



Department for
Communities and
Local Government



European Union
European Regional
Development Fund

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for Proposals European Regional Development Fund

Enhancing the Competitiveness of Small and Medium Sized Enterprises – High Growth Potential

Managing Authority	Department for Communities and Local Government
Fund	European Regional Development Fund
Priority Axis 3:	Priority Axis 3: Enhancing the Competitiveness of small and medium sized enterprises
Call Reference:	OC50R15P 0118
Local Enterprise Partnership Areas:	Greater Cambridge Greater Peterborough D2N2 Leicester and Leicestershire Greater Lincolnshire Northamptonshire South East Midlands Cheshire and Warrington Lancashire Liverpool City Region Sheffield City Region Black Country Marches Stoke and Staffordshire
Call Open:	27 th March 2015
Call Closes:	6 th May 2015

Contents

1. Call Context
 - 1.1 National Context
 - 1.2 Development Need
 - 1.3 Scope of Activity
 - 1.3.1 Investment Priority 3c
 - 1.3.2 Investment Priority 3d
2. Call Requirements
3. Required Deliverables
4. General Information
 - 4.1 Compliance and Eligibility
 - 4.2 Intervention Rate & Match Funding
 - 4.3 Applicants
 - 4.4 Cross Cutting Themes/Horizontal Principles
 - 4.5 State Aid & Revenue Generation
 - 4.6 Funding Agreement
 - 4.7 Procurement
5. Application Process & Prioritisation Methodology
6. Support
7. Key Documents
8. Document Checklist
9. Document Submission
10. Timescales

11. Formal Agreement of the European Regional Development Fund Operational Programme

1. Call Context

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 Funds are managed by the Department for Communities and Local Government for European Regional Development Fund, Department for Work and Pensions for European Social Fund and the Department for Environment Food and Rural Affairs for European Agricultural Fund for Rural Development. In London, the Greater London Authority acts as an Intermediate Body for the European Regional Development Fund and European Social Fund programmes. Unless stated otherwise, the term “Managing Authority” will apply to all these organisations. The Managing Authorities work closely with local partners who 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 in the development of project calls (decided by the Managing Authorities) that reflect Operational Programme and local development needs as well as match funding opportunities;
- Advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local European Structural and Investment Funds Strategy to aid the Managing Authority’s assessments at outline and full application stage.

This call is issued by the Department for Communities and Local Government and invites outline applications in respect of the European Regional Development Fund. European Regional Development Fund is specifically focussed on investment to support economic growth and job creation. The call invites proposals in respect of Priority Axis 3 of the European Regional Development Fund Operational Programme; Enhancing the competitiveness of small and medium sized enterprises against the requirements set out in this call document.

1.1 National Context

The primary aim of Priority Axis 3 is to improve the competitiveness of small and medium sized enterprises by increasing the capacity and capability of small and medium sized enterprises and promoting entrepreneurship. The priority axis will support the Government's commitment to support small and medium sized enterprises and in doing so strengthen the pipeline of high growth business across England.¹

A range of Investment Priorities will focus European Regional Development Fund intervention to support entrepreneurship and increase the growth capacity of small and medium sized enterprises. These are:

Investment Priority 3a - *Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators. **Specific objective:** Increase entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups.*

There are disparities in rates of business start-ups, in some territories and amongst some groups. For instance, 37% of start-ups in 2013 were located in London and the South East, with only 23% within Northern Local Enterprise Partnership territories. Some groups are particularly under-represented in enterprise relative to their share of the overall population; for instance only 18% of enterprises are majority female led; and whilst minority ethnic groups make up 14% of the population of England, only 6.2% of enterprises are minority ethnic group led.²

Measured by the Total early stage Entrepreneurial Activity rate, excluding a jump in 2012, there has been a steady increase in the total early stage entrepreneurial activity for England. The United Kingdom and England are third highest in the Group of Seven major advanced economies, behind the United States and Canada but still just below average for the innovation driven economies as defined by the World Economic Forum's Global Competitiveness Report. In 2013 in England, the total early stage entrepreneurial activity rate was 7.5% and the average across the innovation driven economies was 7.9%. The goal will be to show, by the end of the programme, a higher increase in the total early stage entrepreneurial activity rate in England than for the average across innovation driven economies.

Investment Priority 3c - *Supporting the creation and the extension of advanced capacities for products, services and development. **Specific objective:** Increase the growth capacity of small and medium sized enterprises*

1. High Growth businesses are defined as those with at least 10 employees and who have experienced growth at an annual average of 20% over a three year period.

The support provided through this Investment Priority will help small and medium sized enterprises to develop their capacity. This will look at productivity drivers, including the technological and business infrastructure and finance that will be required to ensure that those small and medium sized enterprises with the potential to grow can do so. This will include strengthening supply chains to take better advantage of globalisation by attracting high growth and innovative small and medium sized enterprises where they can introduce new high value added products or services. The objective is to improve their productivity and help them grow and create jobs.

Productivity in small and medium sized enterprises in England lags behind productivity in large enterprises. In 2011 small and medium sized enterprise Gross Value Added per employee in England was £43,600; and for large enterprise this was £51,000. There were also wide regional disparities across England with average small and medium sized enterprise Gross Value Added per employee ranging from £33,000 in the North East to £65,000 in London. Variation can also be seen across sectors, with small and medium sized enterprises in manufacturing on average 41.6% less productive than larger firms.

Investment Priority 3d - *Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes* **Specific objective:** *Increase growth capability of small and medium sized enterprises.*

Existing small and medium sized enterprises face a number of barriers which restrict their ability to achieve their growth ambitions. These include:

- information and coordination failures which limit awareness, access and take-up of business support;
- high-up front costs and perceived difficulties in navigating legal, regulatory and cultural environments which constrain the number of small and medium sized enterprises entering new export markets; and
- Known market failures in the disproportionate costs of establishing and costing risks given the relatively small amounts of capital involved.

Actions to develop capacity of small and medium sized enterprises work alongside actions to develop capability of small and medium sized enterprises. Both will lead to an increase in jobs created in small and medium sized enterprises and in small and medium sized enterprises productivity.

1.2 Development Need

This call will focus on Investment Priorities 3c and 3d, supporting the high growth potential of small and medium sized enterprises (subject to sector eligibility) through enhancing and/or complementing existing high growth support provision.

The Department for Business, Innovation and Skills' Analysis Paper Number 2, Small and medium sized enterprises: The Key Enablers of Business Success and the Economic Rationale for Government Intervention³, identified that high growth firms are particularly important to the economy, driving competition and productivity growth. Research has found that typically over a three year period around seven per cent of small and medium sized enterprises with at least 10 employees, will meet the Organisation for Economic Co-operation and Development/European Commission definition of 'high growth' in employment⁴ and have created around a quarter of all new jobs among existing businesses. In addition, high growth is often associated with greater levels of innovation, exporting and productivity growth, maximising the benefits to economic growth.⁵ However, businesses with high growth potential are found to face a challenges and obstacles to growth⁶.

Nationally, the principal policy context is based on the 2010 White Paper 'Local growth: realising every place's potential'⁷. The White Paper has called for a joined up approach to improve the environment for business and locally led action to enable every place and every individual to reach their potential. This is articulated further through the Department for Business, Innovation and Skills' Paper - Backing Small Business (Nov 2010)⁸ which highlights the provision of targeted support to small and medium sized enterprises with growth potential.

Small and medium sized enterprises with high growth potential

The Department for Business, Innovation and Skills' policy is to focus intensive support on small and medium sized enterprises with high growth potential through the Business Growth Service, which incorporates the national GrowthAccelerator programme. GrowthAccelerator is co-ordinated nationally but delivered at a local level, to provide high quality coaching support for small and medium sized enterprises with high growth potential. The programme provides coaches to work face to face with senior management teams, to help them develop and implement their strategies and overcome the challenges that businesses face on a range of issues such as business development, raising finance, exploiting innovation and leadership and management.

GrowthAccelerator is designed with the specific needs of a growing business and targets established businesses and start ups with the potential to achieve fast or high growth rates as defined by the criteria below:

³ BIS Analysis Paper Number 2, SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention, 2013

⁴ Increase employment at an annualised average of at least 20% over a three year period, having entered the period with at least employees.

⁵ Mason et al (2009) 'Business Growth and Innovation'

⁶ Vital Growth, NESTA Research Summary: March 2011

⁷ Local growth: realising every place's potential 2010

⁸ BIS Paper - Backing Small Business (Nov 2010)

- small and medium sized enterprises with 10 or more employees with the potential to increase turnover or employment by an annual average rate of 20% over three years.
- small and medium sized enterprises with fewer than 10 employees that over three years have the potential to increase employment by at least 7 employees or annual turnover by £0.75m.
- Start-ups with potential to achieve turnover of £1m within three years of starting trading, or to have at least 10 employees within three years.

Since December 2014, GrowthAccelerator, alongside Manufacturing Advisory Service and United Kingdom Trade and Investment support, has been brought together as an integrated service under the Business Growth Service brand. While Manufacturing Advisory Service and GrowthAccelerator continue to have separate delivery contracts, they are being formally managed as a fully integrated service working closely with United Kingdom Trade and Investment contractors so that businesses approaching any part of the service can get a full assessment of their needs and direct referrals to whichever support is most appropriate.

Growth Hubs

All applicants should articulate within their application how they are going to **work with and alongside** their local Growth Hubs to ensure: (i) local priorities and needs will be met; and (ii) the proactive referrals of small and medium sized enterprises to and from the Growth Hubs to enable on-going support of local small and medium sized enterprises to maximise opportunities of growth.

Growth Hubs are locally-led partnerships that coordinate business, innovation and trade support within a Local Enterprise Partnership area and make it simple for businesses to access the support they need. They should bring together all of the local bodies involved in supporting businesses – and work with national bodies such as United Kingdom Trade and Investment, InnovateUK and the Business Growth Service - to ensure that national and local, public and private business support works together in the most streamlined and effective way possible, putting the business customer at the centre of the system.

Specifically, they raise awareness of national and local business support, provide a single access point for businesses and provide a diagnostic and signposting service to make sure that businesses, knows what is available and can access the right support for them. Growth Hubs will deliver against the following five key principles:

- a) developing strong, inclusive partnerships with local stakeholders;
- b) putting in place robust governance arrangements to oversee growth hub activity and ensuring alignment with the Local Enterprise Partnership's strategic economic plan;

- c) ensuring plans for growth hubs are deliverable now and sustainable;
- d) joining up national and local business support and simplifying the local offer;
- e) applying a common evaluation framework to identify what works and measure impact.

All growth hubs will be working with the Business Growth Service to enter into bespoke working agreements setting out how the growth hub and the Business Growth Service will work together to ensure ease of access for customers, including: two-way information sharing about services, joint working between teams/advisers (including through events/workshops), two-way data referrals (contingent on implementation of data sharing protocols) and other actions to enhance the experience of businesses with growth potential as required. Any applicants to this call will need to give consideration to similar arrangements. These agreements are emerging but applicants to this call will also need to give consideration as to how to work effectively with Growth Hubs in their area.

1.3 Scope of Activity

This call will focus on Investment Priorities 3c and 3d, supporting the high growth potential of small and medium sized enterprises (subject to sector eligibility) through enhancing and/or complementing existing high growth support provision.

1.3.1 Investment Priority 3c - Supporting the creation and the extension of advanced capacities for products, services and development. *Specific objective:* Increase the growth capacity of small and medium sized enterprises.

Scope of activity:

Under this Investment Priority indicative actions to be supported by European Regional Development Fund may include but are not limited to:

- Provision of advice to develop new business models or higher quality products, processes or services;
- Advice and support for businesses to implement productivity improvements including through the provision of resource efficiency advice;
- Advice to improve business processes and workforce development;
- Advice and support for supply chain interventions to strengthen and grow the domestic supplier base;
- Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects;
- Provision of independent access to finance advice.

Activities will target domestic and foreign-owned Small and Medium Sized Enterprises, including social enterprises.

Local context:

Specific Local Enterprise Partnership area priorities are provided at Annexes A-E.

1.3.2 Investment priority: *3d - Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes* **Specific objective:** *Increase growth capability of small and medium sized enterprises*

Scope of activity:

Under this investment priority indicative actions to be supported by European Regional Development Fund may include but are not limited to:

- Provision of efficient local referral routes to ensure that small to medium sized enterprises are able to identify and access the most appropriate and tailored support for their specific growth needs;
- Support small and medium sized enterprises to develop focused growth strategies and update or introduce new business models which will drive business performance;
- Advice and support for businesses to become investment ready;
- Provision of advice, consultancy, mentoring and peer-to-peer support to indigenous businesses and inward investors (small and medium sized enterprises from outside the European Union who will move to England);
- Leadership and management coaching where connected to the development and implementation of a business growth plan;
- Targeted grant schemes to support productive investment; and
- Provision of advice and consultancy on access to finance.

Activities will target domestic and foreign-owned Small and Medium Sized Enterprises, including Social Enterprises.

Local context:

Specific Local Enterprise Partnership area priorities are provided at Annexes A-E.

2. Call Requirements

All Applications are competitive.

- An *indicative* budget of £9,275,000 has been allocated to this call. This is intended as a guide and may be reviewed;
- Proposals should only contain activities which are eligible for European Regional Development Fund;
- Proposals should be for a minimum of £500,000 European Regional Development Fund;
- Applicants will need to have eligible match funding for the balance of costs which must be from a source other than the European Union;
- Applicants should aim to cover at least one or more of the geographic areas and its specific requirements as indicated in the attached Annexes A-E. Note that one application will be required per Annex.
- The intention is to award multiple contracts;
- All procurement must demonstrate compliance with European Union regulations;
- Applicants must demonstrate compliance with State Aid law; and
- All expenditure and activities will be subject to rigorous audit and non-compliance may lead to financial penalty.

European Regional Development Fund cannot be used to duplicate existing activities or activities that do not address market failure. European Regional Development Fund can only be used to achieve additional activity or bring forward activity more quickly. Applicants must be able to demonstrate that proposals are additional to activity that would have occurred anyway or enables activity to be brought forward and delivered more quickly than otherwise would be the case in response to opportunity or demand.

The proposed project must not duplicate or undermine existing business support services operating nationally or locally.

3. Required Deliverables

Operations will be expected to achieve the following Programme Deliverables. The definitions of which can be accessed at the [European Regional Development Fund Operational Programme](#). The targets are indicative and subject to final confirmation.

ID	Indicator
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
C6	Private investment matching public support to enterprises (grants)
C8	Employment increase in supported enterprises
C28	Number of enterprises supported to introduce new products to the market.
C29	Number of enterprises supported to introduce new to the firm products.

Applicants will need to be able to demonstrate how they will achieve the deliverables committed to within their proposal along with any methodology used to record it. Applicants will also need to ensure robust systems are in place, and be able to describe them, to capture and record the targets and to report qualitative and quantitative performance across the Local Enterprise Partnership areas involved (see Annexes A-E). All operations will be required to collect data and report progress against the deliverables with each claim. Where an operation underperforms against their deliverables they may be subject to a performance penalty.

There must be a fully evidenced audit trail for all contracted deliverables.

4. General Information

Essential information to support the drafting of an application and delivery of a successful European Regional Development Fund funded project is available at the [European Growth Funding](#) website pages.

4.1. Compliance and Eligibility

When developing an application, Applicants should refer to [guidance](#) on eligible Applicants, activities and costs. These are for guidance only and Applicants should take their own specialist advice if in doubt. It is the responsibility of the Applicant to ensure that the rules and guidance are adhered to both at application stage and following approval.

European Structural and Investment Funds are governed by European regulations and national rules. Applicants are advised to familiarise themselves with the relevant documentation listed in the 'key documents' section prior to submitting an Outline application. If successful, Applicants will enter into the standard Funding Agreement and must abide by the standard terms and conditions contained therein. Applicants are therefore strongly advised to read these terms and conditions to ensure that they would be able to enter into such an agreement prior to responding to the call. Once a Funding Agreement has been issued it should be signed and returned within a short timescale.

4.2 Intervention Rate & Match Funding

European Regional Development Fund is the funding which is used where no other funding can be obtained (the funder of last resort). The maximum European Regional Development Fund intervention rate for the operation is 50% in more developed regions and 60% in transition regions⁹. This means European Regional Development Fund can contribute up to 50% of the total eligible project costs in more developed regions and up to 60% of the total eligible cost in transition regions, subject to State Aid regulations. The level of European Regional Development Fund awarded will be the minimum in order for the project to proceed. The remaining proportion of funding must come from other eligible sources.

European Regional Development Fund is not paid in advance and expenditure must be defrayed prior to the submission of any claims. Applicants may be asked to demonstrate how they are able to cash flow the operation.

4.3 Applicants

Applicants must be legally constituted at the point of signing a Funding Agreement, and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract for European Regional Development Fund and therefore carries the liability for ensuring that the terms of the European Regional Development Fund Funding Agreement are met by them and to all delivery partners. If there is more than one organisation applying for the funds, a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.

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 with this (these) grant(s) have been identified, the Managing Authority will look into these and expect to see how and what steps have been taken to ensure that these have been addressed to mitigate the risk of further

⁹ Places within this category in England are expected to include: Lincolnshire, East Yorkshire & North Lincolnshire, Shropshire & Staffordshire, South Yorkshire, Merseyside, Lancashire.

irregularities in the future. It is acknowledged that some organisations will be new to European Structural and Investment Funds and will not have a track record.

4.4 Cross Cutting Themes/Horizontal Principles

All applications received under this call should 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 the [European Regional Development Fund Operational Programme](#).

4.5 State Aid & 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.¹⁰ 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 or is covered by the De Minimis Regulation. 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.

Where the Applicant does not perceive that there is any State Aid, it should state whether or not it considers Articles 61 and 65(8) of regulation 1303/2013 to apply. This revenue should be taken into account in calculating eligible expenditure. Article 61 refers to monitoring revenues generated after completion of the project, and Article 65(8) how to deal with differences in the forecast and actual revenues at the end of the operation. The details of this will be tested at the full application stage.

4.6 Funding Agreement

The Funding Agreement is a standard, non-negotiable and legally binding document. Any successful Applicant will be subject to the terms and conditions contained within this agreement. Applicants are strongly advised to seek their own advice to ensure that they would be able to enter into and abide by the terms of the Funding Agreement.

¹⁰ Article 107(1) of the Treaty on the Functioning of the European Union provides that: "Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

Failure to meet any of the conditions of the agreement or the commitments within the application will result in claw back of funding.

Applicants should be aware that additional provisions and securities may be included within the Funding Agreement to protect the investment. These will be further discussed if relevant following the Full Application stage.

4.7 Procurement

All costs delivered by the Grant Recipient (the Applicant) and/or delivery partners must be delivered on an actual cost basis. Other costs must be procured in line with European Union regulations. The most common error identified during audit has been failure to comply with relevant procurement regulations and crucially to maintain a full audit trail to prove that they have complied with the relevant regulation. 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 European Union.

It is recommended that Applicants seek their own legal advice pertaining to their procurement and requirements to publicise any tendering opportunities.

The Managing Authority is not able to give legal advice on procurement. It is the responsibility of the Applicant to ensure the project is compliant in this respect.

5 Application Process & Prioritisation Methodology

There are two stages to the European Regional Development Fund application process; Outline Application and if successful, Full Application. Applicants must fully complete the Outline Application via LOGASnet (section 9 refers). Guidance is available on the [European Growth Funding](#) website pages. Applications will be subject to a Gateway Assessment undertaken by the Managing Authority under the following criteria:

- Applicant eligibility;
- Activity and expenditure eligibility; and
- The fit with the European Regional Development Fund Operational Programme and the call.

Proposals that pass the Gateway Assessment will move into the Core Assessment which consists of the following:

- Strategic fit;

- Value for money;
- Management & control;
- Deliverability;
- Procurement / tendering; and
- State Aid compliance.

The Managing Authority will seek advice from partners when considering applications to ensure its assessment is informed by local economic growth conditions and opportunities within the context of Operational Programmes and the local European Structural and Investment Funds Strategy. This will include the relevant Local Enterprise Partnership Area European Structural and Investment Funds Committee and other partners deemed relevant to the application.

The assessment and any prioritisation will be undertaken using only the information supplied as part of the application process. The Managing Authority cannot accept further detail outside this process.

Non-public sector Applicants who are successful at the Outline Application stage may be subject to due financial diligence checks by the Managing Authority, prior to submission of a Full Application. Applicants will be required to submit accounts, and to clarify financial or other organisational information. New Applicant organisations may be required to provide details of a guarantor.

6 Support

Please note that this is a competitive call and to preserve impartiality we are unable to enter into correspondence with applicants over their Outline application. Details of where guidance can be found are contained throughout this calls document. In exceptional circumstances, if there are issues with accessing this guidance, please contact: NE.ERDFenquiries@communities.gsi.gov.uk.

7. Key Documents

- Outline Application Form;
- Outline Application Form Guidance;
- Local Enterprise Partnership area's European Structural and Investment Funds Strategy;
- Eligibility Guidance; and
- Target Definitions.

8. Document Checklist

Failure to provide the following documentation will result in the application being rejected

Outline Stage:

- Fully completed Outline Application;
- Financial Tables;
- Outputs, Results and Indicators Tables; and
- Three years financial accounts (if private or voluntary and community sector).

9. Document Submission

Completed Outline Applications must be submitted via the [LOGASnet system](#).

Please note that Applicants will require a user ID and password in order to access the LOGASnet system. Details on how to register on the system can be found on the GOV.UK website [European Growth Funding](#) website pages. Please allow up to 10 days to receive your login details.

10. Timescales

Launch of Call advertised on gov.uk.	27 th March 2015
Deadline for submission of Outline Application	6 th May 2015

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

For this call applications will normally be required to **commence delivery/activity within three months** of the award of contract.

Any changes related to the deadline for the submission of the Outline Application form will be notified on the [European Growth Funding](#) website pages.

11. Formal Agreement of the European Regional Development Fund Operational Programme

The information and references in the call are based on the latest version of the [European Regional Development Fund Operational Programme](#) and are correct at the time of publishing. The Operational Programme may be subject to further amendment during its final negotiations with the European Commission, and subsequent calls will reflect any changes, to the extent that they may affect the terms of calls, that are made. In relation to the present call, the Managing Authority will take the possibility of relevant changes to the Programme into account when assessing outline and full applications, and where such changes occur will notify Applicants of any issues that arise, and propose a method of dealing with them.

ANNEXES

Annex A - Enhancing the High Growth Potential of small and medium sized enterprises – East of England

Local Enterprise Partnership Area	Greater Cambridge Greater Peterborough
Local Strategy	http://www.gcgp.co.uk/wp-content/uploads/2013/09/GCGP-European-Structural-and-Investment-Funds-Strategy_January_Final_310114_PDF.pdf
Notional Allocation	£500,000. For applications relating to this Annex, it is anticipated that the total European Regional Development Fund investment will follow the distribution below: <ul style="list-style-type: none">• Greater Cambridge Greater Peterborough: £500,000
Duration	Up to 3 years
Local Enterprise Partnership area priorities	
<p>Applications covering the Greater Cambridge Greater Peterborough area should explain the following:</p> <ol style="list-style-type: none">1. How they will deliver focused activity for the Local Enterprise Partnership area's priority sectors (with strict regard to European Regional Development Fund eligibility criteria). These sectors include Aerospace and Defence; Creative Industries; Cleantech.2. The national Growth Accelerator service encompasses three streams of business development, access to finance and growth through innovation. Access to finance is a particular issue in the Greater Cambridge Greater Peterborough area and particular focus is therefore sought on this barrier to growth.3. How they will work alongside and with Signpost2Grow (Greater Cambridge Greater Peterborough's Growth Hub) provision in the area and complement the Business Growth Service.	

Annex B – Enhancing the High Growth Potential of small and medium sized enterprises – East Midlands

Local Enterprise Partnership Area	D2N2, Leicester and Leicestershire, Lincolnshire, Northamptonshire, South East Midlands.
Local Strategy	http://www.d2n2lep.org/write/Documents/D2N2_ESIF_Strategy_May_2014_web.pdf http://www.llep.org.uk/ESIF www.greaterlincolnshirelep.co.uk/documents-and-resources http://www.northamptonshirelep.co.uk/strategy-documents/ http://www.semlep.com/our-strategy/
Notional Allocation	<p>Up to £3,000,000. For applications relating to this Annex, it is anticipated that the total European Regional Development Fund investment will follow the distribution below :</p> <ul style="list-style-type: none"> • D2N2: £500,000 • Leicester and Leicestershire: £500,000 • Greater Lincolnshire: Up to £1,000,000* • Northamptonshire: £500,000 • South East Midlands: £500,000 <p><i>*100% Transition Area</i></p>
Duration	Up to 3 years
<p>Local Enterprise Partnership area priorities</p> <p>D2N2: Applications covering the D2N2 area should explain:</p> <ol style="list-style-type: none"> 1. How they will work alongside and with D2N2 Growth Hub provision in the area and complement the Business Growth Service, and work collaboratively to simplify the business support offer. 2. Whilst all D2N2 businesses with potential for growth should be considered, with strict regard to European Regional Development Fund eligibility criteria, how support will be focussed on local priority sectors. These include: <ul style="list-style-type: none"> • Food and Drink manufacturing • Visitor economy • Transport Equipment Manufacturing • Life Sciences • Construction 	

- Low Carbon Goods & Services
- Transport & Logistics¹¹
- Creative Industries

3. Collaboration and consolidation of support between sectors where efficiencies enhance delivery should be considered.

Leicester and Leicestershire:

Applications covering the Leicestershire area should explain:

1. How they will work alongside and with the Growth Hub provision in the area (www.llepbizgateway.co.uk) and complement the Business Growth Service.
2. How they will drive growth in the key priority sectors, with strict regard to European Regional Development Fund eligibility criteria. These sectors are
 - Food & Drink manufacturing
 - Textile manufacturing
 - Creative Industries
 - Low Carbon
 - Logistics & Distribution¹²
 - Advanced Manufacturing & Engineering
 - Tourism
 - Professional & Financial Services¹³
3. How to support businesses which do not yet reach GrowthAccelerator thresholds but demonstrate growth potential; forming a pre-GrowthAccelerator pipeline of activity. This activity must be tightly targeted to avoid any duplication of the national Business Growth Service.
4. How to ensure responsiveness to the needs of businesses and flexibility to meet business needs identified; both within the sectors and under new/emerging trends/opportunities and Leicester and Leicestershire business survey.
5. How to demonstrate strong partnership working with universities in the area; ranging from collaboration opportunities to career/employability services in tandem with all services delivered.

Greater Lincolnshire:

Applications covering the Greater Lincolnshire area should explain:

1. How growth support provided will act as a pre cursor to the core Business Growth Service programmes to assist businesses with ambition to grow to think innovatively, make step changes in their capacity and take advantage of the Business Growth Service

¹¹ Please note – eligibility may limit delivery for enterprises in this sector.

¹² Please note – eligibility may limit delivery for enterprises in this sector.

¹³ Please note – eligibility may limit delivery for enterprises in this sector.

support. This activity must be tightly targeted to avoid any duplication of the national Business Growth Service.

2. How they will work alongside and with the Growth Hub provision in the area and complement the Business Growth Service to stimulate/identify ambition to grow, provide access to new opportunities, stimulate innovation and improve capacity/capability to grow.
3. How the application will assist businesses to change the way they operate, make innovative improvements, stimulate business thinking and assist businesses to enhance existing products, develop new products to access and enter new markets.
4. How the application will provide specialist support to small and medium sized enterprises to drive high value growth outputs which are strategically important to the Greater Lincolnshire economy; within the European Regional Development Fund eligibility criteria, priority sectors include Agri Food, Manufacturing and Renewables. This activity would also be expected to include supply chain cluster programmes within eligible priority sectors.
5. How strategic programmes will be developed to drive capacity in high growth businesses to make informed step-change decisions and drive growth aligned with Higher Education/Further Education institutions.

It is anticipated that this provision could include dedicated growth managers with sector expertise who will be aligned with the Growth Hub.

Northamptonshire:

Applications covering the Northamptonshire area should explain:

1. How, with strict regard to European Regional Development Fund eligibility criteria, provision will support high growth potential companies in Northamptonshire's priority sectors.
2. How activity will work alongside and with the Growth Hub provision in the area and complement the Business Growth Service.
3. How provision will support businesses in increasing market share, extending their customer base beyond Northamptonshire (especially internationally) and strengthen their competitive position.

South East Midlands:

Applications covering the South East Midlands area should explain:

1. How they will improve the quality and volume of engagement, resulting in increased take up and increased impact per small to medium sized enterprise beneficiary.

2. How locally tailored High Growth support will add value to mainstream provision – such as the Business Growth Service - by helping support those smaller businesses that do not currently meet the criteria for the programme at present but still have growth potential e.g. mid-growth businesses and also new-start businesses, in particular those that are less than 3 years old. This activity must be tightly targeted to avoid any duplication of the national Business Growth Service.

Annex C - Enhancing the High Growth Potential of small and medium sized enterprises – North West

Local Enterprise Partnership Area	Cheshire & Warrington, Lancashire, Liverpool City Region
Local Strategy	<p>Cheshire & Warrington http://www.871candwep.co.uk/media/CW-ESIF-narrative-June-2014.pdf</p> <p>Lancashire http://selnet-uk.com/wp-content/uploads/2014/02/European-Union-Structural-and-Investment-Funds-Strategy-for-Lancashire-Final-310114-Local-Enterprise-Partnership-Board.pdf</p> <p>Liverpool City Region http://www.liverpoollep.org/pdf/LCR%20European-Union%20Structural%20and%20Investment%20Funds%20Strategy%202014-2020.pdf</p>
Notional Allocation	<p>£2,400,000. For applications relating to this Annex, it is anticipated that the total European Regional Development Fund investment will follow the distribution below:</p> <ul style="list-style-type: none"> • Cheshire & Warrington: £250,000 • Lancashire: £2,000,000* • Liverpool City Region: £150,000* <p><i>**100% Transition Area</i></p>
Duration	Up to 3 years
<p>Local Enterprise Partnership area priorities</p> <p>Cheshire & Warrington: Applications covering the Cheshire & Warrington area should explain:</p> <ol style="list-style-type: none"> 1. How delivery will work alongside and with Cheshire and Warrington Growth Hub provision in the area and complement the Business Growth Service. 2. How local delivery will provide In-depth interventions to small to medium sized enterprise clients – this may be through dedicated advisors with local presence (over and above that available through national provision). 3. How delivery will ensure additional full time advisor presence, co-located where possible with the Growth Hub. 4. How delivery will stimulate demand from suitable Cheshire & Warrington businesses through additional marketing and events in accessible locations for Cheshire and Warrington businesses. 5. How delivery will align with local priorities and sectors (with strict regard to European Regional Development Fund eligibility criteria) including but not limited to: <ul style="list-style-type: none"> • advanced engineering • life sciences and chemicals • Energy and the environment 	

- Agri-tech and the food and drink sector

Grant funding schemes, with intensive support for research and development business or those in key sectors will also be considered.

It is anticipated that successful applicant(s) will add value to and work in conjunction with the Growth Hub and other public & private sector partners (including co-ordination of delivery and events; data sharing and client referrals to maximise the client journey and experience).

Lancashire:

Applications covering Lancashire should explain:

1. Boost, the Lancashire Business Growth Hub, has included an European Regional Development Fund funded GrowthAccelerator strand since its inception three years ago. Penetration and take up by Lancashire businesses of high growth coaching has been relatively low, so applications should explain how they will improve this performance.
2. How they will provide delivery of more prolonged and intensive support to GrowthAccelerator clients where further resource/intervention will deliver significant additional turnover and job outputs.
3. How the operation will align with local priorities and sectors (with strict regard to European Regional Development Fund eligibility criteria).
4. How operations and delivery will work alongside and with Boost (the Lancashire Growth Hub) provision in the area and complement the Business Growth Service

Liverpool City Region:

Applications covering Liverpool City Region should explain:

1. How added value support will be provided to small and medium sized enterprises; this could include additional full time advisor presence and co-location and alignment with the Growth Hub.
2. How they will stimulate demand from suitable Liverpool City Region businesses through additional marketing and events in accessible locations for Liverpool City Region businesses.
3. How the operation will align with local priorities and sectors (with strict regard to European Regional Development Fund eligibility criteria).
4. How the operation will work alongside and with the City Region Growth Hub provision in the area and complement the Business Growth Service.

Annex D - Enhancing the High Growth Potential of small and medium sized enterprises – Yorkshire and Humber

Local Enterprise Partnership Area	Sheffield City Region
Local Strategy	Sheffield City Region European Union Investment Strategy 2014-20 http://sheffieldcityregion.org.uk/wp-content/uploads/2013/05/SCR-ESIF-FINAL-1.pdf
Notional Allocation	<p>£250,000. For applications relating to this Annex, it is anticipated that the total European Regional Development Fund investment will follow the distribution below:</p> <ul style="list-style-type: none"> • Sheffield City Region: £250,000[^] <p>[^]<i>Covers Transition and More Developed Areas</i></p> <p>The minimum value for operations through this call is £500,000 European Regional Development Fund. Applications to deliver activity in Sheffield City Region Local Enterprise Partnership area must be of a sufficient scale to meet this minimum value, encompassing at least one other Annex in this call.</p>
Duration	Up to 3 years
<p>Local Enterprise Partnership area priorities</p> <p>Applications covering the Sheffield City Region should explain:</p> <ol style="list-style-type: none"> 1. How delivery will work alongside and with Sheffield City Region Growth Hub provision in the area and complement the Business Growth Service . This is a Department for Business, Innovation and Skills pathfinder and has secured significant core funding. 2. How activity will align with and extend services offered through the Business Growth programme as a priority. This may include: <ul style="list-style-type: none"> • Reach – extending coverage of existing services to those businesses yet to engage with Business Growth Service. For example - joint customer acquisition strategies with the Growth Hub and collaboration with local partners and the private intermediaries; • Intensity – a more intensive experience for Sheffield City Region business through more in-depth coaching and extended access to advisor time; and <p>Additionality – new initiatives such as supply chain development and innovation that are consistent with the Business Growth Service delivery model but which introduce more effective forms of support designed to directly increase investment in the Sheffield City Region.</p> <p>Applicants should note that the indicative allocation of £0.25m is available to support activity in South Yorkshire (Transition Region) and the 5 Sheffield City Region East Midlands Districts (More Developed Region). Applicants will need to demonstrate how this allocation is divided between the two areas with an expectation that the majority, but not all, will take place in South Yorkshire, how funding will be managed and how activity will be co-ordinated</p>	

with that undertaken in the D2N2 Local Enterprise Partnership area to enhance provision and avoid duplication.

Annex E - Enhancing the High Growth Potential of small and medium sized enterprises - West Midlands

Local Enterprise Partnership Area	Black Country, Marches, Stoke on Trent and Staffordshire
Local Strategy	http://www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-european-plan http://www.marcheslep.org.uk/document-library/doc_download/73-marches-lep-esif-final-strategy http://www.stokestaffslep.org.uk/wp-content/uploads/2014/02/Stoke-on-Trent-and-Staffordshire-ESIFS-31-01-14.pdf
Notional Allocation	<p>£3,125,000. For applications relating to this Annex, it is anticipated that the total European Regional Development Fund investment will follow the distribution below:</p> <ul style="list-style-type: none"> • Black Country: £1,000,000 • Marches Local Enterprise Partnership: £1,000,000^ • Stoke on Trent and Staffordshire: £1,125,000* <p><i>^Covers Transition and More Developed Areas</i> <i>*100% Transition Area</i></p>
Duration	Up to 3 years
Local Enterprise Partnership area priorities	
<p>Black Country: Applications covering the Black Country area should explain:</p> <ol style="list-style-type: none"> 1. How activity will help address historic barriers to growth in the Black Country. These include lack of ambition, lack of confidence and lack of knowledge amongst local small and medium sized enterprises. 2. How sector specific support will be provided to help access new markets and supply chains in support of Gross Value Added and employment growth. 3. How support will be provided to help identify new and future markets. 4. How applications will help towards improving company skills, knowledge and information and communications technology platforms in pursuit of increased trade. 5. Any dedicated mentoring and support proposed, together with development of skills for 	

leadership & development.

Marches:

Applications covering the Marches area should explain:

1. How they will work alongside and with Marches Growth Hub provision in the area and complement the Business Growth Service to ensure that all the products available in the Marches are clearly targeted where provision is needed most and to avoid duplication of activities.
2. Proposals should demonstrate commitment to working in partnership both through the virtual and physical Hubs.

Stoke on Trent and Staffordshire:

Applications covering the Stoke on Trent and Staffordshire area should explain:

1. How activity will work alongside and with the Growth Hub provision in the area and complement the Business Growth Service. This is providing a simplified and coherent approach to business support and includes providing a casework type approach to business support and linking with the Growth Hub in the provision of local economic intelligence and feedback on services.
2. How delivery will provide tailored support for high growth businesses who want to enter their next growth phase.
3. How the project will provide in-depth consultancy focused on key growth areas including access to finance, business development and innovation-led growth.
4. Plans for proactive engagement with businesses who have growth potential and provide early stage support prior to engagement with the full Business Growth Services programme
5. How the project will support growth potential through the development of leadership skills.
6. How activity will help maximise business engagement with the local Growth Community.