

## **Northern Cultural Regeneration Fund**

**Project Call: Expression of Interest (EOI)**

**Information for applicants**

**Open: 15 September 2017**

**Close: Noon 5 October 2017**



## 1. Introduction

This document provides background information and guidance for applicants who are seeking to be put forward proposals to the North East Local Enterprise Partnership (LEP) for its consideration in responding to the Department for Digital, Culture, Media and Sport (DCMS) Northern Cultural Regeneration Fund. This document should be read alongside the supporting documents detailed in section 12.

DCMS introduced the £15m Northern Cultural Regeneration Fund (NCRF) in August 2017 in order to create a lasting legacy of cultural regeneration following the Great Exhibition of the North, which is being hosted in Newcastle Gateshead from June-September 2018.

The two key goals of the fund are to: -

- Encourage sustainable cultural and creative regeneration in the North of England
- Benefit areas of the North of England that have historically had low levels of cultural and creative investment.

The 11 North of England Local Enterprise Partnerships (LEPs), including the North East LEP, have each been invited to submit a single bid into this fund. The fund will provide capital grants directly to LEPs (on a competitive basis), with awards expected to be around £3m-£4m (and up to a maximum of 70% of project costs). The funding is to be spent in financial years 2018/19, 2019/20 and/or 2020/21. The NCRF does not provide any revenue funding.

## 2. Strategic context

The North East Strategic Economic Plan (SEP) was refreshed early in 2017 and provides the policy context to focus investment in economic growth and job creation in the North East over the period to 2024. Of particular relevance to the NCRF, the SEP sets out the ambition to further grow the digital economy of the North East. Delivering the SEP is crucial to achieving the North East LEP's primary objective of establishing more and better jobs within a more productive North East economy.

The Case for Culture (C4C), published in 2015, was developed by the North East Culture Partnership. This plan covers a 15 year period, and sets out the ambitions for the cultural, creative and heritage sectors in the North East of England across five key areas: participation; children and young people; talent and progression; economic value; and quality of life.

Projects are required to clearly demonstrate how they meet the requirements of, and make a meaningful contribution to, the delivery of relevant priorities set out in the North East Strategic Economic Plan and the Case for Culture. See web links in section 12.

## 3. Priority activities and outcomes

The NCRF has two primary goals:

1. Encourage sustainable cultural and creative regeneration in the North of England
2. Benefit areas of the North of England that have historically had low levels of cultural and creative investment.



It is essential that any project submitting an expression of interest can clearly meet these goals. To support applicants in self -assessing their projects against the second goal we have provided a number of web links to data sources in section 12. There are no definitive data sets by geography, time period or detailed guidelines from DCMS on how ultimately this goal will be assessed.

Areas with Heritage Action Zones, Creative People and Places initiatives or that have clearly not been major recipients of national cultural resources over the past 10- 15 years are in a more favourable position, including, for example, communities in South Tyneside, parts of Sunderland, South East Northumberland, East Durham and North Tyneside. No areas of the North East are excluded, but some high profile, historically major beneficiaries are unlikely to succeed due to this criteria.

From a North East perspective, projects should additionally demonstrate how they will drive up engagement in creative and cultural activities from communities where engagement may have historically been relatively low. For information on engagement levels please consider the DCMS Taking Part Survey – see link in section 12.

**Proposals are not limited to single site project. Consideration will be given to multi-site capital investments e.g. ‘hub-and-spoke’ proposals that are able to demonstrate cohesiveness and deliver benefits across wider communities.**

The North East LEP is looking to prioritise interventions with regards to the DCMS six outcome areas, with local priority weighting to projects that can deliver on one or more of the following three outcomes:

- Improvement in the levels of engagement in areas with historically low-levels of engagement (and participation), particularly focusing on increasing the levels of engagement with young people (young people are defined as those up to and including 24 years of age);
- Innovative utilisation of digital technologies to improve cultural engagement and participation opportunities, including volunteering and improving skills.
- Delivery against the aims set out in the SEP and the C4C

In addition to these priorities, the fund is also looking to meet the following outcomes: -

- Improve quality of life and wellbeing within local communities
- Create more resilient and sustainable cultural and creative organisations
- Increased economic growth

#### 4. How will a project be identified and selected?

The North East LEP is publicising this opportunity through a range of media and through our regional partners including the Culture North East Partnership. Organisations that would like to submit an expression of interest as a potential North East bid for the NCRF can request an Expression of Interest form. Before issuing the form we will ask two fundamental questions: -

1. Have you read these guidelines?
2. Having read the guidelines, are you confident your project meets key requirements and could you prepare a robust Treasury compliant business case by mid-November?



Projects that come forward will be scored by a panel, made up of representatives from the North East LEP, North East Combined Authority (our Accountable Body) and independent representatives from the cultural sector. Projects will be scored using the scoring criteria set out in Annex One. This matrix should be used by potential applicants to check that their proposal is a strong fit with the criteria. Should any proposal score a '0' for any of the criteria set out, it will not be fully assessed and is discouraged from submitting an EOI form.

The proposal that scores the highest will be invited to produce a Business Case, which will be submitted by the North East LEP Board for approval prior to submission to DCMS.

To respond to the project call you must complete an Expression of Interest form. Incomplete forms, or those received after noon on 5th October 2017, will not be considered.

The project that is selected for submission to DCMS has no guarantee of funds and will hold no other special status with the North East LEP funding programmes.

## **5. Deliverability**

The NCRF is time limited, and those projects that are able to spend quickly are expected to be given some preference by DCMS. However, projects that are expected to begin construction/spend in later years are not excluded.

The project selected through this expression of Interest process must be capable of submitting a HM Treasury compliant Business Case (with robust costings and supporting information) to the North East LEP by 10 November 2017. In addition, you must demonstrate that you have identified and are managing risks to delivery, this may include considerations such as, securing planning approval, match funding and land ownership.

## **6. How much funding can I apply for?**

The amount requested should be the minimum required to enable the project to proceed. Project investments should though be of a scale that can make a significant impact. While there are no strict thresholds, DCMS have indicatively stated that up to a maximum of 70% of project cost can be funded through the NCRF, with grant awards expected to be in the region of £3m-£4m.

## **7. State Aid – how might this impact on my request for funding?**

The percentage and total amount of public funding you request may be limited by State Aid regulations. State Aid can be complex and often projects will need to source their own specialist advice to understand how this will impact on the level of funding that can be applied for and associated obligations.



In some projects no State Aid will be involved. Either way, we ask you to carefully consider this matter and explain your projects position in the relevant section of the EOI form.

Where projects may involve State Aid you should identify how this may be legally granted. Applicants are encouraged to seek independent legal advice on the State Aid position of their projects.

## 8. Performance Output Indicators

We will assess the performance of your project in relation to specific indicators. DCMS expect to assess output measures but to date have not issued any output measures. The North East LEP has provided a list of output measures in Annex Two that will be used to assess proposals locally.

We are particularly looking for projects that will seek to increase engagement in cultural and creative activities amongst children and young people (those up to and including 24 years of age).

## 9. Interested in submitting a project expression of interest form?

We welcome informal contact and discussion from interested parties to help you assess the eligibility of your project or to answer any queries. The following member of the Programme Team would be pleased to hear from you and to issue, following discussion, an Expression of Interest form:

Ben McLaughlin      [Ben.McLaughlin@nelep.co.uk](mailto:Ben.McLaughlin@nelep.co.uk)      0191 338 7446

## 10. What happens next?

Please send your completed EOI form to [Ben.McLaughlin@nelep.co.uk](mailto:Ben.McLaughlin@nelep.co.uk) by **noon on 5 October 2017**. Before doing so please ensure that you have followed the guidance and completed all questions. Incomplete forms or those received after the closing date will not be considered.

As part of the assessment and selection process we will score all projects against the criteria set out in Annex One.

All project applicants will receive feedback following the selection of the preferred project. This project will be offered support from the North East LEP to ensure a robust application is prepared for submission to DCMS by 30 November 2017.



## 11. Timetable

Call for Expressions of Interest (EOIs)	15/09/2017 – 05/10/2017
EOIs Assessed	05/10/2017 – 09/10/2017
One project selected to proceed	09/10/2017
Feedback to all projects	09/10/2017 – 13/10/2017
Selected project Business Case developed	10/10/2017 – 10/11/2017
Appraisal of Business Case	13/11/2017 – 20/11/2017
Final Bid (inc Business Case) approved by LEP Board	30/11/2017
Final Bid (inc Business Case) submitted to DCMS	30/11/2017
Outcome of bid	TBC by DCMS

## 12. Other supporting documents

Please consider the following documents that may help you with your Expression of Interest: -

- North East [Strategic Economic Plan](#)
- Culture North East Partnership | [Case for Culture](#)
- DCMS Northern Cultural Regeneration Fund [Guidance](#) for LEPs
- Great Exhibition of the North [website](#)

Sources of information to help understand historic local authority area allocations of cultural funding and levels of community involvement: -

- DCMS Lottery Grant [database](#)
- Arts Council Funding [information](#)
- DCMS Taking Part [survey](#)

Example of other programmes and how they measure impact: -

- <http://www.creativepeopleplaces.org.uk/our-impact>



## Annex One

### Scoring Assessment Matrix

Criteria	5	4	3	2	1	0	Max Score
Strategic Fit with SEP and Case for Culture	Project strongly fits with SEP and C4C, clear synergy with strategic investment plans	Project fits with SEP and C4C, and some synergy with strategic investment plans	Some links to SEP and C4C, and partial synergy with strategic investment plans	Modest fit with SEP and C4C, and partial synergy with strategic investment plans	Project has weak fit with SEP and C4C, little synergy with strategic investment plans	Project does not fit with SEP and C4C, no synergy with strategic investment plans	10
Fit with DCMS defined 'primary funding goals'	Fully meets both primary funding goals	Significant contribution to both primary funding goals	Fair contribution towards both funding goals	Fair contribution toward one funding goal	Weak contribution towards either funding goal	No demonstrable contribution to funding goals	10
Outcomes	Demonstrate ability to meet all outcomes	Meets 1,4 and 6 and at least one other	Meets outcomes 1, 4 and 6	Meets two of the priority outcomes	Two outcomes could be met	1 or less outcomes met	5
Ambition and additionality	Clear evidence for intervention, outcome will be step change, clear additionality	Some evidence for intervention, also shows some additionality	Some evidence for intervention and outcome will be step change, little additionality	Little evidence for intervention, clear additionality	Little evidence for intervention, little additionality	Weak evidence for intervention and weak/no additionality	5
Intensity (%)	Less than 30% of project cost	31% - 49% of project cost	50% - 59% of project cost	60% - 64% of project cost	65-69% of project cost	More than 70% of project cost	5
Use of digital	Clearly Innovative use of digital technologies	Some Innovative use of digital technologies	Modestly innovative use of digital technologies	Non-innovative use of digital technologies	Minimal use of digital technologies	No use of digital technologies	10
Match funding confirmed	Yes – 100% match funding secured by 30 November 2017	Partially – less than 60% secured with clear strategy for balance by 31 March 2018	Partially – less than 60% with no robust strategy for balance by 31 March 2018	Partially – less than 40% with clear strategy for balance by 31 March 2018	Partially – less than 40% with no robust strategy for balance by 31 March 2018	No match funding secured	10
State Aid Risk	Independent legal opinion supports compliant route or confirm no State aid.	Applicant identifies a compliant State Aid route.	Relevant State Aid issues understood and clarified	Relevant State Aid issues understood but currently unable to be clarified	No appropriate consideration of State Aid provided	Request not compliant with State Aid.	5
Stage of development	Has a Treasury Compliant Business case in place	Capable of producing Business Case by 30 November 2017	Detailed design stage – some potential gaps in production of Business Case with capacity to meet gaps	Outline design stage - some potential gaps in production of Business Case with little capacity to meet gaps	Feasibility stage – significant gaps in ability to produce Business Case by 30 November 2017	Concept stage – highly unlikely to be able to produce a Business Case by 30 November 2017	5

Deliverability Risks	No or low levels risks that are clearly managed	Some low-medium level risks, but with clear management	Some significant risks that are clearly managed	Some low-medium level risks, with no clear management	Some significant risks and not all clearly managed.	Multiple high impact risks, not clearly managed or likely to be resolved in good time.	5
Deliverability time scale	Project can deliver within 24 months	Project can deliver within 30 months	Project can deliver within 36 months	Project can deliver within 42 months	Project can deliver within 48 months	Project cannot deliver within 48 months	5
Long term financial sustainability plans	Demonstrates financial plan for at least 5 years of operation	Demonstrates financial plan for at least 4 years of operation	Demonstrates financial plan for at least 3 years of operation	Demonstrates financial plan for at least 2 years of operation	Demonstrates financial plan for at least 1 years of operation	Demonstrates no financial plan for operation	5
Increase in the levels of engagement	100,000 or more new engagements to 2030	50,000 or more new engagements to 2030	20,000 or more new engagements to 2030	10,000 or more new engagements to 2030	5,000 or more new engagements to 2030	Less than 1,000 new engagements to 2030	10
Increase in the levels of engagement with young people	70,000 or more new engagements with young people to 2030	35,000 or more new engagements with young people to 2030	14,000 or more new engagements with young people to 2030	7,000 or more new engagements with young people to 2030	4,000 or more new engagements with young people to 2030	Less than 1,000 new engagements with young people to 2030	10
						<b>Score</b>	/ 100



## Annex Two Output Indicators

KPI name	Definition
Jobs created (FTEs)	<p>Permanent paid full time equivalent jobs that locate on an employment site or building that has been created or improved with the requested investment.</p> <p>Includes:</p> <ul style="list-style-type: none"> <li>- Employment in new incubation hubs or managed workspace (both operational management posts and posts in occupying businesses)</li> <li>- Employment in bespoke developments by companies developing serviced plots on employment sites</li> </ul>
Jobs Safeguarded	<p>An existing permanent job which is at risk of being lost at the time of the requested intervention. At risk is defined as being forecast to be lost within 1 year had it not been for the intervention.</p>
New engagements (total)	<p>Engagements occurring as a result of the activity (over and above any activity that was in place before the project). Engagement means:</p> <ul style="list-style-type: none"> <li>• Attendance: a person going to a place e.g. a gallery or a theatre or a museum</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Participation: a person is actively taking part e.g. painting or playing in a music group</li> </ul>
New engagements: children and young people	<p>As above, but relating only to children and young people (those aged up to and including 24 years of age)</p>
Follow on investment (private)	<p>Capture the amount private or third sector investment following financial completion of the project. Does not include in-kind contributions.</p>
Follow on investment (public)	<p>Capture the amount public sector investment following financial completion of the project. Does not include in-kind contributions.</p>



## Annex Three

Accountable Body – means the organisation that is responsible for the distribution of North East LEP funding and ensuring these grant monies are managed effectively. This is the North East Combined Authority.

Additionality – mean the effect of NCRF in creating additional benefits that would not otherwise come about.

Business Case – the Business Case is a ‘full application’ that the selected project from the expression of interest stage will be invited to complete. The Business Case must be compliant with the HM Treasury guidance on the [five case model](#).

Capital Expenditure – refers to capital spending, meaning the purchase of (new or enhancements to existing) *physical assets* that will be in use for more than one year. Examples of capital purchases: buildings; land; materials for construction of a new building; or equipment. Routine repair costs are not eligible.

Cost estimates – from what source are these based, for example; Quantity Surveyor estimate, tender, industry standards etc.

Financial Completion Date – the date you expect the final financial contribution from NCRF will be paid to the project.

Grant Funding Agreement – sets out the terms and conditions by which a grant has been offered. An example version of this document is available [here](#).

Non-recoverable VAT – refers to the VAT charged on goods and services that cannot be recovered as per your normal accounting practices.

North East Combined Authority – the Accountable Body for the North East LEP. All contractual agreements for North East LEP funding will be made on its behalf between the North East Combined Authority and project applicant.

Practical Completion date – date at which you expect the physical works of the project will be completed.

Size of Enterprise – the definitions below refer to an independent enterprise, meaning that 25% or more the enterprise is not owned by another enterprise. Where the enterprise is not independent, the total size should include the owning enterprise.

- Small - an enterprise with turnover and/or balance sheet total that does not exceed €10m, and has 50 or less employees
- Medium - an enterprise with turnover and/or balance sheet total that does not exceed €50m and has 250 or less employees
- Large - an enterprise that exceeds any the maximum limits of turnover, balance sheet total or employee numbers set out under ‘Medium’

Start Date – date at which you expect the project will commence delivering activity (note: only activity that occurs after the EOI has been ‘approved’ will be eligible for grant payment).

