

## Appraisal Panel Summary

### Scheme Details

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

### Appraisal Summary

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|--|
| <b>Project Description</b>   |
| <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>  |
| <b>Value for Money</b>   |
| <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> |
| <b>Legal</b>   |
| <p><b><u>De Minimis:</u></b><br/>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

|   |                     |
|---|---------------------|
| <b>Recommendation</b>   | Full Grant Award    |
| <b>Payment Basis</b>  | Payment on defrayal |
| <b>Conditions of Award (including clawback clauses)</b>   |                     |
| <p><b><i>The following conditions must be satisfied before contract execution.</i></b></p> <ol style="list-style-type: none"> <li>Formal confirmation that all other funding required to deliver the project is in place.</li> <li>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.</li> </ol> <p>The conditions above should be fully satisfied by 21<sup>st</sup> 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> |