

Outline Business Case

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| Applicant Details |
| **Project Name** |  |
| **Project Applicant** |  |
| **Organisation Type** |  |
| **Company Registration Number (or equivalent)** |  |
| **VAT Number** |  |
| **Senior Responsible Owner** |  |
| **Contact Name (if different to SRO)** |  |
| **Applicant Address** |  |
| **Applicant Postcode** |  |
| **Location of Project** |  |
| **Email** |  |
| **Telephone** |  |
| **Mobile** |  |

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| Guidance |
| **This document provides a template for an Outline Business Case (OBC), in support of an investment – project, procurement or scheme.****In all cases a Strategic Outline Business Case (SOBC) should have been completed and agreed prior to the submission of this document for approval.****The focus of the Outline Business Case is on identifying the different options for delivery and how the chosen option has been identified.****Please note that this template is for guidance purposes only and should be completed in accordance with the guidelines laid down in the HM Treasury’s Green Book**[**https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent**](https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent)**The level of information provided should be proportionate to the size and complexity of the scheme proposed. Project over £5 million are considered to be large schemes.** |

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| Appendix Checklist |
| **Appendix Document** | Appendix Number (if applicable) | Comments (e.g. if not included, why? Indicate if this will be included at FBC) |
| Most recent Audited Accounts |  |  |
| Most recent Management Accounts |  |  |
| Most recent Bank Statement (within last 3 months) |  |  |
| Economic Appraisal (if project is over £5m) |  |  |
| Estate Plan (Skills Capital Projects Only) |  |  |
| Full Options Appraisal |  |  |
| Evidence of Match Funding |  |  |
| Project Plan / GANTT Chart |  |  |
| Risk Register |  |  |
| Detailed Elemental Cost Plan |  |  |
| Site Plans and Designs |  |  |
| Cash Flow forecast for duration of project |  |  |
| Cash Flow forecast for applicant for 12 months following completion of project |  |  |
| Insurances (Public, Professional, Employers) |  |  |
| Equality and Diversity and People Management Policies |  |  |
| Health and Safety Policy |  |  |
| Procurement Policy |  |  |
| Evidence of Land Ownership (or valuations, / agreed Heads of Terms etc. if relevant) |  |  |
| Statutory Permissions (Planning and other appropriate consents including discharge of any Planning Conditions |  |  |
| Stakeholder Management Plan / Communications Strategy |  |  |
| Independent Legal State Aid Opinion |  |  |
| De Minimis Checklist (if application is under de minimis) |  |  |

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| Summary Information |
| **Project Description** Please provide a summary description of your project in no more than 250 words |
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| **Total Project Cost £** |  |
| **Grant Request £** |  |
| **Intervention Rate %** (Grant request as a percentage of the total project cost) |  |
| **Proposed Start Date** |  |
| **Proposed Practical Completion Date** |  |
| **Proposed Date for Completion of Outputs** |  |
| **Key Outputs to be Delivered by the Project** |
| Jobs Created (FTE) |  | Jobs Safeguarded (FTE) |  |
| No of Houses |  | Public / Private Investment £ |  |
| Learning Opportunities |  | Premises with access to Superfast Broadband |  |
| Premises created (m2) |  | Premises refurbished (m2) |  |
| Businesses Assisted |  | Other (please list below) |
|  |
| **Is this scheme linked to any other applications to the Cumbria LEP?** If yes please list scheme(s) below. | **Yes:** |  | **No:** |  |
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| **Has the applicant previously received funding via Cumbria LEP?** E.g. Capital Development Funding. If yes please provide details below. | **Yes:** |  | **No:** |  |
|  |
| **Has any of the summary information altered since the SOC was considered by CLEP?** If yes please provide details below. | **Yes:** |  | **No:** |  |
|  |
| **Is any of the information contained in the application is of a commercial nature and should not be published?** If yes please provide details of relevant sections below. | **Yes:** |  | **No:** |  |
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| **Please note CLEP is required to publish all final investment decisions in line with its Local Assurance Framework.** |

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| **Strategic Dimension** |
| ***The strategic dimension outlines the case for change, including the rationale for intervention. It specifies the current situation, what is to be done and what outcomes are expected. It also addresses how the project fits with wider policies and objectives.*** |
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| **1.1 Challenge or opportunity to be addressed**Please describe the key characteristics of the problem to be addressed and / or the opportunity presented. Provide an overview of the evidence supporting this, referencing external documents where necessary. |
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| **1.2 Why has the issue not been addressed previously?**Please provide a summary of why this issue has not been addressed prior to this application. |
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| **1.3 What would the impact be if the issue was not addressed?**This should describe the current situation and the impact of continuing with the current arrangements (business as usual) without making any changes. |
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| **1.4 What are the aims of the project?**Please describe the overall aims or desired outcomes that the project hopes to achieve and how this will address the problem or maximise the opportunity identified. |
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| **1.5 How will the aims be achieved?****Please clearly outline the scope of the project.** A small set (around 5 or 6) of Specific, Measurable, Achievable, Realistic and Time-limited (SMART) objectives should be identified. They should ideally include the outcomes that are the rationale for the proposal and in some cases the outputs required to deliver them. |
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| **1.6 What would the impact be if the project did not receive CLEP funding?**This should describe the impact on the scheme if CLEP funding was not received. For example would the scheme proceed with no change, are there alternative sources of funding, or would the scheme not go ahead at all, or be reduced / delayed? If an alternative solution would be implemented please clearly identify how this would differ from the proposed scheme. |
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| **1.7 Organisational Objectives**What are the overall objectives of the applicant organisation? Please detail how the project addresses these and why the applicant organisation is the best placed to deliver the proposed project. If the scheme has involved partners in the design and development, or will include partners in its delivery, these should also be referenced here. |
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| **1.8 Local Industrial Strategy Strategic Fit**How does the project fit with the emerging priorities identified in Cumbria’s Local Industrial Strategy? |
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| **1.9 Wider Policy Context Strategic Fit**How does the project fit with other key documents and relevant local and national policies? For Skills Capital projects, specific reference should be made to the Estate Plan, and how the project demonstrates fit within this. |
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| **1.10 Risks, Constraints and Dependencies**What are the key risks, constraints and dependencies of the project identified in relation to the Strategic Case? This should include consideration of external factors and the potential impact upon the project.  |
| **Risks:** |  |
| **Constraints:** |  |
| **Dependencies:** |  |

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| **Economic Dimension** |
| ***The economic dimension determines the net value to society (the social value) of the intervention compared to continuing with Business As Usual. It specifies the risks and their costs, and outlines how they are best managed. It determines which option reflects the optimal net value to society.*** |
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| **Please note that ALL projects over £5 million (total project cost) require a Full Economic Appraisal which should be appended to the OBC (see Appendix Checklist), which can be cross-referenced in this section.** **If a full Options Appraisal has been undertaken and is appended to the OBC this can also be cross referenced within section 2.1.** |
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| **2.1 Strategic Assessment of Alternative Options** |
| **2.1.1 Long Listed Options**Please detail the long list of options considered to deliver the strategic objectives identified. |
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| **2.1.2 Critical Success Factors** Please identify the critical success factors (important factors that would be critical in assessing how options could contribute towards the objectives); including any relevant information regarding how these have been defined and agreed, noting if there have been any changes since the submission of an SOBC. |
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| **2.1.3 Long Listed Option Assessment**Please detail the process used to shortlist options, including reference to critical success factors where relevant. |
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| **2.1.4 Short Listed Options – Strategic Assessment**Please detail the short listed options considered to address the identified issue. This should include the reference case (‘business as usual’ (BAU) option), the proposed scheme as well as alternative options. |
|  | **Option 1**Reference Case (BAU) | **Option 2** Proposed Scheme | **Option 3** | **Option 4** |
| **Option Name**The name by which the option is known |  |  |  |  |
| **Option Description**A summary description of the project, highlighting key differences between the proposed scheme and the option. |  |  |  |  |
| **Technical Assessment & Appraisal**The level of technical assessment or appraisal undertaken – including previous studies / relevant data to assess the option |  |  |  |  |
| **Indicative Cost (£)** The indicative cost for the project and information on how this has been calculated.  |  |  |  |  |
| **Impact against Strategic Objectives**How the option delivers against the strategic objectives set out in 1.4 |  |  |  |  |
| **Key Risks**Key technical, funding (inc. affordability) and delivery risks associated with the option |  |  |  |  |
| **Rationale for Rejection / Selection**Why the option has been rejected / selected |  |  |  |  |
| **2.2 Value for Money** |
| **2.2.1 VFM – Transport Projects** Transport projects should use the attached spreadsheet to complete the relevant Appraisal Summary Table and clearly summarise the Benefit Cost Ratio (BCR) in the space below. |
| **BCR (VFM Statement):** |  |
| **2.2.2 VFM – Non Transport Projects**Non-transport projects should complete the Appraisal Summary Table below, or outline the approach used to calculate VFM in comparison to alternative options in the space at 2.2.4 |
|  | **Option 1**Reference Case (BAU) | **Option 2** Proposed Scheme | **Option 3** | **Option 4** |
| **Net Present Social Value**Present the estimate of the net present social value for the option (outlining the economic assumptions used to calculate this in 2.2.3)  |  |  |  |  |
| **Public Sector Cost (or appropriate value for cost)** |  |  |  |  |
| **Appropriate Benefit Cost Ratio** |  |  |  |  |
| **Significant unmonetizable costs / benefits** |  |  |  |  |
| **Significant unquantifiable factors** |  |  |  |  |
| **Risk costs by type and residual optimism bias** |  |  |  |  |
| **Switching Values** |  |  |  |  |
| **Time Horizon and Reason** |  |  |  |  |
| **2.2.3 Economic Assumptions**Please present economic assumptions used to calculate the above |
| **Discount value** |  |
| **Optimism Bias** |  |
| **Deadweight** |  |
| **Displacement** |  |
| **Leakage** |  |
| **Substitution** |  |
| **Apportionment** |  |
| ***Other relevant assumptions***  | *Insert Rows as Necessary* |
| **2.2.4** If an alternative approach to calculating VFM in comparison to alternative options has been used, please outline the method and summarise the findings in the space below. As a minimum, CLEP expect a BCR for the preferred option to be stated, with supporting evidence and reasons for the selection of the preferred option. |
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| **2.3 BREEAM**Please provide details of the anticipated BREEAM rating. The expectation is that new-builds will achieve ‘Excellent’ and refurbishments will achieve ‘Very Good’. Confirm what work has been done to establish that the appropriate standard will be achieved. |
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| **Commercial Dimension** |
| ***The commercial dimension considers whether the scheme is commercially viable and presents evidence of risk allocation*** |
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| **3.1 Commercial Viability****3.1.1** Please identify the approach taken to assess commercial viability of the scheme including reference to any market research undertaken |
|  |
| **3.1.2** Is the project expected to achieve a commercial return on investment? | Yes: |  | No: |  |
| If yes, please note that CLEP may require further information in the format of longer term cash flows or impact assessments in addition to those referenced within the appendix checklist. |
| **3.2 Procurement** |
| **3.2.1** Is a procurement strategy in place that will be used for the project? | Yes: |  | No: |  |
| **3.2.2** If yes, please ensure that it is appended to the OBC (see Appendix Checklist), and this can be cross referenced in this section. If no, please detail the procurement route and strategy that will be used for the project. This should include: details of the procurement mechanism to be used; details of whether it is an existing framework or contract; the timescales associated with the procurements; and details of other routes considered for delivery and why these were rejected. If there are different elements to be procured within the project, please identify the procurement strategy for each element.It should be noted that if the applicant is a private sector organisation and the request for public sector funding forms more than 50% of the total project costs then procurement is required to be compliant with public procurement regulations. If the applicant is a private sector organisation requesting less than 50% from the public sector there remains the requirement for the process to be fair, transparent and competitive. |
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| **3.3 Risk Identification and Allocation**Please provide a risk register detailing risks within the commercial case including: impact; likelihood; allocation; and mitigation measures. If this is appended to the OBC it can be cross referenced in this section. |
|  |
| **3.4 Contract Management**Please provide the contractual arrangements for delivering the proposed scheme. An organogram may be useful. |
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| **3.5 Constraints and Dependencies**What are the constraints and dependencies of the project identified in relation to the Commercial Case? This should include consideration of external factors and the potential impact upon the project. Relevant elements of the risk register can be cross referenced in this section.This should include confirmation that the applicant is not subject to any contractual or other restriction imposed by its own or any other organisation’s rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with this Grant request. |
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| **3.6 Social Value**Please demonstrate how the project will deliver social value. |
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| **3.7 Sustainability**Please demonstrate how the project will contribute towards the sustainability agenda. |
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| **3.8 State Aid** |
| **Please note that an independent legal state aid opinion is usually a requirement at OBC stage.** |
| **3.8.1** Has an independent legal state aid opinion been undertaken and appended to the OBC (see Appendix Checklist)? | Yes: |  | No: |  |
| **3.8.2** If no, please detail why, and with reference to the General Block Exemption Regulation and other State Aid frameworks explain why the proposed scheme is considered compatible with State Aid regulations. |
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| **Financial Dimension** |
| ***The financial dimension focuses on affordability. It considers the impact of the proposal on the public sector budget in terms of the total cost and presents evidence on funding arrangements, technical accounting issues and the financial profile of the project.*** |
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| **4.1 Project Costs** |
| **4.1.1** Has a detailed elemental cost plan been appended to the OBC (see Appendix Checklist)? | Yes: |  | No: |  |
| **4.1.2** Please complete the table below, summarising the project costs using a maximum of 5-6 Budget Headings. Please ensure the total expenditure matches the total project cost identified within the Summary Information. |
| **Cost Heading** | **2019/20** | **2020/21** | **2021/22** | **Total** |
| *Insert Cost Heading* |  |  |  |  |
| *Insert Cost Heading* |  |  |  |  |
| *Insert Cost Heading* |  |  |  |  |
| *Insert Cost Heading* |  |  |  |  |
| **Total Expenditure** |  |  |  |  |
| **4.1.3** Please identify the stage of the costs i.e. indicative costs, full tendered costs etc. |
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| **4.2 Funding Package** |
| **4.2.1** Please complete the table below, profiling the funding package for the project. Please ensure that the total funding package matches the total expenditure, and that the total from Cumbria LEP matches the Grant Request in the Summary Information. |
| **Match Funder** | **2019/20** | **2020/21** | **2021/22** | **Total** |
| Cumbria LEP |  |  |  |  |
| *Insert Match Funder* |  |  |  |  |
| *Insert Match Funder* |  |  |  |  |
| *Insert Match Funder* |  |  |  |  |
| **Total Funding** |  |  |  |  |
| **4.2.2** Please identify the status of the match funding below. If not yet secured, a date should be given of when this is expected to be in place. Evidence of any confirmed match funding should be appended to the OBC (see Appendix Checklist). |
| **Match Funder** | **Status** (including relevant appendix reference / date expected etc.) |
| Cumbria LEP |  |
| *Insert Match Funder* |  |
| *Insert Match Funder* |  |
| *Insert Match Funder* |  |
| **4.3 Contingency**Please provide evidence of what contingency has been applied to the project costs and the basis for how this has been calculated. If this has been calculated as a quantified sum based on the estimated cost and the likelihood of risks, please append any relevant documents and cross reference within this section. |
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| **4.4 Financial Procedures**Please outline the organisational financial procedures and confirm the process for dealing with conflicts of interest, fraud and systems in place to deal with the prevention of fraud and / or administrative malfunction. |
|  |
| **4.5 Risk Identification and Allocation**Please provide a risk register detailing risks within the financial case including: impact; likelihood; allocation; and mitigation measures. If this is appended to the OBC it can be cross referenced in this section. Specifically this should include: |
| **4.5.1 Cost Overruns**Identify how cost over runs will be managed and / or shared with other parties / funding bodies. Cumbria LEP will not be able to fund cost over runs and will be capped at the offer awarded. |  |
| **4.5.2 Delivery Timescales**Identify how delivery timescales will impact upon the cost of the project and how this is to be managed / allocated. |  |

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| **Management Dimension** |
| ***The management case ensures there are realistic and robust delivery plans and how the proposal will be delivered.*** |
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| **5.1 Scheme Management**Please identify the management structure for the delivery of the project. This should include the SRO (identified within Summary Information) and assign key responsibilities to individuals / organisations. The governance arrangement and reporting structure should be clearly identified. An organogram may be useful. |
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| **5.2 Project Delivery** |
| **5.2.1** Has a Project Plan / GANTT Chart been appended to the OBC (see Appendix Checklist)? | Yes: |  | No: |  |
| **5.2.2** Please identify the key milestones (e.g. securing planning; commencement of groundworks) which should demonstrate that the project is deliverable within the timescales identified. |
| **Milestone Description** | **Date** |
| Project Start |  |
| *Insert Key Milestone* |  |
| *Insert Key Milestone* |  |
| *Insert Key Milestone [add rows as necessary]* |  |
| Practical Completion |  |
| Project End Date (ensuring factors such as retention are taken into account) |  |
| **5.2.3** Please describe the track record of the applicant organisation in delivering schemes of this type, including whether they were completed to time and budget. |
|  |
| **5.3 Output Delivery** |
| **5.3.1** Please complete the table below, profiling the outputs to be delivered by the project. Please ensure that the totals match those identified in the Summary Information.  |
| **Output** | **Baseline**This should provide the current level of output in order to create a baseline against which to measure | **2019/20** | **2020/21** | **2021/22** | **Future Years up to and including 2024/25** | **Total** (Do not include the Baseline figure) |
| Jobs Created (FTE) |  |  |  |  |  |  |
| Jobs Safeguarded (FTE) |  |  |  |  |  |  |
| No of Houses |  |  |  |  |  |  |
| Public / Private Investment £ |  |  |  |  |  |  |
| Learning Opportunities |  |  |  |  |  |  |
| Premises with access to superfast Broadband |  |  |  |  |  |  |
| Premises created (m2) |  |  |  |  |  |  |
| Premises refurbished (m2) |  |  |  |  |  |  |
| Businesses Assisted |  |  |  |  |  |  |
| *Other e.g. increase in turnover [delete / insert rows as necessary]* |  |  |  |  |  |  |
| **5.3.2** Please complete the table below for each type of output identified to be delivered by the project. This should describe precisely what the indicator is and how it will be measured. The responsibility for reporting outputs to CLEP following the practical completion of the project should be taken into consideration. If there is a separate benefits realisation plan in place for the project, this can be appended to the OBC and cross referenced. |
| **Output / Result** | **Definition** | **Data to be collected** | **Tool / Method** | **Frequency** | **Responsible Owner** |
| *Insert rows as necessary. E.g. Jobs Created* | *E.g. New jobs created by the investment* | *E.g. Number of FTE staff employed minus the number of FTE staff employed at start date of project* | *E.g. Payroll records* | *E.g. Quarterly until end date of project.**Annually following practical completion* | *E.g. Finance Manager* |
| **5.4 Evaluation**Please describe what process is in place to evaluate the project. This should include the associated cost and how this will be met. All projects are expected to complete a final evaluation report and projects over £3m (grant) are expected to carry out an evaluation in line with the Magenta Book. CLEP will also have requirements with regard to ongoing reporting, and consideration should be given as to how this will be completed by the applicant following practical completion of the project. |
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| **5.5 Land Ownership** |
| **5.5.1** Do you (applicant) own the Freehold? If yes, please append evidence (e.g. certificate of title). | Yes: |  | No: |  | N/A: |  |
| **5.5.2** If not, do you have Freeholder permission? If yes, please append evidence. | Yes: |  | No: |  | N/A: |  |
| **5.5.3** If not owned yet, are you in the process of buying the freehold? If yes, please append any relevant documentation e.g. Heads of Terms | Yes: |  | No: |  | N/A: |  |
| **5.5.4** If leasehold, does the project comply with the lease agreement? If leasehold, please append lease. | Yes: |  | No: |  | N/A: |  |
| **5.5.5** Are there any additional issues in relation to land ownership that may be relevant to the delivery of the project of which we should be aware e.g. Rights of Access etc.? If so, please provide information below.  |
|  |
| **5.6 Permissions**  |
| **5.6.1** Is Planning Permission required for the project? | Yes: |  | No: |  |
| **5.6.2** If yes, has this been obtained? If yes, please append evidence. Evidence will also be required of the discharge of any conditions | Yes: |  | No: |  |
| **5.6.3** If no, what date is this expected? |  |
| **5.6.4 Please identify below details of all other statutory powers or consents that are required for the project** |
| **Type** | **Status (Obtained or Outstanding)** | **Comment** (include date to be achieved, conditions, any challenge period etc.). |
| *Insert rows as necessary* |  |  |
| **5.7 Stakeholder and Communication Management** |
| **5.7.1** Is there a Stakeholder Management Plan / Communications Strategy in place for this project? | Yes: |  | No: |  |
| If yes, please ensure that it is appended to the OBC (see Appendix Checklist).If no, please detail the stakeholders for the scheme and how they will be involved using the table below.  |
| **Stakeholder** | **Role / Relevance / Interest** | **Consultation / Communication Method** | **Frequency** |
| *Insert Rows as Necessary* |  |  |  |
| **5.8 Document Retention**If a grant is awarded, documentation relating to this grant must be kept for a period in line with the Funding Agreement, which may be up to 12 years. Please detail how this will be done and the responsible owner. |
|  |
| **5.9 Security**Please confirm the form of security you propose to offer against any Grant awarded. Details of the nature of the security, when the security will be in place, any existing charges or other encumbrances, and who will put in place the security if not the applicant, should be identified. |
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| **Declarations and Understanding** |
| Has any director / partner ever been disqualified from being a Company Director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts? | Yes / No |
| Has any director / partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors | Yes / No |
| Has any director / partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme? | Yes / No |
| **If your answer is “yes” to any of these questions**, please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded grant. |
| **I am content for information supplied here to be stored electronically and shared in confidence with other public sector bodies who may be involved in considering the case.****I confirm as the applicant I have not committed, nor shall commit, and Prohibited Act.****I understand that if I give information that is incorrect or incomplete, grant may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete.****I also declare that, except as otherwise stated on this form, I have not started the project which form the basis of this application and no expenditure has been committed or defrayed on it.** **I confirm that I have full authority from the appropriate level within the applicant organisation to enter into this application and any subsequent Grant Funding Agreement.****I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.** |
| **Signature of Applicant** |  |
| **Print Full Name** |  |
| **Designation** |  |
| **Date** |  |