

Outline Assessment Form

ESIF-Form-3-001

Part 1 Project Summary.

Information is drawn directly from the Outline Application.

1.0 Applicant Details		
1.1 Applicant Organisation	Herefordshire and Worcestershire Chamber of Commerce	
1.2 Project Name	Worcestershire Business Central – Growth Hub (Extension)	
1.3 ERDF or ESF Operation Programme Priority Axis	Priority Axis 3: Enhancing the competitiveness of small and medium sized enterprises	
1.4 Name of ERDF or ESF Investment Priority	IP3d: Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes.	
1.5 LEP Area (s) covered	Worcestershire	
1.6 Total Project Value (£)	£600K	
1.7 Total ESIF sought (£)	£300k	
1.8 ESIF Investment per Category of Region %	<i>Less Developed</i>	
	<i>More Developed</i>	100%
	<i>Transition</i>	

2.0 Project Timetable	
2.1 Proposed Start Date	April 2019
2.2 Proposed Financial Completion Date	March 2022

3.0 Project Description

The project is the delivery of a business support service by Worcestershire Business Central which will focus on Worcestershire's ERDF eligible 'scale up' i.e. high growth businesses focussing on, but not exclusive to, the priority sectors identified within the Worcestershire Strategic Economic Plan of Agritech, Cyber, Security and Defence and Advanced Manufacturing. ERDF funds will be used to contribute to the partnership funding available to deliver the Worcestershire Business Central initiative. By offering a support package comprising proactive telephone support, face to face advice, referrals/signposting to partner organisations and peer to peer networking, to the growth SMEs, the project will support the ambitions to increase GVA by £2.9bn by 2025.

Worcestershire LEP already has an established Growth Hub, Worcestershire Business Central (WBC), which has been successfully operating since March 2013. The Growth Hub received ERDF funding of £440k for the period April 16- March 19. The WBC (www.business-central.co.uk) offer has initially focussed on the provision of a diagnostic and signposting service to businesses in the County to stimulate economic growth by establishing a virtual one stop shop to improve coordination, raise awareness and increase uptake of local and national business support. This model was designed in collaboration with a number of partners including organisations such as the Chamber of Commerce, businesses and local authorities.

The project will be delivered using and building on the existing WBC structures. Services will target high growth SMEs in Worcestershire. Support will be co-ordinated and delivered through Growth Hub advisors and specialists with in-put from the wider business support community managed and co-ordinated through the Growth Hub.

Project activities will comprise:

- Engagement and Diagnostic
- High level organisational needs analysis
- Peer to Peer networking
- Referral/signposting.

Focussing on high growth SMEs, the support provided through this project will help businesses to develop their internal capability in order to improve their productivity, grow and create jobs.

The project will fund 3 Business Engagement Managers to carry out the project activities and 1 contracts and funding Manager to manage the project. All 4 individuals are currently in post and funded by the current ERDF funding which runs until the end of March 19.

4.0 Delivery Partners

None

5.0 Strategic Fit How would the project meet the Call Specification?

The call invites interventions to develop the Growth Hub in Worcestershire. Worcestershire Business Central is nationally recognised as a Growth Hub and been operating since March 2013. This project therefore builds on an existing and successful model which removes many of those risks and costs associated with establishing a support service from scratch. Significant partner investment to date has created governance and operational structures within WBC that are 'fit for purpose'. In addition, WBC has the commitment and buy-in from all local and national stakeholders and has a strong track record of delivery and partnership working.

This project therefore delivers a number of advantages and significant efficiencies over other possible solutions. Not least is the projects' ability to focus on the core business of the service from day one without the need to invest further in establishing new structures and in gaining partner commitment. The project will also 'hit the ground running' in terms of promotion and client support without the time lag associated with building a completely new service.

The project addresses Priority Axis 3: Enhancing the competitiveness of SMEs through ESIF Investment Priority 3d – supporting the capacity of SMEs to grow in regional, national and international markets and to engage in innovation processes.

The project addresses the call criteria by:

- Actively promoting the availability of local business support – to increase the number of SMEs benefitting from business information and advice;
- Providing straightforward access to business support and managing support services from a range of partners to provide a seamless service to business – to ensure maximum take-up of local and national support programmes and initiatives;
- Providing information that is easily accessible and straightforward to understand – to provide a more level playing field for Worcestershire SMEs to compete in local, national and international markets;
- Providing interventions to enhance SME capacity and capability – to encourage and support owner managers to develop and invest in the skills they need to grow and survive;
- Providing services including access to finance and export support that support growth and expansion.

This project is the best option as it addresses the fundamental barriers to SME growth and competitiveness. These barriers have been well rehearsed in Worcestershire, and through the establishment of Worcestershire Business Central the LEP and partners have created a model of business support that can target and co-ordinate services effectively and efficiently across its wider economic geography.

6.0 Outputs and Results (please add/delete rows as required)	
6.1 Outputs	Forecast
C1 Number of enterprises receiving support	30
C4 Number of enterprises receiving non-financial support	30
P13 Number of enterprises receiving information diagnostic and brokerage support	160
6.2 Results (European Social Fund only)	Forecast

Part 2

Gateway Assessment	
1. Is the project proposer eligible to apply for funding in accordance with the Common Provisions Regulations and the National Eligibility Rules for the relevant fund?	Yes <input checked="" type="checkbox"/>
	No <input type="checkbox"/>
2. Is the proposed activity and associated expenditure eligible for support within the Regulatory Frameworks applying to Structural Funds and National ERDF or ESF Eligibility Rules?	Yes <input checked="" type="checkbox"/>
	No <input type="checkbox"/>
	Partial <input type="checkbox"/>
3. Does the project present clear evidence that it contributes to the needs/opportunities identified in the Call for Proposals to which it is responding and the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme?	Yes <input checked="" type="checkbox"/>
	No <input type="checkbox"/>
	Partial <input type="checkbox"/>
4. Overall, does this proposal satisfy the Gateway Assessment?	Yes <input checked="" type="checkbox"/>
	No <input type="checkbox"/>
	Partial <input type="checkbox"/>
<p>Comment:</p> <p>Herefordshire and Worcestershire Chamber of Commerce are defined as a Community Interest Company and as such are eligible for funding under the guidelines of the</p>	

regulations. The proposed activities are eligible for funding, and the application satisfies gateway assessment. The proposed project is positioned to support IP3d, with a core focus of working within the structures of the existing Worcestershire Business Central Growth Hub.

If the answer Question 4 above is “No”, please go straight to Part 4.

Part 3 Core Selection Criteria

1. Strategic Fit	
1.1 Does the proposed operation contribute to the needs/opportunities and domestic strategic priorities identified in the call to which it is responding?	Fully <input checked="" type="checkbox"/>
	Partially <input type="checkbox"/>
	Not at all <input type="checkbox"/>
1.2 Does the proposed operation represent an appropriate means of delivering the relevant, domestic strategic priorities, specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme?	Fully <input checked="" type="checkbox"/>
	Partially <input type="checkbox"/>
	Not at all <input type="checkbox"/>
1.3 Does the application link activities, costs, outputs/results and delivery of the priorities in the Operational Programme?	Fully <input type="checkbox"/>
	Partially <input checked="" type="checkbox"/>
	Not at all <input type="checkbox"/>
1.4 If appropriate does the application demonstrate that the project would meet any requirements set in the OP for this type of activity?	Fully <input checked="" type="checkbox"/>
	Partially <input type="checkbox"/>
	Not at all <input type="checkbox"/>
1.5 Does the proposed operation align to the domestic strategic priorities and local growth needs set out in the local ESIF strategies?	Fully <input checked="" type="checkbox"/>
	Partially <input type="checkbox"/>
	Not at all <input type="checkbox"/>
1.6 Does the proposed operation duplicate or conflict with existing national policy?	Fully <input type="checkbox"/>
	Partially <input type="checkbox"/>
	Not at all <input checked="" type="checkbox"/>
<p>Comment:</p> <p>1.1. The applicant, Herefordshire and Worcestershire Chamber of Commerce, is proposing an extension to the existing ‘Worcestershire Business Central (WBC) Growth Hub’ project using the existing WBC structures and staff. The applicant is applying to conduct activity that supports Priority Axis 3 and Investment Priority 3d</p>	

(100%) 'Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes'. This is unchanged from the existing project.

Activities will comprise of support services focused on high growth businesses, and centred where possible on priority sectors of the area. The applicant has stated specific engagements to assist businesses, comprising: 'engagement and diagnostic, high level needs analysis, peer to peer networking, and referral/signposting. All support is diagnostic/non-financial. This appears to follow the existing approach although more detail was provided in the previous application, and this should be further explained at full application should the project be invited on this occasion. The project supports business development and economic growth, through the use of the Growth Hub, and as such contributes to the needs/opportunities of the call (including the specific call requirement to 'develop the Growth Hub'). It seeks to address the local growth priorities detailed in the call, particularly through addressing the key 'information barriers' to growth in the Worcestershire area by continuing the existing support activities. The application would perhaps benefit from any information that documents how the proposal will add anything new or *develop* existing activities.

1.2 The proposal meets with the Operational Programme and with the justification for the establishment of PA3. The proposed support activities are designed to combat the disparities in productivity in the Worcestershire area.

1.3 The project activities, costs and outputs are moderately outlined in the application and demonstrate linkage with priority axis. A rational methodology has been set out for the calculation of project outputs, and this has been informed by existing performance and data (e.g. in reference to the little movement of companies in and out of the geographical area). Costs appear appropriate. As it has done in the past, the applicant should clarify that all activities funded by ERDF are for businesses that are eligible for ERDF support. Other businesses assisted by the Growth Hub cannot be dealt with by project staff fully-funded by ERDF.

1.4 / 1.5 The project has made reference as to how the project aligns to the domestic strategic priorities and local growth needs of the local ESIF strategy. Moreover, the activities proposed meet with those under IP3d. The proposal notes that the existing partner investment has created 'fit for purpose' structures in the current WBC. Activities planned will address the local priorities by addressing barriers to growth, and target the identified core cyber/defence sectors.

1.6 Fit with national policy is explained, although the applicant should provide additional details on the structures of WBC and the way in which the operational model was designed and functions with its partners. No full project partners are listed (and the

LEP is providing match funding), although this is line with the existing project arrangements.

ESF only, Strategic Fit Score

2. Value for money

2.1 Additionality. Does the application confirm that ESIF investment adds value in terms of activities and impacts?

Yes

No

2.2 How does the project provide good value for money?

Comment:

This applicant is requesting 18.9% of the call allocation (£300k of the £1.58m available in this call), and 2.2% of the ERDF PA3 allocation to 2023 for Worcestershire, to achieve 2.7% of the target milestone outputs (C1 no. of enterprises supported). The case for additionality has been made to a fairly comprehensive extent, with ERDF funding the team of Business Engagement Managers that would have to be scaled back without funding.

The proposal offers very good value for money across each of its three outputs when comparing with the Operational Programme (OP) benchmarks, as set out below:

PA3 Output indicators	Unit	More Developed Target	Average Cost/ Unit (£)	Proposed Targets	Average Cost/ Unit (£)	+/- vs OP	
C1 Nr of Ent receiving support	Ent	50,859	£12,381	30	£10,000	(£2,381)	-19%
C4 Nr Ent receiving non-fin support	Ent	13,148	£47,890	30	£10,000	(£37,890)	-79%
P13 Nr Ent receiving IDB	Ent	4,056	£155,242	160	£1,875	(£153,367)	-99%

The applicant has set out a clear output methodology, but the applicant should set out where and how outputs have been estimated using existing performance and support data, along with continued evidence of demand. The application does consider that some companies may not want to engage, and therefore has adjusted P13 outputs to 75% of the portfolio of companies that each engagement manager will work with.

This request of £300k ERDF (total project £600k), is less than the £473k agreed for the 2016-2019 project, and reflects the fact that the Growth Hub is already up and running. Therefore some costs can be streamlined. The existing project had targets of C1: 50, C4: 20 and P13: 210, which illustrates that the applicant has considered targets in relation to its funding request.

Both output targets and finance have been profiled over the project lifetime in a logical manner. However, no C1 or C4 outputs have been profiled for 2019, despite a £150k spend, and that the project is continuing existing activities. This should be explained at full application, along with provision of greater forecasting clarity.

The proposal provides high level cost breakdowns:

Salaries: £493,692

Consultancy (project evaluation) £12,000

Overheads (including office costs and rent): £94,308

Clarification is needed as to why consultation is being sought for project evaluation. The applicant has stated that this is for both 'midterm and final project evaluation'. It is unclear what is planned for midterm evaluation as this is not a direct requirement under a standard funding agreement. In addition, a summative assessment should not exceed 1% of the total project costs, which would be £4,926.92. The procurement annex also states that these 2 evaluations are £5k each, yet the total listed is £12k. The applicant should rename "project evaluation" to "summative assessment", and note the requirements under the guidance, particularly around timings. Currently the milestones state that the final project evaluation will take place in August 2022, five months after project completion. The applicant will need to check these issues.

With salaries, the applicant should be clear current staff members are those identified in this application, including whether the current Growth Hub manager is no longer to be funded. Any changes in organisational structure and among those posts with planned ERDF funding should be made clear.

The applicant has also made reference to several posts that will deliver a small number of hours ('approximately 5% of total project costs). The applicant will need to set out why these posts will not be covered by indirect costs – a normal approach for staff with small involvements – and justify why these posts are critical to the operation of the project.

As the Growth hub supports all businesses, and ERDF does not, the rent is likely to be an indirect cost covered by FRIC. Clarification will be sought on this at full.

Subject to the comments above, the effective value for money is very good.

ESF only, Value for Money Score

3. Deliverability

3.1 Is the operation deliverable within the requirements of the

Fully

Operational Programme?	Partially <input type="checkbox"/>
	Not at all <input type="checkbox"/>
3.2 Is Match Funding in Place	Fully <input type="checkbox"/>
	Partially <input checked="" type="checkbox"/>
	Not at all <input type="checkbox"/>
<p>Comment:</p> <p>Whilst no delivery partners are included (as per the existing project), match funding will come from the LEP. This is at present only partially agreed: LEP funding for 2019/20 is confirmed and future years are agreed in principle. Continued LEP funding will need to be confirmed prior to contracting.</p> <p>The application is an extension to the existing WBC Growth Hub. This has a financial completion/activity end/practical completion date of 31 March 2019. This new application requests a continuation of funding to commence in 'April 2019' (presumably from 1 April although this is not stated and should be confirmed at full application). Both targets and funding are slightly lower than the previous project.</p> <p>The application would benefit from commentary around any changes to the enterprise environment in Worcestershire since 2016 that may impact the extension project. Examples of on-going success, reports and case studies would strengthen a full application to justify continued ERDF support. The applicant should provide evidence of continued demand and engagement and any assessments undertaken. In addition, the application states that the WBC "has initially focused on the provision of a diagnostic and signposting service" and that the project will "build on" existing WBC structures. Within a full application the applicant should set out whether it will be undertaking any new activities beyond the existing operation, and how the Growth Hub will be developed. The operation is deliverable within the requirement of the programme.</p> <p>As this is an application that relates a project extension, the past performance and current status of the existing project must be considered in the evaluation process.</p> <p>The existing project has demonstrated satisfactory performance on spend to date. Up to and including Q1 2018, the project expenditure has been running at within 15% of the contracted profile, which is within the MA's tolerance threshold. However, there is over 15% slippage against C1 and C4 outputs. A PCR has recently been submitted which will seek to re-profile both outputs and spend.</p> <p>Project track record has been acceptable, although minor irregularities relating to state aid communications, and to procurements, occurred. An A125 visit in December 2017 requested verification of P13 outputs. Remedial action has now been undertaken.</p> <p>Overall the applicant's track record is satisfactory, and the applicant has demonstrated that it does have necessary management capacity, systems and processes to meet ERDF requirements.</p>	

ESF only, Deliverability Score**4. Management and Control**

4.1 Has the applicant confirmed that

- | | | |
|---|---|-----------------------------|
| • They have read and understood the document: Management and Control Requirements for ESIF Projects | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| • The applicant organisation already has systems in place to comply with these requirements; or has the capacity to establish systems that will meet these requirements | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

4.2 Does the applicant's track record suggest that the applicant does have or would have the necessary management capacity, systems and processes to meet ESIF management and control requirements?

Yes No

Comment:

The applicant does not have any significant track record issues on the 14-20 programmes. The applicant has insight from delivery of the existing project, which commenced in 2016, and from the Growth Hub itself which was funded prior to 2016 with BIS support.

The applicant is requesting an aligned start/end date for the new and old project. The applicant should be clear at full application that it is understood how any on-going activities across the extension transition phase will be accurately accounted for. The applicant's track record demonstrates the necessary management capacity, systems and processes to meet ESIF management and control requirements.

4.3 If appropriate, does the application demonstrate a compliant approach to apportioning costs between LEP areas?

NA Yes No

4.4 If appropriate, does the application demonstrate a compliant approach to apportioning costs between Category of Regions?

NA Yes No 4.5 **ESF Only** - Does the application demonstrate a compliant approach to apportioning costs between Investment Priorities?NA Yes No

<p>Comment:</p> <p>The project is responding to a single LEP call – Worcestershire.</p>		
4.6 Does the project intend to incur any expenditure before a funding agreement is agreed	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4.7 Due Diligence: Is due diligence necessary?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>Comment:</p> <p>Under current plans the project is not due to incur any expenditure at risk. Proposed timelines and milestones appear well spaced.</p>		
ESF only, Management and Control Score		

5. Compliance		
5.1 Procurement.		
5.1.1 Does the project involve any procurement	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
5.1.2 Does the application set out an approach to procurement that is compliant with the Procurement Law ESIF Compliance Guidance Note?	Fully <input checked="" type="checkbox"/>	
	Partially <input type="checkbox"/>	
	Not at all <input type="checkbox"/>	
5.1.3 Does the applicant's track record suggest that the applicant does have or would have the necessary management capacity, systems and processes to meet ESIF procurement requirements?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>Comment:</p> <p>Planned procurements are outlined and detailed in Annex 2. There are no existing contracts, and the only procurements are consultancy relating to the project evaluation, which itself will need to be clarified as per the above assessment. No procurements exceed the £25k threshold.</p> <p>The Chamber, as a non-contacting authority has stated that they will ensure adherence to the procurement regulations, and has set out clearly how each procured contract will be assessed and reviewed to ensure that it follows the correct process. The applicant demonstrates a sufficient understanding of the procurement requirements and has set out an adequate approach in order to ensure its procurement meets national rules.</p>		

5.2 State Aid.

5.2.1 Is the applicant and any delivery partners eligible to receive the grant requested within the State Aid Regulations?	Fully <input checked="" type="checkbox"/>	
	Partially <input type="checkbox"/>	
	Not at all <input type="checkbox"/>	
5.2.2 Would the project provide State Aid to any third parties?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If yes, and to the best of your knowledge, are these third parties eligible to receive grant aid at the level requested within the State Aid Regulations?	Fully <input checked="" type="checkbox"/>	
	Partially <input type="checkbox"/>	
	Not at all <input type="checkbox"/>	
5.2.3 Does the application or the applicant's track record suggest that the applicant does have or would have the necessary management capacity, systems and processes to meet State Aid requirements?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>Comment:</p> <p>As there is no match funding from SMEs, the aid intensity rate is 100%. Irrespective of the current operation, the application has detailed only a partial explanation of the state aid approach, noting that it will operate within GBER, and where relevant de minimis. The applicant should demonstrate a full consideration of state aid at full application.</p> <p>The applicant has set out an approach to managing and tracking support provided to businesses to ensure adherence to aid thresholds (although has not referenced the €200,000 ceiling and documentation requirements), and will have in place a CRM system to provide quarterly reporting. The application does not set out all its communication between support recipients and should make note of any lessons learnt in relation to past performance and compliance issues.</p>		

5.3 Publicity		
Has the applicant confirmed that:		
• They have read and understood the Branding and Publicity Requirements	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
• The applicant organisation already has systems in place to comply with these requirements; or has the capacity to establish systems that will meet these requirements	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
ESF only, Compliance Score		

5.4 Revenue generation (ERDF only).

Does the project involve the generation of revenue	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>Comment:</p> <p>No revenue generation.</p>		
6. Cross Cutting Themes		
6.1 Does the application demonstrate that the applicant will take positive measures to support the sustainable development theme?	Fully <input checked="" type="checkbox"/>	
	Partially <input type="checkbox"/>	
	Not at all <input type="checkbox"/>	
6.2 Does the application demonstrate that the applicant will take positive measures to contribute towards the gender equality and non-discrimination cross cutting theme?	Fully <input checked="" type="checkbox"/>	
	Partially <input type="checkbox"/>	
	Not at all <input type="checkbox"/>	
<p>Comment:</p> <p>6.1 The application gives moderate detail on its support to sustainability. It is stated that sustainable development is central theme in business support programmes. This is achieved by the project requiring beneficiaries to comply with sustainable development principles, and through prioritising projects with positive environmental impacts. However, no real examples or practical policies have been described to illustrate how this is achieved. The applicant should provide further information on these statements at full application.</p> <p>Further clarification will also be required at Full Stage on how the project will seek to embed resource efficiency into its business support offer.</p> <p>6.2 The applicant has stated that project will operate under the formal equality and diversity policies of the chamber and comply with UK and EU law. The applicant describes an approach that will be open to all and target specific sections of the community. Again, these statements would benefit from an explanation of how and what will be done to achieve this.</p>		
ESF only, Cross Cutting Themes Score		

7. Advice from local ESIF Sub-Committee

What advice has the sub-committee given regarding

- how well the proposal addresses domestic strategic priorities through meeting local development need, growth conditions and opportunities;
- the contribution/potential return on investment the applications will deliver in the context of the Operational Programme and local ESIF Strategy;
- the likely impact of ESI Funds on persons with protected characteristics

and or on mitigating measures where adverse impacts are identified.

TBA

8. Overall Comment: To be completed pre-ESIF sub-committee without recommendation and updated post-ESIF sub-committee with recommendation

This project, Worcestershire Business Central (WBC) – Growth Hub (2), managed by Herefordshire and Worcestershire Chamber of Commerce, is requesting an extension of the current live project to deliver business support via the existing WBC growth hub structures.

The application addresses the needs outlined in the call, and the project fits with the investment priorities and strategy outlined. The applicant is applying under IP3d and proposes to continue the work of the growth hub using a team of engagement and funding managers. This would not continue without ERDF support. The need for a local Growth Hub to co-ordinate the provision of business support is explained in the call. The application would benefit from greater detail on if and how the activities of the growth hub will be developed or enhanced.

The project represents VfM at both an Operational Programme and LEP level, but further clarity will be required on the assumptions that have been made in respect of the output targets

Management and control structures appear to be appropriate, although the applicant should make clear how it intends to build on its existing experience and utilise lessons learnt from minor compliance and performance issues. Expenditure in the current project has been within the 15% slippage tolerance threshold to date, but C1 and C4 outputs are tracking at more than 15% behind the contracted targets. A PCR is currently being considered by the MA to revise the profiles accordingly. The track record of the project against its revised expenditure and output profiles will be considered again at the full stage.

This revenue funded project with a 50% intervention rate is deliverable in the timeframe listed, and proposed activities are eligible for funding. Value for money has been assessed as good, and continued operation of WBC, via extension, would deliver benefits to enterprises in the area.

ESF only, total score

Proposed Conditions

1 Procurement Conditions

1a. Attention is drawn to compliance with Procurement Law and in particular the

Public Contracts Regulations 2015

(<http://www.legislation.gov.uk/ukxi/2015/102/contents/made>):

- Applicants must refer to the Procurement Law ESIF Compliance Note in the development of the full application and in considering/applying their procurement processes (*Useful Links*, above refers);
- The managing authority reserves the right not to take forward the full application if any aspects of procurement are identified as being non-compliant at the full application stage;
- Applicants should note that procurements will be tested in detail in the lifetime of a project and by different independent bodies. In the event of non-compliance an irregularity will be declared and a financial penalty will be imposed in line with EU guidance. This can be up to 100% of the irregular procurement expenditure. The managing authority therefore recommends that applicants seek appropriate legal and/or technical advice to ensure compliance.

1b. The applicant should prepare and submit with the full application a Procurement Plan. *As a minimum*, this should set out in respect of each procurement to be undertaken:

- a. Timescales for each stage of the process;
- b. The process being followed;
- c. Person responsible for day to day delivery of the procurement;
- d. Person responsible for gateway checks at each stage of the process;
- e. Details of how you will ensure that contracts are procured compliantly – particularly where the procurement is being carried out by a team outside of the proposed project delivery team.

1c. The applicant must provide all core OJEU procurement documentation to the managing authority as soon as it is available. Where procurements have already been undertaken, the applicant should submit all relevant documentation along with a copy of the Procurement Review Form (ESIF-Form-4-005 OJEU Procurement Review Form); this will be provided by your appraiser.

Frameworks

Where an OJEU level contract has been let under a framework, the documentation set in the OJEU Procurement Review form is required along with the following additional documents:

1. OJEU Contract Notice for the Framework;
2. Details of the agreed Methodology for awarding contracts from the Framework.

This is not an exhaustive list and the MA may request additional information at any point. The Applicant will be required to retain a full procurement audit trail in line with the ESIF Compliance Procurement Law Guidance Note.

1d. The full application must specify how the applicant's previous experience of procurement irregularity has led to system/process improvements.

2 It is noted that the current project is underperforming against its output profiles and has submitted a project change request. The track record of the current project against its revised output profiles will be considered as part of the full appraisal for this application for a second phase of funding. The applicant should detail how lessons learnt from the WBC (1) project (2016-19) will inform the delivery of this project
3 The applicant is required to provide and demonstrate clarity for any transition phase between the first and second phases of the project, to ensure sufficiently accurate recording of outputs and financial activity.
4 At full application, more detail should be provided on the proposed support activities and engagement plans with businesses and any information that documents how the proposal will add anything new or <i>develop</i> existing activities (“building on existing WBC structures”).
5 Applicant should clarify that all activities funded by ERDF are for businesses that are eligible for ERDF support. Other businesses assisted by the Growth Hub cannot be dealt with by project staff fully-funded by ERDF
6 The applicant should detail the considerations taken in forecasting outputs in this application against previous project plans. Evidence of continued demand, data, and assessment should be provided. No C1 or C4 outputs have been profiled for 2019, despite a £150k spend, and that the project is continuing existing activities. This should be explained at full application
7 Applicant to clarify procurement and consultancy costs. Two £5k procurements are listed, but £12k of costs are profiled. Applicant should rename “project evaluation” to “summative assessment”, and note the requirements under the guidance, particularly around timings of when the assessment must be completed by, and the maximum acceptable cost of an assessment.
8 The application highlights several posts which will be contributing a small percentage of their time to the project. The applicant will need to set out why these posts will not be covered by indirect costs
9 A robust state aid position should be set out at full application which fully considers an approach to GBER and de minimis. The applicant should clearly detail its approach to state aid communications with its beneficiaries, noting any lessons learnt from the existing project.
10 Applicant to provide further clarity on its sustainability and diversity approach at Full stage, principally how it will ensure beneficiaries comply with sustainability principles and how the applicant will ensure the project is open to all
11 At the full stage, the applicant will need to explain how resource efficiency is embedded into the business support offer.
12 Applicant to confirm the inclusion of rent in costs set out in application. As the Growth hub supports all businesses, and ERDF does not, the rent is likely to be an indirect cost covered by FRIC.

Part 4 Decision

4.1 Assessment

Completed by: (Assessor)	 George Pickering	Date:	15/05/2018
Reviewed by: (QA/Reviewer)	 Anna Vinsen	Date:	04/06/18

4.2 Managing Authority assessment decision

Progress	<input type="checkbox"/>
Progress with conditions	<input type="checkbox"/>
Reject:	
a) Failed Gateway	<input type="checkbox"/>
b) Failed Core Selection Criteria, domestic priorities (Strategic Fit)	<input type="checkbox"/>
c) Failed Core Selection Criteria, VFM	<input type="checkbox"/>
d) Failed Core Selection Criteria (other than b,c)	<input type="checkbox"/>
e) Met Selection Criteria but Insufficient resources	<input type="checkbox"/>
In cases where the Call was to select a single project and a – e do not apply.	<input type="checkbox"/>
f) Not selected on the basis of alignment with domestic priorities (Strategic Fit)	<input type="checkbox"/>
g) Not selected for reasons of VFM	<input type="checkbox"/>
h) Not selected on the basis of Core Selection Criteria (other than b,c)	<input type="checkbox"/>
Comment:	
Conditions	
1 progress subject to Due Diligence where appropriate	
2 If project involves income/revenue direct applicants to guidance/requirements/rules re NET Revenue	
3 Insert further conditions if necessary.	
Name (Approver)	Date: