

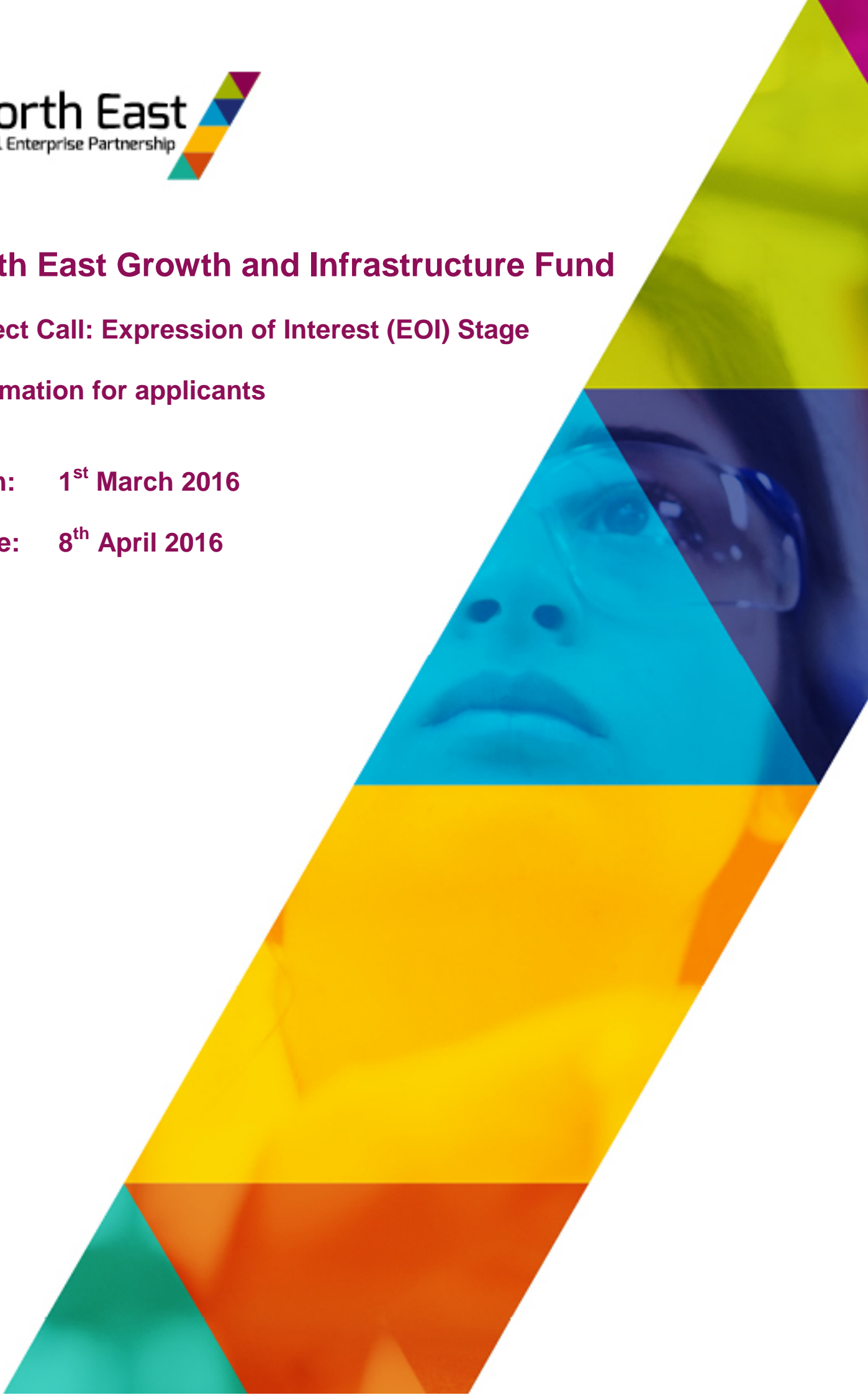
North East Growth and Infrastructure Fund

Project Call: Expression of Interest (EOI) Stage

Information for applicants

Open: 1st March 2016

Close: 8th April 2016



Introduction

The North East Local Enterprise Partnership (North East LEP) is committed to developing real economic growth. In July 2014 we signed our 'Growth Deal' with Government and have since started on an ambitious programme of infrastructure investments assisted by Local Growth Funds, with a target of supporting 4,500 jobs over 10 years.

This is the first of a new round of project calls that the North East LEP anticipates being able to undertake approximately annually, subject to funding, over the next few years to support the delivery of the North East Strategic Economic Plan (SEP).

We are inviting new capital infrastructure projects to come forward to add to the programme and which are a strong fit with the guidelines set out in this and supporting documents.

Projects that are well researched and developed are particularly encouraged to come forward at this time.

We indicatively expect to select between 5 and 15 projects to progress to the 'Business Case' stage depending on the quality, funding requirements and number of applications received. We expect to allocate between £14m and £30m through this call, with the final amount also subject to confirmation by Government of further budget allocations.

Strategic economic context

The North East SEP provided the strategic economic policy context to focus investment to support economic growth and job creation in the North East – for the period 2014 to 2024. Delivering the SEP is crucial to achieving the North East LEP's primary objective of establishing more and better jobs within a more productive North East economy.

Projects are required to clearly demonstrate how they meet the requirements of, and make a meaningful contribution to, the delivery of relevant priorities set out in the North East [Strategic Economic Plan](#).

[Innovation](#) has been identified in the SEP as a key area for investment that will support economic growth in the North East. The North East economy has particular areas of advantage; these are referred to as our [Smart Specialisation Areas](#) (SSAs). For further information, please follow the links below:

- [Low carbon vehicle technology](#)
- [Creative, digital, software & technology](#)
- [Subsea engineering & manufacturing](#)
- [Life sciences and healthcare](#)

Beyond the SSAs, we recognise the need to stimulate and support investments elsewhere that boost and help secure private sector investment with regards to advanced manufacturing. Specifically we welcome proposals that address opportunities associated with Enterprise Zones, Destination Management Plans and or demonstrate synergy and a potential catalytic economic impact within approved local economic investment plans. Investments on previously developed land and with low carbon design solutions are particularly welcomed.



Priority activities – illustrative interventions

Expressions of interest are invited from projects that can demonstrate a fit with one of the following two areas of investment focus.

1) **Smart specialisation sectors: supporting innovation, incubation and skills infrastructure**

- New and enhanced training and skills development infrastructure that can contribute to the development of the smart specialisation priority sectors and that add value to the current offer in the North East.
- Projects which address development need for areas of smart specialisation and cross-cutting technology areas. This could include specialist infrastructures or facilities; development and upgrade of innovation space, expansion and improved facilities and equipment in shared use research laboratories and enhanced, expanded or new test facilities. Facilities should normally be part of a programme of support.
- Projects which support growth in innovation capacity as part of an 'open innovation' approach bring forward test, development and knowledge exchange facilities.
- Projects which develop, expand or enhance incubator and accelerator facilities which are supported through an active programme of business support and which meet the definition of incubator.

2) **Investment in strategic economic infrastructure**

- Accelerated development of commercial and industrial employment sites (non-retail) to market including offsite highway improvements where this may help unlock follow on investment.
- Strategic catalytic tourist/cultural infrastructure projects capable of attracting significant numbers of high spending additional visitors from outside the North East
- Meeting demand for Grade A industrial units with a priority towards medium sized units and where there is demonstrable local market failure.
- Move on space linked to existing incubation and micro enterprise space that builds capacity and linkages in local areas.
- New facilities and infrastructure out with the smart specialisation four priority areas that support advanced manufacturing.

How will projects be selected?

The primary role of the North East LEP is to help businesses to create 'More and Better Jobs' as set out in our SEP and as such you must be able to demonstrate how your project will contribute to this objective both directly and indirectly.

The scoring criteria we will use to help assess and compare competitive project proposals is set out in Annex I.

At this stage we need to understand and capture information that will help us assess how well developed your project is, its' strategic fit, scale and economic impact, dependency on public funding and key risks to its smooth and timely delivery



Fundamentally, your project should clearly demonstrate a need for support at the level requested and be physically located in the North East LEP area.

To respond to the project call you must complete an expression of Interest form.
Incomplete or forms received after 23:59 on the 8 April 2016 will not be considered.

Deliverability

We have added weighting in our project assessment to those that have already a well-researched and developed business case and are able to demonstrate the potential to commence in 2016/17 or promptly in 2017/18. Early or concept stage projects may wish to defer an application to a future project call. Such projects may wish to contact the North East LEP and log their interest to ensure they can be notified of future project calls and other funding opportunities in the North East LEP area including from the North East Combined Authority.

You must be able to demonstrate that a Business Case with robust costings and supporting information can be submitted, by December 2016. Please complete Annex 3 of the EOI. In addition, you must demonstrate that you have identified and are managing risks to delivery, this may include, as applicable, securing planning approval, match funding and land ownership.

How much funding can I apply for?

You can request grant and or a loan to support your project. The amount requested should be the minimum required to enable the project to proceed. There are no strict upper or lower thresholds. Project investments should though be of a scale that can make a significant economic impact. Indicatively, it is unlikely that projects requiring less than £500,000 and a total project cost of under £2.5m will be supported.

State Aid – how might this impact on my request for funding?

The percentage of funding you request may be limited by State Aid regulations. State Aid can be complex and often projects will need to source their own specialist advice to understand how this will impact on the level of funding that can be applied for and associated obligations.

In some projects no State Aid will be involved. Either way, we ask you to carefully consider this matter and explain your projects position in Section 6.6 of the EOI form.

Where projects may involve State Aid you should identify how this may be legally granted. The North East LEP has an approved State Aid scheme with the European Commission covering a range of General Block Exemption Regulations. Applicants are encouraged to [read this document](#) before returning their EOI Form.



Key Performance Indicators (KPIs)

To understand the forecast economic impacts and value for money of your project, we need you to provide information on all KPI's that are relevant. A list of KPIs related to this call can be found [here](#). Section 7 of the EOI asks you to detail how you have calculated your KPIs and also if there may be displacement effects in the local economy. This is an opportunity for you to describe the economic growth impacts your project will deliver. We have attached weighting in our assessment to the estimated jobs impact. Job calculations must be realistic as you will need to evidence them in the future.

Interested in submitting a project expression of interest form?

We welcome informal contact and discussion from interested parties to help you assess the eligibility of your project or to answer any queries. The following members of the Programme Team would be pleased to hear from you and to issue, following discussion, an EOI form:

Ray Browning	Ray.Browning@nelep.co.uk	0191 3387427
Matthew Ebbatson	Matthew.Ebbatson@nelep.co.uk	0191 3387432
Ben McLaughlin	Ben.McLaughlin@nelep.co.uk	0191 3387446

What happens next?

Please send your completed EOI form to Ben.McLaughlin@nelep.co.uk by **23:59 on 8 April 2016**. Before doing so please ensure that you have followed the guidance, completed all questions and entered an electronic signature.

As part of the assessment and selection process we will score all projects against the criteria set out in Annex One.

All project applicants will receive feedback following the selection of projects to move to the next Stage. This is planned for late June 2016.



Project Call Timetable

Call Open	1 March - 8 April
EOI Assessed	9 April - 28 th April
Project selected to proceed to Business Case stage	21st June 2016
Feedback to all projects	By 30 th June 2016
Selected projects submit Business Case forms	July – December 2016
Business Cases appraised and determined	August 2016 – March 2017
Project delivery and performance monitoring	Up to March 2026

Other supporting documents

Please consider the following documents that are available on the North East LEP website and that may help you with your application.

- North East [Strategic Economic Plan](#)
- List of [Key Performance Indicators](#)
- The [North East Growth and Infrastructure Fund](#) (registered State Aid scheme)
- Smart Specialisation Areas – see brochures for each area are available [here](#).
- General Guidelines for applicants
- [Grant Funding Agreement](#) (sets out our standard clauses and conditions)



Annex One

Scoring Assessment Matrix

Criteria	5	4	3	2	1	0	Max Score
Strategic Fit	Project meets the call aims, fits with SEP and is of a strategic scale.	-	Project meets the aims set out in the SEP but is not a strategic intervention	Fits with SEP, relevant activity, but small scale, not strategic	-	Project does not meet the aims set out in the call document and SEP	10
Additionality	-	-	Application clearly states the need for public support	Some evidence is available to indicate a need for public support	Application implies a need for public support but is not clear	No clear need for public support demonstrated	3
Intensity (%)	Less than 20% of project cost	21% - 40% of project cost	41% - 60% of project cost	61% - 80% of project cost	81-90% of project cost	91-100% of project cost	10
Cost Per Job	£20,000 or less	£20,000-£25,000	£25,000 - £30,000	£30,000 - £35,000	£35,000 or more	Unrealistic jobs figure	10
Match funding confirmed	Yes - all		Partially	-	-	No	5
State Aid Risk	Legal opinion supports compliant route or confirm no State aid.	Applicant identifies a compliant State Aid route.	Relevant State Aid issues understood but currently unable to be clarified		No appropriate consideration of State Aid provided	Request not compliant with State Aid.	10
Stage of development	Fully developed and ready to deliver	Detailed design stage	Outline design stage	Feasibility stage	Concept stage		10
Deliverability Risks	No or low risks that are clearly managed	-	Some significant risks that are clearly managed	Some significant risks and not all clearly managed.		Multiple high impact risks, not clearly managed / likely to be resolved in good time.	5
Deliverability time scale	-	Project can deliver within 30 months	-	Project can part deliver in 2 years	-	Project cannot deliver within 2 years	8
Early and substantial delivery of economic outcomes	KPI's substantially achieved by March 2019	-	Modest KPIs likely to be achieved by March 2019	-	No KPI outcomes forecast until beyond March 2019	KPI forecasts considered unrealistic	5
Score							76