

West Wales and the Valleys ERDF: 2016 Annual Implementation Report

Annex 1: Citizen's Summary

Overview

Wales benefits from around €2.4bn of EU Funds through the four Structural Funds programmes 2014-2020. This includes around €1.2bn under the West Wales and the Valleys European Regional Development Fund (ERDF) Programme to help deliver economic growth by promoting high levels of sustainable employment, developing a skilled and responsive Welsh workforce now and for the future.

This Programme is split into five priority areas:

Priority 1: Research and Innovation

Priority 2: SME Competitiveness

Priority 3: Renewable Energy and Energy Efficiency

Priority 4: Connectivity and Urban Development

Priority 5: Technical Assistance

This is the second Annual Implementation Report for the West Wales and the Valleys ERDF Programme, covering the reporting year of 2016.

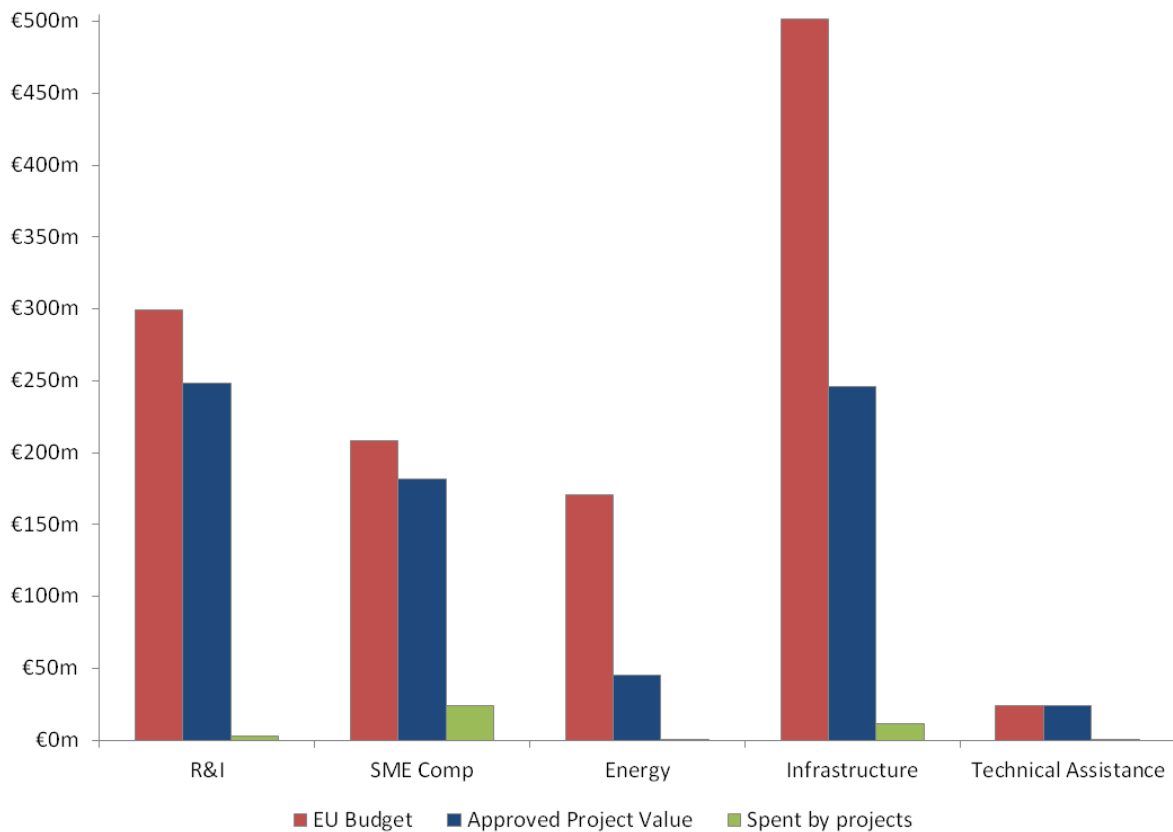
Key achievements in 2016

- By the end of 2016, €746m of EU funds invested in 48 projects, driving a total investment of €1,394m in West Wales and the Valleys.
- WEFO achieved its 60% commitment target across all programmes to help ensure all EU funds are maximised before the UK leaves the EU.
- Over 2,000 businesses supported (including the setting up of almost 1,000) and 1,300 jobs created.
- £10m of research income generated through EU projects.
- In August, Marine Power Systems completed scaled testing of its WaveSub device.
- Launch in September of the £226m Wales Business Fund which provides finance for Welsh SMEs.
- Attractor Destinations scheme announced its first prioritised investment which will redevelop the Rock UK Summit Centre in Trelewis into an Adventure Tourism hub for South East Wales.
- WEFO designated as the Managing and Certifying Authority for the 2014-2020 Structural Funds.

Financial progress

The following chart shows, at Priority level, the total allocation of EU funds, how much has been invested in projects, and how much has been spent by projects.

Chart 1: EU Funds: Budget, Approved and Spent



Projects approved up to the end of 2016

Descriptions of projects approved within each Programme Priority and case studies are available on the Welsh Government website at www.gov.wales/eu-funding

Priority 1: Research and Innovation

By the end of 2016 this Priority had achieved almost full commitment – at around 94% of the total allocation available invested in seven projects. A number of Higher Education sector-led projects were approved during 2016, including ASTUTE 2020, FLEXIS and IMPACT. Swansea University's Computational Foundry, based at the Swansea Bay Campus, is backed with £17m ERDF and is expected to attract significant competitive research income to Wales. The focus early on during the programming period has been to develop strategic projects which will deliver the key elements of the Priority; that is, a step change in the knowledge economy. Building on this, a call was launched at the end of 2016 to address the commercialisation aspect of this Priority. Innovative proposals that can successfully translate research and innovation into new and improved commercial products, processes and services will be considered and supported from 2017 to address programme indicators in this area.

Priority 2: SME Competitiveness

By end 2016 some 88% of this Priority's available funding had been committed to seven projects. Allocations within this Priority form an integrated suite of investments led by the Welsh Government, Wales Co-Operative Centre, Finance Wales and the Wales Council for Voluntary Action that make up the 'Business Wales Family'.

Project forecasts against targets within this Priority are as expected at this stage of the programme. The remaining investments will address current performance and any significant gaps.

Priority 3: Renewable Energy and Energy Efficiency

Marine energy is a very innovative and challenging area of the programme, but despite this good progress has been made with 31% of the Priority's allocation committed to four projects by the end of 2016. Considerable work continues to take place with marine energy developers who are keen to deploy their wave and tidal energy devices in waters around the Programme area.

Workshops have also been underway to raise the awareness of EU funds support for small scale community renewable energy schemes. A number of potential schemes are under consideration and further promotional activity involving a Community Energy call will take place during the spring of 2017.

Development of the Welsh Government's ARBED 3 scheme was underway during 2016, with delivery expected to begin in early 2017.

Schemes funded within this Priority are mainly capital builds, and so while at this stage of programme delivery it is too early to make any firm judgements on delivery against the Priority's overall targets, there are no current performance concerns.

Priority 4: Connectivity and Urban Development

By the end of 2016 around 67% of this Priority's allocation had been invested in 13 projects. Project approvals in 2016 included the A40 and A55 road projects, forming part of the Economy and Infrastructure Secretary's announcement in mid-December of a multi-billion pound investment in infrastructure over the next five years. Other investments included the Welsh Government's Tourism Attractor Destination and Building for the Future projects which will support a number of strategic, prioritised infrastructure developments across the programme area. This was followed in November by the first investment made through Attractor Destinations to redevelop the Rock UK Summit Centre in Trelewis into an Adventure Tourism hub for South East Wales. Other projects approved during 2016 included the Local Authority-led Port Talbot Transport Hub and the Aberystwyth University's Vet Hub.

Progress continued to be made during 2016 on the development of the Metro Phase 2 project which will complement the corresponding project under the East Wales Programme.

Based on project approvals and pipeline proposals, delivery against the indicator targets appears to be on track.

Priority 5: Technical Assistance

By the end of 2016 over 92% of this Priority's allocation had been committed to seven projects. This included approval of the four 'Regional Engagement Teams' (North Wales, Mid Wales, Swansea Bay and South East Wales) to help support the management and delivery of the Programme by ensuring integrated regional delivery and greater economic prioritisation of projects. The RETs also work with the Regional Skills Partnerships on regional proofing and engagement of ERDF projects. Towards the end of 2016, WEFO's Technical Assistance project was also approved to help successfully manage programme implementation.