

Project Assessment Report

Key requirements of the business case have been identified and assigned a RAG rating. A headline description of each of the ratings is provided below.

Risk Rating Key	
Red	The gap in information or issue raised fundamentally undermines the overall case or specific, critical elements being assessed. Without resolution, approval would not be recommended.
Amber	The information provided demonstrates the business case has the potential to be compliant subject to specific conditions being met.
Amber - Green	The information provided does not fully align with the requirements, but in the assessor's view, this is not sufficient to undermine the overall case. For example, the assessor believes a reasonable case could be made against the relevant assessment criteria or the information provided is proportionate to the investment sought. These are highlighted for information to the Northampton Forward Board.
Green	The information required is fully compliant with the assessment criteria; no further action required.

Project Details

Project Name	Skills and Social Enterprise Development Fund
Project Applicant	West Northamptonshire Council
Project Manager	Deven Efde
Total Project Cost	£500,000
TIP Request	£500,000
Proposed Construction Start Date	N/A
Proposed Construction End Date	N/A
Project Description	<p>The Northampton Skills and Social Enterprise Fund seeks £500,000 Towns Fund investment to support social enterprises in Northampton. The project is wholly revenue funded.</p> <p>The project has two elements:</p> <ul style="list-style-type: none"> - £100,000 is committed to establishing a social enterprise hub presence in Northampton town centre resourced through a combination of voluntary participation and paid resource to promote access to funding and facilities for social enterprises. The hub will manage the grant process, reporting and monitoring post grant allocation to ensure that targets are met and recorded.

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- £400,000 will be provided as grants to businesses. This will support 60 social enterprises with organisational capacity and growth, enabling enterprises to locate in retail and office premises, access business and marketing skills training for social entrepreneurs and purchase IT and other specialised equipment to support growth.

Towns Fund investment will be spent between 2021/22 and 2024/25. The programme will run for four years.

The grant provided to social enterprises is expected to safeguard 10 jobs and create 20 new jobs, as well as delivering a range of wider social and economic benefits.

Appraisal Summary

Project recommended to proceed.

Overall Position

- **Strategic Case** – The Strategic Case clearly sets out how the project aligns with the Town Investment Plan as well as regional and local priorities. Analysis of need for the project and the case for change have been proposed, and there is evidence that the project will have a meaningful local impact. The market failure argument around positive externalities has been established and a theory of change has been expressed. It also identifies key stakeholders and mitigations of strategic risks.
- **Economic Case** - The Economic Case is appropriate for a scheme of this size. The project delivers a BCR of 1.5 which is considered acceptable value for money. Assumptions around GVA per employee are conservative and higher output per job (enough to deliver ‘good’ value for money) could reasonably be expected. The project also unlocks wider social value outcomes.
- **Financial Case** - The funding and cost structures for this project are relatively straightforward and are clearly outlined. This project is wholly revenue based and will establish a “hub” for social enterprises in Northampton which will manage grant giving to individual social enterprises. Draw down of funds will occur in line with the cost profile and individual grant applications will be overseen by the Grant Management Committee.
- **Commercial Case** - Procurement arrangements and timescales are clear. The approach to grant giving will follow a consistent approach and appears robust. A new member of staff will be hired to oversee the project delivery and risks will be mitigated through close oversight of individual grant approvals. Approach to risk ownership is appropriate and the project complies with the Subsidy Control regime.
- **Management Case** - The Management Case provides a clear view of the project management and governance arrangements to deliver the project and what the split of responsibilities will be between WNSET and WNC. Capability to deliver the project exists through existing members of the WNSET board who have been responsible for grant giving and reporting to WNC. Project milestones are clear and realistic.

Strategic Case

Project Details	Comments	RAG Rating
Strategic fit to the Town Investment Plan	Clear alignment with and contribution to some of the Town Investment Plan Objectives and the 10-year vision.	
Confirmation of the Strategic Objectives and Critical Success Factors	The project's strategic objectives have been provided and are closely aligned to the Town Investment Plan. Critical Success Factors have been identified and used as the basis for the options shortlisting to identify the Preferred Option.	
Strength of the market failure evidence and rationale	The rationale for investment is given and this links closely to the market failure argument around positive externalities and the creation of social and environmental benefits which are not directly captured.	
Evidence of demand, need and additionality	A clear narrative has been developed around the need for the project to address local economic issues such as unemployment, deprivation, challenging business environment and the need to diversify the economic base and improve inclusivity. WNSSET has been operating in the town for several years and has a good understanding of the business environment and needs within this.	
Stakeholder buy-in to the project	Key stakeholders in support of the project have been identified and detail regarding stakeholder engagement has been set out. This has included online consultation and consultation workshops.	
Integration/links with other projects/programmes	A detailed response is provided around the project's alignment with regional and local priorities which are also reflected in national policy commitments.	
Implications of any strategic risks and dependencies	Key project dependencies and constraints have been identified alongside proposed mitigations.	
Assessor Comments	The Strategic Case clearly sets out how the project aligns with the Town Investment Plan as well as regional and local priorities. The analysis of need for the project and case for change is set out and there is evidence that the project will have a meaningful local impact. The market failure argument around positive externalities has been established and a theory of change has been expressed. It also identifies key stakeholders and mitigations of strategic risks.	

Clarifications	No outstanding clarifications.
Overall Strategic Case RAG Rating	

Economic Case

Project Details	Comments	RAG Rating
Range and credibility of options (including the do-nothing and do minimum case)	A number of options have been identified to deliver the project's objectives and a long list to short list process is outlined via a RAG rating against Critical Success Factors. The Do Minimum presents a realistic alternative scenario against which to judge the Preferred Option and is quantified through the economic appraisal.	
<p>Scheme delivers value for money</p> <ul style="list-style-type: none"> • Implications of reference case / do nothing option considered for additionality • Assumptions underpinning the economic model and sensitivity test the output • Appropriateness of risk assessment and adjustments for optimism bias • Assessment of additionality and adjustment of gross benefits to account for deadweight, displacement, substitution, leakage and economic multipliers • Benefits appraisal aligns with refreshed Green Book and departmental guidance 	<p>A clear view of the Do Nothing option is provided which highlights the additionality associated with the Preferred Option.</p> <p>The economic appraisal follows a jobs/GVA approach to capture the benefits of the scheme. a place-based multiplier is also applied to account for wider linkages as a result of the intervention. Social value outputs are also considered, taking into account the wider benefits of the grant process to social enterprises. These are monetised using data from the GM Unit Cost Database.</p> <p>Additionality and risk assumptions are in line with the Green Book and considered appropriate.</p> <p>Switching values and sensitivity tests have been applied.</p>	
Assessor Comments	The Economic Case is appropriate. The scheme delivers a BCR of 1.5 which is considered acceptable value for money. Assumptions around GVA per employee are very conservative and higher output per job (enough to deliver 'good' value for money) could reasonably be expected. The project also unlocks wider social value outcomes.	
Clarifications	No further clarifications.	
Overall Economic Case RAG Rating		

Financial Case

Project Details	Comments	RAG Rating
Robustness of the project costs	The project is solely revenue based and will fund the establishment of a 'hub' space in Northampton in serviced office accommodation and with a full-time resource to oversee the running of the project as well as associated IT and marketing costs. These costs have been clearly outlined and are based on estimates/comparator schemes. More accurate cost estimates will be established through supplier quotations during the procurement phase. The remaining project costs constitute grants for social enterprises to address barriers to growth. Grants will be capped at £10,000 per social enterprise and due diligence will be undertaken prior to grant approval.	
Scheme funding	The project is fully funded by the Towns Fund and funding will be drawn down over the 2021/22 period to 2024/25.	
Project viability assessment (where appropriate)	Project funds will be drawn down in line with project costs, therefore there will be no cashflow issues. All risks currently sit with West Northamptonshire Council.	
Assessor Comments	The funding and cost structures for this project are relatively straightforward and are set out clearly. This project is wholly revenue based and will establish a "hub" for social enterprises in Northampton which will oversee grant giving to individual social enterprises. Draw down of funds will occur in line with the cost profile and individual grant applications will be overseen by the Grant Management Committee.	
Clarifications	There are no outstanding clarifications.	
Overall Financial Case RAG Rating		

Commercial Case

Project Details	Comments	RAG Rating
Appropriateness of procurement arrangements	In order to establish the social enterprise hub presence in Northampton, appropriate serviced accommodation will be identified and staff recruitment will commence. These activities	

	will occur in early 2022. Any equipment that needs to be purchased will need to provide 3 quotes. Headline risks and mitigations have been provided.	
Rationale for and appropriateness of the commercial structure and delivery arrangements	In advance of grants being awarded to social enterprises, recipients will be appraised against commercial factors and a theory of change will be required to provide a formal base from which to understand what the grant will achieve. This consistent approach will be overseen by the Grant Management Committee which will be staffed by WNSET and WNC.	
Depth and appropriateness of the risk assessment and adequacy of approaches to risk transfer and management	All risks currently sit with West Northamptonshire Council, once the project is approved and the Grant Management Committee is set up, then a full risk register will be developed and regularly monitored and evaluated.	
Capacity of applicant to deliver the investment (where applicable)	The project will be overseen by the Grant Management Committee which will be staffed by members of WNSET, including the chair, who have experience of managing grant funding. The individual hired to manage and report on the grant process will be selected on their ability to fulfil this function. Individual social enterprises will go through a due diligence process to establish their ability to deliver the investment.	
Asset ownership after project completion	Not applicable.	
Comment on subsidy control position of the project and whether advice has been sought	This project is compliant with the Subsidy Control regime as per external legal advice.	
Assessor Comments	Procurement arrangements and timescales are clear. The approach to grant giving is clear and appears robust. A new member of staff will be hired to oversee the project delivery and risks will be mitigated through close oversight of individual grant approvals. Approach to risk ownership is appropriate and the project complies with the Subsidy Control regime.	
Clarifications	There are no outstanding clarifications.	
Overall Commercial Case RAG Rating		

Management Case

Project Details	Comments	RAG Rating
Effective governance and management arrangements	<p>A clear overview of the management and governance arrangements has been provided. The Grant Management Committee has representatives from the WNSET board and WNC and will provide day to day management of the programme. The WNSET Board has overall accountability for the project. Sign off on approved grants and spend must receive final approval from the Head of Major Projects and Regeneration at WNC. A grant funding agreement will be prepared between WNC and WNSET detailing key milestones and performance indicators to enable grant draw down.</p> <p>Key roles, accountability and responsibilities of each of the groups have been provided.</p>	
Availability of capacity and capability to deliver the project effectively	<p>The chair of WNSET has considerable experience of managing similar grant funds on behalf of the council. In depth stakeholder engagement has been undertaken across the region, through steering groups, regular monthly networking meetings and representation on the SEMLEP VCSE group. These continuing relationships allow WNSET to work closely with companies in the region.</p>	
Realism of delivery plan and milestones	<p>Project milestones have been provided at a high level but present a clear overview of how the scheme will be delivered.</p>	
Existence of particular barriers such as planning consent, land purchase etc.	<p>No particular barriers to the delivery of the project have been identified.</p>	
Delivery risks and mitigation	<p>The management structure of the grant process has been designed to ensure maximum de-risking of the project. All grants will be evaluated individually through the Grant Management Committee and then passed to WNC for approval. The project will follow WNC's risk management strategy and framework.</p>	
Ongoing management costs and risks to benefit realisation	<p>A part-time resource will be employed by WNC to manage and report on the grant process to ensure that it is fully documented and in line with the reporting requirements agreed with WNC. Benefits realisation from the grant</p>	

	process has been outlined, including use of vacant space, provision of new jobs etc.	
Monitoring and evaluation plan	An overview of the proposed monitoring and evaluation approach has been provided. This includes specific reporting by each recipient of grant funding to ascertain growth of the companies. A survey will also be circulated with social enterprises and other stakeholders to gather views on the success of the programme.	
Assessor Comments	The Management Case provides a clear view of the project management and governance arrangements to deliver the project and what the split of responsibilities will be between WNSET and WNC. Capability to deliver the project exists through existing members of the WNSET board who have been responsible for grant giving and reporting to WNC. Project milestones are clear and realistic.	
Clarifications	There are no outstanding clarifications.	
Overall Management Case RAG Rating		