

2014 to 2020 European Structural and Investment  
Funds Growth Programme

Call for Proposals  
European Regional Development Fund

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

<b>Managing Authority:</b>	<b>Ministry of Housing, Communities and Local Government</b>
<b>Fund:</b>	<b>European Regional Development Fund</b>
<b>Priority Axis:</b>	<b>Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency</b>
<b>Call Reference:</b>	<b>OC20R19P 0929</b>
<b>Local Enterprise Partnership Area:</b>	<b>Leeds City Region</b>
<b>Area Indicative Fund Allocation:</b>	<b>£804,514</b>
<b>Call Open:</b>	<b>Friday 28 June 2019</b>
<b>Call Closes:</b>	<b>23:59 on Monday 30 September 2019</b>

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# 1. Introduction

The 2014 to 2020 European Structural and Investment Funds bring the European Regional Development Fund, European Social Fund and part of the European Agricultural Fund for Rural Development together into a single European Union Structural and Investment Funds Growth Programme for England supporting the key growth priorities of innovation, research and development, support for Small and Medium Sized Enterprises, low carbon, skills, employment, and social inclusion.

The Government has confirmed that it will guarantee 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:

1. Input into project calls in respect of local development needs (with reference to ESI Funds Strategies); and
2. 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:

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 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

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 managing authorities' (or intermediate bodies where designated) assessments at outline and full application stage.

This call is issued by the Ministry of Housing, Communities and Local Government and invites outline applications in respect of the European Regional Development Fund for England 2014 to 2020.

## 2. Call Context

On behalf of the national Growth Programme Board, the Ministry of Housing, Communities and Local Government (the managing authority) invites applications seeking European Regional Development Fund support under:

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

#### **Investment Priorities:**

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

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

Improvements in the local environment can serve as a catalyst to local economic growth by attracting inward investment, reducing the costs of adverse environmental conditions, providing health benefits and generating employment. The Government is committed to improving the UK's air and water quality and protecting our many threatened plants, trees and wildlife species. The [25 Year Environment Plan](#) sets out our goals for improving the environment within a generation and leaving it in a better state than we found it.

Important guiding principles for the selection of ERDF operations within Priority Axis 6 therefore include:

1. Any application for funding will be required to clearly demonstrate that it provides good value for money and supports domestic strategic priorities set

out in the 2017 [UK Industrial Strategy](#) and the [25 Year Environment Plan](#) published in 2018.

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 [Leeds City Region](#) European Structural and Investment Funds strategy and, where relevant, Local Industrial Strategy.

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

### 3. Scope of the Call

#### 1. Scope

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

<b>Indicative fund allocation:</b>	<p>Indicatively, through this call the managing authority expects to allocate up to £804,514.</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>
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<p><b>Minimum application level</b></p>	<p>European Regional Development Fund investment is intended to make a significant impact on local growth. Applications are expected to demonstrate appropriate scale and impact.</p> <p>The managing authority does not intend to allocate less than £195,384 European Regional Development Fund to any single project. Consequently new projects with a total value of less than £390,768 will not normally be supported under this call. <b>Applications for less than £195,384 ERDF for extensions to existing projects will be considered.</b></p>
<p><b>Duration of project activity</b></p>	<p>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.</p>
<p><b>Geographical scope</b></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><b>Specific call requirements</b></p>	<p>Outline Applications should:</p> <ul style="list-style-type: none"> <li>~ Express how proposals will contribute towards the delivery of the priorities set out in the Government's <a href="#">Industrial Strategy</a>.</li> </ul> <p>Proposals are expected to:</p> <ul style="list-style-type: none"> <li>i) Complement and add value to existing local and national provision and other ESIF projects as they become operational in Leeds City Region, paying particular attention to the <b>Leeds City Region priority sectors</b> set out in the Leeds City Region ESIF Strategy</li> <li>ii) Integrate with the <b>Leeds City Region Local Enterprise Partnership Skills and Growth Service</b>. Applicants are therefore encouraged to consult with the Local Enterprise Partnership prior to submitting an application</li> <li>iii) Preference will be given to applications that deliver against the following outputs where there is currently a deficiency:</li> </ul>

	<p>C23 – Surface area of habitats supported in order to attain better conservation status.</p> <p>Please note: Value for Money and alignment with Strategic Domestic Priorities will form a key part of the assessment and appraisal of all applications. Therefore proposals should clearly articulate and demonstrate how activities align with domestic strategic priorities and offer good value for money.</p>
<b>Call deadlines</b>	<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 6 of the operational programme, one or more of the relevant investment priorities and meet the local development need expressed in the table below.

<b>Local Development Need</b>
<p><b>Local growth priorities:</b></p> <p>Leeds City Region is the biggest city region economy in the country, with an annual output of £69.6bn representing 5% of the English total. It hosts 119,000 businesses, 3 million residents and a workforce of 1.4m. Nine Higher Education institutions and 14 Further Education Colleges are based in the City Region, which is home to a student population of around 230,000.</p> <p>Despite the City Region’s undoubted economic strengths and assets, it is not realising its full potential. The decline of heavy industry has left a legacy of pockets of serious deprivation and an economy that is less productive than those in many other parts of the country.</p> <p>The revised vision for the City Region is to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone. This revised vision places a greater emphasis on “good growth”, where a radical uplift in growth, productivity and business success goes hand in hand with quality jobs that connect all people and places to opportunity and improved quality of life. Achieving the vision will mean that the Leeds City Region economy becomes stronger, more dynamic and resilient, and will be on course to consistently improve performance compared to national averages and international competitors over time. The original Leeds City Region Strategic Economic Plan</p>

(SEP) was agreed in 2014 and has been updated to reflect the new focus on good growth and to account for economic change since the initial publication. The following thematic priorities were set out in the revised SEP:

- PRIORITY 1: Growing Businesses
- PRIORITY 2: Skilled People, Better Jobs
- PRIORITY 3: Clean Energy and Environmental Resilience
- PRIORITY 4: Infrastructure for Growth

### **Protecting the environment in Leeds City Region**

Green and blue infrastructure is identified as a key action area within both Priority 3 and 4. High quality green and blue infrastructure is critical to the resilience of the Leeds City Region, providing protection to homes, businesses and utilities from the risks of flooding. Green and blue infrastructure also provides benefits to the wider economy by supporting inward investment, higher staff retention and improved health outcomes.

The following priorities have been identified within the Strategic Economic Plan and ESIF Strategy to ensure that green and blue infrastructure is delivered: i) refresh and deliver the Leeds City Region Green and Blue Infrastructure Strategy; ii) Plan and deliver whole catchment area investments that mitigate flood risk and improve the resilience of the City Region economy.

The Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan was adopted by the West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership in December 2018.

The Leeds City Region covers some of the UK's impressive areas of natural beauty and landscape, which has created a strong regional identity. Wide areas across the north and west of the City Region have been recognised for their significant landscape and recreational value. Almost all of the Nidderdale Area of Outstanding Natural Beauty (AONB) lies within Leeds City Region boundary, along with a significant proportion of the Yorkshire Dales National Park. The eastern extent of the Forest of Bowland (AONB) and northern limits of the Peak District National Park also lie within the City Region.

### **The challenge**

Flooding and its impacts are a real concern for businesses and residents within the City Region. This was especially true in the aftermath of the devastating flooding events that struck the region towards the end of 2015. Green and blue infrastructure has a key role to play e.g. slowing the flow, Sustainable Urban Drainage Systems, alongside, or as an alternative to, harder flood defence measures, in protecting key economic areas of the City Region from future flooding impacts.

Invasive species have been shown to have multiple negative impacts on the economy, environment and society, including a contribution to increasing flood risk through soil erosion and the destabilisation of river banks. Invasive species also contribute to a reduction in the recreational value of accessible zones, reducing



local community health and well-being benefits. As an indicator each year in Europe invasive species are estimated to cost €19 billion.

Poor air quality within our urban areas contributes to premature deaths and illness among the resident population. Hospital admissions within the West Yorkshire area for asthma, coronary obstructive pulmonary disease and heart conditions are considerably higher than for England and Wales as a whole. Green infrastructure measures e.g. street trees have the ability to absorb significant quantities of gaseous pollutants that contribute to health issues.

Whilst many of the rural areas within the Leeds City Region are spectacular assets there is significant scope to increase green infrastructure in urban areas, creating a high quality setting for investment. Centuries of industrialisation have also, as would be expected, had a detrimental effect on certain assets, particularly watercourses and tree cover.

Although the biological water quality of the rivers is increasing, there are still significant shortfalls, particularly in the urban area where industrial pollution has a negative impact.

1. Since 2006 the EU Water Framework Directive has formed the framework for assessing the overall health of the river environment. There are four tiers of assessment to judge the ecological status of the river environment (Poor, Moderate, Good and High) with UK plc to set the target of achieving a 'Good' status in all river catchment areas where technically this is possible by 2027. Despite Leeds City Region performing slightly better than others, the analysis shows that the area faces a significant challenge to meet the 2027 target set by the EU Water Framework Directive.

#### **Local priorities:**

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

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

- Demonstrating a contribution to the vision of the Green and Blue Infrastructure Strategy and Delivery Plan to 'expand green and blue infrastructure so that everybody in the Leeds City Region is within easy reach of an outstanding and well used network of green and blue infrastructure that reduces flood risks and supports health, the economy, the environment and a superb quality of life.
- Delivery of effective water management and flood risk reduction focussing on:
  - natural flood management
  - sustainable drainage systems
  - integrated water management solutions that combine water storage, supply and wider green and blue infrastructure
  - ensuring consistently high water quality

- Integration of green and blue infrastructure into physical development and housing focussing on:
  - making the business case for green and blue infrastructure that supports investment
  - creation of flagship green and blue infrastructure schemes in town / city centres and high-profile new developments
  - retrofitting green and blue infrastructure into existing housing estate public space and promoting citizen action
- Enhancement of green and blue infrastructure corridors and networks focussing on:
  - extending good green and blue infrastructure design into existing and future transport networks
  - building green and blue infrastructure into rail corridors including HS2
  - enhancing river, canal and wildlife corridors
  - creating a green and blue infrastructure rich City Region-wide cycle route network
- Improving community access to and the enjoyment of green and blue infrastructure focussing on:
  - identifying, protecting and enhancing the existing high-quality green and blue infrastructure network
  - addressing gaps in access to green and blue infrastructure, especially in areas of poor health and deprivation
  - promoting physical activity that utilises green and blue infrastructure
  - connecting children, young people and schools to green and blue infrastructure
  - enhancing green and blue infrastructure in recuperative setting to aid wellbeing and recovery
- Planting and managing of more trees and woodlands focussing on:
  - planting and managing large-scale, high value new woodlands
- Restoration of the uplands and their sustainable management focussing as part of an integrated approach to river catchment management to reduce the incidence of flooding on:
  - restoration of peatlands as part of integrated upland management as part of flood prevention with Priority Axis 5
- Delivery of business growth in green and blue infrastructure which in turn will support the wider aims of the City Region in assisting
  - green and blue infrastructure-based businesses to prosper
  - creating work experience, employment and apprenticeship opportunities based on green and blue infrastructure
  - connecting green and blue infrastructure to innovation, education and skills
  - making great green and blue infrastructure central to City Region promotion, profile and tourism

## 1. 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:

<b>Investment priority</b>	<b>6d – Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure.</b>
<b>Specific objectives</b>	Investments in green and blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth
<b>Indicative actions</b>	<p>Activity supported to achieve this specific objective will focus on investment in green infrastructure; definitions are set out in the National Planning Policy and in Natural England’s Green Infrastructure guide<sup>1</sup>. Blue infrastructure is a sub-set of this and refers to the water-related features (rivers, ponds, lakes etc) that play a crucial role in providing benefits to people and wildlife.</p> <p>Activity can include site clearance, soil de-sealing, decontamination and land remediation, but only where these directly contribute to an area’s green and blue Infrastructure / natural capital which are the primary objective of the interventions.</p> <p>Sustainable drainage can be a design function incorporated within green infrastructure. It can also make a contribution to the provision of green infrastructure, where natural solutions are used to provide such a function. Furthermore, the volume and quality of water that flows into blue infrastructure, such as rivers, ponds and lakes, has a fundamental impact on their health and condition. Sustainable drainage can help improve this.</p> <p>Under this investment priority, indicative actions to be supported by European Regional Development Fund may include:</p> <ul style="list-style-type: none"> <li>• Investment in green and blue infrastructure such as green corridors in urban areas and waterways; and</li> <li>• Sustainable drainage to improve water quality and in some cases local air quality.</li> </ul>

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

## 4. Required Outputs under this Call

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund will achieve the programme-level outputs for priority axis 6.

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

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

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

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:

- Outline application and, if successful
- 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:

- (i) Applicant eligibility;
- (ii) Activity and expenditure eligibility; and
- (iii) 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<sup>[1]</sup> 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:

1. Value for money; and
2. Deliverability.

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<sup>[1]</sup> This process works differently for the Greater London Authority. Please contact the Greater London Authority for further details.

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 European Regional Development Fund. Details of your local Technical Assistance funded project can be found on the [Technical Assistance website page](#).

For calls under investment priority 6d, please note:

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

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

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

The UK's National Planning Policy Framework requires local planning authorities to "set out a strategic approach in their local plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure".<sup>2</sup> Investments in green infrastructure should look to complement the priorities for multi-functional green space as set out in the relevant local plans.

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

## 6. General Information

### 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.

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<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60777/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60777/2116950.pdf)

## **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

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.

#### 5. Project extensions

Existing grant recipients whose projects:

1. Do not involve the direct development of premises or infrastructure;
2. Addresses the priorities set out in section 2

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

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. 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'.

## 7. Cross Cutting Themes / Horizontal Principles

All applications selected as a result of this call will be required to demonstrate how the Cross Cutting Themes have been addressed in the project design and development. Cross Cutting Themes for European Regional Development Fund are 'equality and anti-discrimination' and 'sustainable development'. Further information is available in section 11 of the [European Regional Development Fund Operational Programme](#).

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

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

## 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.

## 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.

## 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: [YH.ERDFenquiries@communities.gov.uk](mailto:YH.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;
- Eligibility guidance;
- Target definitions;
- Summative assessments guidance; and
- Funding agreement (revenue and / or capital).

## 9. Document Checklist

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

Outline stage:

1. Fully completed outline application;
2. Financial tables; and
3. 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.