

ESF AND ERDF PROGRAMME PERFORMANCE AGAINST THE OPERATIONAL PROGRAMMES

PURPOSE OF PAPER

1. This paper provides further detail of the national ESF and ERDF programmes in delivering against the objectives and goals set out in the Operational Programmes. The paper, supported by the covering summary paper, is intended to support open discussion on the direction of those programmes and whether that direction remains relevant in light of current performance.

DECISIONS REQUIRED

2. Members are invited to:

- Make observations on progress against Operational Programmes' goals and objectives

STRUCTURE AND METHOD

3. The paper utilises detail on programme level monitoring information and on extensive dialogue between the Managing Authority Lead Partners to capture up-to-date delivery information.

- Annex A, provides details of the financial commitments across the wider Programme and expenditure to date.

EXECUTIVE SUMMARY

4. Delivery of the European Social Fund (ESF) and European Regional Development Fund (ERDF) programmes have continued to be delivered against the respective Operational Programmes. The changes to the programmes agreed during 2017 continued to be rolled out by Lead Partners.

5. In February 2018, the MA launched a call for new applications and extensions to previously approved Strategic Interventions (SIs) and Operations. This was originally intended to be completed before the UK leaves to EU, to ensure that all activity would be covered by the guarantee issued by UK Government in the event of the Withdrawal Agreement not being agreed.

6. Since then, the guarantee has been extended to cover projects to 2020. Extensions and new operations have continued to be considered and approved – to date, £547.5million¹ has been approved – however the timetable has been relaxed to continue to consider proposals into the new year as these would continue to be assured of funding to the end of the programmes.

¹ At 7 October 2019

PERFORMANCE RESERVE

7. On 1 October, the MA provided members with an update and summary it had received on the notification from the European Commission (EC) in relation to Performance Framework targets. The notification indicated that only three priorities had shown sufficient progress against targets. These are as follows:

1. ERDF Priority Axis 3 (Transition)
2. ERDF Priority Axis 5 (More Developed)
3. ESF Priority Axis 1 (More Developed)

8. The Commission extended the deadline for the reporting of progress in 2018 into 2019 but there remained insufficient progress in the other priorities to satisfy the Commission. In accordance with the regulations, the Commission has indicated that the Performance Reserve allocation needs to be moved to those priorities that have successfully delivered against their targets. If/when implemented this would have a financial impact for programmes and projects within the Highlands & Islands area with approximately €5m being reallocated to a similar priority area within the More Developed region.

9. The MA, working in collaboration with Lead Partners from across the Highlands & Islands, has submitted a counter proposal to the Commission seeking their approval to invoke flexibility under Article 93(2) to develop and re-allocate funds within the Highlands & Islands region. The proposal was submitted to the Commission on 14 October. The Commission has advised that they are seeking legal advice on whether there is flexibility and scope to submit proposals that would minimise the social and economic impact of losing €5m of funding across the region. The MA will continue to keep members updated on developments associated with the Performance Reserve.

Decisions Required

Members are invited to:

- Make observations on progress against Programme goals/target and objectives;
- Consider proposals for the continued improvement of performance against Programme goals/targets and objectives
- Note the continued dialogue with the Commission to address concerns linked to the allocation of the Performance Reserve

Managing Authority
30 October 2019

Programme Monitoring Committee (PMC)
02-03: ESF and ERDF Programme Performance Against the Operational Programmes

ANNEX A: FINANCIAL PROGRESS

1a. European Regional Development Fund
(at September 2019)

	Programme value (€)	Committed (€)	% of Programme Committed	Paid Claims (€)	% of Programme Claimed
H&I	104,658,615.00	87,528,873.37	84%	9,710,408.37	9%
1	18,732,826.00	14,759,766.89	79%	968,897.78	5%
2	17,757,540.00	22,091,880.13	124%	147,446.40	1%
3	29,045,763.00	21,287,462.00	73%	5,128,188.04	18%
4	25,236,403.00	15,654,141.43	62%	1,492,132.57	6%
6	11,560,528.00	11,542,841.37	100%	1,246,855.71	11%
12	2,325,555.00	2,192,781.56	94%	726,887.87	31%
LUPS	347,783,180.00	260,312,065.86	75%	47,737,878.49	14%
1	87,983,952.00	60,102,862.67	68%	10,476,919.98	12%
3	118,973,986.00	101,395,630.05	85%	15,546,503.77	13%
4	94,356,289.00	57,430,155.63	61%	14,384,975.19	15%
6	39,651,322.00	34,625,720.04	87%	5,091,774.87	13%
12	6,817,631.00	6,757,697.47	99%	2,237,704.68	33%
ERDF	452,441,795.00	347,840,939.23	77%	57,448,286.86	13%

1b. European Social Fund
(at September 2019)

	Programme value (€)	Committed (€)	% of Programme Committed	Paid Claims (€)	% of Programme Claimed
H&I	76,598,544.00	34,666,273.59	45%	5,687,643.77	7%
8	23,938,219.00	13,821,915.13	58%	2,513,318.02	10%
9	16,802,036.00	11,729,717.96	70%	581,981.92	3%
10	33,926,671.00	7,086,978.71	21%	1,922,163.94	6%
12	1,931,618.00	2,027,661.77	105%	670,179.89	35%
LUPS	343,617,688.00	222,220,756.37	65%	50,341,684.23	15%
8	126,810,033.00	117,381,713.04	93%	16,748,317.30	13%
08a (YEI)	51,014,110.00	48,482,044.02	95%	20,887,180.33	41%
9	62,526,231.00	29,141,025.39	47%	2,000,301.07	3%
10	96,951,236.00	21,299,074.65	22%	8,748,266.48	9%
12	6,316,078.00	5,916,899.26	94%	1,957,619.05	31%
ESF	420,216,232.00	256,887,029.95	61%	56,029,328.00	13%