



Department for  
Communities and  
Local Government



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

# North East of England European Regional Development Fund Competitiveness Programme 2007-13

Capital and revenue investment call under Priority 2: business  
growth and enterprise

7 January to 1 March 2013

**Prospectus**

## 1. Introduction

The North East European Regional Development Fund (ERDF) Local Management Committee is inviting the submission of project proposals to support the delivery of the priorities, outputs, results and impacts of Priority 2 of the North East England 2007-13 ERDF Competitiveness Programme (the Programme) – Business Growth and Enterprise.

**This call will remain open from 12:00 noon on the 7<sup>th</sup> January 2013 until 17:00 on the 1<sup>st</sup> of March 2013.**

Funding from the 2007-2013 Programme must be contractually committed by the 31<sup>st</sup> of December 2013 and defrayed by the 30<sup>th</sup> of June 2015. The Local Management Committee expects this to be the final call for applications to the Programme. Proposals to **extend existing ERDF projects** must be submitted by the 1<sup>st</sup> of March deadline.

Through this call the Local Management Committee may, subject to availability of resources:

1. Select new projects for inclusion in the Programme and invite applicants to submit full applications.
2. Select existing projects to receive an increase in ERDF investment to extend activity either in full, in part or in a slightly modified form.
3. Establish a reserve list of projects that may include:
  - 3.1. Potential new projects that may be brought forward for inclusion in the Programme should resources become available.
  - 3.2. Projects currently in receipt of ERDF investment seeking an extension or further phase of development.

Project proposals may be submitted to the ERDF Programme Delivery Team at any time up to the close of the call.

## 2. Eligible Applicants

The Programme is aimed at intermediary bodies that will use ERDF investment to work with existing businesses or potential entrepreneurs to promote economic growth. Eligible Applicants are therefore likely to be Local Authorities, public organisations, voluntary and community bodies and some private sector organisations (subject to State Aid compliance). Organisations must be legally constituted and able to enter into binding contracts.

Priority Two of the Programme does not provide grant funding directly to individual businesses.

Within the requirements of the State Aid Regulations private sector organisations wishing to develop premises for occupancy by third parties are eligible to apply for ERDF investment.

ERDF investments will only be made where they are permissible under State Aid regulations, taking account of other public sector contributions to the project. Applicants are recommended to take advice on the state aid implications of their proposed project activity prior to submitting an outline application

## 3. Scope of the Call

This prospectus should be read in conjunction with the revised 2007-13 ERDF [Operational Programme](#) agreed with the European Commission in December 2011, which clearly sets out

the justification and rationale for the prioritisation of ERDF investment. Prospective applicants should also consider the National ERDF Eligibility Rules and the National ERDF Handbook.

Projects may be focussed on either **revenue investment** (i.e. the provision of services), or **capital investment** (i.e. investment in physical assets) or **a combination of capital and revenue activity**.

Proposals must be consistent with one or more of the following Fields of Action of Priority One of the North East ERDF Programme:

- |                          |   |
|--------------------------|---|
| <b>Field of Action 1</b> | Cultivating and sustaining enterprise (including social and community based enterprise).                    |
| <b>Field of Action 2</b> | Enhancing the competitiveness and growth of existing SMEs, including social and community based enterprise. |

Further details of investment priorities for investment are set out in table 1.

## 4. Project Selection Criteria

Partners are advised that proposals that do not fully meet the requirements set out below will not be selected for inclusion in the North East ERDF Programme. Additionally any proposals which could be considered to be 'novel or contentious' may be subject to further dialogue with Government<sup>1</sup>.

Project proposals will be considered against the following criteria.

### 4.1 Eligibility Criteria

1. Proposed activities and expenditure are eligible for ERDF support within the requirements of the ERDF regulations and the National ERDF Eligibility Rules.
2. ERDF investment is permissible within State Aid Regulations.
3. Projects demonstrate additionality.
4. The amount of ERDF investment sought is the minimum required to enable the project to proceed.

### 4.2 Strategic Fit criteria

1. Projects can demonstrate they would contribute to the objectives of Priority Two of the Operational Programme.
2. Project activity is consistent with the investment priorities of Fields of Action 1 and 2 of Priority Two of the Programme as Set out in Table 1.

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<sup>1</sup> There is no formal definition of activities that might be classed as 'novel or contentious' and activities will be considered on a case by case basis.

**Table 1.**

<b>Fields of action</b>	<b>Priority activities</b>
1) Cultivating and sustaining enterprise (including social / community based enterprise) in particular, but not exclusively, in disadvantaged areas.	<p>Revenue investment in:</p> <p>i) Support to start-up business, including social enterprise, including pre-start-up guidance and advice, assistance with business planning, business systems and processes and assistance with exploitation of ICT applications including e-commerce.</p> <p>Capital investment in:</p> <p>i) Large scale investments in strategic sites and premises aimed at unlocking the employment potential of disadvantaged areas.</p> <p>ii) Provision of shared business premises for new (trading for fewer than 12 months) SMEs and/or incubation facilities.</p> <p>iii) Provision of premises for new SMEs.</p>
2) Enhancing the competitiveness and growth of existing SMEs (including social / community based enterprises)	<p>Revenue investment in:</p> <p>i) Specific initiatives to improve productivity, including support with environmental management actions such as energy efficiency and waste minimisation.</p> <p>ii) Individualised advice, information and diagnostic services including account management for SMEs with identified growth potential. ERDF will extend range of business solutions available to regional SMEs.</p> <p>iii) Actions to promote sales growth, including through promoting supply chain development, actions to help SMEs take advantage of the liberalisation of public procurement, assistance with exporting and other internationalisation.</p> <p>Capital investment in</p> <p>i) Large scale investments in strategic sites and premises linked to targeted economic sectors and or sites of regional or local (LEP) significance.</p> <p>ii) Provision of shared business premises for SMEs</p> <p>iii) Provision of business premises for SMEs to support business growth (excluding facilities developed for a single business).</p>

3. Projects are consistent with the priorities of Local Enterprise Partnerships, these are:

**North Eastern LEP:** The North Eastern LEP's proposition to Government outlined the following vision: *Through smart, enterprising leadership between the private, public and voluntary and community sectors we will rebalance the economy, and create Europe's premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs.*

Delivery of this vision will be achieved by the LEP supporting actions against four strategic economic priorities, which are designed to maximise the contribution of the private sector to driving growth:

**Supporting Enterprise and Private Sector Business Growth:** The LEP will support activities able to make sustainable improvements to the LEP economy's existing enterprise and business base, and that contribute to the rebalancing of growth and employment towards the private sector.

**Building on Key Economic Strengths:** The LEP is committed to supporting programmes or projects that build on, and develop further, the existing strengths and assets of the LEP economy. Partners have agreed that the key sectors critical to the long term growth prospects of the North Eastern LEP area include: Electric Vehicle Production; Offshore Energy Generation and Supply; Science and Technology; Advanced Manufacturing and Engineering; Professional, Financial and Business Services; Construction; Culture; Creative; Tourism; and Land-based Industries.

**Improving Skills and Performance:** The LEP will support actions that both stimulate and will meet greater employer and individual demand for higher skills in order to improve the competitiveness and productivity of businesses and organisations in the LEP area.

**Strengthening Transport, Connectivity and Infrastructure:** The LEP will support initiatives that seek to improve transport networks and infrastructure in the LEP area, as a means of strengthening internal and external connectivity, in order to attract new investment and encourage business expansion, and unlock access to new employment or training opportunities.

**Tees Valley LEP:** as set out in the [Statement of Ambition](#), the Tees Valley LEP has two ambitions:

Ambition 1 – To drive the transition to a high value, low carbon economy; and

Ambition 2 – Create a more diversified and inclusive economy.

These are underpinned by a number of priority actions, which can be found in the [Tees Valley Unlimited Partnership Business Action Plan](#)

Proposals should also take consideration of the strategic importance of the Enterprise Zones within the Tees Valley.

4. Projects are consistent with:

- The Government's Business improvement Framework '[Bigger, Better Business, Helping small firms, start, grow and prosper](#)'
- The Governments [Plan for Growth](#)
- The Government's [Blueprint for Technology](#), [Innovation policy](#) and prioritisation of harnessing the growth potential of science and innovation to support the rebalancing of the UK economy in favour of high value high-technology sectors.
- The Government's approach to sub-national economic development '[Local Growth: Realising every place's potential](#)'; and the maximisation of opportunities provided through other Government policy instruments e.g. Enterprise Zones and powers granted under the Localism Act.

#### 4.3 Value for Money Criteria

1. Projects can demonstrate that they have clear rationale, address market failure(s) and address identified gaps in coverage and provision; taking full account of the range of projects and activities supported under previous calls for the ERDF Programme<sup>2</sup> and by other public and private sector investment.

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<sup>2</sup> Details of projects funded under the current NE ERDF programme can be found on [the Department's Website](#).

2. Projects demonstrate a proportionate contribution towards the achievement of programme output, result and impact targets.

Strategic Investment projects, which provide modest levels of ERDF outputs and results within the Programme period, may be supported where value for money can be demonstrated in terms of the return on ERDF investment, measured in terms of:

- a significant, measurable and attributable contribution to the strategic objectives of the Programme; and
- stimulation of sustainable economic growth linked to the development of high value high technology sectors.

#### 4.4 Deliverability Criteria

Projects are at a mature stage of development and in a position to enter into an ERDF Funding Agreement with the Department by the 31<sup>st</sup> December 2013. This will require projects to have the required match funding in place by the end of December 2013.

Deliverability will be the key criteria that will inform the LMC's decisions regarding bringing projects from the reserve forward.

#### 4.5. Mandatory ERDF Requirements

Potential Applicants must comply with stringent EU regulatory requirements on:

- Eligibility.
- Tendering and procurement rules – **procurement irregularities present a major risk to projects and the performance of the Programme**, the ERDF Programme Delivery Team will rigorously scrutinise procurement arrangements on all ERDF projects at all stages of the ERDF investment cycle. Applicants must be able demonstrate that all procurement is undertaken in accordance with public procurement regulations and complies with the Department's [ERDF Procurement Requirements](#).
- Match funding.
- Record keeping.
- Document retention until 2025.
- Financial and output monitoring and reporting requirements.
- EU Information and publicity requirements.
- State Aid.
- Income generation (article 55) see also section 5.2 below.

Prior to submission of a project proposal, all potential Applicants should read and consider all application materials, the [National ERDF Eligibility Rules](#) and the [National ERDF Handbook](#) carefully and ensure that they are capable of compliance with the requirements of ERDF.

**The track record of recipients of ERDF funding from the 2007-2012 Programme will be taken into consideration in the assessment of proposals.** Applicants are advised that the Department reserves the right to consider performance on projects funded through previous ERDF Programmes and that this information may be used to inform the selection and appraisal process.

A full suite of ERDF guidance is available on the [Department's Website](#).

## 4.6 Additional Requirements

**4.6.1 Simplifying the business improvement landscape.** ERDF investment must not duplicate existing business improvement support available in North East England or displace clients from these services, and must align with the principles of business support simplification.

The key aims are to ensure that EU-funded business improvement support:

- Has a substantial and measurable impact in achieving economic and other public policy goals through targeted investment and alignment or complementarity with other forms of business improvement support;
- Is easy for businesses to access – including appropriate arrangements with Business Link via the Business Link website and contact centre;
- Is easy for businesses to understand – through use of simple language;
- Is better value for public money and delivers higher outputs and results through better ways of working and reduced duplication.

New projects seeking ERDF funding should take account of Government's [business improvement framework](#), local priorities and existing services to ensure projects are additional and/or complementary to these arrangements. Existing projects seeking further funding should consider where an extension of activity is necessary in the light of other provision.

**Proposals that do not take account of these arrangements or duplicate existing business improvement activity will not be supported.**

**4.6.2 Market Assessment:** The ERDF Programme will invest in high quality business accommodation/facilities for occupancy/use by small and medium sized enterprises ([SME definition](#)), see also section 4.6.3. Investments will be made where there is a compelling case for ERDF investment to address market failure and demand for the development demonstrates that the proposed development would contribute to additional economic activity i.e. proposed developments should not simply displace activity from existing premises.

Priority will be attached to projects where:

- Demand is demonstrated through an independent market assessment which takes account of existing/planned provision.
- Premises/sites would contribute to the development of business clusters around a business or knowledge base strength or within high technology sectors.

**4.6.3 Strategic Sites:** For the purposes of the ERDF Programme the Local Management Committee has adopted the following as strategic sites:

- The Innovation Connectors (however projects in support of Innovation Connectors should be submitted under Priority One).
- Enterprise Zone locations – which includes the approved Enterprise Zones and adjacent (i.e. with a contiguous boundary) sites where the proposed ERDF investment is integral to the planned development of the Enterprise Zone.

Within these strategic sites limited flexibilities apply which mean that neither the developer (the project applicant) nor the occupants/end users of the capital

assets/infrastructure being funded need to be SMEs. All other ERDF requirements apply.

**4.6.4 Integration of Cross Cutting Themes:** Projects must integrate the themes of equal opportunities, environmental sustainability and spatial cohesion in their design in an appropriate and meaningful way. Projects will be assessed on the extent to which they demonstrate appropriate integration of these themes in their design and implementation.

**Equal Opportunities:** Projects should demonstrate a meaningful integration of equal opportunities issues including where appropriate positive activities to ensure equality of access and opportunity.

**Environmental Sustainability:** Projects should demonstrate a commitment to minimise negative environmental impacts and maximise the integration of environmental sustainability.

**Spatial Cohesion:** Through direct and indirect complementary activity, projects should demonstrate an ability to contribute to balanced spatial development and to the achievement of social and economic cohesion in the North East.

Proposals should outline the measures that would be enacted to increase the likelihood that residents of disadvantaged communities (see Appendix 3) will take up jobs that result from ERDF investment.

## **5. Available Investment**

There is no allocation of ERDF investment to this call. The Local Management Committee will only select new projects into the Programme or select extensions of existing projects into the Programme if resources allow.

Prospective applicants should note that any allocation of ERDF funding is purely indicative until the point at which projects are formally approved; any expenditure against which ERDF is sought prior to approval is committed entirely at risk.

There are no allocations to or between specific Fields of Action.

### **5.1 ERDF Grant Rate**

The maximum intervention rate for ERDF is 50% of ERDF eligible costs (which may be less than the total development costs) which can be matched with either public or private sector funding. There are no restrictions as to the percentages of public or private e.g. a project could apply for 50% ERDF match with either 50% private, 50% public or a combination of the two.

There is no minimum ERDF intervention rate.

ERDF investment is limited by State Aid regulations and where the award of ERDF would constitute State Aid the ERDF grant rate may fall below the 50% maximum.

### **5.2 Gap Funding Principle**

ERDF is a 'gap-funder'. This means that ERDF investment is limited to the minimum amount required to ensure the project can proceed. Potential applicants should be aware that:



- The need for ERDF investment at the requested levels and the extent to which other sources of commercial or public funding have been considered will be tested during the assessment of outline applications and the appraisal of full applications.
- Where projects will generate income e.g. from charges to beneficiaries for services or through the payment of rents for premises, ERDF funding may be reduced to take account of future income and ERDF grant may be recovered if future income exceeds the original estimates.

Further detailed guidance on the treatment of income within ERDF projects can be found in the National ERDF Handbook which deals with Article 55 ERDF regulations that governs the treatment of income; please note that the issue of income generation within ERDF projects is an extremely complex area, applicants considering such projects should contact the NE ERDF Programme Delivery Team prior to submitting an outline application.

## 6. Size of Application

In line with the National Strategic Reference Framework (NSRF) and the Department's approach to simplification and efficiency in delivery, the Programme operates on the principle of delivering its outcomes through fewer and higher impact interventions. To this end, **the minimum ERDF funding request is set at £500k (i.e. £1 million total eligible project cost, assuming a 50% ERDF grant rate).**

Exceptionally projects below the £500k threshold may be considered, however this is expected to be a limited number and where there is a compelling justification.

## 7. Duration of Projects

For projects approved in 2013 the following dates will apply:

- All activity and spend must be completed by 30<sup>th</sup> June 2015
- Outputs/results/impacts can be counted until 31<sup>st</sup> December 2015

## 8. Timescale for Decision Making Process

This call will remain open from 12:00 noon on the 7th January 2013 **until 17:00 on the 1st of March 2013**. Project proposals may be submitted to the ERDF Programme Delivery Team at any time within this period. **Please submit proposals as soon as they are ready.**

All outline applications will be assessed by the ERDF Programme Delivery Team and recommendations will be considered by the ERDF Programme Executive Group (PEG) on behalf of the Local Management Committee. The PEG will determine whether proposals are select into the Programme, placed on a reserve list or rejected.

## 9. Next Steps

If you are interested in submitting a project proposal please carefully consider the information set out in this prospectus, the [National ERDF Handbook](#) and the Guidance Note which accompanies the Outline Application.

Applications must be made using the Outline Application template which should be downloaded from the [Department's Website](#) and be accompanied by a completed financial table.

Online applications will be accepted and should be submitted via the following email address [NE.ERDFenquiries@communities.gsi.gov.uk](mailto:NE.ERDFenquiries@communities.gsi.gov.uk), an original signed copy of the application should also be submitted to: North East Programme Delivery Team, Citygate, Gallowgate, Newcastle Upon Tyne NE1 4WH.

Applications must be submitted by **17:00 on the 1<sup>st</sup> of March 2013**. Original signed applications will be accepted after this date only when an electronic application has been received before the deadline at [NE.ERDFenquiries@communities.gsi.gov.uk](mailto:NE.ERDFenquiries@communities.gsi.gov.uk).

## 10. Further Information

For further information please contact the ERDF Programme Delivery Team:

**Telephone:** 0303 444 6475

**Email:** [NE.ERDFenquiries@communities.gsi.gov.uk](mailto:NE.ERDFenquiries@communities.gsi.gov.uk)

**WWW:** <https://www.gov.uk/erdf-regional-guidance-north-east>

The following organisations are also able to provide advice and guidance to partners on the ERDF programme, local economic development priorities and other current and planned economic development activity in their area:

**Tees Valley Unlimited:**

Lesley Short,  
ERDF Technical Assistant  
[lesley.short@teesvalleyunlimited.gov.uk](mailto:lesley.short@teesvalleyunlimited.gov.uk)  
01642 524425

Kelly Neal  
ERDF Technical Assistant  
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01642 524402

**Newcastle City Council:**

Claire Prospert,  
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0191 211 5693

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0191 211 56 62

**Durham County Council:**

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03000 261 893

**Northumberland County Council:**

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Tel: 01670 534516

## NE ERDF Programme Priority Two: Focus of ERDF Investment,

### 1. Overview of Priority Two

The following is a brief summary of Priority Two, potential applicants must also refer to the full detail of this priority as set out within the [Operational Programme](#).

Priority 2 aims to address the relative underperformance of the North East in terms of business formation, sustainability and productivity. The ERDF 2007-13 Operational Programme sets out the regional ambition to build a new enterprise surge and create up to 22,000 new businesses by 2015.

The focus of this priority is therefore to boost enterprise in the North East particularly, but not exclusively focussing on disadvantaged parts of the region, and to increase the competitiveness of regional businesses in order that they can survive and grow in challenging economic conditions.

ERDF investment will be focused on activities capable of delivering on a North East or sub/city regional scale with local flexibility to attune solutions to meet local needs. Robust local delivery mechanisms are expected to be a key feature of supported projects.

ERDF investment is focussed on two Fields of Action:

**Field of Action 1:** Cultivating and sustaining enterprise (including social and community based enterprise);

**Field of Action 2:** Enhancing the competitiveness and growth of existing SMEs, including social and community based enterprise.

ERDF investment will be focused on activities capable of delivering on a North East or sub/city regional scale with local flexibility to attune solutions to meet local needs as identified by Local Enterprise Partnerships. Robust local delivery mechanisms are expected to be a key feature of supported projects. It is anticipated that capital investment in support of the Business Growth and Enterprise Priority will prioritise segments of the market for example, investment in business incubators (rather than mainstream business premises), or large scale investment in strategic sites and locations (such as former coalfield areas) where property market failure remains significant.

Proposals linked to previous or current investments from this Programme may be considered for further funding where they demonstrate:

- Positive evaluation of track record and delivery capacity, and/or implementation of evaluation findings/learning.
- Ability to deliver maximum contribution towards outputs, results and impact gaps, this may be at a higher level than previous approvals.

Table 1 in section 3 of this document summarises the priority activities that may be supported by ERDF investment as set out in the Operational Programme.

## 2. Fields of Action

### **Field of Action 1: Cultivating and Sustaining Enterprise, including Social Enterprise, in particular, but not exclusively, in Disadvantaged Areas**

The focus of this Field of Action is actions to increase the number of new and start-up businesses across the North East. This component of the programme will support activity across the region as a whole but will seek to prioritise interventions in the disadvantaged parts of the region considered by partners to be particularly vulnerable to economic shocks. Whilst the intention is not to exclude other parts of the region, the aim is to stimulate and extend entrepreneurial activity to the most disadvantaged parts of the region.

Action under this field will therefore address spatial disparities in start-up rates and economic inclusion in enterprise by prioritising the most disadvantaged parts of the region.

Revenue investment projects for consideration under this call will be assessed against the following priorities:

- Support to start-up business (including social enterprise), including pre-start-up guidance and advice, assistance with business planning, business systems and processes and assistance with exploitation of ICT applications including e-commerce.

Capital investment projects for consideration under this call will be assessed against the following priorities:

- Provision of shared business premises and/or incubation facilities
- Provision of premises for new SMEs
- Large scale investments in strategic sites and premises aimed at unlocking the employment potential of disadvantaged areas

### **Field of Action 2 – Enhancing the Competitiveness and Growth of SMEs, including Social and Community Based Enterprise**

The focus of this Field of Action is on actions that increase the growth and competitiveness of **existing** SMEs in the North East. ERDF will be utilised to ensure that there will be a strong emphasis on actions tailored to the needs of individual SMEs across all parts of the region, including help to identify development needs and support for the improvement of sustainability and competitiveness. A major focus of support will be to strengthen the business survival and growth rates of existing SMEs.

Revenue investment projects for consideration under this call will be assessed against the following priorities:

- Individualised advice, information and diagnostic services including account management for SMEs with identified growth potential. ERDF will extend range of business solutions available to regional SMEs.
- Specific initiatives to improve productivity, including support with environmental management actions such as energy efficiency and waste minimisation.
- Actions to promote sales growth, including through promoting supply chain development, actions to help SMEs take advantage of the liberalisation of public procurement, assistance with exporting and other internationalisation.
- Financial assistance with working capital and investment, building on the region's experience with financial engineering.

## **Appendix 1.**

Capital investment projects for consideration under this call will be assessed against the following priorities:

- Provision of shared business premises
- Large scale investments in strategic sites and premises linked to targeted economic sectors
- Provision of business premises for existing SMEs to support business growth (excluding facilities developed for a single business)

## 1. NE ERDF Programme: Priority Two Outputs, Results and Impacts

Projects seeking ERDF funding through this call must contribute towards Priority 1 outputs, results and impact targets. Tables 1-3 outlines the outputs, results and impacts relevant to Priority 2, full definitions and details of the associated evidence criteria are available from the [Department's website](#).

<b>Table 1: Outputs</b>
040/P2/O03: No of SME2s receiving financial assistance
040/P2/O05 Brownfield land reclaimed &/or redeveloped (ha)
040/P2/O08: No of new SMEs assisted, including integrated development of workforce skills where appropriate
040/P2/O09: No of SMEs assisted, including integrated development of workforce skills where appropriate
040/P2/O10: No of integrated initiatives to develop enterprise in disadvantaged communities
040/P2/O11: No of SMEs assisted that are social enterprises
040/P2/O12: Area of business premises developed (m2)
040/P2/O13 Potential entrepreneurs assisted to be enterprise ready of which: 040/P2/O14 (i) Men 040/P2/O15 (ii) Women 040/P2/O16 (iii) in disadvantaged areas
<b>Table 2: Results</b>
040/P2/R10 No of businesses assisted with improved environment management 040/P2/R11 of which related to improved energy efficiency and micro-renewables and other management of carbon footprint
040/P2/R14 No of gross jobs created, of which: 040/P2/R15 men 040/P1/R16 women 040/P1/R17 in disadvantaged areas
040/P2/R18 No of gross jobs safeguarded: 040/P2/R19 men 040/P2/R20 women 040/P2/R21 in disadvantaged areas
040/P2/R22 No of businesses assisted with improved performance.
040/P2/R23 No of businesses created/attracted to the region; 040/P2/R24 in disadvantaged areas
040/P2/R25 No of businesses created/attracted to the region surviving 12 months
040/P2/R26 Potential entrepreneurs going on to access Business Link Services of which: 040/P2/R27 (i) men 040/P2/R28 (ii) women 040/P2/R28 (iii) in disadvantaged areas
<b>Table 3: Impacts</b>
Net increase in employment
Net increase in GVA as a result of the Programme (£m)

## **Disadvantaged Areas**

For the purposes of the ERDF Programme disadvantaged areas are identified as follows:

### **Durham**

Those areas which were designated to receive investment under the LEGI programme, consisting of coverage at the level of the former District Authority areas of Easington, Wear Valley, Sedgefield and Derwentside. In addition Durham partners will use the top 30% most deprived Super Output Areas (SOA) as identified by the [Index of Multiple Deprivation \(IMD\) 2007](#) Employment Domain.

### **Northumberland**

Northumberland partners have agreed that the employment domain of the IMD 2007 will provide the basis for defining the county's most disadvantaged areas. The use of this approach broadly corresponds to the regeneration priorities of the county as reflected in the Strategic Investment Plan, namely:

- The South East Northumberland area, focusing on Ashington and Blyth
- The market towns of Berwick and Amble where particular market economic failure is apparent.

### **Tees Valley**

Tees Valley disadvantaged areas will consist of the former LEGI area of Redcar and Cleveland and those wards that contain Super Output Areas (SOA) that score in the worst 30% nationally of the Employment Domain IMD 2007. The wards identified correspond to areas previously designated to receive investment from the Working Neighbourhood Fund.

### **Tyne and Wear**

Tyne and Wear partners have agreed that disadvantaged areas will be identified on the basis of those lying within the 30% of the IMD 2007 (Employment Domain) and the former LEGI area in South Tyneside.