

Report of the Director of Place

External Funding Panel – 3 February 2016

OVERVIEW OF CURRENT AND FORTHCOMING EUROPEAN AND EXTERNAL FUNDING APPLICATIONS

Purpose:	To provide an update on current and planned European and other External funding applications
Policy Framework:	Swansea Bay City Region Economic Regeneration Strategy.
Reason for Decision:	1) Update on European and External funding applications
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	1) That the bid for support from the HLF for phase 1 works to the Hafod Copperworks site be submitted for the 11 February 2016 deadline. 2) That the Cynydd application and funding package be supported.
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1.0 Introduction

1.1 This paper is an update on previous European and External funding reports (3 June, 5 August, 2 December 2015) to the External Funding Panel, aiming to provide:

- an update on European and External funding applications in progress or nearing approval
- early notification of proposed forthcoming funding applications and programmes

The applications are categorised by funding programme and theme. Information included in the previous report is not repeated.

2.0 Hafod & Morfa Copperworks site

Heritage Lottery Fund – Enterprise

- 2.1 Following the submission of the project enquiry form approved at the 3 June 2015 meeting, and a site meeting with HLF officers in October 2015, a stage 1 application has been prepared under the Heritage Enterprise scheme for submission by **11 February 2016**. A decision will be received by May/June 2016. The scheme prefers a private sector occupier to be identified as an anchor for a heritage scheme, restoring the heritage structures and providing a sustainable future for them. The stage 1 application relates to a ‘development phase’ for the project of around 12 months to enable detailed design of the scheme to take place. On satisfactory completion of this phase, a stage 2 more detailed application is required for approval of the full HLF grant. Stage 1 costs are estimated at around 5% of the project cost.
- 2.2 Following a steer from HLF, the proposal will focus primarily on the former powerhouse/canteen building on the site, and potentially part of the museum store/rolling mill building to be joined by a new build visitor centre to provide a high quality visitor experience explaining the heritage of the site and links to the private sector occupier. A café/shop would also be envisaged. A prominent Welsh brand with good heritage links to the copper industry and the site has expressed strong interest in forming part of the bid, and would seek to create around 15 FTE jobs and a sustainable income stream to help support the future of the site and provide a stepping stone for future phases of heritage restoration of the other buildings on the site. The project will be underpinned by the existing strong partnership between the Council and Swansea University, and will seek to continue the successful community engagement that has taken place through the previous CU@Swansea project to enable a continued conversation on future phases of work.
- 2.3 The current working estimate for the total project cost is broadly as follows:

Capital refurbishment costs and engagement activities	£4.8m
Private sector kit out of buildings and visitor centre	£4.2m
Total	£9m
CCS contribution from land sales	£0.5m
Private sector contribution	£2.1m
Private sector application to WG	£2.1m
HLF conservation deficit	£4.3m

These figures are still subject to change at the time of writing.

Recommendation 1) That the bid for support from the HLF for phase 1 works to the Hafod Copperworks site be submitted for the 11 February 2016 deadline.

3.0 City Centre Regeneration

European Regional Development Fund (ERDF) Priority 4 Objective 4 proposal for Kingsway employment hub

- 3.1 Following agreement from the Panel to progress the WEFO Logic Table for the Kingsway Employment Hub, and agreement at Swansea Bay City Region Pillar 3, the proposal is going forward as a standalone component of a regional package of proposals from South West region. WEFO have indicated the remaining funding to bid for once Welsh Government project funds have been allocated will be £8m. The City Region Board is lobbying for additional funding to be added to the pot, but it seems unlikely progress will be made prior to the election period in May 2016.

European Regional Development Fund (ERDF) Priority 4 Objective 4 Welsh Government 'Use it or Lose it' scheme submissions

- 3.2 The prioritised list including three Swansea proposals has now been agreed by Pillar 3 of the Swansea Bay City Region Board, has now been submitted to Welsh Government for inclusion in the national 'Use it or Lose It' business plan. The 'Use it or Lose it' title has been replaced by 'Building for the Future'. Welsh Government is now finalising the business plan. Swansea projects included are:

- Kingsway Employment Hub Phase 2
- Palace Theatre
- Albert Hall (reserve pipeline)

Welsh Government anticipates approval from WEFO at their level by mid-October. Funding agreements from Welsh Government to local authorities are expected in Spring 2016.

URBACT III

- 3.4 The proposal outlined in the 3 June 2015 report has been forwarded to the URBACT support unit for review and advice on next steps – advice awaited from URBACT Support Unit.

Urban Innovative Actions

- 3.5 Urban Innovative Actions is a European Commission programme seeking innovative approaches to urban development. The first call, with a deadline of 31 March 2016 will be worth 80 million euros in total and will be focused on the following four topics:
- Energy transition
 - Urban Poverty (with a focus on deprived urban neighborhoods)
 - The inclusion of migrants and refugees
 - Jobs and skills in the local economy

Local authorities are being encouraged to submit 2 or 3 applications to this round. Several ideas are under discussion. A verbal update will be given at the Panel meeting.

4.0 European Social Fund

4.1 Background detail on the European Social Fund can be found in the 3 June 2015 summary report to the panel. The European and External Funding Team will be providing management and monitoring support for all these schemes.

Cynydd

4.2 The Cynydd project, led by Pembrokeshire County Council, will provide a range of engagement, support, learning and training activities for 11-19 year olds in order to reduce youth unemployment and the number of young people at the highest risk in the county of becoming NEET (not in education, training or employment). The project also aims to increase the attainment levels of 11-16 year olds who are at the highest risk of becoming NEET.

4.3 The financial allocation to Swansea County area (City & County of Swansea and Gower College Swansea):

- Total Project Cost: £3,538,380
- Total ESF Grant: £2,476,866 (70.00%)
- Total Match Funding: £1,061,514 (30.00%)

This will be split 2/3 to City & County of Swansea and 1/3 to Gower College Swansea. This funding split aligns with other authorities in the region.

Allocation to City & County of Swansea:

- Total Project Cost: £2,358,920
- Total ESF Grant: £1,651,244
- Total Match Funding: £707,676

4.4 The costings are being finalised in order for Pembrokeshire to submit the business plan to WEFO in February 2016. The match funding will comprise lead support workers in secondary schools and part of the 15% flat rate overhead cost permitted by WEFO.

Recommendation 2) That the Cynydd application and funding package be supported.

Cam Nesa

The development of the Cam Nesa project has been deferred until the Cynydd business plan has been submitted to WEFO. This project, also to be led by Pembrokeshire County Council, will aim to provide a range

of engagement, learning and training activities for 16-24 year olds in order to reduce youth unemployment and reduce the number of young people who are already NEET, as well as to increase the attainment levels of 16-24 year olds who are already NEET.

Workways +

- 4.5 Workways + will be the only employability project submitted for ESF support from the South West region. The project will focus on a narrow target group of those who are economically inactive, but living outside of Communities First wards. (Communities First wards will be served by the national 'Communities 4 Work' ESF project only). Approval of the project is expected by January 2016. There will be a 3 month 'mobilisation' window to enable appointment of staff and initial procurement. It is hoped the project will start in March 2016.

5.0 Rural Development Plan 2014-2020

- 5.1 A draft rural local development strategy was submitted to Welsh Government in September 2014 in consultation with Cabinet Member for Regeneration. The document has been approved but is to be subject to detailed annual review. The £1.4m funding package previously approved by the Panel, and Cabinet 16 July 2015 is now formally approved. The Swansea Rural Development Partnership is currently being refreshed, and two of the three officers required to operate the programme are now in place with the third on the redeployment list.
- 5.2 The Rural Community Development Fund (RCDF) has now been launched by Welsh Government and includes themes around Access to Services and Village Renewal. Guidance for this capital scheme has recently been published and a deadline for the submission of Expressions of Interest has been set for 31st January 2016. A local process to collate ideas for discussion at the Rural Development Partnership and possible submission to Welsh Government is being prepared and will consist of a short expression of interest form requesting basic proposal details.

6.0 European Fisheries Fund

- 6.1 The European Fisheries Fund 2007-13 (EFF) ended on 31st December 2015, following a final extension to complete delivery of approved projects. The Swansea Bay Fisheries Local Action Group (SBFLAG) successfully undertook its role in steering the development and supporting implementation of 13 projects during the 18-months delivery phase resulting in a total grant investment of £281k.
- 6.2 The EFF in Swansea Bay supported a number of community lead schemes including the Fish is the Dish Education Programme, delivered

to Primary School children throughout the Bay and the flagship Marina Port Improvement Project that saw the commissioning of cold storage and ice making facilities for use by the inshore fishermen moored at Swansea Marina. The improved facilities allow fishermen to preserve the quality of catch that will command a higher price at market – this has led to the creation of two new jobs.

6.3 Welsh Government will holding a launch event for the European Maritime Fisheries Fund 2014-20 (EMFF), alongside the official launch of the Rural Development Plan 2014-20. The event has been confirmed for the 11th February 2016 at the Liberty Stadium, Swansea.

6.4 Currently Welsh Government are looking at a number of options for the formation of the new Fisheries Local Actions Groups under the new EMFF programme, and it is indicated that there will be a total of 3 FLAGs in Wales as opposed to the current 4, and that Expressions of Interest to form a FLAG will be invited for a deadline of 31st March 2016. It is expected that each FLAG will comprise of two or more Local Authority areas, with grant funding available for a Lead Body to administer and coordinate activity. Discussions are ongoing with colleagues in neighbouring Local Authorities to determine how this would operate, with a view to Swansea leading.

6.5 Once the FLAGs are established there will be the opportunity to submit funding applications to the remaining £10M national EMFF funding pot. Ideas such as the Coastal and river access project could be progressed with this funding which could include pontoons at Hafod Copperworks and an upgraded slipway at Knab Rock.

7.0 Other European programmes

7.1 A range of other opportunities exist, particularly through programmes designed for joint problem-solving through regions across Europe and beyond working together. Programme titles and weblinks to draft programme documents are provided as part of Annex A.

7.2 General characteristics of these programmes:

- Usually should include at least one other member state – varies between programmes
- Primarily revenue expenditure, only limited scope for capital works
- There must be a European dimension to project proposals – not just bolted on to a local initiative to secure funding.
- Opportunities to work with other cities and regions across EU to work on joint problems and issues.
- Grant rates usually generous, 75-80%.

As approved at the external funding panel meeting on 3rd June 2015, opportunities to access other European programmes will be actively explored.

9.0 Equality and Engagement Implications

9.1 Every European programme is subject to a full Equality (and Environmental) Impact Assessment, which are available for public consultation as programme development progresses. Projects and strategies developed for submission to the programme must detail how they will address equality issues as a cross-cutting theme. The level of integration of equality into project and strategy design is part of the formal development and assessment process for every strategy and project seeking European funding.

10.0 Financial Implications

10.1 The Hafod Copperworks HLF application requires a substantial cash contribution from the Council to demonstrate full backing and buy-in to the bid. The amount indicated in section 2 above is based on estimated minimum value of land sales at the copperworks site ring-fenced for supporting the site in a previous Cabinet report ([Cabinet Meeting 13 January 2011 Minute 201](#)).

10.2 A number of issues have been taken into consideration in developing the business plan based on experience from the current programming round:

- Taking advantage of opportunity to use 15% flat rate for overhead costs removing the need for an audit trail for certain internal transactions and meeting part of the match funding requirement for the programme. Use of the 15% flat rate overhead will also reduce administrative burden particularly in relation to audit.
- The proposed team is proportionate to the scale of the programme based on experience from the previous round.
- Redundancy costs are included to cover for the duration of the programme.
- Procurement advice will be sought as appropriate and will build on good practice established via previous EU programmes.
- Internal match funding requirement being kept low using internal staff time and flat rate overhead.
- Document retention and storage arrangements are now following the central archiving arrangement led by the European Office, as agreed at Executive Board in June 2014.

11.0 Legal Implications

11.1 Documentation prepared to support implementation of current collaborative arrangements will need to be reviewed against updated WEFO guidance, taking into account lessons learned from current implementation arrangements.

- 11.2 Generally the terms attached to EU Grant Funding are legally binding and should be formally recorded in an appropriate document/contract. Any joint bid by Regional Partners should similarly be so recorded and governance issues clarified in terms of legal responsibility and decision making.

Background Papers: None

Appendices: EFP 1