



Comhpháirtíocht Leader Waterford Leader
Phort Láirge Partnership

Decision of Evaluation Committee

Project ID	31LDRWAT108638
Project Type:	S.A. 2.1 Capital Investment in existing & start up technology, graduate orientated rural businesses – High Light Engineering
Project Name:	Shot Blaster & Cranes
Promoters Name:	Kenneally Steel Ltd
Address:	Marston, Ballyduff Upper, Co. Waterford.
Description:	Kenneally Steel Ltd is carrying out the next phase of their development. There are a well-run and prudent Company. In order to further develop their business outside Munster and indeed outside Ireland into Holland they have to build a centre for shot blasting and coating their steel products. They have applied for planning permission for the new unit. The combined investment in the new facilities will be in the region of €700,000. Since LEADER first invested in this project, the company also now employs up to 30 Staff. This requires significant cash flow management to pay weekly wages, hence the need for further diversification and embedding in the pharma and food industries. While Kenneally Steel will fund the building works, the paint shop, visitor facilities, and the new vehicle, they have sought assistance in the purchase of the Shot Blaster(Sand Blaster), and the 3 Cranes to service it.
Theme:	L.O. 2 Rural Enterprise Development
Sub-theme:	S.A. 2.1 Capital Investment in existing & start up technology, graduate orientated rural businesses
Link to LDS	S.A. 2.1 Capital Investment in existing & start up technology, graduate orientated rural businesses – High Light Engineering

Total Project Costs	The cost of this project is €269,170.00 and the promoter has requested funding of €63,130.00 or 23.45% of eligible costs whichever is the lesser.
Eligible Project Costs	The cost of this project is €269,170.00 and the promoter has requested funding of €63,130.00 or 23.45% of eligible costs whichever is the lesser.
Funding sought by promoter:	The cost of this project is €269,170.00 and the promoter has requested funding of €63,130.00 or 23.45% of eligible costs whichever is the lesser.
Funding recommended by Evaluation Committee:	A maximum of €43,067.20 or 16% of eligible expenditure, whichever is the lesser.
Details of private funding:	Cash/Money in account €206,040.50
Voluntary Labour: YES / NO (If yes provide detail)	No
Synopsis of project:	

	While Kenneally Steel will fund the building works, the paint shop, visitor facilities, and the new vehicle, they have sought assistance in the purchase of the Shot Blaster(Sand Blaster), and the 3 Cranes to service it.		
Detail exactly what WLP will be funding (List items from Project Assessment Report)	Detail	Total Cost (Expenditure)	Grant Aid recommend by the Evaluation Committee @ %
	Shot Blaster	184,720	29,555.20
	3 X Cranes	54,000	8,640
	Electrics	30450	4,872
Total Funding		269,170	43,067.20
Was an assessment completed?: Date: 28/01/2019	The Evaluation Committee agreed that the project assessment was completed on the 28th Jan 19 and following a review noted the following :- - The project fits the Co Waterford Local Community Development Plan Local Objective 2 for strategic & collaborative Investment in Rural Enterprise Development to foster Rural Job Creation in local villages. The promoters have the experience and capability to deliver the project successfully.		
Are detailed costings provided for the project? Were the costs for the project considered reasonable and how was this measured?	The Evaluation Committee agreed that the promoters followed public procurement guidelines Category 2 LEADER Specific Procurement guidelines as the applicant is seeking less than 50%		
Where the procurement process resulted in less than 3 quotes, the EC must show the additional steps taken to ensure the reasonableness of costs:	The Evaluation Committee agreed that the promoters followed public procurement guidelines Category 2 LEADER Specific Procurement guidelines as the applicant is seeking less than 50%		
Innovative Element of the project:	It was agreed that the project is innovative as it improves efficiencies, reduces lead time to customer and streamline the process.		
Consideration of Deadweight:	The Evaluation Committee agreed to reduce grant aid to 16% to address deadweight.		
Consideration of Displacement:	This project will not cause displacement as the nature of the promoters business is very specialised.		
Economic justification for project:	This work is mainly done by hand which is time consuming manual process and is difficult work. Larger projects are out sourced so funding will allow employees to focus on less manual and more value-add activities.		
Average Score for Project:	After achieving an overall score of 87 out of 100, the Evaluation Committee agreed that they are happy to recommend this project for approval to the Board of Waterford LCDC.		
% level of aid & ceiling:	A maximum of €43,067.20 or 16% of eligible expenditure, whichever is the lesser.		
E. C. Executive Summary/Rationale for Funding	The Evaluation Committee agreed to recommend this project with the following condition:- 1. The project scored 87/100 2. The project fits the Local Development Strategy for Enterprise Development. Recommendation: A maximum of €43,067.20 or 16% of eligible expenditure, whichever is the lesser with the following condition:- - Funding rate reduced to 16%		

Jobs Created	Jobs Sustained	Match Funding	Previous Grant Aid Received
3	25	€206,040.50	2017 - €136,869.75
	15 Contracted Workers as needed		

Confirmation that agencies / communities are supportive of the proposed project.	Date of Confirmation	Signed By
Waterford Local Enterprise Office	23/01/2019	B. Kirby

Detail of Discussion:

- It was advised that the promoters are very capable and have good structures in place. They have built a good business creating employment in a rural area. Funding this project will enable the promoters to create greater efficiencies, improve quality and be less labour intensive while improving safety.
- The Evaluation Committee noted that the balance sheet is cash rich with net assets of €1.8m and that deadweight is an issue and must be considered carefully. Mr Jimmy Taaffe said that this project is just one of a number of areas of development and re-investment that the promoter is planning in 2019. He is going to build an additional workshop, upgrading the paint workshop, resurfacing and finishing the staff car park, etc. The total overall investment by the promoter will be in excess of €700k.
- It was noted that the debtors are high at €1.3m including both trade and other debtors. A Committee Member said that the promoter would be owed money for steel from farmers waiting on grants.
- The Committee noted that the savings in the back account could cover the grant aid requested. Mr Jimmy Taaffe noted that while the promoter is doing really well he is prudent and aware that if he invests fully using his savings that he has no contingency plan in case of a down turn in the next year or two.
- The Evaluation Committee agreed that it is an excellent firm creating job opportunities in a very rural area with limited employment noting that they would like to support it but at a reduced rate to address any deadweight issues.
- It was outlined that the investment in proper professional staff in recent years by the promoter is very good and should be encouraged. It is hard to get small businesses to follow advice given and the promoter has taken everything on board employing an accountant and office staff.
- The Evaluation Committee agreed that overall the investment of grant aid is quite small noting that they would like to support at a lesser extent in recognition of the promoters willingness to follow advice by employing professional staff, to support existing jobs in a very rural area and to help create an additional three jobs. It was agreed to fund at 16%.

Recommendation: A maximum of €43,067.20 or 16% of eligible expenditure, whichever is the lesser with the following condition:-

-Funding rate reduced to 16%

Amount Recommended:€43,067.20	16% of Eligible Project Funding:
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Signed: _____ Signed: _____

Chairperson of Evaluation Committee

Committee Member

Date: _____ Date: _____

Issues / Queries raised by Evaluation Committee	Project Officers Response
Funding rate reduced to 16%	This will be outlined in the Letter of Offer

Signed: ____J Taaffe____

Dated: __28/02/2019__

WLP Project Officer

Please insert photos below of reference purposes:

(for example a photo of the building to be renovated/machinery being purchased, etc)



Overall Evaluation Committee Scoring Record

Date: 11th Feb 2019

Time: 11am to 3pm

Project Title: Shot Blaster & Cranes

Project Reference Number: 31LDRWAT108638

Assessment Criteria	Objective	Issues raised by Evaluation Committee	Weighting	Score
Compatibility with Local Development Strategy	Do the project proposals meet the criteria set out in the LAG business plan for the relevant measure?		Yes / No	
Innovation	Is the product innovative in its nature and does it displace existing enterprises? - Product / Service 9/19 <u>8</u> - Displacement 5/19 <u>4</u> - Job Creation 5/19 <u>5</u>		19	17
Promoters experience	Does the promoter have the training/skills, track record or experience to deliver? - Standards of Operation 6/25 <u>6</u> - Track Record 6/25 <u>6</u> - Structure of Business 6/25 <u>5</u> - Necessary skills base 7/25 <u>6</u>		25	23
Financial Viability	Are the project costs justifiable (reasonableness of costs) and / is funding available to co-fund the project? - Overall Costs 7/25 <u>9</u> - Co Funding 6/25 <u>3</u> - Financial Plan 6/25 <u>6</u>		25	20

	Deadweight	6/25	3			
Sustainability	Is the project viable and will the service continue to be delivered?			13		12
Requirement	Does the proposal target a specific need or address a specific gap in the market?			18		15
Total				100		27

N.B. Project must receive a minimum score of 65% prior to being recommended for approval.

- Has the potential level of deadweight been assessed for this project? YES / NO
- i.e. would the project proceed without LEADER funding? YES / NO

Is a decision made?

Recommendations of the Evaluation Committee: Approval of 16% grant

Signature: [Signature]

Signature of Evaluation Committee Chair

Date: 11/5 Feb 2018

Denise Walsh

From: pclerkin@cablesurf.com
Sent: Tuesday 19 February 2019 15:28
To: Denise Walsh
Subject: Draft Minutes of Evaluation Committee Meeting on 11th February 2019.

Hi Denise,

I have reviewed the draft minutes of this meeting and i am fully in agreement with them.

Regards,

Paul Clerkin

