



Full Application Form

EUROPEAN STRUCTURAL & INVESTMENT FUNDS

ESIF-Form-2-010

For completion by the Managing Authority¹	
Project Number	
Date received	
Version number	

¹ Throughout this document, "Managing Authority" means the European Regional Development Fund Managing Authority (Ministry of Housing, Communities and Local Government), the London Intermediate Body (Greater London Authority) and the European Social Fund Managing Authority (Department for Work and Pensions)

1.0 Applicant Details		
1.1 Applicant organisation	Wave Hub Limited	
1.2 Status of organisation	Limited Company	
1.3 For private sector applicants, what is the size of the enterprise applying for funding?	Small	n/a
	Medium	n/a
	Large	n/a
1.4 Company/charity registration number (where applicable)	07875270	
1.5 VAT number (where applicable)	250721140	
1.6 Applicant address	Chi Gallos	
1.7 Applicant address (row 2)	Hayle Marine Renewables Business Park	
1.8 Applicant address (row 3)	North Quay	
1.9 Town / City	Hayle	
1.10 County	Cornwall	
1.11 Postcode	TR27 4DD	
1.12 Main contact	Steve Jermy	
1.13 Job Title / Position in the Organisation	Executive Chair & Managing Director	
1.14 Email	steve.jermy@wavehub.co.uk	
1.15 Telephone Number	01736 800290	
1.16 Mobile Number (optional)	07890 661110	

2.0 Project Details	
2.1 Project Name	Cornwall FLOW Accelerator
2.2 Local Enterprise area(s) covered	Cornwall and the Isles of Scilly
2.3 Reference number of the call you responded to.	OC05R18P 0899
2.4 Name of European Structural & Investment Funds Investment Priority	Priority Axis 04: Supporting the Shift Towards a Low Carbon Economy in All Sectors
<p>2.5 Project Description – Fully describe how the project will be delivered. You should avoid overly technical terminology. Your response should be understood by a non-expert. In your response please cover There is no word limit but you are encouraged to keep this description <u>focussed</u> on the activity of the project:</p> <ul style="list-style-type: none"> • What the project is, including the specific activities undertaken as part of the project • Where the project will be delivered • Over what timescale • Who will deliver it • Who will benefit from the project • What the benefits will be <p>For capital funded activity, please complete Annex 2(c)</p> <p>Please refer to organisation names (and job titles if necessary) rather than the actual names of individuals when describing project delivery arrangements and responsibilities. Please ensure your response addresses each of the listed bullet points. You may use sub-headings in your response if this is helpful.</p> <p>For ESF projects, please include a high level, end-to-end customer journey document e.g. flow chart as an annex to your application.</p>	

Floating offshore wind (FLOW) is the world's fastest growing novel offshore renewables sector, and Cornwall is one of only two British regions with water depths suitable for its deployment.

FLOW has the potential to deliver 10GW of Britain's target of 50GW of offshore wind capacity by 2050. It can deliver renewable energy at unprecedented scale and with unprecedented speed, combining floating foundations with the world's largest offshore wind turbine sizes, (10-15MW) with existing fixed bottom offshore wind experience and capability. The potential FLOW market is at least twice the size of fixed offshore wind, itself the quickest growing of the world's renewable energy sectors. There are clear signals that industry players across the world are mobilising at pace and project developers assessing potential offshore sites and supply chain capability.

Cornwall is one of the two only regions in the UK for FLOW deployment, and the region and the industry are in advanced discussion with Government to ensure that Celtic Sea FLOW projects will be eligible for Contracts For Difference (CFD) support in future Auction Rounds (AR), starting with AR4 in 2021. The Offshore Renewable Energy Catapult suggests FLOW will support 17,000 UK jobs and £33.6bn of GVA, far outweighing the cost of providing support for the early stages of deployment of up to £2.2bn.

Because of the pace with which the sector is moving, there is a short window of opportunity for Cornwall to capitalise on the transformational economic opportunity, which Cornwall's offshore renewables industry's pioneering capabilities and the county's geographic position represent, by creating the conditions for the build-out of large scale FLOW off the Cornish coast from the mid-2020s onwards.

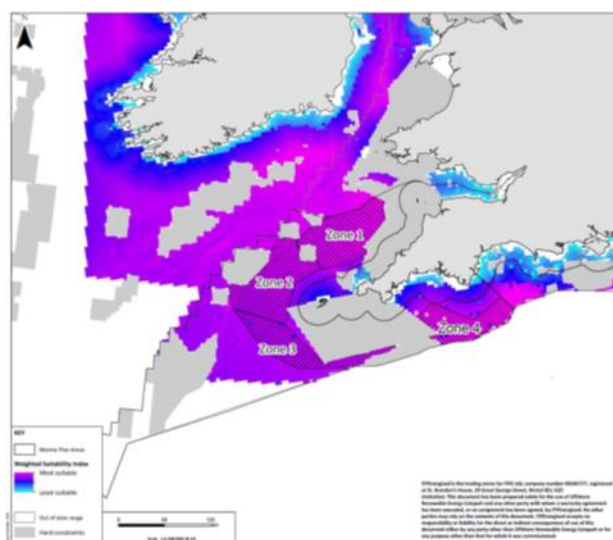


Figure 1 - Celtic Sea Areas of Least Constraint for FLOW - OREC. Zones 1,2,3 are COIS Offshore Waters

The Cornwall FLOW Accelerator project will create key capabilities to help position the county to take a leading role in the global FLOW sector, including through developing the capacity to minimise CO2 emissions during FLOW offshore and onshore operations. The Cornwall FLOW Project envisages 3 primary objective areas:

1. **Offshore Project Development** – undertake offshore resource and environmental analysis as a first key step on the development of a large-scale FLOW project pipeline for the Celtic Sea.

The centre piece of this work would be the deployment of 2 LIDAR buoys, with associated environmental data gathering capacity, to collect wind resource data, oceanographic and environmental impact assessment (EIA) data in the Cornish offshore waters in the Celtic Sea, deployed using novel Low Carbon Footprint (LCF) techniques

2. **FLOW Accelerator** – design, develop and build a floating offshore wind simulator as a vehicle for:
 - high level installation, operations & maintenance (O&M) analysis
 - marine operations modelling analysis of commercial scale (500MW) FLOW wind farms
 - optimisation of offshore LCF operations; training of mariners and offshore engineers.
3. **Low Carbon Footprint Operations** – undertake operations and engineering analysis, procurement, construction and installation (EPCI) capability analysis to:
 - meet BEIS OWSD target of 60% local content
 - establish EPCI carbon baseline
 - design LCF Supply Chain Plan frameworks for Celtic Sea FLOW projects.

The project will run from Q1-2021 to Q4-2022, with the bulk of the work undertaken in Cornwall, and a small proportion of specialist RD&I undertaken by the University of Plymouth (UoP).

Project management would be undertaken by a dedicated HQ team, which will also provide the core of a Cornwall FLOW industrial cluster, delivering the BEIS's cluster policy guidance in the Offshore Wind Sector Deal (OWSD).

The project activities will be split across 6 primary work streams plus project management and dissemination work packages:

WE	Task Name	Duration	Start	Finish	2021				2022				2023				
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	WP 1 - Project Management	771 days	Wed 30/09/20	Wed 13/09/23													
2	Work Package 2 - Lidar Validation for Low Carbon Investment	552 days	Tue 05/01/21	Wed 15/02/23													
3	Work Package 3 - Low carbon Offshore EIA strategies	457 days	Thu 01/04/21	Fri 30/12/22													
4	Work Package 4 - Innovation in Low Carbon design and manufacturability	584 days	Mon 04/01/21	Thu 30/03/23													
5	Work Pacakge 5 - Low Carbon Offshore Installation, Operations & Maintenance processes	585 days	Mon 04/01/21	Fri 31/03/23													
6	Work Package 6 - Low Carbon FLOW Simulator data platform	456 days	Thu 01/07/21	Thu 30/03/23													
7	Work Package 7 -Low Carbon FLOW Simulator development	610 days	Mon 01/03/21	Fri 30/06/23													
8	Work Package 8 - Dissemination	195 days	Mon 03/10/22	Fri 30/06/23													

The intended impacts of these work packages are;

- Supply chain development creating new products through SME innovation creating new high value and skilled graduate level jobs
- Stimulating SME RD&I Low Carbon ecosystem in CIOS, with step change in engagement in regional, national and international programmes
- Attracting inward investment and additional RD&I funding at major project scale through access to new supply chains
- The delivery of new products, services and high value jobs in key sectors
- Driving growth and productivity within the marine technology smart specialisation theme
- Developing an enhanced understanding of the development of 500MW FLOW array in the Celtic Sea
- Developing an enhanced reputation of the region and its businesses around e.g. low carbon environment, floating offshore wind, autonomy, satellite applications, data and AI applications in the marine sector.

The project will directly benefit at least 60 businesses with a focus on growth through the supply of Low Carbon solutions within the FLOW industry in the Celtic Sea.

These will lead to primary regional outputs which will be:

- **Carbon Reduction** – it will accelerate the delivery of low-cost renewable energy, contributing to Cornwall Council's Climate Change Action Plan (CCAP) and Britain's 2030-2050 CO2 reduction targets
- **Regional Economic Development & Jobs** – it will position the local offshore renewable industry and the regional economy to secure FLOW benefits akin to those realised in the East of England from fixed offshore wind
- **Exports** – it will establish Cornwall as a FLOW Cluster, thus securing for Britain a world-leading position in the world's fastest growing renewable sector, with markets emerging in Korea, Japan, Taiwan, USA, France and Spain (particularly the Canary Islands).

As well as developing a world's first low carbon footprint approach to FLOW, leading to significant CO2 input savings over the project life, Cornwall FLOW Accelerator will underpin the two key follow on projects.

1. The South West FLOW Accelerator project starting in end-2021.
2. The development of up to five 500MW wind farms from 2025 onwards, providing the bulk of the regions' 3.0GW FLOW ambition and achieving the lion's share of Cornwall's 1.2GW renewable energy deficit; delivering in full Cornwall Council's Climate Change Action Plan mitigations and meeting the county's 2030 Net Zero ambition.

2.6 Will the project involve Delivery Partners? If yes complete 2.6.1

Yes

2.6.1 Delivery partner name & address including postcode, and their Company / Charity registration number. (Please refer to organisation names rather than the actual names of individuals)	Role and confirmation that they will defray expenditure (will they provide match funding)	Is an SLA in place and if not when it will be?
Offshore Renewable Energy Catapult, Hayle Marine Renewables Business Park, North Quay, Hayle, Cornwall TR27 4DD	Low-carbon manufacturing expertise and connectivity with national programmes to input into locally focussed research and business engagement.	Draft SLA exists and will be signed before ERDF contracts are issued
University of Exeter, Northcote House, The Queen's Drive, Exeter EX4 4QJ	Supporting development of the simulator with emphasis on low-carbon marine operations and leveraging existing research into environmental data analysis, logistics, installation and offshore reliability	Draft SLA exists and will be signed before ERDF contracts are issued
University of Plymouth, Plymouth, Devon PL4 8AA	Digital twin expertise centred on creating offshore simulations in a virtual environment from a machine-learning perspective and supporting the vessel elements of the simulator development	Draft SLA exists and will be signed before ERDF contracts are issued

2.7 Outline Application Conditions

Explain how you have addressed each of the conditions made at the Outline Application endorsement stage. Add additional rows if necessary

Outline Application Stage Conditions & how they have been met

1. Due Diligence Requirements:

Acceptance of a full application will be subject to satisfactory completion of financial due diligence checks by the managing authority. These checks are to provide assurance to the managing authority that the applicant has the finances in place to deliver the project as proposed. The checks will investigate the adequacy of the applicant's financial situation to:

- 1a. Fund any contribution to match funding to be provided by the applicant;
- 1b. Cashflow the project quarterly in arrears;
- 1c. Fund any increases in budgeted project costs;
- 1d. Fund project costs notwithstanding any reduction in ERDF grant received should an irregularity be incurred;
- 1e. Remain solvent during the project delivery period.

To enable the managing authority to undertake this review, applicants should provide a copy of their full annual report and accounts for the past three financial years. These should be provided to the named appraiser as soon as practical following receipt of this letter.

Copies of the full annual report and accounts for the last three financial years are attached.

2. Procurement Conditions

Section 9 of the full application form should contain a full and comprehensive description of the proposed procurement approach.

2a. Attention is drawn to compliance with Procurement Law and in particular the Public Contracts Regulations 2015 (<http://www.legislation.gov.uk/uksi/2015/102/contents/made>):

- All applicants, **both non-contracting and contracting authorities** are required to adhere to the requirements of the ESIF Compliance Procurement Law Guidance Note, failure to do so will attract the penalties set out in these requirements.
- 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.

2b. 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.

2c. 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.

Wave Hub's procurement policy is attached as Appendix 6. A full procurement plan has also been produced and is attached as Appendix 6b. Further detail on procurement is also included in section 9.

Applicant to review milestones and ensure confidence over the grid issues. **Reason:** To ensure project is deliverable within ERDF Programme timescales.

Since initial submission in 2019, the project has evolved to focus on laying the groundwork for a sustainable, low carbon, industrial response to the opportunities that Floating Offshore Wind will bring. Recognising the compressed timeframe now available for delivery, the project partners are focussing on delivering the key data and simulation tools which will:

- underpin investment decisions leading to large scale FLOW being deployed in Cornish offshore waters
- significantly reduce the number of offshore operations in those same waters, leading to carbon reductions
- support businesses to develop low carbon footprint operations which, in turn, will accelerate the sustainable deployment of industrial scale FLOW in Cornwall.

Therefore, the issue of grid connectivity no longer impacts on the Project's critical path or on its ability to deliver scoped outputs and outcomes.

The full project plan is attached as Appendix 4, with a summary of key milestones included in section 4. The critical path and associated milestones are all achievable by the end of June 2023.

4. Applicant to explain how their project aligns to the CloS Marine Renewables Roadmap 2015-25
Reason: To ensure further strategic fit and adherence to the call requirements.

The CloS Marine Renewables Roadmap was published in 2014 and had an implied focus on the development of Wave Energy in the region. That said, it also recognised the benefits of "De-Risking Future Market Led Investment" and "Growing an Emerging Marine Technology Cluster" and this project aligns with both themes. It is also worth noting that this Roadmap was reviewed and refreshed in 2017/18, which led to the CLOS LEP Positioning Paper "Towards 2030. Welcome to the Future - Offshore Renewables and Marine Technology in Cornwall & Isles of Scilly".

This review was led by Matt Hodson, Marine Hub Cornwall and was conducted by a working group including Steve Jermy, then Chair of the MOR group, and Neil Farrington, then of Community Energy Plus (all three are involved the development of this project).

The paper set short term aims (up to 2020) of "establishing an efficient and effective working partnership between private and public sectors". This led directly to the establishment of the CLOS LEP led South West FLOW initiative which has played a key part in the raising the profile of the Celtic Sea opportunity. The paper's medium term aims (up to 2025) included "continuing to help businesses accelerate their exports through building capability across marine renewables and emerging marine tech areas as well as preparing the ground for significant offshore renewable deployments off the Cornish coast through infrastructure enhancement". The Project's delivery of Low Carbon Footprint operations, FLOW simulator and Lidar data validation tool align completely with that aspiration.

5. Applicant to confirm and provide further detail on which investment priorities are to be delivered against and also explain how the project may be complementing any national / international work being undertaken to develop FLOW technology. **Reason:** To ensure strategic fit and ensure complementarity / avoid duplication of activity with organisations which may be specialising in FLOW development.

The project will deliver against **Investment Priority 4a** – Promoting the production and distribution of energy derived from renewable sources and **Investment Priority 4f** – Promoting research and innovation in, and adoption of, low-carbon technologies

The project will: -

- Deliver a novel industry zonal wind resource assessment tool, thereby accelerating the delivery of offshore floating wind energy in Cornish Offshore waters, significantly supporting increased production of renewable energy
- Build supply chain capacity capable of delivering low carbon footprint operations within the offshore floating wind sector
- Undertake research and development, innovation and supply chain work for low carbon technologies, linked to floating offshore wind
- Deliver knowledge transfer between higher education / further education institutions and businesses, with the Universities of Exeter and Plymouth involved as project partners and significant engagement with a broad variety of businesses from the offshore floating wind sector and its supply chain
- Undertake research, development and innovation with a particular focus on optimisation tools which will allow the virtual testing of multiple offshore operations which will reduce costs of low carbon energy production and deliver sustainable operational methodologies for offshore floating wind technologies.

The project will accelerate FLOW in Cornish Offshore waters, and also the regional supply chain response, by focussing on tools, data and methodologies to support the investment case for developers and the supply chain. This complements work being supported by other projects including:

The Carbon Trust FLOW Joint Industry Partnership - The Floating Wind JIP is a collaborative R&D initiative between the Carbon Trust and 15 leading international offshore wind developers, with support from the Scottish Government, created to investigate the challenges and opportunities of developing commercial-scale floating wind farms. Since its formation in 2016, the JIP has delivered several studies outlining the critical need for the sector to reach cost parity with other low carbon energy sources.

ORE Supergen – This is an Engineering and Physical Sciences Research Council (EPSRC) funded research consortium. They provide research leadership to connect academia, industry, policy and public stakeholders, inspire innovation and maximise societal value in offshore wind, wave and tidal energy.

Offshore Wind Growth Partnership - This national programme is promoting closer collaboration across the supply chain, implement structured productivity improvement programmes and facilitate shared growth opportunities between developers and the supply chain.

FLOW Centre of Excellence – This national programme is working with key offshore developers to understand the key areas of innovation and optimisation required to deliver Floating Offshore Wind as an industry. The Centre is run by the Offshore Renewable Catapult (a project partner) and will act as a key source of the industry data and information necessary for the Cornwall FLOW Accelerator to develop the tools which it will deliver to local business.

Marine-I – This part ERDF funded project provides leadership and a focal point to galvanise and support business-led and market-driven Research, Development and Innovation (RD&I) in Cornwall and the Isles of Scilly's Marine Technology SME's. Marine-I and Cornwall FLOW accelerator will be mutually complementary with the former providing the necessary support to implement the low carbon reduction measures identified by the latter.

South West Floating Offshore Wind Accelerator – (SUBJECT TO FUNDING) This UKRI Strength in Places funded project will (if successful) leverage existing research strengths in order to ensure Plymouth, Cornwall and the Isles of Scilly maximise the opportunities of FLOW in the Celtic Sea. It will do this by focussing on the consentability and connectivity of Celtic Sea Zones, and address the critical mass required within the supply chain. It therefore complements the Cornwall FLOW accelerator which looks at the investability and lays the groundwork for low carbon footprint operations. Neither project is inter-dependent on the other, but they are clearly highly complementary: with Cornwall Flow Accelerator developing a set of critical tools; which will in turn, allow South West Floating Offshore Wind Accelerator to rapidly build the critical regional mass to secure maximum local jobs and work content.

5a. Applicant to explain how the targets for C1, C5 and C26 outputs have been calculated, to describe how the proposal to provide business skills development is required as part of the proposed operation, and how the project will avoid duplication with existing ERDF-supported business development activities. **Reason:** to ensure that the targets are realistic, eligible and that there is no duplication with existing project activity.

Since the Outline Application submission in 2019, the market and project have both evolved. Detail around how the C1, C5 and C26 outputs have been calculated is included in Section 6.0. In summary, all outputs have been calculated based on a 50% conversion rate on identified target companies. Based on experience of delivering other programmes within low carbon sectors, a 50% conversion rate is judged to be a challenging, but achievable target for the types of activity being undertaken. In all cases, the companies can be identified individually, providing a solid justification for the numbers of businesses supported.

Business engagement will include delivering co-created parameters for scope delivery and focussed dissemination of project outputs. This knowledge exchange will support skill development through a process of osmosis and will therefore not duplicate formal skills delivery programmes.

6. Applicant to provide full detail of regulatory consents and permissions that will be needed to enable delivery of the project, including estimated time that it will take to achieve these. **Reason:** to ensure that the proposed operation is compliant and that it is deliverable within the timescales available.

Subject to procurement, it is possible the Lidar deployment will require Marine Licences, but not Crown Estate Seabed Licences. Around 90% of Marine Licence applications are processed within 13 weeks and this activity will happen in parallel with the OJEU procurement process.

7. In providing a detailed Procurement Plan, the applicant to clarify why only one procurement, of £48,000, is profiled to be undertaken as part of the project while the capital budget, which includes redevelopment of existing built assets, is over £3,000,000. **Reason:** to ensure compliance with National Procurement Guidelines.

Since Outline Application submission in 2019, the market and project have both evolved. The project is anticipating two major procurements; Lidar data and DP simulator equipment both of which will be procured via a compliant OJEU process as detailed in section 9 and in the Procurement Plan, attached as Appendix 6b.

8. Applicant to provide further detail and methodologies to confirm that the proposed C34 target can be measured and verified in accordance with the formal output definitions and guidance. **Reason:** to ensure that the outputs are eligible.

Since Outline Application submission in 2019, the market and project have both evolved. Revised details of C34 target and methodologies are contained in section 6.

9. Applicant to detail how project activities will both add value to and complement activities to be funded using public funding from other sources under consideration, including rationale and methodology to ensure there is no duplication of funding. As part this it will be necessary to demonstrate that the ERDF activities would not have taken place in the form proposed without ERDF support. **Reason:** to confirm that the ERDF contribution will provide added value to new and/or existing activity over and above domestic funding and will not be used to replace funding available via existing agencies and authorities.

The scope of work to be delivered by this project will have a significant accelerative impact on the CLOS FLOW sector. As is discussed in the answer to question 5, complementary activity is underway and (subject to funding) more is planned. However, this does not affect the specific additionality that this project will deliver. Without the ERDF funding, the project scope will not be delivered meaning that:

- FLOW site selection by private developers will not be de-risked due to a lack of wind resource data, resulting in slower development, contributing to UK's failure to meet net zero targets
- Developers will (as has already been the case) be required to deploy individual Lidar wind resource campaigns which may need to include associated shore based met masts (to meet funder requirements) having a cumulative negative impact on emissions in the Celtic Sea zone
- The region will lose the opportunity to take a lead in defining how low carbon offshore generation can be installed and maintained in the most sustainable way
- The region will lose the opportunity to reduce offshore operations and low carbon cost reductions by the enhanced use of a virtual environment.

10. Applicant to fully detail all changes to project activities and objectives following submission of the outline application in January 2020. **Reason:** to confirm that the project represents an eligible fit with the Operational Programme, Call requirements and Local ITI Strategy for Cornwall and the Isles of Scilly.

Changes to the project since Outline Application are detailed in section 2.8.

11. Applicant to provide full details of the current and projected ownership and control arrangements of the Wave Hub Facility. **Reason:** to confirm there are no impediments to delivery of project activities and outputs.

Since the updated bid submission in Dec 19, Cornwall Council (CC) has decided to sell Wave Hub Limited, and the offshore and onshore assets associated with the offshore site at Hayle. This competitive process is underway with the intention to conclude the sale to a purchaser by the end of 2020. The new owner will use the site for the deployment of FLOW by 2023.

Wave Hub Limited's non-sale assets will be transferred to a separate company, Wave Hub Development Services which remains wholly owned by CC. WHDS's purpose will be to continue to lead the strategic development of the FLOW sector in Cornwall. Throughout this application, the term "Wave Hub" is used to describe the organisation currently known as Wave Hub Ltd and which will become Wave Hub Development Services.

The project scope is not reliant on access to the Wave Hub site at Hayle and therefore the sales process does not create impediments to the delivery of project activities and outputs.

12. Applicant to confirm that project intelligence, learning and outcomes will be available to all potential investors and operators and that activities will not be tailored to benefit a particular undertaking. **Reason:** to ensure openness and transparency in respect to project outcomes.

The project is focussed on the delivery of data, tools and solutions which will benefit a wide range of businesses and investors. It should be noted that the data collection exercise will provide validation of wind resource information in an offshore zone rather than at the Wave Hub site. This will be of benefit to any developer/ investor looking to develop in Cornish Offshore waters and is not tailored to any particular undertaking. This also extends to the simulator tools and Low Carbon Footprint operation scope which will benefit a wide range of local businesses.

The project plan details the process of dissemination and is attached as Appendix 4.

2.8 Any changes since Outline Application

What changes, if any, to your proposal have there been since the submission of your Outline Application?
Add additional rows if necessary.

Change & Justification for the change

The applicant has changed from James Fisher Marine Services Limited to Wave Hub Limited and the make-up of the partnership has changed:

- Offshore Renewable Energy Catapult
- University of Exeter
- University of Plymouth

Furthermore, the scope of work has evolved into six primary work packages, plus Project Management and Dissemination.

Since Outline Application submission in 2019, the context to the market and project has evolved. The Project was initially conceived as an industry-led full floating offshore wind farm development process. As the scope has developed, the necessity to step-change regional infrastructure to support a sustainable, low carbon, industrial response to the FLOW has become critical. This is not best delivered within a primarily industry sponsored programme and instead a collaborative public and private sector response is considered optimal.

Wave Hub Limited as the applicant will ensure that the requirements of public, education and private sectors are balanced through an impartial lead partner; the Company is the offshore renewables knowledge hub and policy focus for the region. The project partners have specific expertise and will bring the following complementary knowledge and skills to the project:

- **Offshore Renewable Energy Catapult** – low-carbon manufacturing expertise and connectivity with national programmes to input into locally-focussed research and business engagement
- **University of Exeter** – supporting development of the simulator with emphasis on low-carbon marine operations and leveraging existing research into environmental data analysis, logistics, installation and offshore reliability
- **University of Plymouth** – digital twin expertise centred on creating offshore simulations in a virtual environment from a machine-learning perspective, together with vessel simulation expertise

We consider that this collaborative approach to Project delivery is the most effective and robust framework to achieve the target outputs and outcomes.

Evidence to Support the Proposal
2.9 <u>European Social Fund only</u> . Proposed design: How does the proposed delivery model build on evidence of good practice, and what works most effectively for the target group?
n/a
2.10 <u>European Regional Development Fund only</u> . Need for the project within the market– please describe the market failure(s) that your project will address. Please provide relevant evidence and research to support your case.
<p>The fundamental aim is supporting businesses operating in key marine technology areas to develop and exploit opportunities that will make a significant impact to offset carbon intensive manufacturing processes and both onshore and offshore services, by addressing market failures which are multiple, significant and demand prompt action.</p> <p>Examples of market failure are:</p> <ul style="list-style-type: none"> • MF1 Productivity is carbon intensive – development is required to production processes through improvements in factory operations, scheduling of raw materials, components and supply chain activities. • MF2 Challenges in gathering, understanding and sharing offshore data to inform the planning of floating wind arrays requiring new sensor technology, collaborative systems to achieve technological shifts through e.g. collection of data and AI technologies. • MF3 Lack of accurate wind resource data across the Celtic Sea addressed through procurement of upstream and downstream floating Light Detection and Ranging (LIDAR) to gather wind speed data without the huge expense involved using fixed met masts in the complex marine environment. • MF4 Emerging floating wind array planning, design, manufacturing deployment maintenance and decommissioning addressed through simulation of the physical properties of the onshore and offshore environment, including manufacturing techniques, installation and support vessels, floating platform construction, tow to site, installation, commissioning and operation to encourage market growth, and creating a point of access within the region (e.g. in offshore floating wind). • MF5 Asynchronous public welfare challenge which needs to align skills and employment factors to business prosperity by ensuring that businesses can access the best people to conduct RD&I. • MF6 Business Growth challenge leading to societal loss and higher marginal social cost, • MI7 Asymmetric information between CIOS businesses and counterparts elsewhere because of remoteness to market. Cornwall FLOW Accelerator helps promote low carbon RD&I at scale, overcomes barriers to commercialisation of new products, challenges risk, supports supply chain development, defining new green and marine market sector opportunities, helping businesses to access the floating offshore market, promoting innovation and helping businesses engage in innovation in order to: <ol style="list-style-type: none"> (1) derive business advantage, competitiveness and improve productivity from innovation contributing to increased business activity (2) strengthen business resilience and improve agility in response to changing market scenarios and the ability to stimulate and access new markets (3) help SMEs contribute to CIOS' long-term sustainable development, addressing technical, and environmental considerations.

Cornwall FLOW Accelerator will address the contributors to market failure through business support, collaboration & co-creation of business ideas, with the resultant actions leading to:

- (i) better and more local jobs
- (ii) improved performance in terms of productivity
- (iii) financially more resilient companies
- (iv) companies introducing innovations which address market opportunities
- (v) reduction in greenhouse gases.

2.11 European Regional Development Fund only. Demand for the project – please set out the demand for the project; what are the demand projections; how have these been identified?

Based on the recent (January 2020) analysis work carried out by the Offshore Renewable Energy Catapult on behalf of the CIOs LEP and Welsh Government, the estimated direct spend into the South West/ Wales supply chain due to FLOW Capex in the Celtic Sea is estimated to be £680m by 2030, based on four projects of increasing size. (Regional capture of Capex for 300MW project is estimated to be £230m) The ongoing direct Opex associated with these projects is estimated to be £16.5m per annum (Regional capture of OPEX for 300MW estimated to be £5m per annum).

This analysis considers supply chain capability in the region and has allowed for a proportion of the spend to be captured by OEM's and contractors elsewhere in the UK. However, given the strategic location of Cornwall in relation to the development zones, there is a clear advantage in developing on existing capability in order to shorten supply chains and provide low carbon footprint operations.

It should be noted that this analysis is based on assumptions of some revenue support from the HMG. This appears to be firming up based on the current consultation on Contracts for Difference which has a significant emphasis on FLOW. This follows through on the Conservative Party election manifesto pledge to enable FLOW as part an effort to increase UK Offshore Wind to 40GW installed by 2030.

The market opportunity can be broken down into;

- **Project Developers/ Investors** – Will develop offshore wind farms to Financial Investment Decision where they will often divest some/all of the site to investors/operators. Certainly, there is sufficient confidence within the developer community to deploy development expenditure in the Celtic Sea with Blue Gem (a JV between Simply Blue Energy Wind and Total) commencing the development of Erebus, a 96MW OWF using Principle Power FLOW technology. Other developers active in the region include Innogy and DP Energy – this group will benefit from the Lidar and Simulation work packages
- **Technology Developers** – designers of the floating technology and key link to the turbine OEMs. Active in the region are Principle Power who are working with Blue Gem on Erebus. Other providers include Steidstall who are working with Shell and Innogy and are further down the TRL scale – this group will benefit from the Simulation work packages
- **Tier 1/ EPC Contractors** – Commercial entities with sufficient balance sheet and risk appetite to take on main contracts. Conventional fixed wind is currently dominated by Benelux marine civils companies. To achieve 60% UK content, efforts must be made to bring UK Tier 1's into the mix. It is this level of experience which is exportable – this group will benefit from the low carbon footprint operations and simulation work packages.

- Tier 2 contractors – Specialist capability. Cornwall has strong expertise in the development, subsea engineering, marine operations elements of this sector. Example companies include Fugro, KML, Feritech, Severn Offshore Services, LDD, USS, Reflex Marine, CMS Geotech, Falmouth Divers, SMS, A&P this group will benefit from all of the work packages.

Cornwall has specific Offshore Renewable Energy capabilities, a strategic geographical location and business growth potential which represents a credible and positive investment case based on the development of new business revenues without the need to replace existing or reducing markets (i.e. we do not need to pivot away from Oil and Gas). These are existing areas of strength, where companies could develop low carbon footprint operations and bid into a commercial project immediately.

- Surveying companies, engineering design consultancies and environmental impact assessment businesses are successfully operating in the region and are ready to feed into the early stage project development for future floating wind in the region – this group will benefit from the Lidar work and low carbon operations work the project will deliver.
- Portside fabrication yards have the skills to provide secondary steel for projects. Ports will need minimal intervention to act as staging points for installation – this will provide focus for the work package addressing low carbon manufacturing for FLOW.
- Drilled or piled anchors foundations could be designed and installed using local companies
- Projects will require an operation base, preferably based near a port local to the offshore wind farm. This is crucial in driving down emissions associated with the construction and maintenance of FLOW farms in the Celtic Sea.



Between September 2018 and September 2020, the part ERDF funded project Marine-I, supported by the CIOs LEP led South West FLOW initiative, led a series of seminars and workshops which have addressed the wider market opportunity and supply chain response. These events regularly attract over 100 business focused delegates, with the total number of regular attendees now over 300.

2.12 Explain the impact for the project for each of the following:

- If the project did not receive European Structural & Investment Funds
- If the level of European Structural & Investment Funds was reduced
- If there was a delay in European Structural & Investment Funds
- Project partners cannot afford to undertake the project without ERDF support and if the project did not receive European Structural & Investment Funds, it would not proceed
- As match funding is based on the maximum contributions available from match funding sources, any reduction in the level of European Structural & Investment Funds would reduce the total project cost. Modest reductions (up to around 10% of the ERDF requested) would reduce the effectiveness of the project and the outputs and outcomes would need to be adjusted accordingly, although any significant reduction in the level of European Structural & Investment Funds (above 10% of the ERDF requested) would result in the project being withdrawn and not proceeding
- Due to the tight timeframes associated with the closing of the England 2014 to 2020 European Structural and Investment Funds Programme, any delays to the proposed project start date would compress the delivery times for the project, significantly reducing its effectiveness.

3.0 Strategic Fit

3.1 How does the project still address the strategic domestic priorities, needs / opportunities set out in the call specification at national, local and sub national level?

A Ministerial Submission by Cornwall & Isles of Scilly Local Enterprise Partnership (CIOSLEP), which identified Cornwall as the best English location for FLOW build-out, was endorsed by the Energy Minister in Nov 18. In the light of this Ministerial endorsement, CIOSLEP has developed, in two CIOSLEP-led seminars, a Cornwall FLOW strategy.

The Cornwall FLOW Accelerator project is specifically designed to underpin this strategy and to meet the aims, specific needs and opportunities of the call issued - Supporting the Shift towards a Low Carbon Economy in All Sectors Call (OC05R18P 0899). It specifically addresses the two PA4 Call Specification key priority areas 4a and 4f and further detail is provided in section 3.2:

Furthermore, the project clearly aligns with the following local growth priorities identified in the call:

- Sustainably and responsibly increasing generation and use of renewable energy
- Supporting the development of technology and innovations to develop the transition to a low carbon economy
- Developing the renewable energy and environmental technologies sectors and supply chain in Cornwall and the Isles of Scilly.

And with the following local priorities:

- The project will support the growth of sectors/technologies where there is existing or potential comparative advantage for Cornwall and the Isles of Scilly
- The project will address key low carbon challenges and opportunities for the area
- The project will support research, development, innovation and knowledge transfer in low-carbon technologies.

FLOW Cornwall will deliver the **CIOS LEP ITI Investment Strategy's** core objective of investing 'in activities with growth potential that develop CloS as a "green and marine" region. The strategy has a focus on driving innovation in the low carbon sector, building knowledge capital and capitalising on the area's significant natural resource to achieve low carbon economic growth. Specifically, the project will capitalise on existing ORE sector skills, test & evaluation facilities, and universities – the project leverages Cornwall's world-leading status in offshore engineering and operations, to develop a regional Cornwall FLOW Cluster and a FLOW Centre of Excellence in Cornwall.

The project completely aligns with the national **ERDF Operational Programme for England 2014-2020**, which in Section 2.A.6.1 refers to the requirement for:

- Measures to support increased production of renewable fuels and energy, in particular wind energy, solar and biomass
- Support to build capability and capacity for supply chains in renewable energy

FLOW Cornwall is specifically aligned to the following policy statements, all of which will be key source documents for the emerging **CIOSLEP Local Industrial Strategy**:

- **Offshore Wind Sector Deal (OWSD)** – the deal seeks to maximise the advantages for UK industry from the global switch to clean growth and states the objective of 60% of wind capacity coming from floating offshore wind by 2027. The presence of OREC as project partners will ensure that links to the OWSD are maintained throughout the life of the project.
- **CLOS LEP 10 Opportunities** – both energy and marine feature in the CLOS LEP's 10 identified opportunities and, within energy, FLOW is the top energy sector priority. The 10 opportunities document talks of the need to harness the natural capital of Cornwall and the Isles of Scilly to generate exciting projects in wind, wave, solar and geothermal. The document refers to Cornwall having one of the best wind resources in Europe and it identifies the huge potential in floating wind as an emerging sector.
- **Cornwall Council Climate Change Action Plan** – FLOW Cornwall can deliver transformational levels of renewable energy and thus be the core component of the CCAP mitigation strand
- **Cornwall and Isles of Scilly Research, Development & Innovation Framework** – Marine technology is identified as a smart specialisation sector, including specific reference to marine renewables. Furthermore, FLOW Cornwall will clearly contribute positively to Investment Priorities 1A, 1B and 3D:
 - Investment Priority 1A: Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence
 - Investment Priority 1B: Promoting business investment in R&I
 - Investment Priority 3D: Supporting the capacity of small and medium enterprises to grow in regional, national and international markets and to engage in innovation processes.

Although centred on CloS, the project will include collaboration with other British regions, including the Great South West, South West Wales and Scotland, as facilitated by OREC.

In summary, FLOW Cornwall is specifically aligned to:

- the CLOSLEP ITI Investment Strategy
- 2 of the 4 PA4 Call priorities
- the core CLOSLEP Local Industrial Strategy

The project will enable delivery of transformational levels of renewable energy to the county, securing regional development through private investment, large scale skilled job creation and establish the CloS as a key part of the national energy infrastructure.

3.2 How does the project deliver the objectives of the relevant priority axes set out in the Operational Programme?

The project will deliver against the Operational Programme Investment Priorities, as outlined in the call, as follows: -

Investment Priority 4a – Promoting the production and distribution of energy derived from renewable sources

The project will: -

- deliver an industry wind resource assessment tool, thereby accelerating the delivery of offshore floating wind energy in Cornish Offshore waters, significantly supporting increased production of renewable energy,
- Build supply chain capacity capable of delivering low carbon footprint operations within the offshore floating wind sector.

Investment Priority 4f – Promoting research and innovation in, and adoption of, low-carbon technologies

The project will: -

- Undertake research and development, innovation and supply chain work for low carbon technologies, linked to offshore floating wind
- Deliver knowledge transfer between higher education / further education institutions and businesses, with the Universities of Exeter and Plymouth involved as project partners and significant engagement with a broad variety of businesses from the offshore floating wind sector and its supply chain
- Undertake Research, development and innovation with a particular focus on optimisation tools which will allow the virtual testing of multiple offshore operations which will reduce costs of low carbon energy production and deliver sustainable operational methodologies for offshore floating wind technologies.

3.3 Describe the medium to long-term results/impacts that the project will deliver.

The project will: -

- Accelerate the delivery of floating offshore wind off the Cornish Coast, providing opportunities for the delivery of renewable energy at unprecedented scale and speed, with the Offshore Renewable Energy Catapult suggesting that FLOW will support 17,000 UK jobs and £3.6bn of GVA
- Allow Cornwall to secure the world's first large-scale FLOW project, positioning Cornwall to begin build out of a 300 to 500 MW FLOW farm post 2023, with acknowledged potential for Cornwall to make a significant contribution to Britain's target of developing 50GW of offshore wind capacity by 2050
- Significantly strengthen the floating offshore wind sector and its supply chain within Cornwall and the Isles of Scilly.

3.4 Has the applicant identified any organisations offering the same or similar activity? Explain how the proposed project adds value to and doesn't duplicate this, and does not conflict with national policy?

The project is firmly aligned with the UK's industrial strategy, specifically the Green Growth Grand Challenge, and with the Offshore Wind Sector Deal which aims to increase UK content in the Offshore Wind industry to 60%.

There are a number of organisations working to achieve the objectives set by these Strategies on a National level and these are outlined below. This project will accelerate FLOW in Cornish Offshore waters, and also the regional supply chain response, by focussing on tools, data and methodologies to support the investment case for developers and the supply chain. The work represents significant additionality as it utilises inputs from national programmes and complementary regional projects and adds value by focussing on delivery of low-carbon solutions by businesses in CLOS. As such, it does not duplicate activity already underway or planned.

Organisations and projects include:

The Carbon Trust FLOW Joint Industry Partnership - The Floating Wind JIP is a collaborative R&D initiative between the Carbon Trust and 15 leading international offshore wind developers, with support from the Scottish Government, created to investigate the challenges and opportunities of developing commercial-scale floating wind farms. Since its formation in 2016, the JIP has delivered several studies outlining the critical needs for the sector to reach cost parity with other low carbon energy sources.

ORE Supergen – This is an Engineering and Physical Sciences Research Council (EPSRC) funded research consortium. They provide research leadership to connect academia, industry, policy and public stakeholders, inspire innovation and maximise societal value in offshore wind, wave and tidal energy.

Offshore Wind Growth Partnership - This national programme is promoting closer collaboration across the supply chain, implement structured productivity improvement programmes and facilitate shared growth opportunities between developers and the supply chain.

FLOW Centre of Excellence – This national programme is working with key offshore developers to understand the key areas of innovation and optimisation required to deliver Floating Offshore Wind as an industry. The Centre is run by the Offshore Renewable Catapult (a project partner) and will act as a key source of the industry data and information necessary for the Cornwall FLOW Accelerator to develop the tools which it will deliver to local business.

Marine-I – This part ERDF funded project provides leadership and a focal point to galvanise and support business-led and market-driven Research, Development and Innovation (RD&I) in Cornwall and the Isles of Scilly's Marine Technology SME's. Marine-I and Cornwall FLOW accelerator will be mutually complementary with the former providing the necessary support to implement the low carbon reduction measures identified by the latter.

South West Floating Offshore Wind Accelerator – (SUBJECT TO FUNDING) This UKRI Strength in Places funded project will (if successful) leverage existing research strengths in order to ensure Plymouth, Cornwall and the Isles of Scilly maximise the opportunities of FLOW in the Celtic Sea. It will do this by focussing on the consentability and connectivity of Celtic Sea Zones, and address the critical mass required within the supply chain. It therefore complements the Cornwall FLOW accelerator which looks at the investability and lays the groundwork for low carbon footprint operations. Neither project is inter-dependent on the other, but they are clearly highly complementary.

4.0 Project timetable		
4.1 Start date (date from which eligible expenditure will be incurred)	4 January 2021	
4.2 Financial completion date (date by which eligible costs will have been defrayed (European Social Fund – contractual completion date)	30 June 2023	
4.3 Practical completion date (date by which all outputs will be achieved. European Regional Development Fund only)	30 June 2023	
4.4 Activity end date (date by which all the activities described in the funding agreement will be completed)	30 June 2023	
4.5 Other milestones - complete the schedule below with detailed project delivery dates as relevant for the implementation, on-going development and delivery of the project.		
Milestone	Start date	Completion date
Work Package 1 – Project Management	30/09/20	13/09/23

Contracting/SLAs with Partners	02/12/20	23/12/20
Project Staff Recruitment	02/12/20	23/04/21
Establish Project Delivery Board Terms of Reference & Membership	02/12/20	29/12/20
Project Inception Preparation & Meeting	05/01/21	05/03/21
Monitoring & Evaluation	12/11/21	13/09/23
Work Package 2 – User Validation for Low Carbon Investment	05/01/21	15/02/23
Work Package 3 – Low Carbon Offshore EIA Strategies	01/04/21	30/12/22
Work Package 4 – Innovation in Low Carbon Design & Manufacturability	04/01/21	30/03/23
Work Package 5 – Low Carbon Offshore Installation	04/01/21	31/03/23
Work Package 6 – Low Carbon FLOW Data Platform	01/07/21	30/03/23
Work Package 7 – Low Carbon FLOW Simulator Development	01/03/21	30/06/23
Work Package 8 – Dissemination	03/10/22	30/06/23
4.6 Please provide any necessary commentary on the milestones above including any dependencies.		
Work packages 2 to 7 are highly complementary but interdependent. Work Package 8 is dependent on outputs arising from Work Package 8.		

5.0 Costs and Funding This is an overview. Costs by LEP area are required within the financial annex, if applicable.

		ESIF (a) (£)	Public Match (b) (£)	Private Match (c) (£)	Total (d) (£)	ESIF Contribution rate (%) (a)/(d)x100
	ERDF capital	£480,000	£120,000		£600,000	80%
	ERDF revenue					
Sub Total	ERDF	£4,599,070	£989,711	£160,060	£5,748,841	80%
Sub Total	ESF					
Sub Total	YEI					
TOTAL		£5,079,070	£1,109,711	£160,060	£6,348,841	80%

5.1 Please provide a breakdown of the sources of funding and detail as to whether or not they are secured and if not when they will be.

Name of match funder	Status (inc. date if not yet secured)	Type cash or in-kind
Wave Hub Ltd	Secured	Cash
University of Plymouth	Secured	Cash
University of Exeter	Secured	Cash
Offshore Renewable Energy Catapult	Secured	Cash

5.2 Please confirm that you have submitted a very detailed, granular budget breakdown.

Yes

5.3 For each line item (not cost category) provide the justification for its inclusion i.e. relevance to the Programme and the assumptions / research undertaken to come to the figures. For salary costs, please

indicate any job role not 100% funded by the Programme and provide evidence of the hourly rate using the simplified cost methodology.							
5.4 Please indicate which simplified cost option you are proposing to use for indirect costs.							
15%	YES	25% ERDF only		40% ESF only		None	
5.4.1 If you have ticked 25% (ERDF only) please provide a detailed justification in line with the eligibility rules.							
n/a							
5.5 Please advise whether or not the project budget includes any VAT you cannot recover from HMRC (recoverable VAT). Note we may need confirmation of this by way of a letter from the applicant's finance department.							
Wave Hub Limited is able to reclaim VAT so all costs are exclusive of VAT.							
5.6 If irrecoverable VAT will be claimed, please describe how this is captured through the claims procedure and how your financial processes will ensure that it is not being claimed as part of the normal VAT return.							
n/a							
5.7 If the project covers more than one Local Enterprise Partnership area or more than one Category of region, explain how the costs have been shared between areas.							
Not applicable as only one LEP area is covered							
5.8 Have you or will you incur any at risk costs since your notification letter, which you intend to include in an ESF / ERDF grant claim? If yes, how much and on what?							
No							
5.9 <u>European Regional Development Fund only</u> - Will you project generate any income? If yes, please provide details of how and complete annex 2b on revenue generating projects.							No
n/a							
6.0 Outputs and Results (Results are ESF only)							
6.1 Please explain in detail how you have estimated each of the outputs and results for your project, demonstrating clearly how each of the proposed outputs and results directly links to your specific project activities and objectives.							
The ERDF and ESF Indicator Annex Tables for Full Applications can both be found here on GOV.UK.							

Outputs claimed by the project have been forecast, as follows: -

Work Programme 2

Activity

- The low carbon data collection using LIDAR (Laser Imaging, Detection and Ranging) as a measurement tool will create investable data for the region

Business impacts

- The procurement of upstream & downstream LIDAR for the capture of bankable data in the Celtic Sea to feed into the data sharing platform

Opportunities for business engagement

- A number of workshops will be held (e.g. to determine the basis of requirements for deployment & to define data sharing & tooling requirements)
- One to one support will be provided regarding the use of the data to understand the investable FLOW resource and to develop low carbon operational solutions

Opportunities for carbon reduction within the life of the project

- Reductions in vessel emissions by undertaking one collaborative campaign
- Reduction in data acquisition emissions by co-locating wave and current instruments with the LIDAR
- Removal of requirement for shore based met masts due to creation of LIDAR validation tool

Businesses Identified

- In region developers utilising LIDAR validation data: 3 (Simply Blue Energy, Vattenfall, WHL Purchaser)
- Out of region developers with potential to utilise data through a Cornish proxy: 15 (based on KPMG feedback)
- Supply chain companies requesting data: 30 (based on Marine-I run Expression of Interest seeking businesses keen to engage in collaborative FLOW focussed projects)
- Total: 48

Resultant outputs (based on 50% conversion)

- Number of enterprises receiving support (C1): 24
- Number of new enterprises supported (C5): 1
- Number of enterprises supported to introduce new to the firm products (C29): 4

Work Programme 3

Activity

- The development of low carbon offshore Environmental Impact Assessment strategies

Business impacts

- The development of satellite applications, autonomous systems and wave powered systems

Opportunities for business engagement

- One to one business engagement will be undertaken with data acquisition companies to support lower emission techniques and methodologies
- Companies will be signposted to other business support organisations

Opportunities for carbon reduction within the life of the project

- Reduction in vessel emissions by those businesses implementing in the Cornish Sea

Businesses Identified

- Data acquisition companies (in addition to those included in Marine-I OUTLINE APPLICATION count) from CMN Directory: 25
- Total: 25

Resultant outputs (based on 50% conversion)

- Number of enterprises receiving support (C1): 13
- Number of new enterprises supported (C5): 1

Work Programme 4**Activity**

- Innovation in low carbon design and manufacturability will lay the groundwork for the development of low carbon strategies, across design manufacturing and operations & maintenance

Business impacts

- The project will support SME innovation in the development of lifecycle carbon footprint technology & processes

Opportunities for business engagement

- Workshops will be held to determine the basis of requirements for the simulator
- One to one business support will be undertaken with businesses conducting outcome modelling of solutions to accelerate FLOW

Opportunities for carbon reduction within the life of the project

- Impact on life cycle carbon footprint of FLOW through the demonstration of low carbon components

Businesses Identified

- Engineering companies (excluding those counted above) from CMN: 22
- CMG Members: 22
- Total: 44

Resultant outputs (based on 50% conversion)

- Number of enterprises receiving support (C1): 22
- Number of new enterprises supported (C5): 1
- Number of enterprises supported to introduce new to the firm products (C29): 4

Work Programme 5**Activity**

- The development of a FLOW Simulator for low carbon offshore operations will enable the representation of physical parameters to allow the modelling of installation challenges

Business impacts

- The project will support SME innovation in the use of the model

Opportunities for business engagement

- Workshops will be held to determine the basis of requirements for the simulator
- One to one business support will be undertaken with businesses conducting outcome modelling of solutions to accelerate FLOW

Opportunities for carbon reduction within the life of the project

- Reduction in vessel emissions by running trials, demonstrations and methodology development in a virtual environment

Businesses Identified

- In region developers needing simulation to optimise: 3 (SBE, Vattenfall, WHL Purchaser)
- Out of region developers with potential to utilise data through a Cornish proxy: 15 (based on KPMG feedback)
- Supply chain companies requesting use of simulation/data: 30 (based on Marine-I OUTLINE APPLICATION)
- Total: 48

Resultant outputs (based on 50% conversion)

- Number of enterprises co-operating with research entities (C26): 24

C34 Deliverables

The primary means of delivering CO₂ savings would be twofold:

1. **Offshore & Onshore LCF Operations** – deploy novel LCF processes, e.g. use of satellite data with LIDAR calibration to reduce offshore resource and environmental analysis CO₂ footprint in 2021-2022 by 90%;
2. **Early FLOW Deployment** – support the acceleration of FLOW deployment in the Celtic Sea, using LCF processes in the deployment and delivery of 30MW of FLOW capacity, with first power delivered in 2023.

As well as developing a *low carbon footprint approach* to FLOW offshore and onshore operations that would be the first of its kind in the world and lead to significant CO₂ FLOW project input savings, Cornwall *FLOW Accelerator* would underpin the deployment of 3GW worth of offshore wind by 2030, thus meeting Cornwall's 1.2GW renewable energy deficit in full, and positioning the county to export offshore wind energy thereafter.

C34

The primary CO₂ savings are delivered during the use of novel pre-consenting ZIPLOC² process, for Zone 1 in the Celtic Sea region, which comprises 6,029 KM², as shown in Figure 2 below.

² Zonal Integrated Planning, Leasing, and Offshore Consenting.
ESIF Full Application Form
ESIF-Form-2-010, Version 8
Date published 17 May 2018

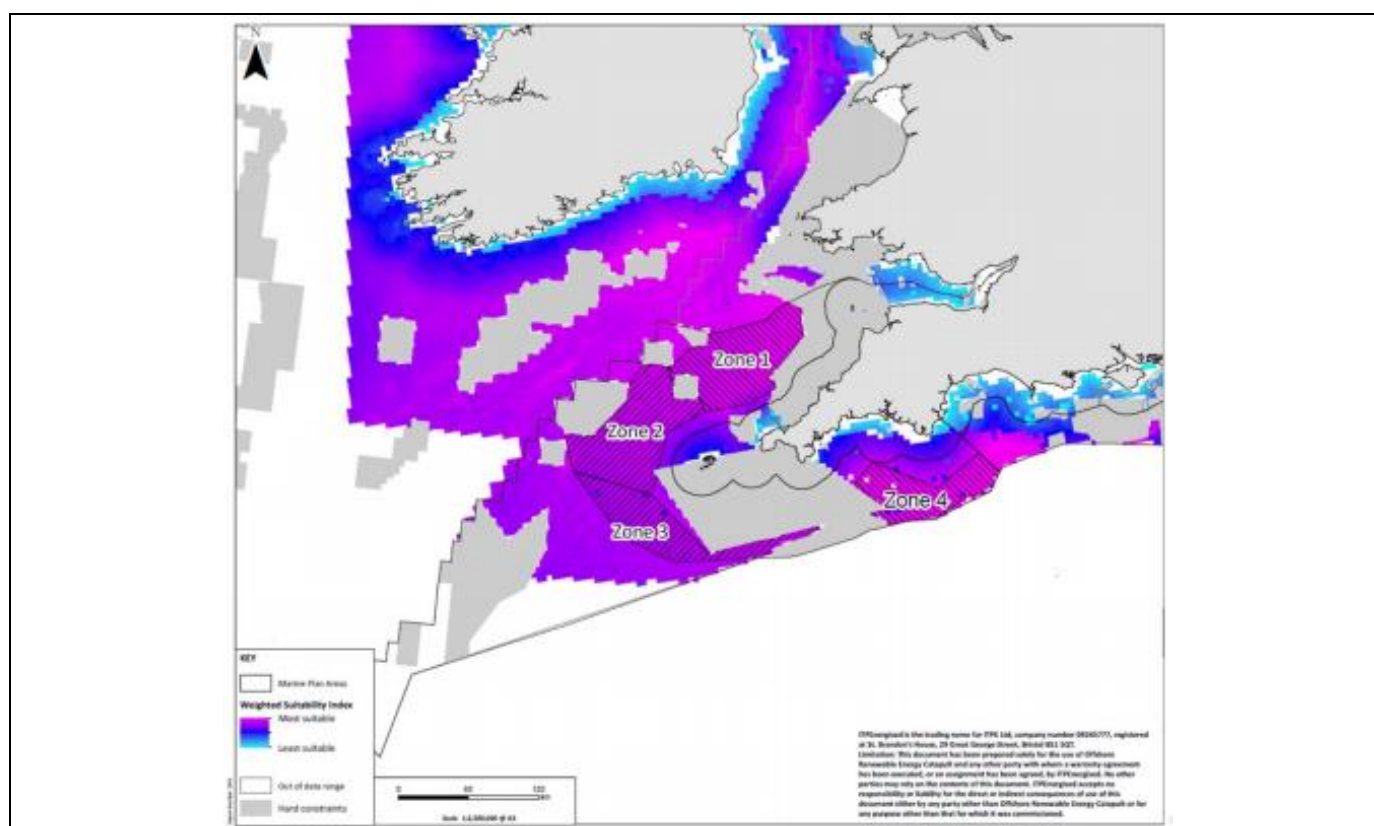


Figure 2 - Celtic Sea FLOW Zones

Using a conventional offshore operations approach, Zone 1 would be divided into a minimum of 10 (and potentially more than 20) offshore lease areas by The Crown Estate (TCE) after consultation with the Marine Management Organisation (MMO). Following the letting of the individual lease areas, each project developer would then conduct their own offshore wind resource analysis, using LIDAR³ buoys and their own physical oceanographic analysis using ADCP⁴ deployment for both tidal stream and wave regimes.

Whereas using the ZIPLOC process, these analyses would be conducted before leasing, and for the whole of Zone 1, rather than smaller individual lease areas. Instead of the individual deployment of 10+ LIDAR buoys and 10+ ADCP devices, the zonal analysis would be undertaken with an 18-month deployment of just 2 combined LIDAR/ADCP buoys. The 18-month data set would then be used, with data other sources including satellites and low frequency radar, to calibrate a zonal Resource/MetOcean model, using both climatological models and coastal/oceanographic models using computational fluid dynamics. This, in turn, would provide a calibrated data set of sufficient fidelity and resolution to obviate the need for individual deployments to the 10+ individual lease zones.

The ZIPLOC approach would also have the benefit of reducing the offshore wind farm installation process by 2 years, thus allowing Cornwall to bring forward the larger CO₂ saving benefits. And it would simultaneously reduce the levelized cost of energy (LCOE) of the installations, by reducing offshore risk for project developers and, thus, reducing their cost of development and project capital.

The CO₂ savings posted for the bid come from this LCF offshore approach, and amount to CO₂ savings some of 5,642 Kg of CO₂ over the 2-year project, split 1,881 Kg in 2021 and 3,761 Kg in 2022. The LCF approach would also be used to support development of LCF approaches to the Wave Hub FLOW project, with the potential to reduce CO₂ input costs for the project, and help ensure that first power of 30MW is delivered by 2023. However, these savings are stretch targets, and not included in those in the application's C34 targets.

CO2 SAVINGS ANALYSIS			Install	O&M	Decom	Total	%	2021	2022
Devices	O&M	Visit							
Conventional Offshore LIDAR/ADCP Operation									
LIDAR	10	18	188.5	2753.2	188.5	3130.2	50.00%	1043.4	2086.8
ADCP	10	18	188.5	2753.2	188.5	3130.2		1043.4	2086.8
Total						6260.4	100.00%	2086.8	4173.6
Low Carbon Footprint LIDAR/ADCP Operation									
LIDAR	2	18	37.7	550.6	30.6	618.9		206.3	412.6
ADCP	0	18	0.0	0.0	0.0	0.0		0.0	0.0
Total						618.9		206.3	412.6
Low Carbon Footprint Ops Savings						5641.5	90.11%	1880.5	3761.0

Offshore Factors	Iti-Cat	Install	CTV	O&M
Fuel - Cum/Day (Te)	2.0		6.0	
Fuel - Cum/Hr (Te)	0.1		0.3	
Speed (knts)	5.0		22.0	
Mob	6.0		3.0	
Transit	20.6		4.7	
Ops	48.0		12.0	
Transit	20.6		4.7	
DeMob	6.0		3.0	
Total (hours)	101.1		27.3	
Fuel Total	8.4		6.8	
GHG	18.9		15.3	

Distance	Nm
Far	132.50
Near	73.00
Average	102.75

Total Outputs across all Work Programmes

- Number of enterprises receiving support (C1): 59
- Number of new enterprises supported (C5): 3
- Number of enterprises co-operating with research entities (C26): 24
- Number of enterprises supported to introduce new to the firm products (C29): 8
- Estimated GHG reductions (C34): 5642 Kg of CO2

6.2 Please explain your approach for forecasting each deliverable; including the specific base-lining/research you have undertaken to ensure your projected profiles are realistic and achievable and any assumptions which impact on your forecasts.

All outputs have been calculated using the process described in section 6.1, assuming a 50% conversion rate on the identified target companies. Based on experience of delivering other programmes within low carbon sectors, a 50% conversion rate is judged to be a challenging, but achievable target for the types of activity being undertaken. In all cases all of the companies identified can be identified individually, providing a solid justification for the numbers of businesses identified within section 6.1.

³ Light Detection And Ranging.

⁴ Acoustic Data Current Processing.

<p>7.0 Project Management and Governance</p> <p>7.1 Fully describe the project management and control systems that will be established for the project, demonstrating that the project (including any delivery partners) has the appropriate capacity to meet the requirements of European Structural & Investment Funds.</p> <p>For ESF Only – Please also include an explanation on how your project will deal with suspected fraud, in line with published <u>ESF Anti-Fraud guidance</u>. This includes providing a statement on how you will deal with suspected fraud in your organisation and if appropriate, with your sub-contractors.</p> <p>Wave Hub Limited has a successful track record of delivering EU funded projects and in the area of project management, it will be ably supported by the Vice-Chair Nicky Pooley who as Head of Corporate Services Cornwall Development Company (CDC), the economic development delivery arm of Cornwall Council, has significant experience of the successful delivery of ERDF projects over many years.</p> <p>Wave Hub Limited is structured and staffed to undertake work of this nature with significant experience and expertise in project management and delivery, compliance, monitoring and reporting and accurate claims submission. Any EU project for which Wave Hub Limited bids has to be approved in the first instance by Cornwall Council (as the sole owner and shareholder - see Organogram in <i>Appendix 5</i>) and the Wave Hub Board of Directors are subject to quarterly Cornwall Council scrutiny in addition to monthly Wave Hub Board reporting, following Board Meetings.</p> <p>At project level, the day to day accountability for delivering the programme will sit with the Project Director who will be supported by operational board members with specific experience in strategic development, ERDF compliance, procurement and financial management. Overall responsibility for the project will sit with the Executive Chair and Acting Managing Director who has wide experience of RD&I project management.</p>
<p>7.2 Please describe the individual posts within the team that will be delivering the project:</p> <ul style="list-style-type: none"> • How is the team set up to manage and deliver the project? • Identify which posts are not 100% funded by the project. • What resources, expertise, skills, responsibilities and experience do they have? • Will existing staff be employed, or will new staff be recruited (if yes, how)? • What are the reporting lines and accountabilities of individual posts? <p>Please include details of Delivery Partners (if relevant).</p> <p>Please attach a structure chart (organogram) and job descriptions for project delivery staff: See the 'Supporting Documents checklist'.</p> <p>Please refer to job titles rather than the actual names of individuals when describing project management and governance arrangements and responsibilities.</p>
<p>Management team</p> <p>The project management team, as illustrated in the organogram (See <i>Appendix 5</i>), will be employed by Wave Hub. Job descriptions for the team are attached to this application in <i>Appendix 4</i>.</p> <p>The Executive Chair and Managing Director will act as "Governance and Strategy Lead" and Chair the Project's Steering Group. This group will consist of one representative from each of the delivery</p>

partners and two suitably experienced members from industry. The group will be responsible for both project strategic direction and overall project performance.

The Governance and Strategy Lead will line manage the Project Director and is ultimately responsible for the Programme delivery. He in turn reports to the Chief Executive of Cornwall Council.

Responsibility for the day to day management of the delivery activity will rest with the Project Director who will be supported by a Financial Controller and Director of Compliance. Both these roles will be filled by current Wave Hub personnel, with have extensive project, financial management and ERDF compliance expertise.

The day to day responsibility for the administration of the project will rest with the Senior Administration and Quality Manager who will be supported by an Administrator.

The Project Director will take overall responsibility for project delivery, including:

- liaising with project partners to ensure that partners are successfully delivering their individual elements of the agreed project activity
- ensuring that the overall project delivers agreed outputs
- ensuring the overall project is delivered to an agreed budget

The Finance and Administration Manager is responsible for: -

- preparing and overseeing all claims
- ensuring monitoring and audit requirements are met across the programme.
- ensuring procurement is undertaken in a manner consistent with the use of ERDF funds
- supporting project delivery with organising meetings, travel and general project administration.

What resources, expertise, skills, responsibilities and experience do they have?

Staff from across the delivery partners involved in the delivery of this project have extensive experience in operational, academic, management and leadership roles in business, research organisations and the public sector operating in the offshore renewable, low carbon energy and maritime sectors. All current staff have experience in the delivery of ERDF funded projects.

Working collaboratively across the work packages, these staff will form the bedrock upon which a new team, including high calibre recruits from elsewhere in the industry will be built, to ensure high quality outcomes are delivered by the Project.

Will existing staff be employed, or will new staff be recruited (if yes, how)?

Those involved in delivering the project, within both the applicant and partner organisations, will be a combination of existing staff members and newly recruited staff as outlined in the table below. New staff will be recruited against a job description and will be industry professionals with the skills needed to meet the needs of the project

Role	FTE	Part-ner	New Role	Existing Staff
Project Director	1.00	WH	Yes	
Governance and Strategy Lead	0.20	WH		Steve Jermy
Director of Compliance	0.20	WH		Nicky Pooley
Financial Controller	0.20	WH		Paul Scullion

Project Manager - Wind Resource Validation Tool	1.00	WH	Yes	
Data Analyst	1.00	WH	Yes	
Senior Administration & Quality Manager	1.00	WH		Jeanette Radcliffe
Administrator	1.00	WH	Yes	
Business Investment Support	1.00	WH	Yes	
PM/KE Manager	0.50	UoP		
Projet admin	0.50	UoP		
PDRA– data integration	1.00	UoP	Yes	
PDRA – Coast Lab	1.00	UoP	Yes	
PDRA – autonomous systems	1.00	UoP	Yes	
PDRA – operations simulation	1.00	UoP	Yes	
Professor	0.10	UoP		Deborah Greaves
Professor	0.10	UoP		
Associate Professor	0.15	UoP		
Associate Professor	0.15	UoP		
Associate Professor	0.15	UoP		
Lecturer	0.15	UoP		
Lecturer	0.15	UoP		
Lecturer	0.15	UoP		
Lecturer	0.15	UoP		
Professor in Ocean Technology – Existing	0.15	UoE		Johanning Lars
Professor in Power Electronics & Control – Existing	0.15	UoE		Mohammad Abus-ara
Lecturer in Offshore Energy – Existing	0.15	UoE		Ashton Ian
Lecturer in O&M Logistics – Existing	0.15	UoE		Shuya Zhong
Professor in Offshore Reliability – Existing	0.10	UoE		Thies Phillip
Lecturer in Machine Learning – Existing	0.15	UoE		Prathyush Prathyush
Lecturer in Optimisation – Existing	0.10	UoE		Ajit Pillai
Research Fellow Machine Learning & Simulation – New	1.00	UoE	Yes	
Research Fellow Logistics & O&M – New	1.00	UoE	Yes	
Research Fellow Alternative Energy Vector – New	1.00	UoE	Yes	
Project Manager – New	1.00	UoE	Yes	
Finance & Administration Lead – Existing (IIB pool)	0.05	UoE		
Finance & Claims Administration – Existing (IIB pool)	0.10	UoE		
Finance Administration – Existing (IIB pool)	0.10	UoE		
OREC Technical Lead	0.20	OREC		Simon Cheeseman
Project Coordinator	0.10	OREC		Vicky Coy
Regional Innovation Manager	0.40	OREC		Neil Farrington

Data Scientist	0.60	OREC		Edward Anderson
Engineer	0.70	OREC		Charlotte Wilkinson
Processes and Simulation Lead	0.60	OREC		Ben George
OMCE Manager	0.80	OREC		Katherine York
Analysis Insights Manager	0.50	OREC		Miriam Noonan
Head of Asset Research	0.20	OREC		Chong Ng
Head of Analysis Insights	0.20	OREC		Gavin Smart

What are the reporting lines and accountabilities of individual posts?

The deliverables for each role (both within the applicant organisation and within the delivery partners) have been identified and are included as part of the job descriptions, along with reporting lines – see job descriptions in *Appendix 4* and the project Organogram in *Appendix 5*.

7.3 If this application form has been drafted by individuals who will not be involved in the delivery of the project, how will you ensure that the project delivery team understands the rationale and detail of the project?

Not applicable, as this application has been written by WHL's Chair/CEO and staff, with the support of all partners with those staff involved in the delivery of the project having key inputs throughout.

7.4 If applicable, how will you ensure that Delivery Partner(s) comply with the requirements of European Structural & Investment funding? How will you monitor and manage the performance of Delivery Partner(s) and or sub-contractor(s)?

All partners have considerable relevant experience of managing these types of interventions and will draw on the expertise and knowledge available within their organisations. All partners will be required to sign a Service Level Agreement (SLA) prior to project start date which binds delivery partners to the same conditions as the lead partner that will be contained within the funding agreement with MHCLG. The document outlines the responsibilities of each partner in terms of the delivery of this ESIF funded project and a copy of the agreement is attached as Appendix 7.

The Project reporting requirements imposed on each partner are clearly laid out within the SLA and this includes the obligation to adhere to all of the ESIF audit and compliance requirements, with particular reference to:

- Procurement law – ESIF Compliance guidance Note – ESIF-GN-1-001
- Guidance on Document Retention. Including Electronic Data Exchange – ESIF-GN-1-008
- ERDF National Eligibility Rules
- ERDF National Eligibility Guidance – ESIF-GN-1-003
- State Aid Compliance
- ESIF Publicity requirements

The Lead Partner is responsible for the official submission of claims and output reports, but each partner is required to contribute according to MHCLG requirements, as specified in the Funding Agreement. The lead partner will submit a periodic report within 30 days following the end of each quarterly reporting period. The periodic report will include the following as a minimum:

- Periodic Progress Report
 - Explanation of the work carried out by the partners

- Overview of the progress towards the project objectives, including outputs
- Periodic Financial Report
 - Individual financial statement from each partner
 - Explanation of the use of resources and information on subcontracting and additional contributions provided by third parties
- Periodic summary financial statement
 - Significant results obtained,
 - Compliance with the work program,
 - Reasons for deviations (if any),
 - Possible risks and corrective actions,
 - New plans for next three-month period.

In addition to the Periodic Report for the last reporting period, the lead partner will submit the Final Report within the specified time in the funding agreement following the end of the last reporting period. The final report will include the following:

- Final Progress Report with a summary for publication
 - Overview of the results and their exploitation and dissemination
 - Conclusions of the project
 - Socio-economic impact of the project
- Final Financial Report
 - Final summary financial statement
 - Certificate on the financial statements

Each partner is required to submit a Final Report regarding the technical results (on the final report template provided) no later than 30 days following the end of last reporting period.

All partners have considerable relevant experience of managing these types of interventions and will draw on the expertise and knowledge available within the delivery partners' organisations.

7.5 Please describe how you will collate, calculate and verify deliverables to ensure that interventions are recorded and an audit trail is retained to prove their validity

The project will build on the experience of partners from previous projects to ensure a comprehensive and auditable document trail for all deliverables/outputs is maintained.

An electronic and where relevant paper 'casefile' will be created for each enterprise engaged and / or project activity, undertaken within the Project. Information such as the following will be recorded by the project members on an Operational Needs Analysis / Business toolkit form designed specifically for recording ERDF business interactions including:

- Basic information on the enterprises supported
- Information on whether the enterprises supported qualify as new enterprises
- Information on the nature of the support provided and on the potential support pathways identified
- Basic information on enterprises co-operating with research entities
- Evidence of information on new to firm products and services to be deployed

- Information on the economic status or baseline of business pre and post intervention. The evidencing and gathering of economic impact attributed to the project will be informed through the early and continued engagement of external evaluators

Evidence collated may include copies of correspondence, minutes of meetings, evidence of attendance at events (photos, sign-in sheets) and photographic evidence.

7.6 If applicable, what checks will be carried out to ensure the end beneficiaries (for example, businesses or learners) benefitting from the proposal or individuals engaged as part of the proposal is eligible and belongs to the target group?

Establishing eligibility prior to intervention will be an essential step to all business engagements and will include recording, for each enterprise (to include all partnered or linked enterprises). Much of this challenge will be met by project partners who will confirm for each enterprise contributing to project outputs that:

- The operating address of the business is in Cornwall or the Isles of Scilly
- That the benefit of the business support will reside in Cornwall or the Isles of Scilly
- The business operates, or has the potential to operate, in the floating offshore wind sector or in its supply chain
- Previous engagements and state aid position ensure no breach of regulations will occur with further support.

7.7 Describe the controls put in place by the applicant to check that it is maintaining compliance with the eligibility rules during the delivery of the project.

Wave Hub has a successful history of delivering European Structural & Investment Funds projects. Moreover, the controls and methods maintain compliance with eligibility rules will be overseen and guided by Wave Hub's Vice Chair, Nicky Pooley who, who as Head of Corporate Services Cornwall Development Company (CDC), the economic development delivery arm of Cornwall Council, has significant experience of the successful delivery of ERDF projects over many years.

All staff working on the Programme will be required to have the appropriate level of knowledge of the following:

- National Eligibility Rules
- State Aid guidance for the Programme
- Branding and Publicity Requirements
- Procurement guidelines and procedures
- Output definitions and evidence requirements for the Programme

Appropriate training/induction will be provided where any gaps in EU/ESIF skills/experience are identified.

A Service Level Agreement (attached as Appendix 7) will be signed by all partners. This document clearly articulates the requirement for each partner to maintain compliance with eligibility rules throughout the life of the project. Areas covered include: -

- Project Governance Structures
- Intellectual Property
- Provision of Records and Information
- Monitoring and Compliance
- Procurement, State Aid & Claw-back
- Health and Safety

- Liability
- Insurance
- Co-operation and Sub-contracting
- Termination and Withdrawal
- Freedom of Information and Confidentiality
- Anti-Bribery
- Data Protection
- Force Majeure
- Dispute Resolution

In addition, partners will complete monthly update reports prior to monthly project meetings, where compliance with eligibility rules will be a key theme, providing opportunities for checks and balances to be undertaken on an ongoing basis throughout the life of the project.

8.0 Financial Management and Control (In all responses reference delivery partners where appropriate).

8.1 Describe the financial management and control procedures for the project; including the process for compiling, authorising and ensuring only eligible and defrayed expenditure is included in European Structural & Investment Funds claims for payment.

Please refer to job titles rather than the actual names of individuals when describing Financial Management and Control procedures and responsibilities.

WHL has extensive experience of monitoring and evaluating complex projects involving European funding. The applicant and all partners are fully aware that non-compliance with ERDF terms and conditions may result in the clawback of funds.

WHL will compile and submit the ERDF project claims on behalf of the project partnership.

WHL has well established accounting procedures which have been successfully used for previous ERDF projects and all projects are assigned a unique cost centre reference within the finance system (QuickBooks). All direct costs (salaries, operational, delivery costs, beneficiary claims) will be allocated to the Programme cost centre. Staff time charged to the project will be evidenced using actual staff hours recorded on timesheets and actual hourly rates calculated from payroll systems. All other costs will be supported by invoices, journals and beneficiary claims will be signed off by the appropriate authorised individual.

All project procurement will be undertaken in accordance with Wave Hub Ltd, National and EU procurement thresholds.

WHL will compile all the submitted evidence, check for eligibility and compliance with procurement procedures and ensure appropriate documentation is available for each claim.

On receipt of authorisation from an appropriate member of the delivery partners' organisation for the financial expenditure within the claim period, checks will be undertaken for eligibility and compliance with procurement regulations before claims are compiled by the Finance & Administration Manager and passed to the Programme Director for approval and final submission onto e-claims.

Any cost found to be ineligible will be removed from the Programme cost centre through the journal process and expenditure which is eligible although not paid in the claim period will be moved to the next claim period reconciliation.

The progress reports and outputs will be produced by the Programme Director.

Wave Hub will provide advice and guidance to delivery partners on management and control procedures to ensure that all partners will adopt and adhere to the same methodologies to ensure ease of reporting. All delivery partners are experienced in managing and delivering externally funded projects and have robust financial management and control systems in place.

Delivery partners will be expected to provide clear audit trails to evidence defrayal for all financial expenditure. Standardised templates for claim submission, monitoring and spend profiling will be generated and circulated to partners.

The Lead Partner will require budget updates from partners to show actual and forecast spend through the life of the project.

Wave Hub's operational board has an excellent track record of successful project management and delivery and the organisation is regularly audited for project funded activity. The lead partner will audit the delivery partners at intervals to ensure compliance and understanding of the ERDF requirements.

These robust procedures and policies will be applied to this project and they will be regularly reviewed throughout the life of the project to ensure they remain up to date and fit for purpose.

8.2 Please describe the document management system for the project and how the audit trail will be maintained and accessible for the period required under the terms of the European Structural & Investment Funding Agreement, this includes retrieving original invoices and ensuring evidence of costs incurred is available.

The Document Retention Guidance – ERDF-GN-1-008 has been fully considered and will provide the basis for compliance with the relevant rules and regulations of the Funding Agreement. The Procurement Law Compliance Note ESIF-GN-1-001 has also been fully considered to ensure compliance.

Invoices for the Programme will be grid stamped with Date Received, Date Processed, Authorised by, Payment Date and Payment Method then recorded on the finance system and, once processed, filed in month and alphabetic order in a separate file within the finance office. All invoices are available for checking and verifying for the purposes of the claim process by the Directors and any subsequent audit visits.

Wave Hub Ltd current document retention policy (See Appendix 13) states: -

- Wave Hub Ltd ensures all documents are filed electronically and in hard copy
- All hard copy files are stored either in the main office at Chi Gallos, Hayle Marine Renewables Business Park, North Quay, Hayle, Cornwall TR27 4DD or offsite in a secure archive facility at Allstore, Pendown Park, Pendown Cross, Truro, Cornwall TR4 9NE
- All documents held in archive are retrievable by referencing the document's unique identification number recorded on WHL's archive register
- All records held in electronic format are securely backed-up via the WHL IT systems
- All project and financial records are retained indefinitely, until a funding body or Managing Authority has notified when documents can be destroyed.

Once the Programme has been closed, the original documentation will be stored offsite at the company's archive facility at Allstore, Pendown Park, Pendown Cross, Truro, Cornwall TR4 9NE. Each box has a unique identification number which is recorded on our location register together with the contents of the box. Boxes can be retrieved within 48hrs of request.

The information to be stored will include claim submissions to include salary, invoice and other relevant project expenditure and defrayal evidence thereof together with project documents in relation to outputs, publicity, procurement and RD&I Project Assessment Panel records.

No project output or financial claim will be made until all the required documentation is complete: -

- Outputs evidence - the documents the Project will collect and retain to evidence the eligibility of a beneficiary business and the outputs claimed. Annual 'mock audits' will be conducted to ensure these records are properly maintained
- Financial records – all documents for financial spend will be held by the Project, this will include all procurement records, framework contract spend, and the financial trail from commitment to defrayal. These records will be the responsibility of the Finance and Administration Manager, with additional oversight from the Programme Director.

With regard to filing of electronic records, an internal electronic filing structure has been created for the Project within QuickBooks, utilising a unique cost centre.

Delivery Partners will maintain their records, consistent with the requirements of the Funder and will participate in the annual 'mock audits'. They will have responsibility to maintain these records for as long as is required by the Funder.

8.3 Please set out your organisation's financial policy which describes processes, roles and schemes of delegation.

The Wave Hub financial processes and current scheme of delegation is attached as Appendix 6a.

8.4 If applicable, how will you ensure that Delivery Partners/financial beneficiaries engaged in the delivery of the project will comply with the requirements relating to defrayal of expenditure?

All delivery partners will sign an SLA (attached as Appendix 7) that clearly set out the key guidelines for participation in the project, drawing attention to the relevant regulations governing ERDF. The delivery partners will also be audited by the Lead Partner to ensure compliance, although the Lead Partner will seek to be supportive and to pass on the significant ERDF project experience it has acquired.

As stated above, as Lead Partner, WHL will undertake compliance checks of the delivery partners systems and methodologies to ensure only eligible, defrayed expenditure is included. Monitoring visits to partners will be undertaken by the Lead Partner to establish that the systems in place are compliant, accurate, complete, robust and eligible.

Each beneficiary is expected to evidence 100% of expenditure against paid invoices and will be asked to adopt the relevant regulations governing ERDF. WHL will check each individual claim to ensure all expenditure is in accordance with the offer letter, appropriately evidenced and has been defrayed before releasing payment of the grant.

8.5 Please explain how the accounting software and systems used will be capable of maintaining separate records for the project and producing detailed reports to demonstrate where the European

Structural & Investment Funds is being spent. If applicable, please describe how your partner's software/systems will manage project finances.
<p>The financial accounting records held in the accounting system (QuickBooks Desktop Pro) under the unique cost centre will be maintained by WHL.</p> <p>WHL uses QuickBooks Desktop Pro Accounting system from which it runs reports. The report generator requires selection of the unique cost centre and period to produce reports from the general ledger which, in turn, are supported by detailed evidence from a project invoice report and salary report and together these give full details of expenditure on the Project which are then checked and verified.</p> <p>All delivery partners involved in this project have well established robust accounting systems to monitor projects both externally and internally funded. The use of separate account codes to identify all direct project costs facilitates good project expenditure management. The Accounting software used has various reporting tools available to run transaction reports, generate grant monitoring statements to facilitate budget monitoring and the extraction of relevant project expenditure documentation.</p>
8.6 As European Structural Investment Funds are paid quarterly in arrears it could be up to 5 months from spending money to receiving payment. Please explain how you are able to cash flow the project.
<p>All partners are aware of the grant being paid in arrears. Each delivery partner has sought internal approval and acknowledgement of the delays that will result in receiving project funding. As a result, each partner commits to ensuring there is sufficient cash flow to enable project activity to continue throughout the life of the project.</p> <p>Reimbursement of each delivery partners' proportion of successful claims will occur once funds have been received from ERDF. This will be clearly stated in the contract agreement between delivery partners and is the standard mechanism for delivery of such joint collaborations.</p> <p>Wave Hub has sufficient cash reserves to cashflow its own expenditure as lead partner between defrayal and claim payment.</p>

The following sections are technical and have historically been the cause of financial irregularity.

The following sections are technical and have historically been the cause of financial irregularity. As a result some applicants chose to seek independent advice. If you do not take independent advice your responses should be consistent with the level of detail you would obtain from independent advice.

As some applicants chose to seek independent advice. If you do not obtain from independent advice.

9. Procurement Requirements		
9.1 Confirm that you have read and understood the European Structural & Investment Funds requirements for procurement, as set out in the published <u>European Structural and Investment Funds National Procurement Requirements</u> and that you/your Delivery Partner(s) can meet the relevant requirements	Yes X	

9.2 Is your organisation a “Contracting Authority” as defined in the Public Contracts Regulations 2015?
Yes
9.3 If not, please set out the reason(s)
n/a
9.4 Confirm that you have completed Annex 4a, listing all contracts that will be used to provide goods, works or services to the project, which have already been procured and awarded/contracted prior to this application, or which are in the process of being procured at the date of this application. <i>For the avoidance of doubt this includes all previously procured contracts that will be used by the applicant and/or its delivery partner(s) to provide goods, works or services to the project.</i> Do not complete Annex 4a if you are using the ESF 40% Simplified Cost Option.
Yes
9.5 Confirm that you have completed Annex 4b, listing all the contracts that will need to be awarded to deliver the Project but which have not yet been tendered/procured at the date of this application <i>For the avoidance of doubt this includes all contracts that will need to be awarded by the applicant and/or its delivery partner(s) to provide goods, works or services to the project during its lifetime.</i> Do not complete Annex 4b if you are using the ESF 40% Simplified Cost Option.
Yes
9.6 Describe the system that will be put in place to: <ul style="list-style-type: none"> • Test that the contracts listed at Annex 4a can demonstrate compliance with the ESIF Procurement Requirements Plan the tender processes listed at Annex 4b to ensure that they comply with ESIF Procurement Requirements. <ul style="list-style-type: none"> • Ensure that all relevant documents are retained with a view to providing relevant information in the event of an audit or other investigation. Please provide further information on any contracts you have referred to in Annex 4a in which there has been a single tender action, the use of a framework or dynamic purchasing system (in particular if this has not been set up by the applicant) or where the contract has been extended.
Contracts in Annex 4a No contracts linked to the projects have been procured, so there are no contracts listed in Annex 4a. Contracts in Annex 4b Systems in place to ensure that contracts listed in Annex 4b comply with ESIF Procurement Requirements can be summarised, as follows: - <ul style="list-style-type: none"> • All procurement will be undertaken in accordance with the Wave Hub Procurement Policy (<i>Appendix 6</i>) that is kept in line with EU regulation as updated from time to time and is currently: - <ul style="list-style-type: none"> ○ Up to £2,499 – Direct Award ○ £2,500 to £9,999 – 3 written quotes based on written brief ○ £10,000 to £24,999 – 3 written quotes against a written specification ○ Over £25,000 to OJEU limit – Formal tender process resulting in a minimum of three written quotes, based on a clear written specification

- All contracts above £25,000 will be advertised on Contracts Finder or equivalent
- All procurements over the EU OJEU threshold are placed on the European portal, with the guidance and assistance of CDC
- Tender documentation will be clear and transparent with evaluation criteria and contract terms included at time of issue
- For procurements of £2,500 and over and as appropriate a detailed audit file will be created containing at a minimum:
 - Explanation of the selected procedure
 - Relevant Advertising
 - Tender specification and award criteria
 - All correspondence, e.g. queries, clarifications and responses
 - Tenders/bids received
 - Signed score sheets
 - Successful/unsuccessful correspondence
 - Signed contract and company purchase order
 - Summary record of full process
- A detailed Procurement Plan is provided in Appendix 6b. The plan identifies the members of the team responsible for each procurement and timescales for development, delivery & evaluation and contracting. The plan has been developed to ensure that all procurements are delivered in a compliant and efficient manner
- All procurement process documentation will be retained in accordance with the Wave Hub document retention policy (Appendix 11), with all documentation being archived at the end of the Programme
- Grant recipients will be expected to procure in line with the Procurement Law ESIF Compliance Guidance Note. This requirement will be detailed in the guidance to applicants

As described in Section 8.2, all documents will be retained in a manner consistent with the Document Retention Guidance – ERDF-GN-1, ensuring that all relevant documents are retained in a manner consistent with the provision of relevant information in the event of an audit or other investigation.

10 State Aid Law

10.1 Please list all the organisations (if known) which may benefit from the funding of the project. If they are not known, list the types of organisations that might benefit from the funding.

The organisations which may benefit from the funding under the Programme are;

- Wave Hub Limited (The Applicant)
- Project partners: -
 - Offshore Renewable Energy Catapult
 - The University of Exeter

- The University of Plymouth

- Undertakings operating in, or with the potential to operate in, the FLOW sector

10.2 For each organisation or type of organisation that may benefit from the project, (including the applicant and any Delivery Partners) identify whether they meet the State Aid test. If you believe an organisation or type/ group of organisations is outside the scope of State Aid, please provide the reasons.

Applicants may wish to refer to the European Commission's "Notion of State Aid" guidance and the Department for Communities and Local Government's European Regional Development Fund guidance on State Aid law available at

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-state-aid-documents>.

For ESF Applicants should refer to the published European Social Fund 2014 to 2020 State Aid Guidance on GOV.UK.

The Applicant

- Wave Hub is a company limited by guarantee and any surpluses that the company generates from its limited non-grant activity are ploughed back by the company into its strategic role, working in partnership with private developers to provide a focal point for a Celtic Sea FLOW cluster.
- Wave Hub will be delivering this project on a cost-recovery and, therefore, 'no-profit' basis.
- It is therefore considered that no aid, within the meaning of Article 107 of the TFEU, is present in respect of the Applicant's activities and that Wave Hub meets the State Aid test. We have read and understand the requirements of the Flow Through principles and acknowledge that the principles need to be adhered to throughout the duration of the Programme.

ORE Catapult

ORE Catapult is a not for profit, independent, Research and Technology Organisation. Its role is to work in collaboration with academia and industry to drive Research Development & Innovation to develop new processes and technology to reduce the cost of offshore renewable energy.

In this project ORE Catapult will work in collaboration with the other RTO partners across all work packages to support the delivery of project outputs. The activities will involve inviting industry participation to confirm market needs, for industry to identify project concepts and solutions and then work with the project consortium to co-create technical specifications and prototypes. There is no delegated grant provision in the project. Invitations for industry participation will be through public announcements. Data platforms, tools and processes created will all be open access with data and results being made freely available.

The ORE Catapult is not considered an undertaking for state aid purposes within this project. The EU Commission considers that the following activities are generally of a non-economic character:

1. Primary activities of research organisations and research infrastructures, in particular:

- education for more and better skilled human resources
- independent R&D for more knowledge and better understanding, including collaborative R&D where the research organisation or research infrastructure engages in effective collaboration

- wide dissemination of research results on a non-exclusive and non-discriminatory basis, for example through teaching, open-access databases, open publications or open software

2. Knowledge transfer activities, where they are conducted either by the research organisation or research infrastructure (including their departments or subsidiaries) or jointly with, or on behalf of other such entities, and where all profits from those activities are reinvested in the primary activities of the research organisation or research infrastructure. The non-economic nature of those activities is not prejudiced by contracting the provision of corresponding services to third parties by way of open tenders.

This project is delivered as an intrinsic part of core ORE Catapult activity and is deemed non-economic and thus the ORE Catapult is not in receipt of state aid.

Downstream state aid

SME engagement will be as a result of public invitation to participate and any subsequent knowledge created will be publicly disseminated. Therefore, there will be no economic operator that is outside the project partnership (i.e. not listed as project partner, sub-partner or associated partner in the application form) who will receive an advantage through activities carried out by ORE Catapult within the project.

University of Plymouth

The University of Plymouth is not considered an undertaking for state aid purposes within this project. The Commission considers that the following activities are generally of a non-economic character:

1. Primary activities of research organisations and research infrastructures, in particular:
 - education for more and better skilled human resources
 - independent R&D for more knowledge and better understanding, including collaborative R&D where the research organisation or research infrastructure engages in effective collaboration
 - wide dissemination of research results on a non-exclusive and non-discriminatory basis, for example through teaching, open-access databases, open publications or open software
2. Knowledge transfer activities, where they are conducted either by the research organisation or research infrastructure (including their departments or subsidiaries) or jointly with, or on behalf of other such entities, and where all profits from those activities are reinvested in the primary activities of the research organisation or research infrastructure. The non-economic nature of those activities is not prejudiced by contracting the provision of corresponding services to third parties by way of open tenders."

This project is delivered as an intrinsic part of core university activity and is deemed non-economic and thus the UoP is not in receipt of state aid.

University of Exeter

The University of Exeter's position on State aid is as follows:

The University applies the state aid test to all known levels of beneficiary and understands that state aid will be present where each of the following factors (often referred to as the 'the four tests') are present:

- a) The assistance is granted by the State or through State resources;
- b) It favours certain undertakings or the production of certain goods;
- c) It distorts or threatens to distort competition; and

d) It affects trade between Member States.

Taking each element in turn, the University reasonably considers that:

a) ESIF funding is assistance granted via state resources. This condition is met.

b) Undertakings

UoE - UoE will only be in receipt of State aid to the extent that it is acting as a commercial undertaking in carrying out economic activities i.e. it is providing goods or services on a market.

The Research and Development and Innovation Framework dated May 2014 ("RDI Framework") recognises that universities and research organisations will not be engaged in economic activity when pursuing the following activities:

- Education
- Independent research and development
- The wide dissemination of research results on an open basis, for example, teaching, open-access databases, open software
- Collaborative research and development ("CR&D").

We are of the view that the many of the activities carried out by us in connection with the project will be categorised as non-economic activity.

For example, the initial engagement with SME participants will be focussed on knowledge exchange and signposting of additional support and services.

Any follow on work is likely to fall within the categories of independent and collaborative research and development.

Delivery Partners - Yes - Delivery Partners will be other higher education establishments and commercial undertakings.

SMEs - Yes - companies who will develop new products, processes or services will do so in their capacity as an undertaking as they are likely to be engaged in providing goods or services in a market.

c) Conferring a Selective Advantage

University of Exeter - No - subject to any economic activity being ancillary

Delivery Partners - UoE are of the view that this condition will not be met.

For the initial stage, the Delivery Partners will only be receiving 80% of their costs in connection with the provision of support services. They will not receive any profit. Therefore, there is no selective advantage.

In the follow on stages of the project, it is anticipated that the Delivery Partners will engage in collaborative research and development ("CR&D") with the SME participants and UoE. To the extent that these arrangements can be structured as collaborative research and development projects meeting the conditions set out in the RDI Framework, the Delivery Partners will fall outside the scope of the State aid rules.

d) Distorting Competition –

UoE – No, subject to any economic activity being ancillary.

<p>Delivery partners - No on the basis that the Delivery Partners do not receive a selective advantage.</p> <p>SMEs - Yes – if support is provided to SMEs then it has the potential to distort competition since it may facilitate the development of new products and services on the market.</p> <p>e) Affecting Trade between Member States</p> <p>UoE – No, subject to any economic activity being ancillary.</p> <p>Delivery partners – No, on the basis that the Delivery Partners do not receive a selective advantage.</p> <p>SME's – Yes</p> <p>Conclusion</p> <p>University of Exeter - No State aid - subject to any economic activity being ancillary</p> <p>Delivery Partners - No State aid.</p> <p>SMEs - There is a risk that State Aid applies at this level.</p> <p>Aid that accrues to SMEs through engagements with the project will be through an appropriate GBER determined through the precise nature of the support identified as being required by the SME's.</p>
<p>10.3 For each beneficiary and or type of beneficiary that the applicant regards as being in receipt of State Aid, identify which exemption(s) they will be using to provide the aid in accordance with State Aid law⁵.</p>
<p>Undertakings receiving non-financial business support – De minimis</p> <p>Undertakings receiving non-financial support, collaboration with Research Organisations – GBER 25</p>
<p>10.4 If you intend to use exemption(s) to deliver the Project, have you read the terms of the scheme and meet all the relevant terms.</p>
<p>Yes</p>
<p>10.5 If you intend to use De Minimis, please outline what work has been undertaken to ensure that this is the most appropriate mechanism.</p>
<p>Wave Hub's team has significant experience at delivering similar projects and has reviewed previous legal advice.</p>
<p>10.6 Are you subject to an outstanding recovery order in respect of State Aid?</p>
<p>No</p>
<p>10.7 For projects which involve vouchers / grants, what system will be put in place to assess the eligibility of beneficiaries, activities, costs, and compliance with aid intensity levels prior to the intervention?</p>

⁵ For notified schemes the answer should include the full name of the scheme and the Commission reference number.

N/A
10.8 Describe the system in place for collecting and recording the required information for audits and returns?
The system described within sections 7 & 8 will be used to collect and record the required information for audits and returns?

11. Publicity
<p>11.1 Please explain how the project will meet the European Structural & Investment Funds Publicity Requirements available at www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance.</p> <p>Wave Hub will fully comply with the European Commission and national European Structural Investment Funds branding and publicity requirements, as set out in the various guidance documents. Wave Hub has good experience and a track record for delivering business facing ESIF projects and has not only effectively ensured its own compliance with branding and publicity regulations but has employed successful communication and marketing activity to ensure project delivery.</p> <p>Effective publicity and marketing is essential to the success of the Project and WHL will build on the learning from previous projects to apply a full, appropriate and relevant mix of publicity and marketing techniques. This will ensure maximum exposure to the relevant business audiences in Cornwall and Isles of Scilly to ensure the support is as accessible as possible for the target business community.</p> <p>The Project will also effectively communicate with and through other business support providers to ensure up to date, consistent and coordinated messaging is achieved for the benefit of potential beneficiaries, whilst maintaining the independence and impartiality. WHL recognises that failure to comply with the branding and publicity regulations can result in financial penalty and, therefore, monitoring of all branding and publicity related to the Project and maintenance of appropriate records will be undertaken on all activity.</p> <p>The Programme Director within WHL, with support from the partner institutions' respective Communications and Marketing teams, will oversee the development, implementation and monitoring of project communications protocols which comply with EU and ESIF Programme publicity requirements.</p> <p>Actions will include: -</p> <p>Press Releases - Press releases will be developed for key project milestones and achievements. All press releases will include acknowledgement of ESIF support; the ESIF 'note to editors' text; and the ESIF logo. The Managing Authority will be invited to provide quotes for inclusion in press releases, where relevant.</p> <p>Website - All project partner websites will include: a description of the project; acknowledgment of ESIF support (including through use of the ESIF logo); and a link to further information on ESIF opportunities and achievements.</p> <p>Posters - All partners will display (in an area readily visible to the public) an A3 poster providing information on the project and acknowledging ESIF support.</p> <p>Events - All materials and documents for project events - focused on marketing, training or dissemination - will feature the ESIF logo. Speakers will clearly acknowledge ESIF support. The</p>

Managing Authority will be invited to attend relevant events and/or provide exhibition stands at dissemination events.

Academic publications – all academic articles and books stemming from the research will include due acknowledgement of ESIF funding, including the grant number.

Wider Printed and Electronic Communication - All other electronic and printed project communication (internal and external) will feature the ESIF logo in a prominent position.

Enterprises Supported - All enterprises that are supported through the project will have the ESIF support made clear to them and the implications of this, relating to participation in publicity activities, as well as for record keeping, state aid and other aspects.

Interviewees / Other Partners –taking part in research, consultation or evaluation exercises will be informed of the ESIF support for the project at the start of interviews, focus groups or other activities.

Communication materials and copies of media coverage will be retained on file for the duration of the project. Any invitations to tender will state the ESIF support and any contracts with third parties will include a requirement for them to make clear the ESIF support for the work in the conduct of contracted activities.

11.2 For projects who have already incurred costs which they intend to include within their first claim, please provide confirmation and evidence to show how you have complied with these publicity requirements on expenditure incurred to date.

n/a – no costs incurred to date

12. Cross Cutting Themes

12.1 Support for the Sustainable Development theme

How does the project respect the principle of sustainable development? In particular how does the project maximise positive environmental impacts or mitigate potential negative impacts (with regard to the “polluter pays” principle where appropriate)?

For ESF only, applicants should refer to Action Note 019/18 published on GOV.UK which sets out minimum expectations for this specific Selection Criteria, aligned to the ESF Scoring Framework.

Applicants must prepare and attach a Sustainable Development Policy and Implementation Plan along with their Full Application. Applicants should refer to the requirements regarding Sustainable Development Policy and Implementation Plans set out in the published ESF Cross Cutting Themes Guidance.

Cornwall and the Isles of Scilly (CloS) has been at the leading edge of the energy transformation in the UK and is now looking to achieve the ambitious target of zero carbon by 2030. This will project play a significant leadership role in building the momentum to deliver the vision of a Zero Carbon Cornwall by developing a comprehensive evidence base allied to sector-specific business support in order to help

harness local energy innovation and develop whole system solutions to governance, policy, technology and business models across the low carbon sector.

Wave Hub recognises the importance of the cross-cutting themes and the interaction and balance between the different and often competing needs of the environment, social and economic needs in project design, management and delivery.

Wave Hub is fully committed to promoting sustainable development whilst delivering this project and provides an assurance that our Delivery Partners will support sustainable development via the SLA. Subcontractors will be required to demonstrate how they will support sustainable development through the relevant procurement processes.

CDC promotes good and best practices wherever possible.

The company has developed a Corporate Sustainable Development Policy and associated Implementation Plan, which provides a mechanism to enable us to proactively manage the sustainable development cross cutting theme throughout all our core business activities and in the projects that we manage and deliver. A project specific Sustainable Development Policy, which will be regularly reviewed and signed off by Wave Hub Senior Management, is supplied as Appendix 3b. Our Delivery Partners will be required to adhere to the requirements of the Project Policy and Implementation Plan as a minimum. This will be detailed in the SLA with them. We will ensure the Sustainable Development policy and Implementation Plan and associated updates, communicated to staff and participants, including Delivery Partners. These documents are aimed at both staff and project beneficiary companies.

As demonstrated in the Strategic Fit section, the project aligns closely with the Environmental Growth Strategy for Cornwall under the following Target Outcomes:

- Target Outcome 3b Understanding Cornwall strand. Effective data analysis to provide accessible, useful information to understand the characteristics of Cornwall's heritage; it's terrestrial, atmospheric, marine and freshwater systems; and the associated ecological and cultural networks.
- Target Outcome 5b Valuing Cornwall Strand. Environmental values placed at the heart of decision making.
- Target Outcome 8b Achieving environmental growth strand. The development of a circular, low carbon economy which maximises resource efficiency.

We will also ensure every business that engages with this project is made aware of the projects cross-cutting themes requirements. Including the project focus of a whole systems approach.

Further project specific commitments include:

- Our Delivery Partner and sub-contractors will be required to comply with and promote sustainable development in line with legislation as part of the contractual requirements through an SLA or procurement process
- We will help the businesses we engage with to develop and implement their own Sustainable Development (and Equality & Diversity) Policies and by signposting them to appropriate information.
- Due to the nature of the project, a number of the businesses we engage with will have a specific low carbon energy focus.
- We will highlight any business activity that receives support from the project, that complements any of the thematic objectives of other ESIF programmes.

- We will provide signposting to specialist environmental information (through close working with our partners and CIOS Growth Hub). This will include:
 - sustainable development principles
 - local resilience and climate change adaptation including through the adoption of the emerging Cornwall Climate Change Action Plan
 - avoiding disinvestment and safeguarding growth in a holistic manner
 - positively looking at ways to break the link between economic growth and ecosystem degradation – not just do less harm
 - where applicable, we will encourage our beneficiary businesses to apply to Awards Programmes such as the Cornwall Sustainability Awards.
- Wave Hub will comply with all relevant UK & EU legislation and will ensure our Delivery Partners and subcontractors also comply as part of the contractual requirements through an SLA or procurement process
- We will actively ask the business we work with to specifically confirm that their business complies with all relevant UK and EU legislation. We will signpost supported projects to information to help them comply (including the Polluter Pays Principle where appropriate).
- We will ensure that waste will be disposed of in-line with legislative requirements for Wave Hub, and by our delivery partner through the SLA.
- In all cases, we will champion positive environmental impacts and promote sustainable decisions to enable us to support businesses to move towards a low carbon economy.
- We will work with beneficiary businesses detailing negative impacts to consider how they can change their activities to have better environmentally outcomes.
- We will provide information on the benefits of sustainable procurement.
- Support a culture of resource and energy efficiency including signposting to information on resource and energy efficiency, including WRAP and the Circular Economy. We will also signpost businesses to relevant grant schemes;
- A Sustainable Development Champion will be appointed for the project. This will be included in the job description to ensure that the cross cutting themes remain a strong focus s in the delivery of the project
- Ensure that cross cutting themes lessons learnt from previous experiences and reviews influence project design and delivery. This will enable us to embed the cross cutting themes adequately and appropriately into our work with business beneficiaries from the outset
- Increase staff awareness of sustainability through project focussed cross cutting themes training by Wave Hub.
- Ensure that the Cross-Cutting Themes are monitored and reported against for the life of the project. These will be proportionate, meaningful and relevant, and not unnecessarily complicated.

12.2 Support for the Equality and Diversity theme (for European Regional Development Fund this is defined as 'Equality and Anti-Discrimination'; for European Social Fund this is defined as 'Gender Equality and Equal Opportunities') (Application of Article 7 of Regulation 1303/2013) and the Public Sector Equality Duty (s149 of the Equality Act 2010).

How will you ensure that equality between men and women as well as gender perspective are taken into account and promoted throughout the preparation and implementation of the project?

What steps will you take to ensure accessibility for persons with disabilities are taken into account throughout the preparation and implementation of the project?

In light of the Equality Act 2010 how does your proposed project further the following aims: -

- The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act
- The need to advance equality of opportunity between people who share a protected characteristic and people who don't
- The need to foster good relations between people who share a protected characteristic and people who don't.

For ESF only, applicants should refer to **Action Note 019/18** published on GOV.UK which sets out minimum expectations for this specific Selection Criteria, aligned to the ESF Scoring Framework.

Applicants must also prepare and attach an Equal Opportunities Policy and Implementation Plan along with their Full Application. Applicants should ensure their Equality & Diversity Policy & Implementation Plan adheres to the ESF specific requirements set out in the published **ESF Cross Cutting Themes Guidance**.

Wave Hub is fully committed to promoting Equality and Anti-Discrimination development whilst delivering these project activities and provides an assurance that our Delivery Partners, will also support sustainable development via the SLA.

The project specific Equality of Opportunities policy will be produced for this project; it will be signed off by senior management and regularly reviewed, with a clear revision history. It will be communicated to staff at project inception and as part of the induction process. Any reviews or changes will be communicated to staff during regular team meetings.

As demonstrated in the Strategic Fit section, the project aligns closely with the Cornwall Inclusion Strategy by ensuring every client business that engages with the project are made aware of the cross-cutting themes. Specifically, the project fits within:

- Priority 1 – To build individual and community resilience for people to help themselves and to support others who are (or at risk of being) excluded
- Priority 2 – Take responsibility for ourselves, the communities we live in and challenging organisations and businesses that work against achieving inclusion for everyone in Cornwall and Isles of Scilly.

All Wave Hub employees will undertake E&D training. Project staff will receive project focussed cross cutting themes training by Wave Hub, supported by Operational Board members who have significant specific experience.

How will you ensure that equality between men and women as well as gender perspective are taken into account and promoted throughout the preparation and implementation of the project?

Wave Hub adopts the principles of equal pay between men and women for equal work. Within the project delivery team, the opportunity for job share/part time employment and flexible working practices will be offered where appropriate, in order to encourage people with caring responsibilities to apply.

In relation to the delivery of the project, the project Senior Administration and Quality Manager, supported by the Director of Compliance, will look to promote wider accessibility, promote opportunities to minority groups and address gender inequality through specific events to ensure inclusiveness. For example,

identifying female business owners in the identified sector that may lack women in senior positions. We will work closely with our Delivery Partner to ensure we champion and promote equality.

Given the project's broad geographic reach, specific consideration will be given to inclusive communication.

The project will develop relevant case studies to highlight good practice and promote the project through press releases and on the corporate website.

Independent evaluators will be appointed (through a competitive tender process). This will include a review of cross cutting themes, including how effective the project has been in addressing E&D.

What steps will you take to ensure accessibility for persons with disabilities are taken into account throughout the preparation and implementation of the project?

Each of the Delivery Partners' premises is designed, or has been adapted, to be accessible (e.g. all meeting rooms for clients are on the ground floor and each building has its own disabled access and amenities). Project staff will also consider premises carefully when meeting clients in the field to ensure that they are accessible.

When events are held, formal venue assessments are undertaken to ensure adequate accessibility in line with corporate requirements. Targeted event attendance will provide a valuable opportunity to ensure that the marketing of the project is fully representational and inclusive.

When producing marketing materials, alternative formats will be offered where possible. If the project has a website, Wave Hub will ensure that it will be built to an accessible format. This will ensure that the on-line information is fully accessible.

The project staff technical expertise and sector specialism will enable us to signpost businesses to specialist support as required. There will be key opportunities to ensure linkages with initiatives that are established to promote under-represented groups such as female entrepreneurs, BME owned businesses and to widen understanding and encourage accessibility changes, by highlighting specialist advisers such as Disability Cornwall.

In light of the Equality Act 2010 how does your proposed project further the following aims:

- *The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.*

Project staff will undergo corporate training in Equality & Diversity in the light of the Equality Act 2010 to enable them to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.

Delivery Partner staff will commit to undergoing the same training within their organisations as part of their SLA.

We will actively promote the cross-cutting themes to our beneficiary businesses

- *The need to advance equality of opportunity between people who share a protected characteristic and people who don't.*

We will advance equality of opportunity between people who share a protected characteristic and people who don't through our research work and through the work we will undertake with our beneficiary businesses.

- *The need to foster good relations between people who share a protected characteristic and people who don't.*

If the project has a website, we will use the online portal to include detail on the need to foster good relations between people who share a protected characteristic and people who don't which will be detailed in the CCTs information section.

Further project specific commitments include:

- Delivery Partners and sub-contractors will be required to comply with and promote Equality of Opportunity in line with legislation as part of the contractual requirements through an SLA or procurement process
- CDC will monitor employees on the basis of their age, gender, disability and ethnicity in the following areas:
 - recruitment, promotion and career development
 - representation
 - disciplinary procedures and grievances
 - those leaving the CDC's employment
 - equal pay for work of equal value as defined by roles and responsibilities of a job description
- The Project will comply with CDC's current Anti-Harassment Policy (which includes bullying)
- An Equality & Diversity Champion will be appointed for the project. This will be included in the job description to ensure that the cross-cutting themes remain a strong focus in the delivery of the project
- Draw on good practices from previous experiences and ensure identified lessons learnt recommendations are embedded into project management and delivery
- Ensure that the CCTs are embedded into the project from the outset
- The appointment of independent evaluators will include the requirement for a review of cross cutting themes, including how effective the project has been in addressing Gender Equality and Equal Opportunities
- Work with business beneficiaries to help them develop an E&D Policy which is informed by the Equality Act 2010 and which demonstrates compliance with all relevant Equality legislation. We will achieve this by signposting to relevant information and resources.
- Publish (e.g. press releases and corporate website) relevant case studies to highlight good practice and look to incorporate key equality principles into its marketing
- CDC staff have equality embedded as part of the annual corporate Learning and Performance Review
- The CDC website is built to an AA accessibility standard and similar standards will be incorporated into any website that may be developed for the project
- Monitor, review and report appropriately against the CCTs during the life of the project and commit to identifying simple baselines for monitoring and review (sex age race and disability).

13. ERDF Only - Summative Assessment

Please refer to Project Summative Assessment Guidance (ESIF-GN-1-033) available on GOV.UK ESIF page

13.1 Have you read and understood the Project Summative Assessment Guidance and provided a logic model using the Summative Assessment Logic Model form? (A copy of the logic model should have been provided when you were invited to proceed to full application - if not please get in touch with your nominated contact)
YES – See <i>Appendix 8</i>
13.2 Have you allocated a budget for the summative assessment, which does not exceed 1% of the project eligible expenditure or £100,000, whichever is the lower amount?
Yes, a budget of £25,000 has been allocated.

For ERDF

General Data Protection Regulation (GDPR) and Freedom of Information Act 2000

The Ministry for Housing, Communities and Local Government is the 'data controller' for all ERDF-related personal data and controls and processes personal data (including sensitive special data) under the lawful bases of **Article 6 (1) (e) and Article 9(2)(b) GDPR respectively.**

As a data processor of ERDF personal data, your organisation must ensure that ERDF personal data is processed in a way which complies with requirements of the General Data Protection Regulation (GDPR) and **all applicable laws and regulations relating to processing of personal data and privacy**, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations.

You must also comply with the practices and requirements described in the ERDF programme guidance published by the Managing Authority.

By proceeding to complete and submit this form, you consent that we may process the personal data (including sensitive personal data) that we collect from you, and use the information you provide to us, in accordance with our Privacy Policy.

For ESF

The Department for Work and Pensions is the 'data controller' for all ESF-related personal data and it controls and processes personal and special category data under the lawful bases of **Article 6 (1) (e) and Article 9(2)(b) GDPR respectively.**

As a data processor of ESF personal data, your organisation must ensure that ESF personal and special category data is processed in a way which complies with requirements of the General Data Protection Regulation (GDPR) and **all applicable laws and regulations relating to processing of personal data and privacy**, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations.

You must also comply with the practices and requirements described in the ESF programme guidance published by the Managing Authority.

By signing and accepting this Full Application Form you are accepting and consenting to the practices described in the Operating Policy in respect of ESF Online Applications

You can also find further information about the Department for Work and Pension Personal Information Charter here.

Declaration & Signature

I declare that I have the authority to represent Cornwall Development Company in making this application.

I understand that acceptance of this Full Application does not in any way signify that the project is eligible for ESI Funding support or that ESI funding has been approved towards it.

On behalf of Cornwall Development Company and having carried out full and proper inquiry, I confirm to the Department:

- Wave Hub has the legal authority to carry out the project; and
- That the information provided in this application is accurate.
- I am not aware of any relevant information, which has not been included in the application, but which if included is likely to affect the decision of the Department whether to endorse the application.


I confirm to the Department:

- I have informed all persons in relation to whom I have provided personal information of the details of the personal information I have provided to you and of the purposes for which this information will be used and that I have the consent of the individuals concerned to pass this information to you for these purposes.
- That I shall inform the Department if, prior to any ESI funding being legally committed to Wave Hub, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the application.
- Match funding will be in place prior to any award of ESI funding.
- I am aware that if the information given in this application turns out to be false or misleading Department for Communities & Local Government (DCLG, for European Regional Development Fund) and the Department for Work and Pensions (DWP, for European Social Fund) may demand the repayment of funding and/or terminate a funding agreement pertaining to this Application.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant or for the purpose of assisting any person to obtain grant is liable to be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

You should not commence project activity, or enter in to any legal contracts, including the ordering or purchasing of any equipment or services before the formal approval of your project and you have signed a European Regional Development Fund or European Social Fund

Funding Agreement. Any expenditure before the approval date is incurred at your own risk and may render the project ineligible for support.

Signed For and on behalf of the Applicant Organisation			
Name (Print)	Steve Jermy		
Position	Chair & Acting Chief Executive Officer	Date	30.10.2020

Annexes

Annex 1	Supporting documents checklist
Annex 2	Article 61 Revenue Generating Projects (ERDF only)
Annex 3	Capital Project requirements (ERDF Only)
Annex 4 a	Procurement to date
Annex 4 b	Procurements forward look

Annex 1a Supporting documents checklist

Document	Notes	Applicant comments
Confirmation of match funding from each funder	Confirmation must be in place prior to the Grant Funding Agreement.	See Appendix 1
Detailed Granular budget breakdown	All costs must be itemised, eligible, appropriate for the project and profiled across the project period	See Appendix 2
Equality of Opportunity Policy, Sustainable Development Policy, Sustainable Development Implementation Plan, Equality Impact Assessment, Progress against Sustainable Development Plan, Example of Equality and Diversity Report, Example of Equality and Diversity Action Plan	Applicant is responsible for ensuring that Delivery partners also hold relevant policies	See Appendix 3a – 3g
Independent state aid advice.	If applicable	n/a
Job Descriptions		See Appendix 4a – 4r
Organogram		See Appendix 5
Applicants procurement policy, Scheme of Delegation, Procurement Plan		See Appendix 6a – 6c
SLA with Delivery Partners	Not applicable if there are no delivery partners. If not available, comment when it will be available.	See Appendices 7a to 7d
ERDF only - Summative Assessment Logic Model, Baseline Evaluation, Interim Evaluation	Using form ESIF-Form-1-011 ERDF Summative Assessment Logic Model - provided by your nominated appraiser	See Appendix 8
Capital project requirements	See additional checklist for capital projects at the end of Annex 3	See Appendix 9
Project level risk register	This should cover areas such as financial risk, output risks, delivery risks etc. please ensure that the register covers how these risks will be managed and mitigated.	See Appendix 10
ESF Only – High Level End-to-End Customer Journey	A visual, high level customer journey document e.g. flow chart	n/a
ESF Only – Anti-Fraud Statement	A statement on how you will deal with suspected fraud in your organisation and if appropriate, with your sub-contractors.	n/a

Annex 1b Appendices to support full application

Marketing Plan, Events Plan	See Appendix 10a – 10b
Wave Hub Document Retention Policy	See Appendix 11
Project Governance Structure	See Appendix 12

Annex 2

Article 61 - Revenue Generating Projects
Projects which generate net revenue must comply with Article 61 (1-8) of EU Regulation (EU) No. 1303/2013.
Is the project expected to generate any net revenue?
n/a
How will revenue and/or income be recorded and reported?
n/a
Explain how the audit trail for the revenue and/or income will be demonstrated.
n/a
For infrastructure projects, the economic lifetime of the fixed asset often exceeds the term of the European Structural & Investment Funds project. Will this be the case in your project? If so, describe how the net revenue will be monitored for the economic lifetime and what arrangements are in place to report on the final revenue position.
n/a

Annex 3**EUROPEAN REGIONAL DEVELOPMENT FUND Only:****Capital Projects (land and property)**

For each site where capital project activities will be undertaken, please provide the following information:		
Site name	Land Registry Number	Applicant's legal interest on the site
n/a	n/a	n/a
If any site has been purchased for the project, please identify the site, the purchase price and the date on which the site transferred. .		
n/a		
Please list all approvals needed for the project to proceed as envisaged:		
a) which have already been obtained		
b) which are to be obtained (include timescales)		
n/a		
Please list all existing restrictions registered against the title and all charges registered against the title to on the project site(s) at the date of the Application, supplying up to date office copy entries where possible.		
Please provide details of any charges the Applicant expects to be removed or added to the site(s) in the 6 months following the submission of this application. Please list all options to purchase the project site(s) at the date of the Application or which are expected to be put in place within 6 months of the submission of this application.		
n/a		
Please provide a clear statement on the sources of match funding. This should detail the source, the contribution amount, its current status and any conditionality.		
n/a		
Please provide a clear statement on the intended use of the completed asset(s) and the sectors you are targeting for occupiers. Please provide details of any planned disposals.		
n/a		
If the project is awarded European Regional Development Fund you will be expected to enter into DCLG's precedent legal documentation. This includes a Grant Funding Agreement, and a Deed of Covenant to protect the approved use backed by an appropriate restriction registered against the title, and may also include a Collateral Warranty (for the Quantity Surveyor) and/or a Legal Charge.		
n/a		

The following accompanying documents should be provided for all Capital Projects applying for European Regional Development Fund.

Accompanying documents for Capital Projects applying for European Regional Development Fund	Specification of document or acceptable alternative	Comment including name of document and explanatory description. Please advise whether a document is not applicable for the project.
Evidence that the applicant has/will have control of the site to deliver the project.	Freehold or leasehold title for the project, or signed Heads of Terms between applicant and vendor for land/building acquisition.	n/a
Evidence of full planning permission and, where applicable, listed building consent.	Copy of full planning permission and evidence of obtaining any other consent required before the project activities can commence.	n/a
Evidence of match-funding	Documents establishing the amount of match funding provided and any conditions attached.	Provided in Appendix X
When using value of land/buildings as evidence of match	<p>Independent valuation report produced by a suitably qualified expert body listing:</p> <ul style="list-style-type: none"> the land/buildings, to be used as match-funding; their current condition/use; the date purchased and consideration paid, where applicable; the open market value at the date of the Application taking into account legal, planning or physical constraints to development; and the open market value at the date of the Application if all legal, planning and physical constraints to development were not present. 	n/a

State Aid Report	<p>A State Aid Report, addressed to the Applicant and produced by a suitably qualified professional organisation (e.g. a law firm or accountant) which (a) lists all the Project costs used to determine the State Aid intervention rate (b) gives an opinion as to whether each cost is eligible (c) analyses whether the proposed award to the Applicant meets all the requirements of the specified State Aid scheme and (d) sets out all the information required for Article 6 of Regulation 651/2014 (if applicable).</p> <p>If the Applicant intends to use the value of any land or buildings in the match funding calculation, the report must provide an express explanation as to how this is State Aid compliant, if necessary using the information set out in the independent valuation report.</p>	Provided as Appendix Y
Detailed Cost Plan prepared by a suitably qualified Quantity Surveyor.	As a minimum designed to the equivalent of RIBA Plan of Work Stage '3' which prices the schedule of works with quantities and rates, cash-flows the works and provides a development programme for completion of the project activities.	n/a
Supporting design information	Architect drawings and plans, specification, schedule of accommodation, pre-project photographs and post-project Computer Generated Images (CGI).	n/a
BREEAM pre-assessment	Completed by a suitably qualified BREEAM Assessor and specific to the project	n/a
Environmental Impact Assessment where applicable		n/a

The following accompanying documents MAY also be required for Capital Projects which are applying for EUROPEAN REGIONAL DEVELOPMENT FUND. A member of the Managing Authority should have advised you of the additional information required to support your application.

Additional information for Capital Projects operating under notified State Aid schemes	Specification of document or acceptable alternative	Comment including name of document and explanatory description.
Development appraisal for the project	<p>This will include:</p> <ul style="list-style-type: none"> ○ An assessment of end value of the completed development based on market assumptions of rent, yields, void periods, rent-free periods and floor areas and specification. ○ Estimated project costs of undertaking the development which may include cost of buying land/building, construction, professional fees, disposal fees, finance charges and the developer fee; ○ Cash flow for projected income and expenditure. 	n/a
Independent valuation report prepared by a suitably qualified Valuation Surveyor	To certify the valuation and end value assumptions in the development appraisal and provide a detailed view of market conditions including current property supplies, the development pipeline and demand.	n/a
Independent cost consultancy report prepared by a suitably qualified Quantity Surveyor	To certify the construction related assumptions in the development appraisal and comment of realism of cash flow and development programme.	n/a

Funding Calculations	Three separate calculations showing (1) the State Aid eligible costs, subject to the relevant maximum aid intensity (2) the gap-funding calculation and (3) the European Regional Development Fund eligible costs. The lower of the three calculations represents the maximum European Regional Development Fund grant available to the project	n/a
Market demand report prepared by an independent property consultant	This will provide an in-depth analysis of current property supply, the property development pipeline and likely market demand including likely sectors.	n/a
Business Plan prepared by a suitably qualified property or economic development consultant	To certify assumptions submitted by the applicant for the Article 61 calculation, including: <ul style="list-style-type: none"> Revenue stream based on projected occupancy levels, rents, service charges and any other income; Operating costs including maintenance, marketing, estate management and salary costs. 	n/a
Independent valuation report prepared by a suitably qualified Valuation Surveyor and cost consultancy report prepared by a suitably qualified Quantity Surveyor for Land Remediation projects	Valuation report will confirm (a) the current open market value of land/buildings and (b) the projected open market value of land/buildings following European Structural & Investment Funds investment. Cost consultancy report will undertake assessment on the suitability of the proposed remediation strategy (in comparison to other options) and certify the estimate remediation costs.	n/a

Annex 4a

Contracts that have been procured											
Please provide details of all contracts that will be used to provide goods, works or services to the project and which have already been awarded prior to this application.											
	Value of the contract ⁶ (Highest value first)	Anticipated value of works, supplies or services which will be provided to the Project under the contract	OJEU reference number (where applicable)	Name of supplier	Date of the contract ⁷	Description of works, supplies or services provided under the contract	Process used to select supplier e.g. OJEU	How was the contract advertised?	Core procurement documentation provided with the full application? *		
									Y	N	Comment:

*Applicants should refer to the invitation to full application letter for details of any conditions relating to required procurement documentation to be submitted with the full application.

The Managing Authority reserves the right not to take forward the Full Application if any aspects of procurement are identified as 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/irregularity financial penalty will be imposed in line with EU guidance. This can be up to 100% of the procurement expenditure.

⁶ If the contract relates to recruitment managed by an agency, this will be the cumulative value of annual salaries

⁷ Estimated if procurement is underway

Annex 4b

Contracts to be procured						
Please provide details of all contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.						
	Anticipated value of the contract (Highest value first)	Will the contract only be used to provide works, supplies or services to the Project?	Description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier?	Where will the contract opportunity be advertised?	What processes will be put in place to collect appropriate records to demonstrate compliance in the event of an audit or other investigation
	£1,700,000	Yes	LIDAR Data	Full OJEU Process	OJEU	OJEU records & all responses will be retained
	£600,000	Yes	Navigation Simulator	Full OJEU Process	OJEU	OJEU records & all responses will be retained
	£50,000	Yes	Development of Website/Data Portal	Non-OJEU Public Tender	Contracts Finder	Copy of advert, received quotations, decision making process & letter of appointment will all be retained
	£30,000	Yes	Legal and Professional Services	Non-OJEU Public Tender	Contracts Finder	Copy of advert, received quotations, decision making process & letter of

Contracts to be procured

Please provide details of all contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application.

	Anticipated value of the contract (Highest value first)	Will the contract only be used to provide works, supplies or services to the Project?	Description of works, supplies or services that will be provided under the contract	What procurement process do you anticipate using to select the supplier?	Where will the contract opportunity be advertised?	What processes will be put in place to collect appropriate records to demonstrate compliance in the event of an audit or other investigation
						appointment will all be retained
	£25,000	Yes	Summative Assessment	Non-OJEU Public Tender	Contracts Finder	Copy of advert, received quotations, decision making process & letter of appointment will all be retained