



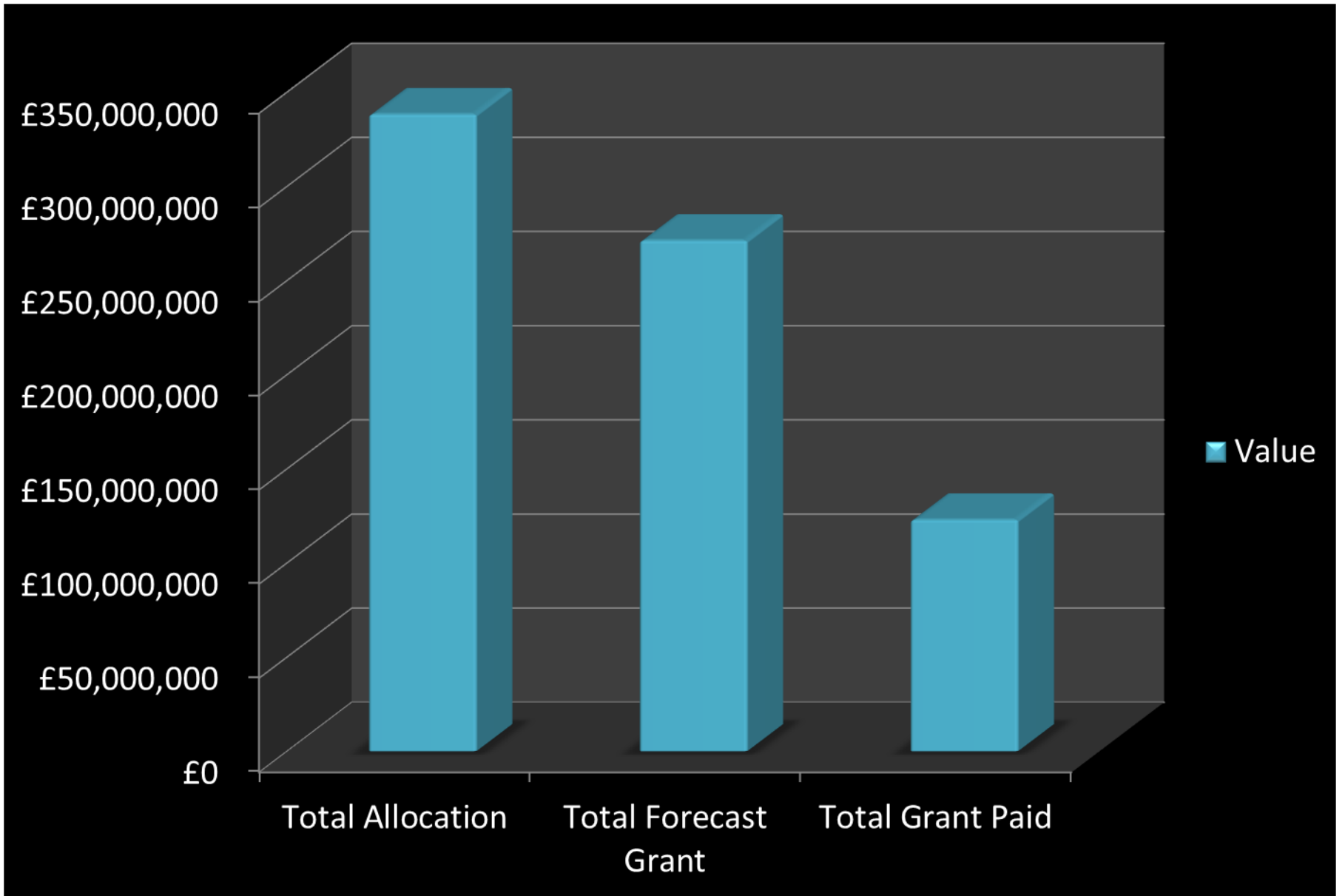
PROGRESS TO DATE ON IMPLEMENTATION AND N+2

PRESENTATION TO PROGRAMME MONITORING COMMITTEE

26 OCTOBER 2011

PRESENTER: NIGEL THOMAS ESEP LTD

FIGURE 1 – ANALYSIS OF ERDF GRANT IMPLEMENTATION
Overall Programme



OVERVIEW OF AVAILABLE GRANT ALLOCATIONS

EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

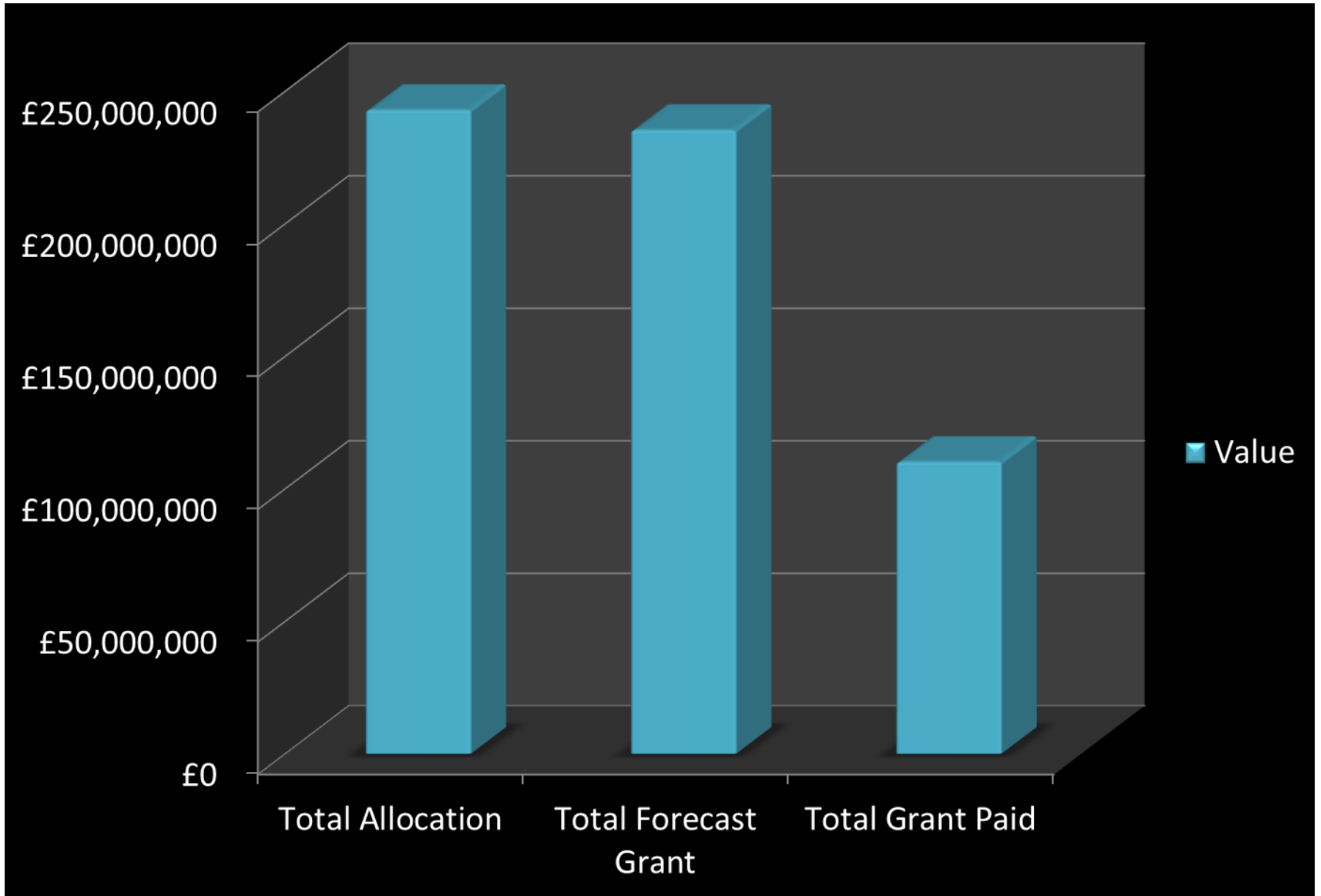
		Programme Allocation (£m)	Grant Committed (£m)	Balance Remaining (£m)
Priority 1	Research & Innovation	82.90	75.03	7.87
Priority 2	Enterprise Growth	109.97	105.13	4.84
Priority 3	Urban Regeneration	91.36	62.71	18.65
Priority 4	Rural Development	46.02	24.22	21.80

An average exchange rate of 1 EURO = £0.90 or £1 = 1.11 EURO has been used.

***A figure of £10m has already been ring-fenced although not yet formally approved by ministers for associated JESSICA infrastructure projects.**

FIGURE 2 – ANALYSIS OF ESF GRANT IMPLEMENTATION

Overall Programme



OVERVIEW OF AVAILABLE GRANT ALLOCATIONS

EUROPEAN SOCIAL FUND (ESF)

		Programme Allocation (£ m)	Grant Committed (£m)	Balance Remaining (£m)
Priority 1	Progressing into Employment	114.93	108.37	6.56
Priority 2	Progressing through Employment	53.92	49.71	4.21
Priority 3	Improving Access to Lifelong Learning	12.14	10.84	1.30
Priority 5	Strategic Skills Pipeline	56.11	63.41	-7.30

An average exchange rate of 1 EURO = £0.90 or £1 = 1.11 EURO has been used.



OBSERVATIONS ON ERDF AND ESF PROGRAMME IMPLEMENTATION

- Overall commitment in both Programmes is excellent – although performance in ERDF Priorities 3 & 4 is still slow in comparison with other priorities;
- A total of 184 ERDF projects and 313 ESF projects are still approved;
- The expenditure profiles of approved projects shows the ESF programme is more front-loaded than the ERDF;
- Final claims have been processed for 14 ERDF projects and 134 ESF projects;
- The over-commitment in ESF Priority 5 has been fully offset by underspends in the other three priorities;
- A lower than average grant intervention rate for ERDF and ESF commitments to date still means that more activity overall is being bought than was originally envisaged in the financing plan.



OBSERVATIONS ON ERDF AND ESF PROGRAMME IMPLEMENTATION

- The large number of strategic bids approved – many responding to government policy developments;
- A good geographical spread of resources across the Programme area;
- The partnership nature of the Programme – both local partnerships (CPPs), and collaborations between institutions in different parts of the Programme area. These tend to be complex and therefore can be more problematic and complex in their implementation;
- Low level of projects specifically targeted at rural areas;
- The high concentration on Lisbon earmarked activities. The four priority theme categorisation indicators relating to support services and investment in SME's and research and development activities accounts for other 56% of all ERDF grant committed;



Lowlands and Uplands Scotland Programmes 2007 - 2013

- 14% of ERDF programme has been targeted at 'activities linked to the environment' and 15% of the ESF programme aim to improve 'social work, community, social and personal services':
- A total of 346,518 participants are currently scheduled to benefit from the ESF programme of which 56% are male and 44% are female;
- In the ESF programme 55% of the participants are aged between 18 and 40;
- Over 54% of the participants are primarily unemployed or economically inactive. Nearly 32% are in employment;
- Amongst the secondary targets for participants, 3% have disabilities, 3% are from the ethnic minorities and nearly 5% have issues with either alcohol or substance abuse.

FIGURE 3 – ANALYSIS OF ERDF N+2 TARGET FOR 2011

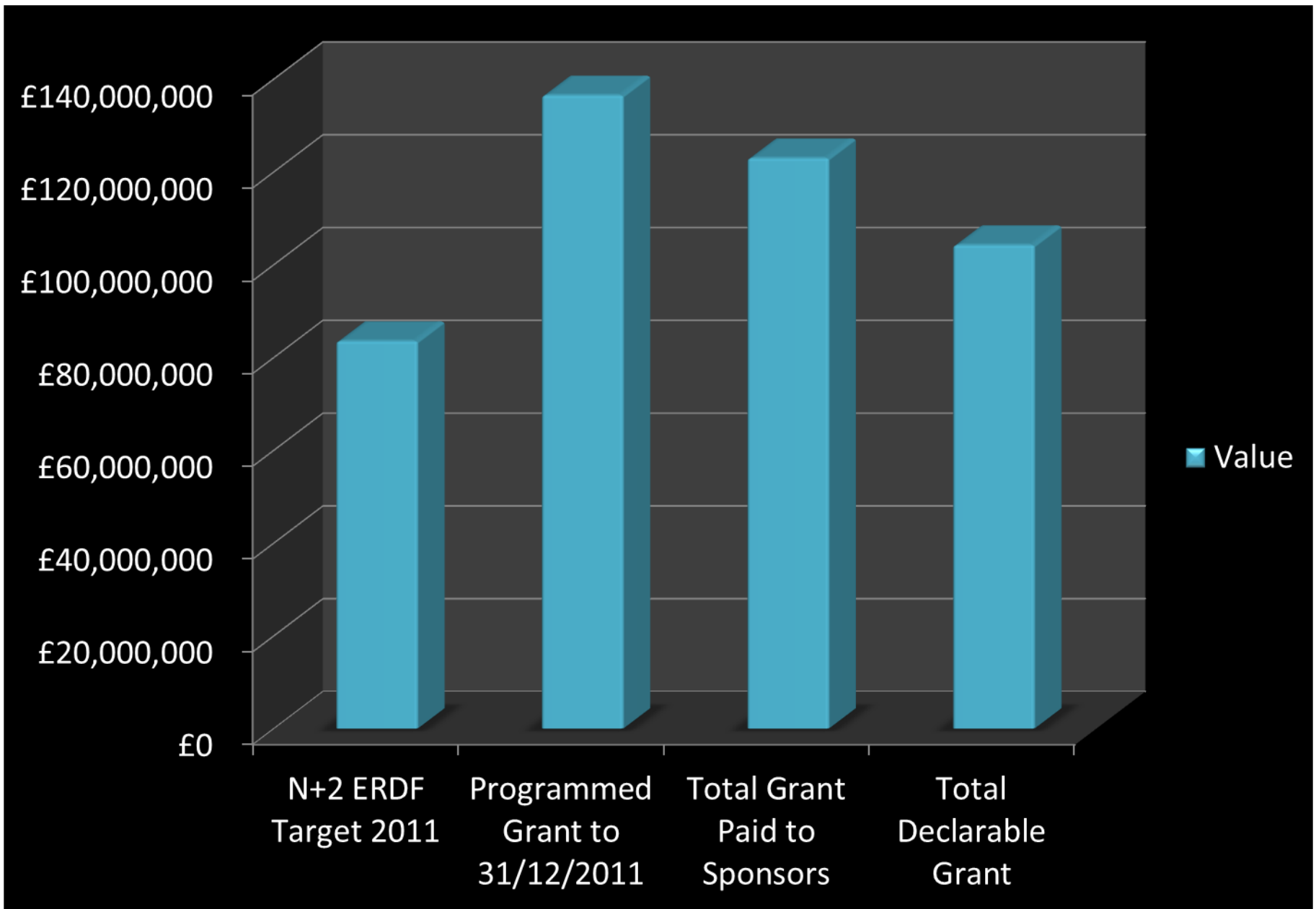
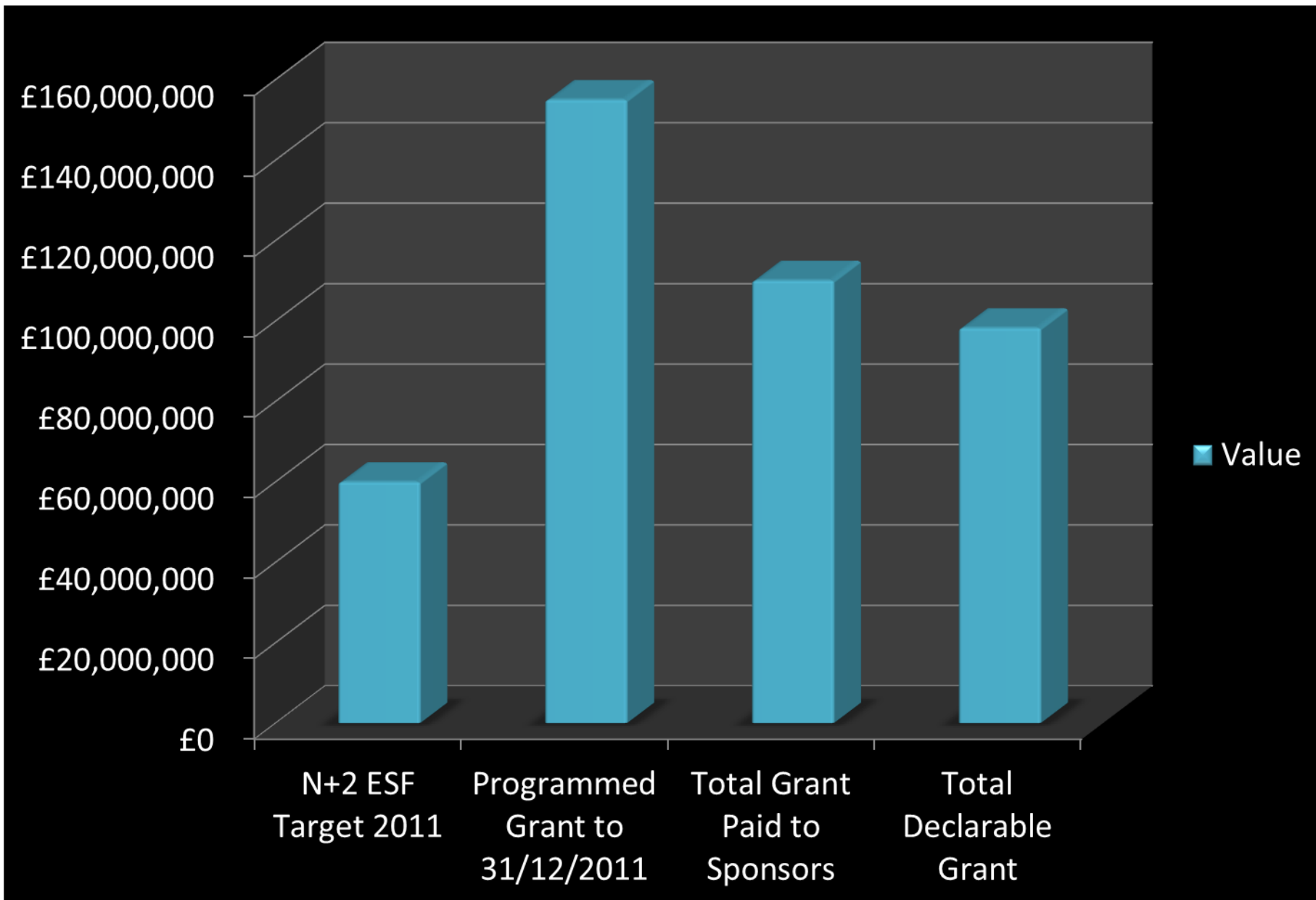


FIGURE 4 – ANALYSIS OF ESF N+2 TARGET FOR 2011

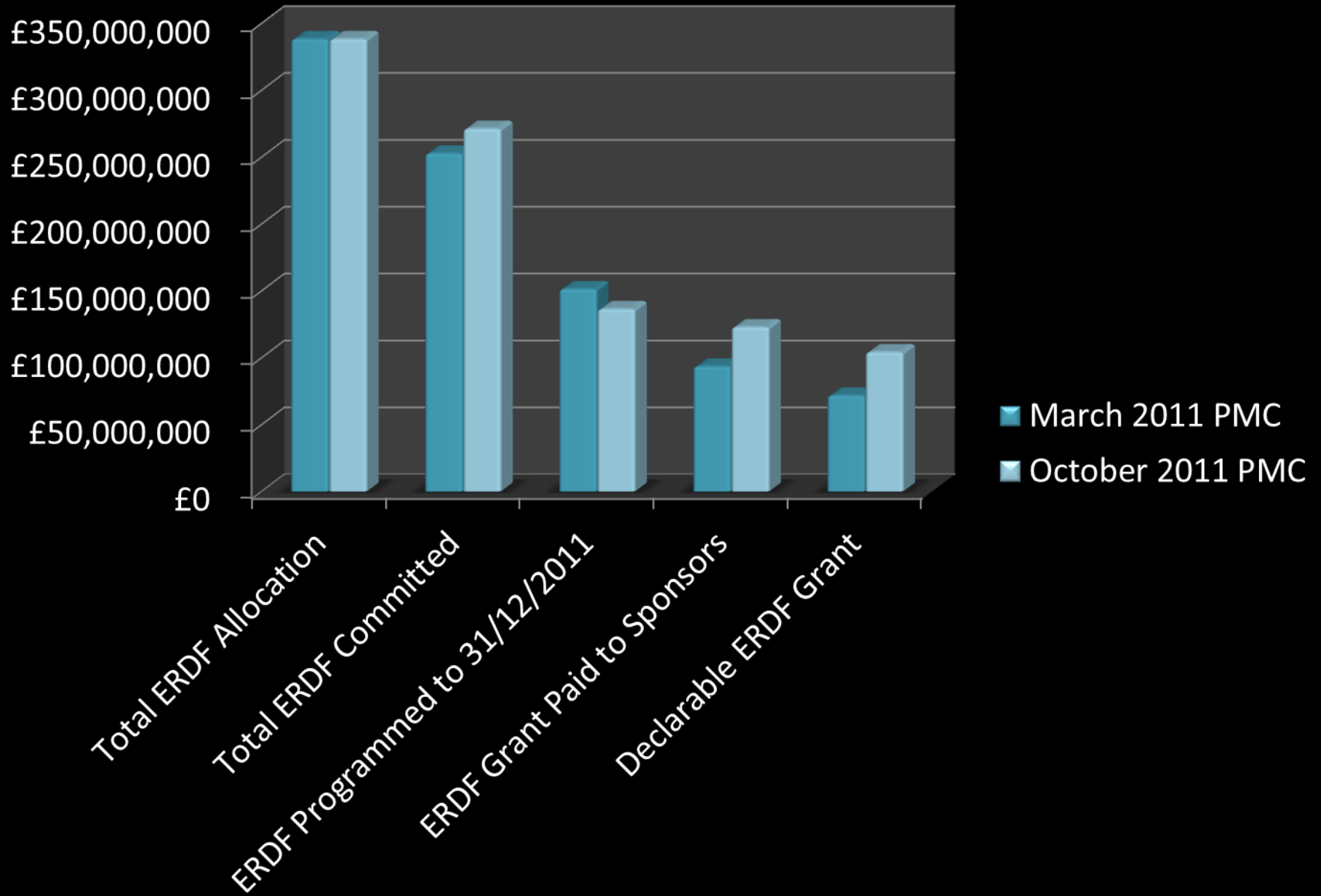




COMMENTS ON N+2

- The N+2 target for 2010 was achieved for both Programmes;
- High level of committed grant programmed to 31 December 2011 against approved N+2 target figure;
- The level of grant paid out to sponsors currently equates to approximately 147% of 2011 N+2 target for ERDF and 183% for the ESF target figure.
- Under the 4-Stage Post Approval Compliance Strategy, 20% verification checks are required for all declared expenditure in claims before this expenditure can be declared to the Commission. The level of declarable grant currently equates to approximately 125% of 2011 N+2 target for ERDF and 164% for the ESF target figure.
- The IAB is currently working on an Action Plan aimed at improving the claims position on all projects and ensuring that 20% verifications are completed timeously.

ASSESSING PROGRESS OF ERDF PROGRAMME OVER 6 MONTH PERIOD



ASSESSING PROGRESS OF ESF PROGRAMME OVER 6 MONTH PERIOD

