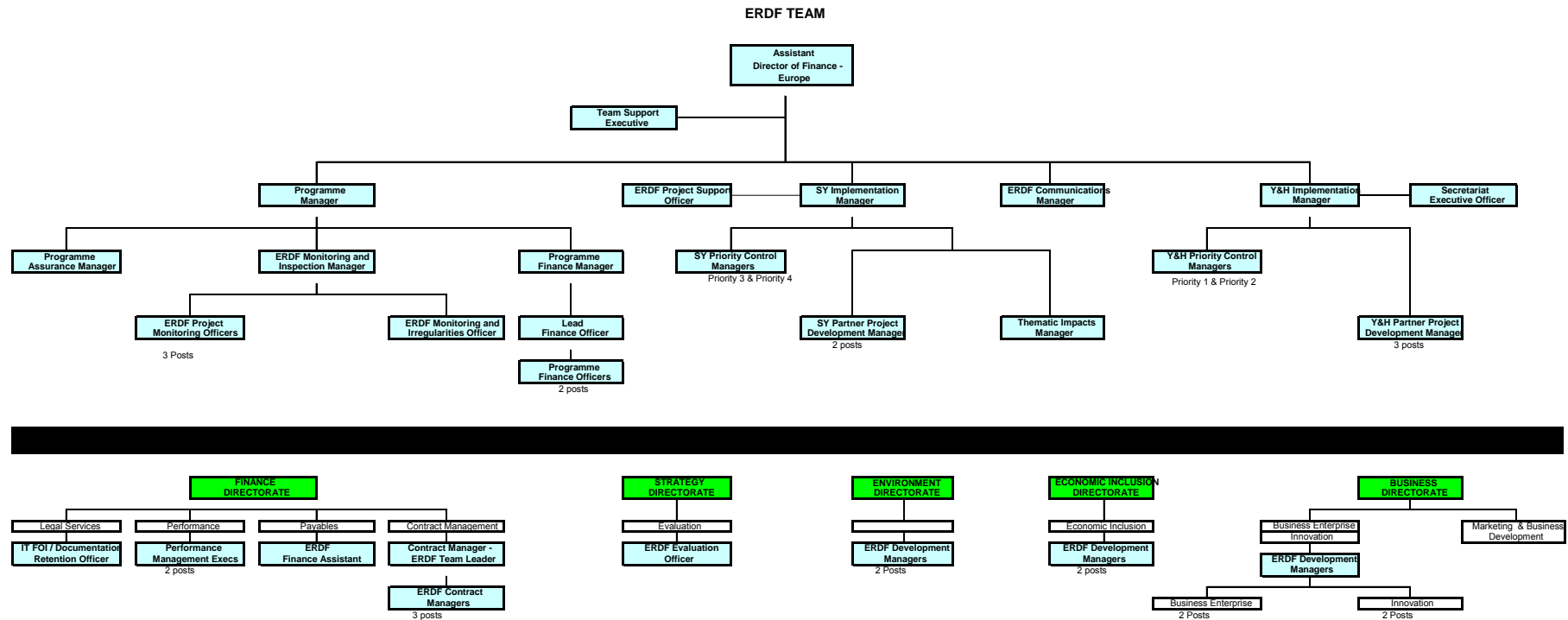


Figure 3

ERDF Management Roles and Responsibilities

Assistant Director - European Operations oversees Yorkshire Forward's engagement across the European agenda including managing the ERDF programme.

ERDF Team Support Officer supports the ERDF team and is the initial point of contact for enquiries

Project Management

ERDF Programme Manager leads on financial and output reporting for the programme, project inspection, risk management and state aid.

ERDF Programme Assurance Manager ensures technical advice and guidance on ERDF Programme compliance and regulatory issues are maintained at all times and best practice disseminated. The post maintains the Management & Control documents, risk register and oversees state aid issues and notifications.

ERDF Programme Finance Manager provides financial management for the ERDF Programme, ensuring integrity of management systems and accuracy of reporting.

ERDF Programme Lead Finance Officer ensures the Programme's finance tables and management information systems are maintained. The post also monitors and tracks grant claims to ensure payments comply with procedures and are made on time.

ERDF Monitoring & Inspection Manager is responsible for project monitoring and for the Programme's monitoring strategy to ensure projects comply with regulations.

ERDF Monitoring & Irregularities Officer monitors and reports financial irregularities, undertakes pre-engagement visits, provides compliance assessments and undertakes project monitoring and inspection.

ERDF Monitoring Officers undertake pre-engagement visits, provide compliance assessments and undertake project monitoring and inspection.

ERDF Programme Implementation Teams

Implementation Manager, South Yorkshire & Implementation Manager, Rest of Region oversee project development, providing strategic direction, commissioning activity and prioritising investment to deliver the Programme. The Implementation SY also manages the Themes for the Programme while Implementation ROR manages the Governance arrangements.

Priority 1 Control Manager, R&D and Innovation, Priority 2 Control Manager, Business Support, Priority 3 Control Manager, Sustainable Communities & Priority 4 Control Manager ensure projects are committed in time to achieve priority expenditure targets. They drive the development process forward and reduce barriers to project commitment by facilitating key teams and partners to resolve issues that arise.

Partner Project Development Managers, North Yorkshire, West Yorkshire, Humber & South Yorkshire (2 posts) facilitate the ERDF project development process through to contract.

Thematic Impacts Manager supports the ERDF team to ensure that all projects contribute towards the theme targets and that sustainable development and equality underpin activity financed by ERDF.

Project Development Support Officer supports the South Yorkshire team and is implementing a central electronic filing management structure along with record retrieval and storage procedures for the whole ERDF team.

ERDF Secretariat Executive Officer coordinates the Programme Monitoring Committee (PMC) and the two Performance Management Boards (PMBs)

Communications

ERDF Communications Manager manages the information and publicity needs of the ERDF Programme.

The following roles are outside the ERDF team, but are integral to the ERDF Programme and are funded by ERDF:

Finance Directorate

Performance Management Executives (2 posts) undertake appraisals of applications for ERDF.

Finance Assistant processes and controls purchase and general ledger transactions for the ERDF Programme.

ERDF Contract Management Team Leader leads the ERDF Contract Management team, providing ERDF related advice and guidance to project managers.

ERDF Contract Managers (3 posts) work with Project Managers to draft and issue ERDF Offer Letters including subsequent variations, recording management information and providing appropriate guidance and support.

Strategy Directorate

ERDF Evaluation Officer is responsible for developing and implementing the Programme's Evaluation Plan in conjunction with the Evaluation Steering Group.

Economic Inclusion Directorate

Project Development Managers (2 posts) support the Economic Inclusion Directorate as ERDF specialists to assist delivery of ERDF funded projects.

Business Directorate

Project Development Managers (4 posts) support the Business Directorate as ERDF specialists to assist delivery of ERDF funded projects.

Environment Directorate

Project Development Managers (2 posts) support the Environment Directorate as ERDF specialists to assist delivery of ERDF funded projects.

Compliance

Yorkshire Forward, as Intermediary Body, takes a proactive approach to managing the Yorkshire and The Humber Programme to ensure compliance with the EU regulations thus minimising risk and potential for irregularities, clawback and potential de-commitment of funds.

This is achieved by having an open, interactive relationship with project sponsors and providing guidance and support wherever and whenever possible. During project development, there is a two stage pre-engagement visit to the project applicant. The first visit assesses the capacity and systems capability of the applicant to handle ERDF and the second reiterates the funding agreement requirements, for example, around publicity, tendering and procurement and the specifics of the project.

To ensure compliance and funding eligibility once a project is in operation, the Programme's managers intend to undertake an inspection visit on every project's first claim to address any issues that may arise and pre-empt systemic errors occurring as well as completing the mandatory desk check of every claim submitted. Further inspection visits will be undertaken in accordance with the agreed methodology. The ERDF team will use the agreed Monitoring Assurance Framework for such work in accordance with best practice.

In line with the drive for fewer, more strategic and larger projects, a benchmark was established that applications for ERDF should not be sought for less than £1million. However, experience showed that this was not appropriate across all Priorities. Subsequently, the threshold for applications to Priority 3 was reduced to £500,000 ERDF in December 2008.

Progress has been made regionally and nationally towards achieving a satisfactory outcome on the compliance assessment of the English ERDF Programme by the European Commission.

Yorkshire Forward received a non-qualified audit opinion on the Yorkshire and The Humber management & control processes after compliance assessment visits made by the Audit Authority in May 2008 and the further systems audit inspection in October 2008 after the User Acceptance Testing demonstration on the IT systems to be used.

The Annex XII Yorkshire & The Humber Management & Control Systems document was submitted to the Commission for formal ratification in December 2008 by The Department of Communities and Local Government (DCLG). This provides a full description of the business processes within Yorkshire Forward, as Intermediary Body, and DCLG as Managing Authority, Certifying Authority and Audit Authority on how the ERDF Programme will be operated and managed. An adoption decision is pending.

A review of the existing national ERDF Programme guidance is being undertaken to address issues now that actual project development is underway. Yorkshire Forward remains committed to influencing ERDF policy issues within the Managing Authority through representation on the Programme Implementation Group (PIG) and various sub-groups in an attempt to ensure clear, concise and consistent guidance is produced.

Considerable progress has been made in the development of local guidance for project applicants. All such guidance, and the prevailing national guidance, is

available to download from Yorkshire Forward's website at www.yorkshire-forward.com/erdf

Progress has been made throughout 2008 on a local management information system that accommodates the managing authority's data specification requirements.

2.2 Compliance with Community Law

There are currently no issues relating to compliance with Community law which have been encountered to date in the implementation of the Operational Programme.

2.3 Significant Problems Encountered and Measures Taken to Overcome Them

The deepening crisis in the world economy during 2008 is the most significant issue faced by the Programme. The crisis first became increasingly apparent in the region in the financial services sector, which is a major employer in Yorkshire and The Humber. The onset of the crisis was rapid and deep, with two of the region's major financial institutions (Bradford and Bingley; Halifax Bank of Scotland) forced to take Government support to stave off collapse. Significant numbers of employees remain at risk in affected institutions as the banks restructure.

The Chairs of the English RDAs met with DG Regio's Director General Dirk Ahner in April 2008. An area they identified for further collaboration was highlighting any issues and problems with the current Structural Fund Regulations. Jointly, the English RDAs have continued with this workload and have met Mr Ahner again in 2009.

In the summer and autumn of 2008 Yorkshire Forward reviewed and then re-prioritised all its activity in the face of the burgeoning crisis. As part of that work, the ERDF team looked at opportunities to introduce flexibilities within the existing Programme to maximise the impact that ERDF could have in the region. Building on this earlier work and on the Commission's proposals for regulatory change announced as part of its "Road to Recovery" initiative towards the end of 2008 the Programme is taking an action plan forward into 2009.

2.4 Changes in the Context of the Operational Programme Implementation

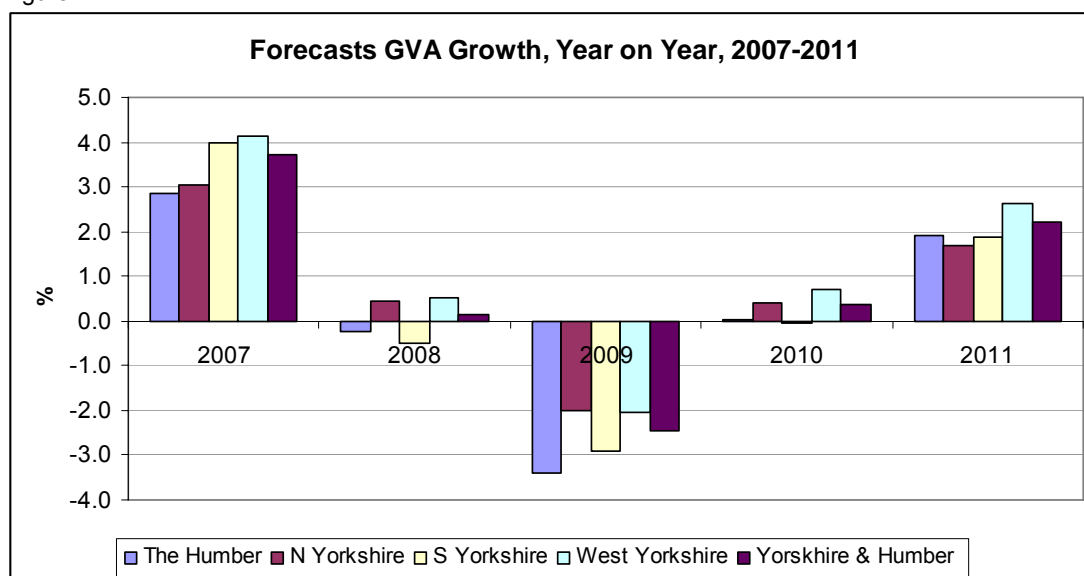
Economic Background Summary

The economic position for Yorkshire and The Humber at the end of 2008 is summarized below. While the inevitable delay in regional data makes it difficult to accurately predict the spatial impact of the recession, the latest sub-national economic forecasts suggest that the region will show little or no growth in 2008, with across-the-board contraction in 2009 alongside national trends. Over the ten years 2007-2017 the Yorkshire and The Humber economy is still forecast to grow significantly, with total GVA set to grow by almost 15% in absolute terms over that time period. However within the economy there will be short and medium term adjustments in sectoral performance.

Major increases in occupations are forecast in corporate administrators, health associated professionals, caring personal service occupations and business/public service professionals. These, along with forecasted reductions in the numbers of people employed in process, plant and machine operative roles, is responsive to the historic shift in the region away from traditional heavy industry towards services, and the more recent expansion of the health and social care sectors.

i) Gross Value Added

Figure 4



Latest figures suggest that in 2009 the Yorkshire and The Humber economy will shrink by -2.5%, with the Humber suffering the biggest sub-regional drop in GVA of -3.4%. Most sub regions are forecast to return to positive growth of some measure in 2010 with the exception of South Yorkshire, which is predicted to show a slight drop in GVA of -0.1% in 2010 and a return to positive annual growth in 2011. Reasons for this could include South Yorkshire's large manufacturing and metals sector, sectors which are currently suffering from the global slowdown in demand for materials.

Table 6

Sectoral Contribution to Regional GVA, 2007-2017 (£m)

	2007	2012	2017	2007-2012 Difference (%)	2007-2017 Difference (%)
Agriculture, Forestry & Fishing	907.5	834.8	816.7	-8.01	-10.00
Oil & Gas Extraction	4.3	3.9	3.5	-8.18	-18.03
Other Mining	215.3	159.5	157.3	-25.92	-26.94
Gas, Electricity & Water	967.8	876.2	859.5	-9.47	-11.20
Fuel Refining	188.6	118.8	88.2	-37.02	-53.23
Chemicals	1624.3	1868.7	1987.8	15.05	22.38
Minerals	1046.1	1005.4	1040.7	-3.90	-0.52
Metals	2177.0	1869.2	1849.2	-14.14	-15.06
Machinery & Equipment	1241.0	1124.0	1201.3	-9.43	-3.20
Electrical & Optical Equipment	779.5	725.4	879.9	-6.94	12.88
Transport Equipment	776.7	578.7	617.1	-25.50	-20.55
Food, Drink & Tobacco	2386.0	2109.4	2127.0	-11.59	-10.86

CCI: 2007 UK162PO009

Textiles & Clothing	529.8	442.5	323.2	-16.47	-39.00
Wood & Wood Products	276.0	132.5	119.8	-52.01	-56.59
Paper, Printing & Publishing	1740.3	1692.6	1751.0	-2.74	0.61
Rubber & Plastics	811.0	775.4	823.6	-4.39	1.55
Other Manufacturing	900.6	728.7	700.4	-19.09	-22.23
Construction	5942.3	5784.4	6792.2	-2.66	14.30
Retailing	5032.8	5355.3	6001.5	6.41	19.25
Wholesaling	5626.2	5341.0	5980.0	-5.07	6.29
Hotels & Catering	2249.4	2199.2	2429.7	-2.23	8.02
Transport	4131.1	4250.9	4670.8	2.90	13.06
Communications	2020.7	2158.1	2510.0	6.80	24.21
Banking & Insurance	5771.3	6742.2	8164.6	16.82	41.47
Business Services	8654.9	10073.5	12917.8	16.39	49.26
Other F&Bs	2822.3	3007.7	3336.7	6.57	18.23
Public Admin. & Defence	4122.7	4030.2	4048.3	-2.24	-1.80
Education	4897.7	4879.4	5006.5	-0.37	2.22
Health	6458.1	7156.3	8061.1	10.81	24.82
Other	2878.5	2989.6	3469.7	3.86	20.54

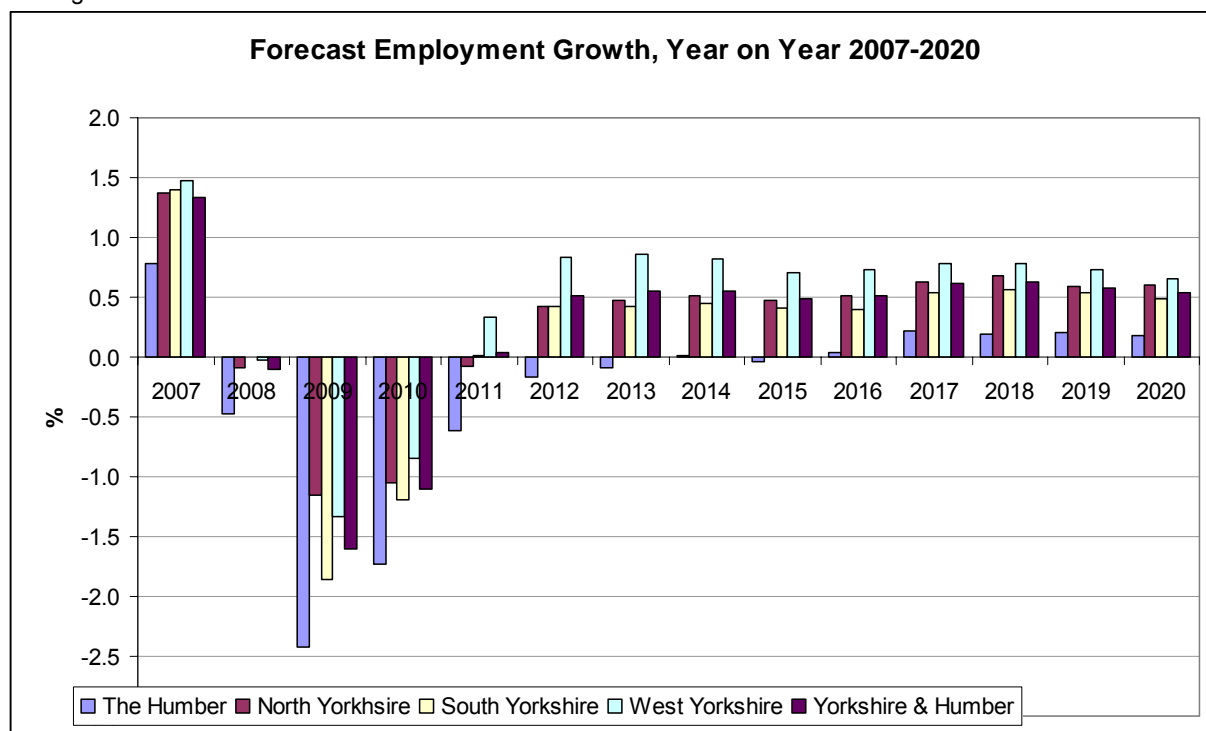
Source: Experian Business Strategies, February 2009

Table 6 illustrates the impact that the recession is forecast to have on the region's industrial sectors in terms of their economic contribution to the regional economy. Over ten years the Yorkshire and The Humber economy is still forecast to grow significantly, with total GVA set to grow by almost 15% in absolute terms over that time period. However within the economy there will be short and medium term adjustments in sectoral performance.

Proportionately, the major downward adjustments over the period can be seen in fuel refining, wood & wood products, textiles and clothing and mining. Many of these industries were in structural decline before the recession due to external pressures, such as textiles and clothing, a sector which has come under pressure from low cost exports from Asia. Other industries such as fuel refining and mining were also in long term structural decline, but their forecast position has also been affected by the impact of the recession on global demand for energy.

Employment

Figure 5



Source: Experian Business Strategies, February 2009

Revised forecasts for employment growth within the region show a much slower recovery period than that demonstrated by GVA forecasts. The latest figures show that in 2009 the region will see over 33,000 FTE jobs shed from the Yorkshire and The Humber economy. Experian's latest projections see a total of over 58,000 FTE jobs shed from the regional economy between 2007 and 2010, at which point a degree of stabilisation and tentative growth is expected.

While job losses are expected across all local authorities, there are some distinct spatial differences. While West Yorkshire will see the greatest job losses in absolute terms, proportionately speaking South Yorkshire and The Humber are forecast to suffer the greatest with 3% and 4.6% of total employment set to be shed in 2009. In terms of recovery, South Yorkshire and in particular the Humber will also take longer. South Yorkshire is forecast to achieve 2007 levels of FTE employment in 2018, while for the Humber the recession compounds existing structural problems and recovery is even further away.

Table 7

Total Full Time Equivalent Employment 2007-2017			
	2007	2012	2017
The Humber	338.1	320.1	320.5
North Yorkshire	331.1	324.6	333.2
South Yorkshire	506.8	493.6	504.6
West Yorkshire	931.5	921.8	958.3
Yorkshire & Humber	2107.4	2060.1	2116.6

Source: Experian Business Strategies, February 2009

Changes to the employment structure of the regional economy are shown in Table 8. Over the next ten years the major sectors where employment is expected to increase are health, business services and construction. Health is

forecast to see the largest increase in employment, expanding its presence in the region by over 29,500 FTE jobs. Causes for this expansion will include the rise in demand for social and residual care, an aging population and the recent increases in investment in the sector.

Table 8

Regional FTE Employment by Industrial Sector

	2007	2012	2017	2007-2017 Difference (000s)
Agriculture, Forestry & Fishing	32.4	31.0	27.6	-4.8
Oil & Gas Extraction	0.3	0.1	0.1	-0.3
Other Mining	3.1	2.5	1.9	-1.2
Gas, Electricity & Water	8.4	7.5	6.2	-2.2
Fuel Refining	1.6	1.2	1.0	-0.7
Chemicals	18.6	17.1	14.5	-4.1
Minerals	15.9	15.6	14.8	-1.1
Metals	53.3	49.9	46.4	-6.9
Machinery & Equipment	27.2	25.3	24.1	-3.0
Electrical & Optical Equipment	19.5	19.2	19.6	0.1
Transport Equipment	18.4	18.0	17.4	-1.0
Food, Drink & Tobacco	49.2	46.3	43.4	-5.8
Textiles & Clothing	17.2	12.2	8.3	-8.9
Wood & Wood Products	9.9	5.5	4.3	-5.6
Paper, Printing & Publishing	39.0	36.5	35.5	-3.4
Rubber & Plastics	19.6	18.9	18.0	-1.6
Other Manufacturing	22.3	20.1	18.6	-3.8
Construction	189.9	187.7	205.8	15.9
Retailing	180.2	176.0	183.0	2.9
Wholesaling	149.4	145.4	146.7	-2.7
Hotels & Catering	99.8	95.4	100.4	0.7
Transport	105.4	106.1	112.2	6.8
Communications	33.6	32.0	32.7	-0.9
Banking & Insurance	78.7	77.5	80.7	2.0
Business Services	258.4	257.7	282.3	23.9
Other F&Bs	47.3	46.8	50.3	3.0
Public Admin. & Defence	104.9	98.5	97.8	-7.1
Education	163.0	161.3	154.6	-8.4
Health	228.4	239.7	257.9	29.6
Other	112.7	109.0	110.5	-2.2

iii) Occupations

Table 9 illustrates the number of people currently estimated to be working in certain professions in Yorkshire and The Humber, and the estimates change in those totals as the industrial mix of the regional economy changes in the medium term. Major increases in occupations are forecast in corporate administrators, health associated professionals, caring personal service occupations and business/public service professionals. These, along with forecasted reductions in the numbers of people employed in process, plant & machine operative roles, is responsive to the historic shift in the region away from traditional heavy industry towards services, and the more recent expansion of the health and social care sectors.

Table 9

Regional Occupations ('000s) 2007-2017

	2007	2012	2017	Change 2007-2017 ('000s)
Corporate Administrators	310.9	321.6	343.6	32.7
Managers and Proprietors	83.7	84.0	87.1	3.4
Science/Tech Professionals	70.8	73.0	80.1	9.3
Health Professionals	26.0	29.3	33.1	7.1
Teaching/Research Prof.	123.3	120.1	115.3	-8.0
Business/Public service Prof.	85.2	87.2	95.5	10.3
Science Associate Prof.	39.4	37.9	38.8	-0.6
Health Associate Prof.	103.6	110.2	118.5	14.9
Protective Service Occs	24.2	23.1	22.4	-1.8
Culture/Media/Sport Occs	50.1	52.1	56.3	6.1
Bus/Public Serv. Assoc Prof.	120.9	128.0	135.8	14.9
Admin & Clerical Occupations	236.5	224.1	227.0	-9.5
Secretarial & Related Occs	73.7	65.7	63.1	-10.6
Skilled Agricultural Trades	21.9	20.1	18.2	-3.7
Skilled Metal/Elec Trades	116.0	109.3	109.2	-6.8
Skilled Construct. Trades	101.5	96.9	102.6	1.1
Other Skilled Trades	49.6	47.7	47.3	-2.2
Caring Personal Service Occs	140.1	144.4	151.3	11.1
Leisure/Oth Pers Serv Occs	45.3	44.1	44.9	-0.5
Sales Occupations	171.0	168.0	174.0	3.0
Customer Service Occupations	37.1	38.9	42.0	4.8
Process, Plant & Mach Ops	119.2	105.1	95.7	-23.5
Transport Drivers and Ops	122.5	119.8	124.4	1.9
Elementary: Trades/Plant/Mach	99.2	94.8	96.1	-3.1
Elementary: Clerical/Service	249.0	231.7	236.2	-12.8

2.5 Substantial modification under Article 57 of Regulation (EC) 1083/2006

There are no modifications to report..

2.6 **Complementarity with other instruments**

Co-ordination with other EU instruments is outlined in Chapter 7 of the Operational Programme.

Linkages at a strategic level between ERDF and ESF continue to be ensured through common representation on the ERDF Programme Monitoring Committee and the ESF Regional Committee. Operational level activity on ESF continues to progress well in terms of working relationships established with Government Office, the Learning and Skills Council and Jobcentre Plus in order to ensure demarcation and synergies between ERDF and ESF. The recent transnational ESF call shows complementarity with the ERDF Programme, particularly in terms of the digital divide priority.

The ERDF evaluation plan now features complementarity with other EU funds particularly ERDF, ESF and Interreg funding.

The European Agricultural Fund for Rural Development (EAFRD) is also managed by Yorkshire Forward, and the necessary internal systems are being established to ensure that demarcation between EAFRD and ERDF are maintained. Enquiries received by the ERDF Programme are signposted to the more appropriate European Fund, where necessary.

The regional contract for Enterprise Europe is also held by Yorkshire Forward. Regular interaction between Enterprise Europe Yorkshire and the ERDF Programme maintains effective co-ordination between ERDF and other funding opportunities for businesses in the region.

The Programme is seeking to build capacity in the region for transnational working by using ERDF funding for Regions for Economic Change, territorial cohesion, and transnational project opportunities.

Technical Assistance may be used to promote best practice and to improve linkages between ERDF and other EU initiatives. Proposals being taken forward in the Technical Assistance bid for funding are:

- Under 'CREST' guidelines, development of a strategy for joining up ERDF & non-ERDF funds. Specific priorities could include climate change, demographic change and innovation to enable the region to position itself better for 2013.
- Support for the exchange of best practice including support to the Regional Interreg group. Opportunities to learn from best practice and where appropriate "roll-out" this experience.
- Support, communication, dissemination and awareness raising of activities that align to other European funding sources for example, ESF, FP7, RDPE, EFF, URBACT II and the SEN@ER network.
- Help raise awareness (through seminars, workshops and surgeries) among regional partners of non ERDF funding opportunities that can be linked to ERDF investments.

2.7 Monitoring arrangements

2.7.1 Governance

2008 has seen the implementation of and adherence to the Programme Governance arrangements and a number of key strategic Programme decisions made at Programme Monitoring Committee (PMC) and Performance Management Boards (PMB).

Programme Monitoring Committee (PMC)

In 2008 the PMC convened five times at varying regional locations:

- Bradford- West Yorkshire, 28 February 2008
- Leeds- West Yorkshire, 18 April 2008
- Sheffield- South Yorkshire, 24 June 2008
- Sheffield- South Yorkshire, 16 September 2008
- Leeds- West Yorkshire, 24 November 2008

The PMC has been keen to 'tour' around the region to ensure balanced sub regional meeting locations.

The rules of procedure for the Programme were unaltered during 2008 and there were not any changes to PMC composition or Chair. The PMC continues to place strong emphasis on sectoral interests with Programme Cross Cutting Themes representation at each PMC meeting. Attendance has been monitored throughout 2008.

Governance arrangements for the Programme Monitoring Committee and the Performance Management Boards were agreed by PMC at its first meeting in 2007. These, along with membership details, can be viewed on the Yorkshire Forward website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/governance-partnership-and-management>

KEY PROGRAMME MONITORING COMMITTEE DECISIONS MADE IN 2008

Table 10

Programme Monitoring Committee meeting 28th February 2008	
Decisions Made	The Yorkshire and the Humber ERDF 2007- 13 Programme complaints procedure was agreed in line with the Yorkshire Forward complaints procedure
	Evaluation of the Programme: The Terms of Reference and Membership for the Yorkshire and the Humber ERDF 2007- 13 Programme Evaluation Steering Group were agreed.
	ERDF 2007- 13 Programme Cross Cutting Themes PMC Sub Committee Terms of Reference and Membership were agreed.

Table 11

Programme Monitoring Committee meeting 18th April 2008	
Decisions Made	The Yorkshire and the Humber ERDF 2007- 13 Programme Full Priority Prospectus for April 2008- March 2009 was agreed.
	The Yorkshire and the Humber ERDF 2007- 13 Programme the Major Project Applications process was agreed.

Table 12

Programme Monitoring Committee meeting 24th June 2008	
Decisions Made	The Yorkshire and the Humber 2007- 13 ERDF Programme Cross Cutting Themes Targets were agreed.
	The Yorkshire and the Humber 2007- 12 ERDF Programme Annual Implementation Report 2007 was approved.

Table 13

Programme Monitoring Committee meeting 16th September 2008	
Decision Made	The Yorkshire and the Humber 2007- 13 ERDF Programme Major project: "Digital Region" was approved.

Table 14

Programme Monitoring Committee meeting 24th November 2008	
Decision Made	The Yorkshire and the Humber 2007- 13 ERDF Programme Major project: Science City York Embedded Space and Technology Transfer was approved.

Performance Management Board (PMB)

There are two Performance Management Boards, one for South Yorkshire as a phasing-in region and another for the Rest of the Region, which is non phasing-in.

The rules of procedure have remained consistent with the agreed 2007 PMC Programme Governance provisions. Both PMBs have nominated Equalities and Diversity and Environmental Cross Cutting Themes (CCT) champions to represent the PMBs at the Programme's PMC CCT Sub Committee.

The first ERDF 2007- 13 Performance Management Board meetings took place for the South Yorkshire on the 14th February 2008 and the non phasing- in Rest of Region on the 28th January 2008. The Boards have looked at Programme implementation in detail and established project endorsement criteria for all

projects with a total value of over £3m, in line with the selection criteria agreed by the PMC in 2007. In 2008, both Boards have endorsed thirty five projects in total.

Two members of the non phasing- in region PMB resigned from the Board in 2008 and the vacant posts have been filled.

There were nine Rest of Region PMB meetings in 2008; all convened in Leeds. There were seven South Yorkshire PMB meetings; all convened in Sheffield.

PMB meeting attendance is monitored. The role of the Performance Management Boards remains to support the PMC, identify alignment of ERDF with other regional strategies, identify risks to Programme delivery, and recommend remedial action if required. 2008 saw the implementation of a robust Management Information reporting system which has been customized by the Secretariat to fulfill the requirements of both PMBs.

KEY REST OF REGION PERFORMANCE MANAGEMENT BOARD DECISIONS MADE IN 2008

Table 15

Rest of Region Performance Management Board meeting 28th January 2008	
Decisions Made	No projects were endorsed

Table 16

Rest of Region Performance Management Board meeting 7th March 2008	
Decisions Made	Two projects were endorsed: <ul style="list-style-type: none"> • Surprise (P1) • Hambleton Managed Workspace (P2)

Table 17

Rest of Region Performance Management Board meeting 7th May 2008	
Decisions Made	The Yorkshire and the Humber 2007- 13 Programme Performance Management Board project endorsement procedure was agreed.
	Thirteen projects were endorsed: <ul style="list-style-type: none"> • York Embedded Space and Technology Transfer (P1) • Institute of Product Process and development (P1) • Grants For R & D (P1) • Innovation Futures (P1) • Designing Demand (P1) • Large Company R & D Scheme (P1) • Science City York Specialist Services for BusinessGrowth and Innovation (P2) • Y&H Manufacturing Advisory Services (P2)

	<ul style="list-style-type: none"> • Access to Markets (P2) • Programme of Regional Healthcare Technology Activity (P2) • The Creative Enterprise Centre (P2) • Enterprising Bradford (P3) • Hull Enterprise Partnership (P3)
--	--

Table 18

Rest of Region Performance Management Board meeting 13th June 2008	
Decisions Made	Two projects were endorsed: <ul style="list-style-type: none"> • Innovation Hubs (P1) • Resource Efficiency Programme (P2)

Table 19

Rest of Region Performance Management Board meeting 15th July 2008	
Decisions Made	Two projects were endorsed: <ul style="list-style-type: none"> • Create and Innovate (P5) • HumberTA (P5)

Table 20

Rest of Region Performance Management Board meeting 4th September 2008	
Decisions Made	Two projects were endorsed: <ul style="list-style-type: none"> • Industrial Symbiosis (P2) • Marsden and Slaithwaite Renaissance Enterprise Hub (P2)

Table 21

Rest of Region Performance Management Board meeting 10th October 2008	
Decisions Made	One project was endorsed: <ul style="list-style-type: none"> • Employability Programme (P3)

Table 22

Rest of Region Performance Management Board meeting 2nd December 2008	
Decisions Made	Two projects were endorsed: <ul style="list-style-type: none"> • Yorkshire Biorefinery Facility (P1) • Regional Venture Capital Loan Fund (RVCLF) (P2)

**KEY SOUTH YORKSHIRE PERFORMANCE MANAGEMENT BOARD
 DECISIONS MADE IN 2008**

Table 23

South Yorkshire Performance Management Board meeting 14th February 2008	
Decisions Made	No projects endorsed

Table 24

South Yorkshire Performance Management Board meeting 17TH April 2008	
Decisions Made	Six projects were endorsed: <ul style="list-style-type: none"> • Innovation Futures (P1) • AEM Network Support (P2) • Doncaster Inclusive Enterprise (P3) • Rotherham Enterprising Neighbourhoods (P3) • Sheffield Successful Neighbourhood Economies (P3) • Sheffield Cultural Infrastructure (P4)

Table 25

South Yorkshire Performance Management Board meeting 15th May 2008	
Decisions Made	Six projects were endorsed: <ul style="list-style-type: none"> • Grants for R & D (P1) • Designing Demand (P1) • Large Company R & D Scheme (P1) • Industrial Symbiosis (P2) • Y & H Manufacturing Advisory Service (P2) • Programme of Regional Healthcare Technology Activity (P2)

Table 26

South Yorkshire Performance Management Board meeting 12th June 2008	
Decisions Made	Three projects were endorsed: <ul style="list-style-type: none"> • Access to Markets/ Sector Networks (P2) • Kroto Innovation Centre Phase 1 (P1) • Resource Efficiency Programme (P2)

Table 27

South Yorkshire Performance Management Board meeting 7th August 2008	
Decisions Made	Four projects were endorsed: <ul style="list-style-type: none"> • Enterprising Barnsley (P2) • Access to Opportunities (P3) • Digital Region (P4) • South Yorkshire Technical Assistance Bid (P5)

Table 28

South Yorkshire Performance Management Board meeting 9th October 2008	
Decisions Made	One project was endorsed: <ul style="list-style-type: none"> • Employability Programme (Economic Inclusion PPR) (P3) • Access to Opportunities (P3) • Digital Region (P4) • South Yorkshire Technical Assistance Bid (P5)

Table 29

South Yorkshire Performance Management Board meeting 4th <u>December</u> 2008	
Decisions Made	Two project were endorsed: <ul style="list-style-type: none"> • Regional Venture Capital Loan Fund (RVCLF) (P2) • Rotherham Central Railway Station Improvements (P4)

2.7.2 Monitoring and evaluation

In 2008 substantial progress has been made on three significant areas of monitoring and evaluation concerning the implementation of the financial monitoring strategy, the development of cross cutting themes indicators and monitoring strategy and the agreement of the Operational Programme Evaluation plan. These are described in more detail in the three sections below.

Data Collection

Beneficiary data, including the name of the beneficiary and amount of public funding allocated is collected and published on the Yorkshire Forward website in accordance with regulations.

*The beneficiary data for 2008 is shown in **Annex A***

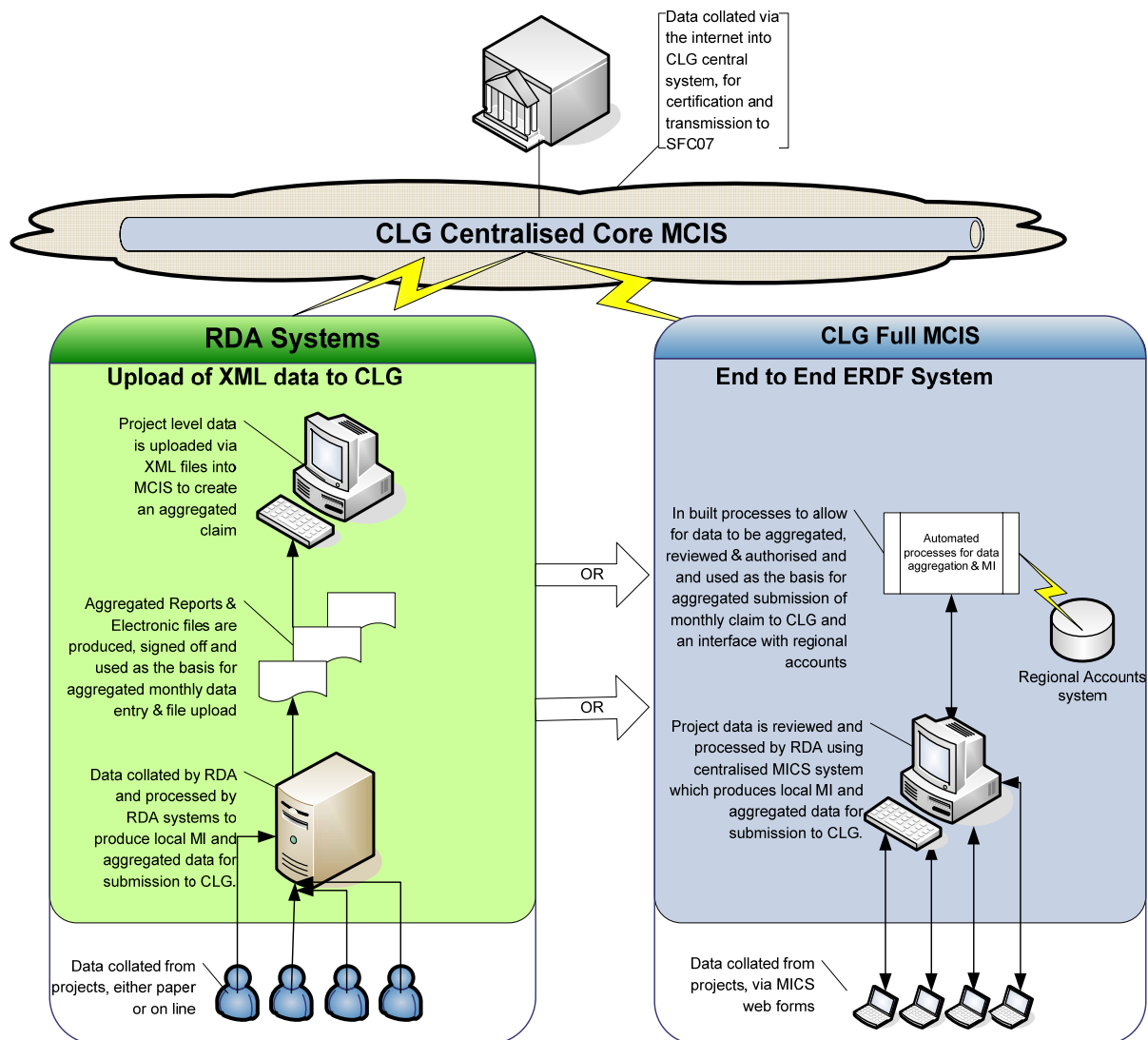
MCIS Overview

A Management Information & Operational Framework has been agreed with the Managing, Certifying and Intermediary Bodies that defines the system solution options to be put in place, and the requirements and data standards that any system will meet (now contained in chapter 9 of CLG's ERDF User Manual). CLG is providing a centralised Management Control & Information System (MCIS) that meets those requirements and can be used by any RDA to fully implement it within their Operational Programme.

There are two versions of MCIS:

- ▶ 'Core' system; which will be used by all RDAs to submit project claim & progress data to create an aggregate claim for re-imbursement of defrayed expenditure. It will also be used by the MA, CA and AA to access project level information to help verify declarations, track and record verifications and monitor N+2 achievement. The core system will also produce all the information required to be entered into SFC07, such as Annex X declarations;
- ▶ 'Full' system; which builds on the core system to provide additional functionality to administer and manage projects within an Operational Programme.

An overview of MCIS and its interfaces is shown below:



The above diagram highlights that the framework put in place ensures that there is a computerised system for recording and storing accounting records for each operation under each Operational Programme and that the operational data necessary for financial management, monitoring, verifications, audits and evaluation are collected in line with A59 & 60. MCIS will also facilitate the electronic data exchange between:

- ▶ DG Regio and CLG, for submission of declarations and other regulatory information;
- ▶ CLG and RDAs, for receipt and payment of aggregated claims, plus submission of some project information (on activities and finances) that support any claim for defrayed expenditure.

As a pure browser application, it does not need to be pre-installed or require any downloads or plug-ins thereby making it widely accessible to all participants in the ERDF process. MCIS will also be fully compliant with the EC Regulations and will:

- ▶ ensure that all the operational data necessary for financial management, monitoring, verifications, audits and evaluation are collected in line with Articles 59 & 60;
- ▶ support all stakeholders within YF Operational Programme to ensure data is accurate, consistent and reported in a timely manner;

- ensure that the required information is collated from the outset of the programmes and support the audit trail and financial control requirements of the regulations.

MCIS supports the end to end process for the management and administration of ERDF to all participants by providing information that is accurate, accessible, timely, relevant, and intelligible:

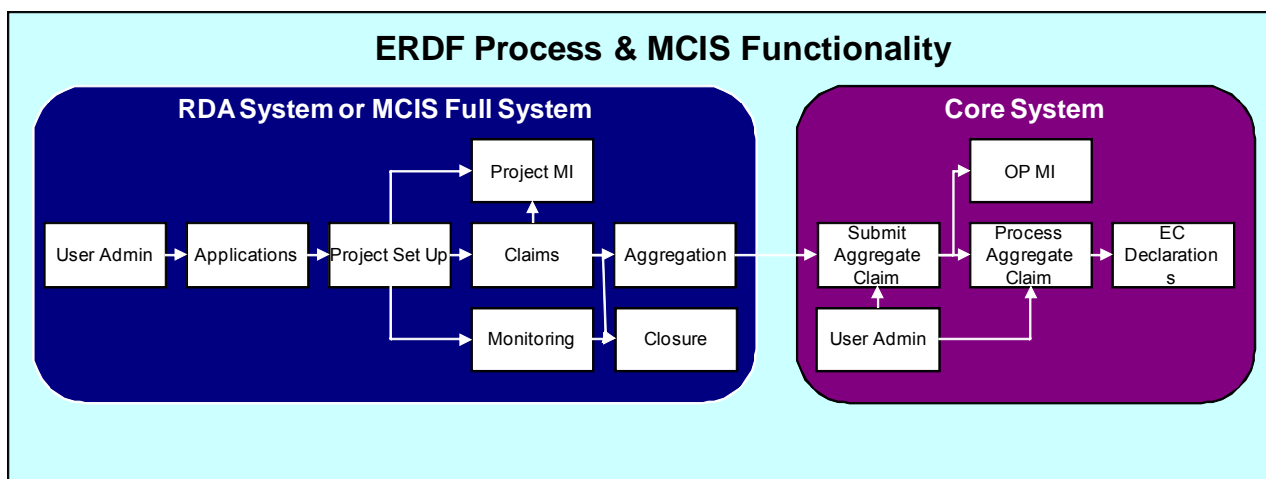
- **accurate:** it reflects the definitive source with clear audit trail
- **accessible:** it will be available to the users who need it
- **timely:** it is available when they need it
- **relevant:** it support their ERDF role & business needs
- **intelligible:** it is understandable in their terms.

It has been designed to accommodate some lessons learnt from 2000-06 Programmes, and meet the requirements of the Regulations, User Manual and the Management & Control Systems being put in place. It is a 'Roles' and 'Rules' based system, which allows user only to have access to the functions and data defined by their role, thereby enforcing process and data consistency.

- MCIS will reconcile with Yorkshire Forward's and CLG's accounting systems and will be based on verifiable information that is available to the Managing, Certifying and Audit Authorities.

MCIS Functionality

As noted above, MCIS has been designed to support all aspects of the ERDF process for the Managing & Certifying Authority, the Intermediate Bodies project management requirements and also offers functionality to the Audit Authority for the recording of Article 16 Audits. An overview of the ERDF business process and the functionality that it provides is shown below.



Core System Functionality

A summary of the core set of functionality that the system provides is:

- Programme details, as defined in the Operational Programme and SFC2007
- Web forms accessible via the internet for the collation of aggregated and project data from the Intermediary Bodies
- Secure authentication of users via the Government Gateway
- Electronic transactions between users
- On Line data validation, ensuring only the correct data is entered

- ▶ Management Information for the production of all EC regulatory reports
- ▶ Segregation of roles for preparation, submission, review, certification and authorisation of approval of aggregated claims
- ▶ Event logging for full audit history of all aggregated claims and declarations
- ▶ Claim schedule based on the Operational Programme
- ▶ On line status of each claim (to CLG & the RDAs), its history and workflow
- ▶ Accessible via the internet, with no limit to the number of users
- ▶ Workflow to prompt users on outstanding tasks
- ▶ An interface with the EC's SFC07 system
- ▶ Clear visibility of performance to financial targets
- ▶ Compliant with eGov and Government IT standards

Full System Functionality

- ▶ The full MCIS provides additional functionality to the core system to administer and process individual projects within a Priority Axis. The full MCIS has the following features and functionality:
- ▶ Claim schedule creation > claim creation > grant calculation > claim review > submission > approval > certification > authorisation for payment
- ▶ Clawback creation > certification > authorisation > recording of recovery and partial recovery of funds;
- ▶ Funding agreement issue > acceptance > project set up > funding agreement variation issue > variation acceptance
- ▶ Project monitoring & inspection > findings capture > project risk management;
- ▶ Irregularity capture > fund recovery > decommitment > write off
- ▶ Generation of aggregated claim
- ▶ Operational Programme monitoring > Production of regulatory management information > ad hoc management information

Data Dictionary & Management Information

Underpinning MCIS is a common Data Dictionary which provides a single definition of what information must be collated, processed and reported on to help ensure consistent, high quality and efficient management and administration of ERDF and ensure compliance with the Regulations. It is based around common data definitions that describe all the data that must be collected on every project, in every region. It is through the Data Dictionary that Yorkshire Forward will ensure that the details of its ERDF operations is recorded in a consistent manner, and in such a way that ensures compliance with the European and national rules.

The Data Dictionary also ensures that MCIS will collate all the information required by the general and implementing regulations for the fund. Data captured at the lowest level will be capable of aggregation for submission to the EC as part of the regulatory reports in line with ANNEX 1 to 22 of the EC Implementing Regulations 1828/2006.

Within core MCIS, there is a Management Information reporting tool that allows for items in the data dictionary to be reported on, and standard predefined reports will allow the production of all the required regulatory information. It will also provide information to allow for pro-active management of the fund, via monitoring performance to targets and adherence to the regulations.

Yorkshire Forward MCIS

The Yorkshire Forward MCIS has been developed in accordance with the Data Dictionary v1.7.2 supplied by CLG to capture the required information by CLG. The Yorkshire Forward MCIS is a supplementary system attached to Yorkshire Forward's Artemis PMS (Project Management System) and allows project specific users the ability to enter ERDF data required by CLG.

Yorkshire Forward Artemis PMS has controlled access to project specific information, allowing certain individuals access to write or read project information. This allows only authorised individuals the ability to review project information. Yorkshire Forward MCIS will operate on the same basis with access being limited to authorised individuals. This will ensure compliance with the appropriate separation of functions. Yorkshire Forward also has in place and operates an ICT Access Control Policy.

For each claim to the Certifying Authority, information will be extracted from Yorkshire Forward MCIS and sent to CLG via XML on a monthly basis and aggregated into MCIS. MCIS will then interface with the EC SFC database.

Yorkshire Forward MCIS has successfully passed the Witnessed User Acceptance Testing by the Managing Authority, Certifying Authority and Audit Authority, and the IT Security Compliance Assessment undertaken by the Audit Authority. The IT Security Compliance Assessment involved Yorkshire Forward demonstrating it complies with separation of functions.

The Yorkshire Forward MCIS Implementation Plan and MCIS Technical details and project specifications are available on the MCIS website at: <http://www.mcisproject.co.uk/>

Financial Monitoring Strategy

The Monitoring Strategy forms part of the Management and Control documents which Yorkshire Forward is required to have in place as part of its delegated responsibilities for managing the Programme on behalf of CLG. The rationale behind the strategy is to ensure that projects are managed in a strong control environment, to minimise the risk of incorrect, irregular and ineligible expenditure or delivery. It enables Yorkshire Forward to demonstrate to the European Commission and to CLG, as Managing Authority, that effective procedures are in place to ensure that all expenditure declared to the EU is eligible and Structural Funds are used in accordance with the regulations.

Monitoring plays an important role in improving the effectiveness and delivery of the Programme during its lifetime. Information fed back from the monitoring process enables the appraisal and decision making process to be improved and helps project sponsors to incorporate improvements to their projects, identify any gaps in their delivery methods, record keeping and procedures. Monitoring is, therefore, integral to, and a main driver of, the effectiveness and robustness of Programme delivery. With the 2007-2013 Programme, robust monitoring systems have been incorporated from the start.

For the 2007-2013 Operational Programme the approach is proactive and interventionist to disseminate best practice from the outset to colleagues within Yorkshire Forward and to project sponsors. Together with the dedicated Article 13 resources in place from the outset of the Programme these factors will allow the appropriate level of resources to be applied to project monitoring to achieve a consistent high quality.

The Article 13 inspection team will, when fully staffed, comprise five staff; four Article 13 monitoring officers, one of whom is the designated ERDF

Programme monitoring and irregularities officer, working to the ERDF Audit Compliance Manager and reporting through the ERDF Programme Manager to the Director of Finance. Three staff were in place throughout 2008 with the two remaining posts filled by 1 April 2009.

During 2008 the financial monitoring strategy has been finalised and the systems and procedures for undertaking inspections has been put into place. The inspection takes place in three stages, the Pre Engagement Visit (PEV) in two stages takes place before the offer letter is issued to ensure that an applicant has the appropriate systems and procedures in place to manage ERDF. This is followed by the Project and Verification Visit (PAV) to verify expenditure. In 2008, 27 PEVs and one PAV were carried out with the numbers increasing as more projects were committed. Looking ahead a further 64 are scheduled for the first quarter of 2009.

Governance of Cross Cutting Themes

The regional PMC has responsibility to monitor the impact of Cross Cutting Themes (CCT). The PMC has a representative from the statutory Environmental Agency and for the Equalities theme, the Commission for Equality and Human Rights. To improve quality, performance and the overall impact of the Programme through the delivery of the cross cutting themes, a sub-committee of PMC was set up following an agreement at December 2007's PMC. The CCT sub-committee has supported the PMC to provide strategic direction to Programme managers to ensure that the cross cutting themes are embedded and applied to maximum benefit at all stages in the Programme's decision-making process. In 2008, the sub-committee has made recommendations on setting the CCT targets.

The sub-committee has members who represent the Programme's decision-making bodies, the PMC and both the PMBs, who therefore have a more detailed understanding of the types of activities that are supported. The PMBs nominated CCT Champions, these also sit on the CCT sub-committee to provide this valuable support.

Terms of Reference and membership of the cross cutting themes sub-committee can be viewed on the Yorkshire Forward website at:
<http://www.yorkshire-forward.com/about/our-funding/erdf/governance-partnership-and-management>

In 2008, the main decisions taken about the themes were:

Table 30

Date	Meeting	Discussed/agreed
25 January	Shadow PMC sub-committee – CCTs	<ul style="list-style-type: none"> Agreed Terms of Reference
20 February	Shadow PMC sub-committee – CCT	<ul style="list-style-type: none"> Review of CCT Indicators Progress Agreed Action Plan for April Priority Prospectus Discussed Capacity issues & Input to Priority Prospectus Consultation Agreed Forward Meeting dates

Table 30 continued

28 February	PMC meeting	<ul style="list-style-type: none"> PMC agreed the Terms of Reference and Membership for the CCT Sub Committee
18 April	PMC meeting	<ul style="list-style-type: none"> Report on progress in target setting & agree rolling CCT programme
25 April	PMC sub-committee -CCT	<ul style="list-style-type: none"> Agreed to set up of project tracking 'traffic light system' for cross cutting theme evidence and practical implementation as documented in all Outline Business Plans (OBPs) Review of Progress to setting CCT Indicators definitions and targets
18 June	PMC sub-committee-CCT	<ul style="list-style-type: none"> Agree CCT Indicator Definitions and Targets
8 August	PMC sub-committee -CCT	<ul style="list-style-type: none"> Consideration of embedding of CCTs in transitional projects Review of Environmental Indicators
17 December	PMC sub-committee -CCT	<ul style="list-style-type: none"> Review of Environmental Indicators and recommendations for PMC Feb 2009 Agreement of CCTs within Evaluation Strategy

Cross Cutting Theme Targets

The Operational Programme agreed that CCT indicator definitions and targets should be agreed by the PMC by June 2008.

Following agreement by the CCT sub-committee in 18th June 2008, the PMC of 24th June 2008, conditionally approved the definitions and quantification of the Cross Cutting Theme (CCT) targets for the Programme.

The PMC also agreed the following:

- a) Amendment to CCT indicators:
 - 'number of buildings upgraded to a minimum BREEAM standard of very good' to 'the **area of new and upgraded floorspace** upgraded to minimum BREEAM standard of very good and should aspire to achieve the BREEAM **excellent standard**.'
 - 'reduction in Greenhouse Gas Emissions' to '**no of businesses assisted to reduce Greenhouse Gas Emissions**'
- b) Removal of CCT indicators :
 - No of businesses reducing waste production
 - No of businesses reducing emissions
 - No of businesses reducing energy consumption by more than 10%

The June 2008 PMC noted that further work was taking place regarding the environmental business sector targets baselines. The PMC provisionally agreed CCT targets and Environmental sector indicator definitions.

Following further research to set more relevant baselines, the CCT sub-committee on 17th December 2008 agreed that despite the validity and accuracy of baseline data, this resulted in three very different and inconsistent sets of indicators. This called into question the rational for setting environmental business sector indicators for the Programme given the diverse range of results in trying to establish baseline data.

The CCT sub-committee of 17th December 2008 therefore agreed to the removal of the Environmental Business Sector indicators and following the CCT sub-committee's Terms of Reference, will adopt a monitoring and reviewer role as part of the overall Programme performance monitoring.

Table 31

Cross-cutting Theme Indicators in the Operational Programme				
Indicators	OP Priorities			
	P1	P2	P3	P4
Outputs				
a) Environmental				
No of environmental sector businesses supported	229	1577	55	45052
Area of new and upgraded floorspace upgraded to minimum BREEAM standard of very good	60664	72166		
No of businesses assisted to undertake environmental audits	210	1120	70	
b) Equality				
No of projects overcoming barriers to employment			617	
Results				
a) Environmental				
No of new businesses created in environmental sectors	78	615	169	
Gross jobs created in environmental sectors	186	162	80	
Increase in sales from new environmental products and services developed (£m)	£27.39			
No of businesses implementing recommendations from environmental audits	168	896	56	
No of businesses achieving independent environmental accreditation		716		
b) Equality^{1 2}				
No of new businesses created – majority female owned*	75	579	159	
No of new businesses created – employers from BAME communities*	24	196	52	
Gross new jobs created for women *	2126	6007	2005	553
Gross new jobs created for BAME *	402	1177	258	56
Gross jobs safeguarded – women *	559	4208	1204	552
Gross jobs safeguarded – BAME *	105	821	159	54
Impacts				
a) Environmental				
Net start up environmental businesses created	75	587	162	
No of businesses assisted to reduce Greenhouse Gas Emissions		3839		

¹ These indicators are embedded within the programme, and targets are broken down across priorities

² In addition to the overall gender and BAME targets, 'stretch' targets (i.e. ones which are set above the existing % of businesses/jobs) will be set at project level for specific clusters/sectors

Operational Programme Evaluation Plan

There have been substantial moves forward with regards to evaluation in 2008. The role of ERDF Evaluation Executive was created and a member of staff appointed in August 2008. The ERDF Evaluation Steering Group, with representatives from the Programme Monitoring Committee, Programme Management Boards, Managing Authority and evaluation experts from the region, was established in an independent advisory capacity and on behalf of the Programme Monitoring Committee, with the first meeting held in November 2008. The Evaluation Plan to underpin the evaluation of the Programme was developed in conjunction with the ERDF Evaluation Steering Group and was agreed by the Programme Monitoring Committee on 24th November 2008.

Terms of Reference for the Evaluation Steering Group can be viewed on the Yorkshire Forward website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/governance-partnership-and-management>

The Evaluation Plan takes a staged approach to the ERDF Programme evaluation in which the implementation processes are assessed in the middle of the programming period and Programme impacts are assessed at a later stage through a rolling programme of strategic level evaluations, supported by robust project level evaluation. Every project must have an appropriate evaluation plan in place prior to the approval of funding so that project level evaluation evidence is collected as a basis for strategic level evaluations.

Individual evaluations will be undertaken at priority axis level to assess the progress being made over the Programme's lifetime and a formal mid-term review will be undertaken to assess the Programme's progress against changing regional circumstances and national requirements, in order to better understand and analyse outputs and results achieved and progress towards longer-term impacts, as well as to recommend, if necessary, remedial actions. The programme of strategic level evaluation will also review Programme management, contributions to Cross Cutting Themes and communications.

The evaluation work plan has been developed so that the results of the strategic level evaluations can be fed back through into the Programme at appropriate points but also into strategic reporting such as the Annual Implementation Report and reports to the Programme Monitoring Committee.

The Evaluation Plan will be overseen by the ERDF Evaluation Steering Group and will be managed by Yorkshire Forward's Evaluation Team with the ERDF Evaluation Executive dedicated to implementing the plan.

The Evaluation Plan can be viewed on Yorkshire Forward's website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/programme-strategy/priorities-and-themes/priority-5>.

Lisbon Earmarking

Progress towards achieving the Lisbon Categories will be reported to the PMC on a regular basis with the information collated onto the local management information system. However, to date no spend has been claimed. In future Annual Implementation Reports we will report progress with both commitments and spend broken down by Lisbon/non-Lisbon categories.

Chapter 3.

IMPLEMENTATION BY PRIORITY

Implementation Arrangements for the Priority Axes

The Programme Monitoring Committee, at the first formal meeting on 20 December 2007, agreed an Investment Framework for the Programme.

The first part of the framework sets down the process by which ERDF projects would be selected by including details of the project selection criteria for each Priority, divided into gateway and selection criteria.

The first stage of the project assessment, the Outline Business Plan application, would be assessed against the gateway criteria for strategic fit with the Programme, ERDF eligibility and contribution to the Cross Cutting Themes. Outline Business Plans would be published on the internet for partner comment for a period of 10 working days, and endorsed by the relevant Performance Management Board(s).

(Note: the PMC subsequently agreed in April 2008 to amend the process to include an initial, non-formal, enquiry stage).

The second stage, the Full Business Plan application, would be appraised by the Yorkshire Forward Performance Management Team, independently of the Programme Implementation and Programme Management teams within the overall Europe team. The appraisal would include assessment against the project selection criteria, in addition to a check on viability, full eligibility and value for money etc.

(Note: the PMC subsequently agreed in 2008 that complaints about the handling of ERDF applications would be dealt with via Yorkshire Forward's published complaints procedure).

The final stages were agreed as contracting and project management, including the undertaking of Article 13 checks.

The PMC also agreed that project proposals would be invited via 'Priority Prospectuses' that set down the region's priorities for delivering the Programme. The first of these was 'transitional', and approved by the PMC on 20 December 2007. This laid down the priorities for proposals coming forward in the early stages of the Programme, was time limited (the deadline for submission of Outline Business Plans was to be 29 February 2008) and required proposals to be well developed and ready to go to contract quickly.

The first Full Call for proposals was issued on 30th April 2008 and remained open throughout the year. (This Call finally closed on 31st March 2009 to be replaced by the second Full Open Call on 1st April 2009). A Priority prospectus was issued alongside the Call and both Call and Prospectus were available to download from the website, while they were current, as was relevant guidance.

3.1 Priority 1: Promoting Innovation and R&D

Objectives

- to stimulate and facilitate knowledge and technology transfer, increased investment in innovation and R&D, engender a culture change and promote sustainable business practices
- to build, and commercially exploit the research, technological development and innovation capacity of the region whilst ensuring the social, environmental and economic conditions are improved
- to increase and support the exploitation and commercialisation of new technologies and processes that underpin the future sustainability and growth of new and existing businesses and target clusters

3.1.1 Achievement of targets and analysis of the progress

Information on the physical and financial progress of the priority

Table 32

Priority 1 Promoting Innovation and R&D											
South Yorkshire 'Phasing-in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	842
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	638
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	204
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects inc. no. of co-operation project enterprises - research institutions (ERDF 5)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	102
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	25,503
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	141
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,619
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	tbc
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	708
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£104,760,000
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 32 continued

South Yorkshire 'Phasing-in' continued											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	73
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,788
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£71,926,947
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	483
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£19,398,908
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 33

Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,244
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	962
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	282
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of RTD projects inc. no. of co-operation project enterprises - research institutions (ERDF 5)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	141
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	35,161
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	235
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3,606
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	tbc
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	928
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£144,240,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	121
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 33 continued

Rest of Region (excluding South Yorkshire) continued											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,468
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£105,223,035
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	633
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£26,999,990
	Baseline	-	-	-	-	-	-	-	-	-	-

Qualitative analysis

In February 2008 the ERDF Implementation team received and began development on eleven proposals under the Transitional Priority 1 (P1) Prospectus.

In the first quarter of 2008 a significant consultation exercise was completed through Higher Education and sub-regional events on the content of the full Priority 1 Prospectus. This set out the priorities, limitations and considerations for the objectives under the Innovation priority. The full Prospectus gained approval from the PMC in April 2008.

Following approval of the Full Prospectus, 21 further project ideas were brought forward for consideration over the course of the year. Of these three were advanced into the application process while a further nine have been added to the pipeline for development in future years. The remaining proposals were deemed unsuitable for the ERDF Programme.

The table below summarises the financial information for the 14 projects in development at 31st December 2008:

Table 34

Priority 1 – Rest of Region (Non Phasing In)

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
RoR Priority 1 total allocation	52,242,312	62,507,927	29,144,683	34,871,613	81,386,995	97,379,540	64.19%
Total endorsed /committed	31,142,783	37,262,339	36,261,183	43,386,505	67,403,966	80,648,845	46.20%
RoR allocation remaining	21,099,529	25,245,587	-7,116,500	-8,514,892	13,983,029	16,730,695	
Total pipeline and OBP applications	19,880,000	23,786,420	20,558,300	24,598,006	40,438,300	48,384,426	49.16%
% potential commitment	97.66%		194.95%		132.5%		

Table 35 **Priority 1 – South Yorkshire (Phasing In)**

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
SY Priority 1 total allocation	41,681,240	49,871,604	41,681,240	49,871,604	83,362,480	99,743,208	50.00%
Total endorsed/committed	10,531,970	12,601,502	21,234,867	25,407,518	31,766,837	38,009,020	33.15%
SY allocation remaining	31,149,270	37,270,102	20,446,373	24,464,086	51,595,643	61,734,188	
Total pipeline and OBP applications	10,620,000	12,706,830	11,328,700	13,554,789	21,948,700	26,261,619	48.39%
% potential commitment	50.75%		78.12%		64.44%		

At the end of 2008 only one project had been committed (Innovation Networks) with a total project cost of £7.4m (€8.85m) and £3.7m (€4.43m) ERDF. The first claim is yet to be submitted and therefore no spend or indicators have been reported under Priority 1.

More promisingly, projects with a total of value of over £90m (€107.7m) and utilising £38m (€45.46m) of ERDF across the region have been approved at Outline Business Plan stage and endorsed by the Performance Management Boards.

There are a further five projects in the very early development or Outline Business Plan stage of the application process.

Since December 2008, two further projects have passed the endorsement stage. However, due to a technical issue over multi-priority projects, the two major projects of Science City York (Embedded Space & Technology Transfer) and Innovation City Leeds, have been moved entirely to Priority 2. This is not a major cause for concern as the withdrawal from Priority 1 of the wholly non-phasing-in area proposals from Science City York and Innovation City Leeds eases the potential over-commitment outside of South Yorkshire and allows the release of ERDF for future years and other initiatives.

Coverage of the Priority 1 objectives has been good with many of the projects looking to stimulate and facilitate innovation (Objective 1) alongside encouraging commercialisation and knowledge transfer (Objective 3). The two R&D grant schemes, for example, provide solid funding support to businesses looking to commercialise new products and processes, while also encouraging businesses to engage with the knowledge base and collaborate with the region's universities on innovative ideas.

While primarily delivering networking activity, Nanomanufacturing and Innovation Networks also provide a stimulus for businesses to exploit the university strengths in the region. Both projects are also good examples of how ERDF is encouraging Yorkshire and The Humber universities to collaborate in larger numbers, rather than the bilateral partnerships more commonly seen previously.

A number of capital proposals covering Objective 2 of Priority 1 are under development with university-led bids from Leeds, York and Bradford looking to expand their capacity to engage and collaborate with the regional business base. A Yorkshire Forward-led Biorefinery initiative has also been endorsed

through the initial stages of the application process and will be looking to start delivery in the latter stages of 2009.

Cross Cutting Themes

The first committed project in Priority 1, Innovation Networks, contributes positively to the Environmental Good Practice cross cutting theme objectives.

One of the networks will focus on low carbon futures and the principles of sustainable living. It will seek to align regional commercial and academic strengths in areas such as carbon capture and storage, climate change modelling, minimising carbon footprint in the supply chain, energy production and distribution, recycling, biomass, renewable raw materials, fuels, bio-refining and Government sustainability policy. The region has a wealth of experience and good practice in these areas that will be exploited and which will positively contribute to ERDF's investment in the environmental business sector.

Other networks will contribute to cross cutting theme objectives as they will be required to adopt environmentally sustainable good practices with regard to travel policies, waste management, energy efficiency and local sourcing. Equally, whilst this project overall will not target specific communities, it will be managed so as not to exclude any disadvantaged sectors of society, and this will be monitored to ensure that this is the case.

Companies receiving support from the Innovation Networks will be encouraged to have in place or develop equal opportunity policies and recruit, develop and promote staff on the basis of the principles of equal opportunities.

In 2008 an Environmental consultant has been supporting the Thematic Impacts Manager to provide project appraisal and specialist advice and support. Both the Biorefinery and Nanomanufacturing projects have received specialist support to the development of the Environmental Good Practice Cross Cutting Theme.

3.1.2 Significant problems encountered and measures taken to overcome them

The late start to the ERDF Programme and delays getting projects through the application system due to technical and process issues, means there is now significant pressure on the Priority 1 proposals to begin in time to deliver the spend required by the end of 2009 by the Programme's funding profile. This has been recognised by the ERDF team and steps have been taken to ensure projects are progressed through the application process as quickly as possible, barriers addressed promptly and the learning from one project shared with others.

Universities play a key role in the delivery of Priority 1. However, the way they operate has highlighted some difficulties. The full economic costing model they are required to use by Government is not well matched to the identification of costs required by the ERDF Programme, and the size and operation of their accounting systems means associating expenditure, particularly salary and overhead costs, with a discrete ERDF project is often complicated. This has led to considerable confusion and delay on a number of projects. However, the issue has now been resolved and methodology principles agreed which will provide consistent guidance for all university-delivered projects.

Although most of the region's universities are familiar with ERDF funding, there are some that were unable to access Objective 1 and Objective 2 funding in the previous Programmes due to geographical restrictions. This had led to ERDF knowledge gaps for those, and a steep learning curve. The ERDF team has looked to provide these organisations with additional support throughout the development of their proposals and will continue to do so in the on-going delivery of their projects. Pre-engagement visits from the ERDF Audit team ensure all sponsors are aware of the regulatory environment they are working within and the conditions of their contract. Workshops for project sponsors on the operational details of running successful ERDF projects are planned for 2009.

The availability of match funding is likely to be an issue across the programme, but under Priority 1 it is of particular concern as it is generally only available from university sources or the Regional Development Agency's Single Pot, both of which are of limited availability. While Single Pot tends towards regional delivery, only some of the region's universities have been able to find significant amounts of match funding, leading to ERDF being deployed unevenly throughout the region. While not necessarily of major concern, the ERDF team will be looking to engage with those universities struggling to find match funding to examine how best they might use research funding and possibilities for the deployment of Single Pot in their area.

As the Programme moves in to 2009 the focus on support to the environmental sector will be reflected in the next call for proposals.

Looking ahead, the under-commitment in South Yorkshire is a major challenge. This is not helped by the current economic climate which could potentially lead to a decrease in business innovation as companies tighten their belts to weather the storm, and the uncertainty it lends to major capital works. The ERDF team will look to mitigate the under-commitment risk by a targeted call for proposals in 2009 and by working closely with South Yorkshire partners to bring forward projects under Priority 1. Opportunities to increase South Yorkshire penetration of existing and developing projects will be examined, and where possible proposals will be encouraged to focus more resource at activity in South Yorkshire. Furthermore, it is hoped that wider initiatives incorporating the work of Yorkshire Forward and other regional partners will sell the benefits of innovation to regional businesses despite the difficult economic times ahead.

3.2 Priority 2: Stimulating and Supporting Successful Enterprise

Objectives

- to establish integrated business support for innovative and high growth businesses which encourages entrepreneurship and enables them to grow more quickly
- to promote a more enterprising and entrepreneurial culture and support the growth of businesses at start-up and early stage and those with growth potential
- to promote the development of new and high technology clusters and sectors through embedding investment in the regional economy
- to ensure that business growth supported by the Programme takes account of CO₂ emissions and adopt environmental best practice

3.2.1 Achievement of targets and analysis of the progress

Information on the physical and financial progress of the priority

Table 36

Priority 2 Stimulating and Supporting Successful Enterprises											
South Yorkshire 'Phasing-in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,313
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,313
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	22,892
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	803
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5,180
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3,871
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£186,480,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Total no. of businesses improving capability / performance	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,304
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,262
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	413
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 36 continued

South Yorkshire 'Phasing-in' continued											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3,565
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£150,790,486
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,659
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£112,571,787
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 37

Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	10,028
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	10,028
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	49,274
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,095
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	12,277
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	8,373
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£441,972,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Total no. of businesses improving capability / performance	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,827
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,577
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,079
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	8,449
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£357,486,112
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 37 continued

Rest of Region (excluding South Yorkshire) continued											
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5,754
	Baseline	-	-	-	-	-	-	-	-	-	-
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Net safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
GVA (£m)	Target	-	-	-	-	-	-	-	-	-	£243,497,697
	Baseline	-	-	-	-	-	-	-	-	-	-

Qualitative analysis

The following table shows the level of endorsed and committed projects as at 31 December 2008.

Table 38 Priority 2 – Rest of Region (Non Phasing In)

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
RoR Priority 2 total allocation	146,278,474	175,022,194	168,298,890	201,369,622	314,577,364	376,391,816	64.19%
Total endorsed /committed	18,094,106	21,649,598	24,172,599	28,922,515	42,266,705	50,572,113	46.20%
Total contracted	2,446,203	2,926,882	3,425,663	4,098,806	5,871,866	7,025,688	
RoR allocation remaining	125,738,165	150,445,714	140,700,628	168,348,301	266,438,793	318,794,015	
Total pipeline and OBP applications	38,694,900	46,298,448	56,501,500	67,604,045	95,196,400	113,902,493	49.16%
% potential commitment	40.49%		49.97%		45.56%		

Table 39 Priority 2 – South Yorkshire (Phasing In)

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
SY Priority 2 total allocation	74,754,399	89,443,638	40,252,368	48,161,959	115,006,767	137,605,597	65.00%
Total endorsed /committed	7,376,902	8,826,463	6,951,466	8,317,429	14,328,368	17,143,892	51.48%
SY allocation remaining	67,377,497	80,617,175	33,300,902	39,844,530	100,678,399	120,461,705	
Total pipeline and OBP applications	24,225,800	28,986,170	35,569,100	42,558,428	59,794,900	71,544,698	40.51%
% potential commitment	42.27%		105.63%		64.45%		

In 2008 the Performance Management Board (PMB) endorsed thirteen projects of which seven were region-wide projects. As of 31 December 2008 only one project had been contracted (Hambleton Managed Workspace) however progress is being made with further contracts expected to be issued early in the New Year.

The following are examples of projects endorsed by the PMBs:

- **A new Regional Venture Capital And Loan Fund** which will build on the success of Partnership Investment Finance (PIF) & South Yorkshire Investment Fund (SYIF) and provide a consistent offer across the whole region. The project will address an “equity gap” that exists in equity

finance markets because the costs of making smaller investments can be prohibitively high. Private Sector Fund Managers are therefore reluctant to invest in these smaller deals. The investment will maximize the potential for ERDF and use the JEREMIE initiative to secure investment from the European Investment Bank. £30m (€35.9m) ERDF has been endorsed for this project which will take on a more strategic impact in the light of the current crisis in the financial markets.

- **The Manufacturing Advisory Service (MAS)** directly delivers the objectives of the new ERDF Programme, supporting at least two of the key Priorities for Action identified in the Operational Programme:
 - To restructure the business base towards a high value added economy
 - To drive more company innovation (product and process) and embed technological advances into the production process.

ERDF will extend the scope of the MAS service in the Yorkshire and The Humber to include strategic planning, supply chain, new product development, resource efficiency support and extended intervention time with SMEs. The project will contribute towards the CCT targets in Priority 2.

- **The Resource Efficiency Programme** seeks to increase the competitiveness of regional businesses through the wide-spread adoption of resource efficiency measures. This will be achieved through four interrelated workstreams:
 - Development of a Resource Efficiency Action Plan that sets clear priorities by key sectors.
 - Capacity Building: Strengthen the capacity building and co-ordination work that has started with 'BREW' funding.
 - Business Support Programme 1 - Support for businesses to improve their resource efficiency
 - Business Support Programme 2 - Support to the recycling and environmental support services sectors to enable them to meet the needs of regional businesses

The Programme will support business to increase GVA at the same time as reducing greenhouse emissions by 310,000 tonnes, create 83 jobs and 13 new businesses. It will lever in over £5m (€5.9m) of private sector investment and £800k (€957k) of other (non SP/ERDF) public sector funding. It will directly support businesses to reduce their Ecological Footprint by providing Environmental Audits, assistance to implement recommendations from these audits, and assistance to achieving independent environmental accreditation to a minimum British Standard.

It builds on and simplifies the existing environmental business support activity within the region and is Yorkshire Forwards main response to the challenge of Sustainable Consumption and Production.

- **The Hambleton Managed Workspace Programme** will deliver two targeted managed workspace projects within Hambleton, North Yorkshire:
 - Leeming Bar Food-grade Workspace – a 2,600 sq m development providing affordable, rented, food-grade

- premises for new/young SMEs within secondary food production to build upon the area's existing food cluster.
- Northallerton Managed Workspace – a 2,200 sq m development to provide high quality business space that will stimulate and support the development of high growth business in creative and digital, bioscience, social enterprise and advanced engineering and materials

The premises will seek to continue the theme of innovative and sustainable design. The buildings will be constructed to “very good” BREEAM rating principles. Grey water systems will be included and other options such as solar heating and rooftop wind turbines will be considered.

Overall there has been good coverage of all objectives however there are areas of indicative activity that has not been high, for example improving links between enterprise and education, and work is underway to identify how suitable projects might be brought forward.

Cross Cutting Themes

The importance of embedding cross cutting targets in projects has been greatly assisted by the appointment of consultants to assist project developers in identifying how projects can deliver targets. Some projects, for example the Resource Efficiency Programme will be able to contribute significantly towards targets because of the fundamental nature of the Programme. There has however been a positive response from other projects such as the Regional Venture Capital Loan Fund where targets will be set for supporting women and BAME groups.

3.2.2 Significant problems encountered and measures taken to overcome them

The Operational Programme identifies indicative activity to encourage the growth and development of new and high technology clusters and sectors. Three regional projects were endorsed which were aimed at key industry network development. However during full development it became apparent that there would be significant difficulties in apportioning ERDF eligible activity between South Yorkshire and the Rest of the Region and within what were broad programmes of activity linking both regional and national businesses of all sizes.

In order to address this issue it is proposed that an apportionment policy for regional projects will be, adopted in agreement with the Managing Authority which can identify eligible activity and the split between South Yorkshire and the Rest of the Region.

Primary access to Business Support services in the Region is through the Business Link. Projects need to demonstrate that they will not duplicate services provided by Business Link. Work has therefore been undertaken with partners to identify areas where there is lack of provision of activity and which could be undertaken to complement the Business Link service. This work supported a review and gap analysis of the current Priority 2 Prospectus, which closed 31 March 2009, in conjunction with partners.

The significant change the economic climate since the Operational Programme was launched has presented considerable challenges to businesses in the

Region including those in the growth sectors identified in the Operational Programme. A review has been undertaken by Yorkshire Forward of how the Operational Programme may be optimised to help business meet these challenges and how it can assist in preparing for the up-turn, when it occurs. Initial discussions have been held with the European Commission to consider potential changes to the Operational Programme including allowing more basic infrastructure projects under Priority 2 that would encourage investment in specialized facilities for businesses.

Work is continuing with partners to bring forward more projects for development and staff will be introduced to work within Yorkshire Forward providing support and guidance in maximizing the use of ERDF in project development.

3.3 Priority 3: Sustainable Communities

- a) to improve connectivity to economic opportunities through tackling social, economic and digital exclusion faced by disadvantaged communities
- b) to increase economic activity and entrepreneurship within in communities
- c) to create sustainable jobs in the social economy supported by existing and new social enterprises
- d) to promote active participation in the development of a knowledge driven economy

3.3.1 Achievement of targets and analysis of the progress Information on the physical and financial progress of the priority

Table 40

Priority 3 Sustainable Communities											
South Yorkshire 'Phasing-in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,153
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,153
	Baseline	-	-	-	-	-	-	-	-	-	-
No of businesses assisted that are social enterprises inc in above	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	434
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects over-coming barriers to employment	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	278
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	349
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,711
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	900
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£37,945,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	159
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,127
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£40,136,022
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	596
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£21,234,353
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 41

Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of businesses assisted that are SMEs	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,612
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,612
	Baseline	-	-	-	-	-	-	-	-	-	-
No of businesses assisted that are social enterprises inc in above	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	906
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects over-coming barriers to employment	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	339
	Baseline	-	-	-	-	-	-	-	-	-	-
No of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	449
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,298
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,506
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£53,750,000
	Baseline	-	-	-	-	-	-	-	-	-	0
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	209
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,540
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£54,367,476
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,005
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£35,474,005
	Baseline	-	-	-	-	-	-	-	-	-	-

Qualitative analysis

In February 2008, the ERDF Implementation team received and began development on fourteen proposals under the Transitional Priority 3 Prospectus agreed by the PMC in December 2007.

Before launch of the first full Call for Proposals in April 2008 there was detailed consultation with partners to develop a strong Priority Prospectus. In particular two sub-groups were established to look in detail at the themes of Social Enterprise and Transport in order to better evaluate where ERDF resource could be best utilised. These identified the key areas where resource should be aimed.

The Priority Prospectus gained approval from the PMC in April 2008. Following approval, 71 further project ideas (ten direct enquiry forms, 39 from the capital call, 20 from the social enterprise call and two sub-regional employability programmes) were brought forward for consideration over the course of the year. Of these 71 ideas, some were split into more than one project at full business plan stage so figures may not directly correlate. Of the original 71 projects, 35 were still in the application or approval process by December 2008. The remaining proposals were deemed unsuitable for the ERDF Programme.

The table below summarises the financial information for the 35 projects in development at 31st December 2008:

Table 42 **Priority 3 –Rest of Region (Non Phasing In)**

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
RoR Priority 3 total allocation	52,242,312	62,507,927	53,319,526	63,796,813	105,561,838	126,304,740	49.49%
Total endorsed/committed	8,015,781	9,590,882	8,363,478	10,006,901	16,379,259	19,597,783	48.94%
RoR allocation remaining	44,226,531	52,917,045	44,956,048	53,789,912	89,182,579	106,706,957	
Total pipeline and OBP applications	17,377,182	20,791,798	21,404,618	25,610,625	38,781,800	46,402,423	44.81%
% potential over/under commitment	33.28%		55.83%		52.25%		

Table 43 **Priority 3 – South Yorkshire (Phasing In)**

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
SY Priority 3 total allocation	45,305,696	54,208,265	40,176,749	48,071,480	85,482,445	102,279,745	53.00%
Total endorsed/committed	14,790,628	17,696,986	17,062,204	20,414,927	31,852,832	38,111,913	46.43%
SY allocation remaining	30,515,068	36,511,279	23,114,545	27,656,553	53,629,613	64,167,832	
Total pipeline and OBP applications	22,187,533	26,547,383	22,456,533	26,869,242	44,644,066	53,416,625	49.70%
% potential over/under commitment	81.62%		98.36%		89.49%		

At the end of 2008, only one project had been contracted (Hull Enterprise Partnership) with a total project cost of £4.6m (€5.5m) and £2.3m (€2.75m) ERDF. The first claim is yet to be paid and therefore no spend or indicators have been reported under Priority 3.

Latest information indicates that to date three projects have contracts totaling £7.3m (€8.7m) ERDF with a further seven projects totaling £18.8m (€22.5m) through the development process and in the process of drawing up contracts.

Coverage of the Priority 3 objectives has been mixed, with many applications covering Objective 1 (improving connectivity to economic opportunities through tackling social and economic exclusion faced by disadvantaged communities, Objective 2 (increasing economic activity and entrepreneurship within communities) and Objective 3 (to create sustainable jobs in the social economy

supported by existing and new social enterprises. There has been a lack of acceptable applications under Objective 4 (To promote active participation in the development of a knowledge driven economy) and work is currently being undertaken to encourage more applications in this area. There has been a good response to the drive to develop more strategic proposals with Sheffield, Rotherham, Doncaster, Leeds and Bradford local authorities all developing proposals with partners in the area to deliver co-ordinated Priority 3 activity.

There were two time-limited calls under Priority 3 – one for social enterprise growth and another for potential capital developments. 20 applications were received for delivering a Social Enterprise Growth Programme and two were selected for further development in this area. Along with local authority-led proposals, which help to create social enterprises, and the regional Business Link Yorkshire social enterprise start-up delivery the contracting of a growth programme will create an holistic package of support to these organisations.

There were 39 capital development proposals received during the time-limited call. The proposals being taken forward are looking to deliver a package of community services for local areas in order to assist sustainable urban regeneration. Development of capital developments has been slow during 2008 but it is hoped that during 2009 there will be a physical developments on site which will help to deliver the wider aims of sustainable urban regeneration of communities through Priority 3.

Cross Cutting Themes

Sustainable communities projects deliver intrinsically on the cross cutting themes (ie funding of social enterprises has a social impact, working with the most deprived communities is delivering an inclusion agenda). The capital projects in Priority 3 will deliver against environmental targets.

3.4.1 Significant problems encountered and measures taken to overcome them

Implementing the ERDF Programme alongside new national initiatives such as the “Business Support Simplification Programme” and the move within the RDA to “Geographic Programmes” has proven a challenge. Close working partnerships have been forged to ensure we can get maximum value from ERDF investments.

Aligning ERDF and ESF activity. Though the distinction between ERDF funded activity and ESF activity is clear in the regulations, in practice it presents difficulties. When trying to align ERDF projects with ESF activity on the ground it is often difficult to distinguish between ESF and ERDF activity in practice.

Application Process overlong and too time-consuming. Combining ERDF and Yorkshire Forward's own project approval process has resulted in an overlong and complicated application and approval process, of particular concern to third sector organizations. This was recognised during 2008 and we started to develop a remedial action plan. This comprised an in depth analysis of pinch points and barriers and a concentrated look at where time and stages could be appropriately removed whilst ensuring that the right checks and balances remain in place. Further development and implementation will be undertaken in 2009.

Lack of match funding in certain areas is an issue. It is unfortunate that where Local Authorities have secured national investments (LEGI) they are more able to double the investment by match funding ERDF, while the areas that missed out on LEGI funding have a lack of match. A possible remedy currently being considered is using higher intervention rates where possible for the areas most in need and balancing this out with lower intervention rates across other areas.

Looming recession puts a different emphasis on the key priorities. There is a challenge in 2009 to ensure that the Programme is delivered and that Priorities are met.

3.4 Priority 4: Economic Infrastructure for a Competitive Economy

Objectives

- to support the Sheffield City Region Development Plan by developing the critical business/environmental/cultural infrastructure in the four key urban centres and contribute to the development of an accessible and sustainable knowledge economy
- to ensure that south Yorkshire has the digital infrastructure to support business competitiveness and the growth of the knowledge economy

3.4.1 Achievement of targets and analysis of the progress Information on the physical and financial progress of the priority

Table 44

Priority 4 Economic Infrastructure for a Competitive Economy											
South Yorkshire 'Phasing-in' Only											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
No. of projects ensuring sustainability and improving the attractiveness of - towns & cities	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	23
	Baseline	-	-	-	-	-	-	-	-	-	-
No of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	22
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (sq m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	45,052
	Baseline	-	-	-	-	-	-	-	-	-	-
Information Society projects (ERDF 11)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,105
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,105
	Baseline	-	-	-	-	-	-	-	-	-	-
No. of additional businesses covered by or improving broadband	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,253
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	738
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£28,983,045
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	738
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	£28,983,045
	Baseline	-	-	-	-	-	-	-	-	-	-

Qualitative analysis

In 2008, we received five proposals for funding under Priority 4.

Of these, two are approved at full business plan, one of which is a major project and has been approved by the European Commission and approved by the UK Government as part of its budget announcement in April 2009. A further two are approved at Outline Business Plan and one is at enquiry stage.

The table below summarises the financial information for the projects in development at 31st December 2008:

Table 45

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
SY Priority 4 total allocation	55,726,006	66,676,166	95,356,983	114,094,630	151,082,988	180,770,795	36.88%
Total endorsed/committed	38,405,000	45,879,792	66,466,000	79,526,568	104,810,000	125,405,164	36.58%
SY allocation remaining	17,321,006	20,796,374	28,890,983	34,568,062	46,272,988	55,365,631	
Total pipeline and OBP applications	1,500,000	1,794,750	2,500,000	2,991,250	4,000,000	4,786,000	37.50%
% potential commitment	69.7%		72.32%		72.02%		

The projects meet the targeting requirements of Priority 4, delivering fewer but larger transformational projects promoting sustainable urban development contributing to the economic drivers of growth such as transport, telecommunications and place making.

3.4.2 Significant problems encountered and measures taken to overcome them

The significant issue facing P4 is the delivery of target outputs in relation to jobs created and safeguarded and delivery of impact measures in relation to net jobs created and safeguarded. The very nature this priority attracts largely infrastructure projects delivering substantial improvements to economic infrastructure. Whilst this will deliver key improvements in sustainable urban development, attracting inward investors and delivering improvements in the knowledge economy, these will not be directly attributable to the project itself.

3.5 Priority 5: Technical Assistance

3.5.1 Achievement of targets and analysis of progress

Information on the physical and financial progress of the priority

Qualitative analysis

The maximum possible amount of ERDF (4% of the Programme) has been set aside for Technical Assistance (TA) activity in the Programme's financial tables. This amounts to around £15.5m over the Programme period, made up of £7.2m from the South Yorkshire phasing-in allocation and £8.3m from the Rest of Region allocation.

On 20 December 2007 the PMC agreed a strategy for utilising Technical Assistance to support the Programme.

The Technical Assistance Strategy is available to view on Yorkshire Forward's website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/programme-strategy/priorities-and-themes/priority-5>

Yorkshire Forward has submitted an ERDF application to cover those parts of the Technical Assistance strategy where the ERDF Team will be in the lead in delivering the following objectives:

- Overall Programme management
- Partnership and consortia development of ERDF projects in order to meet N+ 2 targets
- Appraisal including specific support for capital Programmes, contracting, claims and auditing of ERDF projects ensuring minimum clawback
- Publicity and information
- Evaluation.
- Development and implementation of cross cutting themes

The project has been costed on the basis that equivalent activity is also being undertaken using the match funding. Technical Assistance will be used mainly to fund, on an on-going basis, the staffing resources within the core Yorkshire Forward ERDF Team to support the delivery of the Programme, plus 'embedded' posts working in Yorkshire Forward policy and delivery teams (together £4.65m). Additional ERDF specialist staff also work in the Finance, Appraisal, Evaluation, ICT, Project Monitoring and Contract teams to augment the resources available for effective delivery of these functions for the ERDF Programme. Technical Assistance will also be used to augment the capacity of the ERDF Team and the rest of Yorkshire Forward through tendered activity to provide expert support to capital development appraisal, and support to project developers to ensure that proposals fully meet the requirements of ERDF (for example by obtaining legal advice on State aid/contract issues). Individual team members are based in either Leeds or South Yorkshire, depending on need.

Additional activity will also be supported to assist with the delivery of the Programme's cross-cutting themes of Equality and Diversity and Environmental sustainability (£0.33m, €0.39m), to promote best practice and to improve linkages between ERDF and other EU initiatives (£0.05m, €0.06m), and to support publicity measures for the Programme (£0.50m, €0.60m). Evaluation of

both ERDF projects and the Programme will also be funded (£0.50m, €0.60m), as well as monitoring systems (£0.31m, €0.37m) and the further development of the Programme indicators (£0.10m, €0.19m).

Further Technical Assistance will be used to tender for the management of a fund to support the third sector to access the Programme (£0.33m, €0.39m).

The Technical Assistance Strategy also includes a budget line set aside to support sub-regional partnership projects to enable partners to fully participate in the Programme. A call for proposals to deliver this activity was issued in March 2008. A total of 15 outline proposals were submitted in response to this call. After careful assessment, the three proposals that provided the broadest coverage of the region, that best complement core activity and which represented the most efficient use of resources were encouraged to progress to formal applications. These local authority led partnership bids cover the Leeds City Region (including North Yorkshire), the Humber sub-region and the South Yorkshire sub-region. These proposals are all currently in appraisal/contracting.

The ERDF Team is responsible for ensuring that there is no duplication of activity with any of the projects supported with Technical Assistance.

All the activity outlined in the Technical Assistance Strategy will be covered by the proposals currently under consideration. There is still room in the budget for further Technical Assistance activity to be supported, and proposals for a further call for Technical Assistance proposals will be put to the PMC in June 2009 if gaps in provision have been identified once the current projects are up and running.

The table below summarises the financial information for the four projects in development at 31st December 2008:

Table 46 **Priority 5 – Rest of Region (excluding South Yorkshire)**

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
RoR Priority 5 total allocation	10,448,462	12,501,585	10,448,462	12,501,585	20,896,924	25,003,170	50%
Total endorsed/committed	566,911	678,309	567,160	678,607	1,134,071	1,356,916	49.99%
RoR allocation remaining	9,881,551	11,823,276	9,881,302	11,822,978	19,762,853	23,646,254	
Total pipeline and OBP applications	0	0	0	0	0	0	
% potential commitment	5.42%		5.42%		5.42%		

Table 47 **Priority 5 – South Yorkshire (Phasing In)**

	ERDF		Public Match		Total		Int. Rate
	£	€	£	€	£	€	
RoR Priority 5 total allocation	9,061,139	10,841,653	9,061,139	10,841,653	18,122,278	21,683,306	50%
Total endorsed/committed	1,135,000	1,358,027	1,135,000	1,358,027	2,270,000	2,716,054	49.99%
RoR allocation remaining	7,926,139	9,483,626	7,926,139	9,483,626	15,852,278	18,967,252	
Total pipeline and OBP applications	0	0	0	0	0	0	
% potential over/under commitment	12.53%		12.53%		12.53%		

Cross Cutting Themes

The contribution that this project will make to the cross cutting themes will be indirect as it is primarily supporting enabling activity. It is the projects developed through Technical Assistance support that will deliver against the cross cutting themes. Projects will promote good practice through the support offered to organizations, in particular the specialist advice offered to projects on meeting the Environmental and Equalities themes.

3.5.2 Significant problems encountered and measures taken to overcome them

The availability of match funding is likely to be an issue that affects the delivery of Priority 5. The potential activity that could be undertaken to enhance the effectiveness of Programme delivery is limited only by the ability of organisations to provide match funding at 50%. The match funding available from Yorkshire Forward has been set aside to use for Technical Assistance to support the Programme, including funds to assist the voluntary and community sector to access the Programme, but is limited. The ERDF Team is discussing with partners what potential sources of match may be available.

Universities in particular have raised dissatisfaction with the lack of readily available Technical Assistance to assist with the development of projects proposals. The Managing Authority has, however, made it clear that applications for Technical Assistance must be dealt with through the same rigorous (and lengthy) appraisal/contracting processes as other projects.

3.6 Priority Financial Allocations

The total value of the Yorkshire and The Humber Programme is €583, 580,959, of which €271,041,326 is allocated for activity within South Yorkshire as a “phasing-in” region and €312,539,633 for the rest of the Yorkshire and The Humber.

As no expenditure was incurred by end beneficiaries within 2008 no payments were, therefore, made by Yorkshire Forward as the intermediary body against the ERDF Programme. The financial tables, as shown, remain to be fully achieved.

Table 48

Yorkshire and the Humber ERDF Programme Allocation								
Financial Plan of the Operational Programme giving, for the whole programming period, the amount of the total financial allocation of each fund in the Operational Programme, the national counterpart and the rate or reimbursement by priority Axis								
Payments are made as reimbursements of expenditure actually paid out according to the following plan.								
Operational progr CCI UK 162 PO009								
Priority axes by source of funding (in EUR €)								
	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate (f)1 = (a)/(d)	For information	
			National Public funding (c)	National private funding2 (d)*			EIB contributions	Other funding3
Priority Axis 1	112,379,531	84,743,217	84,743,217	0	197,122,748	57.01%	0	0
Objective 1	37,460,593	28,248,304	28,248,304	0	65,708,897		0	0
Objective 2	37,459,469	28,247,457	28,247,457	0	65,706,926		0	0
Objective 3	37,459,469	28,247,457	28,247,457	0	65,706,926		0	0
Priority Axis 2	264,465,832	249,531,580	249,531,580	0	513,997,412	51.45%	0	0
Objective 1	105,786,333	99,812,632	99,812,632	0	205,598,965		0	0
Objective 2	66,116,458	62,382,895	62,382,895	0	128,499,353		0	0
Objective 3	66,116,458	62,382,895	62,382,895	0	128,499,353		0	0
Objective 4	26,446,583	24,953,158	24,953,158	0	51,399,741		0	0
Priority Axis 3	116,716,192	111,868,294	111,868,294	0	228,584,485	51.06%	0	0
Objective 1	29,179,048	27,967,073	27,967,073	0	57,146,121		0	0
Objective 2	29,179,048	27,967,073	27,967,073	0	57,146,121		0	0
Objective 3	29,179,048	27,967,073	27,967,073	0	57,146,121		0	0
Objective 4	29,179,048	27,967,073	27,967,073	0	57,146,121		0	0
Priority Axis 4	66,676,166	114,094,630	114,094,630	0	180,770,796	36.88%	0	0
Objective 1	33,338,083	57,047,315	57,047,315	0	90,385,398		0	0
Objective 2	33,338,083	57,047,315	57,047,315	0	90,385,398		0	0
Priority Axis 5	23,343,238	23,343,238	23,343,238	0	46,686,477	50.00%	0	0
Total	583,580,959	583,580,959	583,580,959	0	1,167,161,918		0	0

Table 49

South Yorkshire "Phasing-In" Allocation

Financial Plan of the Operational Programme giving, for the whole programming period, the amount of the total financial allocation of each fund in the Operational Programme, the national counterpart and the rate or reimbursement by priority Axis

Payments are made as reimbursements of expenditure actually paid out according to the following plan.

Operational progr CCI UK 162 PO009

Priority axes by source of funding (in EUR €)

	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate (f)1 = (a)/(d)	For information	
			National Public funding (c)	National private funding2 (d)*			EIB contributions	Other funding3
Priority Axis 1	49,871,604	49,871,604	49,871,604	0	99,743,208	50.00%	0	0
Objective 1	16,624,200	16,624,200	16,624,200	0	33,248,401		0	0
Objective 2	16,623,702	16,623,702	16,623,702	0	33,247,404		0	0
Objective 3	16,623,702	16,623,702	16,623,702	0	33,247,404		0	0
Priority Axis 2	89,443,638	48,161,959	48,161,959	0	137,605,596	65.00%	0	0
Objective 1	35,777,455	19,264,783	19,264,783	0	55,042,239		0	0
Objective 2	22,360,909	12,040,490	12,040,490	0	34,401,399		0	0
Objective 3	22,360,909	12,040,490	12,040,490	0	34,401,399		0	0
Objective 4	8,944,364	4,816,196	4,816,196	0	13,760,560		0	0
Priority Axis 3	54,208,265	48,071,480	48,071,480	0	102,279,746	53.00%	0	0
Objective 1	13,552,066	12,017,870	12,017,870	0	25,569,936		0	0
Objective 2	13,552,066	12,017,870	12,017,870	0	25,569,936		0	0
Objective 3	13,552,066	12,017,870	12,017,870	0	25,569,936		0	0
Objective 4	13,552,066	12,017,870	12,017,870	0	25,569,936		0	0
Priority Axis 4	66,676,166	114,094,630	114,094,630	0	180,770,796	36.88%	0	0
Objective 1	33,338,083	57,047,315	57,047,315	0	90,385,398		0	0
Objective 2	33,338,083	57,047,315	57,047,315	0	90,385,398		0	0
Priority Axis 5	10,841,653	10,841,653	10,841,653	0	21,683,306	50.00%	0	0
Total	271,041,326	271,041,326	271,041,326	0	542,082,652		0	0

Table 50

Rest of the Region ERDF Allocation

Financial Plan of the Operational Programme giving, for the whole programming period, the amount of the total financial allocation of each fund in the Operational Programme, the national counterpart and the rate or reimbursement by priority Axis

Payments are made as reimbursements of expenditure actually paid out according to the following plan.

Operational progr CCI UK 162 PO009

Priority axes by source of funding (in EUR €)

	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate (f)1 = (a)/(d)	For information	
			National Public funding (c)	National private funding2 (d)*			EIB contributions	Other funding3
Priority Axis 1	62,507,927	34,871,613	34,871,613	0	97,379,540	64.19%	0	0
Objective 1	20,836,392	11,624,104	11,624,104	0	32,460,496		0	0
Objective 2	20,835,767	11,623,755	11,623,755	0	32,459,522		0	0
Objective 3	20,835,767	11,623,755	11,623,755	0	32,459,522		0	0
Priority Axis 2	175,022,194	201,369,622	201,369,622	0	376,391,816	46.50%	0	0
Objective 1	70,008,878	80,547,849	80,547,849	0	150,556,726		0	0
Objective 2	43,755,549	50,342,405	50,342,405	0	94,097,954		0	0
Objective 3	43,755,549	50,342,405	50,342,405	0	94,097,954		0	0
Objective 4	17,502,219	20,136,962	20,136,962	0	37,639,182		0	0
Priority Axis 3	62,507,927	63,796,813	63,796,813	0	126,304,740	49.49%	0	0
Objective 1	15,626,982	15,949,203	15,949,203	0	31,576,185		0	0
Objective 2	15,626,982	15,949,203	15,949,203	0	31,576,185		0	0
Objective 3	15,626,982	15,949,203	15,949,203	0	31,576,185		0	0
Objective 4	15,626,982	15,949,203	15,949,203	0	31,576,185		0	0
Priority Axis 4	0	0	0	0	0	0.00%	0	0
Priority Axis 5	12,501,585	12,501,585	12,501,585	0	25,003,171	50.00%	0	0
Total	312,539,633	312,539,633	312,539,633	0	625,079,266		0	0

Chapter 4: MAJOR PROJECTS

4.1 Digital Region

The Digital Region project aims to leverage public and private sector investment to create a next-generation public sector wholesale broadband infrastructure to transform the economy of South Yorkshire. A range of services, delivered over broadband, will be offered, focused on the small and medium sized enterprises (SMEs), residential customers and the public sector. The project aims are:

- To stimulate the economic growth of South Yorkshire through the availability of high speed, next generation broadband services to business and residential users
- To provide an infrastructure that allows the public sector to utilise a network that will provide more efficient and effective corporate services
- To provide an infrastructure that the public sector and commercial service providers can use to deliver more advanced services to both citizens and business and to address the social inclusion agenda.

Digital Region meet the requirements of the Lisbon i2010 strategy, supporting the development of a modern market oriented regulatory framework for the digital economy, giving high priority to the EU R&D to support digital convergence, innovation, technological leadership and cooperation with the private sector sand the development of an inclusive European information society supported by efficient and user friendly ICT enabled public services

There are a number of key elements to the Digital Region project from procurement and delivery of a next generation broadband infrastructure to managing the network infrastructure thereafter and marketing the services to the service provider community.

Finances and deployment

- £93.82m capital bid funded by

Table 51

Source	£	€
ERDF	29,822,000	35,682,023
Yorkshire Forward	14,000,000	16,751,000
Yorkshire Forward Loan	30,000,000	35,895,000
Local Authorities	10,000,000	11,965,000
Thales	10,000,000	11,965,000
TOTAL	93,822,000	112,258,023

Digital region will achieve 80% coverage by end of the third year and 97% within five years. Conservative estimate are for a 20% take up by the fifth year.

At an operational level Digital Region will be delivered and managed by a Special Purpose Vehicle (SPV) – a publicly owned limited liability company. It is intended that the SPV will be an Accountable Body for the receipt and administration of public funds. The SPV will have a critical role in the marketing

of Digital Region, primarily to public sector users and, with the business partner, to Internet, applications, entertainment and other service providers.

As an entity owned by the public sector stakeholders, the offer that the SPV will take to public sector customers will be relatively wide. At a minimum it will be high-speed, secure and resilient connectivity on a single network between public sector sites and/or the public network/Internet. However, a range of other services will also be offered. These may include data storage, disaster recovery, Voice Over Internet Protocol (VOIP), conferencing (voice and high definition video) and much more. The SPV will act as a service provider for the public sector, but only for digital connectivity. It will not compete with Applications Service Providers seeking to offer other public sector services.

The offer that the SPV will take to the private sector market will be restricted to wholesale access, backhaul and interconnection with the Internet or public sector networks. The channel will be direct to Internet, application, entertainment or communications service providers to market to private customers within the network coverage area.

The Digital Region initiative will restrict its activities to the creation of a wholesale backhaul access and server/storage infrastructure

Benefits

Digital Region will create 65 new jobs, create two new businesses and create an additional £198m pa in GVA. Independent economic analysis of the impact of next generation services indicates that within three years following, the project will stimulate up to 4,490 new jobs and £45.2m net increase in GDP. (*A study of the economic benefits of next generation network and the potential impact of Digital Region (22nd April 2004); ANALYSIS and the ADIT business case commissioned by South Yorkshire Local Authorities (December 2004).*)

Current Position

The Major Project application to secure the ERDF investment was submitted to the European Commission in September for inter-departmental consultation and received formal approval in December 2008.

Project approval by HM Government was announced in the Government's annual Budget announcement in April 2009.

4.2 Other Major Projects

Two other major projects are in development and have both been endorsed at Outline Business Plan stage by PMBs. Both have also been presented and endorsed by the PMC and were continuing to develop their major project during 2008. Both projects are applying for funds from Priority 2 and are being led by universities in the region: the University of York is developing a project "Science City York – Embedded space and technology transfer" and the University of Leeds "Leeds City Innovation". In both cases major project applications are expected to be submitted to the Commission in 2009 and will be more fully reported in the 2009 Annual Implementation Report.

Chapter 5: TECHNICAL ASSISTANCE

- 5.1 Priority 5 of the Yorkshire and The Humber Operational Programme sets out the eligibility of Technical Assistance funding to support the management and implementation of the Programme. €23.34m is available across the Programme although split between the South Yorkshire “phasing in” element (€10.84m) and the Rest of the Region (€12.50m) and will need to be monitored separately to reflect an accurate usage of the allocations.

A Technical Assistance strategy has been produced and approved by the PMC containing an indicative budget allocation and will be subject to review at future PMC meetings. The strategy is a plan for how Technical Assistance will be used to deliver the activities identified in the Operational Programme.

The Technical Assistance Strategy is available to view on Yorkshire Forward’s website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/programme-strategy/priorities-and-themes/priority-5>

It has also been agreed that Technical Assistance bids are appraised against the following criteria:

- the contribution to delivery of the overall Technical Assistance strategy
- the contribution to the effective delivery of the ERDF Programme
- quantifiable outcomes
- reasoning why the proposal does not duplicate other activity
- costs
- value for money
- deliverability/management

The PMC agreed that bids which demonstrate fit within the agreed strategy can be approved without the need to seek further partner endorsement. Where Technical Assistance bids are received for partnership support it has, however, been agreed that these will be referred for endorsement to the relevant Performance Management Board.

Table 52

Total Technical Assistance Budget By Year

Year	ERDF €	Public Contribution €	Total €
2007	5,105,392	5,105,392	10,210,784
2008	4,442,745	4,442,745	8,885,490
2009	3,765,038	3,765,038	7,530,076
2010	3,012,031	3,012,031	6,024,062
2011	2,259,023	2,259,023	4,518,046
2012	2,364,444	2,364,444	4,728,888
2013	2,394,565	2,394,565	4,789,130
Total	23,343,238	23,343,238	46,686,476

Unallocated technical assistance

to be subject to regular review by the PMC and directed towards other eligible activities for which a need arises during Programme implementation.

Chapter 6: PUBLICITY & INFORMATION

Article 69 of the Council Regulation (EC) 1083/2006 establishes the obligation for the Managing Authority of each Operational Programme co-financed by ERDF to provide information and to publicise activities. Yorkshire Forward, as Intermediary Body established under Article 59 (EC) 1083/2006, is responsible for ensuring compliance with this requirement within the Yorkshire and The Humber Programme.

6.1 Communications Plan

In line with the Regulation, a communications plan for the entire programming period was prepared within four months of the Programme's adoption. The first draft was approved at the first formal PMC meeting on 20th December 2007 and the final plan was submitted to the Commission on 9th April 2008. The Commission responded on 20th May to confirm that the plan was acceptable. A Communications Activity Plan for 2009 was prepared for and approved by PMC on 24 November 2008.

The Communications Plan and Communications Activity Plan 2009 are available to view on Yorkshire Forward's website at:

<http://www.yorkshire-forward.com/about/our-funding/erdf/programme-strategy/priorities-and-themes/priority-5>

6.2 Communications Resource

The original organisational structure called for a dedicated ERDF Communications professional to be embedded within Yorkshire Forward's Business Directorate as part of the corporate communications team. ERDF specific knowledge and sufficient capacity was not available within that team and therefore initial communications activity (late 2007 – mid 2008) was actually undertaken by experienced individuals, from the Government Office for Yorkshire and The Humber, who were responsible for communications for the 2000-2006 Objective 1 Programme who were seconded to the Programme on a part-time basis.

Subsequent review saw the ERDF Communications Manager's post transfer into the core ERDF team, reporting directly to Yorkshire Forward's Assistant Director of Finance, Head of European Operations who heads the management team for the ERDF Programme. Recruitment was initiated in April 2008 with the appointee starting on 1 September 2008.

6.3 Information Events in 2008

- **Programme Launch, 15th February 2008**
The Programme was launched on 15th February 2008 in a large-scale public event in Sheffield. Over 400 partners attended the event that was addressed by Danuta Hübner, for the Commission, John Healey MP, Minister for Local Government, Tom Riordan (Chief Executive), Trevor Shaw (Executive Director of Finance) and Malcolm Taylor (Assistant Director Finance, Head of European Operations) for Yorkshire Forward.

Feed back on the effectiveness of the event was sought from attendees by emailing them immediately after the event.

*The feedback responses received are attached in **Annex B (i)**.*

- **Sub-Regional Programme Launches, 3rd -7th March 2008**

The Programme organized four sub-regional events to follow on from the main launch. Taking place over the first week in March, just a fortnight after the main launch, the four events were designed to be more participative than the large scale event. Invitations were issued by email and people could register from links on the website and contained in the Programme's newsletter. 243 people attended the events which explained the opportunities for funding that the Programme contained and then took people through the (then) draft prospectus and call for proposals in advance of its publication.

3 rd March	West Yorkshire	Huddersfield	62 attendees
4 th March	North Yorkshire	York	52 attendees
6 th March	South Yorkshire	Rotherham	52 attendees
7 th March	Humber	Hessle	79 attendees

*Feedback responses are attached in **Annex B (ii)***

- **University Briefing, 22nd January 2008**

A briefing session for the University sector was held in advance of the official launch to explain and consult with partners in the region's universities about the draft prospectus. Organised by Yorkshire Universities, the partnership body for universities in the region, 37 representatives from various higher education institutions in the region attended to discuss and participate in workshop sessions.

- **Briefing/Workshops for Yorkshire Forward Project Managers, 21,22 & 28 April 2008**

In recognition that Yorkshire Forward has control of the majority of available match funding in the region, the Programme managers identified the RDA's project managers as an important target group for communication and information activities. Outside the direct ERDF team, detailed knowledge and understanding of ERDF in Yorkshire Forward is limited. In April we held a series of three workshops to project managers to help close the information gap by informing them of the opportunities and encouraging them to consider ERDF when developing projects. 65 Project Managers from outside the ERDF core team attended these events.

- **European Year of Intercultural Dialogue Event, September 12th 2008**

This event was organised as part of the European Year of Intercultural Dialogue by the UK press office of the European Parliament. The ERDF Programme attended this public event at Sheffield Cathedral on Saturday 12th September and hosted a stand and provided information about the opportunities on offer through ERDF. The event attracted people from across the region and included many cultural events that reflected South Yorkshire's multi-cultural population. A highlight was a public debate styled on the BBC television programme "Question Time" that featured three of the region's MEPs and was moderated by the BBC political editor in the region.

- **Open Days and Europe in my Region, 22 October 2008**
A delegation of about 20 regional partners, including representatives from the ERDF management, attended the Committee of the Region's Open Days 2008. The Low Carbon Best Practice Exchange in Harrogate was this region's contribution to the "Europe in my Region" initiative as part of the Committee of the Regions Open Days 2008. It was one of the 230 local events taking place across Europe in 31 countries during October, organised by partner regions and cities. Over 400 people from across the region, the rest of the UK and abroad attended this high profile event at the Harrogate Convention Centre.
- **Sustainability, Enterprise and Neighbourhood Alliances 28th November 2008**
This event was organised by Hull City Council for communities in the city to come together, celebrate their achievements utilising ERDF from the 2000-2006 Objective 2 Programme and hear about the 2007-13 ERDF Programme with a view of developing project proposals. The ERDF Communications Manager spoke at the event and answered questions from the audience. It was attended by around seventy local people representing various community and voluntary groups in the city.

6.4 Publications

- **Operational Programme (A4)**
To coincide with the Programme's launch the full text of the Operational Programme was bound and printed and made available for any who requested it. Copies were available at the launch event and were distributed to partners and applicants as appropriate. Stocks remain available for any who request it.

The full text is available on a CD-Rom and is also available to download from the website.

- **Summary Brochure (A5)**
A summary 12 page information brochure was produced in a convenient A5 size. This provided a concise overview of the ERDF Programme and provided links to seek further information. This summary brochure included the CD-Rom of the full Operational Programme text mentioned above. The brochure was given to all attendees at the launch, and has been made available at other events and opportunities where appropriate.

*The brochure is attached in **Annex B (vi)***

- **Newsletter**
The Programme established an electronic newsletter in advance of the Programme's approval by the Commission. Initially relatively simple in design, it was circulated to a distribution that has grown since its launch. Individuals can choose to subscribe via links on the website. The distribution doubled through 2008 starting at around 350 people and building to around 800 by the end of the year.

Following the appointment of the full-time Communications Manager in September 2008, the publication has been issued more regularly and the design has been refreshed and become more sophisticated.

*Edtions from September, October and December 2008 are attached in **Annex B (v)***

- **Display Material**

A number of display panels were created to be used at the Programme's launch and subsequently. These have been used at other events in 2008.

6.5 Website

The ERDF Programme does not have a separate website but has a web presence on the Yorkshire Forward website at www.yorkshire-forward.com/erdf. It is registered with all major search engines and provides a link to the Commission's Inforegio site and to the Managing Authority's website.

Throughout the later half of 2008, Yorkshire Forward's website was completely redesigned and reformulated. The work was protracted which was frustrating for the ERDF team as this work delayed updates from appearing and restricted the attractiveness of the site while the work was in progress. The new design website was published in spring 2009 and provides a better designed and more responsive resource. The ERDF Communications Manager is now in the position to update content and this has greatly improved the service that he can provide to the Programme.

A list of beneficiaries is maintained on the website as required by the regulation. This is in addition to a live list that provides the following categories of information:

- name of beneficiary
- name of the project
- start date
- end date,
- ERDF value,
- public match funding value,
- brief description.

Entries connect to individual project profiles that contain further information and are updated in line with claims. It is the intention that those running projects will be able to add additional information to their profile as the project progresses.

The full text of the Operational Programme is available to download as are comprehensive suites of guidance and supporting information for project applicants.

As part of its work to ensure transparency, all project proposals that are submitted to the Programme are published at Outline Business Plan stage on the website for a minimum of ten working days to allow partners in the region the opportunity to comment on the plans. Comments received are submitted to the Performance Management Boards (PMBs) for consideration along with the application. Submitted projects need to be endorsed by PMB if they are to progress (regional projects by both). The Outline Business Plan of all applications remain available to view from the website after the period for comment is finished. They are removed only when the project has become contracted and similar information is available to view via the project profile.

6.6 Email alerts for OBP consultation

When a new Outline Business Plan is added to the website for consultation, an email alert is sent to all those who have registered with the Programme to receive this information (around 800). The email provides a hyperlink to the Outline Business Plan for convenience and to encourage feedback and comments. Alerts for 49 project proposals were issued during 2008.

*See **Annex B (iii)** for an example of an email alert*

6.7 Media Relations

Press releases were issued in advance of the Commissioner's visit to the region and the official launch of the Programme. Releases were also issued for each ERDF contract that was issued. Press coverage of the Programme has been disappointing, to say the least. Despite our best endeavours no journalists attended the Programme launch or chose to accept the opportunity to interview the Commissioner and Minister. In South Yorkshire a very high profile media event was organized at the last moment at the same time as the launch and drew the limited media resources in Sheffield instead.

*See **Annex B (iv)** for two example releases*

Generating media coverage for the Programme has also been hampered by the relatively slow start on contracting projects and the lack of projects spending ERDF and delivering outputs. It is projects that deliver the media stories, in our region the media are not enthused about Programme preparations. Most media coverage of EU Programmes has been generated by closure of the previous Programmes and their reporting of what had been achieved. It is much easier to generate news when you have real examples to show.

ERDF Communications Manager took part in a media sponsored discussion of property issues to speak about the Programme. The discussion was reported as a feature in Yorkshire Business Insider, the premier business-to-business magazine in the region.

ANNUAL IMPLEMENTATION REPORT 2008

ANNEXES

CCI UK 162 PO009
June 2009



Annex A

Yorkshire and The Humber Competitiveness and Employment Programme 2007-2013

Beneficiary Data 2008



YORKSHIRE AND THE HUMBER REGIONAL COMPETITIVENESS PROGRAMME 2007 - 2013

Programme No. CCI 2007 UK162PO009

List of Beneficiaries

Last Updated 31.12.08

Name of Beneficiary	Name of Operation	Priority	ERDF Committed (£)	ERDF Committed (€)	ERDF Paid (£)	ERDF Paid (€)	Public Match Committed (£)	Match Committed (€)	Start Date	End Date	Status
Goodwin Development Trust	Hull Enterprise Partnership	3	£2,254,996	€2,698,102	£0	€0	£2,346,004	€2,806,994	01/04/08	31/03/11	Live
Hambleton District Council	Hambleton Managed Workspace	2	£2,446,203	€2,926,882	£0	€0	£3,425,663	€4,098,806	01/11/07	31/08/10	Live
Yorkshire Forward	Innovation Networks	1	£1,909,022	€2,284,145	£0	€0	£1,909,022	€2,284,145	07/10/08	07/10/11	Live
YFM Business Development Ltd	Yorkshire and Humber Manufacturing Advisory Service	2	£3,422,543	€4,095,073	£0	€0	£3,406,869	€4,076,319	20/10/08	30/09/11	Live
TOTAL			£10,032,764	€12,004,202	£0	€0	£11,087,558	€13,266,264			

Annex B

Yorkshire and The Humber Regional Competitiveness and Employment Programme 2007-2013

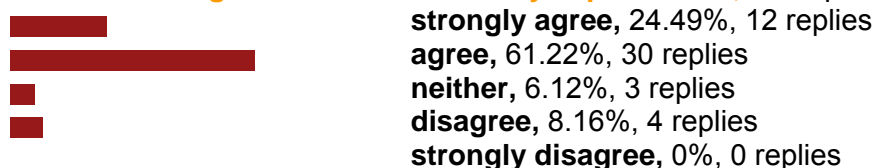
Publicity and Information Documents

- i) Feedback from Programme Launch event**
- ii) Feedback from sub-regional launches/workshops**
- iii) Email Alert (example)**
- iv) Example Press Releases (Launch & Hambleton Managed Workspace)**
- v) Programme Newsletters (September, October & December 2008)**
- vi) Programme summary brochure (A5)**

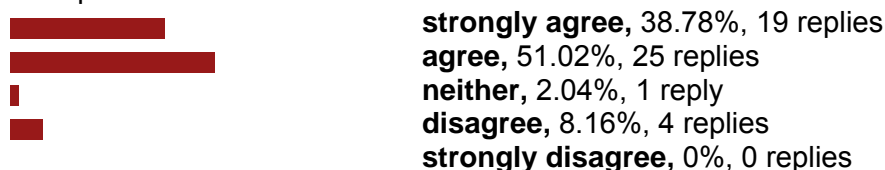


1. Feedback from Yorkshire and The Humber ERDF Programme 2007-2013
Launch Event

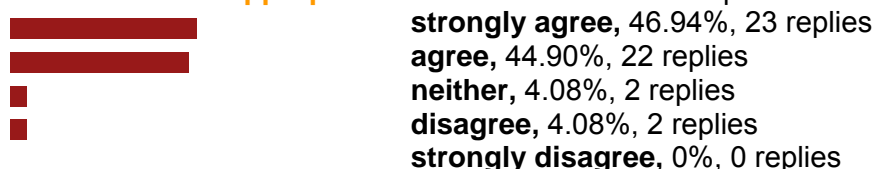
The ERDF Programme Launch met my expectations, 49 replies



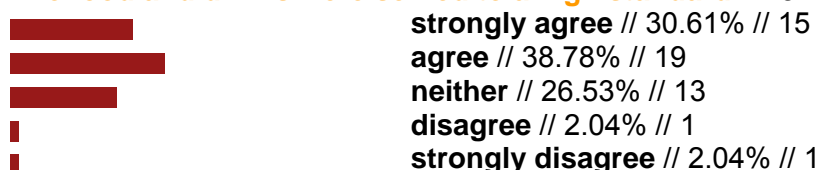
The organisation of the ERDF Programme Launch was of a high standard, 49 replies



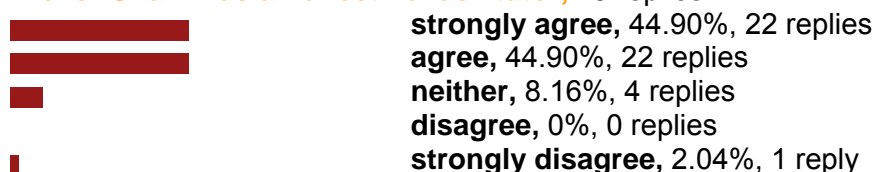
The venue was appropriate for the occasion // 49 replies



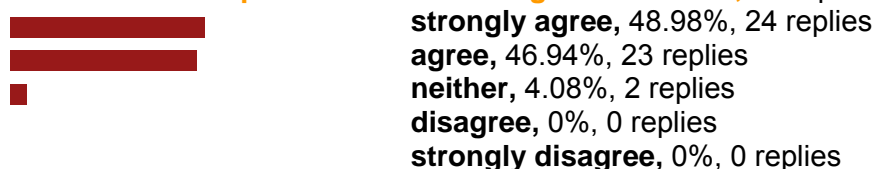
The food and drinks were served to a high standard // 49 replies



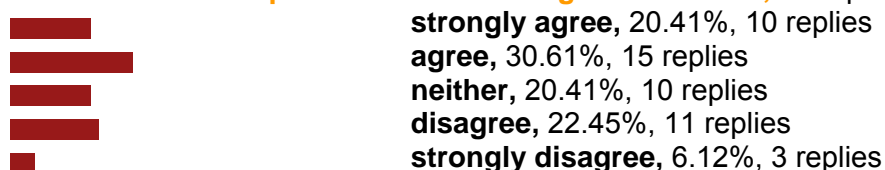
Trevor Shaw was an effective facilitator, 49 replies



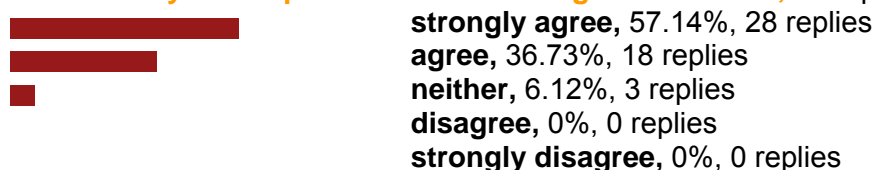
Tom Riordan's speech was interesting and effective, 49 replies



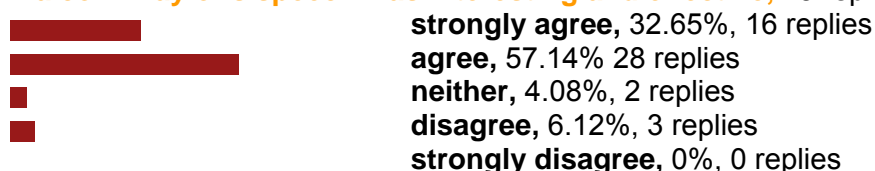
Danuta Hubner's speech was interesting and effective, 49 replies



John Healey MP's speech was interesting and effective, 49 replies



Malcolm Taylor's speech was interesting and effective, 49 replies



The individual comments that have been submitted are presented below:

Unfortunately a number of people didn't get the update changing the time from 9.30 to 11.15 so as a result wasted a significant amount of time.

Timekeeping not great, though the YF and Barnsley speakers did well to recover the programme after the Commissioner's long and to be honest boring contribution. You don't ask for feedback on Phil Coppard but his piece was very good. £1 cloakroom charge was a rip-off - no wonder people took their coats into the hall. Had to leave as soon as the event finished so didn't have the lunch

There appeared to be a mix up of start times. Food could have been of much better quality. No statement on Phil Coppard's speech, as above

The only thing that was disappointing at all was the flatness of Danuta Hubner's address. This would have been a good opportunity for her to get people excited and inspired about Europe, beyond just the Structural Funds, but the opportunity was not taken and I think that most people did not engage with what was said because of how it was put across.

Phil Coppard's speech was interesting and effective - strongly agree

Not enough time to delve into details with experts after the formal presentations

Phil Coppard's speech was very interesting and effective The networking opportunity was valuable

a very informative event with useful insight into the Programme. very good networking opportunity also.

Sorry, not quite sure what this was for. It was a high profile event and, as is usually the case for Yorkshire Forward, very professionally managed. But it was a lot of diary time for the benefits actually accrued. I don't quite know what I expected but this wasn't it.

Phil Coppard's speech was not as useful really as the rest! It was a shame that the other speakers all had to rush off before the end of the event!

I found the networking opportunity very useful

It was generally a well organised and useful event. Congratulations to all those involved.

This was a missed opportunity to showcase all the excellent projects supported by ERDF, and it would have made the event more interesting to have a short video or slide show for the benefit of the commissioner and all the audience.

All speakers contributions were similar/a little repetitive

Excellent all round launch and a good opportunity to catch up with key people from around the region. Thank you

I think the venue was not the best choice. Delegates did not have enough room to wait in comfort before the start. The prolonged wait beforehand was also not helpful.

2. Feedback from Yorkshire and The Humber ERDF Programme 2007-2013
sub-regional Launch/Workshops

	Strongly agree	Agree	Neither	Disagree	Strongly disagree	No response
--	----------------	-------	---------	----------	-------------------	-------------

This discussion event met my expectations

North Yorkshire	9%	73%	18%	0%	0%	0%
Humberside	11%	74%	15%	0%	0%	0%
South Yorkshire	82%	0%	0%	0%	9%	0%
West Yorkshire	9%	77%	5%	9%	0%	0%

The organisation was of a high standard

North Yorkshire	9%	82%	0%	0%	0%	9%
Humberside	7%	70%	19%	4%	0%	0%
South Yorkshire	64%	0%	0%	0%	0%	0%
West Yorkshire	5%	55%	32%	5%	0%	5%

The information in advance was sufficient

North Yorkshire	0%	82%	9%	9%	0%	0%
Humberside	7%	63%	19%	7%	0%	4%
South Yorkshire	0%	0%	0%	0%	0%	0%
West Yorkshire	9%	50%	23%	5%	9%	5%

The venue was appropriate for the event

North Yorkshire	0%	82%	18%	0%	0%	0%
Humberside	26%	67%	0%	7%	0%	0%
South Yorkshire	9%	55%	36%	0%	0%	0%
West Yorkshire	9%	68%	5%	14%	0%	5%

Refreshments provided were appropriate

North Yorkshire	9%	55%	36%	0%	0%	0%
Humberside	4%	44%	30%	19%	0%	4%
South Yorkshire	18%	45%	36%	0%	0%	0%

West Yorkshire	5%	68%	14%	14%	0%	0%
-----------------------	----	-----	-----	-----	----	----

Malcolm Taylor was an effective facilitator

North Yorkshire	9%	64%	27%	0%	0%	0%
Humberside	7%	41%	37%	15%	0%	0%
South Yorkshire	9%	73%	18%	0%	0%	0%
West Yorkshire	14%	50%	23%	9%	0%	5%

Paula Shelley was interesting and effective

North Yorkshire	36%	64%	0%	0%	0%	0%
Humberside	26%	59%	15%	0%	0%	0%
South Yorkshire	18%	82%	0%	0%	0%	0%
West Yorkshire	41%	50%	0%	5%	0%	5%

Adrian Green was interesting and effective

North Yorkshire	27%	73%	0%	0%	0%	0%
Humberside	15%	41%	37%	7%	0%	0%
South Yorkshire	18%	82%	0%	0%	0%	0%
West Yorkshire	18%	68%	0%	5%	0%	9%

Jonathan French was interesting and effective (NY only)

North Yorkshire	73%	27%	0%	0%	0%	0%
------------------------	-----	-----	----	----	----	----

The group discussion was interesting and effective

North Yorkshire	9%	45%	9%	18%	9%	9%
Humberside	4%	59%	22%	11%	0%	4%
South Yorkshire	27%	64%	9%	0%	0%	0%
West Yorkshire	23%	55%	0%	5%	0%	18%

West Yorkshire sub-regional workshop, Huddersfield 3rd March 2008

Are there other priorities that have been missed?

- Link between health and employment, health and transport etc. Often people need a lot of assistance to enter hi-tec industries – often doesn't attract local people.
- Sustainable communities. P4 urban development that is sustainable – more clarity and guidance needed. What about making urban environments more resilient to the effects of flooding and climate change? Issues such as quality of life, well being index etc. need to be included. 'Happiness' is increasingly coming to be recognised as a major factor. Economic growth and 'happiness' are becoming increasingly divergent.

Where is there a need for further guidance?

- P3 examples needed.
- Yes – need advice/information on assumptions made re. regional delivery partners.
- Consortia development for Voluntary Sector organisations.
- Match funding.

General comments:

- Discussion needed more focus on potential projects.
- Unsure what all strategies are as some are still in draft form

North Yorkshire sub-regional workshop, York 4th March 2008

Where is there any need for further guidance?

- Could have been highlighted that need to prepare beforehand to make most effective use of time.

General comments:

- Disability Discrimination! Couldn't hear what feedback people were saying, can't you use the microphones! (induction loops).

South Yorkshire sub-regional workshop, Rotherham 5th March

General comments:

- The ERDF Programme has changed and I now understand more about its focus but would welcome more clarity over ERDF/ESF funding focus. Thoughtful session!

Humber sub-regional workshop, Hessle 6th March

Do priorities align with local/sub-regional/city regional strategies?

- Access to these documents is very difficult, could YF please host all these city-sub-regional/regional plans on its website?

Are there other priorities that have been missed?

- Grassroots business support not available via Business Link – intensive.

Where is there need for further guidance?

- Priority 3 - clarification regarding activities which are eligible rather than not ie. if job search, work placements and training are not eligible that employed related activities can be funded?
- How links going to be ensured and maintained?

Other comments:

- I wonder how the Programme will effectively enable Third Sector developments.
- Hardly dynamic or inspirational for the Third Sector.
- Access to documents is one thing, but the sheer cost of printing these out when having to pay for your own paper and ink is really expensive! I've made this point to DCLG and received no response! Perhaps YF could provide hard copies of all of these documents for people like me, who are in the minority, but are severely restricted by lack of resources and access to an employer to cover these hidden costs.
- How ensure links with ESF,LSC, DWP, LAA, MAA etc.?

3. Email Alert (an example)

From: erdfnews@yorkshire-forward.com

Sent: 19 December 2008 15:08

Subject: ERDF NEWSLETTER - ERDF update: Recently published project proposals

Dear Colleague,

Thank you for your interest in the ERDF Operational Programme 2007-13.

The following project proposals will be published on the Yorkshire Forward website for 10 days to invite comments:

- Social Enterprise Growth Programme
- Practitioner Support to Strengthen Y&H Social Enterprise Growth

The proposals can be found at [Project proposals | Yorkshire Forward](#).

Please address any enquiries or comments to the specified contact.

Kind regards,

ERDF Team
Yorkshire Forward
Victoria House
2 Victoria Place
Leeds
LS11 5AE

ERDF Enquiries: 0845 224 5305

erdfnews@yorkshire-forward.com

4. Press Releases:

Example A

New European Investment Programme for Yorkshire and Humber Launch

15th February 2008

The latest European Investment programme for the Yorkshire and Humber region will be launched in Sheffield (Friday 15th February). This programme has £394 million from the European Regional Development Fund (ERDF) to invest in the region by 2013.

Danuta Hübner, the European Commissioner responsible for Regional Policy, and John Healey MP, Minister for Local Government will jointly launch the programme at Sheffield's City Hall as part of a day long visit to the region by the Commissioner.

Before speaking at the event, the Commissioner and Minister are visiting the Advanced Manufacturing Park (AMP) in Rotherham, a key component in the promotion and development of the Advanced Engineering and Manufacturing business sector in the region.

The Park is being developed by Yorkshire Forward, on a large brownfield site, located across the Sheffield/Rotherham border that was originally the site of a coking works, opencast coal workings and large spoil heap. The site's preparation and development as well as several developments on it were supported by European funds from the 2000-2006 Objective 1 Programme.

In particular, the Commissioner will be shown the Factory of the Future development being undertaken by the University of Sheffield in collaboration with Boeing, with funding from Europe and Yorkshire Forward, that is nearing completion. This is a 4,200 sq m manufacturing research facility, designed and built to the highest environmental sustainability standard and utilising renewable energy. It will demonstrate and provide training in leading edge techniques and technologies and demonstrate how manufacturing can be profitable whilst working in sympathy with the environment.

The Factory of the Future will also research new areas that will enable regional companies to be repetitively competitive, helping current aerospace companies to secure their future and acquire a larger market share and other manufacturers to diversify and enter the supply chain for the first time.

The launch of the 2007-13 ERDF programme is being held in Sheffield's City Hall, completely refurbished with £5.4m ERDF support from Objective 1. Over 300 people from the region have registered to attend the event.

The European Commission provides funds for regional development as part of its cohesion policy that seeks to reduce the gap between the levels of development and economic performance amongst member states and regions. Cohesion policy recognises the need to reinforce the competitiveness of all regions in the Union so that they can contribute to delivering Europe's strategy of growth and jobs – the so-called The Lisbon Strategy.

Speaking ahead of the visit, Commissioner Hübner said: "The EU is contributing investment worth €583.5 million to the Yorkshire and Humber programme, which has a strong focus on business, research and the environment. It shows clearly which way European investment should be heading."

John Healey Minister for Local Government said: "This seven year funding programme will breathe new life into some of our most deprived areas in Yorkshire and Humber, creating jobs and opportunities in places where our factories and coal mines were once in decline.

"Projects like the groundbreaking Advanced Manufacturing Park in Rotherham, Wakefield's Waterfront and Hull's Young Enterprise Scheme show how important this programme is to our communities. £394 million from the European Commission combined with our drive to boost prosperity means even that greater success lies ahead."

The programme has been developed by a wide regional partnership and outlines the broad strategic direction for investment of this EU funding over the next six years. It identifies four broad priorities for investment, three of which are for the whole region: promoting innovation and research and development; stimulating and supporting successful enterprise; and, sustainable communities.

The fourth priority, economic infrastructure for a competitive economy, is for South Yorkshire, which has extra funding available to it as a "phasing-in" region in European terms (ie moving out of Objective 1 status).

The Government wishing to maximize the alignment between European and national funding streams has asked Yorkshire Forward to manage the Programme on behalf of the region.

Tom Riordan, Yorkshire Forward Chief Executive said: "Yorkshire and Humber's recovery over the last decade, with 7 consecutive years of growth above the EU average, has been down to a strong partnership approach and European funding has played a central part in making that happen. The challenge for the next decade is to sustain this economic growth and to extend the region's success into the Lisbon agenda of innovation, jobs and social cohesion. This programme can again act as the catalyst for the region to become economically self-reliant."

ends

Example B

Yorkshire Forward Announces First Investment of New European Regional Development Funding

26th June 2008

Two projects in North Yorkshire will be the first to benefit from the £400 million of European funding that has been made available for investment in the region over the next six years.

£2.5 million from the European Regional Development Fund is being invested in two separate managed workspace developments in North Yorkshire being brought forward by Hambleton District Council. The £6 million scheme has also attracted almost £2 million of public investment from Yorkshire Forward.

The new European Regional Development Fund programme aims to boost competitiveness and employment in the region by 2013.

The programme draws funding from the European Regional Development Fund, one of the European Union's major financial instruments for supporting regional economic development across Europe. The funding is provided to help redress imbalances in development between regions and help local economies address the challenges of globalisation so that they can contribute to delivering Europe's Lisbon Strategy of growth and jobs.

The Programme has four investment priorities, three of which are available across the whole region: promoting innovation and R&D, stimulating and supporting enterprise, and developing sustainable communities. The fourth priority, economic infrastructure for a competitive economy, provides extra funding for South Yorkshire to ease the transition as it moves out of Objective 1 status.

Welcoming the announcement of the first investment, Trevor Shaw, Executive Director, Finance for Yorkshire Forward said:

“This investment is an important first step in delivering a range of projects that will bring jobs and business growth to communities across Yorkshire and Humber.

“European funds play an important role in helping to bring local development initiatives to fruition while contributing to the delivery of the regional economic strategy.”

“We expect this to be the first of many announcements between now and 2013 as we invest European money to increase competitiveness and employment.”

This first investment is supporting development of two managed work space schemes, one in Leeming Bar, the other in Northallerton. Six 1,500 sq ft starter units and four larger 3,000 sq ft grow-on units are being constructed in Leeming Bar targeted at the secondary food industry sector. The smaller spaces will only be offered to start-up businesses or those less than two years old, while larger units will be available to more established firms. The development also includes a 1,000 sq ft test kitchen for tenants to develop new product ranges.

The second scheme creates 20,000 sq ft of offices in Northallerton, comprising 14,000 sq ft to let as 20 office units along with shared meeting rooms, services and management space. The developments will lead to around 100 new jobs and support the creation of 21 new businesses.

Ends

Notes to Editors

Yorkshire and The Humber ERDF Programme 2007-2013

The regional ERDF Programme, approved in December 2007 was launched in February 2008.

The programme is managed by Yorkshire Forward and is overseen by the EU and National and Regional Government bodies.

The programme provides €583 million from the European Regional Development Fund to invest in the region by 2013.

Over the past year, Yorkshire Forward has created and safeguarded more than 22,254 new jobs; helped create and attract more than 1067 new businesses, assisted 60,005 people in skills, and attracted £467m in investment - achieving or exceeding all of the targets it was set.

For further information, please contact Janice Crich, Press Manager, Yorkshire Forward, Tel 0113 394 9715; e-mail janice.crich@yorkshire-forward.com or Fax 0113 243 1088. Further information about the ERDF Programme in Yorkshire and The Humber is available at www.yorkshire-forward.com/erdf

23 September 2008

European Focus

The Newsletter of Yorkshire and the Humber's ERDF Programme 2007-2013

Investment in Hambleton

A project in North Yorkshire is the first to progress through to a contract from the Yorkshire and Humber ERDF Programme 2007-2013.

£2.5 million from the European Regional Development Fund is being invested in two separate developments in North Yorkshire being brought forward by Hambleton District Council. The £6 million scheme has also attracted almost £2 million of public investment from Yorkshire Forward.

Welcoming the announcement of the first investment, Trevor Shaw, Executive Director, Finance for Yorkshire Forward said:

"This investment is an important first step in delivering a range of projects that will bring jobs and business growth to communities across Yorkshire and Humber.

"European funds play an important role in helping to bring local development initiatives to fruition while contributing to the delivery of the regional economic strategy."

"We expect this to be the first of many announcements between now and 2013 as we invest European money to increase competitiveness and employment."

This first investment is supporting development of two schemes, one in Leeming Bar, the other in Northallerton. Six 1,500 ft² starter units and four larger 3,000 ft² grow-on units are being constructed in Leeming Bar targeted at the secondary food industry sector. The smaller spaces will only be offered to start-up businesses or those less than two years old, while larger units will be available to more established firms. The development also includes a 1,000 ft² test kitchen for tenants to develop new product ranges.

The second scheme creates 20,000 ft² of offices in Northallerton, comprising 14,000 ft² to let as 20 office units along with shared meeting rooms, services and management space for new/young businesses in high growth sectors. The two developments will lead to around 100 new jobs and support the creation of 21 new businesses.

Annual Implementation Report 2007

Every Programme drawing funds from the EU's Structural Fund budget is obliged to submit an implementation report to the European Commission by the end of June for the preceeding calendar year.

The Yorkshire and Humber ERDF programme's report for 2007 was approved by the Programme Monitoring Committee on 24th June 2008 and then submitted to the Commission for approval.

The report was first checked for admissibility to ensure that it included all the information required by the relevant regulations. Then, the Commission critically examined the content of the report. On 14th July the Commission accepted that our report was admissible and that its contents were satisfactory.

The report is available on Yorkshire Forward's website to download. See www.yorkshire-forward.com/erdf

Investing in Your Future

If you would like to receive European Focus each month please email richard.holmes@yorkshire-forward.com

Similarly, if you currently receive information and no longer wish to do so send an email with Unsubscribe as the subject

www.yorkshire-forward.com/erdf



Programme Governance

PROGRAMME MONITORING COMMITTEE (PMC)

The Programme Monitoring Committee is the partnership body that governs the Yorkshire and Humber ERDF programme. Chaired by Government Office, PMC draws its membership from Government Departments, the European Commission and partners representing different sectors and organisations in the region.

The latest PMC meeting took place in Sheffield on 16th September. You can download the meeting's agenda and papers from Yorkshire Forward's website at www.yorkshire-forward.com/erdf

PERFORMANCE MANAGEMENT BOARDS (PMB)

There are two Performance Management Boards, one for each allocation of funding, that is a South Yorkshire PMB and a Yorkshire and Humber PMB (excluding South Yorkshire). These Boards consider funding applications at the Outline Business Plan stage for endorsement, oversee the programme's management and monitor progress.

The most recent meeting of the Yorkshire and Humber PMB took place on 4th September and for the South Yorkshire PMB on 7th August. Papers and minutes of these and earlier PMB meetings are also available on Yorkshire Forward's website at www.yorkshire-forward.com/erdf

Two other groups have been established to help the management of the programme as it goes forward:

EVALUATION STEERING GROUP - this group has been established under the chairmanship of Professor Colin Mellors and draws members from PMC and both PMBs. This group will meet in November with a view to agreeing a Programme Evaluation Plan to bring to a future PMC for consideration.

CROSS CUTTING THEMES SUB COMMITTEE - has been established to assist the programme's managers embed CCTs throughout the programme. In June, it reviewed projects coming through and as a result CCT targets have been included in some project applications where they were previously absent and has helped to identify where consultancy support is required.

Progress

The Hambleton Managed Workspace project was the first to be issued with an ERDF contract earlier this summer (see page one). Project sponsors have submitted a significant number of proposals for consideration. Nearly £200m worth of ERDF is being sought by applicants in the process of developing their ideas into Outline Business Plans (OBP). This is shown in the applications column on the chart. A further £78m worth of ERDF activity is further along the developmental path, their OBPs have been considered and endorsed by the relevant PMB and are now developing their Full Business Plans (FBP) for appraisal.

	Applications		Outline Business Plans Endorsed by PMB		Contracted	
	Projects (no.)	ERDF (£m)	Projects (no.)	ERDF (£m)	Projects (no.)	ERDF (£m)
South Yorkshire	20	120.89	9	20.99	0	0.00
Rest of Region	12	76.30	18	57.87	1	2.50
Total Programme	32	197.19	27	78.86	1	2.50



The Region's
Development Agency

Investing in Your Future



European Regional
Development Fund



European Year of Intercultural Dialogue

Europe is becoming increasingly culturally diverse. The enlargement of the EU, deregulation of employment laws and globalisation have increased the multicultural character of many countries, adding to the number of languages, religions, ethnic and cultural backgrounds found on the continent. As a result, intercultural dialogue has an increasingly important role to play in fostering European identity and citizenship.

2008 is the European Year of Intercultural Dialogue recognising Europe's great cultural diversity as a unique advantage. It encourages all those living in Europe to explore the benefits of our rich cultural heritage and opportunities to learn from different cultural traditions.

As part of the celebrations the UK Office of the European Parliament organised a European Festival at Sheffield Cathedral on Saturday 13 September.

Dancers from Poland, clog dancers and traditional Jewish dancers kept the crowds entertained in the sunshine along with a brass band and a South Yorkshire based theatre troupe. Hands-on Islamic Art workshops were held in the cathedral attracting many interested participants.

The highlight for many was the "Question Time" debate featuring a panel of three of the region's Members of the European Parliament, Richard Corbett MEP, Timothy Kirkhope MEP and Linda McAvan MEP. The lively debate in front of a packed audience was chaired by the BBC's Len Tingle. The debate attracted questions across the whole spectrum of issues relevant to the EU, from future enlargement to the issue of a referendum on the revised treaty and from individuals supportive of the EU and those opposed to it.

Alongside the activities, a number of organisations, including the ERDF Programme, had stalls at the event. ERDF Communications Manager, Richard Holmes, said "It is important that as many people and organisations in the region as possible know about the opportunities for European funding. Events like this provide an excellent opportunity to raise the profile of the Programme, increase awareness about the opportunities it contains and meet interested people and organisations face to face."



European Year of Intercultural Dialogue 2008



Above: Richard Corbett MEP, Len Tingle BBC, Timothy Kirkhope MEP & Linda McAvan MEP at the European Question Time during the European Year of Intercultural Dialogue event at Sheffield Cathedral



The Region's
Development Agency

Investing in Your Future



European Regional
Development Fund



Updated Enquiry Form

If you have an idea for a project that you wish to be considered for ERDF support, you can submit a simple outline on the ERDF Enquiry Form to the ERDF team for feedback on its suitability and likelihood of receiving support.

This informal enquiry stage is for ERDF only, it does not cover Single Pot applications. The form has just been updated and can be downloaded from:

www.yorkshire-forward.com/erdf

INTERREG: Developing Ideas Into Project Applications

INTERREG is the co-operation strand of Structural Funds programmes. It aims to strengthen economic and social cohesion by promoting balanced development across the EU through co-operation projects between Member States. Interreg is funded by the ERDF and in the 2007-2013 period the budget is approximately €1.27 billion. This is the fourth series of Interreg programmes (known as Interreg IV) which are delivered through three types of co-operation:

Interreg IVA: between Member States with joint boundaries (Cross-border Co-operation)

Interreg IVB: through larger groupings of Member States grouped in pan Member State regions (Transnational Co-operation)

Interreg IVC: through interregional cooperation - eg any region in the UK cooperating with a region within any Member State

In this region, Yorkshire Forward takes a lead strategic role in accessing funding opportunities through Interreg by promoting the opportunities and encouraging development of quality projects that help deliver the Regional Economic Strategy.

On 12 September, Yorkshire Forward's European Strategy team organized an event in Leeds that looked at the opportunities available in Interreg programmes. Matt Nichols, the head of the INTERACT secretariat, spoke at the event. INTERACT provides guidance, good practice and training in the Interreg Programmes across the whole of the EU.

Jon Jordan of the North Sea Region Interreg Contact Point also spoke. The North Sea Region is one of the groupings of regions under Interreg IVB that is available in Yorkshire and The Humber, the other is North West Europe.

The event gave Interreg project developers the opportunity to deliberate and debate the challenges they face under the new Interreg IV Programmes. There has been a significant shift from quantity to quality in developing Interreg project ideas and consequently, every element of any application must meet strict standards so a lasting legacy can be achieved.

Twenty four participants attended the event from organisations, including universities, local councils and the voluntary sector. The format of the day was "hands-on", with interactive activities covering all strands of Interreg, looking at developing a project from initial idea, to formation of transnational partnerships, to written application.

For more information about Interreg in the region call Yorkshire Forward's Alison Childs on 0113 394 9850 or email alison.childs@yorkshire-forward.com

A DATE FOR YOUR DIARY

LEEDS - Thursday 13th November

Experts from the EU's Interreg IVC Secretariat are coming to Yorkshire in November for an event to encourage applications from the region to the Interreg IVC interregional cooperation programme.

Arrangements are not yet finalised for this full-day event, but it will be held in Leeds. To register an interest in attending please email alison.childs@yorkshire-forward.com

Investing in Your Future

Issued by ERDF Communications, Yorkshire Forward, Adwick Park,
Wath Upon Dearne, ROTHERHAM S63 5NB Tel: 01709 766485

European Focus

The Newsletter of Yorkshire and Humber's ERDF Programme 2007-2013

Our cross cutting themes: environmental good practice and, equalities and diversity

The ERDF programme aims 'to capitalise on the region's assets and secure a prosperous future for the region's people and businesses within a viable knowledge economy'.

It has adopted two common themes to cut across all investments in each of the priorities: environmental good practice and equalities and diversity. Embedding these cross cutting themes into all Programme activity will help ensure that projects supported by ERDF respect the environmental limits of the region, and take up opportunities provided by the low-carbon economy, promote a democratic, socially inclusive, healthy, safe and just society with respect for cultural diversity. Integrating these themes produces projects that balance economic, social and environmental objectives.

Opportunities

Within each of the four programme priorities there are opportunities to support projects with a specific CCT focus, which can link to the delivery of CCT targets:

- Securing opportunities that promote the transition towards a low-carbon economy
- Activities that encourage development of low carbon technologies
- Network and mentoring activity between Universities and businesses that demonstrate the latest sustainable development/environmental management principles
- Energy and resource efficiency support for businesses to reduce their ecological footprint
- Activities supporting eco-products and processes
- The use of renewable energy and low-carbon technologies
- Targeting of under represented groups to build entrepreneurship and connection to better jobs

- Facilitating better connectivity between people, places and economic opportunities
- Overcoming barriers to employment faced by individuals from all groups

These are just a few possibilities. In addition to specific actions, the principle of sustainable development has been designed into the programme and is central to its development and delivery mechanisms. Consequently, all projects supported by ERDF in the region must be able to demonstrate how both themes have been incorporated into their design, development and delivery.

Specific standards and actions are expected for projects to successfully pass the gateway appraisal and the appraisal of their full business plan. These eligibility criteria are embedded within the CCT forms that projects are required to submit with their ERDF applications. This is summarised by the 'CCT Quick Guide' which can be found by following the cross cutting themes links at www.yorkshire-forward.com/erdf

Governance

Buy-in by partners, however, is key to the success, impact and long term legacy of the CCTs in the region. Therefore, we have enhanced these relationships through organisation and management of CCTs within the regional programme governance structures:

Programme Monitoring Committee (PMC)

The PMC has responsibility to monitor the impact of CCTs, representation from statutory agencies is provided through the Environment Agency and for Equalities, the Commission for Equality and Human Rights. PMC members play an active role in CCTs, for example, through third sector representatives.

....continued on page two

Investing in Your Future



The Region's
Development Agency

If you would like to receive European Focus each month or if you no longer wish to receive it, please email
richard.holmes@yorkshire-forward.com

www.yorkshire-forward.com/erdf



European Regional
Development Fund



Cross cutting themes

.... continued from page one

Programme Management Boards (PMBs)

Both PMBs help ensure that the themes are embedded and applied to maximum benefit through their CCT Champions. Each PMB receives reports on CCT delivery as the programme continues and are key influencers of activity at a regional level.

PMC Cross Cutting Theme Sub Committee

The last European focus reported that a PMC cross cutting theme sub-committee had been set up to improve the quality, performance and delivery of the themes. The membership of this sub-committee comprises CCT Champions from both PMBs, and regional specialists nominated by the PMBs and PMC. It has met to endorse the development of the CCT targets and has considered how the CCTs are being addressed at a project level closely.

Future Priorities

Everybody who develops, implements and benefits from

the programme needs to understand what it means to integrate the themes, the reasons for it and how it can be done. This includes applicants and partners as well as programme staff. Appropriate publicity and training to raise awareness and promotion of the opportunities of CCTs are being investigated.

Technical Assistance bids have also been submitted for partnership and consortium development of ERDF bids. These projects will work with existing partnerships and new consortia to ensure that proposals meet strategic objectives and raise awareness of the cross cutting themes. They will also link communities of interest to the programme, working with communities to identify needs, signposting and promoting the benefits of the ERDF Cross Cutting Themes.

Developments will be reported in future editions of European Focus. In the meantime, for further details on all of the above please either call the ERDF CCT Helpline on 0113 394 9962 or contact the ERDF CCT Manager Eleanor.Marshall@Yorkshire-Forward.com

Open Days 2008 - the annual flagship event of Europe's Regional Policy

The sixth annual OPEN DAYS - European Week of Regions and Cities, organised by the European Commission and EU Committee of the Regions, took place earlier this month. Some 7400 European, national and regional policy-makers, experts and representatives of business and civil society took part in 145 seminars and other events in Brussels.

This year the programme highlighted the challenges faced by regions and cities with seminars organised around the themes of Innovation, Sustainable Development and Climate-Change, Co-operation and Networking and European Cohesion Policy.

Regional Policy Commissioner Danuta Hübner said: "OPEN DAYS is testimony to the ongoing rich dialogue between Europe's institutions, regional and local authorities, town and city councils, associations, universities, banks and investors. We share the same goals: we

want to create the best conditions for investment, jobs and growth, to deliver a better quality of life and greater prosperity for the EU's 500 million citizens. Our regions and cities

are key to implementing the policies to achieve these objectives."

216 regions and cities participated, working in "conglomerates" on themes which most closely match their regional priorities.

Dr Stephen Brown, Yorkshire Forward's Energy and Climate Change Manager was a member of a panel of speakers at the high profile event: "Regions as catalysts

...continued on page three



**European Week of
Regions and Cities**
Brussels 6-9 October 2008



The Region's
Development Agency

Investing in Your Future
www.yorkshire-forward.com/erdf



**European Regional
Development Fund**



Open Days continued....

for change: international response to climate change" that encouraged the rest of the world to engage with the successor to Kyoto.

Speaking alongside former Polish PM, Jerzy Buzek and senior environmental figures from the UN, European Commission and NGOs like WWF, Stephen urged NGOs to actively advocate the use of renewable energies to help local people understand the need to accept the development of wind and solar energy in their areas.

A 30 strong delegation from Yorkshire and Humber attended Open Days, representing a number of organisations including local authorities. Speaking at a dinner organised for the delegation, Richard Corbett MEP highlighted the importance of the region working constructively with Europe pointing to high levels of trade as a key reason to engage.

Malcolm Taylor, Yorkshire Forward's Assistant Director

of Finance (Europe) who was part of the delegation picked up that theme saying: "Europe is very important to the region. It is our biggest trading partner and an important source of investment. EU policy and legislation has a direct impact on the region, influencing the development of our environment and our businesses. As a modern region, we need to seize the opportunities that EU membership offers us - to grow our trade, maintain our competitiveness and influence our future. It is vital that we engage in meaningful dialogue with Europe and its institutions to influence its thinking and maximise the benefit to the region."

Part of the Open Days programme includes events taking place in the regions during October that focus on regional priorities. The Yorkshire and Humber event focuses on the regional priority of Low Carbon. See details below.

Visit www.opendays.europa.eu for more information on the Open Days 2008.

Exchanging Best Practice on Low Carbon Initiatives

The **Low Carbon Best Practice Exchange** is coming to Harrogate on 22 October with sponsorship and support from Carbon Action Yorkshire.

Around 350 participants from industry, business and public administrations are expected at what will be the definitive climate change event in the region if not the North of England. It is the one place where those leading the way in implementing carbon reduction initiatives get together to share best practice, foster professional networks and develop actionable ideas



22 October 2008, Harrogate International Centre

to reduce carbon emissions.

The programme offers an extensive range of case studies and other roundtable discussion groups together with conference sessions and workshops to help organisations prepare for the tightening regulatory environment driven by the Carbon Reduction Commitment.

Visit www.carbon-innovation.com/cay/ for more information.

The Low Carbon Best Practice Exchange has acquired an added European dimension as it is one of the 230 local events taking place across Europe in 31 countries during October organised by partner regions and cities, as part of the "Europe in my Region" initiative. The events include festivals, debates and sporting competitions, aimed at celebrating Europe's achievements and raising awareness of EU investment (€347 billion between 2007 and 2013) in projects ranging from technology parks to innovative urban regeneration schemes and high-speed transport links.



The Region's
Development Agency

Investing in Your Future

www.yorkshire-forward.com/erdf



European Regional
Development Fund



ERDF Team Vacancies

Yorkshire Forward, the Regional Development Agency, is charged with improving the Yorkshire and Humber economy - currently worth in excess of £80 billion and boasting some 300,000 businesses. Yorkshire Forward is developing this extraordinary potential, to make our region a truly world class location in which to live, work and invest. Investing the funds, allocated to the region from the European Regional Development Fund, wisely, is key to ensuring the effective and strategic management of a strong and focused agenda.

We currently have the following vacancies in the team delivering the ERDF Programme:

ERDF Project Development Advisor Equalities & Diversity

Up to £30,820 • Based in Leeds • Reference 08-085

The ERDF Programme has adopted two themes to cut across all investments: environmental good practice and equalities and diversity. Embedding these cross cutting themes (CCT) into all Programme activity will help ensure that projects supported by ERDF respect the environmental limits of the region, and take up opportunities provided by the low-carbon economy, promote a democratic, socially inclusive, healthy, safe and just society with respect for cultural diversity.

Acting as a central source of in-house expertise, you'll advise, guide and inform projects sponsors on all issues relating to the Equality and Diversity cross cutting theme within the ERDF programme.

Specifically this will involve:

- ▶ Assisting sponsors in conducting Equality Impact Assessments for project funding purposes
- ▶ Providing support in setting CCT targets, as part of the application, development and contract agreement process
- ▶ Developing opportunities for profiling, promoting and marketing individual CCT successes and best practice
- ▶ Ensuring the Equality & Diversity theme is embedded and mainstreamed in the project delivery process

Person Profile:

- ▶ Proven expertise in the field of equality and diversity, including an up to date knowledge of current best practice
- ▶ Excellent report writing, presentation and skills, with a proven ability to prepare quality briefings and board papers
- ▶ Broad knowledge of the European agenda and a good grasp of economic inclusion issues, as well as grant schemes
- ▶ Ability to analyse, interpret and communicate data, in order to influence and win credibility with sponsors and partners

Closing date for applications for both posts:

24th October 2008

For online application forms, details of the recruitment process and information about working for Yorkshire Forward, please go to: www.yorkshire-forward.com and click on 'About Us' and then 'Vacancies'.

For an informal chat about either post, call Peggy Haywood on 01709 766469

Administrator / Project Support Officer - ERDF

Up to £18,000 Based in Wath, South Yorkshire
Reference 08-092

Acting as a central point of contact/reference for other team members, you'll be responsible for a high quality administrative service to support the ERDF programme.

Specifically this will involve:

- ▶ Overseeing and co-ordinating the production of key reports, including management information and other ad hoc requests
- ▶ Establishing and maintaining efficient office systems, whilst assisting with programme reporting and relationship management activities, ensuring compliance with EU regulations
- ▶ Organising meetings and producing agendas, as well as undertaking diary management and minute taking duties
- ▶ Supporting project managers in the development of ERDF projects, across key priorities: innovation, business and enterprise, sustainable communities and economic infrastructure

Person Profile:

- ▶ An experienced administrator used to working in a busy, team-based office environment
- ▶ Well educated, with excellent communication skills and the ability to produce and format reports
- ▶ Able to plan and prioritise a diverse workload, ensuring we fulfil all regulatory and compliance requirements
- ▶ A good standard of IT/PC literacy, especially in respect of MS Word, Excel and database applications
- ▶ Knowledge of EU funding

Yorkshire Forward aims to be recognised as a world-class organisation in all respects. We value and respect each other's differences and positively welcome applications from all sections of the community. Yorkshire Forward will endeavour to make any reasonable adjustments for applicants who require assistance in carrying out their duties due to disability.



The Region's
Development Agency

Investing in Your Future

Issued by ERDF Communications, Yorkshire Forward, Adwick Park,
Wath Upon Dearne, ROTHERHAM S63 5NB Tel: 01709 766485

www.yorkshire-forward.com/erdf



European Regional
Development Fund

European Focus

The Newsletter of Yorkshire and Humber's ERDF Programme 2007-2013

Programme Value

The escalating value of the Euro has increased the value of the Programme in Sterling significantly. One year ago, when the programme was approved, £1 was the equivalent of €1.48. Now (19th December 2008) £1 is worth €1.07.

At the current exchange rate, the whole programme of €583,580,959 is now worth £544,557,937; around £150m more than when the programme was approved. At the current exchange rate, the phasing-in region South Yorkshire has £252,917,274 to invest by 2013, while the rest of the region has £291,640,663.

The shift in the relative values has increased the amount

of Sterling which the programme has to spend by the end of 2009 and each subsequent year. The so-called N+2 targets are set by the European Commission in Euros and so as the value of the Euro increases so does the Sterling target. The N+2 target for 2009, at the current exchange rate, is £118.5m - an increase of £33m since the Programme's approval.

Implications of shifting currency values have to be managed at a programme level and it is quite possible that changes later in the programme will reverse the current trend. Projects should remember that grant offers are made in Sterling and currency fluctuations have no effect on the grant that they receive.

EU's Plan for Economic Recovery

On 28th November the European Commission published its economic recovery plan which combines national action with EU policy. Offering a coordinated response to the EU's deepening economic crisis, the Commission is proposing €200bn in measures to boost purchasing power and generate growth and jobs. The package of near - and long-term measures represents 1.5% of the EU's GDP. The bulk of the money - €170 billion - will come from national budgets. The remaining €30 billion is to come from the budgets of the EU and the European Investment Bank.

The plan aims to protect workers, households and entrepreneurs who risk being hit as the financial crisis spreads into the broader economy. It proposes more support for these vulnerable groups, including investment to boost job skills and help people stay in jobs or find new ones. The EU will speed up distribution of social and regional funding - worth €6.3bn.

Several EU countries (including the UK, France and Germany) have already announced their own stimulus packages. The Commission is now calling on the other Member States to follow suit, under an umbrella of European coordination. Governments would spend this money in the way best suited to their own economy as different countries face different challenges. The Commission would monitor national efforts to ensure they don't confer unfair competitive advantages to businesses based in their country.

You can view the plan at: http://ec.europa.eu/commission_barroso/president/pdf/Comm_20081126.pdf

As part of the plan, the Commission's Directorate of Regional Policy has proposed a package of measures within the framework of its cohesion policy in response to the financial circumstances. For more details see the next page.

Investing in Your Future



The Region's
Development Agency

If you would like to receive European Focus each month or if you no longer wish to receive it, please email
richard.holmes@yorkshire-forward.com

www.yorkshire-forward.com/erdf



European Regional
Development Fund



Cohesion Policy Response to the Financial Crisis

Cohesion Policy's contribution to the Commission's recovery package consists of a variety of legislative and non-legislative measures. The aim is to accelerate payments to Member States and to facilitate access to the Structural Funds, to help speed up project implementation on the ground and inject confidence and dynamism into the European economy.

The Commission is in close dialogue with programme authorities to identify how the existing regulations can be further exploited to address immediate needs. It is ready to examine possible changes in priorities and objectives of operational programmes with a view to accelerate spending in areas with more growth potential. The Commission has also signalled that it may be possible to extend the 2000-2006 programmes for a further six months where there are significant changes in the socio-economic situation and the labour market on application by the Member State.

In addition, the Commission has adopted a proposal to amend the regulations to facilitate faster mobilisation of EU funds.

The changes fall into the following areas:

- ▶ **Pre-financing to programme (or advances)** - the Commission proposes to increase pre-financing of ERDF and ESF programmes in the EU15 Member States (including the UK) by paying a further 2.5% of programme value in 2009 to improve liquidity.
- ▶ **Accelerate reimbursements of expenditure related to major projects** - the Commission proposes to allow expenditure for major projects not yet approved by the Commission to be declared and reimbursed. Naturally, programme authorities will still have to ensure that this expenditure is compliant.
- ▶ **State Aid** - the Commission proposes that state aid advances paid to SMEs could reach 100% of the aid as opposed to the current 35%.
- ▶ In response to requests from Member States the Commission is proposing changing the regulations to include an option to declare overhead costs on a flat rate basis for all the Funds.
- ▶ The Commission is proposing changes to the legal provisions relating to the **financial engineering instruments** to facilitate contracting with the European Investment Bank and European Investment

Fund. In addition, in-kind contributions could be declared as eligible expenditure either where creating or contributing to a financial engineering instrument.

Yorkshire Forward, along with the other English RDAs, is in dialogue with the Department for Communities and Local Government, which is the programme's Managing Authority, and the European Commission to discuss how these proposals might be implemented in English ERDF programmes. Any changes affecting the Yorkshire and Humber ERDF Programme will be published in future editions of [European Focus](#).

The Commission's proposals are outlined in a proposal for a Council Regulation amending Regulation (EC) 1083/2006, further information is available in a speech delivered by Regional Policy Commissioner, Danuta Hübner on Friday 28 November. A Q&A brief is also available.

To View Danuta Hübner's speech and the Q&A brief go to http://ec.europa.eu/regional_policy/index_en.htm click on Press Releases in the left hand column and then choose Speech 08/653 and Memo 08/740



Danuta Hübner, European Commissioner for Regional Policy



The Region's
Development Agency

Investing in Your Future

www.yorkshire-forward.com/erdf



European Regional
Development Fund



ERDF Programme Progress

	Applications		Outline Business Plans Endorsed by PMB		Contracted	
	Projects (no.)	ERDF (£m)	Projects (no.)	ERDF (£m)	Projects (no.)	ERDF (£m)
South Yorkshire	27	66.93	18	64.46	2	2.24
Rest of Region	29	81.95	20	49.86	4	9.98
Total Programme	56*	148.88	38*	116.83	8*	12.22

NB figures correct 1.12.08

**Regional Projects that draw funding from both allocations are recoded as separate projects in the table, one in each allocation with the ERDF amounts drawn from each allocation shown under the ERDF column.*

Three more projects have been contracted recently. Two of these projects are regional, that is they draw funding from both allocations - South Yorkshire and Rest of Region. Innovation Networks has attracted £3.72m of ERDF from Priority 1 (£930,500 from SY, £2.79m from RoR), the Manufacturing Advisory Service has £3.75m ERDF (£1.31m SY, £2.43m RoR) through Priority 2. Hull Enterprise Partnership, a Priority 3 project brought forward by the Goodwin Development Trust, has received a contract for £2.25m ERDF

Nearly £150m worth of ERDF is being sought by applicants in the process of developing their ideas into Outline Business Plans (OBP). This is shown in the applications column on the chart. A further £116.8m worth of ERDF activity is further along the developmental path, their OBPs have been considered and endorsed by the relevant PMB and are now developing their Full Business Plans (FBP) for appraisal.

Keeping Communities Updated

Hull City Council organised a morning's European workshop **Sustainability, Enterprise and Neighbourhood Alliances** for communities in the city to come together, celebrate their achievements utilising ERDF from the 2000-2006 Objective 2 Programme and hear about the 2007-13 ERDF Programme with a view of developing project proposals.

Richard Holmes, ERDF Communications's Manager spoke at the event, alongside speakers from the City Council, Business Link Yorkshire, OneHull and European funded projects.

Organiser Daphne Robins said: "delegates found the ERDF session very useful, and feel that they now have a better understanding of what's required of ERDF bids, as well as the opportunities that it offers."



The Region's
Development Agency

Investing in Your Future

www.yorkshire-forward.com/erdf



European Regional
Development Fund



Innovation Networks - £3.72m ERDF Priority 1

European funding is being invested to establish four Innovation Networks to increase wealth in the region by raising levels of business research and development investment through collaborative projects to increase innovation.

Innovation Networks aim to stimulate companies to identify and respond, through innovation, to future business challenges and opportunities.

£3.7m from the European Regional Development Fund (ERDF) is being invested alongside £4.9m from Yorkshire Forward to help:

- ▶ more regional companies collaborate with each other and the knowledge base to introduce innovative products, processes and services into new and existing markets;
- ▶ increase research and development expenditure by regional businesses
- ▶ increase participation of local companies in regional, national and European schemes to encourage innovation and fund collaborative research and development;

- ▶ a more developed culture of collaboration and open innovation throughout the region.

Innovation Networks are a fundamental part of the Yorkshire and Humber's Regional Innovation Strategy (RIS) which provides the strategic context for this project. The emphasis of the RIS is to use public funds to encourage business and university investment in the innovation process, and to extract maximum value-for-money from that investment by creating stronger, more competitive businesses and a higher education sector better aligned to that business base.

Yorkshire and Humber spends less on business research and development and has fewer people employed in research and development activities than other parts of the UK. Increasing levels of business research and development expenditure is a major regional challenge but it is essential if Yorkshire and The Humber is to compete with more innovative regions in the UK and across the world.

Hull Enterprise Partnership: £2.25m ERDF - Priority 3

Those looking to start a business in Hull have been given a boost with the announcement of a £4.6m funding package to extend the ladder of economic opportunity down into the city's most deprived communities through a city-wide partnership of neighbourhood networks offering a range of support helping individuals to enter the mainstream economy and set up a business.

The Hull Enterprise Partnership project, which has been awarded the funding, has been established by the Goodwin Development Trust, in partnership with East Hull Transforms Ltd, Hull Community Church and Latitude Community Resources Ltd to support the growth of enterprise at a neighbourhood level in the city. That enterprise will, in turn create more income locally, generate more local employment and deliver and improve the choice of goods and services within Hull's deprived neighbourhoods.

It is supported by £2.25 million from the European Regional Development Fund and £2.3m from the Working Neighbourhoods Fund.

This project aims to support people to develop their ideas into businesses or helps them into self-employment. It will also support individuals to establish social enterprises and plans to support existing enterprises in deprived communities by providing managed workspace and specific actions to enhance corporate social responsibility.

By 2011, the project expects to create around 60 new businesses in Hull, create and safeguard nearly 200 jobs and add around £3m of extra activity to the local economy.



The Region's
Development Agency

Investing in Your Future

www.yorkshire-forward.com/erdf



European Regional
Development Fund



INTERREG IVC

NYnet appointed to support €3.5m EU broadband Project

NYnet, the public sector broadband organisation from North Yorkshire is the UK partner in a major €3.5m ERDF funded project to improve internet access and IT systems across Europe.

The project which will run for 26 months involving partners from nine EU Member States is known as **B3—Regions for Better Broadband connection** and is funded through the INTERREG IVC Programme which uses ERDF funding to support inter-regional cooperation projects.

The B3 project and NYnet have been selected and supported directly by the EU Commission following its groundbreaking work to introduce high speed broadband to rural areas such as North Yorkshire to share best practice and operational capacity with other rural areas in the European Union. It will act as a EU Commission demonstration project for areas which had previously suffered from a lack of internet access.

This new project aims to tackle the difficulties of implementing broadband connections in remote or disadvantaged areas and follows EU research which found that only 60% of businesses and households in remote areas of the EU have broadband compared with over 90% in urban areas. The project aims to transfer the existing good practice demonstrated by NYnet and the other partners throughout the EU.

NYnet, a private company, was set up by North Yorkshire County Council. The Council, concerned that its 595,000 residents, spread out over 3,000 square miles, could be left behind, decided to use its spending power to support a dedicated local fibre optic network.

The Council spends £4m a year connecting schools, libraries and offices and awarded NYnet a 10 year contract. Four district councils, the police, fire service and NHS also use the network.

£4m from Yorkshire Forward and £1m ERDF from the 2000-2006 Objective 2 Programme in Yorkshire and The Humber funded the fibre-optic network infrastructure that connects North Yorkshire's biggest towns. Clients still have to use an internet service provider and profits generated by the network will be used to provide broadband to remote villages, often by providing a wireless node at a school.

NYnet is estimated to have bought in hundreds of thousands of pounds of investment by enabling entrepreneurs to thrive in areas that would have once been off limits.



Priority 3: Sustainable Communities Investment Threshold Reduced

The ERDF Priority Prospectus states that, in general, the minimum level of ERDF investment requested by a proposal should be £1million. However, it also says that, exceptionally, proposals requiring a lower level of investment may be considered.

There are already several Priority 3: Sustainable Communities proposals below the £1m threshold that are

being considered. However, in the light of the difficulties being faced by communities in bringing forward projects of this scale, Yorkshire Forward has decided to formalise this arrangement. From this point on the threshold for Priority 3 projects is a minimum of £500,000 ERDF investment. The threshold for other Priorities remains at £1m ERDF.



The Region's
Development Agency

Investing in Your Future

www.yorkshire-forward.com/erdf



European Regional
Development Fund



ERDF Team Vacancies

Yorkshire Forward, the Regional Development Agency, is charged with improving the Yorkshire and Humber economy - currently worth in excess of £80 billion and boasting some 300,000 businesses. Yorkshire Forward is developing this extraordinary potential, to make our region a truly world class location in which to live, work and invest. Investing the funds, allocated to the region from the European Regional Development Fund, wisely, is key to ensuring the effective and strategic management of a strong and focused agenda.

We currently have the following vacancy in the team delivering the ERDF Programme. This is a re-advertisement, previous applicants need not apply.

ERDF Project Development Advisor Equalities & Diversity

Up to £30,820 • Based in Leeds

The ERDF Programme has adopted two themes to cut across all investments: environmental good practice and equalities and diversity. Embedding these cross cutting themes (CCT) into all Programme activity will help ensure that projects supported by ERDF respect the environmental limits of the region, and take up opportunities provided by the low-carbon economy, promote a democratic, socially inclusive, healthy, safe and just society with respect for cultural diversity.

Acting as a central source of in-house expertise, you'll advise, guide and inform projects sponsors on all issues relating to the Equality and Diversity cross cutting theme within the ERDF programme.

Specifically this will involve:

- ▶ Assisting sponsors in conducting Equality Impact Assessments for project funding purposes
- ▶ Providing support in setting CCT targets, as part of the application, development and contract agreement process
- ▶ Developing opportunities for profiling, promoting and marketing individual CCT successes and best practice
- ▶ Ensuring the Equality & Diversity theme is embedded and mainstreamed in the project delivery process

Person Profile:

- ▶ Proven expertise in the field of equality and diversity, including an up to date knowledge of current best practice
- ▶ Excellent report writing, presentation and skills, with a proven ability to prepare quality briefings and board papers
- ▶ Broad knowledge of the European agenda and a good grasp of economic inclusion issues, as well as grant schemes
- ▶ Ability to analyse, interpret and communicate data, in order to influence and win credibility with sponsors and partners

Closing date for applications:
12th January 2009

Yorkshire Forward aims to be recognised as a world-class organisation in all respects. We value and respect each other's differences and positively welcome applications from all sections of the community. Yorkshire Forward will endeavour to make any reasonable adjustments for applicants who require assistance in carrying out their duties due to disability.

To apply, in the first instance send your CV to peggy.haywood@yorkshire-forward.com
Details of the recruitment process and information about working for Yorkshire Forward, please go to: www.yorkshire-forward.com and click on 'About Yorkshire Forward' and then 'Vacancies'.

For an informal chat about the post, call Peggy Haywood on 01709 766469



The Region's
Development Agency

Investing in Your Future

Issued by ERDF Communications, Yorkshire Forward, Adwick Park,
Wath Upon Dearne, ROTHERHAM S63 5NB Tel: 01709 766485

www.yorkshire-forward.com/erdf



European Regional
Development Fund

YORKSHIRE FORWARD

EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

Investing in innovation, knowledge and enterprise
for your future

Yorkshire and Humber ERDF Programme 2007-2013



The Region's
Development Agency



European Regional
Development Fund

INTRODUCTION

The European Union is providing £394 million for Yorkshire and The Humber to invest in the region by 2013. The money, from one of Europe's Structural Funds - the European Regional Development Fund (ERDF), is provided to boost the region's economic performance, investing to increase innovation, competitiveness and employment.

This is the latest phase of support for the region and is provided to continue the economic restructuring and development of the regional economy supported by earlier rounds of European funding.

This Programme, developed by a wide regional partnership, outlines the broad strategic direction for investment of ERDF funding in the region over the next six years. Its financial resources are separated into two ring-fenced allocations, one for South Yorkshire and one for the region, excluding South Yorkshire.

South Yorkshire has been and continues to be the part of the region most in need of support. Though South Yorkshire's economy has improved significantly since the 1990s and no longer qualifies for the highest level of European support, it has been allocated additional resources by Europe to be spent in the first half of the programme period to help with the transition from the highest levels of support that it previously benefited from.

The Programme's strategy identifies four broad priorities for investment, three of which are for the whole region: promoting innovation and research and development; stimulating and supporting successful enterprise; sustainable communities, while the fourth priority, economic infrastructure for a competitive economy, is for South Yorkshire only.

EUROPEAN SUPPORT FOR REGIONS

The European Commission supports regional development through its cohesion policy. This seeks to reduce the gap between the levels of development and economic performance between countries and regions.

The enlargement of the EU to 27 Member States increased geographical disparities within the Union. Bridging these gaps is a long-term process, with the least-developed regions a top priority. However, virtually all regions are confronted with the need to restructure, modernise and foster continuous knowledge-based innovation to meet the challenge of globalisation. Cohesion policy is, therefore, based on a broad vision, recognising the need to reinforce the competitiveness of all regions in the Union so that they can contribute to delivering Europe's strategy of growth and jobs (The Lisbon Strategy).

The European Council decided, in December 2005, that 2007-2013 Structural Fund programmes should " earmark" a certain proportion of their resources for investments linked to the renewed Lisbon Strategy for Growth and Jobs, in particular 60% in the least developed regions and 75% in other regions (like Yorkshire and The Humber). In the period 2007-2013, cohesion policy will benefit from 35.7% of the total EU budget or €347.41 billion.

DELIVERING THE LISBON STRATEGY IN
YORKSHIRE AND THE HUMBER

The strategy was developed to achieve the Programme’s vision:

“To capitalise on the region’s assets and secure a prosperous future for the region’s people and businesses within a sustainable knowledge economy”

This Programme will support delivery of the Lisbon strategy in Yorkshire and The Humber and contributes to realising the potential of the region’s people, businesses and environment. Its emphasis on the knowledge economy clearly adds value to the Regional Economic Strategy (RES) and provides direction for its ERDF interventions.

The Programme’s strategy addresses key issues that Yorkshire and The Humber needs to address to meet the jobs and growth challenge set by Lisbon. It elaborates strategic actions and interventions needed for a knowledge-based economy, building on key strengths to support economic transformation. It aims to deliver sustained growth that maximises long-term benefits for businesses, people and the environment.

Key to capitalising on the region’s assets is improving the links between knowledge and economic growth, raising the importance of innovation in businesses and ensuring sustainable communities are developed.

Underpinning the programme is the principle of sustainable development that aims to have a low carbon impact. The Programme recognises that investments in human, social and environmental capital, as well as technological innovation, are the prerequisites for long-term competitiveness and economic prosperity. In this context, sustainable development objectives will be integrated into all the Programme’s actions by the application of two cross cutting themes: Environmental Good Practice and Equalities and Diversity. All projects and activities supported by the Programme have to demonstrate that they include specific actions to deliver these themes.

FINANCIAL ALLOCATIONS

	EUROS	STERLING
YORKSHIRE AND THE HUMBER (EXCLUDING SOUTH YORKSHIRE)	€312,539,633	£211m*
SOUTH YORKSHIRE	€271,041,326	£183m*
Totals	€583,580,959	£394m

(*Sterling figures calculated at £1 = €1.48)

The European Commission provides Structural Funds to regions in euros. In the UK, programmes make their investments in sterling. Exchange rate fluctuations will have to be managed by the Programme throughout the Programme period.

PROGRAMME OBJECTIVES

The Programme aims to:

- increase R&D, innovation and technology transfer
- create dynamism and entrepreneurship within enterprises
- embed creativity in the process of product development

- drive more company innovation (product and process) and embed technological advances into production processes
- restructure the business base towards a more high value added economy
- secure the physical and electronic infrastructure that underpins business productivity
- ensure that disadvantaged communities are included in growth in the economy

TARGETS

The Programme is seeking to:

- create or safeguard 46,000 new jobs,
- support the creation of 4,000 new businesses.
- assist 20,000 businesses to become more competitive.
- Increase gross GVA by £1b

PRIORITIES

PRIORITY 1: PROMOTING INNOVATION AND R&D

Yorkshire and The Humber excluding South Yorkshire: £42.2m*

South Yorkshire: £33.7m*

Priority 1 focuses on growing the innovation culture in the region through stimulating and strengthening the innovation system in the region by increasing technology transfer from universities, institutes and businesses to the business-base to improve products and processes; promoting networking; and setting the framework for businesses to respond to the challenges and opportunities of the knowledge economy. Its objectives are to:

- stimulate and facilitate knowledge and technology transfer, increase investment in innovation and R&D, engender a culture change and promote business practices that are environmentally sustainable
- build, and commercially exploit, the research, technological development and innovation capacity of the region whilst ensuring social, environmental and economic conditions are improved
- increase and support the exploitation and commercialisation of new technologies and processes that underpin the future viability and growth of new and existing businesses and target clusters

PRIORITY 2: STIMULATING AND SUPPORTING SUCCESSFUL ENTERPRISE

Yorkshire and The Humber excluding South Yorkshire: £118.2m*

South Yorkshire: £60.4m*

Priority 2 aims to promote a greater shift towards the knowledge intensive growth clusters and sectors in Yorkshire and The Humber by increasing the number of businesses and occupations in high growth and knowledge industries, by investing in key business sectors to accelerate economic growth and encourage high value-added businesses and by developing a more entrepreneurial culture. Its objectives are to:

PRIORITIES

- establish integrated business support for innovative and high growth businesses which encourages entrepreneurship and enables them to grow more quickly
- promote a more enterprising and entrepreneurial culture and support the growth of businesses at start up and early stage and those with growth potential
- promote the development of new and high technology clusters and sectors through embedding investment in the regional economy
- ensure that business growth supported by the Programme takes account of CO2 emissions and adopts environmental best practice

PRIORITY 3: SUSTAINABLE COMMUNITIES

Yorkshire and The Humber excluding South Yorkshire: £42.2m*

South Yorkshire: £36.6m*

Priority 3 targets resources at those most deprived communities where continued under performance is a threat to the region's economic growth - focusing on tackling social and economic exclusion and improving territorial cohesion, creating enterprise opportunities within disadvantaged neighbourhoods and extending the social economy. Its objectives are to:

- improve connectivity to economic opportunities through tackling social, economic and digital exclusion faced by disadvantaged communities
- increase economic activity and entrepreneurship within communities
- create sustainable jobs in the social economy supported by existing and new social enterprises
- promote active participation in the development of a knowledge driven economy

PRIORITIES

PRIORITY 4: ECONOMIC INFRASTRUCTURE FOR A COMPETITIVE ECONOMY

South Yorkshire £45m*

Priority 4 applies only in South Yorkshire. Its aim is to continue investing in economic infrastructure to maximise the impact of previous Structural Fund investments in South Yorkshire and support the development of a knowledge-based economy. It will support the key centres in their role of acting as attractive locations for new and re-investment. Its objectives are to:

- support the Sheffield City Region Development Plan by developing the critical business/environmental/cultural infrastructure in the four key urban centres and contribute to the development of an accessible and sustainable knowledge economy
- ensure that South Yorkshire has the digital infrastructure to support business competitiveness and the growth of the knowledge economy
- provide funding for a core development, implementation and monitoring team to manage the Programme
- part-finance feasibility and evaluation studies
- develop cross cutting themes
- support exchanges of best practice and links to inter-regional co-operation
- fund publicity and promotion for the Structural Funds, and this Programme in particular

PRIORITY 5: TECHNICAL ASSISTANCE

Yorkshire and The Humber excluding South Yorkshire: £8.4m*

South Yorkshire: £7.3m*

Technical Assistance is provided to improve the Programme delivery by financing preparatory, management, monitoring, evaluation, information and control activities to reinforce the region's capacity for implementing ERDF. Technical Assistance can:

- assist with Programme management, including the development and maintenance of appropriate technology solutions
- support the involvement of communities of interest and the voluntary and community sector in Programme delivery and governance

* Sterling values calculated at £1=€1.48

PROGRAMME MANAGEMENT

The Department for Communities and Local Government is responsible for English ERDF programmes but has delegated day-to-day responsibility for managing them to Regional Development Agencies, in our case Yorkshire Forward.

The programme is overseen by a Programme Monitoring Committee (PMC) chaired by the Regional Director from Government Office for Yorkshire and The Humber. The committee's membership is drawn from a wide range of regional partners including local authorities, universities, business organisations and the third sector. The PMC meets regularly; its membership and papers for forthcoming meetings, along with minutes from previous meetings, are published on the web.

TIMESCALES AND PROFILE

The Yorkshire and The Humber ERDF Programme was approved by the European Commission in December 2007. It has until the end of 2013 to make its investments. All committed expenditure has to be completed by the end of 2015. The programme has spending targets which have to be reached at the end of each year from the end of 2009.

NEXT STEPS

The programme will allocate its funding through appropriate methods that include bidding rounds, calls for proposals as well as direct commissioning of activity that the region requires. Bidding rounds, calls or similar opportunities will be widely publicised as they arise, together with details of the application process. Proposals will be assessed using the Yorkshire Forward Performance Management Framework, and will need to meet specific criteria for ERDF in order to be successful.

Contact Yorkshire Forward if you have an idea for a project that fits the programme strategy and broad priorities for action and delivers the results the programme requires. Contact details are on the back page.

FURTHER INFORMATION

The Yorkshire and Humber ERDF Programme is provided on the CD-Rom that accompanies this brochure. Further information can be found on Yorkshire Forward's website www.yorkshire-forward.com or the ERDF Team on 0845 224 5305.

The European Commission's website publishes a wide range of information in English about its Regional Policy and the European Regional Development Fund at http://ec.europa.eu/index_en.htm

The European Commission's office in the UK publishes information at: <http://ec.europa.eu/unitedkingdom>

Europe Direct provides general information about EU matters and can answer questions on European Union policy and provide practical information. There are a number of information centres in the region.

Contact details can be found on Europe Direct's website at http://www.ec.europa.eu/europedirect/index_en.htm

For information about other European opportunities, not related to ERDF, contact YorkshireEurope, the region's representation in Brussels. Based in the heart of the European quarter, the team are European experts, providing information and early intelligence on policies, opportunities and funding of interest and importance to Yorkshire and The Humber. Information is published at www.yorkshire.be or by phone on 00 322 735 3408

The Department Of Communities and Local Government also publishes information about European Funds in England at: <http://www.communities.gov.uk/citiesandregions/european>

CONTACT US

**For further information please
contact:**

0845 224 5305



Yorkshire Forward
Victoria House
2 Victoria Place
Leeds LS11 5AE

www.yorkshire-forward.com

Printed in the region on recycled paper (75% post consumer waste and totally chlorine-free (TCF))

100177-02-08