



Ireland's EU Structural Funds
Programmes 2007 - 2013

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SOUTHERN & EASTERN
Regional Assembly
Promoting Our Region



EUROPEAN REGIONAL
DEVELOPMENT FUND

NSS Gateways and Hubs ERDF Grants Scheme Regional Operational Programmes 2007-13

1. Introduction

1.1 The critical role of cities and towns in driving economic and social development is well recognised, as is their role as drivers of national and regional competitiveness¹. The European Community Strategic Guidelines (CSG's) emphasise the contribution of urban centres to growth and jobs and notes that cities can attract investment by offering economic opportunities and a high quality of life. The CSG's also identify the need to consider actions which promote a more balanced, polycentric development between the economically strongest cities and the rest of the national urban network. These points are further developed in the National Spatial Strategy which explicitly recognises that cities and towns must be central elements of any strategy that aims to extend the number of areas successfully attracting investment and bring about more spatially balanced development.

1.2 The National Spatial Strategy 2002-2020 is a twenty year planning framework for Ireland designed to achieve a better balance of social, economic, physical development and population growth between regions. It has three key objectives; namely to sustain a better quality of life for people, a strong, competitive economic position and an environment of the highest quality. The Southern & Eastern Region is a predominantly urbanised region (approximately 70% of the population live in towns and cities). The Southern & Eastern Region contains four of the designated NSS Gateways² and five of the designated Hubs³.

1.3 Having regard to these various factors and consistent with a phased and prioritised approach to optimise added value for public investment in economic, social and environmental terms, it is considered appropriate therefore that the Regional Operational Programmes 2007-13 should specifically prioritise sustainable urban development first of all in the NSS Gateways and thereafter, where not all of the ERDF funds have been drawn down, broadening the eligibility criteria in the programme in any subsequent call for proposals to include the NSS Hub towns. The Irish National Strategic Reference Framework for EU Structural Funds 2007-13 notes that good alignment between the spatial frameworks presented in the NSS is essential to ensure that future growth is planned for in a way that supports sustainable growth.

¹ Forfás/National Competitiveness Council report 'Our Cities: Drivers of National Competitiveness' (April 2009)

² The designated Gateways in the region are Dublin, Cork, Limerick/Shannon and Waterford.

³ The designated Hub towns in the region are Ennis, Kilkenny, Mallow, Wexford and the linked Hub of Killarney/Tralee

2. Priority Objectives

2.1 The Sustainable Urban Priority of the Regional Operational Programmes 2007-13 seek to enhance the attractiveness of the designated Gateways and Hubs as places to live in, to work in and to invest in. It is intended to complement Priorities 1 & 2 as well as any other investment strategies which are supporting the implementation of the NSS. A central aim is to ensure that the relevant cities and towns can maximise their growth potential and they can fully benefit from any public and private investments during the Programme period and thereafter.

2.2 Building on the work of the NSS, and recognising that the Gateways are drivers of the regional economy, this Priority is targeted at the major urban centres in the region in support of both the Lisbon competitiveness objectives and the need to promote greater intra-regional balance in the interest of internal cohesion.

3. Description of Gateways ERDF Grants Scheme

3.1 It is intended that support will be available for actions which will contribute to enhancing the attractiveness of the Gateways and Hub towns as places to live, work and invest in and how they can contribute to improving its development potential through enhancement of the economic, social and environmental conditions of the city.

3.2 Under this theme, capital grant assistance will be available in the first instance for the 4 NSS Gateways in the Southern & Eastern Region (Dublin, Cork, Limerick/Shannon and Waterford) for projects which will improve the Gateways economically, environmentally, socially, and/or culturally, and which fall within the scope of Article 8 of the ERDF Regulation 1080/2006, and are consistent with the overall integrated development strategy for the Gateway. Potential types of projects include:

- Urban infrastructure
- Physical regeneration and renewal, including redevelopment of brown-field sites
- Sustainable transport
- Arts and Culture Facilities
- Development of cultural and built heritage
- Sustainable Energy Initiatives

3.3 Within the Southern & Eastern Region, a total of €11 million is available for allocation as grant assistance at a maximum grant rate of 50%. The matching 50% must come from the Local Authority's own resources, which may not entail borrowing. In this regard compliance with Department of Environment Circular Fin 03/2009 regarding the General Government Balance is a prerequisite. Projects to be identified for grant assistance should be those where the Local Authority is in a position to deliver quickly once approval of grant assistance is given and be capable of being completed by 31st December, 2010.

4. Project Selection

4.1 *Bids for Projects*

Gateway Lead Authorities⁴ within the four designated Gateways in the Region (Dublin, Cork, Limerick/Shannon & Waterford) are invited to apply for project funding for either one large-scale urban regeneration project, or a series of integrated projects, on the basis of these guidelines and assessment criteria.. The maximum grant assistance available for a Gateway is €3.5 million, with a maximum grant rate of 50%. This may be the first of a number of ‘Calls for Proposals’ under the Regional Operational Programme 2007-13.

4.2 *Appraisal Process and Assessment Criteria*

All projects will be subject to an appraisal process based on assessment criteria (*below*) which are designed to ensure that projects selected are those which best address the objectives of the Theme. While it is intended that, subject to projects meeting minimum standards under the assessment criteria, all Gateways who bid for projects will receive grant assistance, priority will be given towards projects which have a strong economic development rationale with good job creation prospects, and which best encompass and demonstrate good urban design, innovation, appropriate scale and cost effectiveness. Bid proposals will be required to demonstrate that they fit within the integrated development strategy for the Gateway, have had public consultations and have the support of relevant elected councils, and that they contribute towards the promotion of environmental sustainability and social inclusion.

Projects must be appraised in accordance with the Department of Finance’s Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector⁵. This means that for projects costing more than € million, it will be necessary to complete both a Preliminary and a Detailed Appraisal, by way of Multi Criteria Analysis (MCA). However this €m threshold applies to the cost of individual projects, and not to the aggregate cost of a group of projects making up an application.

Further details on the assessment criteria and their respective weightings are provided in Appendix 1.

- ❖ **STRATEGIC FIT:** Demonstrates the level of need involved and the degree of fit with national, regional and local plans, strategies and other guidance documents including the NSRF⁶, NSS, Regional Planning Guidelines, and individual Gateway Visions / Strategies.
- ❖ **ECONOMIC RATIONALE:** This details the benefits the proposal will bring to the urban area concerned, particularly in terms of its economic development rationale and its employment intensity prospects.
- ❖ **FUNDING PROPOSAL AND VALUE FOR MONEY:** All proposals must demonstrate compliance with Department of Finance Capital Appraisal Guidelines and VFM requirements, , procurement guidelines (EU and National), and National Eligibility Rules.

⁴ As defined by the DoEHLG for the Gateway Innovation Fund

⁵ Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector, Department of Finance, February, 2005. (copy of guidelines available on DoF website www.finance.gov.ie)

⁶ National Strategic Reference Document, Department of Finance, 2007.

It should be noted that match funding of 50% is a pre-requisite, and availability of same needs to be demonstrated.

- ❖ **INNOVATION:** Demonstrates the quality of the proposal in terms of urban design, environmental sustainability, and contribution to the Green & Smart Economy agendas.
- ❖ **COMMUNITY / COUNCIL INVOLVEMENT:** Demonstrates the consultative process undertaken in project preparation and details the level of support attained, in terms of council and community buy-in.
- ❖ **DELIVERY:** This outlines the project management arrangements including milestones, targets, deadlines and outcomes.
- ❖ **STRENGTH OF PROPOSAL:** This is the assessors overall appraisal of the proposal.

4.3 EU Compliance Requirements

As this Grants Scheme is co-financed by the European Regional Development Fund, it will be a condition of grant approval that all project expenditure must be eligible under both EU and National Eligibility Rules (see Department of Finance Circular 16/2008 attached). Appendix 2 provides a guidance document on how these rules will apply to this Grants Scheme. Compliance with the wider financial management and reporting requirements as set out in the Department of Finance Circular 12/2008 (copy attached) is also mandatory, as is compliance with EU and national Information & Publicity requirements.

4.4 Steering Committee / Assessment Panel

An assessment panel will be formed to adjudicate on the merits of applications and to select projects for funding. This panel will be chaired by the Managing Authority and will also contain representatives from the Planning & Urban Policy and Spatial Policy Sections of the DoEHLG as well as representatives from the Structural Funds Policy Unit of the Department of Finance. This panel will examine applications before making allocations, taking account of the overall objectives of the Priority and the specified assessment criteria.

5. Application Process

The lead Local Authority in each Gateway shall submit an application for funding under this Gateway ERDF Grants Scheme to the Managing Authority so as to arrive at their offices **not later than 4.00pm on 20th August, 2009**. The application should not exceed 20 no. A4 Pages (excluding Annexes) and shall contain the following essential information, which clearly sets out how the bid proposal addresses the selection criteria:

- Name of Lead Authority.
- Name of official to be designated Project Manager.
- Description of proposed project(s), including where appropriate, contribution to green and smart economy
- Demonstration of how project(s) fits within overall development strategy for Gateway, and is consistent with objectives of Urban Priority in Regional Operational Programme 2007-13.
- Breakdown of estimated costs and evidence of value for money

- Confirmation of 50% match funding by Local Authority, excluding any borrowing requirements, and compliance with Circular Fin 03/2009 issued by the DoEHLG concerning the General Government Balance
- Detail the anticipated economic and employment benefits
- Project management arrangements
- Timetable for project(s) setting out proposed commencement and completion dates
- Project milestones and targets
- Confirmation of approval by relevant City/County council, or date when such approval will be completed.
- Details of consultations and community involvement
- Drawings/Photos/Graphics/Maps to illustrate project(s) proposals
- Details of any revenue that the project may generate for the Local Authority⁷

Following the closing date all received project applications will be assessed and considered by the Assessment Panel and decisions on grants will be awarded to Gateways Authorities will be notified to the relevant authorities before the end of September, 2009.

After the closing date the Steering Committee may request additional information or clarifications from applicant arising from the assessment process.

⁷ EU Regulations require that net revenue generated during the economic life of a project be deducted from eligible expenditure declared to the EU

Appendix 1: Gateways ERDF Grants Scheme Assessment Framework

Marking Criteria	Marks (Out of 350)
<p>1. Strategic Fit</p> <ul style="list-style-type: none"> The vision for the Gateway to 2020 Assessment of the key strengths and weaknesses of the Gateway, and how grants proposal addresses these Summary of the proposal including project description, cost and location How the proposal will support delivery of the Gateway vision and demonstrate its degree of fit with national regional and local plans, including the NSRF, NSS, RPG's, and integrated plans for Gateway. 	50
<p>2. Economic Rationale</p> <ul style="list-style-type: none"> Details the benefits the proposal will bring to the Gateway, particularly in terms of its underpinning economic development rationale and its employment intensity prospects (both during construction and subsequently following completion of projects. Clear project targets and outcomes 	60
<p>3. Funding Proposal and Value for Money</p> <ul style="list-style-type: none"> Detailed description of the proposal including detailed costings and the appraisal required under Department of Finance Capital Appraisal Guidelines Extent and source of matching funds (Note: 50% minimum is an absolute requirement). Compliance with public procurement requirements, where appropriate Proposed annual expenditure amounts over the life of the proposal 	50
<p>4. Innovation</p> <ul style="list-style-type: none"> The degree to which the proposal demonstrates its quality in terms of urban design and environmental sustainability Contribution of the proposal to the Green and Smart Economy agendas 	55
<p>5. Community / Council Involvement</p> <ul style="list-style-type: none"> Demonstrate the consultative process undertaken in project preparation and detail the level of support attained in terms of council and community buy-in. 	40
<p>6. Delivery</p> <ul style="list-style-type: none"> Timeframe for delivery including project management arrangements including proposed project milestones, targets and outcomes Details of overall project management arrangements and nominated project manager 	45
<p>7. Strength of Proposal</p> <ul style="list-style-type: none"> This is the assessors overall appraisal of the proposal 	50

Appendix 2

Eligible Costs

The eligibility of costs under this EU co-financed grants scheme shall be determined strictly in accordance with the national eligibility rules for EU Structural Funds Programmes 2007-13 as set out in Department of Finance Circular 16/2008. The following summarises the key eligibility requirements for this scheme. Please refer to the full text of the national eligibility rules⁸ for more complete guidance:

Direct costs incurred and paid must be evidenced by proof of delivery and receipted invoices and/or contract instalment requests duly certified and proof of payment must be provided (Rule 1)

Pay-roll costs must be based on actual time and costs incurred on the approved project and supported by logs/timesheets. If an individual is allocated exclusively to the project for a period of time, this must be duly justified and evidenced by a documented secondment agreement. Associated **travel and subsistence costs** must relate exclusively to the co-funded project and be fully documented (Rule 2)

Overhead charges must be based on actual costs incurred and paid, calculated on the basis of a duly justified method (Rule 3)

The value of **in-kind services** or contributions must be independently verified. The ERDF contribution to a project cannot exceed the total cost of direct costs incurred. (Rule 4)

The **purchase of assets and equipment** that is permanently installed in the project and that has a useful economic life less than or equal to the remaining life of the project is eligible. For assets and equipment purchased that do not meet this above criterion a depreciation charge may be applied as set out in Rule 5. The conditions pertaining to the **purchase of second hand equipment** are set out in Rule 6.

The **purchase of land** is only eligible with the prior agreement of the Regional assembly and Department of Finance, as per Rule 7. The **purchase of buildings** is only eligible subject to the conditions set out in Rule 8.

The **cost of VAT** is eligible only in circumstances where such VAT is not recoverable by any means (Rule 15)

Sub-contracting costs must be justified by the value of the services provided, they must not add to the cost of the project without adding proportionate value to it e.g., where sub-contracting costs are expressed as a percentage of the total cost.

⁸ Available at <http://www.seregassembly.ie>

Finally, in order to be deemed eligible, all declared expenditure must be supported by appropriate documentation to ensure a complete audit trail. All EU **information and publicity** requirements⁹ must be adhered to and **EU and national procurement rules** fully complied with. Expenditure deemed ineligible under any of the eligibility rules will not be reimbursed under this ERDF co-financed scheme.

⁹ Available at: <http://www.seregassembly.ie>