



Llywodraeth Cymru  
Welsh Government

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# Ports Development Fund

## Grant and application form guidance – Updated July 2017

### Introduction

1. This document provides supporting guidance for applications for the Welsh Government's Ports Development Fund. It has been updated following changes to include maritime and inland ports infrastructure within the General Block Exemption Regulations (GBER) for State Aid.

### Strategic Context

2. The Welsh Government sees ports in Wales as key partners in delivering the objectives set out under its Programme for Government 'Taking Wales Forward'<sup>1</sup>. We are looking forward the partnership being strengthened in the light of the devolution of port functions to the Welsh Ministers under the Wales Act 2017.<sup>2</sup>
3. Devolution will allow Wales to maximise and streamline maritime economic opportunities. We will be able to connect policy and support for Welsh ports with existing, and future, devolved responsibilities and plans – for example on energy and tourism. The port provisions under the Wales Act are scheduled to come into force from April 2018.
4. Welsh ports already play a key role in supporting a prosperous, united, secure and connected Wales by promoting economic growth and job opportunities and ensuring Wales is internationally and sustainably connected for both the transport of people and goods. They are significant national players servicing a range of markets and make an important contribution to our economy, directly and indirectly, acting as a gateway to economic hubs in the Republic of Ireland, the rest of Europe and the world. Wales' share of GB port traffic, at around 12%, is over twice our population share.

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<sup>1</sup> <http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf>

<sup>2</sup> [http://www.legislation.gov.uk/ukpga/2017/4/pdfs/ukpga\\_20170004\\_en.pdf](http://www.legislation.gov.uk/ukpga/2017/4/pdfs/ukpga_20170004_en.pdf)

5. Looking to the future, Welsh ports represent a unique driving force for improving economic wealth and growing jobs at a national, regional and local level within Wales. There is significant potential to add value to their role in connecting people, goods and materials - acting as hubs for a diverse maritime economy through the sustainable co-location of commercial, industrial, logistic, tourist and fishing activities.

### **Purpose of the Ports Development Fund**

6. The purpose of the fund is to support ports in Wales contribute to the commitments in 'Taking Wales Forward'.
7. Welsh ports have an important role to play in supporting a number of key commitments within this Programme for Government. These include
  - promoting Wales for investment from within the UK and around the world, and helping stimulate exports to new and existing markets
  - promoting Green Growth to create sustainable jobs for the future
  - supporting the development of more renewable energy projects
  - supporting the development of Wales' tourism businesses

### **Objectives of the Ports Development Fund**

8. Project proposals will need to support the above commitments by supporting **at least one** of the following
  - promoting streamlined and sustainable intermodal freight systems, including short sea shipping, and the value added processes that intermodal interchanges can attract port-side such as manufacturing, assembly, warehousing, distribution
  - developing new and maximising existing tourism opportunities within the context of the Welsh Government's Tourism Strategy 'Partnership for Growth' which aims to grow tourism earnings in Wales by 10% or more by 2020<sup>3</sup>
  - supporting renewable and low carbon energy installations, both at construction and operational stages
  - protecting and enhancing the environment, including reducing carbon emissions

### **Amount and length of fund**

9. A total of £2 million is available for project activity completed in financial year 2017-18. Approximately £1.4 million is for revenue projects and £0.6 million for capital projects. We want a wide range of ports throughout Wales to be given the opportunity to benefit from the fund.
10. We expect projects if successful to be delivered fully within FY2017-18, and therefore by 31 March 2018. If the project is forecasted to run beyond this period, you must supply a detailed breakdown of costs against timelines, showing which elements are to be funded using the grant if successful. We would consider signing

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<sup>3</sup> <http://gov.wales/docs/drah/publications/Tourism/130613partnershipforgrowthen.pdf>

off the completed activity on this basis, whilst continuing to monitor the overall project to ensure the deliverables are met.

## Consents

11. If you are applying for capital funding for a project that requires statutory consents or licences to proceed, they will need to be in place in time for the elements to be funded by grant to be completed by 31 March 2017.

## Eligibility and funding criteria

### Who can apply:

12. Applications can be received from
  - any port in Wales can apply for a capital or revenue grant, whether publicly or privately owned or a trust port and whether acting individually or in partnership with another port/ports
  - the Welsh Ports Group, which represents the ports sector in Wales, can apply for a revenue grant on behalf of the sector
13. Private and trust port sector applicants will need to be financially viable with a satisfactory balance sheet based on three years of financial accounts.

### What can be funded

14. Due to State Aid rules, funding for both revenue and capital elements of the grant can be legally provided under 2 different mechanisms
  - a. **De minimis** can apply for projects whereby the limit of €200,000 (two hundred thousand euros) in de minimis aid from all sources will not be breached by the applicant organisation over a 3-year funding period as a result of this project.
  - b. The **General Block Exemption Regulation** for State Aid - specifically the July 2017 extension which allows the provision of aid for Maritime and Inland Ports infrastructure within a certain criteria.
15. If applying for de minimis, support up to of €200,000 may be granted as long as it does not breach the recipient's threshold when cumulated with any de minimis received during the current and previous two fiscal years from all sources. If applying under the GBER articles on support for maritime and inland ports infrastructure, the limits set out in the regulation and detailed later in this guidance will apply.
16. Up to 100% funding is available for eligible projects. However projects with match funding will be scored more favourably as part of the assessment criteria.
17. The following types of activity and work will be considered (this is not an exhaustive list)

### Revenue

- master planning, feasibility study and business case activity
- strategic research and development, including future market trends

- marketing and promotion

#### Capital

- improvements to infrastructure within a port

### **What cannot be funded**

18. Funding will not be available for

- Projects which do not meet the criteria of either De Minimis regulations or GBER
- Activities which fall outside of the grant funding timescale (up to 31 March 2018)

### **De Minimis funding**

19. Under EC Regulation 1407/2013 (de minimis Aid Regulation) you will need to declare this funding to any other aid awarding body who requests information from you. de minimis aid includes not only grant awards but also assistance such as free or subsidised services such as marketing advice, and tax reductions such as business rate relief. If you are in any doubt about whether previous assistance received is classed as de minimis aid please include it.
20. You should not only include de minimis aid that you have received in the current and previous two fiscal years but also that of any company or organisation linked to you. Linked enterprises are any having at least one of the following relationships with each other
- one enterprise has a majority of the shareholders' or members' voting rights in another enterprise
  - one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise
  - one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association
  - one enterprise, which is a shareholder in or a member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise

### **Please ensure you have completed and signed the funding statement in question 15 of the application form confirming your eligibility for support.**

21. Please note that if the de minimis funding you have received in the current and previous two fiscal years plus this grant (if successful) means you exceed the threshold of €200,000 then we will not be able to provide you with support and you will be responsible for any action as a result, including repayment of the support you have received, potentially with compound interest backdated to the point of award.
22. Further information about the de minimis regulation can be found on the Welsh Government's website:  
<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

23. You may also find it useful to read the full text of the regulation on the European Commission Competition website:

[http://ec.europa.eu/competition/state\\_aid/legislation/de\\_minimis\\_regulation\\_en.pdf](http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf)

### **General Block Exemption Regulations for State Aid – Extension to Ports Infrastructure**

24. Under Regulation EU 2017/1084 (GBER extension), funding for maritime and inland ports can be provided without notification requirements so long as the conditions set out in this section are fulfilled.
25. You must ensure the funding applied for is for the costs, including planning costs of:
- investments for the construction, replacement or upgrade of port infrastructures;
  - investments for the construction, replacement or upgrade of access infrastructure;
  - dredging.
26. You must ensure that the costs are related to transport-activities. Non-transport related activities, including industrial production facilities active in a port, offices or shops, as well as for port superstructures will not be eligible for funding under GBER.
27. You must ensure the amount of funding applied for does not exceed the difference between the costs and the operating profit of the investment or dredging. The operating profit should be deducted from the costs based on forecasts, on the basis of reasonable projections, or through a claw-back mechanism.
28. You must ensure the funding applied for does not exceed:
- 100 % of the eligible costs where total eligible costs of the project are up to EUR 20 million;
  - 80 % of the eligible costs where total eligible costs of the project are above EUR 20 million and up to EUR 50 million;
  - 60 % of the eligible costs where total eligible costs of the project are above EUR 50 million
29. You may find it helpful to review the full text of the regulation on the European Commission website: <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1497952641554&uri=CELEX:32017R1084>

### **The Well-being of Future Generations (Wales) Act 2015**

30. This Act became law in Wales on 29 April 2015 and strengthens existing governance arrangements for improving the well-being of Wales to ensure that present needs are met without compromising the ability of future generations to meet their own needs.
31. The Act places a duty on listed public bodies to carry out sustainable development and in so doing, work to achieve all of the seven well-being goals set out in the Act.

### **Well-being Goals**

Goal	Description
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A prosperous Wales	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work
A resilient Wales	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
A healthier Wales	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation
A globally responsible Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

32. How a project promotes the well-being goals is included in the assessment criteria.

## Collaboration

33. The Well-being of Future Generations (Wales) Act also establishes the Sustainable Development Principle which is designed to help achieve the seven well-being goals. This focuses on the '5 Ways of Working'

- **Long-term thinking** - balancing short-term needs with safeguards to meet long-term needs
- **Prevention** - actions to prevent problems getting worse
- **Integration** - considering how your objectives may impact on those of others
- **Collaboration** - Working with other bodies (which may include third sector organisations) that can help you meet your goals

- **Involvement** - involving people and communities with an interest in helping you meet your objectives, and reflecting the diversity of the people in your area

34. The extent to which projects reflect the '5 Ways of Working' is a part of the assessment criteria, including whether they are collaborative ventures of two or more ports, or projects that have benefits that could be transferable to other ports.

### **Welsh Language Standards requirement**

35. The Welsh Government has a duty to promote and facilitate the use of the Welsh language in accordance with section 78 of the Government of Wales Act 2006.

36. In addition the Welsh Language Standards legally require the Welsh Government to produce and publish a policy (or amend an existing policy) on awarding funding which requires us to consider how grant decisions could be taken or implemented so that it would have positive effects, or increased positive effects on opportunities for persons to use the language and treating the language no less favourable than English.

37. To meet these requirements, the language conditions for the Ports Development Fund will be broadly consistent with the standards the Welsh Government is required to comply with in relation to its own activities.

As a minimum, this means that any plan or report must be produced bilingually and any marketing material or activity should be bilingual unless targeting audiences outside of Wales only.

38. In respect of capital funding, upon project completion a permanent bilingual sign or plaque must be erected, formally acknowledging the involvement of the Welsh Government. Further branding guidance will be provided in the award of funding offer.

39. Applicants may wish to seek early advice from the Welsh Government regarding the bilingual requirements to ensure that all relevant aspects have been costed and included in their proposals.

### **Publicity**

40. All funded work will need to adhere to the following grant offer conditions

- you will need to acknowledge our support on all material produced and infrastructure improvements; in a form approved by us
- you agree that from the date of award of funding until 5 years from the date of the final payment of funding we may include details in Welsh Government materials about your organisation, the funding and the purposes and you agree to our reasonable requests to achieve the production of such materials

41. Individual branding requirements will be set out in the award of funding offer if successful.

## Data Protection Privacy Statement:

42. Welsh Government is the Data Controller for any information you provide. Full details of our privacy policy can be found at <https://businesswales.gov.wales/privacy>

## Application Process

43. The deadline for receiving applications is **08 September 2017**.

44. The eligible funding period will cover the date of approval on the offer letter until 31<sup>st</sup> March 2018.

45. Applicants will need to answer all sections of the application form and include full financial details and planned payment schedules.

46. Application forms should be submitted via to : EST-PPPMailbox@wales.gsi.gov.uk or in the post to:

Ports Policy Team  
Welsh Government  
2<sup>nd</sup> Floor South  
Cathay's Park – 2  
CF10 3NQ

47. Advice on eligibility and funding priorities. Advice and guidance is available via the Ports Development Fund Managers, who you can contact via email at:

Julia Williams – [julia.williams@wales.gsi.gov.uk](mailto:julia.williams@wales.gsi.gov.uk)  
Matt Edwards – [matt.edwards@wales.gsi.gov.uk](mailto:matt.edwards@wales.gsi.gov.uk)

48. We expect to notify you of a decision in September.

## Claim Schedule

49. Please give a planned payment schedule for the complete funding period for your project between April 2017–March 2018.

50. Spend and claim profile should reflect spend and activity outlined in Question 6: Project Plan and Delivery.

## Project Appraisal

51. All projects will be appraised in two stages:

- First stage – checks will be undertaken to ensure that all eligibility criteria have been met. Applications/ projects that do not meet all of the eligibility checks will be rejected
- Second stage – applications that have met all the eligibility criteria will be appraised according to the appraisal criteria attached by an assessment panel. Projects achieving the highest scores will be awarded funding

*The Eligibility and Appraisal criteria are listed in full see Annex 1*

## **Project Approval**

52. The approval process will be as follows

- all assessed proposals will be submitted to the Welsh Ministers for consideration
- following Ministerial consideration, applicants will be informed of the final decision and offer letters will be issued to successful applicants
- offer letters will need to be signed and counter-signed with two signatories and have one copy returned to Welsh Government before project initiation

## **Appeals**

53. The Ports Development Fund is a discretionary fund with no set appeals process. Unsuccessful applications will be notified following an assessment panel decision and provided feedback on their application.

## **Claim, Payment and Monitoring**

54. If your application is successful

- payment conditions need to be met as set out in the Offer Letter schedule
- the funding will be paid on evidence and completion of activity on receipt of an invoice and claim form by end of March 2018
- claim schedules and profiled spend will be set out as an agreement in the offer letter. The Welsh Government reserves the right to review the award of funding if agreed funding schedules are not met.
- claim forms can be submitted electronically but claims will not be processed until full evidence has been submitted and is assessed
- once approved, payment will be made within 4 working days
- progress reports must be submitted at 3 monthly intervals from the date the offer of funding is accepted, whether or not a claim is made at the same time

## **Post Completion Monitoring**

55. Delivery and achievement against agreed outputs will continue to be recorded for up to 6 months following completion of the project.

## Annex 1 – Evaluation and Appraisal

Applications will first be assessed against the following eligibility criteria. Projects that do not meet the eligibility criteria will be automatically rejected and will not proceed to the appraisal stage

<b>Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>The project must be delivered within the appropriate timescale by 31 March 2018</li> <li>Each bid must have identified a lead organisation</li> <li>Private sector and trust port applicants must be financially viable with a satisfactory balance sheet based on three years of financial accounts</li> <li>If applying under <b>de minimis</b>: Lead applicant and any partners must not have exceeded the de minimis threshold</li> <li>If applying under <b>GBER</b>: Applications must demonstrate how they meet the GBER criteria</li> </ul>
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### Appraisal Criteria

	<b>Appraisal Criteria</b>	<b>Weighting</b>	<b>Score</b>
1	<b>Strategic Fit</b> <ul style="list-style-type: none"> <li>Fit with the commitments in 'Taking Wales Forward'</li> <li>Fit with the purpose and objectives of the Ports Development Fund</li> <li>Fit with the goals and principles of the Well-being of Future Generations (Wales) Act</li> </ul>	x 10	/5
2	<b>Project quality</b> <ul style="list-style-type: none"> <li>Overall quality of application and description of proposal</li> <li>Benefit and impact</li> </ul>	x 5	/5
3.	<b>Evidence of Need</b> <ul style="list-style-type: none"> <li>Reasons for undertaking the activity and evidence provided</li> </ul>	x 10	/5
4.	<b>Risks, Project Implementation and Delivery</b> Quality of information provided for <ul style="list-style-type: none"> <li>Risk assessment for project, funding and for Welsh Government</li> <li>Project delivery arrangements</li> </ul>	x 10	/5
5.	<b>Project deliverables</b> <ul style="list-style-type: none"> <li>Quality of project targets</li> <li>Outputs &amp; deliverables used to measure the success of the project</li> <li>Information on how these will be measured</li> </ul>	x 5	/5
6.	<b>Project Costs and Value for Money</b> <ul style="list-style-type: none"> <li>Overall proposal represents value for money</li> <li>Activity/work and associated costs represent realistic and best value quotes</li> <li>Expected benefits are proportionate with costs</li> <li>Any staff costs are proportionate and competitive</li> <li>Good evidence provided for exit strategy and long term sustainability and impact of proposal</li> <li>Additionality</li> </ul>	x 10	/5

**Each criterion will be scored out of 5. Half marks can be given.**

The scores indicate the following with respect to the criterion under examination:

*0 - The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information*

*1 - Very poor. The criterion is addressed in a cursory and unsatisfactory manner*

*2 - Poor. There are serious inherent weaknesses in relation to the criterion in question*

*3 - Fair. While the proposal broadly addresses the criterion, there are significant weaknesses that would need correcting*

*4 - Good. The proposal addresses the criterion well, although certain improvements are possible*

*5 - Excellent. The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor*