



2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

Priority Axis 4: Supporting the Shift
Towards a Low Carbon Economy in All
Sectors

Managing Authority:	Department for Communities and Local Government
Fund:	European Regional Development Fund
Priority Axis:	Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors
Call Reference:	OC34R15P 0159
Local Enterprise Partnership Area:	TEES VALLEY
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1. Introduction

The 2014 to 2020 European Structural and Investment Funds bring the European Regional Development Fund, European Social Fund and part of the European Agricultural Fund for Rural Development together into a single European Union Structural and Investment Funds Growth Programme for England supporting the key growth priorities of innovation, research and development, support for Small and Medium sized Enterprises, low carbon, skills, employment, and social inclusion.

The Funds are managed by the Department for Communities and Local Government for European Regional Development Fund, Department for Work and Pensions for European Social Fund and the Department for Environment Food and Rural Affairs for European Agricultural Fund for Rural Development. These Departments are the Managing Authorities for each Fund. In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. Unless stated otherwise, the term “Managing Authority” will apply to all these organisations. The Managing Authorities work closely with local partners who provide:

1. Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
2. Local intelligence to the Managing Authorities in the development of project calls (decided by the Managing Authorities) that reflect Operational Programme and local development needs as well as match funding opportunities; and
3. Advice on local economic growth conditions and opportunities within the context of the Operational Programme and the local European Structural Investment Fund Strategy to aid the Managing Authority’s assessments at outline and full application stage.

This call is issued by the Department for Communities and Local Government and invites Outline Applications in respect of the European Regional Development Fund for England 2014 to 2020.

2. Call Context

On behalf of the national Growth Programme Board, the Department for Communities and Local Government (the Managing Authority) invites applications seeking European Regional Development Fund support under:

Priority Axis 4 Supporting the Shift to Low Carbon Economy in All Sectors

Investment Priorities:

- 4b** Promoting energy efficiency and renewable energy use in enterprises.
- 4c** Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
- 4f** Promoting research and innovation in, and adoption of, low-carbon technologies.

The European Regional Development Fund Operational Programme for England 2014 to 2020 sets out how the European Regional Development Fund will focus on investment to support economic growth and job creation. **Priority Axis 4** of the Operational Programme aims to move England's economy towards a low carbon model by reducing Greenhouse Gas emissions, increasing the share of renewable energy and enhancing the energy efficiency of homes businesses and transport.

Any application for funding will be required to clearly demonstrate that it meets the requirement of, and makes a meaningful contribution to, the delivery of the relevant Priority Axis of the [European Regional Development Fund Operational Programme](#).

In addition, applications will be expected to meet identified local development need, as expressed in the scope of this call and as set out in the [Tees Valley](#) European Structural and Investment Funds Strategy.

Applicants are advised to familiarise themselves with the detail of the Operational Programme, local European Structural and Investment Funds Strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting an Outline Application.

3. Scope of the Call

3.1 Scope

This call invites Outline Applications which support the delivery of **Priority Axis 4** of the European Regional Development Fund Operational Programme and responds to the local development need set out in the [Tees Valley LEP Area Local Enterprise Partnership European Structural and Investment Funds Strategy](#).

Indicative Fund Allocation:	<p>Indicatively, through this call the Managing Authority expects to allocate up to:</p> <ul style="list-style-type: none">• Investment Priority 4b, Promoting energy efficiency and renewable energy in enterprises: £604,000;• Investment Priority 4c, Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector: £4 million;• Investment Priority 4f, Promoting research and innovation in, and adoption of, low carbon technologies: £1 million. <p>The Managing Authority reserves the right to increase or decrease the indicative allocation, or support more or fewer projects subject to the volume and quality of proposals received.</p> <p>There is no indicative allocation of European Regional Development Fund funding between capital and revenue activity, both capital and revenue is eligible dependent on the nature of activities/Investment Priorities set out in the call.</p>
Minimum application level	<p>European Regional Development Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The Managing Authority does not intend to allocate less than £500,000 European Regional Development Fund to any single project.</p>
Duration of project approvals	<p>Projects should be for a maximum of three years, however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>

<p>Geographical Scope</p>	<p>All interventions are confined to activity and beneficiaries within England. Projects should predominantly support businesses based within Tees Valley Local Enterprise Partnership area.</p>
<p>Specific call requirements</p>	<p>This open call addresses barriers and opportunities to reduce carbon emissions, reduce fuel poverty and to support SMEs to improve their resource efficiency.</p> <p>It is important to note that the activity sought under ‘Promoting energy efficiency and renewable energy use in enterprise’ Investment Priority 4b (the resource efficiency fund) is allocated from within Priority Axis 4 Supporting the Shift to Low Carbon Economy, but is intended to form part of wider Tees Valley Business Fund and will be operating alongside:</p> <ul style="list-style-type: none"> • £2.1 million ERDF drawn from Priority Axis 1 • £0.75 million ERDF drawn from Priority Axis 2 • £7.3 million ERDF drawn from Priority Axis 3 <p>Applicants for this element of the call are therefore encouraged to consider multi-Priority Axis applications incorporating these Priority Axes.</p> <p>The concept of the Tees Valley Business Fund is to make it easier for businesses to access financial support to enable them to address their needs and realise their growth potential.</p> <p>This approach will also achieve greater synergies, hide the wiring and provide greater value for money in the delivery of activity. The Tees Valley Business Fund therefore includes funds from Priority Axes 1, 2, 3 and 4 and it is intended that a single award for an operation to deliver the fund will be made, incorporating the fund elements across Priority Axes1, 2, 3 and 4.</p> <p>Applicants interested in delivering Promoting energy efficiency and renewable energy use’ Investment Priority Axis 4b (resource efficiency fund) will therefore need to consider the Open Call for the Tees Valley Business Fund as detailed in Open Call Priority Axis 3 SME Competitiveness and the Funds identified in the Priority Axis1 Strengthening research, technological development & innovation and Priority Axis 2 Enhancing Access to, and Use and Quality of ICT calls.</p>

	<p>With regard to the measures under ‘Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure’ Investment Priority 4c (to support housing retrofit) it is anticipated that a number of awards will be made.</p> <p>With regard to the measures under ‘Promoting research and innovation in, and adoption of low-carbon technologies’ Investment Priority 4f – research to underpin the development of Industrial CCS- it is anticipated that a single award will be made.</p>
Call Deadlines	All applications will be assessed following closure of the call.

3.2 Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 4 of the Operational Programme, one or more of the relevant Investment Priorities and meet the **local development need** expressed in the table below.

LOCAL DEVELOPMENT NEED
<p>Local Economic Context :</p> <p>The Tees Valley has a population of 666,000 people and contributes over £11 billion a year to the national economy through its major hub status for the process and chemical industries and its growing reputation for advanced manufacturing excellence (particular specialisms include oil and gas, subsea, biologics and automotive), low carbon (offshore wind and energy from waste) and the digital/creative economy. The Tees Valley boasts many competitive advantages; it is home to major industries that export products and services across the globe; a 14,500 strong SME base; a skilled workforce supported by leading colleges, universities and national knowledge centres; and a major port, airport and direct rail routes to key locations.</p> <p>Tees Valley’s energy-intensive integrated cluster of process and advanced manufacturing firms defines our economy, with over 1,400 local companies in the supply chain, employing over 10,000 people and together they comprise 50% of the UK’s petrochemicals GDP. Retaining our energy intensive industries is vital, both to our economy, as a major employer and contributor to local economic growth through SME supply chains, and the national economy, given the significant contribution our process sector plays in underpinning manufacturing, construction and consumer sectors in the UK.</p> <p>The Tees Valley Strategic Economic Plan 2014 set the vision for Tees Valley to move towards a high value, low carbon economy. Tees Valley is increasingly being</p>

seen as a low carbon investment destination, through opportunities lined to offshore wind (with the Dogger Bank located off the North East coast and the Tees Valley's fabrication and logistics expertise means we are one of the government-designated Centres of Offshore Renewable Engineering), our thriving subsea cluster and the growth in biomass and biofuels operations.

To build on this progress, we recognise that we must reduce our energy intensity and improve efficiency and productivity amongst SMEs. At present, Tees Valley is home to 58% of the UK's major users of energy in the process and chemical sector, accounting for 5.6% of UK industrial emissions. In order to move towards a low carbon economy, we must safeguard our existing businesses, enable our SMEs to improve energy efficiency and support them to access new markets, as well as improving housing stock, a major contributor to emissions.

Low Carbon is a key innovation priority set out in the 2015 Tees Valley Innovation Strategy and the [European Structural and Investment Funds Strategy 2014](#) states that *“developing, producing and efficiently using low carbon energy and resources is vital to grow our economy and reduce our currently high levels of carbon emissions. Furthermore, we are exploring investment in the retrofitting of existing housing stock in order to further reduce emissions.”*

To meet these challenges a variety of measures need to be put in place. To transform Tees Valley into a low carbon economy, we must ensure that SMEs improve their energy efficiency to drive productivity growth and the deployment of low carbon technologies. A report commissioned for Tees Valley Unlimited (TVU) by Centrifuge Consulting https://www.teesvalleyunlimited.gov.uk/media/298107/tvu_-_lowcarbon_sme-final.pdf found that there was clear demand for resource efficiency support, finance and collaboration for SMEs.

The Tees Valley has over 280,000 houses, but while, as the Tees Valley LEP area Strategic Economic Plan (SEP) identifies, *“improvement programmes have made an impact, much of the housing stock in the Tees Valley's main centres remains of the older terraced variety”* with Tees Valley having *“high rates of fuel poverty.”* At present, over 12.5% of households in Tees Valley are 'fuel poor' (Department of Energy and Climate Change (DECC), 2013), one of the highest levels in the country and comprising over 35,000 households. According to the Department of Energy and Climate Change's Annual Fuel Poverty Status Report (DECC, 2014), the average fuel poverty gap in the area is £300 making retrofitting a key way of lifting people out of fuel poverty. The European Structural and Investment Funds (ESIF) Strategy reiterates that a key objective is *“the retrofit of housing to improve energy efficiency, generate jobs and incentivise measures in new house building.”*

Tees Valley Unlimited commissioned Narec Distributed Energy in 2015 https://www.teesvalleyunlimited.gov.uk/media/298398/revised_15-409-4312_low_carbon_allocation_-_erdf_housing_demand_-_v1_1.pdf to look at the demand for a social and private housing retrofit scheme. This found considerable latent demand from across the Tees Valley and a clear need for gap funding which, if provided, would improve energy performance, generate carbon savings and boost supply chains.

Tees Valley has a unique innovative, private sector led, Industrial Carbon Capture and Storage (ICCS) blue print to use proven technology to reduce UK emissions, boost competitiveness and turn Tees Valley into a magnet for inward investment from international firms seeking to reduce their exposure to future CO₂ prices.

The Industrial Carbon Capture and Storage on Teesside report^[2], identified that Industrial Carbon Capture and Storage is technically and commercially viable with financial support from government. It presents a significant opportunity to export considerable volumes of CO₂ to offshore storage and in doing so make a significant contribution to meeting climate change targets. In particular, the initial phase described by the Reference Scenario would meet 60% of the Climate Change Committee (CCC) 2030 targets for ICCS.

Local Priorities:

Proposals should demonstrate alignment with local development need and priorities including:

4b – Energy Efficiency

- The focus of this part of the call is twofold;
 - Firstly, upon a programme of financial support through grants for energy efficiency which help Tees Valley SMEs to identify and implement energy efficiency improvements to boost business productivity. This will form part of the portfolio of Tees Valley Business Funds (see ‘Specific Call Requirements’ above).
- Proposals must align to:
 - the **Tees Valley Business Compass** has been created to help ambitious businesses realise their growth potential by offering access to a range of practical services, from local business information and assessing growth options through to unlocking funding streams
 - Proposals must deliver a consistent customer experience across Tees Valley, including consistent branding with Tees Valley Business Compass, and data sharing with public sector partners in Tees Valley. There must also be integration with the diagnostic provision undertaken through the Tees Valley Business Compass through which SMEs will be signposted towards the Tees Valley Business Fund
- Priority will be given to proposals that can support the key sectors set out in the Tees Valley Strategic Economic Plan; process; advanced manufacturing, low carbon and digital and creative.

^[2] <http://www.teessidecollective.co.uk/teesside-collective-blueprint-for-industrial-ccs-in-the-uk/>

4c – Housing Retrofit

- This element of the call is for projects or programmes to:
 - improve the energy efficiency of existing housing stock in Tees Valley, removing residents from fuel poverty, lowering carbon emissions and boosting both technology innovation and the competitiveness of SMEs in the supply chain.
 - Retrofitting activity for either or both social and private housing.
- Proposals should consider the use of a range of technologies. Priority will be given to proposals with innovative technology solutions, such as biomass, GSHP or ASHP.
- Proposals must:
 - Complement but not duplicate existing provision available to households in Tees Valley through, for example, the Energy Company Obligation (ECO), Warm up North, Green Deal and the Renewable Heat Incentive (RHI).
 - Be aligned with the strategic housing priorities of the five Tees Valley local authorities under the framework of the Tees Valley Strategic Economic Plan (SEP).
 - Ensure the adoption of low carbon construction techniques and solutions and support the commercialisation of next phase technologies if and when appropriate.
 - Consider the potential alignment with district heating and other such initiatives being undertaken across Tees Valley.
 - Factor in the ability to boost the competitiveness of local SMEs in the construction supply chain into potential programmes.

4f – Industrial Carbon Capture and Storage

- The focus of this element of the call is exclusively upon Industrial Carbon Capture and Storage (ICCS) and any proposals must align to the industrial “blue print” work commissioned by Teesside Collective on (ICCS). This will be a single award. Priority will be given to a credible project development organisation/individual potentially involving the anchor emitter projects, the regional cluster and a developer/operator.
- Proposals must examine the commercial issues surrounding the operation of a publicly or privately owned industrial CCS network capturing emissions from a variety of sources under different ownership. This would include:
 - consideration of changes in the number and capacity of sources
 - examination of the impact of contract and tariff structures.
 - Identification of risk mitigation measures for industrial CCS clusters.
- Proposals need to explore management structures and processes which would be applicable to an industrial CCS network in public and/or private ownership and must include:
 - research into the commercial approaches taken in CCS projects worldwide

- devise and test models for the commercial operation of an industrial and a combined network
- analysis of the opportunity to attract energy intensive manufactures and identify potential sectors and processes to be attracted to a CCS equipped Tees Valley
- examination of the public acceptability of the development and identify specific issues and solutions to legitimate concerns as well as mechanisms to facilitate resolution.

3.3 Operational Programme Investment Priorities

Applications must specify the activities to be delivered and are expected to directly contribute to **one or more** of the following Investment Priorities:

Investment Priority	4b – Promoting energy efficiency and renewable energy in enterprises.
Specific Objectives	Increase energy efficiency in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies.
Indicative Actions	<p>The main target group is Small and Medium Sized Enterprises.</p> <p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses’ competitiveness and resilience • Support to businesses to undertake ‘green’ diagnostics or audits of energy efficiency and potential for renewable generation and energy use, which will be followed by provision of energy efficiency information and guidance, tailored energy action plans and of support to implement them • Investing in energy efficiency measures, processes and renewable generation capacity to improve a business’ or building’s environmental performance or its resilience

	<p>to the impacts of climate change</p> <ul style="list-style-type: none"> • Investing in measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations • Supporting an increase in energy efficiency in enterprises including an emphasis on ‘whole place’ especially through improving industrial processes, designing out waste, recovery of ‘waste’ heat energy and combined heat and power • Supporting increased Small and Medium Sized Enterprises access to national and local government procured contracts for energy efficient goods and services • Developing low carbon innovation in relation to energy efficiency within enterprises, including through technologies and engagement practices
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Investment Priority	4c – Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
Specific Objectives	Increase the energy efficiency of homes and public buildings, including through the implementation of low carbon technologies.
Indicative Actions	<p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Provision of advice and support to increase the use and take up of low carbon technologies, energy efficiency measures, renewable energy technologies and smart energy systems in housing stock and public buildings • Supporting low carbon innovation in relation to the integrated ‘whole place’ energy management approach including energy waste and re-use • Investing in building retrofit, energy efficiency measures, renewable and smart energy systems

	<p>deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market</p> <ul style="list-style-type: none"> • Investing in domestic energy efficiency, renewable energy and smart construction techniques • Investment in the development and wider use of Energy Performance Contracting in the public buildings and housing sectors.
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Investment Priority	4f – Promoting research and innovation in, and adoption of, low-carbon technologies.
Specific Objectives	Increase innovation in, and adoption of, low carbon technologies.
Indicative Actions	<p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Research underpinning carbon capture and storage, taking account of the restrictions laid down in Article 3.3.b of the European Regional Development Fund

4. Required Outputs under this Call

Projects must deliver against the Priority Axis 4 outputs and results of the European Regional Development Fund 2014 to 2020 Operational Programme. For projects coming forward under this call the expected outputs and results are:

ID	Output Indicator
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
C26	Number of enterprises cooperating with research institutions.
C29	Number of enterprises supported to introduce new to the firm

	products
C30	Additional capacity of renewable energy production
C31	Number of households with improved energy consumption
C32	Decrease of annual primary energy consumption of public buildings
C34	Estimated greenhouse gas reductions

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund, will achieve the deliverables committed to within the proposal. The application should clearly state the methodology used to determine the levels of outputs proposed.

All operations will be required to report regularly on progress toward achievement of targets. This will need to include both quantitative and qualitative data relevant to the appropriate geographical areas. Applicants will need to explain how they will collect and record this information to maintain a fully evidenced audit trail. It should be noted that if an operation fails to deliver contracted deliverables, a performance penalty may apply.

5. Application Process & Prioritisation Methodology

There are two stages to the European Regional Development Fund application process;

1. Outline Application and, if successful
2. Full Application.

Acceptance of an Outline Application to progress to full application stage does not in any way indicate or constitute an offer of European Regional Development Fund grant.

Applicants must fully complete the [Outline Application](#) which will be assessed by the Managing Authority against the national [Selection Criteria](#).

Outline Applications will be assessed in two stages, Gateway assessment and Core assessment.

Gateway assessment considers:

- applicant eligibility;
- activity and expenditure eligibility; and

- fit with the National Operational Programme and the local development need set out in section 2.

Proposals that fail the Gateway assessment will be rejected. Proposals which pass the Gateway assessment will then be assessed against the Core assessment criteria:

- Strategic Fit
- Value for money
- Management and control
- Deliverability
- Compliance
 - Procurement
 - State Aid
 - Publicity requirements
- Cross cutting themes
 - Environmental sustainability
 - Equal Opportunities

Having assessed projects against these criteria the relevant Local Economic Partnership Area European Structural and Investment Fund Sub-Committee will advise the Managing Authority on the alignment to local economic growth conditions and opportunities within the context of the Operational Programme and local European Structural and Investment Fund Strategy to aid the Managing Authority's assessments (at outline and full application stage).

Please note that the Managing Authority's decision is final and there are no appeals. If you wish to complain about the calls and application process, please follow the procedure set out at <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/complaints-procedure>

6. General Information

6.1 National Eligibility Rules

When developing an application, Applicants must refer to the [National Eligibility Rules](#) setting out the requirements of the 2014-2020 European Regional Development Fund Programme. It is the responsibility of the Applicant to ensure that the Rules are adhered to both at application stage and following approval. Failure to do so can lead to financial penalties leading to recovery of up to 100% of grant. Applicants are strongly advised to seek specialist advice if in doubt on any requirement.

European Regional Development Fund eligibility rules apply to **all** project spend within the eligible costs, including match funding.

The European Regional Development Fund is governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation, (Section 8 Key Document refers) prior to submitting an Outline Application. If successful, Applicants will enter into a Funding Agreement and must abide by the standard terms and conditions contained therein. Applicants are therefore strongly advised to read these terms and conditions to ensure that they are able to enter into such an agreement prior to responding to the call. Once a Funding Agreement has been issued it should be signed and returned within 30 days, unless otherwise agreed with the Managing Authority.

6.2 Eligible Applicants

Section 4 of the [National Eligibility Rules](#) sets out who is eligible to apply.

Applicants must be legally constituted at the point of signing a Funding Agreement. If the application is approved the Applicant organisation will enter into a legally binding Funding Agreement and therefore will carry the liability for ensuring that the terms and conditions of the Funding Agreement are met.

If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant with the remaining organisation(s) acting as Delivery Partner(s). In this situation the Applicant would be responsible and liable for the Delivery Partner(s) and ensuring the project is operating compliantly.

During the application process the Managing Authority will consider the Applicant's track record, both positive and negative. If the Applicant has been involved in the delivery of previous European grants and any irregularities have been identified, the Managing Authority will expect to see how and what steps have been taken to ensure that the risk of further irregularities in the future is mitigated. It is acknowledged that some organisations will be new to European Structural and Investment Funds funding and will not have a track record.

6.3 Contribution Rate & Match Funding

European Regional Development Fund is normally expected to intervene where no other funding can be obtained (i.e. the funder of last resort). The level of European Regional Development Fund awarded will be the minimum in order for the project to proceed.

The maximum Contribution Rate is 60% of the total eligible project costs subject to State Aid regulations.

The remaining 40% or more must come from other eligible sources as specified under section 6 of the National Eligibility Rules. Applicants will need to demonstrate

that they have eligible match funding in place for the balance of costs. Other European Union funds cannot be used as a source of match funding.

European Regional Development Fund investment is limited by State Aid regulations and where the award of European Regional Development Fund would constitute State Aid the European Regional Development Fund grant rate may fall below the 60% maximum.

European Regional Development Fund is paid quarterly in arrears and expenditure must be defrayed prior to the submission of any Grant claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

6.4 Project Timescales

European Regional Development Fund funding will normally be approved for three years, however the Managing Authority reserves the right to extend the contract term in exceptional circumstances.

Projects approved through this call are expected to:

- Submit a detailed and complete full application within three months of formal selection at outline stage. Projects which fail to meet this deadline may be deselected,
- Commence delivery (defraying European Regional Development Fund eligible costs) within three months of the award of the Funding Agreement. Projects which fail to meet this deadline may be deselected, and
- Be completed by June 2023.

6.5 Capital Projects

Applicants seeking European Regional Development Fund to support a capital project (i.e. land and/or property) will need to meet Building Research Establishment Environmental Assessment Method or Civil Engineering Environmental Quality Assessment 'Excellent' for new builds and 'Very Good' for refurbishments.

Applicants will need to provide evidence of how they will achieve the rating required (unless otherwise agreed with the Managing Authority).

Applicants will need to demonstrate that they have the rights and permissions to undertake the project and must provide:

1. Proof of current interest in the land and/or property, which includes evidence of the freehold ownership or any lease arrangements that may be in place; and
2. Evidence of the approval of any planning permission, or in certain circumstances a clear statement on the process for securing such consents and any risks to the project.

Royal Institute of British Architects Stage D costs must be supplied with the Full Application and be certified by an independent Quantity Surveyor and Land/Property contributions certified by a Real Estate Valuation expert who are current and chartered members of the Royal Institute of Chartered Surveyors/ Chartered Institute of Builders or equivalent body.

Successful Applicants will be required to provide security to the Managing Authority in the form of a Legal Charge and/or Deed of Covenant over the land and/or property. Applicants will be responsible for registering the charge at their own cost.

6.6 Cross Cutting Themes/Horizontal Principles

All applications received under this call should demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross Cutting Themes for European Regional Development Fund are 'equality and anti-discrimination' and 'sustainable development'. Further information is available in the [European Regional Development Fund Operational Programme](#).

6.7 Additionality, Duplication and Displacement

Additionality is a core principle of European Regional Development Funding. Applicants must be able to demonstrate that the activity paid for out of European Regional Development Funding adds value to new or existing activity. Projects need to demonstrate that without the support of European Regional Development Funding the activity would not have taken place.

European Regional Development Funding cannot support activities that duplicate existing provision/services within the region.

Applications need to identify and evidence the beneficiaries will use the service and demonstrate that the project does not displace other activity available in the market place.

6.8 State Aid & Revenue Generation

Applicants are required, in the Outline Application, to provide a view on how their proposal complies with State Aid law. Applicants must ensure that projects comply with the law on State Aid.¹ Grant funding to any economic undertaking which is State

¹ Article 107(1) of the Treaty on the Functioning of the European Union provides that: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

Aid can only be awarded if it is compatible aid, in that it complies with the terms of the General Block Exemption Regulations (GBER) or a notified scheme or is covered by the De Minimis Regulation. Guidance for Grant Recipients, explaining more about [State Aid](#), is available; it is important that Applicants take responsibility for understanding the importance of the State Aid rules and securing their full compliance with them throughout the project, if it is selected into the Programme.

The Managing Authority is not able to give legal advice on State Aid. It is the responsibility of the Applicant to ensure that the operation is State Aid compliant.

Where the Applicant does not perceive that there is any State Aid, it should state whether or not it considers Articles 61 and 65(8) of regulation 1303/2013 to apply. Article 61 refers to monitoring revenues generated after completion of the project, and Article 65(8) how to deal with differences in the forecast and actual revenues at the end of the operation. This revenue should be taken into account in calculating eligible expenditure. The details of this will be tested at the full application stage.

6.9 Funding Agreement

The Funding Agreement is a standard, non-negotiable and legally binding document. Any successful Applicant will be subject to the terms and conditions contained within this agreement. Applicants are strongly advised to seek relevant advice to ensure that they would be able to enter into and abide by the terms of the Funding Agreement.

Applicants are advised that additional provisions and securities may be included within the Funding Agreement to protect the investment. Detailed advice will be given if appropriate at the Full Application stage.

Failure to meet any of the conditions of the Funding Agreement or the commitments within the application will result in claw back of the Grant (which may include interest).

6.10 Procurement

All costs claimed by the Applicant (Grant Recipient and/or Delivery Partner(s)) must be recovered on an actual cost basis. Other costs must be procured in line with National (including [Public Procurement Regulation 2015](#)) and European Union regulations. Procurement will be subject to audit and verification and any irregularity will result in financial penalty of up to 100% of the grant paid. Robust and transparent procurement is required to ensure that Grant Recipients:

- Consider value for money;
- Maximise efficient use of public money; and
- Maintain competitiveness and fairness across the European Union.

It is **strongly recommended** that Applicants seek and follow legal advice in respect of procurement requirements. Procurement irregularities remain the most substantive cause of error and clawback of grant.

7. Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Outline Application. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact: NE.ERDFenquiries@communities.gsi.gov.uk.

8. Key Documents

- (i) European Regional Development Fund Operational Programme;
- (ii) Outline Application Form;
- (iii) Outline Application Form Guidance;
- (iv) Local Enterprise Partnership area's European Structural and Investment Funds Strategy;
- (v) Eligibility Guidance;
- (vi) Target Definitions; and
- (vii) Funding Agreement (Revenue and/or Capital).

9. Document Checklist

Incomplete applications will be rejected. Please ensure the following information (documents) are submitted.

Outline Stage:

- Fully completed Outline Application;
- Financial Tables; and
- Outputs, Results and Indicators Tables.

10. Document Submission

Completed Outline Applications must be submitted via **email** to the address in Section 7.

Outline Application forms not received by the deadline will not be assessed. Outline Applications which are not fully completed will be excluded.

For this call applications will normally be required to **commence delivery/activity within three months** of the award of Funding Agreement.

Any changes related to the deadline for the submission of the Outline Application form will be notified on the [European Growth Funding](#) website pages.