



## Guidance in completing the Outline Proposal Stage

### Who is this Guidance For?

This guidance is for anyone preparing an Outline Proposal for Funding with the intention of applying for funds managed by Advantage West Midlands (AWM). It should be read in conjunction with the AWM Project Development Pack which gives generic advice regarding project development and also guidance on AWM standards and expectations for projects requesting funding.

The Project Development Pack can be downloaded from AWM's website at [www.advantagemw.co.uk](http://www.advantagemw.co.uk)

Our funds are allocated for activities set out in the West Midlands Economic Strategy and our Corporate Plan so before you prepare your Outline Proposal you must have already:

1. Read our “**A Guide to Advantage West Midlands Funding**”
2. Identified a **Delivery Vehicle** to support your project and either;
  - Discussed your project with the staff in the most appropriate **Delivery Vehicle** to confirm that they can support your project and identify an AWM Project Sponsor to assist you or
  - Found a Project Sponsor through AWM if you could not find a suitable Delivery Vehicle to support your project.

Your AWM Project Sponsor will help you throughout this process and will be your main contact during the development of your project.

*If you have do not yet have a Delivery Vehicle support or an AWM Project Sponsor please make sure that you have one before continuing.*

If your project needs funding of less than £250,000 your Delivery Vehicle support and Project Sponsor will advise you to go straight to the Full Application Form (you do not need to complete an Outline Proposal Form).

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## The Outline Proposal Process – A Brief Overview

Advantage West Midlands has a defined process for appraising and approving requests for project funding. For most projects this process has two stages which we call Outline Proposal and Full Application. The Outline Proposal Stage is designed to give you the opportunity to tell us about your project at an early stage so that we can see if we would want to support it further because it has the potential to provide the kind of benefits to the region we are seeking.

If our assessment of your project shows that potential, we may endorse it and invite you to develop a Full Application. Any endorsement is likely to carry conditions which will guide you in your project development to make your case for funding at Full Application Stage.

If we do not think your project has the potential to make the full case for our funding we will tell you at that point and explain our decision. This will save you from further abortive work developing a project that we will be unable to fund.

## Completing the Outline Proposal

### 1. Project Title

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Project Name:	What will your project be called? Please try and avoid long and over-complicated names.
Project Sound bite	<p>Tell us what your project will do and what it will achieve in one sentence. For example:-</p> <ul style="list-style-type: none"><li>• This project will revitalise the Barsetshire widget industry by introducing lean manufacturing techniques.</li><li>• This project will build modern office space in Bursley, and catalyse the regeneration of the town centre by attracting professional services businesses.</li></ul>
Project Start Date:	The estimated start date assuming we approve funding. This date must be in the future to allow for the further development, appraisal, approval and any legal processes.
Project End Date:	The estimated physical completion date based on the start date given.
AWM Funding:	The total capital and revenue funding you need from us.

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## 2. Project Proposer

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- Organisation Name:** The name of the organisation who is putting the proposal to us.
- Contact Name:** The person who will work with us on the day-to-day management of your project.
- Organisation Type:** Tell us whether you are a Private Sector, Public sector or Third Sector organisation.
- Third Sector Organisations (TSOs) are organisations established on a not-for-profit basis that are not directly controlled by the state (not part of the public sector).

## 3. Project Definition

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The Project Definition must tell us (in approximately 750 words/three pages) why this project is needed and why it will not achieve its objectives without our help.

### 3.1 Need

To decide if your project meets our own goals, we must understand what problem or need the project intends to address or what the opportunity to make a positive impact is.

### 3.2 Project Demand

You should include information relating to the interest in the project from partners/local communities and any involvement they have in developing it.

### 3.3 Root Causes

Tell us what you believe are the root causes of the problems you have described earlier.

### 3.4 Solving the Problem

Tell us how your project addresses the root causes of the problems.

### 3.5 Project Objectives

You need to clearly state the objectives of the project. The objectives should encapsulate what the project seeks to achieve and should be stated in SMART terms:

- Specific – clearly stating what the project will address and by what means.
- Measurable – containing a basis for measurement and a quantified target.
- Achievable – technically attainable given the scope of action proposed.
- Realistic – attainable given the resources provided, the time allowed, size of target group, etc.
- Timebound – incorporating the date by which the targets should be achieved.

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An example of an objective conforming to these criteria, from a business development context might be:

*By 2013, to enhance the competitiveness of SMEs in the West Midlands by supporting the assimilation of design and innovation principles leading to the creation of 500 net additional jobs and £20m in net additional value added.*

### **3.6 Options**

You are asking us for funding because you do not have enough resources to solve this problem on your own. Our resources are limited too and we expect you to have explored more than one option (solution to the root causes of the problem) when developing your project and picked the one that makes best use of the resources deployed.

Please tell us about these options and explain why the one you have chosen is the best one. We don't need a detailed breakdown of figures, just a clear argument in favour of your choice.

If we endorse your proposal we will ask you to give us more details and justify your option selection in terms of cost and benefits. Please make sure that you are prepared to do this using your answer to this question as the basis for your analysis.

### **3.7 Project Description**

Paint a pen picture of your project – please make sure that you answer the following questions.

- What you are going to do
- Where you are going to do it

You must show where the project is to be delivered geographically and why it is limited to / focussed on this area.

- When you are going to do it

You should explain why this project is needed at this particular time. Show how it may complement and existing, past or planned projects.

- Who will do it

Tell us if you are going to deliver the project or whether you plan to involve other organisations. We ask you to list any other organisations in the Proposal Form Appendix.

- How you are going to do it

Explain the methods you propose to use to deliver the proposed project,

- What do you plan to spend the money on

Identify briefly what you will spend the overall project funding on and how our funding will be spent.

- Who will benefit

Specify which social and geographical groups the project will target and outline specific benefits.

### **3.8 (a) The need for AWM Funding**

Tell us why you think that this project should be funded by the public sector in general and by our funds and/or European funds in particular:

- Explain what the market failure is and what would happen if this funding was not received.
- Identify what the funding means to the project – i.e. our funding will enable the project to happen at all, be bigger, happen sooner etc.

### **3.8 (b) The need for ERDF Funding**

Where ERDF is sought you must identify:

- specifically the additionality provided by ERDF funding here;
- that the project's activities are eligible for ERDF Funding – See Guidance for ERDF Applicants.
- Remember that funding from us in general and Europe in particular is 'Funding of Last Resort'. This means it is not meant to be used instead of existing budgets or other sources of support for the project.

### **3.9 Recognising Success**

Give us an idea of what success will look like and how you will measure it. Tell us what impact your project will have on regional and sub regional baselines. What "SMART" objectives will your project have?

### **3.10 Sustaining the project**

You should make clear what you plan to do with the project once our funding is complete and how any continued operation will be funded. We see our role as pump-priming projects that will continue by become self-sustaining or funded by other bodies once the concept is proved.

## **4. Strategic Fit**

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Tell us (in approximately 375 words / 2 pages) how your project will add value and contribute to the strategic objectives at a Regional, Sub-regional and Local level and meet AWM standards.

### **4.1 West Midlands Economic Strategy**

You need to show how project fits within the regional priorities.

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The region's view on its priorities is set out in the West Midlands Economic Strategy (WMES). This was developed and agreed by public and private bodies in the region including and has a holistic approach to improving the economic health of the region and covers the activities of many public and private bodies, including Advantage West Midlands.

## **4.2 (a) Advantage West Midlands Corporate Plan**

We have a Corporate Plan which sets out which of the regional priorities we will support. You need to show that your project delivers the priorities we have said we will address.

### **(b) European funding**

If you are seeking ERDF during the period 2007-13 you should first discuss this with your AWM sponsor and arrange to meet the appropriate Priority Manager before proceeding further. They will help you decide on the suitability of your project for ERDF and help you check that your project activities and costs are eligible. In addition to ensuring that your project meets European and national eligibility criteria you must identify how your Project delivers the funding priorities set out in the Programme Document and the contribution it will make to the crosscutting themes. .

## **4.3 Delivery Vehicles**

We work with local partners and have created three types of Delivery Vehicles in order to ensure that projects meet local needs and will be supported by local communities.

- Regeneration Zones
- High Technology Corridors
- Business Clusters

The approved Delivery Vehicles are local partnerships of representatives from councils, public sector, higher education, business and the community as appropriate. Each Delivery Vehicle develops its own local strategy and annual plan in order to deliver its objectives and is allocated a portion of our funds to allow them to sponsor and initiate projects.

## **4.4 Local Strategies/Initiatives**

Within your proposal it is important to identify where there are links with other projects or initiatives supported (or potentially supported by us), European Structural Funds or other public sector bodies.

## **4.5 Advantage West Midlands Policy Delivery**

Tell us how your project supports the delivery of one of our primary policies. These are:

- Economic Inclusion;

- Enterprise and Business Support;
- Innovation; and
- Skills.

More information can be found in our Project Development Pack.

#### **4.6 Equality and Diversity**

AWM must be satisfied that you have considered Equality and Diversity during the development of your project and will require you to outline your thinking and consideration of these issues and how they will help shape the project.

Equality and diversity also extends to geographical area and groups of people, so there should be a positive response to your project. However, if you feel that there may be a negative impact e.g. by your project targeting one group or area and a neighbouring group or area may react adversely, you should briefly state how this negative impact will be managed.

If are seeking ERDF tell us how the proposal meets the requirements of the ERDF Programme Document Aims and Actions Paragraphs 5.2.3 and 5.2.4.

#### **4.7 Sustainable Development, Built Environment, Sustainability and Design Standards**

The standards in the Project Development Pack identify the aspirations of the AWM with regard to the built environment, design requirements low carbon and environmental sustainability. Please ensure that if your project involves new building or refurbishment of an existing building you read them carefully and identify how you intend to meet them.

If you are seeking ERDF tell us how the proposal meets the requirements of the ERDF Programme Document Aims and Actions Paragraphs 5.1.3 and 5.1.4.

##### **4.7.1 Carbon Reduction Projects**

If the main purpose of your project is to achieve a reduction in the region's carbon footprint and falls into the following categories please identify the option from the list below and explain how your project intends to do this.

- Efficient new build or refurbishment (e.g. to BREEAM Excellent standard)
- Installation of renewable technology (e.g. micro wind, solar panels etc)
- Waste Re-use or Recycling Scheme
- Fuel switching to a cleaner (less carbon intensive) fuel e.g. fuel oil to natural gas
- Industrial energy efficiency programme (e.g. auditing, grant etc)
- Installation of a combined heat and power plant

- Change in how existing demand for transport is supplied (e.g. modal switch from car to bicycle)

If your project is in one of these categories we will request information at the Full Stage and in deliver to help us assess the carbon footprint reduction.

## 5. Project Funding

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In this section you should include all of the costs of delivering your project and its outputs and explain where they are coming from. For example if your project is seeking a grant from us towards building a training centre that will deliver skills training outputs, you should include both costs of the constructing and fitting out the centre (Capital funding) and the costs of delivering the training (Revenue funding).

### Advantage West Midlands Grant

Please profile the AWM project funding that is being requested showing the split between Capital and Revenue funding.

### Advantage West Midlands European Funding Sought

If you are requesting AWM ERDF Funding, complete this section. Show what European project funding is being requested showing the split between Capital and Revenue funding. Currently only Cluster Action Plan funding is available until December 2008. The new ERDF programme 2007-2013 has not yet been approved and you should not use this form to request this funding..

### Public Sector Funding

Tell us about the other public sector funding that you have obtained for this project. Include and 2000 – 2006 ERDF funds from Government Office West Midlands separately. Split it into Capital and Revenue.

### Private Sector Funding

Tell us about the private sector funding that you need for this project. Split it into Capital and Revenue.

### Proposer's own Funds

Tell us about your own funding for this project. Split it into Capital and Revenue.

### Total Project Funding

Put the totals of both Capital and Revenue project funding here.

### AWM Capital and Revenue Receipts

If your project is going to generate receipts please include these here.

### Previous Proposals:

Please confirm this is your first request for Advantage West Midlands or European funding for this project. If it is not your first request please tell us when you applied before.

### Previous European Funding:

Please tell us if – in the last 10 years - your project has previously received European funds or uses assets created with previous European Grants. If you have received European Funds please tell us about the most recent offer letter.

## 6. Project Deliverables

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Our funding will commit you to delivering “Outputs” that demonstrate that your project is delivering the activities you have proposed and “Results” that reflect the contribution of your project towards our goals of promoting the economic regeneration and development of the region. For example a “Business Assisted to improve its performance” measures the activity of providing business support and is an “Output”. The intended consequence or outcome is that the advised business is more successful which protects or creates employment and can report that Jobs have been created or safeguarded the “Result”,

We have a standard set of Outputs and Results we will use to measure the delivery of our 2008-11 Corporate Plan which is harmonised with and overlaps the Outputs and Results used to measure the delivery of the 2007-2013 ERDF Programme.

The Outputs and Results Table is divided into three parts.

- The first part of the table is for the shared Outputs. Insert in the Total column the number of shared outputs or results that your project is expected to achieve. Insert in the AWM column those outputs the share attributable to AWM. In order to avoid double reporting with other UK public funders AWM can usually only claim outputs and results pro rata to its share of public sector funding including European Funds.
- The second part of the table is for AWM only outputs. Again insert the total number of each output or result your project can deliver in the total column and the share attributable to us in the AWM column using the rules above.
- The third part of the table is for ERDF Only outputs and results. Insert here the total number of ERDF Outputs. The Agency is not measuring these outputs and results and there is therefore no need to attribute and to the Agency.

You should only include outputs and results that arise directly from our project funding and which you are confident that you can deliver and evidence to us using the definitions identified in the sample Funding Agreement.

If you are proposing to use 2001-2008 ERDF from GOWM identify any outputs attributable to this separately.

You will be able to amend these outputs at the Full Application stage to more reflect your developed project. We will include these final numbers within any formal funding agreement and ultimately, payment of funds will depend on you delivering and providing acceptable evidence. It is not in your interest to artificially inflate the number of Outputs you expect to achieve at this stage because endorsement of a project is not based on Outputs alone.

Outputs could be commercial, social, educational, or could improve infrastructure for example.

### **6.1 Advantage West Midlands**

Use this section to show the range of AWM Outputs that your project will deliver. There are AWM Output Definitions within the sample Funding Agreement in the Project Development Pack. You should read these carefully and estimate both the minimum and maximum total numbers of Outputs that you think the project can deliver and evidence.

### **6.2 ERDF Outputs**

If your proposal includes requests for ERDF Funding you can use this section to show the range of ERDF Outputs that your project will deliver. Do not use this section if you are not requesting ERDF Funding.

### **6.3 Project Impact and Strategic Added Value**

If your project is requesting funding solely or partially on the basis of 'strategic added value', then this must be detailed here.

### **6.4 Output Delivery Period**

Tell us the period over which you currently plan to deliver the project Outputs.

## **7. Deliverability**

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This section provides you with the opportunity to tell us about:

- the issues that you have overcome in developing this proposal so far
- the risks you have identified that may happen in both the further development of the project and delivery and how you plan to manage them in particular:
  - Building Work;
  - Procurement; and
  - State aid,
- Your plans for developing the Full Application.

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We will also use this section to find out more about you and your track record in delivering projects of a similar nature and assess the impact this project will have on the resources of your organisation.

### **7.1 Project Issues**

Please tell us of any problems and how you have resolved these. Also tell us about the significant issues that you currently face that must be resolved before you can develop your project and complete a Full Application. Please rate them in terms of their impact either High (H), Medium (M) or Low (L).

### **7.2 Project Risks**

All projects face a level of threat to their success from uncertainties within the project and externally. Projects in economic development and regeneration are no exception and may face higher than normal risks particularly where operating in areas of market failure.

We therefore expect you to have a realistic view of your project's risks and appropriate strategies for managing them. At this stage we would like to you to tell us your view of the significant business risks and project risks:

- Business Risks - threats associated with your project not delivering the expected benefits, its critical success factors.
- Project Risks - threats to the delivery of a viable Full Application.

Please rate them in terms of their impact either High (H), Medium (M) or Low (L) and their probability in terms of a percentage between 1-100%.

### **7.3 Capability**

We consider past performance a valuable indicator of future performance. Tell us whether you have worked with us before. If you haven't worked with us before tell us about similar projects you may have done for other Public Bodies.

If you plan to outsource completion of the project rather than deliver it yourselves tell us about your track record of managing commissioned projects. Also identify to us how many of your staff will work on the development and delivery of this project and how you will ensure that you have sufficient staff with the relevant skills.

### **7.4 Financial and Organisational Capability**

Please complete this section only if you have not worked with us in the last two financial years. Identify your gross annual turnover including any grant value and then identify the grant value Please also explain how you are going to resource your project.

If you plan to outsource completion of the project rather than deliver it yourselves tell us about your track record of managing commissioned projects. Also identify to us how many

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of your staff will work on the development and delivery of this project and how you will ensure that you have sufficient staff with the relevant skills.

### **7.5 Procurement**

Public sector funding often brings with it the requirement to follow UK and European public procurement rules. Tell us about your procurement policy and whether it meets these requirements or if you do not have one how you will handle procurement on your project

### **7.6 Benefits to business**

European Rules on competition and State Aid are complex and need to be taken into account during the detailed development of the project either to manage it out or to comply with the Block Exemptions, Regulations and Notified Schemes.

At this stage at a minimum we need to know: who will benefit from your project - for example a project to provide consultancy support to small businesses will benefit businesses and if your project will potentially compete with other organisations.

### **7.7 Project Milestones**

Use this section to tell us your forecast dates of your key milestones in developing your project further and completing the full application form.

It is important to us that your plans for developing the project and delivering the Full Application are realistic rather than over-optimistic.

Projects that include building work, site reclamation or buying or leasing land or buildings have a special set of requirements in development, contracting and delivery. Tell us your milestones so we can provide you with appropriate support.

You should consult with your Project Sponsor to work out a realistic plan to deliver the Full Application and get your project appraised and approved.

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## **8. You and your delivery partners**

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Please record your address here. Ensure that other contact details such as postcode, fax and e-mail are included.

List the names of partner organisations with an interest (financial or other) in your project and describe their role in your project. Indicate the type of partner organisations and ensure that contact details for partners listed are included on the proposal form.

## **9. Proposer Declaration**

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You must get the proposal signed by a senior person in your organisation who has the authority to make contractual commitments on its behalf.

In addition to confirming the truth of statements made in the Outline Proposal we want you to agree to:-

- using our Standard Grant Funding Agreement, supplemented where required by our provisions for funding physical development set out in the AWM Funding Agreement Overview,
- delivering outputs to the requirements of AWM's Output Definitions.
- ensuring any physical development funded by your project meets the AWM built environment , sustainability and design standards
- provide information regarding carbon savings for the lifetime of your project if it is identified as focusing on carbon reduction
- ensuring any web site you set up as part of the project will meet AWM web site standards .
- confirm that your organisation and its partners have Equality & Diversity, Health & Safety, Environmental Sustainability and Procurement Policies and third party and employee insurance meeting statutory and AWM requirements. And that you agree to provide evidence of these on request during Full Application, prior to contract or Delivery.

If you have provided these to us before for another project and they have not changed please tell us. You will not be expected to provide them again.

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## **Our Data Policy**

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Advantage West Midlands undertakes to use its best endeavours to hold confidential any information provided in any proposal form submitted, subject to our contracting obligations under law, including the Freedom of Information Act 2000.

If you consider that any of the information submitted in the proposal form should not be disclosed because of its sensitivity then this should be stated with the reason for considering it sensitive. Advantage West Midlands will then consult with you in considering any request received under the Freedom of Information Act 2000 before replying to such a request.

## **Submission of your Outline Proposal**

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Please submit one full set of the signed paper copy of your Outline Proposal to your Agency Project Sponsor accompanied by:

- A read only electronic copy of all documentation by CD Rom or e-mail to the sponsor;
- 2 additional copies of anything that is sized A3 or larger.