Factsheet on Cohesion Policy implementation and performance

Case study regions in the UK

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| **Basic info** | **NE England** | **Scotland** | **UK** | **Unit** |
| Population [2008] | 2565.6 | 5186.0 | 61571.6 | thous. |
| GDP [2008] | 58934 | 149796 | 1908370 | mln EUR |
| Population [2014] | 2614.8 | 5337.5 | 64351.2 | thous. |
| GDP [2014] | 66700 | 172744 | 2254297 | mln EUR |
| ***Total allocation*** |
| Allocation ERDF+CF 2000-2006 | 537.5 | 923.7 | 8080.4 | mln EUR |
| Allocation ERDF+CF 2007-2013 | 374.1 | 531.4 | 5928.5 | mln EUR |
| Ratio [period 2007-2013 to 2000-2006] | 0.70 | 0.58 | 0.73 | ratio |
| ***Absorption rates*** |
| Absorption rate 2000-2006 | 96.2 | 96.2 | 96.2 | per cent |
| Absorption rate 2007-2013 [in 2014] | 77.8 | 72.8 | 75.5 | per cent |

The total allocations for case study regions show a similar pattern across both programming periods. In per capita terms NE England has larger funding than Scotland, ranging from 16% in 2000-06, to 42% more in 2007-13. There is also issue of varying eligibility. Highlands and Islands had been receiving transitional support during the 2000-2006 period and, subsequently, was qualified as a phasing-out region. The allocations per capita are thus more varied inside Scotland than between the case study regions – Highlands and Islands received approx. 3.5 times larger funding in per capita terms than other Scottish sub-regions. By contrast, the Scotland’s allocations diminished by 42%, significantly exceeding the national average of 27% decrease. The absorption rates for 2014 were rather similar across analysed regions, with NE England outpacing and Scotland by 5 pp.

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| **Thematic structure** [NUTS-2, 2007-13, ERDF+CF] | **NE England** | **Scotland** | **UK** |
| ***% of allocation\**** |
| Category A “Innovative environment”: business support, human resources, IT infrastructure and services, research and technology | 87.5% | 68.0% | 66.0% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 8.9% | 9.6% | 18.9% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 1.6% | 19.8% | 13.6% |
| ***Rate of absorption [in 2014]*** |
| Category A “Innovative environment”: business support, human resources, IT infrastructure and services, research and technology | 79.5% | 73.5% | 76.9% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 60.8% | 67.2% | 71.0% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 90.2% | 77.7% | 72.4% |

\* % of allocation does not add to 1, because the “technical assistance” is not included in any of the categories.

The thematic structure of allocation shows a different pattern across analysed regions. Although the Category A, clustering mainly investments in an innovative environment, is a top priority across both regions, the shares of allocations dedicated to this goal differ substantially. The Category B has a limited and similar role in both regions. Allocations to the Category C exceeds the national average in Scotland, with NE England far beyond the average.

The rate of absorption broken down by thematic categories shows a well balanced spending in case of Scotland. NE England exhibits a different pattern, with a relatively high absorption rate in the Category A, much lower in the Category B, and very high in the third one – although the latter is not of such importance given the small size of the allocations for quality of life.

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| **Regional OP** [ERDF] | **NE England** | **Scotland**  | **UK** | **Unit** |
| Allocation 2007-2013 | 373.5 | 525.0 | 5679.0 | mln EUR |
| Allocation 2014-2020 | n/a | 476.8 | 5825.6 | mln EUR |
| Ratio [period 2014-2020 to 2007-2013] | n/a | 0.91 | 1.03 | ratio |
| ***Reported achievements period 2007-2013 [as in 2013]*** |
| Jobs created | 10833 | 32364 | 150339 | jobs |
| Start-ups supported | no data | 12866 | 52759 | start-ups |
| Enterprises receiving financial support | 1272 | 7416 | no data | enterprises |
| Cooperation projects enterprises-research institutions | no data | 2817 | 7341 | projects |

The Structural Funds implementation system in the UK has undergone a significant centralization over the last two programming periods. In the period 2007-2013 the funds was channelled through 16 regional OPs, while in the 2014-2020 period this number diminished to 6. Among the discontinued programmes was the Regional OP for NE England. Scotland retained its regional OP, with a minor change in the allocation. The reported number of jobs created related to the programme allocations suggests that Scotland’s OP is very efficient. A relatively good performance of this programme is confirmed by other reported achievements as well, specifically with regard to number of enterprises receiving financial support.