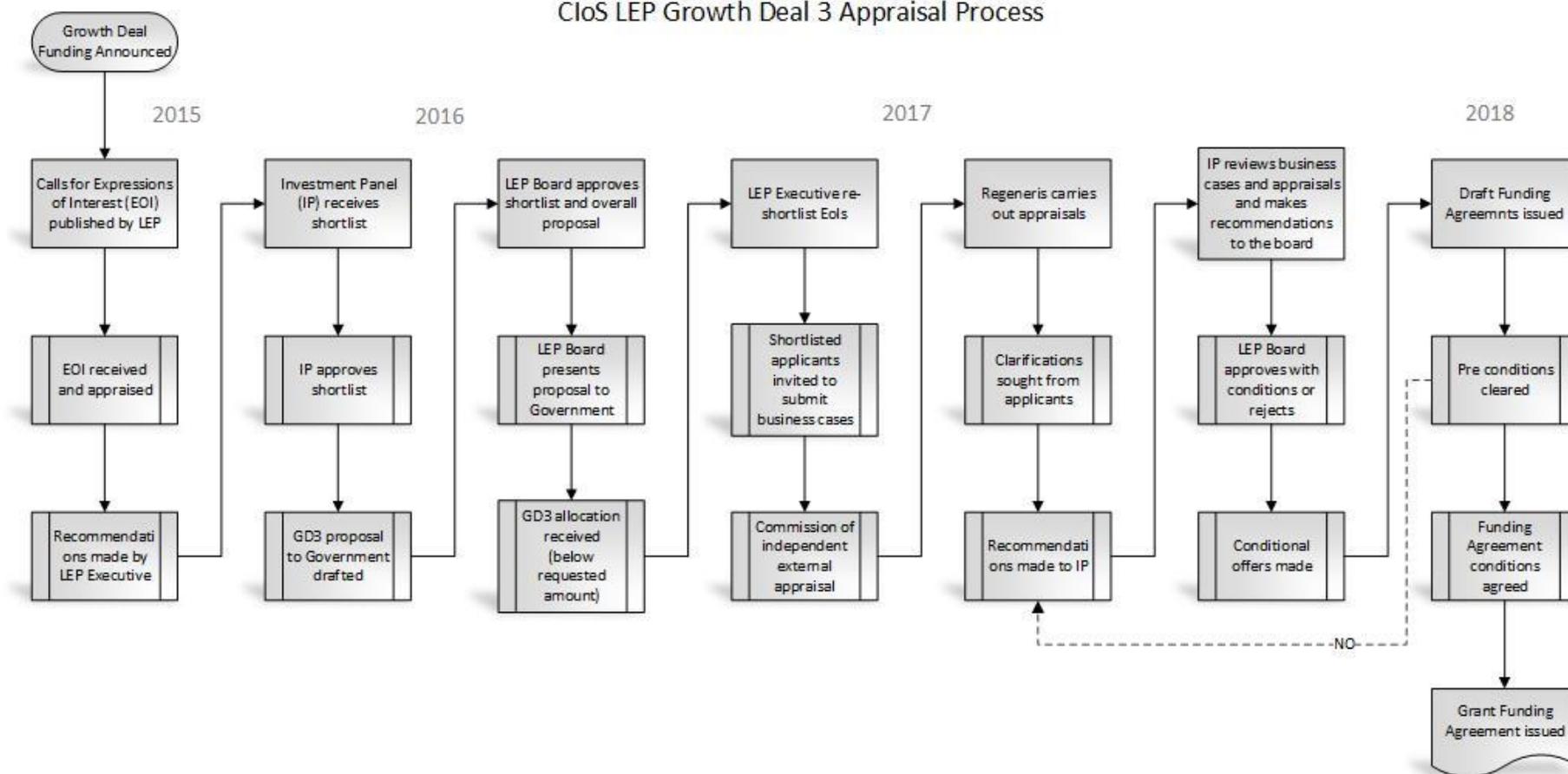


CIoS LEP Growth Deal 3 Appraisal Process



How were Expressions of Interest assessed?

In November 2015 a call for Expressions of Interest was made by the LEP in anticipation of potential future funding opportunities, such as, Local Growth Fund. In total 143 applications were received by the deadline. On receipt of these applications, a rigorous assessment process was carried out to identify a potential shortlist of projects to take forward to full business case development.

The assessment process has included:

1. Officer appraisal (Nov – Dec 15): initial due diligence to assess deliverability, risk and value for money.
2. LEP Driver Board assessment (10/12/15): to undertake a 'strategic fit' assessment against the Cornwall and Isles of Scilly Strategic Economic Plan.

3. The LEP Executive then worked to bring together both assessments to identify a potential shortlist of projects to take forward. The Executive have also, on the back of the discussion during the strategic fit, sought to bring projects together under a programme level of intervention, making a stronger strategic case for investment from Government and showing the added value of the LEP leading this process.

How was the Reprioritisation carried out?

In August 2016, the LEP was advised by government that due to the Growth Deal 3 programme being three times oversubscribed, all LEP’s were required to carry out a further prioritisation exercise on their Growth Deal 3 submissions. The LEP Executive reduced the programme from 143 projects down to 46 and adopted a ‘programme approach’ rather than seeking approval of individual projects. The 46 projects were then forwarded to the LEP Investment Panel for scrutiny and approval.

How were external appraisals carried out?

Regeneris were commissioned in Summer 2017 to undertake independent appraisals of business cases on behalf of CIO S LEP. They appraised and scored each business case against the [HM Treasury Green Book](#) guidance.

| Case | Focus |
|-----------|--|
| Strategic | <ul style="list-style-type: none"> • Strategic fit to SEP and wider strategic objectives in the county • Strength of the market failure evidence and rationale • Evidence of demand, need and additionality • Stakeholder buy-in to the project • Integration to / links with other projects / programmes • Implications of any strategic risks and dependencies |
| Economic | <ul style="list-style-type: none"> • Range and credibility of options (including the do-nothing and do minimum case) • Implications of reference case / do nothing option 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 |
| Financial | <ul style="list-style-type: none"> • Robustness of the project costs • Sensitivity testing around key assumptions • Rigour of the financial analysis – is the public-sector funding is justified? • Realism of cost assumptions when compared to appropriate benchmarks • ROI and viability assessment |

| Case | Focus |
|-------------|---|
| Commercial | <ul style="list-style-type: none"> • Appropriateness of procurement arrangements in light of guidance • Rationale for and appropriateness of the commercial structure and delivery arrangements • Depth and appropriateness of the risk assessment and adequacy of approaches to risk transfer and management • Capacity of applicant and ability to service the finance and absorb cash flow risks • Comment on state aid position of the project and whether advice has been sought |
| Management | <ul style="list-style-type: none"> • Management structure • Governance and management arrangements • Track record of applicant in delivering similar projects • Availability of capacity and capability to deliver the project effectively • Realism of delivery plan and milestones • Existence of particular barriers such as planning consent, land purchase etc • Delivery risks and mitigation • Ongoing management costs and risks to benefit realisation • Monitoring and evaluation plan |