



21 February 2023

Dear Stephen Crabb,

EU Structural Funds

Further to your letter of 14 February, the table below is intended to answer your first 4 questions:

Questions

How much funding do you currently receive from EU Structural Funds and which of the different funds (regional development, social fund etc) do you draw money from?

Which projects does this money support?

How much funding from those EU Structural Funds do you anticipate receiving in 2023-24 and 2024-25?

If these projects do not receive additional funding, for instance from the UK Shared Prosperity Fund, would the project cease to be viable?

Responses

Structural funds have supported numerous projects at Cardiff Metropolitan University. A list of those currently running or which have concluded in the last two years is detailed below, along with past and future income, future viability and representations we have made for their continuation.

Project HELIX		
Supported through the Welsh Government Rural Communities – Rural Development Programme.		
https://foodinnovation.wales/funded-support/		
Income 2017-present: £10,700,961	Forecast income 2023-24: £0	Forecast income 2024-25: £0
Project HELIX, which began in 2016, is a pan-Wales initiative delivered by Food Innovation Wales, a partnership of three food centres based in Anglesey, Ceredigion and Cardiff. It supports Welsh food and drink manufacturing companies to grow and thrive by assisting them to develop innovative products from concept to design, development, manufacture and sale. Figures from 2021 show the project has had an economic impact of £185.6 million to food and drink businesses in Wales, helped create 447 jobs and protected a further 2,306. More than 380 businesses and 943 individuals throughout Wales have been supported, of which 228 are new business start-ups. It has seen the development of 1,240 new products ensuring food safety requirements are met, and helped producers access 778 new markets. https://foodinnovation.wales/		
Viability and representation to other funders: Project HELIX hopes to secure additional domestic funding to enable the Project to continue after June 2023.		

20Twenty Leadership and Business Growth Wales		
Supported through the European Social Fund		
https://20twentybusinessgrowth.com/		
Income 2017-present: £4,467,452	Forecast income 2023-24: £180,000	Forecast income 2024-25: £0
20Twenty is delivered by Cardiff Metropolitan University's Creative Leadership and Enterprise Centre (CLEC). CLEC has delivered high impact business growth programmes to meet the demand for leadership and management skills in Welsh SMEs working to grow their businesses. The programme offers Chartered Management Institute Executive Programme courses to managers, business owners and Directors in the form of a Postgrad Certificate (PgC), and a Managers & Aspiring Team Leaders CMI Level 4 in Leadership. The programme is up to 80% funded by the European Social Fund through the Welsh Government. Over the years, CLEC has developed a reputation for delivering high impact business growth programmes, with their evidence to the 2021 UK Productivity Commission was quoted at length in the Commission's report. The latest Research Excellence Framework (REF2021) determined CLEC's research impact to be Internationally Excellent.		
Viability and representation to other funders: Although the SPF was intended to replace EU structural funds, it has become apparent there is no opportunity for, or appetite of Local Authorities to continue with high impact business growth programmes such as the 20Twenty, despite the Cardiff Capital Region continuing to highlight a huge demand for leadership and management skills. Without continuation funding, the positive impact of the 20Twenty programme on the Welsh economy will cease and the University will be forced to make redundancies of highly skilled and experienced staff.		

Circular Economy Innovation Communities (CEIC)		
Supported through the European Social Fund		
https://ceicwales.org.uk/		
Income 2017-present: £603,351	Forecast income 2023-24: £60,000	Forecast income 2024-25: £0
Led by Swansea University, the Circular Economy Innovation Communities (CEIC) programme, brings public and third sector organisations across South Wales together to create regional collaborative innovation networks. The core focus of these networks is to co-produce new service solutions that implement Circular Economy principles. CEIC provides a learning programme that enhances these groups' innovation knowledge and skills by applying new tools and techniques to enable their organisations to reduce their carbon footprint, lower costs and enhance service levels. The formal 10-month programme creates Communities of Practice proven to facilitate regional innovation. CEIC has been running for two years and a formal evaluation is due this year.		
Viability and representation to other funders: CEIC diversified to provide a Circular Economy programme to the Welsh SME sector in partnership with Cardiff Council via the Community Renewal Fund. The project - the Cardiff Circular Economy Network – (now completed) created a CE community of practice within the Cardiff Council boundary in collaboration with One Planet Cardiff. It brought businesses and schools together into an experiential learning network where they enhanced process innovation knowledge and the skills to develop clean growth plans. It also 'mapped' CE resources available for business to understand and develop their CE capabilities. The project design, its impact and implications are outlined in a report commissioned by Innovate UK 'Innovation for a		

[Circular Economy](#)'. The Shared Prosperity fund has been explored within Cardiff City Council as a mechanism to continue this collaboration, and an application will be submitted to continue working with the Cardiff SME community. However, the SPF can't support the broader work of the original CEIC programme with public sector organisations, where arguably a huge impact in sustainability can be made due to the large and complex nature of those organisations. This loss of funding will result in Wales missing an opportunity to work give some of its largest organisations the skills and tools to reach sustainability targets.

The CEIC team are also applying to UKRI for research funding.

If no more funding is awarded then the project will no longer be viable.

Marine Energy Engineering Centre of Excellence (MEECE)

Supported by the European Regional Development Fund

<https://www.meece.org.uk/>

Income 2021-present:
£156,434

Forecast income 2023-24:
£0

Forecast income 2024-25:
£0

Led by the Offshore Renewable Energy (ORE) Catapult, the Marine Energy Engineering Centre of Excellence (MEECE) is delivering research, development and demonstration activities to support innovation in the Welsh supply chain, accelerating the commercialisation of the wave, tidal and offshore wind sectors by reducing the cost of energy. Cardiff Metropolitan's role is the mapping of the Welsh supply chain, focussing on resilience and sustainability.

Viability and representation to other funders: MEECE was subject to delays at the beginning, so the team at Cardiff Met prioritised current delivery, with limited time to explore other funding mechanisms. Without further funding this project will not be viable.

KESS2 West Wales and the Valleys and KESS2 East Wales

Supported through the European Social Fund

<https://kess2.ac.uk/>

Income 2017-present:
£2,800,409

Forecast income 2023-24:
£90,000

Forecast income 2024-25:
£0

Knowledge Economy Skills Scholarships (KESS2) is a major pan-Wales operation that facilitates collaborative research projects between companies and organisations with academic expertise in the Welsh Higher Education sector. Led by Bangor University, KESS2 provides PhD and Research Masters scholarships, and involves all the universities in Wales. Following the highly successful KESS project between 2009 and 2014, KESS2 will provide 645 scholarships over the course of 6 years, finishing in December 2023.

Viability and representation to other funders: Continuation of the KESS programme is being explored by Bangor University with multiple funders including UKRI, Welsh Government and the business community. However, nothing has yet been agreed, and any future programmes are likely to be on a significantly smaller scale. Funding via the SPF is unlikely – KESS supports the creation of highly skilled postgraduates with industry-facing experience. While this is of longer-term benefit to Wales, it is unlikely to be an immediate priority for Local Authorities with immediate infrastructure needs. There is also no mechanism within the SPF for multi-jurisdiction collaborative projects such as KESS

and as a result the support for post-graduate research qualifications will be diminished after the cessation of the current programme.

Design for Innovation (D4I) and User Factor

D4I was supported via Interreg Europe and User Factor was supported by Interreg Atlantic Area

<https://projects2014-2020.interregeurope.eu/design4innovation/>
<https://userfactor.eu/>

Income 2017-2022:
£762,744

Forecast income 2023-24:
£0

Forecast income 2024-25:
£0

Both Design4Innovation and User Factor were collaborative projects involving European partners working together to promote design as a tool for user-centred innovation within European SMEs. They enabled Wales to collaborate with international partners in the delivery of design interventions across multiple sectors.

Viability and representation to other funders: Both these projects have ceased in Wales and have not been replaced. Interreg projects use structural funds to support multi-country collaborative projects, and Wales is no longer be eligible as a partner. Staff working on these projects are part of consortia that apply to Horizon Europe and are now working on UKRI or commercially funded projects.

Go Wales

Supported by the European Social Fund

<https://www.gowales.co.uk/main.html>

Income 2017-2022:
£679,902

Forecast income 2023-24:
£0

Forecast income 2024-25:
£0

GO Wales: Achieve through Work Experience operated pan-Wales. It was designed to support the employability of students on higher education courses in Wales and was aimed at young students facing barriers in accessing higher education or work experience and most at risk of not securing employment, education or training when leaving their higher education course. It was funded from 1 April 2016 to 31 October 2022.

Viability and representation to other funders: GO Wales has been rebranded and is funded by HEFCW and the Welsh Government.

Question

Have you or do you intend to apply for funds from the UK Shared Prosperity Fund? If you have not applied, could you please explain why not?

As a Higher Education Institution, Cardiff Metropolitan University is not eligible to apply directly for SPF funds. Many of our previous structural funded projects focussed on regional or pan-Wales interventions benefitting Welsh business and Welsh communities. The provision for these larger strategic, long-term projects that Cardiff Met has a proven history of delivering is absent from the SPF.

Question

Do you anticipate receiving funds from the UK Shared Prosperity Fund?

Cardiff Met will apply for some discrete projects via the Shared Prosperity fund – however this fund is not a suitable replacement for Structural Funds both due to the scarcity of the funding and the set-up which deprioritises R&D projects in favour of imminent infrastructure needs. Councils and local authorities are unfamiliar with the benefit of R&D projects in comparison to infrastructure issues.

By 2024 our income from Structural funds since 2017 will be £20.5M. We expect any replacement projects via the SPF to be worth less than £100k over several years, with the net result being a considerable skills drain in Wales and less opportunity for Welsh business and citizens to benefit from R&D projects.

Question

Does there need to be wider reforms to the UK Shared Prosperity Fund, including how money from it is allocated?

We believe there should be reforms to the UKSPF and its delivery in Wales.

Universities, colleges, the third sector and businesses have been shut out of directly accessing funding. Welsh HEIs have a strong history of leading ESF projects and delivering them in line with targets, with demonstrable benefit to the Welsh economy. The removal of the ability to continue this will have negative economic and social consequences for Wales.

The UK SPF as it stands does not respect the devolution settlement – economic development is devolved and WG strategic priorities are very different to those of the UK Government, so we also fear duplication. Furthermore, from our experience of Structural Funds we believe that longer funding cycles enable more effective projects to be run, and that if the SPF were to operate over a longer time period - for example 5 years - then any interventions or projects could be planned and budgeted more effectively. Short term projects don't have the time to mobilise effectively or allow effective monitoring and evaluation.

The UK SPF is established by regional needs and priorities, making large, strategic and collaborative projects unfeasible. Previous pan-Wales projects of this nature supported by Structural Funds have been extremely successful. Project Helix is an excellent example, showing how three expert centres in different parts of Wales can work together to deliver something that has had a truly remarkable effect on a whole Welsh industry sector.

Finally, as only Local Government can apply, there is risk - which are already seeing materialise - that Local Government will prioritise SPF spend on imminent needs. This coupled with the scarcity of funding will lead to infrastructure projects being prioritised ahead of research, development, and innovation, in direct contrast with the UK Government's R&D Roadmap.

Question

Universities UK has called for "bridging funding". What are they bridging to?

Universities UK have requested bridging funding for existing ESF programmes, to support programmes that were not able to apply for, or did not win, SPF money. This bridging funding would prevent unemployment and a skills drain from Wales whilst an alternative funding source is sought.

Question

What representation have you made to other organisations – UK Government, Welsh Government, UKRI, private sector etc for alternative sources of replacement funding?

Cardiff Met recently joined other Welsh Universities at a ½ day workshop organised by the HEFCW Research Wales Committee which advises Welsh Government. The approaching cliff edge of structural fund withdrawal was prominent in the discussion. Senior staff, including the V-C have recently raised this and other matters with the Minister of State for Wales, who we recently hosted for a visit focused on improving links between Welsh Universities and UKRI. We also work closely with Universities Wales who lobby on these and other matters of interest to the sector. Our PVC for Research and Innovation attended an event in the Houses of Parliament on 7 February organised by Universities Wales and focussed on the impact of the loss of EU Structural Funds on Welsh universities. Invitees to the event included all Welsh MPs, members of the Westminster Levelling Up Committee and the Cabinet Minister for Levelling up, Michael Gove MP.

I trust these responses give the Welsh Affairs Committee the material it requires to proceed. If you require additional information, please don't hesitate to contact me again.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Sheldon Hanton', written in a cursive style.

Professor Sheldon Hanton | Yr Athro Sheldon Hanton
Pro Vice-Chancellor (Research & Innovation) | Dirprwy Is-Ganghellor (Ymchwil ac Arloesi)
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