

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

Sustainable Urban Development Strategy:
Sheffield City Region – Integrated Actions for
Sustainable Urban Development

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| 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 Priority Axis 5: Promoting climate change adaptation, risk prevention and management |
| Call Reference: | OC28R17S 0631 |
| Local Enterprise Partnership Area: | Sheffield City Region |
| Sustainable Urban Development Strategy | Sheffield City Region – Integrated Actions for Sustainable Urban Development |
| Indicative Fund Allocation(s) | Priority Axis 4 - £6,819,559 Priority Axis 5 - £1,620,638 |
| Call Open: | Tuesday 31 October 2017 |
| Call Closes: | 23:59 on Friday 30 March 2018 |

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| | <p>For this specific call, applications will be assessed at specific review points, as follows:</p> <ul style="list-style-type: none"> • 23:59 on 12 January 2018 • 23:59 on 30 March 2018 (closing date) <p>Please note that the entire amount of European Regional Development Fund allocated to this call may be exhausted at the first assessment point.</p> |
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Contents

| | | |
|------|--|----|
| 1. | Introduction..... | 4 |
| 2. | Call Context..... | 5 |
| 3. | Scope of the Call | 6 |
| 3.1. | Scope..... | 6 |
| 3.2. | Local development need | 9 |
| 3.3. | Operational programme investment priorities | 12 |
| 4. | Required Outputs under this Call | 20 |
| 5. | Application Process and Prioritisation Methodology | 22 |
| 6. | General Information..... | 24 |
| 6.1. | National Eligibility Rules..... | 24 |
| 6.2. | Eligible applicants | 25 |
| 6.3. | Contribution rate and match funding | 26 |
| 6.4. | Project timescales | 26 |
| 6.5. | Capital projects | 27 |
| 6.6. | Cross Cutting Themes / Horizontal Principles | 27 |
| 6.7. | Additionality, duplication and displacement..... | 27 |
| 6.8. | State Aid and revenue generation..... | 27 |
| 6.9. | Procurement..... | 28 |
| 7. | Support..... | 28 |
| 8. | Key Documents | 28 |
| 9. | Document Checklist..... | 29 |
| 10. | Document Submission..... | 29 |

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 Barnsley, Doncaster, Rotherham and Sheffield Combined Authority has been designated as an intermediate body for the [Sheffield City Region Sustainable Urban Development Strategy](#) to perform the following tasks:

1. 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
2. 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:

1. Practical advice and information to the managing authorities to assist in the preparation of local plans that contribute towards operational programme priorities and targets;
2. Local intelligence to the intermediate body in the development of project calls that reflect operational programme and local development needs as well as match funding opportunities; and
3. Advice on local economic growth conditions and opportunities within the context of the operational programme and the local European Structural 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 [Sheffield City Region](#) Sustainable Urban Development strategy. Applications are invited under the priority axis 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 – projects need not meet the requirements of all of the priority axis; and
- That would be funded from more than one of the priority axis set out below.

Applications made under more than one priority axis 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 activities under the priority axis are sequential.

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.
- 4b** Promoting energy efficiency and renewable energy use in enterprises.

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

Priority Axis 5 Promoting climate change adaptation, risk prevention and management

Investment Priorities:

- 5b** Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems.

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 [Sheffield City Region European Structural and Investment Funds strategy](#) and the [Sheffield 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, [Sheffield City Region 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

1. Scope

This call invites outline applications which support the delivery of priority axes 5 and 6 of the European Regional Development Fund operational programme and respond to the local development needs set out in the [Sheffield City Region European Structural and Investment Funds strategy](#) and the [Sheffield City Region Sustainable Urban Development](#) strategy.

Please note that projects will only be selected if they contribute to the delivery of the [Sheffield City Region 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 [Sheffield City Region European Structural and Investment Funds strategy](#)

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| Indicative fund allocation: | <p>Indicatively, through this call the managing authority expects to allocate up to:</p> <p>Priority Axis 4 (Supporting the Shift Towards a Low Carbon Economy): £6,819,559</p> <p>Priority Axis 5 (Promoting climate change adaptation, risk prevention and management): £1,620,638</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> |
| 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> <p>For applications made under more than one priority axis the total amount of European Regional Development Fund requested will be assessed against the values above. There is no minimum requirement at priority axis level.</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> <p>Revenue projects should predominantly support businesses based within the local enterprise partnership area of this call.</p> |

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| | <p>The interventions supported through the SUD Strategy are expected to benefit the SUD area of South Yorkshire as identified in the map below in section 3.2.</p> |
| Specific call requirements | <p>Applicants are encouraged to engage with local ESIF Technical Assistance support to assist with the development of their Application(s). Technical Assistance support is available in Sheffield City Region through the ESIF Technical Assistance programme managed by Doncaster Metropolitan Borough Council.</p> <p>Applicants should note that:</p> <ul style="list-style-type: none"> • Activity to be supported through this call is confined to the South Yorkshire 'Transition area' of Sheffield City Region Local Enterprise Partnership area, namely the Local Authority areas of Barnsley, Doncaster, Rotherham and Sheffield. • Proposals should complement and add value to other ESIF projects in Sheffield City Region. • Proposals under this Call must ensure that they complement and do not duplicate activities to be supported through the Sheffield City Region Local Enterprise Partnership Growth Hub. Applicants are therefore encouraged to consult with the Local Enterprise Partnership prior to submitting an application. <p>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.</p> |
| Call deadlines | <p>For this specific call, applications will be assessed in batches at specific review points, as follows:</p> <ul style="list-style-type: none"> • 23:59 on 12 January 2018 • 23:59 on 30 March 2018 (closing date) <p>Please note that the entire amount of European Regional Development Fund allocated to this call may be exhausted at the first assessment point. If this happens the managing authority may choose to close this call or to leave the call open and continue to assess applications, however, these applications will only progress if there is sufficient funding available, in effect projects will be placed on a reserve list.</p> |

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| | Applications received after the published call close date will not be considered. |
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2. Local development need

Projects must deliver activity which directly contributes to the objectives of priority axis 4 and / or priority axis 5 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 |
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| <p>Local growth priorities:</p> <p>The Sheffield City Region Sustainable Urban Development (SUD) Strategy aims to deliver an integrated approach to green growth as part of the city regions wider plan to transform the regional economy.</p> <p>Delivery of an integrated 'whole place' approach to attract and secure investors seeking locations with credible sustainability performance and attractive settings that mitigate against risk is key to delivery of the SUD strategy.</p> <p>Sheffield City Region (SCR) benefits from ongoing success in transforming degraded, post-industrial areas delivered through a holistic approach which:</p> <ul style="list-style-type: none"> • Connects places benefiting from good motorised and non-motorised transport links. • Improves energy efficiency. • Delivers high-quality landscape and habitat, renewables generation, brownfield land re-use/regeneration. • Provides access to a skilled labour force. • Improves liveability/quality of life on offer. <p>However as outlined in the SCR Strategic Economic Plan (SEP) and wider SCR ESIF Strategy, the city region still faces a wide range of economic, social and physical challenges that need to be addressed to create a fully sustainable place to live and work. The city region's place-based SUD provides an excellent opportunity to target efforts to tackle those challenges in key growth locations, making the most of available resources by employing synergistic approaches to investments.</p> <p>The SCR SUD activity seeks to deliver a step change in integrated sustainable development, building on best practice from transnational cooperation and a track record of world-class R&D. Examples include advanced resource efficiency centres and developments integrating low carbon retrofit, smart metering, district heating and cooling, anaerobic digestion, water sensitive design and multi-mode transport nodes fitted with ultra-low carbon vehicle infrastructure.</p> |

The types of interventions that will be supported through the SUD strategy seek to add value and deliver truly outstanding quality new developments, raising aspirations as well as delivering high quality private sector jobs in keeping with the SCR Strategic Economic Plan. This opportunity will drive the city region yet further forward from the initial devastation of industrial contraction - through strategies for servicing vacant and derelict land - through place-shaping and environmental regeneration - and into the future by delivering a new generation of ambitious and exciting infrastructure and investment projects demonstrating durable growth via attractive investment locations providing whole-place low carbon solutions.

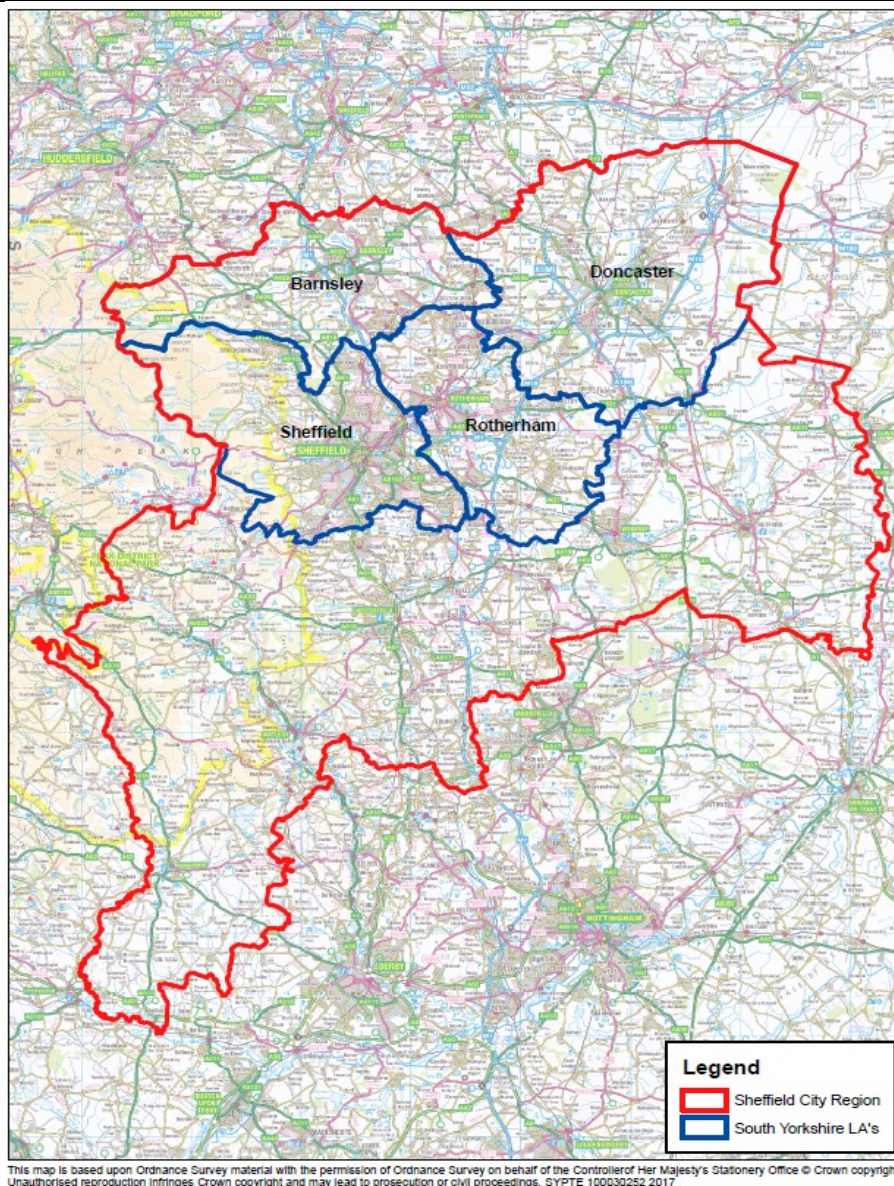
The City Region's priorities for low carbon development are complementary to its vision for integrated sustainable development. Achieving sustainable development in the City Region and its industrial heritage requires urgent action to enhance the resilience of its energy supply and systems, as well as ensuring greater resource efficiency. The challenge and dilemma facing businesses in the City Region is whether/how to increase their uptake of low carbon technology, processes and systems. This stems from a real or perceived 'choice' as to whether to invest in these sustainability measures and/or, to target investment into other innovations that may also enable them to become more competitive or effective.

SCR's contribution to reducing GHG emissions alone will not tackle the threats and challenges of climate change. Therefore, alongside the development of a sustainable integrated low carbon economy the SCR needs appropriate infrastructure to be resilient from the predicted extreme weather events faced by the UK.

Interventions are required not only to protect the existing economy but also enable the development of new opportunities in line with the SCR ESIF Strategy and SCR Strategic Economic Plan.

To enable protection from climate change, the SUD provides an allocation of funding specifically to supporting the shift towards a low carbon economy and reduce the risk of flooding to protect and enhance economic growth.

The interventions supported through the SUD Strategy are expected to benefit the SUD area of South Yorkshire, namely the local authority areas of Barnsley, Doncaster, Rotherham and Sheffield as identified in the map below:



Local priorities:

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

- a) Investment in brownfield site locations to deliver economic development and growth in line with the SUD strategy.
- b) Opportunities for economic development through improved flood risk management.
- c) Creating attractive settings for investment through targeted green infrastructure investments.
- d) Innovative developments integrating business efficient, modern infrastructure & high quality design.
- e) Community based low carbon interventions.

Preference will be given to projects that:

- Address both ERDF Operational Programme Priority Axes (PA4 – Low Carbon and PA5 - Promoting climate change adaptation, risk prevention and management) in a single project.
- Demonstrate a holistic approach to delivering Whole Place Low Carbon Solutions and, in particular, those that will deliver activities funded under 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.*
- For capital investment, activities should focus on supporting development at key employment sites within the city region's urban centres and growth areas (including mixed use employment sites and enterprise zones).
- Support inclusive growth through engagement with local communities and/or activities supported with European Social Fund.
- Are innovative in nature and have the potential to be considered 'flagship' investments for both the SCR and the ESIF Programme.

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:

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| 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; |

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| | <ul style="list-style-type: none"> • 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. |
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| Investment priority | 4b – Promoting energy efficiency and renewable energy in enterprises. |
| Specific objectives | Increase energy efficiency in particular in small and medium sized enterprises, including through the implementation of low carbon technologies. |
| Indicative actions | <p>The main target group is small and medium sized enterprises.</p> <p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses' competitiveness and resilience; • Support to businesses to undertake 'green' diagnostics or audits of energy efficiency and potential for renewable generation and energy use, which will be followed by provision of energy efficiency information and guidance, tailored energy action plans and support to implement them; |

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| | <ul style="list-style-type: none"> • 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; and • 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. |
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| 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. |

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| Indicative actions | <p>Activity under this investment priority will be complementary to, and work alongside, activity under investment priority 4(a). Activity under this investment priority is based on a holistic approach to the reduction of greenhouse gas emissions, ensuring that actions are integrated within the framework of an overarching strategy or strategies.</p> <p>In order to promote such strategies, examples of actions to be supported by European Regional Development Fund may include:</p> <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 renewable sources; and • 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 |
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| | <p>ticketing, multimodal integrated datasets or cooperative systems);</p> <ul style="list-style-type: none"> • Innovative transport pricing and user charging systems; and • Cycle paths, walkways and waterways only where part of an integrated approach to greenhouse gas reductions. |
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| Investment priority | 4f – Promoting research and innovation in, and adoption of, low-carbon technologies. |
| Specific objectives | Increase innovation in, and adoption of, low carbon technologies. |
| Indicative actions | <p>Under this investment priority indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Research 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; |

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| | <ul style="list-style-type: none"> • 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; and • 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). |
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| Investment priority | 5b – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems. |
| Specific objectives | Enabling and protecting economic development potential through investment in flood and coastal flooding management where there is demonstrable market failure. |
| Indicative actions | <p>England has a particular vulnerability to extreme weather, climate change and flood and coastal risk because it has areas of high population and economic density that are exposed to the increasingly dynamic impacts of North Atlantic low pressure systems.</p> <p>The specific objective is to target investment of European Regional Development Fund into measures that safeguard and enable sustainable economic growth in these contexts. It will help ensure that ‘at risk’ communities, businesses and their local economy can adapt. As a result they will be able to contribute to and benefit from sustainable local economic growth</p> <p>European Regional Development Fund, along with European Agricultural Fund for Rural Development where relevant, will be used to complement the UK Government’s Flood and Coastal Risk Management Grant in Aid and other domestic investment, as per the Flood and Coastal Resilience Partnership Funding Policy. This will help to achieve viability for schemes that have a high potential</p> |

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| | <p>economic development and growth value but that have relatively low eligibility to domestic flood and coastal resilience funding which focuses more on residential properties.</p> <p>Flood mitigation measures will support the protection of major employment areas and small and medium sized enterprises and unlock derelict, underused or neglected land on strategically important sites/areas identified as central to realising growth aspirations. This will include incorporation of flood risk management and river restoration into the design and lay outs of employment sites and surrounding areas, so that flood risk and surface water management is actively addressed in a sustainable way such as through green and blue infrastructure.</p> <p>Flood mitigation and associated environmental measures will also aim to bring back into use, in a sustainable way (such as through green and blue infrastructure), dormant land identified as strategically important for business growth and employment and in need of remediation.</p> <p>Investment under this priority axis is being targeted into areas of the East coast, North West & South West of England, where exposure to flood and coastal risk, the impacts of climate change and related constraints on economic growth are most significant.</p> <p>The focus will be on sections of coasts and rivers that are most susceptible to these risks, identified as priorities for sustainable economic growth and where European Regional Development Fund investment can be matched and aligned with other sources to make appropriate risk management actions affordable.</p> <p>Along the East Coast priority areas will be; the Tees the Team Valleys; the Northumbrian and Yorkshire Coasts; the River Aire and Calder; the Humber Estuary; the Lower Derwent (Derby); the Lincolnshire Coast; and the Norfolk Coast. In the North West the focus will be on addressing coastal and fluvial constraints to towns with growth opportunities in Cumbria and Lancashire. In Cornwall and the South West, it will help to address coastal and flood risks to settlements with the greatest sustainable</p> |
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| | <p>development potential.</p> <ul style="list-style-type: none"> • Actions, specific to the needs and circumstances of the prioritised locations, will be both “hard and soft” and determined via an options appraisal process. The types of actions and their estimated proportions of them can be broken down into three headings: coastal resilience, fluvial risk management and surface water run-off and drainage systems. In many contexts it will require a combination of measures to address an interaction of sources of risks to deliver the specific objective. <p><u>Coastal resilience</u></p> <ul style="list-style-type: none"> • Managed realignment and mitigation of coastal squeeze • Shoreline re-nourishment and cliff and dune system stabilisation • Harbour, port and waterfront enhanced protection and adaptations. These investments are not linked to transport • Improvements to coastal frontages and seawalls • Strengthening and extending of estuary embankments <p><u>Fluvial risk management</u></p> <ul style="list-style-type: none"> • Onsite or upstream attenuation and slowing the flow measures • Diversion channels • Raising strengthening and/or extending river walls and frontages • Fixed and temporary barriers and gates • Stepped back embankments • Resilience measures for business infrastructure, including for example wet or dry flood-proofing |
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| | <ul style="list-style-type: none"> • River restoration and improved conveyance measures <p><u>Surface water run-off and drainage systems</u></p> <ul style="list-style-type: none"> • Integration, including retrofitting, of surface water and run off management measures into urban and commercial redevelopments • Innovative measures in contexts where flood risk and land management relies on pumping and inter-relates with drainage <p>Across all three, there may be actions to promote knowledge transfer and exchange of information relating to adaptations to climate change, risk management and resilience.</p> |
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4. Required Outputs under this Call

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund will achieve the programme-level outputs for priority axis 4 and 5.

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, where applicable, and the achievement of the outputs separately under each investment priority.

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

| Investment Priority 4a | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C5 | Number of new enterprises supported |
| C30 | Additional capacity for renewable energy production |

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| C34 | Estimated annual decrease of GHG |
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| Investment Priority 4b | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C34 | Estimated annual decrease of GHG |

| Investment Priority 4e | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C34 | Estimated annual decrease of GHG |

| Investment Priority 4f | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C5 | Number of new enterprises supported |
| C26 | Number of enterprises cooperating with research entities |
| C29 | Number of enterprises supported to introduce new to the firm products |
| C34 | Estimated annual decrease of GHG |

| Investment Priority 5b | |
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| Output reference | Name |
| C23 | Surface of habitats supported to attain better conservation status |
| P6 | Businesses and properties with reduced flood risk |

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 [Sheffield City Region](#) 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:

- Outline application and, if successful; and
- 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 more than priority axis should note that:

- The project will be assessed against the requirements of all of the priority axis from which funding is requested;

- The application must demonstrate how the project would address the requirements of each of the priority axis 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 and each subsequent 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:¹

- 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:

1. Value for money; and
2. 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](#).

6. General Information

1. National Eligibility Rules

When developing an application, Applicants must refer to the [National Eligibility Rules](#) setting out the requirements of the 2014 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.

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.

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 60% of the total eligible project costs subject to State Aid regulations.

The remaining 40% or more must come from other eligible sources as specified under section 6 of the National Eligibility Rules. 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 60% maximum.

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

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.

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:

1. 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;
2. Refurbishment projects will normally be expected to achieve the BREEAM rating of 'Very Good'; and
3. Infrastructure projects will normally be expected to achieve the Civil Engineering Environmental Quality Assessment rating of 'Very Good'.

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](#).

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.

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.

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:

YH.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;

- [Sheffield City Region](#) 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 information (documents) are submitted.

Outline stage:

- Fully completed 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.

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.