

Lincoln Town Deal

Stage 2: Detailed Business Case

All projects selected to be taken forward as part of the Lincoln Town Deal needs to complete a project business case. Your business case should capture the rationale for investing in the project, how it fits into the overall strategic context of Lincoln's development, as well as the benefits it will deliver. Your business case should also explain how the project will be financed, procured and managed.

Some of the information requested in this form has already been provided in your Expression of Interest Form, included as part of the Town Investment Plan (Section 2). This detailed business case requires you to expand on this information, to address any specific conditions pertinent to your project and included within the Heads of Terms agreement and to ensure that all 5 cases identified within the Green Book are addressed to a satisfactory standard to give confidence to the Accountable Body, Town Deal Board and MHCLG that the scheme is deliverable.

This business case template is based around the Green Book five case model. The five cases in the Green Book are:

strategic case – must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention, this should include clear objectives with a robust logic of change from inputs to outcomes.

economic case – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. "Do nothing" should always be an option. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. Value for money is ideally demonstrated in a credible Benefit-Cost Ratio

commercial case – demonstrate commercial viability or contractual structure for the project, including procurement where applicable.

financial case – standard appraisal of financial implications of the project, where applicable this should include budgets, cash flow, and contingencies.

management case – of how the project is going to be delivered

Proportionality needs to be considered and the level of detail required in each of these cases needs to be proportionate to the scale of funding required for the proposal. Key questions that need to be considered in determining the level of detail required include:

- Size of project
- Whether the project is of regional or national significance,
- Whether the project is particularly complex or innovative
- Whether your organisation has experience of delivering similar projects

Please seek guidance from your Accountable Body contact on the level of detail expected in your business case.

Part 1 – Introduction

| | | | |
|---------------------------------|--|--------------------------------|--|
| Project Name | | | |
| Project Location | (please include site plan as appendix) | | |
| Site ownership | | | |
| Planning Application Ref | | | |
| Total Project Value (£) | | Town Funding Sought (£) | |

| | |
|----------------------------|--|
| Lead Applicant | |
| Applicant Address | |
| Main Contact Person | |
| Contact Email | |

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| Executive Summary |
| Please provide an introduction to your project, its contribution to the Lincoln Investment Plan and a summary of the Business Case |
| |

| Project Start Date <i>date from which eligible expenditure will be incurred</i> | Financial Completion Date <i>date by which eligible costs will have been defrayed</i> | Practical Completion Date <i>date by which all Outputs/Results will be achieved</i> | Activity Completion Date <i>the date by which all the operation's activities described in the application will be completed</i> |
|---|---|---|---|
| | | | |

| Funding Summary | | | | |
|------------------------|-------------------------|--|---|-------------------|
| | Town Funding (a) | Public Match Funding (b) – please state | Private Match Funding (c) Please state | Totals (d) |
| Capital | | | | |
| Revenue | | | | |
| Totals | | | | |

Part 2 – The Strategic Case

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| <p>2.1 The Case for Change Please explain: Why is the project needed in Lincoln? What is the current context / challenges / opportunities? What research or evidence has been undertaken to demonstrate the need, demand or impact of this project? How does covid influence this evidence of need?</p> |
| |
| <p>2.2 Partners and Stakeholders Please provide a list of delivery partners and their role in delivery Please provide a list of stakeholders and their role / interest in the project How have stakeholder views influenced the project?</p> |
| |
| <p>2.3 Policy Alignment Please explain how the project will deliver the strategic objectives of the Town Deal Programme and the Lincoln Investment Plan and will demonstrate alignment with other local growth priorities.</p> |
| |

2.4 Vision and Objectives

Please provide the overall vision for the project

Please set out the SMART Objectives for the project (specific, measurable, achievable, realistic and time-bound)

2.5 The Proposed Investment

Please provide a description of the project – the specific activities that will be undertaken

Where will the project take place?

What are the expected outputs and outcomes?

Who are the beneficiaries of the project?

What are the expected impacts of the project for the different beneficiaries?

2.6 Risks, Constraints and Dependencies

Please set out the key risks, constraints and dependencies of the project, the probability, impact and mitigation approach to each

| Risk, Constraint or Dependency? | Description | Owner | Probability (High, Medium or Low) | Impact (High, Medium or Low) | Mitigation |
|---------------------------------|-------------|-------|-----------------------------------|------------------------------|------------|
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Part 3 – The Economic Case

3.1 Why should the project receive Town Funding? Please explain and provide evidence of why a privately provided solution would fall short of what is optimal (market failure).

3.2 Options Assessment
Please outline all options that have been considered, the option assessment process, and specify the rationale for discounting alternatives
The options analysis must include a 'do nothing' / 'do minimum' option
Why was the preferred option chosen?

3.3 Preferred Option
Please describe the Preferred Option and identify how this aligns with the objectives set out in the Strategic Case.

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3.4 Assessing the Options
Please provide a summary of the overall Value for Money of each of the options considered including the ‘do nothing’ option. This should include reporting of Benefit Cost Ratios and a consideration of:
Additionality – what the project will deliver above and beyond what would happen anyway
Displacement – whether the proposed intervention lead to a reduction in economic activity elsewhere
Leakage – whether any of the expected benefits will be felt outside of the City

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3.5 Assessment Methodology
Please describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used

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3.6 Inclusive Growth: What difference/ impacts (positive or negative) will your project have in terms of promoting equality, diversity, inclusion and human rights?
The Lincoln Towns Fund Programme needs to follow the Public Sector Equality Duty. In this respect, please explain how your project will eliminate discrimination, advance quality of opportunity, and foster good relations between different people. Further guidance can be found here: <https://townsfund.org.uk/resources-collection/meeting-the-public-sector-equality-duty?rq=equalities>

Please also complete the Equality Impact Assessment at Appendix B

3.7 Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments in relation to delivering Net Zero carbon emissions and improving air quality.

You may find it useful to refer to the Lincoln Sustainable Toolkit which can found at: <https://spark.adobe.com/page/Ap3p9fYrHWHFf/>

3.8 For capital projects, please explain how environmental legislation is being considered and adhered to as part of your projects.

How is Environmental Impact Assessment (EIA) and Habitats Regulations Assessment (HRA) has or is being addressed through your project. Please see more guidance here: <https://townsfund.org.uk/resources-collection/addressing-your-planning-eia-and-hra-needs-in-your-business-case>

3.9 Wider Impacts

Please describe what other non-monetised impacts the project will have, and provide a summary of how these have been assessed.

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Part 4 – The Financial Case

4.1 Project Budget

Please provide a breakdown of the project costs by year.

| | Year 1 20/21 | Year 2 21/22 | Year 3 22/23 | Year 4 23/24 | Year 5 24/25 | Total |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|
| i) Capital | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Capital | | | | | | |
| | | | | | | |
| ii) Revenue Costs | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total revenue | | | | | | |
| | | | | | | |
| Total Project Costs | | | | | | |

4.2 Please provide more detail on what Town funding will be spent on including a detailed breakdown of the financial position of the project, incorporating all values and costs directly associated with delivery of the scheme.

Please explain how risk has been factored into the costs

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4.3 Please detail the key assumptions used in the development of your budget and the research completed to prepare it, including how you ensure that the costs are commensurate with the required quality.

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4.4 Funding
Please provide a breakdown of the sources of funding for the project. Annual totals must match those set out at 4.1

| | Year 1 20/21 | Year 2 21/22 | Year 3 22/23 | Year 4 23/24 | Year 5 24/25 | Total |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|
| i) Capital | | | | | | |
| Town Deal | | | | | | |
| Please specify match source | | | | | | |
| | | | | | | |
| Total Capital | | | | | | |
| | | | | | | |
| ii) Revenue Costs | | | | | | |
| | | | | | | |
| Town Deal | | | | | | |
| Please specify match source | | | | | | |
| | | | | | | |
| Total revenue | | | | | | |
| | | | | | | |
| Total Town Deal Funding | | | | | | |
| Total Match Funding | | | | | | |

4.5 Affordability

Please set out the current position with regards the funding available to the project
Is all match funding confirmed, to you have a full funding package in place?
Are you able to proceed with the project once this Business Case is approved?

Part 5 – The Commercial Case**5.1 Demand**

What evidence do you have of demand for the project? Have you undertaken any consultation or market analysis / testing to provide evidence of market demand?

5.2 Viability / Sustainability

Outline how the scheme will be commercially viable/financially sustainable beyond the initial funding period. Please append further documentation as outlined in section 8 to support the case as required.

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5.3 Procurement
Please set out your procurement approach for the project.
Why has this approach been selected?
How does it provide best value for money?
Does social value form part of the procurement strategy?

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7.2 What evidence can you provide that processes meet, or will meet, the public procurement requirements, including:

- Advertising contract opportunities to the market; and
- Evaluating bids in an open transparent and non-discriminatory manner.

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5.4 Subsidy Control
The accountable body is required to ensure that funding complies with the rules on subsidy control or state aid. State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade. If your project proposal constitutes state aid we will be unable to fund it unless you can demonstrate that it is outside the scope of or exempt from subsidy control or state aid rules. Please explain how the project will be delivered in line with Subsidy Control as per UK Government Guidance
<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>



Part 6 – The Management Case

6.1 Project Management and Governance

Please set out how the project will be managed

Please describe whether or not the necessary team is in place to carry out the proposed activity and if not what the plans are to recruit the relevant expertise? Please insert structure chart, if available.

6.2 Approvals and escalation procedures

Specify the reporting and approval process for the project for example, how will key decisions be agreed / signed off?

6.3. Project Timeline and Milestones

Please outline the key steps that have been, or will be, completed to ensure delivery of the project. Please note key milestones will be incorporated into the funding agreement and form the basis for formal monitoring of the project.

| Milestone | Forecast Commencement /Submission Date | Forecast Completion/ Award Date | Comments |
|----------------------------------|--|---------------------------------|----------|
| Initial scheme design | | | |
| Feasibility work | | | |
| Site acquisition / secure tenure | | | |
| Detailed design | | | |
| Planning Permission | | | |
| Match funding secured | | | |
| Procurement process | | | |
| Procurement contracts Awarded | | | |
| Construction | | | |
| Activity/Outcomes | | | |

Please provide details on any other key work or stages that need to be completed (by when) to ensure delivery

| Milestone | Forecast Date | Comments |
|-----------|---------------|----------|
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6.4 Risk management strategy

Please describe the risk management strategy for the project

6.5 Please outline the financial management and control systems that would be used for the project, including the process for compiling and authorising claims for payment?

6.6 Only eligible and defrayed expenditure can be included in a claim for Town Funding. Please explain how the project will manage its cash flow throughout the project's lifetime

6.7 Publicity: Please explain what media and communication arrangements you will use to raise awareness of the project and use of Town funding?

This will be subject to further guidance from government

6.8 Outputs: Please set out in the embedded spreadsheet, the projected outputs of the project and when you expect these to be achieved? Some outputs are mandatory, please complete these plus details of other outputs your project deliver, referencing Appendix A.



TOWN DEAL
OUTPUT INDICATOR

6.9 Please describe the rationale and assumptions you have made in establishing the outputs above. This must link clearly to the project's activity and objectives. Please explain your method for calculating the target levels

6.10 Please set out the outcomes you expect the project to deliver – referencing Appendix A

6.4 Monitoring and Evaluation

Please outline how the project will gather and assess evidence of outputs and outcomes. Please set out your evaluation plan and timescales and how this feed this into the overall evaluation of the Lincoln Town Deal.

Part 7 – Supporting Information

| 7. Supporting documents checklist | | |
|---|--|-----------------------------|
| Where applicable, please submit the following documents with your Business Case | | |
| Document | Supporting Notes | Applicant's comments |
| Project Site Plan and copy of relevant planning permissions | Showing clear boundaries of all areas to be included in project | |
| Red Book valuations to support site acquisition/ assembly cost and completed scheme value. Valuation reports produced should be no more than six months old. | Required where funding is being sort to acquire sites/properties, and/or for completed scheme value, against which any clawback liability will be assessed. | |
| Detailed cashflow and breakdown of budget | To demonstrate a) cost items are in line with the TIP submission b) the forecast cost c) how the costs will be profiled across the project lifetime. | |
| Scheme plans, Cost Plan/Bill of Quantities. Development appraisal to be provided. If this information is not available a breakdown of all scheme costs, supported with data/assumptions to be provided. Costs should be no more than six months old | The due diligence assessment requires analysis by independent cost consultants to ensure costs are relevant, realistic, market facing, evidence based and thus reliable before a funding agreement can be put in place | |
| Explanation of match funding arrangements and estimated timescale for approval | We will need to understand where match funding will be sourced from in order to demonstrate deliverability of the overall scheme | |
| If applicable, proof of irrecoverable VAT on eligible costs | Please supply proof of irrecoverable VAT on eligible costs | |
| Applicant organisation's relevant policies, including Equality & Diversity Policy, Sustainability Policy | You are responsible for ensuring any Delivery Partners hold a policy | |
| Gantt Chart | To reflect the key milestones during project set-up, implementation and closure. | |
| Organogram | An up-to-date organisation chart and / or project delivery structure Also, for delivery partners, if applicable. | |
| Applicant's procurement policy if available | Note that public procurement rules supersede organisation's procurement policy | |

7. Supporting documents checklist

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| Other | Any other key, relevant, documents you consider should be submitted including project feasibility studies and impact assessments. | |
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Appendix A

The table below outlines the interventions in scope for the Towns Fund. For proposed interventions, towns will need to align with:

- **Outputs:** This sets out the kinds of intervention outputs that will be considered acceptable.
- **Alignment:** We would expect interventions to align with each of the policies and programmes listed, where these apply to your town.
- **Outcomes:** This lists the acceptable outcomes that we would expect to flow from your chosen interventions. Towns will be required to clearly demonstrate, through a Theory of Change (with supporting evidence and assumptions clearly set out), how your proposed projects will deliver one or more of the outcomes in the table below.
- **Outcome indicators:** These are the indicators that will be used to set targets and measure progress and determine whether the outcomes have been delivered.

| | Outputs | Alignment | Outcomes | Outcome indicators |
|-----------------|---|--|--|--|
| Local transport | <ul style="list-style-type: none"> • New, revived, or upgraded train and tram lines and stations • New or upgraded road infrastructure • More frequent bus services or infrastructure upgrades e.g. digital bus shelters | <ul style="list-style-type: none"> • Beeching reversals and fund for rail improvements • Local Transport Plans • Transforming Cities Fund projects • Policies on low carbon and air quality • Local Industrial Strategy | <ul style="list-style-type: none"> • Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work • Improved affordability, convenience, reliability, and sustainability of travel options to and | <ul style="list-style-type: none"> • Average time taken to travel to work by usual method of travel • Commuter flows • Number of trips by purpose and main mode • Vehicle flow |

| | Outputs | Alignment | Outcomes | Outcome indicators |
|-----------------------------|--|---|---|--|
| | <p>with Real Time information.</p> <ul style="list-style-type: none"> • New or upgraded cycle or walking paths. • Wider cycling infrastructure such as cycle parking. | <ul style="list-style-type: none"> • Transforming Cities Fund projects • National transport plans and associated strategies e.g. HS2 growth plans • £250 million emergency active travel fund • Local Growth Fund | <p>from places of interest (especially shops and amenities)</p> <ul style="list-style-type: none"> • Reduced congestion within the town • Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians | |
| Digital connectivity | <ul style="list-style-type: none"> • Provision of specialist digital technologies to meet the needs of specific sectors • Infrastructure to support 5G or full fibre connectivity, where this is appropriate for the LA role, and with a clear outline of how proposals do not duplicate other national programmes and initiatives | <ul style="list-style-type: none"> • 5G testbeds and trials • Local Full Fibre Networks Programme • Industrial Strategy Challenge Fund | <ul style="list-style-type: none"> • Increased utilisation of digital channels, by businesses, to access and/or supply goods and services • Increased ability for individuals to work remotely/flexibly | <ul style="list-style-type: none"> • Internet access and usage by businesses • Perceptions of the place by businesses • 5G coverage • Number of people who work remotely at least some of the time • Broadband speeds |

| | Outputs | Alignment | Outcomes | Outcome indicators |
|--|--|---|---|---|
| Urban regeneration, planning and land use | <ul style="list-style-type: none"> • Remediation and/or development of abandoned or dilapidated sites • Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) • Delivery of new public spaces | <ul style="list-style-type: none"> • Future High Streets Fund projects or other relevant government regeneration schemes • Local Industrial Strategy • High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund • Youth Investment Fund • Local Growth Fund | Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors | <ul style="list-style-type: none"> • Perceptions of the place by residents/businesses/visitors Land values |
| Arts, culture and heritage | <ul style="list-style-type: none"> • New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth | <ul style="list-style-type: none"> • Discover England Fund • High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund • Cultural Development Fund • Arts Council National Lottery Project Grants • Arts Council Creative People and Places • Local Growth Fund • Coastal Community Fund • Coastal Revival Fund | <ul style="list-style-type: none"> • Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access | <ul style="list-style-type: none"> • Number of visitors to arts, cultural and heritage events and venues • Perceptions of the place by residents/visitors |

| | Outputs | Alignment | Outcomes | Outcome indicators |
|-----------------------|--|---|---|--|
| Skills infrastructure | <ul style="list-style-type: none"> • Increase in capacity and accessibility to new or improved skills facilities • Availability of new specialist equipment • Increased and closer collaboration with employers • Increase in the breadth of the local skills offer that responds to local skills needs • Increased benefit for the public education over the long term | <ul style="list-style-type: none"> • Local skills plans. • Skills Advisory Panels • Further Education Capital fund (<i>details to be confirmed</i>) • T Level Capital Fund • Local Growth Fund • The Adult Education Budget (devolved to MCAs/delegated to GLAs) • National Careers Service • Where appropriate, Opportunity Areas and Opportunity North East • Local Digital Skills Partnerships • JCP Network (including the flexible support fund) • ESF investment • Youth Investment Fund • Cultural Development Fund • Civic University Agreements • National DfE policies including T-levels, apprenticeships, and Institutes of Technology | <ul style="list-style-type: none"> • Increased share of young people and adults who have relevant skills for employment and entrepreneurship | <ul style="list-style-type: none"> • Number of new learners assisted • % of learners gaining relevant experience/being 'job ready' (as assessed by employers) • % of working-age population with qualifications |

| | Outputs | Alignment | Outcomes | Outcome indicators |
|----------------------------------|--|--|--|---|
| Enterprise infrastructure | <ul style="list-style-type: none"> • Increase in the amount (and diversity) of high-quality, affordable commercial floor space • Increase in the amount of shared workspace or innovation facilities • Other schemes to support enterprise and business productivity and growth • Programmes of grants to local SMEs or employers in key sectors | <ul style="list-style-type: none"> • Local Industrial Strategy • DIT international trade advisors and associated activity • DIT Capital Investment work • DIT Export Strategy • DIT Foreign Direct Investment support • Enterprise zones, business improvement districts etc | <ul style="list-style-type: none"> • Increased number of enterprises utilising high quality, affordable and sustainable commercial spaces • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces | <ul style="list-style-type: none"> • Business counts • Number of enterprises utilising high quality, affordable and sustainable commercial spaces • Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces • Business births, deaths and survival rates |

| | |
|---|---|
| Name of project: | |
| Project objectives: (describe the project's aim as it relates to protected characteristics) | <i>[Note: N/A if no protected characteristics are directly targeted.]</i> |

| Consideration | Protected Characteristics (Part 1) | | | | |
|---|------------------------------------|---------------|---------------------|---------------------------------|-------------------------|
| | Age | Disability | Gender reassignment | Marriage and civil partnerships | Pregnancy and maternity |
| Baseline situation <i>(describe only where different to the national average, or where otherwise relevant)</i> | | | | | |
| Assessment text <i>(summary of how the proposed project affects the protected characteristic)</i> | | | | | |
| Is the effect positive/negative/mixed? <i>(add an explanation)</i> | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE |
| If the effect is negative or mixed: | | | | | |
| Is the effect significant? <i>(add an explanation)</i> | Y / N | Y / N | Y / N | Y / N | Y / N |
| What embedded mitigation does the project contain? | | | | | |
| What residual significant effects remain? | | | | | |
| Is there an in-combination effect across multiple protected characteristics (across both Part 1 and Part 2 of the assessment table)? <i>(e.g. the proposed project has minor effects across several protected characteristics which, when considered together, have a more significant impact)</i> | | | | | |
| What action is required? Who will be accountable for it? <i>(this could include further mitigation measures or re-prioritisation of projects)</i> | | | | | |

| Consideration | Protected Characteristics (Part 2) | | | | |
|---|------------------------------------|--------------------|---------------|--------------------|-------------------------|
| | Race | Religion or belief | Sex | Sexual orientation | 'Family Test' (if used) |
| Baseline situation <i>(describe only where different to the national average, or where otherwise relevant)</i> | | | | | |
| Assessment text <i>(summary of how the proposed project affects the protected characteristic)</i> | | | | | |
| Is the effect positive/negative/mixed? <i>(add an explanation)</i> | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE | +VE / M / -VE |
| If the effect is negative or mixed: | | | | | |
| Is the effect significant? <i>(add an explanation)</i> | Y / N | Y / N | Y / N | Y / N | Y / N |
| What embedded mitigation does the project contain? | | | | | |
| What residual significant effects remain? | | | | | |
| Is there an in-combination effect across multiple protected characteristics (across both Part 1 and Part 2 of the assessment table)? <i>(e.g. the proposed project has minor effects across several protected characteristics which, when considered together, have a more significant impact)</i> | | | | | |
| What action is required? Who will be accountable for it? <i>(this could include further mitigation measures or re-prioritisation of projects)</i> | | | | | |