

Project Prioritisation 101

Topics & Services

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A nice challenge facing many towns is the vast number of proposals for different interventions to solve problems, shape and change a town for the better. These proposals will have formed in lots of different ways: some will have come out of political discussion; some will have emerged from a technical need; and some from the local community. What's very clear is that it's not possible to do them all; the reality of funding and resource limitations, feasibility and politics will all play a part in limiting options. So how do we know which ones we should do first, or at all?

Most towns will naturally do some kind of prioritisation process already, whether through discussion in a board meeting, or an initial filtering by officers. But how do we know if decisions have been made in a robust, consistent way as opposed to it being somebody's pet project or who spoke loudest? How do we know if we've looked at the projects from relevant perspectives and ensured that they're the right ones to be doing right now? How do we know if the projects represent relative value for money? How do we know if the projects selected will stand up to scrutiny when things go wrong or change down the line? How do we help politicians make decisions and community, business and funders understand that decisions have been made in a transparent way?

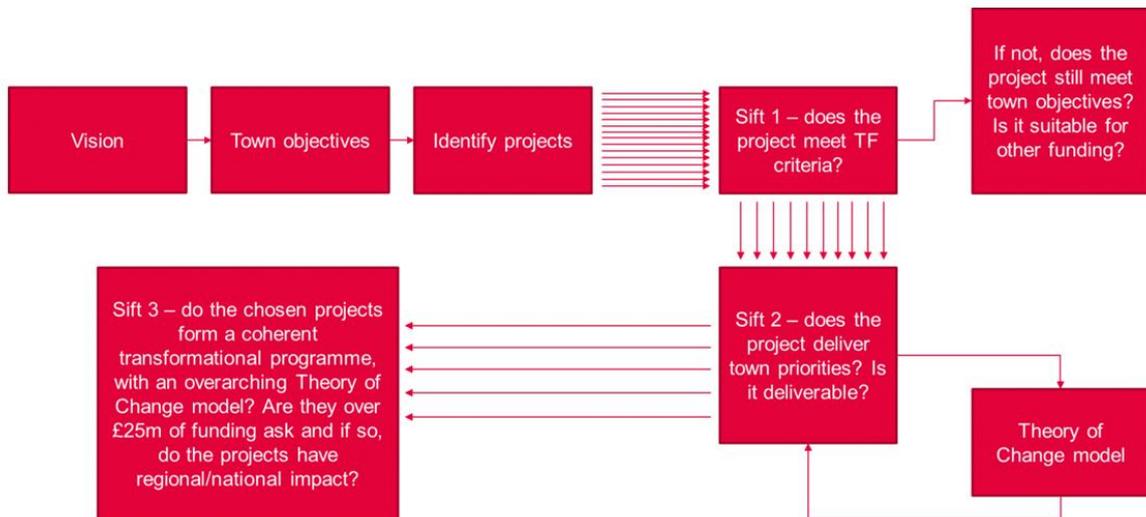
That's where asking a clear set of questions of each project and using a prioritisation tool can really help with decision making, and MHCLG is keen to see evidence of a project prioritisation process in the Town Investment Plan.

https://townsfund.org.uk/s/Project-Prioritisation-Tool_v1.xlsx

Above link to the project prioritisation tool kit to be used.

Ultimately, the decision on which projects are put forward will be a political one, but used in the right way, a set of questions and a tool can help ensure that projects have been selected following a rigorous process. The process should not backsolve the preferred project to fit the prioritisation process and should involve key stakeholders.

Below is an overview of a project prioritisation process that could be used, from setting a clear vision and objectives through to a final prioritised list:



Once vision and objectives have been established and potential projects identified, it's useful to do a first sift to see if individual projects meet key Towns Fund criteria. If they don't, but there is still merit, then are they suitable for other funding streams?

After this initial sift and the creation of a long list, projects should be assessed against the town objectives which should be based on the vision and local policies, including COVID-19 recovery and Clean Growth. During this second sift, a look at the Theory of Change for each project will be helpful to see if there is a clear chain of logic between inputs, outputs, outcomes and impacts. The Theory of Change model recommended by MHCLG can be found in the [Magenta Book](#) (page 24).

Finally, a third sift will help look at the programme of chosen projects as a whole and ask whether together they form a transformational programme and their sum is greater than their parts. It's also important to think at this stage about how outcomes could be measured and evaluated.

Our first entry blog on project prioritisation explained at a high level what prioritisation is about and set out the overall process, from understanding the need for investment, setting a vision and objectives, and identifying a shortlist of projects that support these objectives. In this entry, we focus on the key part of the process: how to choose which projects should go into an investment plan out of a long list of potential schemes.

The shortlisting process is not an easy task and is influenced by judgement. Even if we follow a clear and structured method, ultimately the choice of projects is a political decision. However structure does help - it enables us to assess projects on a consistent basis and provide robust advice to politicians. A useful way of undertaking this process is through a three-stage process, whereby the town or investment promoter filters the initial long list with pass or fail criteria and then moves on to score projects based on agreed objectives and vision. In the case of the Towns Fund, pass or fail criteria should focus on identifying the projects in scope – e.g. is the project a capital investment? is it located within the town boundary? is it related to the Towns Fund investment themes? is it compatible with clean growth and could it potentially help with Covid-19 recovery?. Once projects in scope have been identified, a more detailed assessment based on scores, usually 1-5, should be undertaken to identify the prioritised list. Finally, the investment promoter (e.g. the town) should check that all investments shortlisted form a coherent investment programme that can support the vision for the area.

Before the scoring or assessment can happen, a crucial step (and sometimes controversial!!) is agreeing the objectives that the projects should be assessed against. These should be specific to the local context and should support the vision for investment, while also accounting for practical considerations (e.g. do we have the capabilities to deliver the project?). A useful guide for identifying

objectives is thinking about the five cases of a standard business case (strategic, economic, financial, commercial and management) – does the project meet our strategic objectives (these will be different for each town), is it value for money from an economic perspective, is it affordable, is it commercially viable and can we deliver it? Overall, prioritisation criteria should be discussed in detail to make sure they reflect well the strategic objectives.

It is worth noting that to support a robust assessment of projects, the evidence of need should be clear and comprehensive. This way we are able to understand how projects can address existing challenges and support our objectives. Once we have our list of projects in scope and our objectives agreed, we can finally score our projects and rank them based on the assessment to inform the final prioritised list, clearly identifying the rationale for scoring.

