

Appraisal Panel Summary

Scheme Details

Project Name	Business Investment Fund		
Grant Recipient	Company Ref 102, Barnsley		
SCR Executive Board		SCR Funding	£167,252
% SCR Allocation	38%	Total Scheme Cost	£445,572

Appraisal Summary

Project Description
Company 102 is an innovative company operating in the textiles sector. The company is experiencing a significant increase in demand for prototyping and small production runs including from international customers. The company needs to expand its production capacity in order to keep up with demand.
Strategic Case
Company 102 is seeking a BIF grant of £167,252 towards a new 'state of the art' production line facility, related equipment and internal build works to support installation. The equipment will double the current output and will ensure that production can continue if one line is not working.
Value for Money (Economic Case)
The scheme is estimated to deliver 6 new additional jobs which equates to an estimated net public sector (LGF) cost per job of £25,810. 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 £2.2m. This represents a return of £13.52 for every £1 of LGF investment.
Financial Assessment
The company started trading in 2017 and has experienced rapid growth due to the innovative nature of their products. The Company is forecasting significant further growth related to additional sales. The company has confirmed the sources of finance required for the project.
Commercial Case (inc. Risk)
There is some risk related to confirmation of new orders. Other risks include finding the right staff and getting equipment in place.
Delivery
Delivery appears uncomplicated, although takes until Q2 2020/21 to complete, mainly due to lead times. The management team that established this business and created the new innovative technology will lead the project.
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. The maximum grant is within the 30% intervention threshold. None of the costs constitute operating aid (Article 15) nor is the firm regarded as being an undertaking in difficulty (Article 2, section 18). Grant for additional equipment which was received under the

Productivity Challenge call could be awarded under de minimis regulation. 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 approvals required to deliver the project are 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. Provision of accounts for associated business named in the application to ensure management charge is proportionate4. Confirmation of orders received from key customer to ensure new equipment is utilised <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">5. Submission of a copy any loan agreement, relevant to this project, including the terms and conditions.6. Submission of evidence of Board approval for the scheme.7. 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">8. Clawback on outputs only, guaranteed by the associated business named in the application.	