

WALES PROGRAMME MONITORING COMMITTEE
EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

Date: 18 January 2019

Time: 9.30a.m

Venue: CUBRIC, Maindy Road, Cardiff. CF24 4HQ

AGENDA

1.	Welcome and apologies	09:30 – 09:35	
2.	First Minister of Wales, Rt Hon Mark Drakeford AM	09:35 – 09:40	
3.	Counsel General and Brexit Minister Jeremy Miles AM	09:40 – 09:45	
4.	Update on ESI Funds Progress, including portfolio development	09:45 - 10:45	WPMC(19)147
5.	Minutes of September meeting, actions and other matters arising including (i) Paper addressing RDP issues raised	10:45 – 10:55	WPMC(19)152
6.	Performance Framework	10:55 – 11:10	WPMC(19)148
7.	Cross Cutting Themes: Tackling Poverty Annual Report Paper To Note.		WPMC(19)149
8.	Presentation - Jonathan Price Chief Economist	11:10 – 11:25	
Break			
9.	Update on Research and Evaluation programme	11:40 - 11:55	WPMC(19)150
10.	RDP Communications Update	11:55 – 12:10	WPMC(19)151
11.	Future of Regional Policy Update	12:10 – 12:25	
12.	Presentation – Cardiff City Deal	12:25 – 12:40	
13.	Any Other Business: (i) Update on the Annual Implementation Reports	12:40 – 12:55	

**EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020
WALES PROGRAMME MONITORING COMMITTEE**

**Thursday 13 September 2018
Imperial Hotel, Llandudno**

Meeting Notes

ITEM 1: Welcome, introductions and apologies

The Chair welcomed members to the meeting of the Wales Programme Monitoring Committee (PMC). Attendees and apologies are listed at Annex A. She thanked the secretariat for organising the meeting in Llandudno and emphasized the importance of meeting in the regions.

ITEM 2: Minutes of May meeting, actions and other matters arising

Members were advised that amendments received had been included in the minutes circulated to members. No further comments were received, therefore, taking those amendments into account; the minutes were agreed as a true and accurate record of the meeting.

Three members, representatives from WLGA, LAGs and CLLD shareholders, raised a number of points in relation to the following process:

- Following an oral update on the RDP Programme Modifications at the last PMC meeting on the 4th of May, the PMC Secretariat e-mailed PMC Members on the 30th May 2018 to seek their comments on the proposed modifications to the RDP, including to the financial allocations for measure 7 of the RDP, i.e. Rural Community Development Fund (RCDF). Members were asked to provide an opinion, if they felt it appropriate to do so, but were not asked to approve the modification.
- Annex 1 of the Report circulated to members outlined the proposals for the second modification to the RDP and specifically stated that the allocation for Measure 7 has been reduced significantly, reducing the funding available for RCDF from €51 million to €23 million, the main reason given for the reduction was that the applicant community groups did not have the necessary capacity to access this community investment scheme.
- The WLGA replied to the PMC Secretariat to state that they did not support reducing the funds for Measure 7 and the way that the decision was made by the Welsh Government to do that without the opportunity for members to discuss this at the PMC.

The specific concerns raised by members were:

- The way the changes to the RDP, including reducing the funding to the RCDF scheme has been done without meaningful consultation with the PMC i.e. no opportunity for PMC to discuss the proposed changes.
- The way the PMC has been misled i.e. seeking an opinion from members in an e-mail and making it clear that members were not asked to approve the

changes but proceeding with the changes anyway as reported in Annex 1 of the Programme modifications report.

- The financial reduction means that there will be less opportunity for rural communities to secure funds for socio-economic development in rural areas.
- The reasoning given for the reduction i.e. lack of capacity amongst groups to access the funds is unfair given the complexities of the process. This is misleading as applying for RCDF is an extremely difficult, if not impossible, and arduous process, with the complex WEFO online process, communications difficulties and a lack of clarity all proving to be a major barrier for groups.
- There was a specific action in the minutes from the last PMC meeting on the 4th of May for Eleanor Marks to look at the process of applying to the RCDF. As far as we are aware this has not happened.
- WLGA and LAGs have raised concerns with WG officials over the last 3 years concerning the complexities and difficulties in accessing the funds. The problems lay with the process rather than the applicant per se.
- The Community Led Local Development (CLLD) steering group which acts as a consultation and communication mechanism for stakeholders, grant applicants, LAGs and community groups has not met since January, the lack of communication has compounded the difficulties summarised above. At the last CLLD Group meeting in January there was a discussion on options to improve the process for applying for RCDF but there has been no engagement since that discussion.
- This reflects a wider concern regarding the lack of engagement from Welsh Government from a CLLD policy perspective since the last meeting of the CLLD Group in January.

In response Gordon Smith, Deputy Head of the Managing Authority, explained that in the regulations the PMC do not have to approve the modification for it to be submitted and due to the tight Commission deadlines it had to be submitted no later than the end of June. Hugh Morgan, Head of Paying Agency, agreed to take the views of the members on board and provide them with a response.

ACTION – Welsh Government to provide members with a response to Priority 6 delivery mechanism and reason for financial changes in the RDP modification.

ITEM 3: Update on ESI Funds Progress, including portfolio development

Overview

Sioned Evans provided an overview of Programme progress since the 4 May 2018 meeting and highlighted future priorities:

- Structural Funds programme modifications for EC agreement have been submitted and negotiations are drawing to a close.
- Overall programme commitment has increased from 67% to 81% (82% ERDF and 80% ESF)
- Approval of funding for the Metro project has contributed towards an increase in the commitment level for the ERDF West Wales and the Valleys

programme; a Ministerial announcement of the funding is due to be made shortly.

- Structural Funds programmes currently have over 200 operations approved, worth over £3bn total investment (i.e. including match funding); a further 79 operations are in the business planning stage.
- The current project level commitment of the Rural Development Programme is 69% (£568m), which includes a further £31m committed since the last PMC update.
- UK Government has extended its expenditure guarantee to the end of December 2020, but there are some coverage details which continue to be discussed with the UK Government.
- On 23 August, the UK Government published its first tranche of technical notices in the event of the UK leaving the EU in March 2019 without a deal. Sioned wrote to all beneficiaries to outline the position in Wales and to reassure them. Technical notices on the ERDF and ESF had been published by the UK Government today, with a notice on ETC to follow imminently. A further letter from Sioned to beneficiaries will be issued later today in response to the publication of these latest notices.
- An independently produced summary report of engagement findings from the Welsh Government's engagement on its Regional Investment after Brexit policy paper was published on the WG website in July.
- In the summer, Ministers agreed for officials to progress the development of a cross-Government Regional Policy and a new Regional Investment model for Wales.
- WG will continue to work towards investing 100% of funds to projects before the end of March 2019 and will work with all beneficiaries to ensure they secure a pace of delivery which optimises full spend across the programme.
- In the case of ERDF and ESF, consideration will soon be given as to whether or not we will overcommit funds to help maximise expenditure. Experience from previous programme delivery indicates funds could potentially be overcommitted by 5% for ERDF and 10% for ESF given likely underspends.
- Further engagement is planned on the future of regional investment in Wales, and it was noted that WG positions on this are much clearer than those for the other devolved administrations and UK Government.
- On 1st August, the Wales Audit Office issued a report on Managing the Impact of Brexit on EU Structural Funds, which looks at how WEFO are managing risks and opportunities in light of the implications of Brexit. The report noted that in difficult circumstances, WEFO are doing well and managing risks in an uncertain environment. It was encouraging that the report had no recommendations for WEFO to address.
- Two projects have been selected as finalists in the EC's Regiostars awards, ASTUTE and Nant Gwrtheyrn. Winners will be announced at an awards ceremony in Brussels on 9th October.

The Chair thanked Sioned Evans for her presentation and invited questions from members. In response to a query from a Member, Sioned confirmed that the UK Government guarantee covers the costs of projects approved up to the end of December 2020, but that Technical Assistance (TA) is likely to be covered

separately. Peter Ryland added that unless an agreement is reached on TA funding with the UK Government it may be difficult to manage the delivery of the programmes. Overall, however, key concerns about the delivery of the programmes are mitigated by the extended deadline.

ERDF Programme

Ken Cook, Head of Energy, WEFO, gave a powerpoint presentation in response to the PMC's previous request to reduce paperwork and simplify the presentation of data. All indicator data previously provided to the PMC is now available online and is updated monthly in accessible formats that can be manipulated. The presentation therefore focused on key messages and progress against key indicators. Ken highlighted the following points for the ERDF programmes:

Commitment currently stands at 82% across the two programmes (£985m) with 115 operations approved in total. There had been 2 additional approvals since the report was produced showing end of August figures, raising the actual commitment level to 83% as of the meeting.

£218m of EU Funds have been paid out, while the N+3 target for 2018 has been met for the ERDF East Wales programme, WEFO is confident the West Wales and the Valleys ERDF N+3 programme target will be met before the end of the year.

In terms of both commitment and spend, Priority 3 (Energy) remains the biggest challenge, Commitment has risen to 47% (previously 33%). The area of marine energy development is complex, given its technical nature and rigorous regulatory environment, however, the pipeline is very encouraging and when added to current approvals the West Wales and the Valleys priority would be significantly oversubscribed. Community energy is also slow to develop active projects, as community groups often do not have the required capacity and match funding.

In relation to expenditure, Wales is performing well spending 18% of its commitment level compared to the European average of 9% and England's 7%.

An update on indicator progress across all priorities was provided:

- Priority 1: indicator performance is acceptable, with outcomes more likely to be reported towards the end of the programme. Performance should improve with each PMC meeting.
- Priority 2: indicators are performing well.
- Priority 3: slow progress has affected indicator performance. It is expected that if business planning stage proposals are approved, indicator performance will improve.
- Priority 4: with investments mainly for capital, large infrastructure developments, indicator achievements are expected towards the end of the programme.

Ken Cook emphasised the importance of beneficiaries submitting their payment claims, and noted the key challenges for the period ahead as securing the performance reserve, ensuring spend meets commitment levels and indicators

reflect delivery, monitoring early stage equity in West Wales and the Valleys, and the Metro delivering within the timescale of the programme.

A member noted that the presentation was very helpful compared to the previous reports, but asked if quantitative data could be added to charts as well as percentages in order to provide more context on the scale of each indicator (and thus level of emphasis PMC members needed to place on each).

Another member requested a narrative report around the figures to be sent in advance of future meetings, but in less detail as to what was provided for previous PMC meetings, this would allow members to consult constituents more effectively. Marek Beran, European Commission, also welcomed the new presentation format and reminded the Secretariat to submit copies of the data provided online through the SFC system for EC records. Sioned Evans thanked Members for their comments and agreed to address their requests in preparation for the next PMC meeting.

ACTION – Welsh Government to provide narrative report with PMC papers to support presentation in future PMC meetings

ESF Programme

Jane McMillan, Head of ESF Programmes, WEFO, informed members of the good progress being made across ESF, with overall commitment at 80% (£689m) and 85 operations now approved. In addition, £194m of ESF funds had been paid out.

Members were informed that the 2018 N+3 targets set by the EC had been achieved, while WEFO was also on track to meet the Performance Reserve targets. Similarly to the ERDF programmes, the importance of beneficiaries submitting their claims and ensuring delivery remained on track with agreed project forecasts was stressed. A decision by the EC on the ESF modifications WEFO submitted at the end of June is expected soon.

Both commitment and spend across the ESF East Wales programme are slightly slower than the West Wales and the Valleys programme. A recent call for East Wales Priority 1 (Tackling Poverty Through Employment) has generated significant interest with a number of small projects submitted. Meanwhile, the proposed modification involving the movement of monies out of Priority 1 will also help achieve full commitment.

An update on indicator progress across all priorities was provided;

- Priority 1 (Tackling Poverty Through Employment): performance is moving in the right direction; there are some progress issues around supporting people who are redundant, but this is to be expected given the current labour market conditions. To help address this, WEFO is seeking to extend the scope of the key redundancy project, REACT, to allow support for people classed as short term unemployed.
- Priority 2 (Skills): indicators are performing well.
- Priority 3 (Youth Employment): indicators are performing well.

The key challenges for the period ahead include maintaining the current pace of commitment and project delivery and activity; maximising spend against commitment levels; securing the performance reserve; ensuring projects continue to work together to avoid duplication of activities and subject to EC agreement, mobilising the new priority. It was also added that support is available for projects to discuss activities and avoid duplication of work in relation to the Welsh Government's new Working Wales programme.

Joanna Gawrylczyk- Malesa, European Commission, informed members that the EC's decision on the East Wales ESF programme modification will be issued shortly.

The chair informed Members that this was Jane McMillan's last PMC meeting before her retirement in November. Both the Chair and Members thanked Jane for her support and work on EU funds, and wished her every success for the future.

Welsh Government Rural Communities - Rural Development Programme

Neil Howard, Head of Scheme Management Unit, confirmed that the second modification has been submitted and talks are ongoing with the European Commission. At a project level a total of £567.9m funds have been committed, representing 69% of Programme funds. Overall Programme spend to date has increased by over £31m since the last PMC to £229m (£163m EAFRD), of this £94.2m relates to Pillar 1 transfer payments. For the socio-economic schemes within the programme, a total of 775 successful expressions of interest and direct applications have been invited to submit a full application. Since the opening of the Farm Business Grant (FBG), 4 windows have been run and a total of 1,594 farmers have had approval, with expenditure to date of £6.9m.

Processing delays on the socio-economic aspects of the Programme are causing lower than anticipated achieved figures for this stage of the Programme, however increase in progress since the last meeting is significant as evidenced by the additional £31m in spend.

Neil Howard informed members that the Welsh Government is hosting an "Evaluation of LEADER/CLLD¹" event to be facilitated by the European Evaluation Helpdesk for Rural, in a fortnight (27th September 2018) in Llandudno. All Welsh Local Action Groups (LAGs) have been invited to the event along with representatives from UK devolved administrations and LAGs. The event will provide information for how relevant stakeholders should prepare structure, conduct and report on LEADER/CLLD evaluation at RDP and local level.

Additional £35.2m in appraisal for Farming Connect which will significantly increase all Priority commitments due to cross programme/multi Focus Area approach of Measures 1 & 2². Current planned future rounds of Sustainable Production Grant and Farm Business Grant valued at £30.6m which will contribute to both Priority 2 &

¹ CLLD = Community-Led Local Development

² **CORRECTION** - Additional £35.2m **has been allocated to Measures 1 and 2**, which will significantly increase all Priority commitments due to cross programme/multi Focus Area approach of Measures 1 & 2"

5 commitments due to delivering under three Focus Areas. Co-operation and Supply Chain Development Scheme has an additional £2m in appraisal and current planned future rounds valued at £37.7m which will contribute towards Priority 3 & 6 commitments. Rural Community Development Fund has an additional £8.8m in appraisal and current planned future rounds valued at £8.6m which will contribute towards Priority 5 & 6 commitments. Hybu Cig Cymru (Agricultural Strategic Initiative) has £9.2m in appraisal which will directly contribute towards Priority 6 commitments. Additional £3m in claims are currently in the system for Priority 6 and we would hope to get all of those paid in September, we are also going to be pushing for more claims to come in that are currently late which will help with Performance Framework 2018 milestone targets.

An update on indicator progress across all priorities was provided;

- Those schemes programmed under Priority 2 have been initially slow in delivery, however they are now forecasting to meet targets.
- There are no concerns with schemes programmed under Priority 3 and WG are confident in their ability to achieve the original targets.
- For the schemes that contribute towards the delivery of Priority 4 there are no major issues or concerns, as shown in the Commitment and Spend tables.
- As with Priority 2, those schemes programmed under Priority 5 have been initially slow in delivery, however they are now forecasting to meet targets.
- Priority 6 initial slow progress in appraising and approving project applications under RCDF has led to some external criticism. WG are looking at solutions to speed up the appraisal process. EOI windows under RCDF have been over-subscribed but there is an issue in converting EOI's to full application due to the nature of the applicants. WG are reviewing future remaining windows of the RDP to improve delivery.

Tom Smithson, Head of Strategy Team, WEFO, added that all data is published online and a lot of work has been done to improve the accuracy of these reports. He addressed specific queries on data that we had received prior to the meeting.

ACTION – Welsh Government will respond via email to all individual online data queries sent to the PMC Secretariat.

A member raised 4 queries on the future of RCDF and LEADER, below:

1. Can WG advise on the situation regarding the possibility of an extension to LEADER from December 2021 to 2023, and also the possibility to bid for further LEADER funds?
2. Can WG advise members on future EOI dates for RDP schemes e.g. SMS, Supply Chain, RCDF etc?
3. At the May PMC it was reported that circa £15million worth of RCDF applications????were still in between EOI stage and Final Approval – given the current changes to RCDF and the difficulties experienced by these groups throughout the process, what support will be provided for these applicants to ensure that their projects achieve final approval?

4. It was reported that circa £8million was going to be made available through RCDF – will this be administered through the existing RCDF structures or through the new Enabling Natural Resources and Well-Being in Wales Grant?

Neil Howard agreed to address these queries outside of the PMC meeting.

ACTION – Response to queries will be written by Welsh Government.

A member thanked WG for uploading spreadsheets online and for improving on the robustness and accuracy and also reiterated another member's earlier observation and would still appreciate the narrative side of the report.

Sasha Bartovic, European Commission, congratulated WG on the improvement to RDP and it is very encouraging to see it at 69% committed.

ITEM 4: Performance Framework

Tom Smithson, Head of Strategy Team, WEFO, provided an update on the Performance Framework of all Programmes. He explained that some of the indicators would be amended as part of the modifications underway for all programmes as previously agreed with the PMC.

ERDF – Expect to hit all 2018 performance framework output indicators following the modifications. Negotiations are concluding, but WEFO anticipates needing to reach a compromise on the financial indicators. This is likely to mean the 2018 performance framework financial target for Priority 3 for each programme will be very difficult to meet. An updated table will be provided to members once modifications have been agreed, to further highlight this and explain mitigating actions underway. These are longstanding issues the PMC has discussed at each meeting.

As WEFO expects to meet all N+3 expenditure targets for the programmes no money would be lost to the programmes. The implications of missing a Priority-level performance framework target will be that the associated performance reserve (approximately 6% of the Priority Axis concerned) will need to be reallocated to a different Priority Axis. Money wouldn't therefore be lost to Wales if we didn't meet the Priority 3 performance framework spend target, but would be moved elsewhere.

ESF – Many 2018 targets have already been met and the remainder are on course to be met by the end of the year. The modification will affect the basic skills targets as they will be merged with lower skills to address initial misunderstanding of definitions (PMC have been previously briefed on this issue and agreed the rationale).

RDP – Expectation that the majority of 2018 targets will be met across the programme, or be within tolerance thresholds. Priority 6 is the biggest issue (LEADER and RCDF) with the expectation that the targets will not be met under current profiles. This is the subject of the modification, so the situation may change. As noted for ERDF, if Priority 6 misses its targets the performance reserve is not lost to the programme. If this situation occurs we will be required to reallocate that

funding to other priority areas that have met their targets, but it will be retained in the programme.

ACTION – WG to send another update once modifications are completed as no PMC scheduled before the end of the year.

A Member questioned whether we could move the Performance Reserve money from one Priority to another. Tom confirmed that although a very complicated process, we would still be able to. This is possible because there is only one Priority in each programme that appears to be at risk of not hitting performance framework targets. The performance reserve for those priorities would therefore need to be reallocated to those priorities that have met their targets. Advice would be sought from Members about where to reallocate funding during 2019.

Marek Beran reminded WG that the Performance Framework needs to be consistent with the AIR. Marek was requested to send details of inconsistencies to the PMC Secretariat mailbox so they could be investigated.

ITEM 5: RDP Error Rates

Hugh Morgan, Head of Paying Agency, provided members with information on RDP current rates of error and actions taken to reduce the foreseen error in the fund

Sasha Bartovic, European Commission, stressed the importance of discussing the paper during PMC meeting. It is of interest to everyone that the Programme is compliant.

ITEM 6: Cross Cutting Themes: Sustainable Development

Rhian Power-Battrick, Environmental Sustainability Adviser, WEFO, presented the Cross Cutting Theme paper on Sustainable Development. The paper provides the annual review of progress with implementation of the Sustainable Development Cross Cutting Theme in the ERDF and ESF European Structural and Investment Fund Programmes.

Members were shown a video of some projects, including IMPACT, which had successfully integrated sustainable development into their activities. Members were then invited to note the content of the report and to provide comments accordingly.

A member asked whether there was any concern with indicator progress outlined in Annex 1. Chriss O'Connell, Head of Cross Cutting Themes, responded that there was less concern than previously due to the amount of work undertaken by the CCT team with project sponsors during the past year in this area. She also added that the CCT Case Level Indicators were all showing very good progress which demonstrated that projects were delivering significant sustainable development activity.

ITEM 7: Annual European Structural Funds Communications Plan

Alison Sandford, Head of Communications and Briefing Unit, WEFO, presented a paper covering WEFO's annual 2018 communications plan for the Structural Funds programmes, and progress over the last year. The plan supports the overarching Communication Strategy which was agreed by the PMC some three years ago. The following points were made:

Despite the challenging climate of Brexit, WEFO remains fully committed to promoting the opportunities and achievements of the EU funds in Wales, and is supporting stakeholders, the Regional Engagement Teams, and beneficiaries to do likewise.

- Activity through social media has increased since the last communications report presented to the PMC. For example, there has been an increase of 600 followers of Twitter in the last year, while the number of subscribers to the fortnightly e-newsletter has doubled to over 6,100.
- Continuing to achieve around 98% positive coverage of EU funds. A recent success was the funding of STEM and Technocamps 2, with the announcement linked to a high profile visit to Wales by astronaut Tim Peake, in turn helping to maximise EU funds publicity.
- Continuing to co-ordinate publicity with other EU funding programmes, including the Horizon 2020 and European Territorial Co-operation programmes. For example, the mainstream programmes feature heavily in the annual H2020 event and e-newsletter.
- Linking CCT activity with publicity measures, for example, tweets were issued on IMPACT and Neath Port Talbot Transport Hub for World Environment Day to highlight the successful inclusion of sustainable development and resource efficiency in their projects.
- For Europe Day, we used the opportunity to promote a message from the Cabinet Secretary for Finance about Wales's important relationship with Europe and to announce extra funding to boost skills.
- We are working on a new approved project database, but are still compliant with EC regulations with the current publication of an accessible spreadsheet.
- Two project finalists for this year's Regiostars Awards, and we will be promoting their success around the time of the awards ceremony in October.
- WEFO's own awards competition has attracted significant interest, with a sift of applications underway and winners to be announced at our annual event on 5 December.

The chair thanked Alison for her update and for continuing to publicise the importance and benefits of EU funds particularly during the difficult Brexit climate.

A Member welcomed the work to be undertaken on the development of an interactive map of approved EU funded projects across Wales, and asked if it could be linked to similar work being undertaken as part of the Swansea city deal to

provide a stronger and more joined up message around regional investment. Alison Sandford agreed to explore this further, and Jane McMillan added that as City Deal projects come on board linkages will be addressed where possible.

ITEM 8: Annual Implementation Report: PMC Members Comments and the Managing Authority's Responses

A paper was provided at the request of PMC members.

ITEM 9: Future of Regional Policy Update

Tom Smithson, Head of Strategy Team, WEFO, provided an update on additional Brexit policy papers published since last PMC. Consultation is underway on *Brexit and our land: Securing the Future of Welsh Farming*. An independent summary of the responses on the *Regional Investment in Wales After Brexit* paper has also been published and the findings have been discussed with Ministers. The Cabinet Secretary for Finance intends to make an oral statement on next steps for the development of a new Welsh regional policy and investment model in October.

WG are also in discussion with UK Government on future involvement in other EU funds during 2021-2027. Wales wants to be able to continue to participate as a third country in a number of these, which means regulation now being put in place must allow this to happen. HM Treasury also has to agree to pay for continued access and negotiate appropriate partnership arrangements. HMT have kept options open and are having positive conversations with WG on future involvement with Horizon 2020, Erasmus, European Territorial Cooperation and the Ireland Wales Programme.

Rob Halford added that WEFO is engaged in a significant body of work to prepare for the future. Whilst there is still no clarity from UK Government around the proposed UK Shared Prosperity Fund it is difficult for UK Government to ignore WG devolved competences. The policy development work already completed in relation to the future of Regional Policy in Wales, which is to be built upon through co-production with partners, is also very important.

The UK Partnership Agreement has been highlighted to the UK Government team responsible for developing the UK Shared Prosperity Fund as an example of a UK wide approach that respects devolved competences – with each of the devolved administrations having its own discreet chapter within the agreement .

Huw Bryer added that continuity is key and that we may need to use the evaluation to learn and cut the cloth accordingly to retain key level of skills. Sioned Evans stated that regardless of a deal or no deal, we have projects to deliver and that is also an important message.

ITEM 10: AOB

The next PMC meeting that was previously scheduled for December will now be held on 18th January 2019.

On Friday 14th September, Members undertook a series of EU funded project visits in the North Wales area. Visits were made to the following projects:

KESS 2 at Bangor University
Gwyrch Castle
Welsh Highland Railway
Galeri Caernarfon
MSparc
SEACAMS

PMC Secretariat September 2018

**EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020 WALES
PROGRAMME MONITORING COMMITTEE**

**Thursday 13 September 2018
Imperial Hotel, Llandudno**

Chair – Julie Morgan (AM)

Members nominated on a representative basis, from partners and statutory bodies:

Tom Whyatt	Business and Enterprise (Industry Wales)
Lowri Owain	LEADER
Lowri Gwilym	Alternate for Rob Stewart Local Government (WLGA)
Charlotte Priddy	Farming Union Wales (FUW)
Rachel Lewis-Davies	National Farmers Union (NFU)
Huw Bryer	Welsh Government (Economy, Skills and Natural Resources)
Janine Dowling	Alternate for Phil Fiander Wales Council for Voluntary Action (WCVA)
Cllr Dyfrig Siencyn	Local Government (WLGA)
David Blaney	HEFCW
Rachel Garside-Jones	Welsh Government
Rhian Jardine	Natural Resources Wales
Ceri Jones	Alternate for Prof. Richard Davies Higher Education

Members selected via the Public appointments process:

Beth Winkley
Sian Price
David (Dai) Davies
Grahame Guilford

Advisors:

Guus Muijzers	European Commission, DG Regio
Joanna Gawrylczyk- Malesa	European Commission, DG Employ

Marek Beran	European Commission, DG Agri
Sasha Bartovic	European Commission, DG Agri

Programme Managing Authorities:

Sioned Evans	Chief Executive, WEFO (ERDF & ESF)
Hugh Morgan	Head of Paying Agency
Gordon Smith	Deputy Head of Managing Authority
Neil Howard	Head of Scheme Management Unit
Peter Ryland	Deputy Director, WEFO (ERDF & ESF)
Rob Halford	Head of Planning and Strategy, WEFO
Ken Cook	Head of Branch for Energy, WEFO
Jane McMillan	Head of ESF Programmes, WEFO
Tom Smithson	Head of Strategy, WEFO
Chriss O'Connell	Head of Cross Cutting Themes, WEFO
Rhian Power-Batrick	Cross Cutting Themes, WEFO
Alison Sandford	Head of Communications and Briefing Unit, WEFO
Cath Cleaton	Secretariat
Nadine Young	Secretariat
Aled Wright	Secretariat

Apologies:

Derek Walker	Business and Enterprise: Social Enterprises (Third Sector)
Tim Render	Welsh Government (Economy, Skills and Natural Resources)
Julie Cook	TUC
Prof. Richard Davies	Further Education
Cllr Rob Stewart	WLGA
Rudi Plaut	Wales Social Partners Unit/Commerce Cymru
Joy Kent	

Section 1: ERDF Programmes: Commitment

1. This section gives details of current financial progress under the ERDF Programmes, including an overview of the Programmes and information at Priority-level.
2. Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ERDF Programmes.
3. Progress data for finance and indicators is published monthly on the WEFO Website at <https://gov.wales/funding/eu-funds/2014-2020/programme-progress/?lang=en>

Table 1: EU Grant Commitment by Programme and Priority: Approved Operations

£ Millions											
Priority	Operations	Allocation		Committed				Spend			
		Total ¹	EU Grant ¹	Total ²		EU Grant ²		Total ³		EU Grant ³	
West Wales and the Valleys ERDF											
1	29	388.7	258.0	408.7	(105%)	245.9	(95%)	97.1	(25%)	59.5	(23%)
2	7	284.8	177.8	284.4	(100%)	166.6	(94%)	153.2	(54%)	77.6	(44%)
3	11	210.3	146.0	110.5	(53%)	69.5	(48%)	31.3	(15%)	16.8	(11%)
4	39	652.6	428.5	769.9	(118%)	433.1	(101%)	72.5	(11%)	40.9	(10%)
5	7	27.6	20.6	29.7	(108%)	22.5	(109%)	8.0	(29%)	5.6	(27%)
Total	93	1,564.0	1,030.9	1,603.2	(103%)	937.7	(91%)	362.1	(23%)	200.4	(19%)
East Wales ERDF											
1	14	172.3	86.2	169.6	(98%)	76.1	(88%)	30.3	(18%)	11.2	(13%)
2	7	78.2	39.1	74.6	(95%)	42.3	(108%)	51.6	(66%)	24.3	(62%)
3	1	8.3	4.1	7.1	(86%)	3.6	(86%)	0.0	(0%)	0.0	(0%)
4	5	81.8	40.9	69.3	(85%)	34.6	(85%)	16.9	(21%)	8.2	(20%)
5	6	7.0	3.5	7.4	(106%)	3.0	(87%)	1.6	(23%)	0.7	(20%)
Total	33	347.5	173.8	327.9	(94%)	159.6	(92%)	100.4	(29%)	44.3	(26%)
Total ERDF	126	1,911.5	1,204.6	1,931.2	(101%)	1,097.3	(91%)	462.5	(24%)	244.8	(20%)

Source: WEFO, 30/11/2018

¹ Based on a conversion rate of £1:€1.17

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

4. The two ERDF Programmes continue to make good progress with 126 operations approved committing over £1,097 million grant and representing 91% of the programme values (91% West Wales and the Valleys and 92% East Wales). Commitments continue at a good pace leaving us in a good position to commit the vast majority of the funds before the UK leaves the EU although there are specific challenges for the Renewable Energy and Energy Efficiency Priority. WPMC members will receive a further update on commitments at the meeting in January.

5. So far £200.4m (19% WWV) and £44.3m (26% EW) have been paid out to ERDF project sponsors. Currently there are ERDF payments awaiting authorisation by WEFO amounting to £16.8m and £4.1m for the West Wales and East Wales respectively; taking these into account the payments to sponsors rise to £217.2m (21%) in West Wales and the Valleys and £48.4m (28%) in East Wales.
6. These ERDF spend figures have translated into a draw-down of funds from the European Commission of 18% of the grant allocation in WWV and 26% of the grant allocation in East Wales which is above the EU average of 13%.
7. Additional claims are due to be submitted before the year end, estimated at €50m, increasing the declaration to 22% and ensuring the East Wales N+3 target for 2019 will be achieved.
8. Formal agreements to the ERDF Programme modifications have been received. Whilst the financial targets for Priority 4, Connectivity, West Wales and the Valleys remain challenging and output only claims are being requested to ensure some non financial targets are met i.e. Investment in Enterprises in WWV's and Number of partners collaborating in research projects in EW it is anticipated the performance reserve targets will be met except for the financial target for the Energy Priority in East Wales which will be missed. However, this means the associated performance reserve for that Priority which is small (some £250k) will not be lost to the programme as the reserve will be re-allocated to another Priority in East Wales in 2019. There is no impact on current commitments in this area. As the N+3 targets have all been met, no funding will be lost to the Welsh programmes.

Section 2: Progress by Priority Axis

Priority 1: Research and Innovation

Approvals since the last PMC

	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
Marine Energy Engineering Centre of Excellence	£7.69m	£5.0m		
Centre for Photonics Expertise	£5.8m	£3.78m		
Beacon East			£0.77	£0.44
Centre of Excellence in Mobile and emerging Technology (CEMET)			£2.54m	£1.27
Beacon Biorefining	£5.72m	£3.79m		

9. Commitment in this Priority is high with 95% committed in WWV and 88% in EW. There has been high demand for the funds available for Research and Innovation led by the strategic importance of smart specialisation. This is reflected in the recent approvals in smart specialisation areas of marine energy, digital and photonics. It is anticipated that the vast majority of the remaining funds will be approved before the end of March but the UK Treasury's guarantee does allow for approvals to be made post March 29th if required. There remain opportunities to commit further funding, if needed particularly to performing operations.

10. The Research and Innovation portfolio is led by the smart specialisation agenda which is reflected in the backbone operations approved alongside the individual specialism operations. The portfolio is made up of 43 approved operations a number of which have been very technical in nature to approve, and a further 14 proposals in development. To deliver the smart specialisation agenda the portfolio of operations need to keep to their delivery plans, budget and spend the funds. For those collaboration operations it is equally important that those relationships are fostered developed and produce key results for the future. Key synergies with other funding opportunities will only be achieved if this portfolio continues to evolve and achieve.

11. WEFO continues to be invited by the EU to present its approach to this portfolio and the synergies with other external sources of funding such as Horizon 2020.

Priority 2: SME Competitiveness

Approvals since the last PMC

12. An additional £13m ERDF in West Wales and the Valleys and £10m ERDF in East Wales has been committed to the Development Bank for Wales' Wales Business Fund, which brings the Priority commitment levels up to 94% West Wales & Valleys and 108% East Wales.
13. Other funding opportunity around 'niche' activities are being explored, such as a new start up proposal targeting third sector organisations led by the Wales Co-op which is likely to be taken into business planning shortly. Whilst little funding remains in WWV (fully committed in EW) WEFO remains open to discussions around added-value 'niche' ideas.
14. One of the key risks for this portfolio is the investment of significant levels of funding into a close family of operations. Whilst this strategically makes perfect sense it does mean there is a very close alignment between operations in terms of delivery, keeping to budget and spending the funds available. This is a topic of discussion at the individual operation review meetings but will also be a key agenda item at the next P2 annual event planned for early 2019.

Priority 3: Renewable Energy and Energy Efficiency

Approvals since the last PMC

	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
Bombora Welsh array	£14.84	£10.30		
GSCS Multi Technology Micro Grid Energy System	£14.40	£8.95		
Swansea Community Solar Storage with Direct Local Supply	£0.94	£0.61		

15. The innovative nature of the priority continues to pose challenges for potential project sponsors and WEFO but WEFO is pleased to report that commitment levels in WWV since the last PMC has moved in the right direction. As indicated in the above table three operations have been approved since the PMC last met, encouraging across the portfolio for both marine energy and community energy schemes, resulting in commitment for WWV now standing at 48%. Obviously there is some way to go for full commitment to be achieved for what is a slow-burn portfolio but some progress is being achieved.

16. More encouraging there is a pipeline of potential operations that could more than use up the available funds in WWV and while the extension of the UK Treasury Guarantee to end of December 2020 allows more flexibility to pursue the development of operations in both marine energy and community energy, any such operation will need to demonstrate the ability to deliver in full by end of 2023 if the funds are to be used to the best effect for the programme and sector. Time is now becoming critical to ensure the funds are either used for their intended purposes or strategically better used in other areas of the programme so funds are not lost to Wales. To that end WEFO is in the process of reviewing the Energy portfolio including what is in business planning and pre-planning and will agree a plan that will be time-limited in terms of developing proposals to sufficient quality that WEFO has confidence approvals can be achieved and delivery will take place before the end 2023. If funds do need to be moved to other areas of the programme then again time will need to be given to identify where, to give any additional funds into those Priorities time to commit funds for full delivery by end 2023.

17. For East Wales this exercise has already been completed as despite best efforts to try and encourage the development of a small number of community energy operations insufficient interest was shown and apart from the

approved Arbed Operation it was agreed as part of this programme modification to reallocated EW Priority 3 funds to other areas of the programme that can absorb the funds to good effect.

18. As already highlighted in this update EW Priority 3 will miss its performance reserve financial target. With only Arbed as the approved operation insufficient expenditure has been declared to hit the target. There is no impact at programme level in missing this target as resources will be re-allocated to other stronger performing areas of the programme. Having reviewed the Arbed approval and delivery which is now taking place no de-commitment of funds to the Arbed programme is anticipated.

Priority 4: Connectivity and Urban Development**Approvals since the last PMC**

	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
Metro - Valleys Station Improvements	£22.97m	£15.08m		
Ethos Tywi, Carmarthen Quay	£7.46m	£2.61m		
Hen Goleg – Open for Business	£1.43m	£0.96m		
Metro – East Wales Station Improvements			£24.03m	£12.01m
Metro – Queen Street			£26.71m	£13.35m

19. Priority 4 WWV is fully committed having invested £134 million ERDF on Metro and over £50 million ERDF on 19 regionally prioritised Sites and Premises operations. The Backbone Tourism Attractor Destination operation that has received £27 million ERDF has fully committed all its available funds to 13 projects which are now in delivery. Equally the backbone Building for the Future operation is also making good progress with 11 projects now approved involving nearly £19 million ERDF. It is anticipated that the remaining ERDF awarded to this strategic operation will be approved over the next few months.

20. As reported the performance reserve target for WWV P4 is challenging and is primarily reliant on the two backbone operations mentioned above declaring sufficient expenditure for the target to be hit. WEFO has been working with these operations to ensure sufficient expenditure can be made up to and including 31 December 2018.

21. The challenger for this portfolio going forward will be to keep all operations on track in terms of delivery, budget and spend. There is limited opportunity for operations to slip in their timetable for delivery which is a risk for infrastructure operations as all operations will need to be fully completed by end 2023. The priority could absorb additional funds and the Regional Engagement Teams have been tasked to identify a reserve list of limited sites and premises proposals that are strategically important to further enhance economic development in the regions but can meet a challenging delivery timetable.

22. East Wales is 85 % committed. Metro will fully utilise the remaining funds and as with WWV the priority going forward will be to ensure delivery stays on track, to budget and operations spend the funds available.

Priority 5: Technical Assistance

Approvals since the last PMC

23. No new approvals since previous PMC.

24. All TA operations are approved and in delivery. No particular issues have been raised and certainly the Regional Engagement Teams are operational and helping WEFO in certain fields of prioritisation.

Section 1: ESF Programmes: Commitment

1. This section gives details of current financial progress under the ESF Programmes, including an overview of the Programmes and information at Priority-level.
2. Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ESF Programmes.
3. Progress data for finance and indicators is published monthly on the WEFO Website at <https://gov.wales/funding/eu-funds/2014-2020/programme-progress/?lang=en>

Table 1: EU Grant Commitment by Programme and Priority: Approved Operations

£ Millions											
Priority	Operations	Allocation		Committed				Spend			
		Total ¹	EU Grant ¹	Total ²		EU Grant ²		Total ³		EU Grant ³	
West Wales and the Valleys ESF											
1	10	203.2	160.5	166.2	(82%)	122.3	(76%)	49.5	(24%)	31.6	(20%)
2	20	402.6	290.3	449.9	(112%)	277.6	(96%)	212.3	(53%)	88.4	(30%)
3	18	281.3	209.2	291.6	(104%)	195.8	(94%)	97.8	(35%)	55.0	(26%)
4	6	18.4	13.7	26.5	(144%)	15.4	(112%)	8.4	(46%)	4.0	(29%)
5	0	18.6	14.0	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
Total	54	924.1	687.7	934.2	(101%)	611.1	(89%)	368.0	(40%)	179.0	(26%)
East Wales ESF											
1	7	54.8	27.4	31.6	(58%)	15.8	(58%)	8.2	(15%)	3.5	(13%)
2	11	152.0	73.6	200.8	(132%)	52.4	(71%)	106.2	(70%)	16.2	(22%)
3	12	112.5	56.3	135.8	(121%)	48.1	(85%)	36.7	(33%)	12.6	(22%)
4	5	7.0	3.5	5.8	(84%)	2.9	(84%)	2.0	(29%)	0.9	(26%)
5	0	26.6	13.0	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
Total	35	352.9	173.8	373.9	(106%)	119.1	(69%)	153.1	(43%)	33.2	(19%)
Total ESF	89	1,277.0	861.4	1,308.1	(102%)	730.3	(85%)	521.0	(41%)	212.2	(25%)

Source: WEFO, 30/11/2018

¹ Based on a conversion rate of £1:€1.17

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

4. Commitment now stands at 89% in WWV and 69% in EW (85% overall), meaning that a total of £730m has now been committed to beneficiaries. Four new operations have been approved since the last PMC meeting as well as a number of extensions to existing operations. WEFO intends to commit the remaining £131m ESF through a mixture of new and pipeline projects and extending projects to deliver more over longer timescales.

5. Funds paid out to beneficiaries stand at £179m in WWV and £33m in EW – a total of £212m which represents almost 25% of the programme funds. This has translated into a declaration of grant to the European Commission of 33% of the grant allocation in West Wales and the Valleys and 35% of the grant allocation in East Wales which is well above the EU average of 14% and the UK average of 8%.
6. All 2018 N+3 targets have been met. Most of the Performance Framework 2018 milestones have also already been achieved and we expect to achieve all milestones except those relating to the new Priority 5.
7. Delivery by operations of support to participants is progressing well. Almost 179,000 participants have so far been recorded (40% of the overall target). Over 71,000 participants have gained qualifications and over 12,000 have been supported into employment.

Section 2: Progress by Priority

Priority 1: Tackling Poverty through Sustainable Employment

8. One new project has been approved since the last PMC meeting. Backed by £5.6m of ESF, the Nurture, Equip, Thrive (NET) project will help more than 2,000 under-employed people return to full employment and help people with work-limiting health conditions or disabilities to stay in work, return from sick leave or take on career development opportunities. Torfaen Council are leading the scheme, collaborating with Bridgend, Caerphilly and Merthyr Tydfil Councils, Aneurin Leisure in Blaenau Gwent and Groundwork Wales.
9. A further £5.6m of ESF has been awarded to the Bridges into Work II project to continue training, mentoring and improving the employability skills of long-term unemployed people. The funding helps a further 4,880 people over the next 4 years.
10. The Priority is now 76% committed in WW&V and 58% in EW with a strong pipeline of new project proposals and extension requests.
11. Priority 1 addresses the complex barriers individuals face in finding and staying in work. Building on the successes of the previous rounds of ESF funding, they continue to have a primary focus on work as the main outcome for an individual to prosper and tackle poverty. The projects concentrates to an even greater extent on those individuals who are furthest away from the labour market and face the most complex barriers to employment such as work-limiting health conditions and disabilities, childcare or adult caring responsibilities, and poor employability skills.
12. Overall performance for this Priority remains encouraging with over 33,000 participants supported to date, across both programmes. Approved projects forecast helping nearly 113,000 people (127% of Operational Programme targets).
13. Successful performance to date includes helping 20% of economically inactive participants into work in WW&V (22% in EW). For those impacted by redundancy in WW&V, 60% of participants have gained a qualification to boost their employability and open up work opportunities.
14. A number of other indicators are lower than project forecasts, often due to underestimating the time needed for mobilise and become fully operational. Other reasons for slow progress include longer than expected time lag between enrolment and achieving a positive outcome when working with individuals with multiple and entrenched barriers to work, and the impact on

delivery of the improving labour market position with low levels of unemployment and redundancies.

15. While the improved labour market conditions are welcome, it means that the ESF programmes are increasingly working with a individuals furthest from the labour market, often having been economically inactive for many years and needing intensive levels of support before they become work ready. WEFO continues to closely monitor and support individual projects to secure improvements.

Priority 2: Skills for Growth

16. There have been three new approvals since the last PMC meeting. £1.8m was approved in WWV as well as £0.6m in EW for University of Wales Trinity St David's two **Upskilling for Industry 4.0 Wales** operations which aim to help companies with skills needs connected to the fourth industrial revolution. £1.2m ESF was also approved in WWV for the **Limitless** operation led by Threshold DAS which will support survivors of domestic and sexual abuse and other women in employment to improve their labour market position and gain qualifications
17. This takes the commitment levels for the Priority to 96% in WWV and 71% in EW, with total EU funds of £330m already committed and only £33.9m remaining to be allocated. A number of proposals remain in development and there is potential to extend some existing approved operations to run for longer periods, subject to performance.
18. The position on performance for this priority remains very encouraging. Over 95,000 participants have already been reported and achievement against most indicators is running fairly close to profile. Participants on training at level 3 and above (SO2) are outnumbering those on foundation and intermediate level courses (SO1), which appears indicative of rising skills needs in the workplace. Female participants are outnumbering males, particularly in the category of participants with an upper secondary education where the anticipated total number of females to the end of the programme has already been exceeded.
19. Following the European Commission's agreement of the Programme Modification, we have been able to add a new Specific Objective (SO 2.4) for *Research and Innovation Skills* to the East Wales programme and three new operations are currently in development under this SO. The modification has also resolved the previous difficulties in SO1 around the definition of 'no formal qualifications', with a single merged indicator covering no or low qualifications now in place for reporting in this SO.

Priority 3: Youth Employment and Attainment

20. Since the last PMC, an additional £11.5m of ESF has been awarded to the Cynnydd project to support young people at risk of disengaging from education. The project is led by Pembrokeshire Council and delivered in partnership with other local authorities and FE colleges across the south west Wales region. The additional investment supports a further 3,217 young people at risk of NEET.
21. The Priority is now 94% committed in WW&V and 85% in EW with a strong pipeline of new project proposals and extension requests.
22. Overall performance for this Priority remains encouraging with over 55,500 young people supported to date, across both programmes. Approved projects forecast helping nearly 113,000 people (90% of Operational Programme targets) which will increase further when all funds are committed.
23. Performance highlights to date include helping 22% of NEET participants into education or training in WW&V (30% in EW); 23% into employment (WW&V and EW); and 29% gaining qualifications in WW&V (31% EW).
24. Three new STEM projects (SO 3.3) were approved this Summer and the outputs and results from these investments will start to be reported during 2019.
25. The portfolio of operations focuses on addressing youth unemployment and attainment, for young people either classed as NEET or likely to become NEET.

Priority 4: Technical Assistance

26. No approvals since previous PMC.

27. Four Regional Engagement Teams have been set up to help improve the way we deliver and manage the European Structural Funds programmes 2014-2020. They are based in North Wales, Mid Wales, Swansea Bay and South East Wales.

28. They are adding value to WEFO's delivery and management of the programmes by ensuring the regional integration of delivery. They are also contributing to the move towards a more strategic delivery model with a clearer framework for economic prioritisation by ensuring regional alignment and coherence of operations. One of the key functions of the teams is facilitating the regional proofing of proposed operations in order to provide a regional view to WEFO on the regional strategic fit of all proposed operations with relevant strategies and wider interventions and activities, and, on occasion, to facilitate the regional prioritisation of some proposed operations as requested by WEFO (for example, for ERDF Specific Objective 4.4). The teams are also working with the Regional Skills Partnerships in relation to regional proofing and engagement on ESF operations.

29. All TA operations have now been approved.

Priority 5: Public services reform and regional working

30. Agreement of this new Priority was received in September as part of the Programme Modification. The Priority focuses on building capacity for regional working in public services and is an opportunity to develop strategic regional responses to Prosperity for All, the Economic Action Plan and other key strategies which point to the need for enhanced regional working.

31. Initial discussions with regional partners began over the summer and Regional Engagement Teams are helping to facilitate this. A number of possible project ideas are under discussion in each region and we are working with partners to assist them to bring forward Operation Logic Templates (OLTs). WEFO is hoping to identify some potential backbone operations for this Priority by February.

32. A Workshop to discuss the Priority was held at the WEFO Annual Event on 5 December.

Welsh Government – Rural Communities Rural Development Programme (RDP) 2014-2020

Overall Programme Update

1. Based on a planning exchange rate of £1:€1.18, the current policy level commitment for the Programme is £832m (£556m EU funding) which is just over 100% of the Programme. At a project level a total of £589.6m funds have been committed, representing 71% of Programme funds. Overall Programme spend to date has increased by over £16m since the last PMC to £245m (£175m EAFRD), of this £99m relates to Pillar I transfer payments.
2. The Programme has met its first N+3 target of €123.8m. This was achieved in November 2017, well in advance of the deadline. Current forecasts indicate no issues with N+3 achievements to the end of the programme. The Welsh Government are expecting the 2019 target of €247.6m to be achieved before the end of 2018.
3. An update of progress against milestones can be found in the Performance Framework paper. The Programme remains on track to meet the majority of the Performance Framework milestones by the close of 2018.

Table 1: Allocation, Spend & Commitment

						£ Millions			
Allocation ¹		Committed ²				Spend ²			
TOTAL	EAFRD	TOTAL		EAFRD		TOTAL		EAFRD	
828	551	832	(100%)	556	(101%)	245	(30%)	175	(32%)

Source: WEFO, 30-11-2018

¹ Based on a planning exchange rate of £1:€1.18

² Percentages show share of allocation

4. Data on Programme performance is published monthly and can be found [here](#).

Scheme Update

Cooperation & Supply Chain Development Scheme (CSCD)

5. The first window of the new Environment Grant “Enabling Natural Resources and Well-Being Grant in Wales” (ENRaW) 2019-2023 closed early December. This Grant will be delivered under Measure 7.4 and 16.2 of the Programme. There will be no new future rounds of CSCD and RCDF schemes.

Rural Community Development Fund (RCDF)

6. Following the last update a number of briefing sessions have been held with Local Action Groups (LAGs) on the funding under ENRaW 2019-2023. The

closing date for the first window of applications closed on Monday 3 December and following assessment process, applicants will be notified by March 2019 and funding will be allocated accordingly.

Co-operative Forest Planning Scheme (CFPS)

7. No additional activity. No future windows are planned for this Scheme.

European Innovation Partnership (EIP)

8. Delivery of the EIP in Wales to date has been successful, encouraging participation by farmers coming together as Operational Groups (OG's), with 111 farmer members in total across 19 approved OG's. A total of £742k has been awarded between the 19 groups, at an average of £39k per group (the maximum eligible support is £40k). The overall programme target is 45 groups.

Farm Business Grant (FBG)

9. A fifth FBG window closed the end of October, contracts were offered to 958 farmers with the value of these contracts at approximately £6.5m. To date 416 of these farmers have accepted. The closing date for accepting contracts offered is 23 December 2018.

Food Business Investment Scheme (FBIS)

10. The outcome of the fifth FBIS window was announced on 6 September 2018. The total project cost from Expression of Interest (EOI) received was £72.2m, with the total grant requested £25.5m. 18 have been invited to submit full applications by deadline of 6 September 2019. The sixth FBIS window closed on 29 November 2019. Eligibility criteria restricted EOI applications to slaughterhouses. Eight EOIs were received with a total project cost of £1.5m and grant requested of £631k. The outcome from this window is expected 24 January 2019.

Knowledge Transfer & Innovation (KT&I)

11. The enhanced KT&I programme is continuing to provide support in transforming the business prospects of thousands of farmers and foresters. As at 30 October 2018 a total of 9,806 Businesses with 18,384 individuals registered and engaged with the programme. More information on Farming Connect programme delivery can be found [here](#).

Rural Business Advisory Service (RBAS)

12. RBAS provides expert, independent, confidential and bespoke advice to registered Farming Connect businesses. As of 31 October a total of 1,561 businesses have benefitted from business support and/or technical advice,

tailored to their business needs. There has been a significant increase in group based advisory service with 798 individuals supported through engagement with 213 groups.

LEADER

13. It has been agreed that extensions will be offered to LEADER Local Action Groups (LAGs). This funding will help support a transition to more mainstream funding for rural communities.

Rural Business Investment Scheme (RBIS)

14. The fifth RBIS window closed on 19 September 2018. A total of nine EOIs have been received with all invited to submit applications by the deadline of 12 January 2019. Total project cost of EOIs received was £967k, with the total grant requested £313k. The sixth RBIS window closed 3 December 2018 with assessment of this underway.

Sustainable Management Scheme (SMS)

15. The fourth SMS window closed 6 September 2018 with an allocation of £5m. A total of 53 EOIs received. They were scored following the approved EOI criteria resulting in nine successful EOIs totalling £4.8m of grant requested. The successful EOIs have been invited to submit full application by deadline of 16 October 2019.

Sustainable Production Grant (SPG)

16. A total of £6m has been allocated to the fourth window of the SPG. The fourth window closed on 26 October with a total of 476 EOIs submitted with a potential grant value of £16m. The competitive selection process will be implemented to select those projects to progress to full application.

Timber Business Investment Scheme (TBIS)

17. The third EOI round window has now closed. Of the 42 EOIs received, 11 EOIs were invited to develop and submit full applications to a grant value of £1.4m.

Glastir

18. Although Measures 10 and 11 are closed to new contracts, the Cabinet Secretary for Energy, Planning and Rural Affairs has announced the intention to extend all existing Advanced, Commons and Organics agreements to aid the transition between current schemes and the new land management schemes post Brexit. This approach will help maintain environmental outcomes during the interim period and ensure continued support for organic farmers. There will also be further round of Glastir Small Grants. This is

subject to European Commission approval which will sought through modification in 2019.

Technical Assistance Update

19. All eight projects are delivering as expected and a total expenditure of £9.5m has been claimed at the end of November 2018, with just over £670k worth of claims on the system awaiting authorisation and payment.

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:

Update on progress of Performance Framework

Issue

1. To provide the PMC with an update on progress against the Performance Framework targets for the Programmes.

Recommendation

2. The PMC is asked to note the content of this paper, including the update on progress against the Performance Framework targets given below and at Annex A.

Progress to date

3. The progress data at Annex A is based on data to the end of November 2018. Determining whether or not the performance framework for each Priority has been met will be based on data submitted on claims for the period up to 31 December 2018. The final achieved position against the performance framework targets will be reported in the 2018 Annual Implementation Reports which will be considered by the PMC later in 2019.

ERDF

4. Formal agreements to the ERDF Programme modifications have been received. Whilst the financial targets for Priority 4, Connectivity, West Wales and the Valleys remain challenging and output only claims are being requested to ensure some non financial targets are met i.e. Investment in Enterprises in WWV's and Number of partners collaborating in research projects in EW it is anticipated the performance reserve targets will be met except for the financial target for the Energy Priority in East Wales which will be missed. However, this means the associated performance reserve for that Priority which is small (some £250k) will not be lost to the programme as the reserve will be re-allocated to another Priority in East Wales in 2019. There is no impact on current commitments in this area.

ESF

5. Most of the Performance Framework 2018 milestones have also already been achieved and we expect to achieve all milestones except those relating to the new Priority 5.

RDP

6. As shown in the Table 5 & 6 below, the RDP has achieved or forecasting to achieve the majority of targets within the Performance Framework, the exception to this is Priority 6. The second Programme amendment is currently under review by the European Commission. If the modification is approved then the RDP will meet all Performance Framework targets.

Next steps

7. WEFO will provide a further update on progress to PMC in early 2019, once the December claims have been submitted by Beneficiaries.

Background

8. All ESI funds (with the exception of European Territorial Cooperation) have a performance reserve of 6% of the financial allocation access to which is contingent on meeting the targets set-out in the performance framework.
9. The performance framework is made up of financial and output indicators for each priority, with milestones and targets set for the end 2018 and 2023. Achievement against the 2018 milestones determines the allocation of the performance reserve.
10. The regulations foresee the ability to amend the performance framework and WEFO are currently discussing revisions to the framework with the EC, as part of the modifications to the Programmes. However the milestones set for a Priority will be deemed to have been achieved when:
 - There are no more than two indicators in the Performance Framework related to a priority, all indicators have achieved at least 85% of their milestone value by the end of 2018 or
 - There are three or more indicators in the Performance Framework related to a priority, all indicators except for one have achieved at least 85% of their milestone value by the end of 2018 and the one indicator which has not achieved 85% of its milestone value has achieved at least 75% of its milestone value.
11. In a situation where one or more Priorities of a Programme fail to meet their milestones the Performance Reserve related to those Priorities may be still reallocated among the Priorities which have achieved their milestones.

WEFO Lead: Gavin Lewis
Approved by: Rob Halford
Date:

Table 1: West Wales and the Valleys ERDF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ²	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ²	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	455	458	>100%	72	93	>100%	86	19%	>100%
1	Number of partners collaborating in research projects	1,800	1,678	93%	345	369	>100%	451	25%	>100%
2	Eligible Expenditure (€M) ¹	333	333	100%	52	137	>100%	136	41%	>100%
2	Investment in enterprises (£M)	191	191	100%	78	101	>100%	58	30%	74%
3	Eligible Expenditure (€M) ¹	246	108	44%	39	41	>100%	22	9%	56%
3	Energy support site preparation schemes	2	2	100%	1	1	100%	0	0%	0%
3	Number of renewable energy prototypes tested	8	4	50%	3	2	67%	1	13%	33%
3	Number of households with improved energy consumption classification	3,060	3,060	100%	n/a	n/a	n/a	0	0%	n/a
3	Contractors procured to deliver final target of households with improved energy consumption classification	n/a	n/a	n/a	Yes	Yes	n/a	No	n/a	No
4	Eligible Expenditure (€M) ¹	763	904	>100%	120	120	100%	58	8%	48%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	35	52	>100%	56	n/a	>100%
4	Total length of reconstructed or upgraded railway line	24	24	100%	n/a	n/a	n/a	0	0%	n/a
4	Projects submitted to the Managing authority having undergone agreed prioritisation process	n/a	55	n/a	3	35	>100%	37	n/a	>100%
4	Land developed (Ha)	100	162	>100%	n/a	n/a	n/a	0	0%	n/a

Source: WEFO, 30/11/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to December 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified.

² Forecasts are based on data from currently approved projects and assumes operations will deliver to profile..

Table 2: East Wales ERDF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ²	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ²	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	202	198	98%	32	41	>100%	31	15%	96%
1	Number of partners collaborating in research projects	540	549	>100%	32	96	>100%	12	2%	38%
2	Eligible Expenditure (€M) ¹	91	76	83%	14	58	>100%	58	64%	>100%
2	Investment in enterprises (£M)	80	96	>100%	80	96	>100%	96	>100	>100%
3	Eligible Expenditure (€M) ¹	9.7	8	86%	1.5	0.00	0%	0.00	0%	0%
3	Number of households with improved energy consumption classification	765	765	100%	n/a	n/a	n/a	0	0%	n/a
3	Contractors procured to deliver final target of households with improved energy consumption classification	n/a	n/a	n/a	Yes	Yes	n/a	No	n/a	No
4	Eligible Expenditure (€M) ¹	96	81	85%	15	16	>100%	16	17%	>100%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	75	95	>100%	85	n/a	>100%
4	Total length of reconstructed or upgraded railway line	5	1	10%	n/a	n/a	n/a	0	0%	n/a

Source: WEFO, 30/11/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to December 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified.

² Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 3: West Wales and the Valleys ESF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ²	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ²	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	238	194	82%	53	53	>100%	48	20%	90%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	36,000	43,803	>100%	9,182	15,486	>100%	13,425	37%	>100%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	19,198	>100%	2,755	8,078	>100%	7,235	67%	>100%
2	Eligible Expenditure (€M) ¹	471	526	>100%	133	201	>100%	201	43%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Male	26,000	27,891	>100%	9,666	14,313	>100%	11,724	45%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Female	31,692	32,961	>100%	8,801	16,574	>100%	11,710	37%	>100%
2	Employed participants with lower secondary education - Male	20,693	22,739	>100%	4,099	11,352	>100%	6,675	32%	>100%
2	Employed participants with lower secondary education - Female	23,874	27,419	>100%	3,732	13,479	>100%	6,954	29%	>100%
3	Eligible Expenditure (€M) ¹	329	341	>100%	84	99	>100%	99	30%	>100%
3	NEET Participants (16 - 24 years of age)	42,700	50,407	>100%	10,891	26,195	>100%	22,369	52%	>100%
5	Eligible Expenditure (€M) ¹	22	0	0%	0	n/a	n/a	-	0%	n/a
5	Number of projects targeting public administrations or public services at national, regional or local level	4	-	0%	1	1	100%	-	0%	0%

Source: WEFO, 30/11/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to December 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified.

² Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 4: East Wales ESF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ²	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ²	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	64	37	58%	13	13	>100%	8	12%	59%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	12,700	14,368	>100%	3,239	7,435	>100%	3,413	27%	>100%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	3,800	6,209	>100%	969	3,609	>100%	1,766	46%	>100%
2	Eligible Expenditure (€M) ¹	178	235	>100%	60	98	>100%	98	55%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Male	10,000	10,888	>100%	5,380	6,011	>100%	5,391	54%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Female	12,000	12,650	>100%	4,898	6,770	>100%	6,336	53%	>100%
2	Employed participants with lower secondary education - Male	9,372	9,873	>100%	1,642	5,065	>100%	3,551	38%	>100%
2	Employed participants with lower secondary education - Female	11,309	12,240	>100%	1,495	6,492	>100%	4,044	36%	>100%
3	Eligible Expenditure (€M) ¹	132	159	>100%	31	37	>100%	37	28%	>100%
3	NEET Participants (16 - 24 years of age)	21,200	27,123	>100%	5,407	13,449	>100%	8,065	38%	>100%
5	Eligible Expenditure (€M) ¹	31	0	0%	0	n/a	n/a	-	0%	n/a
5	Number of projects targeting public administrations or public services at national, regional or local level	4	-	0%	1	1	100%	-	0%	0%

Source: WEFO, 30/11/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to December 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified.

² Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 5: Rural Development Programme: Performance Framework Indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
2	Total public expenditure (€m)	121.7	115.3	95%	29.2	36.6	>100%	23.3	19%	80%
2	Number of holdings supported	2,431	721	30%	243	595	>100%	354	15%	>100%
3	Total public expenditure (€m)	108.6	147.2	>100%	26.1	37.0	>100%	29.3	27%	>100%
3	Number of holdings supported	165	509	>100%	58	99	>100%	99	60%	>100%
4	Total public expenditure (€m)	415.5	374.7	90%	99.7	177.9	>100%	177.9	43%	>100%
4	Total area (ha) supported	706,387	779,000	>100%	600,429	659,415	>100%	659,415	93%	>100%
5	Total public expenditure (€m)	80.5	75.5	94%	19.3	21.3	>100%	19.9	25%	>100%
5	Number of operations supported	583	504	86%	187	504	>100%	226	39%	>100%
5	Total area (ha) supported	63,711	113,715	>100%	51,606	71,648	>100%	71,648	>100%	>100%
6	Number of operations supported	653	238	36%	131	81	62%	65	10%	50%
6	Total public expenditure (€m)	206.2	200.3	97%	49.5	30.0	61%	26.1	13%	53%
6	Population covered by LAG	1,381,745	1,381,745	100%	1,381,745	1,381,745	100%	1,381,745	100%	100%

Source: WEFO, 30-11-2018

Table 6: Rural Development Programme: Alternative Performance Framework Indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
3	Number of operations supported	120	120	100%	42	80	>100%	80	67%	>100%

Source: WEFO, 30-11-2018

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT (ESI) FUNDS 2014 – 2020:

IMPLEMENTATION OF THE CROSS CUTTING THEME: TACKLING POVERTY & SOCIAL EXCLUSION

Issue

1. This paper provides the annual review of progress of the implementation of Tackling Poverty and Social Exclusion cross cutting theme in the ERDF and ESF European Structural and Investment (ESI) funds 2014 – 2020.

Recommendation

2. Members are invited to note the content of the report and to provide comments accordingly.

Background

3. Europe 2020 is the EU Platform against Poverty which supports the Commission's focus on tackling poverty and social exclusion and will deliver to the EU 2020 target of 20 million fewer people in poverty. Tackling poverty is also a key priority for the Welsh Government and the Tackling Poverty Action Plan (TPAP) sets out the targets and milestone being taken forward by Welsh Government to reduce poverty in Wales.
4. The approach taken in Wales around delivering ESI funded activity which supports EU Commission and Welsh Government shared agendas for tackling poverty is through a dedicated ESF Priority, complimented by a 'Wales specific' Cross Cutting Theme (CCT) to encourage wider related activity across the ESI programmes.
5. In Wales poverty is defined as 'a long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society'. Social Exclusion or the ability to participate is strongly linked therefore to issues of Poverty.
6. The ESI Funds are aimed at addressing the causes of poverty rather than dealing with the consequences: putting in place interventions that focus actions on reducing poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market.

Tackling Poverty and Social Exclusion Cross Cutting Theme

7. The commitment to promote social inclusion and combat poverty via a dedicated CCT is concentrated around the following key objectives:
 - the creation of jobs and growth providing employment opportunities for those who are out of work;
 - tackling barriers to employment such as poor skills, lack of childcare or limited transport options, helping more people to access employment opportunities;
 - a focus on growth aligned with skills development interventions, enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs;
8. As with the Sustainable Development and Equal Opportunities and Gender Mainstreaming CCT, specific activities aim to ensure that poverty, and the needs of those most at risk of poverty and discrimination, are central to all operations.

Tackling Poverty through the ESF Programmes

9. The ESF programmes are constructed around three main Priority Axis; Tackling Poverty through Sustainable Employment, Skills for Growth and Youth Employment and Attainment. In line with the ESF Regulations, at least 20% of ESF funding in Wales is dedicated to 'promoting social inclusion, combating poverty and any discrimination', and is concentrated through the Tackling Poverty through Sustainable Employment Priority. This Priority is concerned with reducing poverty by increasing employment levels, particularly for underrepresented groups, those with low or no skills, or a work limiting health condition or disability and those furthest from the labour market; and reducing inequalities in the labour market amongst women and recognised equality groups.
10. However, the programme recognises that the risk of poverty, discrimination and exclusion are not limited to unemployed individuals. Actions delivered through other Priorities within the Programmes also contribute to reducing poverty and the risk of poverty e.g. The Skills for Growth Priority Axis supports those in low paid, low hour or temporary jobs, alongside working with employers to develop leadership and management skills to promote workforce development, employee progression and opportunities for part time workers. Likewise the Youth Employment and Attainment Priority Axis supports action to increase the rate of youth employment and reduce the impacts periods of unemployment or NEET can have on income and poverty in the long term.
11. Progress reports around the specific outcomes for these Priorities are regularly submitted to the Programme Monitoring Committee and an example of a project delivering under Priority 3 Youth Employment and Attainment is provided below.

12. **GO Wales: Achieve Through Work Experience**, is funded through Priority 3 of the ESF Programmes in West Wales and the Valleys and East Wales. The Pan-Wales projects are designed to reduce the risk of students in higher education becoming NEET, especially those who face additional barriers, providing a range of activities to enhance employability and increase their future ability to secure employment or move into further learning based on appropriate career paths



13. The projects identify suitable employers and work experience opportunities to support the participant to develop their skills and confidence, and better demonstrate work-readiness and increased employability following completion of their qualifications. Along with disabled people, people with migrant backgrounds and care leavers experience higher than average levels of poverty. The activities and support provided by these projects seek to make a real difference in the future employability of those participating, reducing the likelihood of them experiencing poverty at a future date.



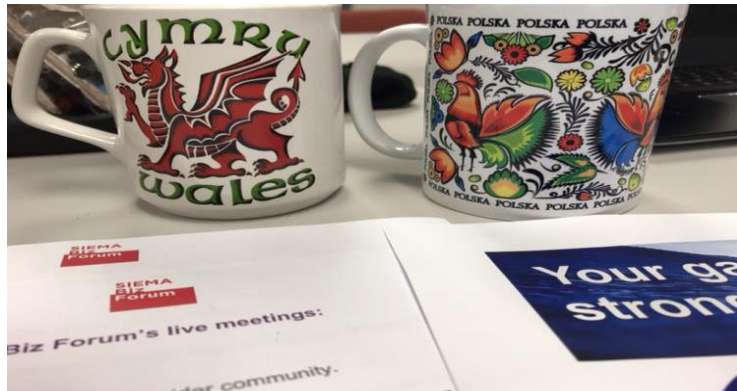
14. The projects to date (September 2018) have supported 692 participants of whom, approximately 60% identify as having a disability or Work-Limiting Health Condition (WLHC) including Autism Spectrum Disorder and mental health condition, 8% are from a migrant background, 8% with a caring responsibility and 3% care leavers.

Tackling Poverty through the ERDF Programmes

15. The focus of the Welsh ERDF Programmes is to promote economic growth and the creation of sustainable jobs across the programme area. Many of the jobs created will be of relevance to new entrants and returners to the labour market, creating opportunities for ESF interventions targeting specific groups to complement ERDF investments. Progress against the ERDF job creation targets is regularly reported to the Programme Monitoring Committee.
16. In addition to generic ERDF targeting of job creation, opportunities exist within the programmes to target specific features of poverty. In the CCT Tackling Poverty report given to the PMC last year, mention was made of the specific 'call' for projects to come forward for funding under Priority Axis 3: Renewable Energy and Energy Efficiency. This 'call' was particularly concerned with developing a variety of innovative community energy schemes: tackling fuel poverty being the key focus under this priority. The PMC were advised that forty-two applications were received, of which ten had been taken forward to business planning stage and that an update on the progress of the community energy schemes aiming to tackle fuel poverty would be given in this report.
17. As of November 2018, two of the ten projects have now been approved, with the remaining eight in the business planning stage: **Generation Storage Consumption Supply (GSCS) Multi Technology Micro Grid Energy System** - this project will enable renewable energy from solar and wind (plus low carbon energy such as combined heat and power) to be stored and released to communities. Utilization of a private micro--grid and smart metering will reduce the cost of power compared to retail prices. The project will also support the improvement of the energy efficiency of homes, particularly of people likely to be at risk of fuel poverty. It will provide seven commercially viable small-scale renewable energy projects for local businesses. The seven business/community energy scheme sites are:
- Nant-y-Gwyddon, Gelli, Rhondda
 - Rassau Industrial Estate, Rassau, Ebbw Vale
 - Pen-y-Fan Industrial Estate, Caerphilly
 - The Royal Mint, Llantrisant Business Park, Pontyclun
 - Pembrokeshire Food Park, Haverfordwest
 - Cross Hands Food Park, Cross Hands
 - The Wellness Village, Delta Lakes, Llanelli
18. **Swansea Community Solar Storage with Direct Local Supply** - This project involves the installation of a new storage facility at an existing 1MW (One megawatt) solar farm in partnership with a licenced energy supplier to enable smart grid management and demand matching for local supply of the electricity to a cooperative of up to 300 local consumers (residential and business) using smart meters. Partnership working is key to the success of this project, brokering engagement between existing community groups and new groups; working with the community to build skill sets and increased confidence of community members and providing support for those most in need to adopt energy saving measure in their homes to alleviate fuel poverty.
19. A further opportunity which exists within the ERDF programmes to target specific features of poverty is through Business Support with the following initiative, developed in the Wrexham area, having a big impact on the local Polish migrant worker community.

Business Wales Polish Business Support Initiative

20. Having received feedback through its networks that Polish businesses weren't engaging with business support and that there was a perceived general mistrust of agencies such as HMRC, Business Wales decided to take positive action.



21. They ran a workshop specifically for Polish businesses: 'Starting and Running a Business – Taking the Plunge'. Thirty-two people attended the workshop which was delivered at the Wrexham Hub with the support of a translator.
22. At the workshop, attendees were given the opportunity to arrange one-to-one appointments with a Business Wales Relationship Manager, to encourage engagement with the programme and to support their current businesses. Since taking part in the workshop, twelve Polish business are now working with Business Wales, with a further twelve having now started trading.
23. Also as a result of the workshop and related follow up activity, a new business forum has been established at the Business Wales Wrexham Hub for the Polish community, supported by a Facebook platform. Details of which can be found at: **SIEMA Biz Forum**
<https://www.facebook.com/SiemaBizForum/>
24. This forum meets once a month, during which there is a networking session, a live video feed by an industry expert, and an opportunity for Polish businesses to pitch to the network. This has extended beyond the borders of Wales and currently approximately 5,600 users are tuning into the live video feed.



25. The Business Wales Relationship Manager has pointed out the positive impact this activity is having on the Welsh economy and improving Polish prospects in the UK beyond 2020. A positive spin off of this activity has been that Business Wales has supported a client with the formation of a Polish Integration Support Centre which, as a start-up social enterprise, is providing welfare support to schools.

Indicators and Targets contributing to the Tackling Poverty and Social Exclusion Cross Cutting Theme

26. There are a range of indicators with associated targets which support the activities identified as the key drivers to tackling the causes of poverty within Wales. These indicators have a wider remit than the specific Tackling Poverty CCT and help to demonstrate the progress being made on the tackling poverty agenda for the Programmes overall. **Annex 1** contains a breakdown of the specific indicators and progress to date.

The Cross Cutting Theme Project Level Indicators

27. In addition to the formal indicators and targets, additional project level CCT indicators have been identified (agreed at the June 2015 PMC) which enable WEFO to capture a broader range of activity and provide for good practice to be identified and reported. The information contained in **Annex 2**, gives an indication of the range of activity which is being delivered. The data provided includes a comparison with that provided in the last annual report in December 2017, demonstrating the progress made over the period. It should also be noted there is significant overlap with activity contributing to the Equal Opportunities and Gender Mainstreaming CCT highlighted at the June 2018 PMC.

Next steps

28. Future reports will demonstrate the progress on formal CCT indicators and additional project level activity, alongside case study examples of projects delivering activity which supports this CCT.

Drafted by: Chriss O'Connell WEFO

Approved by: Rob Halford WEFO

Date: 06 /12/2018

Annex 1 Tackling Poverty and Social Exclusion Indicators

ERDF:

CCT Tackling Poverty Indicators - ERDF

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO2.2	Number of new enterprises supported	5,150	6,000	673	2,200	4,000	296
SO3.2 (SO3.1 East Wales)	Community energy schemes	37	1	-	3	-	-
SO3.3 (SO3.2 East Wales)	Number of households with improved energy consumption classification	5,500	3,060	-	4,200	765	-
SO4.2 (SO4.1 East Wales)	Public transport services created or improved	2,500,000	-	-	420,000	-	-
	Intermodal facilities created or improved	25	58	6	5	16	-
SO4.3 (SO4.2 East Wales)	Additional premises with broadband access of at least 30 Mbps - Households	28,000	98,334	52,352	28,000	46,801	42,872

Source: WEFO, 30/11/2018

ESF:

Priority 1: Tackling Poverty through Sustainable Employment

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO1.1	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	15,051	-	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	60%	0%	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	50%	0%	n/a	n/a	n/a
SO1.2(SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	43,803	13,425	12,700	14,368	3,413
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	19,198	7,235	3,800	6,209	1,766
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	30%	25%	50%	23%	17%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	28%	28%	50%	21%	19%
SO1.3	Participants Employed including self-employed with work-limiting health condition or disability	4,000	11,328	3,410	n/a	n/a	n/a
	Employed including self Employed Participants with Work limiting health condition or disability with an improved labour market situation upon leaving	50%	0%	64%	n/a	n/a	n/a

Source: WEFO, 30/11/2018

Priority 2: Skills for Growth

Priority / Specific Objective	Outputs						
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO2.1	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	26,841	27,891	11,724	10,888	10,888	5,391
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	31,692	32,961	11,710	12,650	12,650	6,336
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	79%	57%	72%	80%	54%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	79%	55%	72%	80%	53%
	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	20,693	22,739	6,675	9,372	9,873	3,551
SO2.2	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	23,874	27,419	6,954	11,309	12,240	4,044
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	79%	52%	60%	80%	52%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	80%	49%	60%	81%	48%

Source: WEFO, 30/11/2018

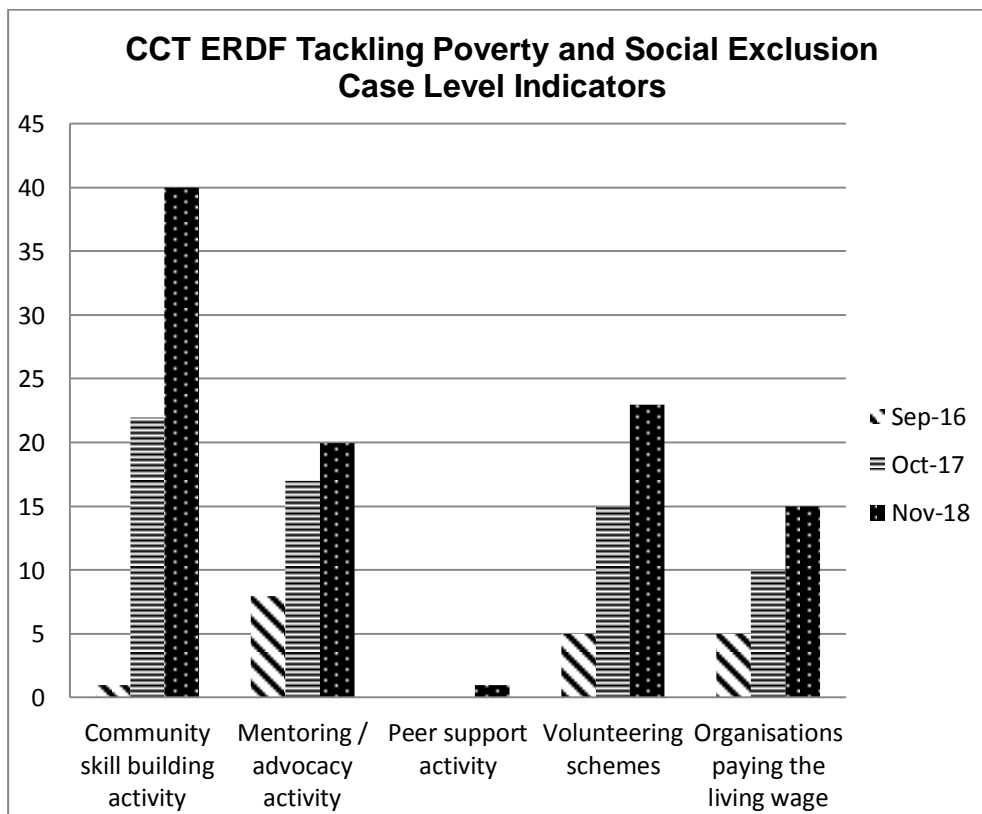
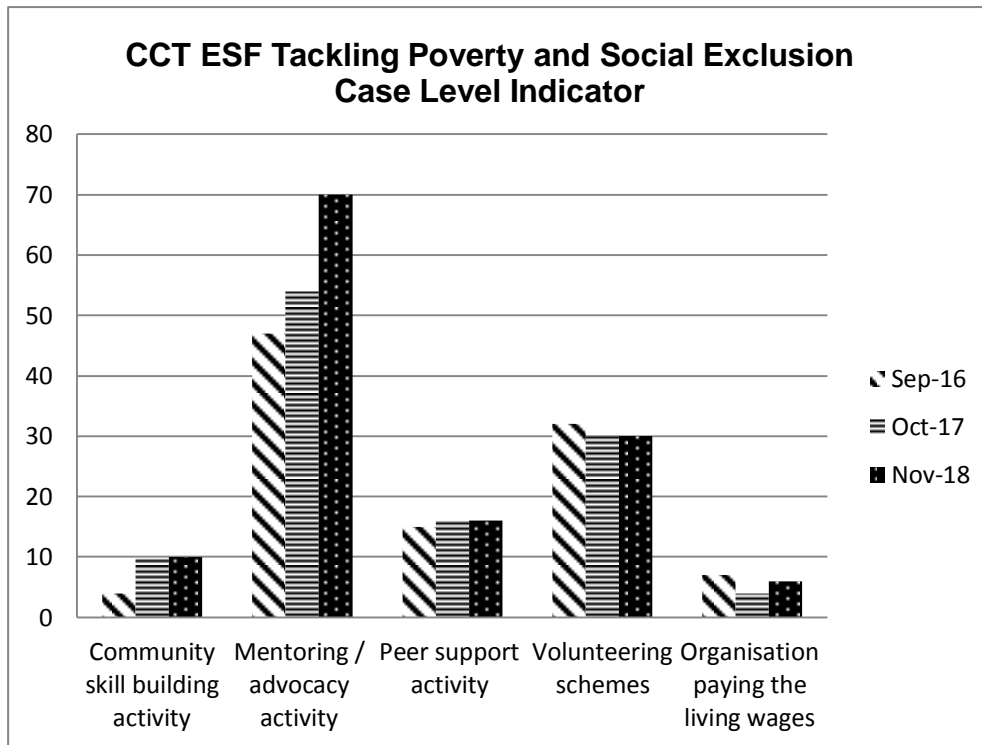
Priority 3: Youth Employment and Attainment

Priority / Specific Objective	Outputs						
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO3.1	NEET Participants (16 - 24 years of age)	42,700	50,407	22,369	21,200	27,123	8,065
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	42%	29%	20%	45%	31%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	22%	17%	17%	30%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	28%	23%	28%	29%	23%
SO3.2	Participants at Risk of becoming NEET (11-24)	49,700	27,787	9,355	13,000	8,943	2,522
	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	7%	0%	0%	27%	0%	0%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	13%	5%	18%	13%	7%
SO3.3	Young People 11 -19 years of age - Male	8,400	8,824	3,328	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	11,377	4,311	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	9%	4%	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 – Female	45%	5%	1%	n/a	n/a	n/a

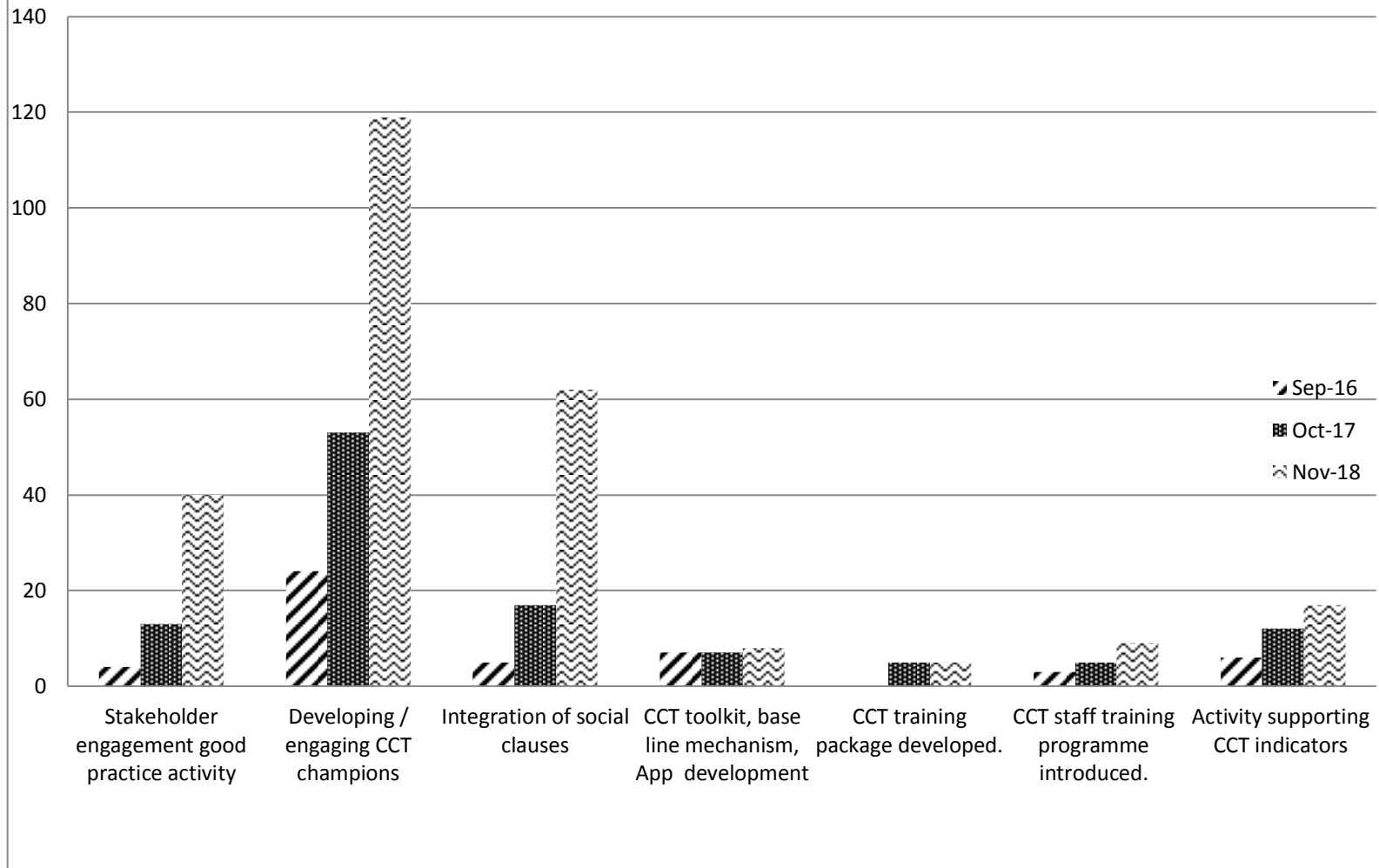
	Employed including self-employed Participants from early years and childcare sector - male	300	137	25	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	2,712	577	n/a	n/a	n/a
SO3.4	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	79%	32%	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	77%	37%	n/a	n/a	n/a

Source: WEFO, 30/11/2018

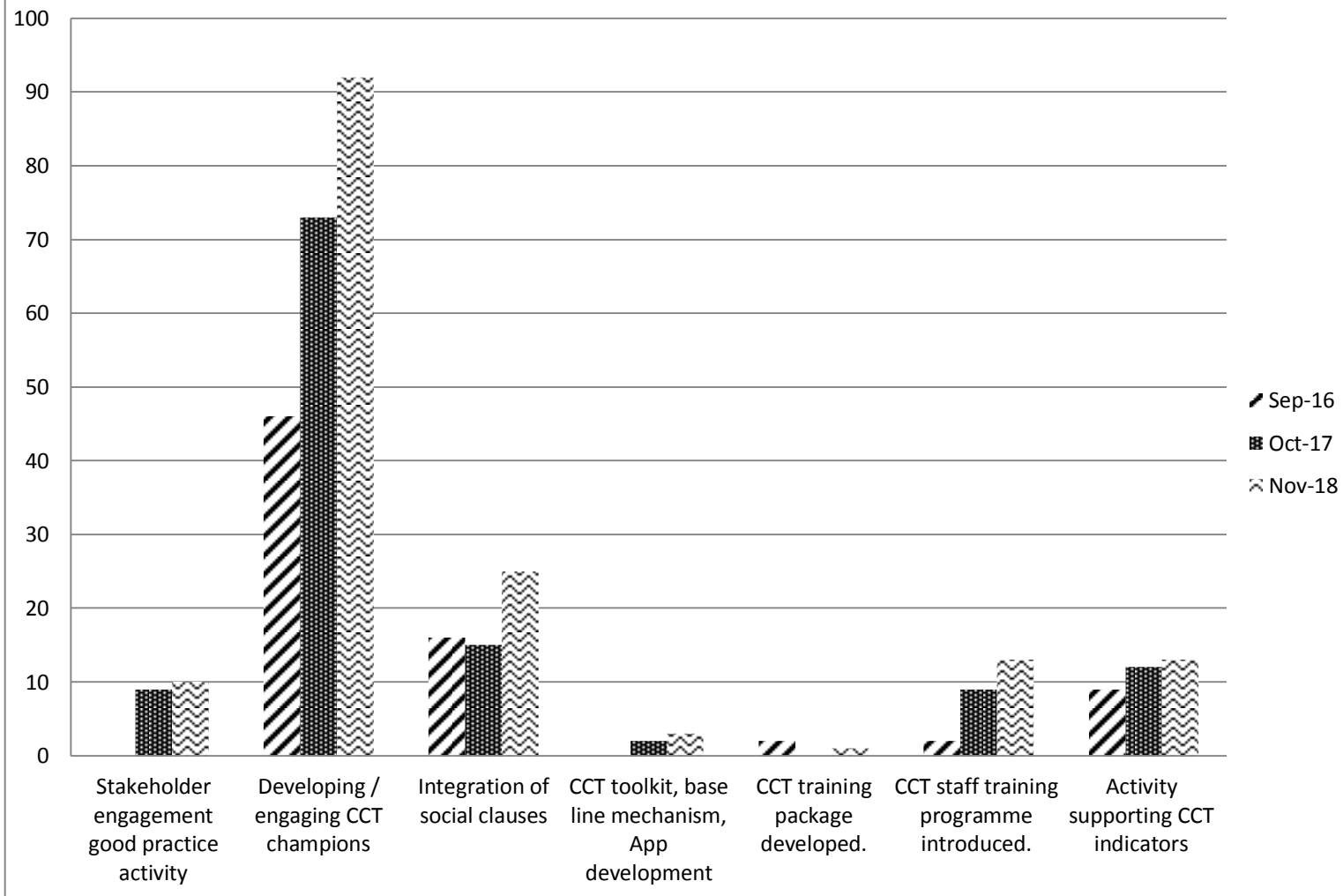
Annex 2 The following charts show the commitment operations have made to deliver activity which contributes to the Tackling Poverty and Social Exclusion cross cutting theme.



CCT ERDF Cross Cutting Themes General Case Level Indicators



CCT ESF Cross Cutting Themes General Case Level Indicators



WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:

Monitoring and Evaluation Strategy –Progress Update

Issue

1. The purpose of this paper is to update Members on progress with implementing the Monitoring and Evaluation Strategy for the European Structural and Investment (ESI) Funds.

Recommendation

2. Members are asked to note and comment on the progress made.

Background

3. Article 110(1) of the Common Provisions Regulations states that the PMC shall examine progress made in implementation of the evaluation plan¹ and the follow-up given to findings of evaluations. An update on progress in the last 12 months is also given below. The Strategy Team leads on monitoring and evaluation of the ESI funds.

Progress Update

After a delayed start, the **ESF Participants Survey** finally got into the field in February 2018, and, to date, following completion of waves 1 and 2 of the survey, our contractors, IFF Research, has completed 7,980 interviews with participants who left their ESF operation at least 12 months prior to the survey.

The aim of the survey is to collect data to help us evaluate the effectiveness of support funded by ESF. The survey is also being used to collect data for the longer-term result indicators that WEFO has to report to the European Commission in next year's Annual Implementation Reports.

The Strategy Team has shared the operation-level datasets from the survey with the contractors undertaking the evaluations of Apprenticeships, ReAct, Traineeships and Jobs Growth Wales. The Strategy Team is currently analysing the data from the survey and we expect to produce some outputs in 2019.

The **Evaluation of ERDF Infrastructure** was awarded to Regeneris Consulting in May 2018.

This evaluation has three aims:

¹ In Wales, the evaluation plan is referred to as the Monitoring and Evaluation Strategy

1. to investigate the usage and maintenance of the new/improved infrastructure;
2. to investigate whether, and if so how, new and improved infrastructure within the three regions of Wales (North Wales, South West and Mid Wales, and South East Wales) work together, for the benefit of the region in terms of the local economy, residents, and businesses; and
3. to consider the feasibility of undertaking an impact evaluation of infrastructure and set out recommended methods.

The types of infrastructure covered by the evaluation are:

- **Broadband:** Upgrades to broadband infrastructure in areas not covered by commercial superfast broadband rollout plans.
- **Road and rail:** The construction of and improvements to roads, railway lines and railway stations.
- **Sites and premises:** The construction of and improvements made to sites and premises for businesses. This also includes town centre regeneration projects.
- **FE campuses:** The construction of learning centres for students aged 16 and over.
- **Innovation campuses:** The construction of centres for research and development, often at higher education institutions (HEIs). Building capacity for firms and HEIs to take up and deliver improved and new products, processes, and services.
- **Tourism:** Activities to improve tourist sites and attractions.

The early stages of the evaluation have involved Regeneris reviewing project and programme documents and data and stakeholder consultations. On the basis of this work, Regeneris has identified 50 projects across the 2000-2006 and 2007-2013 programmes to be reviewed in detail. These reviews (along with the user research mentioned below) will be used to assess aim 1 of the evaluation. The reviews involve a combination of desk based research, analysis of secondary datasets, interviews with grant recipients and data requests.

The next stage after the project reviews will be fieldwork with users of the funded infrastructure (i.e. beneficiary surveys). This will be confined to the infrastructure funded by the 50 projects included in the project reviews. This will be supplemented by consultations with local and strategic stakeholders, economic partnerships, sector bodies and community groups from the cluster areas identified by Regeneris, as well as surveys of businesses and residents from these areas.

The specification for the **Evaluation of Regional Engagement Teams (RETs)** has been agreed and we will be going out to tender early in the new year. The first aim of the evaluation is to assess progress of the RETs towards their overall objective of maximising the benefits of the ESI programmes to each region of Wales. We believe it is too early to evaluate whether the RETs have achieved this objective but we

expect the evaluation to assess whether the right activities are taking place and the right structures and relationships are present to enable this objective to be met.

The second aim of the evaluation is to provide recommendations for RET activities for the remainder of the programming period and for approaches to regional engagement in Regional Investment in Wales after Brexit.

The Strategy Team has also begun developing a specification for the **Evaluation of the Third Sector European Team (3-SET)**. We expect procurement for this evaluation to begin early in 2019.

The **Evaluation of the RDP Farming Connect service** has been awarded to the research firm SQW and fieldwork has commenced over the course of 2018. Fieldwork has been a little slower than anticipated due to delays giving the contractors access to the farming connect monitoring data which was to inform subsequent data collection. To date the fieldwork has included four focus groups, interviews with stakeholders and analysis of existing monitoring information. The next, and primary, phase of the research will entail extensive case studies of activity undertaken as part of Farming Connect. The findings of this first year of fieldwork will be presented in early 2019.

During 2018, the Strategy Team has worked with People and Work on the delivery of the **Refugee Support Scoping Study**. The fieldwork commenced in early 2018, beginning with an extensive literature review of existing evidence before launching the main phase of research which constituted semi structured interviews with refugees and asylum seekers. Overall 454 interviews were conducted across Wales, although the majority of the respondents were focussed in the 4 dispersal areas. These interviews were supplemented with interviews with support providers, sector employment bodies and a stakeholder workshop. The final report from the research is currently being drafted and is expected to be received in January 2019. The report is expected to be published early 2019.

The Strategy Team has gone out to tender for the evaluation of the **RDP Sustainable Management Scheme**. The SMS aims to support collaborative landscape-scale projects delivering action that improves Welsh natural resources in a way that delivers benefits to farm and rural businesses and rural communities. The evaluation will be a long term piece of research that aims to assess the implementation of the scheme, its delivery and its outcomes and impact. It is particularly interested in understanding the nature and value of collaborative activity, the contribution of the scheme to more effective land management practices, and the wider economic and social benefits that such approaches may lead to. The evaluation is being planned for an initial two years from January 2019 to December 2020 with the option of an extension of a further two years to allow the evaluation to cover the entire period of the scheme and to allow the assessment of longer term outcomes.

The Strategy Team has been preparing for the **RDP Enhanced Annual Implementation report 2019**. The report is a requirement of the European Commission who prescribe a series of 30 Common Evaluation Questions that look to address outcomes and impacts across the programme. The Strategy team have

gone out to tender for this piece of work which is anticipated to take place between January 2019 and July 2019. It is anticipated that a key element of this work will entail reviewing and synthesising existing data and information collected through the monitoring processes, ongoing evaluations and other research being undertaken. It is anticipated that this will be supplemented by interviews with key stakeholders and depending upon the proposals offered by bidders to the work there may be potential for a survey of beneficiaries of RDP funding.

The Strategy Team has also been involved with a small scale internal piece of research being carried out by Welsh Government Researchers in the Knowledge and Analytical Services division looking at the experiences of applicants to the **Food Business Investment Scheme**. The research began in late 2018 and will continue into early 2019.

Monitoring and Evaluation Advisory Group

The Monitoring and Evaluation Advisory Group met in February and November 2018. The MEAG discussed: progress with various evaluation studies; draft specifications for the Evaluation of RETs, the Evaluation of the Sustainable Management Scheme, and the Evaluation of RDP Leader; approaches to dealing with the General Data Protection Regulation (GDPR); and open data.

Welsh Government Rural Communities – Rural Development Programme 2014 – 2020

Communications and Engagement Handling Plan WRN SU 2018/19

1. Introduction

This Plan outlines the approach to publicising the Schemes funded through the Welsh Government Rural Communities – Rural Development Programme 2014-20 (WGRC-RDP) for the 2018/19 period. It has been developed to cover this specific period but sits alongside the broader Information and Publicity Strategy for the whole Programme.

It recognises the uncertainties arising during this period with increasing uncertainty about whether the UK will leave the EU with ‘a deal’ or ‘no deal’. However in the meantime, we recognise that it is essential to remain committed to delivering the programme, by providing continuity to stakeholders to allow them to plan and make best use of Programme funding.

The overarching Information and Publicity Strategy was produced for the Programme, which set out the proposed steps that would be taken to address the requirements of the EU regulations, and the channels that would be used to communicate to our stakeholder segments. The Strategy is a high level document, which can be supplemented by annual updates and Scheme-level communication planning.

2. Aims and Objectives:

- Communicate the programme Pan Wales by continuing to promote the delivery and benefits of EU Funds in Wales.
- Work with sponsors and stakeholder using a number of communication channels are used publicise progress, achievements and impact: press / media notices, social media such as Twitter, Facebook, YouTube and the e-newsletter,
- Encourage via the above communication methods, participation of all people living in and working in community areas to unlock the potential in our rural economy
- Engage people on the change needed to realise the ambition set out in the national strategy, Prosperity for All
- Encourage a wide range of stakeholders to submit ideas and solutions to boost communities and the economy

- Demonstrate how the funds support the creation of rural economy, encouraging the agricultural industry and rural communities to develop their business now and for future generations.
- Demonstrate the positive role that RDP Funding has played and is playing in improving local economies, by publicising approved projects on the project database.
- Demonstrate the role RDP Funding has directly achieved to support the lives of those living and working in rural areas, by utilising new technology and digital channels, production of digital footage to publicise visually key messages, and project case studies.

3. Key Messages

At Programme level the following goals and messages for communication and engagement remain relatively unchanged:

This seven year investment of some £745 million by the Welsh Government and EU in rural Wales will boost our rural economy by providing over twenty avenues of funding to support everything from developing better rural childcare options to community energy creation to better land management.

EU membership is important to Wales and especially rural Wales – the EU has invested around £290 million in rural Wales through the last RDP and this Programme has the potential to build on the many jobs created to date under previous Rural Development Plans.

These next seven years are about increasing economic sustainability for the agricultural industry, both in terms of tackling the effects of climate change and creating the right business for future generations.

Below Programme level, a range of messages appropriate to the various stakeholder segments concerned are being developed. Given that we expect the greatest pressure from the agriculture sector our handling proposals are outlined below.

4. Wales Rural Network (WRN) Communication - Land based and Socio-economic Schemes

In accordance with EU regulations, WRN has been established to organise networking, training and information exchange opportunities to support the implementation and delivery of the Welsh Government Rural Communities – Rural Development Programme 2014-2020.

The WRNSU provide networking support and communication via the following channels:

Newsletters: Contribute fortnightly / monthly to update partners and stakeholders on key developments via GWLAD / WRN Newsletter

E-Bulletin: Leading up to the scheme opening and on the day externally promote a bilingual update via the WRN Stakeholder

Website WRN / RDP: Ensure Web content is written correctly and compliant with WG Style guide; provide details stats on web activity.

Social media: WRN Twitter / Facebook –updates during window via the official WG r channels, promoting and sharing news / EU updates

Events: Arrange and manage business events to promote all opportunities

Periscope Events: Arrange / Promote and run bespoke live events to support scheme understanding

Case studies: Work with Policy team / Project beneficiaries to obtain information on all approved projects. Obtain detailed funding info, project description and images, these will be created as individual documents and published on the WRN Web pages, further promoted in GWLAD /WRN Newsletter, LEADER Local Action Groups across Wales and via Wales / UK and EU as exemplary examples of Funding.

Management of Scheme Documentation: In line with EU Regulation, manage the publication of scheme documentation to support scheme windows which includes Welsh translation EOI Criteria and Application and Guidance.

Information & Publicity Guidelines: Manage the Information and Publicity across all RDP Schemes, inform and support project beneficiary's ensuring compliancy of EU requirements via: Branding and Logos, Plaques and Press and Public Relations.

Manage all Media engagement to include:

- Ministerial announcements, written statements and visits / Press notices and project visits
- Front Line Staff Lines to Take / Intranet articles, news stories, publication of events and projects.

5. Participation at ENRD (European Network for Rural Development) / EU Events

WRNSU has been very active in participating and contributing to ENRD activities in order to improve the quality of RDP implementation. Events attended in 2018:

- EIP-AGRI, Italy - Seminar "From operational group project to impact"
- LINC 2018, Finland – Conference "Nature and the blue economy"
- ENRD, Italy – Workshop "How is the RDP supported by NRNs"
- 10th NRN Event, Germany – Workshop "Rural development - Building the future"
- 11th NRN Event, Czechoslovakia - Workshop on NRN communication

- 12th NRN Event, Estonia – Workshop “Design of ERND website and toolkit; Planning 2019 conference”
- ENRD Workshop on Project Examples and Good Practices- 8 November 2018

6. WRN Steering Group

- Three meetings were held in 2018 where the group work with key discussions included the future of the steering group and event planning.
- The first meeting of the year updated the WRN Work-plan 2018

7. WRN Web / IT Development

Following the Welsh Government decision to move all content to a black and white beta .govsite the WRN procured the build of a purpose built network site on the Business Wales Platform : <https://businesswales.gov.wales/walesruralnetwork/>

- This will enable the Support Unit to continue to improve methods, practices and processes for external communication.
- WRNSU continue to work on improving the Website and external Local Actions Groups will have publishing responsibilities for project examples.
- The new build consists of an interactive map, visually promoting all funding awarded to date with details on the relevant projects.
- The news section will contain all EU funding, scheme opening dates and key supporting information.
- The web pages are linked to our social media channels supporting external communication via other channels.
- Procured, five short films, showcasing projects, these have been published on YouTube and will be promoted via the WRN Webpages.
- Over 400 LEADER projects published on the new interactive Project pages, numerous now contain links to live web pages or feasibility studies.

8. WRNSU Communications & Publicity

- Information and publicity strategy approved for 2018
- WRNSU Newsletter - 10 editions; 50% increase in readership to over 6,000 subscribers across the English and Welsh versions.
- Fortnightly updates via Gwald e-Newsletter
- WRN approve all press releases and provide external communication support to beneficiaries.
- circa. 6 stories per week added to the website news page, with a greater emphasis proposed once live on the new platform.
- Social Media – Twitter followers increased by 185 to 1400; Facebook launched in Nov 2017 now at 120 followers. Regular tweets / Facebook posts;

re-tweets with quotes and promotional tweets / Facebook posts regarding scheme windows daily

- Creation of case studies for use on WRNSU website and entry to the Rural Innovation Awards. (Winners TBC in Spring 2019)

9. Wales Rural Network UK Run Events & Participation

Headline events organised and attended through 2018

- Participated OECD conference Edinburgh – Hosted a ‘Taste of Wales’ event and showcased Wales Network activities at the Market Place.
- LEADER Theme 1 & 2 Event – February – Event included LAG & Scheme presentations.
- LEADER Co-operation – October – Event run in conjunction with PLANED LAG and Finnish colleagues.
- European Economic and Social Committee Study Visit – July – supporting Tom Jones; Representatives from 8 countries.
- Community Lead Local Development Meetings – Representation & Secretariat
- South West LAG Officers Meetings – Representation
- People and Communities – Brexit Roundtable Subgroup – Representation & Secretariat
- Corwen Hydro – Ministerial Visit - April – Supported and attended by WRNSU
- Green Vale – April – Stand/Representation
- Vale of Glamorgan Agricultural Show – August - Stand/Representation
- Second Best practice day - Arwain - Media Resource Centre - Llandrindod Wells - October
- Enabling Natural Resources and Well-Being in Wales Grant – October
- Organised a UK Evaluation Helpdesk workshop for LEADER/CLLD

<i>WRN Workplan -approved by Steering Group</i>		<i>Activities for Period 2018/2019</i>	
<i>Networking</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018/2019</i>
Involvement Stakeholders	<p>Encourage transnational co-operation among LAGS businesses and projects.</p> <p>Support partner searches for Art. 35 measures.</p> <p>Monitor activity and liaise with other networks</p>	<p>Arrange consultation, training and networking events in accordance with demand from Scheme leads, stakeholders, Steering Group and LAGS.</p> <p>Encourage and facilitate inter-territorial co-operation among LAGS, businesses and projects.</p> <p>Monitor and support networking activity by other organisations</p>	<p>LAGs divided management geographically between all WRNSU managers.</p> <p>Publish WRN Newsletter promoting news/case studies/good practice and updates from Wales/The UK/Europe (every 4-6 weeks).</p> <p>Collate and publish Good Practice/Case Studies and publish to the WRN website.</p> <p>Produce UK co-operation guidance, circulate and advise on partner searches at all levels.</p> <p>Attend UKNRN events and ensure interterritorial co-operation is on agendas. Contribute news, activities and attendance at events and meetings on the shared portal for the UKNRN.</p> <p>Attend support networking activity by other programme partners and stakeholders eg ERIAFF</p> <p>Encourage the adoption of a common approach to co-operation among UK Managing Authorities/Networks.</p>

			Support formation of UK / Ireland cluster
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<i>ENRD Activity</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018</i>
<p>Improve the quality of RDP implementation and integration with existing development policies</p>	<p>Participate in and contribute to ENRD activities.</p>	<p>Collect examples of projects covering all RDP priorities.</p> <p>Facilitate thematic and analytical exchanges between stakeholders as required by Steering Group and MA.</p> <p>Share and disseminate best practice and monitoring and evaluation findings</p> <p>Participate and contribute to the UK NRN's activities</p>	<p>Ensure appropriate WRN representation at ENRD Events</p> <p>Represent Wales/present and participate at ENRD/ELARD events as required.</p> <p>Promote the use of ENRD resources by LAGs/FLAGs through newsletters and website and forward news onto relevant stakeholders.</p> <p>Upload case study/best practice material from last RDP etc. to ENRD website.</p> <p>Maintain the profile and influence of Wales with ENRD and the wider EU networking community.</p> <p>Awaiting instruction to arrange thematic events, or appropriate study visits or exchange events for schemes or themes. UKNRN meetings to be held in each region in turn and incorporate successful scheme visits.</p>

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<i>Communications</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018</i>
<p>Inform the broader public and potential beneficiaries</p>	<p>Organise RDP information and publicity activities</p> <p>Develop communication tools to inform broader public and stakeholders about RDP activity</p> <p>Share and disseminate monitoring and evaluation findings via ENRD</p>	<p>Produce publicity and information materials concerning the RDP aimed at the broader public.</p> <p>Provide information and communication activities aimed at beneficiaries and the broader public.</p> <p>Share and disseminate monitoring and evaluation findings via UKNRN.</p> <p>Keep abreast of WG and Ministerial comms priorities</p> <p>Publicise scheme opening and application windows</p> <p>Work with external Comms Teams to maximise RDP communications opportunities</p>	<p>Organise events, seminars conferences, field trips, study visits etc, to inform the public and potential beneficiaries about the RDP and the activities it supports.</p> <p>Organise and support RDP Royal Welsh Show presence and all campaigns – ongoing.</p> <p>Monitor email inbox and phone contact line for WRNSU</p> <p>Maintain and continuously update website, social media accounts and document library. Facebook now added to the WRNSU portfolio.</p> <p>Work with Webteam and Gwlad, Glastir etc to ensure schemes and application windows are publicised via appropriate channels</p> <p>Address MA and steering Group priorities via comms activities - ongoing</p> <p>Update RDP comms and promotional materials to reflect policy priorities and RDP opportunities including producing infographics and an RDP summary booklet</p>

			Organise and distribute plaques for Programme beneficiaries
<i>Communications</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018</i>
MA Communications		Work with Ministers' offices, Natural resources, WEFO and EST comms teams to agree internal WG communications protocols and channels	<p>Regular meetings with comms leads in NR, EST & WEFO</p> <p>Ensure schemes and application windows are publicised via appropriate channels internally</p> <p>Chair regular bi-monthly comms forum for Scheme leads and programme contributors</p> <p>Lead where appropriate and contribute to internal comms efforts especially on Programme</p>

			<p>issues.</p> <p>Maximise opportunities for Ministers to publicise RDP -ongoing</p>
Foster Innovation	Monitor work of EIP contact point	<p>Monitor work of Farming Connect EIP Scheme</p> <p>Support networking activities for advisors and innovation support services if required.</p>	<p>Organise networking events for innovation support services brokers according to demand</p> <p>Advise and input on the establishment of innovation operational groups and organisation of events as necessary</p> <p>Meet with Farming Connect, Menter a Busnes and Lantra regularly</p> <p>Disseminate findings as necessary</p> <p>Meet with Farming Connect etc to discuss operation of innovation support package</p>
<i>Wales Priorities</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018</i>
Support delivery of cross cutting themes		Promote Equal opportunities and Gender mainstreaming, Sustainable Development and Tackling Poverty within RDP as required by Steering Group and MA.	<p>Undertake agreed activities.</p> <p>Regular meetings with WEFO to agree joint promotion opportunities.</p>
Support integration with other ESI Funds			<p>Act on any ESI PMC recommendations.</p> <p>Monitor PMC discussions.</p> <p>Seek opportunities for joint activities</p> <p>Discuss opportunities at regular meetings with</p>

			WEFO. Support Steering Group members liaison with PMC
Help embed the Future Generations Act within programme implementation		Ensure activities embody the sustainable development principle in line with policy Link thematic events to well-being goals	Work with WEFO and Sustainable Development branch to develop approach to FGAct Increase WRNSU knowledge of the Future Generations Act Explore opportunities to embed the Act in programme implementations with internal and external partners Apply approach in all events and activities
Facilitate CLLD via EMFF		Arrange Joint LAG/FLAG events etc as required	Work with LAGs/FLAGs and Leader scheme leads to identify and promote opportunities
<i>Administration</i>	<i>EU level key work areas</i>	<i>Wales level key work areas</i>	<i>Activities 2018</i>
Wales Rural Network Secretariat role	Establish WRN Steering Group by April 2016	Develop and maintain WRN workplan	Organise 3- 4 steering group meetings per year Provide secretariat and full support for meetings Agree workplan with steering group Deliver activities in workplan
Wales Rural Network Project Management	Provide NSU	Manage the WRN project	Submit quarterly project claims on time

			Ensure control and audit compliance Maintain adequate staffing and resources to deliver Workplan
Monitoring and Evaluation	AIR reporting	ESI PMC reporting	Submit AIR and PMC reports by deadlines.

**WELSH GOVERNMENT RURAL COMMUNITIES – RURAL DEVELOPMENT
PROGRAMME FOR WALES 2014-2020**

**WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL
AND INVESTMENT FUNDS 2014 – 2020:**

Proposals for the Remaining Programme

Issue

1. During the September 2018 Programme Monitoring Committee meeting, concerns were raised regarding the modification submitted to the European Commission in June 2018 and in particular Priority 6.
2. This paper provides the response from Welsh Government.

Recommendation

3. PMC Members are asked to note the paper.

Background

The specific concerns raised by members were:

- The way the changes to the RDP, including reducing the funding to the RCDF scheme has been done without meaningful consultation with the PMC i.e. no opportunity for PMC to discuss the proposed changes.
Information regarding the proposed changes made as part of the modification were presented to PMC during the December 2017 meeting. This was followed up by a request for PMC opinion by written procedure in June 2018.
Article 49(3) of Regulation 1303/2013 states that the monitoring committee shall be consulted and shall, if it considers it to be appropriate, give an opinion on any amendment of the Programme proposed by the Managing Authority. Although this is usually carried out during a PMC meeting, the requirement to submit the modification before the end of June 2018 in order to amend Performance Framework targets meant that on this occasion, a written procedure was used.
- The way the PMC has been “mised” i.e. seeking an opinion from members in an e-mail and making it clear that members were not asked to approve the changes but proceeding with the changes anyway as reported in Annex 1 of the

Programme modifications report.

The PMC has not been misled. The PMC does not have the authority to approve modifications, only to provide an opinion if it feels this is appropriate. No opinions or comments on the proposed modification were received. Therefore the modification was submitted without amendment.

- The financial reduction means that there will be less opportunity for rural communities to secure funds for socio-economic development in rural areas. **As with all programme modifications there is a need to consider the delivery of the programme as a whole as well as individual schemes and Measures. In this case there is less opportunity for rural communities to secure funds for capital works under the Rural Community Development Fund, however there are other opportunities throughout the programme.**
- The reasoning given for the reduction i.e. lack of capacity amongst groups to access the funds is unfair given the complexities of the process. This is misleading as applying for RCDF is an extremely difficult, if not impossible, and arduous process, with the complex WEFO online process, communications difficulties and a lack of clarity all proving to be a major barrier for groups.
- There was a specific action in the minutes from the last PMC meeting on the 4th of May for Eleanor Marks to look at the process of applying to the RCDF. As far as we are aware this has not happened.

These two points have been considered together.

The guidance on the UK Treasury guarantee, which will come into effect in the case of no deal being reached in EU/UK exit negotiations, at the time of the meeting, and at the time of submitting the modification, restricted funds to those projects approved by March 2019. If RCDF had continued as it was, given the length of time it takes to reach a fully approved project, we would not be able to meet the conditions of the HMT guarantee and hence lose the funding completely.

The programme is delivering through an extremely challenging and constantly changing environment. Welsh Government needs to be able to manage the risk of non delivery, or being unable to draw down all EU funds by proposing amendments such as this, based on all information known at the time. A further modification will follow in early 2019 to make further amendments in light of changes to both the economic climate and risks associated to potential reliance on the HMT guarantee, as well as the need to provide for a smooth transition to post Brexit activities.

The main reason for the decrease is that delivery to date has demonstrated that there are a number of fundamental issues that are adversely impacting the scheme and that this is the case regardless of which sub-Measure we

are trying to deliver. Foremost amongst these are the fact that the complexity of the application process for small groups means that they often do not reach full approval stage. This is aggravated by the lack of a dedicated support mechanism that can help the volunteers behind many of the projects and the uncertainty that the confusion around Brexit is causing.

The table below illustrates the high level of applications failing to materialise following invitations to submit. The average rate of drop out from first stage application to full application across Measure 7 for the RCDF scheme is over 40%.

<i>Measure</i>	<i>Old RCDF target</i>	<i>Number of Approved Applications</i>	<i>Applications not received</i>	<i>Number of applications in appraisal</i>	<i>drop out rate of RCDF applications</i>
7.1	100	0	0	18	0.00%
7.2	56	3	7	3	53.85%
7.3	49	3	13	2	72.22%
7.4	168	73	58	16	39.46%
7.5	100	19	22	11	42.31%
7.6	80	10	6	6	27.27%
7.7	50	9	15	2	57.69%
7.8	0	0	0	0	0.00%
total	603	117	121	58	40.88%

To address this we have undertaken a complete review of approach and have launched a totally new scheme which combines Measure 7 (with the exception of 7.1) and sub-Measure 16.2 plus other Welsh Government domestic schemes. This means that there will be no future rounds of RCDF in its current form.

The new scheme, called the Environment Natural Resources and Wellbeing Grant, has been designed by the Environment and Communities Division of the Welsh Government. This will allow for a simplified and more targeted approach to delivery, plus a clear strategic focus. The aim is to utilise the pilot and co-operation possibilities under 16.2 to develop a support and facilitation service for communities and third sector groups and to pilot that during the remainder of the current RDP. Alongside this we will be

engaging the Leader Local Action Groups and encouraging them to underpin the service as well as working with local authorities to help form groups of projects either geographically or by theme and help develop a peer support network.

It is hoped that these changes, together with aligning Measure 7 activity with the quality of the built environment, resource efficiency, resilient ecosystem actions possible under 16.2 and the Welsh Government objectives in these areas will generate an increase in activity. However, we are well into the delivery of the programme and it would not be sensible to maintain the level of targets originally envisaged and it is prudent to reallocate some of the funds to meet other pressures within the RDP.

- **WLGA and LAGs have raised concerns with WG officials over the last 3 years concerning the complexities and difficulties in accessing the funds. The problems lay with the process rather than the applicant per se. Welsh Government have taken these comments on board and a number of improvements have been put in place, including better FAQs being made available on the website for applicants. Welsh Government will continue to reflect on this and consider how the application process can be simplified.**

Since January 2018, SMU has been part of the Welsh Paying Agency. This move has allowed some of the SMU functions to be moved and aligned with the functions and resources of the Paying Agency. Examples of this are the introduction of a customer facing and dedicated Customer Contact Centre for all socio economic beneficiaries, all RDP Operations and process being brought together under one team, Claims Processing moved from SMU to the Divisions Multi Skilled claims processing teams and using the Paying Agencies ICT system (CAPIT/RPW online) for delivery of all farmer schemes i.e. Farm Business Grant and Sustainable Production Grant schemes have been moved onto the CAPIT/RPW Online system. All these changes have allowed the team in SMU to focus specifically on project appraisals.

- **The Community Led Local Development (CLLD) steering group which acts as a consultation and communication mechanism for stakeholders, grant applicants, LAGs and community groups has not met since January, the lack of communication has compounded the difficulties summarised above. At the last CLLD Group meeting in January there was a discussion on options to improve**

the process for applying for RCDF but there has been no engagement since that discussion. This reflects a wider concern regarding the lack of engagement from Welsh Government from a CLLD policy perspective since the last meeting of the CLLD Group in January.

The CLLD group met on 10th December 2018.

ESNR Lead: Gordon Smith

Approved by: Ruth Studley

Date: 20 December 2018