



# Cumbria Local Enterprise Partnership: Growth Deal Prioritisation Framework

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# 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*<sup>1</sup> and in the Green Book supplementary guidance *Public Sector Business Cases Using the Five Case Model*<sup>2</sup>; and are reflective of Cumbria LEP's own objectives as set out in the Strategic Economic Plan<sup>3</sup>.

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
<b>Strategic fit and rationale for intervention</b>	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
<b>Leverage</b>	Leverage of private sector investment	High
	Leverage of public sector investment	Low
<b>Economic impact</b>	Economic case/ evidence base	High
	GVA impact	High
	Impact on jobs	High
	Impact on employment rate	High
	Housing delivery	High
	Impact on skills	High
<b>Deliverability and risks</b>	Additionality	High
	Partnership strength and commitment	Medium
	Deliverability	High
	Risk management and mitigation	Medium
	Monitoring and evaluation	Medium
<b>Wider impacts</b>	Environmental impacts	Low
	Social impacts	Low

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

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/469317/green\\_book\\_guidance\\_public\\_sector\\_business\\_cases\\_2015\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/469317/green_book_guidance_public_sector_business_cases_2015_update.pdf)

<sup>3</sup> 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.

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