



## 2014 to 2020 European Structural and Investment Funds Growth Programme

### Call for Proposals European Regional Development Fund

# Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

<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 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors</b>
<b>Call Reference:</b>	<b>OC50R19P 0967</b>
<b>Local Enterprise Partnership Area:</b>	<b>Cheshire, Cumbria Greater Manchester Lancashire Liverpool City Region</b>
<b>Area Indicative Fund Allocation:</b>	<b>£7,960,000</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 Department for 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 Department for Communities and Local Government (the managing authority) invites applications seeking European Regional Development Fund support under:

### **Priority Axis 4     Supporting the Shift towards a Low Carbon Economy in All Sectors**

#### **Investment Priorities:**

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

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 4** of the operational programme aims to support the shift to low carbon economy in all sectors.

The UK Industrial Strategy identifies clean growth as one of the Grand Challenges faced by the UK economy. Our ambition is to maximise the advantages for UK industry from the global shift to clean growth – through leading the world in the development, manufacture and use of low carbon technologies, systems and services.

The [Clean Growth Strategy](#) sets out the Government's plans, policies and proposals to reduce greenhouse gases by 80% from 1990 levels by 2050. The strategy marks a clear step change to advance reductions in greenhouse gases to meet Government obligations. The key activities that will enable reaching these targets are: accelerating clean growth, improving business & industry and home energy efficiency, low carbon transport and energy. The holistic economy approach, with

innovation taking a pivotal role, aligns closely with the Industrial Strategy and the aims of this programme.

Important guiding principles for the selection of ERDF operations within Priority Axis 4 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 those outlined in the 2017 [UK Industrial Strategy](#), the [Business Productivity Review](#) and [Clean Growth 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 [Cumbria's, Lancashire's, Greater Manchester's, Cheshire & Warrington's and Liverpool City Region's](#) 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

### 3.1. Scope

This call invites outline applications which support the delivery of priority axis 4 of the European Regional Development Fund operational programme and respond to the local development need set out in the [Cumbria's, Lancashire's, Greater Manchester's, Cheshire & Warrington's and Liverpool City Region's](#) European Structural and Investment Funds strategy.

<b>Indicative fund allocation:</b>	Indicatively, through this call the managing authority expects to allocate up to £7,960,000.  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
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	<p>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>
<b>Minimum application level</b>	<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 will not normally be supported under this call.</p>
<b>Duration of project activity</b>	<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>
<b>Geographical scope</b>	<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>
<b>Specific call requirements</b>	<p>Applications are invited that cover the Cumbria, Lancashire, Greater Manchester, Cheshire and Liverpool City Region LEP areas supporting 4f, research and development work. Applications are expected to be a consortium-based approach bid to enable the range of research knowledge to be available to SME's in the LEP areas. Applications should focus on supporting SME's to deliver low carbon innovation in areas that support the Clean Growth Strategy and develops the low carbon economy.</p> <p>As part of capital investment, particularly in investment priority 4c, proposals are encouraged to consider measures to promote energy awareness and behavioural</p>

	<p>change, so as to facilitate maximum realisation of the benefits of the energy efficiency technologies being introduced.</p> <p><b>Please note: Value for Money and alignment with Strategic Domestic Priorities, including the 2017 <a href="#">Industrial Strategy</a></b>, (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>
<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>

### 3.2. Local development need

Projects must deliver activity which directly contributes to the objectives of 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.

<b>Local Development Need</b>
<p><b>Local growth priorities:</b></p> <p>Annex 1 details the local growth priorities for each of the LEP areas included in this call as each individual will have a specific focus on the needs within their low carbon economies.</p> <p>Across all the LEP areas there is a need to develop the low carbon economy, through new technologies and processes across all sectors, but activity should focus on the local LEP priorities areas. Support for this call is not only focused on existing low carbon SME's but can support SME's that have new technologies and processes that deliver low carbon solutions.</p> <p>In delivering low carbon support to SME's the focus will need to be on delivering direct economic benefits to the SME's and LEP areas through testing and validating low carbon technologies and processes to enable them to be commercialised where the product delivers greenhouse gas savings. Proposals will need to demonstrate how they will work with the LEP Growth Hubs, to ensure the delivery of the project is integrated into the local economic delivery model and to maximise opportunities</p>

**Local priorities:**

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

- Proposals will need to support England Smart Specialisation Strategy and the Clean Growth Strategy
- Deliver against the LEP key sectors and priorities as detail in Annex 1
- Proposals will need to demonstrate how they will align and cooperate alongside the local Growth Hubs in each LEP area.

Call preference will be for a single project.

MHCLG's North West Growth Delivery Team will undertake a briefing session for the calls which cover Cheshire & Warrington, Cumbria, Greater Manchester, Lancashire, Liverpool City Region and Stoke-on-Trent & Staffordshire to support the application process. This will take place on Friday, 19 July 2019, 10.30am – 1pm at: The Exchange, County Hall, Pitt Street, Preston, PR1 8RB. Further details of this session will be advertised through MHCLG's North West Growth Delivery Team's Twitter channel @GrowthNorthWest and the Technical Assistance Teams.

### 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:

<b>Investment priority</b>	<b>4f – Promoting research and innovation in, and adoption of, low-carbon technologies.</b>
<b>Specific objectives</b>	Increase innovation in, and adoption of, low carbon technologies.



<p><b>Indicative actions</b></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>• Research and development, innovation and supply chain work for low carbon technologies and materials, including; wave and wind energy, smart grids, distributed generation, solar and photovoltaics, heat networks, heat pumps and low carbon heat for energy intensive industries;</li> <li>• Research underpinning carbon capture and storage, taking account of the restrictions laid down in Article 3.3.b of the European Regional Development Fund;</li> <li>• Technology centres of excellence and test facilities, including relevant catapult centres;</li> <li>• Renewable technologies in the United Kingdom renewable energy roadmap;</li> <li>• 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);</li> <li>• Knowledge transfer with higher education / further education institutions and businesses;</li> <li>• Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes;</li> <li>• Developing financing methods that encourage the adoption of proven low carbon technologies and generate long-term financial savings;</li> <li>• Demonstration and deployment of decentralised renewable energy technologies; and</li> <li>• 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).</li> </ul>
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## 4. Required Outputs under this Call

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

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 4f</b>	
<b>Output reference</b>	<b>Name</b>
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
C26	Number of enterprises cooperating with research entities
C29	Number of enterprises supported to introduce new to the firm products
C34	Estimated annual decrease of greenhouse gases

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<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:

- 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% (More Developed) and 60% (Transition) of the total eligible project costs subject to State Aid regulations.

The remaining 50% (More Developed) or 40% (Transition) 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;
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](#).

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

## 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: [NW.ERDFENQUIRIES@communities.gov.uk](mailto:NW.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](http://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.

## Annex 1

<b>LEP Area</b>	Cumbria
<b>Local ESIF Strategy</b>	<a href="https://www.thecumbrialep.co.uk/wp-content/uploads/2018/02/Cumbria-LEP-ESIF-Version-1-March-2015.pdf">https://www.thecumbrialep.co.uk/wp-content/uploads/2018/02/Cumbria-LEP-ESIF-Version-1-March-2015.pdf</a>
<b>Local LEP Area Contact</b>	Corinne.Watson@cumbria.gov.uk
<b>Priority Axis</b>	4
<p><b>Local Development Need</b></p> <p><b>Local growth priorities</b></p> <p>The LEP will ensure that its approach to growth supports the principles of sustainable development, investing in low-carbon goods and services in a way which decouples economic growth from environmental damage. With energy as one of the key sectors for the Cumbrian economy, the area has the potential to make a significant contribution to the national low-carbon agenda, through its growing R&amp;D base, through harnessing the power-generating potential of its natural environment and through increasing energy efficiency measures within public buildings, businesses and homes. Within the County the Low Carbon Goods and Services sector supports approximately 400 businesses employing 8,100 people with £1.13bn of sales in 2011/12. In addition. With miles of coastline, hectares of woodland and an abundance of water these features are being harnessed to develop offshore wind, hydro, marine, solar as well as biomass energy and with targeted support, energy production can be increased as well as the development of associated technologies and solutions that can be exported.</p> <p><b>Local priorities</b></p> <ul style="list-style-type: none"> <li>• How the project will develop and utilise smart technologies.</li> <li>• How the project will improve the development of energy &amp; water efficiency technologies.</li> <li>• Support the development of low carbon infrastructure and technologies.</li> <li>• Measures to support increased production of renewable fuels and energy</li> </ul>	

<b>LEP Area</b>	Lancashire
<b>Local ESIF Strategy</b>	<a href="http://www.lancashirelep.co.uk/media/21472/Draft-ESIF-Strategy-for-Lancashire-1-Oct-15.pdf">http://www.lancashirelep.co.uk/media/21472/Draft-ESIF-Strategy-for-Lancashire-1-Oct-15.pdf</a>
<b>Local LEP Area Contact</b>	sean.mcgrath@lancashire.gov.uk
<b>Priority Axis</b>	4
<b>Local Development Need</b>	
<p><b>Local growth priorities</b></p> <p>Lancashire is one of the largest economies in the north of England, generating over 30.8bn of Gross Value Added (GVA) and supporting over 645,000 jobs. With over 52,000 enterprises, the majority of which are SMEs, and a growing number of globally significant companies, Lancashire has key strengths in advanced engineering and manufacturing, aerospace, automotive and energy industries, supported by a supply chain cluster of high-tech SMEs.</p> <p>The challenge for Lancashire is to promote economic growth, develop low carbon technologies and improve the competitiveness of the local business base, whilst at the same time reducing the levels of Green House Gas (GHG) emissions, increasing the share of renewable energy and enhancing the energy efficiency of businesses. Lancashire has a number of key strengths in low carbon, with energy generation, renewables and low carbon industries representing a key growth sector for both the UK and Lancashire. The sector, valued at over £100 billion for the UK, is highly diverse, encompassing sub-sectors such as renewables, environmental services and emerging low carbon activities. The opportunity for Lancashire is to ensure that the right interventions are in place to support the expansion of the low carbon sector and exploit the associated supply chain opportunities and technological developments.</p> <p>The low carbon sector enjoys strong support from Lancashire's university cluster which has internationally recognised centres of excellence in energy and environmental fields. Lancashire's Higher Education Institutions (HEIs) have a key role in supporting SMEs to increase productivity and adopt low carbon technology. HEIs are a crucial component of Lancashire's, and the UK's, knowledge base and, as such, contribute to innovation and enhanced productivity through knowledge exchange and skills in the low carbon sector. Low Carbon Goods and Services is a key growth market for Lancashire with opportunities in carbon capture and storage market and natural economy activities. It comprises approximately 650 businesses, nearly all SMEs, and employs 8,000 people. Lancashire has growing strengths across these sub-sectors with a strong, predominantly SME, business base and supply chain.</p> <p>Through a range of targeted interventions SMEs can be supported to become more innovative and competitive, such as through the diversification of advanced manufacturing products to the supply of low carbon goods, the reengineering of</p>	

productive processes, investing in capital equipment and implementing efficiency measures. Lancashire needs to capitalise further on local innovation and research and development assets to maximise innovation, promote R&D, invest in research in the development of a low carbon economy and support the adoption of low carbon technologies by SMEs

### **Local priorities**

- How proposals will contribute towards delivery of the Lancashire ESIF Strategy through the promotion of economic growth and SME productivity within Lancashire;
- How the proposals align with the England Smart Specialisation Strategy;
- How proposals will work with existing and planned local business support provision, including Boost (Lancashire Growth Hub

<b>LEP Area</b>	Greater Manchester
<b>Local ESIF Strategy</b>	<a href="https://www.greatermanchester-ca.gov.uk/what-we-do/economy/documents/">https://www.greatermanchester-ca.gov.uk/what-we-do/economy/documents/</a>
<b>Local LEP Area Contact</b>	alison.gordon@greatermanchester-ca.gov.uk
<b>Priority Axis</b>	4
<b>Local Development Need</b>	
<p><b>Local growth priorities</b>  Develop GM's whole place low carbon infrastructure to deliver resilient/well adapted places to support the low carbon transition, including energy &amp; waste to energy infrastructure and investment in GM's strategic transport network/systems  Activities will include:</p> <ul style="list-style-type: none"> <li>• increasing the capacity and funding to deliver low carbon infrastructure (including renewable energy, energy storage and energy efficiency technologies) with all actors within GM including community groups, the public sector and businesses, to improve business productivity reduce poverty and incentivise renewable energy and smart grid deployment;</li> <li>• Activities to support low carbon transport systems and choices, in line with GM's sustainable urban mobility compliant Transport Strategy;</li> <li>• Establishment and operation of an energy trading innovation platform to, for example, provide a mechanism for long term power purchase agreements and pass value from generation receipts into areas of market failure such as business resource efficiency and fuel poverty, including those outlined below;</li> </ul> <p>Develop and demonstrate whole building energy efficiency/low carbon energy generation based on the strengths of Greater Manchester's universities in development of power and smart metering systems, energy management and low carbon sustainability.</p> <p>Activities will include:</p> <ul style="list-style-type: none"> <li>• support for energy efficiency measures in commercial and domestic buildings</li> <li>• support the deployment of building scale and networked low carbon heat and power</li> <li>• support the deployment of advanced building and area management and monitoring systems to enable energy efficiency and associated behavioural change</li> <li>• support the adaptation of buildings to cope with expected climate change</li> </ul>	

Support growth in GM's SMEs in the low carbon/environment sector, building on its existing breadth/depth, including via market development, diversification and eco-innovation

Activities will include:

- a strategic activity to ensure GM investments maximise their economic impact, such as developing procurement practices to increase SME engagement and to bring forward innovation, improved access to finance to companies developing innovations, closer relationships between SMEs and the University sector and attracting inward investment
- an 'eco-innovation' business support programme to enable companies to decarbonise their goods and services and thereby diversify into the LCEGS sector and compete in the global market.

**Local priorities**

- Build the market in low carbon environmental technologies, goods and services
- Non-domestic low carbon technologies and energy efficiency
- Whole place low carbon solutions
- Innovation and adoption of low carbon technologies

<b>LEP Area</b>	Cheshire
<b>Local ESIF Strategy</b>	<a href="http://www.871candwep.co.uk/content/uploads/2015/04/European-Structural-and-Investment-Fund.pdf">http://www.871candwep.co.uk/content/uploads/2015/04/European-Structural-and-Investment-Fund.pdf</a>
<b>Local LEP Area Contact</b>	<a href="mailto:tim.smith@warringtonandco.com">tim.smith@warringtonandco.com</a>
<b>Priority Axis</b>	4
<b>Local Development Need</b>	
<p><b>Local growth priorities</b></p> <p>The Cheshire Energy &amp; Clean Growth Strategy sets out the energy challenges facing the LEP area (non-domestic, transport and domestic) and how, in collaboration with industry and key public sector partners, we can rise to the challenge of delivering ‘affordable energy and clean growth’, and make the most of the industrial and academic energy expertise in the Cheshire and Warrington sub-region, and work with other areas to maximise the opportunities for growth.</p> <p>Our Strategic Economic Plan (SEP) highlights Energy and Environment as one of six key sectors in Cheshire and Warrington. We have:</p> <ul style="list-style-type: none"> <li>• Over 7,000 businesses in the wider Energy and Environment sector, employing over 31,000 people</li> <li>• A nationally significant energy cluster, with particular expertise in energy systems and the impact of low carbon vehicles on local energy networks.</li> <li>• An expanding academic research base including the LEP-funded Intelligent Energy Systems Demonstrator at the University of Chester’s Thornton Science Park and the British Geological Survey’s ‘Earth Observatory’ also underdevelopment at Thornton.</li> <li>• One of the largest groupings of energy-intensive industries in the UK, which consume energy for both power and as a ‘feedstock’.</li> <li>• A track record of industry-led innovation through the Energy Innovation Centre in Ellesmere Port, and sector development through groups such as the Cheshire Energy Hub</li> </ul> <p>Energy use is generally divided into three categories: non-domestic (i.e. industry and business), domestic (households) and transport. Fossil fuels (oil, gas and coal) account for 70% of the total energy consumption in the sub-region, even before the transport sector is considered.</p> <p>The majority of energy is used for heating our homes, with gas being the dominant source. Large areas of Cheshire East and some parts of Cheshire West and Chester are not on the gas grid network, posing specific challenges around fuel poverty and decarbonisation.</p> <p>There are a number of core market opportunities for investment within Cheshire and Warrington. These include, changing technologies, growing global markets, building on the exceptional SME base, taking advantage of location and the ability</p>	



to accommodate significant investment and the economic value of the natural environment.

### **Local priorities**

- Even though we have strong innovation potential / assets we have limited innovation/product development beyond large companies. Investment Priority 4f wants to ensure a competitive environment for science and technology firms and investors. The global low carbon and environmental goods and services sector was worth £3.4 trillion in 2011/12. The growth of the Low Carbon Environmental Goods and Services (LCEGS) sector is core to promoting the low carbon economy – the sector facilitates the transition to a green economy and provides innovative low carbon solutions to new problems.
- The specific LCEGS sector in Cheshire and Warrington is well established, with over 800 companies, producing an estimated £1,888 million in sales and supporting 18,000 employees. The sector has performed strongly in Cheshire and Warrington even during the recession, maintaining growth rates of 4.6%. Cheshire and Warrington has comparative strengths in energy efficiency: building technologies and energy management; renewable energy: geothermal, photovoltaic and biomass; waste and recycling: recycling and recovery and waste management sub-sectors.
- Cheshire and Warrington also benefits from the innovation provided by higher education who work on a number of low carbon issues, including sustainability, community carbon reduction and community energy schemes. The purpose of this call is to accelerating the development and innovation, of low carbon technologies and related supply chains / infrastructure.

<b>LEP Area</b>	Liverpool City Region
<b>Local ESIF Strategy</b>	<a href="https://www.liverpoollep.org/wp-content/uploads/2015/06/Final-ESIF-Strategy-4-February-2016-to-DCLG.pdf">https://www.liverpoollep.org/wp-content/uploads/2015/06/Final-ESIF-Strategy-4-February-2016-to-DCLG.pdf</a>
<b>Local LEP Area Contact</b>	<a href="mailto:Angela.Hanaghan@liverpoolcityregion-ca.gov.uk">Angela.Hanaghan@liverpoolcityregion-ca.gov.uk</a>
<b>Priority Axis</b>	4
<b>Duration</b>	
<b>Local Development Need</b>	
<p><b>Local growth priorities</b></p> <p>Based on socio-economic assessment, the European Structural Investment Fund (ESIF) Strategy for <a href="#">Liverpool City Region (LCR)</a> has the following overarching aim: to provide more employment opportunities for local people through the creation of jobs and assisting local residents into employment, including through growing the business base (or more and bigger businesses) and increasing city region GVA.</p> <p>Supporting projects which deliver the city region’s ambitions to develop as the premier UK Low Carbon Region has been a key element of the ESIF Strategy through the Blue/Green Portfolio. ERDF has so far been focused on delivering projects in relation to business support to develop new products, processes and services; energy efficiency advice to SMEs; improvements to our housing stock; and substantial ERDF support to the city region’s expanding cycling and walking network through the <a href="#">Sustainable Urban Development (SUD) Strategy</a>. Our ambition to be a greener, more resource efficient and sustainable City Region has grown since the approval of the ESIF Strategy in 2016.</p> <p>The city region has substantial assets which need to be exploited to deliver our vision of being a carbon neutral region by 2040. The two previous calls for ERDF projects have delivered a portfolio of 7 projects, addressing a wide variety of low carbon opportunities, including the development of new low carbon technologies, products and processes, energy generation, energy efficiency and the creation of a region-wide infrastructure network to encourage walking and cycling as part of LCR’S SUD Strategy. The focus has naturally been on GHG reductions, SME support and jobs. The aim of this call is to attract projects that will enhance and build upon the results achieved to date.</p> <p><b>Local priorities</b></p> <ul style="list-style-type: none"> <li>• Applications will be required to explain how the application fits with the Combined Authority Strategic Investment Framework, deliver against significant city region low carbon strengths and demonstrate alignment with the emerging Local Industrial Strategy (LIS) thinking on Low Carbon/Clean Growth;</li> <li>• Applications which are based on a consortia model must clearly explain the roles and responsibilities of all delivery partners;</li> </ul>	

- Applications must give a clear description of how the project will deliver across the city region in both the transition and more developed categories of region.

Additionally, applications for projects which will provide SME support must:

- Explain clearly how the proposed project
  - has identified and will address gaps around low carbon specific business support across Liverpool City Region
  - intends to address identified market failures (supply/demand side) in project design
  - has set out its selection criteria for which SMEs will be able to participate in the proposed project
    1. will deliver high net additional impacts and
    2. has provided evidence of previous delivery
- Be required to work with and use the LCR Local Growth Hub CRM system, including explaining fully the project's brokering and referral arrangements to the LGH and other business growth services as part of the customer journey, sharing information about SMEs supported
- Be required to fit with the One Front Door approach to LCR business support, i.e. while a project application can come from a single applicant or a consortium, all applicants must engage the Local Growth Hub.

The LCR CA is looking to maximise GHG reductions (C34), SME support (C1) and job creation (C8) (*C8 – although not recorded under 4f, should be incorporated as part of the wider outcomes of the project and should be included within the logic model and captured as part of the summative assessment*).