



## RECORD OF DELEGATED OFFICER DECISION

Key Decision ✓

### **SUBJECT:**

Coed Ely Development, Tonyrefail – Offer letter received from WEFO, decision sought regarding the acceptance of the offer.

### **PURPOSE OF REPORT:**

In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended officer decision of the Director of Regeneration and Planning as described below;

The purpose of the report is to seek a decision on whether the Council should accept an offer of ERDF grant from the Welsh European Funding Office (WEFO) to support the development of the Coed Ely employment site in Tonyrefail with the provision of new modern business accommodation.

### **DELEGATED DECISION: (DATE)**

It was **AGREED:**

That the Council accepts the offer of £2.58 million ERDF grant from WEFO for the development of modern business accommodation at the Coed Ely- employment site which is subject to meeting the terms and conditions set out in the offer letter dated 20th February 2018.

  
Chief Officer Signature

JANE COOK  
Print Name

28<sup>th</sup> Feb 2018  
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution



**CONSULTATION**

*[Handwritten Signature]*

*28/2/18*

CONSULTEE CABINET MEMBER SIGNATURE

DATE

CONSULTEE OFFICER SIGNATURE (if required)

DATE

**CALL IN PROCEDURE RULES.**

**IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:**

YES      NO

Reason for urgency:.....

*If deemed urgent* - signature of Mayor or Deputy Mayor or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....  
(Mayor)

.....  
(Dated)

**NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.**



FOR CABINET OFFICE USE ONLY

**PUBLICATION & IMPLEMENTATION DATES**

**PUBLICATION**

Publication on the Councils Website:- 28<sup>th</sup> February 2018

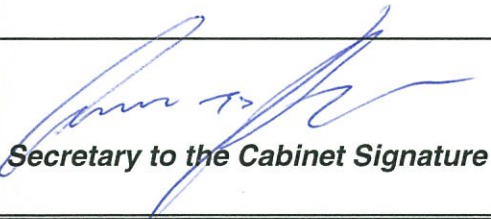
**DATE**

**IMPLEMENTATION OF THE DECISION**

**Note:** This decision will not come into force and may not be implemented until the expiry of 5 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Subject to Call In the implementation date will be 5<sup>th</sup> March 2018.

**DATE**

  
**Secretary to the Cabinet Signature**

CHRISTIAN J J HANAGAN  
**Print Name**

28/2/18  
**Date**



### Further Information

Directorate:	Regeneration and Planning
Contact Name:	Peter Mortimer
Designation:	Funding and Implementation Manager
Tel.No.	01443 490407



## **DELEGATED DECISION**

### **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **REPORT TO ACCOMPANY A DECISION OF DIRECTOR OF REGENERATION AND PLANNING**

**FEBRUARY 2018**

### **COED ELY DEVELOPMENT, TONYREFAIL – OFFER OF EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF), PRIORITY 4, SPECIFIC OBJECTIVE 4**

**AUTHOR: PETER MORTIMER, FUNDING AND IMPLEMENTATION  
MANAGER**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek a decision on whether the Council should accept an offer of ERDF grant from the Welsh European Funding Office (WEFO) to support the development of the Coed Ely employment site in Tonyrefail, with the provision of new modern business accommodation. The project will create a much needed modern new business unit and create new jobs to support economic growth.

#### **2. RECOMMENDATION**

##### **It is recommended that:**

- 2.1 The Council accepts the offer of £2.58 million ERDF grant from WEFO for the development of modern business accommodation at the Coed Ely employment site which is subject to meeting the terms and conditions set out in the offer letter dated 20th February 2018.

#### **3. REASONS FOR RECOMMENDATION**

- 3.1 The Council's Corporate Plan 2016-2020 "The Way Ahead" has building a strong economy as a priority. There is much work being progressed within the Council and partners which supports this priority right across RCT.
- 3.2 It is critical the Council identifies and works towards the delivery of economic growth in those regionally important areas where there is significant potential to create jobs and prosperity across RCT and the wider region.





- 3.3 The development of the Coed Ely site will help to address the urgent need to provide modern business units across the region by developing a key employment site as identified in the Local Development Plan.
- 3.4 Following the formal submission of the project business plan for the Coed Ely Development to WEFO they have now made an offer of £2.58 million ERDF grant to the Council in advance of project milestones that would normally be expected to be in place when a grant offer is made. These include match funding confirmation, planning permission and a costed plan for the management of the facility, following construction. There are special milestone conditions in the offer letter which require the Council to achieve these milestones by particular dates before the project can proceed to construction.
- 3.5 This is in order for WEFO and project sponsors to benefit from the UK Government guarantee that EU funded projects which are approved and have grant committed to them before the UK leaves the EU will have the grant amount honoured if projects incur expenditure up to the end of the current EU Programme period in 2022. This will give financial certainty to projects whatever circumstances develop in terms of Brexit.

#### 4. **BACKGROUND**

- 4.1 £15.8M ERDF has been made available in South East Wales from the EU West Wales and the Valleys Programme under Priority 4, Specific Objective 4: to increase employment through investments in prioritised local or regional infrastructure supporting a regional or urban economic strategy. This investment is for projects where local authorities will play the lead role in delivery.
- 4.2 Of six projects prioritised in South East Wales, there are two projects in Rhondda Cynon Taf – Coed Ely and Robertstown. A key delegated decision was made on 5<sup>th</sup> December 2017 to formally submit the project business plans to WEFO and that a future report should be presented to Cabinet for consideration so that the final cost profile can be reviewed along with the Council's potential match funding contribution.
- 4.3 A WEFO ERDF offer letter for the Coed Ely Development project has now been received for ERDF grant of £2.58 million which will require estimated match funding of £1.35 million, shared between RCT and potentially Welsh Government. As the development land is owned by Welsh Government a Joint Venture Agreement needs to be negotiated, which will also identify the value of Welsh Government contribution to match funding the project. As set out above, the offer is unusual in that it is made in advance of project milestones that would normally be required to be in place before a grant offer, due to the UK Government funding guarantee linked to Brexit.



There are special milestone conditions in the offer letter which require the Council to achieve these by particular dates before the project can proceed to construction. This means that there will be a risk of the Council losing the ERDF grant and the project not going ahead should the conditions not be met.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 An Equality Impact Assessment (EqIA) screening form has been undertaken. It has been established that a full report is not required at this time. Further information may be required during project implementation.

## **6. CONSULTATION**

- 6.1 Detailed discussions have taken place with all relevant service areas within the Council. Finance, Legal Services and Procurement have been consulted.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 This project is now subject to a WEFO ERDF offer as set out in their letter of 20<sup>th</sup> February 2018. The offer is for £2.58 million of ERDF grant which will require estimated match funding of £1.35 million. One of the special milestone conditions in the offer letter states that the Council must confirm its match funding contribution by 31<sup>st</sup> December 2018.
- 7.2 Acceptance of this offer does not commit the Council to any match funding contribution at this stage, however it does secure the ERDF grant offer. Costs incurred relating to the development of the project will be met from existing resources.
- 7.3 The Council's match funding contribution will therefore be determined as part of the project development process and a further Cabinet Report will be prepared once final costs and match funding sources have been identified.

## **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 There are no legal implications arising from these proposals at this stage but there will be legal and contractual details that will need to be determined as the Business Plan development progresses and will be subject to a further Report. However, it will be necessary to ensure that the projects are developed in accordance with WEFO guidance and meet the terms and conditions of the WEFO offer letter.



## 9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES/ SIP.

- 9.1 The successful development of the Coed Ely Development site will contribute to the Building a Strong Economy priority within the Corporate Plan.

## 10. CONCLUSION

- 10.1 This report outlines the circumstances under which WEFO has offered the Council an ERDF grant for the Coed Ely Development, Tonyrefail employment site including the special milestone conditions which will apply if the offer is accepted which are linked to the UK Government Brexit funding guarantee. The report recommends that in these circumstances the grant is accepted.