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Where everybody matters

ERDF Technical Assistance 2014 – 2020



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ERDF information session

Research Infrastructure (OC33RI7P 0602)

Monkton Park, Chippenham
03 October 2017

Agenda

- About this call
- Making an application
- Some technical details
- Questions



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Swindon and Wiltshire LEP: Programme Portfolio

- **Strategic Economic Plan (SEP)**
 - 5 strategic objectives and priority actions
- **European Strategic and Investment Funds (ESIF)**
 - near £40m allocation of capital and revenue funds for Swindon and Wiltshire from 2015 – 2020+
- **Local Growth Fund**
 - 3 Growth Deal rounds - £168m from central government for transport, skills and growth projects
- **Growing Places Infrastructure Fund (GPIF)**
 - £8.8m revolving infrastructure fund to support jobs and housing growth

Higher Futures ... Growth Hub ... Careers Enterprise Company ... Better Business for All





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Strategic Economic Plan: Priority actions

Business Development

- Innovation – recognising global innovators and regional value chains
- Smart specialised – priority sector approach
- Encourages inward investment – ‘innovation culture’ is a pull factor

Place Shaping

- Deliver infrastructure improvements to support economic growth

Skills and talent

- Higher education and higher skills – project will have some affect on local provision



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ESIF Strategy: Topic 1 – “hub for innovation”

9 companies provide 50% of patents

“The level of patent activity and *innovation intensive firms* suggests that there is a substantial cohort of people with experience in business environments where innovation normal. However, SMEs are less able to innovate or see the value and benefits that innovation, research and development can bring.”

Key to success of the Swindon and Wiltshire economy:

- Commercialisation and exploitation of public and private research and innovation
- Encourage SMEs to innovate for growth, new markets and supply chains
- Promote the area’s innovative culture to attract inward investors
- Creation of innovative environments for entrepreneurs to start new high-value businesses



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ESIF Strategy: Innovation and priority sectors

Smart specialisation

- Business - comparative advantages, discovery-led, market-defined, key sectors, entrepreneurialism
- Public - leadership for joined-up policy, concentrated and coordinated investments made over years
- Expertise - tackles problems, provides research and underpins skills, supports business and innovation

SWLEP Priority sectors

- Key sectors – identified sectors, recognises market dimensions, role of R&D and enabling technologies
- Key places – promotes organic growth of suitable locations for investment for R&D



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ESIF Strategy: ERDF Priority 1 - Research & Innovation

Existing projects funded by ERDF priority 1

- Porton Science incubator - £3m contribution to new £8m facility for 40+ HLS SMEs
- Health & Life Science Innovation Hub - £0.5m linking SMEs to incubator and AHSNs
- Innovate 2 Succeed - £0.5m supporting SMEs planning and funding for innovations

Future call under ERDF priority 1 (November 2017)

- Digital industries - response to opportunities from exploitation of digital technologies:
 - Digitalisation for all businesses
 - Capability of business and workforce
 - Digital industries – recognising strong local sectors in creative, cybersecurity and cloud applications



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Research Infrastructure: Considerations

- **Business voice** - indicates priorities, specialisms and local expertise
- **HVM report** - business-led report for modern workspace facilities and hubs
- **Place-shaping** - regenerative effect of investment – local ESIF legacy
- **Tackling skills deficits** - higher skilled people enable growth & productivity
- **No Higher Education presence** - limited opportunities for HE interactions
- **Innovation ecosystem** - organic approach building on existing strengths
- **ERDF projects** - wider support for SMEs, productivity and innovation
- **Growth Hub and localism** - a new offer and approach, locally distinct



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Innovation ecosystem: Our intervention logic

- Innovative businesses are more productive, grow faster and are more resilient
- RD&I breaks down frontiers in knowledge delivering economic and societal benefits
- At UK level – less R&D by SMEs and lower productivity than competitors (EU, G7 etc)
- Local ‘innovation culture’ belies the limited options for research facilities for SMEs
- Larger businesses – “walled gardens”; SMEs less options and travel elsewhere
- SMEs bind much of the economy together – eg; 94% employment – 98% of businesses
- SME innovation is:
 - *Opportunistic* – entrepreneurial visions for innovation and growth
 - *Reactive for survival* – maintaining competitive capability in global value chain



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Innovation ecosystem: **Desired Outcome**

Use ERDF in support of investments
to increase rates of research and innovation
and improve the capabilities and skills of SMEs
to realise the economic and societal benefits
for growth, productivity and economic competitiveness.



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Responding to the call: Basic information

- Call is under Priority 1 ERDF – for “promoting research and innovation”
- £2.2m is available at 50% - leading to £4.5m+ project
- Applicants must request at least £0.5m ERDF – Min. sized project is £1m
- Looking for a single project using capital and revenue funding
- Call closes at 11:59pm on 10th November 2017
- Call OC33R17P 0602 published on [gov.uk website](#) (and nowhere else!)
- Guidance on [gov.uk website](#) – much of it is essential reading



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Local strategic fit: Priority activities

- Facilities in the Swindon and Wiltshire area
- Research facilities, workspaces and services relevant to business growth
- Supporting SMEs around knowledge transfer and technology translation
- Organic growth of research infrastructure – build ecosystem upon existing assets
- Link SMEs with larger innovative businesses and research bodies
- Establish links to Catapults, centres of excellence, researchers, Horizon 2020 and KTNs
- Stimulate and maintain support for lengthy R&D activities and innovations by SMEs



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Local development need: Strategic Fit

- **Facilities** - location, layout, shape, form and function and features available
- **Connectivity** - provision of superfast broadband (ultrafast?)
- **Engage with SMEs** - accounting for diverse mix of businesses and abilities
- **Research and innovation activities** - to improve productivity and drive SME growth
- **Aligned** - key sectors and technologies delivering Smart Specialisation in England
- **Regional remit** - South West England and South East Wales Science and Innovation Audit
- **Complementary activities** - cognisant of the Swindon and Wiltshire Growth Hub



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Responding to the call: What does good look like?

- Entrepreneur-oriented open facilities
- Higher education / research presence
- Finance and Patient capital - at appropriate stage
- Expertise, knowledge and technologies transfer
- Facilities for testing, demonstration & validation
- Linked to Catapults and Centres of Excellence
- Funding - industrial challenges - [UKRI](#)
- Enterprise and entrepreneur support
- Prototypes, demonstrators and market entries
- Commercial aspects - investors and equity





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The ERDF Application Process

Stage	Duration	Estimated Timetable
Outline Application Assessment passed to ESIF sub-Committee to advise Managing Authority which takes the decision to invite full application	8 wks proposal + 6 wks to assess	Call closes 10 Nov. 17 Assessment Jan 18
Full Application made to Managing Authority which appraises and passes to ESIF sub-Committee to advise Managing Authority on decision	8 wks application 12 wks appraisal	Full application Jan - March, decision June 18
Grant Funding Agreement (GFA) first pre-contract conditions, then GFA agreed in full, with T&Cs and delivery schedule	Open ended – 6 wks to complete	Project start August 2018
Project Inception Visit (PIV) followed by inspections	Start & throughout	August / September 2018
Quarterly claims - ongoing compliance (potential audit checks / visits/ inspections) and ability to make Project Change Requests	Duration of project & beyond	Typically up to 3 years – to mid 2021



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Making a strong proposal: Outline application form

- **Read and understand the call** – all of it is relevant to your application
- **Standard form** - fill in all sections, funding tables and if necessary the two spreadsheet annexes
- **ERDF Priority 1a and Priority 1b** - both are applicable – capital and revenue ('operating aid')
- **Project description** - proposal in clear and concise language, avoid concepts and use plain English
- **Strategic fit** - tell us that your activities will deliver the operational programme & local priorities
- **Project timetable** - be realistic, especially if there is a capital build and equipment to procure
- **Costs** – give accurate estimates - be realistic and reasonable - and base upon sound methods
- **Tricky bits** - State Aid, procurement, partners and income generation, and cross cutting themes



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The tricky bits: State Aid

- **State Aid** - promotes competition and restricts subsidies to agreed purposes
- **Relevant proposals** - applications need to fit with agreed purpose (be exempt)
- **General block exemption regulations** - “GBER” – rules on subsidy for agreed purpose
- **De minimis** - for smaller amounts of subsidy – up to €200,000 to single business
- **GBER Art. 26** - for research infrastructures or **Art. 56** for workspace (capital costs)
- **GBER Articles 25, 27, 28 and 29** - R&D & innovation - (mainly for operating aid)
- **Relate application to GBER definitions**– “experimental” “fundamental” and “industrial research”, “research infrastructure” and types of “innovation”

You must obtain your own advice



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The tricky bits: Money and procurement

Income generating projects

- **Outline application** - basic information is required – be realistic: Do you need a grant?
- **Full application** - income projections .v. costs of delivering project – Article 61 reference period

Procurement or partners – application should distinguish between:

- **“Procured contractors”** - lead applicant openly procures contractors to deliver project activities
- **“Delivery partners”** - responsible for project delivery - formal agreement with lead applicant
- **“Strategic partners”** – not part of project agreement, but supports project on a steering group
- **Procurements** - use Annex 2 to give indication based on current proposal – **Read guidance**

The tricky bits: Value for money and outputs

- **Value for money assessment** = number of outputs delivered divided by amount of ERDF
- **Causative effect** – ERDF outputs are caused by ERDF inputs (grant monies)
- **Scope** - only ERDF Priority 1a or 1b outputs are relevant to this call
- **Performance framework** - non-delivery of outputs can cause loss of grant – be careful
- **Evidence** – project will need to capture the right evidence to claim outputs
- www.gov.uk/government/publications/european-structural-and-investment-funds-outputs-and-results



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The tricky bits: Delivering Outputs



ERDF Priority 1 Outputs - type and code	Notes	P1 local targets (2023)
Enterprises receiving support - C1	12 hours support – basic unit for counting	253 businesses
Enterprises receiving grants - C2	Subset of C1	177 businesses
Enterprises receiving financial support other than grants - C3 (eg; equity, loan)	ERDF loans unavailable in Swindon & Wiltshire	5 businesses
Enterprises receiving non-financial support - C4	Subset of C1 – extensions of 12 hour support	62 businesses
New enterprises supported - C5	Subset of C1 – business start-ups	21 businesses
Private investment matching public support to enterprises (grants) - C6	Subset of C1	€ 214,068
Private investment matching public support to enterprises (non-grants) - C7	ERDF loans unavailable in Swindon & Wiltshire	€ 299,471
Employment increase in supported enterprises - C8	Subset of C1	20 FTE
Enterprises cooperating with research entities - C26	Subset of C1	136 businesses
Enterprises supported to introduce new to the market products - C28	Subset of C1	20 businesses
Enterprises supported to introduce new to the firm products - C29	Subset of C1	40 businesses
Researchers working in improved research facilities - C25	Subset of C1 – under priority 1a only	8 FTE
Public or commercial buildings built or renovated - P2	Estimation at outline application stage	522 m2



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The tricky bits: Cross Cutting themes

Sustainable development

- **New buildings** - should aspire to reach BREAAAM 'Excellent' wherever possible
- **Refurbishments** - should aspire to reach BREAAAM 'very good' status

Equality

- Tell us how the facilities are open and accessible to all potential users
- Any specific activities that help people to access services more easily
- Relevance of proposal to Equalities Act 2010 and protected characteristics



Top tips

- Address the call and required outputs *Be realistic about outputs and deliverability*
- Delivery partners and strategic partners *indicate commitments and buy-in to the project*
- Are the activities eligible and relevant? *Respond to call at sections 3 and 4 in particular*
- Who are the End Beneficiaries? *Are they eligible? Are they the right businesses?*
- Procurement – don't assume compliance! *Follow the guidance*
- State Aid – don't assume you can use de minimis! *Obtain independent advice*
- ERDF is “funding of last resort” *Address market failures and show added value*
- Make cohesive and comprehensive proposal *Leaving out sections undermines your credibility*
- Presume invitation to make full application *Think granular detail but make outline concise*



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Any questions?



Turned on? Or switched off?



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Next Steps: Technical Assistance

- First port of call is the guidance at gov.uk
- Technical Assistance - request support at europeanfunding@swlep.co.uk
- SWLEP information - [https://www.swlep.co.uk/programmes/European-Structural-Investment-Fund-\(ESIF\)](https://www.swlep.co.uk/programmes/European-Structural-Investment-Fund-(ESIF))
- Full application - further Technical Assistance support available



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Thank you for your time

Please feel in the feedback form



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