

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

Priority Axis 2: Enhancing Access To, and
Use and Quality of, Information and
Communications Technology

Managing Authority:	Department for Communities and Local Government
Fund:	European Regional Development Fund
Priority Axis:	Priority Axis 2: Enhancing Access To, and Use and Quality of, information and Communications Technology
Call Reference:	OC21R17P 0530
Local Enterprise Partnership Area:	Leicester and Leicestershire
LEP Area Indicative Fund Allocation:	£1,100,000
Call Open:	Friday 17 March 2017
Call Closes:	23:59 13 May 2017

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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 Government has confirmed that it will guarantee EU funding for structural and investment fund projects signed before the UK's departure from the EU, even when these projects continue after we have left the EU.

As a result, British businesses and other organisations will have additional certainty over future funding and should continue to apply for EU funding while the UK remains a member of the EU.

Funding for projects will be honoured by the government, if they meet good value for money and are in line with domestic strategic priorities. Each government department will take responsibility for the allocation of money to projects in line with these conditions and the wider rules on public spending. The full detail of the announcement can be found at the following [website link](#).

The Funds are managed by the Department for Communities and Local Government for the European Regional Development Fund, Department for Work and Pensions for the European Social Fund and the Department for Environment, Food and Rural Affairs for the 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. In some other areas, Intermediate Bodies are being designated by the Department for Communities and Local Government and the Department for Work and Pensions to perform the following tasks:

- Input into project calls in respect of local development needs (with reference to ESI Funds Strategies); and
- Assessment of applications against certain selection criteria in relation to fit with local priorities in respect of the European Regional Development Fund and European Social Fund.

The Managing Authorities and Intermediate Bodies work closely with local partners on ESI Funds sub-committees in each Local Enterprise Partnership area. Partners on these sub-committees provide:

- Practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets;
- Local intelligence to the Managing Authorities (or Intermediate Bodies where designated) in the development of project calls that reflect Operational Programme and local development needs as well as match funding opportunities; and
- Advice on local economic growth conditions and opportunities within the context of the Operational Programme and the local European Structural and Investment Funds Strategy to aid the Managing Authorities' (or Intermediate Bodies where designated) 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 2 Enhancing Access To, and Use and Quality of, Information and Communications Technology

Investment Priorities:

- 2b** Developing Information and Communications Technology products and services, e-commerce, and enhancing demand for Information and Communications Technology

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 2** of the Operational Programme aims to enhance access to, and use and quality of, Information and Communications Technology.

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 needs, as expressed in the scope of this call and as set out in the [Leicester and Leicestershire Local Enterprise Partnership area](#) 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 2 of the European Regional Development Fund Operational Programme and respond to the local development need set out in the [Leicester and Leicestershire Local Enterprise Partnership area](#) European Structural and Investment Funds Strategy.

<p>Indicative Fund Allocation:</p>	<p>Indicatively, through this call the Managing Authority expects to allocate up to £1,100,000</p> <p>The Managing Authority reserves the right to invite to full application (and subsequently approve) projects that have a cumulative value that is higher or lower than this indicative allocation, subject to the volume and quality of proposals received. The Managing Authority may also decide to place some projects submitted through this call on a reserve list and invite them to proceed at a later date, subject to the availability of funding.</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>
<p>Minimum application level</p>	<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. Consequently projects with a total value of less than £1,000,000 will not normally be supported under this call</p>
<p>Duration of project activity</p>	<p>Projects should plan to deliver activity for a maximum of three years, however the Managing Authority reserves the right to vary the maximum duration, upwards or downwards.</p>
<p>Geographical Scope</p>	<p>The England European Regional Development Fund Operational Programme operates on a National basis. All</p>

	<p>eligible European Regional Development Fund expenditure must benefit organisations located in England.</p> <p>Revenue projects should predominantly support businesses based within the Local Enterprise Partnership area of this call.</p>
Specific call requirements	<p>The Leicester and Leicestershire Local Enterprise Partnership are looking for one or more projects that can upscale activity through innovative forms of delivery. Good value for money, alignment with Leicester and Leicestershire Local Enterprise Partnership strategic priorities and domestic strategic priorities will form a key part of the assessment and appraisal of all applications. Proposals should therefore ensure that these conditions are well demonstrated.</p> <p>.</p>
Call Deadlines	<p>For this specific call, applications will be assessed after the close of the single deadline.</p> <p>Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.</p>

3.2. Local Development Need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 2 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 Growth Priorities:</p> <p>The Leicester and Leicestershire Local Enterprise Partnership is in the process of refreshing its Strategic Economic Plan. However it should be noted that the importance of enhancing access and using digital and related information communication technologies economic platforms is likely to remain as and probably will become more prominent within the refreshed Strategic Economic Plan. This is because increasing productivity and driving competitiveness will form an important priority moving forwards.</p> <p>Using new technologies and enhanced communications to make better use of faster broadband speeds is increasingly linked to economic competitiveness and growth. Smarter manufacturing, GPS (Global Positioning System) and digitally tracked logistics, and market disruption within the professional and financial services would not be possible without a high proliferation of mobile and on-line economic activity, and innovative business techniques.</p>

The Leicester and Leicestershire Local Enterprise Partnership's Sector Growth Plans and in particular the Creative, Professional & Financial, Logistics and Advanced Manufacturing & Engineering Sectors have all highlighted the need for better exploitation of broadband / digital technologies, tools and skills by small businesses to realise the full potential benefits.

High levels of information technology skills in the labour force and access to digital connectivity is a vital utility for business and is fundamental to achieving economic growth. There are particular emerging opportunities from developments in technology and global demand, particularly linked to advanced manufacturing, life sciences, logistics, and digital content.

European research suggests that for every 10% increase in broadband penetration, the economy grows by between 1% and 1.5%, and research by London School of Economics concludes that half of Europe's productivity gains in recent years can be attributed to information technology investments. Two studies which highlight this are:

- <https://www.digitalskills.com/business>
- <http://www.broadbanduk.org/wp-content/uploads/2014/03/Capitalising-on-Connectivity.pdf>

The Leicester and Leicestershire Local Enterprise Partnership has provided funding through Local Growth Funds and partners such as Leicestershire County Council and Leicester City Council have been working with BDUK (Broadband Delivery UK) to extend broadband coverage across the area through the Superfast Leicestershire Broadband Programme. Even though the extent of superfast and ultrafast broadband coverage is increasing, there are still many small and medium sized enterprises which do not have access or are unaware of the network improvements that have been made. Superfast broadband access offers the potential for significant benefits for growth, as set out in the UK Broadband Impact Study.

Further commercial roll-out of superfast broadband through full fibre and possibly 5G networks in England has become an urgent priority and is equally so in Leicestershire. There are commercial areas which have not yet been able to benefit from the current programme or alternative locations who could establish a substantial competitive advantage for the Leicester and Leicestershire Local Enterprise Partnership area by taking up advanced fibre and or by strengthening local collaboration in the use of technology. Synchronous speeds of 100mbps or greater at affordable prices will create immediate growth opportunities for Leicester & Leicestershire.

The Leicester and Leicestershire Local Enterprise Partnership also has some transformational priorities where it is trying to establish innovation led sector opportunities including its Enterprise Zones and major development opportunities and principal urban areas. These areas could be enhanced by activating and utilising Information Communication Technologies opportunities for businesses.

There appears to be a small but significant wave of new businesses which are offering on-line products and services to both business and the public sector through the creation of new software tools and online business processes. “Information Services” can be defined as a sub-sector (which includes four components: software consultancy and supply; data processing; other computer related services; and data base activities) that is part of a diverse Professional and Business Services sector across the County, with a strong focus on the City, but with some potential to agglomerate out into the County area. There is a strong expertise in all three Leicester and Leicestershire Local Enterprise Partnership Universities where Big Data, High Speed Computing and digital / creative industries are significant areas of focus.

The size and scale of this call as a complimentary activity to the existing European Regional Development Fund backed Digital Growth Programme may present opportunities for innovation and experimentation with technologies and models of co-operation between businesses and between businesses and other organisations.

Whilst this Call has a relatively small allocation of investment within our European Structural and Investment Funds Strategy it is very much a cross-cutting theme that will be supported by activities across the Strategy particularly under PA-1, PA-3 and PA-4.

Local Priorities:

Under this investment priority, actions that the Leicester and Leicestershire Local Enterprise Partnership area are looking to support include one or more of the following:

- **Support for small and medium-sized enterprises to update or introduce new Information Communication Technology business models which will drive business performance;** Here the Leicester and Leicestershire Local Enterprise Partnership area is looking for projects to support businesses in introducing, or updating, new Information Communication Technology models which have a discernible impact within the business and support sustainable growth. Here we envisage a programme consisting of the latest systems & communication technologies
- **Provision of coaching, advice, consultancy, mentoring and support for small and medium sized enterprises to access new markets through improved Information Communication Technology connections / Provision of coaching, advice, consultancy, mentoring and support for small and medium sized enterprises to develop Information Communication Technology skills strategies and particularly productivity improvements from use of Information Communication Technology;** Here the Leicester and Leicestershire Local Enterprise Partnership is looking for activities to support one to many provision supported by one to one advisor support services, also signposted on through to the Leicester and Leicestershire Local Enterprise Partnership Gateway to help with the design, procurement,

implementation and monitoring of the impacts, of the Information Communication Technology project.

- **Demand-side voucher schemes;** Here we are keen for programmes to take advantage of outcomes delivered via Superfast Leicestershire, Broadband connection as well as the Transformational Information Communication Technology programme of the previous European Regional Development Funds programme and be complimentary to the recently launched European Regional Development Funds backed “Digital Growth Programme in Leicester & Leicestershire”. Projects may wish to consider activity that allows firms or clusters to pool resources to take advantage of advancing communication opportunities including measures to reduce financial burdens on businesses who need faster synchronous speeds
- In addition to the Voucher Scheme **a small scale Information Communication Technology development grant scheme** would be welcome (capital/revenue, up to £10k match funded or £20k total project) to help encourage additional businesses to take up broadband with speeds of at least 30Mbps and develop new Information Communication Technology systems to improve business performance in collaboration with others. Grants to include purchase of equipment (software / hardware/ related technology) and associated consultancy when required, ensuring effective use of Information Communication Technology. Specific new business start-ups or one or more area-based business communities may be a real opportunity moving forwards. Activities above must not duplicate current business support activities under our PA-3 small scale grant schemes to help small and medium-sized enterprises innovate and take up innovation expertise from specialist providers which could be from any specialist institution (international, national or local, public and private). For further information see <http://www.llepbizgateway.co.uk/how-to-access-finance/>
- **Demonstration and pilot projects, showcasing how small and medium sized enterprises can stimulate innovation through smart use of Information Communication Technology / Support for diffusion of results from demonstration and pilot projects;** A project could be developed with regulators, or arts creative, cultural communities, or potentially with a university or research organisation to create a business support or business productivity collaboration pilot to demonstrate innovative business practices and strengthen competitive opportunities for small and medium-sized enterprises.
- **Support for the integration of small and medium sized enterprises in digital supply chains through the smart use of Information Communication Technology:** Here the Leicester and Leicestershire Local Enterprise Partnership area would welcome a Business: Information Communication Technology Analysis: Assessment of Information Communication Technology usage within business model and potential for growth with an emphasis on communications to inform and develop local shared solutions and business opportunities. Participants and beneficiaries will receive support for

implementation of a transformational Information Communication Technology project within the business

- The Leicester and Leicestershire Local Enterprise Partnership Business Gateway is the Growth Hub for Leicester and Leicestershire. The Business Gateway brings together all Business Support provision available within the Leicester and Leicestershire Local Enterprise Partnership area into one place; supporting business to know what support is available, and connecting them to service providers who can meet their growth needs. Each service provider will be required to demonstrate their commitment to working within the scope of the Leicester and Leicestershire Local Enterprise Partnership Business Gateway Partnership Protocols. [Click here to access](#). Activities are to target small and medium-sized enterprises, including Social Enterprises.

3.3. Operational Programme Investment Priorities

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

Investment Priority	2b – Developing Information and Communications Technology products and services, e-commerce, and enhancing demand for Information and Communications Technology.
Specific Objectives	Increase the number of Small and Medium Sized Enterprises making productive use of digital technologies.
Indicative Actions	<p>The support provided through this specific objective will help Small and Medium Sized Enterprises to be able to understand and use Information and Communication Technology products and services appropriate for their business. It will complement action under the other investment priority in this axis as well as action under Priority Axes 1 and 3:</p> <p>Under this investment priority, actions that the European Regional Development Fund may support include:</p> <ul style="list-style-type: none"> • Support for Small and Medium Sized Enterprises to update or introduce new Information and Communication Technology business models which will drive business performance

	<ul style="list-style-type: none"> • Provision of coaching, advice, consultancy, mentoring and support for Small and Medium Sized Enterprises to access new markets through improved Information and Communication Technology connections • Provision of coaching, advice, consultancy, mentoring and support for to develop Information and Communication Technology skills strategies • Provision of coaching, advice, consultancy, mentoring and support to implement productivity improvements from use of Information and Communication Technology • Demand-side voucher schemes • Demonstration and pilot projects, showcasing how Small and Medium Sized Enterprises can stimulate innovation through the smart use of Information and Communication Technology • Support for diffusion of results from demonstration and pilot projects • Support for the integration of Small and Medium Sized Enterprises in digital supply chains through the smart use of Information and Communication Technology <p>Activities will target Small and Medium Sized Enterprises, including Social Enterprises.</p>
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4. Required Outputs under this Call

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund will achieve the ERDF programme-level outputs for Priority Axis 2.

For projects proposing to deliver activity against more than one Investment Priority, the appropriate outputs should be selected. Project will be required to report on, and evidence, the achievement of the outputs separately under each Investment Priority.

For projects coming forward under this call the expected outputs and results are:

Investment Priority 2b

Output reference	Name
C1	Number of enterprises receiving support
C5	Number of new Enterprises supported
C29	Number of enterprises supported to introduce new to the firm products
P4	Additional businesses taking up broadband with speeds of at least 30Mbps

The Managing Authority expects the level of outputs proposed within outline applications to be realistic and achievable and to deliver good value for money. The application should clearly state the methodology used to determine the levels of outputs proposed.

Projects will only be supported if they demonstrate good value for money. An important consideration when assessing value for money is the level of European Regional Development Fund Outputs that the project would deliver.

The Managing Authority has not set specific output targets for this Call and does not publish average or expected unit costs.

The Local ESIF Strategy for each LEP Area includes details of the local, notional European Regional Development Fund allocation to each Priority Axis and the type and number of European Regional Development Fund outputs that are expected in return for this investment.

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 outputs, a performance penalty may apply.

5. Application Process & Prioritisation Methodology

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

- (i) Outline Application and, if successful
- (ii) 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 all of the national [Selection Criteria](#) except where an Intermediate Body has been designated to assess against some of the selection criteria. Where an Intermediate Body has been designated to undertake delegated tasks, the Intermediate Body will undertake the assessment against the selection criteria in relation to fit with local priorities.

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

The Gateway assessment is undertaken by the Managing Authorities and considers:

- applicant eligibility;
- activity and expenditure eligibility; and
- fit with the National Operational Programme and the local development need set out in section 2.

Applications that fail the Gateway assessment undertaken by the Managing Authority will be rejected. Applications which pass the Gateway assessment will then be assessed by the Managing Authority in relation to all Core assessment criteria.

In areas where an Intermediate Body¹ has been designated, the following will apply:

The Intermediate Body will assess the application against the following Core assessment criteria:

- Local Strategic Fit

The Managing Authority will assess the application against the following Core assessment criteria:²

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

¹ This process works differently for the Greater London Authority. Please contact the Greater London Authority for further details.

The Intermediate Body will also provide advice to the Managing Authority to assist the Managing Authority to make its assessment against the following Core selection criteria:

- Value for money
- Deliverability

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

Having concluded their assessments the Managing Authority and the Intermediate Body will prioritise the applications they wish to proceed based on their assessment against their respective selection criteria. Only projects that the Managing Authority and the Intermediate Body each agree should proceed, based on their respective core selection criteria, will be invited to submit a full application. Subsequently only those full applications that the Managing Authority and the Intermediate Body each agree should proceed, based on their respective selection criteria, will be approved.

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>

Potential applicants / applicants may wish to take advantage of information and support services funded through ERDF Technical Assistance and available to assist the design and development of compliant projects / applications for ERDF. Details of your local Technical Assistance funded project can be found on the [Technical Assistance website page](#).

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 National Eligibility 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 the grant value. If in doubt on any of the requirements, Applicants are strongly advised to seek specialist advice.

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 at the full application stage, Applicants will enter into [a Funding Agreement](#) and must abide by the standard terms and conditions contained therein. Once a Funding Agreement has been issued it should be signed and returned within 30 days, unless otherwise agreed with the Managing Authority. 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.

6.2. Eligible Applicants

Section 4 of the [National Eligibility Rules](#) sets out who is eligible to apply. Financial Due Diligence checks will be undertaken on non-public sector Applicants successful at the Outline Application stage.

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 (and Grant Recipient) 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 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 investment must not be used to replace existing funding sources. European Regional Development Fund investment must enable activity to take place that would not otherwise happen or to increase the

scope, scale or intensity of activity. 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. During the application process applicants will need to satisfy the Managing Authority that they have, or are able to put in place eligible match funding 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.

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 will normally be 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 closed by June 2023.

6.5. Capital Projects

In developing the budget for the Outline Application, applicants seeking European Regional Development Fund to support a capital project should note that:

- new build projects will normally be expected to achieve the Building Research Establishment Environmental Assessment Method (BREEAM) rating of 'excellent'; however BREEAM 'very good' will be accepted where this is the maximum feasible standard.

- Refurbishment projects will normally be expected to achieve the BREEAM rating of 'Very Good'.
- Infrastructure projects will normally be expected to achieve the Civil Engineering Environmental Quality Assessment rating of 'Very Good'.

6.6. Cross Cutting Themes/Horizontal Principles

All applications selected as a result of this call will be required to 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 Section 11 of the [European Regional Development Fund Operational Programme](#).

Information and Communications Technology issues are likely to impact more on older people and disabled people, so digital infrastructure investments under Priority Axis 2 should be accompanied by relevant skills support.

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.

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

Applications need to identify and evidence how 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. 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 under the General Block Exemption Regulation (EU) 651/2014.

Only if this is not possible should Applicants use the De Minimis Regulation or 'no aid'. [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.

6.9. 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 a 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;
- 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 grants.

7. Support

Please note that this is a competitive call and to preserve impartiality the Managing Authority and, where appropriate, the Intermediate Body are unable to enter into correspondence with applicants over their Outline Application. Details of where guidance can be found are contained throughout this call document. In exceptional circumstances, if there are issues with accessing this guidance, please contact: EM.ERDFENQUIRIES@communities.gsi.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;
- 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;
- 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 a 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.