



## WEST MIDLANDS ERDF LOCAL MANAGEMENT COMMITTEE 2007-13

September 2012

### Item 2: Programme Performance Update

#### Objective:

- i To report on the status of the Programme.

#### Recommendations:

- i **To note that over three quarter of the programme value is committed or approved subject to contract.**

### 1. Background

- 1.1 This paper summarises the progress of the programme against its key performance targets. A detailed management information report is contained in the annexes to this paper. The management information report was produced on 16 August 2012, and reflects the position of the programme at that time.
- 1.2 The ERDF Programme has an allocation of €400m which is available to spend until 2015 and shared between five thematic Priority Axes. The priority level allocations are agreed with the Commission. The last date for legal commitment to new projects is 31 December 2013.
- 1.3 A menu of quantified outputs and results has also been agreed with the Commission to measure the impact of the activity funded, and these indicators are also used to track the performance of the programme in achieving its set objectives.
- 1.4 Spend performance and progress towards this year's N+2 target is covered under Item 3.

### 2. Headline Financial Data

- 2.1 The following table sets out the headline data on expenditure performance and programme lifecycle stages:

2.2

Data	Current (16 August 2012)	Variance from last report (18 April 2012)
Programme Value in sterling	£340,704,458	-£3,500,877
Value committed or pending contract	£259,859,320 (76%)	+£17,848,617
Programme pipeline (endorsed at outline or at pipeline stage)	£51,719,257 (15%)	-£26,182,620
Total balance remaining to be allocated to new proposals	£29,125,882 (9%)	+£4,833,127
Actual Grant spent to date	£99,358,356(29%)	+£6,196,391





### **3. Commitment and Programming levels**

- 3.1 As shown in Figure 2 of the attached report, just over three quarters of the programme value has been committed or is approved against projects subject to contract. 15% of the programme value (£51.7m) is allocated to projects at pre-approval stage. This pipeline is made up of 33 projects, some of which are currently in appraisal.
- 3.2 The value of funds available for new proposals is currently £29m, 9% of the programme value. This value will rise, if further projects withdraw from the pipeline. As LMC members will note from Figure 4 in the attached management information report, the bulk of the available balance is contained under Priority 1 and is subject to the current open call. Under Item 4, later on the agenda, we will consider investment priorities to commit the remaining funds.

### **4. Outputs and Results**

- 4.1 Figures 5 and 6 of the attached report show performance against programme and priority axis level output and results targets. Whilst the forecast figures suggest the programme is on track to meet or exceed the majority of targets, additional projects offering high levels of business assists will be required to meet the business assists target. The move from large regional projects (with greater economies of scale) to more localised delivery has made this target more challenging to deliver.
- 4.2 If projects deliver to contract, then the regeneration targets of brownfield land remediated and floor space provided are achievable, however, due to the high proportion of these outputs being delivered through gap funding schemes, performance is expected to be at high risk of slippage.
- 4.3 Priority 3 performance is trailing the other Priority Axes in terms of output achievement, although this may be a reflection of the slower start to projects in this area of the Programme. Output performance should be monitored carefully.
- 4.4 The programme has already achieved 50% of its jobs created target and over 50% of its carbon reduction target. Jobs safeguarded and businesses created are performing less strongly, with 27% and 15% having been achieved so far respectively.

### **5. Project Selection Routes**

- 5.1 We have been asked to provide an annual breakdown of investment by the three available project selection routes: open bidding; limited bidding; and non competitive selection. A breakdown is provided in Annex 3 and this information will be presented annually to the LMC for endorsement.

Paper prepared by: **Anna Vinsen**  
**ERDF Team Leader**

Date: **August 2012**

