

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

Sustainable Urban Development Strategy:
Liverpool City Region

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 Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency
Call Reference:	OC22R17S 0537
Local Enterprise Partnership Area:	Liverpool City Region
Sustainable Urban Development Strategy Indicative Fund Allocations	Priority Axis 4: £9,115,072 Priority Axis 6: £624,841
Call Open:	Friday 30 June 2017
Call Closes:	23:59, Friday 15 September 2017

Contents

1.	Introduction.....	3
2.	Call Context.....	4
3.	Scope of the Call	5
3.1.	Scope.....	5
3.2.	Local Development Need.....	7
3.3.	Operational Programme Investment Priorities.....	10
4.	Required Outputs under this Call	14
5.	Application Process & Prioritisation Methodology	15
6.	General Information.....	18
6.1.	National Eligibility Rules.....	18
6.2.	Eligible Applicants.....	18
6.3.	Contribution Rate & Match Funding	19
6.4.	Project Timescales.....	20
6.5.	Capital Projects.....	20
6.6.	Cross Cutting Themes/Horizontal Principles.....	20
6.7.	Additionality, Duplication and Displacement	21
6.8.	State Aid & Revenue Generation	21
6.9.	Procurement.....	21
7.	Support.....	22
8.	Key Documents.....	22
9.	Document Checklist.....	23
10.	Document Submission.....	23

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.

The Liverpool City Region Combined Authority has been designated as an Intermediate Body for the Liverpool City Region Sustainable Urban Development Strategy to perform the following tasks:

- Input into project calls in respect of local development needs (with reference to ESI Funds and Sustainable Urban Development Strategies); and
- Assessment of applications against certain selection criteria in relation to fit with local priorities in respect of the European Regional Development 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 Intermediate Body 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 Intermediate Body'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 investment to support delivery of the [Liverpool City Region Sustainable Urban Development Strategy](#). Applications may be made under one or more of the following Priority Axis of the European Regional Development Fund Operational Programme:

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

Investment Priorities:

- 4a** Promoting the production and distribution of energy derived from renewable resources.

- 4e** Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.

Priority Axis 6 Preserving and Protecting the Environment and Promoting Resource Efficiency

Investment Priorities:

- 6d** Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green

infrastructure

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 support the shift to low carbon economy in all sectors. **Priority Axis 6** of the Operational Programme aims to preserve and protect the environment and promote resource efficiency.

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](#).

An application can be made for a project under Priority Axis 4 or Priority Axis 6, or if appropriate an application can be made for European Regional Development Fund investment to support a project from both Priority Axis.

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 [Liverpool City Region Local Enterprise Partnership area European Structural and Investment Funds Strategy](#) and the Liverpool City Region Sustainable Urban Development 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 & 6 of the European Regional Development Fund Operational Programme and respond to the local development needs set out in the [Liverpool City Region Local Enterprise Partnership area European Structural and Investment Funds Strategy](#) and the Liverpool City Region Sustainable Urban Development Strategy.

Please note that projects will only be selected if they contribute to the delivery of the Liverpool City Region Sustainable Urban Development Strategy. Projects that do not support this strategy will not be selected even though they may support the wider ERDF Operational Programme or the [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:
------------------------------------	---

	<p>Priority Axis 4: £9,115,072</p> <p>Priority Axis 6: £624,841.</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 allocations, 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. Applicants should consult the Liverpool City Region Sustainable Urban Development Strategy to understand the funding and outputs split between the Transition and More Developed areas.</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. Consequently projects with a total value of less than £1,000,000 will not normally be supported under this call.</p>
Duration of project activity	<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>
Geographical Scope	<p>The England European Regional Development Fund Operational Programme operates on a National basis. All eligible European Regional Development Fund expenditure must benefit organisations located in England.</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 6 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

Local Growth Priorities:

Liverpool City Region - Sustainable Urban Development (SUD)
OPEN CALL - Priority Axis 4 and Priority Axis 6 – April 2017

This call will be guided by the Liverpool City Region's Sustainable Urban Development (SUD) Strategy. This strategy has been developed and approved by the Combined Authority, the ESIF Sub-Committee and the Department of Communities and Local Government in its capacity as the Managing Authority for ERDF.

The ERDF funding available to support the SUD programme is intended to accelerate the development of a multimodal, integrated low carbon transport network to enable citizens to make informed choices about modes of transport within a safe transport environment.

The SUD Strategy sets out a vision to link Liverpool City Region emerging cycling/walking networks, invest in the filling of gaps, supporting the development of alternative transport fuels for public transport while at the same time enhancing and rehabilitating land within the city region's green infrastructure and the Ecological Network. Major transport infrastructure schemes are not eligible, as alternative, bespoke funding sources exist for such measures.

Three discrete strands of activity have been identified, utilising funds drawn from Priority Axes (PA) 4 [Low Carbon Economy: promotion of sustainable urban mobility] and 6 [Environment and Resource Efficiency: Green Infrastructure] in the ERDF OP. The SUD also fits into the Blue/Green Portfolio framework in the LCR ESIF Strategy and forms an integrated and holistic package of ERDF interventions.

The three SUD strands are as follows:-

Strand 1

- Measures that create and enhance connectivity through the development of green corridors to encourage walking and cycling into, and between, economic growth priority areas across the LCR.
- The measures must also deliver biodiversity benefits (e.g. through land remediation and native planting to support biodiversity).
- Linked to this will be support for measures that enhance established economic development zones with climate change adaptation and associated resilience enhancements.

- Indicative ERDF budget - £6.619 million (PA4 and PA6)

Strand 2

- Complementary measures that promote and incentivise sustainable, active and low carbon travel in Strand 1 through intelligent travel tools via technologies such as phone apps, smart ticketing, and the use of 'big data'.

Indicative ERDF budget - £780,000 (PA4)

Strand 3

- Alternative fuels that add value to Strand 1 measures by reducing carbon emissions from public sector transport services, and which reduce transport-related air pollution. This may include retrofit or replacement programmes for fleets and incentive schemes for the uptake of cleaner transport, subject to additional funds.

Indicative ERDF budget - £2.34 million (PA4)

Please note that the expectation under Strand 1 is for multi priority axes (PA4 and PA6) applications to ensure full integration between SUD sustainable mobility and green infrastructure investments.

The call is for applications against the full amount allocated to the SUD, ie £9.74 million. ERDF funding will provide a maximum of 50% of the overall eligible project cost.

Liverpool City Region-wide consortium bids are strongly encouraged. This is to ensure that there is a coherent and integrated approach to the delivery of SUD measures, which are intended to be innovative and integrated packages, notwithstanding that they are funded from two separate Priority Axes. In strand 1, it is envisaged that consortia will include local authorities and relevant not-for-profit transport and biodiversity organisations as a minimum as well as other relevant partners from across the city region. Strand 2 and 3 will lend themselves to other configurations of partners.

While all Priority 4 and Priority 6 outputs are relevant, activities that deliver both ERDF and LCR specific outputs as follows will be prioritised:

ERDF Operational Programme Outputs:

Priority Axis 4: C34 - Estimated GHG reductions

Priority Axis 6: C23 - Surface area of habitats supported in order to attain a better conservation status (Ha)

LCR SUD specific output targets:

1. Created/Improved cycle/Walking paths (km), linking multimodal transport nodes and economic infrastructure;
2. Demonstrator/pilot of innovative data collection tool to support smart travel (no);
3. Development of cycling/walking app which supplies automatic usage data to add to LCR sustainable travel planning tools (no); and
4. Alternative Fuels demonstrator and/or pilot for public transport developed (no);

Projects will be assessed on their merits in line with the above criteria and principles as part of the Local Strategic Fit assessment with advice given by the ESIF Sub-Committee. DCLG will carry out the ERDF assessment as per the ERDF OP. The Liverpool City Region Combined Authority, in its role as an Intermediate Body (IB), will decide on the local strategic fit of projects.

The Local Enterprise Partnership (LEP) EU team supports potential applicants with advice to support the development of outline bids for ERDF funding.

It is recommended that all prospective project applicants make contact with the LEP EU Team in advance of their project submission.

Angela Hanaghan
Programme Executive
0151 237 3969
angela.hanaghan@liverpoollep.org

Local Priorities:

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

- How they will directly support the relevant strands set out above and why the project is seeking SUD funding;
- How they will deliver the wider principles embodied within the SUD Strategy, including in strand 1, linkages and interaction between PA4 and PA6 activities;
- How projects integrate and/or 'package' proposed elements to deliver the project;
- An explanation of how the proposed consortium will deliver the project, including the roles of individual partners, their expertise and resources to enable an assessment of whether this is a true collaborative project proposal
- How the project proposal seeks to integrate with and add value to existing PA4 projects;
- How projects will collaborate with key LCR stakeholders related to SUD activities to avoid duplication.

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	4a – Promoting the production and distribution of energy derived from renewable sources.
Specific Objectives	Increase the number of small scale renewable energy schemes in England.
Indicative Actions	<p>Projects will support micro-energy installations, off-grid energy productions, renewable heat networks and ground and air source heat pumps:</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"> • Measures to support increased production of renewable fuels and energy, in particular wind energy, solar and biomass • Support to build capability and capacity for supply chains in renewable energy • Demonstration and deployment of renewable energy technologies • Measures to support the wider deployment of renewable heat, including micro-generation, geothermal, renewable heat networks or district heating, ground source and air source heat pumps. Also including biomass systems with associated heat off-take and heat distribution networks along with recycling processing reprocessing and remanufacturing facilities, and • Anaerobic digestion plants and other biomass or landfill gas schemes. • The Renewable Energy Directive (2009/28/EC) provides a definition of energy from renewable sources'. It means energy from renewable non-fossil

	<p>sources, namely wind, solar, aero-thermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases.</p> <ul style="list-style-type: none"> • Projects will need to evidence how they will support the UK Renewable Energy Road Map. This will be achieved by detailing which of the key renewable energy areas they will be supporting: <ul style="list-style-type: none"> o Biomass Electricity o Onshore Wind o Offshore Wind o Marine o Solar PV o Renewable Heat • Proposals will need to detail how the project supports the delivery of a named local carbon strategy. <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
Investment Priority	4e : Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures
Specific Objectives	Increase implementation of whole place low carbon solutions and decentralised energy measures.
Indicative Actions	<ul style="list-style-type: none"> • Investments in local/regional smart grid demonstration projects, including validation and solving system integration issues • Sustainable energy action plans for urban areas, including public lighting systems, smart metering and distribution through smart grids • Investments in combined heat and power from

	<p>renewable sources</p> <ul style="list-style-type: none"> • Investments to encourage the adoption of renewable technologies <p>A strategic approach is particularly important in the area of low carbon transport, whether for sustainable urban mobility, or improving links between urban and rural areas, or connecting dispersed rural communities. Examples of actions include:</p> <ul style="list-style-type: none"> • Investments in actions aimed at improving the capacity at local level to develop and implement integrated and sustainable transport strategies and plans (including for example actions related to modelling data collection, integrated transport management, operations and services, public consultation etc) to reduce transport related air pollution, in particular retrofit or replacement programmes for bus fleets, incentive schemes for cleaner transport, improved public transport infrastructure and alternative forms of transport. • Investments in actions aimed at introducing innovative environmentally-friendly and low-carbon technologies (for example, alternative fuel stations or charging points) • Investments in actions aimed at developing innovative and multi-modal transport services (for example, intelligent transport systems for travel information and planning, traffic and demand management, smart ticketing, multimodal integrated datasets or cooperative systems) • Innovative transport pricing and user charging systems • Cycle paths, walkways and waterways only where part of an integrated approach to GHG reductions • The strategic use of green and blue infrastructure can form a significant part of a proposal to support the delivery of city cooling in urban areas <p>A whole place solution is required which focuses on more than one thematic low carbon activity e.g. not just low carbon transport.</p> <p>Projects will need to baseline their information from the</p>
--	--

	<p>2011 Local Authority CO2 data..</p> <p>Financial Instruments Financial instruments will not be supported under this call</p>
Investment Priority	6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure.
Specific Objectives	Investments in Green and Blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth
Indicative Actions	<p>Activity supported to achieve this specific objective will focus on investment in Green Infrastructure; definitions are set out in the National Planning Policy and in Natural England’s Green Infrastructure guide¹. Blue Infrastructure is a sub-set of this and refers to the water-related features (rivers, ponds, lakes etc.) that play a crucial role in providing benefits to people and wildlife.</p> <p>Activity can include site clearance, soil de-sealing, decontamination and land remediation, but only where these directly contribute to an area’s Green and Blue Infrastructure/ natural capital which are the primary objective of the interventions.</p> <p>Sustainable drainage can be a design function incorporated within Green Infrastructure. It can also make a contribution to the provision of Green Infrastructure, where natural solutions are used to provide such a function. Furthermore the volume and quality of water that flows into blue infrastructure, such as rivers, ponds and lakes, has a fundamental impact on their health and condition. Sustainable drainage can help improve this.</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"> • Investment in green and blue infrastructure such as green corridors in urban areas and waterways • Sustainable drainage to improve water quality and in

¹ <http://publications.naturalengland.org.uk/publication/35033?category=49002>

	<p>some cases local air quality.</p> <p>Financial Instruments</p> <p>Financial instruments will not be supported under this call.</p>
--	--

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 4 and or Priority Axis 6.

For projects proposing to deliver activity against more than one Priority Axis Investment Priority, the appropriate outputs should be selected. Projects 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 are:

Investment Priority 4a	
Output reference	Name
C34	821 tonnes Estimated annual decrease of GHG

Investment Priority 4e	
Output reference	Name
C34	2,379 tonnes Estimated annual decrease of GHG

Investment Priority 6d	
Output reference	Name
C23	16 hectares of surface area of habitats supported in order to attain a better conservation status

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 Body² 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:³

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

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

² This process works differently for the Greater London Authority. Please contact the Greater London Authority for further details.

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](#).

For calls under Investment Priority 6d, please note:

All Green Infrastructure projects are required to make a contribution towards biodiversity priorities (especially relating to national objectives to increase the provision of water, grass and woodland habitats) and in addition proposals will need to clearly show how they deliver at least one of the socio-economic benefits of Green Infrastructure below:

- Flooding alleviation and Water Management.
- Pollution management/ control/ regulation (water and air)
- Economic growth and Investment (new market opportunities)
- Health, well-being, Recreation and Leisure (linked to a growth benefit).
- Provision of products from the land.
- Climate Change adaptation and mitigation

In determining which projects should be eligible for funding reference should be made to the relevant sections of the National Planning Policy Framework relating to the environment and Green Infrastructure; Green Infrastructure priorities set out in Local Plans; the Natural Environment White Paper (2011); Biodiversity 2020 (2011); and Natural England's Green Infrastructure Guidance.

The UK's National Planning Policy Framework requires local planning authorities to "set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green

infrastructure”.⁴ Investments in Green Infrastructure should look to complement the priorities for multi-functional green space as set out in the relevant Local Plans.

Where an investment is planned for a site that is designated as part of the Natura2000 network, or sits in proximity to such a site, reference should be made to the Prioritised Action Framework to ensure any proposed interventions complement the designated site’s objectives

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 that are successful at the outline application stage. Checks will be carried out following notification of a successful outline application and may exclude applicants from further consideration. These checks will include assessment of the applicant’s financial standing including ability to deal with cost overruns, the ability to cash flow a project in arrears and absorb a financial irregularity.

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60777/2116950.pdf

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](#).

Projects seeking funding under Priority Axis 4 with the objective of reducing Greenhouse Gas must have a transparent methodology for calculating and monitoring emissions, with actual and auditable GHG reductions in line with the Climate Change Act 2008.

Green Infrastructure projects seeking funding under Priority Axis 6 require both a wider strategic overview to ensure maximum benefits, and a future management plan.

Applications for projects delivering carbon savings will need to include a coherent and transparent methodology for measuring the savings.

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: NW.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;
- Liverpool City Region Sustainable Urban Development Strategy
- Eligibility Guidance;
- Output 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 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.