

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

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

Managing Authority:	Ministry of Housing, Communities and Local Government
Fund:	European Regional Development Fund
Priority Axis:	Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency
Call Reference:	OC08R18P 0885
Local Enterprise Partnership Area:	D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire)
Area Indicative Fund Allocation:	£1,051,102
Call Open:	Friday 5 October 2018
Call Closes:	23:59 on Friday 23 November 2018

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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 funding for ERDF projects that are contracted by the end of 2020.

All contracted ERDF projects must be completed by the end of the programme period, 31 December 2023. Each application for ERDF will be required to demonstrate that it delivers good value for money and domestic strategic priorities.

The funds are managed by the Ministry of Housing, Communities and Local Government for the European Regional Development Fund, Department for Work and Pensions for the European Social Fund and the Department for Environment, Food and Rural Affairs for the European Agricultural Fund for Rural Development. These Departments are the managing authorities for each Fund. In London, the Greater London Authority acts as an intermediate body for the European Regional Development Fund and European Social Fund programmes. In some other areas, intermediate bodies are being designated by the Ministry of Housing, Communities and Local Government and the Department for Work and Pensions to perform the following tasks:

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

The managing authorities and intermediate bodies work closely with local partners on ESI Funds sub-committees in each local enterprise partnership area. Partners on these sub-committees provide:

- Practical advice and information to the managing authorities to assist in the preparation of local plans that contribute towards operational programme priorities and targets;
- Local intelligence to the managing authorities (or intermediate bodies where designated) in the development of project calls that reflect operational programme and local development needs as well as match funding opportunities; and

- Advice on local economic growth conditions and opportunities within the context of the operational programme and the local European Structural and Investment Funds strategy to aid the managing authorities' (or intermediate bodies where designated) assessments at outline and full application stage.

This call is issued by the Ministry of Housing, 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 Ministry of Housing, Communities and Local Government (the managing authority) invites applications seeking European Regional Development Fund support under:

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

Investment Priorities:

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

The **European Regional Development Fund operational programme for England 2014 to 2020** sets out how the European Regional Development Fund will focus on investment to support economic growth and job creation. **Priority axis 6** of the operational programme aims to preserve and protect the environment and promote resource efficiency.

Any application for funding will be required to clearly demonstrate that it provides good value for money and supports domestic strategic priorities. Applications must meet the requirement of, and make a meaningful contribution to, the delivery of the relevant priority axis of the [European Regional Development Fund Operational Programme](#) and where appropriate should reflect how such support will aim to improve productivity levels within small and medium sized enterprises.

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 [D2N2](#) European Structural and Investment Funds strategy.

Applicants are advised to familiarise themselves with the detail of the operational programme, local European Structural and Investment Funds strategy and the relevant documentation listed in sections 5 through to 8 **prior to** submitting an outline application.

3. Scope of the Call

3.1. Scope

This call invites outline applications which support the delivery of priority axis 6 of the European Regional Development Fund operational programme and respond to the local development need set out in the [D2N2](#) European Structural and Investment Funds strategy.

<p>Indicative fund allocation:</p>	<p>Indicatively, through this call the managing authority expects to allocate up to £1,051,102.</p> <p>The managing authority reserves the right to invite to full application (and subsequently approve) projects that have a cumulative value that is higher or lower than this indicative allocation, subject to the volume and quality of proposals received. The managing authority may also decide to place some projects submitted through this call on a reserve list and invite them to proceed at a later date, subject to the availability of funding.</p> <p>There is no indicative allocation of European Regional Development Fund funding between capital and revenue activity, both capital and revenue is eligible dependent on the nature of activities / investment priorities set out in the call.</p>
<p>Minimum application level</p>	<p>European Regional Development Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact. The managing authority does not intend to allocate less than £500,000 European Regional Development Fund to any single project. Consequently projects with a total value of less than £1,000,000 will not normally be supported under this call</p>
<p>Duration of project activity</p>	<p>Projects should plan to deliver activity for a maximum of three years, however the managing authority reserves the right to vary the maximum duration, upwards or downwards.</p>
<p>Geographical scope</p>	<p>The England European Regional Development Fund operational programme operates on a national basis. All eligible European Regional Development Fund expenditure must benefit organisations located in England.</p>

	Revenue projects should predominantly support businesses based within the local enterprise partnership area of this call.
Specific call requirements	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.
Call deadlines	For this specific call, applications will be assessed after the close of the single deadline. Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.

3.2. Local development deed

Projects must deliver activity which directly contributes to the objectives of priority axis 6 of the operational programme, one or more of the relevant investment priorities and meet the local development need expressed in the table below.

Local Development Need
<p>Local growth priorities:</p> <p>In D2N2, we are fortunate to enjoy some of Britain’s most significant environmental assets. Famously, these include the internationally important Peak District National Park, as well as Sherwood Forest, Trent and Derwent Valleys and the northern part of the National Forest – combining a rich mix of woodland, rivers and plant and wildlife habitats. Much of the area is covered by environmental designations including the Nottingham-Derby Green Belt. There are more than 130 sites of special scientific interest in the area and more than 80 local nature reserves.</p> <p>Our natural capital presents a substantial economic opportunity, both in terms of the visitor economy, and the wider ‘quality of life’ offer (recreation and health) that is vital in making D2N2 a place where people want to live, work, invest and visit. Maintaining and enhancing the quality of our natural environment (recognising that development needs to be sensitive to the environmental setting) is therefore critical to our plans for growth.</p> <p>Our outstanding natural environment is a major strength and differentiator. Our natural capital and rural assets are fundamental to D2N2’s economic well-being, providing drinking water supply, carbon sequestration, food and fibre, flood protection, as well as making a significant contribution to quality of life and tourism.</p>

We need to view our natural capital as an economic asset rather than a constraint, maximise green spaces and consider their inclusion in future developments.

Environment protection therefore is a key priority for D2N2. The Peak District Combined Delivery Plan for instance has a series of measures to preserve it as a diverse and cherished landscape as well as an enterprising and sustainable economy. Many businesses within the National Park derive direct and indirect economic benefits from their unique location and relationship with its landscapes. For example, a 2008 study highlighted that the Peak District landscape was worth £135 million to the regional economy. The visitor economy of Nottinghamshire alone is estimated to be worth £1.38 billion. Visited by over 38 million people per year, tourism and the visitor economy is an important part of the Derbyshire economy, with many businesses encouraged to set up, locate or re-locate in Derbyshire.

As well as environmental protection, resource efficiency measures can help to minimise the environmental impact of planned growth in D2N2 by supporting actions to reduce, reuse and recycle more. Improved resource efficiency generates both environmental benefits and business benefits. In the current economic climate, supporting businesses to improve their resource efficiency can make an important difference to costs and competitiveness. The D2N2 area also has a number of companies supporting the development of new technologies and they could be supported to find new markets and develop new products.

There are a considerable number of market failures which are impacting on efforts to protect the environment and promote resource efficiency. These include:

- The costs of undertaking green infrastructure and the extent to which costs can be included in the price of goods and services.
- Uncertainty over the commercial and business benefits of some resource efficiency measures.
- Lack of awareness and understanding of costs and benefits of resource efficiency amongst the business base.
- Lack of certainty with regard to regulation and support mechanisms to encourage the up-take of renewable energy.
- Lack of capacity in the environmental services sector to undertake major initiatives.

Local priorities:

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

The D2N2 Core Delivery Principles.

D2N2 European Structural and Investment Funds Programme Board have agreed a set of Core Delivery Principles (<http://www.d2n2ta.org/european-structural-and-investment-funds/d2n2-esif-strategy-core-delivery-principles>) that define how it considers a good European Structural and Investment Funds project should operate. They crystallise the preferred approach articulated in the D2N2 European Structural and Investment Funds Strategy. In particular, D2N2 wants to get maximum benefit for the economy from its European Regional Development Funds through fewer, larger projects of impact and scale with funded projects offering complementary and

co-ordinated support. Therefore, we would encourage applications with a high impact for the economy, perhaps encompassing a number of activities or clearly aligned with other complementary delivery. This call is not prescriptive about delivery geography or methodology but D2N2 would wish to see firms from across the D2N2 area, in urban and rural areas, able to access support funded by the D2N2 European Structural and Investment Funds allocation.

D2N2 will consider applications to support capital expenditure from the European Regional Development Funds strand of European Structural and Investment Funds funding where there is a direct or strategic link to other complementary revenue funded support programmes or the delivery of key strategic objectives such as delivering smart specialisation in innovation, supporting growth in key sectors or enabling skills support. Any capital investment would need to make a clear case for intervention by identifying market failure.

D2N2 European Structural and Investment Funds Sub-committee will consider how applications meet the Core Delivery Principles in formulating its commentary and advice on their local strategic fit.

The D2N2 Growth Hub

The D2N2 Business Growth Hub draws business support activity together by providing a telephone helpline; on line service (www.d2n2growthhub.co.uk) with a range of professional business advisers available to provide a bespoke diagnostic and growth package for businesses. Its aim is to simplify the business support offer of many local and national partners to help businesses more easily find the right support. Applicants should demonstrate how any business-facing aspects of their proposal will relate to the D2N2 Growth Hub.

The D2N2 Priority Sectors

The current draft D2N2 Strategic Economic Plan identifies three innovation-led sectors which stand out as having a winning combination of high-specialism, high-gross value added, and high-growth prospects, as well as being well-connected to D2N2's knowledge base and in a good position to exploit opportunities in the Industrial Strategy through Sector Deals: They are;

- Transport Equipment Manufacturing
- Food & Drink Manufacturing
- Life Sciences

There are a further four fields of cross-sector expertise where D2N2 has stand-out specialisms in the knowledge base (industry and centres of research & learning). They are;

- Advanced Manufacturing & Engineering
- Digital Technologies & Data
- Energy & Low-Carbon Technologies
- Systems Integration

The draft D2N2 Strategic Economic Plan also identifies the opportunity to build on other locally-significant sectors, which may be important for different reasons: e.g. potential for growth, specialism, localised importance, level of employment. These

include; Creative & Digital, Visitor Economy, Logistics & ECommerce, Energy & Low Carbon, Construction, Mineral Products, Health/Social Care, Professional & Business Services. For these sectors D2N2 would wish to see programmes that identify key sectoral challenges and develop interventions that can promote productivity and growth. The European Structural and Investment Funds programme does not wish to support generic programmes of business support exclusively for firms in a single sector.

The draft Strategic Economic Plan also recognises the significant contribution to D2N2 economy made by major manufacturers and other 'Anchor' Businesses, such as Rolls-Royce, Toyota, Bombardier, Boots, and Experian where loss or downsize would cause local economic shock. The draft Strategic Economic Plan identifies a number of potential support initiatives, including developing the competitiveness of local supply chains, building on existing local and national initiatives and exploring potential for re-shoring and investment in research and development.

Technical Assistance

D2N2 Local Enterprise Partnership and partners can offer advisory support to potential applicants to inform their bids, including awareness raising events and sharing of good practice. Further information and contact details are available from www.d2n2ta.org

3.3. Operational programme investment priorities

Applications must specify the activities to be delivered and must directly contribute to **one or more** of the following investment priorities:

Investment priority	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

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

	<p>providing benefits to people and wildlife.</p> <p>Activity can include site clearance, soil de-sealing, decontamination and land remediation, but only where these directly contribute to an area's green and blue Infrastructure / natural capital which are the primary objective of the interventions.</p> <p>Sustainable drainage can be a design function incorporated within green infrastructure. It can also make a contribution to the provision of green infrastructure, where natural solutions are used to provide such a function. Furthermore the volume and quality of water that flows into blue infrastructure, such as rivers, ponds and lakes, has a fundamental impact on their health and condition. Sustainable drainage can help improve this.</p> <p>Under this investment priority, indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Investment in green and blue infrastructure such as green corridors in urban areas and waterways; and • Sustainable drainage to improve water quality and in some cases local air quality.
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<p>Investment priority</p>	<p>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.</p>
<p>Specific objectives</p>	<p>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.</p>
<p>Indicative actions</p>	<p>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.</p> <p>Under this investment priority indicative actions to be supported by the European Regional Development Fund may include:</p>

	<ul style="list-style-type: none"> • 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); and • Provision of support for the piloting and demonstration of innovative technologies to promote resource efficiency in order to encourage their greater take-up.
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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 6.

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

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

Investment Priority 6d	
Output reference	Name
C22	Total surface area of rehabilitated land
C23	Surface area of habitats supported in order to attain a better conservation status

Investment Priority 6f	
Output reference	Name
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
C29	Number of enterprises supported to introduce new to the firm products

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 each local enterprise partnership area includes details of the local, notional European Regional Development Fund allocation to each priority axis and the type and number of European Regional Development Fund outputs that are expected in return for this investment.

All operations will be required to report regularly on progress toward achievement of targets. This will need to include both quantitative and qualitative data relevant to the appropriate geographical areas. Applicants will need to explain how they will collect and record this information to maintain a fully evidenced audit trail. It should be noted that if an operation fails to deliver contracted outputs, a performance penalty may apply.

5. Application Process and Prioritisation Methodology

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

- (i) Outline application and, if successful
- (ii) Full application.

Acceptance of an outline application to progress to full application stage does not in any way indicate or constitute an offer of European Regional Development Fund grant.

Applicants must fully complete the [outline application](#) which will be assessed by the managing authority against all of the national [selection criteria](#) except where an intermediate body has been designated to assess against some of the selection criteria. Where an intermediate body has been designated to undertake delegated tasks, the intermediate body will undertake the assessment against the selection criteria in relation to fit with local priorities.

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

The Gateway assessment is undertaken by the managing authorities and considers:

- Applicant eligibility;
- Activity and expenditure eligibility; and
- Fit with the National operational programme and the local development need set out in section 2.

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

In areas where an intermediate body² has been designated, the following will apply:

The intermediate body will assess the application against the following Core assessment criteria:

- Local strategic fit

The managing authority will assess the application against the following Core assessment criteria:³

- National strategic fit;
- Value for money;
- Management and control;
- Deliverability;
- Compliance; 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 sub-committee will advise the managing authority or intermediate body as relevant on the contribution to

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

local economic growth conditions and opportunities within the context of the operational programme and local European Structural and Investment Funds strategy to aid the managing authority's assessments (at outline and full application stage).

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

Please note that the managing authority's decision is final and there are no appeals. If you wish to complain about the calls and application process, please follow the procedure set out at <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/complaints-procedure>.

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

For calls under investment priority 6d, please note:

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

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

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

The UK's National Planning Policy Framework requires local planning authorities to “set out a strategic approach in their local plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure”.⁴ Investments in green infrastructure should look to complement the priorities for multi-functional green space as set out in the relevant local plans.

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

6. General Information

6.1. National Eligibility Rules

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

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

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. Project extensions

Existing grant recipients whose projects:

1. Do not involve the direct development of premises or infrastructure;
2. Have a funding agreement that ends/has a financial completion date during the period of this call or within **18 months of the closing date of this call**; and
3. Addresses the priorities set out in section 2

May apply for a second phase of delivery – this will be expected to be in the same form as the current project (i.e. a genuine continuation of activity) but may reflect improvement/some change to reflect experience of the first phase of the project. The application must be made using the standard outline application form. Where changes to the first phase of the project are significant, these should be presented as a new application. The relevant Growth Delivery Team will apply judgment in considering the significance of any change. Projects may apply to be extended for up to 3 years.

Applications in respect of the development of premises or other infrastructure should be presented as new projects, this includes applications that have a link to an existing European Regional Development Fund project e.g. further phases of the development of sites or premises.

Please note - extensions to existing projects will be assessed against the criteria set out in this call in the same way as 'new' projects. There is no guarantee that extensions will be selected. Extension requests relating to projects that end more

than 18 months after the closing date of the call or do not meet the requirements set out in this call will be rejected. The applicant's track record and the performance of existing contracts will be taken into account during the assessment process.

6.6. 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'.

6.7. 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](#).

Green infrastructure projects seeking funding under priority axis 6 require both a wider strategic overview to ensure maximum benefits, and a future management plan.

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

6.8. 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.

6.9. 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.

6.10. Procurement

All costs claimed by the applicant (grant recipient and/or delivery partner(s)) must be recovered on an actual cost basis. Other costs must be procured in line with National (including [Public Procurement Regulation 2015](#)) and 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, the intermediate body are unable to enter into correspondence with applicants over their outline application. Details of where guidance can be found are contained throughout this call document. In exceptional circumstances, if there are issues with accessing this guidance, please contact: EM.ERDFENQUIRIES@communities.gov.uk.

Whilst the decision of the managing authority is final, if you think consideration of your application has not followed the published ERDF process, please refer to the MHCLG complaints procedure available on GOV.UK.

8. Key Documents

- European Regional Development Fund operational programme;
- Outline application form;
- Outline application form guidance;
- Local enterprise partnership area's European Structural and Investment Funds strategy;
- Eligibility guidance;
- Target definitions;
- Summative assessments guidance; and
- Funding agreement (revenue and / or capital).

9. Document Checklist

Incomplete applications will be rejected. Please ensure the following information (documents) are submitted.

Outline stage:

- Fully completed outline application;
- Financial tables; and
- Outputs, results and indicators tables.

10. Document Submission

Completed outline applications must be submitted via email to the address in Section 7. Applicants are asked to quote the call reference and project name in the subject line of your email as this will greatly assist the managing authority.

Outline application forms not received by the deadline will not be assessed. Outline applications which are not fully completed will be excluded.

The managing authority will normally acknowledge receipt of your application by email.

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.