

Public Document Pack

SCR - Business Growth Board

17 July 2019 at 10.00 am

Venue: 11 Broad Street West, Sheffield S1 2BQ



Agenda

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9	Business Investment Fund (Project Approvals - Productivity Challenge and Made Smarter)	J Holmes	5 - 68
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BUSINESS GROWTH BOARD

17th July 2019

Business Investment Fund Approvals

Purpose of Report

This paper requests approval for 13 schemes with a total value over all years of £900,915 and seeks delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

Thematic Priority

Ensure new businesses receive the support they need to flourish.
 Facilitate and proactively support growth amongst existing firms.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the Combined Authority Publication Scheme however, appendix O is exempt from publication under paragraph 3, part 1, section 12A of the Local Government Act 1972.

Recommendations

Business Growth Board members are asked to consider and approve:

1. Award of £40,000 to company 47 as set out in appendix A.
2. Award of £42,555 to company 46 as set out in appendix B.
3. Award of £35,000 to company 30a as set out in appendix C.
4. Award of £36,584 to company 19 as set out in appendix D.
5. Award of £50,000 to company 40a as set out in appendix E.
6. Award of £89,000 to company 6 as set out in appendix F.
7. Award of £75,000 to company 7 as set out in appendix G.
8. Award of £100,000 to company 4 as set out in appendix H.
9. Award of £32,788 to company 3 as set out in appendix I.
10. Award of £100,000 to company 49 as set out in appendix J.
11. Award of £99 988 to company 2 as set out in appendix K.
12. Award of £100,000 to company 30b as set out in appendix L.
13. Award of £100,000 to company 47 as set out in appendix M.
14. Delegated authority be given to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-13. above

1. Introduction

- 1.1** The LEP Board and MCA have approved revised governance arrangements and associated constitution with delegated approval authority for projects below £2m which came into effect on 1st April 2019. The Business Growth Board will consider projects below the £2m LGF threshold including the Business Investment Fund (BIF).

- 1.2 Made Smarter in SCR and the Productivity Challenge are two new categories within the SCR Business Investment Fund (approved by the LEP Board 4.3.19). Thirteen projects securing improvements in SCR business performance are recommended for approval at this stage totalling a value of £900,915, with appraisal summaries provided in Appendix A-M.

2. Proposal and justification

2.1 Productivity Challenge and Made Smarter

The demand for BIF investment has slowed in recent months resulting from hesitancy in the UK economy. Well-documented caution in business investment largely related to indecision around Brexit has resulted in the pipeline of potential inward investors slowing and indigenous business appetite for investment slowing.

- 2.2 In response to the changing external environment in March the LEP Board approved two investment categories within the existing approved BIF designed to target segments of the market and stimulate investment amongst the region's indigenous businesses.

- 2.3 The SCR Strategic Economic Plan sets out the productivity challenge faced by the Sheffield City Region. Gross Value Added is one of the lowest in the country. GVA per head in the SCR CA in 2017 was £18,652 compared to the UK average of £27,555. The types of businesses being created in the SCR are generally not strongly innovative or knowledge based. Looking to future capabilities, there is a low level of adoption of Industrial Digital Technologies; the technologies and capabilities that will deliver future economic growth. The two categories – Productivity Challenge and Made Smarter are designed to focus on these challenges.

- 2.4 In May SCR launched a 6 week call for projects under the two new categories and received Expressions of Interest from 58 companies. After providing an initial check on eligibility SCR then received 27 full applications for investment under the Productivity Challenge theme and 11 under the Made Smarter theme. Total applications amounted to over £2.37m, of which around £1.93m is for Productivity Challenge, the remainder for Made Smarter.

- 2.5 The projects have been appraised by an external expert organisation procured using the SCR CIAT Framework. The appraisal has covered all aspects of the business case – Strategic, Commercial, Economic, Financial and Management. Each part of the case has been awarded a score out of 5. The scoring has been weighted towards the Strategic and Economic cases. The projects have been ranked and the highest scoring projects recommended for approval. We are recommending a minimum threshold of 50% to reflect the competitive nature of the call. Where job numbers are lower in the SCR Appraisal Summaries these have been adjusted to test value for money during the appraisal process. Appendix A-M contains the appraisal summaries for the projects recommended for approval.

- 2.6 Some applicants have not provided enough detail particularly on the outcomes of their project and it is not possible therefore to conclude the value for money assessment. We are confident that it will be possible to obtain additional information within a short time frame. There are a number of projects where we intend to undertake additional financial review which are currently also not recommended at this stage.

Company 46, 30a, 19 and 40a are recommended to proceed for a decision but we shall seek final clarifications on minor aspects of project benefits prior to entering into contract.

- 2.7 Under item 7 Board members have been asked to consider meeting outside of the 8-week cycle in order to take a decision on the projects deferred from the Made Smarter and Productivity Challenge and any other schemes that may arise in the intervening period.

- 2.8 Projects recommended for approval are as follows with summary appraisal information appended for each scheme. These projects are deemed to offer acceptable value for money for LGF and will deliver against the objectives set for the BIF Productivity Challenge and Made Smarter.

Made Smarter

Company 47 – As set out in Appendix A is a Sheffield company that designs and develops industrial equipment using the latest data driven technologies. The company is seeking a

grant of £40,000 to create a new data platform prototype to drive new business. 3 new jobs will be created as a result of the project.

Company 46 – As set out in Appendix B is a specialist engineering company in Chesterfield. The company is seeking a grant of £42,555 to improve process control utilising electronic sensors and a bespoke software control system. The company is forecasting cost savings and 4 new jobs.

Company 30a – As set out in Appendix C operates in the advanced manufacturing and materials sector specialising in complex parts, precision engineering and bespoke engineering projects. The company, based in Rotherham, is seeking a grant of £35,000 to install a data integration system to support operational improvements. The project will support winning additional orders and safeguarding 5 jobs.

Company 19 – As set out in Appendix D is a Sheffield company operating in the online retail sector. The company is seeking a grant of £36,584 towards a paperless warehouse management system enabled with WiFi technology to improve efficient stock management. The project is forecast to result in 6 new jobs in 2020.

Company 40a – As set out in Appendix E designs and manufactures products for the commercial vehicle market and delivers a diverse range of sub contract engineering. The company, which is based in Sheffield, is seeking a grant of £50,000 to invest in specialist robotic equipment to improve the quality of the product, improve consistency and reduce waste. The project will create 2 jobs within 24 months.

Productivity Challenge

Company 6 – As set out in Appendix F is a Chesterfield based company operating in electronics manufacturing and is seeking £89,000 towards purchasing machinery that will reduce set up time and increase production capacity. The project is estimated to result in an increase in productivity of 199% and create 2 new jobs.

Company 7 – As set out in Appendix G is a Sheffield company operating in the plastics sector innovating using digital technology and is seeking £75,000 funding to invest in a digital printing machine to double printing speeds and eliminate material costs. The project will result in a 31% increase in productivity and 4 new jobs.

Company 4 – As set out in Appendix H is a Barnsley based company operating in the advanced manufacturing and materials sector, is seeking a grant of £100,000 to support automation and reduce lead times. The project will result in an increase in productivity of 25% and has indicated it will support safeguarding existing jobs.

Company 3 – As set out in Appendix I is a Rotherham based company operating in the healthcare technologies sector creating innovative products for national and international customers and is seeking a grant of £32,788. The project is forecast to result in a 32% increase in productivity and result in 10 new jobs.

Company 49 – As set out in Appendix J is a Sheffield based company operating in the transport equipment manufacturing sector and has identified the need to improve efficiency in machining operation processes. The company is seeking a grant of £100,000 towards investment in a semi-automated machining cell. The project will result in an estimated 25% increase in productivity.

Company 2 – As set out in Appendix K is a Sheffield based company operating in the environmental services sector and is seeking a grant of £99,988 to purchase additional equipment to respond efficiently to increased demand. The project is forecast to result in a 15% increase in the company's productivity and result in 4 jobs.

Company 30b – As set out in Appendix L is a Sheffield based company operating in the advanced manufacturing and materials sector specialising in complex parts, precision engineering and bespoke engineering projects. The company is seeking £100k grant to invest in equipment to incubate technology related to the aerospace sector. The project is forecast to result in a 9% increase in productivity and 2 new jobs.

Company 40b – As set out in Appendix M is a Sheffield based company that designs and manufactures for the commercial vehicle market and delivers sub contract engineering. The

company is seeking £100k grant to invest in specialist equipment. The project is forecast to result in a 31% increase in productivity and create 6 new jobs.

3. Consideration of alternative approaches

- 3.1 The Programme Assurance team considered different approaches to scoring and appraising the applications. This included weighting each part of the Business Case equally and weighting all projects according to their costs. The preferred option places the most value on the contribution towards the strategic objective of improving business performance.
- 3.2 The Business Growth Board will want to evaluate the impact of this scheme and consider which, if any, elements should be replicated through future calls for projects or in the design of future business finance programmes.

4. Implications

4.1 Financial

The Made Smart and Productivity Challenge projects recommended for approval at this meeting are seeking a total of £900,915 from BIF invested in 2019/2020.

4.2 Legal

All approvals will be subject to a standard funding agreement, to include any scheme specific conditions as appropriate. These will be issued and managed by the SCR MCA in accordance with the approved terms and conditions.

4.3 Risk Management

All grant recipients' agreements have contractual milestones and performance reviews as standard clauses. These form the basis of robust project management and are reviewed on a monthly basis. Underperforming projects will be subject to clawback.

4.4 Equality, Diversity and Social Inclusion

By increasing profitability the applicant organisations may safeguard current roles and are creating new jobs which supports more opportunities for residents within the SCR area. Conditions of grant can include working with local suppliers and delivering apprenticeships.

5. Communications

- 5.1 Proactive communications materials will be released, including an online news story, social media and a press release, following the Business Growth Board meeting. There may also be opportunities to use businesses who have received these grants as case studies for future communications work.

6. Appendices/Annexes

Appendices A-M Made Smarter/Productivity Challenge Appraisal Summaries for recommended projects and the CIAT project review summaries

Appendix N Table of scores

Appendix O Index of companies(Exempt)

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Appraisal Panel Summary

Scheme Details

Project Name	Company 47 (MS)		
Grant Recipient	Company 47 (MS)		
SCR Executive Board	Business Growth	SCR Funding	£40,000
% SCR Allocation	50%	Total Scheme Cost	£80,000

Appraisal Summary

Project Description
This Company designs, develops, and deploys sensing technologies to provide data to improve industrial performance. The Company is seeking investment in a first of class cloud-based data platform prototype to retain and grow market share.
Value for Money
<p>The applicant has completed the “Bain Digital” Digital Readiness tool, which demonstrated they had completed 77% of their “digital journey”, with an increase to 93% following implementation of the project.</p> <p>As a result of the project, the applicant would recruit a minimum of 3 FTEs by March 2021. This would represent a gross cost per job to SCR of £13,333. Therefore, this project provides good value for money,</p>
Legal
<p>De Minimis:</p> <p>The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 47

Project Description

This Company designs, develops, and deploys sensing technologies to provide data to improve industrial performance. The Company is seeking investment in a first of class cloud-based data platform prototype to retain and grow market share.

Table 1 47 - Summary

Project Cost	£80,000	
Grant Funding Request	£40,000	
	50%	
Score	19.43	
	78%	
Rank within Funding Stream	1	
Financial Risk	Green: Acceptable	

Table 2 47 Tribosonics - Appraisal Summary

Case	Comments
Strategic	Clear market for growth identified, outside of local trading. Alignment to SCR ambitions regarding innovation and business growth detailed. Robust alignment to Made Smarter programme aims, with digital solution to identified problem developed over the past year.
Commercial	Some evidence provided regarding demand from customers looking for digital support, with some discussions already taken place. Current exporters, and growth forecast in this area. Solution identified, with match funding confirmed.
Economic	Used the digital readiness tool to establish current position and forecast increase as a result of the project. 3 new jobs to be created within a year.
Financial	Overall risk rating considered to be 'low moderate'. Overall rating: Green - no financial indicators that present a concern.
Management	Third party identified to manage and implement project, with approval from business directors to proceed. Processes clearly identified, with milestones, timescales and key gates outlined. No risks of the project have been included. Project to be completed within 6 months.

Table 3 47 – Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Match funding is from capital. Funding request is for capital funds only.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	Positive answer for Q9, in relation to public funding previously received for the company. The Directors have not been involved in another business which has previously received funding

Element	Comment
	<p>of the manner described within the response. Response may need further review and clarification as part of bid verification and approval.</p> <p><i>Has the company (or any of the directors been involved in a business which has) previously received funding from a lender under the terms of Enterprise Finance Guarantee Scheme or received financial assistance from any UK Government or European source?</i></p>
Submission signed	Yes
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 46 (MS)		
Grant Recipient	Company 46 (MS)		
SCR Executive Board	Business Growth	SCR Funding	£42,555
% SCR Allocation	50%	Total Scheme Cost	£85,110

Appraisal Summary

Project Description
The project is seeking to improve process control in an engineering company, utilising electronic sensors and bespoke software control system. Currently the processes are undertaken manually so this project will save time and reduce error rates.
Value for Money
The cost savings from reduced errors is estimated to be c£50k per year. The new equipment will facilitate accreditation that opens up new market opportunities. Growth in new markets is forecast to take place in 2020/21 resulting in 4 new jobs. This would represent a gross cost per job to SCR of £10,639. Therefore, this project will provide good value for money.
Legal
<p>De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<i>The following conditions must be satisfied before contract execution.</i>	
<ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	
<i>The following conditions must be satisfied before drawdown of funding.</i>	
<ol style="list-style-type: none"> 3. Submission of evidence of Board approval for the scheme 4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes. 	
The following conditions must be included in the contract	
<ol style="list-style-type: none"> 5. Clawback on outputs only 	

CIAT External Consultant Opinion – Company 46

Project Description

The project is seeking to improve process control in an engineering company, utilising electronic sensors and bespoke software control system. Currently the processes are undertaken manually so this project will save time and reduce error rates.

Table 1 46 - Summary

Project Cost	£85,110	
Grant Funding Request	£42,555	
	50%	
Score	18.07	
	72%	
Rank within Funding Stream	2	
Financial Risk	Green: Acceptable	

Table 2 46 - Appraisal Summary

Case	Comments
Strategic	Strong strategic case with clear market for growth, including outside local trading identified. Alignment with SCR priorities on innovation and business growth. Potential to expand (with accreditation) into the aerospace sector, a key market for SCR. Concept fully aligns with the Made Smarter programme, introducing new technology.
Commercial	Some evidence of customer demand provided, with market need for enhanced technological solution provided. Currently exporting products, although no forecast or ambitions to grow export markets included within submission. Solution has been identified, with no delays to starting project.
Economic	Used the digital readiness tool to establish current position. 4 new jobs to be created within a year, and 2 jobs safeguarded. Procurement routes identified.
Financial	Overall risk rating considered to be 'low moderate'. Overall rating: Green - no financial indicators that present a concern.
Management	Limited details of management of project included, appears full delivery will be overseen by external (Sheffield based) company. Benefits of project to be realised within 12 weeks. High level milestones included. No detail on project risks.

Table 3 46 – Common Issues Checklist

Element	Comment
Financial history	Provided.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Match funding through lease finance. Funding request is for capital funds only.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	No; bid document will need to be signed to be valid.
Other	-

Appraisal Panel Summary

Scheme Details

Project Name	Company 30a (MS)		
Grant Recipient	Company 30a (MS)		
SCR Executive Board	Business Growth	SCR Funding	£35,000
% SCR Allocation	49.9%	Total Scheme Cost	£70,100

Appraisal Summary

Project Description
<p>The company is looking to install a data integration system that would link all its existing data sources into a decision tool, which will enable data driven operational improvements. This opens up the opportunity to explore AI on this data and connectivity between supply chain partners.</p>
Value for Money
<p>The applicant has completed the “Bain Digital” Digital Readiness tool for their current position, which demonstrated that they had completed 47% of their “digital journey”.</p> <p>The project is a pre-requisite to winning additional orders in the next 12 months. If the two contracts were secured then five jobs would be safeguarded, which would represent a gross cost per job to SCR of £7,000. Therefore, this project provides acceptable value for money.</p>
Legal
<p><u>De Minimis:</u> The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 30a

Project Description

The company is looking to install a data integration system that would link all its existing data sources into a decision tool, which will enable data driven operational improvements. This opens up the opportunity to explore AI on this data and connectivity between supply chain partners.

Table 1: 30a - Summary

Project Cost	£70,100	
Grant Funding Request	£35,000	
	50%	
Score	16.99	
	68%	
Rank within Funding Stream	3	
Financial Risk	Amber: Some further financial checks may be required	

Table 2: 30a - Appraisal Summary

Case	Comments
Strategic	Strong strategic justification, with relevance to key SCR sectors, clear market for growth, with growth potential outside local trading. Alignment to SCR ambitions on new jobs, efficiency, new technological solutions and innovation. Relatively good fit to BIF and Made Smarter aims and objectives.
Commercial	Some evidence of demand from customers, with requests from clients for enhanced digital visibility highlighted. Current exporter, although no growth forecast in exports provided. Solution identified, and no approvals required for project commencement. Procurement routes clear with three partners identified.
Economic	Used the digital readiness tool to establish current position. 3 new jobs to be created by 2020, and 5 jobs safeguarded as project is seen to be required to win major contract in the next 12 months.
Financial	Overall risk rating considered to be 'low moderate'. D&B risk indicator, current ratio, acid test and CL/NW as 'Amber'. Overall rating: Amber – some further financial checks may be required. Proceed with the evaluation of the submission cognisant of the raised areas of financial concern and consider against other aspects of the submission.
Management	Strong management team with experience identified. Limited detail on processes of the project; risk management strategy outlined. Milestones identified with benefits over the course of a year.

Table 3: 30a – Common Issues Checklist

Element	Comment
Financial history	Provided for 2018 only. 2 years of financial history are required for bid to be accepted for consideration.
Quotes for services	Quote for services appended. Final project costs (including quote for services) will need to be verified for grant funding to be approved.
Match funding	50% match funding requested. Match funding is from capital. Funding request is for capital funds only.

Element	Comment
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	Yes.
Other	This company has also submitted a BIF business case under the Productivity Challenge funding stream. Clarifications should be sought, in the event of both applications being approved, that productivity or job benefits are not double counted, the company is capable of delivering both projects (including match funding and project management), and the projects do not conflict with each other.

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Appraisal Panel Summary

Scheme Details

Project Name	Company 19 (MS)		
Grant Recipient	Company 19 (MS)		
SCR Executive Board	Business Growth	SCR Funding	£36,584
% SCR Allocation	50%	Total Scheme Cost	£73,168

Appraisal Summary

Project Description
The project is to invest in a paperless warehouse management system enabled with WiFi technology and integrated with the logistics system to support efficient stock management and distribution.
Value for Money
The applicant has completed the “Bain Digital” Digital Readiness tool for their current position, which demonstrated that they had completed 82% of their “digital journey”.
The project is estimated to create 6 FTE’s by 2020. This would represent a gross cost per job to SCR of £6,097. Therefore, this project will provide good value for money.
Legal
De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme. <i>(€100,000 threshold for companies operating in transport sector).</i>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<i>The following conditions must be satisfied before contract execution.</i>	
<ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	
<i>The following conditions must be satisfied before drawdown of funding.</i>	
<ol style="list-style-type: none"> 3. Submission of evidence of Board approval for the scheme 4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes. 	

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 19

Project Description

The project is to invest in a paperless warehouse management system enabled with WiFi technology and integrated with the logistics system to support efficient stock management and distribution.

Table 1: 19 - Summary

Project Cost	£73,168	
Grant Funding Request	£36,584	
	50%	
Score	16.36	
	65%	
Rank within Funding Stream	4	
Financial Risk	Acceptable	

Table 2: 19 - Appraisal Summary

Case	Comments
Strategic	Use of new bespoke technologies to improve efficiency of warehouse operation. Fit with Made Smarter principles around a significant change from 'business as usual'. Growth plans linked to SCR priorities on job creation and innovation.
Commercial	Strong evidence of business demand provided, and new technologies linked with move to new, larger Chesterfield warehouse demonstrates growth ambition. No current or planned export activity.
Economic	Used the digital readiness tool to establish current position. 11 new jobs to be created by 2020, although job creation may still take place in the event project does not go ahead (but delayed 18-24 months).
Financial	Overall business risk rating considered to be 'Low / Moderate'. Overall rating: Green - no financial indicators that present a concern.
Management	Management team identified, and processes detailed. Project is ready to start as quotes have been obtained. Milestones have been identified and seem appropriate; project and program risks have been considered in part (3 week contingency and fixed price quote to avoid budget increases). Benefits are expected to be realised within 6 months.

Table 3: 19 – Common Issues Checklist

Element	Comment
Financial history	Provided.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Funding request is for capital funds only.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	Yes, but only provided scanned last page. Complete document required should the application be successful.
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 40a (MS)		
Grant Recipient	Company 40a (MS)		
SCR Executive Board	Business Growth	SCR Funding	£50,000
% SCR Allocation	36%	Total Scheme Cost	£138,830

Appraisal Summary

Project Description
<p>The applicant is seeking support for specialist robotic equipment to improve the quality of their product, improve consistency and reduce waste. The project opens up new opportunities to explore overseas markets and reduces pressure on space as they could produce a substantially higher volume of products in less space than if manually produced.</p>
Value for Money
<p>The applicant has completed the “Bain Digital” Digital Readiness tool for their current position, which demonstrated that they had completed 78% of their “digital journey”.</p> <p>The project is estimated to create an additional 1 FTE within 12 months and a further 1 FTE within 24 months of completion. This would represent a gross cost per job to SCR of £25,000. Therefore, this project provides acceptable value for money.</p>
Legal
<p><u>De Minimis:</u> The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 40a

Project Description

The applicant is seeking support for specialist robotic equipment to improve the quality of their product, improve consistency and reduce waste. The project opens up new opportunities to explore overseas markets and reduces pressure on space as they could produce a substantially higher volume of products in less space than if manually produced.

Table 1 40a - Summary

Project Cost	£138,830	
Grant Funding Request	£50,000	
	36%	
Score	15.90	
	64%	
Rank within Funding Stream	5	
Financial Risk	Amber: Some further financial checks may be required	

Table 2 40a - Summary

Case	Comments
Strategic	Strong strategic case with clear market for growth, and growth outside local trading. Use of automation to improve productivity and retraining of employees. Focused within automotive sector, a key market for SCR. Project strongly aligns with Made Smarter principals.
Commercial	Some details of current demand for services demonstrated. No current export activity, although potential to explore opportunity. Solution and benefits clearly identified, with no need for further approvals or milestones before project can commence. Match funding identified, and quotes appended for project.
Economic	Used the digital readiness tool to establish current position. 1 new job to be created within a year (direct), with 3 further jobs to be created indirectly as a result of business growth.
Financial	Overall risk rating considered to be 'low moderate'. D&B comments on stability concerns and increased risk of failure. Overall rating: Amber – some further financial checks may be required. Proceed with the evaluation of the submission cognisant of the raised areas of financial concern and consider against other aspects of the submission.
Management	High level team identified to lead project. Some key milestones identified, with project completed with 6 months. No risks to project identified.

Table 3 40a – Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Quote for services appended. Final project costs (including quote for services) will need to be verified for grant funding to be approved.

Element	Comment
Match funding	36% match funding requested. Match funding is from bank loan. Funding request is for capital funds only.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	No; bid document will need to be signed to be valid.
Other	<p>This company has also submitted a BIF business case under the Productivity Challenge funding stream. Clarifications should be sought, in the event of both applications being approved, that productivity or job benefits are not double counted, the company is capable of delivering both projects (including match funding and project management), and the projects do not conflict with each other.</p> <p>The applicant would exceed 'De Minimis' funding regulations (having received £50,000 previously and requesting a total of £150,000 through these funding streams) if both funding applications were approved. It is recommended that SCR seek guidance on these funding limits and discuss with applicants the potential for reducing the funding ask.</p>

Appraisal Panel Summary

Scheme Details

Project Name	Company 06 (PC)		
Grant Recipient	Company 06 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£89,000
% SCR Allocation	50%	Total Scheme Cost	£178,000

Appraisal Summary

Project Description
The applicant is an electronics manufacturer operating in the Advanced Manufacturing and Materials sector. The Company wishes to purchase specialist equipment to improve productivity by reducing set up time and increasing production capacity.
Value for Money
Using the ONS Productivity calculator, the project has been estimated to potentially result in a substantial increase in productivity and the ambition is to increase GVA per worker from £22,904 to £68,500 over the next 3 years. As a result of the project, it is estimated that a minimum 2 additional FTE's would be created by 2020. This would represent a gross cost per job to SCR of £44,500, which is in the medium category. Value for money is acceptable considering the increase in productivity expected.
Legal
De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme. <i>(€100,000 threshold for companies operating in transport sector).</i>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 06

Project Description

The applicant is an electronics manufacturer operating in the Advanced Manufacturing and Materials sector. The Company wishes to purchase specialist equipment to improve productivity by reducing set up time and increasing production capacity.

Table 1: 06 – Summary

Project Cost	£178,000	
Grant Funding Request	£89,000	
	50%	
Score	18.07	
	72%	
Rank within Funding Stream	1	
Financial Risk	Amber: Some further financial checks may be required	

Table 2: 06 - Appraisal Summary

Case	Comments
Strategic	In SCR key business sectors. Investment in more current and technologically advanced equipment to enable the applicant to maximise benefits from a machine it invested in last year and secure business accreditation. Fits with Productivity Challenge principles around improve effectiveness, efficiency and quality. Growth plans linked to SCR priorities on job creation and innovation.
Commercial	Potential demand from existing customers but currently unable to accommodate due to production capacity. Expecting increase in order volume from existing customers when the project is delivered. Good reputation with customers.
Economic	Used ONS Productivity calculator to estimate 199% increase in productivity. With the investment, permeant position could be offered to the 3 people who currently employed on a temporary basis. Forecasted further recruitment of 2-3 employees and 1-2 supporting staff.
Financial	Overall business risk rating considered to be 'Moderate'. D&B comments on stability concerns and increased risk of failure. Overall rating: Amber – some further financial checks may be required. Proceed with the evaluation of the submission cognisant of the raised areas of financial concern and consider against other aspects of the submission.
Management	Management team identified, and processes detailed. Project is ready to start as quotes have been obtained. High level timescale provided. No consideration of risks to the project. Benefits are expected to be realised within 6 months.

Table 3: 06 - Common Issues Checklist

Element	Comment
Financial history	Provided.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Funding request is for capital funds only. Match funding is partially borrowed from finance company.

Element	Comment
Financial declarations	Responded 'No' to question – this may be a misunderstanding as have not identified any funding received. Clarification required. <i>Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.</i>
Directors Declarations	No positive responses.
Submission signed	Yes
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 07 (PC)		
Grant Recipient	Company 07 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£75,000
% SCR Allocation	28%	Total Scheme Cost	£271,574

Appraisal Summary

Project Description
The applicant is a manufacturer operating in the plastics sector. It is looking to invest in digital printing machine to double printing speeds, eliminate material costs and remove one process from the manufacturing procedure.
Value for Money
Using the ONS Productivity calculator, the project has been estimated to result in a 31% increase in productivity, with GVA per worker forecast to increase from £31,818 to £38,608 in 2019 and £44,444 in 2021. As a result of the project, it is estimated that an additional 4 FTE's would be created by 2020. This would represent a gross cost per job to SCR of £18,750. Therefore, this project provides good value for money.
Legal
De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme. <i>(€100,000 threshold for companies operating in transport sector).</i>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<i>The following conditions must be satisfied before contract execution.</i>	
<ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. 	

The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 07

Project Description

The applicant is a manufacturer operating in the plastics sector. It is looking to invest in digital printing machine to double printing speeds, eliminate material costs and remove one process from the manufacturing procedure.

Table 1: 07– Summary

Project Cost	£271,574	
Grant Funding Request	£75,000	
	28%	
Score	17.94	
	72%	
Rank within Funding Stream	2	
Financial Risk	Green: Acceptable	

Table 2: 07– Appraisal Summary

Case	Comments
Strategic	Use of digital printing technology to improve production time. Identified market for growth with targets primarily based in Western Europe, potential to increase export. Good fit with Productivity Challenge principles around improve efficiency. Growth plans linked to SCR priorities on growth outside local trading.
Commercial	Benefit from “try before you buy” arrangement, resolved teething problem at early stage. Evidences of potential business demand provided.
Economic	Used ONS Productivity calculator to estimate a 31% increase in productivity. 4 new jobs to be created in the long term.
Financial	Overall business risk rating considered to be ‘Low / Moderate’. Overall rating: Green - no financial indicators that present a concern.
Management	Project is ready implemented. Benefits are expected to be realised within 6 months.

Table 3: 07– Common Issues Checklist

Element	Comment
Financial history	Provided.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	28% match funding requested. Funding request is for capital funds only. Currently negotiating terms with 3 possible funders.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	Yes
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 04 (PC)		
Grant Recipient	Company 04 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£122,500 (<i>Note: max grant award if £100k</i>)
% SCR Allocation	50%	Total Scheme Cost	£245,000

Appraisal Summary

Project Description
The applicant is from the Advanced Manufacturing and Materials sector and is looking to focus on supplying to high value businesses (aerospace, medical and marine). The Company is seeking investment to reduce costs in order to stay competitive. This project is to invest in new machinery to automate processes and shorten lead time for production.
Value for Money
Using the ONS Productivity calculator, the project has been estimated to result in a 25% increase in productivity, with GVA per worker forecast to increase from £51,252 to £63,958. This project will provide acceptable value for money.
Legal
<p><u>De Minimis:</u> The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. 3. Submission of acceptable State Aid position which may affect the value of the award <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

4. Submission of evidence of Board approval for the scheme
5. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

6. Clawback on outputs only

CIAT External Consultant Opinion – Company 04

Project Description

The applicant is from the Advanced Manufacturing and Materials sector and is looking to focus on supplying to high value businesses (aerospace, medical and marine). The Company is seeking investment to reduce costs in order to stay competitive. This project is to invest in new machinery to automate processes and shorten lead time for production.

Table 1: 04 – Summary

Project Cost	£245,000	
Grant Funding Request	£122,500	
	50%	
Score	17.28	
	69%	
Rank within Funding Stream	4	
Financial Risk	Green: Acceptable	

Table 2: 04 - Appraisal Summary

Case	Comments
Strategic	In SCR key business sector. The new machinery automates process and improve productivity by release staff to perform skilled tasks than manual processing.
Commercial	Market focus in the medical and aerospace industry, both of which has been identified with potential growth. Actively involved Research and Development projects and create new opportunities.
Economic	Used ONS Productivity calculator to estimate 25% increase in productivity and safeguard the existing jobs of both employees and sub-contractors.
Financial	Overall business risk rating considered to be 'Low / Moderate'. Overall rating: Green - no financial indicators that present a concern. Requested SCR funding is higher than limit.
Management	Management team identified, and processes detailed. Project is ready to start if funding is in place, Quotes have been obtained. No consideration of risks to the project. High level timescale provided. Indicative program is 28 weeks, benefits are not expected to be realised within 6 months.

Table 3: 04 - Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Quote for services appended. Final project costs (including quote for services) will need to be verified for grant funding to be approved.
Match funding	50% match funding requested. Funding request is for capital funds only. Match funding is from hire purchase. Clarity is required to ensure project can still go ahead with only £100,000 of grant funding.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.

Element	Comment
Directors Declarations	<p>Positive answer for Q9, in relation to public funding previously received for the company. Response may need further review and clarification as part of bid verification and approval.</p> <p><i>Has the company (or any of the directors been involved in a business which has) previously received funding from a lender under the terms of Enterprise Finance Guarantee Scheme or received financial assistance from any UK Government or European source?</i></p>
Submission signed	Yes
Other	-

Appraisal Panel Summary

Scheme Details

Project Name	Company 03 (PC)		
Grant Recipient	Company 03 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£32,788
% SCR Allocation	50%	Total Scheme Cost	£65,575

Appraisal Summary

Project Description
<p>The applicant operates in the Healthcare Technologies sector, and supplies specialist medical products to the NHS, export and industry. It is looking to develop a new product that will deliver better patient care and user experience.</p>
Value for Money
<p>The project has been estimated to result in a 32% increase in productivity, with GVA per worker forecast to increase from £68,000 to £90,000.</p> <p>As a result of the project, it is estimated that 10 additional FTE's would be created. This would represent a gross cost per job to SCR of £3,279. Therefore, this project will provide good value for money.</p>
Legal
<p>De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 03

Project Description

The applicant operates in the Healthcare Technologies sector, and supplies specialist medical products to the NHS, export and industry. It is looking to develop a new product that will deliver better patient care and user experience.

Table 1: 03 – Summary

Project Cost	£65,575	
Grant Funding Request	£32,788	
	50%	
Score	17.05	
	68%	
Rank within Funding Stream	5	
Financial Risk	Green: Acceptable	

Table 2: 03 - Appraisal Summary

Case	Comments
Strategic	In SCR key business sectors, the investment to improve health care product design which aims to improve the efficiency and productivity of the product user. Tenuous link to productivity as it is not directly relating to the productivity of the applicant's business. Good fit with SCR priorities on job creation and innovation.
Commercial	Strong market share (60%) in care home market. Export to over 20 countries. Good reputation with clients. Interest generated for new product and awaiting prototypes.
Economic	Used ONS Productivity calculator to estimate 32% increase in productivity. 10 new jobs to be created in 2019-2020.
Financial	Overall business risk rating considered to be 'Low'. Overall rating: Green - no financial indicators that present a concern.
Management	Management team and key milestones identified. Quote obtained for part of the project. No mention of process and risks. Indicative completion date in May/ Sep 2020 means benefit is not expected within 6 months.

Table 3: 03 - Common Issues Checklist

Element	Comment
Financial history	Provided.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Funding request is for capital funds only. Match funding is from Capital.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	Yes
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 49 (PC)		
Grant Recipient	Company 49 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£100,000
% SCR Allocation	18%	Total Scheme Cost	£550,000

Appraisal Summary

Project Description
<p>The Company operates in the transport equipment manufacturing sector. The applicant has identified a significant efficiency improvement opportunity in the existing machining operation process. The application is for investment in a semi-automated machining cell to replace the manually controlled process.</p>
Value for Money
<p>The project will increase production times of 30 minutes per component to around 3.5 minutes, an increase in productivity of 131 components per shift.</p> <p>Using the ONS Productivity calculator, the project has been estimated to result in a 25% increase in productivity, with GVA per worker forecast to increase from £20,680 to £25,773. Therefore, the project will provide acceptable value for money.</p>
Legal
<p><u>De Minimis:</u> The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. 	

The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 49

Project Description

The Company operates in the transport equipment manufacturing sector. The applicant has identified a significant efficiency improvement opportunity in the existing machining operation process. The application is for investment in a semi-automated machining cell to replace the manually controlled process.

Table 1: 49 – Summary

Project Cost	£550,000	
Grant Funding Request	£100,000	
	18%	
Score	16.98	
	68%	
Rank within Funding Stream	6	
Financial Risk	Green: Acceptable	

Table 2: 49 - Appraisal Summary

Case	Comments
Strategic	Invest in new machinery to improve production time, the production volume increased by 131 components per shift. Fits with Productivity Challenge principles around improve effectiveness, efficiency and quality.
Commercial	Export activity accounted for average 70% over the past years and forecasted to be in similar volume. Received enquiries on new order from new and existing clients, if materialise would increase demand on capacity by 20-33%.
Economic	Used ONS Productivity calculator to estimate 25% increase in productivity. No new job specified as a result of the project but potential to recruit with business growth.
Financial	Overall business risk rating considered to be 'Low'. Overall rating: Green - no financial indicators that present a concern.
Management	Management team, process and key milestones identified. Quotes and specification have been obtained but not finalised. Project is not ready to start right away.

Table 3: 49 - Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Final quotes still to be received. Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	18% match funding requested. Funding request is for capital funds only. Match funding through lease finance.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	Positive answer for Q9 - Parent company received a grant of £750k in 2013 linked to the creation of 28 jobs (from a base of 168). This was achieved and the Group now employs 220. Response may need further review as part of bid verification and approval.

Element	Comment
	<i>Has the company (or any of the directors been involved in a business which has) previously received funding from a lender under the terms of Enterprise Finance Guarantee Scheme or received financial assistance from any UK Government or European source?</i>
Submission signed	Yes.
Other	-

Appraisal Panel Summary

Scheme Details

Project Name	Company 02 (PC)		
Grant Recipient	Company 02 (PC)		
SCR Executive Board	Business Growth	SCR Funding	£99,988
% SCR Allocation	50%	Total Scheme Cost	£199,976

Appraisal Summary

Project Description
The applicant provides environmental services. The proposed investment is to purchase equipment to increase capacity to meet recent rise in demand.
Value for Money
The project is estimated to result in a productivity change of 15%, from £62,200 of GVA per worker to £71,700. The project will also result in the creation of 4 FTE's, representing a gross cost per job to SCR of £24,997. Therefore, this project provides acceptable value for money.
Legal
De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme. (€100,000 threshold for companies operating in transport sector).

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p>	

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 02

Project Description

The applicant provides environmental services. The proposed investment is to purchase equipment to increase capacity to meet recent rise in demand.

Table 1: 02 – Summary

Project Cost	£199,976	
Grant Funding Request	£99,988	
	50%	
Score	16.64	
	67%	
Rank within Funding Stream	8	
Financial Risk	Green: Acceptable	

Table 2: 02 - Appraisal Summary

Case	Comments
Strategic	Invest in equipment to increase the company's capacity to deliver the service demand from the market and benefits from economies of scale. This links with SCR priorities on job creation and more business.
Commercial	Identified clear market for growth. Opportunities listed include the new industry investment period and request of service from existing clients. Reputation of company is good. Sales is constrained by capacity to deliver.
Economic	Used ONS Productivity calculator to estimate 15% increase in productivity. 4 new jobs to be created as a result of the project.
Financial	Overall business risk rating considered to be 'Low / Moderate'. Overall rating: Green - no financial indicators that present a concern.
Management	Management team and key milestone identified, quote has been obtained and negotiated, the project is ready to start. No mention of process and risks. Target utilisation of new equipment is April 2020 hence benefits are not expected within 6 months.

Table 3: 02 - Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Quote for services will need to be appended and verified for grant funding to be approved.
Match funding	50% match funding requested. Funding request is for capital funds only. Match funding is from Capital.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	Yes
Other	-

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Appraisal Panel Summary

Scheme Details

Project Name	Company 30b (PC)		
Grant Recipient	Company 30b (PC)		
SCR Executive Board	Business Growth	SCR Funding	£100,000
% SCR Allocation	47%	Total Scheme Cost	£211,000

Appraisal Summary

Project Description
<p>The applicant operates in the Advanced Manufacturing and Materials sector. Its services include manufacturing complex metallic parts, precision sub-assembly and bespoke engineering projects. The application is to invest in equipment to incubate a new technology for producing products for the aerospace sector.</p>
Value for Money
<p>Using the ONS Productivity calculator, the project has been estimated to result in a 9% increase in productivity, with GVA per worker forecast to increase from £40,137 to £43,816.</p> <p>The project is estimated to create an additional 2 FTE's by 2020. This would represent a gross cost per job to SCR of £50,000. Both jobs would be classed as skilled machinists on salaries of £28k per annum. Therefore, this project will provide moderate value for money.</p>
Legal
<p>De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> 1. Formal confirmation that all other funding required to deliver the project is in place. 2. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 30b

Project Description

The applicant operates in the Advanced Manufacturing and Materials sector. Its services include manufacturing complex metallic parts, precision sub-assembly and bespoke engineering projects. The application is to invest in equipment to incubate a new technology for producing products for the aerospace sector.

Table 1: 30b – Summary

Project Cost	£211,000	
Grant Funding Request	£100,000	
	47%	
Score	16.56	
	66%	
Rank within Funding Stream	10	
Financial Risk	Amber: Some further financial checks may be required	

Table 2: 30b – Appraisal Summary

Case	Comments
Strategic	Strong strategic justification, with relevance to key SCR sectors. Alignment to SCR Productivity Challenge principles around improve effectiveness and efficiency, and the priorities on innovation.
Commercial	Long term supply agreement with major clients. Manufacturing specialised complex parts which has a unique marketplace. Clear market for growth, increased export activity in recent year.
Economic	Used ONS Productivity calculator to estimate 9% increase in productivity. 2 new jobs to be created by 2020.
Financial	Overall business risk rating considered to be 'Low / Moderate'. D&B risk indicator, current ratio, acid test and CL/NW rated as 'Amber'. Overall rating: Amber – some further financial checks may be required. Proceed with the evaluation of the submission cognisant of the raised areas of financial concern and consider against other aspects of the submission.
Management	Management team identified, and processes detailed. Project is ready to start as quotes have been obtained. High level timescale provided. Project is expected to complete in March 2020.

Table 3: 30b - Common Issues Checklist

Element	Comment
Financial history	Provided for 2018 only. 2 years of financial history are required for bid to be accepted for consideration.
Quotes for services	Quote for services appended. Final project costs (including quote for services) will need to be verified for grant funding to be approved.
Match funding	47% match funding requested. Funding request is for capital funds only. Match funding from asset finance but is £5,000 short.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.

Element	Comment
Directors Declarations	No positive responses.
Submission signed	Yes
Other	This company has also submitted a BIF business case under the Made Smarter in SCR funding stream. Clarifications should be sought, in the event of both applications being approved, that productivity or job benefits are not double counted, the company is capable of delivering both projects (including match funding and project management), and the projects do not conflict with each other.

Appraisal Panel Summary

Scheme Details

Project Name	Company 40b (PC)		
Grant Recipient	Company 40b (PC)		
SCR Executive Board	Business Growth	SCR Funding	£100,000
% SCR Allocation	50%	Total Scheme Cost	£200,400

Appraisal Summary

Project Description
<p>The applicant designs and manufactures equipment and accessories for the UK and European car and light commercial vehicle markets and delivers a range of engineering services. The project is to purchase a new machine to significantly improve productivity, the quality of products and support growing demand from local businesses and consumers.</p>
Value for Money
<p>Using the ONS Productivity calculator, the project has been estimated to result in a productivity increase from £25,625 GVA per worker to £33,484 in 2019 and £44,797 in 2021.</p> <p>The project will also result in the creation of 3 FTE's within 12 months of the project completion and a further 2 FTE's within 24 months of completion. In total this represents a gross cost per job to SCR of £20,000. Therefore, this project provides acceptable value for money.</p>
Legal
<p>De Minimis: The grant would be awarded under the De Minimis Regulation 1407/2013. This allows maximum support of €200,000 over a three fiscal year period to companies operating in this sector and a declaration provided by the company supports eligibility under this scheme.</p> <p><i>(€100,000 threshold for companies operating in transport sector).</i></p>

Recommendation and Conditions

Recommendation	Full Grant Award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<p><i>The following conditions must be satisfied before contract execution.</i></p> <ol style="list-style-type: none"> Formal confirmation that all other funding required to deliver the project is in place. Agree appropriately detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported. <p>The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.</p>	

The following conditions must be satisfied before drawdown of funding.

3. Submission of evidence of Board approval for the scheme
4. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes.

The following conditions must be included in the contract

5. Clawback on outputs only

CIAT External Consultant Opinion – Company 40b

Project Description

The applicant designs and manufactures equipment and accessories for the UK and European car and light commercial vehicle markets and delivers a range of engineering services. The project is to purchase a new machine to significantly improve productivity, the quality of products and support growing demand from local businesses and consumers.

Table 1: 40b – Summary

Project Cost	£200,400	
Grant Funding Request	£100,000	
	50%	
Score	16.55	
	66%	
Rank within Funding Stream	11	
Financial Risk	Amber: Some further financial checks may be required	

Table 2: 40b - Appraisal Summary

Case	Comments
Strategic	The business is within SCR key business sectors. The investment in machinery and automation supports the business's Industry 4.0 aspirations. Good fit with Productivity Challenge principles around improve effectiveness, efficiency and quality. Growth plans linked to SCR priorities on job creation and innovation.
Commercial	Potential demand from existing customers but currently unable to accommodate due to production capacity. Expecting increase in order volume from existing customers when the project is delivered, and capacity to explore overseas market. This project aims to improve gross margin from 28% to 30% over 3 years.
Economic	Used ONS Productivity calculator to estimate 31% increase in productivity. Expected 3 new jobs to be created in 12 months and 3 more in 24 months.
Financial	Overall business risk rating considered to be 'Moderate'. D&B comments on stability concerns and increased risk of failure. Overall rating: Amber – some further financial checks may be required. Proceed with the evaluation of the submission cognisant of the raised areas of financial concern and consider against other aspects of the submission.
Management	Management team identified, and quote has been obtained. Outline plan provided, indicates the project can be delivered within 6 months. Project is ready to start as no further approval required. No consideration of risks to the project.

Table 3: 40b - Common Issues Checklist

Element	Comment
Financial history	Provided for 2016 and 2017. If 2018 accounts are available at the time of approval these should be provided for verification.
Quotes for services	Quote for services appended. Final project costs (including quote for services) will need to be verified for grant funding to be approved.

Element	Comment
Match funding	50% match funding requested. Funding request is for capital funds only. Match funding is from bank loan.
Financial declarations	Confirmed that the director(s) have not closed a similar activity in the EEA in the past 2 years, nor do they intend to do so for a period of 2 years further to the proposed investment.
Directors Declarations	No positive responses.
Submission signed	No, bid document will need to be signed to be valid.
Other	<p>This company has also submitted a BIF business case under the Made Smarter in SCR funding stream. Clarifications should be sought, in the event of both applications being approved, that productivity or job benefits are not double counted, the company is capable of delivering both projects (including match funding and project management), and the projects do not conflict with each other.</p> <p>The applicant would exceed 'De Minimis' funding regulations (having received £50,000 previously and requesting a total of £150,000 through these funding streams) if both funding applications were approved. It is recommended that SCR seek guidance on these funding limits and discuss with applicants the potential for reducing the funding ask.</p>

Fund	Rank	Score		Company	Funding Ask	Strategic	Commercial	Economic	Financial	Management
MS	1	19.4	78%	47	£40,000	5.8	4.0	6.0	3.0	0.6
MS	2	18.1	72%	46	£42,555	8.2	3.0	3.3	3.0	0.5
MS	3	17.0	68%	30a	£35,000	6.5	3.5	3.4	3.0	0.6
MS	4	16.4	65%	19	£36,584	5.7	3.5	3.4	3.0	0.8
MS	5	15.9	64%	40a	£50,000	7.7	2.5	3.1	2.3	0.4
PC	1	18.1	72%	6	£89,000	5.9	3.0	6.1	2.3	0.8
PC	2	17.9	72%	7	£75,000	5.9	4.5	4.0	3.0	0.6
PC	4	17.3	69%	4	£100,000	5.9	3.0	4.7	3.0	0.7
PC	5	17.1	68%	3	£32,788	4.1	4.0	4.7	3.8	0.5
PC	6	17.0	68%	49	£100,000	5.3	3.0	4.3	3.8	0.6
PC	8	16.6	67%	2	£99,988	5.9	3.5	3.8	3.0	0.5
PC	10	16.6	66%	30b	£100,000	6.4	3.5	3.3	3.0	0.4
PC	11	16.5	66%	40b	£100,000	5.3	3.5	5.2	2.3	0.4
Proceed					£900,915					
Further work					£796,397					
Below 50% score					£546,744					
					£2,244,055					
						8.75	5.00	6.25	3.75	1.25

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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