



Port Infrastructure Fund

Fund Prospectus - October 2020



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SECTION 1: INTRODUCTION

This document provides a guide to support ports to apply for the Port Infrastructure Fund which opens for applications on 2 October 2020 and closes on 30 October 2020.

About the Fund

At 23:00 on the 31 December 2020 the transition period ends, and the UK starts operating under the new Border Operating Model. It is essential that ports moving goods from the EU, comply with the Border Operating Model so that businesses can continue to trade effectively.

To support ports in getting ready for these changes, in July 2020, the government announced the Port Infrastructure Fund (the fund). The fund will enable maritime ports, airports and international rail termini currently handling goods imported from the EU to access funds to build the necessary infrastructure and facilities to enable customs and sanitary/phytosanitary checks to be carried out at ports following the end of the transition period. This will include the expansion and enhancing of existing infrastructure.

The fund will support the building of infrastructure and facilities to better facilitate the flow of trade into the UK from the EU. For example, this may include, simple warehouse construction and fit-out of buildings required to conduct border controls or road and parking improvements to ensure traffic flow through border control facilities, helping to strengthen border readiness at the end of the transition period. To support this, the government is also taking action to build border infrastructure at inland sites, where there is no space at ports.

Purpose of this Prospectus

This prospectus provides information about the fund, how to apply and the detailed specification requirements for the fund. It should be read in conjunction with the attached application pack.

For further questions or clarification about any part of the application process, please email PIF.Communication@cabinetoffice.gov.uk

Stella Jarvis

Director of Planning, Assurance and Infrastructure (Border Protocol Delivery Group)



SECTION 2: PURPOSE AND SCOPE OF THE FUND

Context and Purpose of the Fund

The Port Infrastructure Fund (PIF) forms a key part of a government funding package for border infrastructure, jobs and technology to provide border processes and systems which are operational at the end of the transition period. It will allow seaports, airports and rail termini currently handling goods from the EU to access funds to build the necessary infrastructure to allow the trade of goods to comply with new regulations.

Scope of the Fund

The fund is designed to provide assistance in the building of infrastructure required to better facilitate the flow of trade into the UK from the EU, for example simple warehouse construction and fit-out of buildings required to conduct border controls, or more complex buildings, such as those required for phytosanitary checks, or road and parking improvements to ensure traffic flow through the border control facilities. It will not cover activities or port superstructures that do not support border controls (such as docks, pilotage, industrial production facilities, port offices or shops).

Without Her Majesty's Government (HMG) intervention and the introduction of the fund, some ports will not have the funds or investment support needed to develop the necessary facilities in time. It is acknowledged that timescales are tight, and any mechanism for accelerating investment in such facilities will yield significant benefits for the UK. While it is a statutory obligation for ports to deliver the facilities required to be able to perform the necessary checks, HMG's intervention recognises the need to remove financial and commercial barriers and accelerate decision-making at ports due to exceptional circumstances.

Border Checks

The border checks required to be carried out will be the same as those currently required for goods arriving from outside the EU. These are:

- Checks on goods subject to sanitary and phytosanitary controls (e.g. animal products, fish, High-Risk Food and Feed Not of Animal Origin, live animals, organics, pets, plants and plant products). Examinations of this kind must be carried out in an approved premise built to set specifications.
- HMRC Customs regulatory checks to inspect goods and documents relating to custom and international trade, checks to comply with any customs-related approval, authorisation, registration or licences held.
- Common Transit Convention checks to confirm arrival and departure of goods travelling under duty and VAT suspension.
- Goods covered by international conventions and commitments (e.g. endangered species of wild fauna and flora – CITES, ozone depleting substances, rough diamonds and the temporary import of non-perishables – ATA carnets).

Please refer to the Border Operating Model for a complete list of border checks required after the transition periods ends.

Port Applications

To apply, ports must be within the recognised boundaries of England, Scotland and Wales. Northern Ireland is subject to a separate protocol and not eligible under the fund. UK Crown dependencies (Jersey, Guernsey, and Isle of Man) are also not eligible for support from the fund. Applications can only be made for infrastructure projects that will meet the fund timetable and are sufficiently operational by 1 July 2021. If a project slips beyond these timescales, then this may result in a breach of the Grant Funding Agreement.

Only one application for a grant from the fund may be submitted for each individual port. Where a partnership, joint venture or company group owns multiple ports then the individual port application should be submitted by the company that has day-to-day control over the operation of the individual port. Where multiple companies have day-to-day control over an individual port or part of a port, one company should be appointed to apply for a grant from the Fund. The applicant should describe the legal basis or authority on which they are applying for a grant.

An application may include several sub-projects. If applicable, these sub-projects may include funding requests for companies on whose behalf the applicant has submitted the funding application. An application consisting of sub-projects must provide a full description of each sub-project and identify the costs associated with each sub-project in addition to showing the total costs.

Applicants must confirm in the application that they have notified all interested parties who may have an interest in or who may wish to be part of an application for a grant from the fund. In instances of applications with multiple sub-



projects and interested parties, the fund will reserve the right to request written consent agreements between the parties in support of the application being made. Grant Funding Agreements may be entered into with the applicant or if considered appropriate by the fund directly with those on whose behalf a sub-project is included.

Ports that have already commenced or recently completed relevant infrastructure projects in line with the prescribed eligibility criteria will be eligible to make bid applications. The fund will consider reasonable costs incurred to date in their applications.



SECTION 3: APPLICATION CHECKLIST

Below is a checklist of the documents and actions required as part of the application process:

Document / Action	Format to use	Completed?
Application	Main form	
Design Document (section 2.2)	Port's own format (RIBA or equivalent - see assessment criteria in Prospectus)	
Cost Breakdown (section 2.3)	Template provided	
Benefits Summary (section 2.9)	Template provided	
Project Schedule (section 3.1)	Port's own format (MS Project or equivalent)	
Project Execution Plan (section 3.2)	Port's own format (to also include CVs for Project Manager and Project Director)	
Governance Documentation (section 3.3)	Port's own format (corporate and project level governance documentation)	
Risk Register (section 3.4)	Port's own format (including pre and post mitigation analysis)	
Company Accounts (section 4.2)	Port's own format (copy of audited accounts)	
Bank Details (section 4.4)	Template provided	



SECTION 4: APPLICATION PROCESS

Please read through all the application documentation thoroughly as a first step. If ports have not already notified us of their intention to apply to the fund and preferred contact email address, we request that they do so as soon as possible.

Application Process Introduction

Ports will be able to ask clarification questions about the application from 5 to 9 October 2020 – please submit these to the PIF Communication Inbox PIF.Communication@cabinetoffice.gov.uk. We will publish responses to these clarification questions on 19 October 2020, and ports will also receive an email from us with the responses. To maintain the fairness and transparency of this part of the process, all clarification responses will be issued to all potential applicants and so clarification questions must not contain commercially sensitive or other information that ports would not wish to be seen by other applicants.

All applications should be submitted using the application forms provided and must be submitted electronically. Handwritten applications will not be accepted (excluding for the avoidance of doubt where it is specifically required on application documentation such as signatures).

If applicants have any general questions about the application process or about filling in any part of the application documentation, please email at PIF.Communication@cabinetoffice.gov.uk.

The fund will close for applications at midday on 30 October 2020 and applications can be submitted at any time before this deadline. We encourage applicants to submit applications as soon as they can to allow for early assessment of eligibility and allocation of funding.

On submission, confirmation of receipt of application will be provided. We will perform an eligibility check and in the event an application is deemed ineligible for funding, we will communicate this to applicants as soon as possible. Applicants who have submitted applications that have been deemed ineligible will not be prevented from submitting another application if the application window is still open.

Following a successful eligibility check, applicants will be assigned an Account Manager to support them through the next steps in the process.

We aim to assess applications as quickly as we can for outcomes to be promptly communicated to applicants, and infrastructure projects commenced promptly.

Timetable for Application

The table below sets out the key dates and timings for ports to apply for access to PIF.

02/10/2020	Fund Launched
02/10/2020	Start of Application Window
05/10/2020	Start of Clarification Question Window
09/10/2020	End of Clarification Question Window
19/10/2020	Issue Clarification Responses to all Ports
30/10/2020	Close of Applications
TBC	Following receipt of your application, we will provide an estimated timescale for our response



SECTION 5: ELIGIBILITY CRITERIA

This section sets out the eligibility criteria for applications.

Location

The exact location of the port making the application must physically lie within the recognised boundaries of England, Scotland and Wales. Ports within Northern Ireland are subject to a separate protocol and so are not eligible under the fund. UK Crown dependencies (Jersey, Guernsey, and Isle of Man) are not eligible for support from the fund.

Port Status

Applications to the fund can be made for projects based at or linked to suitably registered existing port facilities, meaning:

- Any maritime (sea) port facility handling or intending to handle EU freight within the DfT Port Freight Statistics 2019 or similar baseline register;
- Any current CAA licenced aerodrome providing or intending to provide EU freight operations, or;
- Any current recognised rail terminal providing or intending to provide EU freight operations.

Applications will be considered for the expansion of existing sites or proposals for additional land providing for split locations under the same port operation.

Project Scope

Applications to the fund will need to define the exact scope of works for the relevant projects which must relate directly to meeting the infrastructure requirements of the new import/export controls on goods moving from the EU to the UK under the Border Operating Model from 1 January 2021.

Due to the potential variances in infrastructure requirements, applications will need to provide a breakdown of overall scope in order that the scale and complexity of projects can be clearly understood for assessment.

Eligible projects will fall under three main classifications. It is anticipated that projects may contain elements of all three classifications and each application should clearly describe the scope under the following infrastructure classifications:

- **New Build** - the provision of any new infrastructure or facilities in their entirety that are merited based on the requirements under the Border Operating Model controls. New build can constitute new buildings and structures as well as other infrastructure.
- **Expansion** - the expansion of, or addition to, any existing facilities or permanent infrastructure to accommodate the requirements under the Border Operating Model controls. Such expansion can relate to buildings, land for parking or other civil infrastructure, such as roads.
- **Enhancement** - the improvement of operations and performance of existing facilities through modification, renewal or upgrade in order to meet the infrastructure requirements under the Border Operating Model controls. Projects might include technology or utility infrastructure that provides capacity or process solutions for the management of EU trade.

The fund is intended to meet requirements arising from the new Border Operating Model controls and will not cover new capabilities or support beyond this purpose e.g. any infrastructure that is intended to provide ports with new business opportunities other than those associated with EU imports and exports.

Applications that include any regular or historical asset maintenance or replacement works will not be eligible under the fund unless it clearly falls into the expansion or enhancement category.

Applications should provide clear evidence for assessment that includes as a minimum:

- A description of the proposed scope identifying the relevant classifications, with supporting illustrations/drawings indicating the extent of the works within the proposed port site.
- A description of land expansion or acquisition required under the application and its status.
- Principles of operation and integration of the new scope into the existing port.

Facility Identification

Applications to the fund should clearly identify all qualifying facilities within the scope of the proposed project that are necessary to meet requirements of the new import controls on goods moving from the EU to the UK under the Border Operating Model from January 2021.

Facility eligibility is intended to be broad. This is in order to accommodate the variances in port infrastructure requirements, to allow applications to provide comprehensive proposals for innovation, and to meet the requirements of the Border Operating Model on a port-by-port basis.



Eligible projects can be defined as below and it should be noted that it is anticipated that projects may provide elements of all three facility classifications.

Port Entry Infrastructure - these are facilities required to perform the essential border control checks for the import/export of goods under the Border Operating Model and can typically accommodate HMRC, Defra, Border Force, or PHA functions. The facility provision will be in line with recommendations under these key stakeholder functions at ports and will typically include (but not be limited to):

- Defra Border Control Point (BCP)
- PHA checks and controls
- HMRC Customs checks and Vehicle Inspection sheds
- Border Force checks
- Common Transit Convention (CTC) (OOD/Transit)
- Warehousing and Storage
- Animal Holding and Isolation pens
- Vehicle Loading and Unloading.

Ancillary Infrastructure – this includes facilities required to support the functions of Port Entry Infrastructure under the Border Operating Model and will typically include (but not be limited to):

- Staff welfare including WC and changing facilities for BCP, HMRC etc.
- Driver welfare including WC and waiting areas
- Reception and offices for BCP, HMRC etc.
- Utilities including lighting, electrical substations, etc.
- Technology infrastructure (e.g. server rooms, high speed internet facilities, etc.) when required
- Additional Port Security and access facilities
- Dedicated waste/goods and servicing facilities

Port Access Infrastructure – this can include infrastructure requirements associated with the necessary provision of new, or modifications to, access and circulation of traffic within the existing port site boundary or limits and potential additional areas identified within the project scope. Typically, this may include (but not be limited to):

- Internal port road improvements to traffic flows and management
- Increased lane capacity, queuing, and parking areas for HGVs & trailers
- Entry and exit access requirements (only to the extent of providing safe vehicle and pedestrian operations within port boundaries)
- Waiting/holding areas for government checks, e.g. BCP/HMRC/Border Force
- Perimeter fencing or gates operated by port staff
- Staff parking.

Facilities associated with existing port functions and not associated with satisfying requirements under the Border Operating Model will **not be eligible for funding** unless they are required to be removed/relocated as part of the application project. Typically, this may include (but not be limited to) port offices and administration and welfare facilities.

Both permanent and temporary facilities will be considered eligible under the fund, but all facilities and proposed works should be capable of providing continuous operations and maintaining their intended functions for a minimum five-year period.

It is acknowledged that ports will develop their own scope of works and facility designs in line with their own commercial operations and needs. However, applications should clearly set out the basis for the development of their proposed projects and demonstrate that both new and existing facilities (including those used by Border Force Officers) will all be provided to meet the necessary appropriate and recognisable standards and regulations – or in the absence of established guidance – in line with best practice.

Applications should provide clear evidence for assessment that should include as a minimum:

- A written description of the proposed facilities with supporting illustrations/drawings indicating the extent of the works within the proposed port site.
- A summary of the functions and/or services to be provided by the proposed facilities.
- Operating principles of the new facilities and how they will be integrated with the existing port operations.



Delivery Timetable

Applications must meet the fund timetable requirements i.e. completion and operation by 1 July 2021. Applications can also be made for projects that are currently in progress or have been recently completed provided those projects were intended for the provision of border control services post the transition period or can be readily adapted to that purpose.

Applications should clearly set out the timescales for execution and entry into service of eligible projects. The fund will only provide funds to projects that can demonstrate a realistic prospect of being delivered by 1 July 2021, or later where there is a clear operational need and **the implementation of the Border Operating Model is not adversely affected**. These will be exceptional cases and the remainder of this document focuses on projects falling within the expected timelines.

Eligible projects must be defined under one of two delivery classifications:

- **Short term delivery** - projects that can meet the fund's objectives and may currently be in the process of being delivered and can be commissioned and operational by January 2021. The fund will also consider projects which have been completed (within 12 months of application) or projects that extend the scope or repurpose an existing project such that it meets the fund objectives and criteria.
- **Medium term delivery** - projects that will be commissioned and operational no later than 1 July 2021. The fund will also consider projects that are phased but the final stage of completion of any phased project must be no later than 1 July 2021.

Projects providing completion and operations by 1 July 2021 will be rated the highest in eligibility. However, the fund will take a pragmatic view on project delay beyond 1 July 2021 through matters beyond the applicant's reasonable control. This will however require an agreed remedial plan to be provided to mitigate delay and will require applicants to implement and maintain such a plan to allow funding to be completed.

Projects must be able to provide operations for a minimum period of five years from the date of completion.

Applications should provide clear evidence for assessment that should include as a minimum:

- A project delivery schedule illustrating the duration of all project phases including design, procurement, construction, and commissioning stages
- Details of the initial Project Execution Plan (PEP) that identifies the approach to procurement, existing or proposed construction capability, and a plan for the works and project management approach
- Project governance arrangements
- The assumptions made on consents or permissions to meet the timelines
- Evidence that key project delivery risks have been identified and mitigated.

Qualifying Expenditure

Applications to the fund should identify the total capital expenditure (capex) costs for projects (including sub-projects) required as a direct consequence of the new border controls under the Border Operating Model from January 2021.

Eligible costs are limited to applications that specifically meet the fund objectives and applications can include direct costs associated with development (land acquisition & demolitions) as well as design and delivery (construction and commissioning). Funds for land acquisition will only be considered where the proposal is strictly linked to providing border control services and the delivery will remain within the timetable of 1 July 2021.

Applications that include costs associated with any regular or historical asset maintenance or replacement works will not be eligible under the fund unless it is clearly demonstrated that these works are required as a direct response to meeting the requirements of the Border Operating Model.

The fund will consider costs associated with applications that include projects that are currently being delivered or completed within the short-term delivery classification, but these recovery costs must be capex only.

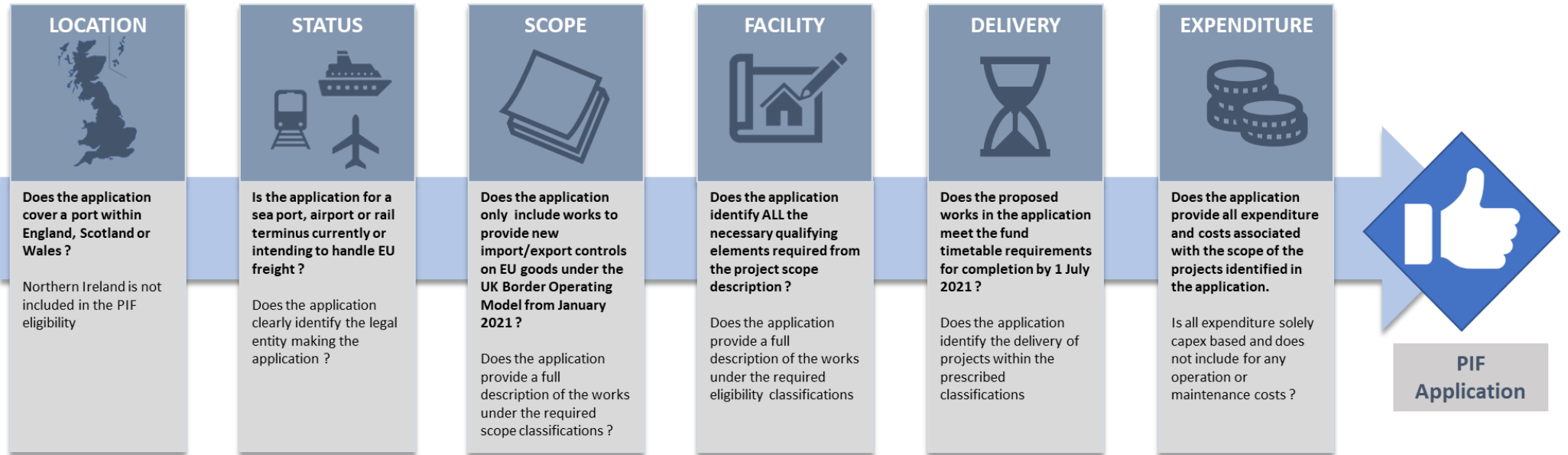
The fund will consider only those costs associated with the application and will not cover any additional costs over and above the agreed allocated funds.

Eligibility checklist

There are six eligibility criteria against which projects will be assessed - see figure 1 on the following page.



PIF Eligibility Criteria Pre-Application Checklist





SECTION 6: ASSESSMENT CRITERIA

Once a project has passed the initial eligibility criteria assessment as outlined above, the application will then be assessed against a set of criteria set out in this section.

Assessment Criteria Introduction

The primary objective of the fund is to ensure the UK's borders can more fully facilitate EU trade by the 1 of July 2021. The key design principles of the assessment process are to identify the projects that best support the UK borders' ability to facilitate EU trade and test the achievability of project delivery by the 1 July 2021.

Each application will be assessed against 3 high level criteria:

1. **Strategic importance** – how critical it is to maintaining trade flows once we leave the EU
2. **Technical review** – a review of the project delivery plan, timescales, design and cost
3. **Value for money** – the level of benefits the project is expected to deliver in terms of avoiding trade disruption and other areas.

Strategic importance

This will assess the extent to which project applications demonstrate a clear strategic importance in continuing to facilitate EU trade in one or more of the following areas:

- Across GB
- For a particular region of GB
- For a particular mode of transport (maritime, rail, aviation)
- For a particular commodity or category of traded goods, with reference to the *Critical goods for government-secured freight capacity*¹, March 2019 where relevant

Applicants must provide evidence to support this analysis. As part of this assessment, applicants should explain why their volumes of trade cannot be absorbed elsewhere.

If a project demonstrates strategic importance based on the evidence provided in response to this criterion, it will proceed to direct consideration for fund allocation. The project will still be considered against the technical and value for money criteria, but the timescales of any funding decision may be accelerated.

If the fund is oversubscribed, Strategic important projects will still be assessed with other projects in line with the described Oversubscription process set out on page 18, and receive an additional score of 10%.

Assessment

The assessment weightings are set out in the table below. The scoring criteria are included in full at the end of this chapter.

Section	Criterion
Technical (80%)	Project Delivery (50%) Project Design (20%) Project Costs (10%)
Value for money (20%)	Benefits the project will deliver in avoiding trade disruption (15%) Other benefits the project will deliver (5%)
Total (100%)	Total (100%)

Technical Review (80%)

Applicants should provide evidence against this criterion in application form section 3. The technical review is heavily weighted given the importance of project delivery and operation by 1 July 2021. It will consider the elements in the table below.

¹ <https://www.gov.uk/government/publications/critical-goods-for-government-secured-freight-capacity>



Criteria	Explanation of how this will be assessed
Project delivery (50%)	<p>Assessing the likelihood that the project will be delivered and fully operational by 1 July 2021. Applicants should provide information on the following, with reference to the Project Execution Plan where relevant:</p> <ul style="list-style-type: none"> • Project Schedule – as a minimum requirement, the Project Schedule should be provided in MS Project (native file), or recognised equivalent, with a critical path analysis for all activities relating to project delivery including, but not limited to, design, permissions and permits, procurement, construction, installation, approvals (including Defra) and commissioning. The assessment will focus on the completeness of the plan, current progress against the plan (if started), reasonableness of activity timescales, key programme risks and level of contingency. • Resourcing – the assessment will focus on the presentation and qualification of the project delivery team organogram, CV for the Project Manager and Project Director (limited to five pages of relevant experience), and confirmation that the proposed team will be available. • Procurement Strategy – the assessment will focus on the reasonableness and robustness of the project procurement strategy, focusing on the approach to fast-track engineering, procurement and construction (limited to five A4 pages). • Corporate and Project Governance – evidence of robust corporate and project governance shall be presented, demonstrating the company has the necessary procedures in place to successfully deliver the project. As a minimum, the Health & Safety Policy, Environmental Policy, Quality Control & Assurance and Management Systems, Anti-Corruption & Bribery, Modern Slavery and Data Protection (GDPR) procedures and certification shall be provided. <p>In the case of retrospective applications for completed projects, applicants should provide final completion and takeover certificates.</p>
Project design (20%)	<p>Assessing the technical viability of the project against its goals and objectives to determine whether the proposed plant and infrastructure will support the UK border's ability to continue facilitating EU trade.</p> <p>Applicants should provide information on the following</p> <ul style="list-style-type: none"> • Capacity and Scale – assessment of the Project Definition Statement defining need and proposed solution to deliver the stated capacity. This shall include the approach to estimate the capacity of the project (limited to five pages). • Design Feasibility – assessment of the proposed design relevant to its quoted level of engineering definition (concept design, feasibility study, basic engineering design or detailed engineering design). The technical viability shall be assessed based on the completeness and accuracy of the Basis of Design document, General Arrangements, Process Flow Diagrams, Implementation/Construction Methodology, evidence of Permits and Approvals, and Project Risk Register, including pre and post risk mitigation measures. The documents shall highlight the Project's interface and potential disruption to ongoing operations. <p>In the case of retrospective applications for completed projects, applicants should provide the final Project Definition Statement and as-built design documents.</p>
Project costs (10%)	<p>Assessing whether the proposed costs are sufficient and appropriate to deliver the project in the proposed timescales. As a minimum requirement, information on Capex should be provided in a fixed template.</p> <p>Applicants should provide information on the following:</p> <ul style="list-style-type: none"> • Basis of cost estimate – including the approach to developing the cost estimate and supporting evidence (historical projects, benchmarks, supplier engagement, contracts, bills of quantities, schedule of prices) • Contingency – including the approach to managing cost uncertainty, including approach to factoring in key risks as highlighted in the risk register. <p>In the case of retrospective applications for completed projects, applicants should provide the original budget and final budget, contractors' final payment request and certificate of final payment</p>

The output of the technical assessment will be the combination of the above scores, with a total score out of 80.



Value for Money (20%)

Applicants should provide evidence against this criterion in application form section [2.9] and [2.10]. This will be assessed in relation to the benefits of avoiding trade disruption, as well as the wider socio-economic considerations associated with facilitating the efficient movement of goods through UK ports.

The value for money review will consider the elements set out below.

A fixed template will be provided for the applicants to populate. The fixed template will also include the opportunity for applicants to submit additional quantitative evidence to support these areas.

Criteria	Explanation of how this will be assessed
<p>Avoiding trade disruption (10%)</p>	<p>Assessing the extent to which the project will help avoid trade disruption and associated economics costs. This will assess a combination of quantified inputs and qualitative evidence.</p> <ul style="list-style-type: none"> • Project capacity (10%) – an assessment of the total capacity (checks per year) provided by proposed new infrastructure. Applications should also explain their approach to calculating the necessary capacity for the new infrastructure, with reference to the existing capacity, types of check required, how this has been derived from expected trade volumes and, where relevant, types of commodities expected to be handled at the port. Applicants should provide an estimate of current and expected EU trade volumes and explain how these have been calculated. This will be supported by the following quantitative inputs, to be provided in the fixed template: <ul style="list-style-type: none"> ○ Project capacity (by type of check) ○ Current volume of EU trade ○ Projected volume of EU trade (assuming no checks required) ○ Projected volume of EU trade the port could not serve without the facility ○ Indication of expected value of EU trade ○ Indication of expected customs duties received per unit of EU trade ○ Expected length of delays without investment (avoided delays). <p>Applications should provide the evidence and assumptions behind these quantitative inputs. There is space in the templates for applicants to input evidence and applications in the fixed template.</p> <ul style="list-style-type: none"> • Other trade disruption benefits (5%) - any additional evidence on benefits will be assessed. Potential areas include, but are not limited to, the below. Applications should include additional quantitative evidence to support these areas. <ul style="list-style-type: none"> ○ Expected impact on local industry/supply chains ○ Avoided inland traffic - queueing-related congestion ○ Avoided marine-side congestion ○ Expected length of time for ‘return to normal’ operations without investment (if any expected) ○ Extent to which the project generates port and border resilience by reducing reliance on other ports. ○ Evidence of the importance of the port for handling specific commodities, if not already highlighted under Strategic Importance above.
<p>Other benefits (5%)</p>	<p>Assessing the other potential benefits that the project will deliver. This will assess a combination of quantified inputs and qualitative evidence. This will be supported by the quantitative inputs to be provided in the fixed template. Applications should provide the evidence and assumptions behind these quantitative inputs in the fixed template. These required inputs will be set out in a fixed template. In addition, any additional evidence on other benefits will be assessed. Potential areas include, but not limited to:</p> <ul style="list-style-type: none"> • Environmental benefits • Impact on the local economy. <p>Applications can include additional quantitative evidence to support these areas.</p>



Scoring

Project delivery (50%)

The output of the project delivery review will be a score between 0.2 and 1, based on the information presented, where:

- A score of 0.2 represents a project that is highly unlikely to be delivered by 1 July 2021
- A score of 0.4 represents a project that is unlikely to be delivered by 1 July 2021
- A score of 0.6 represents a project that will possibly be delivered by 1 July 2021
- A score of 0.8 represents a project that is likely to be delivered by 1 July 2021
- A score of 1 represents a project that is highly likely to be delivered by 1 July 2021

Project design (20%)

The output of the project delivery review will be a score between 0.2 and 1, for a project's technical viability, where:

- A score of 0.2 represents an application that shows very limited evidence
- A score of 0.4 represents an application that shows limited evidence
- A score of 0.6 represents an application that shows adequate evidence
- A score of 0.8 represents an application that shows detailed evidence
- A score of 1 represents an application that shows highly detailed evidence

Project costs (10%)

The output of the project delivery review will be a score between 0.2 and 1, based on how appropriately the project has been costed, where:

- A score of 0.2 represents an application that shows very limited evidence
- A score of 0.4 represents an application that shows limited evidence
- A score of 0.6 represents an application that shows adequate evidence
- A score of 0.8 represents an application that shows detailed evidence
- A score of 1 represents an application that shows highly detailed evidence

Project capacity (10%)

The output of the project delivery review will be a score between 0.2 and 1, with regards to capacity for avoiding trade disruption, where:

- A score of 0.2 represents an application that shows evidence that the project will provide very limited additional capacity
- A score of 0.4 represents an application that shows evidence that the project will provide limited additional capacity
- A score of 0.6 represents an application that shows evidence that the project will provide additional capacity
- A score of 0.8 represents an application that shows detailed evidence that the project will provide significant additional capacity
- A score of 1 represents an application that shows evidence that the project will provide very significant additional capacity

Other trade disruption benefits (5%)

The output of the project delivery review will be a score between 0.2 and 1, with regards to other benefits in avoiding trade disruption, where:

- A score of 0.2 represents an application that shows evidence that the project will provide very limited other benefits
- A score of 0.4 represents an application that shows evidence that the project will provide limited other benefits
- A score of 0.6 represents an application that shows evidence that the project will provide other benefits
- A score of 0.8 represents an application that shows evidence that the project will provide significant other benefits
- A score of 1 represents an application that shows evidence that the project will provide very significant other benefits

Other benefits (5%)

The output of the project delivery review will be a score between 0.2 and 1, where:

- A score of 0.2 represents an application that shows evidence that the project will provide very limited other benefits
- A score of 0.4 represents an application that shows evidence that the project will provide limited other benefits
- A score of 0.6 represents an application that shows evidence that the project will provide other benefits
- A score of 0.8 represents an application that shows evidence that the project will provide significant other benefits
- A score of 1 represents an application that shows evidence that the project will provide very significant other benefits.



Outputs of the Assessment

The assessment process will result in two outputs that will be provided to Fund Allocation:

- A total score (out of 100) that will inform distribution of funds if there is oversubscription to the fund and
- A list of risks (relating to project delivery, project scope, project costs or value for money) that may be considered as part of a “Deep Dive”

Further details on oversubscription and Deep Dive are included in the next section.



SECTION 7: FUND ALLOCATION

Fund Allocation Introduction

The primary objective of fund allocation is to provide a fair and equitable distribution of funds across eligible, and suitably assessed, applications. It is composed of the following key areas:

- **Early Fund Support** - managing the (pre-application) costs associated with infrastructure design in support of quality applications
- **Fund Allocation** - the process by which assessed applications are received, funding is allocated, and approval to distribute funds is given. It also includes the following activities:
 - Oversubscription management - the steps to be taken in the event of the fund being oversubscribed
 - Deep Dive - the identification, and management of, in-depth technical or commercial reviews into applications
- **Fund Allocation Authority** - the Board at which decisions are ratified and portfolio risks are managed.

Early Fund Support

As per the early information pack provided on 18 September 2020, ports will be able to recover eligible costs incurred in the development of their application. These would include, for example, design costs in the preparation of the scheme and exclude, for example, staff costs for the completion of the application forms themselves.

This supports the progression of the build of infrastructure design and operations for use by 1 July 2021, by enabling ports to progress with Design activities before funding is provided.

Early support funding is intended for the provision of applications to the 'Concept Design' (i.e. RIBA Stage 2) and is to be capped at 5% of the total allocated to a port. These costs must meet the overall fund eligibility criteria, and benchmarking will be undertaken for all costs that applications want to recover, whether they are successful or not.

Eligible costs incurred to support applications are to be included in the cost profile of the application.

Qualifying expenditure (see Eligibility section above) is limited to that which specifically meets the fund objectives and can include capex costs associated with development and design of the requested infrastructure to Concept Design (RIBA Stage 2). Examples of this would be; architect/engineering design drawings, specialist consultancy requirements including environment, transport or detail ground investigation.

Applicants should check with the port Account Manager if they need to check any specific costs they plan to incur.

If an application is unsuccessful, these costs still are recoverable, so long as the application, and the costs stated, are in line with the above qualifying expenditure.

Fund Allocation

Following the completion of application assessment, applications will be passed to the Fund Allocation Team.

The Fund Allocation Team manages the process of successfully assessed applications progressing through to fund allocation and will determine whether the application proceeds for allocation approval from the Fund Allocation Authority (FAA), or if further action is required beforehand.

The FAA is the group that ratifies recommendations from the Fund Allocation Team. Its role is to see that ports receive funding in a fair and equitable way, and that any potential oversubscription issues are managed appropriately.

The fund allocation process must balance granting funding quickly, so that necessary infrastructure gets completed on time, with managing the total sum available for allocation. Therefore, whilst the final value (£) of allocations will not be confirmed until after all bids have been received and reviewed, the Fund Allocation Authority may communicate to successful bidders prior to this point, that they will be receiving funding and eligible costs incurred to maintain progress and delivery timescales will be covered.

The Fund Allocation Authority will take a range of measures during the application window to track the relationship between the quantum requested by successful bidders and the total available from the Fund, and Account Managers will remain in close communication with bidders throughout.

Should the fund be oversubscribed (*see Oversubscription section below*) once the application window closes, the Funding Authority reserves the right to take mitigating actions across the Fund, or contact individual successful bidders to undertake a Deep Dive (*see Deep Dive section below*) on how the cost of their scheme(s) might be reduced, in order to remain within the overall funding envelope.



Deep Dive

The Fund Allocation Team may consider a 'Deep Dive' process with an application if there are concerns relating to content, or as a mitigation to oversubscription. The need to Deep Dive would be identified once an application has been assessed and will be related to the application's assessment score or any concerns identified during assessment.

A Deep Dive involves a targeted review of specific aspects of an application, where suitable experts will be tasked with an expedient, in-depth, investigation into the relevant part of the application.

The Account Manager will discuss any recommendations arising from a Deep Dive with applicants, such as alterations to scope, costs or risk.

Oversubscription

As part of the fund allocation, the FAA will keep track of whether the fund is likely to be, or is, oversubscribed.

If the fund is oversubscribed, there are steps to take to support the distribution of funds across all eligible ports.

It is therefore particularly important that in making an application, costs are realistic, achievable, and provide value for money.

Oversubscription is being managed on a risk and event basis, in that risk levels will be attributed, and the mitigating actions taken, depend on:

- When the event occurs (during application window / once all applications are received)
- What percentage the fund is oversubscribed by.

The mitigating actions (not exhaustive), are:

- **Monitor** - Low Risk, not all applications received, oversubscription <5%
 - Provide awareness to relevant stakeholders and monitor risk closely
- **Act** - Medium Risk, all applications received, oversubscription <10%
 - Deep Dive will be required, actions available;
 - Reduce scope of single/multiple projects
 - Reduce funding by a % (dependant on level of oversubscription) for single/multiple ports
 - Identify cost reductions/economies of scale
 - Hold some risk within the portfolio (Shared Portfolio Risk)
- **Escalate** - High Risk, all applications received, oversubscription >10%
 - All other options have been exhausted - Additional funding, or cancellation of some infrastructure, is required. Cancellation of infrastructure will be based on the scoring from the assessment process, allocation will then be provided from the highest scoring downwards until all funding has been allocated.

The Account Manager will discuss oversubscription events and mitigation actions that impact on your application.



SECTION 8: PROJECT MANAGEMENT

Project Execution Plan

Applicants should provide a Project Execution Plan, including the work packages needed to take the project forward. This should include details of how the scope of works directly relates to the requirements of the import controls on goods moving from the EU to the UK under the Border Operating Model for EU trade from 1 January 2021.

Responses should clearly identify whether the project relates to New Build, Expansion, or Enhancement works, as outlined in this document in Section 4. Responses should also identify whether the proposed facilities and infrastructure relate to Import Entry Infrastructure, Ancillary Infrastructure and/or Port Access Infrastructure.

Applications should outline how the impact of the project will be measured. The monitoring and evaluation approach should be integral to the project activity and be used to measure the impact the project has on the overall objectives of the grant funding agreement.

Project Schedule

Applicants will need to set out the milestones and delivery schedules for the grant period, explaining how the work packages, outputs and outcomes relate to the milestones. The applicant must make clear any dependencies and assumptions that lie behind the planning and may affect delivery of the project. A project plan should be provided in MS Project (native file), or equivalent, with a critical path analysis for all activities relating to project delivery including, but not limited to, design, permissions and permits, procurement, construction, installation and commissioning.

Project Cost

Applications must include a financial breakdown of the project. A best practice table of costs is included in section 2.3 of the application form. It illustrates the minimum level of detail expected, however, applications should provide cost breakdowns at a more detailed level below each category. This information must be submitted at sub-project level if applicable. If a project includes different types of port infrastructure (Import Entry Infrastructure, Ancillary Infrastructure and/or Port Access Infrastructure), the applicant should include a cost table for each type of port infrastructure.



SECTION 9: GRANT FUNDING AGREEMENT

Successful applicants will be required to enter into, and agree to the terms of, a Grant Funding Agreement. Applicants are requested to review the terms of the model agreement (embedded in the application form) and confirm acceptance. We reserve the right to amend the model agreement prior to it being executed by the parties.

The Grant Funding Agreement comprises a core agreement covering the allocation, distribution and management of the fund, supplemented with a number of supporting annexes.

Key features of the agreement include:

- Grant funding will be payable to applicants for eligible expenditure only and will be capped
- Mechanisms will exist to clawback funding in the event of:
 - Funds being used for ineligible expenditure
 - Delivery of the funded activities not starting within a prescribed period
 - Failure to make satisfactory progress or achieve agreed outputs
 - Failure to comply with wider obligations under the agreement
- Applicants will be required to monitor and report on progress of the funded project(s)
- Applicants will be required to provide independent assurance that the grant has been used for delivery of the funded activities
- Applicants will be required to safeguard (and evidence upon auditing) that value for money has been obtained in the procurement of goods or services funded by the grant
- Applicants will be required to maintain funded assets in good working order and keep a register of fixed assets wholly or partly acquired using grant funding
- Applicants will be required to demonstrate effectiveness and sustainability of the project(s)
- Applicants will bear the risk associated with project costs overrunning.