

## Appraisal Panel Summary

### Scheme Details

<b>Project Name</b>	Company 30b (PC)		
<b>Grant Recipient</b>	Company 30b (PC)		
<b>SCR Executive Board</b>	Business Growth	<b>SCR Funding</b>	£100,000
<b>% SCR Allocation</b>	47%	<b>Total Scheme Cost</b>	£211,000

### Appraisal Summary

<b>Project Description</b>
<p>The applicant operates in the Advanced Manufacturing and Materials sector. Its services include manufacturing complex metallic parts, precision sub-assembly and bespoke engineering projects. The application is to invest in equipment to incubate a new technology for producing products for the aerospace sector.</p>
<b>Value for Money</b>
<p>Using the ONS Productivity calculator, the project has been estimated to result in a 9% increase in productivity, with GVA per worker forecast to increase from £40,137 to £43,816.</p> <p>The project is estimated to create an additional 2 FTE's by 2020. This would represent a gross cost per job to SCR of £50,000. Both jobs would be classed as skilled machinists on salaries of £28k per annum. Therefore, this project will provide moderate value for money.</p>
<b>Legal</b>
<p><b>De Minimis:</b> 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>1. Formal confirmation that all other funding required to deliver the project is in place.</li> <li>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.</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 30b

### Project Description

The applicant operates in the Advanced Manufacturing and Materials sector. Its services include manufacturing complex metallic parts, precision sub-assembly and bespoke engineering projects. The application is to invest in equipment to incubate a new technology for producing products for the aerospace sector.

Table 1: 30b – Summary

Project Cost	£211,000	
Grant Funding Request	£100,000	
	47%	
Score	16.56	
	66%	
Rank within Funding Stream	10	
Financial Risk	Amber: Some further financial checks may be required	

Table 2: 30b – Appraisal Summary

Case	Comments
Strategic	Strong strategic justification, with relevance to key SCR sectors. Alignment to SCR Productivity Challenge principles around improve effectiveness and efficiency, and the priorities on innovation.
Commercial	Long term supply agreement with major clients. Manufacturing specialised complex parts which has a unique marketplace. Clear market for growth, increased export activity in recent year.
Economic	Used ONS Productivity calculator to estimate 9% increase in productivity. 2 new jobs to be created by 2020.
Financial	Overall business risk rating considered to be 'Low / Moderate'. D&B risk indicator, current ratio, acid test and CL/NW rated as 'Amber'. 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. Project is expected to complete in March 2020.

Table 3: 30b - Common Issues Checklist

Element	Comment
Financial history	Provided for 2018 only. 2 years of financial history are required for bid to be accepted for consideration.
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.
Match funding	47% match funding requested. Funding request is for capital funds only. Match funding from asset finance but is £5,000 short.
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.

Element	Comment
Directors Declarations	No positive responses.
Submission signed	Yes
Other	This company has also submitted a BIF business case under the Made Smarter in SCR 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.