EUROPEAN UNION
Investing in Your Future

European Regional
Development Fund 2007-13

West Midlands European Regional Development Fund (ERDF) Programme 2007-13

Wednesday 3 October 2012 – Friday 30 November 2012

Prospectus for Outline Applications under Priority Axis 3 Achieving Sustainable Urban Development

This document sets out the process that will be followed to invite Outline Applications for ERDF grant funding under an Open Call for Applications under **Priority 3 Sustainable Urban Development** of the **West Midlands ERDF Programme 2007-2013**.

1. **About ERDF**

   - ERDF is a component of the European Union's Structural Funds. Structural Funds are monies allocated directly to regions to stimulate their economic development. The West Midlands ERDF Programme is funded under the Regional Competitiveness and Employment Objective.

   - In order to manage an ERDF project successfully, there are a number of complex requirements set by the European Commission and Department of Communities and Local Government which must be adhered to. These include the type of activity that can be supported, the way the project should be delivered and the requirements an applicant must meet in order to be considered eligible to apply for ERDF funding. A summary of the requirements is set out in Appendix 3. Applicants are asked to contact the Programme Delivery Team prior to preparing an application to help build in eligibility requirements.

2. **ERDF Programme Objectives and Content**

   - The ERDF Programme contributes towards closing the region's output gap through its objectives:

- To achieve a significant increase in the productivity of the business base in the West Midlands;

- To reduce unemployment and inequalities; and

- To ensure that the region's economic growth is achieved in a sustainable manner, which aids its transformation towards both a low-carbon and high-value added economy.

- To achieve these objectives the ERDF Programme is focused on five priority axes which are underpinned by two cross cutting themes, environmental sustainability and equal opportunities:

  - Priority Axis 1: Promoting Innovation, Research & Development
  - Priority Axis 2: Stimulating Enterprise Development
  - Priority Axis 3: Achieving Sustainable Urban Development
  - Priority Axis 4: Developing Inter-Regional Activity
  - Priority Axis 5: Technical Assistance

- More specifically, the Programme aims to:

  - Assist 22,491 businesses to improve their performance;
  - Create circa 11,500 new jobs and 2,590 new businesses; and
  - Support the reduction of regional carbon emissions.
  - 3,940 of businesses assisted within the region will also engage in new collaborations with the region's knowledge base.

- The strategy and evidence base behind the Programme and the areas of activity to be delivered to achieve the ERDF Programme's objectives are detailed in the ERDF Operational Programme (OP) which was drawn up by a regional partnership in accordance with European and National Guidelines.

4. ERDF Programme Governance and Initiation of Operations

- The Department for Communities and Local Government is responsible for the delivery of ERDF Programmes in England.

- Partnership plays a key role in the delivery and management of the ERDF Programme and the strategic direction of the Programme is overseen by the Local Management Committee (LMC), the membership of which is drawn from representatives of bodies which reflect the national, local and thematic interests of the ERDF Programme. The LMC is supported in its

work by the Local Management Sub Committee which is involved in the review and selection of bids at the outline stage.

- Each Priority Axis is governed by an Investment Framework which sets out the activities and operations that the LMC have agreed they wish to see delivered under the ERDF Programme, often broken down into relevant Portfolios of activity.

- The Investment Frameworks include the procedure for selecting operations:

  - Open bidding – where an open invitation is published for applications for the support of operations that meet a specified priority or objective of the ERDF Programme;

  - Limited bidding – where a limited number of project sponsors is identified and invited to bid for the support of operations or sets of targets or outputs that meet a specified priority or objective of the ERDF Programme; and

  - Non-competitive selection – where a single project sponsor (or perhaps two or more) is either selected as appearing to be the only suitable and capable vehicle for delivering a specific operation or set of programme targets or outputs and invited to submit an application for financial assistance; or applies for financial assistance on its own initiative for the support of an operation or a set of targets or outputs that appears to meet a priority or objective of the ERDF Programme.

5. Content of the Open Call for Outline Applications

The purpose of this Open Call for ERDF Outline Applications is to permit the initiation of ERDF funded projects which will increase expenditure levels across Priority 3 and ensure that investments are made in quality projects which make a substantive and sustainable difference across the most deprived areas of the West Midlands. Importantly, these investments should ideally seek to address the outputs and results where the Priority is currently under achieving, namely jobs created, new or upgraded floorspace and premises upgraded to BREEAM standards.

This call is open to projects from the existing Package areas and the newly expanded Priority 3 areas.

- Maps of the existing Package areas are contained in Appendix 3.

- The newly expanded Priority 3 areas are Super Output Areas which are within 25% of the most deprived nationally and are not currently within existing Package areas.   Further information is set out in Appendix 3.

- The basis on which (i) Outline Applications will be reviewed and (ii) the recommendation as to whether or not a full application will be invited are defined in *Appendix 2.*

- In addition, *Appendix 3* contains general guidance for applying for ERDF funding and references to the Eligibility Rules, which will be used as part of the appraisal of any projects which proceed to the full stage.

- The following are appended to this document:

  - Appendix 1 - Specification for Outline Applications under the West Midlands ERDF Programme 2007-13, Priority 3, Achieving Sustainable Urban Development
  - Appendix 2 - Parameters for reviewing Outline Applications
  - Appendix 3 - General Guidelines for Applicants for West Midlands ERDF Programme funding

6. Timescales

- This Open Call for Outline Applications will be deemed open from the first date of publication of the call, being **Wednesday 3 October 2012** and remain open until **12.00 noon on Friday 30 November 2012**. During this time, organisations will be able to submit their Outline Applications at any time before the Open Call closes in accordance with Section 8 below.

7. Project Surgeries

1. Before finalising outline applications, applicants are required to contact the ERDF Team to discuss their Application and how it fits with the parameters of the call. This will enable us to assist applicants to build in eligibility criteria as they are developing their applications.

2. Prospective applicants should contact Thomas Blackmore on 0303 444 6591 (thomas.blackmore@communities.gsi.gov.uk) to book a slot to discuss their application.

8. Communicating the Open Call for Outline Applications

- The Open Call for Outline Applications will be communicated to partners through:

    1. The dedicated West Midlands ERDF section of DCLG's website; and
    2. The issue of an e-mail bulletin to relevant Programme stakeholders.

- The call prospectus will be placed on the DCLG website from **Wednesday 3 October to Friday 30 November 2012.** This period of notice provides for appropriate public access to information about the Open Call for Outline Applications to ensure that the process is operated in an open and transparent manner.

9. Format for submitting Outline Applications

- Responses to the Open Call must be made on an Outline Application form which is available on the national guidance page of the ERDF Website. http://www.communities.gov.uk/regeneration/regenerationfunding/europeanregionaldevelopment/nationalguidance/

- Completed submissions must be returned by no later than **12:00 noon on Friday 30th November 2012** by:

    - Electronic format to the Programme Delivery Team: West Midlands using the following e-mail address:
      WEST_MIDS_ERDF_TEAM@communities.gsi.gov.uk;

      AND

    - TWO signed copies, in hard copy format to the address below:

      ERDF Open Call: Priority 3
      Department for Communities and Local Government
      Programme Delivery Team: West Midlands
      5 St Philips Place
      Colmore Row
      Birmingham
      B3 2PW

- Receipt of Outline Applications will be acknowledged by email within 48 hours of receipt. Applications will be reviewed in accordance with the process set out in Section 10.

- **Where Outline Applications are received after the Open Call closing date and <u>time</u>, they will not be accepted.**

- **NOTE: Verbal, faxed or telephone submissions will not be accepted.**

10. Process for Outline Applications

- Organisations intending to submit an outline Application should have discussed their Application with the Programme Delivery Team prior to submission otherwise they will not be accepted.

- Interested organisations are then invited to submit a completed Outline Application Form.

- If the applicant is a private organisation or a voluntary or community organisation they will be required to submit the last three years of management accounts in order for a financial assessment to be completed.

- At the end of the call, all Applications will be reviewed against the criteria defined in Appendices 1 to 3 through an Outline Assessment which will determine whether they will be recommended to Local Management Sub Committee for outline endorsement and progression to the full application stage. The Outline Applications and Outline Assessments will be circulated to the Local Management Sub Committee who will select which projects will be endorsed and invited to proceed to the full stage.

- If the value of ERDF requested by good quality proposals in the bidding round exceeds the balance remaining in the Priority, all satisfactory Outline Applications will be endorsed and listed in order of quality (according to the assessments carried out). The available ERDF will be allocated to endorsed projects in order of quality. Applicants with applications for which there is sufficient ERDF immediately available will be invited to proceed to the full application stage. Applicants for endorsed projects for which there is no ERDF immediately available will be advised of this. These projects will be placed on a 'reserve list' and will continue to be developed in case further funding becomes available. The reserve list applicants will be advised if and when changes are made to the list by reallocating ERDF that becomes available to one or more projects on the list.

- Those projects which are selected according to the above process will be asked to complete a full application for appraisal and investment decision.

- The target date for appraisal ready full applications to be submitted is 28th February 2013.

11. Informing Proposers of Decisions and Providing Feedback

- Following the selection of projects under this call, the Programme Delivery Team will inform the Applicant of the decision taken in writing and will include the reasons for the decision.

- We aim to inform the Applicant of the decision taken, the reasons for the decision and associated feedback within 25 working days of the closure of the Open Call for Applications.

12. Further Advice and Contact Details

Any enquiries regarding this Open Call for Applications can be made to:

Thomas Blackmore
Priority 3 Manager
Programme Delivery Team: West Midlands
Department for Communities and Local Government
Telephone: 0303 444 6597
E-mail: Thomas.blackmore@communities.gsi.gov.uk

Specification for Outline Applications under the West Midlands ERDF Programme 2007-13

Priority 3 Achieving Sustainable Urban Development

The purpose of this Open Call is to permit the initiation of ERDF funded projects to ensure that investments are made in quality projects which make a substantive and sustainable difference across the most deprived areas of the West Midlands. These investments should ideally seek to deliver the outputs and results where the Priority is currently under achieving, in particular jobs created, new or upgraded floorspace and premises upgraded to BREEAM standards. The call is open to projects to come forward from existing Priority 3 Package Areas, and other Super Output Areas within the West Midlands which are within the 25% most deprived nationally. A map of the Package areas is attached.

The following types of activity are eligible to come forward under this call:

- Investment in the reclamation and reuse of previously developed land including under used buildings, or parts of buildings, or sites. This investment must lead to productive / business floorspace for knowledge led business; creative industries, environmental technology industries, advance manufacturing, managed workspace and incubation and innovation activities in order to bring new economic life to the area.

- The sensitive reuse of historic buildings, infrastructure and other cultural heritage assets for development of new or expanded economic, tourism/cultural uses that contribute to economic impact at least at a sub regional level.

- The removal of physical barriers to growth such as improving degraded environments which are physical and psychological barriers to investment, and improving physical access routes to new and expanded employment sites.

- Integrated economic and public realm schemes in neighbourhood/local centres which create and safeguard local employment and strengthen and diversify local businesses.

- Pilot projects in using or promoting new environmental technologies and other technologies to achieve environmental and economic benefits
  These would be actions such as:
  - Combined Heat and Power schemes or the development of pilot biomass schemes and other local energy actions

- Very high bandwidth networks to support the clustering of local businesses with such needs and where the market has failed to do so; (Additional Guidance for superfast broadband projects is contained below)

- Strategic investments, where significant gaps exist, such as new, expanded and enhanced strategic enterprise and / or training centres where these facilities are directly linked to improving the pathways to employment and enterprise in growth sectors of the economy for disadvantaged communities. Provision of Community/Social enterprise space may be supplied under this action where there is benefit for local communities and where the focus is on new sectors.

- Activities that improve the cultural, historical and green environments for the benefit of the local community such as, community greening of derelict/under used land, refurbishment and improvement of public spaces, cultural outreach actions and mentoring. Such actions wherever possible should involve the active participation / targeting of the local community particularly those that are not usually engaged.

- Investing in the use of information technologies for the benefit of local communities and business

Projects will be required to

- Deliver against one or more of the following output and result targets:
  o New or upgraded floorspace (square metres)
  o Square metres of premises upgraded to BREEAM excellent or very good at current standards
  o Brownfield land reclaimed and / or redeveloped
  o Businesses assisted to improve their performance
  o Businesses Assisted that are SMEs
  o Businesses Assisted that are Social Enterprises
  o Jobs created
  o Jobs safeguarded
  o Public and Private Sector Investment Leverage
  o Businesses Created and Attracted to the Region
  o Tonnes of Carbon Dioxide Equivalent Reduced

  Definitions of outputs and results are attached at Appendix 3.

- Provide a clear set of milestones for delivery

- Demonstrate additionality as ERDF cannot be used for, or substitute existing or planned domestic expenditure. Proposals will need to show added value to either new or existing activity, and demonstrate how the proposed activity will increase existing regional capacity

- Demonstrate how economies of scale are being delivered, for instance by partners pooling resources, wherever possible and appropriate.

- Have a sound funding package in place having secured match funding at a minimum contribution rate of 50% of the total eligible costs. Further guidance on eligible sources of match funding is available in *Appendix 3*.

- All public match funding should be identified clearly in your Outline Application. Full confirmation of match funding will be needed prior to appraisal of a full application.

- Start no later than June 30th 2013, and finish by June 30th 2015.

- All necessary requirements for the project to begin in June **MUST** be secured in advance. This will include all permissions such as planning consents and cabinet approvals. Projects that fail to meet these criteria **WILL NOT** be accepted.

Activities which are out of scope of this call:

- Worklessness Activity.

Geographic Coverage

- Deprived areas of significant population – based on the Index of Multiple Deprivation (IMD) to include only those Super Output Areas (SOAs) identified as being within the 25% most deprived nationally.

- The Priority 3 Package areas: Birmingham, North Black Country, South Black Country, North Staffordshire and Solihull Packages. Package Area maps below:

- IMD areas can be identified at the following link: http://www.communities.gov.uk/publications/corporate/statistics/indices2010 Use the overall IMD ranking. It may be necessary to cross reference the LSAO code with a ward list to identify a specific ward name. Ward lists included in the following documents:
    - LSOA Wards Part_1
    - LSOA Wards Part_2
    - LSOA Wards Part_3
  It is recommended that you contact your local authority if you have any further queries in respect of wards and their location.

- Projects located outside of an eligible ward may be considered on an "outside but serving" basis providing their primary focus and benefit is for beneficiaries inside an eligible ward. Evidence and justification must be included in the application.

Sustainable Urban Development Package Areas and Key Contacts

Birmingham

Birmingham ERDF Package Area
Version 2 approved February 2010

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Map Produced by GIS Team
Planning Strategy
Tel 0121 303 4817

March 2010

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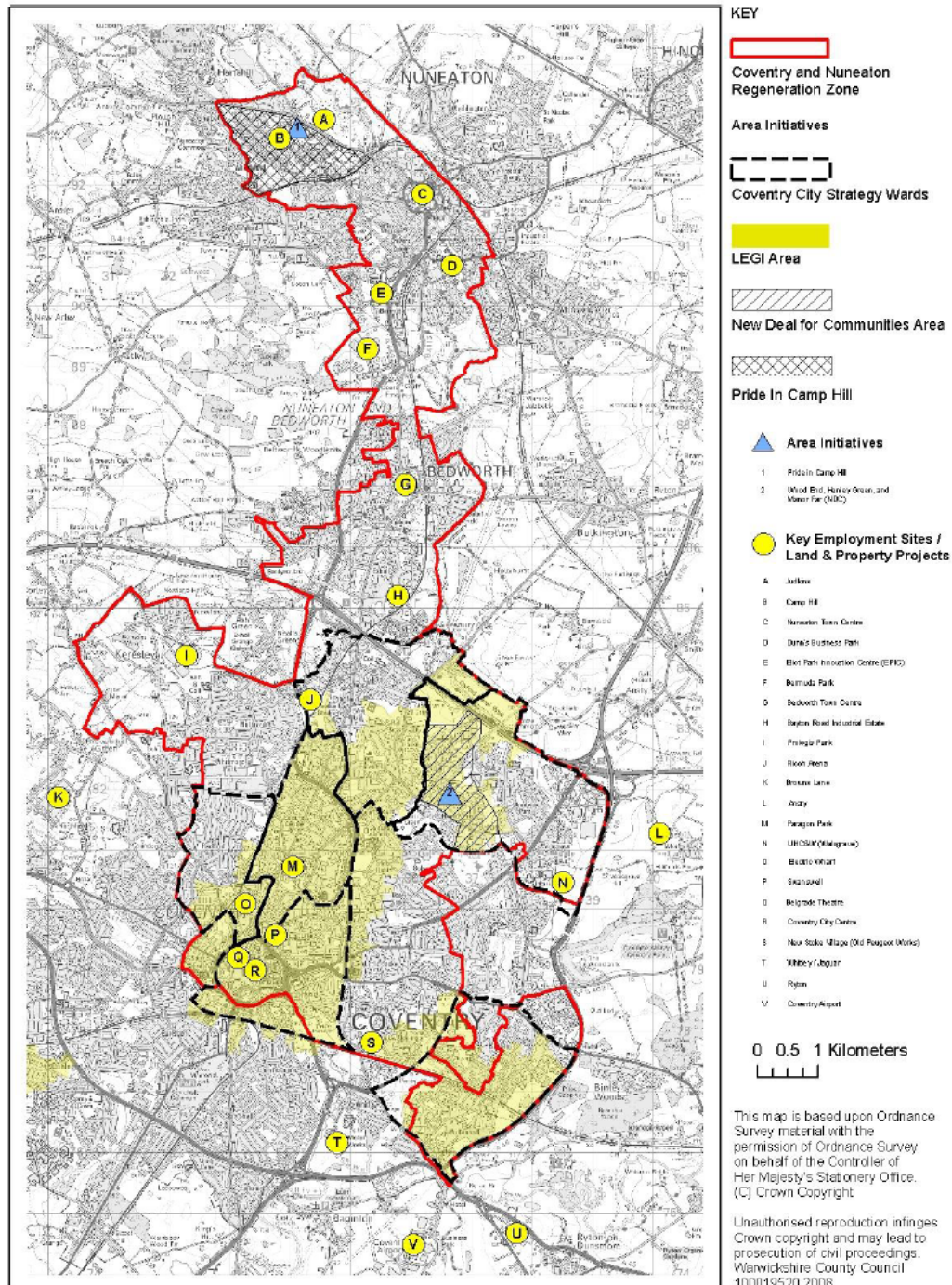(Post to PO Box 14439, B2 2JE)
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Coventry & Nuneaton

Coventry and Nuneaton Regeneration Zone

KEY

Coventry and Nuneaton Regeneration Zone

Area Initiatives

Coventry City Strategy Wards

LEGI Area

New Deal for Communities Area

Pride In Camp Hill

Area Initiatives

1   Pride in Camp Hill
2   West End, Henley Green, and Manor Far (NDC)

Key Employment Sites / Land & Property Projects

A   Judkins
B   Camp Hill
C   Nuneaton Town Centre
D   Dunns Business Park
E   Elliot Park Innovation Centre (EPIC)
F   Bermuda Park
G   Bedworth Town Centre
H   Bayton Road Industrial Estate
I   Prologis Park
J   Ricoh Arena
K   Browns Lane
L   Ansty
M   Paragon Park
N   UHCW (Walsgrave)
O   Electro Wharf
P   Swanswell
Q   Belgrade Theatre
R   Coventry City Centre
S   New Stoke Village (Old Peugeot Works)
T   Whitley / Jaguar
U   Ryton
V   Coventry Airport

0   0.5   1 Kilometers

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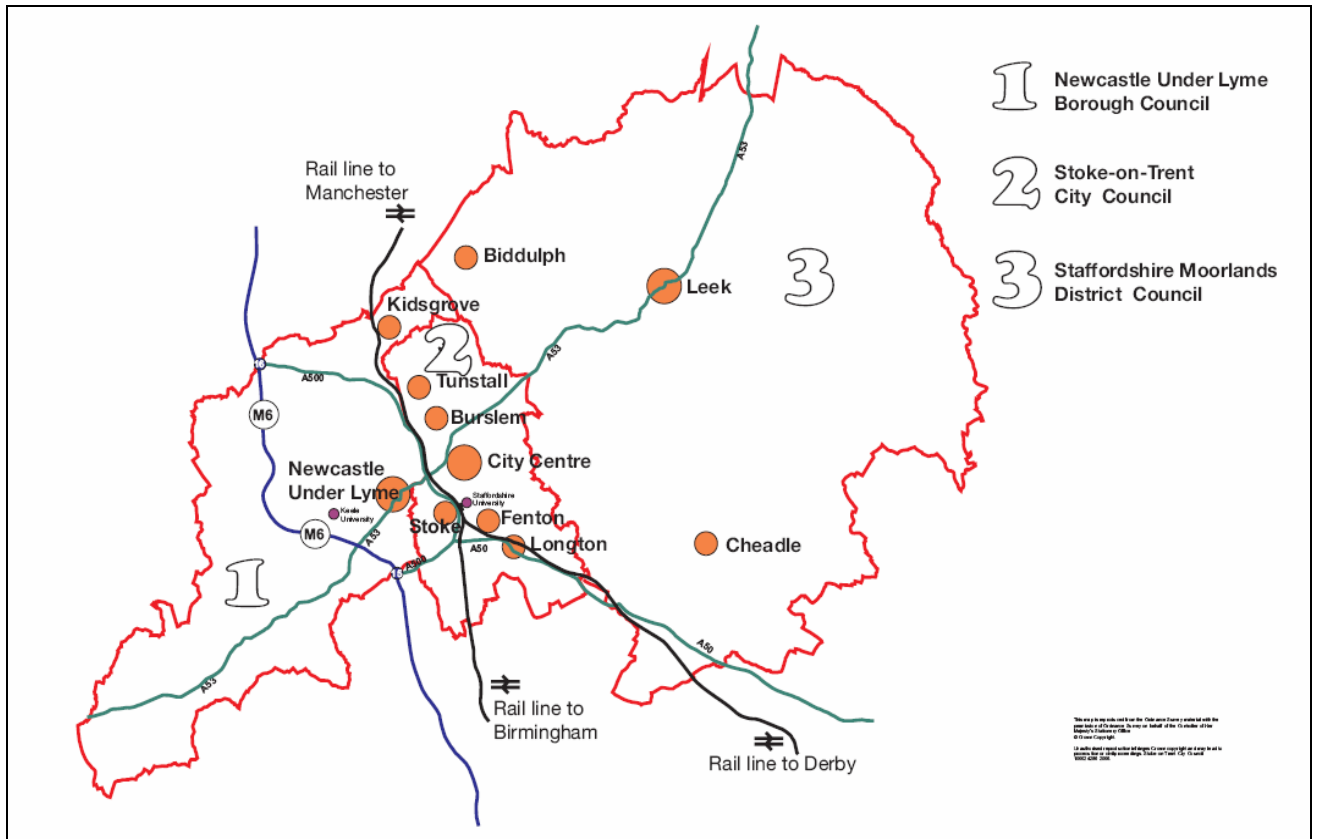
Contact:
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Mr Matthew Epps
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Communities Group
Warwickshire County Council
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North Black Country
(Includes South Black Country)
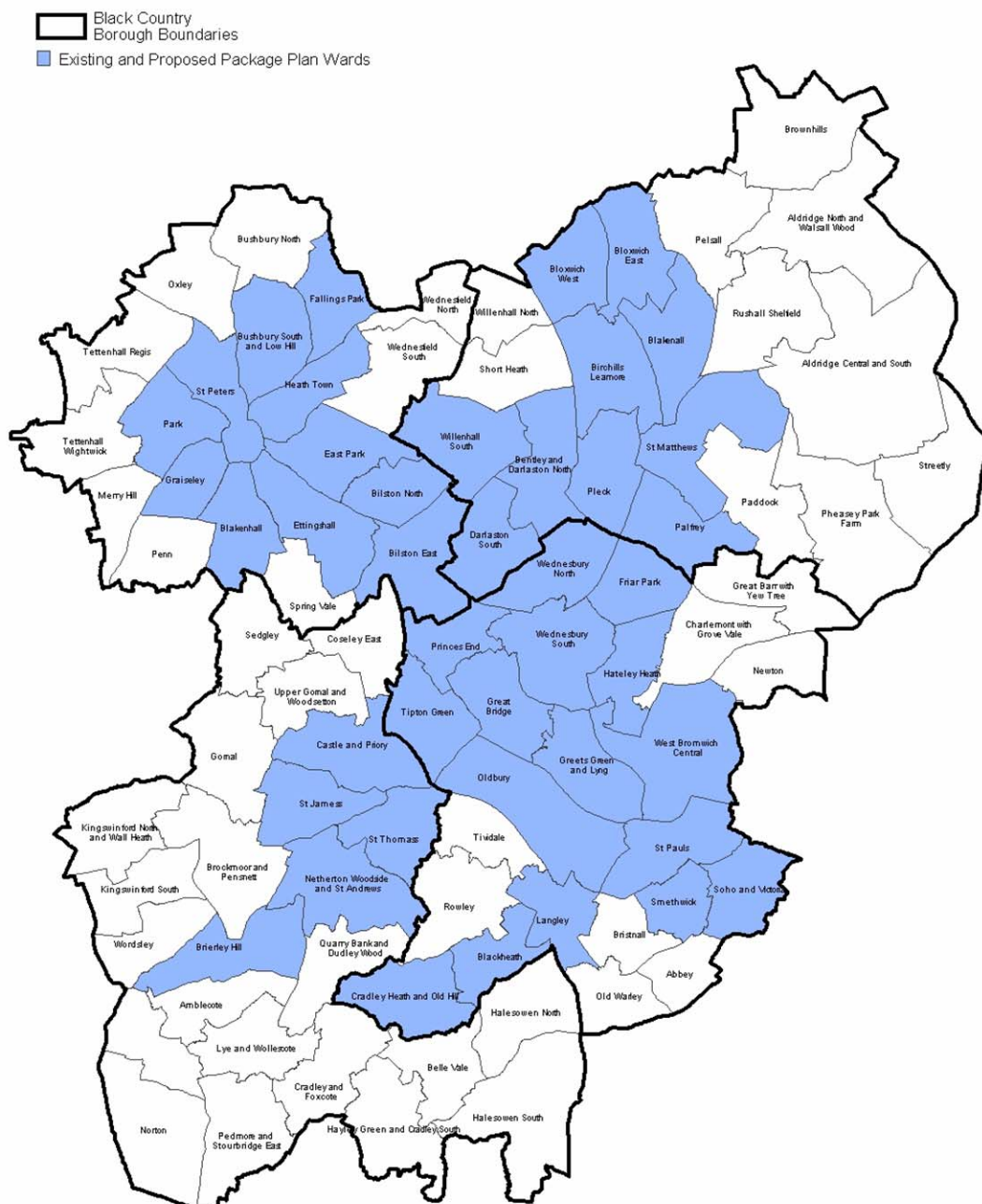
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Contact:

Mr Mark Lavender
Head of Strategic Regeneration
Walsall Council
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Darwall St, WS1 1TP

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North Staffordshire

Contact:

Mr Paul Hodgkinson
Strategic Funding Manager
City Renewal
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Solihull

(note reflects expansion request approved August 2010)

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South Black Country
(Includes North Black Country)

Contact:

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Oldbury
B69 3DE

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Fax: 0121 569 3156
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Additional Guidance for Superfast Broadband Projects

Broadband projects coming forward under this call need to be within the prescribed geographic areas, deliverable by December 2015, meet a clearly evidenced market failure, and be compliant with public procurement and state aid rules.

The following guidance is also provided for potential beneficiaries on eligibility for using ERDF to pay for the installation of broadband connections for SMEs in Competitiveness regions, such as the West Midlands. The note should be read as guidance only and should not be taken as a statement of the law or compliance with the EC Regulations.

Article 5.3(b) of the EC ERDF Regulation (1080/2006) states that Regional Competitiveness OPs may include the following priority (among others):-

"Promoting access to, take up, and efficient use of ICTs by SMEs by supporting access to networks, the establishment of public internet access points, equipment, and the development of action plans for very small and craft enterprises."

Eligible network components

In order for SMEs to gain access to the internet, they need to connect to core networks that ultimately connect to the national and international locations where applications ultimately reside. There will be a point where services are delivered to and from the core network (the 'motorway'), known as a 'Point of Presence' (PoP) ('motorway junction'). In order that SMEs gain access to Next Generation Access (NGA) or 'superfast broadband', it is essential that the technology connects them to core PoPs.

In urban areas the PoP might be a telephone exchange, but existing provision in rural areas is not always of the same standard. For example, many rural exchanges do not have the space or power to act as a core PoP.

Different infrastructure providers will also utilise different core networks to provide Next Generation Access to SMEs, and not all providers will use BT telephone exchanges, either as a means of connecting SMEs or as PoPs connecting onto their own core network.

In addition, the EC Guidelines on use of State Aid for broadband also mandate that technological neutrality should be enshrined in any public intervention

(Community Guidelines for the application of State Aid rules in relation to rapid deployment of broadband networks (2009/C 235/04)). Indeed, in practice, a range of technical means of access (fibre/copper/satellite/radio) will often be used to ensure the most economically advantageous means of providing access to SMEs in rural areas.

Any technical solution should therefore be eligible for support from ERDF provided it is required to connect an SME to a PoP. Upgrading or extending existing core networks should not be eligible. The diagram below shows examples of eligible expenditure using differing technological means to provide a SME with Next Generation Access.

Diagram: examples of eligible expenditure to connect an SME to a core PoP
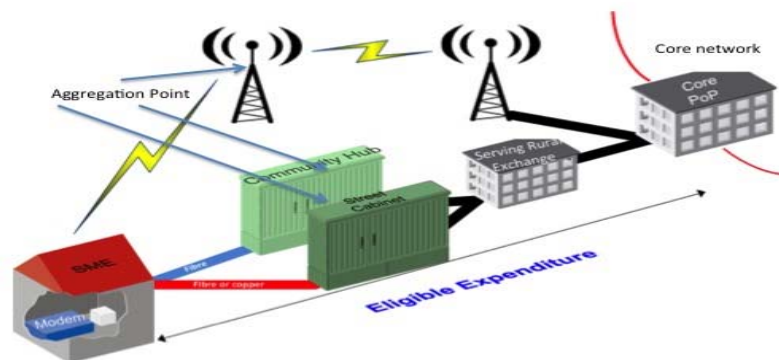
Distinguishing between expenditure to supply the capability to connect SMEs and other expenditure

It follows from the above that expenditure that is necessary to have the capability to connect an eligible SME to a core PoP should be eligible for ERDF support. The eligible expenditure should be the minimum required to provide the network that has the capability to connect from eligible SMEs to core PoPs within the intervention area. Any additional incremental expenditure to connect any other users to the network provided under the intervention (such as ineligible SMEs and residential premises) should not be eligible and should be excluded from assessments of eligible costs. In other words, ERDF can only support expenditure on SMEs. Any supply to ineligible organisations and residential premises must be a by-product of the eligible expenditure and be at no additional cost: any additional costs will not be eligible for ERDF. Methodologies will need

to be able to demonstrate that ERDF has been claimed only in respect of what is needed to connect SMEs as set out above.

DCLG will consider example methodologies for determining eligible expenditure by projects against this principle working closely with pilot projects on broadband. DCLG will review the effectiveness of this guidance in the light of those methodologies and may issue supplementary guidance.

Parameters for reviewing Outline Applications

(i) Outline Applications will be reviewed and (ii) the recommendation as to whether or not Outline Applications are to be endorsed to proceed to the full stage will be determined by the application's fit within the following parameters:

Strategic Fit
- Is the proposed activity eligible for ERDF funding and in the scope of the specification as set out in Appendix 1 and the West Midlands Operational Plan?
- Is there clarity about what the application will pay for and the deliverables?

Rationale and Additionality
- Is there clear evidence of market failure and a case for public funding and additionality provided by ERDF funding?

Value for Money
- Is the ERDF requested and total project size within the parameters of the prospectus?
- Has match funding for the project been identified?
- Does the project offer value for money in relation to inputs and outputs?
- Does the project offer outputs in which the Priority is currently underperforming i.e. in particular jobs created, new or upgraded floorspace and premises upgraded to BREEAM standards

Project Management Capacity
- Does the application have experience of managing ERDF funded projects or similar types of projects?
- Does the applicant have the financial capacity to delivery the project?

Compliance
- Will the project operate under a state aid framework (see Appendix 1)
- Is there a clear description of any procurement activity?

General Guidelines for Applicants for West Midlands ERDF Programme funding

Applications need to deliver ERDF outputs and results assigned to the relevant Priority Axis and meet the eligibility criteria set out in West Midlands ERDF Operational Programme, relevant European Council and Commission Regulations and National Eligibility Rules, as set by the Department for Communities and Local Government (CLG) in their role as the Managing Authority.

Applicants will need to demonstrate how they have considered State Aid and Public Procurement and ERDF publicity requirements. Further information and guidance can be found on our website here:

http://www.communities.gov.uk/regeneration/regenerationfunding/europeanregio naldevelopment/westmidlands/localguidance/otherlocalguidance/

Who can apply?

Organisations that can apply for funding include local authorities, statutory or non-statutory public funded bodies, voluntary/community organisations and some private sector organisations (subject to state aid compliance).

Generally, we do not pay ERDF direct to profit making private companies as the programme rules prohibit the grant applicant from applying into the Programme for their own benefit or making a profit from the grant. Whilst we do not support individual businesses directly from the programme, we part finance business support schemes and financial instruments which assist businesses. These schemes are operated by other parties who apply to us for funding.

All organisations must be legally constituted, be able to cashflow the project, have suitable reserves to account for any clawback of funding and not be applying into the programme for their own benefit. Applicants may be required to complete a financial assessment prior to the award of an ERDF Grant to demonstrate that they have suitable levels of reserves to operate the project, or sustain clawback of grant.

ERDF Project Selection Criteria

To be deemed eligible for funding through the West Midlands ERDF Programme, Applications must:

- Meet the relevant European and national eligibility criteria as defined in the Commission Regulations and the Department for Communities and Local Government (CLG) User Guide;
- Contribute to the delivery of the strategy and objectives defined within the West Midlands ERDF Operational Programme;
- Form part of one or more of the Investment Frameworks as prepared and agreed by the regional partnership;
- Demonstrate clear additionality;
- Demonstrate market failure to a suitable level of certainty;
- Demonstrate acceptable value for money in terms of outputs and results returned on the investment;
- Have a sound funding package in place either having secured, or demonstrating a strong expectation of being able to secure, eligible sources of match funding;
- Exhibit linkage with the National European Social Fund Programme where relevant;
- Demonstrate a positive environmental impact where possible, or as a minimum limit the negative impacts. Specifically, and where appropriate, this should be suitably articulated within the Carbon Reduction Assessment and Built Environment Checklist;
- Demonstrate a positive contribution towards equality of opportunity including gender equality;
- Have satisfactorily progressed through the ERDF project process;
- Be deemed a legally and technically sound investment by the Investment Decision Group.

European and National Eligibility Criteria

The offer of ERDF grant is paid in arrears against evidenced defrayal of eligible expenditure. Eligible expenditure relates to those elements of a project's costs which confirm to the eligibility criteria as defined within European Regulations, National Eligibility Criteria and the Operational Programme.

It is essential that eligibility criteria are strictly adhered to throughout the whole of the project lifecycle as failure to comply with these eligibility rules may lead to financial penalties up to the total value of the approved grant.

Detailed guidance on eligibility is set out in the ERDF Eligibility rules guidance which is available from the link at the top of this appendix. The eligibility rules apply to the expenditure met by ERDF and funds used as match.

Applicants are advised to consult this document when developing applications to determine the level of eligible expenditure.

Match Funding

Applicants should note that project submissions must have match funding in place. Match funding is the contribution of another source of finance to the eligible costs of a project. Public match may include local authorities, national government departments, national lottery funds, Higher Education Funding for Council for England (HEFCE), Regional Growth Fund and Capacity Builders. An exception to the above is that public monies which are already matched with European funding such as European Social Fund (ESF), ERDF, Leonardo and Framework 7 cannot also be used as match to draw down funds under this programme. For instance, funding through the Co Financing Plans from the Skills Funding Agency and Job Centre Plus should not be used as match, as this funding is matched with ESF at source.

Following an earlier relaxation, private sector finances are an eligible source of match funding for projects. (Contributions 'in kind' remain ineligible). More specifically, cash contributions from companies can be included in the funding package, provided these will contribute towards the total eligible costs of the project and can be audited to the same standards as other funding sources. SME contributions made directly to a consultant could count as match funding if:

- the SME pays its contribution to the consultant direct; and

- the invoice from the consultant to the project sponsor records:

- the gross amount as the full cost of the service

- the contribution by the SME

- the net amount payable by the project sponsor (i.e. the gross amount minus the SME's contribution).

ERDF Outputs and Results

Outputs and Results have been established to ensure that a project's impact can be measured. This will form part of the value for money assessment carried out during appraisal. Listed below are the definitions of the outputs which relate to Priority 3 activity.

PREMISES NEW AND UPGRADED FLOORSPACE

Unit of Measurement = Area in Square Metres of new and upgraded floor space

DEFINITION

Internal Floor space:- The entire area inside the external walls of a building including corridors, lifts, plant rooms, service accommodation

New or upgraded:- New buildings constructed as part of the project.

Upgraded buildings:- Refurbished, improved or adapted for productive use as part of the project.

COUNTED

On the practical completion of the works.

EXCLUSIONS

Excludes internal walls and cannot be counted when the only activity is the purchase of an existing building.

CORE RECORD

You must record and retain the following;

- Address of premises including postcode;
- Area of floor space built or upgraded;
- New Construction or Upgrade;
- Purpose of building; and
- Supplementary Evaluation data as required by the Project Evaluation Plan.

VERIFICATION EVIDENCE

You must obtain and retain the following evidence:

- As built drawings showing floor space;
- Copy of completion certificate.

PREMISES UPGRADED TO BREEAM STANDARD EXCELLENT/VERY GOOD

Unit of Measurement = Area upgraded, measured in square metres

DEFINITION

Environmental Accreditation:- e.g. BREEAM/CEEQUAL Post Completion Review Certificate or equivalent

Premises:- New or refurbished premises include Industrial & Business, Recreation & Leisure, Dwellings, Retail or Community Services buildings. The categories are defined in CLG's National Land Use Database.

COUNTED

On receipt of relevant post completion certificate showing the standards achieved (very good, excellent).

EXCLUSIONS

Residential dwellings are ineligible

PREMISES UPGRADED TO BREEAM STANDARD EXCELLENT/VERY GOOD
CORE RECORD
You must record and retain the following;
• Address of premises including postcode;
• Area of floor space upgraded;
• BREEAM Standard achieved;
• Purpose of building; plus
• Supplementary Evaluation data as required by the Project Evaluation Plan.
VERIFICATION EVIDENCE
You must obtain and retain the following evidence:
• As built drawings showing floor space;
• Copy of relevant post completion accreditation certificate.

Brownfield land reclaimed and/or redeveloped (Ha)	
Terms	**Definitions**
Unit of Measurement	Area in hectares (Ha).
Brownfield land	Includes contaminated, derelict or previously developed land (PDL) which is or was occupied by a permanent structure (excluding agricultural or forestry buildings), and associated fixed surface infrastructure within the curtilage of the development. In all cases the RDA activity must comply with the polluter pays principle. Categories covered may include: ▪ previously developed vacant land; ▪ vacant buildings unoccupied for a year or more; ▪ derelict land and buildings; ▪ land or buildings, currently in use, allocated for development in the adopted plan or having planning permission; ▪ land or buildings currently in use where it is known there is potential for redevelopment but sites do not have any plan allocation or planning permission; ▪ defence buildings ▪ land used for mineral extraction and waste disposal.
Reclaimed and redeveloped	Total number of hectares of brownfield land reclaimed to an acceptable condition and/or redeveloped into effective use. The project activities are limited to: *1. Reclaimed:* making the land fit for use by: • removing physical constraints to development or improving the land for soft[1] or hard end use; • providing services to open it up for development e.g. provision of utilities and service roads[2]. Reclamation activities may include: • dealing with contamination, existing surface and buried structures, • stabilisation, • levelling, • provision of flood defences • provision of utilities and other services

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[1] Soft end use means that the site is left substantially undeveloped for amenity, leisure, agricultural, forestry or other environmental use.

[2] Note that these are not eligible costs under the State aid Land Remediation scheme.

	• environmental improvements or enhancements
	2. Redeveloped: developing a site and putting up a new building or refurbishing an existing building e.g. construction of premises (commercial, housing, industrial, retail), new plant and equipment, fitting out of premises etc
Counted	<u>Count</u> outputs at practical completion of the works. Where a site is reclaimed in phases count the hectares when each phase is completed.
Exclusions	• Land and buildings currently used for agricultural or forestry purposes; • Land in built-up areas not previously developed e.g. parks, recreation grounds, allotments, cemeteries; • Land previously developed but where the remains of any structure or activity has blended into the landscape in the process of time e.g. amenity use, contribution to nature conservation. • Retail, housing, health, leisure facilities (see User Manual Chapter 2 for details) It can not be counted when the only activity is the purchase of the land, building or site.
Verification Evidence	**Type of Assistance - Reclaimed and/or Redeveloped** **Site area –** full postal address inc postcode, Land registry record /deeds; Local Authority/NLUD register details (for previous use to ensure not excluded category). **Contaminated land** - completed **Land Condition Record** and Remediation Complete Certificate. **Works -** Certificate of Practical Completion of the Works. QS certification of works carried out e.g.: • site services/utilities and infrastructure • foundations laid • walls and roof built • landscaping completed
Notes	This is not a subsidiary indicator of the core output. Its purpose is to identify all the brownfield land that the RDAs have reclaimed and redeveloped. Using the project logic chain approach results might include ha transferred to a productive use by major land use types (include open space as a productive use), increased rental/rateable value of the property; % change in floor space stock by type of use.
**Brownfield Land FAQs**

Q. Can the cost of master planning be included within regeneration infrastructure investment?
A. While the output relates to the physical assets regenerated the investment costs are the "gross project costs". If the master planning is an integral part of the development costs to reclaim and redevelop a site then they may be included, along with other surveys or professional design costs.

Q. Brownfield land definition - should last bullet be "land used for mineral extraction and/<u>or</u> waste disposal"?
A. Yes. These should be regarded as 2 separate elements. It is not restricted to land which has been used for mineral extraction and then used for waste disposal.

Job creation – Jobs created or safeguarded	
Terms	**Definitions**
Unit of Measurement	No. of jobs.
Counted	A job is counted as an output when the jobs are a direct consequence of the project intervention. The terms created and safeguarded are defined in the component elements below. For reporting ERDF to the Commission the jobs created and jobs safeguarded must be counted separately. See also R1 & R2
Exclusions	*Inputs* to the project such as: • jobs to set up or deliver the project e.g. management/administrative staff, consultancies, or temporary contractors • Construction jobs integral to the delivery of a project (e.g. those who remediate a site or construct premises), even if they last for more than a year. *Seasonal jobs* which are incidental to the project *Transferred jobs* which are a result of a company moving either within the region or from other English regions or UK devolved administrations are not new jobs. These may be included as safeguarded jobs but only where the relocation is part of a rationalisation programme which will safeguard jobs by moving them and otherwise meet the criteria above. *Occupancy of the post* - the job must not be counted again if it is filled over time by different individuals.
Verification Evidence	**Business** - Name, Address inc post code, Tel no, Contact details. Ownership. No. of employees. **Job –** new/safeguarded job title, contract of employment, (expected duration must be 1 year or longer or 4 weeks per annum for seasonal jobs integral to the project)/hours of work (for FTE calculation). Start date of employment. Letter or standard form (signed by employer) from employer confirming new jobs are a result of the project. If location is different from business address provide details.
Notes	• The unit of measurement is the **job** and **not** its occupant. However, to assess who benefits from the job analyse the first post occupant by gender, race, age, disability. • Within a project this output may be associated with other complementary outputs e.g. Core Output 3 *Business creation* providing there is a direct relationship between the project activity and the outputs forecast and claimed. • Construction jobs created in the region as part of a cluster development project may be counted provided they are not part of the project inputs excluded above.

Jobs created

Terms	Definitions
Unit of Measurement	No. of jobs.
Job created	It must be a new, permanent, paid, full time equivalent (FTE) and must not be covered under the exclusions. *New* = should not have existed in the region or with that employer in the UK before the intervention and should be a direct result of the intervention. *Permanent* = should have a life expectancy of at least 1 year from the point at which it is created. *FTE* = paid work of 30 hours or more per week. Convert part time jobs to FTE either: • on a pro rata basis based on hours worked; or • 2 part time jobs = 1 FTE, where no other information available (i.e. EC approach)
Counted	When a new, permanent, FTE or equivalent, paid job is created/attracted to the region and the post is filled e.g. jobs that arise from *Foreign Direct Investment (FDI) and SFIE* when they have been delivered. *Seasonal jobs* may be counted where they are integral to the project (for example in the tourism sector), provided there is a contract of employment that will last for a minimum of 4 weeks per annum. • Calculate on a pro rata basis e.g. a 3 month job = 0.25FTE or 2 part-time jobs = 1FTE, if no data is available.
Verification Evidence	**Business** - Name, Address inc post code, Tel no, Contact details. Ownership. No. of employees. **Job** –title of the new/attracted job, contract of employment with expected start date of employment & duration (must be 1 year or longer or for seasonal jobs 4 weeks per annum), hours of work (for FTE calculation). On completion a letter or standard form (signed by employer) from employer confirming new jobs are a result of the project. If job location is different from business address obtain details.

Jobs safeguarded

Terms	Definitions
Unit of Measurement	No. of jobs.
Job safeguarded	To qualify there must be a permanent, paid, full time equivalent (FTE) job which is at risk. *At Risk* is defined as being forecast to be lost normally within 1 year i.e. the jobs at risk must be specified, or if sector is in long-term decline a longer period might be appropriate (where project is proposing to undertake pre-emptive action).
Counted	When it is: • forecast as at risk when the project was approved; and • is still in existence at the time of counting; and • is no longer at risk of being lost within a year.
Verification Evidence	**Business** - Name, Address inc post code, Tel no, Contact details. Ownership. No. of employees. *Job Safeguarded* - job title, contract of employment with duration (must be 1 year or longer), hours of work (for FTE calculation). If job location is different from business

Jobs safeguarded	
Terms	**Definitions**
	address obtain details
	Provide the employment profile at appraisal, check at decision. On completion a letter from employer or standard form (signed by employer) confirming safeguarded jobs are retained as a result of the project. Use best evidence available of real risk e.g. written company statement or letter signed by Owner, Chief Executive or Finance Director confirming jobs were at risk but no longer or statutory redundancy notices that were served/withdrawn on individuals. Statement should show how the project prevented the loss of the job(s).

Jobs FAQs

Q. Can a sole trader be counted as a job created as well as a business created?
A. Yes. To count as a job they must meet the definition criteria – recognising that the employer and employee is in this case the same person. Note sole traders include self-employed and free lance workers.

Q. Does the type of business created make a difference to whether we can count a job as well? Does the first job created within a business always get discounted
A. The type of business is not relevant. The first job is not discounted all jobs can be counted.

Q. Can freelance jobs be counted as a full time job on the basis of 72 days = 1 job?
A. No. If they work part time, to be counted, they must meet the same full time equivalent requirements as other part time jobs.

Q. Can helping individuals to obtain voluntary work count as a job and meet the criteria for this output?
A. No – a job is **paid** employment. They can be counted under core output 5 Employment Support. Obtaining voluntary work would be an **outcome/result** of the project **Q. In counting the outputs are we expected to collect information on the actual jobs created from inward investment successes? This is unfeasible except where we are delivering funding whose release is reliant upon that data e.g. SFIE.**

Q. If we train people in construction skills with the aim of them becoming self-employed, can we count them under jobs created (output 1)?
A. No. The project objective is to develop skills so they should be counted under core output 6. Having received the training they may go on to get either a job or become self-employed. These are the **outcomes** for the project and should be picked up when the project is evaluated.
Q

Business support – Number of businesses assisted to improve their performance	
Terms	**Definitions**
Unit of Measurement	No. of businesses/enterprises
Business/ Enterprise	The 3 main types of business are sole proprietorships, partnerships and companies. For more information see Output 2.
Support	This is a minimum of either • 2 days active consultancy advice or other non-financial assistance (1 day = minimum of 6 hours activity i.e. it excludes lunch and other breaks), or • grant, or equivalent, of at least £1,000.

Business support – Number of businesses assisted to improve their performance	
Assistance	Provision of consultancy support, information, diagnostic advice and guidance to individual businesses, located within the region
	The assistance can be personal face-to-face, telephone or web-based dialogue at conferences, seminars, workshops or through networks.
	Activities should support the project objectives and be directed to improving the performance of the business. These may include support for:
	• management/leadership
	• corporate and social responsibility e.g. awareness raising on statutory and legal responsibilities
	• participation in new supply chains
	• marketing
	• use of R&D
	• process and resource efficiency e.g. in use of ICT, waste management
	• environment management
	• quality assurance
Counted	It is counted when a business has received a <u>minimum </u>of 2 days active consultancy advice information, diagnostic and brokerage or other non-financial assistance, or a <u>minimum</u> £1,000 grant or equivalent
	Within a <u>project</u> a business can only be counted once irrespective of the number of times or forms of assistance it receives.
	Within a <u>programme</u> a business may be counted each time it receives assistance through a different project or intervention strand.
Exclusions	Distribution of mail-shots and brochures (electronic or hard copy).
Verification Evidence	**Business** - Name, Address inc post code, Tel no. Contact details. Ownership. Type of business **Assistance** – Standard form (signed by Finance Director) confirming consultancy support provided and hours. Date(s) assistance received. Copy of grant letter to business/receipt
Notes	Business is the term commonly used in the UK; the EU equivalent term is enterprise.
	The outcome or result measure is those with improved performance (see R3).
	In counting the output there is no need to demonstrate performance improvement; this is the outcome measure which will be assessed during the project evaluation.
	Identifying the benefits by size of business supports the Government's **Impact Assessment** approach.

Business Support FAQs

Q. Does the 2 days consultancy provision include travel time and preparation time on behalf of the client or just the actual time provided by the consultant to the client?
A. Travelling time is excluded; it is the actual time delivering the consultancy service, including preparation and research to the business that can be counted.

Q. If the assistance involves training of the staff of a business, can we also claim outputs under core output 6?
A. Yes where this is part of the project objectives and there is a direct link and it meets core output 6 requirements then the individuals whose skills have been developed may also be counted under that output.

Q. Does the restriction of counting business assists only once per project lead project managers to disaggregate projects artificially i.e. against the principle of GRADE?

Business support – Number of businesses assisted to improve their performance

A. No. It is a fundamental requirement of public sector projects that these should not be split to keep within financial delegations or achieve higher outputs. This is an inefficient use of ERDF resources. It will generally result in less effective projects which are not likely to demonstrate the same value for money as other larger projects and so may not be approved when there is a limited budget.

Q. Where more than one public sector funder contributes to a project and so a business receives different types and amounts from each funder would each funder claim this business under the Business support output?

A. Yes, ERDF counts all contributions.

Q. Can State schools that receive support on how to manage their budgets be included in the business support output?

A.   No. State schools are not companies in terms of the definition.