

BCC Levelling Up Fund

Scheme Evaluation and Prioritisation Protocol

Introduction

This document sets out the protocol which will be used to review and sift Birmingham City Council schemes. The priority schemes will represent the submission to the UK Levelling Up Fund, Tranche 1.

The appraisal criteria have been developed to support an incremental process, where failure to demonstrate deliverability from 2021/22, or have MP support, would remove the scheme from the process.

This document is intended to be read in conjunction with the guidance documents that supported the LUF Application Form (*Levelling Up Fund Technical Note - UK Wide*).

This document sets out which pieces of information associated with each scheme will be scored in the sifting process and how scores will be allocated.

The Scheme Prioritisation Scoring Protocol

Stage 1, Question 1: Deliverability

Will the scheme bid include plans for some LUF expenditure in 2021-22?

Yes, the scheme has LUF expenditure in 2021-22 - **the scheme moves into Stage 1, Question 2, below.**

No, the scheme has no LUF expenditure in 2021-22 - **the scheme does not move into Stage 2, but could be considered for further LUF Tranches.**

Stage 1, Question 2: MP Endorsement

Has any MP formally given the bid their priority support in this funding round, with a signed letter included?

below.

No, formal support has not been given from any MP - **the scheme does not move into Stage 2, but could be considered for further LUF Tranches.**

Stage 2: Tranche 1 Scheme Sifting

The areas of the Proforma which will be scored are set out in this section together with information on how score values will be allocated.

In general a four point scoring scale will be used, unless stated otherwise, as set out in the table below.

Score
3 - Maximum
2
1
0 - Minimum

Strategic Fit

Stakeholder Engagement and Support

There is an expectation of engagement with all relevant stakeholders. The range of stakeholders will vary and therefore there is no list of stakeholders for whom evidence of support must be provided with exception of where the local MP is supporting the bid as a priority. Wider MP (non-priority MP) support should be demonstrated here.

Applications should set out:

- What engagement has been done with local stakeholders and the community
- Explains how stakeholders have been identified, and the efforts made to reach those that might not normally engage
- Outlines the methods used, including innovative virtual methods given the constraints of ongoing Covid-19 restrictions
- The extent to which this engagement has informed the bid
- All engagement activities should be evidenced, including links to any current/ongoing consultations, community forums, etc
- Where success of the bid is reliant on the cooperation and support of stakeholders or the local community, that should be made clear and evidenced in the response

Stakeholder engagement and support will be rated as follows:

- 3 - The bid meets all of the stakeholder engagement and support criteria
- 2 - The bid meets most of the outlined criteria
- 1 - The bid meets some of the outlined criteria
- 0 - The bid does not meet the outlined criteria

The Case for Investment

Bid outlines a strong case for investment and a realistic theory of change demonstrating:

- Evidence of the local challenges/barriers to growth and context that the bid is seeking to respond. A clear explanation on what is to be invested in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, the rationale for the location that the bid is focusing on should be included.
- For transport schemes this should be presented as an Options Assessment Report (OAR).
- Sets out what the planned outputs and outcomes are and how it will deliver the outputs and confirms these results are likely to flow from the interventions.
- An explanation on why Government investment is needed (what is the market failure)
- Explains whether/ how other public and private funding will be leveraged

Scoring for case for investment as follows:

- 3 - Bid provides all relevant information to demonstrate a strong case for investment and a realistic theory of change
- 2 - Bid provides most of the relevant information required to demonstrate a strong case for investment and a realistic theory of change
- 1 - Bid provides some relevant information required to demonstrate a strong case for investment and a realistic theory of change
- 0 - Bid doesn't provide enough relevant information to demonstrate a case for investment

Alignment with the Local and National Context

Explain how the bid aligns to and supports:

- Relevant local strategies including the Birmingham City Council Transport Plan and local objectives for investment, improving infrastructure, local economic development and levelling up.
- UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits.
- Other investments from different funding streams, such as (but not limited to) the Towns Fund, Future High Streets Fund and Transforming Cities Fund.
- The Government's expectation is that all local road projects will also deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required.

Scoring for local and national context as follows:

- 3 - Bid strongly aligns to and supports Birmingham City Council and UK government policy, targets and strategies and other investments.
- 2 - Bid mostly aligns to and supports BCC and UK government policy, targets and strategies, and other investments.
- 1 - Bid somewhat aligns to and supports BCC and UK government policy, targets and strategies, and other investments
- 0 - Bid does not align to and support BCC and UK government policy, targets and strategies, and other investments

Value for Money

Appropriateness of Data Sources and Evidence

including:

issues.

- Data collection and survey methods are sufficient to ensure data is robust and unbiased.
- Data is comprehensive in coverage, i.e. the area of interest.

Scoring for appropriateness of data sources and evidence as follows:

- 3 - Comprehensive and high quality data analysis and evidence is utilised to explain the scale and significance of local problems and issues
- 2 - Data analysis and evidence mostly meets outlined criteria
- 1 - Data analysis and evidence somewhat meets outlined criteria
- 0 - Data analysis and evidence does not meet outlined criteria

Effectiveness of Proposal in Addressing Problems

Analysis and evidence on how the proposals will address existing or anticipated future problems. Quantifiable impacts should, where appropriate, usually be forecasted using a suitable model. Key factors are:

- Robustness of the forecast assumptions, methodology and model outputs
- Quality of the analysis or model (in terms of its accuracy and functionality)

*For non-transport measures, theory of change evidence should be identified and referenced.

Scoring for effectiveness of proposal in addressing problems as follows:

- 3 - Analysis and evidence of how the proposals will address existing or future problems are comprehensive, accurate and quantified, where appropriate
- 2 - Analysis and evidence of how the proposals will address existing or future problems mostly meets outlined criteria
- 1 - Analysis and evidence of how the proposals will address existing or future problems somewhat meets outlined criteria
- 0 - Analysis and evidence is not provided or does not meet the outlined criteria

Economic Costs of Proposal

Economic costs should be consistent with the costs in the financial case but adjusted for the economic case. Inflation should be included, fully explained and appropriate. The costs should be adjusted to an appropriate price base year, including adjustment for risk and optimism bias

Scoring for economic costs of proposal as follows:

- 3 - Provided economic costs are appropriately calculated, adjusted and explained
- 0 - Economic costs not provided or do not meet outlined criteria

Analysis of Monetised Costs and Benefits

- The economic benefits of the proposal are properly measured. These should, where possible, be explained in terms of outcomes. For example, the economic case analysis for transport bids could estimate how they will reduce journey times, support economic growth, support employment, or reduce carbon emissions. For regeneration bids, direct and wider land value uplift, amenity, air quality may be relevant.
- Explanation of how benefits and costs are analysed and estimated, and of how this approach to the analysis is proportionate for the proposal being considered.

Scoring for analysis of monetised costs and benefits is as follows:

- 3 - Economic benefits of the proposal are properly measured, clearly explains how benefits/costs are analysed and estimated, and outlines how the approach is proportionate for the proposal being considered
- estimated
- estimated
- 0 - Economic benefits of the proposal are not measured

Value for Money of Proposal

A summary of the overall value for money of the proposal.

- This should include reporting of Benefit Cost Ratios, with a methodology note.
- Other non-monetised impacts are properly assessed.
- A summary assessment of risks and uncertainties that could affect the overall Value for Money.

Scoring of Value for Money of Proposal as follows:

- 3 - A comprehensive summary of the overall value for money of the proposal is provided including BCRs, risks and uncertainties and non-monetised impacts assessed properly. Scheme BCR > 4
- 2 - A comprehensive summary of the overall value for money of the proposal is provided including BCRs, risks and uncertainties and non-monetised impacts assessed properly. Scheme BCR > 2

1 - A summary of the overall value for money of the proposal is provided. Scheme BCR > 1. including BCRs, risks and uncertainties and non-monetised impacts.

0 - No value for money of the proposal is provided.

Deliverability

Financial

Provide details of:

- Costs and spend profile at the project and bid level. This should also set out clearly what funding is secured from other sources and major interdependencies where funding has not been secured
- Local and third-party contributions (a minimum local contribution of 10%) (local authority and/or third party) of the bid costs is encouraged.
- Certainty over the whole funding package, including evidence of any wider public or private sector co-funding commitments (i.e. letters, contractual commitments). Identification of any gaps in funding
- Information on margins and contingencies that have been allowed for and the rationale.
- The main financial risks and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners.

Financial scoring summary as follows:

3 - Comprehensive financial details provided. Non-LUF contribution >50%. No gaps in funding.

2 - Financial details provided. Non-LUF contribution >10%. No gaps in funding.

1 - Financial details provided. Non-LUF contribution >10%. Gaps in funding exist.

0 - Financial details provided. Non-LUF contribution <10%. Gaps in funding exist.

Commercial

Provide a robust procurement strategy which sets out the rationale for the strategy selected and other options considered and discount. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

All procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties.

Commercial scoring summary as follows:

3 - Procurement strategy is robust, sets out strategy selection rationale and is appropriate to the scale and nature of the bid. Procurement also meets relevant legal requirements. No risk to 2021/22 start.

2 - Procurement strategy in draft and is specific to scheme being promoted. No risk to 2021/22 start.

1 - Procurement strategy in draft. Potential risk to 2021/22 start.

0 - Procurement strategy does not exist.

Management

A delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.

- Confirmation of statutory approvals e.g. Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.
- The ability to spend some LUF in 2021/22

A detailed risk assessment which sets out:

- the barriers and level of risk to the delivery of your bid.
- appropriate and effective arrangements for managing and mitigating these risks
- a clear understanding on roles / responsibilities for risk

Evidence of a track record and past experience of delivering schemes of a similar scale and type.

Management scoring as follows:

3 - A comprehensive delivery plan, risk assessment and evidence of a track record and past experience is provided

2 - Delivery plan, risk assessment and previous project evidence mostly meets criteria

1 - Delivery plan, risk assessment and previous project experience somewhat meets criteria

0 - Delivery plan, risk assessment and previous project experience does not meet criteria

Monitoring and Evaluation

A proportionate monitoring and evaluation plan which sets out:

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change
- Resourcing and governance arrangements for bid level M&E

Monitoring and evaluation scoring

3 - Proportionate monitoring and evaluation plan is provided with all outlined criteria

2 - Monitoring and evaluation plan is provided in draft

1 - Monitoring and evaluation plan can be prepared by June 2021

0 - Monitoring and evaluation plan cannot be prepared by June 2021

Place Characteristics

Funding will be targeted towards places in England, Scotland and Wales with the most significant need. This is measured by an index taking into account the following place characteristics:

- need for economic recovery and growth;
- need for improved transport connectivity; and,
- need for regeneration

Using this index, places have been allocated the following categories; 1, 2 or 3. A category 1 represents places with the highest levels of identified needs.

The city of Birmingham has been identified as a Category 1. As this protocol has been developed for Birmingham City Council bids, it is assumed each is a category 1.

Refer to *Levelling Up Fund list of local authorities by priority category.xl* for bids out with the City of Birmingham.

This protocol will score place characteristics as follows:

- 3 - Category 1, and within a top 20 IMD most deprived area in England.
- 2 - Category 1, and within a top 50 IMD most deprived area in England.
- 1 - Category 1, and not within a top 50 IMD most deprived area in England.

3. The Scheme Prioritisation Score Weighting Protocol

The table below outlines the score weighting protocol by assessment criteria as stated in the *Levelling Up Fund Technical Note - UK Wide* for Stage 2: Assessment and Shortlisting Bids.

Theme
Strategic Fit
Value For Money
Deliverability
Place Characteristics
Total

4. The Assessment Spreadsheet

An assessment spreadsheet accompanies this scheme prioritisation process.