

2014 to 2020 European Structural and Investment  
Funds Growth Programme

Call for Proposals  
European Regional Development Fund

**Sustainable Urban Development Strategy:  
Greater Birmingham and Solihull LEP**

<b>Managing Authority:</b>	<b>Department for Communities and Local Government</b>
<b>Fund:</b>	<b>European Regional Development Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 4 Priority Axis 6</b>
<b>Call Reference:</b>	<b>OC12R17S 0589</b>
<b>Local Enterprise Partnership Area:</b>	<b>Greater Birmingham and Solihull</b>
<b>Sustainable Urban Development Strategy</b>	<b>Greater Birmingham and Solihull</b>
<b>Indicative Fund Allocation(s)</b>	<b>Priority Axis 4 £7,700,000 Priority Axis 6 £3,900,000</b>
<b>Call Open:</b>	<b>Tuesday 5 September 2017</b>
<b>Call Closes:</b>	<b>At 23:59 on Friday 30 March 2018</b>  <b>Assessment points – Tuesday 31 October 2017 Wednesday 31 January 2018</b>

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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.

Birmingham City Council has been designated as an intermediate body for the [Greater Birmingham and Solihull Local Enterprise Partnership \(GBSLEP\) Sustainable Urban Development Strategy](#) to perform the following tasks:

- Input into project calls in respect of local development needs (with reference to the local European Structural and Investment Funds strategy and Sustainable Urban Development strategy); 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 sustainable urban development 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 Greater and Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Sustainable Urban Development strategy. Applications are invited under the priority axes of the European Regional Development Fund operational programme set out in the tables below.

N.B Under this call an application can be made for a project:

- That would be funded from one of the investment priorities set out below (Such projects need not meet all of the requirements of the priority axis.); and
- That would be funded from more than one of the priority axes set out below.

Applications made under both priority axes should be for a coherent project that clearly links concurrent or sequential activities under each priority axis. Please note the limits on project duration set out in section 6.4 when considering whether to apply under more than one priority axis, particularly if the project activities are sequential.

### Priority Axes and Investment Priorities

#### Priority Axis 4 - Supporting the shift towards a low carbon economy in all sectors

- 4a Promoting the production and distribution of energy derived from renewable sources

- 4b Promoting energy efficiency and renewable energy use in enterprises
- 4c Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including public buildings, and the housing sector
- 4e Promoting low carbon strategies for all types of territories, in particular for urban areas, including promotion of sustainable multimodal urban mobility and mitigation-relevant adaption methods
- 4f Promoting research and innovation in, and adoption of, low-carbon technologies

### **Priority Axis 6 – Protecting the environment and promoting resource efficiency**

- 6d Protecting and restoring biodiversity and soil and promoting ecosystems services, including through Natura 2000 and green infrastructure.
- 6f Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution.

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 [GBSLEP European Structural and Investment Funds Strategy](#) and the [\(GBSLEP\) Sustainable Urban Development Strategy](#).

Applicants are advised to familiarise themselves with the detail of the operational programme, local European Structural and Investment Funds strategy, GBSLEP Sustainable Urban Development 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 Axes 4 and 6 of the European Regional Development Fund operational programme and respond to the local development needs set out in [GBSLEP European Structural and Investment Funds strategy](#) and the [\(GBSLEP\) Sustainable Urban Development Strategy](#).

Please note that projects will only be selected if they contribute to the delivery of the GBSLEP Sustainable Urban Development strategy. Projects that do not support this

strategy will not be selected even though they may support the wider European Regional Development Fund operational programme or the GBSLEP European Structural and Investment Funds Strategy

<p><b>Indicative fund allocation:</b></p>	<p>Indicatively, through this call the managing authority expects to allocate up to:</p> <p><b>Priority Axis 4: £7,700,000</b></p> <p><b>Priority Axis 6: £3,900,000</b></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.</p>
<p><b>Minimum application level</b></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>For applications made under <u>both</u> Priority Axes 4 and 6, the total amount of European Regional Development Fund grant requested will be assessed against the values above There is no minimum requirement at an individual priority axis level for such applications.</p> <p>However, cross-priority axis projects must demonstrate the linkages between the activities supported under each priority axis. Applications will be rejected if, in the opinion of the managing authority, separate projects under different priority axes are presented as a single project to artificially meet the values above.</p>

<b>Duration of project activity</b>	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.
<b>Geographical scope</b>	<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> <p>The GBSLEP Sustainable Urban Development Strategy will be delivered in the More Developed Birmingham and Solihull areas within the GBSLEP area. Accordingly, it is expected that Revenue projects should predominantly support businesses based within these core areas.</p>
<b>Specific call requirements</b>	Please note: Value for Money and alignment with Strategic Domestic Priorities will form a key part of the assessment and appraisal of all applications. Therefore proposals should clearly articulate and demonstrate how activities align with domestic strategic priorities and offer good value for money.
<b>Call deadlines</b>	<p>For this specific call, applications will be assessed in batches at given dates. The assessment periods will begin from the following dates -</p> <ul style="list-style-type: none"> <li>• 1 November 2017, for applications received by 31 October 2017;</li> <li>• 1 February 2018, for applications received by 31 January 2018; and</li> <li>• 2 April 2018, for applications received by 30 March 2018.</li> </ul> <p>Please note that it is possible the entire amount of European Regional Development Fund funding allocated to this call may be exhausted at the first or second assessment period.</p> <p>Once funding is fully allocated, the managing authority may choose to close this call or to leave the call open and continue to accept and assess subsequent applications.</p> <p>However, should the managing authority choose to continue assessing applications, these applications will only progress should sufficient funding become available. In the first instance, such projects will be placed on a reserve list.</p>

### 3.2. Local development need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 4 and / or 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:

The GBSLEP SUD strategy is aligned to maximise the economic impact of the High-Speed Rail line (HS2) arrival in the area. This means making the very best use of the land and economies of scale that can be achieved through aligning the planning, design and investment in infrastructure and development to ensure optimal levels of sustainable developments that makes the most of the investment going into HS2 as a new high capacity public transport network. Innovative site engineering including Sustainable Urban Drainage systems, energy and environmental grids will ensure the optimal development, environmental and sustainability outcomes in the growth of new business, service centres and residential communities around the key investment nodes along the route in the Core City area, i.e. Curzon terminus station (supported through the Eastside Masterplan); Washwood Heath Rolling Stock Maintenance Depot; and HS2 Interchange Station (supported through the UKC Hub 'Growth and Infrastructure Plan, which you can download here <http://www.ugcsolihull.uk/downloads/> ).

Improvements / Projects will not be restricted to these the 3 new key investment nodes.

The SUD strategy provides a modest amount of resource when compared to the overall cost of HS2. Our allocation is provided from Priority Axes 4 and 6 of the ESIF allocation to focus on Low Carbon and Environmental sustainability issues. This is a natural fit with HS2 as the delivery of this has limited funds for such measures and recognizes ERDF SUD investment as a key fund to achieve some of its aims stated in the local HS2 Environmental and Landscape Prospectus. The SUD funds will focus on the added value it can bring to the mainstream HS2 work through innovative actions under Priority Axes 4 and 6. The HS2 Growth Strategy clearly states our aim to build an economic, social and environmental legacy for the Midlands. The development of the Environmental and Landscape Prospectus will champion the introduction of innovative low carbon technologies and environmental improvements to secure longer term sustainable benefits for the region and to add valuable natural capital and landscape for generation in the future. This strategy will in particular seek to align European Regional Development Fund to support the innovative development of emerging technologies to conserve biodiversity and the natural environment. It will seek to accelerate economic growth by working with local and regional stakeholders to harness physical assets, improve natural capital as well as positively impact on social sustainability. We are presented with a significant opportunity to add immediate value to the HS2 Programme and set the foundations for the delivery of longer term benefits.

The Sustainability Appraisal of the Birmingham Development Plan Revised Sustainability Report (the 'Sustainability Appraisal') (2015) has direct evidence of the opportunity to add value to the environmental and climate change aspects of the



HS2 Growth Strategy through the application of a list of 13 potential sustainability characteristics of the area; the list is too long to include here, but it can be seen that there are numerous aspects which address the five challenges in Article 7; for example resource use, sustainable design and construction, public transport, maximising use of land and biodiversity, noise and other pollution mitigation, and social responsibility.

Taking the above objectives into account, there are two particular environmental themes which are of critical importance, a working group has been established to develop and deliver an environmental prospectus to detail the context, vision and approach to be adopted in realising those benefits in relation to the HS2 Growth Strategy. The partners that are represented include Birmingham Airport, the Greater Birmingham and Solihull LEP, Groundwork, Environment Agency, the West Midlands Integrated Transport Authority, Canals & Rivers Trust and HS2 Ltd amongst others.

The HS2 Environmental and Landscape Prospectus for the local area includes a number of themes. The first theme in the prospectus is focused around the **natural environment**. The HS2 stations will become major gateways into the region and the City Centre, often creating the first impressions of the region for millions of people over many decades. The stations will, by the nature of their locations and scale alone, create new landmarks and have a profound physical impact upon its surroundings. These stations should act as a catalyst for economic, social and environmental growth with the potential to unlock development and regeneration opportunities within both the local and regional geographical areas. Harnessing local assets will be critical, particularly through the development of innovative approaches.

The second key theme running through the HS2 Environmental and Landscape Prospectus is the focus on **sustainability and pollution**. **This covers both the natural and the built environment.**

Under the **built environment** the ambition is to promote the innovative actions from Priority Axis 4 to impact on the production and distribution of energy, on its energy efficiency including renewables and promoting low carbon strategies including sustainable urban mobility. The Zero Emissions Cities initiative (led by the World Business Council for Sustainable Development) for the Smithfield area adjacent to the HS2 terminus at Curzon is a clear example of the ambitions we have for this type of work.

<http://www.wbcd.org/work-program/sustainable-cities/zec/zeroemissionscities.aspx>

Greater Birmingham and Solihull Local Enterprise Partnership has a strong environmental strategic grounding on which to build; combining ambitious targets in Birmingham's Green Commission Carbon Roadmap, with important scoping of the building retrofit challenge in the Mini-Stern Review for Birmingham and the Wider Urban Area and other key Greater Birmingham and Solihull Local Enterprise Partnership documents such as the 'Delivering Growth' Spatial Plan which is aligned to the Strategic Economic Plan.

The Greater Birmingham and Solihull Local Enterprise Partnership commissioned a Low Carbon Transport and Mobility Strategy and a Low Carbon Energy Plan, both of

which can be found on its website and using the links below.

<http://centrefenterprise.com/wp-content/uploads/2013/10/GBS-LEP-Low-Carbon-Energy-Plan-Summary-Report.pdf>

<http://centrefenterprise.com/wp-content/uploads/2016/04/Low-Carbon-Transport-and-Mobility-Strategy-Final-March-2016.pdf>

The **natural environment** proposals includes work to address the protection and restoration of biodiversity, ecosystems and innovative technologies that can assist in improving environmental protection and resource efficiency in waste sector, water sector and with regard to soil conditions and air pollution. The HS2 Environmental and Landscape Prospectus contains not only the strategy on the approach to these issues, but also lists potential projects that may assist in delivering such objectives. One strong theme is the need to consider the land corridor of the HS2 route and environments that will be affected by it; although the fund is not restricted to these corridors and it is acknowledged that the reach of the call will be outside of the alignment of the railway itself. Protection and restoration projects will be brought forward as part of the Priority Axis 6 aspects of this strategy, contributing to the ESIF output for improving Hectares of land supported on nature and biodiversity.

The HS2 Environmental and Landscape Prospectus includes the water courses in the areas intersected by the HS2 route. The Canals and Rivers Trust and the Environment Agency are represented in the HS2 Environmental and Landscape Prospectus and will be a critical partners for the programme moving forward. The proposed route of the High Speed Rail Network will change the waterway landscape significantly, affecting 20 canals, four river navigations and four waterways planned for restoration. This presents us with an exciting opportunity to work together to develop innovative approaches to ensure we improve the quality and enjoyment of the canals network and mitigate against the loss of habitats and disturbance to wildlife.

#### **Local priorities:**

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

- The Low Carbon Transport and Mobility Strategy and Low Carbon Energy Plan, as well as the Smithfield Zero Emissions Cities initiative, outline the key incentives that the Greater Birmingham and Solihull Local Enterprise Partnership wishes to focus on relating to Priority Axis 4. The Greater Birmingham and Solihull Local Enterprise Partnership also consider there is potential for consideration of both in a 'whole place' response.
- The Greater Birmingham and Solihull Local Enterprise Partnership encourages projects where possible to be of suitable scale.
- The HS2 Environmental and Landscape Prospectus for the local area lists the types of activities and the geographical focus needed for successful projects, but these are not restricted to the SUD area. They may also have a wider

West Midlands Conurbation Area remit. The focus centres on the route of the HS2 rail line, the stations and the depot along the route, and the green and blue infrastructure affected by its introduction; but the focus is by no means restricted to the corridor and the new nodes. Themes that provide a local context within the Environmental and Landscape Workstream Board include; Rivers and Waterways, Creating New Space, Improving Corridors, Green Urban Centres, Education, Skills and Businesses.

- Projects are encouraged to collaborate where appropriate to achieve synergy of operation and to avoid duplication.
- Local Low Carbon Energy Supply: The Greater Birmingham and Solihull Local Enterprise Partnership area currently imports almost all of its energy requirements from outside its borders, resulting in an outflow of £3.38bn. This represents 10% of the area's Gross Value Added. As a result, there is a need to understand other potential sources of energy to deploy across the Greater Birmingham and Solihull Local Enterprise Partnership area and to encourage decarbonised local energy generation, building on our research strengths, with pilot projects testing different approaches across a range of renewable technologies. Lack of market growth in goods and services in the emerging green supply chains in the GBSLEP area and the lack of uptake of eco innovation for Greenhouse Gas (GHG) reduction and other associate benefits.
- If applicants wish to learn more about the European Structural and Investment Fund Strategy and how their potential projects can contribute to it, they may find it helpful to contact the European Regional Development Fund technical assistance project for the Greater Birmingham and Solihull Local Enterprise Partnership via their dedicated inbox at [esif@solihull.gov.uk](mailto:esif@solihull.gov.uk).

### **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:

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

##### **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** - Projects will support micro-energy installations, off-grid energy productions, renewable heat networks and ground and air source heat pumps. Under this investment priority, indicative actions to be supported by European Regional Development Fund may include:

- 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
- Anaerobic digestion plants and other biomass or landfill gas schemes.

**Investment Priority 4b – Promoting energy efficiency and renewable energy in enterprises.**

**Specific Objectives** - Increase energy efficiency in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies.

**Indicative Actions** - 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:

- Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses' competitiveness and resilience
- Support to SME's can deliver CO<sub>2</sub>e savings through direct energy saving and savings through water, waste, transport and embodied energy in materials etc
- Support to SME's can deliver CO<sub>2</sub>e savings through direct energy saving and savings through water, waste, transport and embodied energy in materials etc.;
- 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 support to implement them
- Investing in energy efficiency measures, processes and renewable generation capacity to improve a business' or building's environmental performance or its resilience to the impacts of climate change
- Investing in measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations

- Supporting an increase in energy efficiency in enterprises including an emphasis on ‘whole place’ especially through improving industrial processes, designing out waste, recovery of ‘waste’ heat energy and combined heat and power
- Supporting increased Small and Medium Sized Enterprises access to national and local government procured contracts for energy efficient goods and services
- Developing low carbon innovation in relation to energy efficiency within enterprises, including through technologies and engagement practices
- Building retrofit and energy efficiency measures, especially whole building solutions to exemplify, and support the commercialisation of next phase technologies, which are near to market, and low carbon construction techniques to improve the energy efficiency of buildings.

**Investment Priority 4c – Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.**

**Specific Objectives** - Increase the energy efficiency of homes and public buildings, through the implementation of low carbon technologies.

**Indicative Actions** - Under this investment priority indicative actions to be supported by European Regional Development Fund may include:

- Provision of advice and support to increase the use and take up of low carbon technologies, energy efficiency measures, renewable energy technologies and smart energy systems in housing stock and public buildings
- Supporting low carbon innovation in relation to the integrated ‘whole place’ energy management approach including energy waste and re-use
- Standard retrofit can be an eligible part of a project when used in conjunction with innovative technology or as part of a whole place approach which can include the way combined retrofit technologies are used to deliver the whole place approach.
- Investing in building retrofit, energy efficiency measures, renewable and smart energy systems deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market
- Investing in domestic energy efficiency, renewable energy and smart construction techniques • Investment in the development and wider use of Energy Performance Contracting in the public buildings and housing sectors.

**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** - Activity under this investment priority will be complementary to, and work alongside, activity under investment priority 4(a) and is based upon a holistic approach to the reduction of greenhouse gas emissions, ensuring that actions are integrated within the framework of an overarching strategy or strategies. In order to promote such strategies, examples of actions to be supported by European Regional Development Fund may include:

- 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 renewable sources
- Investments to encourage the adoption of renewable technologies. 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:

- 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 greenhouse gas reductions
- The strategic use of green & blue infrastructure can form a significant part of a proposal to support the delivery of city cooling in urban areas.

**Investment Priority 4f – Promoting research and innovation in, and adoption of, low-carbon technologies.**

**Specific Objectives** - Increase innovation in, and adoption of, low carbon technologies.

**Indicative Actions** - Under this investment priority indicative actions to be supported by European Regional Development Fund may include:

- 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
- Research underpinning carbon capture and storage, taking account of the restrictions laid down in Article 3.3.b of the European Regional Development Fund
- Technology centres of excellence and test facilities, including relevant Catapult centres
- Renewable technologies in the United Kingdom renewable energy roadmap
- 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)
- Knowledge transfer with Higher Education/Further Education institutions and Businesses
- Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes
- Developing financing methods that encourage the adoption of proven low carbon technologies and generate long-term financial savings
- 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).

## **Priority Axis 6 – Protecting the Environment and Promoting Resource Efficiency**

### **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** - 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 guide 1. 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. 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. 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. Under this investment priority, indicative actions to be supported by European Regional Development Fund may include:

- Investment in green and blue infrastructure such as green corridors in urban areas and waterways
- Sustainable drainage to improve water quality and, in some cases, local air quality.

**Investment Priority 6f – Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution.**

**Specific Objectives** - Investment to promote the development and uptake of innovative technologies, in particular in resource efficiency, in order to increase the resilience and environmental and economic performance of businesses and communities.

**Indicative Actions** - The aim is to help businesses optimise the use of resources in ways that improve business performance in terms of resilience, profitability and



competitiveness while at the same time contributing to the protection and preservation of the environment. Under this investment priority indicative actions to be supported by the European Regional Development Fund may include:

- Provision of support and advice for businesses in the adoption of innovative technologies and processes for the management and reuse of energy, materials, water and waste (including recycling and recovery)
- Provision of support for the piloting and demonstration of innovative technologies to promote resource efficiency in order to encourage their greater take-up.

## 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 programme-level outputs for Priority Axes 4 and 6.

For projects proposing to deliver activity against more than one priority axis or more than one investment priority within a single priority axis, all appropriate outputs should be selected. Outputs should not be selected if funding is not being requested under the relevant investment priority. If approved projects will be required to report on, and evidence, eligible expenditure separately under each priority axis and the achievement of the outputs separately under each investment priority.

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

<b>Priority Axis 4: Supporting the Shift Towards A Low Carbon Economy In All Sectors</b>		
<b>Investment Priority</b>	<b>Specific Objective</b>	<b>Output Indicator</b>
4a : Promoting the production and distribution of energy derived from renewable sources	4.1 Increase the number of small scale renewable energy schemes in England	C1 - Number of enterprises receiving support C5 - Number of new enterprises supported C30 - Additional capacity of renewable energy production C34 - Estimated annual decrease of GHG

4b: Promoting energy efficiency and renewable energy use in enterprises	4.2 Increase energy efficiency in particular in small and medium-sized enterprises, including through the implementation of low carbon technologies	C1 - Number of enterprises receiving support C34 - Estimated GHG reductions
4c : Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	4.3 Increase energy efficiency in homes and public buildings, including through the implementation of low carbon technologies	C31 - Number of households with improved energy consumption C32 - Decrease of annual primary energy consumption of public buildings C34 - Estimated GHG reductions
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	4.4 Increase implementation of whole place low carbon solutions and decentralised energy measures.	C1 - Number of enterprises receiving support C34 - Estimated GHG reductions
4f : Promoting research and innovation in, and adoption of, low-carbon technologies	4.5 Increase innovation in, and adoption of, low carbon technologies	C1 - Number of enterprises receiving support C5 - Number of new enterprises supported C26 - Number of enterprises cooperating with research institutions C29- Number of enterprises supported to introduce new to the firm products C34 - Estimated GHG reductions
<b>Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency</b>		
<b>Investment Priority</b>	<b>Specific Objective</b>	<b>Output Indicator</b>
6d- Protecting and restoring biodiversity and soil and promoting ecosystem services, including through	6.1 Investments in Green and Blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities	C22 - Total surface area of rehabilitated land C23 - Surface area of habitats supported in order to attain a

Natura 2000, and green infrastructure	depend to increase local natural capital and support sustainable economic growth	better conservation status
6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	6.2 Investment to promote the development and uptake of innovative technologies, in particular in resource efficiency, in order to increase the resilience and environmental and economic performance of businesses and communities.	C1 - Number of enterprises receiving support C5 - Number of new enterprises supported C29 - Number of enterprises supported to introduce new to the firm products

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 European Structural and Investment Fund strategy for the local enterprise partnership area and the [GBSLEP] Sustainable Urban Development strategy include 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 and Prioritisation Methodology

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

- (i) Outline application and, if successful; and
- (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 against the national [selection criteria](#). The intermediate body will undertake the assessment against the selection criteria in relation to fit with local priorities.

Applicants submitting applications for projects seeking support from both priority axes should note that:

- The project will be assessed against the requirements of both of the priority axes from which funding is requested;
- The application must demonstrate how the project would address the requirements of each of the priority axes from which funding is requested;
- Projects seeking funding from more than one priority axis may add an additional 100 words to sections 2.6 and 3 of the outline application for the second priority axis from which funding is sought;
- The outline application financial table's annexe must clearly identify the percentage of expenditure allocated to each priority axis. Section 6.5 of the outline application should be used to clarify the allocation of costs between priority axis and investment priorities.
- Section 8 of the outline application should be used to clarify the number of outputs shown in the application deliverables annexe associated with each priority axis.

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 intermediate body and Managing authority in relation to all Core assessment criteria.

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:

- National strategic fit;
- Value for money;
- Management and control;
- Deliverability;
- Compliance; and
  - 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; and
- Deliverability.

Having assessed projects against these criteria the relevant local enterprise partnership area European Structural and Investment Funds Sustainable Urban Development sub-committee will advise the intermediate body 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.

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 European Regional Development Fund Technical Assistance and available to assist the design and development of compliant projects

/ applications for the European Regional Development Fund. Details of your local Technical Assistance funded project can be found on the [Technical Assistance website page](#) and opening *ERDF and ESF Technical Assistance Project Contacts*.

## 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 to 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.

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 and 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 EU 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'; and
- 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.

## **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 and 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 EU 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; and
- Maintain competitiveness and fairness across the EU.

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, staff from the intermediate body involved in the assessment process 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: [wm.erdfenquiries@communities.gsi.gov.uk](mailto:wm.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;
- GBSLEP Sustainable Urban Development strategy;
- Eligibility guidance;
- Output definitions; and
- Funding agreement (revenue and / or capital).

## 9. Document Checklist

Incomplete applications will be rejected.

Please ensure the following documents are submitted, fully completed.

Outline stage:

- Outline application;
- Financial tables; and
- Outputs and indicators tables.

## 10. Document Submission

Completed outline applications must be submitted via **email** to the address in section 7.

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.

