



**European Union**  
**European Regional**  
**Development Fund**  
*Investing in your future*



**ERDF**  
low carbon economic growth  
in the East of England



*East of England Development Agency*

## **GUIDANCE ON PROGRAMME INDICATORS**



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## Version Control

Version	Date	Author(s)	Comments
2	27 <sup>th</sup> February 2009	Martin Haindl	Amended to update outputs exclusions sections and to clarify equality and diversity requirements

## Authorisation

Approved by	Approval Date
Andy Luff	Feb 09



## Outputs

Output indicators relate to activity funded by ERDF and are measured in units. For example, outputs may relate to the number of start up businesses assisted, or to the number of businesses assisted to improve performance through ICT initiatives.

Therefore, output indicators are services produced by the project and delivered to beneficiaries (typically small to medium sized businesses or SMEs.) These activities must be measurable.

## Results

A result is the immediate effect of the activity. For example, the result of 20 start up businesses receiving assistance is that 20 new jobs have been created.

Therefore result indicators relate to the direct and immediate effect on beneficiaries with regard to, for example, jobs created or safeguarded, or to financial leverage of private sector resources.

Results therefore provide the rationale for the public sector intervention and should reflect back to the project's objectives. Beneficiaries in receipt of an activity/service will therefore obtain a measurable benefit consistent with the project objectives set.

The result is almost inevitably subject to a time lag and will depend on the effectiveness of the monitoring or evaluation system. It requires conceptual acceptance that there is a link between a cause and effect - that an activity/output has led to a particular result.

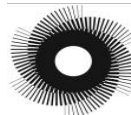
*It is therefore essential that the appropriate documentary evidence and records are kept to demonstrate the achievement of results indicators. Failure to keep the appropriate records will result in the claw back of ERDF grant.*

## Impacts

Impact indicators relate to the longer term impacts of the Competitiveness Programme, but are directly linked to actions taken by specific projects. Impacts will therefore be measured at Programme level by means of independent evaluation tools such as the Annual Business Inquiry, ONS Labour Force Survey, Census, or by the increase in GVA.

## Equality And Diversity

EEDA follows Equal Opportunities guidelines in all aspects of its activities. Therefore, when keeping records to evidence project activity, it is extremely important to document the processes you have implemented to ensure that the services provided by your project are inclusive and are widely accessible to all. Please visit [www.eeda.org](http://www.eeda.org) for further information on equality and diversity requirements.



The following tables provide clear definitions for the outputs, results and impact indicators applicable to the ERDF Competitiveness Programme, and explain what sort of record keeping is required.

## Outputs

Indicator Reference	Description	Initial Programme Prospectus Target	Unit of Measurement
O 1.1	Number of start-up businesses receiving Priority 1 assistance	1670	No. of businesses
O 1.2	Number/type of SMEs receiving Priority 1 assistance - innovation	1550	No. of businesses
O 1.3	Number/type of SMEs receiving Priority 1 assistance - non innovation	390	No. of businesses
O 1.4	No. of businesses assisted to improve performance through ICT initiatives	400	No. of businesses
O 1.5	Number/type of low carbon construction enterprise hubs	5	No. of constructions
O 1.6	No. of businesses within the region engaged in new collaboration with the new knowledge base	150	No. of businesses
O 2.1	Number/type of start-ups receiving Priority 2 assistance	1300	No. of businesses
O 2.2	Number/type of SMEs receiving Priority 2 assistance - risk capital	200	No. of businesses
O 2.3	Number/type of SMEs receiving Priority 2 assistance - non risk capital	1000	No. of businesses
O 2.4	Number of social enterprises receiving Priority 2 assistance	155	No. of businesses
O 2.5	Number of organisations/SMEs supported engaged in promotion of clean technology/renewable energy	465	No. of businesses
O 2.6	Increase in No. of Businesses within the region engaged in business to business networks	250	No. of businesses
O 3.1	Number of organisations receiving Priority 3 assistance	330	No. of businesses
O 3.2	Number/type of low carbon construction and refurbishment initiatives	17	No. of constructions
O 3.3	Number of sq meters of new or upgraded specialist premises achieving BREEAM standard of "very good" or better (Sqm)	25,000	Sqm
O 3.4	Number of energy efficiency demonstrator projects	5	No. of projects



Results (FTE = full-time equivalent)

Indicator Reference	Description	Initial Programme Prospectus Target	Unit of Measurement
R 1	No. of jobs created (FTE and by gender)	4600	Jobs FTE
R 1 (F)	No. of jobs created (Female 55% of R1)	2530	Jobs FTE
R 2	No. of jobs safeguarded (FTE and by gender)	860	Jobs FTE
R 2 (F)	No. of jobs safeguarded (Female 55% of R2)	473	Jobs FTE
R 3	Number/type of successful innovation related initiatives in SMEs	1162	No. of businesses
R 4	Number/type of successful non innovation related initiatives in SMEs	292	No. of businesses
R 5	Number/type of successful environmental related initiatives in SMEs	350	No. of businesses
R 6	Number/type of successful start-up businesses	1485	No. of businesses
R 7	Leverage of private sector funding Euro M	£20.98	£ M
R 8	Leverage of public sector funding Euro M	£139.68	£ M
R 9	Occupancy rate of new or upgraded specialist premises 3 years after opening (%)	85%	%
R 10	Return (IIR) on OP risk capital investments - 10 years	10%	%
R 11	Number of new or existing businesses locating to eco-efficient, high quality work spaces	70	No. of businesses
R 12	Number of businesses supplied with low or zero energy	50	No. of businesses
R 13	Number of businesses integrating new products, processes or services	50	No. of businesses

Impacts (Note: measured at programme level by independent evaluation).

Indicator Reference	Description	Initial Programme Prospectus Target	Unit of Measurement
I 1	Increase in the GVA as a result of the Programme (Euro M)	189m	Euro M
I 2	No. of net jobs created (FTE and by gender, sector)	2900	Jobs FTE
I 2 (F)	No. of net jobs created (Female 55% of I2)	1595	Jobs FTE
I 3	No. of net jobs safeguarded (FTE and by gender, sector)	620	Jobs FTE
I 3 (F)	No. of net jobs safeguarded (Female 55% of I3)	341	Jobs FTE
I 4	Net additional number of businesses (by sector, size and location)	2000	No. of businesses
I 5	Net additional number of knowledge intensive firms	187	No. of businesses



## Programme Indicator Definitions

**An SME can only be counted once as an output within the scope of the activity funded by ERDF. It is therefore important to give careful consideration to the output indicator applied to participating SMEs.**

**SME =** *The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euros, and/or an annual balance sheet total not exceeding 43 million euros.*

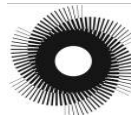
**Business Advice =** 1 Day consultancy advice is equivalent to 6 hours.

## Output Indicators

O1.1. & O 2.1 Number/type of start up businesses receiving Priority 1/2 assistance	
Terms	Definitions
Unit of Measurement	No. of start up businesses.
Business	<p><b>Start-ups of all sizes, whether or not VAT registered;</b> There are 3 main types of business/enterprise (i) sole proprietorships, (ii) partnerships and (iii) companies. All will be registered with HMRC for business tax; most but not all are governed by the Companies Act legislation. These include:</p> <ul style="list-style-type: none"> <li>• start-ups of all sizes, whether or not VAT registered;</li> <li>• self-employed &amp; sole traders</li> <li>• partnerships/limited liability partnerships</li> <li>• companies (private or public limited companies; private unlimited companies)</li> <li>• independent spin-outs from established businesses, universities and other research and development organisations;</li> <li>• not for profit companies, co-operatives, community enterprises, social enterprises</li> </ul>
Business Created	<p><b>When a new business starts trading in the region.</b> <b>Starts trading</b> is the date when the business registers for VAT or registers for National Insurance (Class 2) contributions</p>
Counted	<b>When the business registers for VAT or registers for National Insurance (Class 2) contributions</b>
Beneficiary Characteristics	<p>Other areas for reporting and analysis include:</p> <ul style="list-style-type: none"> <li>• Cluster/sector (use the Standard Industrial Classification (SIC))</li> </ul>
Exclusions	<ul style="list-style-type: none"> <li>• <b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives.</b></li> </ul>
Notes	Innovation defined as process of making improvements by introducing something new leading to increased value, customer value or producer value.
Sample evidence	<p><b>Project / company enrolment form with NI or VAT numbers recorded.</b> <b>Documentation / letters from relevant authorities confirming registration</b></p>



O1.1. & O 2.1 Number/type of start up businesses receiving Priority 1/2 assistance	
	<p>Sample checks on Companies House website, if available. VAT number checks, if available. <a href="http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage=EN">http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage=EN</a> Copy of businesses standard invoice which should state VAT number. Payment confirmation of contributions under NI class 2 to HMRC Confirmation of checks / monitoring carried out by the project on the start up.</p>
FAQ	<p><b>Q. Does the Businesses Creation growth measure (employment) also apply to the businesses attracted to the region?</b>  <b>A.</b> No. The demonstrating growth only applies to the businesses created. For business attracted to the region the definition is aligned with the UKTI inward investment definition for consistency in measurement and reporting.</p> <p><b>Q. For businesses attracted to the region is it only the first branch of an existing business trading elsewhere that can be counted or can subsequent branches also be counted?</b>  <b>A.</b> Only the first branch attracted to the region can be counted; this is consistent with counting under the Tier 3 technical Note.</p> <p><b>Q. Can we count virtual businesses e.g. where overseas companies have a postal address/bank account only but no physical presence?</b>  <b>A.</b> No. Only businesses which have a physical presence may be counted.</p> <p><b>Q. When a project encourages a farm business to diversify, e.g. help a farmer to start up a bed and breakfast operation, I would regard this as a new business, but the farmer would probably not need or want to register separately for VAT or Class 2 NICs as a result of starting it up. Please will you confirm that new businesses resulting from diversification of an existing business may be counted and that persuasive alternative evidence of creation will be acceptable where the business owner does not need to register for VAT or Class 2 NICs?</b>  <b>A.</b> Where public resources are used to assist farmers to diversify from primary production it is essential that there is transparency between the businesses. As a minimum there must be a separation of accounts between the two to ensure there is no cross-subsidisation between the farm primary production activities and any additional businesses run on the farm to ensure the aid complies with the State aid rules (agricultural and SME BE etc). Where this is the case the additional business created may be counted.</p> <p><b>Q. Can franchises be counted as a business created?</b>  <b>A.</b> There are 3 basic types of franchises: <ol style="list-style-type: none"> <li>1. Where the business sets up a branch, owns it and looks for someone to manage it on their behalf (e.g. pubs with independent managers).</li> <li>2. Where the franchisee sets up a business and buys the 'kit' (signs, machinery, branding etc.) and then runs it as their own business.</li> <li>3. Where the franchisee buys a part share of the business and the rest is owned by the parent company.</li> </ol> <p>When the franchise is type 1 or 3 then they cannot be counted as a business created, unless they meet the 'new branch to the region' qualification.  When it is a type 2 franchise then it may be counted as a business created if it is a new franchisee in the region, in the same way as a new business expansion to the region. However, if an existing franchisee opens a new outlet in the region this may <b>not</b> be counted as it is an expansion of his/her existing business.</p> </p>



**O1.2, 1.3, 2.2, & 2.3. No. of SMEs' Assisted (Innovation/Non-Innovation)  
O3.1 Number of Organisations Receiving Priority 3 Assistance**

<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>No. of businesses that are SMEs.</b>
<b>Definition</b>	The EC definition of an SME (as from 1 January 2005) is:-  An annual work unit between 50 and 250 persons; annual turnover between €10 million and €50 million; annual balance sheet total between €10 million and €43 million.
<b>Assistance</b>	Minimum level of assistance of at least two days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.
<b>Counted</b>	<b>When there has been a <u>minimum</u> of 2 days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.</b>
<b>Beneficiary Characteristics</b>	<b>Innovation - It is envisaged that success criteria will be negotiated with applicants as part of the application process, e.g. success criteria for an innovation-related grant could be defined in terms of the successful launch of a new product/patent or in the environment-related field. Risk capital – SMEs supported through the PA2 access to finance instrument(s).</b>
<b>Exclusions</b>	<b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives.</b>
<b>Sample evidence</b>	<b>Company enrolment form or equivalent confirming SME status, type of assistance and time taken. Must be signed off by company director or equivalent. Sample checks on Companies House website, if available. Copy of receipts of grant or equivalent signed by recipient. Evidence of grant application.</b>

**O1.4 No. businesses assisted to improve performance through ICT initiatives**

<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>No. of businesses that are SMEs.</b>
<b>Definition</b>	The EC definition of an SME (as from 1 January 2005) is:-  An annual work unit between 50 and 250 persons; annual turnover between €10 million and €50 million; annual balance sheet total between €10 million and €43 million.
<b>Assistance</b>	Specific ICT initiatives that aim to improve business performance and efficiency.
<b>Counted</b>	<b>As above.</b>
<b>Exclusions</b>	<b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives.</b>
<b>Sample evidence</b>	<b>As O1.2</b>



<b>O1.5 No./type of low carbon construction enterprise hubs</b>	
<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>No. of constructions.</b>
<b>Definition</b>	No. of constructions providing enterprise hub infrastructure that meet BREEAM very good or better standards.
<b>Counted</b>	<b>As above.</b>
<b>Sample evidence</b>	<b>BREEAM certification Construction contracts / contract specification. Physical existence</b>

<b>O1.6 &amp; 2.6 No. businesses within the region engaged in new collaboration with the knowledge base/business to business networks</b>	
<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>No. of businesses/enterprises</b>
<b>Business/Enterprises</b>	<b>The 3 main types of business are sole proprietorships, partnerships and companies</b>
<b>Support</b>	<b>ERDF minimum of: Two days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.</b> <ul style="list-style-type: none"> <li>• Provided prior to or during the collaboration; and</li> <li>• Directed at the business and/or the knowledge base unit involved in the collaboration.</li> </ul>
<b>New collaboration</b>	<b>A first involvement between at least one firm and one knowledge base organisation. It includes the first collaboration by a firm with a department within a knowledge base organisation.</b>
<b>Unit of measurement</b>	<b>No of businesses</b>
<b>Counted</b>	<b>The output is counted when the collaboration between a business and the knowledge base starts.</b>
<b>Exclusions</b>	<b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives</b>
<b>Knowledge base</b>	<b>Includes UK Public Sector Research Establishments (PSRE) or equivalents, Research and Development Organisations, Research and Technology Organisations, Higher Education and Further Education Institutions. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed and includes:</b> <ul style="list-style-type: none"> <li>• research collaborations and free dissemination of research</li> <li>• contract research on behalf of industry</li> <li>• licensing of technology to business users</li> <li>• the sale of services, data and software</li> <li>• formation of joint ventures and spin-out companies.</li> </ul>



**O1.6 & 2.6 No. businesses within the region engaged in new collaboration with the knowledge base/business to business networks**

<p><b>Sample evidence</b></p>	<p><b>Business</b> - Name, address (incl. post code,) telephone number, email, website. Confirmation of ownership and number of employees. Date assistance received.  <b>Knowledge Base</b> - Name, address (incl. post code,) telephone number, email, website. Check it is included in the categories above. The name of the organisation/department involved in the collaboration and contact details.  <b>New collaboration</b> - Letter of agreement for collaboration/memorandum of understanding, which states what each partner is going to put in /receive from the collaboration, and confirmation that it is their first involvement in the activity. To be signed off by senior managers of each organisation.</p>
<p><b>Notes</b></p>	<p>The output aims to measure is the number of <b>businesses</b> engaged in collaboration with the knowledge base.  The purpose is to encourage businesses (demand side) to collaborate with the knowledge base (supply side) to transfer knowledge and encourage innovation. The activity should be additional to supply side programmes e.g. Faraday, LINK etc.  A collaboration between:</p> <ul style="list-style-type: none"> <li>• 1 business firm and 3 new knowledge base organisations = 1.</li> <li>• 3 businesses and the same knowledge base organisation = 3.</li> </ul> <p>PSREs are public sector organisations that carry out research and include Research Council Institutes (including Centres, Surveys and Units), NHS Trusts and research institutions owned by Government Departments. More information may be found on them on the BERR website under <a href="#">Public Sector Research Exploitation Fund</a>. The current fund guidelines identify PSREs.</p>
<p><b>FAQ</b></p>	<p><b>Q. What constitutes the knowledge base?</b>  <b>A.</b> The knowledge base is defined above. Broadly it is organisations publicly funded to do research and generate knowledge.</p> <p><b>Q. What constitutes a Research and Technology Organisation (RTO)? Does it include any company to company collaboration or is it restricted?</b>  <b>A.</b> Research and Technology Organisations are defined above. While AIRTO (Applied Industrial Research Trading Organisations) members<sup>1</sup> are covered by the definition it is not exclusive to them. It can include any value-adding traders in knowledge. Not every organisation with the acronym RTO in its title would meet the criteria. The thrust of this output is to stimulate industry to make better use of the publicly funded research and science base. Clearly, business-to-business research is also vital, but it is not intended to be embraced by this output.</p> <p><b>Q. In collaborations with the knowledge base can we count collaborations with public sector RTOs not just private sector?</b>  <b>A.</b> Yes</p> <p><b>Q. Are only collaborations with the UK knowledge base allowed as the definitions says 'includes UK'?</b>  <b>A.</b> No. The output is for new collaborations with the knowledge base and includes European and international collaborations; this complies with the European Union Treaty and competition law.</p> <p><b>Q. If we have a project which supports an event e.g. conference where business and academia are present, there are a series of talks by academics i.e. free dissemination of research (knowledge transfer), and the conference lasts 2 days, can the businesses attending be counted as Collaborating with the Knowledge Base.</b>  <b>A.</b> No. The intention behind it is businesses engaging with the knowledge base i.e. the</p>



**O1.6 & 2.6 No. businesses within the region engaged in new collaboration with the knowledge base/business to business networks**

	<p>demand side with the supply side, whereas a conference is an example of passive knowledge transfer that is led by the supply side led. The objective here is to measure the active transfer of good ideas, research results (.i.e. for an identified business purpose) and skills between the knowledge base and business <u>to enable innovative new products and services to be developed</u>. Conferences generally do not lead to outcomes/results i.e. innovative new products or services. It includes:</p> <ul style="list-style-type: none"> <li>• research collaborations with free dissemination of that research</li> <li>• contract research on behalf of industry</li> <li>• licensing of technology to business user</li> </ul> <p>the sale of services, data and software formation of joint ventures and spin-out companies.</p>
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**O 2.4 No. of Social Enterprises Receiving Priority 2 Assistance**

Terms	Definitions
<b>Unit of Measurement</b>	<b>No. of businesses that are social enterprises.</b>
<b>Social Enterprises</b>	Use <u>Cabinet Office Social Enterprise Unit definition</u> of a social enterprise. “Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”
<b>Assistance</b>	Minimum level of assistance of at least two days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.
<b>Counted</b>	When there has been a <u>minimum</u> of 2 days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.
<b>Exclusions</b>	<b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives.</b>
<b>Sample evidence</b>	<b>As O1.2, and: Declaration/evidence that the business is a social enterprise e.g copy of the relevant section of the Articles of Association setting out its purpose.</b>
<b>Notes</b>	<p>Social enterprises are defined as “businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners”.</p> <p>This means organisations that trade goods and services and use the majority of their profits for social and environmental goals. You might be familiar with such examples as <a href="#">The Big Issue</a> and <a href="#">Jamie Oliver’s Fifteen restaurant</a> , but there are at least 55,000 social enterprises like these across the UK.</p> <p>Social enterprises tackle some of our most entrenched social and environmental challenges in an innovative way. They can come in many shapes and sizes, from community-owned village shops to large development trusts, and in many legal forms, including community interest companies, industrial and provident societies and companies limited by guarantee, among others.</p> <p style="text-align: right;"><i>Cabinet Office Social Enterprise Unit definition</i></p>

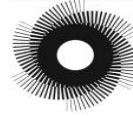


### O 2.5 No. of organisations/SMEs supported engaged in promotion of clean technology/renewable energy

Terms	Definitions
<b>Unit of Measurement</b>	<b>No. of SMEs or organisations in clean technology/renewable energy sectors. Definition to be agreed with EEDA during contract negotiations.</b>
<b>Social Enterprises</b>	The EC definition of an SME (as from 1 January 2005) is:-  An annual work unit between 50 and 250 persons; annual turnover between €10 million and €50 million; annual balance sheet total between €10 million and €43 million.
<b>Assistance</b>	Minimum level of assistance of at least two days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.
<b>Counted</b>	When there has been a <u>minimum</u> of 2 days consultancy advice or other non-financial assistance, or a grant, or equivalent, of at least £1,000.
<b>Exclusions</b>	<b>A business can only be counted once within a project irrespective of the number of times or forms of assistance it receives.</b>
<b>Sample evidence</b>	<b>As O1.2 and: Declaration/evidence that the organisation/SME is in the clean technology/renewable energy sector</b>

### O 3.2 No./type of low carbon construction and refurbishment initiatives

Terms	Definitions
<b>Unit of Measurement</b>	<b>No. of constructions.</b>
<b>Definition</b>	<p>No. of constructions providing support for key strategic developments linked to the growth of the clean technology and renewable energy sectors plus limited provision of flagship business space (potentially incubators and move-on space – and possibly third “spaces”), particularly in support of low-carbon focused enterprises and with an eco-efficient design in accordance with local plans that meet BREEAM very good or better standards (note that BREEAM “excellent” will be the expected norm)..</p> <p><b>The Building Research Establishment Environmental Assessment Method (BREEAM) is a benchmarking tool for non-residential buildings. This is a tool that assesses the environmental impact of a development in a number of areas according to performance and then awards the development an overall rating. The tools can be used to assess existing buildings or the design, procurement and construction of new buildings.</b></p> <p>BREEAM is run by the Buildings Research Establishment (BRE), who train and license the independent assessors that assess the development under the scheme. For each building, the assessor will produce a report outlining the development's performance against each of the criteria in the methodology and give the development an overall score and rating. Upon satisfactory completion of the assessment, the client is presented with a certificate that confirms the development's rating. There are 2 BREEAM assessments for new builds; the “Design and Procurement” assessment which is pre-construction and the post-construction review. The ERDF programme will require projects to have both assessments.</p>



**O 3.2 No./type of low carbon construction and refurbishment initiatives**

<b>Counted</b>	<b>When both BREEAM assessments have been verified</b>
<b>Sample evidence</b>	<b>BREEAM certification Construction contracts / contract specification. Physical existence</b>

**O 3.3 No. of square metres of new or upgraded specialist premises achieving BREEAM standard of very good or better**

<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>Floor space Sqm.</b>
<b>Definition</b>	Sqm floor space providing support for key strategic developments linked to the growth of the clean technology and renewable energy sectors plus limited provision of flagship business space (potentially incubators and move-on space – and possibly third “spaces”), particularly in support of low-carbon focused enterprises and with an eco-efficient design in accordance with local plans that meet BREEAM very good or better standards.  See BREEAM description in 3.2 above.
<b>Counted</b>	<b>When both BREEAM assessments and floorplans have been received and verified.</b>
<b>Sample evidence</b>	<b>BREEAM certification /report Floor plans</b>

**O 3.4 Number of energy efficiency demonstrator projects**

<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>Number of projects.</b>
<b>Definition</b>	Renewable energy demonstrator or exemplar projects making use of wind, solar, biomass, hydroelectric and geothermic solutions and others plus exemplar demonstrator energy efficiency solutions such as combined heat and power.
<b>Counted</b>	<b>As above.</b>
<b>Sample evidence</b>	<b>Business plans Physical existence Reports / evaluations.</b>



## Results Indicators

R1. Job creation – Number of jobs created	
Terms	Definitions
<b>Unit of Measurement</b>	<b>No. of jobs.</b>
<b>Job created</b>	<p><b>It must be a new, permanent, paid, full time equivalent (FTE) and is not covered under the exclusions.</b></p> <p><i>New</i> = should not have existed in the region or with that employer in the UK before the intervention</p> <p><i>Permanent</i> = should have a life expectancy of at least 1 year from the point at which it is created.</p> <p><b>FTE = paid work of 30 hours or more per week. Convert part time jobs to FTE either:</b></p> <ul style="list-style-type: none"> <li>• on a pro rata basis based on hours worked; or</li> <li>• 2 part time jobs = 1 FTE, where no other information available (i.e. EC approach)</li> </ul>
<b>Counted as a job created</b>	<p><b>When a new, permanent, FTE or equivalent, paid post is filled.</b></p> <p>Jobs created are a Result when the jobs follow after the ERDF financing of project activity commences. The jobs can therefore either be related to the actual delivery of the project or can result from the intervention of the project.</p>
<b>Sample evidence</b>	<p><b>Payroll records</b></p> <p><b>Contracts of employment</b></p> <p><b>Signed statements / declarations from businesses stating that the jobs were created as a consequence of the assistance</b></p>

R2. – Number of jobs safeguarded	
Terms	Definitions
<b>Unit of Measurement</b>	<b>No. of jobs.</b>
<b>Job safeguarded</b>	<p><b>To qualify there must be a permanent, paid, full time equivalent (FTE) job that is at risk.</b></p> <p><i>At Risk</i> is defined as being forecast to be lost within 1 year normally i.e. the jobs at risk must be specified, or if sector is in long-term decline a longer period might be appropriate.</p>
<b>Counted as job safeguarded</b>	<p>When it is:</p> <ul style="list-style-type: none"> <li>• forecast as at risk when the project was approved; and</li> <li>• is still in existence at the time of counting; and</li> <li>• is no longer at risk of being lost within a year.</li> </ul> <p>Jobs safeguarded are a Result when they are an indirect result of the project intervention e.g. the project may intervene at 1 level in the supply chain which results in jobs being retained further down the supply chain.</p>



## R2. – Number of jobs safeguarded

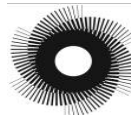
Terms	Definitions
<b>Sample evidence</b>	<b>As R1, and: Signed Statements / declarations from businesses / organisations stating that the jobs were under threat before the assistance</b>

## R 3 No. of successful innovation related initiatives in SMEs (R 4 Non-Innovation)

Unit of Measurement	No. of innovation-related initiatives in SMEs
<b>Definition</b>	<b>The number of innovation-related projects undertaken within SMEs as a result of the programme. It is envisaged that success criteria will be negotiated with applicants as part of the application process, e.g. success criteria for an innovation-related grant could be defined in terms of the successful launch of a new product/patent.</b>
<b>Sample evidence</b>	<b>As agreed in application process. Must include documentary evidence of the creation/launch of a new initiative</b>

## R 5 No./Type of successful environmental related initiatives in SMEs

Unit of Measurement	No. of environmental initiatives in SMEs
<b>Definition</b>	To be agreed during contract negotiations. Measures of performance may include the following examples:
	<b>Annual Waste Diverted from Landfill – Amount of waste diverted from landfill to reuse in-house, reuse by another, recycling, energy recovery or composting in tonnes.</b>
	<b>Annual Water Savings (Resource Reduction) – Reductions in the use of mains, borehole or grey water in m<sup>3</sup>.</b>
	<b>Annual Material Savings (Resource Reduction) – Reductions in the use of solid, liquid or gaseous materials (classified as raw, packaging or ancillary materials) in tonnes.</b>
	<b>Annual CO<sub>2</sub> Savings (Resource Reduction) – Reductions in the use of electricity (kWh), natural gas (kWh), LPG (kg), fuel oil (litres), petrol (litres), diesel (litres) or LPG (transport) (litres) in tonnes.</b>
	<b>Annual Cost Savings resulting from improved environmental management and performance – Cost Savings achieved through improved environmental performance in pounds.</b>
	<b>No. of SMEs adopting an active Environmental Policy or Environmental Management System (EMS).</b>



	<b>No. of SMEs supported in gaining independent accreditation for environmental management (for example Green Mark, Accorn, BS 8555 or ISO 1400.</b>
<b>Sample evidence</b>	<b>Measurement against agreed baselines Must include documentary evidence showing methods of measuring performance.</b>

<b>R 6. Number/type of successful start up businesses</b>	
<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>No. of start up businesses.</b>
<b>Business</b>	<b>Start-ups of all sizes, whether or not VAT registered;</b>
<b>Business Created</b>	<b>When a new business starts trading in the region. <i>Starts trading</i> is the date when the business registers for VAT or registers for National Insurance (Class 2) contributions</b>
<b>Counted</b>	<b>When the business is sustained for at least 12 months following support from the project.</b>
<b>Beneficiary Characteristics</b>	Other areas for reporting and analysis include: <ul style="list-style-type: none"> <li>• Cluster/sector (use the Standard Industrial Classification (SIC))</li> </ul>
<b>Exclusions</b>	<ul style="list-style-type: none"> <li>• Double counting of businesses at different phases of their growth</li> </ul>
<b>Sample evidence</b>	<b>Project / company enrolment form with NI or VAT numbers recorded.</b> <b>Letters from relevant authorities confirming registration.</b> <b>Sample checks on Companies House website, if available.</b> <b>VAT number checks, if available.</b> <a href="http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage=EN">http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage=EN</a> <b>Copy of businesses standard invoice which should state VAT number.</b> <b>Payment confirmation of contributions under NI class 2 to HMRC.</b> <b>Confirmation of checks / monitoring carried out by the project on the start up.</b>

<b>R7/R8 – Total private and public sector investment levered</b>	
<b>Terms</b>	<b>Definitions</b>
<b>Unit of Measurement</b>	<b>£million.</b>
<b>Leverage</b>	<b>For ERDF leverage includes all match funding attracted to support projects and all private sector contributions.</b>
<b>Private sector</b>	Cash contributions from non-public sector organisations. Exclude contributions in-kind from the private sector except donation of buildings/land, which can be clearly quantified.
<b>Public Sector</b>	Funds from other public sector bodies including the RDAs and Lottery funds. For ERDF any public sector investment (£) would be part of the programme match funds.
<b>Counted</b>	The levered investment is counted when it is defrayed or spent by the project.
<b>Exclusions</b>	<b>Other European programme investments e.g. ESF, RDPE.</b>
<b>Notes</b>	<b>Reporting on this output will be calculated by: A (£m) = ERDF investment (£m) in the project</b>



R7/R8 – Total private and public sector investment levered	
	<p><b>Public Sector Leverage (£m) B = Sum of the match funding (the public sector) investment (£m) (excluding ERDF but including RDA Single Programme) in the project.</b></p> <p><b>Private Sector Leverage (£m) C = Sum of all the private sector investment (£m) in the project, including monetarised in-kind contributions.</b></p> <p><b>Total value of levered investment (£m) D = B + C</b></p>
<b>Sample evidence</b>	<p><b>Evidence of receipt of funding into company accounts</b></p> <p><b>Contracts / funding agreements</b></p> <p><b>In kind – valuations, timesheets, hourly rate salary calculation</b></p>
<b>FAQ</b>	<p><b>Q. Can we count revenue expenditure as well as capital?</b></p> <p><b>A.</b> Yes revenue expenditure may be included. This can include such expenditure as professional fees, feasibility studies and other related costs.</p> <p><b>Q. Where HEFCE or LSC provide the funds for a project but channel them through an HE or FE institution to administer them can we count these funds as public sector?</b></p> <p><b>A.</b> Yes provided that the funds are not for their statutory functions e.g. undergraduate/post graduate teaching. In this case the funder would be HEFCE or the LSC not the institution. In this scenario the HE and FE institutions are only administering the funds on behalf of the public body providing the funding and are in effect an intermediary not funding body. It is essential to correctly and accurately identify who is the funding body. To maintain the project audit trail such funds should be held in a separate project account by the intermediary and its role and responsibilities clearly identified. However, where the FE or HE institution contributes to the project costs from its own reserves then that funding is private sector and if it is also a beneficiary its contribution may be counted under the private sector induced funding.</p> <p><b>Q. Can we include money invested by a private sector company if they had to borrow the money to invest in the project for example by the way of a bank loan?</b></p> <p><b>A.</b> Yes. The financial investment made by the private sector company can be counted as it is the investment and not the source of the funds which is material.</p> <p><b>Q. I am slightly confused why FE and HE Institutions are classed as Private Sector, when their core funding essentially comes from the Public Sector (LSC and HEFCE respectively), so would appreciate some guidance.</b></p> <p><b>A.</b> The Office of National Statistics (ONS) is responsible for the classification as organisations as public or private sector. ONS classifies both FE and HE Institutions as private sector as they are bodies corporate. FE colleges were designated as corporate bodies under the <u>Further and Higher Education Act 1992 (c. 13)</u> and the <u>Education (Further Education Corporations) Order 1992</u>, it came into force 28 Sept 1992. The statutory FE college sector comprises of a number of different ‘types’ of institutions, and within these broad organisational forms, there are wide differences in size and focus covering - GFECs and tertiary colleges; Sixth form colleges; Specialist colleges; Specialist designated institutions. Both FE and HE provide statutory services and it is these services which are funded from public funds. HEFCE provides the funding for the statutory services to HEIs, which cover a range of institutions – Universities, specialist institutions and general colleges; it also directly funds 135 further education colleges. Most FE colleges get the majority of their income from public sources: on average 78% comes from the LSC, with 9% from fees from employers or individuals.</p> <p>Where FE or HE institutions operate commercially e.g. providing bespoke training for</p>



### R7/R8 – Total private and public sector investment levered

	<p>employers, undertaking research for businesses they are operating as an undertaking. It is therefore essential to establish exactly what the funding is for and consider whether they are providing:</p> <ul style="list-style-type: none"> <li>• statutory educational services (if so they should <b>not</b> be seeking funding from RDAs but from LSC or HEFCE) therefore are not operating as undertakings; or</li> <li>• commercial services when they are and consider the State aid implications during development</li> </ul> <p><b>Q. We are working with a FE College to provide a facility for construction training. The matched funders are the College (presumably we can class this as private sector leverage) and the LSC, presumably Public Sector?</b></p> <p><b>A.</b> Yes the LSC funding is public sector leverage as it is an NDPB of DIUS. The college position is more complicated depending on which type of institution it is (see above) but should generally be treated in the same way as HEI funding of a project and the same analysis should be taken on the proposed intervention (see answer above).</p>
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### R 9 – Occupancy Rate of new and upgraded specialist premises

<b>Unit of Measurement</b>	Percentage occupancy rate.
<b>Definition</b>	This will be assessed and calculated three years after new premises that receive OP assistance open. Linked to O 1.5 & O 3.2.
<b>Sample evidence</b>	List of occupiers Rental / occupancy agreements

### R 10 – Return (IRR) on risk capital investments

<b>Unit of Measurement</b>	Percentage return on investment.
<b>Definition</b>	Target IRR for EU-supported venture capital and loan funds based on CSES research for DG Regio. Although the overall IRR will not be known until disinvestment takes place, which may not occur in some cases until after the programme closes, it should be possible to obtain a forecast from fund managers based on the “hurdle rate of return” they set as a target and periodic monitoring data on the performance of their portfolios. Source: external evaluation/OP monitoring data.

### R 11 – No. of new or existing businesses locating to eco-efficient, high quality work spaces

<b>Unit of Measurement</b>	No. of SMEs
<b>Definition</b>	This will be assessed and reported as part of the project evaluation process. It relates to the number of businesses taking-up residence in new or refurbished workspace part funded by ERDF that is either low or zero carbon and/or has a BREEAM rating of “Excellent” or “very good” in the case of refurbishments.



<b>Sample Evidence</b>	<b>List of occupiers</b> <b>Rental / occupancy agreements</b> <b>BREEAM certification/report</b>
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### R 12 - No. of businesses supplied with low or zero carbon energy

<b>Unit of Measurement</b>	<b>No of SMEs</b>
<b>Definition</b>	<b>This will be assessed and reported as part of the project evaluation process. It relates to the number of new or existing businesses that are or will be supplied with low or zero carbon energy from a new decentralised energy source part funded by ERDF.</b>

### R 13 - No. of businesses integrating new products processes or services

<b>Unit of Measurement</b>	<b>No. of SMEs</b>
<b>Definition</b>	<b>As part of this indicator the project will need to state what these new products, processes or services are, how many businesses have integrated each one and what the benefit to the business is or will be. Part of this will include identifying and quantifying the environmental benefits that will arise to the businesses as a consequence of the new products, processes or services. This will need to be reported as part of the project evaluation process.</b>



## Impact Indicators

These are measures that quantify the outcome of ERDF funded activity against the wider economic context. Impact indicators can typically be those that are measured through standard government statistics e.g. Annual Business Inquiry, ONS Labour Force Survey, Census, and increase in GVA. These will be evaluated at programme level.

Impacts (Note: measured at programme level by independent evaluation).

Indicator Reference	Description	Initial Programme Prospectus Target	Unit of Measurement
I 1	Increase in the GVA as a result of the Programme (Euro M)	28	Euro M
I 2	No. of net jobs created (FTE and by gender, sector)	418	Jobs FTE
I 2 (F)	No. of net jobs created (Female 55% of I2)	230	Jobs FTE
I 3	No. of net jobs safeguarded (FTE and by gender, sector)	89	Jobs FTE
I 3 (F)	No. of net jobs safeguarded (Female 55% of I3)	49	Jobs FTE
I 4	Net additional number of businesses (by sector, size and location)	288	No. of businesses
I 5	Net additional number of knowledge intensive firms	27	No. of businesses

Impacts (Note: measured at programme level by independent evaluation).

Indicator Reference	Description	Initial Programme Prospectus Target	Unit of Measurement
I 1	Increase in the GVA as a result of the Programme (Euro M)	19.35	£m
I 2	No. of net jobs created (FTE and by gender, sector)	298	Jobs FTE
I 2 (F)	No. of net jobs created (Female 55% of I2)	164	Jobs FTE
I 3	No. of net jobs safeguarded (FTE and by gender, sector)	64	Jobs FTE
I 3 (F)	No. of net jobs safeguarded (Female 55% of I3)	35	Jobs FTE
I 4	Net additional number of businesses (by sector, size and location)	206	No. of businesses
I 5	Net additional number of knowledge intensive firms	19	No. of businesses



**Impacts (Note: measured at programme level by independent evaluation).**

Indicator Ref	Description	Initial Programme Prospectus Target	Unit of Measurement
I 1	Increase in the GVA as a result of the Programme (Euro M)	30.87	£m
I 2	No. of net jobs created (FTE and by gender, sector)	478	Jobs FTE
I 2 (F)	No. of net jobs created (Female 55% of I2)	263	Jobs FTE
I 3	No. of net jobs safeguarded (FTE and by gender, sector)	102	Jobs FTE
I 3 (F)	No. of net jobs safeguarded (Female 55% of I3)	56	Jobs FTE
I 4	Net additional number of businesses (by sector, size and location)	329	No. of businesses
I 5	Net additional number of knowledge intensive firms	31	No. of businesses