Introduction and Purpose

1. This note outlines the application process for Midlands Engine Strategic Priority Development Funding (SPDF). The predominant purpose of this funding is to help kickstart strategic priority projects for development and initial delivery by providing seed funding to work up projects/concepts and develop business cases to standards set out in HM Treasury Green Book.

2. The priority areas are set out in the Midlands Engine Vision for Growth which can be found at www.midlandsengine.org. Our work is targeted to drive economic growth and productivity within the region adding £54bn GVA to the Midlands and UK economy by 2030, and delivering increased prosperity for all Midlanders. There are eight Strategic Priority Programmes and Projects (November 2017) as follows:

   a. **Transport & Connectivity Programme: Midlands Connect** – Focused on the Midlands Connect Strategy in addition to Vision for Growth projects around airports, freight and logistics and HS2 growth plans.

   b. **Trade and Investment Programme** – Expanding the Midlands Trade and Investment activities; Creating a regional subvention fund to attract large events and conferences related to our Science and Innovation Audit analysis; the Great Exhibition of the Commonwealth; and developing a Midlands Engine Partnership Internationalisation Strategy.

   c. **Skills Programme** – To publish a Skills Strategy including a plan to undertake an assessment of employer skills needs in the Midlands matched against a review of provision. This will establish the added value of skills work at Midlands Engine Partnership level. The group will also take on the Vision for Growth projects around Collaborative Skills Networks.

   d. **Innovation and Enterprise Programme** – Championing and raising the profile of the innovation strengths of the Midlands, and taking a strategic role to maximise the innovation funding to the Midlands, including the Brexit changes to European funding. This programme of activity will develop and seek funding and investment for the innovation pipeline, commercialise ideas, develop market products, and lead work around long-term energy security.

   e. **Shape Great Places Programme** – Undertaking work at Midlands level to increase the visitor economy, deliver housing and create great places with access to cultural activities for all and improved youth opportunities. The Shape Great Places priorities outlined in the
Vision for Growth include supporting our Birmingham Commonwealth Games and our Coventry UK City of Culture successes.

f. **Management and Leadership Institute** – Drawing on successful models from abroad (such as Mittelstand) this project seeks to support business leaders in fast tracking growth and increased productivity.

g. **5G digital testbed / digital connectivity** – Taking forward the proposals for pilots identified in the Government’s Midlands Engine Strategy, getting the Midlands 5G ready by 2025, and looking at technology more broadly

h. **Midlands Engine Investment Fund 2** – To complement MEIF 1, this project is focused on identifying further business access to finance needs post Brexit, the development of a pre-proof of concept fund and drawing in monies to create a larger MEIF2 such as repatriated European funds, Sovereign Wealth Funds, Institutional Investors and the anticipated UK Prosperity Fund.

3. Each strategic priority programme and priority project has a dedicated **Strategic Group**, with a Chair and Terms of Reference, and is supported by a dedicated officer from the Midlands Engine secretariat. It is expected that these groups will develop proposals for projects in their priority areas and submit expressions of interest.

4. Projects and expression of interest for funding may also arise outside of the Strategic Groups or across multiple Strategic Groups, and these will generally be dealt with on a case-by-case basis. For example, by referring a request to the relevant Strategic Group, Board or delegated authority for consideration.

**Funding Context, Match Funding and Grant size**

5. The SPDF is a part of the £4m Midlands Engine Core Budget that has been approved by Government for the period 2017/18 – 2018/19. The exact allocation of core budget to SPDF activities will depend on proposals brought forward by partners and the availability of match funding. The Secretariat is responsible for ensuring match funding across the programme and this will be factored into analysis.

6. The exact size of grant awarded for each project is expected to reflect the typical cost of providing the specific item of work. For example, a business case to Green Book standard may typically cost around £30K. Variations will be considered, subject in all cases to value for money factors and compliance with appropriate financial regulations.

**Appointment of Consultants**

7. It is expected that competitive processes be undertaken in accordance with relevant financial regulations or Approved frameworks be used. Exceptions may apply.

**Award of Grant**

8. The SPDF is grant funding and can only be awarded where it is legally possible to make a direct grant award (e.g. to a public authority) and the Midlands Engine Executive Board has explicitly agreed to make this direct award, in accordance with the Midlands Engine Assurance Framework (currently in draft.)

9. Competitive grant processes, through open or restricted calls, will generally be used to support project development in order to ensure fairness and transparency in distribution of funds.
Evaluation Methodology

10. A Midlands Engine Partnership Grant Funding Steering Group has been established to develop the methodology for evaluation of grant applications. It is anticipated that the Steering Group will work virtually and meet once per week. Representation includes senior level staff from the Midlands Engine Executive Team, the Accountable Body, senior level business representation along with representation from the Strategic groups.

Roles and responsibilities

11. The Secretariat (Programme Director) will be responsible for:
   - Ensuring that the requirements of the Executive Board/Operating Board are met appropriately in any funding allocation
   - Managing the overall budget and programme of activities
   - Ensuring that the funding programme delivers the Action Plan on a vfm basis

12. Nottingham City Council (The Accountable Body) will be responsible for:
   - Ensuring that any funding allocation is legally permissible and managed in accordance with the scheme of delegation or financial regulations
   - Contracting with recipients of funding as appropriate
   - Accounting for financial transactions

13. The Executive Board (and Chair) will be responsible for overseeing the programme of spend, taking reports from the Secretariat. Specific decision-making can be delegated with appropriate oversight.

How to Apply – WAVE 1

14. Complete the Expression of Interest Form and email to Info@midlandsengine.org (Please add EXPRESSION OF INTEREST- SPDF WAVE 1 to the subject field in your e-mail)

15. Applications for WAVE 1 funding should be made as soon as possible and not later than 27th April 2018.