

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)	
<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> <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. <p>The following conditions must be included in the contract</p> <ol style="list-style-type: none"> 5. Clawback on outputs only 	

CIAT External Consultant Opinion – Company 46

Project Description

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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	-