

North East Local Enterprise Partnership

North East Investment Fund

Guidance note to support completion of the North East Investment Fund (NEIF) Business Case

Introduction

The Business Case form can be completed in one or two phases. As a minimum, applicants must complete to the end of Section 4 before submitting it to the North East Local Enterprise Partnership (NELEP) for initial assessment. If the proposal meets the NELEP's strategic criteria, completion of the remainder of the business case will be requested. Alternatively, applicants may complete the application in full in one stage.

Supported by the
 Regional Growth Fund

North East
Local Enterprise
Partnership



Part 1

Question 1

Please ensure that the lead organisation named in the business case is the organisation which would enter into a legal contract with the NELEP/Sunderland City Council as Accountable Body for the funding.

Question 3.1

If your project is part of a wider scheme, please make it clear precisely what the NEIF will be used for.

Question 3.3

Guidance on the calculation of job outputs can be found at <http://www.homesandcommunities.co.uk/employment-densities-guide-2nd-ed>

Question 3.5

Project start date: the date the project is scheduled to start, claims can be made and activity can be monitored.

Financial completion date: the date by which all eligible project costs are defrayed

Practical completion date: the practical end date is the date at which the project completes activity including the realisation and verification of all outputs and results.

Question 3.9

Where applicable, please append a copy of a Section 106 Agreement or other planning or highway legal agreements.

Question 4.1

Please provide a further explanation on why you have selected the objectives and priorities that you have provided.

Question 4.2

A full breakdown of outputs is to be provided in Annex B. At question 4.2 we are seeking details of the local benefits. Local is defined as the boundaries of the NELEP area (the seven local authority areas of Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland)

Question 4.3

To make an investment the NELEP wants to be sure that the project is deliverable within its timescales. Please explain the factors that will determine how your project is to be implemented:

- status of other funding
- timescales
- planning
- land ownership
- other legal arrangements
- exit strategy, etc.

You should highlight any delivery risks and how these will be mitigated. Funding decisions will take account of identified delivery risks.

Please state if the project is to utilise BIM (Building Information Modelling). If yes, to what extent? If no, why not?

Question 4.5

The project appraisal process will include an assessment of potential state aids implications. It is however the applicants' responsibility to comply with the State Aids regulations which govern the receipt of public sector funding. Further guidance on State Aid can be found at www.bis.gov.uk/policies/europe/state-aid

Part 2

Question 5.1

This question refers to options on the level of NELEP investment. Please note that a fuller options analysis of the project might be required during the investment appraisal stage.

Question 7.4

Please confirm what collateral is available to support this investment including potential legal charge over property and under what terms e.g. is it 1st priority or behind another lender(s). Would a parent company or government guarantee be available and if so what is the identity of the guarantor including Company Number, registered address, etc?

Question 8.4

The milestones identified will be referenced in any formal legal documentation with the NELEP as performance criteria. As such

these must be sufficiently detailed and realistic so that applicants do not breach contract terms.

Question 12

Please list any supporting information supplied with this business case. This should include, where appropriate, location plan and site plan, valuation advice, demand studies, development appraisals, site plans, architectural drawings of proposed development, detailed specifications and cost plans, evidence of funding including any bank funding proposed (formal offers or indicative letters of support).

Annex B

Jobs Created – these are new jobs that will be created either as a direct result of the project supported by the Investment Fund or indirect employment impacts within the supply chain or as a result of the wider economic benefits unlocked by the investment. New jobs would not be created if the project did not go ahead.

Jobs Safeguarded – these are existing jobs that in the absence of the scheme would be lost within a period of 12 months from the date which the projects first receives funds from the Investment Fund. These can be direct or indirect, however, applicants will be required to confirm, in writing, the safeguarded jobs.

Full time job – means a job of 30 or more hours per week. Two part time jobs of 15 hours or more per week can count as equivalent to one full time job.

Further advice

Further advice and support on completion of the application form is available from: -

Helen Golightly / Matthew Ebbatson
North East Local Enterprise Partnership
(t) 07900 226 078 / 07833 295 989
(e) helen.golightly@nelep.co.uk / matthew.ebbatson@nelep.co.uk

Or

Sunderland City Council
Financial Resources Service
(t) 0191 561 2481
(e) alexandra.fall@sunderland.gov.uk

Glossary of Terms

“Business Case” means the Business Case document completed as an application for NELEP investment and all supporting papers submitted to NELEP, via Sunderland City Council, including the details of project activities, and any amendments to any of the documents subsequently received.

“Business Improvement District” means the area designated within Newcastle City Centre, the NE1 postcode area.

“BIM” means Building Information Modeling. The augmentation of the 3 primary spatial dimensions (width, height & depth) with time as the 4th dimension and cost as the 5th. It covers spatial relationships, light analysis, geographic information, and quantities and properties of building components (eg. manufacturers' details).

“Deliverables” means the anticipated outputs, results and impacts that the project will deliver.

“Enterprise Zone” means the areas designated by the NELEP as an Enterprise Zone. These are:

- North Bank of the Tyne - Neptune Yard, Swan Hunter and Port of Tyne North Estate
- A19 Ultra Low Carbon Vehicle Corridor focused around the existing Nissan site
- Port of Blyth extension – East Sleekburn, Bates, Commissioners and Dun Cow.

More details and plans on the Enterprise Zone sites can be found at www.nelep.co.uk/enterprise-zone

“Financial Completion Date” means the date when you make the final payment related to the project and all expenditure related to the project ceases.

“Practical Completion Date” means the date that you will complete the work.

“Start Date” means the date you will begin to deliver the project. This cannot be before the NELEP Investment is approved.