

Senedd Cymru  
Pwyllgor yr Economi, Masnach a Materion Gwledig  
Cyllid datblygu rhanbarthol wedi'r UE  
RDF10  
Ymateb gan: Prifysgol Abertawe

Welsh Parliament  
Economy, Trade, and Rural Affairs Committee  
Post-EU regional development funding

Evidence from: Swansea University



Swansea University: Consultation response to the [Economy, Trade and Rural Affairs Committee: Post-EU regional development funding](#)

### **How effective were EU Structural Funds at transforming the Welsh economy?**

Swansea University is a research-intensive Higher Education institution which has benefited significantly from EU structural funding. From our perspective, EU Structural Funds have had a significant impact on the Welsh economy.

A reliance on funding sources that are wide in scope and which do not explicitly recognise the importance of RD&I to regional and national economic sustainability will have an attendant impact on overall economic performance.

### **How will the funding that Wales receives from the Shared Prosperity Fund and the tail-off of remaining EU Structural Funds compare to the level of funding that Wales received through Structural Funds while the UK was a member of the EU and any potential funding that could have been received through the next Structural Funds programme?**

As a University we have been working to pivot away from ESIF to alternative sources of R&I funding, meaning that we have had to re-focus efforts on highly competitive funding sources, including UK Government research funding such as UKRI, and from the third and private sectors. We have aimed to capture a bigger share of the available funding from these sources and have been successful in diversifying our research income by increasing the level of UKRI funding we have received over recent years. However, the sheer scale of the available funding differential caused by the cessation of ESIF funding cannot fully be replaced via these alternative sources in the short to medium term.

It is important to recognise that the manner of the funding tail-off also represents a risk to the continuity of research projects which are nearing the end of their ESIF/ERDF funding but which have not yet secured future funding from other sources. Talented staff may only be retained by bridging from ERDF to future awards. We are acutely aware of the limited funding available and the highly competitive nature of the external funding landscape within the UK.

### **Which elements of the two funds have worked well so far, and which have been less effective? What lessons could be learnt from this for the future to maximise the impact of the funds?**

Swansea University has not received any Levelling Up funding as this was directed, by the local authorities in our region, to hyper-local projects. We understand that Levelling Up is not intended as a replacement for the Structural Funds that would have supported research and innovation capacity building, discovery research, and skills. In future, there is a possibility that we may be able to access modest amounts of funding for projects aligned to the initiatives supported by the Levelling Up fund.



The approach to Shared Prosperity Funding (SPF) across our region appears to be working well in terms of local authorities' appetite to engage with Higher Education. The HE sector is integrated with local authorities through Joint Executive Committees and Regional Economic Strategy forums, which enables effective information exchange. Consequently, Swansea University is well positioned to understand local authority priorities for the allocation of Shared Prosperity Funding. The call for projects is currently open and we will submit a number of place-based (not R&D focused) proposals. It remains to be seen what will be funded, recognizing that the funding available is significantly smaller than that on offer under the Structural Funds, and that SPF does not have a focus on research, innovation, R&D, or discovery research (and is therefore not a replacement for ERDF).

In terms of lessons that might be learnt, it will be important to manage the expectations of higher education research communities, emphasizing the focus on the place-based impact of research, and to stress the importance of collaboration and engagement with councils and regional groupings.

**To what extent are the funds successfully identifying and supporting the communities and areas of Wales that are in greatest need? How does the geographical spread of the Shared Prosperity Fund and Levelling Up Fund compare to Structural Funds?**

ESIF was allocated on a regional basis, and delivered at a strategic level across Wales, whereas the UKSPF has been allocated directly to local authorities which limits our ability to draw together large-scale, long-term regional or national projects.

Swansea University will be working with local authorities in order to apply for Shared Prosperity Funding, and we are currently engaging with the recently opened SPF bidding rounds. However, the SFP is different in both scope and scale to ESIF, in that R&I does not feature heavily, is not a priority objective and therefore will only form a modest component of any regional or local bids.

As there is so little emphasis on R&I within SPF, any funding received is likely to be less impactful than had been anticipated. As a University we align closely with the priorities of regional SPF funding and its focus on Community and Place, Supporting Local Business and People and Skills. We are also acutely aware of the funding available to partners outside of the local authorities, once anchor projects have been set up and established. While we are well placed to advise on and add value to the three SPF priority areas, as a university we recognise that there is insufficient allocation to support our RD&I and international ambitions. We acknowledge that any SPF funding allocated to our University will be relatively modest and will therefore be more focussed on feasibility/concept proving rather than the transformative capacity building which the large-scale, discovery-focused ESIF funding streams supported.

ESIF was allocated directly to Wales on the basis of socioeconomic need and included explicit support for Research and Innovation activity. Going forward, replacement funding will be provided at UK and



Welsh Government level but the way in which new programmes, such as the Shared Prosperity Fund, have been designed means that research and innovation no longer form part of the core objectives of these funding programmes. This, coupled with the hyper-local funding mechanism routed through local authorities, represents a significant step change and will have a deleterious effect on Wales's ability to undertake the large-scale, ambitious and often pan-Wales research projects which ESIF supported, and which enabled our research and innovation sector to thrive.

### **What types of interventions are being delivered and designed through the Shared Prosperity Fund, and to what extent do these differ from those delivered through Structural Funds?**

No interventions have been delivered through the Shared Prosperity Fund as yet. From an HE perspective, the programme encourages delivery of locally/regionally impactful outputs through applying research to regional needs. Projects proposed by Swansea University are relatively small-scale, place-based, civic mission, entrepreneurship and skills-based initiatives and as such do not support new research and development projects. Some of these projects may previously have been eligible for European Social Fund support (albeit at larger scale); SPF does not support research and innovation capacity building, as was the case with ERDF funding.

### **How helpful are the processes and timescales set by the UK Government for the funds in supporting local authorities and regions to achieve their intended outcomes?**

While we realise that timescales are tight and that new processes have had to be developed in relatively short order, the establishment of regional economic development boards has supported information flows. We also appreciate that this is the first round of SPF and that all parties are adapting to a new set of processes which are different to the approach adopted by the EU with its Structural Funds. We assume that future funding rounds will be more structured and efficient, with details shared well in advance of deadlines to enable and engender collaboration within regions. We also note that SPF and Levelling Up do not encourage pan-regional collaboration; there appear to be no incentives for local authorities to come together to develop mutually beneficial projects across a greater geographical area.

### **How effectively are the different levels of governance in Wales working together in relation to these funds?**

We would suggest that the different levels of governance in Wales could improve how they work together in relation to delivery of Levelling Up and Shared Prosperity Funds. Funding decisions are taken by local authorities in isolation and without (e.g.) Welsh Government oversight. Welsh Government previously took a pan-Wales strategic view in respect of the allocation of Structural Funds, enabling funding to be targeted strategically and in support of the nation's broader key



economic, infrastructure, health and skills priorities. This macro-view and the proven processes for allocating and monitoring funding have been lost in devolving funding decisions to local authorities, who are focused on meeting specific, local needs. The result is that funding tends to be targeted towards local projects that are identified as meeting local authority objectives and need, which by their nature have an understandably limited regional and national impact. Governance is effectively devolved to local authorities, leading to local projects that do not encourage scale. Our concern is that this approach will reduce the impact of the funding available and will encourage a siloed approach to regional development.

### **What challenges and opportunities do these funding streams provide for organisations who received Structural Funds?**

The UK Shared Prosperity Fund does not provide direct replacement funding, as it has a wider remit than research and innovation and the scale of the funding available to all applicants is significantly reduced. Moreover, the funding and delivery mechanism for UKSPF (through local authorities, in line with hyper-local need) will make it challenging for universities to access this funding. The Community Renewal Fund operated as a precursor to the UK SPF and focused on skills, business, employment and investment in communities.

### **How is the Multiply programme developing across different parts of Wales? What are the potential barriers and opportunities in relation to delivering this programme?**

Multiply is the last programme to be implemented by the local authorities. The programme is focussed on post-19 skills, and generally at a lower level to that in which Higher Education tends to operate. There are opportunities for our University to collaborate with Further Education providers in the region but, with regard to the Multiply programme, partnerships are nascent and the future direction of Swansea University's involvement with Multiply is currently unclear (Swansea University already delivers outreach and mathematics programmes in schools, and has limited reach for post-19, non-University provision).