

# Northwest European Regional Development Fund Programme

2007-2013

## Summary



February 2008

# Northwest ERDF Programme - Summary

**Over the period 2007-2013 the Northwest of England is set to receive a total of £521million<sup>1</sup> in European Regional Development Funding (ERDF) support under the Regional Competitiveness strand of the European Union's (EU) Structural Funds. All parts of the region are now eligible for ERDF support.**

Partners in the region have developed a Northwest Operational Programme, known as the Northwest ERDF Programme, to determine how these resources are to be used over the programme period. Partners have developed the ERDF Programme in response to the challenges and to the policy drivers at a European (especially the Lisbon agenda<sup>2</sup>), national and regional level.

## The ERDF Programme Vision

The overall vision for the ERDF Programme is based on that of the region's current Regional Economic Strategy (RES):

*"A dynamic, sustainable international economy which competes on the basis of knowledge, advanced technology and an excellent quality of life for all".*

To help achieve this vision, a Programme Management Committee (PMC) has been formed to monitor, oversee and advise on the delivery of the Programme. It is comprised of 25 senior representatives from organisations across the region including Government Office North West (GONW), Northwest Regional Development Agency (NWRDA), North West Regional Assembly (NWRRA), The Department of Communities and Local Government (CLG), sub-regional partnerships, local authorities, higher education, the trade unions and the private and voluntary sector. The role and function of the PMC is laid down in EU legislation.

The main targets for the Programme, by which we will measure its progress and the overall impact are:

- Support the creation of 26,700 net additional new jobs by 2015.
- Support the creation of £1.17bn additional annual GVA by 2015.
- Support a 25% reduction in additional CO<sub>2</sub> emissions generated by the ERDF Programme.

## Challenges faced by the Region

An extensive analysis of the socio-economic conditions in the region, extending earlier work underpinning the current RES, was carried out in developing the ERDF Programme. Although the Northwest and its sub-regions have, on the whole, seen significant progress over the last decade, there remain significant challenges:

- The Northwest continues to have **relatively low rates of innovation, enterprise and productivity**. The causes of this productivity gap are complex, but include the region's industrial structure and lack of skills compared to the national average (including management and leadership). **Rates of enterprise are low** in most parts of the region and the excellent knowledge assets in the region are far from fully exploited.
- In common with other economies, the Northwest faces the **challenges of climate change** and of future increases in costs of energy, which will have a significant impact on the region's industrial base.
- The region's recent economic success has not filtered out to all parts of the region. The **lack of economic inclusion** in parts of the region, especially the larger urban areas, is visible in concentrations of economic inactivity.

The mix of opportunities and challenges varies from place to place. The region is large and diverse, ranging from some of the most urbanised areas in Europe with deep-rooted economic and social challenges, and highly competitive areas with concentrations of knowledge based industries, to isolated rural areas. Merseyside has faced the greatest economic and social issues in the past and, in recognition, is a 'phasing-in' region which allows the area to adjust gradually to the reduction in funding available. Therefore 41% of the Northwest ERDF Programme is ring-fenced for Merseyside, reflecting its previous access to higher levels of funding under the Objective 1 Programme. The most isolated parts of the region, West Cumbria and Furness, also face some of the biggest challenges of industrial re-structuring. Equally the remainder of the region (Greater Manchester, Lancashire and Cheshire) have a mix of opportunities which the Programme will support.

## European Policy Context

The Lisbon Agenda provides the overarching driving force for the ERDF Programme and the two broad aims of the Lisbon Agenda are central to the Northwest ERDF Programme:

- **Generating stronger, sustainable economic growth.** Achieving this goal requires a significant increase in emphasis on competitiveness, innovation and knowledge-intensive activities.
- **Creating more and better jobs.** A stronger economy will drive higher quality job creation in the EU and policies that promote social inclusion will facilitate faster economic growth by increasing the effective labour pool.

In addition, the European Community Strategic Guidelines (CSG) set out how the EU's regional policy will be delivered via the EU Structural and Cohesion funds through economic, social and environmental interventions over the period 2007-2013. The CSG suggests ways in which the regions can build competitiveness on three broad fronts, each of which is supported by the Northwest ERDF Programme:

- First, by enhancing the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving their environmental potential.
- Second, by encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including adopting new technologies.
- Third, through creating more and better jobs by attracting more people into employment or enterprise, improving the adaptability of workers and enterprises and increasing investment in human capital.

## UK Policy Context

In October 2005, HM Treasury published the 'Lisbon Strategy for Jobs and Growth – UK National Reform Programme' (NRP) which outlines how the UK will work towards achieving the aims and objectives of the revised Lisbon Strategy. The ERDF Programme is coherent with the aims and objectives of this national programme and supports its key policy drivers, which include creating employment opportunities for all, and promoting productivity and growth.

The UK's National Strategic Reference Framework is the UK Government's framework for the use of Structural Funds, reflecting the EU and the UK Government's regional policy agenda. The Northwest ERDF Programme has been developed with reference to this Framework.

## Northwest ERDF Programme Priorities and Action Areas

The ERDF Programme has 5 Priorities and 11 Action Areas. Beneath each Action Area will sit a more detailed Investment Framework which will identify the type of activity that could be supported under the ERDF Programme and the types of organisations that are best placed to deliver these projects. Each Investment Framework is being developed in consultation with local, sub-regional and regional partners and approved by the PMC.

The Programme is focused on supporting and enhancing the competitiveness of the region, with a secondary focus on the creation of the right conditions for growth. However, there are relatively limited resources in the Programme so it is therefore focused on with areas where it can make the biggest impact, in conjunction with other funding for economic development.

1 Based on the annual allocations in 2006 prices and may alter with exchange rate fluctuations

2 The Lisbon Agenda is an action and development plan for the EU. Its aim is to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010"

Partners have agreed on the following 5 priorities and overall resource allocations:

**PRIORITY 1** Stimulating Enterprise and Supporting Growth in Target Sectors & Markets

(£141m<sup>1</sup> of ERDF)

This priority provides business support and funds financial initiatives which help improve the competitiveness of the region's businesses, especially in high value target sectors. It also supports work with the region's businesses in all sectors to improve resource efficiency and reduce their carbon footprint. The Action Areas under Priority 1 are:

- 1-1. Developing high value new enterprise.
- 1-2. Developing higher added-value activity in target regional sectors.
- 1-3. Increasing sustainable consumption and production.

**PRIORITY 2** Exploiting Innovation and Knowledge

(£141m<sup>1</sup> of ERDF)

This priority aims to make full use of the region's knowledge base in Higher Education Institutes, research institutes and private sector firms. It encourages the exploitation of this knowledge and innovation amongst all firms. The Action Areas under Priority 2 are:

- 2-1. Exploiting the science and R&D base of the region.
- 2-2. Encouraging innovation to improve productivity in all companies.

**PRIORITY 3** Creating the Conditions for Sustainable Growth

(£108m<sup>1</sup> of ERDF)

There is still the need for some underpinning investment in infrastructure in the region to support the development of successful economies. This priority supports investment in strategically significant sites and premises and, in Merseyside, access to and exploitation of key transport gateways. The Action Areas under Priority 3 are:

- 3-1. Exploiting the economic potential of major gateways in Merseyside.
- 3-2. Developing high quality sites and premises of regional importance.
- 3-3. Supporting the improvement of the region's visitor offer and image.

**PRIORITY 4** Growing and Accessing Employment

(£110m<sup>1</sup> of ERDF)

There is a need to ensure that economic successes delivered by the Programme are shared and that economic exclusion is tackled. This priority, in conjunction with other programmes, is focused on creating employment which is accessible to disadvantaged areas and to help residents in these areas access economic opportunities as employees or in self-employment. The priority will be delivered in cooperation with Sub-Regional Partnerships. The Action Areas under Priority 4 are:

- 4-1. Stimulate enterprise in disadvantaged communities and under-represented groups.
- 4-2. Supporting linkages to key employment areas.
- 4.3. Supporting employment creation for areas of regeneration need.

In addition, these 4 Priorities are supported by Priority 5 – Technical Assistance (£21m<sup>1</sup> of ERDF). This supports the management of the programme.

**Cross Cutting Themes**

The ERDF Programme has two cross cutting themes which will be embedded within project design and followed through into delivery and implementation. The themes are Environmental Sustainability and Equality & Diversity. Management and monitoring systems will underpin the successful mainstreaming of the cross cutting themes as will robust indicators, including gender.

**Management of the ERDF Programme**

The Programme will be managed by the NWDA in accordance with the agreed Implementing Provisions. These specific provisions, agreed with the European Commission, set out the general rules for implementation. ERDF Funding will be administered by the NWDA through The European Programme Team, led by the Director of European Programme, David Malpass. The process for application is aligned fully with the NWDA's current grant application procedure.

Full details on Implementation and Implementing Provisions can be found in Chapter 9 of the full ERDF Northwest Operational Programme document, available on [www.erdfnw.co.uk](http://www.erdfnw.co.uk)

# The Northwest ERDF Programme

## The Vision

*“A dynamic, sustainable international economy which competes on the basis of knowledge, advanced technology and an excellent quality of life for all”.*

### PRIORITY 1 –

**Stimulating Enterprise and Supporting Growth in Target Sectors and Markets**

#### PRIORITY 1 – 1

Developing high value new enterprise

#### PRIORITY 1 – 2

Developing higher added-value activity in target regional sectors

#### PRIORITY 1 – 3

Increasing sustainable consumption and production

### PRIORITY 2 –

**Exploiting Innovation and Knowledge**

#### PRIORITY 2 - 1

Exploiting the science and R&D base of the region

#### PRIORITY 2 - 2

Encouraging innovation to improve productivity in all companies

### PRIORITY 3 –

**Creating the Conditions for Sustainable Growth**

#### PRIORITY 3 – 1

Exploiting the economic potential of major gateways in Merseyside

#### PRIORITY 3 – 2

Developing high quality sites and premises of regional importance

#### PRIORITY 3 – 3

Supporting the improvement of the region’s visitor offer and image

### PRIORITY 4 –

**Growing and Accessing Employment**

#### PRIORITY 4 – 1

Stimulate enterprise in disadvantaged communities and under-represented groups

#### PRIORITY 4 – 2

Supporting linkages to key employment areas

#### PRIORITY 4 - 3

Supporting employment creation for areas of regeneration need

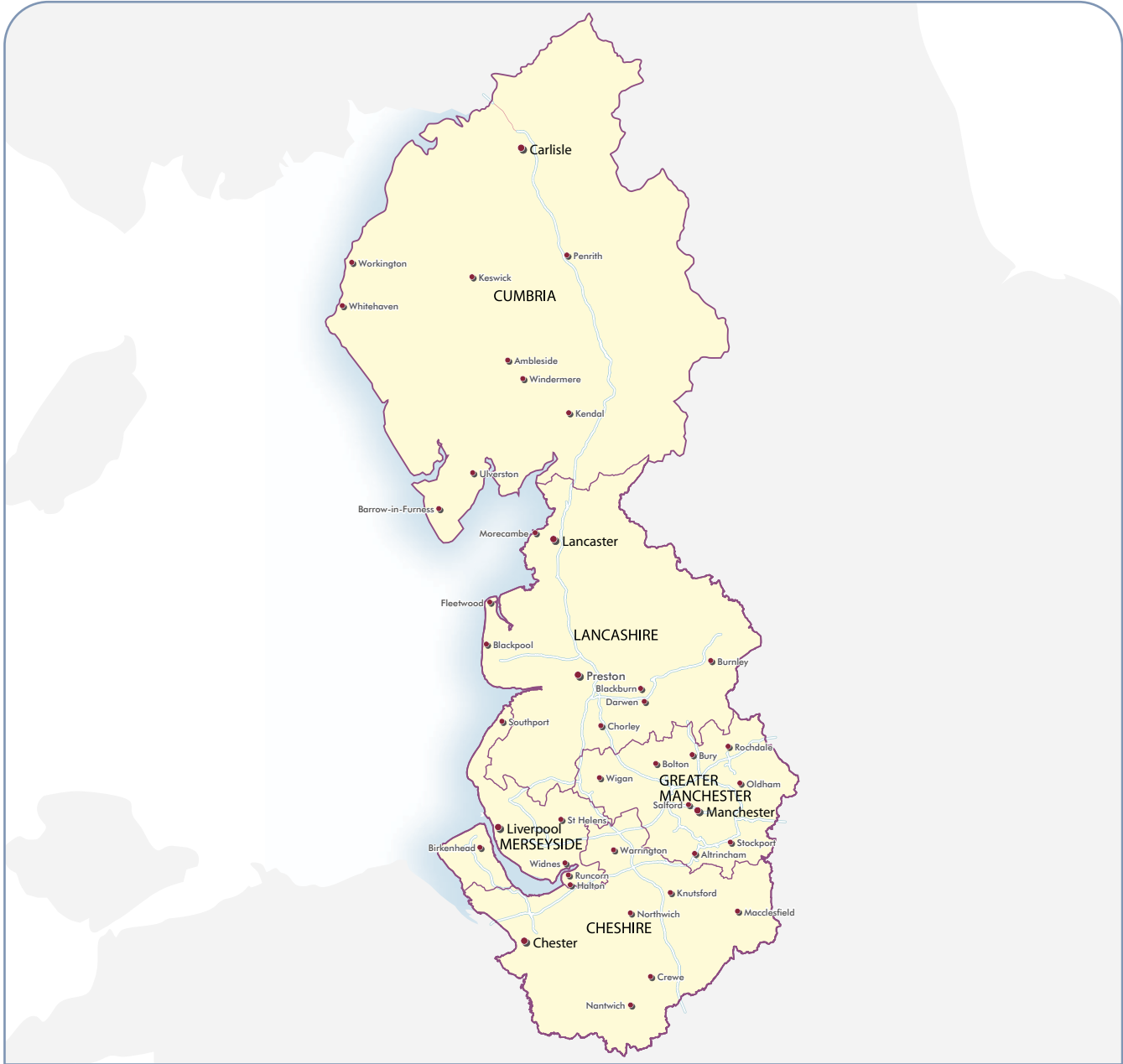
### PRIORITY 5 –

**Technical Assistance** (Supporting the Management of the Programme)

## At a glance

- Total Northwest ERDF is £521m<sup>1</sup> 2007-13.
- Northwest ERDF (excluding Merseyside) is £308m<sup>1</sup> Within the Northwest ERDF Programme, Merseyside has transitional ‘phasing-in’ status and a ring-fenced financial allocation to allow the area to adjust gradually.
- Merseyside ring-fenced ‘phasing-in’ ERDF is £212m<sup>1</sup> (for the period 2007-11).
- Taking account of match funding and the current exchange rate, this provides for total funding of £1bn between 2007-13 (double ERDF total).

# England's Northwest



To download the full Northwest ERDF Operational Programme document visit [www.erdfnw.co.uk](http://www.erdfnw.co.uk)

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