**TIF TPSP RESPONSE TEMPLATE**

THIS TEMPLATE SHOULD BE COMPLETED AND RETURNED TO SFT BY WAY OF EMAIL RESPONSE TO: TIF@scottishfuturestrust.org.uk **BY 19th AUGUST 2011**.

|  |
| --- |
| **LOCAL AUTHORITY**  |
| [INSERT LOCAL AUTHORITY NAME AND ADDRESS] |
| **TIF CONTACT** |
| [INSERT APPROPRIATE LOCAL AUTHORITY CONTACTNAMEEMAILPHONEMOBILEADDRESS IF DIFFERENT FROM ABOVE] |
| **ADDITIONAL LOCAL AUTHORITY COMMENTS (IF APPLICABLE)** |
|  |

|  |
| --- |
| 1. **TIF PROJECT BACKGROUND**
 |
| * Provide background to the basis of the project – does this proposal satisfy the mandatory project characteristics detailed below.
* Why is this the chosen TIF project for your Local Authority? How does it fit with existing LA plans?
* Provide basis for satisfaction of the but-for-test
* Identify the likely TIF Assets (i.e. the public sector enabling infrastructure), likely cost & why you consider these will enable private sector investment.
* Provide a high level indication of the likely red-line area and basis for selection of this area
* Detail the level of internal Local Authority support received for this TIF proposal, work undertaken to date and the internal resource available to take forward the project
 |
| **EVALUATION CRITERIA** |
| Please note that further pilot projects must be of a primarily non-retail led nature. It should also be noted that of the three remaining pilot projects:* one project should be below £20m; and
* one should have a renewables focus

Preference will be given to projects which satisfy these criteria and in selecting the three pilot projects, SFT will seek, if possible, to identify at least one project that meets each of the characteristics outlined above. Ultimately any proposal for a TIF project must demonstrate to Scottish Ministers that:* the enabling infrastructure will unlock regeneration and sustainable economic growth;
* it will generate additional (or incremental) public sector revenues (net of the displacement effect); and
* it is capable of repaying, over an agreed timescale, the financing requirements of the enabling infrastructure from the incremental revenues.

This scored section of Section 1 of the TPSP proposal will attract a maximum of 20 points (refer to Appendix 1 of this TPSP Response Template for scoring methodology). As well as the criteria above, scoring will consider:* How has the project been chosen
* How well has the ‘But For’ test been evidenced
* Identification of TIF Assets, likely cost and ability of these assets to attract private sector investment, and any evidence to support this
* Initial identification and rationale of the proposed Red-Line area
* Extent of the Local Authority’s internal support & approvals, work undertaken to date and the internal resource to take forward any proposed TIF project
 |

|  |
| --- |
| **LOCAL AUTHORITY RESPONSE (Limit to 1 page only)** |
|  |

|  |
| --- |
| 1. **PRIVATE SECTOR INVESTMENT, ECONOMIC AND REGENERATION IMPACT**
 |
| PRIVATE SECTOR INVESTMENT* Detail the anticipated private sector involvement and investment enabled by the TIF Assets
* If possible, please identify your private sector partners and give an indication of the level of discussions which have taken place and the level of development to date within the redline, if any
* Comment on the ability of this private sector investment to generate incremental NDRs within the proposed red-line area.N.B. target private sector development will be relatively biased towards commercial rather than residential development due to the use (primarily) of NDRs as the income stream captured to fund the TIF infrastructure

Provide further detail in relation to the private sector development types enabled by the proposed TIF project (e.g. renewables, commercial, leisure)ECONOMIC IMPACT* Detail the potential economic impact and additionality that your TIF project will have at the following levels: Local / Regional / National
* This section should give high level consideration as to the likely levels of displacement which will arise as a result of the TIF project and the anticipated private sector investment (either estimates of displacement levels across development types if available, or an indication of whether displacement is high, medium or low and a short justification for these assumptions)

REGENERATION IMPACT- Detail the high-level outcomes that are expected in terms of regeneration, including the impact on the physical environment and social / economic outcomes |
| **EVALUATION CRITERIA** |
| 10 points will be allocated to the private sector element of the response, 10 points to the economic analysis response and 10 points to the regeneration impact response (Refer to Appendix 1 for scoring methodology). Scoring will consider the proposal’s identification of :PRIVATE SECTOR INVESTMENT (10 points out of 30)* What private sector investment activity will likely be enabled that will generate the incremental NDRs and hence TIF revenues, and where available, the potential level of private sector investment in £s terms
* The extent that a proposal is able to identify private sector partners undertaking this investment
* What current private sector investment is planned or taking place in the area, if any.
* The breakdown of the sectors that will deliver NDR growth under the anticipated project e.g. renewables, commercial, leisure
* The ability of the proposed TIF project to deliver additional NDR

ECONOMIC (10 points out of 30)* Identification and analysis of potential additional economic impacts arising from the proposal, e.g. jobs, business space, sectors
* Consideration of likely displacement levels across development types – i.e. high medium or low or estimated % if this information is available. N.B. it is not a requirement for a Local Authority to engage external consultants to undertake economic impact assessments etc at this stage

REGENERATION (10 points out of 30)- How the project will benefit local people, in particular how it will support the local economy and provide jobs and training opportunities and maximise community benefits |

|  |
| --- |
| **LOCAL AUTHORITY RESPONSE (Limit to 1 page only)** |
|  |
| 1. **FINANCIAL VIABILITY**
 |
| * An indication of how much the proposed TIF Assets will cost / how much the Local Authority will have to borrow
* Consideration should be made here as to the source of funding for the TIF Assets and approach to repayment
* Identify, and quantify where possible, incremental NDRs which the project is expected to generate over the TIF period (25 years from first TIF investment)
* An indication should be made as to the level of certainty the Local Authority has in these high level assumptions and an explanation of why
* Outline any sensitivity testing undertaken to date
 |
| **EVALUATION CRITERIA** |
| The maximum score for this section is 20 (Refer to Appendix 1 for scoring methodology) and scoring will depend on the extent of analysis undertaken to determine:* Levels of expected incremental NDRs across development types
* Ability to repay debt drawn down the fund the TIF Assets
* The outturn findings of any sensitivity analysis undertaken to date, if available (e.g. the impact upon the financial viability of the proposed project from increased infrastructure costs, NDR take reduction, changing displacement levels)
 |

|  |
| --- |
| **LOCAL AUTHORITY RESPONSE (Limit to 1 page only)** |
|  |
| 1. **KEY RISKS & POTENTIAL MITIGANTS**
 |
| * Key project risks should be identified. These may be wide ranging, however, are likely to include:
	+ State aid (Local Authorities will be encouraged to liaise with the Scottish Government’s State Aids team on all potential state aid matters).
	+ Procurement
	+ Private sector failure to deliver/ invest
	+ Certainty of NDR take
	+ Availability and ownership of land

 * A brief outline of any risk quantification and mitigation strategies should be detailed insofar as is possible
 |
| **EVALUATION CRITERIA** |
| The maximum score for this section is 20 points (Refer to Appendix 1 for scoring methodology).Scoring of this section will consider the extent that a Local Authority has thought about project risks which may arise and how it can potentially manage and mitigate these risks. |

|  |
| --- |
| **LOCAL AUTHORITY RESPONSE (Limit to 1 page only)** |
|  |

|  |
| --- |
| 1. **TIME SCALES**
 |
| * Proposals should provide indicative timings for: the preparation and submission of a business case if identified as a pilot project, the likely date of the first TIF investment, timing of private sector investment and commencement of incremental NDR capture.
* Please detail any timing dependencies.
 |
| **EVALUATION CRITERIA** |
| A maximum of 10 points will be available in consideration of the timing of the business case delivery and of the indicative timing for the forecast first TIF Investment. Evidence that robust analysis has been undertaken to support these timeframes should be provided in the TPSP response, e.g. Local Authority capacity to deliver the project within the timeframes outlined. |

|  |
| --- |
| **LOCAL AUTHORITY RESPONSE (Limit to 1 page only)** |
|  |

**APPENDIX 1**

**SCORING METHODOLOGY**

|  |  |  |
| --- | --- | --- |
| Maximum Score for Response: 10 points | Maximum Score for Response: 20 points |  |
| 1-2 | 1-4 | Initial concept considered |
| 3-4 | 5-8 | High level analysis with some thought to TIF project specific factors. |
| 5-6 | 9-12 | Fair progress with significant work outstanding |
| 7-8 | 13-16 | Good progress with some work outstanding |
| 9-10 | 17-20 | Well advanced. |