North East of England
European Regional Development Fund
Competitiveness Programme 2007-13

Capital and Revenue Investment call for projects for inclusion in Programme Reserve List

Priority 1: Enhancing and exploiting innovation
7 July 2014 to 31 March 2015

Prospectus
1. Introduction

The North East European Regional Development Fund (ERDF) Local Management Committee is inviting the submission of project proposals to the Programme’s reserve list of projects available to utilise funds recycled back into the programme.

Whilst the Programme is currently fully committed, operational experience shows that funds will continue to be returned as a result of slippage and under performance. The purpose of the call is to strengthen the levels of contingencies with a view to achieving maximum levels of commitment and spend. Proposals must:

- Support the delivery of the priorities, outputs, results and impacts of Priority 1 of the North East England 2007-13 ERDF Competitiveness Programme (the Programme) – Enhancing and Exploiting Innovation.
- Be capable of achieving financial completion by September 2015.

This call will remain open until 17:00 on the 31 March 2015.

Projects will be considered on a rolling basis. Project proposals may be submitted to the ERDF Growth Delivery Team at any time up to the close of the call.

2. Eligible Applicants

The Programme is aimed at intermediary bodies that will use ERDF investment to work with existing businesses or potential entrepreneurs to promote economic growth. Eligible Applicants are therefore likely to be Local Authorities, public organisations, voluntary and community bodies and some private sector organisations (subject to State Aid compliance). Organisations must be legally constituted and able to enter into binding contracts.

Priority One of the Programme does not provide grant funding directly to individual businesses.

Within the requirements of the State Aid Regulations private sector organisations wishing to develop premises for occupancy by third parties are eligible to apply for ERDF investment.

ERDF investments will only be made where they are permissible under State Aid regulations, taking account of other public sector contributions to the project. Applicants are recommended to take advice on the state aid implications of their proposed project activity prior to submitting an outline application.

3. Scope of the Call

This prospectus should be read in conjunction with the revised 2007-13 ERDF Operational Programme agreed with the European Commission in December 2011, which clearly sets out the justification and rationale for the prioritisation of ERDF investment. Prospective applicants should also consider the National ERDF Eligibility Rules and the National ERDF Handbook.

Projects may be focussed on either revenue investment (i.e. the provision of services), or capital investment (i.e. investment in physical assets) or a combination of capital and revenue activity.

Proposals must be consistent with one or more of the following Fields of Action of Priority One of the North East ERDF Programme:

- **Field of Action 1:** Investment in Innovation Connectors, further details of the Innovation connectors can be found in Appendix 1.
- **Field of Action 2:** Support for Innovation and Technology Led Sectors.
- **Field of Action 3:** Exploitation of the Science Base.
Further details of investment priorities for investment are set out in table 1.

4. Project Selection Criteria

Partners are advised that proposals that do not fully meet the requirements set out below will not be selected for inclusion in the North East ERDF Programme reserve list. Additionally any proposals which could be considered to be ‘novel or contentious’ may be subject to further dialogue with Government.

Project proposals will be considered against the following criteria.

4.1 Eligibility Criteria
1. Proposed activities and expenditure are eligible for ERDF support within the requirements of the ERDF regulations and the National ERDF Eligibility Rules.
2. ERDF investment is permissible within State Aid Regulations.
3. Projects demonstrate additionality.
4. The amount of ERDF investment sought is the minimum required to enable the project to proceed.

4.2 Deliverability Criteria

Projects must be at a mature stage of development and capable of achieving financial completion by September 2015. This includes defrayal of all ERDF funding and all related match funding.

Projects must be capable of submitting a complete full ERDF funding application a short notice. The appraisal and approval of full applications will be prioritised on the basis of their appraisal readiness determined by their quality and completeness. Information on what is required within a full application is provided on the Department’s website. Particular attention should be paid to the Full ERDF Application Guidance Note and the Full Application Checklist. Projects will be required to have the necessary match funding in place at the point of submitting a full application.

Before submitting a proposal under this call prospective applicants should consider the whether the project is sufficiently developed, to enable a full ERDF application to be made and a project delivered within the required timeframe. If you require any further guidance please contact the local ERDF Growth Delivery Team.

Deliverability and ability to meet ERDF application requirements will be the key criteria that will inform the LMC’s decisions regarding the inclusion of projects within the Programme reserve list and during the appraisal and approval process.

4.3 Strategic Fit criteria

1. Projects can demonstrate they would contribute to the objectives of Priority One of the Operational Programme.
2. Project activity is consistent with the investment priorities of Fields of Action 1, 2 and 3 of Priority One of the Programme as Set out in Table 1.

There is no formal definition of ‘novel or contentious’, activity will be considered on a case by case basis.
Table 1.

<table>
<thead>
<tr>
<th>Fields of action</th>
<th>Priority activities</th>
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</table>
| 1) Investment in Innovation Connectors. | i) Revenue actions by Centres of Excellence and Innovation Connectors in delivering technology support to key sectors, including support with the development of new products and processes.  
ii) Capital investment in the reclamation and preparation of sites and associated infrastructures, including management of environmental risks and opportunities.  
iii) Capital investment in premises and capital works associated with exploitation of innovation, science and energy (including site specific energy related infrastructure). |
| 2) Support for innovation and technology-led sectors | Revenue investment in:  
i) Innovation focused, business development activity geared towards the needs of SMEs (SME definition) with high growth potential and their supply chains.  
ii) Network facilitation to enhance cooperation between SMEs and cluster development in key sectors.  
iii) Revenue actions providing innovation and technology support to key sectors, including support with the development of new products and processes.  
iv) Business development activity for SMEs in high technology high value sectors, to support the development of new products and processes, including the development of business capacity to deliver new products and services and enter new markets, financial support and technology support.  
Capital investment in:  
i) Reclamation and preparation of sites and associated infrastructures, including management of environmental risk and opportunities (including site specific energy related infrastructure).  
ii) Premises and other capital works aimed at unlocking the growth potential of innovation and technology led sectors.  
iii) Associated environmental improvements. |
| 3) Exploitation of Science base | i) Support for research into commercial feasibility of scientific and technical innovation.  
ii) Support to SMEs to build capacity linked to science and design base. |

3. Projects are consistent with the priorities of Local Enterprise Partnerships, these are:

**North East LEP:** 'More and Better Jobs: A Strategic Economic Plan for the North East' sets out a vision for the area’s economy to provide over one million jobs by 2024. More and better jobs will be created through making, trading and innovating across a range of sectors, with at least 60% of jobs created over the next ten years to be high skilled and higher paid private sector jobs. Six strategic themes have been established to direct investment for the benefit of businesses and communities:

**Innovation:** Central to realising our ambition of better jobs and a more competitive business base, delivering medium term benefits with investment in new products, processes, markets and
technologies supported by an ambitious open innovation system. Smart Specialisation areas include: passenger vehicle manufacture; subsea and offshore technology; life sciences and health; and creative, digital, software and technology based services

**Business support and access to finance:** The key driver for more jobs and a strong private sector, addressing market failures to support stronger indigenous businesses, with better access to finance, and support to progress expansion plans in national and international markets.

**Skills:** Providing a demand-led system reflecting the needs of employers, including for high level skills in support of better jobs, with access to high quality training facilities for both general and specialist training.

**Employability and Inclusion:** Providing targeted and tailored support to neighbourhoods and groups facing major challenges in accessing training and employment opportunities, allowing everyone to fully share in the benefits of a growing economy.

**Economic assets and infrastructure:** Developing the places for business to invest and people to live, developing new opportunities with towns and cities, coastal, rural and heritage assets.

**Transport and digital connectivity:** Serving and connecting people and businesses, supporting mobility for both work and leisure, and connecting the North East to the national and international economy.

**Tees Valley LEP:** as set out in the Statement of Ambition, the Tees Valley LEP has two ambitions:

Ambition 1 – To drive the transition to a high value, low carbon economy; and

Ambition 2 – Create a more diversified and inclusive economy.

These are underpinned by a number of priority actions, which can be found in the Tees Valley Unlimited Partnership Business Action Plan

Proposals should also take consideration of the strategic importance of the Enterprise Zones within the Tees Valley.

4. Projects are consistent with relevant Government policy.

**4.4 Value for Money Criteria**

1. Projects can demonstrate that they have clear rationale, address market failure(s) and address identified gaps in coverage and provision; taking full account of the range of projects and activities supported under previous calls for the ERDF Programme and by other public and private sector investment.

2. Projects demonstrate a proportionate contribution towards the achievement of programme output, result and impact targets.

Further details of outputs and results are set out in Appendix 2 and full details of the NE ERDF Programme Outputs and results are available from the DCLG Website.

Strategic Investment projects, which provide modest levels of ERDF outputs and results within the Programme period, may be supported where value for money can be demonstrated in terms of the return on ERDF investment, measured in terms of:

- a significant, measurable and attributable contribution to the strategic objectives of the Programme; and
- stimulation of sustainable economic growth linked to the development of high value high technology sectors.
4.5. Mandatory ERDF Requirements

Potential Applicants must comply with stringent EU regulatory requirements on:

- Eligibility.
- Tendering and procurement rules – procurement irregularities present a major risk to projects and the performance of the Programme, the ERDF Growth Delivery Team will rigorously scrutinise procurement arrangements on all ERDF projects at all stages of the ERDF investment cycle. Applicants must be able demonstrate that all procurement is undertaken in accordance with public procurement regulations and complies with the Department’s ERDF Procurement Requirements.
- Match funding.
- Record keeping.
- Document retention until 2025.
- Financial and output monitoring and reporting requirements.
- EU Information and publicity requirements.
- State Aid.
- Income generation in accordance with article 55.

Prior to submission of a project proposal, all potential Applicants should read and consider all application materials, the National ERDF Eligibility Rules and the National ERDF Handbook carefully and ensure that they are capable of compliance with the requirements of ERDF.

The track record of recipients of ERDF funding from the 2007-2013 Programme will be taken into consideration in the assessment of proposals. Applicants are advised that the Department reserves the right to consider performance on projects funded through previous ERDF Programmes and that this information may be used to inform the selection and appraisal process.

A full suite of ERDF guidance is available on the Department’s Website.

4.6 Additional Requirements

4.6.1 Simplifying the business improvement landscape. ERDF investment must not duplicate existing business improvement support available in North East England or displace clients from these services, and must align with the principles of business support simplification.

New projects seeking ERDF funding should take account of Government’s business finance and support, local priorities and existing services to ensure projects are additional and/or complementary to these arrangements. Existing projects seeking further funding should consider where an extension of activity is necessary in the light of other provision.

Proposals that do not take account of these arrangements or duplicate existing business improvement activity will not be supported.

4.6.2 Market Assessment: The ERDF Programme will invest in high quality business accommodation/facilities for occupancy/use by small and medium sized enterprises (SME definition), see also section 4.6.3. Investments will be made where there is a compelling case for ERDF investment to address market failure and demand for the development demonstrates that the proposed development would contribute to additional economic activity i.e. proposed developments should not simply displace activity from existing premises.
Priority will be attached to projects where:

- The space has a University, further education college, other knowledge-base institution or innovation asset as a key partner.
- Demand is demonstrated through an independent market assessment which takes account of existing/planned provision.
- Premises/sites would contribute to the development of business clusters around a business or knowledge base strength or within high technology sectors.

4.6.3 **Strategic Sites:** For the purposes of the ERDF Programme the Local Management Committee has adopted the following as strategic sites:

- The Innovation Connectors.
- Enterprise Zones and sites which are adjacent to and/or in close proximity to Enterprise Zones, where the proposed ERDF investment is integral to the planned development of the EZ.

Within these strategic sites limited flexibilities apply which mean that neither the developer (the project applicant) nor the occupants/end users of the capital assets/infrastructure being funded need to be SMEs. All other ERDF requirements apply.

4.6.4 **Integration of Cross Cutting Themes:** Projects must integrate the themes of equal opportunities, environmental sustainability and spatial cohesion in their design in an appropriate and meaningful way. Projects will be assessed on the extent to which they demonstrate appropriate integration of these themes in their design and implementation.

**Equal Opportunities:** Projects should demonstrate a meaningful integration of equal opportunities issues including where appropriate positive activities to ensure equality of access and opportunity.

**Environmental Sustainability:** Projects should demonstrate a commitment to minimise negative environmental impacts and maximise the integration of environmental sustainability.

**Spatial Cohesion:** Through direct and indirect complementary activity, projects should demonstrate an ability to contribute to balanced spatial development and to the achievement of social and economic cohesion in the North East.

Proposals should outline the measures that would be enacted to increase the likelihood that residents of disadvantaged communities (see Appendix 3) will take up jobs that result from ERDF investment.

5 **ERDF Grant Rate**

The maximum intervention rate for ERDF is 50% of ERDF eligible costs (which may be less than the total development costs) which can be matched with either public or private sector funding. There are no restrictions as to the percentages of public or private e.g. a project could apply for 50% ERDF match with either 50% private, 50% public or a combination of the two.

There is no minimum ERDF intervention rate.

ERDF investment is limited by State Aid regulations and where the award of ERDF would constitute State Aid the ERDF grant rate may fall below the 50% maximum.

6 **Gap Funding Principle**

ERDF is a ‘gap-funder’. This means that ERDF investment is limited to the minimum amount required to ensure the project can proceed. Potential applicants should be aware that:
The need for ERDF investment at the requested levels and the extent to which other sources of commercial or public funding have been considered will be tested during the assessment of outline applications and the appraisal of full applications.

Where projects will generate income e.g. from charges to beneficiaries for services or through the payment of rents for premises, ERDF funding may be reduced to take account of future income and ERDF grant may be recovered if future income exceeds the original estimates.

Further detailed guidance on the treatment of income within ERDF projects can be found in the National ERDF Handbook which deals with Article 55 ERDF regulations that governs the treatment of income; please note that the issue of income generation within ERDF projects is an extremely complex area, applicants considering such projects should contact the NE ERDF Growth Delivery Team prior to submitting an outline application.

7. Size of Application

In line with the National Strategic Reference Framework (NSRF) and the Department’s approach to simplification and efficiency in delivery, the Programme operates on the principle of delivering its outcomes through fewer and higher impact interventions. To this end, the minimum ERDF funding request is normally set at £500k (i.e. £1 million total eligible project cost, assuming a 50% ERDF grant rate).

However consideration to projects below the £500k threshold will be given on a case by case basis, subject to the level of recycled funds that may become available at any one time.

8. Duration of Projects

All activity, outputs and spend must be completed by September 2015. Results/impacts can be counted until 31st December 2015.

9. Timescale for Decision Making Process

This call will remain open until 17:00 on 31 March 2015. Project proposals may be submitted to the ERDF Growth Delivery Team at any time within this period.

**Please submit proposals as soon as they are ready.**

Proposals will be assessed by the ERDF Growth Delivery Team and recommendations will be considered by the ERDF Programme Executive Group (PEG) on behalf of the Local Management Committee on a rolling basis. The PEG will determine whether proposals are selected into the Programme reserve list or rejected.

The Department will aim to provide a decision on proposals within 28 days of receipt.

10. Next Steps

If you are interested in submitting a project proposal please carefully consider the information set out in this prospectus, the National ERDF Handbook and the Guidance Note which accompanies the Outline Application.

Applications must be made using the Outline Application template which should be downloaded from the Department's Website and be accompanied by a completed financial table.

Online submissions will be accepted and should be submitted via the following email address NE.ERDFenquiries@communities.gsi.gov.uk, an original signed copy of the application should
also be submitted to: North East Growth Delivery Team, Citygate, Gallowgate, Newcastle Upon Tyne NE1 4WH.

Applications must be submitted by **17:00 on 31 March 2015**. Original signed applications will be accepted after this date only when an electronic application has been received before the deadline at **NE.ERDFenquiries@communities.gsi.gov.uk**.

**11. Further Information**

For further information please contact the ERDF Growth Delivery Team:

**Telephone:** 0303 444 6475  
**Email:** [NE.ERDFenquiries@communities.gsi.gov.uk](mailto:NE.ERDFenquiries@communities.gsi.gov.uk)  
**WWW:** [https://www.gov.uk/erdf-regional-guidance-north-east](https://www.gov.uk/erdf-regional-guidance-north-east)

The following organisations are also able to provide advice and guidance to partners on the ERDF programme, local economic development priorities and other current and planned economic development activity in their area:

**Tees Valley Unlimited:**  
Lesley Short,  
ERDF Technical Assistant  
lesley.short@teesvalleyunlimited.gov.uk  
01642 524425

**Newcastle City Council:**  
Claire Prospert,  
Programme Manager  
claire.prospert@newcastle.gov.uk  
0191 211 5693

**Durham County Council:**  
Catherine Pearson,  
Funding and Programmes Team Leader  
Catherine.Pearson@durham.gov.uk  
03000 261 893

**Northumberland County Council:**  
Hannah Garrad,  
External Funding Projects Manager  
Email: hannah.garrad@northumberland.gov.uk  
Tel: 01670 620346
NE ERDF Programme Priority One: Focus of ERDF Investment

1. Overview of Priority One

The following is a brief summary of Priority One, potential applicants must also refer to the full detail of this priority as set out within the Operational Programme.

Priority One aims to facilitate structural economic change and promote and embed opportunity by advancing science, technology and innovation within the North East business base and broader communities.

ERDF investment is focussed on three Fields of Action (FOA):

- **Field of Action 1:** Investment in Innovation Connectors
- **Field of Action 2:** Support for Innovation and Technology Led Sectors
- **Field of Action 3:** Exploitation of the Science Base

All three fields of action the focus will on activities that develop internationally competitive sectors through collaboration between the science base and business, the exploitation of technology and the commercialisation of science and research. Particular emphasis is placed on activity which: adds demonstrable value to existing provision; supports the delivery of national growth priorities in the fields of manufacturing, science, innovation, enterprise and business support; builds upon previous investments to support key North East sectors identified in the Operational Programme:

- Energy and Environment and transition to a low carbon economy;
- Process Industries;
- Healthcare and Health Science
- Digital, Creative and Design.

Proposals linked to previous or current investments from this Programme may be considered for further funding where they demonstrate:

- Positive evaluation of track record and delivery capacity, and/or implementation of evaluation findings/learning.

- Ability to deliver maximum contribution towards outputs, results and impact gaps, this may be at a higher level than previous approvals.

Table 1 in section 3 of this document summarises the priority activities that may be supported by ERDF investment as set out in the Operational Programme. **Partners are reminded that this commissioning document and call are limited to revenue investment.**

2. Fields of Action

2.1 Field of Action 1: Investment in Innovation Connectors

Filed of Action 1 is focussed on investment to support the Innovation Connectors programme. The Innovation Connectors are identified in the 2007-13 Operational Programme:

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2 Details of which can be found on the [BIS website](#)
Innovation Connectors represent targeted investment in high growth sectors and will include both capital investment and support for revenue activities which extend the economic impact of Innovation Connectors into the wider economy.

The North East Programme Executive Group has agreed that no new Innovation Connectors will be brought into the Programme. However, it is recognised that in line with technological developments new innovative opportunities have developed since the preparation of the Operational Programme investment proposals for consideration under this call that support the development of other high value high technology sectors will be considered under field of Action 2.

Existing projects seeking further funding to expand or extend activities previously supported by ERDF investment will also be considered against criteria noted under Section 4 of the Commissioning Document.

In the light of evaluation evidence and the need to focus remaining Programme resources on delivering programme outputs and results stand alone community engagement projects in support of Innovation Connectors are not being sought in this call. Community engagement should however be addressed in all Innovation Connector projects through pursuit of the Programme’s Cross Cutting Themes (see section 4.6.3).

**Field of Action 2: Support for Innovation and Technology Led Sectors**

Field of Action 2 focuses on investment to support innovation and technology led sectors through capital and revenue activities supporting the development, adoption and growth of innovation in the North East.

Revenue investment projects for consideration under this call will be considered against the following priorities:

- Innovation focused, business development activity geared towards the needs of groups of or individual SMEs with high growth potential and their supply chains.
- Actions which support the development of internationally competitive clusters through interaction between the science base and business;
- Actions providing innovation and technology support to key sectors, including support with the development of new products and processes.
- Business development activity for SMEs in high technology high value sectors, to support the development of new products and processes, including the development of business capacity to deliver new products and services and enter new markets, financial support and technology support.
- Projects with explicit linkages to one or more of the Innovation Connectors.
- Projects aligned to national policy priorities and instruments e.g. establishment of enterprise zones and the work the Technology Strategy Board.
- Projects which form part of an integrated package of activity.

Capital investment projects for consideration under this call will be considered against the following priorities:
Appendix 1

- Actions which support the development of internationally competitive clusters through interaction between the science base and business;
- Projects which provide accommodation for SMEs operating in high value high technology sectors
- Projects with explicit linkages to one or more of the Innovation Connectors.
- Projects aligned to national policy priorities and instruments e.g. establishment of enterprise zones, accelerated development zones, the use of tax increment financing and the work the Technology Strategy Board.
- Projects which form part of an integrated package of activity.

Field of Action 3: Exploitation of the Science Base

This Field of Action will support the commercialisation of knowledge and spin-out of SMEs from universities and other organisations which conduct primary research.
1. NE ERDF Programme: Priority One Outputs, Results and Impacts

Projects seeking ERDF funding through this call must contribute towards Priority 1 outputs, results and impact targets. Tables 1-3 outlines the outputs, results and impacts relevant to Priority 1, full definitions and details of the associated evidence criteria are available from the Department’s website.

### Table 1: Outputs

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>040/P1/O01</td>
<td>No. of new SMEs1 and spin out businesses assisted with innovation, including integrated development of workforce skills</td>
</tr>
<tr>
<td>040/P1/O02</td>
<td>No. of SMEs assisted with innovation, including integrated development of workforce skills</td>
</tr>
<tr>
<td>040/P1/O03</td>
<td>No. of SMEs receiving financial assistance</td>
</tr>
<tr>
<td>04/P1O06</td>
<td>No. of integrated packages of activity to embed the benefits of investments in innovation in disadvantaged communities</td>
</tr>
<tr>
<td>040/P1/O07</td>
<td>No. of people in the workforce of SMEs working in collaboration with Innovation Connectors and/or Centres of Excellence assisted with skills development</td>
</tr>
<tr>
<td>040/P1/O04</td>
<td>Area of R&amp;D premises developed (m²)</td>
</tr>
<tr>
<td>040/P1/O05</td>
<td>Brownfield land reclaimed &amp;/or redeveloped (ha)</td>
</tr>
</tbody>
</table>

### Table 2: Results

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>040/P1/R01</td>
<td>No of gross jobs created, of which:</td>
</tr>
<tr>
<td></td>
<td>040/P1/R02 men</td>
</tr>
<tr>
<td></td>
<td>040/P1/R03 women</td>
</tr>
<tr>
<td></td>
<td>040/P1/R04 in disadvantaged areas</td>
</tr>
<tr>
<td>040/P1/R05</td>
<td>No of gross jobs safeguarded:</td>
</tr>
<tr>
<td></td>
<td>040/P1/R06 men</td>
</tr>
<tr>
<td></td>
<td>040/P1/R07 women</td>
</tr>
<tr>
<td></td>
<td>040/P1/R08 in disadvantaged areas</td>
</tr>
<tr>
<td>040/P1/R09</td>
<td>No. of businesses assisted with improved performance</td>
</tr>
<tr>
<td>040/P1/R10</td>
<td>No. of businesses assisted with improved environmental management, of which:</td>
</tr>
<tr>
<td></td>
<td>040/P1/R11 Related to improved energy efficiency, micro-renewables and other management of carbon footprint</td>
</tr>
<tr>
<td>040/P1/R12</td>
<td>No. of assisted businesses engaged in new collaborations with the knowledge base</td>
</tr>
<tr>
<td>040/P1/R13</td>
<td>Private sector expenditure on R&amp;D levered</td>
</tr>
</tbody>
</table>

### Table 3: Impacts

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in employment</td>
</tr>
<tr>
<td>Net increase in GVA as a result of the Programme (£m)</td>
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</table>
Disadvantaged Areas

For the purposes of the ERDF Programme disadvantaged areas are identified as follows:

**Durham**

Those areas which were designated to receive investment under the LEGI programme, consisting of coverage at the level of the former District Authority areas of Easington, Wear Valley, Sedgefield and Derwentside. In addition Durham partners will use the top 30% most deprived Super Output Areas (SOA) as identified by the *Index of Multiple Deprivation (IMD) 2007* Employment Domain.

**Northumberland**

Northumberland partners have agreed that the employment domain of the IMD 2007 will provide the basis for defining the county’s most disadvantaged areas. The use of this approach broadly corresponds to the regeneration priorities of the county as reflected in the Strategic Investment Plan, namely:

- The South East Northumberland area, focusing on Ashington and Blyth
- The market towns of Berwick and Amble where particular market economic failure is apparent.

**Tees Valley**

Tees Valley disadvantaged areas will consist of the former LEGI area of Redcar and Cleveland and those wards that contain Super Output Areas (SOA) that score in the worst 30% nationally of the Employment Domain IMD 2007. The wards identified correspond to areas previously designated to receive investment from the Working Neighbourhood Fund.

**Tyne and Wear**

Tyne and Wear partners have agreed that disadvantaged areas will be identified on the basis of those lying within the 30% of the IMD 2007 (Employment Domain) and the former LEGI area in South Tyneside.