



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>Department for 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>OC25R15P 0160</b>
<b>Local Enterprise Partnership Area:</b>	<b>North East LEP AREA</b>
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<b>Call Closes:</b>	<b>23:59 25 September 2015</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 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. 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. 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; and
- Advice on local economic growth conditions and opportunities within the context of the Operational Programme and the local European Structural Investment Fund 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 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 to Low Carbon Economy in All Sectors**

#### **Investment Priorities:**

- 4b** Promoting energy efficiency and renewable energy use in enterprises.
- 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 move England's economy towards a low carbon model by reducing Greenhouse Gas emissions, increasing the share of renewable energy and enhancing the energy efficiency of homes businesses and transport.

Any application for funding will be required to clearly demonstrate that it meets the requirement of, and makes a meaningful contribution to, the delivery of the relevant Priority Axis of the [European Regional Development Fund Operational Programme](#).

In addition, applications will be expected to meet identified local development need, as expressed in the scope of this call and as set out in the [North East LEP area](#) European Structural and Investment Funds 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 responds to the local development need set out in the [North East LEP Area Local Enterprise Partnership European Structural and Investment Funds Strategy](#).

<b>Indicative Fund Allocation:</b>	<p>Indicatively, through this call the Managing Authority expects to allocate up to £10 million. Within the local strategy, low carbon activities are weighted at approximately 70:30 with respect to the more developed and transition categories of region, which would represent splits of £7 million and £3 million respectively for this Call.</p> <p>The Managing Authority reserves the right to increase or decrease the indicative allocation, or support more or fewer projects 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. The Managing Authority does not intend to allocate less than £500,000 European Regional Development Fund to any single project.</p>
<b>Duration of project approvals</b>	<p>Projects should be for a maximum of three years, however the Managing Authority reserves the right to vary the maximum duration in exceptional circumstances.</p>
<b>Geographical Scope</b>	<p>All interventions are confined to activity and beneficiaries within England.</p> <p>Projects should predominantly support businesses based within the North East Local Enterprise Partnership area.</p>

<b>Specific call requirements</b>	<p>Activities providing business support should demonstrate and ensure alignment with the North East LEP Business Growth Hub.</p> <p>Applicants are expected to identify delivery within categories of region particularly noting the transition region status of County Durham and related needs and delivery issues.</p>
<b>Call Deadlines</b>	<p>Applications received after the published call close date will not be considered.</p> <p>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 Economic Context :</b></p> <p>Local partners have a shared ambition to see the North East LEP area become Europe’s premier location for low carbon, sustainable, private sector-led growth and have set out an ambitious approach to growth recognising the potential to deliver significant new investment and jobs in the area by moving to a more sustainable, lower carbon economy.</p> <p>The evidence base identifies clear potential to secure greater competitive and commercial advantage resulting from the transition to a low carbon economy, in particular, through new investments in offshore wind, electric vehicles, micro-generation and drawing upon renowned scientific research and innovation strengths in a range of low carbon related technologies. In recent years, the North East has developed significant and distinctive strengths in the low carbon environmental goods and services sector. As a sector this already supports 38,800 jobs in 4,800 organisations and has significant scope to grow further with potential to drive a 0.8% increase in GVA and 10,000 new jobs by 2020.</p> <p>The local ESIF strategy focuses on sectors with particular growth potential including alternative fuel (vehicle); recovery and recycling; alternative fuels; building technologies; geothermal and wind energy. This is complemented by significant contributions from sectors including energy management and systems, biomass, photovoltaic; and water supply and waste water management. Building technologies and alternative fuel (vehicle) were highlighted as being particularly relevant for the North East. In its entirety, the sector has grown significantly, increasing sales by 13.7% between 2007/8 and 2010/11 albeit with a more modest 2.7% increase in</p>

employment, demonstrating a high level of productivity in the sector. Although many of these strengths focus on research and manufacturing, consultancy for low carbon and environmental goods and services has a strong base employing over 1,500 people.

There is clear overlap between low carbon technologies and those areas identified as representing 'smart specialisation' in the North East (sub-sea and marine engineering, passenger vehicle manufacture, life-science and health, creative, digital, software and technology based services) and related areas of potential (including surface science, materials, energy systems and data). The alignment of research skills, technical expertise and solid business know-how in these areas place the North East LEP at a major advantage nationally and internationally and forms the basis for our approach to low carbon development.

Despite clear strengths and opportunities and major developments over recent years, challenges remain to capitalise on these reflecting particular market failures around business growth and innovation in the low carbon sector.

- Businesses report a lack of preparedness and resilience to respond to the impacts of climate change and ensure that there are reliable energy systems.
- Energy represents a high and increasing proportion of business costs and accompanying the need for energy resilience, efficiency is a key element in ensuring on-going competitiveness. This is particularly the case for the North East reflecting the large and energy intensive nature of large sectors such as manufacturing, engineering and health. However, this challenge is difficult to build into business plans due to rapid change in, and proliferation of technologies and long pay-back periods.
- As demonstrated through the smart specialisation study and in a wider sustainable growth study, the North East LEP area includes SMEs with the niche and specialist skills to support low carbon growth, in particular around sub-sea/marine and advanced manufacturing, use of data/software, and construction and energy systems; however these are not integrated in the existing supply chain and there remains new areas of opportunity. This is due to limited awareness of opportunities and capacity/capability to engage with larger organisations or research institutions.
- Despite strong research capability and key business strengths there is limited demonstration and commercialisation of ideas within the North East LEP area due to lack of information and links between business and researchers and high costs of entry into the sector. Regulatory uncertainty and change further reduces active engagement.
- The high cost, lack of track-record and uncertain returns for many new and innovative technologies also results in a lower level of take up and roll out to demonstrate commercial potential requiring exemplar and demonstration sites.

There are 5 key strategic themes for low carbon economy and sustainability reflecting local strengths and challenges:

1. Growing the low carbon sector (including capitalising on innovative

- technologies and building supply chains)
2. Energy (including small-scale generation, systems and energy efficiency measures)
  3. Smart Places and Future Cities
  4. Sustainable Places
  5. Skills

Further information on the North East LEP areas potential and challenges and approach to sustainability and low carbon can be found at <http://nelep.co.uk/whatwedo/publications/> . This includes the Smart Specialisation study and Sustainable Growth Study.

The North East LEP includes both ‘more developed’ (Northumberland, Tyne and Wear) and ‘transition’ (County Durham) categories of region. Projects should identify delivery by category of regions and reflect relevant local context including specific delivery issues in County Durham.

#### **Local Priorities:**

- **Business Energy Efficiency** – support for aligned and tailored programmes to enhance business energy efficiency and resilience. This includes through expert advice, capacity development, building and process improvements and small-scale renewable energy generation. Delivery should address both the need for analysis and assessment of energy use (such as through green ‘diagnostics’ and energy audit) and provide practical support and finance to ensure implementation of appropriate building, process and energy generation measures.
- **Whole building/place solutions** – responses which address energy efficiency within a whole building/whole place context will be particularly welcomed including shared processes, heating/cooling networks and Combined Heat and Power systems.
- **Growing the low carbon sector** –support low carbon technology start-ups and existing low carbon businesses to grow and all businesses to move into low carbon activities through business support advice, guidance and financial support. Activities should have a focus on identified key low carbon sectors including smart specialisation (offshore and marine energy, ultra-low carbon vehicles and transport and the low carbon built environment).
- **Developing low carbon supply chains** – activities to maximise the realisation of unique opportunities from the low carbon economy in the North East including renewable energy generation, building retrofit, biomass, new and innovative technologies, products and processes and energy and heating/cooling systems. This could be undertaken through targeted support and guidance, raising awareness of opportunities, and building capacity and capability, to enter supply chains relating to low carbon sectors, particularly in

the key sectors.

- **Supporting research in, and development, commercialisation and roll out of, new and innovative technologies, products and processes** which reduce carbon emission and energy use especially those linked to smart specialisation areas (passenger vehicle manufacture; subsea and offshore technology; life sciences and health; and creative, digital, software and technology) and related areas of opportunity in particular around surface science (including photonics and materials), data use and energy systems. Proposals building on innovation assets, such as Catapult and other innovation centres will be particularly welcome.
- **Business Growth Hub** - projects must align with wider policy aspirations for a simpler and more aligned business service offer. Therefore proposals must align with and complement the North East Growth Hub.
- **Future calls** – The North East LEP area has an ambitious programme around low carbon and sustainable growth which will be taken forward through a range of future calls. This call does not cover all elements which are proposed in particular areas which relate to green and blue infrastructure and energy/heat systems which will be opened at a later date.

### 3.3. Operational Programme Investment Priorities

Applications must specify the activities to be delivered and are expected to directly contribute to **one or more** of the following Investment Priorities:

<b>Investment Priority</b>	<b>4b – Promoting energy efficiency and renewable energy in enterprises.</b>
<b>Specific Objectives</b>	Increase energy efficiency in particular in Small and Medium sized Enterprises, including through the implementation of low carbon technologies.
<b>Indicative Actions</b>	<p>The main target group is Small and Medium Sized Enterprises.</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>• Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses’ competitiveness and resilience</li> <li>• Support to businesses to undertake ‘green’ diagnostics or audits of energy efficiency and potential for renewable generation and energy use, which will be followed by provision of energy efficiency information and guidance, tailored energy action plans and of support to implement them</li> <li>• Investing in energy efficiency measures, processes and renewable generation capacity to improve a business’ or building’s environmental performance or its resilience to the impacts of climate change</li> <li>• Investing in measures to stimulate cost-effective deep renovations of buildings, including staged deep renovations</li> <li>• Supporting an increase in energy efficiency in enterprises including an emphasis on ‘whole place’ especially through improving industrial processes, designing out waste, recovery of ‘waste’ heat energy</li> </ul>

	<p>and combined heat and power</p> <ul style="list-style-type: none"> <li>• Supporting increased Small and Medium Sized Enterprises access to national and local government procured contracts for energy efficient goods and services</li> <li>• Developing low carbon innovation in relation to energy efficiency within enterprises, including through technologies and engagement practices</li> <li>• Building retrofit and energy efficiency measures, especially whole building solutions to exemplify, and support the commercialisation of, next phase technologies which are near to market and low carbon construction techniques to improve the energy efficiency of buildings.</li> </ul>
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<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.
<b>Indicative Actions</b>	<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> </ul>

	<ul style="list-style-type: none"><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</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

Projects must deliver against the Priority Axis 4 outputs and results of the European Regional Development Fund 2014 to 2020 Operational Programme. For projects coming forward under this call the expected outputs and results are:

<b>ID</b>	<b>Output Indicator</b>
C1	Number of enterprises receiving support
C5	Number of new enterprises supported
C26	Number of enterprises cooperating with research institutions.
C29	Number of enterprises supported to introduce new to the firm products
C30	Additional capacity of renewable energy production
C34	Estimated greenhouse gas reductions

Applicants will need to demonstrate how the eligible activity, funded by the European Regional Development Fund, will achieve the deliverables committed to within the proposal. The application should clearly state the methodology used to determine the levels of outputs proposed.

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 deliverables, a performance penalty may apply.

## 5. Application Process & 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 the national [Selection Criteria](#).

Outline Applications will be assessed in two stages, Gateway assessment and Core assessment.

Gateway assessment considers:

- applicant eligibility;
- activity and expenditure eligibility; and
- fit with the National Operational Programme and the local development need set out in section 2.

Proposals that fail the Gateway assessment will be rejected. Proposals which pass the Gateway assessment will then be assessed against the Core assessment criteria:

- Strategic Fit
- Value for money
- Management and control
- Deliverability
- Compliance
  - Procurement
  - State Aid
  - Publicity requirements
- Cross cutting themes
  - Environmental sustainability
  - Equal Opportunities

Having assessed projects against these criteria the relevant Local Economic Partnership Area European Structural and Investment Fund Sub-Committee will advise the Managing Authority on the alignment to local economic growth conditions and opportunities within the context of the Operational Programme and local

European Structural and Investment Fund Strategy to aid the Managing Authority's assessments (at outline and full application stage).

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>

## 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 2014-2020 European Regional Development Fund Programme. It is the responsibility of the Applicant to ensure that the 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 grant. Applicants are strongly advised to seek specialist advice if in doubt on any requirement.

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, Applicants will enter into a 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 are 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 30 days, unless otherwise agreed with the Managing Authority.

### 6.2. Eligible Applicants

Section 4 of the [National Eligibility Rules](#) sets out who is eligible to apply.

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 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 how and 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 & Match Funding**

European Regional Development Fund is normally expected to intervene where no other funding can be obtained (i.e. the funder of last resort). 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% for the More developed area (Northumberland, Tyne and Wear) and 60% for the Transition area (County Durham) of the total eligible project costs subject to State Aid regulations.

The remaining 50% for the More developed area (Northumberland, Tyne and Wear) and 40% or more for the Transition area (County Durham) must come from other eligible sources as specified under section 6 of the National Eligibility Rules. Applicants will need to demonstrate that they have eligible match funding in place for the balance of costs. Other European Union 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% of the More developed area and 60% of the Transition area 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**

European Regional Development Fund funding will normally be approved for three years, however the Managing Authority reserves the right to extend the contract term in exceptional circumstances.

Projects approved through this call are expected to:

- Submit a detailed and complete full application within three months of formal selection at outline stage. Projects which fail to meet this deadline may be deselected,
- Commence delivery (defraying European Regional Development Fund eligible costs) within three months of the award of the Funding Agreement. Projects which fail to meet this deadline may be deselected, and
- Be completed by June 2023.

## **6.5. Capital Projects**

Applicants seeking European Regional Development Fund to support a capital project (i.e. land and/or property) will need to meet Building Research Establishment Environmental Assessment Method or Civil Engineering Environmental Quality Assessment 'Excellent' for new builds and 'Very Good' for refurbishments.

Applicants will need to provide evidence of how they will achieve the rating required (unless otherwise agreed with the Managing Authority).

Applicants will need to demonstrate that they have the rights and permissions to undertake the project and must provide:

- Proof of current interest in the land and/or property, which includes evidence of the freehold ownership or any lease arrangements that may be in place; and
- Evidence of the approval of any planning permission, or in certain circumstances a clear statement on the process for securing such consents and any risks to the project.

Royal Institute of British Architects Stage D costs must be supplied with the Full Application and be certified by an independent Quantity Surveyor and Land/Property contributions certified by a Real Estate Valuation expert who are current and chartered members of the Royal Institute of Chartered Surveyors/ Chartered Institute of Builders or equivalent body.

Successful Applicants will be required to provide security to the Managing Authority in the form of a Legal Charge and/or Deed of Covenant over the land and/or property. Applicants will be responsible for registering the charge at their own cost.

## **6.6. 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](#).

## **6.7. Additionality, Duplication and Displacement**

Additionality is a core principle of European Regional Development Funding. Applicants must be able to demonstrate that the activity paid for out of European Regional Development Funding adds value to new or existing activity. Projects need to demonstrate that without the support of European Regional Development Funding the activity would not have taken place.

European Regional Development Funding cannot support activities that duplicate existing provision/services within the region.

Applications need to identify and evidence the beneficiaries will use the service and demonstrate that the project does not displace other activity available in the market place.

## **6.8. 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.<sup>1</sup> 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 the General Block Exemption Regulations (GBER) or 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. 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

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<sup>1</sup> 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."

the end of the operation. This revenue should be taken into account in calculating eligible expenditure. The details of this will be tested at the full application stage.

## 6.9. 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 relevant advice to ensure that they would be able to enter into and abide by the terms of the Funding Agreement.

Applicants are advised that additional provisions and securities may be included within the Funding Agreement to protect the investment. Detailed advice will be given if appropriate at the Full Application stage.

Failure to meet any of the conditions of the Funding Agreement or the commitments within the application will result in claw back of the Grant (which may include interest).

## 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 European Union regulations. Procurement will be subject to audit and verification and any irregularity will result in 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 European Union.

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 grant.

## 7. 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](mailto:NE.ERDFenquiries@communities.gsi.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; and
- Funding Agreement (Revenue and/or Capital).

## 9. Document Checklist

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

Outline Stage:

- 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.

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 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.