

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

**Sustainable Urban Development Strategy:
South Bristol Sustainable Urban
Development Strategy**

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| Managing Authority: | Ministry of Housing, Communities and Local Government |
| Fund: | European Regional Development Fund |
| Priority Axis: | Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises Priority Axis 4: Supporting the shift to a low carbon economy in all sectors |
| Call Reference: | OC37R18S 0894 |
| Local Enterprise Partnership Area: | West of England |
| Sustainable Urban Development Strategy | South Bristol |
| Indicative Fund Allocation(s) | Priority Axis 3 £ 2,000,000 Priority Axis 4 £ 1,000,000 |
| Call Open: | Monday 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.

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 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.

Bristol City Council has been designated as an intermediate body for the [South Bristol 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 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 investment to support delivery of the South Bristol 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.

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| PRIORITY AXIS 3: Enhancing the competitiveness of Small and Medium Sized Enterprises | |
| Investment Priorities: | |
| 3a | Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |

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| 3c | Supporting the creation and the extension of advanced capacities for products, services and development. |
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| PRIORITY AXIS 4: supporting the shift to a low carbon economy in all sectors | |
| Investment Priorities: | |
| 4c | Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector. |
| 4f | Promoting research and innovation in, and adoption of, low carbon technologies. |

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](#) 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 [West of England](#) European Structural and Investment Funds strategy and the South Bristol Sustainable Urban Development Strategy.

Applicants are advised to familiarise themselves with the detail of the operational programme, local European Structural and Investment Funds strategy, South Bristol 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 Axis 3 and Priority Axis 4 of the European Regional Development Fund operational programme and respond to the local development needs set out in the West of England European Structural and Investment Funds strategy and South Bristol Sustainable Urban Development strategy.

Please note that projects will only be selected if they contribute to the delivery of the South Bristol 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 West of England European Structural and Investment Funds strategy.

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| Indicative fund | Indicatively, through this call the managing authority expects |
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| <p>allocation:</p> | <p>to allocate up to:</p> <p>Priority Axis 3 £2,000,000 Priority Axis 4 £1,000,000</p> <p>The managing authority reserves the right to invite to full application (and subsequently approve) projects that have a cumulative value that is higher or lower than this indicative allocations, subject to the volume and quality of proposals received. The managing authority may also decide to place some projects submitted through this call on a reserve list and invite them to proceed at a later date, subject to the availability of funding.</p> <p>There is no indicative allocation of European Regional Development Fund funding between capital and revenue activity, both capital and revenue is eligible dependent on the nature of activities / investment priorities set out in the call.</p> |
| <p>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 (for PA3a, PA3c and PA4c activities) and £250,000 (for PA4f activities) European Regional Development Fund to any single project. Consequently projects with a total value of less than £1,000,000 (for PA3a, PA3c and PA4c activities) and £500,000 (for PA4f activities) 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.</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> <p>Revenue projects should predominantly support businesses based within the South Bristol regeneration area (as defined in the South Bristol sustainable urban development strategy).</p> |

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| <p>Specific call requirements</p> | <p>The managing authority anticipates that single or multiple contracts may be awarded as a result of this call.</p> <p>Applicants will need to have eligible match funding for the balance of the costs which must be from a source other than the European Union. Applicants are responsible for identifying the match funding required to complete the funding package.</p> <p>Applications should clearly identify under which Investment Priority or Priorities they are submitted.</p> <p>Please note: Value for Money and alignment with Strategic Domestic Priorities , including the 2017 Industrial Strategy, (or any later publication that amends or supersedes that) 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> |
| <p>Call deadlines</p> | <p>For this specific call, applications will be assessed after the close of the single deadline.</p> <p>Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.</p> |

2. Local development need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 3 and /or Priority Axis 4 of the operational programme, one or more of the relevant Investment Priorities and meet the local development need expressed in the table below.

| <p>Local Development Need</p> |
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| <p>Local growth priorities:</p> <p>FOR PRIORITY AXIS 3:</p> <p>This call complements earlier European Regional Development Fund Priority Axis 3 (small and medium sized enterprises) calls in the West of England, concentrating on the particular development needs and sectors of small and medium sized enterprises prevalent in the South Bristol area, reflecting the latest strategic policy direction as set out in the Industrial Strategy related to enhancing the productivity and value-adding capabilities of small and medium sized enterprises.</p> <p>In 2017, South Bristol had over 4,845 registered businesses within its boundaries (the 12 wards south of the River Avon). Approximately 99% of these are defined as small or medium sized enterprises and in excess of 75% employ fewer than four</p> |

people. South Bristol has a much lower business density – 50.8 units per 1,000 working age population – than in the City of Bristol as a whole (71.2 units per 1,000 working age population). The regeneration area of Knowle West, Hartcliffe and Withywood, Hengrove and Whitchurch Park has some of the lowest business start-up rates in the region.

The objective is to create a more diverse and higher value local economy, providing more sustainable, good quality jobs to counteract the relatively high socio-economic deprivation in the area. Encouraging entrepreneurship, supporting more start-ups as well as existing small and medium sized enterprises to expand and grow across a spectrum of traditional to new 'tech'-led sectors, will support this aim.

Below are examples of the types of activity that are required to deliver the sustainable urban development strategy objectives. Proposals involving a consortium of partners that will integrate the provision of new workspace with business advice / support measures (for both start-up and growth stages) in a single project are particularly encouraged.

i) Entrepreneurship and Start-Up Programme

South Bristol benefits from some provision of enterprise coaching and pre / post start-up support under the Enterprising West of England, Social Enterprise and Creative Enterprise European Regional Development Fund programmes under delivery from 2017-19. A further project is required extending beyond 2019 which is based in the target area promoting entrepreneurship and access to support and grants at community level, and designed around the needs of young people, women, black and ethnic minority and disabled people in order to make a greater impact on the low business start-up and survival rates. The sustainable urban development strategy proposes a focus on products and services in emerging new sectors for South Bristol such as environmental, creative / cultural, information communication and technology / software, off site modular construction, digital and craft manufacturing activities. Such a project could promote social / community enterprise models alongside the standard private enterprise routes.

ii) Growth Support and Investment Ecosystem

South Bristol has a very limited business support and investment ecosystem in comparison to Bristol and Bath city centres and the North Bristol fringe. Although Filwood Green Business Park opened in 2015, there are still no business support agencies, incubators or knowledge transfer teams actually based in the area. This call seeks proposals that will support businesses in South Bristol to:

- Increase the scope of their operations as well as improve their value offer by increasing their staff base or financial turnover;
- Investing in new technologies, processes, products and services; and
- Accessing new markets outside the local/regional area by taking up more of the research, development and innovation support available from Universities and agencies in the region.

This call encourages proposals that target existing South Bristol small and medium sized enterprises which have the ambition and potential to scale-up their operations and/or improve their productivity (including new products and processes and entry to

new markets). These should include advice services tailored to specific sectors of the South Bristol economy, and grant funding or equity/loan finance brokerage programmes. Any such project must clearly demonstrate the local business need and methods of engagement, and thus how they will differentiate from, and complement, existing West of England European Regional Development Funded projects and other scale-up/growth support being delivered in the same timescale.

iii) Start-Up and Grow On Workspace

The supply of high quality serviced office and industrial workspace in South Bristol, especially within the regeneration area, has come under pressure with evidence of increased demand from expanding small companies in manufacturing, engineering and creative sectors.

This call encourages proposals that will develop new serviced offices and industrial units located in or close to the major regeneration site of Hengrove Park, which can be networked with successful existing centres such as Filwood Green Business Park, The Bottle Yard Studios, Knowle West Media Centre, The Gatehouse and The Park.

Applicants should ensure that their proposals complement or are distinct from other services contributing to the above aims, including those already receiving European Regional Development Fund support:

- Export for Growth
- Local Manufacturing Advisory Programme
- Enterprising West of England
- Social Enterprise and Innovation Programme
- Creative Enterprise Programme
- High Impact Scale-Up Coaching Grants
- Scale Up for Growth

FOR PRIORITY AXIS 4:

The South Bristol sustainable urban development strategy, in conjunction with the West of England European Structural and Investment Funds Strategy, seeks to ensure that Bristol's strengths in the low carbon technologies and services sector are utilised to support sustainable economic growth and increased productivity, alongside positive environmental benefits. The strategy aims to capitalise on the new opportunities created by the national shift towards a low carbon economy synchronised with Bristol's long term targets for carbon emissions reduction by 2050.

Interventions should focus on providing or improving low carbon energy infrastructure for publically owned¹ sites (public buildings) and housing in the South

¹ For more information about the ERDF criteria of public infrastructure, visit: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/651543/ESIF-GN-2-009_ERDF_Priority_Axis_4_Guidance_v4_new.pdf

Bristol regeneration area; and adopting innovative technologies and systems which will help deliver Bristol's target to be carbon neutral by 2050. As far as possible, these should also create economic opportunities for companies in the environmental and construction sector, such as those clustered at the Filwood Green Business Park and local industrial estates such as Cater Business Park, to partner and provide a local supply chain of technologies, products and services.

European Regional Development Fund low carbon applications should seek to build on successes achieved to date to implement low carbon energy and waste solutions in South Bristol. Example opportunities include, but are not limited to:

- Linkages to the existing Bristol European Local Energy Assistance Programme, and creating or extending district heating and renewable energy networks in South Bristol, at development sites;
- Piloting innovative smart technologies and behavioural change interventions within 'whole place' energy management schemes;
- Inclusion of hydrogen or bio-gas refuelling facilities in 'whole place' low carbon infrastructure schemes;
- Small and medium sized enterprises-led pilot projects at smaller-scale sites or buildings in the South Bristol regeneration area that are in public, social or private ownership, that will develop and test innovative low carbon technologies or processes for energy, waste or mobility systems, or construction of housing, community or commercial buildings;
- Research and development and innovation projects with a base in, or main focus on, the South Bristol area – these should be linked to the growing clusters of excellence in any or all of the following:
 - (i) Silicon design technology, as applied to distributed generation and smart grids;
 - (ii) Waste management / re-use;
 - (iii) Sustainable construction methods and materials;
 - (iv) Ultra-low emission vehicles and transport.

Further context can be found in the [West of England European Structural and Investment Funds Strategy](#), [West of England Combined Authority Strategy Discussion Paper](#), [Local Economic Assessment](#), [South West England and South East Wales Science and Innovation Audit](#), [HM Government's Industrial Strategy](#) and the [HM Government's Smart Systems and Flexibility Plan](#).

Local priorities:

Proposals should demonstrate alignment with local development need and priorities

including:

FOR PRIORITY AXIS 3:

- Targeted outreach, engagement, coaching and mentoring to strengthen entrepreneurial and enterprise culture in the South Bristol regeneration area;
- Provision of advice and support for entrepreneurship and self-employment in particular amongst under-represented groups by developing entrepreneurial skills and attitudes with a focus on increasing the number of business start-ups;
- Provision of advice and support for new business and social enterprise start-ups to survive and grow, including grants or seed finance for start-up;
- Provision of land and premises for employment sites, including incubation space, managed workspace, or grow-on space;
- Increasing growth capability in small and medium sized enterprises by improving access to business support services and finance, including grants for productive investment, and investor readiness initiatives;
- Provision of advice to develop new business models or higher quality products, processes or services tailored to existing or emergent sectors of the South Bristol economy, including manufacturing, engineering, construction, creative, information communication and technology / digital, environmental technology and services, food and drink;
- Advice and support for businesses and social enterprises to implement productivity improvements including through the provision of resource efficiency advice;
- Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects within a key sector, or linking sectors or clusters within the South Bristol economy, including shared facilities or co-production;
- Cohesion and complementarity with existing business support, international trade and export activities and manufacturing advisory services in the West of England local enterprise partnership area.

Applicants will have bespoke and in-depth knowledge on issues pertaining to key growth sectors and demonstrate a track record in providing tailored solutions.

Applicants with proposals offering similar services to those already available (e.g. targeted business support to social enterprises, entrepreneurs and start-ups, creative industries, assistance to companies aimed at increasing exports, and advice and guidance to manufacturing companies leading to more productive processes and growth) should seek advice from the local enterprise partnership to ensure complementarity and to avoid duplication. A summary of existing European Regional Development Funded projects in the West of England can be found [here](#).

Applicants should ensure that project delivery engages with the West of England Growth Hub. This is the main channel through which businesses access publicly funded support, and the channel through which support services are monitored and initial referrals or cross-referrals are made.

Proposals should have an impact across the South Bristol sustainable urban development strategy target area focussed on existing areas of opportunity or need.

FOR PRIORITY AXIS 4:

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

- The decarbonisation of the South Bristol economy and public infrastructure;
- Stimulating growth of local small and medium sized enterprises in the low carbon / environmental sector;
- Testing innovative solutions, including off-site manufacturing and precision-engineered homes, to deliver affordable new low carbon housing and retrofits which reduce the incidence of fuel poverty and meet local community needs;
- Supporting both the commercialisation of proven low carbon technologies and the development and demonstration of new low carbon technologies in public and community-facing sites and buildings;
- Deployment of innovative, decentralised, smart ‘whole place’ systems, or ‘micro grids’ for low carbon energy generation, distribution and management;
- Opportunities to work with higher and further education institutions at the forefront of the low carbon sector to bring technologies to market locally.

Proposals should demonstrate an impact on carbon emissions reduction, energy saving and enterprise start-up / growth within or across the South Bristol regeneration area.

Applicants seeking funding for activities which could be interpreted to be primary processing – including the production of biomass fuels – should be aware that European Regional Development Funds cannot be used to fund agricultural or primary processing activities, whether this is advice to primary producers or direct financial support. If in doubt, applicants should consult the Ministry of Housing, Communities and Local Government at SW.ERDFenquiries@communities.gov.uk before submitting an application. Alternatively applicants can contact the West of England Technical Assistance team. Contact details can be found on the [Technical Assistance website page](#).

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 | 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators |
| Specific Objectives | Increase entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups. |
| Indicative Actions | <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"> • Targeted engagement, outreach and mentoring to strengthen entrepreneurial and enterprise culture; • Provision of advice and support for entrepreneurship and self-employment in particular amongst under-represented groups by developing entrepreneurial skills and attitudes with a focus on increasing the number of business start-ups; • Provision of advice and support for new business start-ups to survive and grow; • Support to address market failures in the provision of start-up finance, e.g. seed finance, start-up loans; • Outreach, coaching, mentoring, networking and consultancy support to promote business start-up, survival and growth; • Grants to support productive investment; • Provision of non-grant finance to support start-ups or entrepreneurs where there is a clearly evidenced market failure, for example: <ul style="list-style-type: none"> - Early stage growth, Equity, quasi-Equity, Loan or Mezzanine funds; - Microloan funds delivered by Community Development Finance Institutions; and - Proof of Concept funds. • Provision of land and premises for employment sites including incubator space, managed workspace, or grow-on space. <p>Operations will support individuals with ambitions to start up a business, and small and medium sized enterprises in the early stage of operation. These include social enterprises and those wishing to set up social enterprises.</p> |

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| Investment Priority | 3c- Supporting the creation and the extension of advanced capacities for products, services and development. |
| Specific Objectives | Increase growth capacity of Small and Medium sized enterprises |
| 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"> • Provision of advice to develop new business models or higher quality products, processes or services; • Advice and support for businesses to implement productivity improvements including through the provision of resource efficiency advice; • Advice to improve business processes and workforce development; • Advice and support for supply chain interventions to strengthen and grow the domestic supplier base; • Ensuring small and medium sized enterprises have access to sufficient levels of finance to implement their growth plans, including appropriate capital investment for premises and equipment to help build capacity; • Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects; • Grant finance for business to invest for product, process and service improvements; • Provision of non-grant finance where there is a clearly evidenced market failure, for example: <ul style="list-style-type: none"> - co-investment funds, e.g. for angel investment, venture capital or debt finance; - Early stage growth, Equity, quasi-Equity, Loan, guarantees or Mezzanine funds, seed capital; - Guarantee funds or interest rate subsidies; - Microloan funds delivered by Community Development Finance Institutions; - Proof of concept funds. • Provision of independent access to finance advice; • Provision of land and premises for employment sites, including incubation space, managed workspace, or grow-on space. <p>Activities will target domestic and foreign-owned Small and Medium Sized Enterprises, including social enterprises.</p> |

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| Investment Priority | 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector. |
| Specific Objectives | Increase energy efficiency in homes and public buildings, including through the implementation of low carbon technologies |
| Indicative Actions | <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 advice and support to increase the use and take up of low carbon technologies, energy efficiency measures, renewable energy technologies and smart energy systems in housing stock and public buildings; • Supporting low carbon innovation in relation to the integrated 'whole place' energy management approach including energy waste and re-use; • Investing in building retrofit, energy efficiency measures, renewable and smart energy systems deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market; • Investing in domestic energy efficiency, renewable energy and smart construction techniques; • Investment in the development and wider use of Energy Performance Contracting in the public buildings and housing sectors. |
| Investment Priority | 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 the European Regional Development Fund may include:</p> <ul style="list-style-type: none"> • Research & 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; • Renewable technologies in the UK 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 |

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| | <p>institutions and Businesses;</p> <ul style="list-style-type: none"> • Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes; • Developing financing methods that encourage the adoption of proven low carbon technologies and generate long-term financial savings; • Demonstration and deployment of decentralised renewable energy technologies; • Research, development and innovation and supply chain development for low carbon and resource efficient technologies and materials (including small scale pilot programmes that test the market with new low carbon solutions and the use of secondary materials). |
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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 3 and Priority Axis 4.

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

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

| Investment Priority 3a | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C2 | Number of enterprises receiving grants |
| C3 | Number of enterprises receiving financial support other than grants |
| C4 | Productive investment: Number of enterprises receiving non-financial support |
| C5 | Productive investment: Number of new enterprises supported |
| C6 | Private investment matching public support to enterprises (grants) |
| C7 | Private investment matching public support to enterprises (non- |

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| | grants) |
| C8 | Employment increase in supported enterprises |
| C28 | Number of enterprises supported to introduce new to the market products |
| P2 | Public or commercial buildings built or renovated |
| P11 | Number of potential entrepreneurs assisted to be enterprise ready |

| Investment Priority 3c | |
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| Output reference | Name |
| C1 | Number of enterprises receiving support |
| C2 | Number of enterprises receiving grants |
| C3 | Number of enterprises receiving financial support other than grants |
| C4 | Productive investment: Number of enterprises receiving non-financial support |
| C5 | Productive investment: Number of new enterprises supported |
| C6 | Private investment matching public support to enterprises (grants) |
| C7 | Private investment matching public support to enterprises (non-grants) |
| C8 | Employment increase in supported enterprises |
| C29 | Number of enterprises supported to introduce new to the firm products |
| P2 | Public or commercial buildings built or renovated |
| P13 | Number of enterprises receiving Information, Diagnostic and Brokerage support |

| Investment Priority 4c | |
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| Output reference | Name |
| C31 | Number of households with improved energy consumption |
| C32 | Decrease of annual primary energy consumption of public buildings |
| C34 | Estimated GHG reductions |

| 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 institutions |
| C29 | Number of enterprises supported to introduce new to the firm products |
| C34 | Estimated GHG reductions |

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 South Bristol 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 one 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:²

- 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 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 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.

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](#).

People in difficult social or economic circumstances face barriers to enterprise, but some groups have additional ones – for example women and black and minority ethnic groups are often under-represented in enterprise compared to the wider population, so investments under Priority Axis 3 should actively address barriers to business start-up and other types of business opportunities for such groups. In providing support for small and medium sized enterprises, applicants under Priority Axis 3 should show, where appropriate, how resource efficiency is embedded into the business support offer.

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

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 SW.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](https://www.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;
- South Bristol Sustainable Urban Development strategy;
- Eligibility guidance;
- Output definitions;
- Funding agreement (revenue and / or capital);
- Summative assessments guidance; and
- 2017 [Industrial Strategy](#) (or any later publication that amends or supersedes that).

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. 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.