Yorkshire and the Humber
European Regional Development Fund
Competitiveness Programme 2007-13
Call for Reserve List projects – Priorities 1 to 4
1st August 2013 to 13th December 2013
Prospectus and call for proposals
1. Introduction

The Yorkshire and the Humber 2007-13 European Regional Development Fund (ERDF) Competitiveness Programme (the Programme) is actively supporting business development, innovation and enterprise and promoting economic development to encourage local growth and create jobs.

A significant proportion of the total Programme allocation is now legally committed with over 100 live projects delivering activity across Yorkshire and the Humber. Further proposals are currently completing the application and approval process.

Funding from the 2007-2013 Programme must be legally committed by 31st December 2013 and defrayed by 30th June 2015. Unspent funds at the end of the Programme period will be returned to the European Commission and ensuring that the full Programme allocation is committed to growth focused projects is therefore a key priority for the Programme and its interested parties.

Combined, the committed and pipeline projects currently have the potential to fully utilise the Programme allocation. However, the following factors could lead to additional resources becoming available:

- Exchange rate fluctuations leading to an increase in the Programme value
- Pipeline projects not completing the application and approval process successfully
- Committed projects not spending their full ERDF allocation
- ERDF being de-committed from under-performing projects and made available for re-allocation

To avoid returning resources to the European Commission and maximise the potential for the Programme to utilise any ERDF that becomes available as a result of the above, the ERDF Programme’s Local Management Committee is inviting the submission of project proposals to support the delivery of the objectives, outputs, results and impacts of Priorities 1, 2, 3 and 4 of the Programme.

This call will open on 1st August 2013 and will close at 17:00 on 13th December 2013.

Proposals submitted and accepted will secure reserve status and progress to contract only if additional resources become available. Applicants should therefore be aware that development work will be at the applicant’s own risk and there can be no guarantee of funding until a signed Funding Agreement has been executed by both parties.

In order to avoid abortive work any potential applicants are advised to discuss proposals with the DCLG Growth Delivery Team in advance of any formal submission. The Team will provide advice on eligibility and suitability of the proposals. Contact details are provided at section 2 below.

Due to the Programme timescales with regard to committing and spending ERDF resources it is essential that proposals are able to complete the application process,
begin activity and deliver outputs and results in a very short timeframe, therefore, only projects that are well developed, appraisal ready and fully meet all the criteria below should be submitted. Speculative proposals will not be considered. **Should additional resources be identified**, proposals in the relevant Priority and geography will then be assessed in a competitive process against the selection criteria detailed in section 4. Proposals meeting the criteria will be considered and selected to progress to full application stage by the Performance Management Board(s) subject to resource availability. Details of the process are in section 3.

The details of this Call and Prospectus may be amended at any time at the discretion of the Growth Delivery Team and Local Management Committee.

National and local guidance from DCLG can be found on the Government website: [https://www.gov.uk/erdf-national-guidance#erdf-forms](https://www.gov.uk/erdf-national-guidance#erdf-forms)

Full links to other documents referred to in this prospectus can be found in section 6.

2. **Scope of the Prospectus & Call**

This call is for proposals to be included on a reserve list. Projects from the reserve list will only be funded should appropriate additional resources be identified.

This prospectus should be read in conjunction with the revised 2007-13 ERDF Operational Programme adopted by the European Commission in April 2013, which sets out the justification and rationale for the prioritisation of ERDF investment.

Applicants should also consider the National ERDF Eligibility Rules and the National ERDF Handbook.

**This call covers all activities within Priorities 1, 2, 3 and 4:**

- Priority 1 – Promoting innovation and R&D
- Priority 2 – Supporting and stimulating successful enterprises
- Priority 3 – Sustainable Communities
- Priority 4 – Economic Infrastructure for a competitive economy (South Yorkshire only)

The annexes provide details of the eligible activities requested under each Priority and further details relevant to applications in each Priority.

Projects may be focussed on either revenue investment (i.e. the provision of services), or capital investment (i.e. investment in physical assets) or a combination of capital and revenue activity.
3. Process

Due to the limited time left in the Programme to commit and spend ERDF resources it is essential that proposals are genuinely at an advanced stage of development and therefore able to move to contract quickly. It has therefore been necessary to employ a process that only allows a short period for applicants to respond to this Call and Prospectus.

Step 1 – Contact the DCLG Priority Lead

Applicants should speak to the relevant Priority lead below to discuss the viability of their proposal before preparing an application:

- **Priority 1 – Craig Wallace**
  0303 4446620  
  Craig.Wallace@Communities.gsi.gov.uk

- **Priority 2 – Tony Moan**
  0303 4446620  
  Tony.Moan@Communities.gsi.gov.uk

- **Priority 3 – Graham Pearce**
  0303 4446623  
  Graham.Pearce@Communities.gsi.gov.uk

- **Priority 4 – John Boanas**
  0303 4446647  
  John.Boanas@Communities.gsi.gov.uk

It is strongly recommended that all applicants complete this step to avoid abortive work on proposals which do not fit with the objectives of the Programme or criteria of this Call.

Step 2 – Complete the ERDF Outline Application Form and annex.

Applications must be made on the ERDF Outline Application Form and the Deliverables, costs and funding annex available to download from the Government website:


It is the responsibility of the applicant to read the guidance notes carefully and submit all the relevant information requested.

Email completed applications to YH.ERDFenquiries@communities.gsi.gov.uk
The call will remain open from 1st August 2013 until 17:00 on 13th December 2013.

Project proposals may be submitted to the ERDF Growth Delivery Team at any time up until the close of the call.

The following steps will only be taken if additional ERDF resources are identified. Until that point no action will be taken by the DCLG Growth Delivery Team.

### Step 3 – Outline application assessment

**Should additional resources be identified,** proposals that deliver in the appropriate Priority or geographic area will be assessed in a competitive process against the criteria set out in section 4.

Partners are advised that applications that miss the deadline, do not fully meet the requirements, or present applications that are incomplete or contain insufficient or poor quality information, will not be included in this process.

Any proposals which could be considered ‘novel or contentious’ may be subject to further dialogue with central DCLG policy teams and/or the European Commission.

The assessment will result in a recommendation to the Performance Management Board on whether the project should be selected for further development.

### Step 4 – Performance Management Board endorsement

The Performance Management Boards will consider and endorse the recommendations from the assessments in a competitive process and **subject to resource availability.** Successful projects will be selected on to the Programme and invited to submit a full application.

Project applicants will be notified of the decision relating to their project by letter. The decision of the Performance Management Board(s) will be final.

**Selection on to the Programme at this stage is not a guarantee of funding.** Projects failing to demonstrate a robust case for ERDF investment or failing to meet ERDF selection criteria at full application stage will result in automatic de-selection. Failure to submit requested information within given timescales will also result in automatic de-selection.

If selected by the Performance Management Board the application will be invited to submit a full application in line with the standard procedure.

### 4. Criteria

**If and when additional resources are identified,** proposals will be assessed against the criteria set out below. Given the Programme lifecycle stage, project
selection will be weighted heavily towards deliverability criteria. Value for money will also carry additional weighting.

4.1 Eligibility Criteria

1. Proposed activities and expenditure are eligible for ERDF support (see National ERDF Eligibility Rules and the National ERDF Handbook for further details).

2. ERDF investment is compliant with State Aid regulations.

3. Projects demonstrate additionality.

4. ERDF is a ‘gap-funder’. This means that ERDF investment is limited to the minimum amount required to ensure the project can proceed. Potential applicants should be aware that other sources of commercial or public funding should have been considered and where projects will generate income e.g. from charges to beneficiaries, ERDF funding may be reduced to take account of future income. ERDF grant may be recovered if future income exceeds the original estimates

4.2 Strategic Fit criteria

1. Projects can demonstrate a clear strategic fit with the Operational Programme and deliver against the objectives and actions detailed in chapter 4 (summarised in the annex to this document).

2. Projects are consistent with the priorities of Yorkshire and The Humber’s Local Enterprise Partnership(s). Further details on Local Enterprise Partnerships can be found at the LEP Network website.

3. Projects are consistent with Government strategies and policies relevant to the Priority and activity area and the following over-arching Government strategies:
   - The Government’s Plan for Growth
   - The Government’s approach to sub-national economic development ‘Local Growth: Realising every place’s potential’; and the maximisation of opportunities provided through other Government policy instruments e.g. Enterprise Zones and powers granted under the Localism Act.


4.3 Deliverability Criteria

1. Projects are at a mature stage of development and can achieve:
   - a financial completion date of 30th September 2015
   - a targets completion date of September 30th 2015.
2. Capital projects will have RIBA Stage D costs by the point of submission of a full ERDF application and will obtain full planning consent by the point of issue of the Funding Agreement.

2. Projects can demonstrate that the required match funding is secured or at a significantly advanced stage and will be secured at the point of submission of a full ERDF application.

3. Projects can clearly demonstrate market demand for the project offering.

Deliverability considerations will be key to project selection.

4.4 Value for Money Criteria

1. Projects can demonstrate strong value for money, making a proportionate contribution towards the achievement of programme output, result and impact targets and success criteria. Emphasis will be placed on delivery of:
   - Gross new jobs created
   - Gross increase in Gross Value Added
   - New businesses created

Further details of outputs and results are set out in the Priority appendices and full details of the Yorkshire & Humber ERDF Programme outputs and results are published in the Operational Programme. Definitions can be found on the Government website.

4.5 Mandatory ERDF requirements

1. Potential applicants must comply with stringent EU regulatory requirements on:
   - Eligibility;
   - Tendering and procurement rules;
   - State aid
   - Match funding;
   - Record keeping;
   - Document retention until, at least, 2025;
   - Financial and output monitoring and reporting requirements;
   - EU Information and publicity requirements;

Please see the guidance available on the DCLG website.
The track record of applicants in meeting these requirements will be taken into consideration in the assessment of proposals.

4.6 Integration of Cross Cutting Themes:

1. Projects must integrate the themes of equal opportunities and environmental sustainability in an appropriate and meaningful way. Projects will be assessed on the extent to which they demonstrate
appropriate integration of these themes in their design and implementation.

- **Equal Opportunities**: Projects should demonstrate a meaningful integration of equal opportunities issues including where appropriate positive activities to ensure equality of access and opportunity.
- **Environmental Sustainability**: Projects should demonstrate a commitment to minimise negative environmental impacts and maximise the integration of environmental sustainability.

Additional criteria relevant to specific priorities or activity areas, intervention rates and minimum application thresholds are detailed in the Priority Annexes.

Project applicants are reminded of the importance of procurement compliance when developing a proposal. **Procurement irregularities present a major risk to projects and the overall performance of the Programme.** It is the responsibility of the project applicant to ensure adherence to the regulations. The ERDF Growth Delivery Team will rigorously scrutinise procurement arrangements on all ERDF projects. Applicants must be able to demonstrate and provide evidence that all procurement is undertaken in accordance with public procurement regulations. Applicants are advised to read the [National Publicity Requirements](#).

### 5. Eligible Applicants

The Programme is aimed at intermediary bodies that will use ERDF investment to work with existing businesses or potential entrepreneurs to promote economic growth. Eligible applicants are therefore likely to be local authorities, universities, public organisations, voluntary and community bodies and some private sector organisations (subject to state aid compliance).

Investments will only be made where they are permissible under state aid regulations. Applicants are recommended to take advice on the state aid implications of their proposed project activity prior to submitting an Outline Application.

Organisations must be legally constituted and able to enter into binding contracts. A financial vet will be completed on potential applicants to ensure they are capable of discharging the financial obligations of an ERDF Funding Agreement. Prior to submission of a project proposal, all potential applicants should read and consider all application materials carefully and ensure that they are capable of compliance with the mandatory requirements of ERDF detailed in section 4.

Match funding must be provided by the applicant at the intervention rate relevant to the priority (see annexes). Sources of match funding may potentially include applicant’s own funds, Regional Growth Fund, Growing Places Fund, Higher Education Funding Council for England, Lottery Funding and other sources of public finance. Private sector funds can be a source of match funding but specific models must be used, therefore it is recommended that applicants potentially looking to use
private sector match consult the DCLG Growth Delivery Team before submitting an application.

6. Further Information
The following organisations are able to provide advice and guidance on making applications, general information on the ERDF Programme, local economic development priorities and other current and planned initiatives in their area:

**The Humber and East Riding of Yorkshire**
Claire Watts
External Funding & Policy Manager
[Claire.Watts@eastriding.gov.uk](mailto:Claire.Watts@eastriding.gov.uk)
01482 391618

**South Yorkshire**
Paul Bareham
Policy and Partnerships Officer
[Paul.Bareham@doncaster.gov.uk](mailto:Paul.Bareham@doncaster.gov.uk)
01302 736738
For other areas and further general information on the Programme please contact the DCLG Growth Delivery Team:

Telephone: 0303 4446640
Email: YH.ERDFenquiries@communities.gsi.gov.uk
WWW: https://www.gov.uk/browse/business/funding-debt/european-regional-development-funding

Document links:

DCLG ERDF Programme documents, guidance and forms
https://www.gov.uk/browse/business/funding-debt/european-regional-development-funding

Local Enterprise Partnership Network
http://www.lepnetwork.co.uk/

Bigger, Better Business: Helping small firms start, grow and prosper (BIS)
http://www.bis.gov.uk/assets/biscore/enterprise/docs/b/11-515-bigger-better-business-helping-small-firms

The Plan for Growth (UK Treasury)

Local Growth: Realising every place’s potential
http://www.bis.gov.uk/assets/biscore/economic-development/docs/l/cm7961-local-growth-white-paper.pdf

Europe 2020
http://ec.europa.eu/europe2020/index_en.htm

Innovation and Research Strategy for Growth
http://www.bis.gov.uk/assets/biscore/innovation/docs/i/11-1387-innovation-and-research-strategy-for-growth.pdf

Britain Open for Business
http://www.ukti.gov.uk/uktihome/item/148300.html
Annex 1 – Priority 1: Promoting Innovation & R&D

Strategic Context
The aim of Priority 1 is ‘To stimulate an innovation culture and strengthen the innovation system in the area by increasing technology transfer from universities, institutes and businesses to the business base to improve products and processes, promoting networking and setting the framework for businesses to respond to the challenges and opportunities of the knowledge economy’.

For further information on the description and rationale for the Priority please refer to Chapter 4 of the Operational Programme. Projects in this Priority should also be consistent with the Government’s Innovation and Research Strategy for Growth.

Activities supported under Priority 1:

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<tr>
<th>Objective</th>
<th>Indicative Activities</th>
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| 1. To stimulate and facilitate increased investment in innovation and R&D, engage a culture change and promote sustainable business practices | • Networking  
• Mentor Network  
• Supporting organisations that encourage and promote technology led sectors/clusters  
• Collaborative R&D programmes between businesses / universities /institutions developing new products & processes to improve business performance  
• Regions for Economic Change/Territorial/Interregional Cooperation activities |
| 2. To provide and support the infrastructure needed to stimulate innovation and R&D whilst ensuring the social, environmental and economic conditions are improved | • Provision of facilities to support innovation and improve competitiveness of targeted growth sectors and clusters including research facilities, specialist incubators and grow on space |
| 3. To increase and support the exploitation and commercialisation of knowledge, technologies and processes that underpin the future sustainability and growth of new and existing businesses and target clusters | • Support for commercialization of technology in new product/process design  
• Initiatives to address constraints on or opportunities affecting target businesses  
• Support for businesses to sponsor/purchase R&D activity which will create new products and processes  
• Knowledge/technology transfer between companies/businesses/institutions/universities/FE  
• Support for investments in demonstration, promotion and supply of renewable energies\(^1\) including:  
  o Delivery of demonstration and pilot de-centralised cogeneration (electricity and heat generating) and, where |

\(^1\) Definitions: Renewable energies – anaerobic, hydro-electric, geothermal, microgeneration, solar, tidal, wave, wind and biofuels. Energy conservation technologies – cogeneration, energy efficiency, geothermal HP, passive solar.
required, distribution systems to deliver new innovative approaches to supplying low carbon heat and electricity to businesses.

- Promotion of innovative renewable and low carbon technologies. These new low carbon technologies could include: Combined Heat and Power (CHP); Combined Cooling Heat and Power (CCHP); waste to energy systems such as gasification or pyrolysis.
- Delivery of demonstration projects that install innovative renewable and low carbon energy conservation technologies on-site to deliver new approaches to supplying zero carbon energy to businesses., (for example solar, wind, biomass geothermal, anaerobic digestion, fuel cells or any other appropriate renewable energy or carbon capture generating technologies).
- Activities to promote the development of Carbon Capture and Storage technologies.
- Support for projects which aim to conceive and develop environmentally friendly innovative solutions, models, materials etc - including demonstration projects for energy efficiency in the housing sector - i.e. projects designed to prove the viability of new technologies offering potential economic advantage but which cannot be yet commercialised directly.

Priority specific selection criteria

- The minimum threshold for project proposals is £1,000,000 ERDF.
- Projects must make a significant contribution to the Jobs Created and Gross Increase in Gross Value Added indicator targets within the lifetime of the Programme. Priority will be given to those projects offering the best value for money. As a guideline a ratio of £28k per job created and a £3.50 Gross Value Added increase for every £1 of ERDF invested would be considered good value for money.
- Projects must work directly with businesses on activities that will result in new or enhanced products and services with a commercial application. Blue sky or speculative development will not be funded.
- Revenue projects should provide businesses with expertise, knowledge, tools and innovation focused business development activity to support the business with successful R&D projects that leads to increases in productivity, competitiveness and growth.
- Projects should focus support on working with SMEs. Limited large company involvement will be considered on a case by case basis and only where there is a clear and specific rationale, justification and consideration of operational and compliance issues.
Eligible beneficiaries

Projects must be primarily focused on the following key clusters and significant growth sectors:

- Creative & Digital New Media Industries
- Advanced Manufacturing, Engineering & Materials
- Chemicals
- Bioscience
- Food and Drink
- Environmental Technologies
- Healthcare Technologies
- Financial and Business Services
- Sports Technologies (South Yorkshire only)

Intervention rates and grant size

Activities must be co-funded by a public or private contribution towards the costs. ERDF will contribute up to 50% of the costs in South Yorkshire. ERDF will contribute up to 62.47% of the costs in Yorkshire and The Humber (excluding South Yorkshire).

There is no minimum ERDF intervention rate.

There is no maximum funding request although applicants should consider that funds are extremely limited at this stage of the Programme.

Programme targets

The indicators that will be used to measure Priority 1 progress are as follows:

**Outputs**
- Number of businesses assisted that are SMEs
- Number of projects (direct aid to SMEs)
- Number of RTD projects
- Of which Number of co-operation projects enterprises – research institutions
- New or upgraded floorspace (m²)

**Results**
- Number of new businesses created
- Gross new jobs created
- Research jobs created
- Number of renewable energy technology systems installed
- MW of renewable energy capacity installed
- Gross jobs safeguarded
- Gross increase in Gross Value Added
Annex 2 - Priority 2: Supporting and Stimulating Successful Enterprise

Strategic Context
The aim of Priority 2 is ‘To promote a greater shift towards the knowledge intensive growth clusters and sectors in Yorkshire and the Humber by increasing the number of businesses and occupations in high growth and knowledge industries, by investing in key business sectors to accelerate economic growth and encourage high value added businesses and by developing a more entrepreneurial culture.’

For further information on the description and rationale for the Priority please refer to Chapter 4 of the Operational Programme. Projects in Objective 1 of this Priority should also be consistent with the Government’s trade and investment policy - Britain Open for Business.

Activities supported under Priority 2

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<th>Objective</th>
<th>Indicative Activities</th>
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| 1. To establish integrated business support for innovative and high growth businesses which enables them to grow more quickly | • Support for high level individually tailored business support programme focused on improving competitiveness in innovative and high growth companies in clusters and key sectors.  
• Support within this Objective will be focused on provision of information and guidance provided by on-line support and seminars alongside adviser, consultancy or specialist advice, including advice for:  
  o improving business processes  
  o new/existing market development including internationalisation  
  o supply chain initiatives  
  o development/implementation of action plans for targeted knowledge intensive clusters & sectors  
  o financial support for business growth via loan/equity funding, (where market failure exists) seedcorn and proof of concept funding. Grant aided funding to be targeted and specialised.  
  o support for businesses to be investment ready and increase the uptake of venture capital and investment funds (where market gap exists)  
  o to increase the exploitation of e-business opportunities in support of the knowledge economy  
• Regions for Economic Change/Territorial/Interregional Cooperation activities |
| 2. To promote a more enterprising and entrepreneurial culture and support the growth of businesses at start-up and early stage and | • Targeted assistance for individual entrepreneurs with the potential to create high value added businesses  
• Financial support for new starts/early stage via start-up grant, loan/equity funding (where a market exists), seedcorn and proof of concept funding (where market gap exists)  
• Support for leadership & entrepreneurial programmes which promote best practice in management, innovation, in company |
those with growth potential

- Development and business culture
  - Support for improving links between enterprise and education to create and embed an enterprise culture
  - Support for promoting the commercial market place opportunities of a diverse workforce
  - Support for growing culturally diverse business sectors and nurturing entrepreneurs
  - Support for crime reduction initiatives linked to business investment

3. To promote the development of new and high technology clusters and sectors through investment in infrastructure

- Support for embedding high level investors in the area to act as catalysts for sustainable growth
- Support for specialist business premises/infrastructure where there is a case for market failure (this might include increased emphasis on digital networks and incubation facilities/managed workspace not directly linked to innovation/R&D)

4. To ensure that business growth supported by the Programme takes account of CO2 emissions and adopt environmental best practice

- Support for incorporating the aims of environmental resource efficiency clubs, effective waste management goals and other sustainable development aims into key clusters
- Support for installation of micro CHP and other environmental technologies in SMEs
- Support for advice and guidance on meeting environmental standards
- The creation of innovative carbon neutral developments and upgrading the energy and environmental performance of existing business sites to reduce carbon footprint and increase long term competitiveness. Developments must include integrated landscaping for people and biodiversity; and improved accessibility using sustainable modes;
- Activities addressing the economic risks of environmental degradation and climate change to employment sites, business areas and individual businesses including:
  - Physical environmental enhancement of employment premises, sites and surrounding areas through the design of sites and buildings to incorporate low-carbon and adaptive design features and creation of high quality accessible green and open space incorporating appropriate biodiversity gain and enhancing networks where practicable.
  - Incorporation of flood risk management and river restoration into employment sites and surrounding area design and layout so that flood risk and surface water management is actively addressed in a sustainable way;
  - Addressing offsite upstream water management to protect employment areas;
  - Carbon sequestration activities where these also reduce flood risk;
  - Actions addressing social risks - such as issues of crime and fear of crime, lack of areas for recreation and relaxation; inaccessibility to and from residential areas;
  - Activities that remediate contaminated land and bring it back into use for employment premises would be included where this reduces environmental impact and improves competitiveness;
  - Activities that provide integrated energy, water and waste
systems, services and facilities as part of physical sustainable regeneration activity. This may include the provision of electric charging points and other renewable energy infrastructure as part of carbon neutral development.

**Priority specific selection criteria**

- The minimum threshold for project proposals is £1,000,000 ERDF.
- Projects should make a significant contribution to the Jobs Created and Gross Increase in Gross Value Added indicator targets within the lifetime of the Programme. Priority will be given to those projects offering the best value for money. As a guideline a ratio of £16k per job created and a £3 Gross Value Added increase for every £1 of ERDF invested would be considered good value for money.
- Revenue projects must work directly with businesses to provide expertise, knowledge, tools and assistance that will result in increases in business competitiveness and growth.
- Sector specific projects focusing on local strengths and capabilities within the target sectors are encouraged.

**Eligible beneficiaries**

Projects must be primarily focused on the following key clusters and significant growth sectors.

- Creative & Digital New Media Industries
- Advanced Manufacturing, Engineering & Materials
- Chemicals
- Bioscience
- Food and Drink
- Environmental Technologies
- Healthcare Technologies
- Financial and Business Services
- Sports Technologies (South Yorkshire only)
**Intervention rates & grant size**
Activities must be co-funded by a public or private contribution towards the costs.
ERDF will contribute up to 65% of the costs in South Yorkshire.
ERDF will contribute up to 46.5% of the costs in Yorkshire and The Humber (excluding South Yorkshire).
There is no minimum ERDF intervention rate.
There is no maximum funding request although applicants should consider that funds are extremely limited at this stage of the Programme.

**Programme targets**
The indicators that will be used to measure Priority 2 progress are as follows:

**Outputs**
Number of projects (direct aid to SMEs)
New or upgraded floorspace (m²)
Brownfield land reclaimed and/or redeveloped (Ha)
Low or zero carbon employment sites developed (Ha)
New or upgraded floorspace to BREEAM rating of “Excellent” or equivalent (m²)
Volume of additional flood storage capacity (m³)
Length of watercourse restored (km)
Number of businesses and properties with reduced flood risk

**Results**
Number of new businesses created
Gross new jobs created
Gross jobs safeguarded
Gross increase in Gross Value Added
Number of businesses improving capability/performance
Number of businesses contributing to reduction in ecological footprint/waste
Number of new or existing businesses locating to eco-efficient, high quality workspaces
Number of businesses safeguarded against environmental risk
Annex 3 - Priority 3: Sustainable Communities

Strategic Context
The aim of Priority 3 is ‘To target resources at the most deprived communities where continued under performance is a threat to the area’s economic growth - focusing on tackling social and economic exclusion and improving territorial cohesion, creating enterprise opportunities within disadvantaged neighbourhoods and extending the social economy.’

For further information on the description and rationale for the Priority please refer to Chapter 4 of the Operational Programme.

Activities supported under Priority 3

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<tr>
<th>Objective</th>
<th>Indicative Activities</th>
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| 1. To improve connectivity to economic opportunities through tackling social, economic and digital exclusion faced by disadvantaged communities | • Capital support to help develop sustainable communities through provision of facilities that promote social enterprise, develop local connections and access to employment, ICT and public services  
• Promoting clean and sustainable public transport between targeted communities and economic opportunities  
• Strengthening public transport and access related links between targeted communities and economic opportunities (South Yorkshire only)  
• Capital support for facilities linked to tackling social and economic exclusion (e.g. childcare facilities) and overcoming barriers to work for those furthest away from the labour market, particularly those in the poorest communities and specific communities of interest (South Yorkshire only) |
| 2. To increase economic activity and entrepreneurship within communities | • Support to foster a dynamic enterprise culture including access to finance  
• Support for activities that increase economic activity e.g. fostering business networks, ‘tender ready tool kit’ initiative  
• Encourage and facilitate community enterprise and other small scale business development including the provision of incubator or similar business space |
| 3. To create sustainable jobs in the social economy supported by existing and new social enterprises | • Support to strengthen social enterprises including access to finance  
• Support for innovative solutions/new approaches to energy efficiency in low income housing, where this is linked to job creation.  
• Capacity building for staff, for instance in housing associations and local authorities and information campaigns on rational use and energy savings, on renewable energies and climate change where these activities are within the framework of a plan with clear objectives and strategy.  
• Grants for small-scale community renewable energy projects.  
• Support for the implementation of community-based green strategies that will lead to enhancements in the natural environment, particularly where these will benefit those in deprived communities. |
4. **To promote active participation in the development of a knowledge driven economy**

- Support for development of positive approaches to a changing work environment, effective communication skills and ICT usage
- Implementation of community ICT strategies
- Development of commercial and public service delivery through ICT

**Priority specific selection criteria**

- Projects are requesting a minimum of £500,000 ERDF.
- Revenue projects are providing direct business support to eligible businesses and entrepreneurs in disadvantaged areas. (finance/grant initiatives, youth enterprise, transport and employability proposals are not requested as part of this prospectus).
- Projects engaging and supporting social enterprises are encouraged.
- Projects are making a significant contribution to the *Gross Increase in Gross Value Added* target. As a guideline a ratio of £15k per job created and a £1.50 Gross Value Added increase for every £1 of ERDF invested would be considered good value for money.
- Projects able to demonstrate their fit against other publicly funded initiatives (including ERDF funded initiatives) within the locality or localities they are delivering in.
- Projects are able to demonstrate demarcation from ESF activity.

**Eligible beneficiaries**

It is important that interventions are targeted effectively in order to maximise the impact of Priority 3. Targeting in Yorkshire and The Humber (excluding South Yorkshire) will be based on Super Output Areas (SOAs) as these represent the poorest communities in terms of deprivation indices. The Programme will target the bottom 10% of SOAs with spend focused on these communities. Where it makes sense projects covering larger areas, areas in close proximity to the bottom 10%, or joining two SOAs together, will be included.

Targeting of enterprise support, communities of interest, including those on incapacity benefit, people from minority ethnic communities and people with disabilities, will not be restricted to the 10% SOA.

Projects will be expected to deliver the majority of their activity within the SOAs but there is also some scope for activity within ‘Communities of Interest’ outside these, where it can be demonstrated that the proposed activity is part of the project proposal and it clearly delivers outputs relevant to the European programme.

In South Yorkshire deprivation is spread across whole Boroughs making it difficult to use a straightforward 10% most deprived SOA formula, as this would exclude many of the people least able to benefit from economic growth. Targeting will therefore be based on evidence based strategic frameworks which have identified areas of greatest need using sophisticated neighbourhood statistical analysis. These strategic frameworks are then used as a basis for a range of holistic interventions that are aimed at achieving
sustainable communities. Within this overarching strategy, ERDF allow a specific focus on interventions that will enable people furthest away from economic activity to become engaged or re-engaged in employment and self-employment. The increased levels of available employees and numbers engaged in entrepreneurial activity will support the overall growth of the South Yorkshire economy, whilst meeting the needs of those communities.

**Intervention rates**
Activities must be co-funded by a public or private contribution towards the costs. ERDF will contribute up to 53% of the costs in South Yorkshire. ERDF will contribute up to 49.49% of the costs in Yorkshire and The Humber (excluding South Yorkshire).
There is no minimum ERDF intervention rate.
There is no maximum funding request although applicants should consider that funds are extremely limited at this stage of the Programme.

**Programme targets**
The indicators that will be used to measure Priority 3 progress are as follows:

- **Outputs**
  - Number of projects (direct aid to SMEs)
  - Number of businesses assisted that are social enterprises (subset of above)
  - New or upgraded floorspace (m²)

- **Results**
  - Number of new businesses created
  - Gross new jobs created
  - Gross jobs safeguarded
  - Gross increase in Gross Value Added
  - Number of renewable energy technology systems installed
  - MW of renewable energy capacity installed
  - Area of green space improved, accessible to local organisations (Ha)
  - Number of green capacity building initiatives supported
Annex 4 - Priority 4: Economic Infrastructure (South Yorkshire only)

Strategic Context
The aim of Priority 4 is ‘To continue investing in South Yorkshire’s economic infrastructure to maximise the impact of structural fund investments in the sub region to date and the development of a knowledge economy. Priority 4 will facilitate the key centres in their role of acting as attractive locations for new and re-investment in promoting sustainable urban development.’

For further information on the description and rationale for the Priority please refer to Chapter 4 of the Operational Programme.

Activities supported under Priority 4

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indicative Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To support the Sheffield City Region Development Plan by developing the critical business/environmental and cultural infrastructure in the four key urban centres and contribute to the development of an accessible and sustainable knowledge economy</td>
<td>Support to improve the physical attractiveness of access routes into South Yorkshire to make it a more attractive environment for the knowledge economy. Support for sustainable urban development projects which directly contribute to the attraction of knowledge intensive businesses. Support for capital public transport initiatives, excluding mobile infrastructure, which enhance the economic competitiveness of key urban centres.</td>
</tr>
</tbody>
</table>

Priority specific selection criteria
- The minimum threshold for project proposals is £1,000,000 ERDF.

Intervention rates & grant size
Activities must be co-funded by a public or private contribution towards the costs. ERDF will contribute up to 38.29%
There is no minimum ERDF intervention rate.
There is no maximum funding request although applicants should consider that funds are extremely limited at this stage of the Programme.

Programme targets
The indicators that will be used to measure Priority 4 progress are as follows:

- **Outputs**
  - New or upgraded floorspace
  - Number of projects ensuring sustainability and improving the attractiveness of towns and cities
  - Number of projects seeking to promote businesses, entrepreneurship, new technology
Number of projects (Transport)
Hectares of land improved
Kilometres of new or improved gateway
Information society projects

Results
Value of time savings from new and reconstructed roads
Additional population served with improved urban transport
Reduction in greenhouse gas emissions - CO2 and equivalents (Kt)
Economic/employment sites unlocked