



EUROPEAN UNION  
Investing in Your Future  
European Regional  
Development Fund 2007-13



# **East Midlands 2007-13 ERDF Competitiveness Operational Programme**

## **ERDF Output and Result Indicators**

## Contents

Outputs .....	4
Number of businesses assisted to improve performance.....	4
Number of businesses engaged in new collaborations with the UK knowledge base .....	6
Public and private sector investment leveraged (£) .....	8
Sq metres of new or upgraded floorspace .....	10
Number of people assisted to start a business .....	11
Brownfield land reclaimed and/or redeveloped (Ha) .....	12
Results .....	14
Number of jobs created.....	14
Number of businesses improving performance.....	16
GVA resulting from businesses improving performance .....	17
Number of graduates placed in SMEs .....	18
Number of new businesses created and new businesses attracted to the region .....	19

### Attribution of Outputs and Outcomes/Results

In considering outputs and outcomes/results it is important to understand their role. **Outputs** are produced by projects, as a **direct** consequence of the project activities whereas its **results** are **attributable**, in whole or in part, to these activities. The outputs are the milestones that provide assurance that a project is on course to deliver its objectives. The results are the real reason for doing the project and are used to measure the success in meeting the project objectives. It is important therefore that the funding agreement for the project sets out the data requirements for both the outputs and the results so the grant recipient understands what data to collect.

### Outputs

Outputs are used to measure the progress of project activities. They therefore have to be capable of being forecast and delivered as part of the project. Progress on delivering the outputs will be monitored during the life of the project. Outputs must be measurable and verifiable so they can be forecast at the project development and appraisal stage and will be included in the funding agreement for the project.

### Results

Projects also generate results – the consequences (direct and indirect) the project is seeking to achieve. They provide the measure to assess the success of the project. While outputs are directly linked to the project activities there is not necessarily the same direct causal attribution with results. Results follow from the project activities and so generally follow after the project has completed and are gathered as part of the evaluation. The results generally occur after the legally agreed activities are completed and are measured through the evaluation of the project.

### Outputs expected from the Operational Programme

Output	Target
No of businesses assisted to improve performance*	9,300
No of businesses engaged in new collaborations with the UK knowledge base	2,300
Public and private investment leveraged (€)	216,000,000
Sq metres of new or upgraded floorspace (internal premises)	36,100
No of people assisted start a business	2,700
Brownfield land reclaimed or redeveloped (ha)	17

\* it is anticipated that approximately 20% of these businesses will receive support related to energy and resource efficiency.

### Results expected from the Operational Programme

Result	Target
No of jobs created	8,600
No of businesses improving performance	7,200
GVA resulting from businesses improving performance (€)	263,000,000
No of graduates placed in SMEs	4,000
No of new businesses created and new businesses attracted to the region	2,000

### Impacts expected from the Operational Programme

Impact	Target
Increase in GVA (€)	221,000,000
Increase in employment	4,600
Increase in businesses	700

### Projects to note:

The information provided below is at the top level needed. The detailed evidence behind the output and how it has been achieved needs to be retained by the project

# Outputs

Number of businesses assisted to improve performance	
Terms	Definitions
<b>Unit of Measurement</b>	No. of businesses/enterprises
<b>Business/ Enterprise</b>	<p>There are 3 main types of business/enterprise (i) sole proprietorships, (ii) partnerships, and (iii) companies. All will be registered with HMRC for business tax; most but not all are governed by the Companies Act legislation. These include:</p> <ul style="list-style-type: none"> <li>• start-ups of all sizes, whether or not VAT registered;</li> <li>• self-employed &amp; sole traders;</li> <li>• partnerships/limited liability partnerships;</li> <li>• companies (private or public limited companies; private unlimited companies);</li> <li>• independent spin-outs from established businesses, universities and other research and development organisations;</li> <li>• not for profit companies, co-operatives, community enterprises, social enterprises;<sup>1</sup></li> <li>• new to the region branches of businesses which remain established elsewhere in the UK (i.e. expansions); and</li> <li>• foreign direct investment (FDI) bringing new enterprises to the region; both first time investment and subsequent expansions.</li> </ul>
<b>Support</b>	<p>This is a minimum of either:</p> <ul style="list-style-type: none"> <li>• 2 days active consultancy advice or other non-financial assistance. (1 day = minimum of 6 hours activity: it excludes lunch and other breaks), or</li> <li>• grant (or equivalent) of at least £1,000.</li> </ul>
<b>Assistance</b>	<p>Provision of consultancy support, information, advice and guidance to individual businesses, located within the region.</p> <p>The assistance can be personal 'face-to-face', telephone or web-based dialogue at conferences, seminars, workshops or through networks.</p> <p>Activities should support the project objectives and be directed to improving the performance of the business. These may include support for:</p> <ul style="list-style-type: none"> <li>• management/leadership;</li> <li>• corporate and social responsibility e.g. awareness raising on statutory and legal responsibilities;</li> <li>• participation in new supply chains;</li> <li>• marketing;</li> <li>• use of R&amp;D;</li> <li>• process and resource efficiency e.g. in use of ICT, waste management;</li> <li>• environment management; and</li> <li>• quality assurance.</li> </ul>
<b>Counted</b>	It is counted when a business has received a <u>minimum</u> of 2 days active

<sup>1</sup> Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners

Number of businesses assisted to improve performance	
	<p>consultancy advice or other non-financial assistance, or a <u>minimum</u> £1,000 grant or equivalent.</p> <p>Within a <u>project</u> a business can only be counted once irrespective of the number of times or forms of assistance it receives.</p> <p>Within a <u>programme</u> a business may be counted each time it receives assistance through a different project or intervention strand.</p>
<b>Verification Evidence</b>	<p><b>Business</b> - Name, Address inc post code, Tel no. Contact details. Ownership. Type of business.</p> <p><b>Assistance</b> – Standard form (signed by Finance Director) confirming consultancy support provided and hours. Date(s) assistance received. Copy of grant letter to business/receipt.</p>
<b>Exclusions</b>	Distribution of mail-shots and brochures (electronic or hard copy).
<b>Notes</b>	<p>Business is the term commonly used in the UK; the EU equivalent term is enterprise.</p> <p>The outcome or result measure is <b><i>number of businesses improving performance.</i></b></p> <p>In counting the output there is no need to demonstrate performance improvement; this is the result measure which will be assessed during the project evaluation.</p>

## Outputs

Number of businesses engaged in new collaborations with the UK knowledge base	
Terms	Definitions
<b>Unit of Measurement</b>	No. of businesses/enterprises
<b>Business/Enterprises</b>	The 3 main types of business are sole proprietorships, partnerships and companies (see above). The business assisted must be located within the east midlands.
<b>Support</b>	The minimum level of support is 2 days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000. It may be provided prior to or during the collaboration; and directed at the business and/or the knowledge base unit involved in the collaboration.
<b>New collaboration</b>	A first involvement between at least one business and one knowledge base organisation. It includes the first collaboration by a business with a department within a knowledge base organisation.
<b>Knowledge base</b>	Includes UK Public Sector Research Establishments (PSRE) or equivalents, Research and Development Organisations (RDOs), Research and Technology Organisations (RTOs), Higher Education and Further Education Institutions. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed and includes: <ul style="list-style-type: none"> <li>• research collaborations and free dissemination of research;</li> <li>• contract research on behalf of industry;</li> <li>• licensing of technology to business users;</li> <li>• the sale of services, data and software; and</li> <li>• formation of joint ventures and spin-out companies.</li> </ul>
<b>Counted</b>	It is counted when the collaboration with a business starts. Each business involved in the collaboration may be counted if this is their first involvement with that department of the knowledge base organisation.
<b>Exclusions</b>	Businesses that receive assistance for the same collaboration more than once within a project and within the time period for which the project has a budget allocation should <u>not</u> be double counted.
<b>Verification Evidence</b>	<b>Business</b> - Name, Address inc post code, Tel no. Contact details. Ownership. No. of employees. Date assistance received. <b>Type of Assistance</b> – grant letter to business (minimum of £1,000); evidence of consultancy support provided, date(s) and hours. <b>Knowledge Base</b> - Name, Address inc post code, Tel no. Check it is included in the categories above. The name of the Department involved in the collaboration. Contact details. <b>New collaboration</b> - Letter of agreement for collaboration/memorandum of understanding, which states what each partner is going to put in /receive from the collaboration, confirm it is their first involvement in an activity signed by senior officers of each organisation.
<b>Notes</b>	The output measure is the <b>business</b> engaged in collaboration with the knowledge base. The purpose is to encourage businesses (demand side) to collaborate with the knowledge base (supply side) to transfer knowledge and encourage innovation. The activity should be additional to supply side

Number of businesses engaged in new collaborations with the UK knowledge base	
Terms	Definitions
	<p>programmes e.g. Faraday, LINK etc.</p> <p>A collaboration between:</p> <ul style="list-style-type: none"> <li>• 1 business firm and 3 new knowledge base organisations = 1.</li> <li>• 3 businesses and the same knowledge base organisation = 3.</li> </ul>

## Outputs

Public and private sector investment leveraged (£)	
Terms	Definitions
<b>Unit of Measurement</b>	£million
<b>Public Sector</b>	Public sector organisations other than the funder e.g. Central Government, English Partnerships, Learning Skills Council (LSC), Lottery funders, local authorities etc.
<b>Private Sector</b>	Includes businesses, registered charities, 'not for profit' organisations, private individuals and FE/HE institutions (where the funding cannot be traced to a public source).
<b>Investment</b>	<p>The gross funding provided to cover the project costs, including investment in fixed assets, working capital and in-kind contributions, from the funding bodies.</p> <p><i>In-kind contributions:</i> non-monetary contributions made by individuals or organisations that add value to a project and can be given a monetary value e.g. cash equivalent of peoples time (committees, mentoring, volunteering), equipment, materials, accommodation etc donated to the project. To be eligible for inclusion the contributions in kind must be auditable i.e. factual evidence must be provided. For example, where an employee of a firm or a private person gives up part of their paid working time to assist with a project, their salary costs for the time spent on the project can be counted as private sector leverage.</p> <p>Note that ERDF In-kind contributions <b>must</b> be in line with ERDF eligibility rules.</p>
<b>Leverage</b>	For ERDF these are funds which are not part of the eligible expenditure as contained in the funding agreement.
<b>Counted</b>	<p>The levered investment is counted when it is defrayed or spent by the project.</p> <p>Reporting on this output will be calculated by:</p> <p><b>ERDF investment (£m) in the project = ERDF</b></p> <p><b>Public Sector Leverage (£m):</b> sum of the other public sector investment <u>excluding</u> ERDF and match funding in the project = <b>B</b></p> <p><b>Private Sector Leverage (£m):</b> sum of the all the private sector investment (£m) in the project, including monetarised in-kind contributions = <b>C</b></p> <p><b>Total value of levered investment (£m): ERDF = B+C</b></p>
<b>Verification Evidence</b>	<p><b>Public and private sector organisations</b> – For each funder their name, address, contact details, status of organisation or individual &amp; organisation/business they represent.</p> <p><b>Gross Funds Received:</b>            Public – copy of grant letter from contributor            Private – copy of receipts for each contributor's financial contribution.</p> <p><b>Gross Funds Spent</b>            Recipient statement (signed by Finance Director) when spent and on what.            Validate through the recipient accounts and primary records e.g. invoices/receipts.</p> <p><b>In-kind contributions</b> – Recipient statement (signed by Finance Director) on what was provided (people, premises, plant/equipment/materials), its financial value (receipts/ invoices) and how it was used.</p>



Public and private sector investment leveraged (£)	
Terms	Definitions
	<ul style="list-style-type: none"> <li>• <b>People</b> – signed record of person time spent on the project, pay rate (hours x pay);</li> <li>• <b>Premises provided</b> – details and address of accommodation. Standard form or letter signed by Finance Director from business providing it on value of accommodation and overheads; and</li> <li>• <b>Plant/Equipment/materials donated</b> – evidence of market value e.g. invoice/copy of receipts.</li> </ul>
<b>Exclusions</b>	Any expenditure on the project by any public or private sector funder prior to the project being approved and contracted by ERDF PDT. Investment subsequent to the project by other public sector and/or the private sector.
<b>Notes</b>	For first bidding or commissioning round, any expenditure on the project by any public or private sector funder since 1 January 2007 may be included. Thereafter, any expenditure prior to issue of the ERDF offer letter is excluded.

## Outputs

Sq metres of new or upgraded floorspace	
Terms	Definitions
<b>Unit of Measurement</b>	Area m <sup>2</sup>
<b>Internal Floorspace</b>	The entire area inside the external walls of a building including corridors, lifts, plant rooms, service accommodation.
<b>New or upgraded</b>	New buildings constructed as part of the project. Upgraded buildings refurbished, improved or adapted for productive use as part of the project.
<b>Counted</b>	The result must be linked to <b><i>brownfield land reclaimed or developed.</i></b> On the practical completion of the works.
<b>Exclusions</b>	Excludes internal walls. It cannot be counted when the only activity is the purchase of an existing building.
<b>Verification Evidence</b>	As built drawings showing floorspace.
<b>Notes</b>	This measures the new floorspace available for use in the region.

## Outputs

Number of people assisted to start a business	
Terms	Definitions
<b>Unit of Measurement</b>	No. of pre-starts
<b>People assisted</b>	<p>A person must not be trading yet but enquiring about or trying to start up for trading. It can include;</p> <ul style="list-style-type: none"> <li>• individuals and groups (community, not for profit, other) who are seeking support to start a business;</li> <li>• HEIs and others seeking to start spin out companies</li> <li>• An SME that is less than 12 months old and not trading.</li> </ul>
<b>Assistance</b>	<p>Support activities may include advice and guidance e.g. to develop business plans, marketing strategies; support for trade fairs; support to develop business skills. This can be provided through a minimum of:</p> <ul style="list-style-type: none"> <li>• 2 days counselling, mentoring, information provision, training or other non-financial assistance, or</li> <li>• grant (or equivalent) of at least £1,000.</li> </ul>
<b>Counted</b>	<p>It is counted when the pre-start has received a <u>minimum</u> of 2 days active support, or a <u>minimum</u> £1,000 grant or equivalent.</p> <p>The pre-starts can only be counted once within a project irrespective of the number of times or forms of assistance received.</p>
<b>Exclusions</b>	Travelling time to clients is excluded.
<b>Verification Evidence</b>	<p>Details of the provider of any support (name, address etc). Details of the assistance provided to the person assisted to include a record of hours of assistance; names and addresses of people assisted, the activities undertaken.</p> <p>Copy of receipts for grant or equivalent signed and dated by recipient.</p> <p>Evidence of business proposal documents, a business plan, marketing strategy, training undertaken, attendance at trade fairs etc.</p>

# Outputs

Brownfield land reclaimed and/or redeveloped (Ha)	
Terms	Definitions
<b>Unit of Measurement</b>	Area in hectares (Ha)
<b>Brownfield land</b>	<p>Includes contaminated, derelict or previously developed land (PDL) which is or was occupied by a permanent structure (excluding agricultural or forestry buildings), and associated fixed surface infrastructure within the curtilage of the development. In all cases the ERDF funded activity must comply with the 'polluter pays' principle. Categories covered may include:</p> <ul style="list-style-type: none"> <li>• previously developed vacant land;</li> <li>• vacant buildings unoccupied for a year or more;</li> <li>• derelict land and buildings;</li> <li>• land or buildings, currently in use, allocated for development in the adopted plan or having planning permission;</li> <li>• land or buildings currently in use where it is known there is potential for redevelopment but sites do not have any plan allocation or planning permission;</li> <li>• defence buildings; and</li> <li>• land used for mineral extraction and waste disposal.</li> </ul>
<b>Reclaimed and redeveloped</b>	<p>Total number of hectares of brownfield land reclaimed to an acceptable condition and/or redeveloped into effective use. The project activities are limited to:</p> <p><i>1. Reclaimed:</i> making the land fit for use by:</p> <ul style="list-style-type: none"> <li>• removing physical constraints to development or improving the land for soft<sup>2</sup> or hard end use;</li> <li>• providing services to open it up for development e.g. provision of utilities and service roads<sup>3</sup>.</li> </ul> <p>Reclamation activities may include:</p> <ul style="list-style-type: none"> <li>• dealing with contamination, existing surface and buried structures;</li> <li>• stabilisation;</li> <li>• levelling;</li> <li>• provision of flood defences;</li> <li>• provision of utilities and other services; and</li> <li>• environmental improvements or enhancements.</li> </ul> <p><i>2. Redeveloped:</i> developing a site and putting up a new building or refurbishing an existing building e.g. construction of premises (commercial, housing, industrial, retail), new plant and equipment, fitting out of premises etc.</p>
<b>Counted</b>	Count outputs at practical completion of the works. Where a site is reclaimed in phases count the hectares when each phase is completed.
<b>Exclusions</b>	<ul style="list-style-type: none"> <li>• Land and buildings currently used for agricultural or forestry purposes;</li> <li>• Land in built-up areas not previously developed e.g. parks, recreation grounds, allotments, cemeteries;</li> <li>• Land previously developed but where the remains of any structure or activity has blended into the landscape in the process of time e.g. amenity use,</li> </ul>

<sup>2</sup> Soft end use means that the site is left substantially undeveloped for amenity, leisure, agricultural, forestry or other environmental use.

<sup>3</sup> Note that these are not eligible costs under the State aid Land Remediation scheme.

Brownfield land reclaimed and/or redeveloped (Ha)	
Terms	Definitions
	<p>contribution to nature conservation.</p> <p>It can not be counted when the only activity is the purchase of the land, building or site.</p>
<b>Verification Evidence</b>	<p><b>Type of Assistance - Reclaimed and/or Redeveloped</b></p> <p><b>Site area</b> – full postal address inc postcode, Land registry record /deeds; Local Authority/NLUD register details (for previous use to ensure not excluded category).</p> <p><b>Contaminated land</b> - completed <b>Land Condition Record</b> and Remediation Complete Certificate.</p> <p><b>Works</b> - Certificate of Practical Completion of the Works. QS certification of works carried out e.g.:</p> <ul style="list-style-type: none"> <li>• site services/utilities and infrastructure</li> <li>• foundations laid</li> <li>• walls and roof built</li> <li>• landscaping completed.</li> </ul>

## Results

Number of jobs created	
Terms	Definitions
<b>Unit of Measurement</b>	No. of jobs
<b>Jobs created</b>	<p>It must be a new, permanent, paid, full time equivalent (FTE) and must not be covered under the exclusions.</p> <p><b>New</b> = should not have existed in the region or with that employer in the UK before the intervention and should be a direct result of the intervention</p> <p><b>Permanent</b> = should have a life expectancy of at least 1 year from the point at which it is created.</p> <p><b>FTE</b> = paid work of 30 hours or more per week. Convert part time jobs to FTE either:</p> <ul style="list-style-type: none"> <li>• on a <i>pro rata</i> basis based on hours worked; or</li> <li>• 2 part time jobs = 1 FTE, where no other information available (i.e. EC approach).</li> </ul>
<b>Counted</b>	Jobs created are a result when the jobs follow after the project intervention has ended e.g. when a speculative development to build a new factory is sold on the market and a firm purchases it the subsequent jobs are the outcome.
<b>Exclusions</b>	<p><i>Inputs to the project such as:</i></p> <ul style="list-style-type: none"> <li>• jobs to set up or deliver the project e.g. management/administrative staff, consultancies, or temporary contractors</li> <li>• Construction jobs integral to the delivery of a project (e.g. those who remediate a site or construct premises), even if they last for more than a year.</li> </ul> <p><i>Seasonal jobs</i> which are incidental to the project</p> <p><i>Transferred jobs</i> which are a result of a company moving either within the region or from other English regions or UK devolved administrations are not new jobs. These may be included as safeguarded jobs but only where the relocation is part of a rationalisation programme which will safeguard jobs by moving them and otherwise meet the criteria above.</p> <p><i>Occupancy of the post</i> - the job must not be counted again if it is filled over time by different individuals.</p>
<b>Verification Evidence</b>	<p><b>Business</b> - Name, Address inc post code, Tel no, Contact details. Ownership. No. of employees.</p> <p><b>Job</b> –title of the new/attracted job, contract of employment with expected start date of employment &amp; duration (must be 1 year or longer or for seasonal jobs 4 weeks per annum), hours of work (for FTE calculation). On completion a letter or standard form (signed by employer) from employer confirming new jobs are a result of the project. If job location is different from business address obtain details.</p>
<b>Notes</b>	<ul style="list-style-type: none"> <li>• The unit of measurement is the <b>job</b> and <b>not</b> its occupant. However, to assess who benefits from the job analyse the first post occupant by gender, race, age, disability.</li> <li>• Within a project this output may be associated with other complementary outputs e.g. Core Output 3 <i>Business creation</i> providing there is a direct relationship between the project activity and the outputs forecast and claimed.</li> </ul>

Number of jobs created	
Terms	Definitions
	Construction jobs created in the region as part of a cluster development project may be counted provided they are not part of the project inputs excluded above.

## Results

Number of businesses improving performance	
Terms	Definitions
<b>Unit of Measurement</b>	No. of businesses/enterprises
<b>Improved Performance</b>	Measured through increase in GVA.
<b>GVA</b>	Total wage costs + net profit before tax and interest + depreciation.
<b>Counted</b>	Those businesses counted under <b><i>number of businesses assisted to improve performance</i></b> which have had an increase in their GVA against the baseline before the project intervention(s) and following it. Data required to calculate GVA can be obtained from the business/enterprise Annual Report. There is likely to be delay between the project activities and the realisation of improvements in GVA. Where business performance was expected to have reduced in the absence of the intervention, an improvement may be recorded if the intervention has resulted in a lesser fall.
<b>Verification Evidence</b>	<p><b>Business</b> - Name, Address inc post code, Tel no. Contact details. Ownership. No. of employees. Type of business</p> <p><b>New business</b> – the company incorporation statement or letter from the <b>Owner/Chief Executive or Finance Director</b> to confirm it is a new company.</p> <p><b>Start of trading</b> - Company Registration No./VAT No. and date of registration or NI Class 2 date of registration.</p> <p><b>GVA</b> – use the data from the Company accounts.</p>
<b>Exclusions</b>	Any business not included in the project that delivered business support outputs ( <b><i>number of businesses assisted to improve performance</i></b> ).
<b>Notes</b>	<p>Applying the project logic chain approach it may be expected that a successful project intervention should either lead to an increase in the business turnover or reduce cost of sales (materials/ bought in services). Both of these outcomes support sustainable job growth or safeguard an existing job. The difference between the two represents gross value added that finances sustainable wages or profits. Labour productivity is the gross value added divided by the actual employment.</p> <p>GVA is a useful measure of productivity. It shows the economic impact and taxpayer return, it is easy to calculate and unambiguous. It fits with RES and it can be benchmarked against ONS data.</p> <p>It is recognised that while the GVA result may not be a direct result of the project intervention and that other factors external to the project may have also contributed to the improved GVA or indeed have had a negative effect on it.</p>



## Results

GVA resulting from businesses improving performance	
Terms	Definitions
Unit of Measurement	£
GVA	Total wage costs + net profit before tax and interest + depreciation.
Counted	Aggregate of GVA counted under <b><i>number of businesses improving performance</i></b> (where a business has shown an increase in GVA against the baseline before the project intervention(s) and following it).
Verification Evidence	As <b><i>number of businesses improving performance</i></b> .
Exclusions	Any business not included in the project that delivered business support outputs ( <b><i>number of businesses assisted to improve performance</i></b> ).

## Results

Number of graduates placed in SMEs	
Terms	Definitions
<b>Unit of Measurement</b>	No. of individuals who are graduates.
<b>Graduates</b>	Person with NVQ4 or equivalent qualification awarded in the previous 3 academic years.
<b>Placed</b>	A graduate is placed when they actually start working in the SME.
<b>SMEs</b>	Use EU SME definition. This can be found at <a href="http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm">http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm</a>
<b>Counted</b>	The date the graduate starts in the SME.
<b>Exclusions</b>	Non-graduates and graduates in large enterprises.
<b>Verification Evidence</b>	<b>Business</b> - Name, Address inc post code, Tel no. Contact details. Ownership. Type of business Evidence of the graduate qualification and date awarded. Evidence it is an SME (evidence as set out in the SME definition or a completed self-certification form).
<b>Notes</b>	The placement may be for non paid and work experience opportunities, research assignments etc therefore the length of time of the placement is not relevant.

## Results

Number of new businesses created and new businesses attracted to the region	
Terms	Definitions
<b>Unit of Measurement</b>	No. of businesses/enterprises
<b>Business/ Enterprise</b>	<p>The 3 main types of business are sole proprietorships, partnerships and companies All will be registered with HMRC for business tax; most but not all are governed by the Companies Act legislation. These include:</p> <ul style="list-style-type: none"> <li>• start-ups of all sizes, whether or not VAT registered;</li> <li>• self-employed &amp; sole traders</li> <li>• partnerships/limited liability partnerships</li> <li>• companies (private or public limited companies; private unlimited companies)</li> <li>• independent spin-outs from established businesses, universities and other research and development organisations;</li> <li>• not for profit companies, co-operatives, community enterprises, social enterprises<sup>4</sup></li> <li>• new to the region branches of businesses which remain established elsewhere in the UK (i.e. expansions)</li> </ul> <p>foreign direct investment (FDI) bringing new enterprises to the region; both first time investment and subsequent expansions</p>
<b>Business Created</b>	<p>When a new business starts trading in the region and is sustained for at least 12 months as a direct result of the project intervention.</p> <p>These may be business created as a result of an ERDF funded project. e.g. pre start assistance For example</p> <ul style="list-style-type: none"> <li>• where a project provides start up support for a business (Business Creation – Pre-Start assistance) that then results in a new business, which starts trading;</li> <li>• following development of a brownfield site(Regeneration) a new business starts trading on the site;</li> <li>• Businesses created under (Employment Support – Individuals who start a business) may also be included.</li> </ul> <p><b>Starts trading</b> - is the date when the business registers for VAT or registers for National Insurance (Class 2) contributions. Alternatively use the Business Link approach and use the date of the first transaction.</p>
<b>Business Attracted</b>	<p>These are:</p> <ul style="list-style-type: none"> <li>• new to the region branches of businesses which remain established elsewhere in the UK (i.e. expansions);</li> <li>• foreign direct investment bringing new enterprises to the region, both first time investment and subsequent expansions from outside the UK.</li> </ul>
<b>Counted</b>	<p><b>New business</b> - when it is still in operation 12 months after it started trading in the region.</p> <p><b>Attracted business</b> – when it opens its premises in the region.</p>
<b>Exclusions</b>	<p>Businesses relocating within the region or from another English region or UK devolved administration</p> <p>The same business cannot be counted at different phases of its growth as</p>

<sup>4</sup> Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners

	this would be double counting.
<b>Verification Evidence</b>	<p><b>Business</b> - Name, Address inc post code, Tel no. Contact details. Ownership. No. of employees. Type of business</p> <p><b>New/attracted</b> – the company incorporation statement or letter or standard form to collect the data signed by a senior officer of the business e.g. the <b>Owner/Chief Executive or Finance Director</b> to confirm it is either:</p> <ul style="list-style-type: none"> <li>• a new company and <b>still trading</b>; or</li> <li>• new branch operation of UK company; or</li> <li>• new overseas company or expansion of an overseas company.</li> </ul> <p>For new branches evidence that it is still trading in its original location(s). For attracted business date of opening.</p> <p>The statement/letter/form should include information on the nature of support provided by the project, how that led to it opening in the region, and the usefulness of support received.</p> <p><b>Start of trading</b> - Company Registration No./VAT No. and date of registration or NI Class 2 date of registration or the date of the first transaction where evidence can be produced to evidence it.</p> <p><b>Business Attracted</b> – date opened premises in the region.</p> <p><b>Evaluation</b> – contact business site visit/telephone/survey to confirm still trading.</p>
<b>Notes</b>	Business is the term commonly used in the UK, the EU equivalent term is enterprise.