



ERDF WORKSHOP



European Union

European Regional
Development Fund



Welcome, Introduction, Objectives

John Peel, OBE

Coast to Capital LEP ESIF Committee Chair

ERDF Update

by Kathy Vuillaume

ESIF Programme Manager

What is ESIF funding?

European Structural Investment Funds (ESIF):

Financial tools to deliver the EU's Europe 2020 strategy through:

- Promotion of smart, sustainable and inclusive growth
- Strategic investments devolved to local areas, and aligned to a 7-year policy framework (2014-2020 *before Brexit*)
- Complementing existing and planned domestic investment

European Structural & investment Funds Programme

Value of the ESIF programmes:

- £26,8 m ERDF
- £25,4 m ESF
- £3,8 m EAFRD



European Structural & investment Funds Programme

Two ways of delivery:

- Either **direct bidding** or bidding through **Opt-in organisations** against specific specs

What does it mean for an applicant?

- With direct bidding, applicants will have to bring and evidence 50% match-funding against total expenditures
- Through Opt-in organisations, the applicants will get 100% funding. (only available for ESF).



Impact of BREXIT on the ESIF Programme



National exercise to revisit ERDF priorities completed in September. Treasury will honour any ESIF projects by the time England leaves the European Union.

All MAs are working on the assumption of the Article 50 being triggered in March 2017 (worse case scenario)

New criteria for the selection of specifications and calls to be agreed by Treasury:

- Alignment with domestic priorities
- Value for money

'Hard' of 'Soft' Brexit, noone knows

ERDF Budget Breakdown for the period 2014-2020

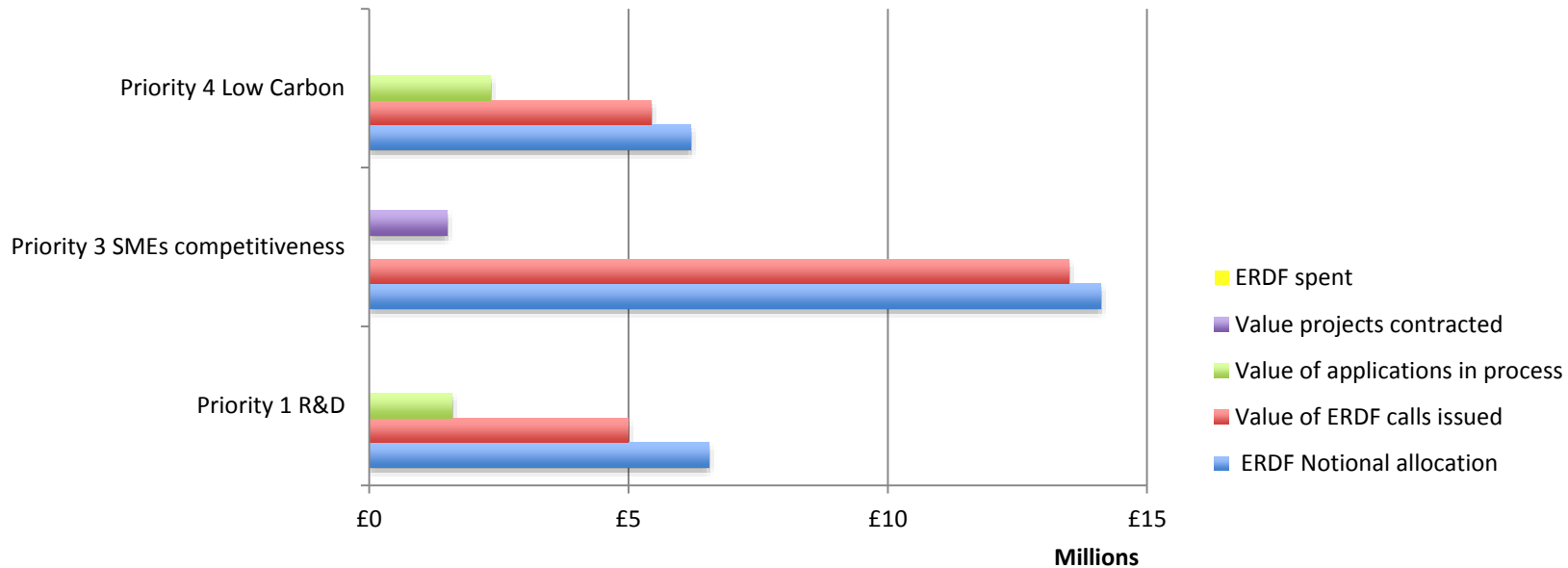
Area 1: promote
SME/HEI/public
sector collaborative
research and
innovation and
commercialisation
(24%)

Area 2:
Enhancing the
competitiveness of
SMEs and strengthen
their supply chains in
our priority sectors
(24%)

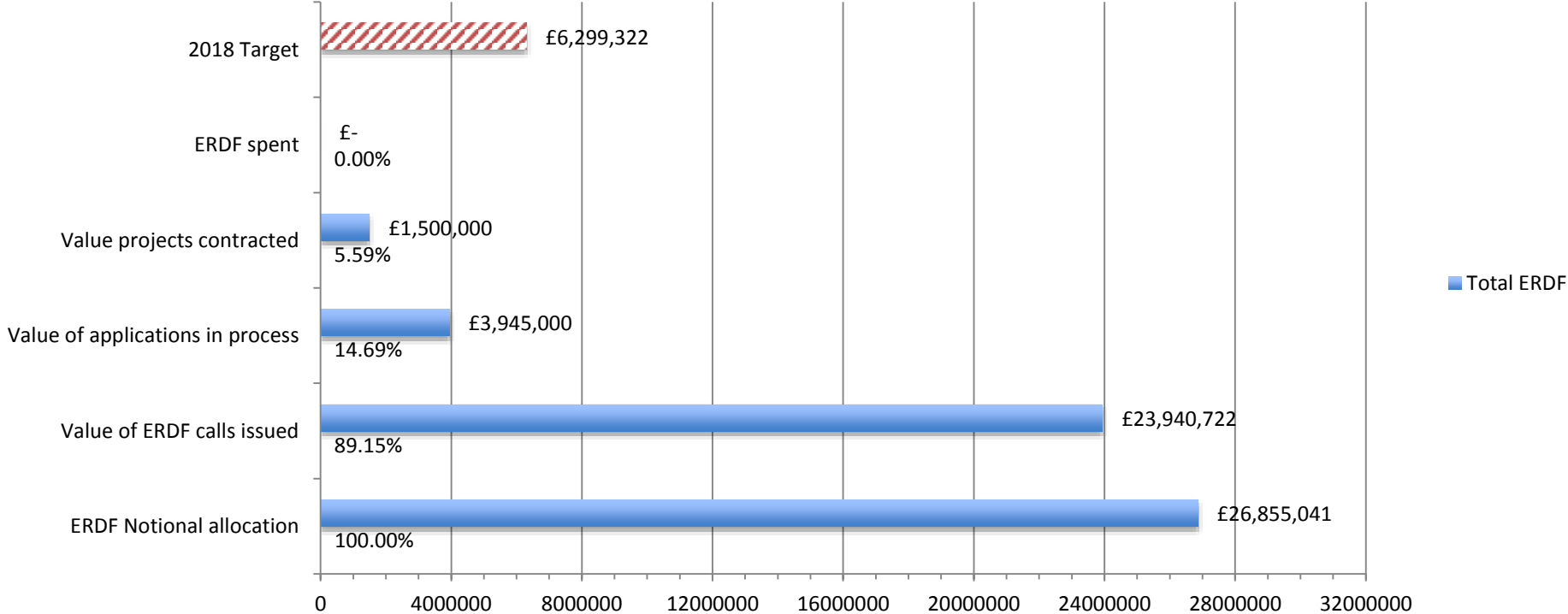
Area 3:
Improve business
support for all stages
of SME development
and growth
(29%)

Area 4:
Supporting the shift
towards a Low
Carbon Economy in
All sectors
(23%)

ERDF Priorities



ERDF Total budget and spend target



Priority Axis 1: Research and innovation

Budget committed 1st call: £500k CDIT (closed)
1 project about to be contracted at GFA stage



Budget committed 2nd call: £2.5m innovation in priority sectors
(closed)

- 2 projects invited to full applications:
- Research academic network (600k)
 - Care through innovation (500k)

Call Open : *R&D brokerage Service worth £1m*

Remaining budget : £3.36 m

Priority Axis 3: SMEs competitiveness



Budget call : £1m ASEAN internationalisation (closed)

1 project contracted led by Newable Limited (previously GLE) , this £1m ERDF PA3 (Business Support- Internationalism) project plans to increase support to SMEs who are new exporters and those already exporting, specifically those in the Life science/healthcare sector, to grow their business internationally, especially in the ASEAN markets.

Budget ERDF national call: £500k cross-LEP int. trade (closed)

1 project contracted led by Newable Limited (previously GLE), SEIBG is a £1,2 m cross-LEP project which aims to enhance the competitiveness of SMEs and improve business support for all stages of SME development & growth for up to 180 small to medium sized local businesses.

Priority Axis 3: SMEs competitiveness



Business support for all stages pan LEP service (£3.8m):
no successful applicants therefore retendered

Open Calls: *£6m Business support* with 5 lots: Productivity & growth £2m, access to finance and investor readiness £1m, monetisation of innovation £2m, peer support and mentoring £500k, Business Start-up programme- £500k
£750k Internationalisation

Remaining budget: £5.2m for sectorial approach informed by Autumn workshops

Priority Axis 4: Supporting the shift to the low carbon economy in all sectors

Budget committed 1st call: £1.3m wood fuel (closed). No successful application

Budget committed 2nd call: £1m demand for low carbon solutions and technologies in the wider economy (closed)- 1 project going through assessment

Budget committed 2nd call: £750k develop the LEGS or sub-sectors where C2C has an existing strength (smart specialisation) (closed)- 1 project going through assessment

Open Call: £1.2m to support retrofit

Remaining budget: £1.5m



Presentation of the specifications R&D Brokerage Service



This scheme worth £1m would look at:

- Set up of an R&D brokerage service accessible from the entire C2C LEP area, comprising possibly of several Hubs access located in strategic and priority areas
- Engage young and growing SMEs in priority sectors to develop new products or service innovation
- Match up local SMEs/entrepreneurs to local HEI R&D institutions (i.e. Universities) and foster new R&D and SMEs partnerships
- Offer advice on suitable grants, loans and other innovation scheme to support knowledge transfer and the development of innovation with direct market applications

The priority sectors will be: sustainable agri-foods, electronics and robotics, advanced materials, space programmes, healthcare, biosciences

'R&D Brokerage service' / outputs expected

IP 1B	Indicator	Target
C1	Number of enterprises receiving support	400
C2	Number of enterprises receiving grants	180
C4	No. of enterprises receiving non-financial support	220
C5	Number of new enterprises supported	50
C8	Employment increase in supported enterprises	30
C26	No of enterprises co-operating with research institutions	150
C29	Number of enterprises supported to introduce new to the firm products	50

Presentation of the specifications

Business support comprising 5 lots

Lot 1: Productivity & growth - £2m ERDF

This scheme will:

- Include a Pan-LEP Growth Voucher scheme.
- Aim to fill the gap in provision left by the closure of the Business Growth Service.
- Offer Growth Support Packages.
- Provide specialist strategic business support, focused on growth and innovation projects, for supported businesses.



Lot 1 'Productivity & Growth' / outputs expected

IP3a		Target
		250
C2	Number of enterprises receiving grants	50
C4	No. of enterprises receiving non-financial support	50
C5	Number of new enterprises supported	50
C6	Private investment matching public support to enterprises (grants)	£250,000
C8	Employment increase in supported enterprises	30
C28	No. of enterprises supported to introduce new to the market products	10
P11	No. of potential entrepreneurs assisted to be enterprise ready	200

IP 3c	Indicator	Target
C1	Number of enterprises receiving support	205
C2	Number of enterprises receiving grants	143
C4	No. of enterprises receiving non-financial support	62
C5	Number of new enterprises supported	80
C6	Private investment matching public support to enterprises (grants)	£1,000,000
C8	Employment increase in supported enterprises	80
C29	Number of enterprises supported to introduce new to the firm products	10
P13	No. of enterprises receiving information, diagnostic and	30

Business support



Lot 2: Access to Finance and Investor Readiness - £1m ERDF

- *Awareness raising* –to raise business awareness of the full range of funds available to support growth across the C2C LEP area.
- *Ongoing seminar programme* to help SMEs to understand the different types of finance options and how to position their offers
- *Finance training package* delivered either 1-2-1 or one-to-many
- *In-depth financial support* provided to C2C priority sectors and SMEs with high growth potential* and along the supply chain to grow the domestic supplier base
- *Establishment of a network of business angels*, venture capital companies and alternative funding providers to provide pitching opportunities and support the identification and uptake of funding in the C2C LEP area.

Activities will target domestic and foreign-owned SMEs, including social enterprises.

Lot 2 'Investor readiness' / outputs expected

IP 3c	Indicator	Target
C1	Number of enterprises receiving support	100
C2	Number of enterprises receiving grants	75
C4	No. of enterprises receiving non-financial support	25
C5	Number of new enterprises supported	40
C6	Private investment matching public support to enterprises (grants)	£100,000
C8	Employment increase in supported enterprises	50
C29	Number of enterprises supported to introduce new to the firm products	20
P13	No. of enterprises receiving information, diagnostic and	15

ID	Indicator	Target
C1	Number of enterprises receiving support	125
C2	Number of enterprises receiving grants	10
C4	No. of enterprises receiving non-financial support	25
C5	Number of new enterprises supported	25
C6	Private investment matching public support to enterprises (grants)	£78,000
C8	Employment increase in supported enterprises	15
C28	No. of enterprises supported to introduce new to the market products	10
P11	No. of potential entrepreneurs assisted to be enterprise ready	150

Business support

Lot 3: Monetisation of Innovation - £2m ERDF

- Monetisation of innovation in C2C's priority sectors including Health and life Sciences, Advanced Manufacturing and Engineering and CDIT sectors
- Establish an SMEs grant funding scheme offering demand-side vouchers from £1,000 to £20,000 ERDF for monetisation of innovation on areas such as sales and marketing, IPR, legal advice, translation services etc.
- Qualified panel of experts being able to provide the expertise required to support SMEs as part of the grant scheme.
- Tracking of progress made by the SMEs accessing the support and grant scheme.
- Evaluation of the impact of the programme on indicators across priority sectors, size of SMEs & technologies being deployed

Lot 3 'Monetisation of innovation' / outputs expected

IP 3c	Indicator	Target
C1	Number of enterprises receiving support	205
C2	Number of enterprises receiving grants	142
C4	No. of enterprises receiving non-financial support	63
C5	Number of new enterprises supported	80
C6	Private investment matching public support to enterprises (grants)	£1,000,000
C8	Employment increase in supported enterprises	75
C29	Number of enterprises supported to introduce new to the firm products	50
P13	No. of enterprises receiving information, diagnostic and	35

IP3a	Indicator	Target
C1	Number of enterprises receiving support	200
C2	Number of enterprises receiving grants	45
C4	No. of enterprises receiving non-financial support	50
C5	Number of new enterprises supported	50
C6	Private investment matching public support to enterprises (grants)	£250,000
C8	Employment increase in supported enterprises	30
C28	No. of enterprises supported to introduce new to the market products	20
P11	No. of potential entrepreneurs assisted to be enterprise ready	250

Business support

Lot 4: Peer Support & Mentoring - £500k ERDF

- Offer subsidised peer-to-peer workgroups for Senior Managers comprising of groups of MDs/CEOs/COOs/Directors, providing local small/medium business leaders with an opportunity for peer-to-peer debate, listening, establish dialogue, exchange ideas, sharing best practice.
- Leadership & Management Support Sessions for groups of SMEs Specific work
- Work undertaken along the supply chain in C2C priority sectors
- Encourage the exchange of experience and solutions post Brexit
- 1 to 1 support and 1 to many support schemes could be considered

Lot 4 'Peer support mentoring group'/outputs expected

IP 3c	Indicator	Target
C1	Number of enterprises receiving support	50
C2	Number of enterprises receiving grants	25
C4	No. of enterprises receiving non-financial support	25
C5	Number of new enterprises supported	10
C6	Private investment matching public support to enterprises (grants)	£20,000
C8	Employment increase in supported enterprises	15
C29	Number of enterprises supported to introduce new to the firm products	10
P13	No. of enterprises receiving information, diagnostic and	10

IP 3a	Indicator	Target
C1	Number of enterprises receiving support	75
C2	Number of enterprises receiving grants	5
C4	No. of enterprises receiving non-financial support	25
C5	Number of new enterprises supported	25
C6	Private investment matching public support to enterprises (grants)	£20,000
C8	Employment increase in supported enterprises	5
C28	No. of enterprises supported to introduce new to the market products	5
P11	No. of potential entrepreneurs assisted to be enterprise ready	50

Business support

Lot 5: Business Start-Up Programme - £500k ERDF

Support to all business ideas and start-ups including social enterprises, rural based businesses;

The delivery initiative will need to demonstrate an understanding of the needs of specific target groups

Partnership will need to demonstrate how the project will link with those organisations providing start-up hub, innovation, accelerator and incubator space for small and medium-sized enterprises in the Local Enterprise Partnership area

The delivery activities could include:

- Boot Camps especially bringing together start-up companies from a similar sector
- Peer-to-Peer Workgroup Sessions
- Business Mentoring

Lot 5 'Start-up programmes' / outputs expected

IP 3c	Indicator	Target
C1	Number of enterprises receiving support	50
C2	Number of enterprises receiving grants	25
C4	No. of enterprises receiving non-financial support	25
C5	Number of new enterprises supported	50
C6	Private investment matching public support to enterprises (grants)	£50,000
C8	Employment increase in supported enterprises	30
C29	Number of enterprises supported to introduce new to the firm products	10
P13	No. of enterprises receiving information, diagnostic and	10

IP 3a	Indicator	Target
C1	Number of enterprises receiving support	100
C2	Number of enterprises receiving grants	50
C4	No. of enterprises receiving non-financial support	50
C5	Number of new enterprises supported	50
C6	Private investment matching public support to enterprises (grants)	£100,000
C8	Employment increase in supported enterprises	20
C28	No. of enterprises supported to introduce new to the market products	10
P11	No. of potential entrepreneurs assisted to be enterprise ready	100

Presentation of the specifications 'Internationalisation'

This £750k scheme would:

- Help develop the pipeline of new businesses and assist new SME exporters, in particular raise awareness of opportunities available to businesses in the **post Brexit** era.
- Identify and support businesses with export potential or these businesses who have become accidental exporters but unaware of opportunities to expand their international trade.
- Any schemes coming forward would seek to add value and not duplicate any existing available services and export grant schemes especially the recent approved ASEAN ERDF projects and international trade support

'Internationalisation' / outputs expected

ID	Indicator	Target
C1	Number of enterprises receiving support	400
C2	Number of enterprises receiving grants	225
C4	No. of enterprises receiving non-financial support	175
C5	Number of new enterprises supported	110
C6	Private investment matching public support to enterprises (grants)	£1,327,135
C8	Employment increase in supported enterprises	50
C29	Number of enterprises supported to introduce new to the firm products	55

Presentation of the specifications

Low Carbon retrofitting

Proposals are invited to demonstrate:

- Good Practices brought from other European countries but tailored to the UK market with supply chain development in the Coast to Capital LEP area
- Demonstrator projects with potential of scaling-up for whole building retrofit solutions. Support for low carbon innovation in relation to the integrated 'whole place' energy management approach
- Create local jobs and growth in the low carbon retrofit sector
- Provide finance and investment mechanism for large take-up and reduce cost
- Provide an evaluation methodology to assess the CO2 saved as part of joining the project

Applicants are encouraged to develop innovative approaches, backed by evidence, to support the value of the proposed activities

'Low carbon retrofitting' / outputs expected

IP 4c	Indicator	Target
CO31	No. of households with improved energy consumption classification	30
CO32	Decrease of annual primary energy consumption of public buildings kwh/year	500,000
CO34	GHG reduction Estimated annual decrease of GHG Tonnes of CO2 equivalent	24,000



Timetable of Calls

- **Rolling calls** for ‘business support’, ‘internationalisation’, ‘R&D Brokerage service’ specifications. Applications will be assessed in batches at specific points:-

17th February 2017

30th April 2017

30th July 2017

31st October 2017

- **Fixed call** for ‘low carbon retrofitting’ closing on 3rd March 2017



THANK YOU FOR YOUR ATTENTION

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Technicalities of Submitting an ERDF Application and the National Picture

Graham Watt

Greater South East Growth Delivery Team Leader,
Department for Communities and Local Government
(DCLG), ERDF Managing Authority



- **Process for submitting an ERDF application**
- **Top tips for a better application**



<https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds>

The screenshot shows a web browser window displaying the GOV.UK website. The address bar shows the URL: <https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds>. The page header includes the GOV.UK logo, a search bar, and navigation links: Departments, Worldwide, How government works, Get involved, Policies, Publications, Consultations, Statistics, and Announcements. The main content area features the title "Guidance: England 2014 to 2020 European Structural and Investment Funds" and the European Union logo with the text "European Union European Structural and Investment Funds". Below the title, there is a "From:" section listing the relevant departments: Department for Communities and Local Government, Department for Work and Pensions, Department for Environment, Food & Rural Affairs, and others. It also includes "First published:" (16 July 2015), "Last updated:" (21 December 2015, see all updates), and "Part of:" (European Social Fund (ESF): 2007 to 2013 and European funds). A summary paragraph states: "Information about the European Structural and Investment Funds programme for 2014 to 2020 in England." At the bottom, there is a "Contents" section with a link to "About the European Structural and Investment Funds Growth programme". The Windows taskbar at the bottom shows the date and time as 09:48 on 06/05/2016.



Application process:

- Find the Call Specification on *Funding Finder*
- Refer to the Programme guidance including the Operational Programme and the relevant LEP area's ESIF Strategy
- Submit an Outline application to the Managing Authority
- MA completes Outline Assessment – Gateway and Core
- If successful, bid goes to LEP Area ESIF sub-Committee for advice on strategic fit



- If successful, then applicant is invited to submit a Full Application
- On receipt, full technical appraisal
- On completion, back to the LEP Area ESIF Committee for strategic advice
- Successful letter
- Grant Funding Agreement issued



And then...

- Project Initiation Visit and ongoing monitoring by DCLG contract manager
- At least one Article 125 audit by DCLG during the project lifetime
- Possibly one or more Article 127 audits depending on sample – conducted by Government Internal Audit Agency
- Risk of an audit from DG Regio (European Commission) or European Court of Auditors



Top tips

- Describe the project you want to deliver, don't confuse issues by describing wider activity
- Be clear, simple, focused and concise – we want to understand the project proposal – what is the project going to do; why is it needed; who is going to do the activity; how are they going to do it; how much will it cost and what are the outcomes?
- Be clear about the delivery partners (as far as you are able at Outline stage)



- Check eligibility of activity – look at Operational Programme and National Eligibility Rules/Guidance; look at indicative activities under the relevant Priority Axes/Investment Priorities – then develop your project – don't shoehorn your idea into the Programme
- How does the proposal link to strategic priorities and the local area ESIF Strategy; how does it demonstrate value for money; how does it provide additionality (we're not looking for "more of the same"); what is the gap that the proposal aims to fill?



- Make sure match funding is clean and directly contributing to the project; confirm what it is and the source – we will want confirmation from match funders at full application stage
- Outputs (Indicators and Targets) in the Application must match details in the Outputs spreadsheet Annex
- Provide informed rationale/evidence for setting the Output levels – if a good VFM explanation is given then it helps us understand the context/challenges if proposed outputs are low



- Financial information in the Application must match details in the Financial Tables Annex. Relate Cost Category Headings in the Financial Annex to the information included in the Application – helps to remove ambiguity.
- Keep costs realistic and keep staff costs proportionate
- Be clear who, in terms of personnel, is involved in delivering the project and what their role and activity will be. Relate each member of the project to the salaries levels in the detailed Financial Budget Breakdown.



- Budget for the Summative Assessment (not more than 1% of Total Project Value)
- Carefully consider the key compliance issues of state aid, procurement and publicity. We want reassurance that you have a clear argument
- Apply the state aid test at all levels to identify the aid correctly and explain the chosen state aid solution – if going for de minimis, then explain why you're not going for GBER



- Explain how you are going to implement your organisation's procurement policy
- Commission place importance on publicity – follow the guidance on logos and references to ERDF
- Think about future audit requirements and the administration you need to do to keep the audit trail and have it easily retrievable
 - Avoid overly complex projects
- All answer all the questions in the application form



Q&A Session



Partnership Opportunities - Networking Session

