



Title: **E.U Funding Bid for Tor Bay Harbour**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Harbour Committee** On: **08 March 2012**

Key Decision: **No**

Change to Budget: **Yes** Change to Policy Framework: **No**

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1. Key points and Summary

- 1.1 This report provides the Harbour Committee with proposals and recommendations to submit a funding bid of €700,000 to the Channel Interreg IVa programme – FLIP Project for improving facilities in Tor Bay Harbour.
- 1.2 The Harbour Committee has received a number of reports over the last 12 months regarding the need for continued investment in the ageing Harbour infrastructure; some of the issues arising have been addressed by using the harbour reserves. It is recognised that the Council's ability for future investment is constrained so opportunities to generate external funding is paramount to effectively generate invest to save projects. This Committee has already considered submission of a possible EU Interreg funding bid to support the installation of the new electricity recharging system for Brixham Harbour.
- 1.3 The bid will provide the opportunity to access European funding to invest in much needed facilities and also work closely with French and English Harbour partners, sharing important knowledge and learning from the joint cross border projects. This can lead to increased efficiencies in future Harbour operations, an improved European profile for Tor Bay Harbour and Torbay Council, which may lead to other ERDF funding opportunities in the future.

2. Recommendation(s) for decision

- 2.1 **That the Harbour Committee supports the submission of a bid for Tor Bay Harbour to be part of the French and English Partner Harbours FLIP master bid to the Channel Interreg Programme.**

- 2.2 That the Executive Head of Tor Bay Harbour Authority, in consultation with the Chairman of the Harbour Committee, be asked to use his delegated authority to approve final details of the bid to the Channel Interreg Programme.**
- 2.3 That in accordance with Council minute 535/02/12(v), the Executive Head of Tor Bay Harbour Authority be asked to seek approval for the submission of the Channel Interreg Programme funding bid from the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer.**
- 2.4 That, subject to approval in 2.3, the Council be asked to vary the Capital Plan accordingly to reflect the capital elements of the Channel Interreg Programme funding bid.**
- 2.5 That the Executive Head of Tor Bay Harbour Authority be asked to use his delegated authority to appoint specialist European funding consultants, to prepare the detailed bid on behalf of the Council at an estimated cost of £3,800 + VAT.**
- 3. Key points and reasons for recommendations**
- 3.1 The Council has a Medium Term Financial Strategy which requires substantial reductions year on year in revenue spend and an Asset Management Strategy to proactively maximise the Council's land and property holdings. The proposals will generate substantial external grant aid, assist in upgrading key Harbour assets, complete a much needed Port Master Plan, assist with work on the integrated transport pilot scheme, provide maritime training opportunities for local residents and increase income generation from Harbour facilities. The overall project will support corporate objectives of stimulating growth of SME's.**

For more detailed information on this proposal please refer to the supporting information attached.

**Kevin Mowat
Executive Head of Tor Bay Harbour Authority
Tor Bay Harbour Master**

**Paul Labistour
Tor Bay Harbour Master**

Supporting information

A1. Introduction and history

- A.1.1 The Executive Head of Tor Bay Harbour Authority and the Tor Bay Harbour Master, supported by the Chairman of the Harbour Committee have been exploring European funding opportunities including Interreg Programmes such as 'Channel' to assist in delivering new projects in Tor Bay Harbour.
- A.1.2 With a budget of €173.5 million, the Interreg IVA France 'Channel' programme aims to promote the emergence between the French and English partnership - for cross border cooperation, fostering a sense of belonging to a cross-border area, and stimulating economic and community growth.
- A.1.3 The programme's coastal eligible areas stretch from Cornwall to Norfolk in England, and Finistère to the Somme in France. The programme has four Priorities, Priority 2 is: 'Build partnerships for cross border economic development and centres of excellence' and within this priority there is a specific Objective 5 to promote durable cooperation in maritime activities.
- A.1.4 The French region of Haute-Normandie, is the responsible body for the administrative and financial management of the programme including paying the grants, based on bid partners delivering agreed actions as set out in their approved bids.
- A.1.5 Officer discussions with European funding consultants MMA Ltd have taken place over the last two months to explore bid options. The Consultancy specialises in assisting UK Ports and Harbours achieve successful UK and European funding bids. MMA Ltd advised that Tor Bay Harbour could be an eligible Partner and be included in a new cross border 3 year Harbours bid named FLIP, 'Fostering Long-Term Initiatives for Ports'. In addition the Brixham based Tor Bay Harbour Master attended an inaugural meeting in Ostend of potential harbour partners. Other Partner Harbours are likely to include Newhaven, Portsmouth, Whitstable, Granville, Douarnenez, Saint Brieuc and the Chambers of Commerce for Fécamp/Le Tréport.
- A.1.6 The Chairman of the Harbour Committee has already submitted an expression of interest to the Channel programme managing authority, based on Priority 2 with an overall bid of circa €2.9m million based on five partners and one lead partner (now the Counsel General, Seine Maritime). The expression of interest has received an informal encouragement for the submission of a full bid in June 2012. It is likely that the final bid will increase to € 3.5 million and seven partners (including the lead partner).
- A.1.7 The bid will focus on three common objectives for all the partners. The likely specific main actions for Tor Bay Harbour are set out below with indicative budget costs:
- i) **Improve the Quality of Management of the Port**
Tor Bay Harbour proposed action: development of a Port Master Plan for Tor Bay Harbour €30,000.

ii) Promote Innovation in Ports and Port Diversification

Tor Bay Harbour proposed action: Integrated Transport System and installation of first phase work including improved signage and new Passenger Shelters, €200,000 and; Maritime E training programme in partnership with South Devon College, €65,000.

iii) Improve resource efficiency of Ports

Tor Bay Harbour proposed action: Integrated Renewable Energy Management Systems. This will also include the new electrical recharge system and photovoltaic solar panel work €240,000.

A.1.8 In addition to the specific actions carried by each partner there will be a number of joint cross border projects and actions between the French and English partners including best practice pilot projects which will provide invaluable knowledge within the partnership and this will be shared with other Maritime interests through planned workshops

A.1.9 The bid process: will be :-

Full Partner meeting, 28th March 2012 to finalise actions

Submission of the bid - June 2012

Steering Committee decision October 2012

Start of the project - October 2012

End of the project – 30th June 2015

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The Council is required to sign a letter of intent to form part of the bid documentation on behalf of the seven Partners for submission to the Interreg Secretariat by June 2012, if the bid is approved, all Partners will be required to adhere to a legally binding Partnership Agreement which sets out the bid figures, financial commitments, duty to comply with E.U regulations and procurement processes.

A.2.12 The risks to the Council are the bid not being approved or the potential failure to carry out the actions as specified in the approved bid. This would jeopardise the payment of the related grant aid and possible withdrawal of claimed monies and possible damage to the Council's reputation. To manage the risk it is important that bid includes appropriate allocation of existing staff resources and budget for supporting consultants to ensure that the actions can be satisfactorily completed, linked to a realistic delivery plan over the 3 years of the bid

A2.2 Remaining risks

A2.2.1 The known projects contained within the bid for energy management systems are eligible for match funding. Work can start on the projects before the bid outcome is known but any costs incurred will be at the Council's risk if the bid is unsuccessful.

A3. Other Options

- A3.1 Do nothing and potentially see further delays in implementing much needed improvements to Tor bay Harbour, thereby reducing our competitive edge.

A4. Summary of resource implications

A4.1 Finance

- 4.2 The Tor Bay Harbour (Torbay Council) bid will be circa €700,000. The bid figure cannot be finalised until the partners meet at the end of March to agree the common cross border actions. The ERDF funding of 50% must be matched by 50% of partnership funds. Eligible costs include: partner staff, administration, external consultants (limited in daily fee) including bid and preparation consultancy costs, travel and accommodation, equipment, capital investment (limited to 25% of the overall master bid), communications, external audit control and a share of the lead partners coordination and management costs. Eligible bid period :- 01/11/11 until 30/06/13.
- 4.3 The Council's total match funding commitment will be circa €350,000/£296,000 (split capital - €159,000/£134,366 & revenue - €191,000/£161,400). Members have already supported capital funding of £48,000 (€56,800) and £60,000 (€71,000) from the Harbour Reserve for the proposed Electrical Installation System and Solar Energy System respectively. These two projects are included in the bid. The balance of the capital contribution will be funded from the harbour reserve. The Council's capital programme will need to be revised to detail the full project costs,
- 4.4 Revenue match funding will be provided through savings of € 48,000/£40,500 provided by funding Harbour Authority staff to carry out the projects where possible using the Interreg monies and recycling the savings to match ERDF funding for eligible costs (see 4.2 above). The balance of €143,000/£120,800 will be funded from existing Harbour Revenue budgets, primarily from increased income over budget forecasts and savings from the new energy management systems spread across the financial years, 2011/12 to 2015/16 The energy management savings will continue to accrue over the following 22 years of the life of the system.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

- A5.1 Environmental sustainability will be improved by some of the proposals. It is expected that the recommendations will have minimal impact on equalities, crime and disorder.

A6. Consultation and Customer Focus

- A6.1 Many of the projects identified in the bid have already been subject to consultation with the two Harbour Liaison Forums. Consultation will also feature heavily in the proposed work on a Tor Bay Harbour Port Master Plan.

A7. Are there any implications for other Business Units?

A7.1 Legal and Finance.

Appendices

None.

Documents available in members' rooms

None

Background Papers:

The following documents/files were used to compile this report:

None