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

<table>
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<tr>
<th>Managing Authority:</th>
<th>Department for Communities and Local Government</th>
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<tr>
<td>Fund:</td>
<td>European Regional Development Fund</td>
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<tr>
<td>Priority Axis:</td>
<td>Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors</td>
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<td>Call Reference:</td>
<td>OC23R15P0270</td>
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<td>Local Enterprise Partnership Area:</td>
<td>London</td>
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<td>LEP Area Indicative Fund Allocation:</td>
<td>£3,000,000</td>
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<tr>
<td>Call Open:</td>
<td>11th December 2015</td>
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<tr>
<td>Call Closes:</td>
<td>23:59 19th February 2016</td>
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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.
- **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 **London Enterprise Panel's 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

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 **London Local Enterprise Partnership Area European Structural and Investment Funds Strategy**.
| Indicative Fund Allocation: | Indicatively, through this call the Managing Authority expects to allocate up to £3,000,000. 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. 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. |
| Minimum application level | 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. Consequently projects with a total value of less than £1,000,000 will not be supported under this Call. |
| Duration of project approvals | Projects should be for a maximum of three years, however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances. |
| Geographical Scope | All interventions are confined to activity and beneficiaries within England. Projects should predominantly support businesses based within London Local Enterprise Partnership area. |
| Specific call requirements | This Call is for: |

**Investment Priority 4b** ‘Promoting energy efficiency and renewable energy use in enterprises’ and

**Investment Priority 4f** ‘Promoting research and innovation in, and adaption of low carbon technologies’.

Please note:

For **Investment Priority 4b** only applications which support energy efficiency in enterprises and which promote the uptake of renewable energy use in SMEs are eligible. The Specific Objective for 4b is to: ‘Increase energy efficiency, in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies’.
Business support projects providing wider resource efficiency measures could be supported under Priority Axis 3.

All applications invited under this Call are for revenue-based (advice and guidance) activity only, not capital. Capital investment under Priority Axis 4 is expected to be delivered through a Financial Instrument: the London Green Fund.

If you are planning to submit a proposal which covers more than one Investment Priority please ensure you fully explain the reasons for this, and ensure you split the outputs between the different Investment Priorities accordingly.

Although ERDF funds have been set aside for Financial Instruments (loan and equity investments), the remaining London grant allocation for this Priority Axis is available under this Call. However, there may be future opportunities for grant funding if this Call is under-subscribed, applicants withdraw from the contracting process with the GLA, projects underspend and/or there is a fluctuation in the Euro exchange rate resulting in additional funds. All future calls will be advertised on Gov.uk.

Please contact us at esifcalls@london.gov.uk with enquiries about the Call. Note that we are unable to advise whether a proposal will be successful in securing ERDF funds. However, to avoid applicants spending unnecessary time developing an application we can advise on relevant sources of information and offer high-level feedback on the likely eligibility, or not, of proposed activities.

Please ensure that you read the relevant sections of the European Regional Development Fund (ERDF) Operational Programme prior to submitting an application.

**Call Deadlines**

For this specific call, applications will be assessed following the closure of the call. Applications received after the published Call close date will not be considered.

You will receive an email on receipt of your application; if you do not, please contact esifcalls@london.gov.uk.
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**

<table>
<thead>
<tr>
<th>Local Economic Context</th>
</tr>
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<tr>
<td>Please refer to the <a href="#">ERDF Operational Programme</a> for further information.</td>
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</tbody>
</table>

**Investment Priority 4b**

The magnitude of market failure raised by the phenomenon of climate change and the general case for public sector intervention to manage environmental issues is clear in economic theory. As a densely populated city, London’s environment is under considerable pressure and it faces significant challenges going into the future, as projected economic and population growth exerts further pressure on already strained resources.

A low-carbon economy is one which has a minimal output of greenhouse gas emissions into the environment to mitigate the effects of climate change. Public investment is needed to support shifts towards a low carbon economy because carbon dioxide emissions are a negative externality, meaning that the environmental costs of emissions are not taken into account in the process of producing or consuming activities that influence carbon dioxide emissions. The market failure creates the need for public investment to mitigate the negative impacts of rising emissions and support activities to reduce their output from production and consumption.

London’s homes and workspaces are estimated to emit around 79% of the Capital’s CO2 emissions. By 2050 it is estimated that 80% of buildings in London today will still be in use: retrofitting these buildings with energy efficiency and energy supply measures is therefore an essential component of the Mayor’s strategy to meet the 2025 CO2 emissions target. The capital funds to provide investment for retrofitting these premises will be supported under a Financial Instrument – the London Green Fund – which will be launched at a later date.

The ERDF Operational Programme states that energy intensity (energy use per unit of value added) is in decline; however, if London emissions targets are to be met, energy efficiency will need to improve across all sectors. Generally, companies lack consistent and effective energy efficiency plans and understanding of appropriate measures and energy savings strategies. Small and Medium-sized Enterprises are particularly adversely affected in this respect and are either unaware of resource efficiency technologies or business processes or lack the know-how about approaches to adopt and embed new methods.

This presents an opportunity to use the European Regional Development Fund to
support improvements in the energy efficiency of companies, including the buildings they use. ERDF support can be provided to SMEs in the form of consultancy and technical advice to improve energy efficiency including through the implementation of low carbon technologies and increase renewable energy use in enterprises.

ERDF will be used to make energy efficiency measures and renewable energy options more accessible to SMEs, helping smaller businesses to improve their environmental performance without the need for large-scale investment. Unlike activities funded under Investment Priority 4f of this Call, the focus will be on the application of new technologies by SMEs rather than their development.

The Result indicator proposed in the Operational Programme to measure the impact of this Investment Priority is to reduce the percentage of SMEs that have no methods to measure energy efficiency; projects will need to set out how they address this through their activity.

**Investment Priority 4f**

Ensuring a competitive environment for science and technology firms and investors is a key LEP priority. The low carbon and environmental goods and services sector is a prime example of how this can be achieved. The global low carbon and environmental goods and services sector was worth £3.4 trillion in 2011/12 and London is already a leading player in this global market. In 2011/12 it had over 9,200 businesses, employed over 163,000 people and was worth over £25.4 billion. London’s low carbon and environmental goods and services sector has grown by over 5% in each of the last two years and is expected to continue to grow through to 2020 at over 5%.

Technological innovation is key to both seizing these opportunities and to meeting the Mayor’s target to reduce London’s 1990 emissions by 60% by 2025. ERDF can be invested in activities that support innovation and create market demand for the low carbon and environmental goods and services sector. This includes projects that accelerate market development, drive technological innovation and support the adoption, deployment and cost reduction of low carbon goods and services across all sectors as London makes its transition into a low carbon, resource efficient world city.

**Local Priorities:**

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

**Investment Priority 4b** (Promoting energy efficiency and renewable energy use in enterprises).

- Supporting London’s SMEs to improve their energy efficiency and increase their renewable energy use in enterprises by the implementation of low carbon technologies, products, processes and approaches and best practice in energy efficiency management. This will be done in all areas of the
business process in order to reduce energy consumption, make financial savings, increase SME productivity and mitigate the impacts of CO2 emissions.

**Investment Priority 4f (Promoting research and innovation in, and adoption of, low carbon technologies)**

- Please refer to the [London ESIF strategy](#) and other relevant low carbon strategies in your proposal

- Projects are required to demonstrate how their proposed activities will deliver the Specific Objectives of the relevant Priority Axis and the corresponding Result indicators set out in the ERDF Operational Programme.

- Projects which apply under Investment Priority 4f should demonstrate significant experience of working with the knowledge base, SMEs and large enterprises and can demonstrate their sector expertise.

- Projects which apply under Investment Priority 4f should demonstrate how the operation fulfils the requirements set out in the Smart Specialisation in England strategy, submitted to the European Commission to meet the applicable ex-ante conditionality, and explained further in the [ERDF Operational Programme](#) and [Smart Specialisation in England](#).

- Smart Specialisation is an approach to addressing new growth opportunities and is based on the regional identification of priorities for research, development and innovation investment, which offer competitive advantages in relation to local physical, knowledge and enterprise assets. The objective of improving how small and medium sized enterprises commercialise research and how they collaborate with research institutions will be taken forward through activities such as knowledge exchange, business engagement, networking and investment support, with the choice of sectors and technologies reflecting the approach of smart specialisation.

- Applications must demonstrate added value to existing provision and how they will link with London’s Growth Hub.

- Please note that a separate programme for providing equity and loan investments for small and medium-sized enterprises will be launched at a later date.
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:

<table>
<thead>
<tr>
<th>Investment Priority</th>
<th>4b – Promoting energy efficiency and renewable energy in enterprises.</th>
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</thead>
<tbody>
<tr>
<td><strong>Specific Objective</strong></td>
<td>Increase energy efficiency in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies.</td>
</tr>
<tr>
<td><strong>Indicative Actions</strong></td>
<td>The main target group is Small and Medium-sized Enterprises. Under this Investment Priority indicative actions to be supported by European Regional Development Fund may include:</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
</tr>
<tr>
<td></td>
<td>• 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.</td>
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<tr>
<td></td>
<td>• 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.</td>
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<tr>
<td></td>
<td>• Supporting increased Small and Medium Sized Enterprises access to national and local government procured contracts for energy efficient goods and services.</td>
</tr>
<tr>
<td></td>
<td>• Developing low carbon innovation in relation to energy</td>
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</table>
efficiency within enterprises, including through technologies and engagement practices.

<table>
<thead>
<tr>
<th>Investment Priority</th>
<th>4f – Promoting research and innovation in, and adoption of, low-carbon technologies.</th>
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</thead>
<tbody>
<tr>
<td>Specific Objective</td>
<td>Increase innovation in, and adoption of, low carbon technologies.</td>
</tr>
<tr>
<td>Indicative Actions</td>
<td>Under this Investment Priority indicative actions to be supported by European Regional Development Fund may include:</td>
</tr>
<tr>
<td></td>
<td>• Research and Development, innovation and supply chain work for low carbon technologies and materials, including, wave and wind energy, smart grids, distributed generation, solar and photovoltaics, heat networks, heat pumps and low carbon heat for energy intensive industries</td>
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<tr>
<td></td>
<td>• Research underpinning carbon capture and storage, taking account of the restrictions laid down in Article 3.3.b of the European Regional Development Fund</td>
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<tr>
<td></td>
<td>• Technology centres of excellence and test facilities, including relevant Catapult centres</td>
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<tr>
<td></td>
<td>• Renewable technologies in the United Kingdom renewable energy roadmap</td>
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<tr>
<td></td>
<td>• Research, development, demonstration and adoption of technologies and systems that support low-energy transport and accelerate the establishment of new technologies such as low emissions vehicles (electric, hybrid and hydrogen)</td>
</tr>
<tr>
<td></td>
<td>• Knowledge transfer with Higher Education/Further Education institutions and Businesses</td>
</tr>
<tr>
<td></td>
<td>• Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes</td>
</tr>
</tbody>
</table>
Demonstration and deployment of decentralised renewable energy technologies

- Research, development and innovation and supply chain development for low carbon and resource efficient technologies and materials (including small scale pilot programmes that test the market with new low carbon solutions and the use of secondary materials).

### 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:

<table>
<thead>
<tr>
<th>ID</th>
<th>Output Indicator</th>
</tr>
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<tbody>
<tr>
<td>C1</td>
<td>Number of enterprises receiving support</td>
</tr>
<tr>
<td>C5</td>
<td>Number of new enterprises supported</td>
</tr>
<tr>
<td>C26</td>
<td>Number of enterprises cooperating with research institutions</td>
</tr>
<tr>
<td>C29</td>
<td>Number of enterprises supported to introduce new to the firm products</td>
</tr>
<tr>
<td>C30</td>
<td>Additional capacity of renewable energy production</td>
</tr>
<tr>
<td>C34</td>
<td>Estimated Green House Gas reductions</td>
</tr>
</tbody>
</table>

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

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.

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.

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 50% of the total eligible project costs subject to State Aid regulations.

The remaining 50% 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 50% 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.

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 formal approval. Projects which fail to meet this deadline may be deselected, and
• Be completed by June 2023.

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. 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.
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.

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. Grant funding to any economic undertaking which is State Aid can only be awarded if it is compatible aid, in that it complies with the terms of 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.

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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.”
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).

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: esifcalls@london.gov.uk
8. Key Documents

- European Regional Development Fund Operational Programme;
- Outline Application Form;
- Outline Application Form Guidance;
- Local Enterprise Partnership area’s European Structural and Investment Funds Strategy;
- Eligibility Guidance;
- Target Definitions; and
- 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.