



## Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

### SCOTTISH ENTERPRISE STRATEGIC DELIVERY BODY

#### Reporting Requirements for the Programme Monitoring Committee

#### 1. Background

- 1.1 Scottish Enterprise (SE) as the Strategic Delivery Body (SDB) will provide financial and physical performance information on a quarterly basis to the IAB in order that the IAB can fulfil its contractual responsibilities to the Scottish Government and in reporting to the Programme Monitoring Committee. This responsibility is in addition to the standard progress report required for the Eurosyst system and general monitoring that will be conducted during the programme period. This includes monitoring of spend against the N+2 financial discipline, monitoring commitment levels in the context of the overall implementation of Priority 1, Research and Innovation, monitoring against the Priority indicators and targets. There is also a requirement for the IAB to ensure that the Priority does not exceed the approved average grant rate set out in the financial tables. For Priority 1 this is 45%.

#### 2. The Quarterly Monitoring Report Format

##### 2.1 Cumulative Summary of Financial Performance for the SDB under Priority 1 to Date

Financial Information expressed in £

	<b>Number of Projects approved</b>	<b>Total Eligible Costs</b>	<b>Approved Grant</b>	<b>Declared Expenditure to date – (anticipated on expenditure to March 09)</b>	<b>Grant paid to date (anticipated on submission of claims to March 09)</b>
<b>Total</b>	<b>8</b>	<b>44,444,373</b>	<b>19,999,968</b>	<b>6,564,176</b>	<b>2,953,879</b>

#### Notes

The SDB comprises two elements – Supporting Innovation and Supporting R&D and Commercialisation. The financial information in this report has been aggregated to SDB level. The spreadsheet analysis attached shows expenditure and activity up to the end of March 09 by project.

The expenditure noted above reflects eligible activity up to March 09 for the eight projects within the 2 ERDF applications. Actual expenditure in claims yet to be submitted will not directly relate to the values quoted above due to the timing of claims.

The spreadsheet attached shows estimated eligible spend based on activity to March 09 for each project and for the two SDB approved applications and a summary for the SDB.

The financial and target information in this report relates to 2008/09 activity. SDB activity was anticipated to be slow in year one while reporting systems and compliance matters were addressed particularly in relation to grants to SMEs. SE is confident that delivery will ramp up over the next two years to deliver the SDB funding.

Progress Report 1 for both projects has been submitted on Eurosyst (October 9). In line with the agreement with Structural Funds Division (SFD) and the IAB, this covered the period April – June 08 but no financial expenditure was reported. During this period, the main activity within the SDB was to put in place the reporting processes needed to demonstrate compliance e.g. preparation of contracts which acknowledge ERDF, raising awareness with operational staff on the reporting required for grant programmes. Further progress reports will update on activities only until consolidated financial expenditure is declared.

**Comparison of Approved Average Grant Rate for Priority 1 envisaged in Operational Programme with Total Grant Approved and Paid to date (%)**

	<b>Average Grant Rate – Priority 1</b>	<b>Average Grant Rate SDB Commitments</b>	<b>Average Grant Rate SDB Payments</b>
<b>Total</b>	<b>45%</b>	<b>30.54%</b>	<b>30.54%</b>

The information provided here will detail what percentage of grant rate has been provided to date.

Commitments provide the percentage of funds that have been committed against the total grant approved.

Payments will provide the percentage of funds that have been paid out against the total grant approved.

## 2.2 Analysis of SDB Priority 1 Indicators

### COMMERCIALISATION

#### Outputs

Approved Indicator	Approved SDB Target	Forecast Targets to date	% Allocation of funding Committed	% SDB Target met by Forecast	Actual Achieved to date	% Allocation Paid Out	% SDB Target met by Actual
Number of enterprises supported	150				0		0
Number of research networks and collaborations supported	110				0		0
Number of renewable energy research projects supported	16				3		7.89

#### Results and Impacts

Approved Indicator	Approved SDB Target	Forecast Targets to date	% Allocation Committed	% SDB Target met by Forecast	Actual Achieved to date	% Allocation Paid Out	% SDB Target met by Actual
Number of new products and services developed by supported enterprises and research centres	70				0		0
Increase in turnover by supported enterprises (£m)	1.5				0		0
Number of new products and services developed by supported research networks	30				0		0
Number of gross jobs created	90				0		0
Number of net new jobs created							
Increase in research / innovation expenditure by supported enterprises (£m)							

**INNOVATION**

**Outputs**

Approved Indicator	Approved SDB Target	Forecast Targets to date	% Allocation Committed	% SDB Target met by Forecast	Actual Achieved to date	% Allocation Paid Out	% SDB Target met by Actual
Number of enterprises supported	2295				489		20%
Number of research networks and collaborations supported	90				1		0.5%
Number of renewable energy research projects supported	22				0		0

**Results and Impacts**

Approved Indicator	Approved SDB Target	Forecast Targets to date	% Allocation Committed	% SDB Target met by Forecast	Actual Achieved to date	% Allocation Paid Out	% SDB Target met by Actual
Number of new products and services developed by supported enterprises and research centres	266				0		0
Increase in turnover by supported enterprises (£m)	22.96				0		0
Number of new products and services developed by supported research networks	20				0		0
Number of gross jobs created	1034				0		0
Number of net new jobs created							
Increase in research / innovation expenditure by supported enterprises (£m)							



	Innovation		Commercialisation		Total		%age delivered
	Target Projected	Achieved	Target Projected	Achieved	Target Projected	Achieved	
Number of enterprises supported	2295	489	150	0	2445	489	20
Number of research networks & collaborations supported	90	1	110	0	200	1	0.5
Number of renewable energy projects supported	22	0	16	3	38	3	7.89
Number of new products & services developed by supported networks	20	0	30	0	50	0	0
Number of new products and services developed by supported enterprises and research centres	266	0	70	0	336	0	0
Increase in turnover by supported enterprises (£mn)	22.96	0	1.5	0	24.46	0	0
Number of gross jobs created	1034	0	90	0	1124	0	0
Number of gross jobs safeguarded	0	0	0	0	0	0	0
Number of net new jobs created	0	0	0	0	0	0	0
Increase in research/innovation expenditure by supported enterprises	0	0	0	0	0	0	0

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