

London's European Structural Fund programmes

1. 'European Structural Funds' are a suite of seven-year programmes managed by regions and governments of the 27 EU member states. We are midway through the current '2007-13' programmes (which will close in 2016-17). Programmes are currently being negotiated for 2014-20 and GLA's role as an Intermediate Body is expected to be similar.
2. The funds' broad aim is to reduce inequalities between the wealthiest and poorest regions- though all regions receive funding. Expenditure on the 2007-13 programmes constitutes about a third of the EU's overall budget: **€347bn**. The UK is receiving **€10.6bn** of this, of which London receives **€660m**, split between two programmes – the European Regional Development Fund (ERDF) and European Social Fund (ESF).
3. Both programmes are augmented by a similar amount of match funding, provided by the six public sector 'co-financing organisations' (in the case of ESF); and projects themselves (in the case of ERDF). This translates to a London 2007-13 ERDF programme worth about £320m, and an ESF programme worth £820m. We therefore typically describe the programmes as being worth over £1bn to London, though actual amounts fluctuate with the exchange rate.
4. The usage of this funding is determined by 'Operational Programmes' (OPs) agreed by the European Commission (EC) and member states which set out outputs and results (jobs created, businesses supported etc) to be achieved over seven years in exchange for the funds; within a framework of complex monitoring and audit rules applied across the EU. The EC penalise programmes that fail to hit annual ERDF and ESF expenditure targets by clawing back unspent amounts. This has never happened in London.
5. The GLA manage and monitor the delivery of London's ERDF and ESF programmes on behalf of the Mayor through the European Programmes Management Unit (EPMU) in GLA's Resources Directorate.
6. Regional ESF and ERDF Committees are responsible for overseeing the ESF and ERDF Programmes in London and ensuring they meet their objectives. The Committees meet jointly at least twice a year and agree programme strategies, monitor performance and approve project selection criteria. The Committees are chaired by the GLA's Executive Director of Development, Environment and Enterprise, and members include representatives from public, private and voluntary sector organisations.

2007-13 London European Social Fund (ESF) Programme

7. The £820m London ESF programme supports revenue projects that will provide over 50,000 skills qualifications and get 40,000 people into work. Funding is split between projects to support:
 - the workless (Priority 1 – 'extending employment opportunities' £580m),
 - those in the workforce (Priority 2 – 'creating a skilled and adaptable workforce' £240m);
8. The 'Managing Authority' for ESF in England is the Department of Work and Pensions (DWP). The DWP have delegated responsibility for delivery of the programme in London to EPMU.
9. The 2007-13 ESF programme for London is worth £410 million at current exchange rates. It is delivered by six co-financing organisations (CFOs); which provide 50% of the match-funding (so the total programme size is ~£820m).

10. Funding has now been fully committed to each CFO is set out in London's ESF 'Regional Framework' as follows:

CFO	Total ESF & match (£m)	% of programme value
	443	54%
Skills Funding Agency		
DWP	216	26%
LDA	53	6%
National Offender Management Service	41	5%
London Councils	51	6%
GLA	10	1%
Total	8141	100%

12. Each CFO produces its own prospectus/ITT, detailing the funding available and outputs expected to be achieved.

2007-13 London European Regional Development Fund (ERDF) programme

13. The English ERDF Managing Authority is the Department for Communities and Local Government (DCLG). It has delegated the responsibility of managing ERDF programmes in London to the GLA via a Statutory Instrument. The London programme is worth about £330m – approximately half EU funds, half matchfunding.

14. London ERDF Programme activities' targets include: assisting 20,000 businesses, creating or safeguarding 10,000 jobs, increasing GVA by €300m, reducing CO2 emissions and waste going to landfill.

15. The four ERDF priorities set out in London's Operational Programme, and the number of projects supported are as follows:

Priority 1: Business innovation and research and promoting eco-efficiency (**£45m** revenue) – 46 projects

Priority 2: Access to new markets and access to finance (**£47m** revenue) – 37 projects

Priority 3: Sustainable places for business (**£65m** capital) - 8 projects, including £50m investment in the London Green Fund, which makes recyclable investments in green infrastructure projects.

Priority 4: Technical Assistance (**£6m** revenue) – 3 projects including 1 to fund EPMU salaries.

16. ERDF bids are appraised through an open and competitive process agreed by the London ERDF Committee. Projects are appraised by EPMU, and recommendations to the Committee on which projects to support taken by a panel consisting of members of the Committee and chaired by the Mayor's office. Every project is also ultimately approved by the Mayor.

17. Bidders must provide their own match funding. 8 bidding rounds have been held and the funds will shortly be fully committed.

18. An independent mid-term evaluation of the programme, completed in August 2012, confirmed that the programme is being managed strongly and effectively, offers much good practice, and is on course to achieve or exceed most Programme targets.