

## European Union Funding Profile: South West of England & Gibraltar

### **Briefing**

#### **Definitions**

- ERDF - [European Regional Development Fund](#)
- ESF - [European Social Fund](#)
- EAFRD - [European Agricultural Fund for Rural Development](#)
- EMFF - [European Maritime and Fisheries Fund](#)
- [FP7 Programme](#) - EU Research and Innovation funding programme for 2007-2013 (some projects still running)
- [Horizon 2020](#) - Successor to the FP7 Programme for 2014-2020

#### **1. Introduction**

The South West has been a major beneficiary of EU Funding, with Cornwall most notably benefitting from significant sums of money from the various European Union Funds.

Headline Figures:

- Cornwall receives over €450 million in Regional Development funds along with nearly €140 million from the Social Fund. In cash terms, EU membership is worth over half a billion to the most deprived county in the region.
- On the other side of the development scale, Bristol and Swindon are amongst the largest UK recipients of Horizon 2020 research grants currently allocated for 2014-2020, both at around €60 million so far.
- Looking back at FP7 research funding, following evaluation and selection, a total of 1,155 proposals were retained for funding (25,4% of total applicants from the region) involving 1,310 successful applicants from the South West and requesting EUR 393,95m of EC financial contribution.
- This made the South West the 7th most successful individual region of all those in the EU 28 member states for research grant applications.
- The region received just under €600 million during the FP7 period, with a further €44 million to SMEs during that period

#### **2. Funding from EU Structural Funds for the 2014-2020 period – South West & Gibraltar**

For the 2014-2020 period resources from the Structural Funds for England were shared between 39 Local Enterprise Partnerships.

Indicative funding for the South West region was as follows (million euros):

<b>South West</b>	<b>ERDF</b>	<b>ESF</b>	<b>EAFRD</b>	<b>Totals</b>
Cornwall and the Isles of Scilly	452.77	137.63	11.74	602.14
Dorset	25.92	21.18	3.77	50.87
Gloucestershire	19.56	18.54	3.61	41.71
Heart of the South West	67.78	50.02	19.41	137.21
Swindon and Wiltshire	21.7	21.7	4.87	48.27
West of England	35.08	33.22	1.79	70.09

<b>Totals for South West</b>	<b>622.81</b>	<b>282.29</b>	<b>45.19</b>	<b>950.29</b>
<b>Gibraltar</b>	<b>5.7</b>	<b>4.8</b>		<b>10.5</b>

Key: ERDF (Regional Development), ESF (Social Fund), and EAFRD (Agricultural Fund for Rural Development).

### 3. How much EU research funding is the SW getting for the 2014-2020 period?

#### 3.1 Horizon 2020 grants allocated since 2014, by NUTS 3 region (€ million)

Swindon and Bristol have been significant recipients of Horizon 2020 grants, with Devon County Council area in third place. See below:

<b>Southwest England</b>	
Bristol, City of	57.79
Bath and North East Somerset, North Somerset and S	17.27
Gloucestershire	7.31
Swindon	62.70
Wiltshire CC	3.32
Bournemouth and Poole	0.25
Dorset CC	4.97
Somerset	2.48
Cornwall and Isles of Scilly	1.18
Plymouth	14.90
Torbay	0.32
Devon CC	31.98
<b>Total for South West</b>	<b>204.47</b>

#### 3.2 Horizon 2020 regional profile for Southwest England

As of 2015/11/11, SOUTH WEST (ENGLAND) participates in:

- 1.389 signed grant agreements
- involving 16.570 participants of which 1.588 (9,58%) are from SOUTH WEST (ENGLAND)
- a total of EUR 5.070,39m of EC financial contribution of which EUR 597,08 m ( 11,78 %) is dedicated to participants from SOUTH WEST (ENGLAND).

##### 3.2.1 SME performance and participation

The South West SME applicant success rate of 22.56% is higher than the EU-28\* average SME applicant success rate of 20.21%.

Specifically:

- 891 South West SME applicants requesting EUR 231,71m
- 201 successful SMEs requesting EUR 46,84m

Signed grant agreements, as of 2015/11/11,

- 193 SOUTH WEST (ENGLAND) SME grant holders, i.e., 12,15% of total SOUTH WEST (ENGLAND) participation
- EUR 43,86m, i.e., 7,34% of total SOUTH WEST (ENGLAND) budget share

### 3.3 SW Universities receiving EU research funding

The following table details the EU research funding received by SW universities during the **FP7** period:

University	Amount (Euros)
Bristol	142,263,470.92
Exeter	74,349,106.73
Bath	27,991,324.19
Plymouth	22,477,027.50
UWE	15,267,346.33
Bournemouth	4,202,033.19
Falmouth	2,668,741.00
Gloucestershire	2,103,531.11
South West College	130,818.00
<b>Total</b>	<b>291,453,398.97</b>

University funding awarded as of 23/02/16 through **Horizon 2020** (2014-2020)

University	Amount allocated so far (Euros)
Bristol	36,001,450.22
Exeter	21,191,843.14
Bath	16,034,283.96
Plymouth	5,861,911.58
UWE	2,199,213.55
Bournemouth	2,801,826.90
Gloucestershire	1,291,596.25
Bath Spa	159,462.00
<b>Total</b>	<b>85,541,587.60</b>

### 3.4 Successful EU Projects – England European Regional Development Fund

In 2007, £2.6 billion was awarded to England through the 2007 to 2013 European Regional Development Fund (ERDF) Programmes to support projects through investments that boost local economies and create jobs, help local businesses start, grow and improve, and regenerate local areas and communities. In total nine ERDF Programmes were established around England to cover all local areas focused on promoting innovation, stimulating enterprise, and ensuring sustainable development and communities.

In addition, ERDF funding is made available through the European Territorial Co-operation Programmes support projects which involve cross-border, transnational and inter-regional co-operation and involve working with other European countries and sharing best practice.

ERDF funding has made a huge difference and impact to communities across England. As a result of the investments made:

- 109,583 jobs have been created
- 137,101 business have been set up or helped to improve their performance and grow
- 182 hectares of land have been developed

Through the European Territorial Co-operation Programmes, €320.48 million of ERDF funding has been approved in the UK to support joint projects. Of the investments made 692 projects involve UK partners and there are 1,404 UK project partners.

Examples from the South West of England include:

#### 3.4.1. GetSet for Growth - Cornwall & the Isles of Scilly

The **GetSet for Growth** project helps businesses to access finance to start, sustain or grow. With a little under £1.5 million of ERDF GetSet for Growth offers a free investment readiness service for ambitious businesses in Cornwall and the Isles of Scilly looking to access money and markets to start, sustain or grow. Businesses receive one to one support, access to Group Action Sessions, masterclasses, connections and specialist knowledge.

The programme uses bespoke marketing and finance support to help businesses access new money and markets. The programme has helped to secure over £2.5 million of finance for small to medium sized enterprises. GetSet For Growth has a team of business finance, marketing and sales experts who work alongside businesses and their teams to find, plan and implement the most suitable sources of money and growth to move them forward.

**Mi-Generation Limited** is an integrated energy supply business covering the supply, service and maintenance of biomass boilers. £154,786 of ERDF facilitated the establishment of a new line of business to supply and install wood pellet boilers and fuel at a wide range of locations across the country.

The owners of a small working Cornish organic farm on the southern tip of Cornwall wanted to produce all their energy requirements using renewable energy. They approached Mi-Generation for a biomass steam boiler to replace their current costly and ageing oil steam boiler. Mi-Generation was able to offer their exclusive Bidragon range steam boiler. The 750kW, 1 tonne boiler installation will return an anticipated fuel saving of 38%, a CO<sub>2</sub> saving of 86 tonnes per year and a payback period on the capital cost of 5 years.

Just over £7.5 million of ERDF has supported two projects - the **Pendennis Building & Redevelopment of the Yacht Basin**. The extensive redevelopment of the Pendennis Building began over two years ago and has seen the previous shore-side facility almost completely rebuilt, replaced by larger modernised construction halls, workshops and office space.

Pendennis also has one of the world's leading custom superyacht build and refit facilities. The project supported the development of a 7,564m<sup>2</sup> non-tidal wet basin to accommodate superyachts before and after their time in the yard. Since May 2015 six yachts have already made use of the new basin.

Pendennis has become one of Cornwall's most important employers, significantly improved the facilities and 315 existing jobs have been safeguarded with 60 permanent skilled jobs created to date in the Falmouth Docks area. This work builds on the historic maritime tradition of the town and has helped to deliver the Port of Falmouth masterplan.

Based on the University of Exeter's Penryn Campus near Falmouth, **the Environment and Sustainability Institute (ESI)** is a £30 million interdisciplinary centre leading cutting-edge research into solutions to problems of environmental change.

With just over £21.3 million of ERDF, the project works businesses and revolves around knowledge transfer and the commercialisation of intellectual property. To date ESI has worked with 460 businesses, creating 57 jobs and is expected to create a further 300.

Training provider and food and grocery industry recruitment solution charity **The Employment Academy (TEA)** were looking to expand their operations beyond Cornwall, but needed additional resource to put together a strong proposition for expansion. ESI helped them secure a graduate for a three month placement to carry out important research and analysis into their activities.

#### **3.4.2. Ready for Retrofit - South West of England**

**Ready for Retrofit** aims to boost the energy efficiency and micro-generation sector in the South West. The project funds social landlords to improve the energy efficiency performance of their housing stock, as well as working with businesses to grow local supply chains.

£2.3 million of ERDF, has levered £10 million investment in 1,430 energy efficiency and micro-generation measures on a range of social housing property types resulting in just under 40,000 tons of CO<sub>2</sub> savings. This has improved properties from a number of low Energy Performance Certificate bands.

The project is working with 520 retrofit businesses, helping them create competitive advantage to deliver at scale, value and quality. These businesses have so far created or safe-guarded 56 jobs and £6.21 million gross value added and this figure is set to rise further.

**Exeter City Council** received a grant to undertake a house refurbishment for 3 hard-to-treat, unoccupied properties in poor structural condition. The funding improved the energy efficiency, reducing the predicted annual energy costs by over £500 and saving over 3 tons of CO<sub>2</sub>/year per property.

The **Marine Innovation Centre (MARIC)** accelerates growth by creating intelligent connections between marine sector businesses, world-class knowledge, technologies, people and infrastructure. Building on the international success of Plymouth University's Marine Institute and housed within the Marine Building, MARIC streamlines access to the cutting-edge resources of the University and its growing network of specialist partners.

£526,702 ERDF has enabled MARIC to operate as a Business Technology Centre to help enterprises to advance their technology readiness levels creating new products and services. Established in October 2012, the Centre has so far helped 120 businesses.

#### **3.4.3 Research and Development**

ERDF is providing £2.5 million for the building of a new enterprise centre in Plymouth by Millfields Trust. The **Millfields Community Economic Development Trust** enables local people to contribute to the regeneration of the Stonehouse neighbourhood in Plymouth. The project forms part of the Urban Enterprise element of the South West Competitiveness programme to create more jobs for people in the city.

The new **Business Enterprise Centre ‘Genesis’** has provided 1,995 metres of commercial workspace, housing up to 50 flexible hot desk spaces. With just under £2.5 million ERDF, the Centre is built to the “Excellent” standard with an irrigated living wall – a system of vegetated panels fixed to a waterproof backing board. The vegetated wall panels will provide a beautiful façade for the development and require only the minimum of resources and maintenance. To date 3 businesses have been supported and the project is contributing to the regeneration of one of the most deprived neighbourhoods of Plymouth.

**CALMARE** is an initiative to provide South West businesses with the expertise, advice and support to optimise the use of composites and plastics (thermosets and thermoplastics). At a time of growing environmental and legislative pressure, the Centre is particularly focused on the recycling and remanufacturing of waste materials.

With £801,094 ERDF, the £1.8 million centre offers businesses a competitive advantage. It provides industrial companies with the support they need and brings businesses together to deliver collaborative commercial ventures. Supplying businesses with research support for material options and carrying out sustainability projects, the centre combines material expertise and testing facilities with processing knowledge and waste reduction techniques to deliver an end to end solution. From advising on material options for new product developments to Investigating waste separation techniques, experts have shared their knowledge to assist approximately 63 companies in a range of sectors across the South West. Of these, 6 are new businesses, 11 environmental technology businesses and 13 are research and development collaborations.

### **3.5 South West Region ERDF Competitiveness Programme**

The South West ERDF competitiveness programme had a total value of €124.7 million for the period 2007-13. Its priorities were innovation and knowledge; enterprise and growth; and urban enterprise. To strengthen the economy, local partners have targeted investments at increasing innovation and collaboration between businesses and higher education research capacity; business support to help high-value businesses to grow and trade internationally; and initiatives to stimulate enterprise in the region’s deprived urban areas.

Three examples of South West projects include:

#### **3.5.1. National Composite Centre, Bristol**

The National Composite Centre (NCC), based at Bristol and Bath Science Park, was developed with ERDF funding of £9 million to put the UK at the forefront of composites technology. The NCC is a purpose-built research and development facility which brings together dynamic companies and academics to develop technologies supporting the design and rapid manufacture of composite products. Advanced composites are lightweight, high-performance materials which are transforming the design and manufacture of products – from those used in the aerospace and automotive industries, to marine and renewable technologies. By reducing the weight of products, there can be significant reductions in carbon emissions and manufacturing costs, offering huge commercial opportunities and technological advantages.

The NCC is the hub of a network of composite research and technology facilities across the country. The NCC is also part of the *High Value Manufacturing Catapult*.

Not only is ERDF investment expected to generate over 150 additional jobs, but the South West is now seen as a leader in this field, and the NCC is being expanded to attract ideas and research that will result in new products, businesses and jobs.

#### **3.5.2. Internationalisation**

Nearly £10 million of ERDF funding is being invested to support businesses across the South West to develop their international trade. This investment complements the service offered to South West businesses by the government-funded UK Trade and Investment (UKTI).

The project, delivered locally through Business West, funds specialist advisors, events and activities to give South West businesses more in-depth, tailored support to help them develop and implement their international trade strategies.

One participant is *Think Research*, a Bournemouth aviation consultancy focusing on the air traffic management sector, which has increased its presence at international trade fairs thanks to ERDF support. The company has grown rapidly, tripling its business in the last few years and expanding its customer base across the globe.

Director Rob Waggitt said: "It's no coincidence that growth has come from outside our core markets during the period we have started to exhibit and really push our brand. The funding from the ERDF and support from UKTI have been key elements of this."

### **3.5.3. Plymouth Enterprise Coaching, Cornwall**

Since 2010, over 1,000 people from in and around Plymouth have been helped by the Enterprise Coaching project to explore whether starting a business is for them. Run by Working Links with ERDF funding of £456,466, the project seeks out budding entrepreneurs from any background and helps them explore their options, develop confidence and address any barriers to pursuing their ambition.

For further information about ERDF achievements in the South West, see:

<https://www.gov.uk/erdf-programmes-progress-and-achievements>

## **3.6 European Social Fund 2014-2016**

European Social Fund funding has helped young people, over 50s, ex-offenders and others throughout England.

This includes helping:

- young people get skills and qualifications
- over-50s into training and employment
- lower-paid workers develop their careers through learning
- young apprentices get globally recognised industry qualifications

Three 2014-2016 examples from the South West include:

### **3.6.1 Raising Aspirations Project – Cornwall**

The European Social Fund (ESF) Raising Aspirations project (RAP) helps low-skilled people, particularly women, develop their careers through learning and training. Plymouth University runs the project with partners, including Cornwall College.

At the Royal Cornwall Hospital Trust, 22 lower-paid employees have successfully completed a higher education module through Cornwall College.

### **3.6.2 Newquay Aeronautical Engineering Apprentices - Cornwall**

The first group of aeronautical engineering apprentices to be trained in conjunction with Newquay Cornwall Airport graduated after a 2-year programme. They all now work with aviation maintenance companies in Cornwall and elsewhere in the UK and Europe.

Resource Group provided the training, working with its aviation maintenance training division LRTT Ltd at their engineering training centre at Cotswold Airport in Gloucestershire.

The core apprenticeship was funded through the SEMTA National Apprenticeship Agreement with the Skills Funding Agency with additional support from ESF Convergence. The total ESF funding was £164,000 which included the travel and accommodation costs for the participants' stay at the Cotswolds Airport training centre.

### 3.6.3 New Futures – South West of England

With support from the European Social Fund (ESF), the 'new futures' project aims to improve education, training and employment opportunities for offenders in the south west.

Two individual offender case studies are provided at:

<https://www.gov.uk/government/case-studies/new-futures-an-esf-project-for-ex-offenders>

## 3.7 What impact has EU funding (ERDF, ESF) had on the UK economy?

### 3.7.1 ERDF/ESF performance indicators 2007-2014

Indicator	Cornwall and Isles of Scilly	South West England
Gross new jobs created	4761	4226
Number of RTD projects supported	10	19
Number of projects investing directly in SMEs	68	9
Number of start-ups supported	22	1294
Private sector investment induced (€ million)	121.5	22
Link to implementation report (for more indicators)	<a href="#">link</a>	<a href="#">link</a>

For South West England, the [2013 ERDF Annual Implementation Report](#) also includes some more detailed indicators. For example (by end of 2014):

- 11956 businesses improving performance
- 1507 SMEs improving their environmental performance
- 260 new patents generated
- Net increase in Gross Value Added: £352 million

### CEF Transport

[List of CEF transport projects in the UK](#)

None of these specifically concern Southwest England, although there are several transnational projects concerning the Atlantic Coast, e.g. [Arc Atlantique Corridor Phase 2](#)

### CEF Energy

[List of CEF energy projects in the UK](#); see also [interactive map](#)

There are two projects concerning the Southwest of England:

1. [FAB interconnection from Exeter to Cotentin in France](#). A [study](#) is being carried out for this project.
2. [Ireland-United Kingdom interconnection from the Irish Midlands to Alverdiscott, Devon](#), still at the pre-feasibility stage.

### LIFE Programme

Since the launch of the LIFE programme by the European Commission in 1992, a total of 235 projects have been co-financed in the United Kingdom. Of these, 162 focus on environmental innovation, 66 on nature conservation and biodiversity and seven on information and communication.

These projects represent a total investment of €967 million, of which €241.5 million has been contributed by the European Union

### **LIFE Programme projects in Southwest England**

The following LIFE Programme projects are based in the South West of England.

1. [Land Use Planning Integrated with the Natural Environment](#) (Cornwall)
2. [Rural Futures: Sustainable Tourism](#) (Devon)
3. [Reedbed creation for water quality, nature conservation and fishery management](#) (Somerset)
4. [Parrett Trail](#) (Somerset)
5. [Coastal zone management : development of a strategy for an open coast](#) (Dorset)
6. [An environment-friendly repair system for leaking sewage or rainwater/surface drainage pipes](#) (Dorset)
7. [Water-Renew: Wastewater polishing using renewable energy crops](#) (Southwest England)
8. [ACUMEN - Assessing, Capturing & Utilising Methane from Expired and Non-operational landfill](#) (Southwest England)
9. [HAZRED - Demonstrating a European Method for Hazardous Waste Management Including Targets for Prevention and Reduction of Waste](#) (Southwest England)
10. [Development and evaluation of innovative solutions to reduce VOC emissions from the printing industry](#) (Southwest England)

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