

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	-

