



Cumbria Local Enterprise Partnership: Growth Deal Prioritisation Framework

27 June 2016

Important Notice

This document, “Cumbria Local Enterprise Partnership: Growth Deal Prioritisation Framework” has been prepared by KPMG LLP (“KPMG”) solely for Cumbria County Council, Cumbria LEP and their professional advisors in accordance with specific terms of reference (“terms of reference”) agreed between Cumbria County Council (“the Beneficiary”), and KPMG dated 14 September 2015. KPMG LLP wishes all parties to be aware that KPMG’s work for the Addressee was performed to meet specific terms of reference agreed between the Addressee and KPMG and that there were particular features determined for the purposes of the engagement.

KPMG does not provide any assurance as to the appropriateness or accuracy of sources of information relied upon and KPMG does not accept any responsibility for the underlying data used in this report. For this report the Client has not engaged KPMG to perform an assurance engagement conducted in accordance with any generally accepted assurance standards and consequently no assurance opinion is expressed.

This document has not been designed to be of benefit to anyone except the Beneficiary. In preparing this document we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiary, even though we may have been aware that others might read this Report. We have prepared this report for the benefit of the Beneficiary alone.

The document should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire rights against KPMG LLP (other than the Beneficiary) for any purpose or in any context. Any party other than the Beneficiary that obtains access to this document or a copy and chooses to rely on this document (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this document to any party other than Cumbria City Council.

Without prejudice to any rights that the Client may have, subject to and in accordance with the terms of engagement agreed between the Client and KPMG, no person is permitted to copy, reproduce or disclose the whole or any part of this report unless required to do so by law or by a competent regulatory authority.

This document is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than Cumbria County Council) for any purpose or in any context. Any party other than Cumbria County Council that obtains access to this document or a copy and chooses to rely on this document (or any part of it) does so at its own risk.

The opinions and conclusions expressed in this document are those of KPMG and do not necessarily align with those of Cumbria County Council.



1 Prioritisation Framework

KPMG was asked by Cumbria LEP to objectively assess, score and prioritise business cases for local projects applying for Growth Deal 3 funding.

Projects have been assessed based on the content of the business cases and supporting documents alone. No audit or assurance to verify the accuracy of the information was conducted. The outcome of the assessment undertaken by KPMG serves to inform, but not instruct, decision making by the Cumbria LEP in relation to projects supported. The final decision regarding prioritisation of projects for funding lies with the Cumbria LEP.

1.1 Criteria

Through consultation with Cumbria LEP, we established and agreed the criteria and framework for business case assessment. The criteria are consistent with HM Treasury guidance on business case appraisal in *The Green Book: appraisal and evaluation in central government*¹ and in the Green Book supplementary guidance *Public Sector Business Cases Using the Five Case Model*²; and are reflective of Cumbria LEP's own objectives as set out in the Strategic Economic Plan³.

The approach we have taken to the scoring system uses multi-criteria analysis based on weighted criteria. This aims to establish a prioritisation framework with a scoring mechanism which reflects the relative strengths of projects across a range of criteria of varying importance.

KPMG agreed the weights set out in Table 1 below in conjunction with Cumbria LEP based on:

- the relative importance of each to the LEP's strategic priorities; and
- the drivers of a robust business case as recognised by Government.

Table 1: Assessment criteria and priority weights

Criteria	Sub-criteria	Priority weighting
Strategic fit and rationale for intervention	Fit with LEP strategic priorities and the SEP	High
	Rationale for intervention	Medium
	Pathway to impact	Medium
	Support from local stakeholders	Low
	Links to other Cumbria LEP projects	Low
Leverage	Leverage of private sector investment	High
	Leverage of public sector investment	Low
Economic impact	Economic case/ evidence base	High
	GVA impact	High
	Impact on jobs	High
	Impact on employment rate	High
	Housing delivery	High
	Impact on skills	High
Deliverability and risks	Additionality	High
	Partnership strength and commitment	Medium
	Deliverability	High
	Risk management and mitigation	Medium
	Monitoring and evaluation	Medium
Wider impacts	Environmental impacts	Low
	Social impacts	Low

¹ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469317/green_book_guidance_public_sector_business_cases_2015_update.pdf

³ Cumbria LEP, Cumbria Strategic Economic Plan: The Four Pronged Attack, 2014, accessible at <http://www.cumbrialep.co.uk/what-we-do/sep>

1.2 Points allocation

In our appraisal of projects we assessed each business case in terms of how well it met each of the sub criteria.

In order to objectively assess and prioritise the business cases, we then applied a points system, where points were awarded according to how well the project meets each of the sub criteria shown above and the weighting allocated to each sub criteria.

The relevant points for each assessment category and criteria weighting are set out in Table 2 below.

Table 2: Points matrix

Assessment against criteria	Corresponding points based on criteria weighting		
	High*	Medium	Low
Extremely well	15	10	5
Very well	10	7	4
Reasonably well	3	3	3
In some areas	-1	0	2
To a limited extent	-5	-2	1
Poorly	-10	-5	0
Not at all	-15	-10	-5

* Impact on jobs, housing deliver and skills should not receive a score below zero as long as one of the three receives a positive assessment category. If not the score as above should be applied against the impact targeted by the project.

The points assigned to each category aim to best reflect the relative importance of each criteria and the relative benefits or costs/risks of the assessment category.

1.3 Prioritisation

Following the allocation of scores to each criteria, projects were ranked based on the aggregate score across sub criteria.

The prioritised list of projects were submitted to Cumbria LEP, to inform decision making within the LEP on which projects to prioritise for Growth Deal funding. The final decision on the list of projects prioritised for support is the responsibility of the Cumbria LEP's board.

Contact us

Simon Trussler

Director, Economics & Regulation

T +44 (0) 7799 658 000

E simon.trussler@kpmg.co.uk

Ruth Beckett

Manager, Economics & Regulation

T +44 (0) 7795 047 312

E ruth.beckett@kpmg.co.uk

www.kpmg.com

© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to ‘Regulatory Information’ at www.kpmg.com/uk

This document has been prepared on the basis set out in the Contract prepared by Cumbria County Council (the Client) dated 14 September 2015, and should be read in conjunction with the Contract.

We have not verified the reliability or accuracy of any information obtained in the course of our work.

This document is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this document or a copy and chooses to rely on this document (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this document to any party other than the Beneficiaries.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.



Document Classification - KPMG Public