



Department for  
Business, Energy  
& Industrial Strategy

# Offshore Wind Manufacturing Investment Scheme

Major Portside Hubs: Guidance

WIT/DRA/MN

WITHDRAWN



© Crown copyright 2020

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at: [OWMIS@Beis.gov.uk](mailto:OWMIS@Beis.gov.uk)

# Contents

1. Offshore Wind Manufacturing Investment Scheme Objectives	4
2. Application Process	6
3. Summary of Assessment and Decision-Making Process	6
4. Section A – Applicant & Project Information	9
5. Section B - Applicant Legal Standing	9
6. Section C – Essential Project Criteria	10
7. Funding Levels	11
8. Case Officer	11
9. Section D - Assessment Criteria	11
10. The Role of IDAB	26
11. The Role of BEIS Ministers	26
12. Notification	27
13. Right of Appeal and Feedback	27
14. Letter in Principle	27
15. Due Diligence	28
16. Subsidy Control and Other Legal Requirements	28
17. Grant Funding Agreement	29
18. Post-Award Monitoring	29
19. Accompanying Documentation	30
20. Timeline	33

# 1. Offshore Wind Manufacturing Investment Scheme Objectives

This is a competitive process to enable delivery of a single large coastal manufacturing site for the offshore wind industry, able to generate manufacturing clusters where several large-scale producers can co-locate. In doing so we hope to capture benefits to the UK economy including:

- Increased capability & resilience in the UK offshore wind supply chain
- Progress towards the 60% UK content ambition set out in the offshore wind sector deal
- Increased export opportunities for the UK offshore wind industry
- Regional economic & social benefits (quality jobs and increased GVA)
- Accelerating the drive towards net zero emissions by 2050.

On 6<sup>th</sup> October 2020, the Prime Minister announced the government's decision to allocate funding towards the development of the offshore wind supply chain the UK. This funding is being distributed via the Offshore Wind Manufacturing Investment Scheme (OWMIS).

This competition is for one single award only (referred to as the “award” throughout this document). Although the award amount is not fixed (and an award of a greater amount may be made), we expect that this award will be up to a sum of around £70m. If you consider that your project would require a greater award amount in order to proceed, please reflect this in your application.

Projects (referring to the proposed portside hub as described in applications received for this award) will be judged and compared on the value for money they offer in accordance with the process set out in this document and described at a high level in the paragraph below.

The competition will be run by the Department for Business, Energy and Industrial Strategy (BEIS). If applicants have any general questions about the application process or about filling in any part of the application documentation, please email queries to [OWMIS@beis.gov.uk](mailto:OWMIS@beis.gov.uk).

## Important information regarding this process

- OWMIS and awards from it are discretionary. There is no automatic entitlement to an award of funding in any amount.
- Applicants must ensure that their application, organisation, and project all meet the minimum PASS/FAIL criteria explained in this document. Applications that do not meet these criteria will be rejected.
- The assessment process will be run objectively in accordance with published documentation.
- Any award must comply with the UK's prevailing subsidy control regime and any other relevant legal requirements – as such any letter in principle or grant funding will be conditional upon this requirement.
- Applications will be accepted from all parts of the UK. Applications will only be successful where the potential funding offers clear wider benefits to the UK economy, which will be assessed via the process set out in this document and the Guidance. The amount of grant requested must be the minimum necessary to enable the project to proceed and to deliver the best value for money for the UK taxpayer.

- Where an applicant is successful we intend to issue a letter in principle, this will not (of itself) release funding or entitle the successful applicant to funding and any funding will remain subject to due diligence to BEIS' satisfaction and agreement to our proposed form of Grant Funding Agreement.
- The letter in principle is likely to include a condition requiring a successful port to secure a Memorandum of Understanding or comparable arrangement with at least one major tenant investor prior to final confirmation of a grant award.
- While Tenants at successful ports continue to be free to seek support from other existing forms of investment support, port applicants should note that BEIS provides no assurance or expectation that any further funding is available for tenants investing in port hubs.
- The proposed timetable for this process is set out in the Guidance. Applicants must be willing to dedicate sufficient resource to assist us in meeting this timetable. The letter in principle will set out the award figure and confirm the government's intent to support the project, subject to a number of conditions which will include further due diligence to verify evidence provided in your application and execution of a Grant Funding Agreement provided by us.
- We may choose to attach conditions to any Grant Funding Agreement (including imposing stages in respect of release of funds) and those conditions will depend on our view of the successful project. Until a Grant Funding Agreement is entered in to we will not be responsible for nor will we make any commitment in respect of costs that applicants may incur.
- BEIS will not be responsible for any costs incurred in the preparation of any application, whether or not it is successful.
- BEIS reserves the right not to accept any application or make any grant and reserves the right to cancel the competition before it has completed or at any time before any Grant Funding Agreement is entered in to.
- BEIS reserves the right not to consider an application further if you refuse to disclose information requested.

This Guidance sets out supporting information for how to make an application. It should be read alongside all of the other materials published for this competitive process.

## 2. Application Process

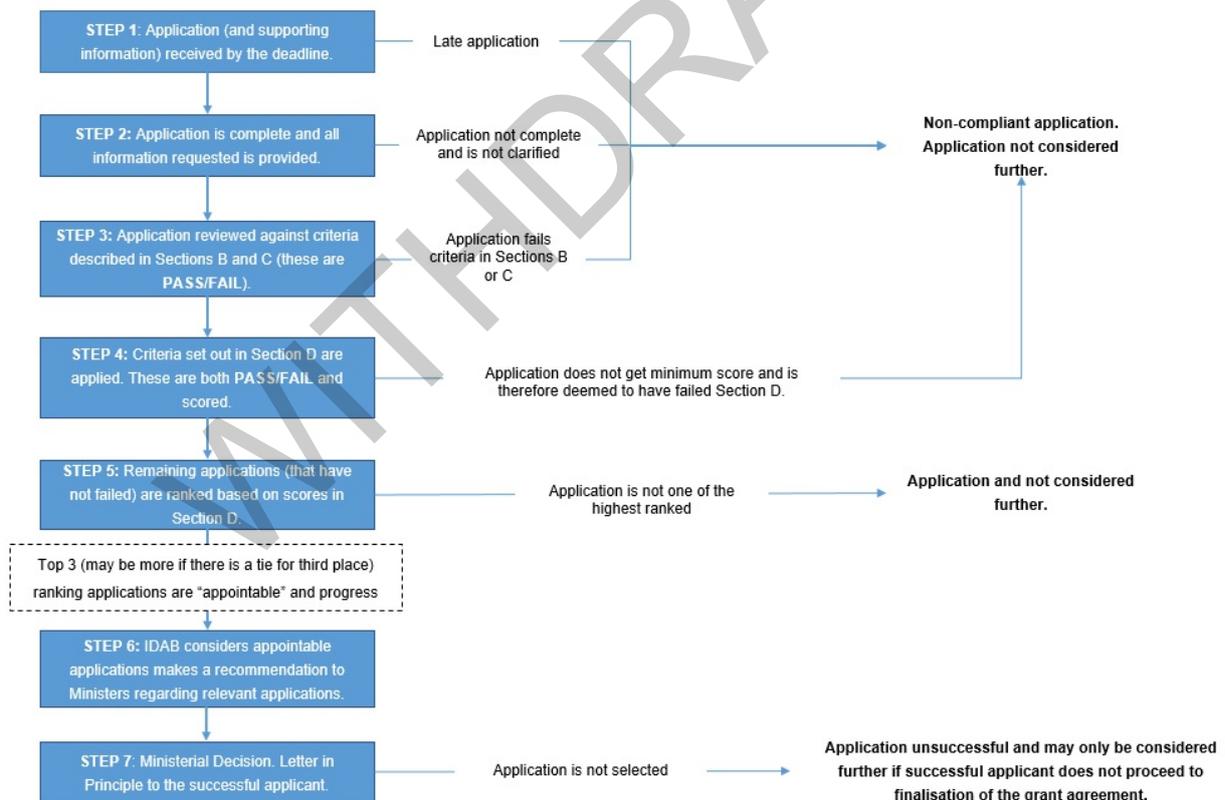
The scheme is open to applications until **8<sup>th</sup> January 2021**. Applicants should complete all sections of the Application Forms and provide all accompanying documentation to the level of detail requested by the deadline date. If in preparing the application, there are any clarifications required, applicants should email [OWMIS@Beis.gov.uk](mailto:OWMIS@Beis.gov.uk) with the subject heading *OWMIS Application Clarification [Project title]*.

It should be noted that if clarifications are deemed to be of relevance to other applicants (or potential applicants), the question and answer may be made available to others.

Applications should be submitted to [OWMIS@beis.gov.uk](mailto:OWMIS@beis.gov.uk) with the subject heading *OWMIS Major Portside Hub Application [Project title]*.

## 3. Summary of Assessment and Decision-Making Process

BEIS will appraise applications in accordance with the competition process set out in this document. The following diagram sets out the process we will follow:



## *Assessment Process*

We set out below the detail of the process for assessing applications:

1. **STEP 1: Applications are on time:** Applicants must submit a completed application as required by this document by **8 January 2021**. A complete application should include:
  - Application Form 1.
  - Application Form 2.
  - A Business Case or Business Plan.
  - CVs (up to two sides of A4 each) for key personnel critical to the delivery of the project.
  - Key financial information.
  - Delivery plans for the construction phase of your project.
  - Procurement Strategy.
  - All planning and consent documentation required for the delivery of the site and project.
  - Project Risk Register.
  - Evidence of commercial agreement or commitment that you have received from future users of the site.
  - Confirmation of Application Form
  - Any additional information which may be pertinent to your application.

Relevant documents should be completed as set out in this Guidance and in accordance with any other documentation related to this competition.

2. **STEP 2: Consideration of whether an Application is complete:** Applications received will be considered to confirm that all relevant information is provided.

At this **STEP 2** (and throughout the process set out below) we reserve the right (at our sole discretion) to contact applicants in order to clarify any applications (or parts thereof) which are unclear, contain genuine mistakes, gaps, omissions or in relation to responses to ambiguous questions. However we are not under any obligation to do this. Where any application is not complete or is inconsistent, vague or ambiguous, one or more of the following courses of action, which are not necessarily mutually exclusive, may be taken:

- a. we reserve the right to consider your application on the basis of the interpretation or meaning that is the most adverse; and
  - b. we reserve the right to consider the application is not compliant with the rules of the competition and to reject/disqualify the application.
3. **STEP 3: Review of Sections B and C:** Sections B and C contain essential PASS/FAIL criteria. Applications provided must clearly pass all of the PASS/FAIL requirements in Sections B and C. Where either of Sections B or C are not passed we will consider that the application is not compliant with the rules of the competition and reject/disqualify the application.

Following this initial sift, BEIS will appoint a Case Officer to your application who will act as your initial point of contact throughout the remainder of the process.

4. **STEP 4: Full Assessment** – At this **STEP 4** BEIS will undertake a formal assessment of the full Application Forms and accompanying documentation. During the assessment period, your Case Officer may request further details in relation to your application and it is essential that these requests are responded to as quickly as feasibly possible. This may include a request that you supply all executive decision making documents supporting this project (i.e. all documents that demonstrate the approval of authorised individuals to submit an application to the scheme). BEIS reserves the right to exclude applicants from the competition if there are significant delays or failures in providing requested information.

If, at any time during this assessment process, it is judged upon closer investigation that a project which has passed **STEP 3** should not have done, BEIS reserves the right to discontinue that assessment and notify the candidate that their application will not be taken forward any further.

Assessment of the application and all accompanying documentation will be undertaken against the criteria described in Section D and listed below in *Section 18*.

Section D comprises six assessment criteria as follows:

- D.1 Strategic.
- D.2 Economic.
- D.3 Commercial.
- D.4 Financial.
- D.5 Technical.
- D.6 Social and Environmental.

Each application will be given a score from zero to five for each of the criteria above. The aggregate of these scores will then be taken for each application to give a score out of thirty.

In order to pass Section D an application must score not less than eighteen out of thirty against the criteria **IN TOTAL**. Any application that does not achieve the required minimum score for the criteria **IN TOTAL** in Section D will be deemed to have “failed” Section D and will not be considered further.

5. **STEP 5: Ranking** - The remaining applications will then be ranked in order of their aggregate score in Section D. The top 3 (three) ranked applications will be considered to be “appointable” projects and will progress to **STEP 6** (below). Where there is a tie for the third placed application then the additional application(s) that are tied for third place will also proceed as appointable applications for the purposes of **STEP 6** (below).

6. **STEP 6: Review by IDAB** - The Industrial Development Advisory Board (IDAB) will be asked to advise on the appointable applications. IDAB's recommendations will be combined with BEIS' assessment to in turn advise BEIS ministers.
7. **STEP 7: Decision by Ministers** – The determination as to which application will be successful will be taken by BEIS ministers.

**PLEASE NOTE: THIS IS A DISCRETIONARY GRANT. IN DETERMINING WHO IS THE SUCCESSFUL APPLICANT MINISTERS WILL TAKE IN TO ACCOUNT INFORMATION FROM THIS PROCESS AND IDAB AS WELL AS ANY OTHER CONTEXT SENSITIVE INFORMATION THAT IMPACTS ON THE OBJECTIVES OF THIS COMPETITION (AS SET OUT ABOVE).**

The successful applicant will be provided with a letter in principle as described below. This does not guarantee any grant funding until a specific Grant Funding Agreement has been entered in to. Where the successful applicant does not complete due diligence or progress to enter in to the Grant Funding Agreement we reserve the right to revert to other appointable applications and to redo (taking in to account any additional relevant information) **STEP 7**.

## 4. Section A – Applicant & Project Information

Applicants will be required to complete all information at Section A in Application Form 1 in respect of themselves and any other person who has powers of representation, decision or control in respect of the applicant.

If the applicant is a consortium, full details of the consortium and its members must be provided as part of Section A in Application Form 1.

Where the relevant consortium is proposing to create a separate corporate entity, they should provide details of the actual or proposed percentage shareholding of the constituent members within the consortium. If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided. Where any information is required throughout this process in respect of an applicant, we may require such information to be provided by all consortium members.

Proposed sites for development must be located in the United Kingdom.

## 5. Section B - Applicant Legal Standing

Applicants will be required to complete all information at Section B in Application Form 1 in respect of themselves and any other person who has powers of representation, decision or control in respect of the applicant. This is a **PASS/FAIL** requirement. The grounds on which we may determine that an application has failed are set out in detail in Section B of Application Form 1 and are not repeated here.

Please note however that Section B contains both mandatory and discretionary grounds for exclusion. If there are grounds for exclusion, there is an opportunity for an applicant to explain the background and any measures it has taken to rectify the situation (“self-cleaning”). Whether any self-cleansing is acceptable is at our absolute discretion.

Subject to any self-cleansing information provided being acceptable to us, applications which do not meet all of the mandatory exclusion criteria will be informed that they will not be taken forward for further consideration. Projects which do not meet all of the discretionary exclusion criteria outlined in Section B of Application Form 1 may or may not be taken forward at BEIS’ discretion.

Consortia shall ensure that Section B of Application Form 1 is completed by all constituent members.

## 6. Section C – Essential Project Criteria

In order to be considered for Offshore Wind Investment Scheme (OWMIS) funding at this stage, projects must meet (i.e. answer “yes” and provide evidence for) all questions set out in Section C of Application Form 1. This is a **PASS/FAIL** requirement. Any applicant that does not answer yes and evidence such response will not have provided a compliant application and such application will not be considered further.

These are the basic attributes which we believe a large coastal manufacturing hub must possess. Beyond this, applicants are afforded flexibility in how best to meet the scheme’s overall objectives.

For the purpose of this process “Offshore Wind Manufacturers” are defined as companies which intend to produce on site (and have a track record of successfully producing elsewhere) one or more of the following components for offshore wind installations: turbine blades, foundations (of any type), nacelles (including any major component parts), rotor hubs, towers, transition pieces, offshore cables, substation componentry.

Applicants must be able to demonstrate a robust business plan and financially sustainable business model.

Tests of financial viability will be conducted in line with industry best practice. They may include (but are not limited to) checks that your organisation:

- has sufficient liquidity (it is capable of covering its short-term commitments);
- is financially autonomous (it is capable of covering its debt costs);
- is solvent (it is capable of covering its medium and long-term commitments); and
- is profitable, or has the realistic potential to be based on the information provided.

## 7. Funding Levels

We expect the funding by applicants to be an accurate representation of the funding requirement for the project, and that this figure is the minimum necessary to bring this project forward. Part of our assessment will be focused on judging whether this project can or cannot proceed without the funding requested, or if it could be done with less public support (see below).

Although the award amount is not fixed (and an award of a greater amount may be made), at present we expect this award to be up to a sum of around £70m. However, if you consider that your project would require a greater award amount in order to proceed, please reflect this in your application. Applications will not be prejudiced if they request more than £70m. Projects will be judged and compared on the value for money they offer, as part of the assessment criteria in Section D.

## 8. Case Officer

If your application passes the initial sift i.e. is fully completed and passes Sections B and C (as above), your application will be appointed a Case Officer. The Case Officer's role is to be your point of contact within BEIS.

The Case Officer will be able to answer any questions you may have about the competition process. Any answers provided to a question may be provided to all other applicants to ensure all candidates have the same information.

The Case Officer may also ask you to provide further information to clarify or expand upon the information provided in your initial application.

The Case Officer will not be permitted to assist you in altering or improving any element of your initial application. The Case Officer's role is not to 'coach' applicants to improve their applications but simply to request and distribute relevant information as required.

## 9. Section D - Assessment Criteria

As set out above a critical part of the assessment of applications is a review of the strategic, economic, commercial, financial, technical, social and environmental case for that project. This takes place at the Section D review.

At Section D the full application and accompanying materials are considered and assessed.

If, at any time during this assessment process, it is judged upon closer investigation that a project which has passed Sections B and C should not have done, BEIS reserves the right to discontinue that assessment and notify the candidate that their application will not be taken forward any further.

The assessment at Section D is completed in the aggregate looking at all documentation provided as part of an application. Section D is made up of six assessment criteria – each representing one of the key areas above and against which the responses and the application as a whole will be assessed. These assessment criteria are set out below.

The responses to each of the questions for each assessment criteria will be considered in the aggregate (for example - in assessing question D1 – the responses to D1.1 to D1.4 will be read together (rather than 25% weighting for each sub-question) with any other relevant parts of your application and any relevant accompanying documentation provided) and considered against the specific assessment criteria and scoring described below.

We set out below how applications will be assessed against the six assessment criteria and how a score will be applied in respect of each criteria. We have also indicated in the table below where particular accompanying documents will be used to inform our assessment. However, we reserve the right to use any information provided in any part of your application (or appended as ‘additional information’) to influence any part of the assessment to which it is pertinent.

<b>D1 Strategic</b>	
<b>Strategic Assessment Criteria</b>	
<p>Assessment of the application (including questions D1.1-D1.4 and the Business Case or Business Plan) to consider whether and the extent to which the applicant’s project:</p> <ul style="list-style-type: none"> <li>• will increase the capacity and resilience of the UK offshore wind supply chain;</li> <li>• will result increased export opportunities for the UK Offshore Wind Industry;</li> <li>• will contribute to the target of 60% UK content by 2030 established in the offshore wind sector deal; and</li> <li>• is part of the applicant’s coherent and consistent corporate strategy.</li> </ul>	
<b>Key Accompanying Documents</b>	
<ul style="list-style-type: none"> <li>• Business Case or Business Plan</li> </ul>	
<b>Score</b>	<b>Description</b>
0	<p>No response submitted or, on the basis of the application provided, there is no confidence at all that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and/or</li> <li>• is part of a coherent and consistent corporate strategy.</li> </ul>
1	<p>On the basis of the application provided there is a very low level of confidence that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and/or</li> </ul>

	<ul style="list-style-type: none"> <li>• is part of a coherent and consistent corporate strategy.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise some major concerns regarding the satisfaction of the Strategic Assessment Criteria; and/or</i></li> <li>• <i>patently fail to address one or more of the aspects of the Strategic Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided there is a low level of confidence that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and/or</li> <li>• is part of a coherent and consistent corporate strategy.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise concerns regarding the satisfaction of the Strategic Assessment Criteria; and/or</i></li> <li>• <i>fail to address adequately one or more of the aspects of the Strategic Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided there is (as a minimum in each case) a reasonable level of confidence that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and</li> <li>• is part of a coherent and consistent corporate strategy.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li>• <i>generally satisfies the Strategic Assessment Criteria; and</i></li> <li>• <i>generally addresses each of the aspects of the Strategic Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided there is confidence (as a minimum in each case) that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and</li> <li>• is part of a coherent and consistent corporate strategy.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Strategic Assessment Criteria; and</i></li> <li>• <i>addresses in full each of the aspects of the Strategic Assessment Criteria.</i></li> </ul>

5	<p>On the basis of the application provided there is a high level of confidence (as a minimum in each case) that the project:</p> <ul style="list-style-type: none"> <li>• will benefit the development of the offshore wind industry in the UK;</li> <li>• will lead to export opportunities;</li> <li>• will help increase domestic content in UK offshore wind projects; and</li> <li>• is part of a coherent and consistent corporate strategy.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner the Strategic Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Strategic Assessment Criteria.</i></li> </ul>
---	--

<b>D2 Economic</b>	
<b>Economic Assessment Criteria</b>	
<p>Assessment of the application (including questions D2.1-D2.2, and the Business Case or Business Plan) to consider whether and the extent to which the applicant's project provides value for public money based on:</p> <ul style="list-style-type: none"> <li>• the number and pay of jobs to be created by your project and offshore wind manufacturers on site;</li> <li>• the extent to which the workforce of your project and offshore wind manufacturers on site is upskilled;</li> <li>• the wider economic benefits due to impact on regional area, agglomeration, transport economic efficiency, increase in land values etc;</li> <li>• the amount of OWMIS funding applied for by your project (including the projected level of public support for offshore wind manufacturers on site) and any other public sector support promised or received for your project; and</li> <li>• the application is based on credible and robust estimates/evidence.</li> </ul> <p><b>Key accompanying documents</b></p> <ul style="list-style-type: none"> <li>• Application Form 2</li> <li>• Key financial information</li> </ul>	
<b>Score</b>	<b>Description</b>
0	<p>No response submitted, no assurance/no credible assurance whatsoever has been undertaken and/or there is no confidence at all that this project would provide:</p> <ul style="list-style-type: none"> <li>• value for money in terms of job creation;</li> <li>• wider benefits; and/or</li> <li>• a positive regional impact.</li> </ul>
1	<p>On the basis of the application provided:</p>

	<ul style="list-style-type: none"> <li>• there is a very low level of confidence that the project will provide:             <ul style="list-style-type: none"> <li>○ value for money in terms of job creation;</li> <li>○ wider benefits; and/or</li> <li>○ a positive regional impact; and/or</li> </ul> </li> <li>• there is a very low level of assurance of evidence provided.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise some major concerns regarding the satisfaction of the Economic Assessment Criteria; and/or</i></li> <li>• <i>patently fail to address one or more of the aspects of the Economic Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is a low level of confidence that the project will provide:             <ul style="list-style-type: none"> <li>○ value for money in terms of job creation;</li> <li>○ wider benefits; and/or</li> <li>○ a positive regional impact; and/or</li> </ul> </li> <li>• there is a low level of assurance of evidence provided.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise concerns regarding the satisfaction of the Economic Assessment Criteria; and/or</i></li> <li>• <i>fail to address adequately one or more of the aspects of the Economic Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is a reasonable level of confidence (as a minimum in each case) that the project will provide:             <ul style="list-style-type: none"> <li>○ value for money in terms of job creation;</li> <li>○ wider benefits; and</li> <li>○ a positive regional impact; and</li> </ul> </li> <li>• there is (as a minimum) a reasonable assurance of evidence provided.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li>• <i>generally satisfies the Economic Assessment Criteria; and</i></li> <li>• <i>generally addresses each of the aspects of the Economic Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is confidence (as a minimum in each case) that the project will provide:             <ul style="list-style-type: none"> <li>○ value for money in terms of job creation;</li> <li>○ wider benefits; and</li> <li>○ a positive regional impact; and</li> </ul> </li> <li>• there is (as a minimum) a high level of assurance of evidence provided.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Economic Assessment Criteria; and</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>addresses in full each of the aspects of the Economic Assessment Criteria.</i></li> </ul>
5	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is a high level of confidence (as a minimum in each case) that the project will provide: <ul style="list-style-type: none"> <li>○ value for money in terms of job creation;</li> <li>○ wider benefits; and</li> <li>○ a positive regional impact; and</li> </ul> </li> <li>• there is (as a minimum) a very high level of assurance of evidence provided.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner the Economic Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Economic Assessment Criteria.</i></li> </ul>

<b>D3 Commercial</b>	
<b>Commercial Assessment Criteria</b>	
<p>Assessment of the application (including questions D3.1-D3.5 and the accompanying documents below) to consider:</p> <ul style="list-style-type: none"> <li>• whether and the extent to which the applicant’s project commercial operating model is sound - namely does it demonstrate a feasible route to profitability following the initial grant award;</li> <li>• whether any proposed alignment of OWMIS funding to project milestones is reasonable;</li> <li>• whether there are advanced negotiations with potential site occupiers and the extent to which their commitment to the site is demonstrably firm;</li> <li>• to what extent the activities of potential site occupiers could contribute to the schemes’ objectives; and</li> <li>• whether and the extent to which contingencies are in place to account for the possible loss of one or more prospective occupants?</li> </ul> <p><b>Key accompanying documents</b></p> <ul style="list-style-type: none"> <li>• Business Case or Business Plan</li> <li>• Key financial information</li> <li>• Evidence of commercial agreement or commitment that you have received from future users of the site.</li> </ul>	
<b>Score</b>	<b>Description</b>
0	No response submitted or on the basis of the application provided there is no confidence at all that:

	<ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> <li>• offshore wind manufacturers intend to locate at the site; and/or</li> <li>• there is a feasible contingency plan.</li> </ul>
1	<p>On the basis of the application provided there is a very low level of confidence that:</p> <ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> <li>• offshore wind manufacturers intend to locate at the site; and/or</li> <li>• there is a feasible contingency plan.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise some major concerns regarding the satisfaction of the Commercial Assessment Criteria; and/or</i></li> <li>• <i>patently fail to address one or more of the aspects of the Commercial Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided there is a low level of confidence that:</p> <ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> <li>• offshore wind manufacturers intend to locate at the site; and/or</li> <li>• there is a feasible contingency plan.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise concerns regarding the satisfaction of the Commercial Assessment Criteria; and/or</i></li> <li>• <i>fail to address adequately one or more of the aspects of the Commercial Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided there is a reasonable level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> <li>• offshore wind manufacturers intend to locate at the site; and</li> <li>• there is a feasible contingency plan.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li>• <i>generally satisfies the Commercial Assessment Criteria; and</i></li> <li>• <i>generally addresses each of the aspects of the Commercial Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided there is confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> </ul>

	<ul style="list-style-type: none"> <li>• offshore wind manufacturers intend to locate at the site; and</li> <li>• there is a feasible contingency plan.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Commercial Assessment Criteria; and</i></li> <li>• <i>addresses in full each of the aspects of the Commercial Assessment Criteria.</i></li> </ul>
5	<p>On the basis of the application provided there is a high level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• a feasible route to profitability exists;</li> <li>• alignment of funding to project milestones is reasonable;</li> <li>• offshore wind manufacturers intend to locate at the site; and</li> <li>• there is a feasible contingency plan.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner the Commercial Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Commercial Assessment Criteria.</i></li> </ul>

#### **D4 Financial**

##### **Financial Assessment Criteria**

Assessment of the application (including questions D4.1-D4.6 and the relevant listed accompanying documentation) to consider all of the following:

- assessment of company financial position and financial performance of the applicant (and/or relevant group company providing appropriate guarantees);
- whether the project is fully funded (with OWMIS assistance);
- whether the funding model is sound – namely is it financially feasible and robustly developed in accordance with good industry practice;
- whether the applicant has clearly demonstrated (with evidence) that the project cannot proceed without government assistance (and without the level of government support requested);
- whether the financial support requested is the minimum possible to bring the project forward; and
- whether all reasonable avenues of private funding been explored and exhausted.

Key accompanying documents:

- Business Case or Business Plan
- Application Form 2
- Key financial information

Score	Description
0	<p>No response submitted or, on the basis of the application provided, there is no confidence at all that:</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and/or</li> <li>• this project could not proceed without government assistance.</li> </ul>
1	<p>On the basis of the application provided there is a very low level of confidence that</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and/or</li> <li>• this project could not proceed without government assistance.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise some major concerns regarding the satisfaction of the Financial Assessment Criteria; and/or</i></li> <li>• <i>patently fail to address one or more of the aspects of the Financial Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided there is a low level of confidence that</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and/or</li> <li>• this project could not proceed without government assistance.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise concerns regarding the satisfaction of the Financial Assessment Criteria; and/or</i></li> <li>• <i>fail to address adequately one or more of the aspects of the Financial Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided there is a reasonable level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> </ul>

	<ul style="list-style-type: none"> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and</li> <li>• this project could not proceed without government assistance.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li>• <i>generally satisfies the Financial Assessment Criteria; and</i></li> <li>• <i>generally addresses each of the aspects of the Financial Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided there is confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and</li> <li>• this project could not proceed without government assistance.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Financial Assessment Criteria; and</i></li> <li>• <i>addresses in full each of the aspects of the Financial Assessment Criteria.</i></li> </ul>
5	<p>On the basis of the application provided there is a high level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the applicant and the project’s funding model are financially sound;</li> <li>• the applicant/parent group’s financial position is viable to successfully deliver the project;</li> <li>• the project will be fully funded;</li> <li>• avenues of private funding have been sufficiently explored;</li> <li>• the financial support requested is the minimum possible; and</li> <li>• this project could not proceed without government assistance.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner the Financial Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Financial Assessment Criteria.</i></li> </ul>

**D5 Technical**

**Technical Assessment Criteria**

Assessment of the application (including questions D5.1-D5.7 and the relevant listed accompanying documentation) to consider whether and to what extent:

- the project is technically capable of meeting its high level objectives;
- the project has the necessary skill and expertise in place to deliver;
- the project delivery plan is strong and comprehensive and has adequate processes of assurance in place;
- information provided by the applicant indicates a realistic possibility that the site will be capable of commencing manufacturing activities by the end of 2023;
- the key risks to the project have been correctly identified (and to what extent are appropriate mitigating actions in place to manage these risks);
- the project has a suitable and deliverable procurement strategy in place to deliver the project; and
- the procurement strategy demonstrates a commitment to ethical practices within the applicant’s development and supply chain.

**Key accompanying documents**

- CVs (up to two sides of A4 each) for key personnel critical to the delivery of the project
- Delivery plans for the construction phase of your project
- Procurement Strategy.
- All planning and consent documentation required for the delivery of the site and project.
- Project Risk Register

Score	Description
0	<p>No response submitted or, on the basis of the application provided, there is no confidence at all that:</p> <ul style="list-style-type: none"> <li>• the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>• there is a strong and comprehensive project delivery plan;</li> <li>• the project is technically capable of meeting its high level objectives;</li> <li>• the applicant has the required expertise within the organisation;</li> <li>• the applicant has a suitable and deliverable procurement strategy; and/or</li> <li>• the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul>
1	<p>On the basis of the application provided there is a very low level of confidence that:</p> <ul style="list-style-type: none"> <li>• the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>• there is a strong and comprehensive project delivery plan;</li> <li>• the project is technically capable of meeting its high level objectives;</li> <li>• the applicant has the required expertise within the organisation;</li> <li>• the applicant has a suitable and deliverable procurement strategy; and/or</li> </ul>

	<ul style="list-style-type: none"> <li>the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li><i>raise some major concerns regarding the satisfaction of the Technical Assessment Criteria; and/or</i></li> <li><i>patently fail to address one or more of the aspects of the Technical Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided there is a low level of confidence that:</p> <ul style="list-style-type: none"> <li>the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>there is a strong and comprehensive project delivery plan;</li> <li>the project is technically capable of meeting its high level objectives;</li> <li>the applicant has the required expertise within the organisation;</li> <li>the applicant has a suitable and deliverable procurement strategy; and/or</li> <li>the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li><i>raise concerns regarding the satisfaction of the Technical Assessment Criteria; and/or</i></li> <li><i>fail to address adequately one or more of the aspects of the Technical Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided there is a reasonable level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>there is a strong and comprehensive project delivery plan;</li> <li>the project is technically capable of meeting its high level objectives;</li> <li>the applicant has the required expertise within the organisation;</li> <li>the applicant has a suitable and deliverable procurement strategy; and</li> <li>the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li><i>generally satisfies the Technical Assessment Criteria; and</i></li> <li><i>generally addresses each of the aspects of the Technical Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided there is confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>there is a strong and comprehensive project delivery plan;</li> </ul>

	<ul style="list-style-type: none"> <li>• the project is technically capable of meeting its high level objectives;</li> <li>• the applicant has the required expertise within the organisation;</li> <li>• the applicant has a suitable and deliverable procurement strategy; and</li> <li>• the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Technical Assessment Criteria; and</i></li> <li>• <i>addresses in full each of the aspects of the Technical Assessment Criteria.</i></li> </ul>
5	<p>On the basis of the application provided there is a high level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the project can be capable of commencing manufacturing activities by the end of 2023;</li> <li>• there is a strong and comprehensive project delivery plan;</li> <li>• the project is technically capable of meeting its high level objectives;</li> <li>• the applicant has the required expertise within the organisation;</li> <li>• the applicant has a suitable and deliverable procurement strategy; and</li> <li>• the applicant has identified and put in place appropriate plans to mitigate risk.</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner the Technical Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Technical Assessment Criteria.</i></li> </ul>

**D6 Social & Environmental**

**Social and Environmental Assessment Criteria:**

Assessment of the application (including questions D6.1-D6.5) to consider whether and to what extent:

- the project contributes to the UK’s drive towards net zero emissions by 2050;
- the project has any positive or negative social or environmental impacts (and how effectively are benefits being exploited or disbenefits mitigated against);
- the project entails any benefits or disadvantages for those with certain protected characteristics;
- the project has made reasonable efforts to identify its potential positive or negative environmental & social impacts; and
- the applicant can demonstrate that they will ensure their approach to equality and diversity is robust in order to prevent discrimination and advance equality of opportunity.

**Key accompanying documents**

<ul style="list-style-type: none"> <li>• None</li> </ul>	
Score	Description
0	<p>No response submitted or, on the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is no confidence that: <ul style="list-style-type: none"> <li>○ the project has made reasonable efforts to identify its environmental or social impacts; and/or</li> <li>○ the project entails positive environmental or social impacts; and/or</li> </ul> </li> <li>• it appears highly likely that there will be substantial negative impacts from the project (for which no appropriate mitigation is proposed).</li> </ul>
1	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is a very low level of confidence that: <ul style="list-style-type: none"> <li>○ the project has made reasonable efforts to identify its environmental or social impacts; and/or</li> <li>○ the project entails positive environmental or social impacts; and/or</li> </ul> </li> <li>• it appears likely that there will be substantial negative impacts from the project (for which limited mitigation is proposed).</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise some major concerns regarding the satisfaction of the Social and Environmental Assessment Criteria; and/or</i></li> <li>• <i>patently fail to address one or more of the aspects of the Social and Environmental Assessment Criteria.</i></li> </ul>
2	<p>On the basis of the application provided:</p> <ul style="list-style-type: none"> <li>• there is a low level of confidence that: <ul style="list-style-type: none"> <li>○ the project has made reasonable efforts to identify its environmental or social impacts; and/or</li> <li>○ the project entails positive environmental or social impacts; and/or</li> </ul> </li> <li>• it appears likely that there will be substantial negative impacts from the project (for which partial mitigation is proposed).</li> </ul> <p><i>The application may:</i></p> <ul style="list-style-type: none"> <li>• <i>raise concerns regarding the satisfaction of the Social and Environmental Assessment Criteria; and/or</i></li> <li>• <i>fail to address adequately one or more of the aspects of the Social and Environmental Assessment Criteria.</i></li> </ul>
3	<p>On the basis of the application provided there is a reasonable level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the project has made reasonable efforts to identify its environmental or social impacts;</li> <li>• the project entails positive environmental and social impacts; and</li> </ul>

	<ul style="list-style-type: none"> <li>• there will be only limited negative impacts from the project that have not been appropriately mitigated.</li> </ul> <p><i>The application may raise some minor concerns but it:</i></p> <ul style="list-style-type: none"> <li>• <i>generally satisfies the Social and Environmental Assessment Criteria; and</i></li> <li>• <i>generally addresses each of the aspects of the Social and Environmental Assessment Criteria.</i></li> </ul>
4	<p>On the basis of the application provided there is confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the project has made reasonable efforts to identify its environmental or social impacts;</li> <li>• the project entails positive environmental and social impacts; and</li> <li>• there will be only limited negative impacts from the project (and appropriate mitigations for the majority of these are planned).</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in full the Social and Environmental Assessment Criteria; and</i></li> <li>• <i>addresses in full each of the aspects of the Social and Environmental Assessment Criteria.</i></li> </ul>
5	<p>On the basis of the application provided there is a very high level of confidence (as a minimum in each case) that:</p> <ul style="list-style-type: none"> <li>• the project has made reasonable efforts to identify its environmental or social impacts;</li> <li>• the project entails positive environmental and social impacts; and</li> <li>• there will be only limited negative impacts from the project (and appropriate mitigations for all these are planned).</li> </ul> <p><i>The application is free from concerns and it:</i></p> <ul style="list-style-type: none"> <li>• <i>satisfies in an excellent and robust manner Social and Environmental Assessment Criteria; and</i></li> <li>• <i>addresses in an excellent and robust manner each of the aspects of the Social and Environmental Assessment Criteria.</i></li> </ul>

Under the assessment at Section D each application will be given a score from zero to five in accordance with each of the assessment criteria above. Scores will be determined by experts at BEIS. Where more than one expert reviews an application in respect of any assessment criteria moderation may take place to ensure the evaluation is robust and conducted in accordance with these documents. When there is disagreement between the experts the moderator will facilitate agreement of the experts on the score by applying the criteria/score descriptors set out below and will record the rationale/evidence for the final score awarded. Each application will only receive one score in respect of each of the above 6 assessment criteria.

The aggregate of these scores (out of a possible of thirty) will then be taken for each application to give an overall score.

In order to pass Section D an application must score not less than eighteen out of thirty in total against all of the assessment criteria. Any application that does not achieve the required minimum score in Section D will be deemed to have “failed” Section D and will be a “non-compliant” application that will not be considered further.

The remaining applications will then be ranked in order of their aggregate score (highest to lowest) in Section D. The top 3 (three) ranked applications will be considered to be “appointable” projects and will be referred to IDAB. Where there is a tie for the third placed application then the additional application(s) that are tied for third place will also proceed to be referred to IDAB.

## 10. The Role of IDAB

IDAB provide robust, independent, business advice to Ministers on large business investment decisions. The main focus of their work is large applications for investment support in England’s Assisted Areas, although they also look at a range of other projects where Ministers want a commercial view.

IDAB’s key objective is to ensure that taxpayers’ support is given only to projects that truly merit it and that represent best value for money. IDAB members are chosen to provide a range of expertise from industry, banking and the wider community. All are experts in their field.

Once assessments have been undertaken by BEIS, the appointable projects will be provided to IDAB for review. IDAB will provide a review of each appointable project to BEIS Ministers to help to inform final decision making.

IDAB will be asked to consider whether, in their view, each project represents good value for money for the taxpayer.

IDAB will take relevant considerations into account in reviewing relevant appointable projects. The focus will be the need to protect the taxpayer and secure economic benefits including new jobs and sustainable growth.

IDAB will not be asked to compare or rank projects, but simply to provide its view on each application as a discrete proposition.

## 11. The Role of BEIS Ministers

Following the completion of the assessment process and the collection of IDAB’s advice, ministers will be presented with the full results of assessment and IDAB advice relating to each of the appointable projects. Ministers will then make a decision as to which application/project will be successful.

**PLEASE NOTE: THIS IS A DISCRETIONARY GRANT. IN DETERMINING WHO IS THE SUCCESSFUL APPLICANT MINISTERS WILL TAKE IN TO ACCOUNT INFORMATION FROM THIS PROCESS AND IDAB AS WELL AS ANY OTHER CONTEXT SENSITIVE**

## **INFORMATION THAT IMPACTS ON THE OBJECTIVES OF THIS COMPETITION (AS SET OUT ABOVE).**

### **12. Notification**

Applicants will be informed by email whether their application has been successful or unsuccessful.

BEIS may wish to publicise the results of the competition which would include engagement with media. At the end of the application and assessment process, BEIS may issue a press release or publish a notice on its website. These may, for example, outline the result of the competition and describe the project to be funded.

### **13. Right of Appeal and Feedback**

Applicants that submit non-compliant applications (including those that do not meet the one or more of the mandatory exclusion criteria and discretionary exclusion criteria at Section B of Application Form 1 or the essential project criteria outlined in Section C of Application Form 1) will be notified by email.

Applicants that are taken forward to be assessed and are ultimately unsuccessful will be provided with a summary of feedback. This feedback will be based on summary comments from the assessment. No additional feedback will be provided beyond the notification or feedback provided and there will be no further discussion of the application.

The feedback from the assessment is intended to be constructive. Comments are not a check list of points which must be answered or argued in a resubmitted application.

There is no set appeals process and BEIS are not responsible for any costs associated with the application.

### **14. Letter in Principle**

The successful applicant will receive a letter in principle that confirms our intention to support the project with OWMIS funding subject to the satisfactory completion of technical, commercial, financial, and legal due diligence (including confirmation of compliance with subsidy control and agreement to the terms of the final Grant Funding Agreement proposed by BEIS). The letter in principle will set out a timetable for completing this process and the successful applicant will need to meet these deadlines, otherwise the offer of support will be withdrawn. The letter in principle may also include a list of the conditions (if any) that the successful applicant is required to accept. The letter in principle is likely to include a condition requiring a successful port to secure a Memorandum of Understanding or comparable arrangement with at least one major tenant investor prior to final confirmation of a grant award.

In cases where the assessment panel, IDAB and/or BEIS ministers, on the basis of information provided by the candidate, believe the project can be delivered for less than the level of OWMIS funding requested in the application, BEIS reserve the right to offer a lower grant award value.

## 15. Due Diligence

Due diligence regarding the successful applicant will be undertaken following the letter in principle. Due diligence may require review of a number of matters to BEIS' satisfaction – it is not possible to list these at this stage as they will be project dependent. However due diligence is likely to include (without limitation) verification of a number of aspects of the project – as well as further technical, commercial, financial, and legal due diligence on matters relevant to BEIS before it elects to issue grant funding. A critical part of due diligence will be ensuring the applicant's project remains (and on closer inspection) is viable. This will include having funding available, deliverability and may well include a condition requiring a successful applicant to secure a Memorandum of Understanding or comparable arrangement with at least one major prospective tenant investor prior to final confirmation of a grant award.

The appointed Case Officer will coordinate the due diligence and act as initial point of contact throughout the process. During the due diligence period, the Case Officer may request further details and it is essential that these requests are responded to as quickly as feasibly possible. BEIS reserves the right to exclude the successful applicant if there are significant delays in providing requested information beyond the timeframes outlined in the letter in principle.

BEIS reserves the right to exclude the successful applicant if due diligence identifies any challenges to the viability of the project (in the view of BEIS) and/or any discrepancies with information provided in the application that are deemed unacceptable, or if the successful applicant fails to provide information as requested within agreed timeframes. In such an eventuality, BEIS may choose to offer a letter in principle to another applicant.

Completion of due diligence and/or the letter in principle will not (of itself) release funding or entitle the successful applicant to funding and any funding will remain subject to due diligence and agreement to our proposed form of Grant Funding Agreement. Until the Grant Funding Agreement is signed with a successful applicant BEIS absolutely reserves the right to cancel this competition and not to make any funding available.

At the beginning of the due diligence phase we may set out a number of conditions precedent to making the draft Grant Funding Agreement available to the successful applicant.

## 16. Subsidy Control and Other Legal Requirements

A critical part of due diligence will be a review of compliance with subsidy control (which will be a matter for applicants – namely applicants will have to demonstrate they comply and provide evidence to BEIS' reasonable satisfaction). The successful applicant will be required during due diligence to confirm that it understands that it is responsible for compliance with relevant laws and rules related to subsidy control and ensuring no breach of such laws and rules arise. We may request that the successful applicant provides a legal opinion verifying compliance with subsidy control.

At all times it is the applicant's responsibility to notify us of any information that might affect the subsidy control compliance position.

Any final award will be subject to future subsidy control arrangements following the end of the UK/EU transition period and any other relevant legal requirements. BEIS reserves the right to negotiate alterations to terms and conditions of the successful bidder's grant award in order to ensure compliance with relevant subsidy control arrangements.

We also reserve the right to consider subsidy control compliance as part of the application review process. Where we have concerns that what is proposed is unlikely to comply with the relevant subsidy control regime we may – during the application process request information about your considerations as to how your approach is compliant or likely to be so (this may take in to account use of all public funds where multiple public funds are being used in a project). If you cannot provide this we reserve the right not to make an award to your project. This is a good example of context specific information that may be considered by IDAB and BEIS ministers in their considerations.

## 17. Grant Funding Agreement

If the results of the due diligence process regarding the successful applicant are satisfactory, a Grant Funding Agreement will be issued. The value of grant funding will be agreed through the signing of these documents. These should be signed and returned to BEIS quickly, and if possible, within 48 hours of receipt. The applicant will need to ensure compliance with conditions contained in the Grant Offer Letter (which shall be provided to the successful applicant along with the finalised Grant Funding Agreement) to receive grant funding.

The Grant Offer Letter and Grant Funding Agreement will be drafted in line with government the Cabinet Office's 'Model Grant Funding Agreement' guidelines. The terms of the grant offer letter and grant funding agreement are not negotiable. BEIS reserves the right to adapt the terms of the Grant Offer Letter and Grant Funding Agreement for its needs in respect of the relevant project and this may include (amongst other things) a requirement to satisfy a number of conditions precedent defined in the Grant Funding Agreement to release tranches (or indeed all) of the relevant funding).

In the event an applicant refuses to agree to the terms of the Grant Offer Letter or Grant Funding Agreement, or unduly delays the process, BEIS reserves the right to withdraw the grant offer letter and/or grant funding agreement, and to make an offer to another applicant, if necessary.

## 18. Post-Award Monitoring

A BEIS Monitoring Officer will be appointed to the successful applicant for the duration of the project to ensure value for money and deliverability.

The successful applicant will need to complete and provide monitoring reports on a quarterly basis (or more regularly where the Grant Funding Agreement sets this out). This will be set out in the grant offer letter.

Guidance documents for grant recipients will also be provided to the successful applicant. These will explain monitoring requirements, which will be in line with our responsibilities under HMT's 'Managing Public Money' guidelines. Recipients will need to provide an update on any issues and risks as part of the monitoring report on the project.

## 19. Accompanying Documentation

For the purposes of making your application, please provide any of the below accompanying documents in one of the following formats:

- Microsoft Office document formats (.doc, .ppt, .xls etc.)
- Adobe Acrobat pdfs
- Images may be provided in .jpg format where appropriate.
- Other file formats may be used only by prior agreement

### Guidance on Accompanying Documentation

#### 1. Application Form 2

- Please provide details on expenditure, jobs, R&D, training, and any wider benefits in the provided format.
- Please use the box behind each input table to explain any sources and assumptions you have used as well as uncertainties and dependencies affecting your estimates. For employment forecasts, please describe how these jobs may relate to any additional investment made by your suppliers in response to this project.
- Please provide evidence for the assumptions and sources you have used. The quality of estimates and supporting evidence will form part of the assessment.
- Examples of good practice would be (a) consulting suppliers to obtain evidence of additional jobs and investment they will undertake to meet your project demands, and (b) consulting relevant sector/location studies that estimate employment impacts on your supply chain.

#### 2. A Business Case or Business Plan

- Should not exceed 50 pages
- Should clearly demonstrate the following:
  - The strategic rationale for the project: An explanation of the rationale behind the applicant's strategic decision to develop an offshore wind portside hub.
  - The case for investment in the project: evidence or investment decision which should include discounted cash flow, Internal Rate of Return (IRR), Net Present Value (NPV) and Payback calculations. Any calculations provided should be exact replicas of those that are used internally to make the decision to proceed with the project. In addition, the calculations provided should follow the applicant's standard investment appraisal criteria utilised by the company in their capital investment decision making (e.g. if the company has set a precedent of using Discounted Cash Flow calculations over 15 years for their capital investment decision making, they should use the same for this application);
  - The funding model – which should match this information on the funding model provided in section D4 of the application form.
  - The requirement for government funding – the business case must demonstrate both that the project cannot proceed without the assistance of government support; and that the amount of grant requested is the minimum necessary to enable the project to proceed.

#### 3. CVs (up to two sides of A4 each) for key personnel critical to the delivery of the project

- Key personnel will include but not necessarily be limited to the senior management team, project director and project manager.
- This should also include evidence of in-house engineering and compliance capability.

#### **4. Key financial information**

- Financial information must include:
  - The most recent two sets of statutory accounts (covering three financial years of results) of both the applicant company and the consolidated accounts for the whole group where the applicant company is part of a group.
  - Draft accounts where the year-end has passed, and the statutory accounts are not yet available. These accounts should be provided both for the applicant company and group, where the applicant company is part of a group.
  - Management accounts (including balance sheets) for the applicant company covering the period since the latest period end in statutory accounts and draft accounts. These should also be provided for the group, where the applicant company is part of a group.
  - Financial forecasts including this project, i.e. profit and loss, cash flow and balance sheets for the applicant company to cover the remainder of the current financial year and a further four years. These should also be provided for the group, where the applicant company is part of a group.

#### **5. Delivery plans for the construction phase of your project**

- Delivery plans for the construction phase of your project should include key milestones and dependent activities should be submitted in the form of a project plan. This should be evidenced as a Gantt chart and any critical path, Monte Carlo or other supporting analysis, an overview sheet of project milestones and a dependency log.
- Evidence of any external assurance or audit activities that have been undertaken to ensure that the risk of optimism bias has been mitigated against.

#### **6. Procurement Strategy**

- Procurement Strategy outlining the approach to procurement and construction, including information relating to any existing contracts. This should include information as to the ways in which the applicant will seek to develop and manage their supply chain.

#### **7. All planning and consent documentation required for the delivery of the site and project.**

- This should include but not necessarily be limited to evidence of planning consents, status of any planning/consents not yet secured, position of statutory agencies on proposals (issues, current position etc), accompanying documentation, Design Document (RIBA or equivalent), Process Flow Diagrams, Implementation/Construction Methodology, any other permits and approvals.

#### **8. Project Risk Register**

- This must include details on all project risks, including detailed information relating to technical construction and planning risks.
- This must include detailed information relating to pre and post mitigation analysis and plans to manage risks that have been identified.

#### **9. Evidence of commercial agreement or commitment that you have received from future users of the site.**

This could include, for example, letters of intent that demonstrate an intention from offshore wind manufacturers to occupy the site shortly after completion. Evidence of

commercial agreements need not be legally binding at this stage however this would **be welcomed**.

**10. Confirmation of Application Form**

- You should complete, sign and return the 'confirmation of application' form which can be found on the gov.uk website alongside this form. If the Confirmation of Application form is not satisfactorily completed BEIS reserves the right not to consider your application further.

**11. Any additional information**

- This could cover any further information in support of your application, as well as photographs and /or charts that are not possible to include in this Application Form. If there is any information you think we should be aware of which is not covered elsewhere in your application, please include it here.

WITHDRAWN

## 20. Timeline

The following is an indicative timeline for this competition.

<b>Milestone</b>	<b>Planned completion date</b>
Competition launch	1 December 2020
Competition ends	8 January 2021
Essential Project Criteria review	9 January 2021
Assessment	10 January 2021 – 4 February 2021
Notification	Early February 2021
Letter in principle	Mid-Late February 2021
Due diligence	Anticipate this will take no longer than 8 weeks but will be dependent on the time taken for the applicant to provide necessary information.
Grant approval	Dependent on completion of due diligence.

It may be necessary to adjust the timeline in certain circumstances. We reserve the right (at our absolute discretion to do so). Applicants will be informed of any time or date changes.

### Further Information

If you require any further clarifications or information relating to your application, please email [OWMIS@Beis.gov.uk](mailto:OWMIS@Beis.gov.uk) and we will endeavour to respond as soon as possible.

WITHDRAWN

This publication is available from: [www.gov.uk/government/publications/offshore-wind-manufacturing-investment-support-scheme](http://www.gov.uk/government/publications/offshore-wind-manufacturing-investment-support-scheme)

If you need a version of this document in a more accessible format, please email [enquiries@beis.gov.uk](mailto:enquiries@beis.gov.uk). Please tell us what format you need. It will help us if you say what assistive technology you use.