

Appraisal Panel Summary**Scheme Details**

Project Name	Business Investment Fund		
Grant Recipient	Company 099, Barnsley		
SCR Executive Board	BGB	SCR Funding	£121,000
% SCR Allocation	10.1%	Total Scheme Cost	£1,200,000

Appraisal Summary

Project Description
Company 099 is a national security company operating in the UK and Europe headquartered in the South East, with offices in a number of UK locations. The company is looking to expand and requires larger and improved premises in the North.
Strategic Case
Company 099 is seeking BIF investment to support the refurbishment of a new property to comply with new standards for the sector. Currently based in the North but outside the SCR, this project will support the creation of a Northern hub for the Company.
Value for Money (Economic Case)
The scheme is estimated to deliver 35 net additional jobs which equates to an estimated net public sector (LGF) cost per job of £3,474. On this basis, the LGF investment will offer good value for money. The net present value of the GVA impact over ten years is estimated to be £6.1m. This represents a return of £52.32 for every £1 of LGF investment. There is potential that the scheme could progress without SCR investment and Board Members are asked to consider this when reaching an investment decision.
Financial Assessment
Financial performance has declined in the last 3 years, both in terms of sales and profit in part due to the subdued climate for business capital investment. The Company views the new premises as key to improving profits by enabling expansion into growing markets. The Company is considered low financial risk.
Commercial Case (inc. Risk)
Risks around the refurbishment of the new premises will need to be managed. There is a risk that key staff might not be prepared to move with the business and they may struggle to find suitably skilled staff in their new location.
Delivery
There will be a Project Manager leading the project and a detailed plan has been provided. The company has experience in delivering such schemes. Most of the spending is completed by March 2020 which allows for slippage without impacting LGF deadlines.

Legal (inc. State Aid)

Project costs as described in this proposal appear eligible under the terms of Article 14 Regional Investment Aid GBER 651/2014 and the proposed grant is within the 20% intervention threshold for a medium sized company in an assisted area. None of the costs constitute operating aid (Article 15) nor is the firm regarded as being an undertaking in difficulty (Article 2 section 18). The project satisfies the requirement for 'incentive effect' as defined in Article 6, with an application submitted prior to commencement of the project.

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 (including bank loan) to deliver the project is in place and that there are no onerous conditions.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 final costings for the project and confirmation of which activities LGF will support. <p>The conditions above should be fully satisfied by 14th 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> <ol style="list-style-type: none">4. Formal confirmation that, if applicable, planning permission and all relevant statutory requirements for the scheme are in place and have been satisfied.5. Submission of evidence of Board approval for the scheme6. Formal confirmation of commitment to address any cost overruns (without recourse for further LGF support) without unduly compromising project outputs and outcomes. <p>The following conditions must be included in the contract</p> <ol style="list-style-type: none">7. Clawback on outputs.	