

# Plymouth Urban Enterprise Small Scale Infrastructure and facilities

Les Roper

ERDF Programme Delivery Team

DCLG

South West  
England

**SOUTH WEST ERDF  
COMPETITIVENESS AND  
EMPLOYMENT PROGRAMME**



- Background to Competitiveness Priority Axis 3 Urban Enterprise
- Guidance - has to be general at this stage
  - State aid
  - Eligibility
  - Matched funding

# Managing the Programme

With effect from 01 July responsibility for the management and delivery of the Competitiveness Programme has been transferred to the Department of Communities and Local Government (CLG).

The ERDF team formerly based in the South West RDA have transferred to CLG and are now based at Mast House in Plymouth

# Urban Enterprise

- Bristol Plymouth and Torbay - 2007-2013
- Operational Programme written by regional partners
- Overseen by Plymouth European Competitiveness Funding Forum (PECFF) - Urban Enterprise Sub Group
- Range of activities
  - Neighbourhood Infrastructure
  - Enterprise Coaching
  - Intensive Start Up Support
  - Social Enterprise Support
  - Finance (Small Loans) / Understanding Finance for Business
  - Improving Resource Efficiency

# State aid

“....forms of assistance from a public body, or publicly-funded body, given to undertakings on a discretionary basis, with the potential to distort competition and affect trade between member states of the European Union”

- **State aid rules only apply to organisations involved in economic activity (undertakings)**

The organisation does not have to be profit-making if the activity carried out is one that has commercial competitors.

# Is it state aid.....

- **Is the measure granted by the state or through state resources?**
- **Does it confer an advantage to an undertaking?** A benefit to an undertaking, granted for free or on favourable (non-commercial) terms, could be state aid
- **Is it selective, favouring certain undertakings?** Aid that targets particular businesses, locations, types of firm e.g. SME's or sectors is considered selective
- **Does the measure distort or have the potential to distort competition?** If it strengthens the position of the beneficiary relative to other competitors then this criteria is likely to be met. The potential to distort competition does not have to be substantial or significant

# De Minimus

- De minimus - €200,000 over a 3 year period (currently higher temporarily)

# Eligibility - applicants

- Public sector
- Third sector
- Private sector (but to benefit wider businesses)
  
- Has to be a legally constituted body

# Eligible costs

- Site value (up to 10% of eligible costs)
- Site investigation
- Construction / refurbishment / conversion costs
- Professional fees (capped at 12.5% of eligible costs)
- Costs of achieving required environmental standards
  
- Note all costs incurred BEFORE approval are normally not eligible
- But potential for retrospectivity

# Eligible activity

- Workspace cannot be for the sole benefit of the applicant
- Workspace must benefit SME's

## What is an SME?

- Is the organisation an enterprise, i.e engaged in economic activity? Fewer than 250 employees?
- Annual turnover <50m euro OR balance sheet <43m euro
- Is its autonomous?

# Apportionment...

- ERDF is paying for per square foot of workspace
- In a mixed use development “common costs” can be apportioned in agreement with the DCLG

## ERDF Intervention Rates...

- 50% for the public sector
- 15% for the private sector
- other matched funding will need to be found

# Match funding

- Own funds
  - Bank lending
  - Other public / private sector funding
  - Value of land (up to 10% of project costs)
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- Much tighter restrictions than hitherto on 'in kind' contributions

# Pre-application costs

- At the point of application the project must be 'cost certain' – RIBA Stage E
- Planning consents must be in place before approval is given
- Pre application costs normally not eligible for ERDF
- Potential for retrospectivity

# Inception Meeting Process

- Invitation to inception meeting
- Appraisal against criteria
- Applicants will be invited to submit a business plan and full application
- The inception meeting is intended to reduce the amount of 'at risk' work undertaken by applicants
- It also seeks to establish the capability to deliver an EU funded project

# Likely appraisal criteria

- Basic eligibility
- Strategic fit – with Plymouth SIF, local economic strategy
- Feasibility work undertaken
- Costs/value for money
- Deliverability (will it be delivered on time / budget)

# Likely appraisal criteria

- Spatial distribution, connectivity with deprived communities
- Leverage
- Equality and diversity issues
- Sustainability

# Cross cutting themes

- Need to be considered at an early stage (inception meeting)
- BREEAM 'Excellent' is a programme requirement

# Timetable

- Inception meeting with Commissioning team
- Appraisal review of Expression of Interest / initial project proposal with invitation of business case / plan if appropriate
- PECFF (Commissioning team) to approve package of projects in December 2011 with the understanding that projects under consideration will be at varying stages of development

# Contact

## Les Roper

ERDF Programme Delivery Team, SW Competitiveness Programme

Department of Communities and Local Government

**0303 4446578**

**les.roper@communities.gsi.gov.uk**

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