

An aerial photograph of the Tay Bridge and Tay Road Bridge in Dundee, Scotland. The Tay Bridge is a red steel truss bridge in the background, and the Tay Road Bridge is a white cable-stayed bridge in the foreground. The River Tay flows between them, with a marina and residential areas visible on the right bank. The sky is clear and blue.

# Tay Cities Region Deal: Advanced Manufacturing Programme

Revised approach to Programme design

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# Programme Overview

- The Tay Cities Region Deal allocated up to £8m for the development of High Value Manufacturing in the Region.
- Scottish Enterprise is suggesting an open, competitive call-based programme to make the funding available, assess applications and make recommendations of suitable applicants.
- The original OBC envisaged a call offering up to 50% funding to projects with a minimum grant value of £2m (based on requirement for £8m in match funding to be secured)
- Evidence provided by Scottish Manufacturing Advisory Service suggested that the call would not benefit from being targeted, therefore it will be sector agnostic and accessible by public and private sector organisations, consortia, and inward investors to the Region.
- The Tay Cities Region Deal partnership will retain financial and contractual responsibilities and provide final approval to award funding.

# Thematic Board and Scottish Government Feedback

- Demonstrate what an ideal applicant and project would look like.
  - The application criteria is intentionally broad to attract a wider range of applicants such as: ports and decommissioning, larger Food & Drink manufacturers, consortia with local academic institutes to develop and implement advanced manufacturing solutions etc.
- Review options to directly support companies with smaller grant size, as well as the larger projects.
  - The SE Programme Team would consider lowering the minimum grant value or using a portion of the allocated £8m to develop a fund for smaller applications, if market responses request such a scheme. We would need to be clear that this would not be displacing existing grant schemes and identify a suitable delivery mechanism
- Identify how subsidy control, and intervention rate, will differ between types of projects, values of projects and public vs private partners.
  - Scottish Enterprise can provide advice on potential subsidy control options but the accountable body retains accountability for ensuring projects' subsidy control compliance in line with UK legislation.

# Risk Analysis

The SE Programme Team sees the following as the primary risks associated with the development and delivery of the Programme:

1. A lack of suitable candidates and applications
2. Uneven representation across the Tay Cities Region from suitable candidates
3. A pre-set programme budget from 2024 – 2030 and the associated impact on application assessment and project delivery

# Proposed Programme Delivery

## Expression of Interest

The SE Programme Team will put out a request for EOIs to gauge potential interest and uptake. Feedback will identify potential projects but will also indicate if there's appetite for larger scale investments. The EOI stage will be freely accessible and marketed through normal SE channels as well as through TCRD partner networks.

## Delivery Identification

Once the scope and scale of potential projects is known, the Programme Team will consider the following delivery options:

1. If several large projects (requiring £2m+ grant) are identified, an open call will be launched for the full £8m allocation.
2. If fewer large projects come forward, the Programme Team may look to apply the currently suggested call criteria to a portion of the £8m allocation and use the remaining allocation for a fund targeting smaller, more dynamic projects. Such a fund could be managed by Scottish Enterprise on behalf of the partnership

## Programme Launch

Having identified a delivery option, the Programme Team will look to launch a call using the same outreach activities used at the EOI stage and consider using unallocated budget to develop and launch a regional fund.

# Endorsement

At this stage, the Programme Management Team has received endorsement from the Management Group to progress with the approach as outlined. The expression of interest stage will be launched shortly.

This will enable the Programme Management Team to gather the market intelligence needed by the Government and Thematic Board, enabling SE to revise the OBC.

The proposed timeline is to launch the Expression of Interest stage and follow on with a call later in the summer *if* the evidence suggests that a competitive call is warranted. The Programme Team would come back with the updated Outline Business Case in the autumn for approval.

# Thank you