

# **ECONOMIC AND COMMUNITY REGENERATION CABINET BOARD**

## **REPORT OF THE HEAD OF PROPERTY AND REGENERATION – S.BRENNAN**

**2<sup>ND</sup> APRIL 2015**

### **SECTION B – MATTER FOR INFORMATION**

**WARD(S) AFFECTED: ALL**

### **EUROPEAN FUNDING UPDATE**

#### **Purpose of Report**

To provide an overview of how Neath Port Talbot has benefited from the 2007 – 2013 Convergence European funding programmes, and an update on the 2014 – 2020 European Structural and Investment Funds (ESI Funds), with a focus on ERDF and ESF.

#### **Background**

##### **1. CONVERGENCE 2007 – 2013**

###### **1.1 Background**

The West Wales and the Valleys programme area was awarded the highest level of European Structural Fund support known as Convergence for the programming period 2007–2013. The programme area covers 15 local authorities which includes Neath Port Talbot.

The 2007 – 2013 Convergence programmes for West Wales and the Valleys were worth approximately £1.6 billion with the aim of transforming the economy and increasing skills and employment.

###### **2.2. Convergence activity in Neath Port Talbot**

Some projects funded under the 2007 – 2013 programmes will continue to run until the end of 2015.

The WEFO website provides a monthly update of key indicator achievements broken down by Unitary Authority area for ERDF and ESF programmes. The latest figures for Neath Port Talbot (28/02/15) are:

## **ERDF**

Enterprises Assisted	657
Enterprises Created	421
Gross Jobs Created	1,071

## **ESF**

Participants	40,387
Participants entering employment	6,527
Participants entering further learning	3,354
Participants gaining qualifications	12,970

### **2.3 Neath Port Talbot project overview**

Neath Port Talbot benefited significantly from the 2007 – 2013 European Convergence funding programmes. The following projects were supported with EU funding:

#### **Neath Port Talbot Regeneration Project**

This project was approved in November 2011 with a total project cost of £14.6 million supported by £9.4million of ERDF funding. It involved public realm works in Neath, Port Talbot and Croeserw, a Community Enterprise Centre in Croeserw, a Property Development Fund for Neath and Port Talbot and a Commercial Property Fund for Neath and Port Talbot town centres.

#### **Peripheral Distributor Road ‘Harbour Way’**

This £107m project was officially opened by the First Minister on 18th October 2013. It was supported with £56m of EU funding.

#### **Cognition mtb trails South Wales**

The mountain bike trail developments in the Afan Valley were supported with approximately £5m of EU funding

#### **Green Sea (Beach Improvement) programme**

A number of improvements on Abervaon seafront were supported with EU funding under the Visit Wales – led Green Sea programme.

#### **Workways**

The project provided a gateway for the economically inactive and long-term unemployed in the South West to assist their transition from benefits to employment. This was facilitated via mentors and employment liaison officers combined with a menu of provision such as work placements, temporary jobs and volunteering opportunities. In total, 5,273 people entered employment with support from the Workways project.

### **Local Investment Fund**

The Local Investment Fund provided capital grants to SMEs of up to 40% of eligible project costs, with a minimum grant of £1,000 and a maximum grant of £10,000. In total, 916 jobs were created as a direct result of the Local Investment Fund.

### **SWW Property Development Fund (PDF)**

Neath Port Talbot maximised this South West Wales fund, and EU funding supported the development of the R&D facility at Port Talbot's Harbourside.

### **Collaborative Communities**

Collaborative Communities was established to support the sustainable growth and development of third sector organisations.

### **Engage**

The project focused on the 14 – 19 age group including those at risk of disengagement, under-achieving or failing in schools and colleges as well as those young people who are NEET. It provided engagement support and access to training and education, alternative curriculum and employment routes. In total the project supported 12,311 individuals with 5,905 gaining a qualification through the support offered through the Engage project.

### **Coastal**

This project supported economically inactive individuals with complex barriers such as ill health, and / or physical/mental disability to increase their chances of employability. In total, 688 people entered employment with support from the Coastal project.

### **Port Talbot Parkway Station**

Port Talbot Parkway Station re-development has been supported through EU funding via the Welsh Government's National Station Improvement Programme + (NSIP+).

## **2. 2014 – 2020 EUROPEAN STRUCTURAL FUNDS**

### **2.1 Background**

Once again the region qualifies for the highest level of European Structural Funds support (ERDF and ESF) under the 'Less Developed Area' programme for the period 2014 – 2020. The region has been allocated approximately £1.5bn of EU grant of which £963m will be invested via the European Regional Development Fund (ERDF) in R&D; infrastructure; transport; business support and renewable energy, and a further £641m investment via the European Social

Fund (ESF) in skills; reducing economic inactivity; and increasing youth employability.

The programme is managed by the Welsh European Funding Office (WEFO) which is part of Welsh Government.

*In addition to ERDF and ESF, Neath Port Talbot also qualifies for Rural Development Plan (RDP) and Maritime and Fisheries (EMFF) funding.*

### **3. KEY DEVELOPMENTS**

#### **3.1 Operational Programmes**

The West Wales and the Valleys ERDF and ESF Operational Programmes have been approved by the European Commission and are available on the WEFO website. The summary document is a useful reference as it provides an overview of the priorities and funding allocations by priority. See link:

<http://gov.wales/docs/wefo/publications/150123summaryofesfandesfen.pdf>

#### **3.2 Project approvals**

To date, 5 projects have been approved (with a further 30 to be approved by September 2015), including:

- **Aberystwyth Innovation and Enterprise Campus** (£20m ERDF / £35.5m total project cost) (S.O. 1.1)
- **Entrepreneurship** – Business Wales (£18.2m ERDF / £30.3m total project cost) (S.O. 2.2)
- **ReAct 3** (£10m ESF / £17m total project cost)

*The programme will invest on average 65% funding towards total project costs, thus there is a strong reliance on other public and private sectors to contribute to the project costs (match funding).*

There is an emphasis on strategic delivery via a number of ‘backbone’ projects being developed by Welsh Government, with a limited number of regional projects to ‘gap fill’.

### **4. REGIONAL PRIORITIES**

Discussions are starting to take place between WEFO / Welsh Government and local authorities in order to identify regional priorities in the areas of:

- Energy (potential Arbed 3 scheme)
- Tackling Poverty through Sustainable Employment
- Youth Employment / Attainment
- Sustainable Urban Development

It needs to be noted that there is limited pot of funding available for Local Authority schemes e.g. approximately £40m available under the Sustainable Urban Development priority.

The majority of EU funding investment in Neath Port Talbot will be through delivery arrangements and procurement opportunities arising from National schemes, rather than ‘stand alone’ schemes.

#### **4.1 Strategic Fit**

All projects impacting on the region will need to ensure they ‘fit’ with the Swansea Bay City Region Economic Regeneration Strategy.

#### **5. Neath Port Talbot emerging projects**

The European Team is supporting all Directorates in developing priority schemes which deliver EU, WEFO, Swansea Bay City Region and NPTCBC priorities.

The Property and Regeneration team has adopted an integrated approach to project development through the use of integrated territorial strategies.

#### **Port Talbot Sustainable Urban Development Strategy**

This document maps out an integrated approach to the regeneration of Port Talbot which covers connectivity, infrastructure, employment and skills.

#### **Neath Sustainable Urban Development Strategy**

The team is working on a similar approach to the Port Talbot document outlining an integrated approach to the regeneration of Neath encompassing connectivity, infrastructure, employment and skills.

#### **Workways**

Neath Port Talbot CBC is leading the development of a regional adult employability project.

#### **NEETs**

The Education Directorate is developing an integrated approach to tackling issues of NEETs and youth unemployment in the 11 – 24 age range. The schemes are being led by Pembrokeshire County Council and are at Business Planning stage.

#### **6. NEXT STEPS**

The European and External Funding team will continue to ensure Neath Port Talbot maximises the opportunity of European funding for the County Borough and the Swansea Bay City Region.

## **List of Background Papers**

None

## **Officer Contact**

Lisa Willis  
European and External Funding Manager  
01639 686074  
[l.willis@npt.gov.uk](mailto:l.willis@npt.gov.uk)