

Sector Support Funding Application – Independent Evaluation

Appraisal Guidance:

Bids will be appraised by the SELEP Secretariat and the SELEP Accountable Body. This is to ensure that the requirement of the SELEP Assurance Framework to ensure that all investments are independently evaluated, is met. The appraisal will be proportionate to the value of the investment. The appraisal will be made to ensure the bid fits with the criteria as laid out below. If the project does not meet all of the criteria, it is not suitable for this funding.

Applicant	Thames Gateway Kent Partnership
Lead Contact for Project	Richard Longman
Project	North Kent Enterprise Zone: Enabling and Marketing
Reviewed by	Lorna Norris
Date	Initial review: 26/03/2018 Final review following clarifications: 09/04/2018
Outcome:	This project is assessed as meeting the criteria for funding.

Criteria for Funding

All funding applications must meet the following criteria:

Criterion	Notes	Reviewer Comments
Scope must be pan LEP	The project must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four	This project will specifically operate within the North Kent area, however, it is anticipated to realise benefits across the whole of the SELEP area, especially in the Thames Gateway / Estuary area
Federated areas must support the project	Project sponsors must discuss the project with Federated Boards or their lead officer/Director for every federated area impacted	This Project received approval from the SELEP Strategic Board on the 9 th June 2017.
The outcomes must align with SELEPs overarching objective to <i>create the conditions</i> for increased jobs and homes , safeguarding	Given the low investment levels of this fund, it is not expected that the projects will directly deliver greater numbers of jobs and homes but	The project will support delivery of Jobs in the area

existing jobs and raising skill levels	applicants must be able to demonstrate how the project will be part of creating the conditions for greater numbers of jobs and homes	
The project must align with the SELEP priorities as defined in the Strategic Economic Plan	Applicants should highlight which objective(s) that their project supports. If you are unable to identify an objective to align to, this would suggest your project is not suitable for this funding	Project focuses on the Thames Gateway which is a key priority for the SELEP; it also aligns to a number of other priorities
The project must be for a discrete piece of work, not ongoing or business as usual (BAU) costs	This funding is project based, that is a stand-alone piece of work, with defined start and finish dates and clearly identified inputs and outputs.	This is for a one-off cost to meet the LDO cost
Minimum application value is £25,000 and maximum application value is £200,000	Bids outside of this range will not be considered	Value sought is £161,000
Funding will be awarded as a grant to support revenue spending only	Capital bids will not be considered	This is a revenue cost
Match funding of 30% must be demonstrated	Applicants must be able to evidence at least 30% of match funding at time of application. This match can be either cash or non-cash. The source of this match must be identified and other SELEP funding or SELEP resource (including SELEP working group time) cannot be submitted as match	Match funding is 42.2%
Projects are expected to be a maximum of 12 months duration. Exceptions will be considered on a case by case basis	Funding can be provided in more than one financial year if the 12 month period straddles two financial years	A small amount of funding requested for 2017/18; remaining funding required in 2018/19
The project must demonstrate Value for Money and comply with the SELEP Assurance	Further guidance on demonstrating Value for Money in a proportional manner can be found in	BCR based on the direct benefit to the public sector are expected to range between:

Framework	Annex A	<p>£338,000: £278,310 = 1.21:1; and £534,000: £278,310 = 1.92:1</p> <p>The above calculation indicates that medium VFM is only achieved if the most optimistic estimates in business rate yield are realised and the anticipated, but unquantified, additional benefits are taken into account.</p> <p>It should be noted that the above BCR assumptions are based only on the potential benefits arising from the acceleration of business rate yield; there are also further potential benefits identified to the businesses occupying the investment space which can be expected to realise a public value benefit which is unquantified. For example, additional Gross Value Added benefits are likely to occur through the acceleration of job creation through the delivery of the employment space.</p> <p>The above satisfies the Assurance Framework requirement for VFM under exemption 1.</p>
The project must be supported by a lead County/Unitary Authority or equivalent	The preferred route of contracting would be with one of the County/Unitary authorities. Other contracts will be considered on a case by case basis	Medway Council is the lead authority for any SELEP funding awarded for this project, however, the project is also supported by Maidstone Borough Council.

SELEP Assurance Framework Value for Money Requirements:

To receive a recommendation for approval, projects should have a Benefit Cost Ratio of at least 2:1 or comply with one of the two exemptions listed below:

Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a Benefit Cost Ratio of over 2:1), but has a Benefit Cost Ratio of over 1:1, and only if the following conditions are satisfied:

- (a) there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and
- (b) there is demonstrable additionality which will be achieved through investment to address a clear market failure; and
- (c) there are no project risks identified as high risk and high probability after mitigation measures have been considered; and
- (d) there are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.
 - (1) A Government Department;
 - (2) Highways England;
 - (3) Network Rail;
 - (4) Environment Agency; or
 - (5) Skills Funding Agency.