

2014 to 2020 European Structural and Investment
Funds Growth Programme

Call for Proposals
European Regional Development Fund

Priority Axis 2: Enhancing Access To, and
Use and Quality of, Information and
Communications Technology

Managing Authority:	Ministry of Housing, Communities and Local Government
Fund:	European Regional Development Fund
Priority Axis:	Priority Axis 2: Enhancing Access To, and Use and Quality of, Information and Communications Technology
Call Reference:	OC50R19P 0982
Local Enterprise Partnership Area:	Multi LEP Area Call The Marches (Lead LEP area) Gloucestershire
Indicative Fund Allocation:	£1,408,100 of which

	£275,300 in More Developed Region (Herefordshire); £115,000 in More Developed Region (Gloucestershire) and £1,017,800 in the Transition Region (Shropshire and Telford & Wrekin)
Call Open:	Friday 28 June 2019
Call Closes:	23:59 on Monday 30 September 2019

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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, 30 June 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 2 Enhancing Access To, and Use and Quality of, Information and Communications Technology

Investment Priorities:

- 2a** Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy

Applications for funding for activity focusing on Investment Priority 2b are not invited in this call.

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 2** of the operational programme aims to enhance access to, and use and quality of, information and communications technology.

Harnessing the power of digital technologies such as Artificial Intelligence (AI) and the data revolution is one of the Grand Challenges transforming the global economy. We want to ensure that enterprises are supported to enhance digital capabilities and utilise data and digital technology to fulfil their growth potential.

Evidence suggests that SMEs with a strong online presence on average grow more than twice as quickly as those with minimal or no presence, export twice as much, and create twice as many jobs¹. However, British SMEs are falling behind their European competitors in using ICT². While UK companies have similar levels of internet access and web presence as those in other European countries, they are less likely to digitise

¹ Oxford Economics, 2015. *The UK's £92bn digital opportunity*. Available online at: <https://www.oxfordeconomics.com/recent-releases/the-UKs-digital-opportunity>

² DCMS, 2017. *UK Digital Strategy*. Available online at: <https://www.gov.uk/government/publications/uk-digital-strategy>

their back-office functions than their peers in other countries. Fewer than 20% of UK enterprises use software to share information across the organisation, compared to 40% in France and more than 55% in Germany³, and only 22% of SMEs in the UK use any form of e-commerce⁴. Embracing digital has the potential to make every business in every sector more productive, wherever they are located. A recent survey of 1,000 UK-based businesses found digital capabilities helped boost revenues by 4.4% and reduce costs by 4.3%.

By May 2018, Ofcom reported 93% of UK premises had access to superfast broadband (SFB) (30Mbps), while 5% had access to full fibre broadband⁵. However, there still exists wide variation when comparing SFB coverage in urban areas with rural, and limited infrastructure support may still be required in some areas. We are currently unable to support ultrafast broadband infrastructure due to State Aid regulations.

Important guiding principles for the selection of ERDF operations within Priority Axis 2 therefore include:

- Any application for funding will be required to clearly demonstrate that it provides good value for money and supports domestic strategic priorities, including the 2017 [UK Industrial Strategy](#), the [Business Productivity Review](#) and the [UK Digital Strategy](#).
- 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 [Marches](#) European Structural and Investment Fund Strategy and the [Gloucestershire](#) European Structural and Investment Funds strategy, as well as Local Industrial Strategy where available.

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 Eurostat, 2017. Available online at: https://ec.europa.eu/eurostat/statistics-explained/index.php/E-business_integration#Database

⁴ BIS, 2015. *Digital Capabilities in SMEs: Evidence Review and Re-survey of 2014 Small Business Survey respondents*. Available online at: <https://www.gov.uk/government/publications/digital-capabilities-in-small-and-medium-enterprises>

⁵ Ofcom 2018, Connected Nations Update (October 2018)

3. Scope of the Call

3.1. Scope

This call invites outline applications which support the delivery of Priority Axis 2 of the European Regional Development Fund operational programme and respond to the local development need set out in the [Marches](#) European Structural and Investment Fund Strategy and the [Gloucestershire](#) European Structural and Investment Funds strategy.

Indicative fund allocation:	<p>Indicatively, through this call the managing authority expects to allocate up to £1,408,100</p> <p>The indicative funds are split by Local Enterprise Partnership area and category of region as follows:</p> <p>The Marches: Herefordshire (more developed) £275,300 Gloucestershire (more developed) £115,000 The Marches: Shropshire and Telford & Wrekin (transition) £1017,800</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.</p> <p>There is no indicative allocation of European Regional Development Fund funding between capital and revenue activity, both capital and revenue is eligible dependent on the nature of activities/Investment Priorities set out in the call.</p>
Minimum application level	<p>European Regional Development Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The managing authority does not intend to allocate less than £500,000 European Regional Development Fund to any single project. Consequently, new projects with a total value of less than £1,000,000 in the more developed region or £833,333 in the transition region will not normally be supported under this call. Applications for less than £500,000 ERDF for extensions to existing projects will be considered.</p>

Duration of project activity	Projects should plan to complete delivery of project activity by the end of June 2023; however, the managing authority reserves the right to vary this date.
Geographical scope	<p>The England European Regional Development Fund operational programme operates on a national basis. All eligible European Regional Development Fund expenditure must benefit organisations located in England.</p> <p>Revenue projects should predominantly support businesses based within the local enterprise partnership areas of this call.</p>
Specific call requirements	<p>Applicants should note that the Marches Local Enterprise Partnership area includes both more developed and transition category of regions, as follows:</p> <ul style="list-style-type: none"> • Herefordshire (more developed region) • Shropshire and Telford & Wrekin (transition region) <p>The Gloucestershire Local Enterprise Partnership area is a more developed region only.</p> <p>Projects applying to this call may deliver activity across a single local enterprise partnership area/category of region or deliver across the full Marches/Gloucestershire area (both categories of region). In all cases, applicants must present a clear rationale for the area proposed, outlining how this responds to local demand and confirming that capacity is in place to deliver across the proposed geography.</p> <p>Additionally, applicants should demonstrate how proposed activities complement, rather than duplicate, existing and planned broadband strategies and initiatives across the Marches and Gloucestershire. As referenced in the respective European Structural and Investment Funds Strategies, this should include consideration of the ‘Fastershire Broadband Strategy’ for Herefordshire & Gloucestershire and the Local Broadband Plans for Shropshire & Telford.</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</p>

	should clearly articulate and demonstrate how activities align with domestic strategic priorities and offer good value for money.
Call deadlines	<p>For this specific call, applications will be assessed after the close of the single deadline.</p> <p>Applications received after the published call close date will not be considered. All applications will be assessed following closure of the call.</p>

3.2. Local development need

Projects must deliver activity which directly contributes to the objectives of Priority Axis 2 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>One of the identified weaknesses arising from a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) undertaken to assess the Marches' economy was poor broadband infrastructure. It recognised that continued poor quality broadband infrastructure, especially in more sparsely populated rural areas, was and will continue (if unresolved) to prevent small and medium sized enterprises from operating effectively and trading within a competitive, international market place.</p> <p>Conversely, investment in high quality and high speed broadband infrastructure offers the opportunity for the Marches to unlock, add value to and accelerate the performance of strategic employment areas, key sectors and physically isolated businesses.</p> <p>The Gloucestershire Local Enterprise Partnership European Structural and Investment Funds Strategy lists comprehensive high speed broadband coverage as a strategic priority for the county.</p> <p>Thanks to the efforts of commercial providers and the subsidy provided to the market by Fastershire, Connecting Shropshire and Superfast Telford, Next Generation Access broadband capability stands at</p> <p>Telford & Wrekin 98.2% (2.1% Full Fibre) Gloucestershire 93.4% (10.4% Full Fibre) Shropshire 92.9% (4.8% Full Fibre) Herefordshire 87.2% (14% Full Fibre)</p>

Significant delivery continues in Herefordshire, Gloucestershire and Shropshire which will see capability rise to 97% in Herefordshire and Gloucestershire and 95% in Shropshire.

Despite these efforts, many communities will still remain without sufficient high-speed broadband provision, representing a major barrier to business development and small and medium-sized enterprise growth in those areas.

As more business is conducted via the internet and more public services are provided online, high speed broadband has a key role to play in ensuring the economic potential of both local enterprise partnership areas is realised.

The UK Government published its Future Telecoms Infrastructure Review (FTIR) in 2018 which has refined Government policy to focus on Gigabit Capable infrastructure which for the most part means Full Fibre broadband deployments (with an acknowledgement that other technology may still be required to tackle extremely remote areas).

As shown above, the local enterprise partnerships and local authority partners are a significant way through deploying their superfast broadband contracts across the regions. However, there remain gaps in the level of that provision and moreover, some areas that have benefitted to date from Fibre to the Cabinet (FTTC) technology are at risk of falling behind given the direction influenced by the FTIR. Currently the national average coverage of Full Fibre broadband is only 7% which itself is far from the Government target of 50% by 2025.

Therefore, this call seeks proposals for complementary capital investment activity that will:

1. Extend broadband deployment and roll-out of high-speed networks in the most digitally disadvantaged pockets of Herefordshire, Gloucestershire, Shropshire and Telford & Wrekin (areas which will otherwise remain unserved by 'Gigabit Capable' infrastructure);
2. Support small to medium-sized enterprises, which can demonstrate a good return on investment in connecting to enhanced broadband infrastructure.

Local priorities:

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

This call aims to address the coverage shortfalls above and is confined to applications which will extend coverage of **at least** superfast broadband (capable of delivering speeds of more than 30 Mbps) networks with a preference for those that deliver Full Fibre connections to help meet the aims of the FTIR.

Specifically, the aim is to fill the gaps in the coverage of gigabit capable infrastructure or Superfast capable technology where the former is unachievable.

The scope of this call includes projects that would provide support to small and medium sized enterprises to enable them to obtain superfast broadband connectivity through a grant scheme.

This call does not include small and medium enterprise digital utilisation and demand stimulation activity.

The support provided through this call will improve information communication technologies connections in the Marches and Gloucestershire so they are no longer a barrier to growth for businesses and will help them to improve their productivity and profitability leading to growth and job creation, in turn increasing the percentage of businesses which use superfast broadband. The resulting economic benefits are described in the UK Broadband Impact Study (November 2013). The aim is to increase coverage and enable more small and medium sized enterprises in particular to access superfast and / or Full Fibre broadband.

Support should be limited to European Regional Development Fund eligible businesses and applicants should outline how businesses will be identified and selected for support.

Applicants should also demonstrate where and how the proposed activities will complement, rather than duplicate, existing and planned broadband strategies and initiatives in the Marches and Gloucestershire namely Fastershire, Connecting Shropshire and Superfast Telford.

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	2a – Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy.
Specific objectives	Increase the coverage of superfast Broadband in areas where the market is failing, particularly where this is creating a barrier to SME growth, in line with State Aid rules.

Indicative actions	<p>Under this investment priority the types of actions that the European Regional Development Fund may support include:</p> <ul style="list-style-type: none"> • Providing financial support for projects to extend availability of superfast broadband networks (capable of delivering speeds of more than 30 Mbps); <p>Activities funded by ERDF will target SMEs to support local and regional economic growth. These investments will be in line with State Aid rules.</p>
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4. Required Outputs under this Call

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund will achieve the programme-level outputs for Priority Axis 2.

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 2a	
Output reference	Name
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
P3	Additional businesses with broadband access of at least 30Mbps

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 body has been designated, the intermediate body will assess the application against the Local strategic fit assessment criteria.

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 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 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

6.1. National Eligibility Rules

When developing an application, Applicants must refer to the [National Eligibility Rules](#) setting out the requirements of the 2014 to 2020 European Regional Development Fund Programme. It is the responsibility of the applicant to ensure that the National Eligibility Rules are adhered to both at application stage and following approval. Failure to do so can lead to financial penalties leading to recovery of up to 100% of the grant value. If in doubt on any of the requirements, applicants are strongly advised to seek specialist advice.

European Regional Development Fund eligibility rules apply to **all** project spend within the eligible costs, including match funding.

The European Regional Development Fund is governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation, (Section 8 Key Document refers) prior to submitting an outline application. If successful at the full application stage, Applicants will enter into [a Funding agreement](#) and must abide by the standard terms and conditions contained therein. Once a Funding agreement has been issued it should be signed and returned within 30 days, unless otherwise agreed with the managing authority. Applicants are therefore strongly advised to read these terms and conditions to ensure that they are able to enter into such an agreement prior to responding to the call.

6.2. Eligible Applicants

Section 4 of the [National Eligibility Rules](#) sets out who is eligible to apply. Financial Due Diligence checks will be undertaken on non-public sector applicants that are successful at the outline application stage. Checks will be carried out following notification of a successful outline application and may exclude applicants from further consideration. These checks will include assessment of the applicant's financial standing including ability to deal with cost overruns, the ability to cash flow a project in arrears and absorb a financial irregularity.

Applicants must be legally constituted at the point of signing a funding agreement. If the application is approved the applicant organisation will enter into a legally binding funding agreement and therefore will carry the liability for ensuring that the terms and conditions of the funding agreement are met.

If there is more than one organisation applying for the funds, a lead organisation must be selected to become the applicant (and grant recipient) with the remaining organisation(s) acting as delivery partner(s). In this situation the applicant would be

responsible and liable for the delivery partner(s) and ensuring the project is operating compliantly.

During the application process the managing authority will consider the applicant's track record, both positive and negative. If the applicant has been involved in the delivery of previous European grants and any irregularities have been identified, the managing authority will expect to see what steps have been taken to ensure that the risk of further irregularities in the future is mitigated. It is acknowledged that some organisations will be new to European Structural and Investment Funds funding and will not have a track record.

6.3. Contribution rate and match funding

European Regional Development Fund investment must not be used to replace existing funding sources. European Regional Development Fund investment must enable activity to take place that would not otherwise happen or to increase the scope, scale or intensity of activity. The level of European Regional Development Fund awarded will be the minimum in order for the project to proceed

The maximum contribution rate is 50% in the More Developed area and 60% of costs in the Transition area of the total eligible project costs subject to State Aid regulations.

The remaining 50% in the More Developed area or 60% in the Transition area 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% or 60% maximum.

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

6.4. Project timescales

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 within the agreed timescale as stated in the Grant Funding Agreement; and
- Have completed the delivery of project activity by the end of June 2023.

6.5. Project extensions

Existing grant recipients whose projects:

1. Do not involve the direct development of premises or infrastructure under Investment Priority 2a;
2. Address 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.

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 that 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](#).

Information and communications technology issues are likely to impact more on older people and disabled people, so digital infrastructure investments under priority axis 2 should be accompanied by relevant skills support.

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:

WM.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;
- 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, 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.