



EUROPEAN REGIONAL DEVELOPMENT FUND APPLICATION FOR GRANT

Please note the application is in two parts:

A brief summary of the essential information we need to record the application

A business plan giving full details of the project

There is no template for the business plan. However, as the project will be appraised from the business plan please ensure that as a minimum it deals with all the information set out on the guidance note attached.

THE APPLICANT.

The applicant must be an organisation able to enter into a legally-binding agreement

Organisation name:

Address (include County and Postcode):

Web site (if you have one):

Organisation Type

CONTACT DETAILS.

The Contact must be the person with whom the project can be discussed and to whom any queries can be referred.

Name:

Telephone number:

Fax number:

Email address:

BUSINESS PLAN EXECUTIVE SUMMARY

The information requested below is an executive summary of the information in the Business Plan and is the minimum we require to correctly register the application

PROGRAMME, PRIORITY AND MEASURE(S)

Identify the Operating Programme, the Priority and all the Strands that your project is intended to help deliver. Please note that we expect there to be a direct relationship between your project and the Priority you identify.

Programme and Priority

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Strand**Lisbon Code**

THE PROJECT**NAME OR PROPOSED NAME**

Please give the project a name that is no more than four or five words.

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TIMETABLE

Proposed start date	Commitment date/ main contracts let	End date for delivery	Final Payments made

PREVIOUS ERDF GRANT

Has the project received ERDF grant before? Yes: No:

If YES, please insert the most recent project reference number. This can be found on the Offer of Grant letter.

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LOCATION, if different from address of applicant or if in more than one location.

Is the project at either a different location from the Applicant or spread over more than one location?

Yes: No:

If Yes, and it is at a SINGLE location, please insert its address here:

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If Yes, and it is spread over MORE THAN ONE location, please indicate the locations by inserting the names of the local authority Districts or Wards here.

PROJECT LOCATIONS OUTSIDE THE PROGRAMME AREA.

Will the project operate in areas outside the Programme Area? Yes: No:

If Yes, please explain here how the project will benefit the Programme Area.

PURPOSE

Please summarise the purpose of the project and how it will deliver the aims of the Priority identified above

INVOLVEMENT OF OTHER ORGANISATIONS in undertaking the project

Will any organisations other than the Applicant be involved with undertaking the project?

Yes: No:

If yes, please list them and indicate the arrangements you have made to ensure that they receive the grant to which they will be entitled.

FINAL BENEFICIARY.

Will the Final Beneficiary be an organisation OTHER THAN the Applicant?

Yes No

If yes, please insert the name and address here.

PROJECT OWNERSHIP

Will the project or any of its assets be owned by an organisation OTHER THAN the Applicant?

Yes No:

If Yes, please explain why this is necessary and describe the arrangements that will be made to ensure that the grant will be used for only the purposes stipulated in the grant offer.

ENVIRONMENTAL IMPACT

Grant aid may be withheld until the necessary planning permission has been obtained. Will the project include any activity within or have any other impact on any of the following? Tick all that apply.

- | | | | |
|-------------------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Area of Outstanding Natural Beauty | <input type="checkbox"/> | National Nature Reserve | <input type="checkbox"/> |
| NATURA 2000 designated site | <input type="checkbox"/> | Site of Special Scientific Interest | <input type="checkbox"/> |
| Scheduled Ancient Monument or Listed Building | <input type="checkbox"/> | National Park | <input type="checkbox"/> |
| Any other designated area -please specify below | <input type="checkbox"/> | None apply | <input type="checkbox"/> |

The Business Plan must describe in full the environmental impacts of the project

EQUALITY AND DIVERSITY

All grant-aided projects should make a positive contribution to equality of opportunity for all. The Business Plan must describe in full how the project will achieve this.

ADDED VALUE

We need to know to what extent the project is dependent on grant.

What will you do if ERDF grant is refused? Tick one box only.

- Go ahead as planned:
- Go ahead as planned, but over a longer timescale:
- Go ahead, but on a reduced scale:
- Will not go ahead at all:

STATE AID

This is a complex subject. **If you are unsure how State Aid rules apply to your project please contact us for advice.** However, it is your responsibility to ensure this information is correct

- Will the project involve any State Aid? Yes: No:
- If **yes**, has the aid been approved? Yes: No:

If **yes**, please supply the following:

Approval date	Date of notification to the Commission	Aid number assigned by the Commission	Amount of Aid £

ERDF GRANT RATE

Please show the amount of ERDF grant requested as a percentage of the total eligible costs of the project.

OTHER GRANTS

Will ERDF Grant replace expenditure that already has been or will be financed from other Grant programmes?

- Yes: No:

If **yes**, attach a full explanation as to how this is consistent with the need for ERDF grant.

VALUE ADDED TAX

Has VAT been excluded from the costs shown in this application?

- Yes: No:

If VAT has been included in the costs can you recover the VAT from HMRC?

- Yes: No:

QUANTIFIABLE TARGETS.

Please state unit of measurement

Planned Outputs	Anticipated achievement Date	Total all years
Planned Results	Anticipated achievement date	Total all years
Planned Impacts	Anticipated achievement date	Total all years

PROJECT EXPENDITURE

Eligible Capital costs

Item	Total all years £
Land acquisition	
Building acquisition	
Site investigation	
Site preparation	
Building & construction	
Plant & machinery	
Fixtures and fittings	
Fees	
Other (please specify)	
Total	

Eligible Revenue (current) costs

Item	Total all years £
Salaries	
Overheads	
Premises	
Marketing	
Fees	
Other (please specify)	
Total	

Grand Total	
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PROJECT INCOME

Item	Total all years £
Total	

PROJECT FUNDING PACKAGE

SOURCES OF FUNDS	Total cost £	Eligible cost £
Applicant's own funds, if in Public Sector		
Other Public Sector funds (please specify)		
European Community Funds (not ERDF) (please specify)		
TOTAL PUBLIC FUNDS		
Applicant's own funds, if in Private Sector		
Other Private Sector funds (please specify)		
TOTAL PRIVATE SECTOR FUNDS		
Voluntary Sector funds (please specify)		
TOTAL VOLUNTARY SECTOR FUNDS		
Project Income		
ERDF Funds requested		
TOTAL ALL FUNDS		

ERDF Funding – Years 1-4 (Delete Columns as applicable to duration of project)

	£ TOTAL	Year 1 – 2008 (Jan-Dec)				Year 2 – 2009 (Jan-Dec)				Year 3 – 2010 (Jan-Dec)				Year 4 - 2011 (Jan-Dec)			
		Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
ERDF																	
Capital																	
Revenue																	
ERDF TOTAL																	

ERDF Funding – Years 5-8 (Delete Columns as applicable to duration of project)

	£ TOTAL	Year 5 – 2012 (Jan-Dec)				Year 6 – 2013 (Jan-Dec)				Year 7 – 2014 (Jan-Dec)				Year 8 – 2015 (Jan-Dec)			
		Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
ERDF																	
Capital																	
Revenue																	
ERDF TOTAL																	

Details of Match Funders

Name of organisation	Address	Amount of Match Funding (£)	Date Match Funding Confirmed

Profiled Matched Funding

Match Funding– Years 1-4 **(Delete Columns as applicable to duration of project)**

	£ TOTAL	Year 1 – 2008 (Jan-Dec)				Year 2 – 2009 (Jan-Dec)				Year 3 – 2010 (Jan-Dec)				Year 4 - 2011 (Jan-Dec)			
		Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
Match																	
Capital																	
Revenue																	
MATCH TOTAL																	

Match Funding– Years 5-8 **(Delete Columns as applicable to duration of project)**

	£ TOTAL	Year 5 – 2012(Jan-Dec)				Year 6 – 2013 (Jan-Dec)				Year 7 – 2014 (Jan-Dec)				Year 8 - 2015 (Jan-Dec)			
		Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec
Match																	
Capital																	
Revenue																	
MATCH TOTAL																	

CERTIFICATE

I certify that the entries in this form and the details in the Business Plan and any other attachments enclosed are, to the best of my knowledge and belief, correct and the grant applied for is the minimum required for the project to proceed as described.

I can also confirm that I am not aware of any reason why the project may not proceed or be delayed other than those reasons declared and the commitment can be made within the timescales indicated in the Operating Programme to which this project relates.

I understand that if the application is not complete in all relevant detail and every aspect, including this section, it may be rejected.

Signature

Position in Organisation

Name (BLOCK CAPITALS please)

Date

Business Plan Requirements	
1. General Information	<p>Project name</p> <p>Project location (e.g. address, grid reference, or target area as appropriate)</p> <p>Project description (a clear statement of what is to be done and what immediate outputs are to be delivered)</p> <p>Project objectives (objectives should be SMART¹ and should provide a clear context for developing the project).</p> <p>Project proposers (identify the proposer and any other partners)</p> <p>Partner roles and responsibilities.</p>
2. Strategic Fit	<p>Explain how the project fits into and contributes to:</p> <ul style="list-style-type: none"> • The Competitiveness/Convergence Operational Programme • The relevant Lisbon Categorisation Code, including full justification • Linkage to other Funds (EFF,ESF,EAFRD) • the RES and the RDA's Corporate Plan (if RDA match is required) • other relevant regional or sub-regional strategies e.g. the Regional Sustainability Framework, RSS, Strategy and Action • other relevant Government/RDA initiatives or projects.
3. Rationale	<p>Explain:</p> <ul style="list-style-type: none"> • why the ERDF/RDA (where the RDA is the match funder) needs to intervene to achieve the project objectives • what market failures or equity objectives the project addresses. Include the supporting evidence • how the delivery partners and the community were involved in developing the project. <p>Establish the baseline from which the project starts and the basis for measuring the changes attributable to the project.</p> <p>Confirm that:</p> <ul style="list-style-type: none"> • the proposed intervention is eligible for ERDF • the proposed intervention is within the RDA's remit (where the RDA is the match funder) • the total of the proposed public sector investment complies with EU competition rules (State aid)
4. Options Identification	<p>Set out the range of alternative options which have been considered as potentially capable of achieving the project's objectives either in broader strategy papers or in an initial assessment of the project itself. In the main appraisal, focus on a shorter list of practicable alternatives to the preferred option. Explain why options have been rejected.</p> <p>As a minimum the appraisal should include:</p> <ul style="list-style-type: none"> • reference case² - the Do Minimum³ • reduced scale intervention – a viable alternative involving significantly less ERDF/RDA (where the RDA is the match funder) support • at least one alternative type of ERDF/RDA intervention (where the RDA is the match funder) which could meet the objectives and deliver relevant outcomes • preferred option.
5. Financial Assessment	<p>For each of the short-listed options</p> <p>Assess the credibility of the forecasts of the ERDF/RDA's costs (where the RDA is the match funder) and receipts. For projects involving partner organisations this may depend on an assessment of the total project costs and receipts.</p> <p>The assessment of the ERDF/RDA's costs (where the RDA is the match funder) and receipts should include:</p> <ul style="list-style-type: none"> • the gross undiscounted costs⁴ to the ERDF/RDA of supporting the project over its whole life, using resource accounting and budgeting principles and including non recoverable VAT • the current market value of any land or other non-financial assets to be committed to the project by the ERDF/RDA

¹. Specific, Measurable, Achievable, Realistic and Timely

². 3Rs Annex 5

³. Green Book 5.7

⁴. RDAs Financial Memorandum definition.

	<ul style="list-style-type: none"> • the forecast amount of any eventual capital receipts or other recoveries • an appropriate allowance for optimism bias <p>The appraisal should be carried out in prices current at the time of the appraisal unless particular costs or receipts are expected to inflate at a markedly different rate.</p> <p>Where the private sector's costs are relevant the appraisal should take account of the private sector partners' actual costs of borrowing. Private sector profit may be assessed as a percentage of the project cost or as the amount needed to achieve a required internal rate of return for the partners.</p> <p>The results of this assessment of costs and receipts should be set out in a project cashflow statement. It should show the project capital, revenue, component cost items, sunk costs, contingencies, non-recoverable VAT and receipts/income.</p>
<p>6. Outputs, Results, Impacts</p>	<p>For each of the short-listed options identify the expected outputs and outcomes, and their impact on target areas or groups. Say whether they provide a reasonable return for the ERDF/RDA's investment.</p> <p>Outputs</p> <ul style="list-style-type: none"> • forecast the total outputs, (direct and indirect, quantitative and/or qualitative), profiled over time • Identify separately the ERDF/RDA share of the outputs (Tier 3 core, supplementary and other) and the share attributable to any other public sector funders. • starting from the total outputs, use the guidance in the Tier 3 Technical Note to arrive at a forecast of net outputs by making additionality adjustments - for leakage, deadweight, displacement and multiplier effects. Table 2 gives examples of the relevance of these adjustments by type of project. <p>Outcomes/Impact</p> <ul style="list-style-type: none"> • forecast the project outcomes (contribution to Tier 2 regional outcomes or other outcomes relevant to the project) and target delivery dates. These may be quantitative or qualitative and should show the links between objectives and outputs. <p>Project Beneficiaries⁵</p> <ul style="list-style-type: none"> • Explain how the project will benefit various target groups. (consider gender, age, disability, minority ethnic groups, socio-economic groups, SMEs, geographical areas etc) • Explain how will the project is to be designed and managed to reach the target group. <p>Cross Cutting Themes</p> <ul style="list-style-type: none"> • Explain how equality and diversity issues will be managed, promoted and monitored with appropriate consideration of all seven diversity strands. This should include showing how: <ul style="list-style-type: none"> - links to local communities can be established. - equality and diversity can be embedded into spatial development and design - you will monitor and report on equality and diversity. • Explain any anticipated positive and negative impacts on the environment. This should include detailing how: <ul style="list-style-type: none"> - you will mitigate and maximise impacts - you will manage any unforeseen impacts/risks - you will monitor and report on environmental issues. <p>Specifically projects should address the issue of low carbon and, where there is capital build, how you will achieve pre and post assessment of BREEAM 'excellent' status.</p>

⁵. Further guidance on beneficiaries is to be produced by the IDWG Targetry Group and the PMG/APG

<p>7. Economic Appraisal</p>	<p>For each of the short-listed options undertake an economic appraisal to identify the preferred option. This may involve either cost benefit analysis (to maximise the net present value) or, where the outputs are the same across all the options, cost effectiveness analysis (to minimise the net present cost).</p> <p>In both cases this means for each option considered reworking the financial assessment to identify its Base Case⁶ value to society as a whole. Applying the principle of proportionality this involves adjusting the costs and benefits in terms of:</p> <ul style="list-style-type: none"> • allowing for externalities and to eliminate interest payments, profit and other transfer payments; • expressing benefits in monetary terms, wherever possible and valuing non-market impacts using relevant techniques; • considering the distributional impacts i.e. explicitly stating and quantifying or weighting costs and benefits to reflect their impact on different social groups or target areas; • identifying and assessing the costs and impact of project risks on each option. The appraisal should use sensitivity testing to identify key risk variables and attempt to arrive at risk weighted forecasts; • considering optimism bias⁷ by increasing cost estimates and decreasing/delaying the receipt of benefits. <p>The resulting stream of adjusted costs, receipts and monetarised benefits should be discounted⁸ at the 3.5%. social time preference rate.</p> <p>Identify the following gearings and unit cost ratios and, where appropriate, compare these with established benchmarks.</p> <ul style="list-style-type: none"> • Gearing – ERDF: private sector funds, ERDF: other public sector funds, ERDF: all other funds • Unit costs of key outputs for ERDF/RDA funds and for all public sector funds
<p>8. Selection of the Preferred Option</p>	<p>Explain the reasons for selecting the preferred option. These should include</p> <ul style="list-style-type: none"> • practicality • the added value of the ERDF’s investment in the project • value for money⁹ taking account of the economic appraisal and allowing for other appropriate quantitative and qualitative dimensions. • Sustainability - the longer term social and environmental impacts <p>Confirm that the project could not go ahead on its proposed scale, quality and timing without the ERDF’s intervention.</p> <p>Consider the affordability of the preferred option. Assess the funding required over the project life. Explain how the funding is to be provided at each stage, identify separately all sources of funding (RDA, other public and private/voluntary sector). Where appropriate include the value of any in-kind contributions. Identify who is liable for any cost overruns or shortfalls in receipts.</p>
<p>9. Delivery</p>	<p>Procurement plan¹⁰ - outline the proposed contractual arrangements and the key success factors and deliverables. Give the approximate value of what you intend to procure. For capital projects explain how the ERDF investment in the asset is to be protected. Confirm that, where relevant, the EU Procurement Directive conditions¹¹ been met.</p> <p>Explain how you will manage delivery by any subcontractors, including how you will control and quality assure their performance. Outline track record in managing subcontractors delivering same or similar activities and same or similar or value of activity as is required in this project.</p> <p>Project plan – summarise the tasks to be carried out, the intended start and</p>

6. The best estimate of its costs and benefits

7. The tendency for appraisers to be overly optimistic and overstate the benefits and understate costs and timescales

8. Projects with very long-term impacts, over thirty years, a declining schedule of discount rates should be used rather than the standard discount rate. The schedule of long-term discount rates is in Annex 6 of the Green Book.

9. The Appraisal Practitioners Group will be providing best practice guidance on Value for Money for RDA projects and taking account of the RDAs’ strategic role.

10. Construction projects should draw on the Achieving Excellence briefings

11. RDA should ensure that where they subsidise directly by more than 50% a works or services contract awarded by an entity other than themselves, whether that entity is public or private that it complies with the EU Procurement rules.

	<p>end dates, intermediate milestones, dependencies and resources.</p> <p>Project management – assess the project management system¹² to be used and whether project roles and responsibilities have been assigned.</p> <p>Delivery organisation - confirm that it has the relevant experience, technical and financial capacity to deliver the project. Give details of track record in delivering ERDF projects of this type and size, or, if no experience in ERDF, other projects of similar type and size.</p> <p>Monitoring plan – outline the intended arrangements for monitoring and controlling the project during its implementation phase.</p> <p>Communications Plan - outline the methods for communicating with stakeholders/customers to inform them of project developments. The project will need to outline in detail how it intends to work with structures such as the Partnership Office for Convergence.</p>
10. Project Closure	<p>Summarise the proposed Exit Strategy which will ensure confirmation of:</p> <ul style="list-style-type: none"> • the satisfactory completion of the project; and • the subsequent closure of the contractual relationships – at the point where there are no outstanding financial claims in either direction. <p>Summarise the proposed Forward Strategy which will protect the ERDF/RDA's investment and maintain the project's impact after it is completed or post the ERDF/RDA's funding, where appropriate.</p>
11. Evaluation Plan	<p>Summarise the proposed arrangements for evaluating the results of the project during and after its delivery. Show that arrangements will be in place to ensure relevant data is made available. Explain how any lessons learnt will be disseminated and fed into future projects</p>

12. The Green Book recommends [PRINCE2](#)