

South East Wales Regional Engagement Team

10th May 2016



SE Wales RET



- **Background & context**
- **Role and function**
- **Regional links**
- **Progress to date**
- **Future challenges**

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Background - Guilford Review

- encourage & support creation of credible regional planning mechanisms to provide input to the Economic Prioritisation Framework (EPF); identify demand drivers & provide support for post approval delivery mechanisms
- regional structures have a valuable role to play in terms of their local knowledge
- regional structures key to ensure effective coordination and avoid duplication

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Background - Technical Assistance

- “To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes”
- “Strong partnerships and networks lie at the heart of the successful implementation of the programmes and the integration of the ESI funds at all levels”
- “Strengthening coordination and liaison mechanisms with partnerships and promoting partnership working”

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Role and Function

- Add value to WEFO's management of the programmes by ensuring the regional integration of delivery
- Contribute towards a more strategic delivery model with a clearer framework for economic prioritisation by ensuring regional alignment and coherence
- Work with WEFO to identify gaps and opportunities for developing new operations

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Role and Function

- Regional engagement
- Regional proofing
- Regional performance

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Role and Function

Regional engagement

- ensure cross-sector engagement and alignment with the strategic ambitions of the region
- provide a resource for all sectors and organisations
- promote contacts between potential partners to develop effective cooperation
- raise awareness and understanding of opportunities of all EU funded programmes
- facilitate events and produce newsletters

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Role and Function

Regional Proofing

- provide WEFO with a regional view on the strategic fit of proposed operations
- ensure applicants can evidence robust regional engagement and proofing of their proposed operation within the Strategic Fit assessment of the business planning stage and at review

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Role and Function

Regional Performance

- add value to WEFO's role by evaluating performance and success at the regional level
- work with WEFO, Lead Beneficiaries and key stakeholders to support the achievement of results across the region - ensuring operations are deliverable on the ground, add value to existing and emerging provision and avoid duplication of activities & interventions
- support WEFO's regular review of the EPF

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Regional Links

- *Cardiff City Region ESI Funds Panel*
- *LSKIP*
- *Cardiff City Region Transition Board and City Deal*
- *SE Wales ESF Networks*
- *3SET, HE/FE, SHELL, SEWDER, WEOG*

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Progress to date:

- Delivery of an interim RET function
- Development of regional links and ESF/ERDF panel
- Input into operations' steering groups
- Stakeholder exercise
- Approval of the SE RET business plan
- ESF workshop with WEFO

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ESF Workshop with WEFO (9th May 16)

- 49% of WWV committed – 32 operations
- 38% of EW committed – 19 operations
- Challenge to delivery against target – EC performance review 2018
- Potential new policy directions

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ESF Workshop with WEFO (9th May 16)

P1

- 41% (£60m) WWV committed – 8 operations
- 31% (£10m) EW committed – 4 operations

WWV – healthy pipeline

EW – potential gaps

Importance of regional LMI data for approved operations (P1 and P3)

Integrated delivery key

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ESF Workshop with WEFO (9th May 16)

P2

- 50% (£149m) WWV committed – operations will work with 75,000 participants, over 50% of the P2 target
- 23m EW committed

Emerging regional demands and opportunities
– need to ensure information is shared

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ESF Workshop with WEFO (9th May 16)

P3

- 41.8% (£75.8m) WWV committed
- 51% (£22.9m) EW committed

Healthy pipeline – keen to see operations move towards approval

Potential for further STEM related developments



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Future Challenges

- Identify links and opportunities across ESI & EU Themed Funds (RDP; ETC; HORIZON 2020; ERASMUS+) to maximise investments from all EU Funds and Programmes
- Work together to share expertise and disseminate information and good practice
- Support WEFO prior, during and after the mid-term evaluation of the programmes
- Input into regular reviews of the EPF
- Review and evaluate performance of the programmes at a regional level

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ESF Priority Support Network Groups Joint Event

Tuesday 10th May 2016

Tony Layzell
Welsh European Funding Office
Management Verifications Team



**Cronfeydd yr UE:
Buddsoddi yng Nghymru**

EU Funds: Investing in Wales



**Cronfeydd yr UE:
Buddsoddi yng Nghymru
EU Funds:
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Topics

- Current Management Verifications Approach
- Emerging Themes
- Questions



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Current Management Verifications Approach

- Significant Change from 2007 – 2013
- Changes to the scope of inspections
- Changes to the timings of inspections
- Change to the location of the inspections.



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Current Management Verifications Approach

- Five types of Inspections under the 2014 – 2020 programme
 - Health Checks
 - Administrative Verifications
 - On the Spot Reviews
 - Horizontal Reviews
 - Adhoc Reviews



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Current Management Verifications Approach

- Health Checks
 - Visits not reviews
 - Completed as soon as possible after Approval
 - Discussion over the plans to deliver the Operation
 - Sign post to any relevant Rules / Regs /Guidance



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Current Management Verifications Approach

- Administrative Verification
 - Regulatory requirement
 - Completed on every claim submitted to WEFO
 - Sample of activity tested
 - Scope includes Expenditure, Outputs, Procurement, State Aid
 - Desk Based reviews



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Current Management Verifications Approach

- On the Spot Reviews
 - Regulatory requirement
 - Completed on a sample of Operations
 - Checks the reality of the Operation
 - Reduced Scope for 2014 – 2020
 - Multiple Visits to an Operation now



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Current Management Verifications Approach

- Horizontal Reviews
 - Completed on Beneficiaries with more than one Operation
 - Will focus on Outputs and Expenditure to ensure these are not double counted / funded
 - Timing and selection to be decided



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Current Management Verifications Approach

- Ad Hoc Reviews
 - As the name suggests, scope is as necessary
 - Pre EFAT meetings
 - Follow up on EFAT / EC Audits
 - Etc.



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Emerging Themes

- Procurement
- Output Evidence
- Contract Management
- Time Sheets / Staff Costs
- State Aid



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Llywodraeth Cymru
Welsh Government

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Emerging Themes

- Procurement
 - Lack of evidence for a open transparent procurement process
 - Where own policy is used it is not complied with
 - No / insufficient advertising of offers
 - Insufficient detail on the scoring / award criteria
 - Frameworks



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Emerging Themes

- Output Evidence
 - Insufficient evidence to support Outputs claimed
 - WEFO's ESF specific guidance is now available
 - Where Output is also linked to expenditure make sure you have the back story
 - The main focus for EC audits in this programme



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Llywodraeth Cymru
Welsh Government

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Emerging Themes

- Contract Management
 - Linked to Procurement
 - Ongoing monitoring of spend v's Contract amount
 - Especially important for frameworks
 - Ensure contracts have working to allow for extensions



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Emerging Themes

- Timesheets / Staff Costs
 - Ensure you are clear what option you have selected (std hours/agreed %age split/timesheet)
 - Don't mix and match the same individuals
 - Unit Costs for Staff Hours
 - Secondment Letters



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Emerging Themes

- State Aid
 - The next big thing
 - Has some impacts on Simplified costs
 - Costs can be eligible under Structural Funds rules but made ineligible if outside the State Aid rules
 - Make sure reporting and monitoring is in line with State Aid requirements



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Emerging Themes

Questions?



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Cardiff
Capital
Region
City Deal

Overview

- The “City Deal” process began in late 2011, as part of the UK Government’s broader devolution agenda.
- City Deals seek to empower local areas to drive growth by putting greater resources and financial freedoms in the hands of local leaders
- Central to these deals is a clear set of “offers” locally, in return for a number of “asks” of central government
- A number of deals have been agreed with English Cities as well as a bespoke tri-partite deal between Glasgow City and the Scottish and UK Governments.

Cities to benefit so far...

- Birmingham
- Bristol
- Leeds
- Liverpool
- Manchester
- Newcastle
- Nottingham
- Sheffield
- Black Country
- Bournemouth
- Brighton and Hove
- Coventry and Warwickshire
- Greater Cambridge
- Greater Norwich
- Hull and the Humber
- Ipswich
- Leicester and Leicestershire.
- Milton Keynes.
- Oxford and Central Oxfordshire
- Plymouth
- Portsmouth and Southampton.
- Preston and Lancashire .
- Reading
- Southend
- Stoke and Staffordshire
- Sunderland and the North East
- Swindon and Wiltshire
- Tees Valley
- Glasgow



Types of Intervention

Essentially there are two main types of intervention – those that are designed to maximise economic growth and tend to represent investment in physical assets such as infrastructure; and those designed to reduce the dependency costs of a place

So far the deals agreed by GM, WY and Glasgow (amongst others) tend to be focused on the former of these – investment to drive growth of the top line

However, places are now beginning to think more carefully about the other half of the equation that determines the fiscal strength of an economy – its public and/or dependency costs



Progress to date

In September 2015, the 10 local authorities who represent the CCR, submitted a position statement to UK Government.

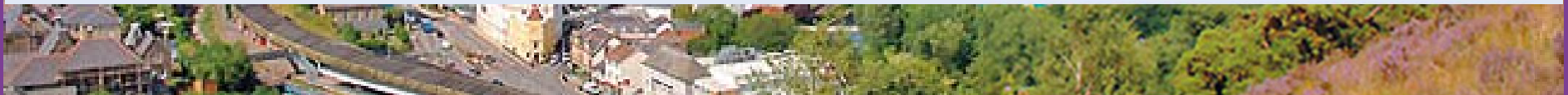
In March 2016 the City Deal worth £1.2 billion was announced between the 10 local authorities, Welsh Government and the UK Government covering the following themes:

- Improve productivity and economic performance in the region
- Tackle Worklessness which currently costs the UK Government £4bn in welfare payments South East Wales.
- Build on the foundations of innovation we have across the region
- Investment in physical and digital infrastructure
- Provide effective support for businesses
- Improve skills
- Ensure the economic benefit is felt across the region
- Working together to deliver more.



Financial Aspects

- Overall value is £1.2 billion over 20 years
- UK Government are contributing £500m
- Welsh Government are contributing £500m
- Local Authorities are contributing £120m plus the borrowing costs of the UK Government contribution



Infrastructure

- A large proportion of the £1.2bn will be invested in the regions infrastructure especially on the Metro project. Other transport related investments will be considered where they unlock economic development opportunities
- A new non statutory Regional Transport Authority will be established which will encompass pooling transport budgets, regional planning of transport, creation of a single ticketing platform and working with WG on other transport related activity

Innovation

- Development of an internationally competitive Compound Semi Conductor cluster
- Prioritise investment in Innovation to support high growth sectors, new approaches to public service delivery, expand the Software academy and develop a Cyber Security Academy
- Expand the role of Innovate UK to raise awareness of programmes and engagement with the private sector, public sector and Universities.

Skills and Unemployment

- Develop the current Learning and Skills Board into the Cardiff Capital Region Skills and Employment Board with responsibility for the regions skills and Worklessness strategy, producing the regional plan, ensuring an Industry led approach to the design of apprenticeship programmes
- Co design of the Work and Health programmes with the UK and Welsh Government from 2017

Enterprise and Business Support

- Establish the Cardiff Capital Region Business Organisation to create a clear business voice to shape future business support in terms of need and future priorities
- Integration of Local Business Support Services to deliver regionally significant aspects of economic development
- Housing development and regeneration to be guided by a partnership with Welsh Government to maximise opportunities across the region

Governance arrangements

- Establishment of a Cardiff Capital Region Cabinet
- Strategic Regional Planning
- Independent Growth and Competitiveness Commission
- Regional Transport Authority
- Cardiff Capital Region Skills and Employment Board
- Cardiff Capital Region Business Organisation

Next Steps

- New city-region governance arrangements will also need to be put in place to ensure a collective approach to the delivery of the investment.
- To ensure that projects comprising the City Deal make a difference they will be prioritised according to their impact in terms of GVA and jobs, as well as ensuring that their impact is felt across the CCR.
- KPMG have been commissioned to support the process as they have extensive experience of advising regions across the UK in the negotiation of a city deal.

Next Steps

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- To ensure that projects comprising the City Deal make a difference they will be prioritised according to their impact in terms of GVA and jobs, as well as ensuring that their impact is felt across the CCR.
- KPMG have been commissioned to support the process as they have extensive experience of advising regions across the UK in the negotiation of a city deal.
- Each Council will need to formally agree to participate in the City Deal arrangement