

Harbour Committee Position Report on Grant Funding Opportunities

The allocation of funding has changed significantly over the last two years, with Government now devolving more funds to Local Enterprise Partnerships (LEPs) and the 2007-13 EU programme coming to the end. A brief summary of the funding streams available now or in the near future is set out below:

Strategic Economic Plan

Various existing sources of Government funding are being combined into a single local growth fund into which LEPs must bid. As part of this process LEPs must demonstrate how they plan to deliver growth in their area. This needs to be articulated in the form of a Strategic Economic Plan (SEP). The LEP has submitted a draft SEP to Government, with the final plan due for submission at the end of March.

The overall single local growth fund pot is valued at £2bn nationally for 2015/16 and will be partly allocated and partly distributed via a competitive process into which LEPs must bid.

The draft SEP set out the need to capitalise on the areas uniqueness, maximise employment opportunities and create the conditions for growth. This will be achieved through a number of activities including:

- Unblocking development opportunities
- Developing a pipeline of oven ready strategic transport projects
- Infrastructure to support year round employment
- Creation of growth zones
- Skills – infrastructure and employer engagement
- Sustainable solutions to flood management

To be successful projects will be required to demonstrate that they align with national and EU priorities, but also that they are aligned with and support the LEP priorities.

The draft SEP is available here - <http://www.heartofswlep.co.uk/strategic-economic-plan>

EU Structural and Investment Fund Strategy

The next EU programme runs from 2014-20 and funding is likely to become available from mid-2014. Devon (inc. Plymouth & Torbay) has been awarded Transition status in recognition of the economic challenges it faces. This means a higher level of funding across the county than there would otherwise have been, and a lower match funding need of 40% instead of 50% currently. Devon has been allocated €78m over the 7 years of the programme. Approximately 40% of this is from the European Social Fund with the remainder made up of ERDF and a small amount of rural development funding.

The LEP has submitted a Structural and Investment Fund strategy to Government detailing themes under which it wishes to see activity carried out. This has to deliver against the following thematic objectives set out by the EU:

- Innovation
- ICT
- Small business competitiveness
- Low Carbon
- Employment
- Social Inclusion
- Skills

Full details of what the LEP is seeking to invest in are set out in the EU strategy which is available here - <http://www.heartofswlep.co.uk/SIFfinaldraft>

European Regional Development Fund & European Social Fund

Devon's ERDF and ESF allocation will be administered by the LEP using the priorities set out in the EU strategy. Projects can utilise money from both ERDF and ESF.

ERDF

Activities identified for investment include

- Specialist infrastructure/facilities/ centres linked to Smart Specialisation
- Ecosystems of support for innovation such as Catapult lite centres or Business Led Networks
- Enterprise/incubation space
- Business Support System/growth hub
- Business support including:
 - SME Investment for Growth
 - Investment readiness support
 - Business resource efficiency
 - Supporting SMEs to develop ideas and products
- Start-up Support and Leadership and management skills
- Supply chain Development
- Building the market in low carbon technology
- Digital infrastructure
- Support SME utilisation of digital infrastructure
- Social Enterprise Support and Development (including Local Impact Fund)
- Enterprise as a route out of worklessness

ESF

- Employer led solutions to address higher level skills linked to Transformational Opportunities and Smart Specialisation
- Linking students and graduates to industry and retaining higher level skills
- Improving workforce skills
- Enterprise and leadership and management skills
- Digital inclusion
- Intermediate and Higher level digital skills
- Supporting those furthest from the labour market
- Supported approaches for young people
- Tackling 'in work poverty'

European Maritime & Fisheries Fund

The EMFF programme will be administered separately through the MMO. It is further behind in its development than the other EU programmes with funding unlikely to be available before January 2015.

Priorities for the fund are yet to be confirmed it will finance activity which supports:

- Sustainable development of fisheries
- Sustainable development of aquaculture
- Sustainable development of fisheries areas

- Marketing and processing related activity

The main difference between the 2014-20 EMFF and the existing fisheries fund is the incorporation of the community element. Whereas previously funding had to be spent directly on fisheries related activity in future there will be some support for diversifying fisheries dependent communities.

Options for maximising access to this fund including development of a Fisheries Local Action Group are currently being explored.

This fund offers the greatest potential for investment in and around the harbours of any of the core EU funds.

Transnational programmes

In addition to the main EU programmes there will also be funding available through the 2014-20 transnational programmes. The operational programmes for these are also currently under development, however it is expected Torbay will be able to bid into the following programmes:

- Channel Programme
- 2 Seas
- North West Europe

While the operational programmes are not yet finalised all the programmes must contribute to the EU2020 objectives in particular supporting small businesses, promoting innovation/research & development, protecting the environment and support resource efficiency and promoting social inclusion.

Projects will need to include partners from the different countries eligible for the programme and that the cross border element adds value to them.

Coastal Communities Fund

The third round of the Coastal Communities Fund (CCF) programme is expected to open in March 2014 (date TBC). This will combine CCF funding from the 2014/15 and 2015/16 budgets as the fund in its current guise is due to end in March 2016¹.

The total amount of funding available will not be confirmed until July 2014 but is likely to include the £22.15m (for England) set aside for 2014/15, plus the 2015/16 funding. The minimum which can be applied for is £50,000. There is no maximum although no project has received more than £2m previously. There is a limit to one application per organisation.

The over arching aim of the fund remains the same as in previous rounds – ‘coastal communities will experience regeneration and economic growth through projects that directly or indirectly create sustainable jobs, and safeguard existing jobs’. However, there will also be some country specific priorities. These have yet to be announced for England but it is likely they will be similar to the previous round and centre on:

- Economic diversification and innovation
- Support for SMEs through business development and infrastructure
- Addressing seasonality and creating additional tourism.

¹ Within the Autumn statement on 5th December it was stated that the fund may be extended by a year to 2016/17 but the detail on this has yet to be confirmed.

The deadline for stage 1 applications from England is yet to be confirmed, successful stage 1 applicants will then be invited to submit more detailed stage 2 applications. Successful projects will be announced in late 2014.

It should be noted that projects must be ready to go and evidence they can spend their award before the programme closes in March 2016. To demonstrate this all capital applications must be developed to an advanced level (including any planning/listed building consent) before stage 1 applications are submitted. Practical completion must be achieved by February 2016.

Plymouth City Deal

The City Deal will sit alongside the LEPs Strategic Economic Plan and EU investment strategy and the priorities will be aligned to avoid duplication. It seeks to address the challenges and capitalise on opportunities for growth in the marine and advanced manufacturing sectors through a number of activities. Given Brixham's inclusion as a strategic site there is scope for Torbay to access funding via the City Deal although this will have to be for higher value marine engineering related activity.

Environment Agency

The Environment Agency is responsible for allocating central government funding to manage flood and coastal erosion risk in England. This funding is known as Flood Defence Grant in Aid (FDGiA). It goes to flood risk management authorities (RMAs) - that is, the Environment Agency and English local authorities and internal drainage boards. Together, they use it to pay for a range of activities including flood defence schemes that help reduce the risk of flooding and coastal erosion. Allocation of FDGiA to RMAs is undertaken in line with Department for Environment Food and Rural Affairs (DEFRA) policy on Flood and Coastal Resilience Partnership funding. This determines what proportion of the cost of a scheme can be funded by central government FDGiA. Some schemes will be fully funded, others only partly funded by FDGiA, according to how much public benefit they will give - for example by reducing flood risk to homes and vital infrastructure, such as power stations and water treatment works. Any shortfall in the amount of central government funding will need to be found from elsewhere. This could for example be via local Community Infrastructure Levy arrangements, or potentially via negotiation with local businesses or other parties who will benefit from the scheme. The new approach means local people will be more able to influence what work is carried out in their area - the more money they can raise or the lower the cost of a scheme the more likely it is that the work will be carried out. The total benefits of a scheme must exceed the costs to the taxpayer for any scheme to qualify for FDGiA. Torbay Council as RMA for Torbay has the opportunity to apply for FDGiA on an annual basis according to the grant in aid allocation calendar. Haldon Pier and Princess Pier at Torquay, along with the Victoria Breakwater at Brixham, provide the primary flood defence for the towns from coastal flooding. Some funding towards repair work on these structures has in the past been granted by the Environment Agency. Funding may in the future continue to be available through flood and coastal defence grant in aid from the Environment Agency. However, it is currently necessary to use the Environment Agency's partnership funding/outcome measures calculator to determine the maximum grant in aid funding and this may well result in a significant shortfall on the cost of any given scheme.

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