



Regional Growth Fund

Annual Monitoring Report 2013



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Foreword from the Deputy Prime Minister

The collapse of Britain's banks in 2008 and the economic crisis that followed exposed a deep imbalance in our economy. For too long our prosperity has depended too heavily on one sector, in one city: London's Financial Services.

As we rebuild Britain's economy so that it is stronger and more resilient, we must ensure that growth is driven by all of our regions, capitalising on all of our strengths in industry. Our economy needs to be rebalanced.

This isn't an overnight job. Nor are there any policy silver bullets. But by innovating and working with the private sector, councils and local communities, the Coalition Government is giving businesses across the country a much needed boost. The Regional Growth Fund is a vital part of that.

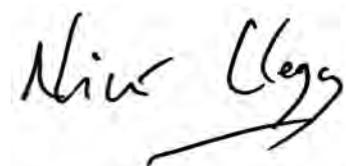
I first launched the RGF in 2010: originally a £1.4 billion pot of government money for those parts of the country which have become too heavily reliant on the public sector for growth. It was a response to the acute pressures facing many firms which, in better economic circumstances, would be able to expand and grow. That figure has since risen to £3.2bn, leveraging over £14bn more in private investment.

This first report on the progress in Rounds 1 and 2 confirms the message I have heard from many of the RGF projects and programmes I have visited: without this money, they could not go ahead. Yet, with this support, they can be confident about their future, taking on staff and implementing plans to grow.

The RGF is already helping firms of all sizes – many of them detailed in these pages. Whether that's Molecular Profiles, and the £1.6 million it was awarded in Round 1 with which it expects to deliver vital jobs in Nottingham over the coming years; or Nifco, which is using the investment to create new posts in the North East; or the thousands of SMEs receiving cash all over the country.

Looking ahead, Round 3 projects and programmes will all start this year, Round 4 selections were announced today and details about the bidding arrangements for Round 5 will be made soon.

I look forward to seeing the RGF create more jobs and help more communities, benefitting Britain for years to come.



Rt Hon Nick Clegg MP
Deputy Prime Minister



Foreword from Lord Heseltine

When I was invited by the Coalition Government to be the Chairman of the Regional Growth Fund Independent Advisory Panel, which provides recommendations to Ministers, I had no hesitation in accepting. The RGF is a bold policy but, I believe, the right one for local communities and for businesses in England.

It has always been my belief that Government and the private sector work best together when they do just that – work together. The nature of partnership working means both parties must learn from each other. The private sector invests to five to 10 year timetables. Companies plan for the long term and it is that vision which means the growth they achieve is sustainable and the jobs they create here to stay.



The RGF helps to secure jobs up and down the country in areas that really need them. This is year one of 10 and the long term investment timetables of the companies that the RGF is supporting will ensure that jobs and private sector investment are delivered for many years to come.

This report details mixed progress. On job creation it is early days and the picture so far is good, with the RGF helping to secure over 50,000 jobs throughout England. On investment, the story is not quite as encouraging, with the signs being that many firms have either chosen not or been unable to invest as quickly as they originally believed they would be.

Many will say that as the economy recovers so will business confidence and that is true.

But I do also firmly believe that this is exactly what it is like working with the private sector. There are delays, unforeseen problems occur and some things do not go according to plan. But that should not be an excuse for governments to shy away from working with the private sector – it should be the very reason they work hand-in-hand with each other. The commitment from the Coalition Government of RGF support between now and 2015 has given firms the confidence to see through early teething problems, reassess their long-term investment timetables and deliver on their overall plans for job creation.

58,000 jobs and £1.2 billion of investment is a good start, and I look forward to seeing those figures grow in the years ahead.

A handwritten signature in black ink, appearing to read 'Lord Heseltine'.

Rt Hon the Lord Heseltine CH
Chairman, RGF Independent Advisory Panel

Introduction

The Regional Growth Fund is a £3.2 billion competitive government fund operating across England, supporting businesses of all sizes to grow. The RGF was launched in June 2010 and is a key part of the Government's desire to rebalance the economy across sectors and regions. At its heart are two key aims:

- To stimulate enterprise by providing support for projects and programmes with significant potential for economic growth, leveraging in significant private sector investment and creating additional sustainable private sector employment;
- To support in particular those areas and communities that are currently dependent on the public sector make the transition to sustainable private sector-led growth and prosperity.

To date there have been four rounds of the RGF. Through all those rounds the objectives and the eligibility criteria have remained the same. The RGF is unique as it places the needs of the private sector first, helping to unlock long term plans for job creation and thereby ensuring the jobs are sustainable for many years ahead. Businesses of all sizes are able to access RGF support, either by bidding into the national Fund, or by applying locally to a RGF supported programme.

The competitive element of the RGF, with proposals from across the country being judged against each other, ensures that the most robust and sustainable plans receive support. In this way value for money for the tax payer is delivered.

As well as a clear focus on long-term private sector growth, the RGF is helping communities in England whose local economies are in most need of rebalancing, helping to reduce dependency on public sector employment in those areas whilst at the same time unlocking much needed private sector investment.

RGF Rounds to date

The results of the first three rounds of RGF were announced in 2011 and 2012:

In **Round 1** £450 million was made available to bidders. The round was launched on 28 October 2010 and Ministers announced selected bidders on 12 April 2011.

In **Round 2** £950 million was made available to bidders. The round was launched on 12 April 2011 and Ministers announced selected bidders on 31 October 2011.

In **Round 3** a further £1 billion was made available to bidders. The round was launched on 23 February 2012 and Ministers announced selected bidders on 19 October 2012.

In addition, Round 4 announcements were made by Ministers in July 2013, with a further £500m awarded to the selected bidders.

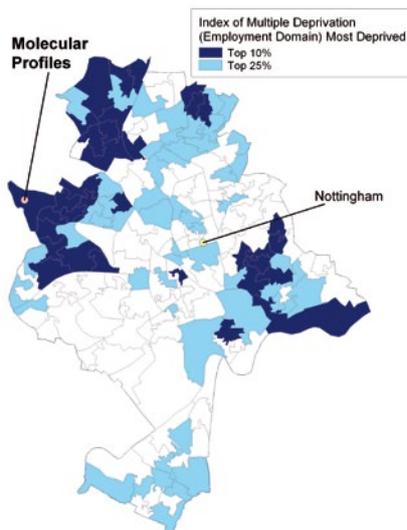
On 26 June 2013 the Spending Round confirmed a continuation of the RGF would make an extra £600m available to bidders, over 2015-16 and 2016-17.

Organisations with an urgent need of RGF support, to a tighter timetable than an open round allows, can also think about applying for exceptional RGF (eRGF) support.

More details on the results of Round 4, the bidding arrangements for future rounds and further information on eRGF support can be found at www.gov.uk/understanding-the-regional-growth-fund

RGF CASE STUDY | Molecular Profiles Ltd in Nottingham

Nottingham Local Authority



Nottingham has a population of over 300,000.

In 2009 it ranked fifth out of the 40 local authorities in the area, in terms of its dependency on the public sector, with 26.8% of workers in the area being employed in the public sector, compared to the England average of 20.9%.

Between 2003 and 2009, the number of people employed in the private sector in Nottingham fell by 2.4%.

Public sector depend

Q4

Active enterprises

Q4

Private sector growth

Q4

Out of work benefits

Q4

See technical annex on page 26 for explanation of data



Molecular Profiles is a Nottingham based company that provides specialised formulation, analytical and consulting services to pharmaceutical companies across the world.

In Round 1 of the RGF it was awarded £1.6m to help expand its facilities in order to broaden its service offering within the pharmaceutical development

sector. The company's investment allowed it to construct a new building with a specialised fit out, expanding its floor space from 8,000 square feet to 38,000 square feet. The expansion will create and safeguard over 70 jobs by 2017, as well as helping to up skill the existing workforce.

The building work is now complete and the new facility is already in use. 30 jobs have been created so far, with the rest on track to be delivered over the next few years.

Scope of this Annual Monitoring Report

This is the first RGF Annual Monitoring Report and focuses on the progress of the 176 selected bids in Rounds 1 and 2 up to 31 March 2013, in the following areas:

- Agreeing terms with the selected bidders;
- RGF money paid to bidders so far, and money on the table for future years;
- The timetable agreed with bidders for drawing down that RGF money, and delivering on employment and investment; and
- Job delivery and private sector investment to date.

Most Round 1 schemes started in 2011-12 and most Round 2 schemes started in 2012-13. Therefore, for this combined cohort of Rounds 1 and 2 projects and programmes, 2012-13 is the first full year of delivery. Schemes have committed to delivering all of their benefits by 2021-22.

A further 130 awards were made in October 2012 as part of RGF Round 3. The vast majority of these schemes will start in 2013-14. Round 4 projects and programmes will start during 2013-14 and 2014-15. Future Annual Monitoring Reports will update progress in all four rounds.

RGF Evaluation Strategy

As well as this Annual Monitoring Report, a strategy to evaluate the overall RGF programme is now in place.

The Department for Business, Innovation and Skills has recently commissioned the first phase of the evaluation, which will comprise:

- a review of data and data monitoring processes;
- a scoping study of the possible approaches for conducting full impact and economic evaluations of the RGF; and
- an evaluation of the RGF allocation process, from the perspective of the Government and bidders.

Details of the selected bidders in Rounds 1 and 2

RGF Round 1

50 bidders were awarded RGF support in Round 1, and these bids were split between 67 separate projects and programmes

RGF Round 2

126 bidders were awarded RGF support in Round 2, and these bids were split between 172 separate projects and programmes

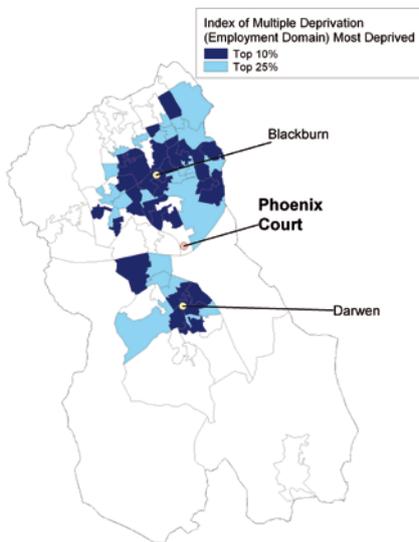
In the first two rounds of the RGF, 176 bids were selected for support and these were separated into 239 different projects and programmes.

Location of RGF beneficiaries

The RGF has a core objective to help areas that have a high dependency on the public sector for employment by unlocking private investment and securing private sector jobs. The importance of the private sector is not just in providing jobs, but also in unlocking local growth via the large investments it makes in buildings, machinery and other supplies. Investment supports suppliers, many of which are often smaller companies.

RGF CASE STUDY | Phoenix Court in Blackburn with Darwen

Blackburn with Darwen Local Authority



The areas of Blackburn and Darwen, in Lancashire, are measured as very deprived on the Office for National Statistics' employment deprivation indicator (see below).

The company Phoenix Court is situated between Blackburn and Darwen and the majority of its employees travel to work from the two areas.

It was awarded £1.5m RGF support in Round 2 to provide an extended and enhanced production facility for Accrol Paper.

The project will create 113 new jobs on site by 2015, almost doubling the existing workforce. To date, 79 of those on site jobs have been created and the project is ahead of schedule on job delivery.



Public sector depend

Q4

Active enterprises

Q4

Private sector growth

Q3

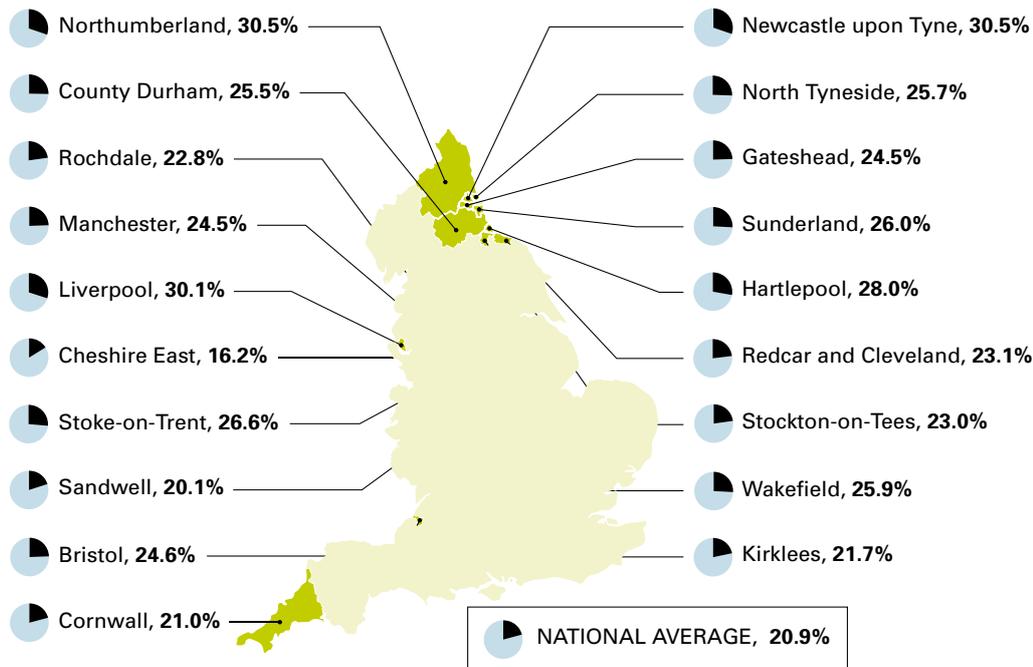
Out of work benefits

Q4

Dependency on the public sector is formally measured in the RGF through the 2009 Revised Business Employment Register¹ which gives the percentage of the workforce in each local authority that is employed in the public sector. The England average in 2009 was 20.9%.

19 local authorities each had four or more projects or programmes in their area supported in RGF Rounds 1 and 2. 17 of these had higher than average public sector dependency in 2009, as shown below.

Percentage of workers employed in the public sector 2009, by selected local authority:




BRIDON INTERNATIONAL LTD was awarded **£2.2 million** in Round 1 towards the construction of a £30 million state-of-the-art facility at Neptune Quay in **Newcastle** which will produce the largest and most complex multi-strand ropes in the world. The project will create 38 jobs and safeguard an additional 150. A further 75 jobs have been created in the short-term during the initial construction phase. To date 30 jobs have been created and 150 have been safeguarded.



PARGAT is the largest manufacturer of aluminium cookware and bakeware products in the UK and has a workforce of almost 100.

Pargat was awarded **£500,000** in Round 2 to both develop new R&D facilities and to create more floor space, allowing for the installation of high-tech manufacturing equipment. It committed to create 30 new jobs in **West Bromwich, Sandwell**, by 2015, as well as safeguarding 60 existing posts in the company. To date, 11 new jobs have been delivered and the existing ones have been secured.

¹ www.ons.gov.uk/ons/rel/bus-register/business-register-employment-survey/2009-revised/index.html

Progress since Rounds 1 and 2 bidders were selected

Live projects and programmes

As of March 2013 of the original 239 projects and programmes awarded support in RGF Rounds 1 and 2, 197 were progressing and the remaining 42 had withdrawn.

Withdrawals can be expected for a programme of this size and nature and point to the robustness of the process, ensuring that only bids where the beneficiary can deliver all the benefits it listed in its application go on to receive publicly funded support. The nature of the private sector means companies may from time to time change their mind on an investment.

Withdrawals

Reasons for withdrawals can include:

- failure to secure match funding;
- market forces and being unable to meet the conditions in time; or
- withdrawal of parent company support.

The 42 withdrawn projects and programmes were originally awarded £130 million of RGF support between them and this money has been recycled back into the RGF. Recycled money is used to fund future RGF activity in two ways:

1. Funding future rounds of the RGF; and
2. Funding exceptional RGF awards.

At 31 March 2013 there were 165 projects and 32 programmes that were progressing and had been awarded a total of £1.2 billion of RGF support.

Types of organisation to benefit: support for SMEs

Companies up and down the country have benefited from the RGF Rounds 1 and 2. Direct offers have been made to 165 projects, which tend to be larger firms.

In addition as of 31 March 2013, 1,700 SMEs had successfully accessed the RGF business support and access to finance programmes. Between them these SMEs have shared over £100 million of RGF support with hundreds of millions of pounds of further money available to bid for as these programmes continue in future years.

RGF business support and access to finance programmes fall into two categories:

1. Nationally run programmes, accessible to SMEs throughout the country. National programmes are most frequently administered by banks; and
2. Locally or regionally run programmes, targeted at specific geographical areas. Local and regional programmes are run by local partners, such as local authorities and Local Enterprise Partnerships. In some cases local programmes have been run with the support of local newspapers.

More details on RGF SME support programmes, including those awarded RGF money in Rounds 3 and 4 of the RGF, can be found at www.gov.uk/regional-growth-fund-a-guide-for-small-and-medium-enterprises-smes

Business is GREAT Campaign



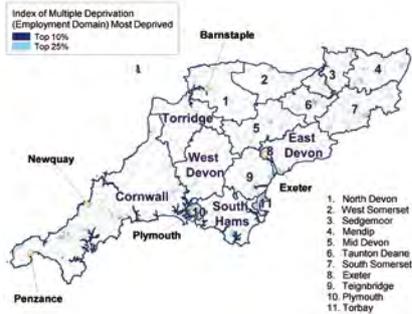
On 5 June 2013, the Prime Minister launched the 'Business is GREAT' campaign of which the Regional Growth Fund is a key element. The campaign is part of a move to make it simpler and easier for small businesses to access help. It is directed at small and medium sized enterprises with the aim of pointing them to access to funding.

The RGF campaign will use PR, radio and digital media across the country to raise awareness among SMEs of the local and national programmes that have RGF money available. This campaign will specifically direct businesses to the 'Financing a Business' page of the GREAT Business website, which covers a range of schemes available, and includes links to more detailed information on all the local and national programmes that have RGF cash available for eligible SMEs.

To find out more about the GREAT campaign and access to funding options visit: www.greatbusiness.gov.uk/financing-a-business

RGF CASE STUDY | Plymouth University & Western Morning News Growth Fund

Devon, Cornwall and Somerset

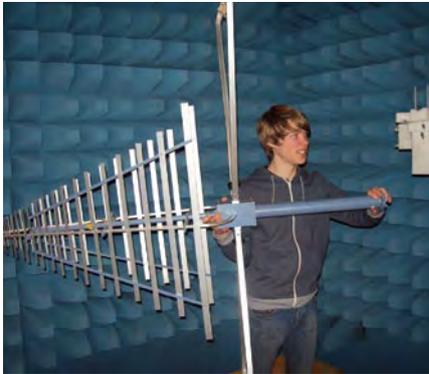


The Plymouth University & Western Morning News Growth Fund (PWGF) was awarded £1m in the first round of the RGF, to help local SMEs grow and take on more staff.

PWGF proposed to award grants to small businesses in Cornwall, Devon and Somerset of between £10,000 and £100,000 together with professional advice and guidance on the preparation of business cases for investment. It committed to creating 50 new jobs throughout the area by 2015.

It has made 20 grants to date and has exceeded its delivery targets. 76 new jobs had been created by March 2013 in a range of local firms – with confidence that more will come in the near term, unlocking £1.3m of additional private sector investment in the process.

After the success so far, the PWGF has received a further £3.9m of RGF support, in RGF Round 3, to help create over 320 jobs in the area by 2015. The new round of PWGF – which opened in January – will make grants of between £25,000 and £150,000 to SMEs.



Electronic Test & Calibration Ltd (ETC Ltd)

ETC Ltd operates in the service sector of the electronics industry.

The £100,000 grant funding from the PWGF was used to buy specialist test equipment for an expansion project. Over the next four years this expansion programme will enable ETC to become one of the top seven calibration & test laboratories in the UK through the purchase of additional highly specialised test equipment, the creation of a nationwide collection and delivery system and growth of its current export trade. This will double the size of the company by 2016.

Vocab Express

Vocab Express is a web-based foreign languages vocabulary learning application used by schools across the country.



Situated in Exeter, it received over £40,000 from the PWGF which enabled the development of the second version of Vocab Express to be accelerated, and unlocked over £40,000 of co-investment from the business. This has meant the recruitment of 3.2 full-time equivalent new staff members, more than doubling the size of the company.

Without the funding the project would not have gone ahead so quickly and the company may therefore have missed out on new subscriptions and renewals, which would have limited their ability to employ the additional staff.

RGF CASE STUDY | Plymouth University & Western Morning News Growth Fund



Advanced Pallet Systems

Advanced Pallet Systems is a pallet manufacturer in the north of Devon.

It was awarded £58,000 from the PWGF. The RGF facilitated the purchase and installation of two new machines to cut and machine plywood and chipboard panels that had previously been supplied by a sub-contractor.

The increased work has resulted in more people being employed, with the RGF support directly responsible for creating seven new, full time, jobs. The extra business revenue, generating profit will allow the company to achieve its aim of building a new facility to become a reality.

The project has provided a key employer in the South West with a local, reliable source of specialised pallets.

Types of organisation to benefit: support for sectors

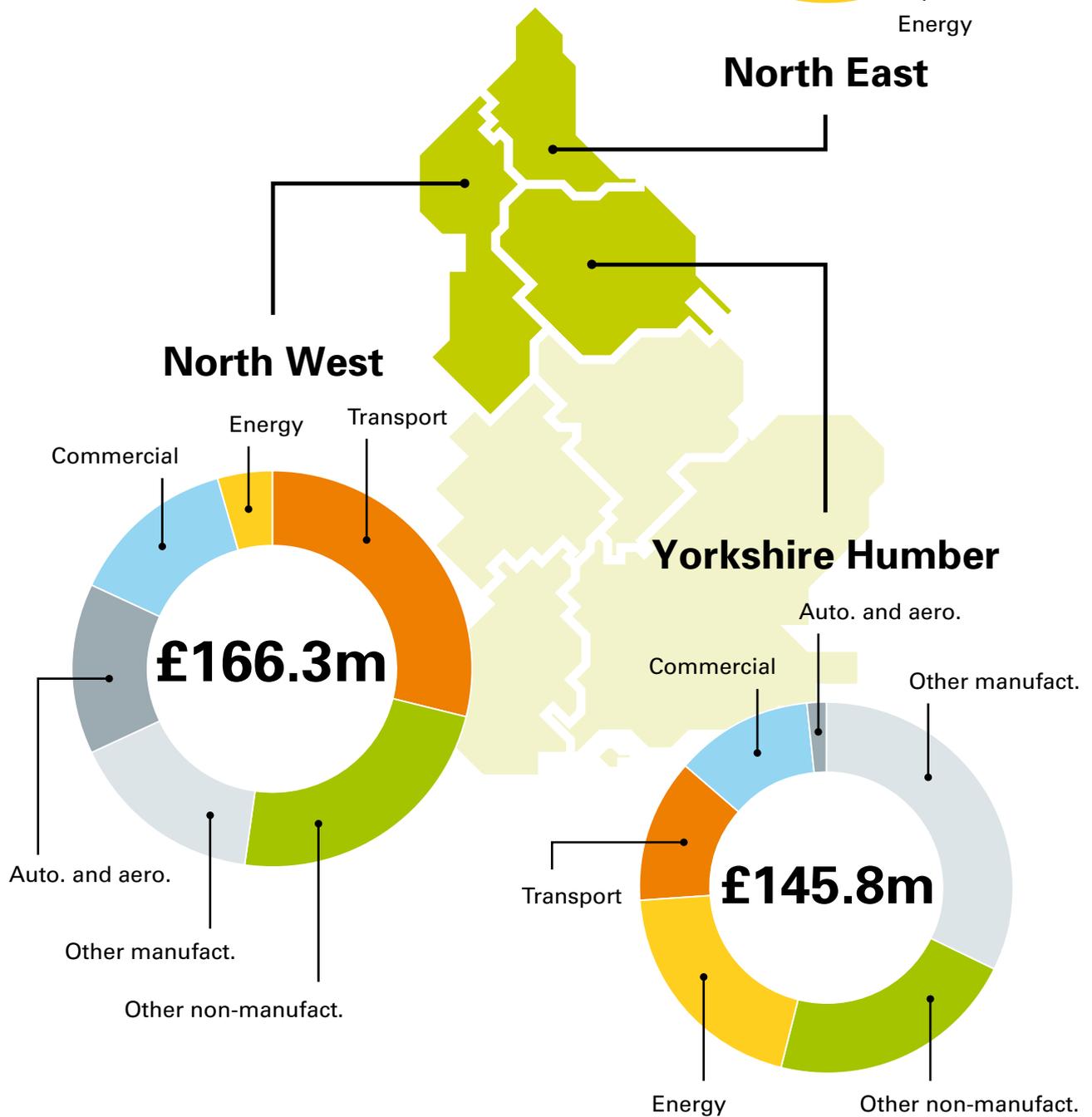
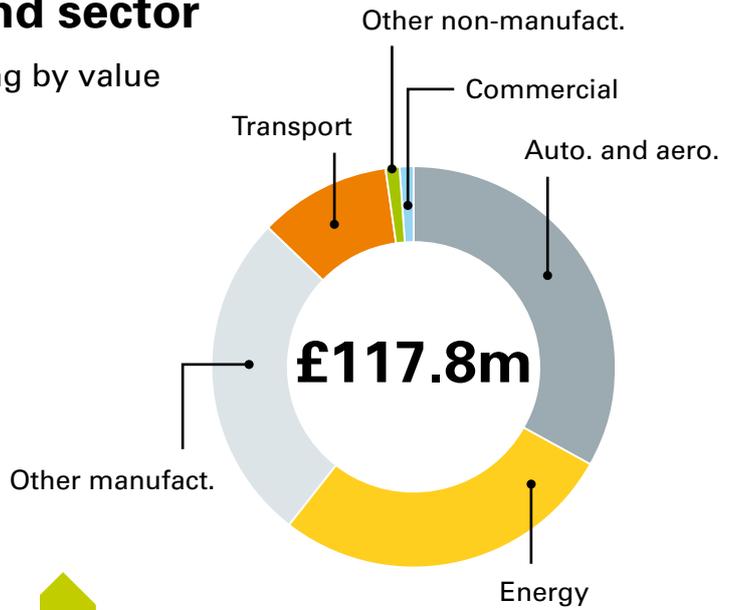
As well as access to finance support for SMEs, the RGF money awarded to the 197 live projects and programmes includes:

- £182 million for automotive and aerospace manufacturing and development;
- £134 million for local transport development, helping local areas realise their economic potential by making essential improvements to road, rail and port infrastructure;
- £113 million towards commercial development, unlocking key local sites to help the local growth agenda;
- £79 million to energy schemes, including low carbon technology;
- £125 million for other manufacturing activity, including in the chemicals, electronics and life sciences sectors; and
- £111 million towards other non-manufacturing activity, such as the services sector and mixed use development.

The regional split of this money is shown on the next pages.

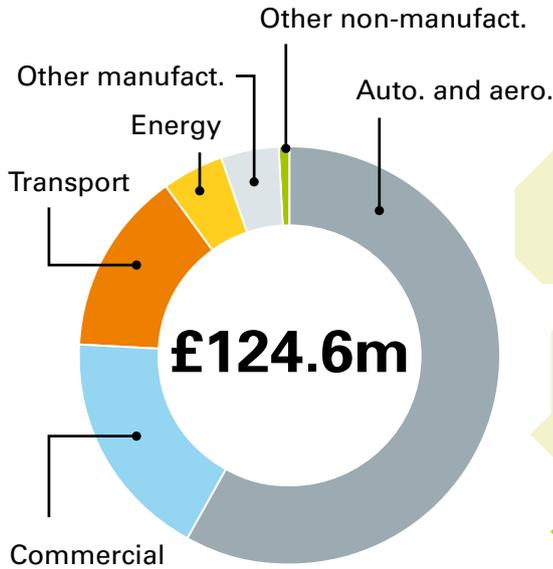
RGF funding by region and sector

Pie charts represent division of funding by value

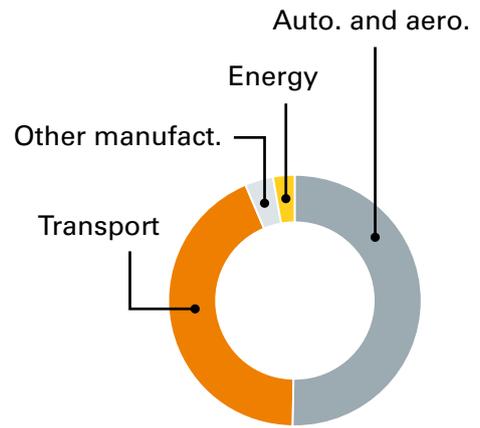


Project sectors

- Automotive and aerospace
- Transport development
- Commercial development
- Energy including low carbon
- Other manufacturing
- Other non-manufacturing

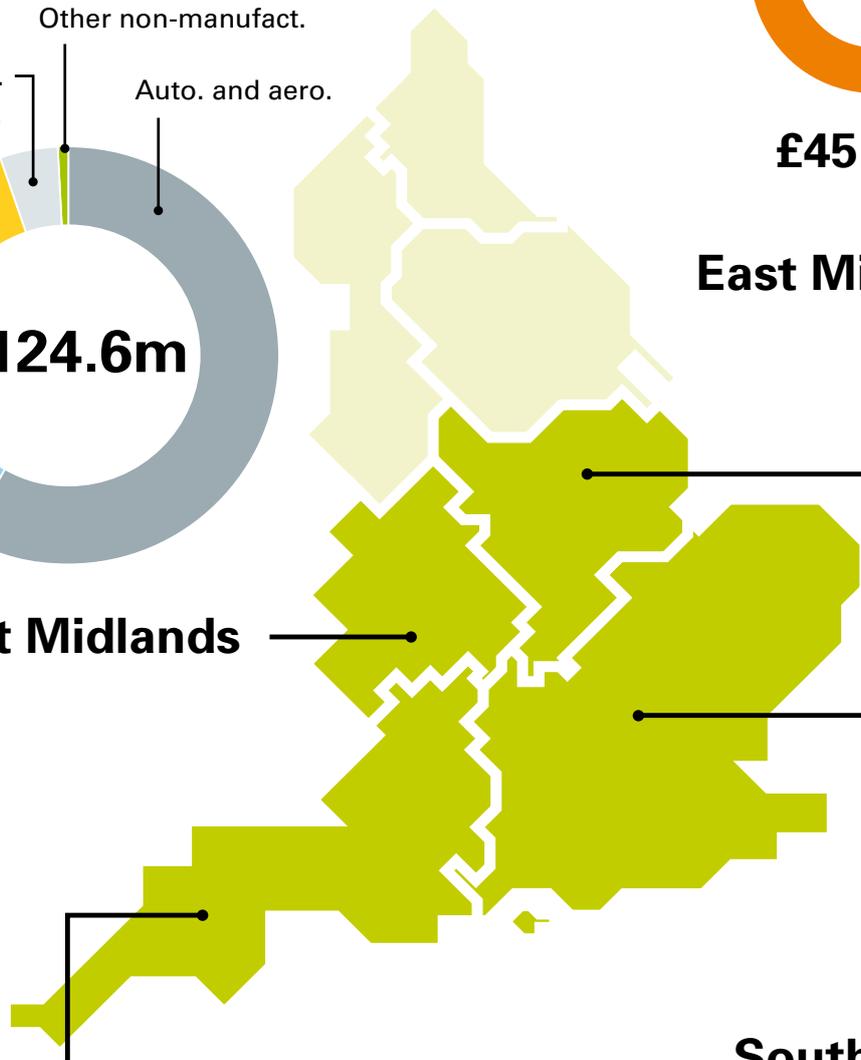


West Midlands

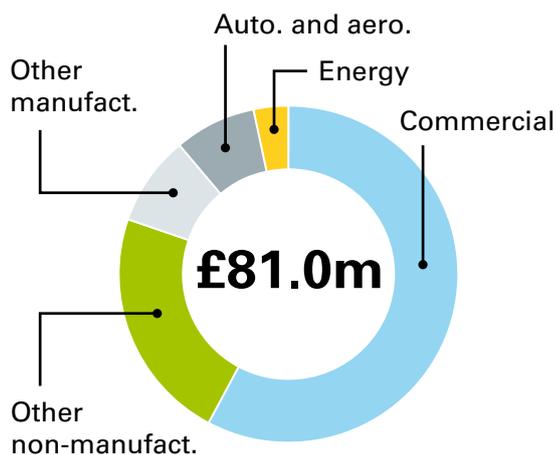


£45.1m

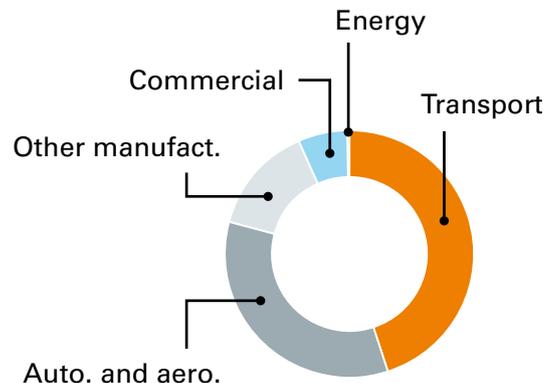
East Midlands



South West



£81.0m



£43.6m

RGF Payments

Money made available to bidders

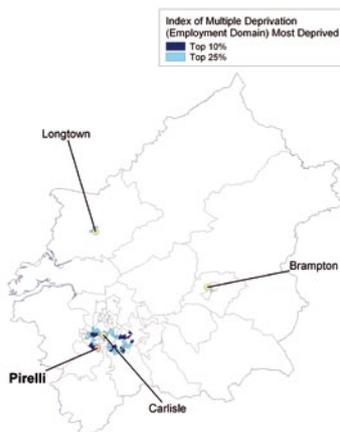
The 197 live projects and programmes were awarded a total of £1.2 billion of RGF money and dates have been agreed with those organisations for when they want to draw down the RGF support. Payment of that support is dependent on delivery of agreed job and private sector investment profiles.

Up to 31 March 2013, £625 million of the total of £1.2 billion had been paid to beneficiaries. Dates have been agreed with each project and programme for them to draw down their remaining RGF allocation by 31 March 2015.

How RGF support helps projects start

Many companies that are selected for RGF support start their projects on or soon after the day they are notified, rather than waiting for exact dates for the payment of the support to be agreed with Government. This ensures that viable investment ideas are not held up and job creation can occur quickly.

Carlisle Local Authority



Carlisle is the largest settlement in Cumbria, with a population of over 100,000.

Across all four location metrics, it is behind the national average. In particular, between 2003 and 2008, the private sector workforce in Carlisle increased by 1.7%, whilst the number of public sector workers went up by 11.4%.

Public sector depend

Q3

Active enterprises

Q3

Private sector growth

Q3

Out of work benefits

Q3

Pirelli Tyres is a leading manufacturer of Premium High Performance tyres and counts many of the UK's leading car makers amongst its customers. The company successfully applied for £2 million of RGF support during Round 2. It employs over 1,300 people in the UK and approximately 750 specifically in the Carlisle area of Cumbria.



The investment involves the creation of 37 new jobs on site by 2014 and the immediate safeguarding of 120 other existing posts.

Pirelli was informed that its bid had been selected on 31 October 2011 and spent the following months agreeing the terms of the offer with Government. However, rather than wait for those discussions to conclude it chose to start planning for the project straight away in November 2011 so that it could make an immediate start as soon as the contract was signed.

RGF Investment

Committed investment

Over the lifetime of the 197 projects and programmes, they have pledged to deliver £6.6 billion of private sector leverage in addition to the investment of £1.2 billion of RGF support.



In the early years of the RGF the ratio of private investment to RGF support will be lower. This is because for Rounds 1 and 2 RGF money must be drawn down and spent by projects and programmes by 2014-15, whereas private investment will continue in every year to 2021-22.

Up to 31 March 2013 the 197 live Rounds 1 and 2 projects and programmes committed to an overall investment of £1.7 billion – 21% of the total investment profile across the ten year lifetime of these schemes.

Progress on Private Sector Investment

RGF money helped to lever an additional £920 million of private investment up to 31 March 2013, meaning a combined injection from Government and the private sector of £1.2 billion in to local economies throughout England.

Therefore in year one, 15% of the total investment profile for Rounds 1 and 2 has been delivered.

This is behind the anticipated level of £1.7 billion. There are several reasons for this, with the most common being that many firms have put back some of their planned investment. In a small number of cases, the project or programme has simply decided to delay the commencement of its investment to future years.

Importantly, in all cases RGF support has not replaced the private sector investment to which projects and programmes have committed to over the lifetime of their schemes. The private investment not delivered to date has been moved to future years. In this way the RGF payment is acting as a catalyst to get long term job creation schemes up and running.

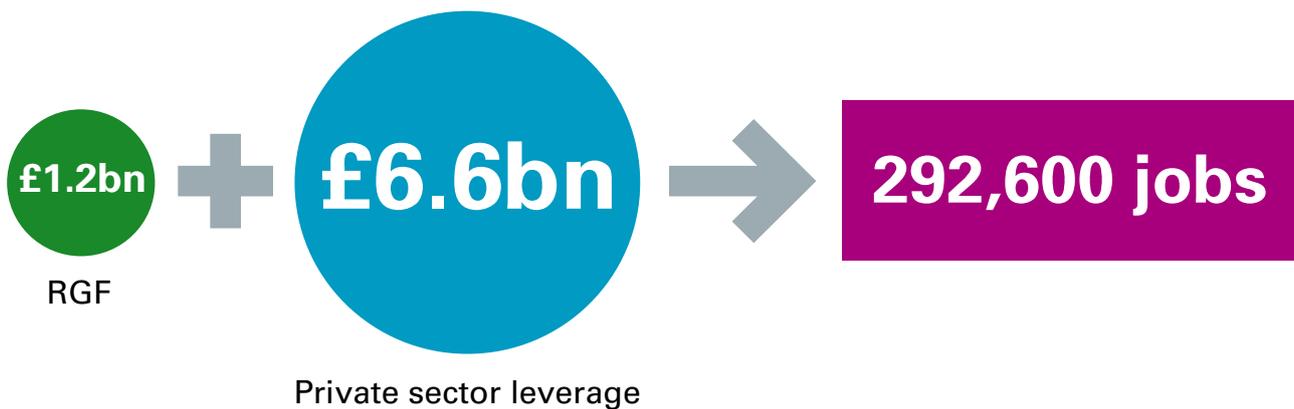
RGF Jobs

Jobs numbers

Originally in their applications the 239 selected projects and programmes in Rounds 1 and 2 pledged to deliver 330,000 jobs between them over the lifetime of their schemes.

38,000 of those jobs were pledged by the 42 projects and programmes that have now withdrawn. The RGF money offered to those bids has been recycled back into the fund.

The remaining 197 live projects and programmes where awards are in place have pledged to deliver 292,600 jobs by 2022.



Job delivery explained

The progress companies make against the jobs totals they have agreed to is monitored through the final terms agreed between those firms and Government.

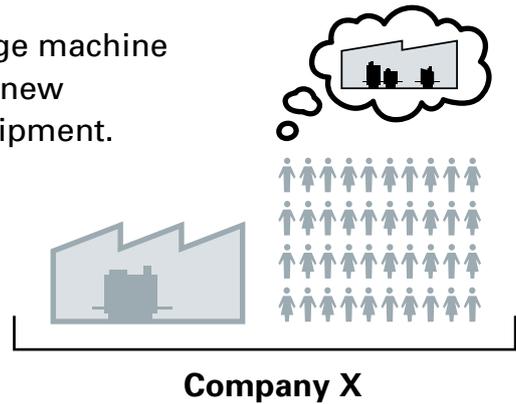
Of the 292,600 jobs pledged by the 197 live projects and programmes, 143,000 are directly monitored through the final offers agreed with companies. These offers contain agreed job profiles and payment of RGF is dependent on delivery against those profiles.

The other 149,500 jobs can not be directly monitored as they occur out of the direct control of the beneficiary, for instance in their supply chains. For these jobs we monitor private sector investment to make an estimate of their delivery and payment of RGF support is also conditional on delivery of this investment.

How RGF job monitoring works

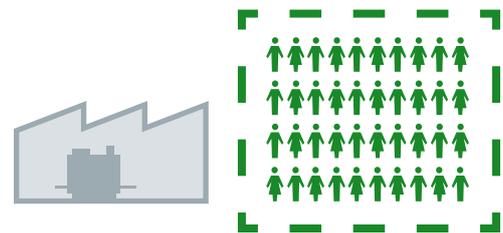
1. Company X employs 40 people and has one large machine at its existing site. It spots an opportunity to target new markets but will need a larger factory and new equipment.

It identifies a cost gap that needs filling in order for the project to go ahead. Having explored all other options, the company requests RGF support and is selected.



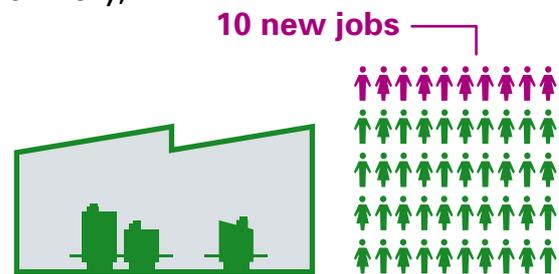
2. RGF support **safeguards** the 40 jobs for the long term by allowing the expansion to go ahead. We ask for evidence that these jobs are at risk.

! These **safeguarded jobs** can be **monitored**.



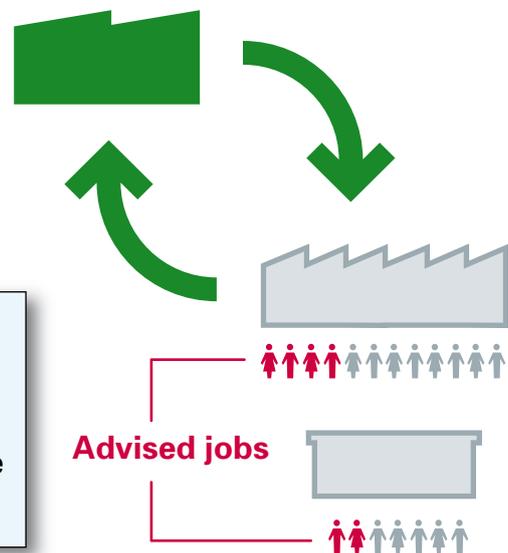
3. RGF helps pay for the new building and machinery, thus helping to **create 10 new jobs**.

! It is possible to **monitor** these **new jobs** directly and the final offer to the company has a requirement on it to report progress.



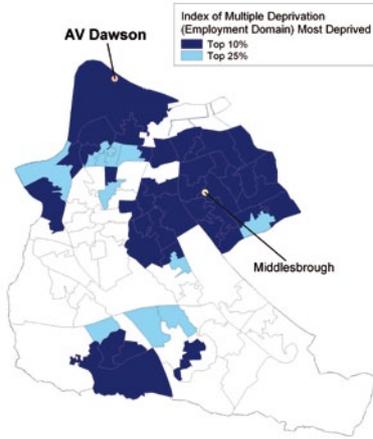
4. The increased output from the new machinery and extra people means the company purchases more materials from its suppliers, thus increasing their income and allowing them to grow and employ more people (**advised jobs**).

! These **advised jobs** can not be monitored directly but by asking company X to report on when it makes the **investment** and how much it invests in the new machinery, we can estimate the likely impact, including the advised jobs.



RGF CASE STUDY | AV Dawson in Middlesbrough

Middlesbrough Local Authority



Middlesbrough is a large town on Teesside.

In 2009 it had one of the highest dependencies on the public sector in England, with over 1 in 3 jobs there in the public sector.

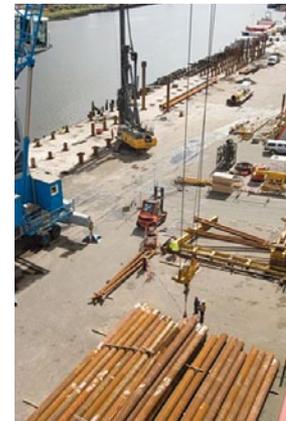
As of 2011 it had the third lowest number of active enterprises per 1,000 residents of all local authorities in England.

| | | | |
|-----------------------|----|----------------------|----|
| Public sector depend | Q4 | Active enterprises | Q4 |
| Private sector growth | Q3 | Out of work benefits | Q4 |

AV Dawson, a Teesside family business employing 150 people, was established in 1938 and provides logistics infrastructure to serve local industry.

AV Dawson was awarded £1.2 million of RGF support in Round 1 toward the establishment of Tees Multimodal Bio-Freight Terminal. The overall investment in the project is £8 million, with the company providing £6.8 million of private funds.

The company has committed to deliver 32 new jobs in Middlesbrough by 2020. In addition it estimates that up to 50 construction posts will be created as new facilities are built as well as 40 posts amongst its suppliers from the investment.



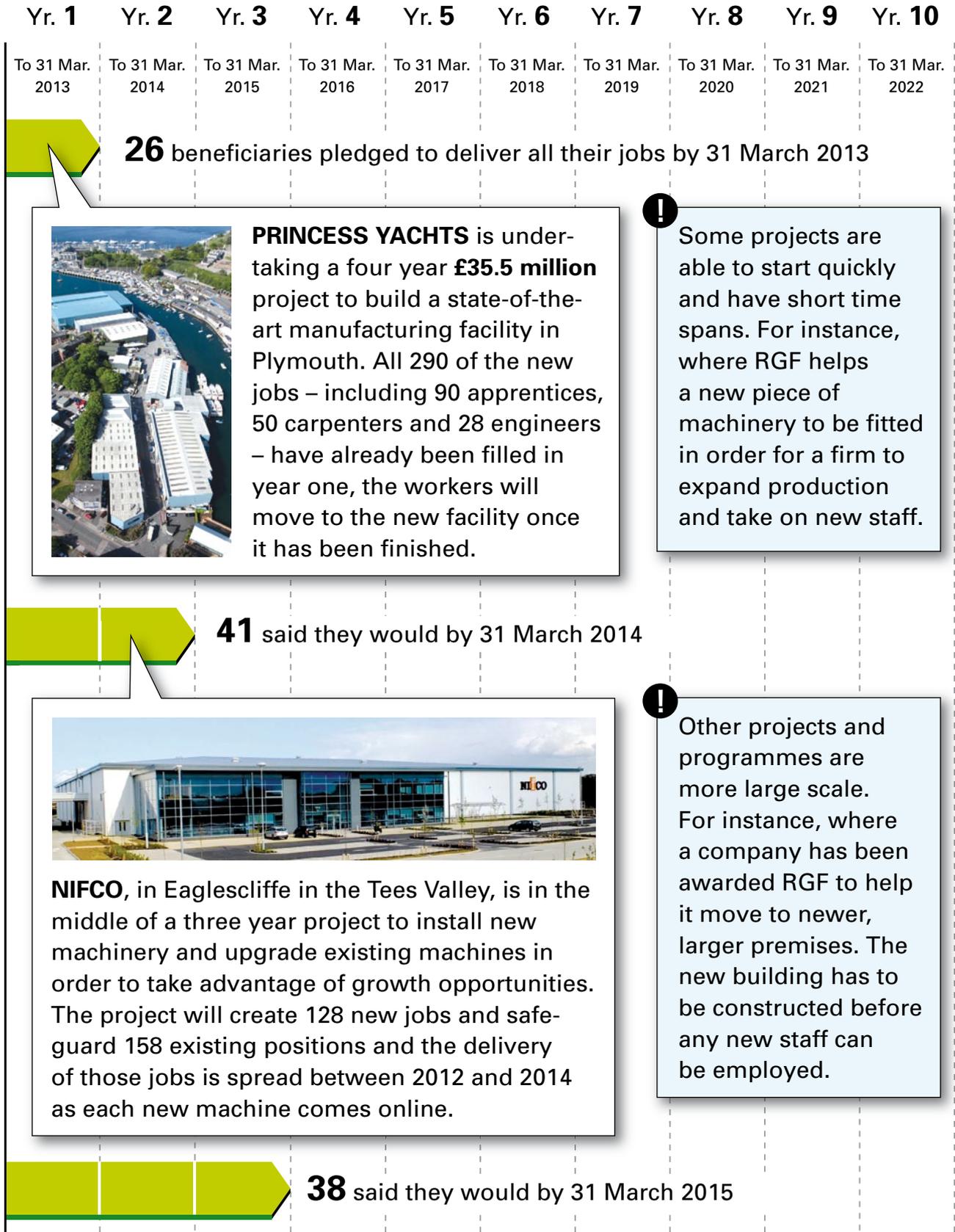
The project will involve the construction and development of a new rail freight terminal adjacent to the Network Rail Middlesbrough Goods Rail Yard, the construction of new bulk storage facilities, and the linking of two river wharves to create additional quay space and a new deep water shipping berth.

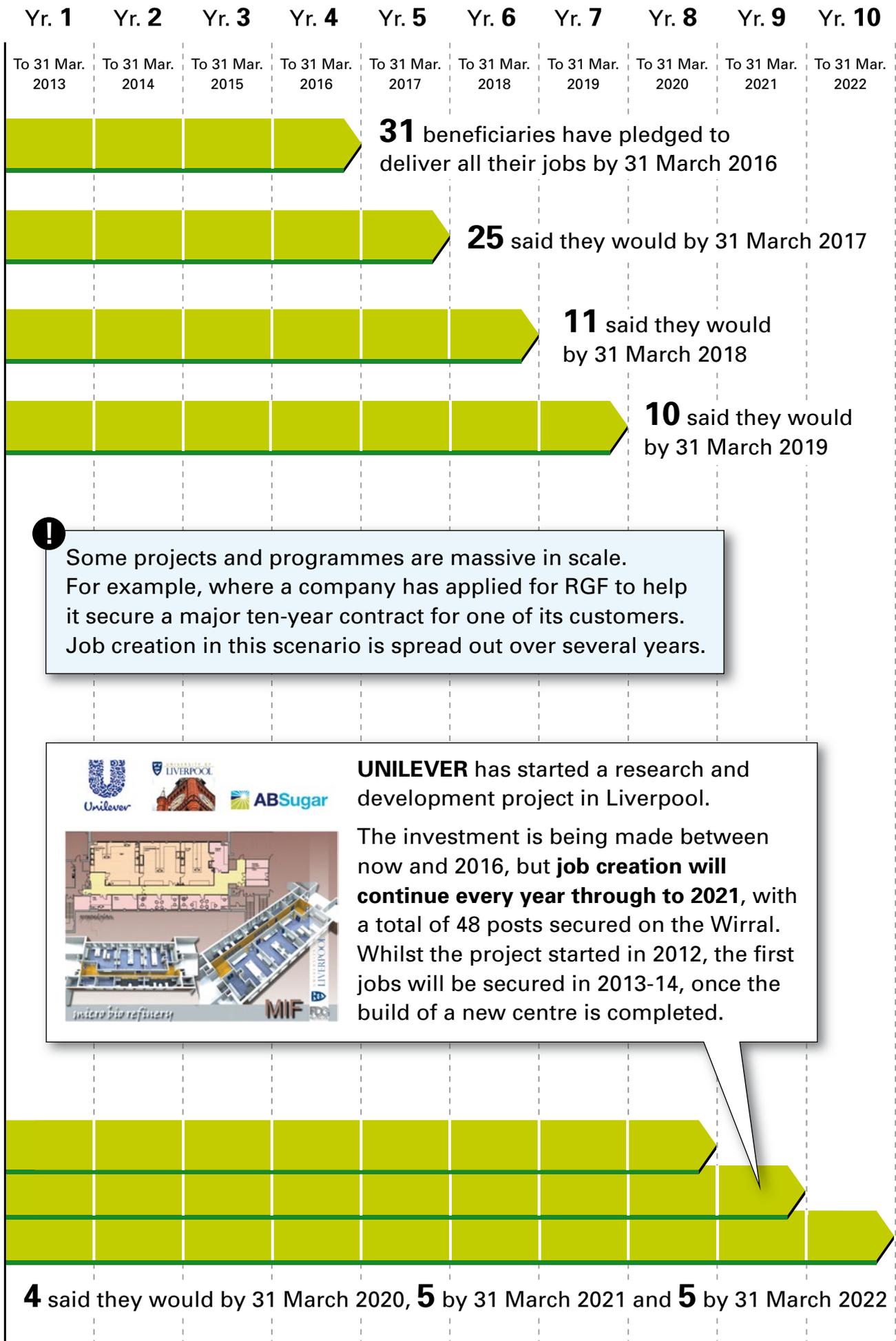
AV Dawson ascertained that without RGF support the project could not have gone ahead in its current form, the size of the development would have been greatly reduced with various elements of the construction phase deferred.

The project is on schedule and 11 new jobs have been created to date. AV Dawson has invested £3.7 million so far with the remaining spend due to take place this year. This investment has helped benefit local suppliers.

Rounds 1 and 2: Delivery of job creation

Organisations have committed to deliver against all their job targets at different speeds and over different lengths of time. This will be dictated by the timetable for the delivery of the overall project or programme and ensures that job creation is achievable and sustainable.





Progress up to 31 March 2013

How we monitor job creation

Once selected for RGF support, projects and programmes enter discussions with the Government to agree the final terms of the offer. For Round 3 and onwards there is a six month timetable on these negotiations, in order to ensure that the RGF money can reach companies as soon as is practicable.

These discussions result in a final offer being agreed between the bidder and the Government. The final offer letter details what the project or programme must achieve before payment of RGF will be made, and this includes targets for job delivery and for private sector investment.

Progress on directly monitored jobs

To 31 March 2013, the 197 live projects and programmes pledged to deliver 31,500 monitored jobs. This target has been exceeded, with those organisations delivering 32,000 jobs.



The early signs in the first year of the combined Round 1 and 2 cohort of projects and programmes are that the offer of RGF support has helped these schemes to get started, deliver on their early commitments for monitored jobs and therefore help secure the longer term viability and delivery of these schemes.

Progress on advised jobs

Progress on the delivery of the wider employment impacts of the RGF, for example jobs created and safeguarded in the supply chain of projects supported by the RGF, is measured by tracking the total RGF related investment being made throughout England. This is done on a bid by bid basis by considering how far towards its agreed investment each profile project and programme was at 31 March 2013.

Given the combined RGF and private sector investment of £1.2 billion, we estimate that a further 26,600 jobs have been unlocked in the wider economy.

Estimated Total job impact

With 32,000 directly monitored jobs and approximately 26,600 advised jobs delivered so far, we estimate the total employment impact of the RGF in year one to be 58,600 jobs.

This is against an overall jobs figure of 292,600 across the ten year programme, meaning 20% of the jobs that projects and programmes committed to delivering over the ten years of the RGF programme were secured by 31 March 2013.

Forward look

There will be a significant ramp up in RGF delivery in 2013-14. Rounds 1 and 2 projects and programmes will continue to deliver, with a further 41 schemes expected to have completed delivery on their jobs targets by 31 March 2014.

In addition, all Round 3 projects and programmes will start in the next year, and many Round 4 schemes will also commence.

Further updates on progress in the RGF will be made throughout the year, both on the RGF website (www.gov.uk/understanding-the-regional-growth-fund) and through updates to Parliament. The 2014 Annual Monitoring Report will provide a comprehensive update on delivery across Rounds 1 to 4.

RGF Case Studies technical annex

The case studies in this report are included alongside two types of geographical representation.

Location metrics table

The location metrics table displays summary information about the local authority in which a project is based, as determined by postcode.

| Metric | Description |
|--------------------------|---|
| Public sector dependency | Public sector employee job share ² |
| Private sector growth | Private sector employee job growth ³ |
| Active enterprises | Number of active enterprises per 1,000 resident population ⁴ |
| Out of work benefits | Percentage of residents (aged 16-64 years old) claiming out of work benefits ⁵ |

N.B. When assessing applications to the RGF, the employment impacts of a bid are measured against all local authorities that the applicant claims the impacts will be made in, not just that of the local authority in which the project or programme will be based.

Local authorities are ranked by quartile by relative position against all 326 authorities in England.

| | |
|-----------|------------|
| Q4 | Top 25% |
| Q3 | Second 25% |
| Q2 | Third 25% |
| Q1 | Bottom 25% |

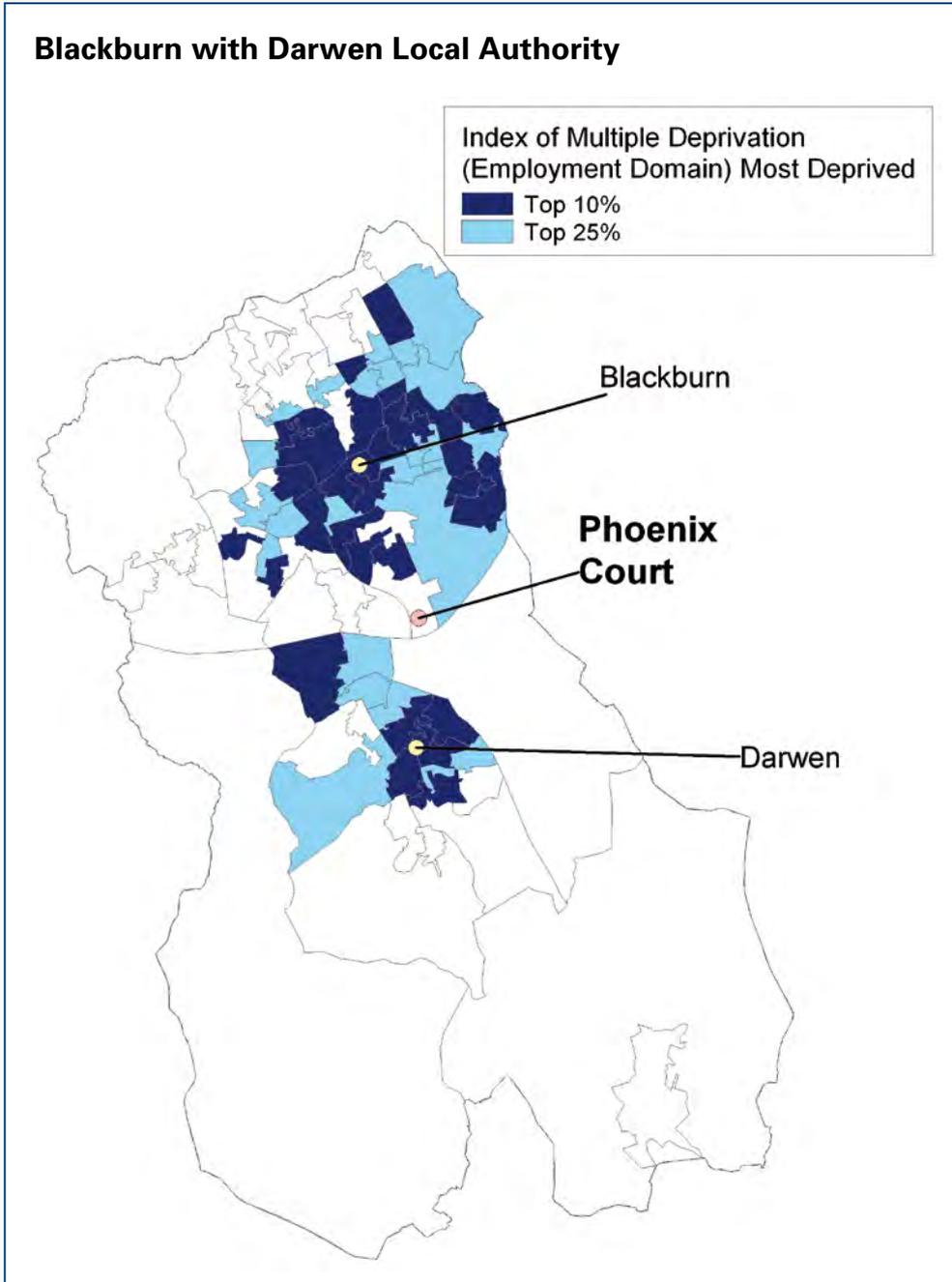
2 www.ons.gov.uk/ons/rel/bus-register/business-register-employment-survey/2009-revised/index.html

3 www.bis.gov.uk/analysis/statistics/sub-national-statistics/regional-and-sub-regional-job-estimates/sub-regional-public-and-private-sector-employee-job-estimates

4 www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-229177 and www.nomisweb.co.uk

5 www.nomisweb.co.uk

Maps



All maps display the Index of Multiple Deprivation (Employment Domain) (Department for Communities and Local Government, Indices of Deprivation 2010)⁶ data by Lower Super Output Area.

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6 www.gov.uk/government/publications/english-indices-of-deprivation-2010

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