

Appraisal Panel Summary

Scheme Details

| | | | |
|----------------------------|-----------------|--------------------------|----------|
| Project Name | Company 49 (PC) | | |
| Grant Recipient | Company 49 (PC) | | |
| SCR Executive Board | Business Growth | SCR Funding | £100,000 |
| % SCR Allocation | 18% | Total Scheme Cost | £550,000 |

Appraisal Summary

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|---|
| Project Description |
| <p>The Company operates in the transport equipment manufacturing sector. The applicant has identified a significant efficiency improvement opportunity in the existing machining operation process. The application is for investment in a semi-automated machining cell to replace the manually controlled process.</p> |
| Value for Money |
| <p>The project will increase production times of 30 minutes per component to around 3.5 minutes, an increase in productivity of 131 components per shift.</p> <p>Using the ONS Productivity calculator, the project has been estimated to result in a 25% increase in productivity, with GVA per worker forecast to increase from £20,680 to £25,773. Therefore, the project will provide acceptable value for money.</p> |
| Legal |
| <p><u>De Minimis:</u> 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. | |

The conditions above should be fully satisfied by 21st August 2019. Failure to do so could lead to the withdrawal of approval.

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 49

Project Description

The Company operates in the transport equipment manufacturing sector. The applicant has identified a significant efficiency improvement opportunity in the existing machining operation process. The application is for investment in a semi-automated machining cell to replace the manually controlled process.

Table 1: 49 – Summary

| | | |
|----------------------------|----------------------|--|
| Project Cost | £550,000 | |
| Grant Funding Request | £100,000 | |
| | 18% | |
| Score | 16.98 | |
| | 68% | |
| Rank within Funding Stream | 6 | |
| Financial Risk | Green: Acceptable | |

Table 2: 49 - Appraisal Summary

| Case | Comments |
|------------|--|
| Strategic | Invest in new machinery to improve production time, the production volume increased by 131 components per shift. Fits with Productivity Challenge principles around improve effectiveness, efficiency and quality. |
| Commercial | Export activity accounted for average 70% over the past years and forecasted to be in similar volume. Received enquiries on new order from new and existing clients, if materialise would increase demand on capacity by 20-33%. |
| Economic | Used ONS Productivity calculator to estimate 25% increase in productivity. No new job specified as a result of the project but potential to recruit with business growth. |
| Financial | Overall business risk rating considered to be 'Low'. Overall rating: Green - no financial indicators that present a concern. |
| Management | Management team, process and key milestones identified. Quotes and specification have been obtained but not finalised. Project is not ready to start right away. |

Table 3: 49 - 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 | Final quotes still to be received. Quote for services will need to be appended and verified for grant funding to be approved. |
| Match funding | 18% match funding requested. Funding request is for capital funds only. Match funding through lease finance. |
| 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 | Positive answer for Q9 - Parent company received a grant of £750k in 2013 linked to the creation of 28 jobs (from a base of 168). This was achieved and the Group now employs 220. Response may need further review as part of bid verification and approval. |

| Element | Comment |
|-------------------|---|
| | <i>Has the company (or any of the directors been involved in a business which has) previously received funding from a lender under the terms of Enterprise Finance Guarantee Scheme or received financial assistance from any UK Government or European source?</i> |
| Submission signed | Yes. |
| Other | - |