



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



Department for
Communities and
Local Government

To North East ERDF Stakeholders

Dear Colleague

This bulletin summarises key issues in relation to the management of the North East ERDF Programme that will be of interest to stakeholders.

- ERDF Programme Performance Update
- Outcome of Calls for Projects
- ERDF Annual Stakeholder Event 2012
- ERDF Claims
- ecoConnect
- Keeping in Contact

ERDF Programme Performance Update

The value of the Programme currently stands at £324.6 million.

The Programme's legal commitment level i.e. the amount formally contracted is **£224.8m** representing 69% of total available resource. Taking into account projects which have been approved and for which contracts are pending, commitment levels rise to £238.9m or 74% of Programme resource.

This is an increase in the level of commitment reported to the Local Management Committee (LMC) in June 2012 of £9.7m.

The pipeline of projects has been strengthened by the receipt of £51m ERDF request in response to the recent Capital and Revenue Calls which closed at the end of August 2012. The Programme Executive Group (PEG) has endorsed recommendations resulting in c£37.5m ERDF activity being selected into the Programme – for more details see the below *Outcome of Calls for Projects* section.

The value of the overall project pipeline following the recent calls stands at c£110m against non contracted programme resource of c£99.8m. Therefore, demand for ERDF currently exceeds available resource by c£10m.

The overall total amount of **ERDF paid** against expenditure which has been declared to the Commission is **£154.8m**. This represents **13% overachievement** against the **2012 n+2 target of £136.2m**.

The pace and rate of commitment over the remaining five quarters to December 2013 remains a key challenge. The rate of commitment needs to be doubled and must be increased to an average of c£17m per quarter to achieve full commitment of ERDF resources by end of December 2013.

To ensure legal agreements can be issued before the commitment deadline, most approvals will need to be in place by end of October 2013. Partners are being called upon to note the urgency and ensure this significant challenge is met, which is dependent on:

- project applicants investing in robust project development, and ensuring that all necessary permissions, approvals and match funding are in place;
- ERDF applications are developed to a high standard, are complete and appraisal ready;
- timely and clear responses to appraisal queries; and
- submission deadlines being met.

The ERDF Delivery Team will work closely with applicants to ensure projects progress through the approval process as quickly as possible; projects in development will also be monitored to ensure full applications are submitted within the relevant deadlines and projects may be removed from the programme if applications are not received in time.

Actual performance in respect of outputs and results continues to be a key area of concern, with actual performance against contracted profile lagging behind in most indicators. The ERDF Delivery Team continues to work closely with all applicants to ensure that they maximise their contribution to all indicator targets.

Outcome of Calls for Projects

Following the closure of the recent Capital and Revenue Calls the Programme Executive Group (PEG) held an extraordinary meeting to consider the Outline Applications selecting the following **21 projects** into the Programme, totalling **c£37.5m**

Priority 1 Capital

- **Northshore Innovation Centre - Stockton on Tees Borough**
Council: £2,858,541 ERDF to develop a digital and science managed workspace for innovative start-up and high-growth firms working in Stockton-on-Tees.
- **River Tyne Energy and Innovation Centre - North Tyneside**
Council: £2,750,000 ERDF to develop 3,000m² of business premises at the River Tyne North Bank Enterprise Zone site, creating a business incubator, SME workspace centre and a research and development facility.

- **Central Park Innovation Centre – Darlington Borough Council:** **£3,400,000 ERDF** to create 3,000m² of much needed business incubation space for new and existing SMEs in Darlington.

Priority 2 Capital

- **Business Accommodation-Belasis Hall Business Park – Stockton on Tees Borough Council:** **£1,808,017 ERDF** to create business accommodation aimed at supporting SMEs in the advanced manufacturing, engineering, chemicals and renewable energy sectors.
- **Live.work @ NeST – Durham County Council:** **£1,618,814 ERDF** to design and build 15 live.work units and shared business facilities, supporting 60 SMEs by March 2016.
- **Intersect 19 Phase II – UK Land Estates (Partnership) Limited:** **£844,352 ERDF** to build two high specification industrial units for SMEs on Tyne Tunnel Trading Estate.
- **Brunswick Park Phase II – Litton (Brunswick Park) Limited:** **£1,062,160 ERDF** to provide quality, sustainable industrial units for SMEs on Brunswick Industrial Estate, Newcastle-Upon-Tyne.
- **DukesWay Central, Team Valley – UK Land Estates (Partnership) Limited:** **£4,016,968 ERDF** to provide quality, sustainable industrial units for SMEs on Team Valley Trading Estate, Gateshead.
- **Plot 9 Saddle Foster Way, Teesside Industrial Estate - UK Land Estates (Partnership) Limited :** **£777,396 ERDF** to build industrial units for SMEs on Teesside Industrial Estate.
- **Lower Steenbergs Yard - Carillion-Igloo Ltd:** **£1,595,577 ERDF** to provide business floorspace next to Toffee Factory, Newcastle, producing 3,083 sq m net floorspace.
- **West Chirton North Starter Units – Hellens Development Limited:** **£915,092 ERDF** to build 17 quality, sustainable industrial starter units for SMEs in North Tyneside.
- **LiveWorks - Live Theatre:** **£1,444,562 ERDF** to develop 1240 m² flexible office space for rental by cultural and creative SMEs.
- **Teal Farm Park Phase II – Hellens Development Limited:** **£566,375 ERDF** to provide quality, sustainable industrial units for SMEs in Washington.
- **Portobello Park – Ravensworth Property Developments LLP:** **£2,928,856 ERDF** to deliver 15 new light industrial units totalling 9,318 sq m, at a gateway into Gateshead Borough.

- **Blyth Commissioners Quay - Arch Commercial Enterprise Ltd: £2,977,000 ERDF** to create Blyth Innovation Centre, producing 2,173 sqm of new floorspace to accommodate 120 jobs.
- **The Hoults Yard Engine Rooms – Hoults Ltd: £538,000 ERDF** to create 1,300 sq m of converted customised office workspace for the expanding commercial creative sector in Hoults Yard and Ouseburn, Newcastle.
- **The Biscuit Box Studios – Tyne Moulds and Machinery Co Ltd: £277,000 ERDF** to refurbish the semi-derelict former SWS House into affordable workspace for the expanding creative sector in Ouseburn.
- **iNorthumberland: Digital Economy Innovation & Growth – Northumberland County Council: £5,423,308 ERDF** to deliver a superfast broadband infrastructure for SMEs across Northumberland which will be complemented by an innovative digital business support programme.

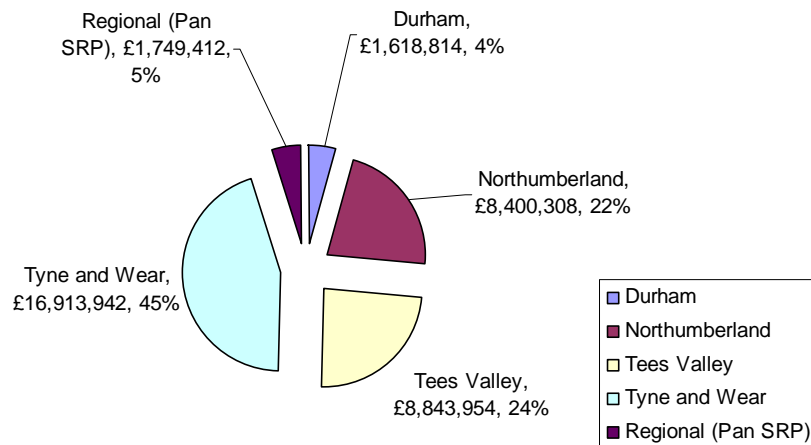
Priority 2 Revenue

- **PRIME North East - The Prince's Initiative for Mature Enterprise (PRIME): £405,000 ERDF** to support over 50s to start-up businesses, including social enterprises.
- **The Enterprise Place – University of Sunderland: £540,822 ERDF** to encourage business start-ups and self-employment from students and graduates at the University as well as recent graduates of other universities in the catchment area.
- **Rural Growth Network Business Support Project – Northumberland County Council: £803,590 ERDF** to offer enterprise and SME support to address key gaps in provision across rural areas of Northumberland, Durham and Gateshead, forming part of the North East of England's Rural Growth Network National Pilot Programme.

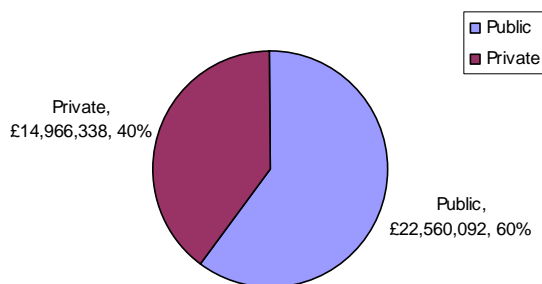
Selected projects will have received initial feedback from the ERDF Delivery Team inviting the submission of a full application and all associated documentation.

The following pie charts show the geographical and sectoral split of the selected projects.

Sub-Region



Sector



ERDF Annual Stakeholder Event 2012

The North East ERDF Annual Stakeholder Event 2012 was successfully held on 17 October at Durham County Hall. A 50-strong audience heard presentations from Lesley Calder, Head of Programme Delivery Team, who talked about how ERDF is contributing to local growth across the North East by helping nearly 90,000 new and existing small and medium enterprises to develop and grow their business and create over 7,000 new jobs.

Attendees were treated to a captivating presentation by CEO [DigitalCity](#) Mark Elliott who talked about growing his project in Middlesbrough with the help of ERDF to create a vibrant, successful and self-sustaining supercluster in the ICT sector which has to date created 474 jobs with a long-term aim of creating 3,000 by 2022.

The second half of the event was focussed on ERDF post-2014 with Iain Derrick, European Strategy and ERDF Secretariat Manager providing an introduction and summary followed by Kevin Richardson from BIS facilitating table discussions on what stakeholders want to see in the next round of ERDF Programmes in 2014-2020.

Partners discussed a broad range of issues and identified the following as key considerations in the development of the next round of Structural Funds Programmes in the North East:

- Maintaining strong local control over decision making.

- Programme design and funding allocations should reflect local priorities in a 'bottom up' approach to supporting local growth.
- Clarity required on Programme geographies as soon as possible.
- Programme geographies should take account of LEP areas as functional economic areas.
- Allocations ring fenced for local areas.
- Evidence of market failure, research data and evaluation of current investments is vital to underpin evidenced based policy decisions.
- Need to build on the success of current investments e.g. Innovation Connectors.
- Integration of ERDF and ESF would improve local control and facilitate coordinated local actions.
- Maintain locally managed business growth funds such as JEREMIE.

Thank you to those who have completed the survey after attending the event. If you haven't done so yet please visit <http://www.surveymonkey.com/s/2DVH9KW> to complete the short survey.

ERDF Claims

All grant recipients are reminded that quarterly and monthly ERDF claims are due no later than 20 working days following the end of the claim period (as defined in the projects Funding Agreement). Full claims, with all relevant supporting documentation, should be submitted via MCIS by the following dates in 2012 / 2013:

- Quarterly claims:
 - October to December 2012 due.....29 January 2013.
- Monthly claims:
 - October 2012 due..... 28 November 2012
 - November 2012 due2 January 2012
 - December 2012 claim 29 January 2012.

If there are any reasons why these deadlines cannot be met please ensure you notify your ERDF Portfolio Lead in writing at the earliest opportunity.

ecoConnect seeking green innovations

ecoConnect has launched CLEANTECH INNOVATE, a green technology showcase, and is seeking the best of British green innovations to present live to an audience of 200 investors, corporate buyers and dealmakers, February 2013 in Westminster at the Institution of Mechanical Engineers.

Any UK company can apply. Any ERDF project wishing to submit an application should do so before 30 November.

Those interested should contact: Robert Hokin, ecoConnect, Britain's Green

Industry Business Network on +44 870 803 3581 or email roberthokin@ecoconnectcic

Keeping in contact

We will keep you informed through our e-bulletins and via our ERDF webpages, publicising further details of calls for applications and stakeholder network activities as and when they are issued.

Our website address is: www.communities.gov.uk/erdf

For general ERDF enquiries please call: 0303 444 6475 or email NE.ERDFenquiries@communities.gsi.gov.uk

If you do not wish to receive further news bulletins about the programme, please [click here](#) to de-register from the mailing list.

If you are no longer responsible for ERDF within your organisation, colleagues can register for this bulletin by e-mailing NE.ERDFenquiries@communities.gsi.gov.uk

“This is an ambitious programme, providing a real opportunity to continue creating jobs, deliver growth and strengthen the economy to bring a lasting legacy to the North East.

“We are pleased to see a targeted partnership approach concentrating ERDF funding to generate additional value, complement the investment of domestic resources and deliver a distinctive European contribution.”

European Union endorsement of North East ERDF 2007-13 programme

European Union – Investing in your future