Full Application Form

EUROPEAN STRUCTURAL & INVESTMENT FUNDS

ESIF-Form-2-010

The Full Application must be completed by the **Applicant** andsubmitted to the **Managing Authority[[1]](#footnote-2)** by the deadline agreed by the **Managing Authority.**

In order to submit a Full Application you must first have received an invitation to do so from the **Managing Authority.**

Before submitting a Full Application, please ensure that you have read the Full Application Guidance carefully. Any queries should be addressed to the **Managing Authority.**

The **Managing Authority** will use the Full Application form to carry out its appraisal of the proposal, with the aim of determining whether the application meets the relevant criteria to be considered for funding. Applicants should note that the **Local Enterprise Partnership Area European Structural and Investment Funds Sub-committee** will receive the Managing Authority’s appraisal, incorporating a summary of the Full Application, in orderto advise on local strategic fit.

If this Full Application contains commercially sensitive information which the **Applicant** does not want to be shared with the **Local Enterprise Partnership Area European Structural & Investment Funds Committee**, the applicant must complete section 12, identifying the commercially sensitive information, requesting that this information is not released and explaining its reasons.

The **Applicant** is required to verify the accuracy of the information provided in the Full Application. Therefore the **Applicant** is expected to undertake appropriate investigation to establish the accuracy of its representations.

Further information on the application process, including on State Aid law and procurement compliance, can be found on the [www.gov.uk](http://www.gov.uk) website.

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| Please enter the following information: |

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| Applicant Organisation: | University of Exeter |
| Name of Project: | Delivering RD&I in the Marine Technology Smart Specialisation in Cornwall & Isles of Scilly |
| Name of relevant Operational Programme Priority Axis: | |  |  | | --- | --- | | **Priority Axis 1** | **Promoting Research and Innovation** | |

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| For completion by the Managing Authority In | | |
| **Identification** | Unique Reference No. |  |
| Application version number; date received by the Managing Authority | Version # | Date |

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| Name/unique identifier of Call | OC05R15P 0243 | | | |
| Have you submitted a linked/complementary application against another call? | Yes |  | No | No |
| If Yes please state the unique identifier(s) of the calls to which you have responded |  | | | |

**1.0 Applicant**

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| 1.1 Applicant organisation | University of Exeter | | |
| 1.2 Status of organisation (limited company, registered charity, local authority, etc) | University | | |
| 1.3 For private sector applicants, what is the size of the enterprise applying for funding? | **Small** | **Medium** | **Large** |
| 1.4 Company/charity registration number (where applicable) | Company number RC000653 Company incorporated by Royal Charter | | |
| 1.5 VAT number (where applicable) | GB 142 0477 95 | | |
| 1.6 Applicant address | University of Exeter | | |
| 1.7 Applicant address (row 2) | Northcote House | | |
| 1.8 Applicant address (row 3) | The Queen’s Drive | | |
| 1.9 Town / City | Exeter | | |
| 1.10 County | Devon | | |
| 1.11 Postcode | EX4 4QJ | | |
| 1.12 Main contact | Professor Lars Johanning | | |
| 1.13 Job Title / Position in the Organisation | Professor of Ocean Technology | | |
| 1.14 Email | l.johanning@exeter.ac.uk | | |
| 1.15 Telephone Number | 01326253730 | | |
| 1.16 Mobile Number (optional) | 07867656923 | | |

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| 1.17 Has the organisation previously delivered ESF, ERDF or EAGRD (EAGGF or RDPE) funded projects? Or is it a current Applicant / Grant Recipient for other 2014 -2020 funds.  Please note that previous experience is not a requirement for funding | | | Yes | | Yes | | No |  | |
| 1.18 If Yes, please provide the official reference number and name of fund for previous and existing European funded projects that the Applicant has been involved in. If this is not available, provide the name of the project, role within the project and start and end dates. (This should include any European Regional Development Fund/European Social Fund/European Agricultural Fund for Rural Development/ European Agricultural Guidance and Guarantee Fund or Rural Development Programme for England projects from the 2000-06, 2007-2013 or the 2014–2020 Programmes). | | | | | | | | | |
| **Project reference** | **Project name** | **Project Location** | | **Your Role** | | **Start Date** | | | **End Date** |
| ERDF DC/THM/1022/01 | Objective 1 – CUC Phase 2 Development of Tremough Campus | Tremough Campus, Penryn | | Joint Project with University College Falmouth, now Falmouth University | | 29/04/2005 | | | 30/09/2006 |
| ERDF 204465/  202451 | Convergence & Competitiveness – PRIMaRE | Tremough Campus, Penryn | | Partner, University of Plymouth Lead | | 01/07/2007 | | | 30/09/2011 |
| ERDF 202495 | ESI – Environment & Sustainability Institute | Tremough Campus, Penryn | | Sole Beneficiary | | 01/07/2009 | | | 30/06/2015 |
| ERDF 202956 | Exchange | Tremough Campus, Penryn | | Tremough Campus, Penryn | | 01/01/2010 | | | 31/08/2013 |
| ERDF 500085 | SERFS – Science & Engineering Research Facility | Tremough Campus, Penryn | | Sole Beneficiary | | 01/04/2013 | | | 31/07/2015 |
| ESF 09099NC05 | CUC Research programme Phase I | Tremough Campus, Penryn | | Accountable body and project lead | | 15/09/2008 | | | 31/05/2012 |
| ESF11200NC05 | CUC Research programme Phase II | Tremough Campus, Penryn | | Accountable body and project lead | | 01/01/2011 | | | 30/08/2015 |
| 1.19 Will the project involve Delivery Partners? If yes, please complete Annex 1b for **each** Delivery partner. | | | | | | | | | |
| Yes | | | | | | | | | |

**2.0 Project Details**

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| 2.1 Project Name | | Delivering RD&I in the Marine Technology Smart Specialisation in Cornwall & Isles of Scilly | | |
| 2.2 Total European Structural & Investment Funds sought (£) | | £6,890,628 | 2.3 Total Project Value (£) | £9,379,356 |
| 2.3 Of Which | European Regional Development Fund (£) | £6,890,628 | | |
| European Social Fund (£) |  | | |
| Youth Employment Initiative (£) |  | | |
| 2.4 Name of relevant European Regional Development Fund or European Social Fund Operational Programme Priority Axis | | |  |  | | --- | --- | | ***Priority Axis 1*** | ***Promoting Research and Innovation*** | | | |
| 2.5 Name of European Structural & Investment Funds Investment Priority | | *1b promoting business investment in research and innovation;*  *- developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation;*  *-and supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.* | | |
| 2.6 Local Enterprise Partnership area(s) covered | | *Cornwall & the Isles of Scilly (C&IoS)* | | |
| 2.7 Lead Local Enterprise Partnership Area | | *Cornwall & the Isles of Scilly(C&IoS)* | | |
| 2.8 Name of Managing Authority contact | | *Mr Mark Billing, DCLG* | | |

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| **2.9 1** | **2** | **3** | **4** |
| **Proposed Start Date**  *i.e. date from which eligible expenditure will be incurred* | **Proposed Financial Completion Date**  *i.e. date by which eligible costs will have been defrayed*  *(European Social Fund contractual completion date)* | **Proposed Project Practical Completion Date**  i*.e. date by which all Outputs/Results will be achieved*  *(European Regional Development Fund only)* | **Proposed Activity End Date**  *i.e. the date by which all the project activities described in the application and Funding Agreement will be completed* |
| **1 January 2017** | **31 December 2019** | **31 March 2020[[2]](#footnote-3)** | **31 December 2019** |

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| **2.10 Project Funding** | | | | | | | |
|  |  | ERDF / ESF (a) **(£)** | Public Match (b)  **(£)** | Private Match (c)  **(£)** | Total (d)  **(£)** | Intervention rate **(%)** (a)/(d) x 100 | Total public funding **(%)** (a+b)/d 100 |
| Capital | ERDF |  |  |  |  |  |  |
| Revenue | 6,890,628 | 756,825 | 1,731,903 | £9,379,356 | 73.47% | 81.53% |
| **Sub Total** | 6,890,628 | 756,825 | 1,731,903 | £9,379,356 | 73.47% | 81.53% |
| Capital | ESF |  |  |  |  |  |  |
| Revenue |  |  |  |  |  |  |
| **Sub Total** |  |  |  |  |  |  |
| Revenue | YEI |  |  |  |  |  |  |
| **Sub Total** |  |  |  |  |  |  |  |
| **TOTAL** |  | 6,890,628 | 756,825 | 1,731,903 | £9,379,356 | 73.47% | 81.53% |

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| **2.11 Outline Application Conditions**  Briefly 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(s)** | **Summary of how the condition has been met** |
| |  | | --- | | **1. Procurement Conditions**  **1a. Reference to ESIF Procurement Law**  **1b. Prepare and Submit a Procurement Plan**  **1c**.The Applicant must provide all core 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 with the Full Application including:  1. OJEU Contract Notice and any amendments.  2. Pre-Qualification Questionnaire (PQQ) Template including selection criteria  3. Signed PQQ Tender Receipt Log (showing the time and date of all PQQs)  4. PQQ Scoring Matrix  5. Moderated PQQ Summary Score Sheet  6. Invitation to Tender (ITT) specification including clear award criteria  7. Signed Tender Receipt Log (showing the date and time of all tenders)  8. Tender Scoring/Evaluation matrix  9. Moderated Tender Summary Score Sheet  10. Tender Evaluation Report  11. Example of Standstill Letter  12. Copy of Award Letter and Contract Award Notice.  **Frameworks**  Where an OJEU level contract has been let under a framework, the documentation set out above is required along with the following additional documents:  13. OJEU Contract Notice for the Framework  14. 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. | | **1a.**  The University of Exeter (UNEXE) and all delivery partners are fully aware of the Procurement Law ESIF Compliance Guidance Note – ESIF-GN-1-001. We understand that the application of these rules are mandatory for all procurement activity undertaken for this project and accept that the purchase of goods, works and services in ESIF projects will be subject to rigorous audits.  The University Procurement Team has been made aware of the current procurement rules for the ESIF programme and have updated the University website for “Buying” to reflect the terms and conditions specific to ESIF Funding. The website provides an overview and a link to the HMRC ESIF website to ensure that the most up to date guidance is referenced.  The delivery partners are also fully aware of the Procurement Guidance notes and the importance of referring to the website versions. This information was discussed at the Project development team meetings.  **1b. Procurement Plan.**  The University procurement team will support all procurement that is undertaken for the project in conjunction with the Project delivery team. They provide fully qualified Procurement specialist support and they will manage the procurement of the items listed in Annex 2f**.**  UNEXE have updated their website to accommodate the specific rules for the ESIF Funding in order to ensure compliance.  **1c. provide all core procurement documentation to the Managing Authority as soon as it is available.**  As described in Annex 2e, UNEXE hold all the procurement documentation for the Framework contracts to be used by the project. A selection of these have been provided in annex 2e. |
| b) 2. Confirmation that the match funding of delivery partner organisations should be provided. This should include the amount of match funding each partner is contributing to the project and how this contribution has been calculated if the contribution comes from staff time and overheads. Reason: to ensure a compliant match funding package is provided. | 2. All project delivery partners have calculated their match funding requirements on the basis of the 80% ERDF funded and 20% match contribution using the knowledge and expertise gathered from the significant experience within their organisations. Cornwall Development Company main budget has calculated their match on this 80/20 split however the Marine Challenge Fund has been estimated on the basis of sector support requirements. A much more detailed description of how the Challenge Fund match has been calculated can be found in section 2.11f below.  UNEXE – The match funding has been calculated on the basis of an 80% ERDF funded and 20% match contribution. The University is using the Academic staff who are engaged on the project to cover the Match funding. A standard University costing template is used which allows the creation of a Full economic cost budget in compliance with the TRAC (Transparent Approach to Costing requirements – A Government initiative to facilitate the separation of costs spent on core activities widely used by all Higher Education Institute’s). Academic Staff costs are calculated using the pFact costing tool to provide accurate staff costs including forecast inflationary pay increases and spine point increments. The amount of academic input is then estimated on an FTE basis by the Principal Investigator (PI) in liaison with the project development team and the finance team. The requirement to estimate time allocation for the project is something the academic staff do frequently as all research funding applications require this and therefore the estimates are based on significant previous experience. The remaining budget requirements are then built around the available match funding generated. Again, much previous experience from the University’s Research application success is brought to bear in determining the resources required to ensure the match funding required is neither excessive nor too little and is an accurate reflection of academic staff required.  Plymouth University (PU) match funding has been calculated on the basis of an 80% ERDF funded and 20% match contribution, again the match provision from academic and cash contribution through overheads.  The Cornwall College Group (TCCG) is anticipating match funding being derived from SME Contributions- See the Document in Appendix 10 – Marine Bid TCCG Match Calculation and section 6.10 of this document.  Cornwall Marine Network (CMN) have calculated match on the basis of 80% ERDF Funding and 20% Match contribution however the Match will be provided by Cornwall Council as stated in their signed supporting statement in Appendix 10.  Cornwall Development Company (CDC) have calculated their main budget (excluding the Marine Challenge Fund) on the basis of 80% ERDF and 20% Match. Again the match of the revenue funding will be provided by Cornwall Council as stated in their signed supporting statement in Appendix 10.  Offshore Renewable Energy Catapult (OREC) will provide the 20% match funding from their staff costs and overhead budget as stated in their match funding signed statement in Appendix 10.  **SUMMARY of MATCH FUNDING (Excluding Marine Challenge Fund)**   |  |  |  | | --- | --- | --- | |  | **Match** | **Provider of Match** | |  | £ |  | | UNEXE | 248,571 | Staff Salaries | | PU | 257,113 | Staff Salaries & Cash contribution through the overhead | | TCCG | 98,640 | SME Match Contribution | | CDC | 215,425 | Cornwall Council | | CMN | 35,716 | Cornwall Council | | OREC | 69,691 | Staff Salaries & Cash contribution through the overhead | |  | **925,156** |  | |
| c) 3. Information should be provided to define how OREC’s contribution to the project will assist businesses in the Cornwall and Isles of Scilly LEP area increase RD&I activity. Reason: to ensure that project beneficiaries are located within the Less Developed Region | The Offshore Renewable Energy Catapult (OREC) is a UK wide organisation with a head office in Glasgow, RD&I facilities in the north east of England and a network of staff placed across the UK including Cornwall. OREC will provide a resource at the Hayle Marine Renewables Business Park (HMRBP) to provide direct business to business technology innovation support to SMEs and act as the conduit to access the wide range of OREC specialist services and facilities. OREC will also contribute to targeted innovation challenges.  OREC will help C&IoS SME businesses to access and collaborate with businesses of all sizes from outside the C&IoS region as they explore markets for new products and services and bring their knowledge of the wider UK and international landscape in terms of marine energy RD&I to support the partnership in defining key RD&I activities ensuring timeliness, complementarity and shape SME proposals to ensure relevance and technical accuracy. |
| d) 4. Full details of the proposed revenue posts recruited for the project are needed. This should include the number of posts envisioned at each of the delivery partner organisations. Reason: to enable full appraisal of the project to be completed | 4. A Table of all the posts can be found in section 8.3 along with an Organogram for the project in appendix 2. |
| e) 5. If the project includes any capital spend activity, as indicated in the text of the application, this should be identified in any full application within both the text of the application and in the financial spreadsheet. Reason: to ensure project expenditure is correctly allocated and justified. | We removed reference to capital spend in the text following discussion with DCLG. The purpose of the project is to drive innovation based on existing assets building in additional revenue-based activities as appropriate. Our discussion with DCLG highlighted the likelihood that SMEs may procure items of equipment, components or consumables for product testing and development purposes, but not as capital assets. |
| **f) Condition 6.** The applicant should provide an explanation for how the match funding from SMEs has been arrived at. Reason: to provide confidence that the project can be delivered as described.  The Marine Challenge Fund (MCF) is worth a total of £4.75M (£3,190,000 ERDF, £1,563,571 private match). It will support a total of 66 investments, varying in value from £5000 to £250,000.  **Target Numbers – rationale**  There are over 700 marine businesses located in Cornwall and Isles of Scilly, of which over 150 are MRE supply chain businesses. Of the 700+ businesses, 180 have been assessed to have significant growth potential. The Marine Challenge Fund targets 66 of these businesses, assuming provision of the following support:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Fund** | **Average intervention rate** | **Average grant size** | **Estimated no’s of grants** | **Total ERDF** | **Total Match** | **Total Project Costs** | |  |  |  |  |  |  |  | | Larger scale RD&I | 100% | 125,000 | 5 | 625,000 | - | 625,000 | |  |  |  |  |  |  |  | |  | 70% | 125,000 | 10 | 1,250,000 | 535,714 | 1,785,714 | |  |  |  |  |  |  |  | |  | 50% | 125,000 | 5 | 625,000 | 625,000 | 1,250,000 | |  |  |  |  |  |  |  | |  |  |  |  | **2,500,000** | **1,160,714** | **3,660,714** | | Smaller scale RD&I | 100% | 7,500 | 20 | 150,000 | - | 150,000 | |  |  |  |  |  |  |  | |  | 70% | 15,000 | 16 | 240,000 | 102,857 | 342,857 | |  |  |  |  |  |  |  | |  | 50% | 30,000 | 10 | 300,000 | 300,000 | 600,000 | |  |  |  |  |  |  |  | |  |  |  |  | 690,000 | 402,857 | 1,092,857 | |  |  |  |  |  |  |  | | **Total** |  |  |  | **3,190,000** | **1,563,571** | **4,753,571** |   The match funding has been calculated on the assumption that the interventions above are subject to a maximum intervention rate as stated below, according to the nature of the organisation and the activity proposed;  **Aid intensities**  **Activity**   * Fundamental research – 100% of eligible costs funded. * Industrial research – 50% of eligible costs funded which can be increased by 10% for Medium enterprises and 20% for Small undertakings. A 15% increase if the project involves effective collaboration. * Experimental development – 25% of eligible costs again with the uplifts of 10% and 20% for Medium and Small undertakings above. * Feasibility Studies – 50% of eligible costs.   CDC have estimated the number of interventions and applicable award sizes on their sectorial experience, knowledge of the industry and through previous engagement with projects, including through the C&IoS Convergence Programme, the Offshore Renewables Development Programme (ORDP), the RGF FaBTest project and the Business Investment for Growth Programme (to name a few examples).    A full granular breakdown is available in Appendix 8 which shows the match calculations and the profiling of the interventions across the project life.  A Marine Challenge Fund Delivery Plan has been submitted as an appendix (Appendix 4) to this application. This provides the following:   * An introduction, setting out the scope of the Fund, its geographical and sector focus, delivery themes and its deliverables * Details of the Customer Journey, the approach to analysing business needs and how businesses gain access to the Fund * The approach to Appraisal and Investment, including details of staffing, procurement, Fund Management and governance * MCF milestones, evaluation and risk register * MCF application pack (draft illustrations) | |
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| **2.12 Key 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** |
| a) Additional Project Management capacity at UNEXE | Reassessment of management and governance structure and roles identified in EOI. 1.0 FTE Senior project manager required to run business exchange team rather than 0.2 FTE.  The effort required to manage this project of six partners and to insure that all deliverables and administrative aspects will be operated in a professional manner a change in the FTE for the Project Manager at the UNEXE was changed from 0.2 to 1.0FTE. The initial estimation of FTE requirement for this post within the EOI was found to be insufficient after detailing the post requirements. The responsibility of managing and coordinating the project will be associated with this post with detailed responsibility listed below. The change in FTE was found necessary to lead this project to a successful outcome.  Post Responsibilities:   * Overall project management * Lead in managing project, implementation of targets and achieving proposed outputs * Lead in project partner engagement activities and responsible for Project administration * Develop processes to ensure compliance * Manage quality assurance * Monitoring of information e.g. state aid, outputs, procurement * Marketing and Recruitment support * Implement and manage project processes and procedures |
| b) Revision of the staffing budget at UNEXE.  Outline application £988,762 – full £1,242,854 | A detailed assessment of the UNEXE budget was implemented to align the required activities and output with the essential staff and facility support. In order to support Business in the development of the Marine Challenge Fund the FTE for the Business Research Fellows was reduced by 0.67FTE and the financial gain was used to enable the usage of research facilities. It was found that the usage of research facilities will be essential supporting the Marine Challenge Fund applicants in research activities to develop their applications. At UNEXE initial research activities will be implemented through the usage of the DMaC and research vessel facilities as well as Met Ocean data will be collected at FabTest site. The financial implication related to this change was that £47k was moved from DI staff budget to DI facility budget with a top up from additional match from increasing Professor Johanning’s time.  The change in the overall budget from original £988,763 to the now requested £1,242,854 is mostly the consequence of the change in FTE for the Project Manager from 0.2FTE to 1.0FTE and as stated above to a greater FTE input from Professor Johanning who has a higher professorial salary rate from other academic staff. It was agreed that some of the other academic time should be released to Professor Johanning as the Principal Investigator on this project. A granular budget is attached in appendix 8. |
| c) PU – an increased budget of £299,547, – Outline application £986,019 - Full £1,285,566 | The Consultancy budget had been reduced by UNEXE in error from 60 days @ £2,500 to 45 days. This has been re-dressed in this budget. The overheads have been re-calculated at the 25% rate which makes up the remaining difference. The salaries have reduced marginally. A granular budget is attached in appendix 8. |
| d)TCCG increased budget by £135K Outline application £358,020 – full £493,201 | This increase is largely as a result of the inclusion of the Graduate Business placement scheme costs (which were not included in the original budget). This scheme will be intrinsic to the delivery of the project outputs, especially those for which Cornwall College is responsible for as well as supporting the project as a whole.  A granular budget is attached in appendix 8. |
| e) CDC budget change- Outline application £5,787,950.20 to full application - £5,830,697 – an increase of £42,747. | The CDC salary has decreased on reassessment of the staffing needs and has dropped by £14,271. The Other Revenue budget has also changed by £58,478 as some of these costs have been included in the Marketing & promotions budget and other are to be funded out of an increased overhead. The overhead rate applied in the Outline was 15% and as evidenced in section 6.5, the 25% overhead rate is applicable in this call. This has increased the overhead recovery from £103,628 to £169,145. Office costs have reduced by £8,500 again after a further assessment of need to setup the Hayle Office. A granular budget is attached in appendix 8. |
| f) OREC budget increase - £55k. Outline application £293,869 – full £348,458 | The OREC staffing budget has increased by £41k over the life of the project to as it was felt that greater support was required for company engagement and project compliance regulations. An overhead rate of 15% had been applied in the outline application which again has been superseded by the 25% flat rate. A granular budget is attached in appendix 8. |
| g) CMN budget change - Outline application £166,018 – full £178,580 | The only budget change has been to apply the 25% overhead rate rather than the 15% rate in the outline application. A granular budget is attached in appendix 8. |
| h) Changes to Outputs  CO 26 - Number of enterprises cooperating with research institutions | Following clarification of the target for engagement with knowledge institutions, this target has been revised from 50 to 30. The initial higher target was based on the previous programmes definition of this output. Having received clarification of the new definition this total has been revised downwards. This figure is based on the number of enterprises engaging with the University in activities that are spread over a period of 1 month or more, in addition to the 12 hours for a business assist (as defined by C01). Number of enterprises cooperating with research institutions. |
| i)Changes to the milestones | The milestones as proposed in the EoI have been assessed against Full Application project proposal and it was found necessary to make some minor modifications. The table below highlights the variations between the EoI and Full Application milestones.  The two most critical changes are towards i) the ‘Quarterly Delivery Plan Board Meetings’ as identified in the EoI, this was replaced with a ’18 month internal project evaluation  (mid-term report) and consequently ‘Final Report’ as it was found that this will provide a more comprehensive evaluation of the achieved targets instead of the proposed evidence of ‘Quarterly Delivery Plan Board Meetings’ implementation; ii) the milestone ‘Discovery Room activates (initially bi-monthly)’ milestone as identified in the EoI was deleted as it would be more appropriate to present this through the ’18 month internal project evaluation (mid-term report)’ and consequently through the ‘Final Report’.  The completion targets for the ‘Marine Challenge definition reports’ as identified in the EoI were assessed and consequently changed to match associated end of periodic assessments; providing completion dates of 15/0/2018; 15/01/2019 and 15/09/2019 related to the associated to the 1st, 2nd and 3rd report, respectively.  Furthermore, the name of milestone ‘Set up R&D&I Hub’ as identified in the EoI was changed in the Full application to ‘Set up R&D&I Hub structure’ to add further clarity to the milestone definition. |

**3.0 The Business Case**

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| 3.1 What is the project? (100 words)   * What is it going to do? * What will it achieve? |
| The project involves the creation of a Marine Technology RD&I Hub (MT RD&I Hub), delivering innovation within the marine technology smart specialisation theme.  The Hub will provide a business-focussed innovation ecosystem, which combines existing R&D assets, infrastructure and expertise, and generates new innovation engagements between businesses and the knowledge base:  This will achieve;   * The realisation of the market driven economic development aspirations of C&IoS and its business base. * Economic development objectives, by providing funding/links to investment channels, wider business support and knowledge transfer opportunities. * The delivery of a well-developed and flexible supply chain, introducing new products, services and high value jobs. |
| 3.2 Summary of the project (500 words) |
| This 36 month project delivers a Marine Technology RD&I Hub to stimulate and support business-led and market-driven Research & Development and Innovation (RD&I) within the marine technology smart specialisation theme in Cornwall & the Isles of Scilly (C&IoS) to drive growth, productivity and the exploitation of new/growth market opportunities. Firstly, by defining key strategic RD&I opportunities, secondly, identifying the best support mechanisms for innovation and, thirdly, delivering the best co-created solutions.  The project responds to the market demand for marine technology RD&I support identified in the **Cornwall and the Isles of Scilly Local Enterprise Partnership (LEP)**  **R&D&I Delivery Framework for 2014 - 2020 European Programme** and its supporting evidence base document. This highlights a need for RD&I activities that consolidate and build upon existing sectoral assets as well as address the opportunities and challenges for existing networks and the research base to exploit natural assets and engage the existing core of relevant business activity.  Support for RD&I is centred on a significant Marine Challenge Fund (MCG) which will allow eligible businesses to access grant funding to drive RD&I. Further activities are also designed to encourage and enable businesses to gain access to the region’s key RD&I assets, facilities, knowledge and expertise required to develop new and improved products, improve business processes and downstream applications which in turn will drive growth and productivity.  The Hub will champion the region’s RD&I assets, have a core team based at the new Hayle Marine Renewables Business Park as well as staff based in each delivery partner and will furnish links to wider marine activities including the proposed Marine Enterprise Zone at Hayle, Tolvaddon and Falmouth.    There is no coordinated approach in C&IoS in this smart specialisation area at present: technological and economic development is lagging behind other regions in a landscape where C&IoS has the lowest levels of business investment in R&D and the lowest levels of productivity of any LEP area in England (2013). This Hub will therefore bring added value to the sector by aligning ERDF resources behind R&D, innovation and business investment reflecting the LEP’s desire for ‘packages of measures to extend and deepen business growth incentives’.  Marine technology covers an extensive range of activities, sectors and subsectors. These are explored in detail in the Cornwall and Isles of Scilly Research, Development and InnovationEvidence Base Report and Cornwall and Isles of Scilly Research and Development and Innovation Framework (both October 2015) which build a set of opportunities based on strategic and economic evidence, the knowledge and strengths of the business and knowledge base, and the assets and facilities designed to support RD&I. The Delivery Partners have also undertaken background consultation with businesses to examine business growth areas and consolidated all this data into four interconnected, market focussed themes: marine energy, marine manufacturing, maritime operations and marine environmental technologies. Each theme delivers a set of potential (non-exhaustive) R&D and Innovation themes which provide a focus for the operational activities of the team. The table below illustrates the breadth of business challenges and R&D requirements this project could address:   |  |  | | --- | --- | | **Market-focussed theme** | **Potential R&D and Innovation themes** | | Marine Energy | Resource prediction, Component reliability, Subsea systems, Materials, Control systems, Cabling, mooring & foundation systems, Power take-off, conversion and control, Grid connection, Deployment, maintenance and decommissioning strategies, Environmental monitoring, Device performance monitoring, Maritime safety. | | Marine Manufacturing | Autonomous vessels and systems, Component reliability, Hydraulics, Annular drilling, Drill cutter technologies, Smart materials. | | Maritime Operations | Vessel efficiency, Fuel improvement and efficiency, Hybrid power, propulsion, data management and telemetry, use of Satellite Applications to optimise operations and maintenance data transfer, logistics and communications systems for deep water anchoring, H&S in high current operations | | Marine Environmental Technologies | Underwater Noise Pollution, Environmental protection, Corrosion and Corrosion inhibitors, Paints and Coatings, Alternative Surface Treatments, Drill spoil mitigation, Waste oil re use / recycling, Ecological impacts. | |

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| **3.3 How is the project delivered: to and by whom?** |
| **This 36 month project will be delivered by a partnership of the region’s leading stakeholders in marine technology R&D, Innovation, skills development and economic development through the creation of a Marine Technology RD&I Hub. The Hub’s well managed programme of business-focussed initiatives will enable companies to work proactively with Higher Education Institutions and other knowledge providers in solving sector growth challenges.**  Cornwall and IOS has been at the vanguard of marine technology R&D infrastructure investments. However, these previous investments must be aligned through this Hub to achieve maximum benefit from previous public funding and to ensure the additional public funding still required is put to best effect so that it satisfactorily addresses the perceived investment risks of mature lending sources, and helps to grow an internationally renowned marine technology supply chain.  **Key delivery aspects of the Hub are**:   1. It will establish a marine technology centre of excellence providing leadership and a focal point to galvanise and coordinate R&D and innovation activity across the region where none existed before. This will encourage innovation and clustering around the Marine Enterprise Zones such as Hayle Marine Renewables Business Park (HMRBP), fully utilising the first class office and industrial units on offer; 2. It will offer a centralised and integrated approach to engagement with innovators, businesses, investors, and funders in order to deliver innovation through a well-developed and flexible SME supply chain as a key component in the development, growth and sustainability of the marine technology sector; 3. It will deliver a £4.75M Marine Challenge Fund (£3,190,000 ERDF, £1,563,571 private match), which will be specifically focussed on marine technology development in key growth areas defined by the Hub working in partnership with key stakeholders. Part of this fund is designed to further leverage the marine renewables investments made under the 2007-2013 Convergence Programme and complement the investment in infrastructure which was the focus of the October 2015 PA4 call. Each of these investments are designed to meet an industry requirement which clearly states that both ‘site based’ and technology based’ support is required; 4. It will ensure a focus on the co-creation of solutions by enabling businesses to work with knowledge centres and HE, particularly utilising the expertise of the delivery partners and mapping business need onto research and technical capabilities; 5. It will put in place appropriate governance and management arrangements with relevant operational structures and innovation support tools; 6. It will include robust financial and output reporting mechanisms; 7. It will ensure that a coordinated and strategic approach is taken to marine technology, including alignment to the Marine Enterprise Zone and associated funding activities, with a specific and strong focus on businesses engagement across the marine technology and MRE sectors and driving forward non-SME marine technology/MRE related inward investment opportunities; 8. It will deliver high value innovation outcomes, and where possible, new knowledge to be widely disseminated across the sector through a knowledge exchange programme;   The Marine Technology RD&I hub exploits the strong links between the relevant research institutions and stakeholders building a ‘wrap around’ support offer, providing the mechanisms for collaboration and inspiring innovation. It will work alongside all other business support agencies including the C&IoS Growth Hub, PA3 delivery partners, Invest in Cornwall and other Smart Specialisation teams to ensure complementarity and cross referral so that businesses seeking to innovate will be signposted to the best solution provider to meet their needs.  The project consists of a series of interlinked programme level tasks designed to pinpoint at a strategic level, and the key challenges faced by the sector that can be addressed through the Marine Technology RD&I Hub. It will produce a periodic prospectus of key challenges for which businesses will be invited to devise appropriate solutions. This will lead to a series of business engagement activities designed to identify the best, most timely RD&I activities and corresponding means of support.  The RD&I hub will be proactive in undertaking periodic **Marine Market Challenge Definitions** of the smart specialisation area to evaluate future attractiveness and timeliness of intervention, (opportunity based, business cycle based). This will identify disruptive technologies as well as those identified through the regions’ strategic development channels and lead to an understanding of evolving opportunities so that efforts to support individual businesses or business clusters can be targeted where most effective. Tasks include but are not restricted to undertaking market analyses, assessment of opportunities on individual or multi-sector challenges, watching brief on other agencies’ initiatives to ensure complementarity or to initiate access, and development of channels of information and advice on smart challenges. Support from the project’s Strategic Partners will ensure national and international relevance as well as clear fit with C&IoS’ needs.  **Discovery rooms** will facilitate clustering of businesses where market knowledge can be synthesised into innovation pathways. This will utilise a range of collaborative activities, to bring about **co-creation** (Events, Workshops, Conferences, round tables, peer to peer groups). Large businesses, scale up businesses and key stakeholders can engage and inform and help initiate and develop SME RD&I programmes through the Hub. Projects will be designed to maximise the use of Cornwall’s existing RD&I assets, and the team, if appropriate, will facilitate access to the relevant Delivery Partner and the facilities they run.  Engagement can arise through the project’s **Innovation Toolkit** which will include e.g. contract R&D or consultancy, collaborative RD&I, or expertise aligned to industry need. The Hub will meet resource requirements and potential funding and will support proposal preparation to ensure quality of output and compliance.  The Innovation toolkit will feature:   1. A £4.75M Marine Challenge Fund (£3,190,000 ERDF, £1,563,571 private match) as an innovation accelerator, supporting and speeding up the innovation process by helping businesses overcome funding issues (valley of death) and risk. It therefore provides resources to support innovation challenges issued by the Hub or to respond to business led approaches/initiatives to stimulate innovation activities with significant growth potential. Funding will support e.g. research services, access to facilities, Proof of Concept development, prototyping, testing, and procuring knowledge and expertise. 2. An RD&I Team consisting of dedicated Business Research Fellows in HE: Delivery Partner experts or dedicated post graduate level research staff recruited through the project, who will be involved in research, testing, and evaluation working within or alongside businesses, particularly where that knowledge does not reside in-house. 3. An Open Innovation Platform supporting spin out of HEs to businesses. Support for academics to interact with external businesses and investment communities within the smart specialisation area to share risk in product development. 4. Signposting. These Smart Specialisation activities will be run in parallel to business support funds that enhance the competitiveness of SMEs e.g. for business to business development or business links to other professional support services available through the Growth Hub e.g. for IP, R&D tax credit, and individual company market analysis. 5. External Relations. Particularly to the investment community, to alumni groups, the emerging wider South Coast Marine Cluster, business incubation, or corporate connections. Activities will be collaborative between universities and stakeholders in the Marine Technology RD&I Hub partnership and will therefore mean the Hub can speak with a much louder voice to corporates and external funding sources as a result. 6. Knowledge Exchange. Delivery Partners will disseminate information generated through the Hub’s market research activities, and where possible, through RD&I activities to ensure the widest possible range of beneficiaries.   New knowledge will be embedded within further and higher education programmes, and will contribute to the creation of a marine skills programme where new business practices can be showcased through CPD, events and workshops. The project will ensure that the skills work will align to the ESF employer led and higher level skills calls when they are published. Wider dissemination will occur through exhibitions and conferences.  The Quality Assurance Plan (Appendix 3) includes Customer Journey flow diagrams, and the Marine Challenge Fund application process can be found in Appendix 4.  The project activity will take place largely in C&IoS, and in a variety of locations:   1. At the Hayle Marine Renewable Business Park (the centre of the Marine Enterprise Zone). This will also be the Marine Technology RD&I Hub’s key access point as well. 2. At the Delivery Partners’ offices and laboratories. Most Delivery Partners have a presence in Cornwall and meetings, events, and RD&I collaborations will occur at their offices or facilities. 3. At the premises of the SMEs involved in the R&D or innovation activities. 4. Activities may occur at C&IoS’ major marine test facilities at Wave Hub and Falmouth Bay Marine Test Site. 5. UNEXE has research facilities in Exeter as well as Cornwall and will provide access to these for Cornish businesses as and when required. These include Dynamic Marine Component Test facility, SW Moorings Test facility, Electrical Systems Lab, Additive Layer Manufacturing Facilities and Vibration testing facilities. 6. PU runs a Marine Innovation Centre (MARIC) in Plymouth, three Innovation Centre facilities in Cornwall and has science and engineering facilities in Plymouth adjacent to C&IoS and will provide access to these for Cornish businesses as and when required.   **UNEXE** will be the Accountable Body and act as the overall project manager and co-ordinator, leading the Delivery Partnership in the delivery of activities and outcomes.  The Delivery Partners will be;  Cornwall Marine Network (CMN)  The Cornwall College Group (TCCG)  Cornwall Development Company (CDC)  The Offshore Renewable Energy Catapult (OREC)  Plymouth University (PU)  The partners will have individual responsibilities within the project programme but Governance arrangements ensure that individual partners will work as a team with responsibilities to deliver the marine technology smart specialisation theme for C&IoS. The lead partner and all delivery Partners will have a representative on a Delivery Partners’ Board. Section 3 of the QAP describes the governance and management in a Project Management structure diagram.  **The University of Exeter** **(UNEXE)** has links to other smart specialisation PA3 projects and brings significant experience of managing ERDF projects, as well as outstanding knowledge of the smart specialisation sector and R&D and innovation processes. UNEXE will oversee all operations, and act as Chair of the Delivery Partner Board. UNEXE will participate in the development of all aspects of the project’s operations. Staff will be involved in RD&I challenges, deliver business engagement activities, and work with companies in the co-creation and delivery of RD&I.  **Cornwall Marine Network (CMN):** Rather than creating new marine business networks, this project brings significant business networks to the Hub through CMN. CMN brings extensive sector knowledge to the project and will undertake work which helps define key market opportunities. CMN will also undertake business engagement activities and deliver the corresponding business engagement outputs.  **The Cornwall College Group (TCCG)** brings significant experience of managing and participating in ERDF projects as well as outstanding knowledge of the smart specialisation sector and business engagement processes. It will be involved in defining RD&I challenges, the formation and delivery of business engagement activities, articulating and providing opportunities for businesses to gain support from the Hub, and delivering the corresponding business engagement outputs. It will lead a small marine technology focussed graduate placement programme.  **Cornwall Development Company (CDC):** As a Delivery Partner, CDC will provide the Hub’s core team, based within HMRBP. CDC will lead on the delivery and management of the Marine Challenge Fund, will deliver key elements of sector engagement, marketing and non-SME inward investment activity and investor marketing and will undertake the promotion and co-ordination of the Hub/Marine cluster’s activities and services. CDC will also be involved in defining the key RD&I challenges and identifying potential solutions.  **The Offshore Renewable Energy Catapult (OREC)** brings specialist sector knowledge around marine renewable energy technologies. As a delivery partner, they will provide a resource based within HMRBP. They will bring technology developers to the Hub to define their technology needs, then help to define RD&I solutions which can be delivered through the hub. OREC will be involved in the development of collaborative activities linking businesses to research centres and HE. OREC will support the formation and delivery of business engagement activities and deliver the corresponding business engagement outputs. OREC will identify opportunities for C&IoS businesses to work with OREC to access specialist skills and test facilities outside the region and OREC funding opportunities outside the region.  **Plymouth University** **(PU)** brings significant experience of leading and engaging in ERDF projects as well as outstanding knowledge of the smart specialisation sector and R&D and innovation processes. PU is internationally recognised for its world class research and teaching in marine science and technology. Furthermore, they provide links to other smart specialisation and PA 3 projects. PU will participate in the development of all aspects of the project’s operations. Staff will be involved in definition of RD&I challenges, business engagement activities, and will work with companies in the co-creation and delivery of RD&I.  The target beneficiaries are businesses in Cornwall and the Isles of Scilly. In particular, businesses with the capacity and desire to innovate, and who are keen to embrace an innovation culture irrespective of where they are in their lifecycle. The Hub will engage business at all scales from micro to corporate to produce high quality individual projects. Support will be targeted at micro and SMEs enabling collaborative innovation partnerships from small scale interventions (£5K) up to large interventions (£300K) where this leads to new products and services and other business improvements. In terms of scale of activity, recent analysis (CMN Survey) shows that, in C&IoS, there are 800 marine businesses which includes 100 focussed on marine energy: the analysis indicates that the number of businesses with the capacity to innovate presently is 180 (22.5%) and we would expect to engage with all of these, complete business assists with more than half and provide grants to over one third. Our targets reflect this data.  There will be additional benefits accruing to the project partners who will be able to develop and strengthen their relations with businesses through RD&I and develop new engagements that can lead to sustainable collaborations which contribute to further RD&I investments. This will help to create a broader legacy and impact through additional engagement in non-ERDF funding e.g. Innovate UK, RCUK or H2020. For HE there will be benefits through interaction with the SMEs at mid-level TRLs through collaborative R&D, student placements and direct recruitment of graduates to the region.  There are no capital project activities |

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| **Objectives** |
| 3.4 What are the project’s objectives? |
| 1. The main objective of this project is to contribute to the Smart Specialisation and Research and Development and Innovation (R&D&I) Framework for future investment in R&D&I in Cornwall and the Isles of Scilly (C&IoS) including, in particular, through the 2014-20 C&IoS European Structural and Investment Fund (ESIF) Programme. It will provide a major strategic focus making it easy for investment communities to engage in order to drive growth in marine technology markets where C&IoS has an existing asset base and where there is potential for global growth and development in that market. 2. The project intends to bring a coordinated approach to RD&I activities in C&IoS to address technological and economic development areas currently lagging behind other LEP areas in England to improve levels of business investment and productivity by promoting innovation.   Cornwall & isles of Scilly LEP’s European Structural and Investment Fund Strategy states that Cornwall has:   1. Made bold investments in infrastructure and skills and has compelling opportunities to shape the future of its economy; 2. The opportunity to build on its academic and business assets to invest in front end research, development and innovation, whilst seeking to ensure that the significant R&D&I investment planned in the next phase of economic development is leveraged through the supply chain; 3. A clear intention to focus on areas of competitive advantage smart specialisation themes in a future economy programme. 4. In the case of marine technology, a desire to encourage cooperation with key organisations both inside and outside of C&IoS to help create new technologies and services to give one of Cornwall’s most influential sectors the opportunity to capitalise on its research and innovation strengths and open up new, global markets.   A key project objective is therefore to bind all these elements and the relevant research and business actors together through a RD&I activity programme.   1. C&IoS LEP believe this sector has the potential to deliver 1,400 additional jobs by 2030 and this can come from the export of knowledge, products and services to a global market maximising the potential of a small number of high growth companies which could have a disproportionately beneficial effect upon the wider economy. This RD&I project has an objective to help realise this potential directly through RD&I activities. By also increasing the long term accessibility to RD&I in the region, the project will ensure that growth can continue beyond the initial funding period     Underpinning these objectives is strong evidence of investment in marine technology infrastructure, people and RD&I in the region including Wave Hub, FaBTest, and the facilities and RD&I assets at the UNEXE in Penryn (including the Dynamic Marine Component test facility, South West Moorings test facility, and Electrical Systems lab). Close by, PU has also realised significant investments in facilities, particularly the Coast wave tank facilities. Alongside this investment sits a growing, innovative, well-coordinated marine and offshore renewables supply chain, based in Cornwall but operating globally. This project harnesses these assets and utilises them to drive innovation through SMEs in the region. |
| 3.5 Describe how the project will be evaluated and by whom? |
| The Marine Technology RD&I Hub will be subject to an external evaluation, underpinned by internal monitoring throughout the lifetime of the project. The project will use established record keeping systems to capture appropriate and relevant information needed for both internal monitoring and external evaluations.  **Internal Monitoring**  Client management and data capture processes will be put in place to enable the efficient production of real time management information (MI), allowing for immediate reviews of how the project is performing against its targets. This MI will be reviewed at monthly operational team meetings and used to identify areas of best practice and areas for improvement. Internal monitoring will be formally undertaken at quarterly intervals led by the lead Partner’s Project Manager, who will present reports to the project’s Delivery Partner Board on performance and progress against milestones, deliverables and outputs as well as financial reports: this activity will coincide with project reporting to the managing authority (DCLG).  As lead partner, the UNEXE will undertake internal monitoring at senior management level through the University’s Regional Strategy Board (RSB), a cross College / Professional Services team responsible for overseeing the University’s regional projects and impacts. The RSB contains members of the Vice Chancellor’s Executive Group which has ultimate responsibility for strategy and performance. Information will be provided quarterly, unless required for more urgent senior management decisions or decisions which involve inputs from outside the immediate project team, such as delivery partner senior management teams.  **External Evaluation**  Whilst regular internal monitoring and review are important in identifying efficiencies and process improvement, they are conducted by internal resources and lack complete independent objectivity. As a result, an independent external evaluation will be procured. The evaluation will be longitudinal, commencing at the mid-point of the Marine technology RD&I Hub (month 18) and concluding at the end of the project (month 36).  Procurement of the external evaluation will be conducted during the first year (12mths), thereby enabling the appointed evaluators to establish a robust baseline and to ensure that the Project’s MI systems are set up to effectively capture data that would be required for the external evaluation in year 3. The same organisation would return to the project team in year 3 to conduct the external evaluation.  In procuring external evaluators, we will follow ERDF procurement guidelines and best practice in ERDF project evaluation. |
| 3.6 Describe if and how the project will continue once the European Structural & Investment Funds investment ends and what measures you will put in place to reduce reliance on public sector support. |
| As the region’s key stakeholders in marine technology RD&I, the delivery partners see this project as an excellent opportunity to develop lasting collaborations, which bring about continued benefit to C&IoS businesses working in marine markets. Irrespective of whether there is continued public funding for core activities, the establishment of the Marine Technology RD&I Hub will help to ensure a legacy of coordinated support for the region’s marine technology-facing business community which will have gathered experience in, and gained an appetite for RD&I. In this regard, the partners will develop a joint MOU written to capture and continue all the best practice identified during the funded phase to support further RD&I and knowledge exchange / knowledge transfer in order to continue the best practice activities developed under ERDF.  Beyond the end of the project, the delivery partners will commit to helping businesses with high growth potential and/ or offering new products and services to link up to investment communities. This will be achieved through the delivery partners’ relations with organisations like SET Squared (Global No.1 Business Incubator), Gain (highly successful regional investment programme), independent investor networks (Mylor Ventures have been identified as a strategic partner) and by facilitating B2B relations with corporate and scale up businesses. The relationship with organisations responsible for the development of financial instruments outside of grant support will be developed in order to help them with investment decisions on projects, which have arisen following support from the project.  The business engagement team will continue to support businesses to create RD&I by helping to source external / additional RD&I funding, especially as there is still likely to be some reliance on public funding to support innovation where RD&I is still at early stage Technology Readiness Levels. However, the key development is that there will be more businesses engaged in RD&I (a key target for C&IoS), and a greater likelihood of internal business support on RD&I which will seek out opportunities to engage with the knowledge base to support a commercial pipeline combining research with technology innovation delivery. |

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| **Strategic Fit** |
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| The call document highlights six local priorities which are addressed as follows:   1. **Linking to smart specialisation framework and strategic activities:** Marine Technology is one of the five key areas within the RD&I Framework and this project is a direct response to the issues/opportunities identified. Four of the Delivery Partners (UNEXE, CMN, TCCG and PU) are involved in proposals under the PA 3 call Growth Through Innovation, which includes the creation of an innovation culture, developing incremental improvements in innovative practices across the entire marine sector, creating a larger pool of innovative-active businesses to feed up to this project. The delivery Partners therefore have excellent knowledge and understanding of the requirements to differentiate proposals between PA 1 and PA 3. This project is committed to ensuring that referrals will be made to appropriate PA 3 provision where this best serves the business need. The project and partnership aims to work alongside Growth hub through a formal memorandum of understanding. 2. **Drawing on Local Evidence Base to ensure strategic fit:** This project will directly deliver the RD&I investment framework objective because it will drive sustainable economic growth through RD&I investment by specific market interventions in business opportunity led research, networking, exploiting innovation infrastructure, and the commercialisation of research. 3. **Research & Innovation models to develop business opportunities in growth markets:** This proposal establishes a marine technology centre of excellencewith a core at HMRBP. It provides the leadership necessary to galvanise and coordinate all Marine Technology RD&I across the region. 4. **Collaboration with Centres of Excellence:** The Marine Technology RD&I Hub will be linked to other centres of excellence where delivery partners are also key stakeholders e.g. Partnership for Research in Marine Renewable Energy (PRIMaRE), South West Marine Energy Park, and where there are existing collaborations beyond the region (EPSRC SUPERGEN Programme, Energy Technologies Institute, links to the UK Catapult Programme, and Innovate UK projects, as well as to other key centres such as Wave Hub, National Composites Centre, the National Oceanographic Centre and Plymouth Marine Laboratory). 5. **Investments which build on current assets:** The creationof a Marine Technology RD&I hub in C&IoS enhances the existing research infrastructure and improves accessibility to a wide range of technical and scientific knowledge which supports business growth and increases the research capacities of individuals working in research and innovation. The FE and HE partners possess excellent R&D assets which will be used to support innovation in businesses. Many of these assets have resulted from previous ERDF investment such as Wave Hub, the Coast facility in Plymouth, South West Moorings Test facility, the Dynamic Marine Component Test facility, and the Materials facilities in Cornwall College. In this respect, the delivery partners are not seeking to develop substantial new facilities but to exploit via this project, as far as possible, the existing assets and by increasing industry access to them. 6. **High value added and sustainable growth**: The project directly supports business with the capacity to perform RD&I activities and focuses on removing barriers which restrict businesses from exploring relevant opportunities. The project builds on the delivery partners’ knowledge and their existing track records in terms of innovation-focussed business support. The project provides the intensive support, which helps to focus investment on enabling growth in identified markets, especially where C&IoS has an existing asset base. It helps to provide uplift in RD&I spending in business with a focus on ‘high-growth’ and ‘high-growth potential’ leading to increased productivity and high value jobs. The Marine Technology RD&I Hub will provide the research tools which enable business -led research, and which illuminate pathways to commercialisation and support knowledge transfer.   This proposal to establish a Marine Technology RD&I Hub is the best solution because:   1. It is market-led and provides SMEs with an integrated portfolio of support, focussed on developing innovation and creating an innovation culture. 2. It includes a partnership of the region’s leading stakeholders in marine technology R&D, Innovation, skills development and economic development who are best placed to deliver research and innovation interventions. 3. It is business driven and combines business and HE / FE and other key stakeholders through tried and tested business engagement processes (for data gathering, compliance management, technology assessment, proposal preparation and advice, guidance on innovation opportunities and coaching & mentoring) 4. It offers pragmatic ways of business to HE / FE collaboration through placements, and other access to expertise and skilled resources to bring forward new to market/firm products, processes or services. 5. It will be delivered by organisations with demonstrable track records in high quality, specialised growth and pre/post investment support. 6. It will be able to commence immediately which is a key factor in ensuring the project will deliver value for money in terms of outputs.   It will build on the delivery partners’ experience in developing relevant skills programmes across all levels from 2 to 7, particularly in priority areas identified in ESF Convergence. These can be directly translatable to new ESF related activities where the partners would expect to engage. This ensures skills interventions identified in the framework eg. Development of demand led skills, opportunities for exchanges, and opportunities for marine technology businesses to engage with HE by supporting demand-led solutions can be met. |
| 3.8 Explain how the project represents an appropriate means of delivering the relevant specific objectives and results of the relevant priorities set out in the Operational Programme? |
| Priority Axis 1 – Promoting Research and Innovation  ***Investment Priority 1b – Promoting Business Investment R&I***  *• Developing links and synergies between enterprises, research and development centres and the Higher Education Sector, in particular promoting product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation;*  *• Supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies*  The project fully meets Investment Priority 1b. The project delivers business-led and market-driven RD&I within the marine technology smart specialisation theme in C&IoS. This will drive growth, productivity and exploit new/growth market opportunities. It will achieve this through the creation of a Hub led by a partnership of the region’s leading stakeholders in marine technology R&D, Innovation, skills development and economic development and supported by key stakeholders through a Strategic Partners’ Advisory group.  The Hub will deliver an intensive, well-managed programme of business-focussed initiatives, which will enable companies to work proactively with HE and other knowledge providers in solving sector growth challenges. Firstly, defining key strategic R&D and innovation opportunities, secondly, identifying the best support mechanisms for innovation and thirdly, delivering the best co-created solutions.  This will include support for RD&I, centred on a significant Marine Challenge Fund, which will allow businesses to access grant funding to drive R&D&I activity. Further activities are also designed to encourage and enable businesses to gain access to the region’s key RD&I assets, facilities, knowledge and expertise required to support R&D outcomes, leading to new and improved products and improved business processes which, in turn, will drive growth and productivity.  The Marine Technology Hub will deliver against the marine technology Smart Specialisation theme. The project will support RD&I activities for marine technology businesses, including those in the MRE sector and its supply chain. Given the substantial overlap between these two markets, support will be given according to need and market opportunities  *Specific Objective 1.2 – Increase investment in research and innovation by small and medium sized enterprises in sectors and technologies identified through smart specialisation*  *Specific Objective 1.3 – Increase the number of small and medium sized enterprises engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market*  The project will deliver Specific Objectives 1.2 and 1.3 through a co-ordinated and supported approach to enable businesses to see the value of RD&I, identify appropriate RD&I opportunities, engage with research/HE institutions and access grant funding. These interventions will drive investment in research and innovation, which in turn, will bring new products and processes to market.  Business need and the business journey will be at the heart of the Marine Technology RD&I Hub delivery. This will be achieved through:   1. Business led research opportunities 2. Intensive support to enable businesses to commercialise research 3. Identification of market opportunities to drive new growth and productivity 4. Grant funding to specifically support the development of new to market/firm products, services or processes   The Specific Objectives will be delivered through the following interventions:   1. Analysis of market competition/opportunities to identify opportunities that local businesses can exploit to open up new national and international markets to drive growth and productivity 2. Assessment of opportunities on individual or multi-sector business led challenges to ensure any RD&I activities fully meet the challenges faced by businesses in exploiting new market opportunities 3. Alignment with other centres of excellence e.g. Catapults (High Value Manufacturing, Offshore Renewable Energy, Satellite Applications), IRO’s, HE etc. to ensure the C&IoS project is fully aligned to national assets and centres of excellence that can support collaborative R&D to drive new to products and processes to market 4. Platform to enable ‘clustering’ of businesses, providing a range of collaborative activities, expert facilitators and corporate stakeholder engagement to bring about co-creation of ideas and knowledge exchange. 5. Deliver collaborative and contract research and innovation by providing direct routes for SMEs to work with the knowledge base through Business Research Fellows whose sole role will be to be to provide knowledge to industry 6. Increase investment in research and innovation by small and medium sized enterprises by offering access to a Marine Challenge Fund to accelerate innovation opportunities. Support will be specifically for SMEs to receive funding to support activities such as feasibility studies, proof of concept funding, prototyping etc. which will support technological and applied research, pilot lines, early product validation actions, and first production opportunities 7. Open Innovation to provide a route for HE/FE knowledge transfer into the business community. This will include the development for SME focussed Intellectual Property 8. Business access to local assets/centres of excellence and the associated knowledge base   The project also directly delivers against the Smart Specialisation in England Strategy. The activities proposed recognise that ‘businesses are best placed to lead in the identification of new opportunities for growth in a rapidly globalising economy’. The project also recognises that ‘innovating firms need to work closely with universities’  Smart Speciation in England also states that:  ‘…there are very significant variations in the level of investment in research and development across England. Overall levels of investment in research and development in some parts of England trail significantly. These are predominantly rural and more economically deprived post-industrial areas in the North, North West, West and South West’  The Marine RD&I hub will begin to address these long standing issues through the activities listed above.  Smart Specialisation in England identifies the ‘Eight Great Technologies’ where the UK has a genuine comparative advantage and potential for commercial exploitation across a global market. Marine Technology is not listed as one of the Eight Great Technologies in its own right, but cuts across several The Eight Great Technologies e.g.   1. Big data and energy efficient computing 2. Robotics and autonomous systems 3. Satellites and commercial applications of space 4. Advanced materials and Nano-technology 5. Energy technologies (including, energy storage, reduced cost renewables, energy efficiency, bioenergy, transport, next generation nuclear and carbon capture and storage)   In summary, the Marine RD&I Hub represents an appropriate means of delivering the relevant specific objectives and results of the relevant priorities set out in the Operational Programme which revolve around the development of links between enterprises and the knowledge base. In particular, it will increase the number of SMEs engaged in knowledge exchange, collaborative and contract research and innovation thereby generating investment in new products and services, promoting business investment in RD&I, supporting technology transfer, networking, clustering and open innovation, and pre-commercialisation of products and services. |
| 3.9 Explain how the project is aligned to the local growth needs set out in the local European Structural & Investment Funds strategy / strategies)? |
| The Marine Technology RD&I Hub project is aligned to and directly delivers the C&IoS ESIF Strategic Priority 1, Objective 1:  *‘Drive growth in our region’s economy through RD&I investment to support our business base (existing and new) in integrating into the supply chains of key identified global markets where we can have a significant competitive advantage’*  C&IoS has various levels of business investment in R&D. For example, in 2012 R&D spend was 0.22% of GDP, the lowest of any LEP area in England. Low levels of R&D investment have also been linked to low levels of productivity. For example, on the 2013 UK competitiveness index, the C&IoS LEP area is ranked 34 out of 39 LEP areas[[3]](#footnote-4) .  This project will use a different approach to investment to reverse this trend and use RD&I as a driver of economic growth and improved productivity. It will create a Marine Technology RD&I Hub to realise the market driven, economic development aspirations of C&IoS and the businesses operating within it. This Hub will provide a business-focussed innovation ecosystem combining existing R&D assets, infrastructure and expertise. In meeting economic development objectives the hub will provide links to investment channels, skills development, and wider business support and knowledge transfer opportunities. This will lead to a well-developed and flexible supply chain introducing new products and services and high value jobs, created through new innovation engagements between businesses and the knowledge base.  Business need and the business journey will be at the heart of the Hub’s delivery. Core activities therefore centre around:   1. Business led research opportunities 2. Intensive support to enable businesses to commercialise research 3. Identification of market opportunities to drive new growth and productivity 4. Grant funding to specifically support the development of new to market/firm products, services or processes.   The project’s **Quality Assurance Plan appended (Appendix 3) to this application** provides several examples of customer journeys to illustrate how the projects business engagement activities lead to positive business outcomes.  The Marine Technology RD&I Hub will deliver the Marine Technology Smart Specialisation theme. The project will support RD&I activities for marine technology businesses, including those in the MRE sector and its supply chain. Given the substantial overlap between these two markets, support will be given according to need and market opportunity.  The project will work with existing assets e.g. Wave Hub, Fab Test and the Coast Lab to drive business growth and the development of the local supply chain to ensure that the economic benefit of these assets in embedded within C&IoS. The project will also further develop linkages between the business base within this smart specialisation market and research/knowledge partners to support business growth and the adoption of innovation solutions to technical challenges.  The Marine Technology RD&I Hub is aligned to and will deliver the following ESIF activities for investment:  **Developing and supporting appropriate models that encourage research and innovation to develop business opportunities in the identified growth markets**  This will be achieved through:   1. Analysis of market competition/opportunities for businesses 2. Assessment of opportunities on individual or multi-sector business led challenges 3. Alignment with other centres of excellence e.g. Catapults, Composites Centre etc. 4. Platform to enable ‘clustering’ of businesses, providing a range of collaborative activities, expert facilitators and corporate stakeholder engagement to bring about co-creation of ideas. These businesses will come from the traditional marine technology sector/MRE and other areas e.g. software development, design etc. to drive market opportunities 5. Providing direct routes for SMEs to work with the knowledge base through Business Research Fellows whose sole role will be to be to provide academic technical knowledge to industry 6. Provide referrals to alternative support routes e.g. Growth Hub, Growth through Innovation or third party funding etc. 7. Business Innovation Fund to accelerate innovation opportunities. Support will be specifically for SMEs to receive funding to support activities such as feasibility studies, proof of concept funding, prototyping etc. 8. Open Innovation to provide a route for HE/FE knowledge transfer into the business community. This will include the development for SME focussed Intellectual Property.   **Undertaking collaboration with centres of excellence to support growth within, and exploit, market opportunities**  The Hub enables business access to local assets/centres of excellence and the associated knowledge base including:     1. Wave Hub - offshore facility for the testing and deployment of offshore technologies by enabling devices to advance in terms of technology readiness so that they can be deployed at Wave Hub 2. FaBTest – fast, flexible, low cost solution for testing of wave energy technologies, components, moorings and deployment procedures 3. Marine Innovation Centre, Coast Lab and the Electron Microscopy Centre 4. South West Moorings Test Facility 5. Hayle Marine Renewable Business Park – the project will establish the core RD&I Hub at the HMRBP to embed technology transfer and support activities at the locally recognised centre of excellence for MRE and marine technology businesses 6. Falmouth Marine School – provides technology and innovation solutions for the marine supply chain 7. PU – expertise in marine management, marine engineering and hydrodynamics 8. UNEXE –Marine Renewable Energy Group (expertise in wave prediction and energy conversion, marine operations and moorings and surface and subsea electrical systems) the Environment & Sustainability Institute (environmental monitoring) and Centre for Ecology and Conservation (conservation genetics: environmental impact) 9. The Partnership for Research in Marine Renewable Energy (PRIMaRE) is a network of world-class research institutions based in the west, south, and south west of England who undertake research and development to address challenges facing the marine renewable energy industry at the regional, national and international level. This project will help to establish relationships between the pure R&D within PRIMaRE and the applied RD&I through the Hub. 10. Working with other centres of excellence e.g. Catapults, Composites Centre etc. 11. Providing direct routes for SMEs to work with the knowledge base through Business Research Fellows whose sole role will be to be to provide academic technical knowledge to industry 12. Marine Challenge Fund to accelerate innovation opportunities. Support will be specifically for SMEs to receive funding to support activities such as feasibility studies, proof of concept funding, prototyping etc. 13. Open Innovation to provide a route for HE/FE knowledge transfer into the business community. This will include the development for SME focussed Intellectual Property   **Making investments to build upon current physical and knowledge assets, maximise investments under Objective 1 and Convergence and address identified gaps in research, innovation and knowledge infrastructure**  This project is not seeking any significant capital infrastructure investment.  **Support an increase in higher level skills to underpin economic growth linked to Marine technology**  This will be achieved through working with appropriate ESF programmes and skills providers to develop the intermediate, technical and higher skills required to drive market development and exploitation.  In addition to responding to the ESIF Strategy, the Marine RD&I hub also directly responds to the C&IoS *Research, Development and Innovation Framework*. The business led approach to RD&I will address the overall aim of the framework to:  ‘*Raise levels of research development and innovation in business as a driver of growth and productivity across Cornwall and the Isles of Scilly’*  The project activities fully align to the smart specialisation interventions set out in the framework:   1. Business opportunity led research 2. Networking 3. Innovation infrastructure 4. Commercialisation of research   Wider Strategic Fit  The strategic fit for this project with wider EU, Regional and National plans is very strong. In addition to the significant investments already mentioned, the strategic support for Marine Technology and MRE is encapsulated in the following documents:   1. European Strategic Investment framework - *‘Our offshore renewable potential is significant with 34GW of potential in the wider South West. This provides a focus for future investment and we anticipate collaborating with our partners to deliver the vision of the South West Marine Energy Park and the Plymouth City Deal. This sector has the potential to deliver 1,400 jobs by 2030 but the real potential will come in the export of knowledge, products and services to a global market’* 2. Cornwall Strategic Economic Plan – Support for the wider marine sector and linked renewable energy opportunities ‘*We are home to Wave Hub, the largest consented demonstration area for marine energy technologies in the world, the FaB Test nursery site in Falmouth Bay and a world class hydrodynamic test facility in Plymouth. We have world leading supply chain companies, a concentration of marine engineering and marine operations expertise, strategic port infrastructure at Falmouth plus the new Marine Energy Business Park at Hayle and importantly we have political and stakeholder support for the marine energy sector’* 3. Smart Specialisation and General Innovation R&D framework – ‘*The UK is recognised as a market leader in the off shore renewable energy sector and along with Orkney and Edinburgh in Scotland, Wales, and Strangford Lough in Northern Ireland, C&IoS have a strong presence’* 4. MRE Road Map - *‘Our focus over the next 5 years is to support the establishment of robust long term foundations that will enable the private sector to achieve their next steps towards commercialisation. We are keen to look at the opportunities MRE presents not only to our region, through the link that we have with the South West Marine Energy Park (SWMEP), but on a national and a global level’* 5. The Cornwall Maritime Strategy – seeks to ensure that - ‘*Cornwall’s economy is supported by a diverse range of opportunities for ports, marine-related industries, transport and businesses including environmental technologies, securing a sound economic future for Cornwall through working with industry to provide a wide range of job and skills in maritime employment and harnessing the potential of marine renewables within the context of a broad-ranging strategy for sustainable energy production in Cornwall to create an internationally recognised centre of excellence.’* |
| 3.10 Please identify any organisations offering the same or similar activity. Explain how the proposed project adds value to and doesn’t duplicate existing provision, and does not conflict with national policy? |
| There are no organisations offering the same activity in terms of a coordinated approach to RD&I development in the marine technology space. Similar activities occur in Scotland and Wales where (1) Wave Energy Scotland (WES) funded by the Scottish Office has been established to support marine energy sector development but it does not draw in HE or FE directly as this C&IoS Marine Technology RD&I Hub does. WES have issued calls in areas such as Power Take Off and Control Systems. (2) In Wales, Marine Energy Pembrokeshire (MEP) acts as a partnership between technology developers, the supply chain, academia and the public sector working together to establish Pembrokeshire as a “Centre of excellence” for sustainable marine energy generation. MEP provides business support to the sector, providing a conduit for information between industry, public sector agencies and Government. In many respects MEP is a very similar model to the Marine Technology RD&I Hub with the obvious difference being the focus on marine energy as opposed to addressing the wider marine technology landscape. Therefore neither the Scottish nor the Welsh initiatives cover the breadth of technology opportunities that this project seeks to cover.  One development to get under way recently, and which represents the wider marine technology sector is the South Coast Marine Cluster initiative. This aims to bring together LEPS, public sector bodies, HE and Research Organisations to to stimulate greater marine and maritime-related economic growth and productivity across the UK’s south coast by raising awareness of the research base capabilities for specific business requirements, through RTO collaboration, and producing specific sector and company plans for research, development and innovation needs. However, rather than being a competitor of the marine technology RD&I Hub, it aims to integrate the different sub regions’ RD&I offers under one banner for the purposes of promoting and disseminating what is being done along the South coast. In this respect, its success will depend on complementary initiatives being developed in C&IoS, in Plymouth, Dorset, Southampton and Portsmouth. To ensure added value, the project will liaise with these and other UK initiatives that may arise to ensure complementarity in development activities. Our challenge will be to ensure we do not replicate the work they and other organisations are supporting and it will do this through appropriate representation from external organisations on the Strategic Partners’ Advisory Group.  This project adds value through the participation of the Offshore Renewable Energy Catapult to ensure complementarity and relevance to wider UK policy, and strengths elsewhere in UK. |

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| **Evidence to Support the Proposal** |
| 3.11 Proposed Design: How does the proposed delivery model build on evidence of good practice, and what works most effectively for the target group? |
| The project can evidence the partners’ experience of working on economic development programmes, collaborative RD&I, servicing customer needs and delivering timely solutions. Partners have quite specific and relevant experiences:   1. PRIMaRE, a £12M marine renewable economic development programme funded under Convergence through PU and UNEXE which successfully delivered its ERDF targets and outputs, and an assortment of business technology centres in areas such as marine technology, additive layer manufacturing, and alternative materials; 2. CMN’s RGF business support programmes designing innovation support for micro and small businesses through small grants to assist business investment to improve facilities; 3. through Cornwall College’s ERDF supported placement activities, and links to start up and business support initiatives; 4. introducing and managing robust, ERDF compliant business challenge funds through CDC; and 5. OREC’s role as a facilitator of integrated RD&I activities at a national level building on a range of UK and European programmes.   This project brings this expertise and experience together in a unique and coordinated way so that a wide range of businesses can be supported with carefully constituted, evidence based solutions. For example, the partners understand the sector’s supply chains in the region and will strengthen these existing relations by facilitating interaction around innovation themes between businesses, encouraging participation in RD&I. |
| 3.12 Need for the project within the market – European Regional Development Fund only – please describe the market failure(s) that your project will address. Please provide relevant evidence and research to support your case. |
| The project responds to the need for marine technology RD&I support identified in the Cornwall and the Isles of Scilly Local Enterprise Partnership (LEP)  R&D&I Delivery Framework for 2014 - 2020 European Programme and its supporting evidence base document. This highlights a need for RD&I activities that consolidate and build upon existing sectoral assets as well as address the opportunities and challenges for existing networks and the research base to exploit natural assets and engage the existing core of relevant business activity to address market failure where C&IoS firms need to compete with external firms in targeted external markets. In so doing, it will address specific weak points including:   1. Improved supply chain development 2. Stimulating demand for new products 3. Raising awareness of C&IoS businesses to external opportunities and creating links to customers or creating access to new markets 4. Marketing C&IoS products 5. Attracting inward investment and additional RD&I funding 6. Ensuring initial access to finance to support commercialisation 7. Working with businesses to identify opportunities 8. Promoting research, collaboration and co-creation.   Relevant research to support this project is evidenced in a variety of key strategic documents which focus on the marine technology theme:   1. The C&IoS LEP published a marine renewable energy roadmap in 2015 which identifies key RD&I pathways both in terms of process but also in terms of specific businesses’ technology needs which the project will address. 2. Lloyd’s Register, Qinetiq and Southampton University conducted a review of global maritime trends to 2030 which forecast key technology drivers in marine and offshore construction. 3. The UN Environment Programme conducted an analysis of renewable energy investments, published in 2015 which highlighted the fragility of investment into the marine energy sector and the need for effective R&D support to help attract further private investment. 4. The Department of Transport’s Maritime Growth Study: keeping the UK competitive in a global market; Moving Britain Ahead states that “*The UK is ideally positioned to exploit these conditions and drive growth in the UK maritime sector. The evidence collected during the Study demonstrates that the UK continues to be seen by the international market as a world-leading maritime centre. It also shows that the UK remains highly competitive, particularly in the field of maritime business services, maritime education, training and skills and marine manufacturing, engineering and research. The UK maritime cluster’s contribution to the economy is already substantial and, with the right conditions, can be grown further*”. It identified innovation, clustering and stability as three themes underpinning the overall health of UK businesses and recommended this be strengthened to enable growth with suitable intervention. 5. The UK Marine Industries Alliance Technology Roadmap 2015 seeks to inspire innovation and collaboration as tools which lead to technology developments needed to 2050 and which underpin export growth across a range of marine industry sectors influenced by global trends in green shipping, marine resource extraction, offshore energy developments, and safety and security. |
| 3.13 Demand for the project – European Regional Development Fund only – please set out the demand for the project; what are the demand projections; how have these been identified? |
| 1.The Evidence base  In developing an evidence base for its smart specialisation themes, C&IoS LEP consulted widely with businesses regarding which themes were most evident in terms of their growth potential. AMION Consultants set out to provide detailed analysis of this growth potential examining the latent demand for RD&I across smart specialisation themes, the most likely opportunities for actions and the net benefit. C&IoS LEP conducted two industry workshops to gather more detail about the specific RD&I requirements: the first, held in February 2014 led to the production and publication of a marine renewables roadmap which captured the demand from business for specific technical and infrastructural requirements. A second Workshop, led by AMION in conjunction with industry, and held in July 2014, focussed on the specific recommendations of the roadmap, and other key strategic documents such as A Future for Maritime Cornwall: The Cornwall Maritime Strategy 2012-2030 to confirm the need for RD&I support within the marine sector. The outcomes were all summarised in the Cornwall and Isles of Scilly Research, Development and InnovationEvidence Base Report and Cornwall and Isles of Scilly Research and Development and Innovation Framework (both October 2015) which build a set of opportunities based on strategic and economic evidence, the knowledge and strengths of the business and knowledge base, and the assets and facilities designed to support RD&I.  2. Delivery Partner business engagement  As the concept behind this application was forming, and external evidence was being gathered and presented by C&IoS LEP, the Delivery Partners also began a detailed market demand assessment. Firstly by holding an industry workshop in March 2014 on the specific nature and activities that businesses would expect from an organisation providing a coordinated approach to RD&I. 30 SMEs attended to discuss the modus operandi and potential benefits a hub approach would bring. At the same time, Delivery Partners were, and are part of a wider Cornwall marine technology business cluster which meets twice a year to discuss a wide range of industry challenges for growth such as research, marketing, and skills development. The organisations involved represent the region’s major marine employers and includes A&P Group, Pendennis Shipyard, Fugro Seacore, Mojo Maritime, and KML. These organisations a) expressed a desire to see a coordinated approach to RD&I as a key driver of future product and market development, and b) expressed a willingness to contribute to strategic discussion in helping to shape future RD&I priorities through a hub approach. Additional (separate) market research was carried out by CMN and the University of Exeter which highlighted opportunities for future RD&I activities across a range of subsectors. When brought together, it was possible to bring together all the key RD&I demands into four interconnected, market focussed themes: marine energy, marine manufacturing, maritime operations and marine environmental technologies, and which are captured in the table in section 3.2 above.  The partners are confident that they can deliver specific outputs across these themes and will be both proactive in stimulating demand through the Discovery Room process as well as being able to react to individual SME business development proposals. Demand assessment resulted in 66 individual RD&I grants to be provided across a range of scales from £2.5K up to £175K reflecting the experience of the delivery partners who have engaged in RD&I activities for several years, or who have been involved in grant support activities.  As a key region for marine technology, C&IoS is well placed to deliver RD&I; other market demand assessments conducted by the Offshore Renewable Energy Catapult highlighted the need for at least £100M investment to commercially establish offshore wind, and £200M investment to commercially establish wave and tidal energy. The challenge for this project, is ensuring, not that it meets industry demand but that it creates the most impact from the demand it can satisfy. |

**4.0 Project Schedule**

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| **4.1 Key dates and milestones**  Complete the schedule below with the key project milestones for the on-going development and implementation of the project which must include any dates linked to procurement activity and for securing necessary consents e.g. planning permissions, securing budget approval or third party match funding. | | | | | |
| **Full proposal** | | | **EoI** | | |
| **Milestone** | **Start Date** | **Completion Date** | **Milestone** | **Start Date** | **Completion Date** |
| Set up R&D&I Hub structure | 01/01/2017 | 31/01/2017 | Set up R&D&I Hub | 01/01/2017 | 31/01/2017 |
| Appointment of staff members | 01/01/2017 | 31/03/2017 | Appointment of staff members | 01/01/2017 | 31/03/2017 |
| Collaboration Agreement & Project Handbook | 01/01/2017 | 31/01/2017 | Collaboration Agreement & Project Handbook | 01/01/2017 | 31/01/2017 |
| 18 month internal project evaluation (mid term report) | 16/01/2017 | 1/07/2018 | Quarterly Delivery Partner Board Meetings (11 in total) | 16/01/2017 | 31/12/2019 |
| Biannual Strategic Partner Advisory Group Meetings (6 in total) | 16/01/2017 | 31/12/2019 | Biannual Strategic Partner Advisory Group Meetings (6 in total) | 16/01/2017 | 31/12/2019 |
| 1st Marine Challenge definition report | 16/01/2017 | 15/01/2018 | 1st Market Challenge definition | 16/01/2017 | 06/02/2017 |
| 2nd Marine Challenge definition report | 16/01/2018 | 15/01/2019 | 2nd Market Challenge definition | 10/04/2017 | 07/07/2017 |
| 3rd Marine Challenge definition report | 16/01/2019 | 15/09/2019 | 3rd Market Challenge Definition | 02/10/2017 | 05/01/2018 |
|  |  |  | Discovery Room activities (initially bi-monthly) | 13/02/2017 | 31/06/2019 |
| Year 1 40 enterprises receive support | 13/02/2017 | 31/12/2017 | Year 1 40 enterprises receive support | 13/02/2017 | 31/12/2017 |
| Year 2 40 enterprises receive support | 01/01/2018 | 31/12/2018 | Year 2 40 enterprises receive support | 01/01/2018 | 31/12/2018 |
| Year 3 20 enterprises receive support | 01/01/2019 | 30/06/2019 | Year 3 20 enterprises receive support | 01/01/2019 | 30/06/2019 |
| Year 1 12 enterprises receive grants and provide match funding | 01/06/2017 | 31/12/2017 | Year 1 12 enterprises receive grants and provide match funding | 01/06/2017 | 31/12/2017 |
| Year 2 30 enterprises receive grants and provide match funding | 01/01/2018 | 31/12/2018 | Year 2 30 enterprises receive grants and provide match funding | 01/01/2018 | 31/12/2018 |
| Year 3 24 enterprises receive grants and provide match funding | 01/01/2019 | 30/09/2019 | Year 3 24 enterprises receive grants and provide match funding | 01/01/2019 | 30/09/2019 |
| Marketing material developed and produced | 01/02/2017 | 30/06/2017 | Marketing material developed and produced | 01/02/2017 | 30/06/2017 |
| Project Quarterly Progress reports (11 in total) | 07/04/2017 | 18/10/2019 | Project Quarterly Progress reports (11 in total) | 07/04/2017 | 18/10/2019 |
| Final report | 21/10/2019 | 31/03/2020[[4]](#footnote-5) | Final report | 21/10/2019 | 31/03/2020[[5]](#footnote-6) |
| External Project Evaluation | 21/10/2019 | 31/03/2020 | External Project Evaluation | 21/10/2019 | 31/03/2020 |

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| 4.2 Provide any necessary commentary on the milestones above including any dependencies. |
| The milestones as proposed in the EoI have been assessed against Full Application project proposal and it was found necessary to make some minor modifications. The table below highlights the variations between the EoI and Full Application milestones.  The two most critical changes are towards i) the ‘Quarterly Delivery Plan Board Meetings’ as identified in the EoI, this was replaced with a ’18 month internal project evaluation  (mid-term report) and consequently ‘Final Report’ as it was found that this will provide a more comprehensive evaluation of the achieved targets instead of the proposed evidence of ‘Quarterly Delivery Plan Board Meetings’ implementation; ii) the milestone ‘Discovery Room activates (initially bi-monthly)’ milestone as identified in the EoI was deleted as it would be more appropriate to present this through the ’18 month internal project evaluation (mid-term report)’ and consequently through the ‘Final Report’.  The completion targets for the ‘Marine Challenge definition reports’ as identified in the EoI were assessed and consequently changed to match associated end of periodic assessments; providing completion dates of 15/0/2018; 15/01/2019 and 15/09/2019 related to the associated to the 1st, 2nd and 3rd report, respectively. Furthermore, the name of milestone ‘Set up R&D&I Hub’ as identified in the EoI was changed in the Full application to ‘Set up R&D&I Hub structure’ to add further clarity to the milestone definition.  With the nature of the project that will provide £4.75M Marine Challenge Fund (£3,190,000 ERDF, £1,563,571 private match) as an innovation accelerator to businesses, a direct dependency of the milestone is related to the uptake of the Marine Challenge funds by the businesses and the ability of businesses to provide match funding. In order to achieve the milestone targets for enterprises receiving grants a strong dependency will be linked to the effort implemented by the project partners to provide support to the enterprises and these specific target will be met. In order to provide the support to enterprises it will be essential to have all staff members in place at the set target date to be fully effective, have the marketing material available and have the collaboration agreement and handbook in place. Associated risks and issues related to these dependencies are identified in the following section and mitigations are identified. |

**5.0 Project Risks and Issues**

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| 5.1 Please explain the issues and risks identified for the project and how these will be managed and mitigated. | | | | |
| The Marine Technology RD&I Hub will implement a project risk management process that will monitor and control the project risks in a continuous manner. A register of risks and issues has been created QA document at the beginning of the project explaining issues and provides mitigation and will be updated during the project execution.The lead partner will be in charge of this continuous follow-up, and there will be a point dedicated to risk management in each DPB meeting.  The risk management strategy will include the early identification of risk, the assessment of risk level, the assignment of risk ownership, risk mitigation ownership, and ownership for updated assessment of risk level after mitigation actions are implemented.  The lead partner has ownership of project risk management including of the project-wide execution of the risk management plan. Each delivery partner has ownership of the technical, and financial risks associated their activities as identified in the Funding Agreement and Collaboration Agreement. Where risk falls outside the scope of one partner, risk ownership may be assigned to several partners, or the Consortium as a whole.  Regular quarterly assessments will be performed by the Operational Management Body (OMB) to determine the advances/delays of the project with respect to the planned activities and identify any potential risk to define and apply any contingency action when it is necessary. Follow-up and decision of the risks associated to the project will be taken at DPB level.  The project risk register will be the main instrument to manage project risks.  The ownership of risks and issues will be with lead members of projects task teams instead of individual partners. This method was used to address the complexity of the project, having individual project members following up and addressing risks and issues associated within their areas. The QA provides details to the project teams in section 3 ‘Project Management Structure’ and ownership lies with i) the Executive Support team (EST), ii) the RD&I Support team (RD&I ST) and iii) the Challenge Support Team (CST). Each of the identified project risks will be scored on ‘low’, ‘medium’, and ‘high’ basis. See Appendix 2 for an organogram of the project. | | | | |
| **5.2 Risks Description** | **Owner** | **Probability** | **Impact** | **Mitigation** |
| Losing critical staff or partners at a crucial point of the project | EST | Med | Low | Identify critical overreliance and mitigate with collaborative approach within consortium. Use consortium network to identify alternatives. |
| Unexpected delay delivering project deliverables | RD&I ST | Med | Med | Ensure rapid communication of delays within consortium and agree on support from partner with adequate resources |
| Resources not well balanced affecting the delivery of the project | EST | Low | Med | Monitoring of the work and reallocation of resources in other support teams/partners where necessary by the DPB. |
| Unexpected delay delivering project deliverables | CST | Low | Med | Provision of sufficient professional team members within the Challenge Support team. CDC has significant experience through previous provision of funding schemes and has established functional processes. |
| Limited uptake on Marine Challenge Fund projects through industry partners | RD&I ST | Med | High | Monthly update reports and a detailed tracking of communications and project initiations. If industry project uptake will fall behind schedule the activities to enable/realise these projects needs to be intensified. |
| Lack of information to develop research activities | RD&I ST | Low | Med | Project partners have established a strong relation with industry partners that will be used to identify in first quarter required R&D projects. |
| Collaboration Agreement will delay start of project | EST | Low | Med | A Collaboration Agreement has been established and has been circulated for signature to all partners and will be in place prior project start. |
| IPR issues will compromise the uptake of Marine Challenge Fund projects through industry | EST | Low | Med | The Marine Challenge Fund contract will detail and address IPR arrangements with a principle statement for IPR rights towards industry Marine Challenge Fund participant. |
| Partners are not able to provide the required match contribution | EST | Low | High | Partners will provide a clear statement prior full project proposal submission to the provision of match funding. This will be assessed and ratified on application rules. |
| Partners or Consortium is unable to address Staid Aid rules | EST | Low | High | Partners will provide a clear statement to State Aid relevance. This will be based on State Aid rules and information will be provided and be part as full proposal submission. |
| Limited time for Marine Challenge Fund (2 ½ years to allow Marine Challenge Fund to finalise before end of month 36) risking to achieve the 66 projects | RD&I ST | Med | High | Starting the project implementation at beginning of project and allowing flexibility in the calls for projects. Monthly Innovation Panel meetings to assess and award projects. |
| Procurement processes will delay the implementation of the Marine Challenge Fund projects and risking the achievement of projects | EST | Low | High | A clear procurements plan describing requirements will be generated as part of QAP and process of hand-holding of beneficiary will be identified. The assessment of Marine Challenge Fund proposals will include procurement process implementations of proposer. |
| Marine Challenge Fund applicants are not familiar with H&S rules; risk to none H&R compliance | EST | Low | High | H&R responsibility will be highlighted in Grand Challenge offer letter. The review of Marine Challenge Fund proposals will include the assessment to H&S awareness. |

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| **5.3 Issue Description** | **Owner** | **Impact** | **Planned Action** |
| Project tasks will be delayed | EST | Low | Identify critical overreliance and mitigate with collaborative approach within consortium. Use consortium network to identify alternatives. |
| Potential delay could result in missing implementation of outputs | RD&I ST | Med | Ensure rapid communication of delays within consortium and agree on support from partner with adequate resources |
| Unbalanced resources ould lead to limited ability to implement tasks in some teams whilst others would have an underspent | EST | Med | Monitoring of the work and reallocation of resources in other support teams/partners where necessary by the DPB. |
| Not to deliver the outcomes as proposed | CST | Med | Provision of sufficient professional team members within the Challenge Support team. CDC has significant experience through previous provision of funding schemes and has established functional processes. |
| Failure to achieve all outputs | RD&I ST | High | Monthly update reports and a detailed tracking of communications and project initiations. If industry project uptake will fall behind schedule the activities to enable/realise these projects needs to be intensified. |
| Lack of information to develop research activities | RD&I ST | Med | Project partners have established a strong relation with industry partners that will be used to identify in first quarter required R&D projects. |
| Collaboration Agreement will delay start of project | EST | Med | A Collaboration Agreement has been established and has been circulated for signature to all partners and will be in place prior project start. |
| IPR issues will compromise the uptake of Marine Challenge Fund projects through industry | EST | Med | The Marine Challenge Fund contract will detail and address IPR arrangements with a principle statement for IPR rights towards industry Marine Challenge Fund participant. |
| Partners are not able to provide the required match contribution | EST | High | Partners will provide a clear statement prior full project proposal submission to the provision of match funding. This will be assessed and ratified on application rules. |
| Partners or Consortium is unable to address Staid Aid rules | EST | High | Partners will provide a clear statement to State Aid relevance. This will be based on State Aid rules and information will be provided and be part as full proposal submission. |
| Limited time for Marine Challenge Fund (2 ½ years to allow Marine Challenge Fund to finalise before end of month 36) risking to achieve the 66 projects | RD&I ST | High | Starting the project implementation at beginning of project and allowing flexibility in the calls for projects. Monthly Innovation Panel meetings to assess and award projects. |
| Failure to achieve proposed outputs | EST | High | A clear procurements plan describing requirements will be generated as part of QAP and process of hand-holding of beneficiary will be identified. The assessment of Marine Challenge Fund proposals will include procurement process implementations of proposer. |
| Grand Challenge Fund projects could result in H&S issues that could become a dispute for project members. | EST | High | H&S responsibility will be highlighted in Grand Challenge offer letter. The review of Marine Challenge Fund proposals will include the assessment to H&S awareness. |

**6.0 Costs and Funding**

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| 6.1 Please summarise what the project budget (as detailed in the financial tables) will be spent on. |
| **University of Exeter**  **Salaries: Total budget: £834,832.50**  Academic & Professional Staff - £267,352.00 – 1.0 FTE for the 3 year split amongst several experienced and well qualified staff who will support the project. Professor Lars Johanning as the Principal Investigator of this project will commit to approximately 0.40 FTE to this project, the remaining will be from other staff with the appropriate expertise to deliver the project. These staff salary costs will provide match funding to the project.  Directly employed staff - £567,180.50:  The project will employ a number of research and professional staff equivalent to approximately 4 FTE across the 3 years to deliver this project, These are shown in Section 8.3 of this document, and full job descriptions are provided in appendix 7.  **Marketing:** £9,000  This is based on proposed dissemination and marketing activities; including Pull up banner stands which have proved so effective to raise awareness of the project at all business engagement events and conferences. £1,000. External Conference attendance for project awareness dissemination and generation of associated marketing material. The partnership will target specific known events to showcase the impact of the Marine Technology RD&I Hub (e.g. All Energy, ICOE) £2,000.  **General project specific marketing material** to cover events and activities - £1,500  **Publishing (Open Access):** To cover the cost of publication of project findings in peer reviewed journals and allow free access to all, ensuring anyone interested in the results are able to access the full text and data. This cost is based on £1,500 per paper - £4,500  **Office costs:** £7,000  This budget will be managed by the Project Manager.  This budget will cover general office costs such as laptops, associated equipment and specialist stationery.   * Computers (including docking stations, screens, mice and keyboards for laptop users for directly funded project staff only). Unit cost based on University of Exeter Framework contract cost at approximately £1,000 per staff member. Cost: £5,000 * Additional consumables to support project activities such as bulk purchase pens, flipchart paper and pens, post-it notes for events, archive boxes for project records storage etc This cost is based on existing prices for this type of stationery from the current University supplier and from the previous experience of running these projects. Cost: £2,000   **Other Revenue: £118,751**  **Travel & Subsistence**: £18,000 This is based on proposed project meetings, national conference attendances, estimated project travel allowance and number of staff at each partner who will be engaged in the project. All partners use published mileage rates for own car use in accordance with UK tax guidelines. £6,000 per annum benchmarked against previous ERDF project travel expenditure.  **Consumables:** £1,500 – A small consumables budget to cover any research consumable expenditure incurred during the preliminary research engagements with businesses as a pre-cursor to a Marine Challenge Fund application.  **Recruitment:** £13,751 – This is based on the cost of employing the direct staff to the project for recruitment, advertising and relocation allowances based on University standard rates.  **Workshops:** £9,000 (£3,000 per annum). To fund 10 RD&I themed Events pa involving 10 businesses and 20 co-creation Workshops with 4-8 invited businesses. The partners have extensive knowledge of locally available venues for workshops and meetings and local facilitators as and when required.  **Software:** £1,500 – The purchase of the software licences required for the research engagement staff for the research undertaken on behalf of the project activities. I.e. Matlab.  **Research Facility Support:** £65,000 To support Marine Challenge Fund initial research activities will be implemented that supports applicants to develop their applications. At the University of Exeter initial research activities will be implemented through the usage of the DMaC and research vessel facilities as well as met Ocean data will be collected at FabTest site.  Subcontract: £10,000 – This will be for the procurement of additional evaluation to implement specific RD&I tasks essential to be implemented externally. These are not specifically identifiable at this stage, however experience from previous project experiences have provided a benchmark for these costs.  **Overheads:** Calculated at 25% of all direct costs excluding subcontracts and third party collaborations. The rationale for the application of this rate can be located in section 6.4.  **Professional Fees: £27,000.** Two external evaluations of the project as described in section 3.5 (Who is evaluating the project) at month 18 and a final project evaluation. Cost estimate based on that incurred for a previous industry sector report procured in consultation with Cornwall Council in 2015.  **Plymouth University (PU)**   |  |  |  | | --- | --- | --- | | **Maine** | | | |  |  |  | | **New staff appointments** |  |  | | RF1 | £127,843 | grade 7 | | RF2 | £127,843 | grade 7 | | RF3 | £127,843 | grade 7 | | Knowledge exchange | £127,843 | grade 7 | | Project Manager (50%) | £76,034 | grade 8 | | Finance/impact (40%) | £61,286 | grade 8 | | **Total** | **£648,692** |  | |  |  |  | | **Existing staff costs** |  |  | | Academic 1 (20%) | £59,096 | SM | | Academic 2 (20%) | £59,096 | SM | | Academic/CD 1 (20%) | £59,096 | SM | | **Total** | **£177,288** |  | |  |  |  | | O/Heads | £206,495 | 25% direct costs | | T&S | £20,000 | £50 p/p p/w; 48 weeks - x 3 years & travel to national and regional events | | **Radar Costs** | £38,090 | Costs breakdown on sheet 2 | | Coast Lab Time | £150,000 | £2,500 p/day - 60 days (2 weeks per year) - | | Conference costs | £15,000 | (£5k p/a in Hayle -) | | Industry / HE Bus Coll | £30,000 | Business HE exchange | | Total | **£1,285,566** |  |   **Inclusion of COAST Lab and HF Radar Costs Facility costs for Plymouth University**  **1.** Coastal Ocean and Sediment Transport Laboratory (COAST Lab) is a hydrodynamic testing facility capable of supporting sophisticated, scale models and arrays for R&D and testing of a range of offshore renewable energy devices. The Ocean Basin is a unique facility that allows waves and currents to be generated at any relative orientation and can be run at different water depths. The Ocean Basin can be used to create unidirectional and directional wave fields, regular waves, wave spectra and currents in three dimensions putting it at the forefront of testing for marine renewable energy arrays. Future developments of the facility include the provision of a wind generation facility.  The Coastal Basin can also be used to test the impact of offshore activities and coastal protection engineering on coastal processes and sediment transportation. Flume facilities are also available in the COAST facility.  COAST lab boasts a large range of instrumentation as well as data acquisition hardware and software. The facility can measure sediment transportation, motion capture, a range of cameras providing HD video and stills, both on the surface and underwater. Accurate flow measurements can be made alongside 3D particle image velocimetry and laser doppler anemometry. Additional instrumentation is available to meet the needs of the industry as they undertake R&D on their devices; such as pressure transducers, water-proof load cells, accelerometers, strain gauges, torque meter, pressure measurement, LVDT, hydrophone. The equipment is maintained and operated by a dedicated team of engineers. COAST Lab activities supported by this project will benefit from a specialist business research fellow who will work closely with the beneficiaries during the experimental and R&D phases.  2. The operation of paired High Frequency (HF) radar stations measuring over-the-horizon wave formation, direction and forecasting around the Wave Hub site. HF radar technology presents great potential in the measurement of sea surface currents and waves as it represents a shore-based remote sensing tool with long term deployment capabilities. An HF radar WERA system has been deployed to overview the Wave Hub site since the beginning of 2011. It consists of two, 16 antenna linear array, stations, one located at Perranporth and one at Pendeen. Funding is sought to maintain the stations, so continuous operational capability is maintain for the duration of the project. The HF radar provides a coverage of approximately 90 km seaward at a 1 km resolution. Measurements of sea surface currents, waves and wind are provided hourly for the Wave Hub site located 16 km off the north coast of Cornwall. Data will be captured, analysed and interpreted by a business research fellow and made available to beneficiaries  **The Cornwall College Group (TCCG)**  This project budget model is based on a profile of activities and expenditure during a 3 year period, with a fully functioning service to support all eligible businesses available from month 3 (assuming funding isn’t delayed past January 2017). Cornwall College (CC) will ensure that a full delivery team is in place as soon as the contract is confirmed.  Budget Headings (and what is contained within each)   * Salaries: 2FTEs, on-costs of 30%, mandatory redundancy costs * Overheads: Flat rate 25% applied to direct staff costs * Professional Fees: Mentors for graduates * Marketing: Marketing and PR materials and expenditure * Other Revenue: It Equipment, Travel and Subsistence, Event Delivery, Experts speakers for events, Graduate placement scheme (salary subsidy and salary investment)   TCCG confirm the ability to cash flow the delivery, anticipating up to 6 months recovery time for submitted claims detailing defrayed expenditure. CC also confirms that we are comfortable with the 10% retention held back at the end of every European Structural Investment Funds Project whilst the final claim and final verifications are carried out.  **Cornwall Marine Network (CMN)**  The budget centres primarily on two main cost areas:  1. Salaries: In-house delivery, by 1 new recruited member of staff. There is appropriate expertise within CMN and the decision regarding recruitment internally or externally will be taken depending on other known / expected contract requirements.  This costs includes the basic salary, plus National Insurance and Pension contributions  2. Other costs are necessary to fund supporting activities:  • Marketing:  • Office costs: New PC and telephone for project staff  • Other revenue: Travel and subsistence for project staff  • Overheads: 25% of direct costs  **Offshore Renewable Energy Catapult (OREC)**  Salaries: The project budget will be spent on providing a resource at HMRBP to bring technology developers to the hub and support R&D&I Hub activities and projects and specialist staff to support the development and delivery of SME projects.  Other revenue is travel and marketing materials.  Travel costs will be incurred by ORE Catapult staff travelling to meet SMEs, attend project meetings, and participate in activities and conferences.  Marketing materials costs will be incurred by ORE Catapult marketing staff producing conference packs, and media material to support R&D&I Hub ORE Catapult specific activities and projects.  **Cornwall Development Company Ltd (CDC)**  The bulk of the CDC project falls under two headings:  • The investment side (grants to SMEs) - £4,753,571 total project costs - comprising £3,190,000 ERDF and £1.563,571 private sector match (see detailed fund spreadsheet)  • The delivery side totalling £1,077,125 as follows:  **Consultancy** – £60k – fund due diligence - technical and financial advice required on individual fund applications  **Marketing** – £60k - fund marketing to include development of a website, PR to raise awareness of the MCF, publication of case studies to illustrate aims of the programme.  **Office costs** –£41k – rent and associated costs in relation to space at the Hayle Marine Renewables Business Park, office furniture  **Overheads** – £169k - 25% flat rate charge  **Professional fees** – £35k - review of scheme documentation & legal advice requirements for larger grants client agreements, panel members’ attendance fees, training, meetings & conferences.  **Other revenue** – £35.4k travel to applicant businesses, recruitment, fund database & licences  **Staff costs** – £676.6K client-facing team of 3.5 core staff supported by CDC’s Programmes & Funds Services and dedicated claims, audit & monitoring functions.  See financial spreadsheets (granular budget breakdowns) in appendix 8. |
| 6.2 Please detail the key assumptions used in the development of your budget and the research completed to prepare it, including how you ensure that the costs are commensurate with the required quality. |
| Details on how individual costs have been derived are included in section 6.1 above.  The basis for calculation of costs have been:   * drawing on recent experience of demand or cost to calculate the scale and cost of items (e.g. grant size and numbers) * drawing on recent procurement to estimate costs (without pre-empting the outcome of future procurements) * working from unit costs and estimating units required based on the experience of similar activities e.g. mileage and transcription * IT costs are based on independently commissioned advice to support the development of the budget – this has been kept deliberately generic, again to avoid conflicts with future procurement processes * Staff costs are based on published salary scales and include allowances for annual increments in line with institutional policy an projections on salary rate increases.   Drawing heavily on previous experience – either to derive costs or to ‘sense-check’ costs has ensured we are confident that the projected costs will deliver the required quality, whilst ensuring the principles of economy, efficiency, effectiveness and value for money have been considered throughout.  **Plymouth University (PU)**  All costs above are based on actuals,   * Staff costs have been calculated by PU central financed and are based on current grades appropriate to undertake the task as indicated. * Academics are based on salaried costs and will be time sheeted * Coast lab time has been based on actual uninflated day rates. * Radar costs are based on actuals (breakdown attached) * And other costs are calculated on actuals as indicated above.   **The Cornwall College Group (TCCG)**  Costs have been informed through experience of delivering similar ERDF and ESF projects. Costs have been reviewed by the Project Development Manager and tested by the Quality & Compliance Manager.  • Direct Costs: These costs are based on current real-time delivery costs across a number of other programmes. We have reviewed spend to date on current programmes and used this to generate appropriate costings. We are confident that direct costs are accurate.  • Salaries: These costs are based on current real-time salaries from ERDF and ESF projects which Cornwall College are delivering presently. In addition, salaries have been checked against average salaries for similar roles using Monster/ Reed/Total Jobs recruitment organisation benchmarking tools for current vacancies. We are confident that salary costs are accurate.  Where applicable, the minimum starting salary for a graduate innovation job will be £18,000, which is £2,000 higher than previous Convergence funded placement programmes (and in line with current ERDF Cornwall Business Start-Up and Coaching for Growth programmes). In a 2012 survey by Gradcore of 185 SMEs, confirms that SME graduate employers outside of London offer a salary of between £15,000 and £18,000.  Project Costs have been reviewed and tested by current EU Cornwall delivery teams.  **Cornwall Marine Network (CMN)**  The project costs have been calculated based on the need to engage with the wide marine technology sector in Cornwall and the Isles of Scilly, and recruit participants to the project.  Marine businesses have evidenced need through partnership and survey work and regular discussions that there is a demand for the services being proposed.  **Salaries:** In-house delivery by CMN staff (external or internal recruitment as required) for 1 FTE Marine Technology Business Engagement Manager, responsible for leading, coordinating, delivering and monitoring the project on behalf of CMN.  This costs is benchmarked against similar posts to CMN’s existing salary scale, using gross costs (including employer on-costs) applied to posts identified as required to deliver the expected outputs. Full time equivalent (FTE) or numbers of days have been used.  This has been based on CMN’s previous, extensive project delivery experience, which has primarily been using real time-recorded systems.  All necessary support staff including for general administration and finance/claims are included within the overhead rate.  Other costs are necessary to fund supporting activities:  • Marketing:  a) Events  b) Advertising (materials)  Office costs: New PC and telephone for project staff, based on known quotes from existing supplier.  • Other revenue: Travel and subsistence for project staff based on 45p per mile and in accordance with CMN’s policy.  • Overheads: 25% of direct costs  Where required, purchases will be procured following CMN’s procurement policy and National Procurement Rules. For costs under £2,500 basic value for money principles will be followed.  The costs have been identified with a high level of certainty and offers excellent value for money. The budget has been designed to be efficient, economic and effective for the role required by CMN.  The budget takes into account the ERDF Output Indicator definition Guidance to compare the unit costs envisaged with the Operational Programme and Convergence benchmarks. CMN believes that that quality of services it provides are at the very least, comparable to other organisations delivering similar services but is able to do so on a lower cost basis.  Profiling and defrayment: The project expenditure has been profiled according to a project plan. This takes into account recruitment and project start-up/closedown timeframes. It is envisaged that recruitment, marked clearly ‘subject to funding’, can commence prior to the receipt of an offer letter.  **Offshore Renewable Energy Catapult (OREC)**  Salary costs are the actual salary costs for existing posts which will be assigned to the project – Business Development Manager; Lead Engineer; Engineer; and Project Manager. Overheads are 25% of direct costs.  Other revenue is travel and marketing materials.  Travel costs are estimated and based on the historic costs incurred from our staff already operating in the South West and adjusted to reflect the anticipated annual travel requirements to visit SMEs, facilities and workshops.  Marketing costs are estimated and based on the experience of our marketing team and adjusted to reflect the costs necessary to support production of ORE Catapult marketing materials to support Marine Technology RD&I Hub project activities specific to the ORE Catapult.  **Cornwall Development Company Ltd (CDC)**  The most significant M & A cost item is that related to staffing, representing 62.8% of the total M & A budget.  • The salary and on-costs of the 3.5 core MCF team members are based on the evaluation of the posts under the Greater London Council Provincial scheme which CDC has adopted and is applied to all posts within CDC up to the most senior levels of management - band L (beyond which HAY is deployed). See financial spreadsheet Salaries tab.  • The cost of other CDC staff involved in project delivery is based on persons fulfilling partial roles in delivery of the project (project assessment team, dedicated grant claiming and audit function, head of corporate services specific project activity) which are time-sheeted. See financial spreadsheet additional tabs for these activities for more detail. These individuals have specific responsibilities for this project and, if this project does not exist, that element of the role becomes redundant. |
| 6.3 Please advise whether the project will be adopting any the available European Structural & Investment Funds overhead methodologies and if so which one. |
| The National Eligibility Guidance highlights that a flat overhead rate of 25% can be used for some Investment Priorities and for some specific activities addressed by Intervention Field Codes.  The applicable Investment Priorities are 1a, 1b, 2b, 3a, 3c, 4f.  The applicable Intervention Field Codes are 056,057,60,61,62,63,64,65.    The legal basis for the use of the 25% is from the following regulations –   * Article 29 of 1290/2013 (Horizon 2020 Regulation) * Article 20 of Commission Delegated Regulation 480/2014 * Table 1 of Annex 1 of the Commission Implementing regulation 215/2014 * Regulation 1301/2013 (ERDF Regulation)   The Marine Technology RD& I Hub project team have therefore invoked the 25% rate as applicable to this project for the following reasons –   1. The Applications sits within the Priority Axis 1 – 1b) Promoting Research and Innovation and the Intervention Field codes 056,60,61,62,63,64,65 are key activities that the Marine Technology RD& I Hub Project will engage in. 2. Supporting funding guidance states that this rate is automatic for some priorities and some activities provided the activity codes for the ERDF action are the same as those used for a similar action in H2020, within certain investment priorities.) 3. The rate of 25% will be applied across all partners based on the eligibility guidance as although their activities are not directly Research & Innovation i.e. they are Project Management and administration, these costs are facilitating the whole research and Innovation activities which are key to the proposal and key to the target outputs. 4. Again, further to review of applicant guidance, we understand that the underlying costs will not be challenged for the flat rate of 25% however the activity will be audited to ensure it is eligible activity. 5. The overhead will not be applied to subcontracts or to third party engagements where the services are not delivered on site. |
| 6.4 For all other cost headings, where relevant please set out the proposed apportionment methodology to be used and provide supporting calculations / documentation. |
| Hourly rate calculation for project staff members who do not spend 100% of their time working on the project.  Methodology: As per the ERDF Eligibility Guidance ESIF-GN-1-003, Version 1 Published 29 September 2015.   * Rate will be calculated on an individual basis * The number of working hours an individual has to work is calculated from  1. Number of working days in the year \* UNEXE Standard working hours 2. Deduct the number of annual leave days the person is entitled to 3. Deduct the public holidays  * The will result in a number of productive hours * The salary for the claim period will be divided by the above sum to arrive at an hourly rate. * This hourly rate would be recalculated at each claim period.   This methodology is in line with the first of the methodologies printed in the Eligibility Guidance referred to above. The University of Exeter understands that this rate requires regular calculation and checking however the UNEXE and Transparent Approach to Costing (TRAC) Regulations require us to cost at Full Economic Cost which includes the forecast of inflationary pay increases to staff costs mandatory spine point pay increases. The match funding for the project is calculated on the basis of fEC therefore for calculate the hourly rates in anyway other than actual rates could impact on the amount of staff match. |
| 6.5 Please advise if the project budget includes any VAT you cannot recover from HMRC (recoverable VAT) |
| The University of Exeter Project budget includes VAT as we are unable to recover VAT from HMRC. The University pays a large amount of VAT that is non-recoverable, because our main supply is exempt i.e. the provision of Education. This is the same position for Plymouth University. Statements of the VAT position and associated VAT Registration Certificates for these institutions can be found in Appendix 9.  Cornwall Development Company have not included VAT within their budget as they are able to recover VAT.  Due to TCCG being a Charity by Statute, it is unable to reclaim VAT from HMRC and has therefore included it within the project costs.  OREC Have not included VAT within their budget as they are able to recover vat.  CMN is a VAT registered company and has group VAT relief status for the CMN-owned group of companies which (Cornwall Apprenticeship Agency; MOR Group; Devon Marine Network).  CMN has a unique VAT formula that was introduced in March 2011, following discussions with HMRC. This formula exists because significant amounts of CMN income are variously wholly attributed to member benefits, or VAT except, or outside the scope of VAT (e.g. ESF and Mainstream training funds) or residual expenditure not covered by the previous categories. The balance of the mix of income means that CMN currently recovers on average 50% of its VAT-able supplies.   * Irrecoverable VAT is eligible. * The project includes the procurement of services from third parties. * CMN’s VAT status allows the recovery of only a portion of VAT. * Therefore for the purposes of this ERDF project, the costs expected to be procured from third parties are **inclusive of VAT**. Therefore no VAT claimed through this project will be claimed again from HMRC. * The ERDF will not be used to pay recoverable VAT in this case. * The supporting information can be found in Appendix 9. |
| 6.6 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.  Please supply proof of irrecoverable VAT on eligible costs (confirmation letter from HMRC or a signed independent audit report identifying this as an eligible cost). |
| **UNEXE**  Every awarded project is given an individual project cost centre number to capture all the costs for that project. The project cost code is made up of 5 mandatory segments and 5 optional segments and an individual project number or PNUM. The segments help to identify the College or service to which the project belongs, the type of activity i.e. staff costs, tuition fees, travel and subsistence etc. and also an Input VAT activity identifier which denotes whether the activity would be vatable (Recoverable) or non-vatable (Non-Recoverable).  The University has a significant Management Accounting section who lead on providing support for VAT queries and the compilation of the VAT returns. Training Courses on VAT are provided to staff who deal with VAT as part of their role and guidance is available on-line and as downloadable hand out material. The guidance forms part of the Universities overall financial regulations guidance through the Financial Operations Section.  At each claim the transactions that have been charged to the individual cost centre will be checked for eligibility for the type of expenditure, that is was correctly procured and authorised and that vat has been charged appropriately.  **PU**  PU as a University have similar robust processes and staff in place to support the management and administration of VAT.  **TCCG**  TCCG are practiced in claiming irrecoverable VAT as a project cost and have robust processes in place to ensure that this is managed correctly and that it is not claimed as part of the normal VAT return.  **CMN**  CMN’s VAT position is clarified in section 6.5.  There will be no recoverable VAT claimed through this project by CMN.  Only irrecoverable VAT will be claimed. This will not be claimed from HMRC (because only a proportion would be eligible to claim).  Evidence of this unusual VAT formula is provided (documents from HMRC and CMN’s accountants, Francis Clark – see Appendix 9). |
| 6.7 Explain how the amount of European Structural & Investment funding requested has been calculated and explain why this is an appropriate amount. Consider whether or not you have exhausted all other avenues for funding, including loans. |
| The value of the funding sought to deliver this application has been calculated using the appropriate expertise from the delivery partners each of which have corresponding accounting and funding teams within their organisations. A very considered approach was taken to derive the project budget. Weekly project development meetings ensured the guiding principles of economy, efficiency and effectiveness were fully explored whilst ensuring the necessary funds to facilitate the project delivery. The experience of delivering previous significant ERDF and ESF funded projects provided a valuable benchmark with which to assess the appropriateness of the budgets. |
| 6.8 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. |
| This project does not respond to a Multi Local Enterprise Partnership area call. |
| 6.9 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 |
| **No ESIF funding** - If the project did not receive funding the project would not be able to proceed and only low levels of innovation would take place within the smart specialisation area. The activities and interventions detailed within this project proposal would not be funded through non-Structural Funding sources, as it integrates innovation and economic development alongside existing assets and new strategic developments within the region. Efforts have been made in previous ERDF projects to encourage the private sector to fund this type of project, and some successes have been recorded, but these have not been supported by a coordinated approach to sector development which would help to create interest in RD&I to accelerate technology development. A major concern is whether C&IoS’ existing facilities would remain attractive as places to do RD&I in the face of other countries’ strategic support and investment for sector development. In MRE for example, there are initiatives in Spain, Portugal and Ireland which don’t have the same scale of infrastructure development as C&IoS, but would appear more attractive with support for coordination and business/economic development in the future.  **Reduced funding** – The project has a certain level of sunk-costs that would be incurred irrespective of the scale of the project. However, reduced funding levels could be considered if project outputs were commensurately reduced. The ability to integrate some or all of the projects proposed activities with other investments could also be considered and links have been established with other LEP areas and potential development programmes not yet called or commissioned.  **Delay** – Significant delay may impact negatively on available match funding otherwise albeit the risk of this is modest. In all but very exceptional delays the start and finish times of the project could be shifted to accommodate any delay in contracting or starting project delivery. Potential implications on RD&I costs, some threat of meeting the expected contribution to C&IoS marine targets as defined in the MRE roadmap where the sector is already vulnerable to impact from shifting milestones. |

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| **Match funding** |
| 6.10 State the source(s) of your match funding. Is it in place yet and if not, when is it likely to be confirmed? |
| The match funding for the MCF (total £1,563,571) comes from the private sector grant applicants as and when their projects are implemented and the grant is defrayed.  The University of Exeter’s match funding £248,571 is in place and secure. Academic staff time provides the sources of match funding.  The Cornwall College Group is anticipating match funding (£98,640) being derived from Small and Medium Enterprise contributions. These contributions are based on graduate placement salaries and soft-market testing has identified the need and support for this activity.  £98,640 of match funding will be generated through Innovation Graduate Placements of varying durations (3month, 6month and 9month placements). These graduate placements will be managed by TCCG. TCCG will be responsible for providing SMEs with the opportunity to take on a graduate as a resource to undertake innovation projects. TCCG’s budget (in terms of resources) and match funding calculations have been based on placing 12 graduates into SMEs. However, if successful and there is flex within the budget once the project is underway it is expected that TCCG could deliver additional placements.  SMEs will pay the graduate placement salary plus on-costs. This contribution will generate private match funding. In return SMEs will receive a salary subsidy of £250 per month, per placement.  The table below outlines how the match funding has been calculated:   |  |  | | --- | --- | | 1. **Graduate Placement Salary** |  | | 3 @ 3mths @18000 + 8% NI | £14,580 | | 7 @ 6mths @18000 + 8% NI | £68,040 | | 2 @ 9mths @18000 + 8% NI | £29,160 | | Total salaries | **£111,780** | |  |  | | 1. **Graduate Placement Subsidy** |  | | Subsidy (£750 per grad for 3mth programmes) | £2,250 | | Subsidy (£1500 per grad for 6mth programmes) | £10,500 | | Subsidy (£2250 per grad for 9mth programmes) | £4,500 | | Total Subsidy | **£17,250** | |  |  | | **SME Contribution (Match) (a-b)** | **£94,530** |   Cornwall Development Company has Match Funding of £215,425 confirmed from Cornwall Council. See letter of confirmation in Appendix 10.  Plymouth University has confirmed its Match Funding (£257,113) is in place and secure. Academic staff time and the eligible overheads provide the sources of match funding. See letter of confirmation in Appendix 10.  Cornwall Marine Network’s match funding (£35,716) will be provided from Cornwall Council and support confirmation is included in the Cornwall Council letter for the Cornwall Development Company. See letter of confirmation in Appendix 10.  The Offshore Renewable Energy Catapult has confirmed its Match Funding (£69,691) is in place and secure. Staff time and the eligible overheads provide the sources of match funding. See letter of confirmation in Appendix 10. |
| 6.11 Is any of this match funding ‘in-kind’? Please see restrictions on this in the Eligibility guidance  Use the Full Application financial table to show the amounts of match funding for the duration of the project |
| Having checked the ERDF guidelines on match funding at <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464477/ESIF-GN-1-003_ERDF_Eligibility_Guidance_v1_290915.pdf>, page 7, the project delivery partners can confirm that this project does not contain any funding given as ‘in-kind’. |

**7.0 Deliverables**

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| 7.1 Please complete the Indicators Annex Table which is available on [www.gov.uk](http://www.gov.uk). After you have done this, please describe the rationale and assumptions you have made in establishing each deliverable which will be achieved. This must link clearly to the project’s activity and objectives. Please explain your method for calculating the target levels. |
| The project fits the call criteria by directly addressing the output requirements as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Outputs | Total General Innovation  Outputs[[6]](#footnote-7) | Project target | % of overall target | National output allocation based on funding[[7]](#footnote-8) (variance +/-) | | Number of enterprises receiving support | 558 | 100 | 18% | 45 (+55) | | Number of enterprises receiving grants | 390 | 66 | 17% | 31 (+35) | | Number of enterprises receiving non-financial support | 136 | 34 | 25% | 11 (14) | | Number of new enterprises supported | 48 | 4 | 8% | 4 (0) | | Private investment matching public support to enterprises | £471,369 | £1,563,571 | 332% | £38K (£1516K) | | Employment increase in supported enterprises | 45 | 8 | 18% | 4 (4) | | Number of enterprises cooperating with research institutions | 303 | 30 | 17% | 24 (26) | | Number of enterprises supported to introduce new to the market products | 45 | 8 | 18% | 4 (4) | | Number of enterprises supported to introduce new to the firm products | 89 | 12 | 13% | 7 (5) | |
| 7.2 Please explain your approach for forecasting each deliverable; this should include setting out the baseline data upon which the deliverables were calculated. |
| The project fits the call criteria by directly addressing the output requirements as follows:  Rationale: University of Exeter commissioned an economic consultant (See Shane Vallance reports in Appendix 13) to work with the project partners to help us assess the likely impact of a coordinated RD&I programme of the scale described in this project as well as an examination of marine technology market failure in the areas of greatest interest. (See Appendix 13 for reports) Further research was made available by Cornwall Marine Network which provided evidence for their Regional Growth Fund marine sector capital fund activities. This background data provided intelligence on the likely levels of investments required to deliver meaningful RD&I and economic impact. The partners also reflected on their experience in terms of previous ERDF project delivery and in terms of existing levels of business to HE engagement.  6.1.1  Number of enterprises receiving support – 100  This estimate is based on our knowledge of the scale of the marine sector in C&IoS. There are approximately 800 registered businesses in marine (including 100 operating in the marine renewables sector). Around 180 of these are classified as innovative with experience of collaborative research, OE development, etc. The programme will aim to engage all of these businesses, expecting to complete around 100 business assists of 12 hours where businesses can then be led to an RD&I activity. Responsibility for achieving this output is shared across the Delivery Partners.  6.1.2  Number of enterprises receiving grants - 66  This estimate is based on the previous fund management experience of CDC and assumes that from 100 businesses who complete the assist process, approximately 20 large RD&I interventions will be supported overall, with an average grant award of £185,000 and approximately 46 interventions will take place with lower interventions;  £5k to £15k – approximately 20 interventions @ an average £10-11k grant per project  £15k to £35k – approximately 16 interventions @ an average £25k grant per project  £35k to £50k – approximately 10 interventions @ an average £40k grant per project  Responsibility for achieving this output is shared across the Delivery Partners.  6.1.4  Number of enterprises receiving non-financial support – 34  Businesses receiving new knowledge on market sectors, knowledge exchange, access to partner data at events and workshops but not participating directly in RD&I (100 in 6.1.1 – 66 in 6.1.2 = 34). Responsibility for achieving this output is shared across the Delivery Partners.  6.1.5  Number of new enterprises supported – 4  Work we commissioned through an Economic consultant on market failure led us to determine that new entrants in the marine technology sector are generally low because of ‘valley of death’ challenges, but appear most likely to occur in emerging technology sectors e.g. marine energy, marine materials, subsea systems and the related marine environmental technology. Responsibility for achieving this output is shared across the Delivery Partners.  6.1.6  Private investment matching public support to enterprises - £1,563,571  Private Match funding leveraging £3,190,000 ERDF support through the project’s Marine Challenge Fund. Responsibility for achieving this output is shared across the Delivery Partners.  6.1.7  Employment increase in supported enterprises – 8  Independent assessment of the likely impact of a coordinated RD&I programme of the scale described in this project indicate that one in eight businesses receiving grants will employ new staff in high value jobs beyond the end of any grant funded activity to support continued technical innovation, product development or future sales and marketing of products. Further growth may occur beyond the project timescales where RD&I staff are frequently retained to lead new product activities.  6.1.8  Number of enterprises cooperating with research institutions - 30  Output is based on project HE/FE partners’ track records in collaborative RD&I activities (of similar scale and value to those proposed here) between 2012 and 2015 through e.g. Innovate UK marine related activities (Energy Catalyst, Vessel Efficiency, Agritech Catalyst). The Hub will proactively seek out businesses that can co-create new products with the knowledge base. The target in the EOI was 50. We have reduced this to 30 because we originally understood this to be a subset of C1.  6.1.9  Number of enterprises supported to introduce new to the market products - 8  Output is based on project HE/FE partners’ track records in collaborative RD&I activities (of similar scale and value to those proposed here) between 2012 and 2015 through e.g. Innovate UK marine related activities (Energy Catalyst, Vessel Efficiency, Agritech Catalyst). The Hub will proactively seek out businesses that can co-create new products with the knowledge base.  6.1.10  Number of enterprises supported to introduce new to the firm products – 12  Output is based on project HE/FE partners’ track records in collaborative RD&I activities (of similar scale and value to those proposed here) between 2012 and 2015 through e.g. Innovate UK marine related activities (Energy Catalyst, Vessel Efficiency, Agritech Catalyst). The Hub will proactively seek out businesses that can co-create new products with the knowledge base.  A separate outputs table can be found in the QAP (Appendix 3) which outlines each individual Delivery Partners contribution to the overall outputs. |

**8.0 Project Management and Governance**

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| 8.1 Has the Organisation been involved in, or become involved in, any other European Social Fund, European Regional Development Fund or EAFRD funded projects that were not identified in the Outline Application? Please provide details. Add rows if necessary. | | | | | |
| **Project Reference** | **Project Name** | **Project Location** | **Your Role** | **Start Date** | **End Date** |
| Project No: OC05S15P 0041 | ESF Widening Participation through Skills Project | C&IoS | Project Partner | 01/09/2015 | 31/10/2018 |
| 8.2 Outline the project management and control systems that will be established for the project, demonstrating that the project has the appropriate capacity to meet the requirements of European Structural & Investment Funds. | | | | | |
| The project lead partner has put in place, a Quality Assurance Plan (QAP), and a full version of this QAP is appended (see Appendix 3) to this application. This sets out arrangements for governance and project management and is published with the aim of achieving the following goals:   * To act as a Project Handbook informing Delivery Partners on the overall strategic and operational management of the project, and ensuring the accuracy, quality and timeliness of deliverables; * To ensure the seamless integration of the activities (i.e. manage the time and result dependencies) by reviewing and assessing the progress of Marine Technology RD&I Hub activities towards the defined goals and objectives; * Co-ordinate and ensure the coherence of all the developments between strategic and operational activities; * Conduct the financial and administrative management of the project; * Establish the communication flow and methods for reporting, monitoring, quality assurance and innovation management; * Periodic monitoring of risks and implementation of contingency plans if needed; * Manage liaison with DCLG and the production of periodic reports;   Manage the knowledge and Intellectual Property Rights, including any legal agreements such as the Collaboration Agreement and other agreements required for the use, access and exploitation of results and background.   * Manage the public face of the project and networking with other related ESIF projects and initiatives * Promote sustainability, equality and diversity.   The MT RD&I Hub QAP gives an overview of the most relevant managerial aspects of the project, setting the roles and responsibilities of the partners, aimed at ensuring good quality and progress of the work.  We describe the QAP as a living document which can evolve as the project progresses or new systems become available, but the current version is set out as follows:  Project participants and contacts - a list of project partners and nominated representatives.  Project duration, budget and ERDF contribution  Contractual Documents - the reference documents for the project, which define the tasks, rights and obligations of the Delivery Partners, including the **COLLABORATION Agreement (CA) (See Appendix 6),** and the **Funding Agreement**  PROJECT MANAGEMENT STRUCTURE – includes organogram (Appendix 2), and team structures/participants (Section 8.3 of this document)   * UNEXE Regional Strategy GROUP (RSG) University of Exeter, as lead partner and applicant, acknowledges it has overarching responsibilities for financial controls, monitoring and reporting, co-ordination, and ensuring the timely delivery of project outcomes; the RSG is the internal high level body overseeing all such project activities. * Delivery Partner Board - Governance of the MT RD&I Hub rests with the **Delivery Partner Board** with representatives of each delivery partner meeting quarterly and deciding *inter alia* on the overall strategic orientation, operations and risk profile. * Strategic Partner Board (SPB) - Strategic RD&I orientation of the MT RD&I Hub rests with the **Strategic Partner Board** (SPB) which meets every six months. The SPB will have six external members including local business as well as representatives from Cornwall and Isle of Scilly Council, Cornwall Council and Innovate UK. In addition each project partner will provide a representative to this board. The external stakeholders and Delivery Partners together, will bring knowledge of the wider marine technology sector, knowledge of RD&I needs (local, national and international) within the sector. * PROJECT Innovation Panel (PIP) - The Project Innovation Panel (PIP) consists of the Delivery Partner responsible for the management of the Marine Challenge Fund (CDC), Delivery Partner representatives and five external business/stakeholder representatives, following the CDC BIG 2 model. * OPERATIONAL MANAGEMENT BODY & TEAMS - Each partner will employ dedicated professional staff within the Marine Technology RD&I Hub Operational Management Body (OMB). The OMB team will therefore work across the whole programme to maximise efficiency and impact of the programme:  1. to manage the relationships with micro and SME businesses, scale-up and large businesses and stakeholders, 2. to support the reporting and financial management of the Project and to deliver RD&I. 3. to provide the **SPB**, **DPB** and the **PIP** with the necessary information allowing them to make appropriate evaluations on, for example, project progress, or funding decisions.   The three elements of the OMB are defined as Executive Support, RD&I Support and Challenge Support. Individuals may work across one, two or all of these operational teams. This business-facing team’s knowledge and skills will reflect the individual contributions of the respective Delivery Partner. The team will be led by a Programme Manager from the lead partner and will therefore work across the whole programme to maximise efficiency and impact of the programme, bringing business-led proposals to the Project Innovation Panel for approval.  QUALITY ASSURANCE PROCEDURES - The QAP documents the project schedule in the form of a Gantt Chart (see appendix 1). The actual schedule performance will be then periodically compared to planned performance in order to implement corrective action when actual performance deviates from planned or required performance. In fact, the QAP will be updated during the project execution, coinciding with the periodic reporting periods.  The project will be subject to PIV etc. and monitoring through quarterly claims. Partners will be expected to produce records and information as required and for the specific purpose of meeting any external monitoring obligations. Periodic Reports (financial claims and progress reports) shall be submitted quarterly to DCLG.  Project risk management - The MT RD&I Hub will implement a project risk management process that will monitor and control the project risks in a continuous manner. The lead partner will be in charge of this continuous follow-up, and there will be a point dedicated to risk management in each **DPB** meeting.  The risk management strategy will include the early identification of risk, the assessment of risk level, the assignment of risk ownership, risk mitigation ownership, and ownership for updated assessment of risk level after mitigation actions are implemented.  Quality and COMPLIANCE control of documentation - Quality and compliance control will be applied to all documents produced within the project, and particularly to the project deliverables. Publications of joint project results, e.g. conference papers, brochures, public documents, etc., need approval of the involved partners, industry collaborators and/or DPB. IPR in relation to publishing is discussed in detail in the Collaboration Agreement. The lead partner is responsible for overall compliance and all deliverables. All partners must however, adhere to the strict rules governing compliance, and when performing or presenting activities, indicate how and where compliance issues have been addressed. There will be a peer review system for internal documentation shared by the OMB members of the Delivery Partners.  Innovation management procedures - Innovation management is the process for maximising the capability of project outputs of being successful in the form of future products, services or processes, by combining creativity and a technical and market wise perspective.  An effective innovation management system needs to include the innovation from the idea generation to the market results, especially on a project like the MT RD&I Hub, where the incipient sector needs a step change towards innovation and economic development. The MT RD&I Hub will implement Standard Innovation Management Process SAMPE.  Information Management - The main communications mechanisms are E-mails, Project meetings, Technical documents, Dissemination of project results, and Reports.  All official communication within the project will be provided through the lead partner. The QAP details the use of communication protocols, templates and other standardised tools to ensure clarity and consistency.  Sustainability, equality and diversity - The project will have a commitment to monitoring and reporting performance against the CCTs. The project partners will adhere to the Sustainable Development principles laid down by the lead partner and which are based on the Inclusion and Environmental Growth Strategies of Cornwall and the Isles of Scill*y outlined in the OP*. Further details can be found in the E&D sections below and in the QAP Section 5.5. | | | | | |
|  | | | | | |
| 8.3 Please describe the individual posts and/or team that will be delivering the project:   * How is the team set up to manage and deliver the project? * What resources, expertise, skills, responsibilities and experience do they have? * Will existing staff be employed, or will new staff be openly recruited (if yes, how)? * What are the reporting lines and accountabilities of individual posts?   Please include details of Delivery Partners (if relevant).  Please attach a structure chart (organogram) and job descriptions for project delivery staff: See the ‘Supporting Documents checklist’. | | | | | |
| |  |  | | --- | --- | | The supporting organogram for the staffing structure below can be found in Appendix 2**.** | | | **Job Title** | **Responsibilities** | | ***University of Exeter (total 5.26FTE)*** |  | | Professor of Ocean Technology [Prof Lars Johanning] (0.4FTE) | * Principal Investigator * Lead Researcher providing technical support * Research support towards Hydrodynamics and Mooring systems * Management and Recruitment support * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Lecturer in Mathematics [Dr Marcus Mueller] (0.1FTE) | * Research support towards statistical analysis | | Senior Lecturer in Offshore Reliability [Dr Phil Thies] (0.2FTE) | * Research support towards offshore reliability * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Lecture in Oceanography [Dr Helen Smith] (0.1FTE) | * Research support towards oceanography | | Senior Lecture in Electronics and Control [Dr Mohammed Abusara] (0.2FTE) | * Research support towards control and electrical systems * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Head of Business Development - Innovation Impact and Business Team [Dr Jim Grant] (0.2FTE) | * Defining RD&I challenges * Networking and awareness raising * Provide link between with the University, businesses and project partners. * Management and Recruitment support | | Project Manager (1.0FTE) | * Overall project management * Lead in managing project, implementation of targets and achieving proposed outputs * Lead in project partner engagement activities and responsible for Project administration * Develop processes to ensure compliance * Manage quality assurance * Monitoring of information e.g. state aid, outputs, procurement * Marketing and Recruitment support * Implement and manage project processes and procedures | | Knowledge Exchange Manager (1.0FTE) | * Defining RD&I challenges * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Business Research Fellow 1 (0.83FTE) | * Electro-mechanical PDRA to support engineering research * Provide research support towards businesses and project partners. | | Business Research Fellow 2 (0.83FTE) | * Scientific PDRA to support statistical and met ocean research * Provide research support towards businesses and project partners. | | Admin/Finance Support (0.4FTE) | * Collate and compile necessary project data/files for reporting and audit * Day-to-day admin support * Preparation of finance statements | |  |  | | ***Cornwall Development Company (total 3.5FTE)*** |  | | Marine Hub Manager  (0.5 FTE) | * Overall responsibility/ambassador for C&IoS marine sector engagement & new investment * Manage high level relationships with marine sector stakeholders, businesses + partners * Lead/drive the delivery of Marine Hub/Centre of Excellence activities and Marine Challenge Fund * Leadership/management of Marine Hub/MCF Team | | Marine Challenge Fund Lead  (1 FTE) | * Establishment + running of MCF * Assemble project/funding packages with complex/multiple inputs * Provide eligible investment proposals to MCF Investment Panel * Compliant delivery of budget & target outputs | | Marine Sector Engagement Lead  (1 FTE) | * Specialist sector knowledge + partner/business engagement * Relationships with existing and potential marine investors * Attract new and additional business investment & growth * Events, marketing & sector promotion * Support delivery of RD&I projects via MCF | | Marine Hub Senior Administrator  (1 FTE) | * Financial, compliance and administration support of PA01 Marine Hub & MCF * Document management, audit and ESIF claims * On site presence at HMRBP & support to marine sector cluster * Assists with communications, publicity & events | |  |  | | ***University of Plymouth (total 5.5FTE)*** |  | | Professor in Ocean Engineering and Director of the Coast Laboratory [Professor Deborah Greaves] (0.2% FTE) | * Lead Researcher providing technical support * Research support towards Hydrodynamics and Coast activities * Management and Recruitment support * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Associate Professor in Coastal Dynamics Modelling [Dr Daniel Conley] (0.2% FTE) | * Research support towards oceanography * Networking and awareness raising * Provide link between with the University, businesses and project partners. | | Marine Commercial Director [Ian McFadzen] (0.2% FTE) | * Defining RD&I challenges * Networking and awareness raising * Provide link between with the University, businesses and project partners. * Management and Recruitment support | | Business Research Fellow 1 (1.0FTE) | * Coastal Ocean and Sediment Transport Laboratory researcher * Scale models, arrays and their performance in controlled conditions. * Support relevant beneficiaries of the GCF to test their devices in the COAST Lab. | | Business Research Fellow 2 (1.0FTE) | * Ocean Science researcher * Prepare data/reports for beneficiaries of the GCF and other Cornwall based stakeholders to help improve device efficiency and support operational logistic companies to optimise safe operational windows for maintenance, deployment and recovery. | | Knowledge Exchange Officer (1.0FTE) | * To work alongside other MTMRE team members to support the exchange of Knowledge or resource from HE,FE or the Public Sector in support of identified client need * Identifies and engages with Small and Medium-sized Enterprises (SMEs) with C&IOS, interprets and analyses their needs, develops proposals for support from the University and its partners, identifies opportunities for longer-term relationships that support business growth * Creating relationships with customers, partners and stakeholders, provide specialist information, advice and guidance, identify issues, develop creative and unique solutions that support the strategic needs of the business | | Business Compliance Officer (1.0FTE) | * Works directly with Cornwall Marine Network to ensure businesses are supported to meet ERDF compliance rules and regulations * Research, interpret and analyse complex data using a variety of systems, report on key findings and advise on appropriate actions to provide a timely resolution ensuring adherence to quality monitoring processes * Follows the appropriate financial and regulatory policies and procedures ensuring necessary regulations are adhered to, ensuring SME compliance * Reports to the project manager in a timely manner | | Procurement and compliance officer (0.4FTE) | * Ensures all PU procurement is delivered compliantly according to national and EU procurement rules * Ensures all costs are eligible and defrayed prior to claim submission * Ensures state aid and other ERDF requirements are fully met * Ensures all necessary paperwork/monitoring information is in place and available for future audits | | Project Manager (0.5FTE) | * To prepare delivery and implementation plans for the PU delivery of the MTMRE project. * To manage the PU delivery of the  MTMRE   in accordance with the overall project delivery plan * To collaborate with the other key stakeholders in C&IOS, and beyond, to ensure Cornwall realises the benefits of the wider knowledge networks and achieves maximum results * To oversee all project PU MTMRE delivery to ensure it meets project ERDF and institutional requirements * To ensure that strong relationships are developed with the business support community, professional organisations, public sector bodies and the broader business community | |  |  | | ***Cornwall Marine Network (total 1FTE)*** |  | | Marine Technology Business Engagement Manager (1.0FTE) | * Provide the strategic business voice for Marine Technology companies in Cornwall and the Isles of Scilly * Undertake initial eligible business identification and engagement * Provide business relationship management across project delivery and timescale * Contribute to and coordination of joint marketing and communications activities including strategic project event management * Marine technology cluster development * Project monitoring, evaluation and reporting * Synergistic generic innovation support coordination, linked to other CMN activity including another innovation-themed project, skills brokerage (Non ESF / training delivery) and workforce development advice. | |  |  | | ***ORE Catapult (total 0.67FTE)*** |  | | Head of Innovation Engineering (0.05FTE) | * Support and promote Health & Safety as a core business principle. * Direct ORE Catapult engineering design and test facility resource to support Cornwall Marine Technology Hub * Ensure outputs provided to the Cornwall Marine Technology Hub are appropriate and consistent with Hub processes and business objectives * Manage all aspects of project engineering activities to support the safe delivery of all ORE Catapult projects, programmes and tests | | Innovation Manager (0.5FTE) | * Provide the ORE Catapult focal point within the Marine Technology Hub based at Hayle Marine Renewables Business Park to support delivery of the Hub objectives * Work closely with the ORE Catapult project manager assigned to support ORE Catapult activities associated with the Hub to ensure ORE Catapult commitments are executed in a timely and efficient manner. * Develop research partnerships based around applied solutions * Help develop further collaborative working with other test facilities (including EMEC, Wave Hub, FaBTest, Perpetuus Tidal Energy Centre) | | Project Manager (0.07FTE) | * Ensure the project management of individual projects and programmes is appropriate and consistent with ORE Catapult strategy and delivered according to the Company’s policies and procedures. * Ensure support provided to the Cornwall Marine Technology Hub is appropriate and consistent with Hub processes and business objectives * Work closely with the ORE Catapult Regional Coordinator based at Hayle Marine Renewables Business Park to ensure ORE Catapult resource and activity commitments to the Hub are executed in a timely and efficient manner | | Project Engineer (0.05FTE) | * Assist internal clients such as business development and research functions to provide tender support and promote the facilities * Ensure support provided to the Cornwall Marine Technology Hub and SMEs engaged with the Hub is appropriate and consistent with Hub processes and business objectives * Support management and engineering staff where required with technical knowledge | |  |  | | ***Cornwall College (total 2FTE)*** |  | | Cluster Innovation Manager  (1FTE) | * Technical advice and support to graduates in placements and business collaborations * Defining RD&I challenges * Networking and awareness raising * Provide link between with the College’s technology department, businesses and project partners. | | Business Development Manager  (0.8FTE) | * Business engagement * Scoping RD&I projects with business * Recruitment and support of graduate placement * Marketing support | | Quality and Compliance Manager  (0.05FTE) | * Develop processes to ensure compliance * Manage quality assurance * Monitoring of information e.g. state aid, outputs, procurement | | Client Advisor  (0.15FTE) | * Implement and manage project processes and procedures * Collate and compile necessary project data/files for reporting and audit * Evidence match funding | | | | | | |
| 8.4 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? | | | | | |
| This project has been drafted by individuals who will be involved in the project. | | | | | |
| 8.5 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 will be required to sign a COLLABORATION AGREEMENT (Appendix 6) 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 DCLG. This will outline the responsibilities each partner has in terms of ESIF funding. The QAP (attached) also describes in detail the monitoring and performance procedures which are based around the Delivery Partner Board’s quarterly meetings thus:  The Collaboration Agreement specifies the reporting requirements imposed on the Project and each partner.  The Lead Partner is responsible for the official submission of these reports, but each partner is required to contribute according to DCLG requirements as specified in the Funding Agreement.  The MT RD&I Hub is divided into the following reporting periods:   * RP1: From M1 to M3 * RP2: From M4 to M6 * Etc. to M36   The lead partner must submit a periodic report within 30 days following the end of each reporting period. The periodic report must 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 must submit a i) 18 month (mid-term) Evaluation Report and ii) a Final Report within 45 days following the end of the last reporting period.  The mid-term report must include the following:   * Mid-term finance report   + Summary of available budget and claims   + Up to date finance forecast * Enterprise support summary   + Summary of support activities   + Summary of Marine Challenge Definitions   + Summary of enterprise receiving grants   Finally to the Periodic Report for the last reporting period and the Mid Term report, the lead partner must submit the Final Report within 30 days following the end of the last reporting period. The final report must 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. | | | | | |
| 8.6 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 | | | | | |
| Data collected from partners will be retained on a contact management system. As this point, the lead partner is discussing access to the Growth Hub CRM database as a potential tool to record auditable data. However, this not being the case, the lead partner of its own currently operating proprietary projects and contacts databases to collate and verify deliverables. | | | | | |
| 8.7 How will you ensure continuous improvement in the quality of service or provision? | | | | | |
| **QUALITY POLICY**  It is the policy of the lead partners’ professional services responsible for generating and managing this project to maintain a quality system designed to meet the requirements of ISO9001:2008 in pursuit of its primary objectives and these principles will be adopted in the delivery of this project.  The office’s Quality Manual defines the quality objectives and key procedures.  Customer service is an essential part of the quality process and to ensure this is fulfilled, all employees are aware of quality and its impact on customer service. The lead partner’s customers comprise industrial partners and Government from the UK and overseas and within the University, Academic Colleges and other divisions of University Professional Services categorized these into ‘External Stakeholders’ and ‘Internal Stakeholders’.  To ensure services achieve continuous improvement, the quality system, processes and procedures are regularly reviewed and subject to annual audit.  Within the project, regular project reviews and reports will facilitate the discussions and provide the feedback mechanisms to evaluate participant views on the quality and value of the interactions resulting from the project interventions. | | | | | |

**9.0 Financial Management and Control**

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| 9.1 Financial background to the project: please explain any relevant financial issues relating to the applicant organisation. |
| **UNEXE** The University has extensive experience of monitoring and evaluating complex projects involving European funding as highlighted earlier in the application form. The University is fully aware that non-compliance with ERDF terms and conditions may result in the clawback of funds. Professional services support staff will support the oversight of the project to ensure full compliance with the regulations and any project conditions. The University’s Audit Committee maintains oversight of all projects and associated risks.  The University fully engages with the sponsor terms and conditions and to further ensure compliance for the legacy of these projects, a new post (Project Archivist) has been created within the Cornwall Accounting Management Team. This role will ensure the full audit trail is available, managed and stored in accordance with the relevant Document Retention Guidance.  **CDC -** CDC has a successful history of delivering European Structural & Investment Funds Projects  All staff working on ESIF projects are required to have the appropriate level of knowledge of the following:  • State Aid guidance for the project  • Branding and Publicity Requirements  • Procurement guidelines and procedures  • Output definitions and evidence requirements for the project  • ERDF eligibility guidance, including guidance on SME match |
| 9.2 Describe the financial management and control procedures for the project, including the process for compiling and authorising European Structural & Investment Funds claims for payment. |
| The University of Exeter will compile and submit the ERDF project claims on behalf of the project partnership.  The University of Exeter has well established accounting procedures which have been successfully used for previous ERDF projects, including separate account codes to identify all direct project costs.  The University 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.  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 University of Exeter will compile all the submitted evidence, check for eligibility and compliance with procurement procedures and ensure appropriate documentation is available for each claim.  The resulting claim would be submitted on receipt of authorisation from an appropriate member of the delivery partners’ organisation for the financial expenditure within the claim period.  Delivery of staff time will be evidenced using actual staff hours recorded on timesheets and actual hourly rates calculated from payroll systems.  The lead partner will require budget updates to show actual and forecast spend through the life of the project.  The University of Exeter as project lead has an excellent track record of successful project management and delivery. As a result of the funding the University is regularly audited both internally and externally for core and 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 regularly reviewed to ensure they remain up to date and fit for purpose.  CDC - Within CDC all projects are assigned a unique cost centre and each invoice a unique processing reference within the finance system (oracle ERP). All direct costs (salaries, operational, delivery costs, beneficiary claims) will be allocated to the project cost centre.  All salaries will be supported by salary records and timesheets where appropriate. All other costs will be supported by invoices, journals and beneficiary claims will be signed off by the appropriate authorised individual. Expenditure will be procured in accordance CDC, National and EU procurement thresholds.  All claims will be compiled by dedicated members of CDC Claims, Finance and Monitoring team based on the project cost centre reports and who will check that expenditure is eligible and has been defrayed. The progress reports and outputs will be provided by the Programme Manager. The overall claim is passed to the Head of Corporate Services for checking, approval and final submission. |
| 9.3 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. |
| * Outputs evidence - the documents the Project will collect and retain to evidence the eligibility of an SME and the subsequent engagements claimed. During the Project these documents will be maintained by the Operational Management Body, under the management of the Project Manager. Annual ‘mock audits’ will be conducted to ensure they are properly maintained. Once the project is complete the files will be held in secure storage for as long as is required by the funder. * 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 Project Accountant with additional oversight from the Project Manager. As with other records, once the project is complete the records will be held in secure storage for as long as required. * 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. * 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 been fully considered and the University’s Procurement guidance and website information has been updated to reflect these new guidance notes.   Regular reviews of the on-line guidance on the HMRC website will be made to ensure the guidance we are following is the latest published.  **CDC** current document retention policy (Appendix 14) states:  Original documents relating to the implementation of the project and its financing should be retained indefinitely until the funding body / managing authority have informed projects when documents can be destroyed.  Once the project has been closed the original documentation will be stored offsite at the company’s archive facility (Lanes, Cornwall). 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 Steering Group / investment panel records  The financial accounting records held in the accounting system (Oracle ERP) under the unique cost centre are maintained by Cornwall Council on behalf of CDC.  With regard to filing of electronic records, an internal electronic filing structure will be implemented at the start of each project. |
| 9.4 Please set out your organisation’s financial policy which describes processes, roles and schemes of delegation. |
| **UNEXE** - Finance Services is responsible for the management of the University’s financial affairs. They contribute to the strategic direction of the University and provide financial advice and support to College and Service management and budget holders. They also provide procurement advice and support through a separate Procurement team.  The key document that governs the way the University manages its financial affairs is the Finance Regulations, which is approved by Council and which sets out the broad policies relating to its financial control. It translates into practical guidance to inform staff of the University’s broad policies relating to financial control. This document is reviewed under Dual Assurance and applies to the University and all its subsidiary undertakings.  Compliance with the Financial Regulations is compulsory for all staff connected with the University and practical guidance is available on the University website with keys areas including –   * Methods for Claiming Payments * Claiming expenses * Who can Authorise payments – See extract from the University website below- * How to deal with cash * How to invoice someone * VAT       SCHEMES OF DELEGATION   * The College Dean or Director of Service is responsible for purchases within his/ her College or Service. Purchasing authority may be delegated to named individuals within the College or Service. * In terms of external Project funding, the authority is delegated to the Principal investigator of the Project and an appropriate deputy as authorised by the College Senior staff.   In exercising the authority, the budget holders agree to observe the purchasing policies and operational financial procedures.  The overall governance framework of the University is set out in the Royal Charter which was granted in 1955, and from which the University derives the power and authority to carry out its activities. The Statutes and Ordinances are the fundamental rules and principles which govern how the University is to undertake its business.  The Statutes require the University to have several bodies to perform particular functions in the University’s governance. The Council is the University’s governing body, with responsibility for institutional policies and financial, estates and legal matters. Academic governance is provided by Senate which is responsible for teaching and learning, examinations and research.  The high-level work of Council and Senate is supported through various key Committees and the Dual Assurance structure, which focus on particular areas of the University’s activity. The Dual assurance model involves two people, the first is a member of the [Vice-Chancellor’s Executive Group](http://www.exeter.ac.uk/about/organisation/management/executive/), who takes responsibility for the management and development of policy in a particular area of business. The second member of the dual assurance partnership is a lay member of [Council](http://www.exeter.ac.uk/about/organisation/council/), knowledgeable in the same area, who provides assurance to Council that this activity is well-managed and that decisions have been reached following due process and appropriate consultation.  Academic Colleges – The University’s academic research and teaching is organized into 6 academic colleges each containing a number of subject disciplines, institutes and Research Centre’s.  Professional Services – Our administrative offices are grouped into Professional Services which support and develop the University’s mission by providing services and facilities to staff, students and other clients.  **CDC -** The CDC financial processes and a current scheme of delegation is attached in appendix 15 |
| 9.5 European Structural & Investment Funds is paid to Grant Recipients in arrears. Please explain how the project will manage its cash flow throughout the project lifetime. |
| 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.  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.  It is forecast that the claims will be on a quarterly basis for all delivery partners.  **CDC –** Claims on the BIG2 will be submitted monthly to ensure that cash flow risk was minimised and claims could be paid promptly to beneficiaries. We would like to explore this option for this current programme. If this is not possible additional cash flow will be required from Cornwall Council. |
| 9.6 How will you ensure that only eligible and defrayed expenditure is included in a claim to the Managing Authority? |
| Each project has a separate cost code to which all transactions relating to that project are coded. The eligibility of transactions will be checked on several levels, firstly with the lead academic and budget holder to ensure the costs should be in the cost code. Secondly to ensure the item is eligible according to ERDF guidelines and thirdly that the item has been procured correctly and the correct documentation is in place. Finally, a further report is available which provides the date of defrayal of the transaction from the university bank account. This report is generated from the accounting systems generated payment run therefore this confirms that the cost has definitely been defrayed and has not been included by error. Only then will the cost be included in the claim. Project finance claim staff have access to the Universities on-line bank account and bacs report runs to download the appropriate defrayal audit trail.  The University as lead partner will undertake compliance checks of the delivery partners systems and methodologies to ensure only eligible, defrayed expenditure is included. Monitoring visits to partners will take place for the lead partner to establish that the systems in place are compliant, accurate, complete, robust and eligible.  **CDC** - All procurement / invoices are authorised for processing and/or payment to the cost centre by the project staff, depending on authorisation levels, ensuring eligibility and budget availability.  All entries on the project cost centre report generated by the financial system are checked by the dedicated claims finance and monitoring team for eligibility, evidence of fit with the project and defrayal within the claim period. All salaries and invoices are supported by payroll reports, bacs listings and bank statements as appropriate.  Any cost found to be ineligible will be removed from the project 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. |
| 9.7 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 and beneficiaries in receipt of funds will need to sign agreements that clearly set out the key guidelines for participation in the project, drawing attention to the relevant regulations governing ERDF and other associated project management issues, such as Procurement and State Aid. The delivery partners will also be audited by the Lead Partner to ensure compliance however the main approach will be supportive to pass on the wealth of ERDF project experience that is held in the University.  As stated above, the University as lead partner will undertake compliance checks of the delivery partners systems and methodologies to ensure only eligible, defrayed expenditure is included. Monitoring visits to partners will take place for the lead partner to establish that the systems in place are compliant, accurate, complete, robust and eligible.  **CDC -** The grant beneficiaries are issued an offer letter detailing the total project expenditure, grant rate applicable to their project and other terms and conditions. Each beneficiary is expected to evidence 100% of expenditure against invoices and bank statements. All offer letters will reference the requirements of the eligibility guidance with regard to SME contributions.  The P&FS assessment team check each individual claim to ensure all expenditure is in accordance with the offer letter, appropriately evidenced with regard to procurement and correctly supported by invoices to the correct value and has been defrayed before releasing payment of the grant. |
| 9.8 Describe the system used for filing and retrieving original invoices; explain how evidence of costs incurred will be checked and verified. |
| The University has both electronic document systems and paper filing systems. The majority of invoices are processed through an Invoice Management System (IMS) to which suppliers submit either electronically direct to the IMS or through the post which are then scanned and submitted to the IMS by the University. Each invoice is given a unique reference number and where originals are available they are stored in reference number order. At claim time, where original invoices are available they will be extracted and held in the project claim file. A scanned invoice would be printed and stored in the project file but the scan will always be available in the system.  Staff expenses are also claimed through an electronic system and the original receipts are currently filed again according to a unique expenses reference. These would again be extracted at claim time and stored within the project files.  The project transactions can be easily identified through the project cost code and a transaction report is run to obtain a list of the transactions posted to the project code and a further report to confirm the date of defrayal.  The transactions to be compiled into a claim are identified and a liaison meeting is arranged with the appropriate Project Manager to go through each of the transactions to be included to ensure eligibility.  The eligibility check will be to ensure that the expense is for an eligibly project activity and that it has been procured correctly adhering to the Procurement thresholds.  The procurement documentation will be collated along with the invoice and the full defrayal audit trail for the expense.  The resulting defrayal information is available through the various accounting system reporting modules. Again these are robust processes that have been and are in place for all our projects.    A document retention index will be created to ensure easy access to all project related documentation.  **CDC -** Invoices for the project will, alongside the cost centre reference, be assigned a further unique processing reference, i.e. a project with the title Marine Challenge may be given the prefix of MCF followed by the financial year followed by a sequential number. Therefore, the second reference may be MCF-1617-001 etc. This is then recorded on the finance system at invoice entry stage and once processed filed in number order in a separate file within the finance office. All original invoices are available for checking and verifying for the purposes of the claim process by the dedicated finance team and any subsequent audit visits.  For the duration of the project all original documentation will remain on site.  Once the project has be closed the original documentation will be stored offsite at the company’s archive facility (Lanes, Cornwall) |
| 9.9 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. |
| **University of Exeter (UNEXE)**  The use of separate account codes to identify all direct project costs facilitates good project expenditure management. Only lead staff members on the project will have authority to spend through the various procurement systems implemented by the University.  The Accounting software 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.  **Plymouth University (PU)**  PU has well established accounting systems which have been implemented successfully to monitor ESF and ERDF project. Separate account codes are generated for each project to identify all direct project costs and authorisation of the account code would be restricted to key staff. The financial systems will enable the financial reports to be run confirming items of expenditure to facilitate reconciliation and budget management.  **The Cornwall College Group (TCCG)**  Cornwall College (TCCG) uses an accounting system called Open Accounts/eBIS for all of its financial activity. Each project / department / activity within the College can be identified through the application of a unique budget code. Open Accounts/eBIS is capable of providing detailed budget account information which can be extracted as required by the user.  **Cornwall Development Company (CDC),**  CDC use an integrated finance system (Oracle ERP) from which we will run 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 give full details of expenditure on the project which then are checked and verified.  The software is hosted by Cornwall Council with the project finances being managed by CDC, which is independent of the Council.  C**ornwall Marine Network (CMN), Offshore Renewable Energy Catapult (OREC**) all have well established robust accounting systems to monitor projects both externally and internally funded. |

**10.0 Compliance**

European Structural and Investment Funds are regularly audited and may be subject to recovery where the compliance requirements have not been met. For this reason, many applicants choose to obtain their own independent advice from a law firm or suitable organisation to assist them to structure their project in line with the compliance requirements.

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| **Procurement Law** |
| 10.1 Is your organisation a “Contracting Authority” under the Public Contracts Regulations? |
| Yes |
| 10.2 If not, please set out the reason(s) |
|  |
| 10.3 Confirm that you have completed Annex 2e, listing 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. |
| Yes |
| 10.4 Confirm that you have completed Annex 2f, listing all the contracts that will need to be awarded to deliver the Project but which have not been awarded prior to this application. |
| Yes |
| 10.5 Describe the system that will be put in place to:  Test that the contracts listed at Annex 2e can demonstrate compliance with procurement law  Plan the tender processes listed at Annex 2f to ensure that they comply with procurement law including:   * Advertising contract opportunities to the market; and * Evaluating bids in an open transparent and non-discriminatory manner.   Ensure that all relevant documents are retained with a view to providing relevant information in the event of an audit or other investigation.  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 2e 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.  Procurement Law guidance will be published on the www.gov.uk website during July and will set out the position for procurements below the Public Contracts Regulations thresholds.  *Contracts in Annex 2e*  The majority of framework agreements used by the University of Exeter on this project are procured through the Universities Procurement Consortia. These consortia of universities and further education colleges from across England have considerable non-pay expenditure of over £3 billion.  All framework agreements are compliant with EU Procurement Directives and are professionally managed.  It is expected the Project will utilise the University’s framework contracts for travel, IT purchasing, car hire and stationery. Details of the contracts for stationery and computer purchasing have been provided in Annex 2e. However, a number of current agreements (such as car hire, travel and IT servers) will have expired before the grant/application in question is confirmed, the University is therefore are unable to provide any contractual documentation concerning these services at this point in time.  These contracts are currently under review at the University as part of a wider savings/rationalisation scheme. Discussions are currently under way between the various stakeholders to map out the best way forward. At the end of this period a full contract strategy will be produced which will culminate in a compliant agreement either tendered by the University itself, or drawn down from a compliant framework.  Should the long term strategy not be in place by the start of this grant, then the advice will be for all purchasing to be competed as per the expectations of the ERDF regulations i.e. treated on a case by case basis, with the user seeking a minimum of three competitive quotations.  Procurement services will fully support those individuals involved to not only ensure value for money is achieved, but also full compliance.  Once the new, compliant, agreements are in place, spend against the grant shall revert to these agreements.  Contracts in Annex 2f  As detailed in the Annex, different routes to procuring these goods and services will be followed as appropriate to the value of the procurement involved. All procurement for the project over £25,000 will be managed by the University’s specialist procurement team in accordance with ESIF and the University’s procurement policies, details of the latter can be found at:  <https://www.exeter.ac.uk/finance/procurement/buying/> |
| **State Aid Law** |
| 10.6 Please list all the organisations (if known) which may benefit from the funding of the project.  The University of Exeter has considered all potential beneficiaries of the funding of the project and has undertaken a preliminary assessment for compliance with EU state aid law. As part of this, the University has sought preliminary legal advice from its external legal advisors.  The University considers that the following organisations/categories can be said to be potential beneficiaries of the funding:  1 The Delivery Partners  University of Exeter  Plymouth University  The Cornwall College Group  Cornwall Development Company  Cornwall Marine Network  Offshore Renewable Energy Catapult  2 SMEs bidding for the Marine Challenge Fund funding (as yet unknown)  3 Contractors appointed to services/equipment (as yet unknown)  There may also be additional business beneficiaries but these are as yet unknown. |
| 10.7 For each potential beneficiary (including the applicant and any Delivery Partners) identify whether they meet the State Aid test. If you believe a potential beneficiary 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 |
| The University has applied the state aid test to all known levels of beneficiary. The University 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 (and, where relevant, the other Delivery Partners) reasonably consider that:  a) ESIF funding is assistance granted via state resources. This condition is met. The element of match funding from the Delivery Partners may not be state resources depending on the origins of that funding.  b) **Delivery Partners.** To the extent that the Delivery Partners are involved through the project in placing goods or services on a competitive market, they will be undertakings.  The purpose of the project is to promote knowledge transfer and engagement in the research and development (RD&I) arena between higher education institutions and SME businesses in accordance with the ESIF funding call criteria. All of the project activity will take place in an assisted area, which is ranked as a category 'a' area for the purposes of the 2014-2020 regional aid assisted areas map and the “Guidelines on regional State aid for 2014-2020” (C209/1). The project is one for a public aim i.e to promote and develop employment and growth of SME enterprises in the relevant region and the support clearly has an incentive effect through meeting a gap in the existing market.  The Delivery Partners preliminary view is that there are arguments that there may be no benefit accruing to the Delivery Partners through the provision of the funding. This is on the basis that the elements of funding which the Delivery Partners will receive will be applied to staff costs on an actual cost basis to undertake research and related activities. In accordance with the EU Research and Development Framework (which the Delivery Partners note is a policy document of the EU), the Commission does not consider the research organisation or research infrastructure to be a beneficiary of state aid if it acts as a mere intermediary for passing on to the final recipients the totality of the public funding and any advantage acquired through such funding. This analysis is consistent with the German incubators state aid decision of C 3/2004.  The Marine Challenge Fund will pass through funding to SMEs invited to bid, for more detail see the Marine Challenge Delivery Fund – Appendix 4 in the form of grants. Staff costs will be recovered on an actual cost basis and all contracts for IT and related services will be the subject of EU procurement compliant competitions including framework call offs.  To the extent that any Delivery Partner obtains any benefit through the funding, it is accepted that this is a selective measure in that it targets the specific Delivery Partners.  **SMEs:** The SME participants in the project will be undertakings for the purposes of this test and the benefit accruing to the SMEs through access to the Marine Challenge Funding will be selective.  **Contractors:** The contractors appointed to deliver any goods works or services will be undertakings for the purposes of this test. The University's preliminary view is that it considers that there will be no selective benefit as all works and service contracts will be entered into on an arm’s length and commercial basis at market rates, following where appropriate a tender conducted in accordance with the Public Contracts Regulations 2015. It follows, on that analysis, that there would be no aid to the contractors in the funding, because this limb of the state aid test would not be met.  **c) Distortion of competition**  **Delivery Partners** The University considers that the funding may have the potential to distort competition in the relevant market. However, in view of the lack of a selective benefit accruing, the Delivery Partners' preliminary view is that there are strong arguments that there is no aid capable of distorting competition at the level of the Delivery Partners,  **Contractors:** As set out above, the University considers that no there is no aid capable of distorting competition at the level of the contractors procured to deliver any IT or any services.  **SMEs:** The University's preliminary view is that any aid to any SME is likely to be so low in value as to fall within the scope of the de minimis provisions under Regulation 1407/2013 EC i.e aid which is not deemed to be capable of a distortive market effect. The Delivery Partners will ensure that any aid provided on this basis to any SMEs meets the reporting and other requirements of the regulation. To the extent that any benefit accruing at the level of the SME is in excess of the de minimis thresholds, the Delivery Partners consider that any aid can be justified under the exemptions set out below in section 10.8.  d) To the extent that there could be state aid to any beneficiary through the funding, it is accepted that this aid could have the potential to affect trade between member states.  The Cornwall College Group (CC)  CC anticipates the support it provides through this project being delivered under the de minimis regulation. Where appropriate, in addition to the use of the de minimis regulation for initial and low level investments, we will make use of the following General Block Exemptions:  ·         Article 25 Aid for research and development projects (includes staff costs for researchers, technicians and support staff; costs of instruments and equipment; buildings and land – depreciation; contractual research, technical knowledge, patents, consultancy, overheads and other operating costs)  ·         Article 26 Investment aid for research infrastructure (includes investment in tangible and intangible assets)  In order to demonstrate compliance, the project will utilise documentation based on Schedule 3 - Eligibility to Receive Aid Under the De Minimis Exemption of the State Aid Law, European Regional Development Fund Guidance, Note for Grant Recipients, March 2015, CLG.  Where applicable General Block Exemption will be utilised, Scheme Reference Number –Commission Regulation (EC) No. 651/2014 17 June 2014. We will ensure that all relevant expenditure is documented along with the contribution from the end beneficiaries to ensure that the correct intensity rates are applied. This information will be collated to enable reporting to the funder as required.  We will seek further guidance prior to full application.  Cornwall Development Company  CDC is a company limited by guarantee and wholly owned by Cornwall Council.  The purpose of the company is to deliver economic development services on behalf of Cornwall Council and, where appropriate, to bid for European (and other third party) funds to support and add value to this work.  Any surpluses that the company generates from its limited non-grant activity are ploughed back by the company into its economic development work.  CDC 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 Delivery Partner’s activities and that CDC meets the State Aid test.  Marine Challenge Fund (MCF)  The project is not underway and the individual organisations that may benefit from the MCF grants are therefore yet to be determined. All funding to beneficiary businesses will however be provided in accordance with GBER Article 25 – Aid for Research and Development and Innovation or under the De Minimis Regulation, if appropriate.  The aid provided will fall within the maximum aid intensities set out within Article 25(5).  Sector Support, Marketing and (non SME) Inward Investment  The generic/general marketing, sector support and inward investment activity undertaken will confer no direct benefit to any identifiable single enterprise/beneficiary and is therefore considered not to be aid.  In instances where there may be an identifiable singe direct beneficiary, however, our interpretation of GBER2 regarding the requisite incentive effect of aid under GBER2 (Article 6) is that all the conditions demanded under the transparency and incentive effect will not be capable of being met, in that potential beneficiaries will not be in a position to submit a written application for aid before activity starts as, in general, the support needed will only be adequately defined as the requirements of the business are explored.  Therefore, where we will work with identifiable individual sector enterprises/beneficiaries, it is planned to use the De Minimis Regulation, in view of the fact that the activity/aid is not compatible with GBER2 and, further, in view of the very small amount of aid being provided to each beneficiary.  It is confirmed that no work will have commenced prior to the Start Date indicated in Section 2.8 of this application.  **CMN State Aid Statement: R, D & I Hub Project**  Three types of organisations are considered within the statement. These are:  • Cornwall Marine Network (partner and recipient of EU funds).  • Other third parties to be procured to deliver services during project delivery  • Marine SME Grant Beneficiaries  There are no other form delivery partners or recipients of the ESIF funding.  **Cornwall Marine Network (partner):** No State Aid applies to CMN in its role within this project. This is primarily because CMN is not undertaking an economic activity but acting as an intermediary body through which the state aid flows to the beneficiary businesses through the provision of services funded by state resources.  CMN will pass the benefits of the investment to businesses in the marine technology industry in Cornwall.  This project does not constitute State Aid to CMN as the partner, because the funding will be used in its entirety to providing a service to participating businesses.  CMN will not accrue financial profit or competitive reward for undertaking these activities. All State Aid will be attributed to the benefits that businesses receive from the services delivered.  **Other third parties:** CMN will procure additional services that are identified as required by the project during project delivery. As these services will be competitively procured at market rates, this does not constitute State Aid.  **Marine Technology Business Beneficiaries:** The recipients of the project benefits will be the Marine Technology business beneficiaries, both through services delivered by CMN, the project partners and also via a grant scheme administrated by the partnership. The individual businesses cannot be identified until the project commences).  For the purposes of CMN’s role in the project, which relates to business engagement activities and other enabling functions that will facilitate support from the project partnership, it is not considered that businesses will receive any competitive advantage from this direct role.  However it is considered that any State Aid deemed to be applicable to businesses from CMN’s activity should be covered by the overall scheme governing the project as a whole.  Offshore Renewable Energy Catapult  The Offshore Renewable Energy (ORE) Catapult is a Private Company Limited By Guarantee (Not for distributed Profit) and is the UK's flagship technology innovation and research centre for offshore wind, wave and tidal energy. It is anticipated that the aid passed down to delivery partners and beneficiaries as part of the Project will be addressed via the exemptions for RD & I under the General Block Exemption Article 25 and the “Guidelines on regional State aid for 2014-2020” (C209/1). Within the current Project Proposal, working with the University of Exeter, we do not believe that funds received would fall under the notion of State Aid. The organisation’s activities are non-economic and the work undertaken will provide information and knowledge that will support businesses that can provide marine technology solutions for C&IoS.  Plymouth University  As the non-economic activities are less than 20% of Plymouth University’s overall annual capacity it has reasonably considered that it does not fall within State Aid rules under the General Block Exemption and the Framework for State Aid for research and development and innovation (2014/C 198/01). It will not receive any profit from the delivery of this project and will therefore not receive any advantage from the project monies. Plymouth University’s primary activities are as a tertiary provider, with the results of such work being widely disseminated. |
| 10.8 For each 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 law[[8]](#footnote-9).   |  |  |  | | --- | --- | --- | | Name of beneficiary or class of beneficiaries | Name of Exemption | Scheme reference number | | Delivery Partners (to the extent deriving a benefit)  SMEs | Regional aid | Article 14 GBER General Block Exemption Regulations (651/2014), | | SMEs | Innovation Aid to SMEs | Article 18 GBER General Block Exemption Regulations (651/2014), | |  | R&D Projects | Article 25 GBER General Block Exemption Regulations (651/2014), | |  | Innovation aid for SMEs | Article 28 GBER General Block Exemption Regulations (651/2014), |   Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Applicant is required to either (a) confirm that the project falls within the scope of Regulation 6(5) or (b) to submit a separate document to demonstrate incentive effect in line with Regulation 6(2) containing the following information:  (a) the applicant undertaking’s name and size  (b) a brief description of the project, including start and end dates  (c) the location of the project  (d) a full list of the project costs used to determine the allowable level of funding  (e) the form of the aid  (f) the amount of public money needed for the project. |
| The University's primary analysis in relation to state aid is set out above. It is considered that any aid will have an incentive effect for the purposes of Article 6 of GBER which is consistent with the Priority Axis call. To the extent that there may be any state aid accruing to any beneficiary in the project, in the alternative and not to the detriment of the primary analysis, the University considers that any such aid is potentially compatible aid on the basis of one or more of the following grounds:  **General Block Exemption Regulation 2014**  To the extent that any elements amount to state aid, the University considers that these can be structured to fall within the relevant articles within the General Block Exemption Regulation 2014, as follows.  **Article 14 (regional aid)**  All of the Delivery Partners and SMEs are located in a Less Developed area for the purposes of the 2014-2020 regional aid assisted areas map and the “Guidelines on regional State aid for 2014-2020” (C209/1) ).It is considered for these purposes by the University that, where required and subject to the matching of eligible costs and aid intensities/ intervention rates to the scope of this article, any residual aid to any beneficiary could be justified under this type of compatible assistance.  Where it is anticipated aid will be passed down to beneficiaries as part of the project, such aid will be distributed to SMEs within Cornwall and could be addressed via the exemptions for regional aid under the General Block Exemption Regulation 2014.  **Article 18 (aid for consultancy in favour of SMEs)**  Any aid to SMEs which is not otherwise exempted could, it is reasonably considered by the University, to amount to aid for consultancy in favour of SMEs. Under this provision, the aid intensity shall not exceed 50 % of the eligible costs which will be the costs of consultancy services provided by external consultants.  **Article 25 (aid for research and development projects)**  The University reasonably considers in the alternative that any aid is potentially compatible on the basis that in can be said to fall within the scope of article 25 There are different types of aid for research which are permitted and the aided part of the research and development project must completely fall within one or more of the following categories:  (a) fundamental research;  (b) industrial research;  (c) experimental development;  (d) feasibility studies.  The University considers that the project could fall within industrial research experimental development and/or feasibility studies and the aid intensities and total project value would fall within the notification thresholds set out in the GBER.  **Article 28 (Innovation aid for SMEs)**  The University considers that any funding to any SMEs which amounts to aid is potentially compatible under this article. The scope of the article is limited to (a) costs for obtaining, validating and defending patents and other intangible assets (b) costs for secondment of highly qualified personnel from a research and knowledge-dissemination organisation or a large enterprise, working on research, development and innovation activities in a newly created function within the beneficiary and not replacing other personnel or (c) costs for innovation advisory and support services.  Where the aid is for innovation advisory and support services, the aid intensity can be up to 100 % of the eligible costs provided that the total amount of aid for innovation advisory and support services does not exceed EUR 200 000 per undertaking within any three year period. This matches the de minimis aid threshold below.  **De minimis aid**  Some types of financial assistance (no more than 200 000 euros in any three year period from any source identified as de minimis aid) can be provided to any single undertaking as de minimis aid for the purposes of Regulation 1407/2013 EC. Such levels of funding are not considered to be able to have the potential to distort competition. |
| 10.9 Where the Applicant intends to use exemption(s) to deliver the Project, the applicant confirms that they have read the terms of the scheme and meet all the relevant terms. |
| Yes |
| 10.10 The Applicant confirms that they are not subject to an outstanding recovery order in respect of State Aid. |
| The University confirms that it has no outstanding recovery orders |
| 10.11 For programme bids, 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? |
| The Marine Challenge Fund will be led by CDC who have a strong track record in managing projects of this nature from the previous Convergence Programme and from various other funding streams i.e. Regional Growth Fund. CDC have developed a stringent Marine Challenge application process to ensure activities engaged in are eligible and intervention rates are assessed correctly. The process has been developed subsequent to a full understanding of the new ESIF Operational Programme and Programme Management guidance notes. |
| 10.12 Describe the system in place for collecting and recording the required information for audits and returns? |
| As Project Lead the University of Exeter will be responsible for providing reports to the funders. The partnership agreement between University and the delivery partners will clearly state the record keeping and reporting requirements, including the need to provide records for audit visits.  The Project Manager supported by the Project Administration Team will be responsible for recording and storing records of project activity, including evidence to support outputs. Appendix 3 shows the evidence the project will collect and store on businesses supported by the Project.  All financial spend will be done in accordance with ERDF regulations and a full auditable paper trail will be kept from purchase requisition to defrayal, by all partners.  Evidence of recruitment will be collected, including adverts, job descriptions and contract letters. All staff associated with the project (not 100% funded) will complete timesheets, to evidence they contribution to the project.  Examples of communications activities will also be stored to demonstrate the Project’s adherence to the relevant publicity guidelines.  For the life of the project all project activity records will be stored in purpose built, secure storage in the European Centre offices. Once the project is complete, these records will be transferred to secure archive storage, to be called on as needed for future audits.  A draft document retention policy and list of records to be maintained is provided in Appendix 14. |
| 10.13 Please set out in Annex 2a any further information on State Aid which is useful in explaining why your project will be compliant (for example extracts from any professional advice explaining the structure or if the applicant intends to notify the project to the European Commission explaining how they will handle this process). |
| For the purposes of this application, the University reasonably considers that the project will be structurally compliant with state aid requirements for the reasons set out in this section. The University does not intend to notify the project to the European Commission.  Independent legal advice has been sought and the University can (with the Delivery Partners) provide further information as required. |

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| **Income Generation** |
| 10.14 Please explain how and if the project is likely to generate income? (European Regional Development Fund only) |
| No income will be generated by this project |
| 10.15 As this is now the Full Application, if yes to above please complete Annex 2(b) on Revenue Generating Projects. |
| Not applicable to this project |

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| **Publicity** |
| 10.16 Please explain how the project will meet the European Structural & Investment Funds Publicity Requirements. |
| The University of Exeter will oversee the development, implementation and monitoring of a project marketing plan with communication protocols which comply with EU and ESIF Programme publicity requirements. The partnership collaboration agreement will require all delivery partners to contribute and adhere to these communication arrangements. Actions will include:  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 appropriate EU logo. The Managing Authority will be invited to provide quotes for inclusion in press releases, where relevant.  Website - All project partner websites will include: a description of the project; acknowledgment of ESIF support (including through use of the appropriate EU logo); and a link to further information on ESIF opportunities and achievements.  Posters - All partners will display (in an area readily visible to the public) an A3 poster providing information on the project and acknowledging EU ESIF support  Events - All materials and documents for project events - focused on marketing, training or dissemination - will feature the appropriate EU logo. Speakers will clearly acknowledge EU ESIF support. The Managing Authority will be invited to attend relevant events and/or provide exhibition stands at dissemination events.  Wider Printed and Electronic Communication - All other electronic and printed project communication (internal and external) will feature the appropriate EU logo in a prominent position.  Enterprises Supported - All enterprises that are supported through the project will have the EU 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 EU 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 EU 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. |
| 10.17 For projects with a retrospective start date, please provide confirmation and evidence to show how you have complied with these requirements to date**.** |
| Not Applicable |

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| **National Eligibility Rules** |
| 10.18 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 are eligible and belong to the target group? |
| The project partners have extensive experience of working on ERDF projects and developing operational tools that are used to confirm the eligibility of businesses. The process of confirming eligibility is however, multi-level including 1. Face to face meetings with business at the registered or operational address, 2. examination of published company reports where available and 3. cross checks against company records held in Companies House. 4. Additional credit references will be sought in the case where companies are seeking support for RD&I activities. 5. Operational aspects will be examined in order to confirm company practice in regard to sustainability, equality and diversity. |

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| **General compliance** |
| 10.19 Where the applicant has appointed a compliance lead, please provide details. |
| Plymouth University will engage a Compliance Officer that wil be based within the CMN Offices to support the businesses in understanding the ESIF Programme and the intricacies of compliance in terms of Procurement. State aid, publicity etc.  CDC however will undertake the role as key compliance lead and grant fund manager for the Marine Challenge Fund due to their expertise, staff resources and capacity for audit and compliance checks with target beneficiaries. |
| 10.20 Describe the controls put in place by the applicant to check that it is maintaining each of the compliance requirements during the delivery of the project. |
| The reporting requirements imposed on the Project and each partner will be clearly laid out within the partnership agreement. This will include confirmation of adherence 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 to ensure activities the project engages in are compliant using the ERDF National Eligibility Guidance – ESIF-GN-1-003 as support. * Robustness of Financial Management System to ensure compliance with expenditure, accuracy of claim compilation and defrayal evidence. * State Aid Compliance9.8 * ESIF Publicity requirements * Eligibility of SME interventions – Match funding and State Aid compliance * Match Funding requirements * Equality & Diversity commitments   Controls will be in the form of clear, consistent, regular communication, partner audit visits, project team and steering group meetings. |
| 10.21 Are there any potential conflicts of interest which may affect the delivery of the project? If so, what steps will be put into place to manage these? |
| The University and the Project Delivery Partners are required to report any conflicts of interest to appropriate persons as dictated by their individual organisations. The project delivery team have worked very closely in the development of this project and fully understand their obligations to declare any conflicts that arise through the delivery of the project. The Marine Challenge Fund may give rise to one of the delivery partners working with the Beneficiaries as part of the fund. The Company beneficiaries however will only engage with a delivery partner as a result of a successful competitive procurement operation. However, this area has been fully considered and no conflicts have been identified. |

**11.0 Cross Cutting Themes**

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| 11.1 Support for the Sustainable Development theme (European Regional Development Fund & European Social Fund)   * 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)? |
| The project partners will adhere to the Sustainable Development principles laid down by the lead partner and which are based on the Inclusion and Environmental Growth Strategies of Cornwall and the Isles of Scill*y outlined in the OP*. The University acknowledges the importance of being responsible, sustainable and ethical in order to meet the needs of the present and leave a better environment for future generations. It believe this can be achieved through the skills and knowledge that graduates learn and put into practice, through research and exchange of knowledge through business and community engagement, and through its own strategies and operations. The most recent version of the Environmental Sustainability Policy was published in March 2015 and is updated regularly.  Cross cutting themes will be embedded from the outset and the project’s Sustainable Development principles which all partners will be asked to adhere to will:  • comply with all applicable legal requirements and other requirements to which  the University subscribes;  • set and communicate clear quantifiable environmental objectives and targets wherever possible, require their beneficiaries to have or develop sustainable development policies and ask applicants detailing negative environmental impacts to reshape their proposals or potentially have their applications declined;  • put in place appropriate controls to prevent pollution;  • provide all project workers with the opportunity to raise their awareness of sustainability issues by supporting sustainability related activities;  • encourage the adoption of sustainable travel practices by staff, and visitors travelling to and from the project;  • reduce the environmental impact of the project through conservation of  material resources;  • put in place measures to promote reduction, re-use and recycling of waste;  • implement Sustainable Procurement to encourage improvements in the environmental performance of suppliers, goods and services;  • ensure new building developments take into account sustainable construction principles;  • take positive action to promote biodiversity;  • provide information regarding the environmental performance to  staff, and all other interested parties;  • update, document, implement and maintain sustainable policy to ensure continual improvement in environmental performance.  Delivery Partners will be asked to commit project staff to attend environmental awareness courses: partners whose current practices fall short of the requirements of the lead partner will be invited to send project staff to attend training courses delivered by the lead partner. Referrals will be made to support organisations via the Growth Hub to assist any beneficiaries that need help in developing relevant policies.  All beneficiaries of ERDF support through the project will be provided links to information on sustainability policy and will be asked to identify where they have adopted new working practices where these demonstrate adherence to sustainable development policies.  The project will have a commitment to monitoring and reporting performance against the CCTs. |
| 11.2 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’)     * How will equality between men and women be taken into account and promoted in the project? * What steps will be taken to prevent discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of the project? * How will accessibility for persons with disabilities be taken into account in the project? |
| CCT themes in E&D will be embedded from the outset. The project partners will adhere to the E&D principles of the lead partner who is committed to addressing equality issues as outlined in the European Regional Development Fund Operational Programme and as set out under the 2010 Equalities Act.  Attention will be given important E&D commitments towards equal pay policy for staff working on the project and the proactive targeting of women and underrepresented groups as beneficiaries in this sector; UNEXE subscribes to the Athena Swan Charter. This project will prevent discrimination based on racial or ethnic origin, religion to belief, disability, age or sexual orientation.  The University of Exeter believes that the diversity of its community is an essential part of its values and enriches employment, research, studying and learning experiences and is committed to developing an environment which promotes equality of opportunity, values diversity and where all can work and study free from discrimination and harassment.  It will apply these principles through the project. Equality and diversity is one of the areas of the University’s business which is governed through a mechanism known as [dual assurance](http://www.exeter.ac.uk/about/organisation/dualassurance/). Supporting the dual assurance partnership for equality and diversity is the Equality and Diversity Advisory Group. Issues can be brought to the attention of the Equality and Diversity Advisory Group through [Equality and Diversity Representatives](http://www.exeter.ac.uk/staff/equality/representatives/) based within each College and Service.  Delivery Partners will be asked to commit project staff to attend E&D awareness courses: Delivery Partners whose current practices fall short of the requirements of the lead partner will be invited to send project staff to attend training courses delivered by the lead partner.  All beneficiaries of ERDF support through the project will be provided links to information on equality and diversity policy and will be asked to identify where they have adopted new working practices where these demonstrate adherence to equality and diversity policies.  The project will have a commitment to monitoring and reporting performance against the CCTs. |

**For ERDF**

**Data Protection Act 1998 and Freedom of Information Act 2000**

The Department for Communities and Local Government is the data controller for the purpose of the Data Protection Act 1998.

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  
Operating Policy in Respect of European Social Fund (ESF) Online Applications**

By signing and accepting this Full Application Form you are accepting and consenting to the practices described in this policy: <https://www.gov.uk/government/publications/european-structural-and-investment-funds-programme-guidance>.

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| 12.0 Confidential Information  Please insert here any information that you wish to keep confidential from the Local Enterprise Partnership Area European Structural & Investment Funds Committee and explain the reason why. Please note that the Managing Authority as a public body is bound by the Freedom of Information Act and may have to disclose information if requested. |
| This proposal has been developed as a result of the business engagement and knowledge developed by University of Exeter and the project delivery partners. Therefore, the contents of this application should be considered as commercial in confidence, and remain so by those parties which receive this as privileged information due to their role in the appraisal process until such a time that the project may be approved and contracted for delivery.  UNEXE and its partners do not wish to keep any aspects of the project proposal confidential from the Local Enterprise Partnership Area European Structural and Investment Funds Committee. |

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| **13.0 Declaration & Signature** |
| I declare that I have the authority to represent *University of Exeter* 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 University of Exeter and having carried out full and proper inquiry, I confirm to the Department:   * University of Exeter 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 *[name of organisation],* 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) | Professor Mark Goodwin | | | | Position | Deputy Vice Chancellor | Date | 31 August 2016 | |

**Supporting documents checklist**

Where applicable, please submit the following documents with your Full Application:

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| **Document** | **Supporting Notes** | **Applicant’s comments** |
| Confirmation of match funding from each funder. | Confirmed match funding must be in place prior to the award of European Structural & Investment Funds. | Appendix 10 |
| Granular breakdown of budget | To demonstrate a) cost items are eligible for European Structural & Investment Funds b) the forecast cost c) how the costs will be profiled across the project lifetime. | Appendix 8 |
| If applicable, proof of irrecoverable VAT on eligible costs | Please supply proof of irrecoverable VAT on eligible costs (confirmation letter from HMRC or a signed independent audit report identifying this as an eligible cost). | Appendix 9 |
| Applicant organisation’s Equality & Diversity Policy  May also need sustainability policy / plan | You are responsible for ensuring any Delivery Partners hold a policy. | Appendix 11 |
| If applicable, independent State Aid advice |  | Annex 2a |
| Job descriptions (JD) | Will set out the responsibilities of project delivery staff. For new posts, the JD should include acknowledgement that European Structural & Investment Funds is part-funding the post. | Appendix 7 |
| Gantt Chart | To reflect the key milestones during project set-up, implementation and closure. | Appendix 1 |
| Organogram | An up-to-date organisation chart, including the European Structural & Investment Funds project delivery team. Also, for delivery partners, if applicable. | Appendix 2 |
| Applicant’s procurement policy if available | Note that European Structural & Investment Funds procurement rules supersede organisation’s procurement policy | Appendix 15 |
| Other | Any other key, relevant, documents you consider should be submitted. | A table of appendices below |

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| **Reference** | **Title** |
| Annex 1a | Financial and Output Tables |
| Annex 2a | State Aid Advice |
| Annex 2e | Procurement Framework Documentation |
| Appendix 1 | Gantt Chart |
| Appendix 2 | Organogram |
| Appendix 3 | Quality Assurance plan |
| Appendix 4 | Marine Challenge Fund Delivery Plan |
| Appendix 5 | SME Contribution financial models of engagement |
| Appendix 6 | Collaboration Agreement |
| Appendix 7 | Job Descriptions |
| Appendix 8 | Granular Budgets |
| Appendix 9 | VAT Confirmation letters |
| Appendix 10 | Match Funding Confirmation |
| Appendix 11 | Equality and Diversity policies |
| Appendix 12 | Procurement Policies |
| Appendix 13 | Shane Vallance Reports |
| Appendix 14 | Document Retention |
| Appendix 15 | Schemes of Delegation supporting documents |
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**Annexes**

**Full Application Financial tables – this is a separate Excel spreadsheet**

**Indicators Annex Table – this is a separate Excel spreadsheet**

The above two annexes are available at:

[**https://www.gov.uk/government/publications/european-structural-and-investment-funds-project-requirements-and-publicity-materials**](https://www.gov.uk/government/publications/european-structural-and-investment-funds-project-requirements-and-publicity-materials)

**1(b) - Delivery Partners**

**2(a) - State Aid Law**

**2(b) - Article 61: revenue generation**

**2(c) - Capital projects (European Regional Development Fund Only)**

**2(d) - Major projects (European Regional Development Fund Only)**

**2(e) - Procurement law: Procured Contracts**

**2(f) - Procurement law: Contracts to be procured**

**3(a) – European Social Fund Cross-cutting themes guidance:  
 - Sustainable Development Policy and Implementation Plan   
3(b) - Gender Equality & Equal Opportunities Policy and Implementation Plan**

**Annex 1(b): Delivery Partners**

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| Which other organisations will be involved in delivering the project? (please copy and paste this table for each Delivery Partner)  Guidance on delivery partners can be found at 1.17 above. | | | |
| **Name of partner organisation** | Plymouth University | | |
| **Status of organisation**  **(Public, Private and Charity: add dropdown)** | Higher Education Institution | | |
| **Company/charity registration number (where applicable)** |  | | |
| **Contact person** | Robert Baggott | | |
| **Position in organisation** | Head of Innovation | | |
| **Email** | robert.baggott@plymouth.ac.uk | | |
| **Telephone number** | +441752588902 | | |
| **Address and postcode** | University of Plymouth  Plymouth Science Park, 9 Research Way  Plymouth Devon PL6 8BT | | |
| **Role in European Structural & Investment Funds project delivery** | Delivery Partner | | |
| **Contribution to match funding** |  | | |
| **Relationship to lead applicant** | Project Partner | | |
| **Is a Service Level Agreement in place with this delivery partner?** | **NO** | **If yes, please append copy** |  |
|  |  | **If no, when will this be confirmed?** | A contract will be put in place if the full application is successful and an ERDF contract is agreed |
| **Please describe how the Delivery Partner/s was identified:** | | | |
| University of Plymouth are a key deliverer of marine research and innovation in the SW. As such Plymouth were asked to bring this expertise to the partnership to complement the other partner strengths | | | |

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| **Name of partner organisation** | The Cornwall College Group | | | |
| **Status of organisation**  **(Public, Private and Charity: add dropdown)** | Charity by Statute. The Group was established under the Further and Higher Education Act 1992 for the purpose of conducting Cornwall College. The Cornwall College Group is an exempt charity for the purposes of the Charities Act 2011 | | | |
| **Company/charity registration number (where applicable)** | N/A | | | |
| **Contact person** | Jamie Tinker | | | |
| **Position in organisation** | Research & Development Consultant | | | |
| **Email** | [jaime.tinker@cornwall.ac.uk](mailto:jaime.tinker@cornwall.ac.uk) | | | |
| **Telephone number** | 01209 616151 | | | |
| **Address and postcode** | The Cornwall College Group, John Keay House, Tregonissey Road, St Austell, PL25 4DJ | | | |
| **Role in European Structural & Investment Funds project delivery** | Development, delivery and management of business support activity including Innovation Graduate Placements available to businesses in C&IoS.Delivery partner | | | |
| **Contribution to match funding** |  | | | |
| **Relationship to lead applicant** | Delivery partner | | | |
| **Is a Service Level Agreement in place with this delivery partner?** | **NO** | **If yes, please append copy** |  | |
|  |  | **If no, when will this be confirmed?** | A contract will be put in place if the full application is successful and an ERDF contract is agreed | |
| **Please describe how the Delivery Partner/s was identified:** | | | | |
| The Cornwall College Group delivers business support, education and training in marine technology through its engineering departments and Falmouth Marine School. It was asked to bring its complementary expertise in key marine technology disciplines (advanced engineering, materials, hydraulics) as well as its experience in supporting business relations. | | | | |
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| **Name of partner organisation** | Cornwall Development Company Ltd | | | |
| **Status of organisation**  **(Public, Private and Charity: add dropdown)** | Company Limited by Guarantee | | | |
| **Company/charity registration number (where applicable)** | Registered in England and Wales No 3668828 | | | |
| **Contact person** | Gareth Beer | | | |
| **Position in organisation** | Head of Development | | | |
| **Email** | gareth.beer@cornwalldevelopmentcompany.co.uk | | | |
| **Telephone number** | 07805 759995 | | | |
| **Address and postcode** | Bickford House, South Wheal Crofty, Station Road, Pool, Redruth, Cornwall,TR15 3QG | | | |
| **Role in European Structural & Investment Funds project delivery** | As a Delivery Partner, CDC will provide the Hub’s core team, based within Hayle Marine Renewables Business Park. CDC will lead on the delivery and management of the Marine Challenge Fund, will deliver key elements of sector engagement and investor marketing and will undertake the promotion and co-ordination of the Hub/Marine cluster’s activities and services. CDC will also be involved in defining the key RD&I challenges and identifying potential solutions. | | | |
| **Contribution to match funding** |  | | | |
| **Relationship to lead applicant** | CDC is the wholly owned delivery organisation for Cornwall Council’s economic activities Project Partner | | | |
| **Is a Service Level Agreement in place with this delivery partner?** | **NO** | **If yes, please append copy** | |  |
|  |  | **If no, when will this be confirmed?** | | A contract will be put in place if the full application is successful and an ERDF contract is agreed |
| **Please describe how the Delivery Partner/s was identified:** | | | | |
| CDC is the wholly owned Arm’s Length economic development delivery Company of Cornwall Council.  CDC has been selected as a Delivery Partner for this project because;  It has significant experience of compliantly delivering European funded projects  It has significant experience of Fund and Asset Management  It has recent relevant experience of sector engagement, investment marketing and project promotion  It is able to provide an appropriate level of match funding and will commit to the achievement of allocated Programme outcomes through a formal SLA | | | | |

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| **Name of partner organisation** | Offshore Renewable Energy Catapult | | |
| **Status of organisation**  **(Public, Private and Charity: add dropdown)** | Private Company Limited By Guarantee (Not for distributed Profit) | | |
| **Company/charity registration number (where applicable)** | 4659351 | | |
| **Contact person** | Dr Stephen Wyatt | | |
| **Position in organisation** | Strategy & Commercialisation Director | | |
| **Email** | Stephen.Wyatt@ore.catapult.org.uk | | |
| **Telephone number** | 03330041337 | | |
| **Address and postcode** | Offshore House, Albert Street, Blyth, Northumberland. NE24 1LZ | | |
| **Role in European Structural & Investment Funds project delivery** | * National and strategic knowledge of MRE policy, capability and technology challenges * Provision of targeted technology challenges to accelerate SME innovation * Technical due diligence of SME proposals * Provision of research and development assignments, technology innovation projects and knowledge transfer * Event management and marketing * Workshop coordination and delivery   MRE regional technology cluster development | | |
| **Contribution to match funding** | Regional specialist secondment, access to test equipment and specialist staff. | | |
| **Relationship to lead applicant** | Delivery Partner, no legal relationship | | |
| **Is a Service Level Agreement in place with this delivery partner?** | **NO** | **If yes, please append copy** |  |
|  |  | **If no, when will**  **this be confirmed?** | A contract will be put in place if the full application is successful and an ERDF contract agreed |
| **Please describe how the Delivery Partner/s was identified:** | | | |
| The Offshore Renewable Energy (ORE) Catapult is the UK's flagship technology innovation and research centre for offshore wind, wave and tidal energy. We combine world-class research, development, demonstration and testing facilities with leadership, industrial reach and engineering expertise to accelerate the design, deployment and commercialisation of renewable energy technology innovation. We are not-for-distributed-profit and collaborate widely to de-risk and commercialise technological solutions and standards that can be embraced by the market. We have been fully engaged with the R&D&I Hub strategic and delivery stakeholders to develop MRE capability in the South West.  As a delivery partner for the Hub we will provide the outreach to national specialist test facilities and to the other Catapults. We will help develop the commercial pipeline of activity for the RD&I Hub and provide technical due diligence of technology proposals for Hub support. Where appropriate, we will use the Hub to deliver our technology innovation research and development projects, where necessary deploying our specialist engineers to help deliver projects and temporarily enhance specialist skills and transfer knowledge to the Hub. We will deploy our regional specialist to provide a client meet & greet presence for the hub, through workshops and marketing we will interface with MRE technology developers to sign post hub services and develop project commitments.  With our knowledge of Marine Renewable Energy, our relationship with policy makers, technology developers and the supply chain, our catalogue of technology innovation activities and specialist staff we are an appropriate and necessary delivery partner. | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of partner organisation** | Cornwall Marine Network Ltd. (CMN) | | |
| **Status of organisation**  **(Public, Private and Charity: add dropdown)** | Private Company Limited By Guarantee (Not for Profit) | | |
| **Company/charity registration number (where applicable)** | 4477226 | | |
| **Contact person** | Paul Wickes, MBE | | |
| **Position in organisation** | Chief Executive Officer | | |
| **Email** | Paul.wickes@cornwallmarine.net | | |
| **Telephone number** | 01326 211382 | | |
| **Address and postcode** | Maritime Business Centre, Units 7a&b Falmouth Business Park, Bickland Water Rd, Falmouth. TR114SZ | | |
| **Role in European Structural & Investment Funds project delivery** | * Strategic business voice for Marine Technology companies in Cornwall and the Isles of Scilly * Initial eligible business identification and engagement * Business relationship management across project delivery and timescale * Contribution to and coordination of joint marketing and communications activities including strategic project event management * Marine technology cluster development * Project monitoring, evaluation and reporting   Synergistic generic innovation support coordination (Linked to PA3) including skills brokerage (Non ESF / training delivery) and workforce development advice | | |
| **Contribution to match funding** |  | | |
| **Relationship to lead applicant** | Project Partner | | |
| **Is a Service Level Agreement in place with this delivery partner?** | **NO** | **If yes, please append copy** |  |
|  |  | **If no, when will**  **this be confirmed?** | A contract will be put in place if the full application is successful and an ERDF contract agreed |
| **Please describe how the Delivery Partner/s was identified:** | | | |
| CMN is the business network for the marine sector in Cornwall and the Isles of Scilly. Established in 2002, it boasts a subscribing membership of the more than 350 marine representing around 92% of the marine sector turnover estimated at £500,000 million per annum to Cornwall’s economy, and employing 14,000 people (1 in 7 of the UK marine sector workforce). This includes the three key large marine businesses and the majority of the ‘top 50’ medium sized businesses, from a sector considered to comprise of 780 businesses (including micro), of which 131 could be considered as marine technology-based.  CMN has successfully secured more than £17 million investment in the Cornish marine sector and added more than £150 million of gross value added to Cornwall’s economy in just 10 years, enabling members (and other SMEs through its subsidiary company, Cornwall Apprenticeship Agency) to create more than 2,500 new jobs.  With its obvious unique selling point of experience, expertise and relationships with the relevant target audience for this project, along with its vast experience of delivering ERDF and other large scale and multi-partner projects, CMN is the obvious and most appropriate strategic and delivery partner to include in this project to ensure wide ranging and high quality business services which add-value to the approach taken by a university-led project. | | | |

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| **Annex 2(a) State Aid Law** |
| Please provide any further information on State Aid which explains how your project will be State Aid compliant (for example extracts of any professional advice explaining the structure, or if the applicant intends to notify the project to the European Commission, information explaining how they will handle this process). |
| Please see Annex 2(a) attached document |

|  |
| --- |
| **Annex 2(b): 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? |
| This project has been assessed by the project delivery team to not generate any net revenue. |
| How will revenue and/or income be recorded and reported? |
|  |
| Explain how the audit trail for the revenue and/or income will be demonstrated. |
|  |
| 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. |
|  |

**EUROPEAN REGIONAL DEVELOPMENT FUND Only:**

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| --- |
| **Annex 2(c): 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 | |  |  |  | |  |  |  | |
| If any site has been purchased for the project, please identify the site, the purchase price and the date on which the site transferred.  . |
|  |
| 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) |
|  |
| Please list all existing charges on the project site(s) at the date of the Application.  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. |
|  |
| 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. |
|  |
| 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. |
|  |
| 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, a Deed of Covenant, a Collateral Warranty (for the Quantity Surveyor) and a Legal Charge. Please confirm that you have reviewed DCLG’s precedent legal documentation and are willing to enter into these. |
|  |

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 where the document does not fully meet the required specifications. 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. |  |
| Evidence of full planning permission and, where applicable, listed building consent. | Copy of full planning permission and evidence of obtaining any other consents required before the project activities can commence. |  |
| State Aid Report | 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). |  |
|  | 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. |  |
| Evidence of match-funding | Legal documents establishing the amount of match funding provided and any conditions attached. |  |
| Evidence of match-funding when using value of land/buildings | Independent valuation report produced by a suitably qualified expert body listing:   * 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. |  |
| 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. |  |
| Supporting design information | Architect drawings and plans, specification, schedule of accommodation, pre-project photographs and post-project Computer Generated Images (CGI). |  |
| BREEAM pre-assessment | Completed by a suitably qualified BREEAM Assessor and specific to the project |  |
| Environmental Impact Assessment where applicable |  |  |

**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 where the document does not fully meet the required specifications |
| Development appraisal for the project | This will include:   * 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; * Cashflow for projected income and expenditure. |  |
| 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. |  |
| 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 cashflow and development programme. |  |
| 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 |  |
| 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. |  |
| 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:   * Revenue stream based on projected occupancy levels, rents, service charges and any other income; * Operating costs including maintenance, marketing, estate management and salary costs. |  |
| 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. |  |

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| **Annex 2(d): Major European Regional Development Fund Projects** |
| Articles 100-103 of EU Regulation (EU) No 1303/2013 set out a role for the EC in appraising and approving major projects.  Article 100 defines a major project as ‘a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature, which has clearly identified goals and for which the total eligible cost [i.e. European Regional Development Fund and match funding] exceeds €50 million and in the case of projects contributing to the thematic objective under point (7) of the first paragraph of Article 9 where the total eligible cost exceeds €75 million’.  A major project proposal will need to follow the standard European Structural & Investment Funds application process incorporating the following additional information in to the Full Application Form:  • results of feasibility studies;  • cost benefit analysis;  • market analysis;  • scenario mapping and options assessment;  • an analysis of the environmental impact (to indicate if a full environmental impact analysis is required);  • Communications plan.  Article 100 requires that the Managing Authority submits any Major Project Applications to the European Commission. Prior to this, the Local Enterprise Partnership Area European Structural & Investment Funds Committee should have reviewed the application. The Managing Authority can provide more advice on the process.  Applicants should be aware that obtaining approval from the European Commission can be a lengthy process, and should be familiar with Articles 100-103.  **If your project has applied for approval as a Major Project, please attach a copy of the Major Project application and provide an update on the progress made in achieving approval.** |
|  |

| **Annex 2 (e) contracts that have been procured – University of Exeter**  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[[9]](#footnote-10)  (Highest value first) | | Anticipated value of works, supplies or services which will be provided to the Project under the contract | | Name of supplier | | Date of the contract | | Description of works, supplies or services provided under the contract | | Process used to select supplier e.g. OJEU | | How was the contract advertised? | | Does your organisation hold all the relevant procurement documents? | |
|  | | FRAMEWORK CONTRACTS | | | | | |  | |  | |  | |  | |  | |
| 1 | | Overall framework value of  Up to £200million | | £2000 | | Office Depot Ltd | | 01/03/2016 | | Stationery | | OJEU | | Via OJEU – run by the London Universities Purchasing Consortium | | YES | |
| 2 | | Overall framework value of  Up to £310million | | £12000 | | Hewlett Packard | | 01/10/2013 | | Desktop and notebook computers | | OJEU | | Via OJEU – original framework run by the National Desktop and Notebook Agreement | | YES | |
| **THE CORNWALL COLLEGE GROUP** – No relevant procurements are currently in place | | | | | | | | | | | | | | | | | |
|  | |  | |  | |  | |  | |  | |  | |  | |  | |
| **Annex 2 (e) contracts that have been procured –**  **Cornwall Marine Network, Offshore Renewable Energy Catapult, The Cornwall College group & Plymouth University**  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[[10]](#footnote-11)  (Highest value first) | | Anticipated value of works, supplies or services which will be provided to the Project under the contract | | Name of supplier | | Date of the contract | | Description of works, supplies or services provided under the contract | | Process used to select supplier e.g. OJEU | | How was the contract advertised? | | Does your organisation hold all the relevant procurement documents? | |
|  | **Not applicable. There will be no spend or procurements undertaken prior to project commencement** | | | | | | | | | | | | | | | |
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| **Annex 2 (f) contracts to be procured – University of Exeter**  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 | £108,000 (will be in more than one contract) | Services | Marketing, Promotion and Website | Formal Tender Process or 3 quotes based on detailed specification (depending on size of individual contracts) | Advertised on a platform  such as Contracts Finder,  CompeteFor or equivalent;  Opportunity, appropriate partner and or Project website  (depending on size of individual contracts) | *In accordance with partner’s procurement policy which is kept in line with EU regulation.*  *Guidance*  *Project staff will be required to read and confirm the policy through meta compliance software which is monitored to ensure important policies are distributed to all members of staff*  *partners operate a claims and monitoring process to review tender files within projects to ensure all required documentation is correct, complete and robust to support audits either internal or external* |
| 2 | £27,000 | Services | External Evaluation | 3 quotes based on detailed specification | Advertised on a platform  such as Contracts Finder,  Compete For or equivalent;  opportunity. Advertised on the Exeter Uni website and Project website | ***As Above*** |
| **CORNWALL MARINE NETWORK** | | | |  |  |  |
| 1 | £4,000 | Yes, Supplies | This will cover a selection of marketing supplies including materials and event requirements. Some costs may exceed the £2,500 threshold, however much of the costs are expected to be below this. | Seeking a minimum of three quotes in accordance with PCR 2015. | Direct enquiry with potential providers and advertisement on CMN website | A separate procurement file will be kept for each tendered item/service containing evidence including items in accordance with recommendations from Chapter 7, Record Keeping, Procurement Law: ESIF Compliance Guidance Note: 16/07/2015 |
| 2 | £4,000 | Yes, supplies | This represents a second purchase at a later stage in the project, repeating point 1. | Seeking a minimum of three quotes in accordance with PCR 2015. | Direct enquiry with potential providers and advertisement on CMN website | As above |

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| --- | --- | --- | --- | --- | --- | --- |
| **THE CORNWALL COLLEGE GROUP** | | | | | | |
| 1 | £19,860 | No | Business Support Services: Mentoring services – one-to-one or one-to-many support providing business advice, support and guidance, and expert speakers/ facilitators | EU OJEU (dynamic framework has been developed for existing contracts and approved by DCLG) | Via Cornwall College’s e- tendering portal, InTend | All documentation will be stored electronically on InTend. |

| **Annex 2 (f) Contracts to be procured – Cornwall Development Company**  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 | £60,000 (this is total budget available – may be more than one contract depending on areas of due diligence required technical/ financial ) | Services | Fund due diligence services | Formal Tender process or three written quotes –, based on a written specification | Contracts Finder and CDC / Project website if formal tender process required | As per CDC procurement policy |
| 2 | £60,000 (this is total budget available – may be more than one contract once fund marketing plan determined) | Services | Fund due diligence services | Formal Tender process or three written quotes –, based on a written specification | Contracts Finder and CDC / Project website if formal tender process required | As above |
| 3 | £14,000 | Services | Fund legal services | Three written quotes based on a written specification | n/a | As above |
| 4 | £12,400 | Services | Fund database and licences | Three written quotes based on a written specification | n/a | As above |
| 5 | £8,000 | Services | Office furniture | Three written quotes based on a written specification | n/a | As above |

| **Annex 2 (f) contracts to be procured – OREC Offshore Renewable Energy Catapult.**  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 | £200.00 | YES | Design of Conference Brochure  (Per Annum) | Identify supplier using best value approach and direct award | none | Retention of documents recording purchase order, including copy of quotation, invoices and payment evidence through SAGE. |
| 2 | £150.00 | YES | Print run of brochures  (Per Annum) | Identify supplier using best value approach and direct award | none | Retention of documents recording purchase order, including copy of quotation, invoices and payment evidence through SAGE. |
| 3 | £100.00 | YES | Print run of A5 Flyers  (Per Annum) | Identify supplier using best value approach and direct award | none | Retention of documents recording purchase order, including copy of quotation, invoices and payment evidence through SAGE. |
| 4 | £50.00 |  | Design of A5 Flyer  (Per Annum) | Identify supplier using best value approach and direct award | none | Retention of documents recording purchase order, including copy of quotation, invoices and payment evidence through SAGE. |
|  |  |  |  |  |  |  |

NB: If all of the above requirements are highlighted as necessary at the same time, we will calculate the cumulative value of all of the requirements i.e. £500 and follow the below procurement process:

* Obtain 3 written quotations from relevant suppliers, to obtain value for money;
* No advertising will be carried out;
* All documents including purchase order, copies of the quotations, invoices and payment evidence through SAGE will be retained.

**Annex 3(a)**  
**Cross-Cutting Themes Guidance for European Social Fund**

**Sustainable Development Policy and Implementation Plan**

**Introduction**

1. Sustainable development is a regulatory cross cutting theme for all Structural Fund programmes.
2. The UK Government is committed to sustainable development. The Government aims to stimulate economic growth and tackle the deficit, maximise wellbeing and protecting the environment, without negatively impacting on the ability of future generations to do the same.
3. This refreshed vision and commitment builds on the principles that underpinned the UK’s 2005 Sustainable Development strategy, by recognising the needs of:

* the economy;
* society; and
* the natural environment,

1. The ESF England Operational Programme explains that the objectives of the European Social Fund programme will be pursued in line with the principle of sustainable development, including the aim of preserving and improving the quality of the environment as well as the need to prepare for expected changes to the environment and climate.
2. Sustainable development in the European Social Fund Programme has an environmental focus – to help provide some balance to the European Social Fund’s strong social and economic focus (its main mission). The European Social Fund programme therefore welcomes applications from projects that have a strong environmental focus whilst also supporting either: jobs; skills; or social inclusion in a way that addresses local strategic needs. The programme also welcomes complementary training support for specialist sustainable development activities delivered by other programmes such as the European Regional Development Fund.
3. All projects, whether they have an environmental focus or not, must take the environment into account when delivering their services. The Operational Programme explains that Managing Authority and Opt-In organisations will require all programme providers to have sustainable development policies and implementation plans.
4. The purpose of the sustainable development policy is to provide a statement – a public commitment – to promoting sustainable development and to comply with relevant environmental legislation whilst delivering European Social Fund activities.
5. The purpose of the implementation plan will be to turn the above policy commitment into action.
6. **It should be noted that this regulatory theme is subject to monitoring, audit and evaluation**.
7. Your sustainable development policy and plan will undergo a basic initial assessment at application stage to ensure that a basic policy and plan exist and that the key elements of the policy and plan have been drafted. **Passing the basic initial assessment should not be considered as a full endorsement of the policy / plan.**
8. The policy and plan are working documents and developmental in nature and are therefore expected to be subject to **continuous improvement**. This means that the policy and plan may well need to be amended / improved / updated on an on-going basis should your application be approved. This will be discussed in the context of future contract management and monitoring of your project.

**The basic requirements**

**Sustainable development policy**

1. i) The provider’s sustainable development policy should provide a firm commitment to promoting sustainable development whilst delivering the European Social Fund activity that is being funded and provides an assurance that any sub-contractors delivering European Social Fund activities will also support sustainable development. The plan should list sub contractors used / to be used (if known at application stage).
2. ii) The sustainable development policy statement should confirm that it will check that that each organisation involved in delivery of the contract (the provider and any sub-contractors) will: (a) dispose of its waste using a registered waste collector and (b) observe and comply with the Waste Electrical and Electronic Equipment (WEEE) regulations.
3. iii) The sustainable development policy should be specific to the European Social Fund contract being delivered and should include details of any sub-contractors involved in the delivery of the contract provided (where this is known).

**Sustainable development implementation plan**

1. (iv) The sustainable development implementation plan should explain what specific action it will take to ensure that each organisation involved in delivery of the contract will:

(a) minimise waste;

(b) minimise energy consumption;

(c) minimise use of travel and promote use of public or green transport where travel is unavoidable.

1. (v) The sustainable development implementation plan should include a commitment to researching and producing a simple `baseline’ estimate of its own environmental impact in terms of: waste minimisation; recycling; and energy consumption. The plans should also explain how this will be assessed for any other organisations helping to deliver the contract. Having established the simple baselines, the plan should then explain how they will monitor reduced energy consumption, increased volumes of recycling and improvements in waste management (where required) against the original baseline. The aim of this exercise is to demonstrate that, *as far as possible*, efforts are being made to reduce waste, increased recycling and reduce energy consumption during the life of the project. **The baselines and subsequent measurements can be set in very simple terms** (e.g. number of toner cartridges used / volumes of paper consumed / electricity consumed etc). Some projects may prefer to use `carbon usage’ estimates – this will be a matter of choice for each project.
2. (vi) The sustainable development implementation plan should provide details of how staff and trainee awareness of sustainability will be increased / improved in order to support the policy and plan (for example , how with policy and plan be communicated? Will training be provided? will the projects have a `switch it off’ campaign, will public transport / green transport be promoted for staff and participants etc?).

**Annex 3(b)**

**Gender Equality and Equal Opportunities Policy and Implementation Plan for European Social Fund Applications**

**Introduction**

1. All European Social Fund providers will be expected to have an equality policy and an implementation plan. The Managing Authority requires this in order to:

(i) help embed `due regard’ to the Public Sector Equality Duty / Equality Act 2010 into programme delivery; and

(ii) help meet EU structural fund regulations to promote gender equality and equal opportunities.

1. It should be noted that ESF-funded private and voluntary sector organisations,including sub-contractors, come under the scope of the Public Sector Equality Duty
2. The policy and implementation plan will not only help projects / providers meet regulatory requirement – but should also be used as a tool to help provide a quality service to participants.
3. The purpose of the equality policy is to provide a statement which acts as a public commitment to promoting equality in-line with the Public Sector Equality Duty ( Equality Act 2010). This commitment need to be put in writing and communicated to staff and participants and other service users.
4. The purpose of the implementation plan is to set out the action that will be taken by the providers and its staff to enable equality to be promoted in line with the Public Sector Equality Duty. The plan should be set out as an action-plan.
5. Background information on the Equality Act 2010 and the Public Sector Equality Duty is available from the EHRC website:
6. <http://www.equalityhumanrights.com/legal-and-policy/legislation/equality-act-2010>
7. Your equality policy and plan will undergo **an initial basic assessment** at application stage to ensure that a basic policy and plan exist and that the key elements of the policy and plan have been drafted. **Passing the basic assessment is not, in itself, a full endorsement of the policy / plan.** The policy and plan are working documents and are expected to be subject to **continuous improvement**. The policy and plan may well need to be amended / updated should your application be approved. This will be discussed in light of contract management and monitoring of your project.

**The basic requirement for the equality policy and implementation plan**

1. Equality Policy:
2. **The equality policy has a clear title linking it to the project / provision.**
3. **The policy has a clear general statement which recognises the importance of the Equality Act 2010 and the related Public Sector Equality Duty** and commits the organisation to have due regard to the need to the three aims of the general duty i.e.:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;

- advance equality of opportunity between people who share a protected characteristic and those who do not;

- foster good relations between people who share a protected characteristic and those who do not.

**To note:**

1. The Equality Act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics;

- taking steps to meet the needs of people from protected groups where these are different from the needs of other people;

- encouraging people from protected groups to participate in public life or in **other activities where their participation is disproportionately low.**

1. The Equality Act states that meeting different needs includes taking steps to take account of disabled people’s disabilities.
2. The Act describes fostering good relations as tackling prejudice and promoting understanding between people from different groups.

(iii) **The public commitment should be endorsed by the chief executive** ( or a similar senior figure within the organisation) – so, reflecting commitment from a high level within the organisation.

(iv) **There should be a clear revision history** – indicating when the plan was agreed and who approved it.

**(v) scope:**

* The policy should cover the nine protected characteristics of the Equality Act 2010 i.e.: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Public authorities also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status.
* **The policy should cover staff and participants alike.**
* **The policy should cover the ESF funded activity and explain how the provider will ensure that any sub-contractors will promote equality in line with legal requirements (if this is required). If action is required this should be reflected in the implementation plan.**
* The policy should give **a commitment to** **communicate to staff and participants** and suppliers as necessary.
* The policy should give **a commitment to monitoring of progress towards any key objectives – including monitoring representation and performance of different groups ( sex, race, disability, age)**.

**The Implementation Plan**

1. The implementation plan should set out how the project will turn its equality commitment into action.
2. The plan should cover:

(i) staff

– how they will be trained in equality and diversity / how training will be reviewed

- annual monitoring of staff by characteristics – sex, race, disability, age ( with a view to identifying any significant under-representation)

- do staff have equality objectives in personal development and appraisal processes.

(ii) participants

- how they will be informed of policy / anti bullying policy etc. – e.g. induction

- how they will learn about importance of good relations

(iii) performance

- how the Project(s) will monitor its performance in terms of representation effectiveness of different groups

- action that the Project(s) will take in light of any underperformance (this to be added as required once the Project(s) has been running for a period of time)

(iv) arrangements for reviewing the policy and implementation plan

The plan should be reviewed on a regular basis and in line with any contractual requirements set by the opt in organisation or Managing Authority.

(v) Communication

How the policy and plan will be communicated to staff, participants and where necessary, other suppliers.

1. Throughout this document, unless indicated otherwise, the phrase “Managing Authority” will mean the European Regional Development Fund Managing Authority (Department for Communities & Local Government and its Growth Delivery Teams), the London Intermediate Body (the Greater London Authority) and the European Social Fund Managing Authority (Department for Work & Pensions) [↑](#footnote-ref-2)
2. This assumes that the project will submit final financial statements and reports after the end of the three year operational phase, and no later than 3 months after financial completion date. [↑](#footnote-ref-3)
3. Data taken from the C&IoS RD&I Framework [↑](#footnote-ref-4)
4. Assumes final reporting occurs after project end as final quarter information needs to be gathered. [↑](#footnote-ref-5)
5. Assumes final reporting occurs after project end as final quarter information needs to be gathered. [↑](#footnote-ref-6)
6. As per Table 5.2: Smart specialisation and general innovation outputs 2014-2020 - Cornwall and Isles of Scilly Research, Development and Innovation Framework [↑](#footnote-ref-7)
7. As project is requesting circa 8%f total PA1 Funding this is a calculation based 8% of indicative outputs [↑](#footnote-ref-8)
8. For notified schemes the answer should include the full name of the scheme and the Commission reference number. [↑](#footnote-ref-9)
9. If the contract relates to recruitment managed by an agency, this will be the cumulative value of annual salaries [↑](#footnote-ref-10)
10. If the contract relates to recruitment managed by an agency, this will be the cumulative value of annual salaries [↑](#footnote-ref-11)