

Guidance notes to assist completion of the Application Form

Please note you only need to give answers to questions that are relevant to your project, but it would be helpful if you feel this is the case to give a brief statement why you consider the question is not relevant.

Introduction

In order to assist the Partnership and NWDA to make decisions about which projects to fund, we require an Application Form to be completed. Your answers should give sufficient information for us to understand the project, in as clear and concise way as possible (e.g. for some of the questions bullet points may be the best way to supply your answer).

We expect the amount of information and detail to be proportional to the amount of funding you are seeking (i.e. we would expect more information for a £1m project than a £100K project). Also more detail will be required at the Detailed stage than at Initial regarding the stage your project is at. If you need any information about what is expected, please contact your Partnership.

You will need to specify on the form if your proposal is at the initial or detailed stage. If your project is under £3m you need only complete a detailed stage. All projects over £3m are required to go through a 2-stage process. At initial stage some of the answers you may give may be estimates based on the best information you have at the time. The design of the form is intended to make the process incremental, so that following discussions with your Partnership and the outcome of the NWDA Initial Appraisal, you will be required to update/expand on the original answers when you complete the Detailed Stage (the form is the same for both stages).

You should contact your Partnership if you require any further clarification of any of the questions.

The Project

Q1 - Please give a description of the project. State simply what the project will do and what the main activities will be? You should also show 4 or 5 objectives, which should be detailed as bullet points (objectives should, where possible, be specific, measurable, achievable, realistic and time tabled).

Q2 – For this question we need you to tell us:

- (i) Why the project is needed and why it should attract our support. You should include here any information and factual/statistical evidence you have about the problems your project will address (this should identify the baseline position you are starting from). What will the project provide that is not already happening?
- (ii) How will you know the project has succeeded? Where possible you should provide quantifiable targets of what the project will achieve.

- (iii) How you would make the project happen without our support. Have you considered what would realistically happen if the project did not go ahead?

Q3 - Please identify who will benefit from the work of the project. Beneficiaries might include people gaining jobs, training or access to services. If applicable, describe how local people are involved in the design, delivery or outputs from the project.

Q4 - Give details of any other organisations that will help to deliver the project. Where partner organisations are involved show how the partners will work together to deliver the project i.e. what will be the roles and responsibilities of the partners.

Q5 – It is important that you manage the project to effectively deliver your contract. You should set out how you will manage the project within your organisation or partnership. Who is responsible for ensuring delivery? What is their experience? What will be the management structure? Who will be accountable to whom and for what? Will you have a Board or Steering Group for partners (if appropriate)?

Strategic Fit

Q6 - A project must clearly show how it will assist with the delivery of the CARP Strategic Objectives and your answer should identify how the outcomes of your proposal will support the Strategic Objectives of the CARP Strategy. In the table for Q6 you need to put the Strategic Objective reference number in column 1, and in column 2 show what that Strategic Objective is. In column 3 you need to show how your project helps to deliver this Strategic Objective.

To ensure the merits of your proposal are fully understood, you should try to make as many links as possible, starting with the strongest, however do not try to make your project fit Strategic Objectives that it does not meet. Please only include relevant activities – decisions are made based on the number of links made, but the quality of the project. For example, if your proposal is to develop a new Retail Business Park in Southport, your answer to this question may be:

	Strategic Objective No.	Strategic Objective (from CARP Action Plan document)	How does the project help to deliver the key activities
Strongest	9.2	Secure a complementary portfolio of sub-regional and local employment sites.	The proposal will develop a new local employment site in Southport. It is supported by the Local Authority and links to the local development strategy by.....

Other	4.2	Support the regeneration of the most deprived wards by strengthening their wider economic base.	The site is situated in one of the most deprived wards in the area, one of the bottom 20% on the Index of Multiple Deprivation. This development will strengthen the economic base of the area by increasing demand within the local service sector.
Other	4.3	Develop and implement proposals for regenerating coastal resorts to support diversification and stimulate business growth, including tourism.	This proposal will stimulate business growth in this coastal resort by..... The additional retail outlets provided will enhance the attraction of the resort as a tourism destination.

You should also show us how the project meets the priorities of other regional strategies (such as the Framework for Regional Employment and Skills Action (FRESA), the Regeneration Prospectus, England's Northwest Science Strategy, or Innovation Strategy) and with sub-regional strategies, Local Strategic Partnership plans or other relevant strategies.

Full details of the RES and some of the other regional and sub-regional strategies can be found on the NWDA web site www.nwda.co.uk. For any further information, please contact your Partnership champion.

Q7 - There are a number of outputs that need to be achieved (see CARP Action Plan for details) and it needs to be established which projects will help deliver these targets. You will therefore need to quantify what the project will deliver over its life and provide an explanation of how the outputs have been calculated.

You should only include outputs that your project will actually deliver (these are known as **direct** outputs). The project may have a longer-term impact, for example of creating jobs, but these jobs are **indirect** and will form part of the outcomes of the project. An output is something that is a direct result of the project and an outcome is something that it influences or indirectly helps to deliver. If your project will not deliver any of the outputs, this does not automatically mean that the project won't be funded.

We also need some additional information about other outputs the project will deliver. To complete this table you should consider what your project will deliver in relation to all parts of the Application Form (for example are there any outputs in relation to equality of opportunity, rural issues or sustainability).

Please note that any targets agreed will form part of your contract with us and will need to be monitored and evaluated.

Full details of all targets are included in the CARP Action Plan.

Q8 – Includes a box for detailing which of the outcomes your project will achieve or what the overall impact of the project is - this should include an assessment of the economic impact your project will have.

Q9 – All projects need to consider equality and diversity from the outset and to build appropriate measures and monitoring into their plans. The key to answering this question is an understanding of your project and its equality and diversity dimensions. You should then set out those issues and how you are dealing with them as clearly and concisely as you can.

We will be looking for a clear statement that you and your partners have equal opportunities policies, and that any body contracted to work on the project will also have such policies. Depending on the nature of the project, you may also need to address issues such as how equal opportunities and diversity policies have, or will affect:

- The composition of the Steering Group/management committee
- Recruitment of staff
- Sites/partners chosen for the project
- Marketing of the project
- Delivery mechanisms

For some specific projects, such as site acquisitions, it may be appropriate to put 'not applicable' although location of the site should be considered in relation to the ethnic composition of its population.

For most projects, however, it will not be acceptable to say 'not applicable' or 'open to all'. You need to consider whether the project will have differential impacts on certain groups of people. You are expected to demonstrate an understanding of the area/field in which you are working. In general projects will be expected to show that they are trying to ensure equal access by all groups, unless it is a positive action project aimed at a specific group. You may need to consider the composition of the area in which the project is located, the sector, the target group, or the kind of service being offered and its traditional take-up. In answering the question you should consider issues such as:

- Is there any research evidence on potential differential impact?
- Are there any local, national or regional data?
- Are there examples of good practice which would be applicable?
- Are there particular partners who could be helpful?
- Could there be modifications which could improve outcomes?

You will also be expected to show how you would monitor for impact wherever possible and how you would respond to evidence of differential impact.

You should also bear in mind that the Disability Discrimination Act requires that all services/property open to the public should be accessible. This does not only apply to buildings. It will apply, for example, to websites (which should be 'Bobby' approved). You should consider access issues in their widest aspect, and show how you have taken these into account in the project. If the project involves property, you must say who will be contractually responsible for ensuring it meets the DDA access requirements.

Q10 – The economic inclusion potential of the project needs to be made clear. In particular the NWDA will be looking for evidence that wherever possible specific measures will be put in place to link the opportunities provided by the project with areas of need. The fact that a project is located in, for example, an area with high levels of deprivation (as indicated by the IMD – Annex 2) does not mean that the project will necessarily benefit people in that area. The potential for local unemployed people, for example, to gain training or job opportunities via the project should be considered, and measures which would specifically assist in this should be outlined.

A project such as site acquisition or a speculative development may not itself have an immediate impact on social inclusion, because this will depend upon the actions taken in the future. However, the proposal should show that consideration has been given to these issues in the longer term and that there is an expectation and commitment by relevant bodies/partners to promoting economic inclusion issues.

In considering economic inclusion potential there are a number of aspects, which may be relevant. These include:

- i) Location: Where is the project located in relation to areas of disadvantage and are there specific issues about physical access, e.g. transport links?
- ii) Employment opportunities: What kind of jobs will be available? Are they likely to be suitable for unemployed people? If so, how might such people be targeted? If not, are there measures which might be put in place to develop skills (possibly in advance) to assist unemployed people to take advantage of some of the opportunities? What is the quality of these jobs and might they be improved?
- iii) Training or other opportunities (e.g. loan finance or business support): Do special measures need to be put in place to encourage certain groups or communities to participate (e.g. outreach sessions)?
- iv) Are there other issues specific to this project, e.g. need for childcare provision?
- v) Are there longer-term contributions which the project could make towards economic inclusion, e.g. a project providing high quality jobs might not have immediate impact on unemployment in a deprived area, but by creating links with schools, providing work experience, etc. it might encourage local young people to broaden their horizons.
- vi) Are there procurement or supply-chain implications which might be explored, e.g. use of local labour, contracting with local firms, ensuring sub-contractors (eg for cleaning and security work) have good employment practices?

- vii) Are there other partners who, if involved with this project, could help to deliver economic inclusion outcomes?

The NWDA will be auditing and evaluating these issues in the longer term, and will therefore expect applicants to be able to demonstrate that these issues have been followed through in project implementation.

Project costs

Q11 - To help us make a decision about the project we need to understand the full costs of the project including the costs to the Agency and any other funding contributions from other sources. Please use the tables to show all the costs of the proposal, including the money you are seeking from the NWDA. At the Initial stage these may be best estimates.

- (i.) Expenditure by funding:

In this table detail the full costs of the project and show how much will be funded by the NWDA and where the other money is coming from. For example, if part of the project funding will be income from charging fees to businesses for the advice given, this will be shown here as private sector. The breakdown of other costs should show the source of the funding and the status of the organisation – Public body, private organisation, voluntary or community group. Expenditure should also be detailed as either capital or revenue funding.

Please note that the NWDA will expect all other contributions, both cash or in-kind to be supported by auditable evidence.

Sunk Costs should be identified separately. These form part of the overall cost of the project, but can be excluded from the value for money calculations. A sunk cost is the cost of goods and services that have already been incurred and are irrecoverable. However, land and property purchases made prior to the project should not be classed as 'sunk', as these will have a sale value or a potential different use.

- (ii.) Expenditure by item:

In this table show the cost breakdown of the component parts of the planned expenditure profile shown in the table at (i.). The items of expenditure to consider are:

- Salaries
- Overheads/running costs
- Capital/equipment
- Materials

We need you to be as specific as possible, for example if you need £x for salaries please state what posts these are and the period of payment. For more complicated projects you may find it helpful to use the table for the main headings and attach a full breakdown of costs as an appendix to your proposal.

Income

If your project will generate an income that will be repayable to NWDA please give details in this table. Please also specify the source of any receipts.

Income in this context does not mean the capital receipt arising from the disposal of a grant-aided capital asset nor contributions to project costs from other sources (private or public sector)

Value for Money

Q12 - For this question we need you to consider the different ways the outcomes of the project could be delivered and why the option you have chosen is the best one. Detail any alternative options that have been considered and show clearly why you favour the option that forms your proposal. This may need to be a documentation of earlier thought processes and should always include a 'do nothing' option (i.e. what would happen anyway without the NWDA funding) and could, for example, include looking at different time scales, different locations, or different funding structures. In doing this you should:

- Take account of lessons from elsewhere about 'what works'
- Look at alternative ways in which your objectives can be met
- Think of as wide a range of options as possible
- Review and challenge these options, and assess
 - whether they are feasible
 - whether they can be delivered
 - whether sufficient demand exists
 - their costs and benefits
 - whether the proposed delivery mechanism is the most appropriate (i.e. could other organisations do the work?)
 - how else the proposal might be funded (NWDA funding should not replace existing public funding commitments).

Each realistic option should be costed (covering all funding sources for the project). In general, you should express the funding profile in 'real terms' – i.e. in terms of the price of goods and services when the appraisal is carried out. For major projects however, you will need to use 'discounted' prices to obtain present values – you should use a discount rate of 3.5%. Sunk costs can be excluded from the calculations.

It is important that you can show why this preferred option offers the Agency the best way forward and value for money. If you can show any comparisons with cost of similar projects or have any benchmark figures, this information should be included here. A project may contribute significantly to achieving your objectives, but not provide best value for money by being relatively inefficient. It is therefore important that you assess both effectiveness and efficiency:

- effectiveness – the extent to which the project will contribute to the objectives
- efficiency – the ratio of inputs to outputs/outcomes

Risks

Q13 – We need to understand the risks surrounding the delivery of the project. The types of risk you may wish to consider are:

- (i) financial – e.g. commitment from other partners, lack of projected income through take-up of services, losses on acquisitions; **Please note that cost overruns must always be considered as part of the risk assessment, and where necessary contingencies put in place.**
- (ii) other resources – e.g. recruitment of relevant/qualified staff, availability of materials;
- (iii) legal issues, have all statutory approvals been given including the need for planning consent, building regulations etc.;
- (iv) any interdependencies, project management issues and timing of the project, such as weather conditions for external projects, need for site investigations to be completed to deadlines;
- (v) beneficiaries or local community, including health and safety issues

Risks do necessarily not rule out support but we need to think how to manage the risks to reduce their impact. In completing the table please consider realistically:

- What risks you may face;
- What is the likelihood of these happening;
- How significant is the risk and what impact will it have;
- What you can do within the project to minimise these; or if this isn't possible what contingency plans you have if the risks happened.

When considering overall risk, use the following table based on probability/impact interaction:

		Impact		
		<u>Low</u> Minor impact on project schedule or cost. No impact on benefits	<u>Medium</u> Major impact on project schedule or cost. Minor impact on benefits	<u>High</u> Major impact on project schedule or cost. Major impact on benefits
Probability	<u>Low</u> unlikely <15%	L	L	M
	<u>Medium</u> fairly likely >15%-<85%	L	M	H
	<u>High</u> very likely >85%	M	H	VH

Sensitivity Analysis should be undertaken on the key risks to test the impact on costs (and where appropriate, outputs) of any future changes in the assumptions made (for example the impact of demand or time scales). It is usual to consider 3 variations – i.e. pessimistic and optimistic assumptions against the expected results (as used in the project proposal).

We will expect your monitoring plan to identify measures to monitor and manage risk.

Sustainability

One of the statutory duties of the Agency is to ‘contribute to the achievement of sustainable development in the UK’. Sustainable Development is therefore a central principle of the Agency’s Regional Economic Strategy and cuts across all the Strategy’s priorities. Sustainable development is about balancing environmental, social and economic factors to ensure a better quality of life for everyone, now and for generations to come.

The purpose of this section is to assess how each project proposal addresses those elements of sustainable development that are not specifically addressed as key activities within the Strategy.

It is seen as good practice for organisations to have an environmental policy in place. The proposal should outline the arrangements that are in place or steps being taken to implement a policy.

Additional guidance can be found in the Regional Integrated Appraisal Toolkit (contact Amanda Richardson on 01942 776725).

Q14 - Tell us how the project will contribute to the sustainable use of resources (such as water, minerals, energy, land etc) during the project life and/or by project partners and beneficiaries. Think about opportunities to reduce overall consumption of resources, to increase efficiency of resource use (e.g. energy) and to reduce and manage waste more sustainably? – Will the project:

- Minimise the overall use of natural resources (e.g. by increasing efficiency of resource use, using secondary materials and recycled products)?
- Reduce overall energy use (particularly from fossil fuel sources), improve or promote energy efficiency, or increase the use of renewable energy (eg through building design and good construction practice – has the building achieved a ‘very good’ or higher BREEAM rating for sustainability)?
- Produce a design statement that explains how the development responds to key ODPM criteria for sustainable design (leaflet available from the NWDA)
- Obtained independent advice on the historic or architectural merit of any buildings proposed for demolition (the alternative of conserving and re-using buildings and structures should always be considered)

- Reduce the need to travel by road or encourage the use of public transport and/or alternative (green) forms of transport?
- Minimise waste water production (e.g. by recycling grey water)?
- Minimise the generation of waste and disposal to land fill or incineration?
- Encourage recycling, reuse or recovery rates (e.g. through the use of recycled products and materials, reclamation of products at the end of their useful life, awareness raising)?

How will the project contribute to the protection and enhancement of the environment (air, water, land)? – will the project:

- Protect air, land or water quality (e.g. by using clean technology, reducing air pollution – including greenhouse gases from energy and transport – eliminating toxic materials and waste, conserving soil fertility, protecting ground and surface water from pollution)?
- Reduce the potential for environmental nuisance such as noise, odour, light pollution or litter?
- Enhance wildlife through the protection and sustainable management of species and habitats?
- Provide opportunities for new habitat creation (eg through tree planting, development of green spaces, set aside land)?
- Use brownfield land in preference to Greenfield sites?

How will this project address underlying causes of ill-health and/or reduce health inequalities in the community? – will the project:

- Minimise isolation for vulnerable* people?
- Promote exercise?
- Lead to better heating of homes?
- Contribute to the provision of affordable housing?
- Provide access to healthy food at reasonable prices?
- Improve social connections between people in the community?
- Reduce stress?
- Avert or reduce drug or alcohol misuse?
- Improve the health of vulnerable* groups?

* Vulnerable groups in this context are children, pregnant women, older people, people with disabilities, minority groups, homeless people etc.

How will your project reduce the level and fear of crime? – will the project:

- Affect the safety and security of people and property?
- Improve security, policing or surveillance?
- Promote design that discourages crime?
- Address anti-social behaviour?
- Tackle the underlying causes of crime (e.g. drug use)?

Q15 - We would like you to consider whether your project will have a positive or negative impact on the Rural Northwest. NWDA developed 'Rural

Renaissance' – A Strategy designed to deliver integrated solutions to the many problems that rural areas face. A copy can be found at www.nwda-cms.net/DocumentUploads/RuralRenaissanceApr02.pdf. The Strategy seeks to co-ordinate action on a number of key areas such as tourism, rural enterprise, farming, rural infrastructure (ICT, transport and communications) and community development.

Will your project affect the rural areas or communities of the Northwest? For example:

- Will the project impact on rural businesses, including the self-employed?
- Will the project have a particular impact on land-based industries and, therefore, on rural economies and environments?
- Does the project depend on new buildings or development sites?
- Is the project likely to impact on the quality and character of the natural and built rural landscape?
- Will the project impact on people wishing to reach and use the countryside as a place for recreation and enjoyment?

'Rural proofing' is a commitment by the Government to ensure that all its domestic policies and programs take account of rural circumstances and needs. If you feel this is relevant to your project, more information and a checklist can be found at www.countryside.gov.uk/ruralproofing

Monitoring/Evaluation and Forward Strategy

Q16 - A monitoring plan will be built into your contract if your proposal is successful. The monitoring plan will set out how we will work with you to ensure that your project delivers its outputs to time and within budget. To start this process please set out what you consider are the key milestones in the project and time scales for achievement – under this section you should review the medium and high risks and include any milestones that will help to monitor these and implement contingencies where needed.

Q17 - Please explain what arrangements you intend to make once the NWDA funding comes to an end to ensure that the outcomes and other longer term objectives are met and/or continued. Please provide a summary of the forward/exit strategy for your project:

- (i) For ending the project if it is not to continue (i.e. what are the succession arrangements for the production of final reports/retention of records etc?)
- (ii) For seeking on-going revenue finance (i.e. what other organisations will be able to take over/continue the work or provide ongoing finance?)
- (iii) For developing self-financing/income generation beyond the grant period (i.e. detail what arrangements are in place for this to happen to ensure required levels of funding).

Any risks associated with these plans should be detailed.

An important part of the process will be the evaluation of your project, arrangements and time scales for which will be included in the evaluation plan.

The monitoring and evaluation plan will form part of your contract. At the Detailed Proposal Stage this will need to be agreed between yourself and the Partnership champion to ensure the information the Agency requires is provided in a timely way. The monitoring and evaluation plan will be reviewed as part of the appraisal of the project.

Q18 – This question will be answered by the Partnership Champion, who may need to discuss some of the issues with you. State Aid rules are very complex and the Agency has a responsibility to ensure that grants approved comply with the European Commission directives. The aim is to ensure that assistance given does not distort or threaten to distort competition. There are four tests, which show if State Aid is present:

- (i) Granted by the State or through State resources, **and**
- (ii) Favours certain undertakings or the production of certain goods, **and**
- (iii) Tradable between Member States, **and**
- (iv) Distorts, or has the potential to distort competition.

There must be an answer to this question, even if it is just to confirm that the project does not raise any state aid issues.

Q19 - Please add any other information that will help us to assess your project. For example, details of any other projects you have been involved with, how successful they were, any lessons you can bring to this project.

At the Detailed Stage we also need you to provide some additional information as follows:

- Bank details
- Auditor details
- For some projects, copies of the last 2 sets of audited accounts (your Partnership champion will let you know when this is required).

OUTPUT DEFINITIONS

Core Output 1	Number of new jobs created or safeguarded
Activity Definition	<p>Jobs that are to be counted must be:</p> <ul style="list-style-type: none">• Paid posts only (not voluntary work)• Posts that are actually filled• Permanent, meaning that the post has a life expectancy of 1 year or more when counted• Expressed in Full Time Equivalent (FTE), where 30 hours or more is full-time, and part-time is to be converted pro-rata, or if this is not possible, using 2 part-time jobs to equal one full time job.• Direct outputs <p>The following types of employment should not be included:</p> <ul style="list-style-type: none">• Construction jobs;• Seasonal jobs (unless they are core to the project, in which they should be included on a pro-rata basis. For example, a full time job lasting 3 months, would be 0.25 FTE) <p>Safeguarded jobs must be:</p> <ul style="list-style-type: none">• At risk at the time the project is approved and likely to be lost to the Region within (normally) one year unless NWDA intervenes.
When is the output counted?	<ul style="list-style-type: none">• Jobs created should be counted when the post is filled.• Safeguarded jobs should be counted immediately after NWDA has completed its intervention to protect the jobs. The jobs should still be in existence when counted and should no longer be at risk of being lost within the next year.
Core Output 2	Number of learning opportunities created and filled: (a) leading to a formal qualification (b) not leading to a formal qualification
Activity Definition	<p>A learning opportunity is a place created on a training or educational course or other learning and skills development activity, which NWDA funds either in whole or in part, and which is filled by an individual who undertakes a total of 30 hours or more of learning activities.</p> <p>Please note that:</p> <ul style="list-style-type: none">• Outputs must be direct.• Learning activities can include a mixture of teaching time, other contact time with teaching staff and time spent studying alone if part of a structured course or activity. <p>Individuals can be of any age.</p>
When is the output counted?	<ul style="list-style-type: none">• Each learning opportunity should only be counted once (i.e. not every week that is completed, and not once at first 30 hours and then again at following 30 hours, if training over a longer period). The individual must complete the 30 hour period <i>before</i> their involvement in learning can be counted as an output. The 30 hours do not need to be completed continuously or at one time.

Core Output 3**Hectares of brownfield land remediated or recycled****Activity Definition**

For an output to be counted, it must meet the following criteria. It should be:

- A direct output from NWDA activities;
- Expressed in terms of the **gross area** of the site, not net developable area.
- Brownfield land; and
- Remediated to an acceptable condition, OR recycled into effective use.

Brownfield land is defined as all land eligible for inclusion in the National Land Use Database under this term. It includes:

- Previously developed vacant land; or
- Vacant buildings (including dwellings that could be redeveloped or converted to create 10 or more dwellings); or
- Derelict land or buildings; or
- Previously developed land or buildings that are still in use but allocated for development in a Local Plan (adopted or nearing adoption) or with planning permission for housing; or
- Previously developed land or buildings where it is known that there is potential for redevelopment (but without allocation or planning permission).

Previously developed land is that which is or was occupied by a permanent structure and associated fixed surface infrastructure in a built-up or rural setting. It *includes*:

- the curtilage of the development;
- defence buildings; and
- land used for mineral extraction and waste disposal where provision for restoration has not been made through development control procedures.

The definition *excludes*:

- land and buildings that *are currently in use* for agricultural or forestry purposes;
- land in built-up areas which has not been developed previously (e.g. parks, recreation grounds, and allotments - even though these areas may contain certain urban features such as paths, pavilions and other buildings); and
- land that was previously developed but where the remains of any structure or activity have blended into the landscape in the process of time (to the extent that it can reasonably be considered as part of the natural surroundings), and where there is a clear reason that could outweigh the re-use of the site - such as its contribution to nature conservation - or it has subsequently been put to an amenity use and cannot be regarded as requiring redevelopment.

Remediation/recycling means that the land has been treated in some way so that it has become fit for development or use. This can include decontamination, reclamation, levelling, provision of flood defences or provision of enabling infrastructure or services.

When is the output counted?

Outputs should be counted at their practical completion.

Please note:

An area of land can only be counted once in Tier 3 reporting, even if it receives different types of treatment over time.

Core Output 4	Number of new businesses created or attracted to the region
Activity Definition	<p>For a new business to be counted as an output, the following criteria must be fulfilled:</p> <ul style="list-style-type: none"> • The creation/attraction of the business must be a direct result of NWDA funded activity. There must be a direct demonstrable link from an RDA's actions to the creation or attraction of the business. • The business must have survived for 12 months from the time it began trading in the North West <p>Note that:</p> <ul style="list-style-type: none"> • New businesses can include sole traders, start-ups, spin-outs, new branches of existing businesses, enterprises starting as a result of Foreign Direct Investment, not for profit social enterprises. Enterprises do not need to be VAT registered to be included. • The nature of business support activities could vary and includes financial or non-financial support, provision of premises and establishment of business networks. • Businesses may be attracted from other UK regions or from abroad.
When is the output counted?	Outputs are counted when a business has survived for 12 months from the date that they began trading in the North West.
Core Output 5	Private sector investment benefiting deprived areas
Activity Definition	<p>To count for this output investment should be shown to benefit wholly or in part a deprived ward.</p> <ul style="list-style-type: none"> ▪ For the purposes of this output private sector is defined as: <ul style="list-style-type: none"> – commercial, – charitable and not for profit organisations, – private individuals. ▪ Lottery funding is defined public sector <u>not</u> private. ▪ All in-kind contributions should be converted to cash terms (and must be supported by auditable evidence for them to be eligible) ▪ Contributions should be directly linked to RDA activity, subsequent or indirect investment should not be recorded as tier 3. ▪ Interest paid to lenders and interest on equity can be counted, but <u>not</u> any amount borrowed or the amount of equity (as these amounts are subsequently repaid to lenders/investors). ▪ Private sector investment can include the agreed level of profit – as a fee charged for carrying risk. ▪ Deprived areas are those wards identified in the bottom 20% of the Indices of Multiple Deprivation (IMD areas). ▪ Where investment straddles more than one ward, it should only be counted once. <p>For <u>schemes</u> operating at a larger geographical level than by ward, but which include one or more deprived wards, only investment directly levered into the deprived wards count towards the output. <u>NB</u> Where it is not possible to separately identify the investment into the deprived wards the investment should not be counted.</p>
When is the output counted?	Outputs are counted when the investment is made and auditable evidence is available.

Supplementary Output 1	Number of businesses receiving specialist advice, aimed at improving business performance
Activity Definition	<p>For outputs to be included the business should be receiving advice that is at least partly funded through NWDA, that comprises of face to face direct advice/support (usually at least 2 - 3 hours), that is aimed at improving the performance of the business, and which falls into at least one of the following categories:</p> <ul style="list-style-type: none"> • Supply chain development • Aftercare to inward investors • Cluster development • Exporting • Innovation • Venture Capital • Other categories as agreed through NWDA
When is the output counted?	Output should be counted when the support has been delivered to the business.
Supplementary Output 2	The amount of new or improved floorspace created for business use
Activity Definition	<p>The outputs must be</p> <ul style="list-style-type: none"> • As a result of NWDA funded activity • Shown as gross internal area in square metres • Be <u>new</u> floorspace for business/commercial use, OR • <u>Improved</u> floorspace for business/commercial use (where actual or potential market value has been increased by some physical improvements) <p><i>Sports centres/clubs or visitor attractions should not be included.</i></p>
When is the output counted?	Output should be counted at practical completion
Supplementary Output 3	The number of businesses assisted on skill needs
Activity Definition	<p>To be counted an output advice must:</p> <ul style="list-style-type: none"> • be in relation to the skills and/or training needs of the business, for either existing employees or in relation to new recruitment • be in the form of face to face contact/counselling (usually 2-3 hours as a minimum) • be funded wholly or part funded by NWDA <p><i>Advice to Voluntary organisations and charities do not count towards this output.</i></p>
When is the output counted?	Output should be counted when the support has been delivered to the business.

**Supplementary
Output 4**

The number of hectares of woodland created

Activity Definition

The output is for

- The creation of new or expanded woodland/forest on what was previously derelict, under-used or neglected land.

Note:

Please refer to definitions given under Core Output 3

**When is the output
counted?**

Output should be counted at practical completion (when whole area is planted).

ADDITIONALITY DEFINITIONS

Additionality. Most projects will have both positive and negative impacts. It is therefore important that all impacts are taken into account in order to assess the additional impact (additionality), and where possible non-additionality designed out of the project. The following should be considered:

Deadweight – things which would have happened anyway, with or without the project. For example, support to a small business that currently employs 10 people and this is expected to increase to 40 people as a result of the project. The additionality is 30 jobs created, as 10 (deadweight) would have existed anyway.

Leakage – a potential benefit that is lost to the area or target group. For example, of the 30 jobs created, how many will be taken by people from the project area and how many by people outside the area (leakage)? This effect can be 'managed' by, for example, giving local people some extra training.

Displacement – the extent to which the project takes market share. If by helping a firm to expand does this have a detrimental effect on competitors in the surrounding area?

Multiplier effects – when the impact of a project is 'multiplied' because it has a number of knock-on effects. For example, a project provides new jobs, thereby raising local disposable income, which improves local trade, which provides more jobs ...etc.

Ineligible expenditure

Grant will not be paid and may not be used for:

- i) expenditure on activities of a political or exclusively religious nature;
- ii) expenditure supported from other sources, where the total support would account for more than 100% of the scheme or project costs;
- iii) expenditure on works or activities which any person has a statutory duty to undertake, except where there is strong justification and agreement has been given by NWDA;
- iv) VAT;
- v) any liability arising out of negligence;
- vi) expenditure on gap funded developments (where approved) in excess of that necessary to bridge the gap between development costs and values on completion;
- vii) expenditure on a project not previously approved and for which it is intended that grant will be claimed, where such expenditure took place before the scheme or project was approved and contracts issued;
- viii) payments made in advance of need;
- ix) provision of endowments;
- x) expenditure in breach of State aid.

This list is not intended to be comprehensive. If there is any doubt as to whether particular costs are eligible, the Scheme should consult their NWDA representative.