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1. Introduction to this Expression of Interest (EOI)

This Expression of Interest (EOI) Call document seeks to identify how NTCA can best facilitate innovation and drive adoption of 5G and other leading edge 'connectivity solutions' across the NTCA area and business base. Our goal is to unlock economic and social benefit in the form of growth, improved productivity and product and service innovation through new to firm or some cases new to market innovations using 5G and other leading edge connectivity technologies.

This document sets out the approach and the call scope, with an ambition to secure private sector input and proposals for co-investment in three areas of importance for our 5G and Future Connectivity programme.

The EOI will bring forward proposals in 3 areas as follows:

- **Lot 1:** Provision of 5G/future connectivity test beds or 'innovation labs' to improve access to high quality connectivity innovation facilities, equipment, and co-working space for SMEs.
- **Lot 2:** projects to support private sector commercialisation of proven 5G use cases **and** deployment at scale in NTCA key sectors.
- **Lot 3:** invitation to infrastructure providers and mobile network operators to collaborate with NTCA/partners on opportunities for Full Fibre and 5G infrastructure deployment along the Northumberland Line Economic Corridor.

2. Background to NTCA

NTCA was formed in November 2018 through a Devolution Deal¹ agreed with HM Treasury. This deal and similar devolution agreements across the UK saw certain administrative and funding powers transferred from Central Government to a regional level. NTCA is the devolved body for Newcastle, North Tyneside, and Northumberland.

We're using the powers and resources from our Devolution Deal to drive jobs, inclusion, new homes and positive economic change in our region.

Our vision is of a dynamic and more inclusive economy, one that brings together people and opportunities to create vibrant communities and a high quality of life, narrowing inequalities and ensuring that all residents have stake in our region's future.

We want to make the strong connection between economic growth and providing people with the skills, education and confidence to benefit from the opportunities that will follow.

The benefits we're working to deliver through the North of Tyne Devolution Deal are:

- Deliver 10,000 new jobs
- Deliver 10,000 new homes
- Add £1.1 billion GVA to the economy
- Leverage over £2.1 billion in private sector investment
- Provide 37,000 learning opportunities each year.

NTCA works in partnership with the three constituent local authorities and the Northeast Local Enterprise Partnerships (NELEP) in the pursuit of these ambitions.

To support NTCA's devolution ambitions, NTCA created the North of Tyne Digital programme, aligned to the Clean Energy and Connectivity Portfolio of our Corporate Plan².

¹ [North Of Tyne Devolution Document.pdf \(northoftyne-ca.gov.uk\)](#)

² [Working Together: Our Corporate Plan - NTCA \(northoftyne-ca.gov.uk\)](#)

3. Strategic Context: Acceleration 5G Innovation and NTCA investment

Despite a relatively tentative adoption curve to date, 5G wireless connectivity promises something that we haven't seen before: a genuine industrial-scale internet of things that has the potential to provide all of those who live, work and move around in towns and cities a more seamlessly connected environment and experience. It will also be a far more robust and reliable network than we've previously experienced with service providers themselves able to make far more use of advanced data and analytics to monitor their networks in real-time and optimise their services to customers.

5G is all about a faster, more reliable experience – especially in the busiest parts of the UK's busiest cities. And as networks evolve, coverage expands, and new devices are launched, new applications and services will be built that leverage what 5G can do.

5G is already starting to unlock a wealth of exciting possibilities for public services, automotive, transport and logistics, health and social care, manufacturing, energy, and broadcasting and entertainment, amongst others – and this is only set to continue. As a region we need to be ready for this inevitable shift. In addition to focussing on improving the underlying fibre infrastructure and delivering basic universal connectivity to all our communities we are keen to explore the wider innovation benefits that improvement in connectivity brings and how NTCA can help commercialisation of these new technologies.

Demonstrating clear and visible leadership, NTCA want to create an Innovation Accelerator Programme to help the adoption of new ideas and exploit the value of existing solutions across new markets. To help unlock economic growth across the NTCA region we want to work closely with councils and other regional stakeholders to better understand potential 'at scale' and commercial use cases along with barriers to tech innovation and digital infrastructure deployment.

We want to tackle complex region wide problems by kick-starting digital innovation and boosting the adoption of 5G and emerging technologies by actively supporting and co-investing in industry led innovation and R&D focussed on these transformative technologies.

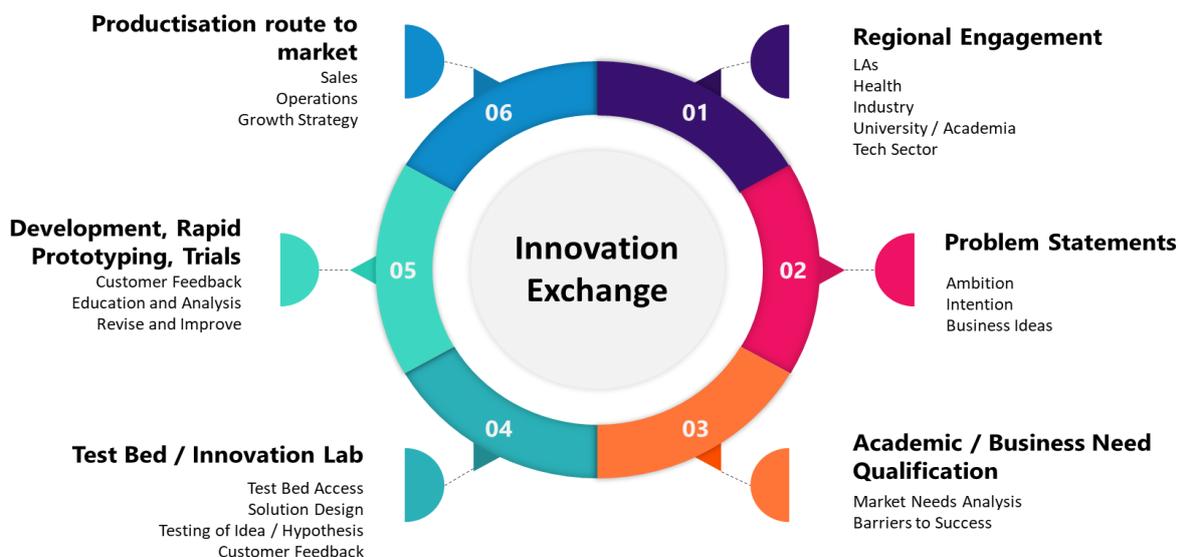


Figure 1 - Innovation Accelerator Programme

4. Investment Context

NTCA Cabinet established the 5G and Future Connectivity Programme with the overall ambition of creating jobs and business growth opportunities through faster adoption of 5G and future connectivity technologies. An initial sum of £3.5m of NTCA funding is available for projects which we anticipate would be complete by March 2025.

NTCA's programme recognises that coordinated investment to support commercialisation of new technologies is required alongside investment in the underlying connectivity infrastructure that these technologies rely on. Our investment will reduce the likelihood that businesses based in the NTCA area fall 'behind the curve' on 5G adoption, and as a result fail to maintain the relevance of existing products and services in the face of technological progress or, fail to unlock new growth that exploitation of future connectivity developments across key sectors and markets can deliver.

NTCA engaged the Connected Places Catapult (CPC) to provide expertise and shape our investment programme – building on work they have undertaken in other regions. CPC were asked to:

- Explore industry and market appetite for innovation activity, acceleration, and incubation of connectivity technology. Identifying areas where the North East can lead the way in, or benefit from 5G innovation.
- Categorisation of the opportunities based on the outcomes NTCA values most and the degree of commercialisation potential across NTCA's key sectors.
- Develop options for viable commercial models and to shape how NTCA engages with private sector led projects.
- Develop specific investment objectives as set out in this call.

To do this, CPC has undertaken extensive qualitative and quantitative research, adopting a co-design approach to understand current challenges and strategic focuses for the region. They undertook user research, expert interviews, and workshops to understand the experience, strengths, weaknesses and priorities of the region as it is today and supplemented the in-person feedback with desk research and horizon scanning to understand potential use cases and opportunities. What emerged through this process is a long list of thematic areas of focus, use cases and investable interventions.

Through the proposed EOI call NTCA seeks to build on the outputs of the CPC activity which demonstrates that there are clear trends in the use of technology that have the potential to drive innovation and growth as they mature, all these technologies are dependent to a great extent on advances in next generation low-latency-high-data-capacity network technologies including 5G to unlock their full potential. The graphic overleaf illustrates some of these opportunities.

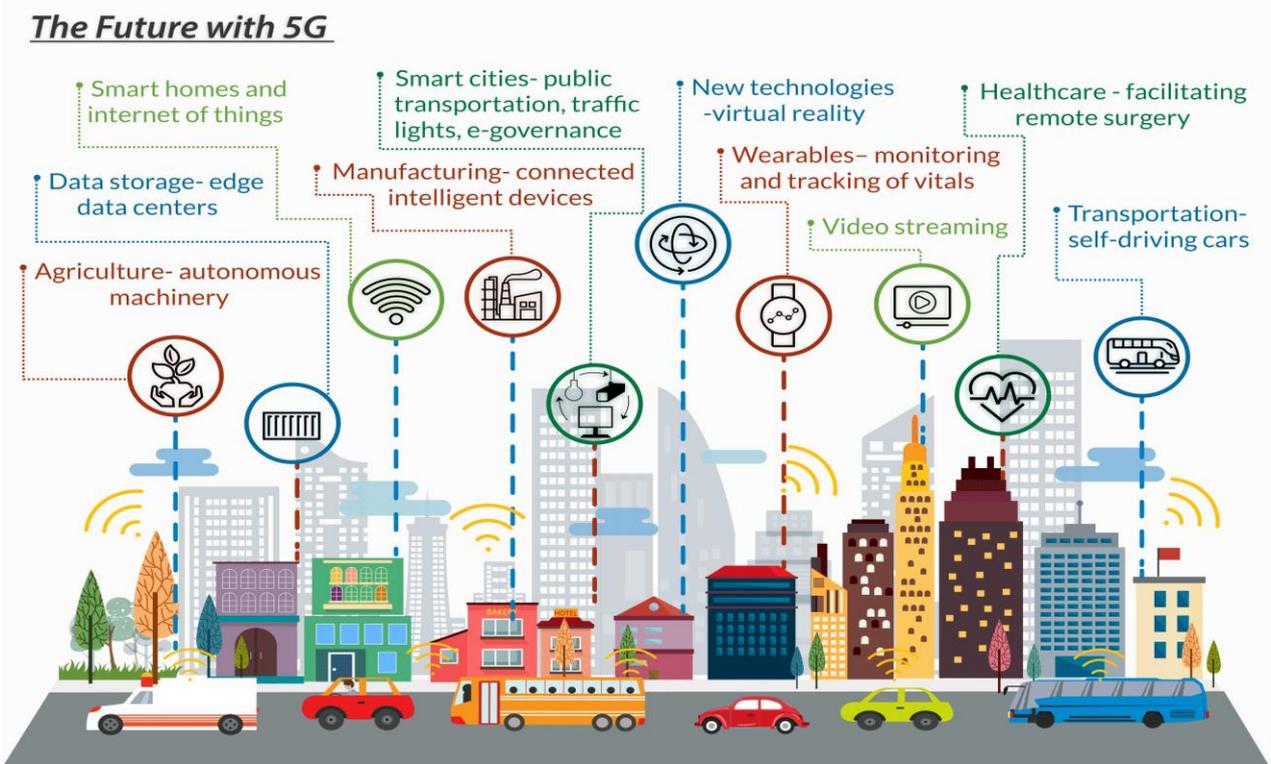


Figure 2 - Place Based Innovation

The table below further details some of the areas in which we can expect to see proposals come forward, which are aligned to some of our innovation priorities, key sectors, and strategies (i.e., the rural growth plan; Northumberland Line Economic Plan; ‘Home of Digital’ Sector vision and Joint Digital Connectivity vision). This list however is not exhaustive and we welcome proposals covering other sectors or opportunity areas.

Theme	Connected Rural Transport	Connected Healthcare	Connected Freight Logistics	Connected Energy Systems
Outcomes (examples)	Reducing the reliance on the personal car	Helping people to live independently at home and connected to their community	Enabling freight logistics sector to achieve its net zero strategy and creating a more efficient system	Improving efficiencies and decarbonisation of the energy systems
Key challenge areas (examples)	Safety on public transport	Social isolation and loneliness	Last mile and last minute delivery	Maintaining wind farms
	Unreliable transport services	Inequality in access to healthcare services	Inventory & asset management	Monitoring demand and controlling supply to prevent energy waste
	Low mobility of individuals	Meeting increased healthcare demands	Currently unrealised Green Corridor potential	Improving household energy reliance
	Affordability of transport			Unrealised potential of decarbonisation initiatives
	Lack of data to validate investment			

Overall, CPC identified that strategic investment is needed to catalyse innovation and adoption in both specific industries and on a more general level to reduce barrier to access that SMEs face including the prohibitive costs of private 5G network installation by individual businesses.

5. Call Details and Process

5.1. Funding Lots

NTCA is offering the opportunity for organisations to submit expressions of interest across 3 lots as detailed below.

The following lots are designed to give scope to enable a wide range of proposals to come forward across both business to business (B2B) and business to consumer (B2C) use cases for 5G and other leading edge connectivity technologies; providing scope for private sector led proposals in a tightly defined industry context to broader cross-sector approaches to support adoption and innovation by SMEs.

- **Lot 1:** Provision of 5G/future connectivity test beds or ‘innovation labs’ to improve access to high quality connectivity innovation facilities, equipment, and co-working space for SMEs.
- **Lot 2:** Projects to support private sector commercialisation of proven 5G use cases **and** deployment at scale in NTCA key sectors.
- **Lot 3:** Invitation to infrastructure providers and mobile network operators to collaborate with NTCA/partners on opportunities for Full Fibre and 5G infrastructure deployment along the Northumberland Line Economic Corridor.

5.2. Funding Lot Specific Criteria

5.2.1. Lot 1: Provision of 5G/future connectivity test beds or ‘innovation labs’ to improve access to high quality connectivity innovation facilities, equipment, and co-working space for SMEs.

NTCA are seeking to understand and overcome barriers to 5G innovation such as lack of access to 5G connectivity and technologies by companies seeking or interested in the innovation potential they may unlock. Accessing a 5G lab environment today could be out of reach for many tech start-ups and industries, yet, is a crucial resource for product development and go to market for companies operating in or on the cusp of markets which may be disrupted or accelerated by these technologies.

NTCA is seeking proposals for co-invested ‘5G/future connectivity Innovation Labs’ that are clearly linked to regional innovation assets and support businesses develop new tech enabled products and services; in particular, proposals that provide SMEs with access to the hardware or skills required to prototype and or validate new products.

Through these labs, 5G/network innovation may be combined with other technologies such as Extended Reality, AI or Robotics to create novel and market-led testbed facilities which drive innovation and growth.

We are looking for thought leadership from the market to better understand and therefore improve access to high quality acceleration and innovation facilities that promote the trial and adoption of 5G and other leading edge innovation technologies by SMEs and industry clusters.

The result could be proposals for new facilities, opportunities to collaborate with existing business premises that can be made available for this purpose, or opportunities to bring forward ‘innovation labs’ as a part of wider planned co-working spaces.

Eligible activities and costs include:

- Installation and maintenance of private networks and trial facilities for SME’s including as a part of existing or new incubator or co-working spaces or business premises.
- Staff costs directly linked to the management and maintenance of the facility(ies)
- Business support provided to SMEs in line with Subsidy Control rules including IP protection; user research; design and technology selection and validation.

- Small Grants (where not currently funded by NTCA or other sources) in line with Subsidy Control rules.
- Innovation challenges and market access support (as a part of a wider programme of activity only)

5.2.2. Lot 2: Projects to support private sector commercialisation of proven 5G use cases *and* deployment at scale in NTCA key sectors.

Accelerating innovation and overcoming challenges to large-scale impact requires a collaborative approach across stakeholders. Entrepreneurs, technology companies, industry partners and venture capitalists working together in real work environments to develop, build, test and deploy solutions to drive digital transformation is a critical step in moving from innovation along.

NTCA is looking to advance highly innovative late-stage research and development (R&D) projects with the best potential for the future. We want to help businesses overcome barriers to their innovations becoming a successful, commercial reality.

At this stage, 5G is generally considered to be more about industrial or enterprise innovation and place-based change through improved operational efficiency and better service delivery rather than a consumer technology. Despite this, there have been few opportunities regionally or nationally for use cases to be tested or deployed ‘at scale’ and we would like to identify opportunities to do this through this EOI process.

We anticipate that, working collaboratively across sectors we can identify opportunities to address this ‘scale-up’ challenge and ensure the NE becomes the region where cutting edge innovation and 5G scale-up becomes a reality, and unlocks significant productivity, innovation and growth benefits.

Applicants must demonstrate that their projects have the best potential for the future and ideally with a clear route to commercialisation and economic impact.

We welcome an approach that brings consortiums together to deliver a small number of use cases at scale, and to bring as part of their solution:

- The challenge (s) they are looking to solve
- An anchor tenant or willing customer to open up their environment for solutions to be tested at scale i.e. NHS trust, key industry partner. This could be a number of locations in single sector or a location that covers multiple sectors
- The eco-system of technology and digital connectivity partners coming together to provide the skills and the solutions – potentially a mix of large and small vendors
- A clear demonstration of the delivery capability for the end-to-end transformation of services or operations.

Projects must lead to game-changing, innovative new products, processes or services that are significantly ahead of others currently available or propose an innovative use of existing products, processes or services. It can also involve a new or innovative business model. New and novel ideas are welcome where they build on the expertise of your team and have a credible route to market, can be scaled with real commercial replicable impact.

The goal is to fuel regional economic growth and maximize the potential of 5G to accelerate digital transformation for priority industries including:

- Manufacturing
- Health and longevity services

- Agriculture
- Energy innovation, offshore renewables and electrification
- Transport and logistics
- Tourism, culture and creative industries

Your proposal must demonstrate:

- a clearly expressed and compelling innovative idea that is significantly ahead of others in the field, set for rapid commercialisation
- a robust and deliverable business plan that addresses and shows evidence of market potential and needs
- a team with the necessary skills and experience to run and complete the project successfully and on time, and take the outputs forward including rapid commercialisation
- awareness of all the main risks the project and business will face, with realistic plans to manage, mitigate and minimise the impact of each of these
- sound, practical financial plans and timelines that represent good value for money including for any public funding proposed.
- a clear, evidence-based plan to deliver significant economic impact, return on investment (ROI) and growth through commercialisation, as soon as possible
- why you are unable to fund the project from your own resources or other forms of public or private sector funding.
- clear potential to positively impact the Region's position, productivity, and competitiveness within the global economy or a specific industry.

Your project can include the following activities:

- prototyping
- demonstrating
- piloting
- testing
- validation

These can be in environments that represent real life operating conditions.

5.2.3. Lot 3: Invitation to infrastructure providers and mobile network operators to collaborate with NTCA/partners on opportunities for Full Fibre and 5G infrastructure deployment along the Northumberland Line Economic Corridor. ³

The Northumberland Line is a £180m project, with funding being provided by national Government and Northumberland County Council, and represents a once in a generation investment across the NTCA area. The re-opening of a passenger rail line will link up the communities across the North of Tyne area from Ashington in the north to Newcastle at the south. This not only represents a significant infrastructure investment, with the associated economic and environmental benefits this brings, but an opportunity to maximise the wider contribution to the region's prosperity through activity to support the economic corridor that will be created by the line.

In addition to improving public transport accessibility, the new Line creates the foundation for establishing an ambitious economic corridor – a place, business and community facing approach to enable transformational change with real cross-Authority and cross-regional

³ [\(Public Pack\)Agenda Document for North of Tyne Combined Authority, Cabinet, 20/09/2022 14:00 \(northoftyne-ca.gov.uk\)](#)

impact. This economic corridor spans our three Local Authority areas, connecting our people to key innovation and employment assets within Newcastle City Centre, our housing sites and business parks in North Tyneside, and the towns and places and growing green economy cluster in South East Northumberland.

It is proposed that in addition to the direct investment in the line itself, that a £10m allocation from the NTCA Investment fund is utilised to catalyse investment and accelerate delivery of projects identified as part of the wider programme.

NTCA, working closely with Northumberland County Council want to safeguard and enable core infrastructure that can incentivise commercial delivery of the necessary broadband connectivity to homes and businesses along the corridor and beyond.

In addition, we see this as an opportunities to lay the foundations for an innovation ecosystem where infrastructure providers, tech industries and tech consumers could work together to advance tech enabled solutions which contribute to a better North of Tyne.

Through this Lot we are formally and transparently opening up to dialogue with infrastructure providers to identify opportunities for collaboration and co-investment linked to our objectives for the line.

We are seeking to work with a partner / partners to understand the opportunity that can leveraged by deploying network infrastructure, potentially in advance of demand, to future proof the connectivity of the line itself as well as the new homes and businesses that are anticipated as a direct result of this new transport link.

5.3. Funding Profile

An initial sum of **£3.5m** of NTCA funding is available for projects which we anticipate would be complete by March 2025. Subject to the outcomes from the first phase of this work, we will consider opportunities for further funding of this programme. NTCA reserve the right to determine funding allocation across each Lot based on the quality of submissions received within each Lot.

Maximum NTCA funding per project is expected to be:

Lot 1	Lot 2	Lot 3
£500,000	£1m	Funding proposals not sought at EOI stage

NTCA is unable to award organisations that are considered to be in financial difficulty. We will conduct financial viability and eligibility tests to confirm this is not the case following the application stage.

5.4. NTCA Outputs / KPIs

Projects will be asked to provide indicative outputs and results selected from NTCA guidance indicators⁴. As a minimum, project will be requested to provide the following:

- Direct/indirect jobs created
- Direct/indirect jobs safeguarded
- Number of enterprises receiving support and sub-indicators
- New products and services developed
- Co-investment/ private sector leverage including increased R&D expenditure.

⁴ <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2020/11/North-of-Tyne-Combined-Authority-Outputs-Guidance.pdf>

Proposals will be benchmarked against NTCA value for money guidelines and where required adjusted by the bidder as a condition of progression to full business case for shortlisted projects.

5.5. Process and Timeline

This call is a two-stage process comprising:

- phase 1 - expression of interest and
- phase 2 - full business case.

The following table highlights the indicative timeline of this process:

Stage	Deadline
Expression of Interest window opens	30 th January 2023
Expression of Interest window closes	24 th February 2023
NTCA Evaluation of EOI submissions for potential progression to FBC	
Notification to applicants of progression to FBC	20 th March 2023**
Indicative window for dialogue sessions	TBC
Deadline for FBC	26 th May 2023
Project Start Date	30 th June 2023
Project Close	30 th June 2024

**Subject to initial interest, further opportunities to submit EOIs may be opened, subject to available funding.

NTCA Investment Panel will approve successful proposals from EOI stage for invitation to submit a full business case. Applicants taken forward to full business case will be offered the opportunity for more detailed dialogue sessions and this will be made available as part of phase 2.

5.6. Eligible Applicants

Applicants to lots 1 and 2 are expected to be businesses or an ecosystem partner submitting a proposal on behalf of a group of businesses with clear upfront private sector commitment to the project.

Lot 3 applicants are expected to be Mobile Network Operators, infrastructure, or network providers.

5.7. EOI assessment

EOI proposals will be scored against the following criteria:

Criteria	Consideration	Available marks
Strategic Fit	<ul style="list-style-type: none"> • The proposed fit with NTCA Corporate Plan, Inclusive Economy Statement and call focus areas. • Activities are clearly set out and the interventions are likely to be effective and will lead to successful outcomes. 	Pass (10-20) or Fail
Delivery of desired outcomes	<ul style="list-style-type: none"> • Demonstration that your organisation has understood the required outcomes, including the objectives for this project and those of NTCA • Clear and relevant outputs proposed. 	Pass (10-20) or Fail

Value for Money	<ul style="list-style-type: none"> The return on investment is clearly articulated to demonstrate the value for money associated with any investment 	15
Social Value	<ul style="list-style-type: none"> The degree of Social Value that bidders are willing to contribute as part of their engagement and participation in our requirements. 	15
Subsidy Control Risk	<ul style="list-style-type: none"> Subsidy Control risk will be established through an assessment of the applicant's understanding of the relevant Subsidy Control principles and whether they apply to the project, as well as the types of beneficiaries that will be in receipt of support. 	5
Project Management	<ul style="list-style-type: none"> Robust assessment of deliverability, capacity and risks. Clear explanation of delivery routes, activities, timeframes, and key milestones. Evidence of partnership strength, commitment (as appropriate). Clear logic model setting out overall rationale for the project and linkages between proposed activities and intended outcomes/outputs. 	15
Inclusive Economy Fit	<ul style="list-style-type: none"> Robust assessment of the inclusive economy implications of proposals and the ability of the project to make a proactive and targeted impact on the inclusive economy ambitions of the NTCA and to have a positive impact on residents. 	10
Marks Available		100

5.8. Submission of Proposals

First stage Expression of Interest application forms for this funding opportunity are available by emailing janet.ross@northoftyne-ca.gov.uk. Queries from applicants should also be sent to janet.ross@northoftyne-ca.gov.uk. Applicants should be aware that queries may be anonymised and responded to publicly through a Q&A on the NTCA website.

In addition to the references earlier in this document, please consider the following strategic document that may help you with your application.

- [North of Tyne Combined Authority, Cabinet Update 'North of Tyne Digital' 20/09/2022](#)

Completed applications for the initial stage should be sent to janet.ross@northoftyne-ca.gov.uk and can be submitted anytime up to 24th February 2023. Before doing so, please ensure that you have followed the guidance, completed all questions and entered an electronic signature.

Project proposals will be scored against the selection criteria in this document. Scoring will be undertaken by a panel made up of Officers of the NTCA and other relevant external members. Clarifications may be sought by NTCA throughout the assessment process.

5.9. Subsidy Control

Following the UK's departure from the European Union on 31st December 2020, a new subsidy control regime is now in place. As such, NTCA require all applicants for funding to seek advice setting out how projects are compliant with the new UK Subsidy regime. The application includes a specific section for applicants to respond. This is a requirement under the new regime, as set out in the BEIS Technical Guidance (which can be accessed here: <https://www.gov.uk/government/publications/complying-with-the-uks-international->

[obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments-from-1-january-2021](#)).

Please note the advice should cover both receipt of the Funding from NTCA and the subsequent transfer of that Funding to third parties.

To comply with new subsidy control regulations, all awards that are considered 'subsidies', and with a value of over £300,000, will be published on the new BEIS transparency database. All awards will be monitored for their ongoing compliance with subsidy control rules.

Guidance on subsidy control is provided at Annex C of this document.

End of Document.

Annex A

Focus	See call definition document.
Geographical Scope	All proposals should be focused on activity within the North of Tyne Combined Authority area with businesses based in or with significant operations in the NTCA area.
Dates & Deadlines	The first stage Expression of Interest (EOI) will open on 30 th January 2023. EOI's will be accepted up to the closing date of 24 th February 2023. EOI's received after closing date will not be considered.
Indicative Allocation:	NTCA has agreed an indicative budget of £3.5m from its 5G and Future Connectivity Programme to be allocated across the Lots. NTCA reserves the right to decrease or increase the indicative budget allocation or support more or fewer proposals, subject to the volume and quality of proposals received. NTCA does not provide any guarantees of funding and all proposals developed are at the applicant's own risk.
Project duration	All activity and spend must be completed within 2 years of the commencement date.
Eligible match funding	Proposals will be expected to demonstrate how they will maximise value for money and leverage against NTCA investment. This includes demonstrating that the funding requested is the minimum required; and that opportunities for match funding have been maximised including through public and private sources.
Added Value	Applicants are expected to submit proposals which demonstrate impact and additionality. NTCA funding is not intended to replace existing funding.
Application selection	Applications will be scored in line with the NTCA assessment criteria set out in section 5.7.
Procurement	All procurement must be undertaken in line with UK regulations or where European Funding is included European and UK Regulations.
Eligible Applicants	Applicants must be legally constituted at the point of signing a Funding Agreement and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters a contract with the NTCA and therefore carries the liability for ensuring that the terms of the Funding Agreement are met by them and to all delivery partners.
Desired Impact	The primary intent of the investment will be to support local enterprise and therefore create/safeguard jobs.

Annex B – Subsidy Control Guidance

The following paragraphs are a direct extract from NTCA full application form and is intended to provide early sight to applicants on what will be expected at the appropriate stage. This is not for full consideration at EOI stage but applicants should be comfortable that their proposals are compliant in respect of Subsidy Control rules.

Which organisations are regarded not to be in receipt of a 'subsidy'?

Subsidy is defined at s2(1) of the Subsidy Control Act 2022 as meaning financial assistance which:

- (a) is given, directly or indirectly, from public resources by a public authority,*
- (b) confers an economic advantage on one or more enterprises,*
- (c) is specific, that is, is such that it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or the provision of services, and*
- (d) has, or is capable of having, an effect on—*
 - (i) competition or investment within the United Kingdom,*
 - (ii) trade between the United Kingdom and a country or territory outside the United Kingdom, or*
 - (iii) investment as between the United Kingdom and a country or territory outside the United Kingdom.*

Please list all beneficiaries regarded not to receive a subsidy in the space below. For each beneficiary, please explain *why* they are considered not to be in receipt of a subsidy. You may find it helpful to refer to the definition above, and the guidance notes below. Again you may also wish to seek legal advice on completing this section.

Guidance notes:

Section (b) of the above test is generally the most relevant in determining whether an organisation is receiving a subsidy or not. You will note a subsidy requires an “economic advantage” and for that advantage to be given to one or more “enterprises”.

So, for example, you might assert that any contractors will not receive a subsidy as they will not be receiving an “economic advantage” because their payment will be at market rates only. You would need to explain how this market rate payment will be demonstrated, for example (i) that their appointment will be via a procurement process or (ii) by benchmarking the rates payable.

Likewise, no subsidy is present where the recipient is not an “enterprise”. This term is used to describe an organisation offering goods and services. So, for example, it may be possible to assert that a local authority or public body receiving a benefit is not an “economic actor” (so long as they are acting within their capacity as a public authority exercising public powers, rather than offering any goods or services).

Flow through

Depending on the structure of the project, it may also be possible to assert that an organisation acts as an intermediary, with any benefit from the subsidy flowing through to third parties, and thus the intermediary is not itself in receipt of subsidy. For this model to be applied you would need to confirm that:

- The totality of any benefit under the project is passed on to those third parties;*
- No residual benefit is retained by the intermediary; and*
- The intermediary is reimbursed on a cost recovery basis only, with no profit element*

Please note the “flow through” example above is not exhaustive and there may be other available routes as to why the proposed funding does not involve a subsidy.

For those organisations that are regarded as being in receipt of a subsidy, please set out how you propose that the funding might comply with the Subsidy Control Act 2022. If you consider your project does not involve any subsidy, this section can be left blank.

Options for subsidy awards include:

(a) Minimal Financial Assistance (“MFA“)

The 'Minimal Financial Assistance' (MFA) provision allows an enterprise to receive up to and including **£315,000** of subsidy over a time period covering:

- the elapsed part of the current financial year, and
- the two previous financial years.

Please see sections 36 and 37 of the Subsidy Control Act 2022 for further details. Please note cumulation rules apply to MFA, as such the following should all be taken into account during the current and previous two financial years when assessing your eligibility:

- MFA;
- SPEI assistance;
- aid given under the EU State aid de minimis regulations either before the end of the implementation period of 31 December 2020 or after this date, if by virtue of the Northern Ireland Protocol; and
- subsidies given as small amounts of financial assistance (SAFA) under Articles 364(4) or 365(3) of the UK-EU Trade and Cooperation Agreement

(b) The Subsidy Control Principles

Before giving a subsidy via this route, NTCA must consider the 7 principles* below and must not give the subsidy unless we are of the view the subsidy is consistent with those principles:

Common interest

A. Subsidies should pursue a specific policy objective in order to—

(a) remedy an identified market failure, or

(b) address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).

Proportionate and necessary

B. Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.

Design to change economic behaviour of beneficiary

C. (1) Subsidies should be designed to bring about a change of economic behaviour of the beneficiary.

(2) That change, in relation to a subsidy, should be—

(a) conducive to achieving its specific policy objective, and

(b) something that would not happen without the subsidy.

Costs that would be funded anyway

D. Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Least distortive means of achieving policy objective

E. Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.

Competition and investment within the United Kingdom

F. Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom.

Beneficial effects to outweigh negative effects

G. Subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on—

(a) competition or investment within the United Kingdom;

(b) international trade or investment

*(*Note: For any subsidies in relation to energy and environment, please also set out your views on how and whether you consider that these respect the additional principles at Schedule 2 of the Subsidy Control Act 2022, along with the above principles)*

If selecting option (a) "Minimal Financial Assistance", please confirm that you have read and understood the rules and procedural requirements set out sections 36 and 37 of the Subsidy Control Act 2022 and that your eligibility includes any other relevant awards that must be cumulated as set out above. Where your project involves you awarding such MFA assistance to third parties, please also confirm that you will follow the above rules and procedural requirements in administering those awards.

If selecting option (b) "The Subsidy Control Principles" please describe, for each principle, your organisation's views on how your project respects that principle. This will assist NTCA, as ultimate decision maker, in making the necessary assessment.

Please note that, as above, this section only needs to be completed in respect of those awards which are subsidies in the first place.