

POINTERS TO MAKING SUCCESSFUL APPLICATIONS TO THE NDA SOCIO-ECONOMIC FUND

Briefing Paper 9

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1 Introduction

Each year the NDA awards up to £10 million in socio-economic funding to a diverse range of projects and organisations. Awards have ranged from £33,000 towards a feasibility study into tidal energy developments on the Solway Firth, to £2.5 million for the Chapelcross Industry Park¹.

The purpose of this Briefing Paper is to encourage more local authorities with NDA sites to consider submitting, or help other local organisations to submit, bids for funding to the NDA Socio-Economic Fund².

As experience has grown, the application process has been improved and a greater level of assistance is being offered by the NDA in the preparation of applications³. This Briefing Paper draws on that experience and offers some pointers in how to prepare and make a successful bid to the NDA Socio-Economic Fund.

The Briefing Paper covers:

- NDA Socio-Economic Policy
- Identifying Projects
- Bid Preparation
- The Authorisation Process

2 NDA Socio-Economic Policy

Under the Energy Act 2004, the NDA is required to consider the socio-economic impact of its activities, either in the operation of its sites or in subsequent decommissioning. One way in which it addresses this issue is through a Socio-Economic Fund.

In its [Socio-Economic Policy](#), the NDA states that its vision is to “support the creation of dynamic, sustainable local economies for communities living near our sites.” It goes on to give three main drivers which guide its application of the policy:

¹ See NuLeAF Case Study 8, [Chapelcross Industry Park](#).

² Funding for small projects is available from Site Operators and Site Licensing Companies, who have their own application process.

³ See page 4 for contact details.

- “enhancing the opportunity for local people to be involved in decommissioning work through education, retraining and skills development;
- supporting the diversification of local economies into other sectors – reducing the reliance of communities on nuclear sites for employment by increasing the number, variety and vibrancy of local businesses, promoting entrepreneurship and attracting new enterprises and
- increasing the attractiveness of areas near NDA sites as places to live, work and invest, with particular emphasis on achieving social, cultural and infrastructure improvements.”

The NDA further states that it “intends to focus support where we believe it is most needed.” To that end it has identified four geographic areas as priority areas for socio-economic funding:

- West Cumbria
- Caithness and North Sutherland
- Anglesey and Meirionnydd and
- the Gretna-Lockerbie-Annan corridor in Dumfries and Galloway.

However, the NDA also states that “This does not mean, that we will not support other communities living near our sites if there is sufficient merit in the proposals we receive...” and that “We are conscious, however, not to stifle innovation in less affected communities or to reinforce the ‘dependency culture’ in other areas...”

To date there have been very few bids to the fund from local authorities or other organisations from outside the four priority areas. The NDA has indicated that the existence of the priority areas should not be seen as a barrier to applications from elsewhere and would welcome bids from outside the priority areas.

3 Identifying Projects for Bids to the NDA

The NDA is inviting bids for “ambitious and transformational” projects which will achieve “significant and sustainable socio-economic benefits for communities living near our sites.”

In identifying a suitable project for application, it should be noted that the NDA has four thematic priorities into which the project should aim to fall:

- Employment – with a preference for higher value job creation
- Education/skills – to support both decommissioning and clean-up and diversification into other economic sectors
- Economic and social infrastructure – including environmental remediation and improvements to cultural and natural heritage
- Economic diversification – diversification into other industries and sectors, including support for the local supply chain.

Particular attention will be paid to projects which are seen to draw in investment from other sources, and to those which would be considered to be 'priming the pump'; providing funding to a generate income that permits the development of a sustainable project.

Some of the NDA's criteria for project compliance indicate the sort of projects that are likely to be supported. These include that the project should:

- address a specific issue of deprivation, local community priority or economic opportunity
- help meet national and local priorities and objectives (for example in local development plans)
- be supported by local partners.

Annex A provides a list of successful applications during the six month period March – August 2009. Of these projects, 10 were for less than £100,000, 3 for between £100,000 and £500,000 and 1 over £500,000. This illustrates the wide range and value of projects that can attract support from the NDA.

4 Bid preparation

The NDA is taking a proactive approach to assisting organisations in the preparation of the application, and is keen to be involved at the earliest opportunity⁴. They will provide advice on the suitability of a potential project and on how a bid can be developed and improved.

It is important that a bid pays close regard to the funding criteria set out in the NDA's Socio-Economic Policy. In addition to the criteria indicated above, these address the following questions:

- Are good governance arrangements in place?
- Have efforts been made to maximise the impact of any potential NDA funding?
- Is the proposal sustainable after NDA funding?
- Is it an invest-to-save proposal?
- Are expected outcomes clear?⁵

In order to improve the application process, the NDA has recently introduced the requirement to submit a high level business case to support an application. Typically, a business case might be between 5 to 10 pages and cover such areas as:

- the vision for the project
- the target audience
- funding requirements
- how it ties in with local development plans
- governance arrangements and

⁴ See Contacts on page 4

⁵ Further explanation of the criteria can be found on page 14 of the Socio-Economic Policy.

- a basic cash flow and cost-benefit analysis.

The scale and ambition of the project should be reflected proportionately in the level of detail in the business case.

Once drafted, an application⁶ should be reviewed to ensure that it meets the NDA funding criteria.

One example of a review process is that taken by Dumfries and Galloway Council who were part of a body formed to submit a bid to secure £2.5 million for an Industry Park at Chapelcross (see [Case Study 8](#)). To assist the review process they devised an Application Appraisal Form (see Appendix B). Using a scoring system which marks each section of the application form against given criteria, it allowed them to fine tune their bid. In principle, this approach could be adapted to suit the funding level of any application.

Taken together, careful bid preparation, a systematic review process, and early involvement of the NDA, should ensure the best possible chance of success.

5 The Authorisation Process

Once applications have been received by the NDA they follow a set path (see Appendix C). The Socio-Economic panel meets approximately every six weeks to consider requests under £100,000. Applications to the fund exceeding £100,000 are dealt with by the Socio-Economic Committee which meets quarterly. Applications to either group need to be submitted at least 6 weeks prior to the meeting date. For projects exceeding £500,000, or which are considered 'novel, contentious, or repercussive', government approval is sought by the NDA.

It is possible that the Panel or Committee will request further information regarding certain aspects of the bid. However, with NDA input from the outset, a well prepared and scrutinised application should be successful.

5. Contacts

For further information on the NDA socio-economic fund or to discuss an application, contact:

Karen Hallsworth, NDA Socio-Economic Department, Herdus House, Westlakes Science and Technology Park, Moor Row, Cumbria, CA24 3HU
T: 01925 802176 E: socio-economic@nda.gov.uk

⁶ [Application form](#).

Appendix A: List of successful applications reviewed by the NDA Socio Economic Panel / Committee and Government (where required) during the 6 month period March – August 2009.

<p>Furness Enterprise <i>Development of SME Businesses.</i></p>
<p>Coalfields Regeneration Trust (Worklessness) <i>CRT employment of manager to support the Worklessness Agenda in West Cumbria.</i></p>
<p>North West Development Agency – Solway Energy <i>Feasibility study into Solway Energy Gateway Project</i></p>
<p>Haig Mining Museum <i>Development of a sustainable business case.</i></p>
<p>Roman Maryport <i>Project Management for Archaeological Tourist offering.</i></p>
<p>Magnox North – Shaping the Future in North Wales <i>Retaining and redeployment scheme for North Wales and Anglesey.</i></p>
<p>North Highland Tourism <i>To support the development of tourism industry in the North Highlands.</i></p>
<p>Millom and Haverigg Economic Development Group <i>Development of the “lighthouse” Project; a centre for business and social community support.</i></p>
<p>Anglesey Energy Island. <i>To support the development of the Anglesey Energy Island Masterplan document.</i></p>
<p>Worklessness Project in Anglesey. <i>A 3 year project to equip economically marginalised people to enter employment.</i></p>
<p>South Copeland Tourism Group. <i>Project to develop tourism events in South Copeland as an essential part of diversifying the local economy.</i></p>
<p>Business Case for Whitehaven Office Development. <i>Development of the business case, including analysis of funding options.</i></p>
<p>Royal National Mod. <i>A week long national Celtic event, won by Caithness, to be held in 2010.</i></p>
<p>Vision for Caithness and North Sutherland. <i>Funding to enable presentation of a high quality Masterplan for Caithness, illustrating the agreed vision for the area.</i></p>

NDA Funding Applications Appraisal

Company Name	
Project Title	

1. Project Appraisal – Fit with NDA Socio – Economic Criteria – this should be considered in line with NDA Socio – Economic Policy

CRITERIA	COMMENTS
Does the proposal address a specific issue of deprivation, local community priority or economic opportunity? If so determine the impact.	
Does the proposal meet relevant national and local government and the NDA's priorities and objectives?	
Is the proposal widely supported by local partners? If so detail partners.	
Are good governance arrangements in place? Are copies of governance proposals included with application?	
Have efforts been made to maximise the impact of any potential NDA funding? What leverage will be delivered from the NDA support?	
Is the project sustainable post –NDA funding? Details of sustainability supplied.	
Is it an invest – to-save proposal?	
Are expected outcomes clear?	

2. Project Appraisal –Sales and Marketing Strategy.

CRITERIA	COMMENT
Is there qualitative and quantitative Market research for the project- with clear evidence of research supporting the application?	
Has a Market for the project been firmly established?	
Is there a robust and effective Marketing Plan in place for the project?	
Is there a clear Sales Plan including a strategy to be implemented if sales forecast is not achieved?	
Will this project cause Market displacement with any other projects? Will sales/services in any potentially aligned market be affected?	
What if any barriers to Market entry are likely to cause operational/achievement issues with this?	
Market Failure: Does the application include a risk assessment? Is there an effective exit strategy in place?	

3. Scoring Criteria

Does the proposal address a specific issue of deprivation, local community priority or economic opportunity?

- 0 No clear evidence
- 1-3 Clear evidence
- 4-5 Evidence backed up by partners/local strategies/communities

Does the project proposal meet relevant national and local government and the NDA's priorities and objectives?

- 0 No Link
- 1-3 Clear evidence of link
- 4-5 Evidence backed up by supporting strategies/partner endorsement.

Is the proposal widely supported by local partners?

- 0 No support indicated.
- 1-3 Supporting Partners clearly identified.
- 4-5 Supporting partners identified and endorsements provided.

Are good governance arrangements in place?

- 0 No Governance procedures identified
- 1-3 Limited Governance procedures evidenced
- 4-5 Clear Governance procedures identified and evidenced.

Have efforts been made to maximise the evidence of any potential NDA funding?

- 0 No funding leverage identified.
- 1-3 Leverage clearly identified
- 4-5 Leverage identified and return on NDA investment maximised.

Is the project sustainable post NDA funding?

- 0 Project shows no sustainability
- 1-3 Sustainability clear
- 4-5 Sustainability indicated including growth plans and progressive profitability.

Is it an invest to save proposal?

- 0
- 1-3
- 4-5

Are expected outcomes clear?

- 0 Expected outcomes not identified.
- 1-3 Outcomes clearly identified
- 4-5 Outcomes clearly identified with supporting growth projections.

Is Market research clear and appropriate for project development?

- 0 No evidence of Market research
- 1-3 Market research clear to project development
- 4-5 Market research clear and market potential identified.

Is there a robust Marketing Plan in place?

- 0 No Marketing Plan
- 1-3 Marketing Plan developed some additional work required
- 4-5 Robust Marketing Plan in place

Is there a clear Sales Plan including strategy for under achievement of sales?

- 0 No Sales plan
- 1-3 Sales plan developed but limited option for sales recovery against plan
- 4-5 Clear sales plan with strategy for achieving sales identified and Strategy for recovery evidenced.

Will there be any Market Displacement?

- 0 Significant impact on existing projects/Market
- 1-3 Some impact but current Market can withstand
- 4-5 Innovative project no Market displacement

Will barriers to market entry affect the projects success/potential?

- 0 Significant barriers to entry
- 1-3 Limited barriers to entry
- 4-5 No barriers to entry

Will the project impact on employment?

- 0 No job creation from the project
- 1-3 Some job creation from project
- 4-5 Significant job creation from project

Market Failure Exit Strategy

- 0 Market risk assessment not completed
- 1-3 Risk assessment completed
- 4-5 Risk assessment completed and risk strategy included.

Potential Score:

Actual Score:

Recommendation to CoReS Group.

Appendix C - Socio Economic Funding Applications – Authorisation Process Flow Diagram

