



Ministry of Housing,
Communities &
Local Government

Housing Infrastructure Fund – Forward Fund

Process Evaluation Scoping Report

This report was created for MHCLG by IFF Research, with input from Belmana Ltd. It was authored by Rowan Foster, Laura Hilger, Nicola Wildash, Becky Cartmell and Sanyogita Singh from IFF Research.



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FOREWORD

The Housing Infrastructure Fund is an integral part of a range of measures put in place by the Ministry of Housing, Communities and Local Government (MHCLG) to facilitate increased housing supply. Central to the Fund is the provision of infrastructure to unlock new housing sites.

The department is committed to rigorously evaluating its housing supply interventions and this report and an accompanying report set out recommendations for both a process and an impact evaluation. They set out a methodology for assessing the effectiveness and impact of the Fund over the lifecycle of the projects it is supporting in order to learn lessons for future interventions.

The report on plans for the process evaluation draws on an in depth review of the Fund including its design and implementation. It provides recommendations for evaluating the fund in four stages starting with the initial expression of interest stage (where bids were shortlisted for further development, before full business cases were brought forward for consideration for funding), then moving onto to delivery post-approval to the spend of grant funding and the delivery of infrastructure and housing outputs. The process evaluation will provide implementation and delivery lessons for future policy making.

The impact report sets out the methods for testing how many additional homes will result from the Fund (the key objective) as well as wider impacts such as transport improvements. It includes a review of existing data sources and a monitoring framework that will supply the data required to undertake the impact evaluation. Using this framework, the department and Homes England will also be able to monitor the extent to which projects are delivering housing and infrastructure as expected and the overall level of public sector expenditure drawn.

We are very grateful to all those who fed into the design of the evaluation, particularly the Technical Advisory Group (Ed Ferrari – Sheffield Hallam University, Robert Rutherford – BEIS, Dave Gillet and Charles Levy - DfT, and Chris Wilkinson and Joe McTigue - Homes England) that supported the department and Homes England in developing these approaches.

I would also like to extend my thanks to all those who gave their time to be interviewed by our researchers including many colleagues at DfT, MHCLG, and Homes England, and to the researchers at IFF Research and Belmana who led these reports.

Finally, I would like to extend my thanks to the MHCLG team leading this research, including Winona Shaw, Sophie Walsh, Adam Johnson, and Gayle Springett.

We look forward to taking forward the process and impact evaluations with our partners at Homes England and learning from the insights they will provide.

Stephen Aldridge
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HIF Process Evaluation Scoping Review Glossary

Acronyms:

MHCLG – Ministry of Housing, Communities and Local Government
HIF – Housing Infrastructure Fund
FF – Forward Funding
MVF – Marginal Viability Funding
LA – Local authority
TOC – Theory of Change
SMEs – Small and medium-sized enterprises
EOI – Expression of Interest
M&E – Monitoring and evaluation
DfT – Department for Transport
HMT – Her Majesty’s Treasury
EF – Evaluation framework
IPA – Infrastructure Projects Authority
HE – Homes England
OGDs – Other government departments
DfE – Department for Education
DEFRA – Department for Environment, Food and Rural Affairs
HoT – Heads of Terms
HMG – Her Majesty’s Government
ITT – Invitation to Tender
PMs – Project Managers
SRO – Senior Responsible Owner
MI – Management Information
RCT – Randomised control trial
SMS - Scientific Maryland Scale
ONS – Office for National Statistics
TAG – Transport analysis guidance
EF – Evaluation Framework
PT – Public transport
CIL – Community Infrastructure Levy
NGO – Non-governmental organisation
PPD – Price Paid Data
LSOA – Lower Layer Super Output Area
HtB – Help to Buy
GLA – Greater London Authority
TEMPRO – Trip End Model Presentation Program
NTM – Neural Topic Model
EPC – Energy Performance Certificate
HCM – Housing Completions Model
NHBC – National House Building Council
RMS - Regulated Mortgage Survey
VFM – Value for money

1) Introduction to the Housing Infrastructure Fund

HIF Context

There is a pressing need to increase housing supply in England. The supply of new housing has failed to match household growth as well as pent-up demand for housing that has built up over the years. In response to this problem, the government has introduced a range of measures to reform the housing market and support the deliverability of new and additional housing supply, including, for example and not limited to, the provision of loan finance via the Home Building Fund to target new lending to SMEs, funding through the Affordable Housing Programme, and through revisions to the National Planning Policy Framework, which sets out the Government's planning policies for England. In more recent measures, the government has launched a consultation on Planning for the Future, which sets out proposals for reforming the planning system to become more efficient, effective, and equitable. As part of a wide package of measures to increase the rate of housebuilding, one of the priorities is to support the development of infrastructure that enables new homes in areas of greatest housing demand.

Overview of HIF

To facilitate housing in this way, the Housing Infrastructure Fund (HIF) was announced in July 2017, and available funding later increased to a total of £5.5 billion. HIF is a capital grant programme which aims to unlock new housing in areas of high demand, through the provision of infrastructure which due to some form of market failure would not come forward without the funding.

Split into two strands, Marginal Viability Funding (MVF) and Forward Funding (FF). MVF is targeted at smaller projects, and the unlocking of housing in the shorter term, providing the final piece of infrastructure fund to unblock an existing project or allocate additional sites. Forward Funding is targeted at large, strategic and high-impact infrastructure projects that will unlock new homes in the medium and longer term.

The funding awarded is likely to be a significant proportion of the upfront infrastructure costs, and may be the first step towards securing private investment.¹

Eligibility for the Forward Fund

The FF was made available to Local Authorities on a competitive basis. To be eligible for FF, bids were expected to be from the uppermost tier of local authorities (including unitary and combined authorities) in England, to ensure they are well placed to be responsible for planning infrastructure requirements and delivery at a strategic scale. FF bids had a soft cap at £250 million under the assumption that this funding contribution will provide the confidence needed to attract other sources of investment. Bidders had to demonstrate that the schemes could not happen without the financial support of this fund.

¹ This study report focusses solely on the FF; MVF is being evaluated by Homes England and is thus beyond the scope of this study.

Stages of the FF bidding process

The FF used a multi-phase, cross-government bidding process to identify the final awards. An initial Expression of Interest (EOI) phase was used to determine breadth of interest and isolate the most promising potential bids, followed by a Co-Development phase in which prospective bidders were provided expert mentorship and financial support to develop the full business case for their proposed project. Final bids were assessed by MHCLG and Homes England based on their strategic approach, value for money and deliverability, with assessment involving collaboration with other key departments.

HIF FF Objectives

HIF FF aims to work in consonance with the Government's measures to reform the housing market. The key objectives of FF were to:

- Deliver infrastructure with the potential to unlock up to **450,000 homes**: supporting Local Authorities to set up their plans for growth, releasing more land for housing and getting homes built at pace and scale.
- Enable new development where there is demand by offering a co-ordinated approach to funding infrastructure to:
 - **unlock new housing in the medium term**, and
 - support new **strategic projects** which deliver additional houses in the long term.
- Ensure the best large scale and ambitious ideas are successful through an innovative **co-development approach**, bringing Local Authorities, central Government, and delivery partners together to develop business cases.

Current Status²

The FF represents the vast majority of the total HIF funding. In total, 34 bids were selected to receive funding, which ranges from £12.9 million to £280 million (outturn prices). 2 bids have subsequently withdrawn, and therefore there are 32 currently in progress. All except one is expected to be in contract with Homes England by the end of March 2021. The majority of FF projects are expected to deliver on infrastructure spend by 2025.

However, the housing outcomes and impacts from this are expected to be delivered up to and beyond 2040.

² As reported on Gov.UK: <https://www.gov.uk/government/publications/housing-infrastructure-fund>

2) Research Objectives and Methodology

Purpose and objectives of this study

The Ministry of Housing, Communities and Local Government (MHCLG) commissioned IFF Research and Belmana Ltd. to conduct an evaluation scoping study for the HIF-Forward Fund (FF) prior to commissioning a full evaluation. Evaluation plans for the MVF were excluded from this study.

The aim of the FF scoping study was to develop detailed proposals for the monitoring and evaluation of the Fund, needed to provide evidence about the effectiveness and value for money of the FF in achieving its objectives. Evaluation approaches were expected to deliver two crucial forms of evidence: formative evidence about the delivery of the programme to understand the effectiveness of delivery mechanisms (process evaluation); and summative evidence demonstrating the FF's delivery on its intended outcomes and impact for both its housing and infrastructure objectives (impact evaluation).

The scoping study will result in recommended feasible, costed designs for both process and impact evaluations, including recommended metrics and indicators required for both national and local evaluations and provision of guidance to implement these evaluations successfully at the local and central government levels. MHCLG specified the following deliverables as required outputs of the scoping study:

- Development of a Theory of Change for the Housing Infrastructure Fund, which takes into account the complexity and differing objectives of HIF-FF projects (i.e. housing vs infrastructure objectives, with housing objectives expected to be the majority).
- Creation of a Central Monitoring Framework articulating the data requirements for robust evaluation across various owners (MHCLG and its agencies, other government departments and an external evaluator), at different points in time and likely from an array of sources (primary or secondary).
- Creation of a Local Monitoring and Evaluation Framework that provides clear guidance on what Fund recipients (Local Authorities) will need to do and deliver for evaluation purposes.
- Delivery of two Evaluation Scoping Reports – one for a Process Evaluation and a second for an Impact Evaluation – that lay out detailed recommendations on the evaluation of the FF, considering a range of approaches, the feasibility of each, the potential for a counterfactual, and must include cost and timetable options for each. The emphasis across all elements of the proposed evaluation approaches should be to assign monitoring and evaluation (M&E) activities to the most effective 'owner' (level) with an emphasis on minimising burden across the evaluation, but particularly for Local Authorities.
- To facilitate the above, a detailed review of HIF documentation (including the preliminary scoping work completed by MHCLG and the What Works Centre for

Local Economic Growth) and inclusion of a minimum of six interviews with policymakers to support the process evaluation design.

Ultimately, the scoping study was expected to set out the monitoring and evaluation requirements needed to identify and evidence the effectiveness and value of money of the FF in achieving its overall housing policy objectives through a combination of infrastructure and housing activity.

Methodology

In partnership with Belmana Ltd, IFF Research led the delivery of the scoping study across six phases of work, each detailed below.

Phase 1: Document Review & Stakeholder Interviews

Following the project's inception, the first phase of work involved an extensive document review complemented by stakeholder interviews to develop a clear and detailed understanding of HIF overall, the FF within this, details of the Fund's objectives, process, and intended outcomes, and its likely evaluation needs.

The document review was followed by stakeholder interviews with key policymakers from MHCLG and other departments vital to understanding the design and execution of the FF, particularly HIF background, process for FF applications, and/or the current progress of FF projects. Following consultation with the core MHCLG team, tele-depth interviews were conducted with six individuals from MHCLG, Homes England and the Department for Transport (DfT), each selected based on their experience of the FF and relevance to the scoping study. Interviews lasted one hour and were designed to provide key background on the FF and details needed to develop the theory of change.

Phase 2: Theory of Change and Evaluation Framework

The development of the FF's TOC was an iterative process. Using the baseline information from Phase 1, the team worked in partnership with the MHCLG team to develop the Fund's theory of change (TOC) and associated evaluation framework (EF) to support the design of the impact evaluation.

THEORY OF CHANGE

IFF used the information gathered about HIF and the FF from stakeholder interviews and the document review to first develop a draft logic model. This began with a 'list-based theory of change' after the document review and initial depth interviews outlining the proposed components of the TOC; this stage was used to enable a sense check of and input into the planned design by MHCLG before a full TOC was created, as well as provided an opportunity to reflect on elements that needed greater clarity through the remaining interviews. Following the completion of all Phase 1 stakeholder interviews, this list of components was updated, and a TOC/logic model created, setting out the logic underpinning the FF, in relation to its outputs, outcomes and impacts. Following a first review and amends from the core MHCLG team, a half-day workshop was held with the MHCLG team and key individuals from Homes England, DfT, and the Infrastructure Projects Authority (IPA) as those well placed to refine the design. The workshop worked

collaboratively through each element of the TOC to better refine and define the TOC and its elements, as well as work through any issues as a group. Following the workshop, further revisions to the TOC were made, and a revised draft shared with the MHCLG team for comment and reviewed by the project's Technical Advisory Group before sign-off. A near final version was taken forward for the evaluation framework design, with some minor updates during this process to ensure the alignment and completeness of both documents.

EVALUATION FRAMEWORK

A crucial step after the TOC is created and before the evaluation could be precisely designed was the creation of an evaluation framework (EF). The EF provides a roadmap on how the evaluation will deliver on the logic model evaluation needs and forms a crucial first step in designing the evaluation approach, as it organises each indicator that will need to be evaluated (per the TOC), any considerations that will impact this, and determine the best method or methods to deliver results.

The EF was developed as a comprehensive table in Excel using the insight gained in Phase 1 (particularly the data sources already identified in MHCLG's preliminary scoping work) and supplemented with a) the team's existing knowledge of the data landscape in this sector, b) desk research to assess prospective data sources that could support the evaluation via delivery of specific indicators, and c) conversations with data analysts and other experts from MHCLG and DfT on available data sources. Once a partial first draft of the EF was created, this was shared with the MHCLG team for input, which included verifying prospective internal data sources and responding to clarifications related to specific indicators (i.e. confirming definitions, priorities, etc.). The process to develop the final EF included multiple rounds of input by MHCLG, conversations with DfT analysts in relation to viable data sources such as Glenigans, and conversations with others about the potential value of potential sources for use in this, and discussion across three Technical Advisory Group meetings to ensure their input was taken into account in the design.

During the EF process, the Belmana team began the task of identifying the data and analysis to support deliver of the 'additionality' outcome, as well as how to conduct an appropriate counterfactual based on the available data landscape. This is detailed further in Phase 4 below.

Phase 3: HIF Process Development

In parallel to Phase 2, the team began developing a comparable logic model and evaluation framework for the FF *process*, necessary to design the process evaluation component of the study. This phase involved further interviews to develop a Process Map (similar to a TOC) to visualise the FF's bidding process to the point of award and expected process during the Funded stage, followed by the development of a process EF to identify the necessary indicators to evaluate the FF process. The outcome from this is detailed in the impact evaluation report, published alongside this document.

PROCESS MAP & EVALUATION FRAMEWORK

Development of the process map again utilised insights gained in the Phase 1 document review and interviews, supplemented with further interviews with policymakers to understand the bidding process and expected future delivery process in more detail.

The IFF team conducted 11 tele-depths with key individuals from different organisations involved in the process, including: the MHCLG policy team, the Homes England (HE) central HIF team and a selection of area leads, area leads from DfT, a representative of IPA, and private economics consultants involved in supporting the bidding Authorities. Interviews lasted one hour and sought detail on each phase of the bidding process (as established in earlier phases), including activities undertaken and their order, people involved, the business case requirements, and further detail on the assessment criteria and process for each phase; this was supplemented, where relevant, with detail on the post-award process to get successful Local Authorities into contract and process plans for FF delivery. Interviews focussed on collecting detail of the process itself, not evaluating the process.

Following the completion of these interviews, an Excel framework was created to 'map' the process phases, their purpose and the specific activities and involvement of different actors at each point. Due to the complexity of the process (the volume of stages and number of organisations involved), it was decided that a visual map like the TOC would not provide the necessary detail; instead, the Excel-based mapping was used as the main process map, supplemented by a one-slide summary of the process.

Following agreement on the process map, an associated Evaluation Framework (EF) was developed to clarify the data requirements and their respective sources for the process evaluation.

Phase 4: Process and Impact Evaluation Design

Once Phases 2 and 3 were complete, the team used the evaluation frameworks to develop a suite of potential evaluation approaches and recommendations for both the process and impact evaluations. This involved internal design sessions and further conversations with the MHCLG to identify the specific phases of the proposed evaluations, the data collection requirements and necessary methods for each, and suggested timings.

For the impact evaluation, the design options emerged naturally through the development of the EF, where the detail on data requirements (and the necessary timings and sources for each) were organised into discrete, achievable and clear phases. From this, the team drafted approaches based on collection and analysis of monitoring data, as well as any secondary research requirements, such as secondary data analysis or qualitative research need. This phase also considered approaches that can determine the level of housing impacts attributable to HIF-FF. Robust estimates of the additional impacts depend on a high-quality counterfactual. This provides an estimate of what would have happened without support. Previous phases highlighted the expected housing impacts, especially additional housing. Through a literature review and discussions, the fourth phase explored the extent to which different counterfactual impact evaluation methods were possible, considering the datasets available, the timing of different housing impacts and what could be learnt from past evaluations.

For the process evaluation, design options were split into two components based on the natural process division of the FF: an initial retrospective evaluation of the bidding and assessment process, followed by an in-Fund process evaluation that would need to be ongoing for the life of the FF. Evaluation approaches were designed for each phase based on the unique needs and timings of each, again with input from the MHCLG.

The evaluation options for both the impact and process evaluations were agreed with MHCLG before development of the final outputs. Both scoping reports were developed with input from MHCLG, Homes England and a wider stakeholder group, to ensure wider input on approaches and their feasibility.

Phase 5: Final Evaluation Approach and Reporting

Once the designs of the process and impact evaluations were agreed, the team then began the design and drafting of the four required outputs of the scoping study: two evaluation scoping reports present the options for evaluation, detail on how each would need to be designed, and recommend specific options for MHCLG consideration; these are complemented by two 'frameworks' providing detailed instruction and tools for central and local governments to conduct the suggested evaluation. This report focusses on the first of these deliverables, namely the process evaluation scoping report.

3) Introduction to the Process Evaluation Report

Process evaluation: purpose and considerations

Evaluation is an independent, systematic investigation into how, why, and to what extent policy objectives or goals are achieved. Process evaluation, in particular, assesses how the policy is implemented and what is delivered in line with the policy objectives and outcomes. Process evaluation aims to provide a more detailed understanding needed to inform policy and practice. This is achieved through examining aspects such as **implementation**, which assess the structures, resources and processes through which delivery is achieved; **mechanisms of impact**, which examines how intervention activities and stakeholder interactions with them sparks a change; and **context**, which evaluates the external factors that influence the delivery and functioning of said policy. It is also key in measuring the effectiveness of the policy design by assessing its functionality and deliverability.

Process evaluations are complementary to, but not a substitute for, impact evaluation, which focusses on measuring the outcomes and impact of the policy itself. An associated impact evaluation for HIF-FF has been designed in a separate scoping report. For the FF, it is expected that the process evaluation will be used to support the impact evaluation by exploring whether funded projects were implemented as intended, and how delivery has shaped the outcomes and impacts achieved; this creates a degree of crossover that is somewhat atypical of evaluation but necessary to accurately assess the levers of FF success and failure at a later stage

The figure below shows the respective elements of both the process and impact evaluations proposed.

Figure 6.2: Evaluation phases

Process Evaluation	Impact Evaluation
<p>Process Phase 1: Bidding & Award (2020/2021) 1) This phase will involve a full evaluation of the bidding process from EOI through to point of contract. 2) It would include a mix of qualitative and quantitative research with all those involved in the process</p>	<p>Impact Phase 1: Baseline Data Collection and Approach Refinement (2021) 1) This phase will involve a review of the Fund portfolio and the creation of an analytical typology (with underpinning theories of change), the collection of baseline data, and refinements to the proposed impact evaluation approach – including identification of case studies and more detailed evaluation timescales. 2) We anticipate the final design will combine quasi-experimental and theory-based approaches, to build a robust picture of impact over time.</p>
<p>Process Phase 2: Post-Contract (2020-2021) 1) This phase will involve ongoing monitoring and evaluation of the post-contract process up until the point of infrastructure delivery. 2) It would include a mix of qualitative and quantitative methods to assess project delivery i.e fund drawdown, reporting, support received, contract management, satisfaction with PM etc primarily with Las. 3) It will support the impact evaluation through exploration of whether the infrastructure was delivered as intended.</p>	<p>Impact Phase 2: Infrastructure Delivery (2024/2025) 1) This phase aims to measure the infrastructure outcomes associated with the fund, once the infrastructure has been delivered. 2) It would include primary qualitative research with developers and Las as well as secondary analysis of LA data. 3) Early additionality estimates would involve testing modelled outputs to establish evidence about what would have happened without HIF, through the validated models from the business cases.</p>
<p>Process Phase 3: Post Infrastructure Delivery (2025-2030+) 1) This phase will use the same approach as Process Phase 2, but monitor the delivery process after infrastructure to assess its impact on housing delivery. 2) It is needed to support the analysis and findings of the impact evaluation, rather than be for the purpose of process evaluation.</p>	<p>Impact Phase 3: Housing Delivery (2029/30) 1) This phase is expected to deliver the first analysis of housing outcomes associated with the fund. 2) It would include primary qualitative research with LAs and developers, complimented by analysis of LA output data as well as additionality modelling using a spatial differencing approach.</p>
	<p>Impact Phase 4: Post-Housing Delivery (2030+) 1) The final phase is intended to further explore the longer-term housing outcomes from the fund, particularly those relating to community-wide impacts. It would include primary qualitative research with Las and developers including case studies. 2) The modelling approach used in the housing delivery phase would be repeated to explore the long-term trajectory of additional housing supply and to allow some cross validation to explore the sustained impacts.</p>

As will be referenced throughout this report, there is potential to align the two evaluations to ensure they complement and support each other as the HIF-FF activity progresses.

Scope of this evaluation

The FF process evaluation is intended to evaluate both the procurement and delivery process of the FF. This scope splits across two broad areas of evaluation: first, to evaluate

the design of the FF bidding and the assessment process to understand how this could be improved in future programmes and any impact this may have on FF outcomes; and second, to assess how well the mechanisms (process) of the FF are working, identify implementation lessons throughout the lifetime of HIF, and use this to understand how process may be influencing FF performance (outcomes). Of particular interest is whether the procurement process itself (the bidding phases) correctly identified the strongest projects most likely to generate the desired housing outcomes and how the in-fund activities of these projects and the support provided to them aided their success or failure.

Overall, the process evaluation seeks to answer the following research questions:

1. Bidding & Assessment: What worked well/less well in the bidding and bid assessment process? How could these processes be improved in a subsequent, similar bidding and assessment process?
2. Bidding & Assessment: To what extent was the decision to fund or not fund based on strong evidence and sound processes?
3. In-Fund / Delivery: What works well/less well in the delivery process? How could these processes be improved in a subsequent, similar delivery process?
4. In-Fund / Delivery: To what extent did the processes in place help funded projects deliver both the infrastructure and the dependent housing work as intended?
5. In-Fund / Delivery: how effective were the arrangements for oversight and support of delivery?
6. All phases: To what extent was the process collaborative and cross-governmental, as intended? How effective was this in process delivery?
7. All phases: What lessons we can take forward in how the Customer, its agencies, and other government departments (including DfT) worked together to deliver the objectives of the FF?

The original scope of the HIF FF process evaluation was on the implementation of the fund up to the point of contract fulfilment – specifically, to the point of infrastructure delivery. However, a decision was taken to expand the scope to the point of *housing* delivery, as there is a desire to understand how process levers influence overall impact (this making process evaluation necessary to support the impact evaluation).

It was a priority for this evaluation to develop a process map and an evaluation framework to develop a clear visual of the HIF journey and identify the specific elements and indicators for evaluation at each point in the Fund's process. Analysis of these elements will develop a recommendation of a feasible, costed and timetabled design for a multi-year process evaluation study, which will take into account the pre- and post-funding stages, mechanisms for delivery, relationships that support delivery, and address the overall information needs of key programme stakeholders and policymakers.

Aims and structure of this report

This report, the Process Evaluation Scoping Report, is intended to set out a suite of evaluation options and costs to deliver all elements of the process evaluation, including recommendations for the optimal design of the process evaluation and specific details of the research design and methods needed to deliver each option. It is not intended to provide a single recommended evaluation approach, but – where needed – to present options and recommendations for MHCLG and Homes England consideration. It will ultimately be the decision of MHCLG as to which approaches are taken forward and the timing of each.

The remainder of this scoping report delivers the key foundations and recommendations for the process evaluation across four sections:

Section 4 – HIF-FF Process Map: presentation of the HIF Forward Fund’s process map, including explanation of the process overall, key actors and activities.

Section 5 – Process Evaluation Framework: following the process map, this section will present the evaluation framework for the FF process, which details all the necessary metrics needed to evaluate the FF’s process.

Section 6 – Evaluation Approach: outlines the suggested approach to delivering a process evaluation of the Fund, including when and how to collect all key metrics presented in the evaluation framework across multiple phases.

Section 7 – Evaluation Costs and Timings: provides final practical details in relation to the execution of the proposed evaluation, including a suggested delivery model and projected costs to deliver.

This report is complemented by the Impact Evaluation Scoping Report, Central Monitoring Framework and Local Monitoring and Evaluation Framework, which together provide the full recommendation and implementation support documents to execute a long-term process and impact evaluation of the Fund.

4) Forward Fund Process Map

This section presents the process map designed for the HIF FF programme. It includes information about why and how the process map was created, followed by the summary diagram map and detail on each phase within it. A full, detailed map has been provided to MHCLG as an appendix to this report but was not included in this report due to the sensitivity of some information.

Purpose of the process map

Like a Theory of Change, a process map is designed to show the detail of a programme's process end-to-end, including the phases, activities within each, key actors and their responsibilities, and specific milestones along this process. In the case of HIF FF, the process map needed to capture both the process to bid for funding (retrospective), as well as the expected future process to get fund recipients into contract and expectations for supporting and monitoring progress across multiple phases of delivery (future facing).

Developed based on interviews with those involved in the process to date and those expecting to be involved in the 'in-fund' process, the full process map was created in the form of a stage-by-stage chart in excel, which mapped each phase of the process (to date and expected) overall and indicating the involvement of each actor (Local Authorities, Homes England, MHCLG, OGDs and others) to a fairly granular level of detail. Due to its complexity, a summary map was produced outlining the process from a higher level.

This map is designed to be a useful tool to understand the HIF FF process end-to-end and, as shown in the next section, provides a basis from which the process evaluation metrics were developed for each phase and audience.

HIF-FF Process Map

The summary process map for the HIF-FF is shown below in Figure 1, followed by an explanation of the HIF process in greater detail. The full process map (in Excel) was provided as a separate file to MHCLG for internal use.

Figure 1: Forward Fund Process Summary

1) Expression of Interest

Purpose: Pre-stage used as both a 'call to arms' to identify the scale of demand and identify/enable LAs with more vs less developed project plans; ensured greater consistency in those taken into co-development.

Activities:

- EOIs were mini business cases outlining their early stage plans, covering value for money, deliverability and strategic cases.
- The aim was to understand what they were proposing, why needed / what market failure it will overcome, funding required and how used, and plans to deliver.

Parties involved: Local Authorities, Homes England, MHCLG, IPA and Homes England specialist panel.

1B) EOI Assessment:

EOIs were first reviewed to check they met the minimum criteria then, if passed, went into full assessment using the assessment framework agreed with Treasury. The EOI was made up of three cases, with one organisation who led the assessment for each:

- Value for Money - MHCLG
- Strategic - MHCLG
- Deliverability - Homes England with input from IPA and other specialists

Any receiving the minimum required score were taken into co-development, those borderline were interrogated further, and too low rejected.

2) Co-Development

Purpose: To work closely with LAs to develop the strongest possible bids in line with HIF objectives; the intention was to provide support to even the playing field between authorities and provide tailored support for authorities to develop their projects further, to a position where they could be appraised and considered for funding for their relative merits against other bids requesting funding.

Activities:

- Inception meetings and ongoing catch ups with HE PMs to monitor progress
- Bid writing and review, with ongoing input from HE PMs, IPA consultants and DfT area leads
- Funding was available (via application) to pay for economic and technical consultants needed to deliver to bid requirements (but not write the bids)
- MHCLG provided Strategic Case Training to LAs and ongoing troubleshooting support with other Departments

Parties involved: Local Authorities, Homes England (central team and area managers/PMs), MHCLG, IPA, DfT, specialist consultants, other Departments as needed

2B) Co-Development Assessment:

Bids assessed in 3 'bidding windows' using a pre-agreed framework (scoring criteria and system). The assessment of each case was led by a specific department:

- Value for Money - MHCLG-led with input from DfT and resource support via Homes England Economics Panel.
- Deliverability - assessment led by HE and external advisors seconded to the team, with input from IPA
- Strategic - assessment by MHCLG

Assessment proceeded in clear steps: 1) scoring according to framework; 2) creation of assessment report; 3) moderation sessions to review each bid in full; 4) investment panel to agree recommendations; 5) recommendations made to ministers for approval; and 6) Treasury approval. Clarifications could be asked at any point in this process.

3) Award (Pre-Contract)

Purpose: agree terms based on a standard contract and the fund parameters, which included pre-contract and post-contract conditions.

Activities:

- LAs receive offer with conditions – both pre-contract and pre-funding conditions (agreed by the Investment Panel as part of the funding approval)
- Develop conditions and bespoke contract based on standard Heads of Terms
- Finalise contract via negotiation with conditions as proposed or amended
- LAs work to meet pre-contract conditions
- Once met, contract signed

Parties involved: Local Authorities and Homes England (central team and dedicated transactional manager) and their legal teams, potential support from IPA, DfT and other departments as needed to help troubleshoot with conditions

4) In-Fund (Post-Contract)

Purpose: meet pre-Fund conditions, disperse Fund and deliver infrastructure, with ongoing monitoring of infrastructure and housing

Activities:

- Meet post-contract conditions (planning permissions, secure contractors, etc.)
- Funding drawdown – LAs draw down monthly or quarterly as needed (post-conditions, though can be before for 'enabling activities' in some cases)
- Deliver infrastructure works (ongoing monitoring via regular reporting as required by the status of the project)
- Monitor housing delivery
- Monthly delivery board meetings with departments, who cascade progress

Parties involved: Local Authorities and Homes England (central team and dedicated project manager); others departments as/when to provide troubleshooting support and for delivery board meetings (progress report to govt)

Phase 1: Expression of Interest (EOI)

The EOI was the first stage of the HIF FF process and aimed to identify a short-list of potential Local Authorities with housing market failures and strong ideas for infrastructure solutions to overcome them. This shortlist could then be taken into Co-Development (Phase 2). The EOI phase was important as it allowed MHCLG and HE to understand the scale of interest and demand for the Fund as well as enable Local Authorities who had less developed plans to still put themselves forward. It also ensured all those taken through to Co-Development had a minimum level of quality and degree of consistency between them. The process map splits EOI into two parts: 1A) EOI, followed by 1B) EOI Assessment.

Phase 1A: EOI

For Phase 1A (Figure 2), Local Authorities were required to submit mini business cases using the five business case model, covering Value for Money, Strategic and Deliverability cases. As a mini business case, these submissions explained the schemes Local Authorities were proposing, what market failure would be overcome (i.e. why the funding was needed), how many homes might be supported, how many might be additional, how much funding was required, and how this funding would be used to deliver their plans.

Figure 1) Phase 1: Expression of Interest

Purpose: Pre-stage used as both a 'call to arms' to identify the scale of demand and identify/enable LAs with more vs less developed project plans; ensured greater consistency in those taken into co-development.

Activities:

- EOIs were mini business cases outlining their early stage plans, covering value for money, deliverability and strategic cases.
- The aim was to understand what they were proposing, why needed / what market failure it will overcome, funding required and how used, and plans to deliver.

Parties involved: Local Authorities, Homes England, MHCLG, IPA and Homes England specialist panel.

The requirements of these mini business cases were co-designed by MHCLG and HE (Central HIF team), with other government departments (e.g. DfT) providing guidance on what elements should be included to support the assessment process. Local Authorities completed their EOIs in isolation, with no formal support or review by HE or other departments before submission via the HE portal; however, some bidders had informal contact and support with their bid from HE staff based on pre-existing relationships. The mini business cases were then assessed by a cross-government panel (Phase 1B).

Phase 1B: EOI Assessment

Once Local Authorities had submitted their EOIs, they were assessed to determine which proposals were the strongest and best aligned to HIF goals to be taken into Co-Development and receive funding.

Figure 2) Phase 1B: EOI Assessment

EOIs were first reviewed to check they met the minimum criteria then, if passed, went into full assessment using the assessment framework agreed with Treasury. The EOI was made up of three cases, with one organisation who led the assessment for each:

- Value for Money - MHCLG
- Strategic - MHCLG
- Deliverability - Homes England with input from IPA and other specialists

Any receiving the minimum required score were taken into co-development, those borderline were interrogated further, and too low rejected.

The assessment process, including the assessment frameworks used, was designed by MHCLG, with support from HE, and agreed with HM Treasury. Bids were first reviewed to ensure they met the minimum criteria, namely by satisfying one of the following requirements: the proposed project was for *multiple* infrastructure projects to unlock a *single* housing location; or the proposed project was for a *single* infrastructure project to unlock one or more housing locations. Projects proposing multiple infrastructure locations *and* multiple housing sites were disqualified. Those who passed this initial review were then assessed in full using pre-agreed assessment frameworks for each business case.

The EOI mini business cases included three cases which each had their own weighting, assessment framework and 'owner' leading that section of the assessment:

Cases	Assessment lead	Support from
Value of money	MHCLG	
Strategic	MHCLG	
Deliverability	HE (Central HIF team)	<ul style="list-style-type: none">• IPA• Other specialists

In addition to individual cases being marked and scored, HE Area leads assessed a selection of bids and performed due diligence.

The final EOI selection was co-led by the HE Central HIF team and MHCLG. Any EOI receiving the minimum required score were taken into co-development, with those with borderline scores being interrogated further. In total 131 EOIs were submitted, with 71 being approved for Co-Development (Phase 2).

Phase 2: Co-Development

Local Authorities who were successful at the EOI assessment then took part in the Co-Development phase (Figure 4). Co-Development ultimately aimed to help Local Authorities develop the strongest possible bids (in line with HIF-FF objectives) for funding consideration. It provided tailored, cross-government support for Local Authorities to develop their schemes further, including provision of funding for any specialists, assessments or other requirements needed to create the full, detailed business base. This was important to try and even the playing field between authorities and aimed to create a level of quality and consistency between bids.

As with EOI, the process map splits Co-Development into two parts: 2A) Co-Development, followed by “B) Co-Development Assessment.

Phase 2A: Co-Development

The ultimate aim of the Co-Development phase was the submission of a full business case using the five business case model, which could be used to assess and compare different funding requests.

Figure 3) Phase 2A: Co-Development

Purpose: To work closely with LAs to develop the strongest possible bids in line with HIF objectives; the intention was to provide support to even the playing field between authorities and provide tailored support for authorities to develop their projects further, to a position where they could be appraised and considered for funding for their relative merits against other bids requesting funding.

Activities:

- Inception meetings and ongoing catch ups with HE PMs to monitor progress
- Bid writing and review, with ongoing input from HE PMs, IPA consultants and DfT area leads
- Funding was available (via application) to pay for economic and technical consultants needed to deliver to bid requirements (but not write the bids)
- MHCLG provided Strategic Case Training to LAs and ongoing troubleshooting support with other Departments

Parties involved: Local Authorities, Homes England (central team and area managers/PMs), MHCLG, IPA, DfT, specialist consultants, other Departments as needed

To this end, MHCLG and HE worked closely with Local Authorities in this phase to provide oversight, guidance, troubleshooting, training and other support (including financial) dependent upon Local Authority needs. This included involvement of other government departments (OGDs) who could provide guidance or troubleshooting support on a case by case basis.

There were many activities involved in the Co-Development phase, designed for Local Authorities to work on their bids over a period of one or two years. Several parties were involved in the Co-Development phase, but it primarily involved individual Local Authorities working directly with their Homes England Area Lead and receiving specific strategic input from MHCLG and OGDs.

An **inception meeting** was the first activity to take place (for each bid) and this was co-led by a MHCLG manager and the relevant HE Area Lead and attended by the Local Authority and other relevant parties. The inception meeting clarified aims and expectations of the scheme and made a plan of how the Local Authority would develop their bid and the intended timeline. In some areas a combined inception meeting was held with all bids in the same area (e.g. bids across combined authorities) attending at once. After their inception meeting, Local Authorities focused on writing their bids but continued to have regular catch ups with their HE Area Lead who would assess their progress and provide guidance as required. The format and frequency of these catch-ups varied across the bids but usually they took place roughly every 4-6 weeks.

The MHCLG account managers kept abreast of progress but were only involved if **troubleshooting** was needed. For example, they might facilitate a conversation between

the Local Authority and an OGD (e.g. DfT, DfE, DEFRA) in order to resolve an issue arising in relation to a specific bid before submission. OGDs were therefore involved by supporting the resolution of issues relating to their department's remit e.g. DfT provided advice on specific transport elements within a bid.

IPA were involved throughout the Co-Development process in an advisory capacity, lending their suggestions and experience to bids relevant to their experience. Other parties involved HE appointing expert consultants who were utilised to provide specific advice to bidders on the development of their economic case, as well as the HE Central HIF team who provided a central coordination function for Local Authority area managers, HE Area leads and the programme overall.

During Co-Development, Local Authorities could also apply for distinct funding to procure consultant advice to further support their bid development e.g. commission economic consultants. Local Authorities submitted an application for this funding through their HE area lead, and the decision to support (at the requested or a reduced amount) or reject the request was made by the HE Central HIF team.

At the end of Co-Development, bids were submitted via the HE portal and assessed within one of three 'bidding windows'³, leading to award decisions being made.

Phase 2B: Co-Development Bid Assessment

Once bid windows closed, MHCLG, HE and OGDs convened to assess the final business cases and determine who would receive HIF funding.

Figure 4) Phase 2B: Co-Development Assessment

Bids assessed in 3 'bidding windows' using a pre-agreed framework (scoring criteria and system). The assessment of each case was led by a specific department:

- Value for Money - MHCLG-led with input from DfT and resource support via Homes England Economics Panel.
- Deliverability - assessment led by HE and external advisors seconded to the team, with input from IPA
- Strategic - assessment by MHCLG

Assessment proceeded in clear steps: 1) scoring according to framework; 2) creation of assessment report; 3) moderation sessions to review each bid in full; 4) investment panel to agree recommendations; 5) recommendations made to ministers for approval; and 6) Treasury approval. Clarifications could be asked at any point in this process.

MHCLG led the design and co-ordination of this assessment, with significant contribution from HE and OGDs and final sign off of the assessment criteria by HM Treasury. The assessment process (repeated for each bidding window) was comprised of six steps:

1. Bids were assessed and scored using a pre-agreed framework covering Value for Money, Deliverability, and Strategic Case. This was similar to EOI but the detail of

³ Bidding windows were: September 2018, December 2018, and March 2019. The majority of bids were submitted and assessed in the final bidding window.

assessment at this phase was much more significant, with each of the five cases assessed being led by a specific department:

Cases	Assessment Lead	Support From
Value for Money	MHCLG	<ul style="list-style-type: none"> • DfT economists • Economic consultants tendered to support assessments
Strategic	MHCLG	
Deliverability ⁴ (Financial/Management/Commercial)	HE (Central HIF team with consultancy support)	<ul style="list-style-type: none"> • IPA (second review/challenge function) • DfT (specialist review/challenge function)

*other depts provided specialist review/challenge function on specific bids as needed

2. On deliverability, these scores were submitted to HE Area Leads who were responsible for pulling together an 'assessment report' for each bid which was then re-circulated to the assessment team for review. On the overall outcome of the 3 assessments, MHCLG pulled together an Investment Paper for each bid providing a summary of the advice.
3. Lead assessors from HE, MHCLG, IPA, DfT, etc. met in a series of 'moderation sessions' or 'panels' to discuss each bid, challenge evidence and analysis, in order to ensure that all available information had been considered in forming the assessment scores. Lead assessors then advised the cross-government 'Investment Panel' for each bid.
4. An 'Investment Panel' was held, chaired by MHCLG, and attended by assessment leads, MHCLG's Investment Sub Committee, the IPA, DfT, HM Treasury, and OGDs where necessary, to determine the funding recommendation to ministers. HM Treasury was involved in this phase to understand the recommendation ahead of ministerial approval.
5. Recommendations for each bid were submitted to MHCLG minister for approval.
6. Once approved by MHCLG, HM Treasury approval was then sought and awards announced.

During the assessment phase, clarifications were asked of local authorities and this could happen at any point of this process either via the Homes England online portal or direct email and by the department asking, e.g. Local Authorities could receive clarifications from

multiple sources in parallel or at different times, with allocated window to respond for each based on departmental timings.

Of the 71 bids who submitted following Co-Development, 34 bids were awarded funding and consequently progressed to Phase 3 of the HIF Process.

Phase 3: Award (Pre-Contract)

Once awards were confirmed and announced, MHCLG and HE then proceeded to get all successful bids into contract in order for funding to be able to be drawn down at Phase 4. The HE Central HIF Team led the overall process, with HE transaction managers working with Local Authorities to agree the relevant requirements.

Figure 5) Phase 3: Award (Pre-Contract)

Purpose: agree terms based on a standard contract and the fund parameters, which included pre-contract and post-contract conditions.

Activities:

- LAs receive offer with conditions – both pre-contract and pre-funding conditions (agreed by the Investment Panel as part of the funding approval)
- Develop conditions and bespoke contract based on standard Heads of Terms
- Finalise contract via negotiation with conditions as proposed or amended
- LAs work to meet pre-contract conditions
- Once met, contract signed

Parties involved: Local Authorities and Homes England (central team and dedicated transactional manager) and their legal teams, potential support from IPA, DfT and other departments as needed to help troubleshoot with conditions

Local Authorities initially received an offer with both pre-contract conditions (those to be met before contract is signed) and post contract) conditions (ie, pre-funding conditions) those to be met before drawdown commences); conditions were typically agreed by the Moderation and Investment Panels as part of the bid assessment. Local Authorities were able to negotiate the conditions and detail within the contract with HE as part of this phase, with the support of their respective legal teams. Once conditions were agreed, the respective lawyers created and agreed the Heads of Terms (HoT) and then moved to creating the final contract.

Local Authorities were required to meet all pre-contract conditions before the contract could be signed. Conditions were wide ranging - heavily dependent on the type of infrastructure proposed and any concerns about the proposed project identified during the assessments, and with an overall aim of ensuring project deliverability before getting into contract. This was to help ensure schemes could progress with funding commitments from HIF whilst awaiting further delivery details and mitigating for any identified risks. For example, some were asked to provide further information on programme and cashflow, others their planning or land acquisition strategy, and others a recovery strategy. Some projects had pre-contract conditions set by an OGD, eg evidence of an agreement with Highways England regarding a road project. During this process, OGDs such as IPA and DfT continued to provide support to help Local Authorities understand how to meet these conditions and overcome any barriers in doing so. Once the conditions were met and approved, the contract would be finalised and signed by all parties to officially commence funding.

At the time of writing, the large majority of schemes had already been contracted successfully and are in the next phase (phase 4), whilst the remaining schemes are finalising contracts.

Phase 4: In-Fund (Post-Contract)

Once 'in-fund' (post-contract), Local Authorities can then commence activity on their infrastructure projects.

Figure 6) Phase 4: In-Fund (Post-Contract)

Purpose: meet pre-Fund conditions, disperse Fund and deliver infrastructure, with ongoing monitoring of infrastructure and housing

Activities:

- Meet post-contract conditions (planning permissions, secure contractors, etc.)
- Funding drawdown – LAs draw down monthly or quarterly as needed (post-conditions, though can be before for 'enabling activities' in some cases)
- Deliver infrastructure works (ongoing monitoring via regular reporting as required by the status of the project)
- Monitor housing delivery
- Monthly delivery board meetings with departments, who cascade progress

Parties involved: Local Authorities and Homes England (central team and dedicated project manager); others departments as/when to provide troubleshooting support and for delivery board meetings (progress report to govt)

Local Authorities must first meet certain additional conditions in order to access their funding. These are typically intended to demonstrate planning permission, public consultation, procurement of contractors, and other activities showing project viability and progress; in select cases (pre-approved), some Local Authorities can access limited funds in order to meet their conditions, i.e. to pay for economic assessments, land surveys, etc.

Once these conditions are met, Local Authorities can then drawdown funds to pay for their project activity. Use of funds must be demonstrated for each withdrawal in order to be released. HE Project Managers will continue to work with Local Authorities to monitor progress and provide support and troubleshooting solutions (including involvement of OGDs like IPA, DfT, DfE, etc. as needed) to ensure successful outcomes. This will include regular monitoring and reporting of activity and progress for both infrastructure *and* housing outcomes through HE. These reporting requirements are expected to align to HE requirements and wider impact and process evaluation plans, as agreed by HE and MHCLG.

As HIF-FF progresses, HE will be responsible for providing MHCLG and OGDs regular updates and access to data via monthly 'delivery board meetings', the information from which will be cascaded within each department by the relevant persons.

5) Process Evaluation Framework

Following the creation of the process map, an evaluation framework was developed to determine the necessary data points for a robust process evaluation able to answer the research questions outcomes in Chapter 3 of this report. In summary, the evaluation framework and suggested indicators were designed to enable assessment of the following key areas:

- Assessment of both the process to design and execute HIF FF, with particular reference to cross-government collaboration.
- Assess the perceived clarity of assessment requirements and criteria.
- Assess value of support provision to improve final bids.
- Assess accessibility and relevance of HIF FF information for HMG – both during bidding and in-fund.

The framework was designed based on a systematic review of all elements of the process map and conversations with MHCLG about the necessary scope and focus of the evaluation. The indicators have also been designed to include common metrics that can be compared across phases and audiences (e.g. HMG vs. Local Authorities) and which enable monitoring of the in-fund process across management, monitoring and support.

A summary of the evaluation framework and proposed indicators is shown in Table 5.1 below, with the full framework included as Appendix A. The relevant quantitative indicators are those which will be collected as part of the monitoring data requirements referenced in the next section (Phase 2), with qualitative indicators collected as specific points to complement this.

Table 5.1 Summary of HIF-FF process indicators

Phase		Government Departments	Local Authorities
-	All phases	<ul style="list-style-type: none"> • Degree to which process was collaborative and cross government • Timings of each phase vs expectation and perceived impact on delivery 	<ul style="list-style-type: none"> • Timings of each phase vs expectation and impact on ability to deliver
1	Expression of Interest	<ul style="list-style-type: none"> • Degree to which design fit for purpose • Degree to which design identified best/strongest bids • Alignment and clarity of assessment • Perceived quality of response • Impact/Perceived impact of bidding window 	<ul style="list-style-type: none"> • Clarity and ease of mini business case requirement • Quality and level of support • Clarity of assessment criteria • Quality of response • Impact of bidding window
2	Co-Development	<ul style="list-style-type: none"> • Degree to which design fit for purpose • Degree to which design identified best/strongest bids • Ease of working with OGDs, Local Authorities and consultants 	<ul style="list-style-type: none"> • Clarity and ease of full business case requirement • Quality and level of support • Value of support provision • Ease of working with HMG and consultants • Impact of bidding windows

Phase		Government Departments	Local Authorities
		<ul style="list-style-type: none"> • Impact/Perceived impact of bidding windows • Alignment and clarity of assessment, ease of clarifications process • Perceived quality of response 	<ul style="list-style-type: none"> • Clarity of assessment criteria and ease of clarifications • Quality of response
3	Award (Pre-Contract)	<ul style="list-style-type: none"> • Flexibility of contract provisions • Perceived ease of meeting pre-contract conditions • Need for/reasonableness of pre-contract provisions (incl OGD conditions) 	<ul style="list-style-type: none"> • Flexibility of contract provisions • Ease of meeting pre-contract conditions, impact on delivery • Reasonableness of pre-contract provisions (incl OGD conditions)
4	In-Fund (Post-Contract)	<ul style="list-style-type: none"> • Perceived ease of meeting in-contract conditions • Need for /reasonableness of post-contract conditions • Perceived ease and flexibility of fund drawdown • Frequency and value of monitoring and progress reporting • 	<ul style="list-style-type: none"> • Ease of meeting in-contract conditions, impact on delivery • Reasonableness of post-contract conditions' • Ease and flexibility of fund drawdown • Spending status • Quality and value of support, communication and troubleshooting • Frequency and ease of monitoring and progress reporting

The subsequent section outlines the recommended process evaluation design to measure these and evaluate the process in practice.

6) Evaluation approach

Due to the nature of HIF FF, we suggest a two-phased approach to process evaluation. The first phase of the process evaluation should look retrospectively at the HIF FF process from the first EOI phase through to the point of contract, whilst the second phase will run from the point of contract to the point of delivery in order to monitor the in-fund process. We outline the suggested approach and timings for these phases in the sections that follow.

Phase 1: Process Evaluation to Contract

The first phase of the process evaluation will look retrospectively at the HIF-FF process from the first EOI phase through to the point of contract. It is intended to investigate the bidding, assessment and award process from both Local Authority and HM Government perspectives to understand the strengths and weaknesses of the process, which can inform future design learnings.

Based on the number of bidding phases and individuals involved in each, we recommend a mixed-method approach combining surveys and qualitative interviews for the evaluation.

Quantitative Surveys

The first element we suggest is a quantitative survey both with Local Authorities involved in each phase and with individuals from the various government departments. As mentioned previously, the process evaluation framework was designed to enable comparison of key metrics across phases and between audiences, maximising comparability and ability to assess impact of different design, support, etc. on process experience and outcomes. The surveys would be expected to capture quantitative metrics across the following themes (with the exact metrics provided in the process evaluation framework in Appendix A).

Table 6.1 Phase 1 evaluation metrics

Phase		Government Departments	Local Authorities
-	All phases	<ul style="list-style-type: none"> Degree to which process was collaborative and cross government Timings of each phase vs expectation and perceived impact on delivery 	<ul style="list-style-type: none"> Timings of each phase vs expectation and impact on ability to deliver
1	Expression of Interest	<ul style="list-style-type: none"> Degree to which design fit for purpose Degree to which design identified best/strongest bids Impact/Perceived Impact of bidding window Alignment and clarity of assessment Perceived quality of response 	<ul style="list-style-type: none"> Clarity and ease of mini business case requirement Quality and level of support Impact of bidding window Clarity of assessment criteria Quality of response
2	Co-Development	<ul style="list-style-type: none"> Degree to which design fit for purpose Degree to which design identified best/strongest bids Ease of working with OGDs, Local Authorities and consultants Impact/Perceived impact of bidding windows Alignment and clarity of assessment, ease of clarifications process Perceived quality of response 	<ul style="list-style-type: none"> Clarity and ease of full business case requirement Quality and level of support Value of support provision Ease of working with HMG and consultants Impact of bidding windows Clarity of assessment criteria and ease of clarifications Quality of response
3	Award (Pre-Contract)	<ul style="list-style-type: none"> Flexibility of contract provisions Perceived ease of meeting pre-contract conditions 	<ul style="list-style-type: none"> Flexibility of contract provisions Ease of meeting pre-contract conditions, impact on delivery

We suggest this is done as an online survey with the two audiences. A suitable approach can be recommended by the chosen evaluator during the procurement process. It is expected that response rates will be low for those unsuccessful or only involved in the earliest stages; however the evaluator should make recommendations on how best to position the research to maximise response and would likely look for support from MHCLG and HE to communicate the research for this purpose.

Qualitative Interviews

To complement the quantitative surveys and provide more depth of insight, we recommend this be paired with qualitative interviews. These would gather first-hand accounts of the strengths, weaknesses and process involved in each phase, covering all relevant qualitative metrics in the evaluation framework and providing more detail and individual experience to quantitative metrics.

Interview audiences would be split between Local Authorities and Government stakeholders, with each split into discrete subgroups based on our understanding of the process to date. The ideal design would ensure a minimum number of individuals in each

phase and role, to ensure a robust view across the process overall and looking at discrete phases.

To support this design approach, Table 6.2 below shows the total numbers of Local Authorities involved in each phase of the FF bidding process and their outcome, which represents the total available base to sample from for evaluation purposes. A total of 102 Local Authorities were involved, resulting in 32 successful and 70 unsuccessful projects (including attrition).

Table 6.2 Local Authorities involved in each stage and outcome (total base)

Stage	Local Authorities	
	<i>Successful</i>	<i>Unsuccessful/Drop Out</i>
EOI	71 successful	60 unsuccessful
Co-development	64 submissions	7 drop-outs
Award	34 awarded funding	30 unsuccessful
In contract	31 accepted funding	3 drop-outs
Total	31	100

Based on these process phases and numbers of bidders and stakeholders available for each, we suggest c. 50 interviews between Local Authorities and government stakeholders will be appropriate (and have been used for costing purposes); Table 6.3 below shows the breakdown of these interviews by phase and audience, which reflects a reasonable and robust proportion of the available population.

Table 6.3 Phase 1 Qualitative design

	Local Authorities		Government Stakeholders	
	Successful	Unsuccessful/ Drop Out	Phase-specific	All/multiple phases
EOI	25 successful	5 unsuccessful	3-5 (assessment)	Up to 10 (HE, MHCLG, DfT, etc.)
Co-Development	20 submissions	2-3 drop-outs	5-7 (support or consultant role)	
Award	15 awarded funding	5 unsuccessful	5-7 (assessment, some repeat)	
In contract	15 accepted funding	1-2 drop-outs	3-5 (comms, contracting)	
Total	15	10-15	15-20	Max 10

The approach recommends 20-30 interviews with Local Authorities, mixing successful, unsuccessful and those who dropped out. These groups are as follows:

- 15 Local Authorities who were successful in being awarded funding, plus two which were successful but later confirmed offers would no longer proceeded;
- Local Authorities successful at the EOI stage but either dropped out or were unsuccessful at Co-Development (c. 5-8); and
- Local Authorities unsuccessful at the EOI stage (5).

This will provide detail for each phase from the perspective of both those successful and unsuccessful; however, it should be expected that those unsuccessful (especially at the EOI stage) will be less engaged with the research.

We also recommend 20-30 interviews with government departments, mixing senior stakeholders involved across all/most phases vs those involved at discrete moments:

- Approximately 15-20 with those involved only at discrete moments, i.e. just involved as independent assessors (done in MHCLG assessments) or provide specific support during Co-Development (which could include consultants, if desired); and
- Up to 10 with senior stakeholders involved in the design and/or execution of all or multiple phases of HIF FF, many of which were involved in this scoping project but would need to be included in a formal evaluation.

The numbers are based on the approximate numbers involved in each phase and how many the research is likely to be able to reach (e.g. still in a relevant role), per recommendations from MHCLG. It should be noted that these could be one-on-one interviews or mini focus group interviews. This degree of flexibility would be needed to ensure the right individuals are involved in the research.

The volumes proposed are based on our understanding of the numbers involved at each stage and from each audience but should be reviewed and the exact numbers involved at

each stage provided in the ITT, for the evaluator to make a more informed recommendation in their proposal and costs. They should also make recommendation on recruitment avenues for each audience – especially those with lower engagement risk. We recommend the ITT during evaluation procurement include information about the themes needing to be covered in qualitative research (per the table above and the full evaluation framework) to better inform the final design.

Final Report

This phase should culminate in a single, standalone report evaluating the HIF-FF process from EOI design to award, covering all phases of activity and audiences. The report should provide clear insights on the strengths and weaknesses of the bidding process, as well as any impacts these had on outcomes (namely, those awarded funding) and recommendations for similar policy design in the future. A particular focus is expected to be on the degree to which the process itself was collaborative and cross-government, and the impact of this on the process itself and final awards. Should the research highlight any necessary changes to the existing process map and/or evaluation framework, these can be updated as part of final reporting.

Some of the learnings or considerations developed from this research may be relevant to the design, considerations and findings of the impact evaluation, and it is expected that the process report would be reviewed by those working on the parallel impact evaluation. Those conducting the process evaluation should take this into account in their analysis, highlighting any key implications of this nature accordingly to ensure any process learnings are taken into account.

Timings

This phase should be conducted by an external evaluator as soon as is feasible. The lag time between the bidding phases and now (March 2021) means recall of the process will already be reduced, whilst interest in engaging by unsuccessful Local Authorities will also become increasingly problematic. We suggest commissioning this quickly and having the evaluator stagger interviews to maximise response, i.e. focusing first on unsuccessful bidders who will be harder to engage, then transitioning to successful Local Authorities as they are brought into contract.

Depending on the timings of Phase 1, it may be possible to expand the scope of this phase to include the immediate post-contract activity where Local Authorities meet conditions, start infrastructure activity and drawdown funds. This would blur the line between the first and second phases, but would also minimise burden to Local Authorities, reduce costs and mean the early in-fund process was captured closer to real-time vs. a lag to the first Phase 2 In-Fund wave, as below. However, this integration would only be feasible if all awarded projects are in-contract and have met their post-contract conditions at the point Phase 1 is commissioned.

Phase 2: In-Fund Process Evaluation

Process evaluation ‘in-fund’ will be an ongoing phase that runs from the point of contract (when bidders become ‘in-fund’ and begin infrastructure activity and funding drawdown) to delivery of infrastructure, with the option to extend this to the point of housing delivery if

desired. The approach options for this phase are outlined below, comprised of two key elements:

- Monitoring data collection: collection of quantitative metrics (as provided in Appendix A and summarised in Chapter 5 above) on an ongoing, regular basis; and
- Qualitative interviews: to collect additional data and gain deeper insights on the process and the impact it has on project (and FF overall) progress.

However, the exact design of this phase will be dependent on many factors, meaning the approach will need to be refined based on a few key considerations. These are outlined in the 'Approach Frequency' section below.

The approach options and recommendation are provided below in detail, with reference to these considerations and their impact on design decisions. Rather than running in-depth continuously, we recommend this phase consist of 'waves' of evaluation at regular intervals across the delivery timeframe, with monitoring data collected as needed between this. We suggest reviewing any initial plan during/after the impact evaluation Baseline phase, at which time the project typology, expected timings of each project and the impact evaluation phases themselves will be clearer and can be used to inform the final design decisions.

Monitoring Data Collection

As shown in the evaluation framework summary (and in detail in Appendix A), there are specific measures that should be collected from both Local Authorities and HMG throughout the in-fund period to the point of infrastructure and/or housing delivery. The themes relevant to this element of the process evaluation by the audience are shown below.

Table 6.3 Phase 2 evaluation metrics

Phase		Government Departments	Local Authorities
-	All phases	<ul style="list-style-type: none"> Degree to which process was collaborative and cross government Timings of each phase vs expectation and perceived impact on delivery 	<ul style="list-style-type: none"> Timings of each phase vs expectation and impact on ability to deliver
4	In-Fund (Post-Contract)	<ul style="list-style-type: none"> Perceived ease of meeting in-contract conditions Perceived reasonableness of in-contract conditions Perceived ease and flexibility of fund drawdown Frequency and value of monitoring and progress reporting 	<ul style="list-style-type: none"> Ease of meeting in-contract conditions, impact on delivery Ease and flexibility of fund drawdown Spending status Quality and value of support, communication and troubleshooting Frequency and ease of monitoring and progress reporting

It is expected that this data will be collected at regular intervals once Local Authorities are in contract (to be determined based on the 'Approach Frequency' options below). This data can be collected through the Homes England online reporting system, via an online survey run by MHCLG and/or an external evaluator, or a combination of the two.

HOMES ENGLAND ONLINE REPORTING SYSTEM

This is the preferred mode of data collection for the vast majority of the required data and it is recommended that this be used as the primary mode of collection to minimise the burden on Local Authorities. Discussions are ongoing around the technical feasibility of this approach.

ONLINE SURVEY

In addition, some questions for the process evaluation are unlikely to suit the monitoring process through Homes England Online Reporting System. In these instances, it would be preferable for the data to be collected by researchers commissioned through the various stages of the process evaluation. A short online survey to Local Authorities could be run at regular intervals to capture this data quickly and easily – i.e. a 5-minute online survey completed annually or biennially, which would be minimal burden.

DATA ANALYSIS

Full, detailed analysis of this data should be included in the formal, independent evaluations, meaning all data from intervening periods should be provided to the external evaluator for analysis (all waves and for all projects). This analysis should review trends overall, by partnership and by project type to isolate any changes and highlight potential

issues. This analysis will be supplemented by qualitative interviews, as below, to increase understanding of the trends and issues and create a more rounded picture. Where possible, insights from MHCLG and HE on any changes made to the process and any impact made should be included in the analysis to demonstrate how adjustments are changing the experience of HIF FF and its likelihood to deliver as expected.

In between evaluation waves, MHCLG and HE should monitor this data internally and explore any growing issues as they happen, to ensure problems are addressed in real-time and separate to evaluation, where possible.

Qualitative Interviews

Alongside data collection, qualitative interviews are recommended to provide more context and insight on the process monitoring data, its impact on fund deliverability and satisfaction over time, and to collect qualitative metrics throughout the in-fund period.

We suggest interviews with each of the audiences outlined below, to be conducted during each 'wave' of research. The exact focus and content of these interviews should expand on the themes outlined in the table above, with the exact questions included in the full evaluation framework (Appendix A); these can be adjusted for the exact scope of each audience and across the evaluation lifecycle.

As in Phase 1 above, the exact design of the qualitative interviews – numbers, mode, content, etc. – should be finalised by the evaluator during the procurement process based on the broad design provided below. We have included approximate numbers for each based on our understanding and for costing purposes, which can be refined for evaluation procurement.

LOCAL AUTHORITIES

Interviews with Local Authorities will be crucial to in-fund process evaluation, as they will provide a more nuanced, personal perspective to in-fund activity, showcase successes (best practice) and highlight issues in the process that may need addressing in-fund or should be taken into account for future programme design.

The exact design of these interviews will in some part be dictated by the frequency of each wave – discussed in the 'Approach Frequency' section below – whereby a more frequent approach would mean less interviews per wave, whilst a less frequent approach will necessitate interviews with most or all Local Authorities each time in order to acquire the necessary detail. For example, if full evaluation with interviews takes place annually, it will not be necessary to interview all Local Authorities each time, but instead do half each time (x15-20 interviews, ideally comprised of a good mix by project type, size and location); should full evaluation take place every few years, it is recommended that interviews happen with all Local Authorities each wave.

Interviews with Local Authorities could be with one person most responsible for the HIF FF work, or a mini focus-group of people all involved to a significant degree.

Interviews with Local Authorities would focus on understanding their progress in delivering HIF funded infrastructure, views on monitoring and reporting requirements, views on support from HE and others, and any challenges faced, if/how resolved, and their impact

on delivery. Such interviews should showcase any strengths and weaknesses of the existing process and highlight areas for change to improve the experience and/or deliverability for Local Authorities.

HOMES ENGLAND

Alongside Local Authority interviews, it will be crucial to engage directly with HE to get their perspective on implementation and progress. This includes perspectives from PMs working directly with Local Authorities and senior stakeholders (i.e. the HE Central HIF Team) providing a more strategic view of HIF FF progress.

The volume of interviews will again be dependent upon which frequency approach is ultimately selected for process monitoring:

- 1) **Annual or biennial:** interviews with a subset of PMs (50-75% depending on the actual number), as well as a small number of interviews with HE senior stakeholders (c. 3-5).
- 2) **Align to impact phases:** interviews with all PMs, as well as interviews with HE senior stakeholders (c. 5-10).
- 3) **Joined-up evaluation:** same as 'alignment approach'.

Interview content would need to be adjusted for each audience, whereby those with PMs focus more on themes relating to activities, progress, troubleshooting and deliverability, whilst those with senior stakeholders focus more themes relating to deliverability, monitoring and reporting, and SRO transition.

MHCLG AND OGDs

During each wave of in-fund process evaluation, it is also recommended to do a small set of interviews with government stakeholders in MHCLG and OGDs, those who are involved with HIF FF to a lesser degree but who still play a role in monitoring and dissemination of information and ensuring its success. Such interviews should focus less on deliverability and more on their perceptions of collaboration, progress reporting value and the SRO transition, as an example.

From our understanding of those expected to be involved, once Local Authorities are in-contract we suggest a **small set of c. 7-10 interviews** would be appropriate here. These should include core stakeholders from MHCLG, DfT, and OGDs playing a role in HIF FF oversight. The exact composition would be determined at each wave dependent on departmental involvement and oversight in the preceding period.

Phase 3: Post-Infrastructure Delivery Monitoring

In order to meet the needs of the FF *impact* evaluation, the evaluation scope has been expanded to include the FF period from infrastructure delivery through housing delivery, i.e. to the point at which all intended deliverables are achieved rather than linked to the funding and its use exclusively. The FF impact evaluation will necessarily continue through housing delivery and beyond to assess the longer-term outcomes and impact of HIF in terms of both the infrastructure *and* housing it delivered. In order to assess the influence of delivery process on the FF's overall outcomes and impact, which is desired by MHCLG,

process evaluation should therefore continue to the point of housing delivery. The purpose of this phase is not to continue to evaluate the FF delivery process itself, but rather provide ongoing information on the *housing* delivery process to help assess which process levers have played a role in the success or failure of FF projects and the FF overall; levers of interest the various activities undertaken by Local Authorities, support received, challenges experiences, etc. that have positively or negatively influenced project success.

We recommend the same broad approach used in Phase 2 be extended into this phase, though scaled back and adjusted for the housing delivery phase, i.e. removing questions about drawdown and fund used but continuing key questions on activity and progress. The evaluation framework (Appendix A to this report) outlines these data collection requirements, which can be reviewed and refined at the outset of this phase to inform the final, adjusted approach and timings. However, as the purpose of this phase is to continue supporting the impact evaluation, its purpose and value should be assessed before commission to verify its ongoing need and requirements. Should earlier phases of impact evaluation not find process evaluation data meaningful, it may be decided that this phase is no longer needed for impact evaluation delivery.

Approach Frequency

Ultimately, Phase 2 of the process evaluation needs to deliver the necessary data to answer the research questions. There are multiple options and considerations as to how frequently process evaluation could be done, covering both monitoring data collection and full evaluation that analyses this data and supplements with qualitative interviews.

The exact design of this phase will be dependent on the feasibility and needs of HMG, taking into account a few key considerations:

- **Frequency:** a decision will need to be taken as to how often the process evaluation is run in full versus ongoing data collection, considering the cost-benefit, burden on HMG stakeholders and Local Authorities and any internal requirements. While more often would be preferred to better enable process issues to be raised and addressed in real-time, frequency can be reduced to suit HMG needs. If less frequent, we do recommend ongoing, regular data collection of key metrics and internal monitoring, to ensure any issues are addressed in real-time and trended data is available for the evaluator for use in formal evaluation phases.
- **Ownership:** linked to the frequency point, while an external, independent evaluation is needed at certain points, it may be desirable or necessary for some aspects of process monitoring to have MHCLG and/or HE ownership between formal evaluation phases. Indeed, should there be the necessary resource available for this, the need for more frequent evaluation could be reduced in favour of greater internal ownership.
- **Composition:** the first impact evaluation phase (Baseline) is expected to deliver a clearer plan for impact evaluation, including more detailed timings by project and across phases, a typology of projects to simplify aspects of analysis, and – from this – clarify the expected impact evaluation timings and plans. The development of a project typology – or means to classify projects in some way as to group them by similarities, i.e. infrastructure types, fund levels or some other means – would also potentially inform the design of aspects of the process evaluation, which could also be organised around such a typology. Similarly, more detailed project plans and timings will be needed to inform the composition of each ‘wave’ process evaluation, taking into account which stage of delivery each project is in.
- **Links to impact evaluation:** as will be shown, there is a desire to more closely link the process evaluation phases to the expected impact evaluation, which would reduce burden and ensure a greater degree of complementarity between the two. Doing so – and to which degree – has both positives and negatives, which will need to be considered before a decision is made. These considerations are outlined in the ‘Approach Frequency’ section below.

Based on the above considerations, the timings and volume of this continuous phase are heavily dependent on what MHCLG and HE feel would be necessary and most useful for HIF FF success. We suggest three possible timings scenarios for consideration:

- 1) **Annual or biennial:** full analysis of monitoring data supplemented with qualitative interviews would be done every one or two years, culminating in an interim process

report highlighting areas of concern, strengths and areas of best practice to ensure issues are addressed early and do not hinder HIF success.

This would be the more costly and time intensively approach, but would ensure ongoing, independent assessment of the process to support successful delivery. It may be that between access to MHCLG and HE monitoring data and the more hands-on role of HE project managers who will have regular contact with Local Authorities, this degree of evaluation to support troubleshooting may not be needed.

- 2) **Align to impact phases:** full analysis of trended monitoring data and qualitative interviews could be aligned to the impact evaluation phases (Infrastructure Delivery, Housing Delivery and Post-Housing Delivery) but be conducted in advance of the impact evaluation waves to ensure any learnings from the process evaluation are taken into account in the impact evaluation design and findings. The frequency and timings of this would thus be decided after the impact Baseline Phase, but with the expectation that process evaluation would happen once or twice per phase (every c. 5 years). Monitoring of process data between these phases should be done by MHCLG with input from HE, to ensure at least a basic view of progress and change over time.

Organising the process evaluation in this way would help strengthen the impact evaluation and ensure semi-regular evaluation, but at a lower cost and with more ownership internally.

- 3) **Joined-up evaluation:** as the impact evaluation will also require regular qualitative research with Local Authorities, it could be that both elements are merged across all phases for the sake of simplification and reducing burden to MHCLG, HE, OGDs and the Local Authorities involved. With this approach, the ongoing impact and process evaluations would happen at the same time, such that qualitative interviews would cover both elements, as would data analysis.

This would be the least costly and burdensome of all options, however it would mean little/no opportunity for process findings to inform impact evaluation design at each wave. Further, joined-up interviews may mean less content can be covered for each, resulting in a breadth but not depth of findings and thus minimising the overall quality and value of the evaluation outputs. Though not ideal, it may be that such an approach would be best for MHCLG, HE and Local Authorities to minimise evaluation requirements over an extended period.

We recommend the monitoring data collection run continuously across fund delivery, taking place annually or biannually for the duration to monitor the process, to ensure continuous data is available for evaluation purposes. A full process evaluation analysing this data and supplementing with qualitative should take place at intervals around this, which could also be annually (if desired) or align with the impact evaluation phases for consistency. We suggest that a more frequent approach would be preferable in the early phases of HIF FF activity, but could be reduced in frequency once all funding has been drawn and/or once infrastructure is delivered.

ADJUSTING FOR DIFFERING PROJECT TIMELINES

The design of the proposed evaluation options has taken into account that FF projects will enter into different phases of infrastructure and housing delivery at different times. The

data monitoring requirements within each phase will be consistent, requiring little to no adjustment over long periods. The only adjustment needed will be when each project has delivered its infrastructure and moves into housing delivery, at which point data monitoring requirements will be adjusted (Phase 3). As Homes England Project Managers will play a hands-on role in managing FF projects and collecting internal and external monitoring data, we do not foresee complications in making this transition part of their internal process, i.e. as their own data requirements for project change at this point, so too will the evaluation data requirements. MHCLG will need to make the decision on if Phase 3 will be included and make evaluation plans (internally or via an external evaluator) in advance of the first project delivering its infrastructure.

Reporting

We suggest that all phases and waves of evaluation culminate in an evaluation report. Phase 1 should produce a standalone report with the findings of the retrospective evaluation, whilst the end of Phase 2 should do the same for the in-fund process findings. During Phase 2, all waves of research (comprising of data analysis and qualitative research) should produce interim evaluation reports summarising the current state, progress and flag any process issues that could hinder delivery.

For less frequent approaches (2 – alignment, 3 – joined-up), process monitoring data (via quantitative surveys and/or the HE portal) collected on an ongoing basis by MHCLG and HE should be collated and monitored at least annually, and any inconsistencies or issues flagged on an ongoing basis. It is expected the outcomes of this will be provided to an evaluator for consideration in a full evaluation report, both for context and to be able to reference actions that trigger change to subsequent results.

7) Evaluation costs scenarios & timings

We have created costs for each phase of work proposed and their various scenarios, with all elements outlined in the previous section. The tables below provide the cost per phase and each element within this, including detail of what is included for each. These are rough estimates based on the approach outlined here and – for the ongoing process evaluation – will need updating at the baseline phase and regularly thereafter for the final approach. For planning purposes, we suggest a buffer of +10% on these to allow for approach changes and/or increases based on the final scope required.

Timing recommendations are integrated into each section below.

Phase 1 Costs

The first phase of process evaluation included qualitative and quantitative research looking retrospectively at the bidding and award process to the point of contract. The proposed approach outlined above will cost an estimated £68,000 + VAT based on 2020 rates.

Table 7.1 Phase 1 expected costs

1. Retrospective Evaluation (Bidding) - 2021	<i>Rates as of 2020 (no inflation)</i>	
Quantitative surveys <i>Surveys conducted with Local Authorities and relevant individuals from HE, MHCLG and OGDs to understand opinions of bidding and assessment process.</i>	£	16,000.00
Qualitative interviews <i>Interviews with 20-30 Local Authorities and 20-30 individuals from HE, MHCLG and OGDs to understand opinions of bidding and assessment process..</i>	£	14,000.00
Phase report <i>Analysis and full report of all qualitative and quantitative findings, including impact evaluation and future process evaluation considerations and future design recommendations.</i>	£	15,000.00
Project management <i>Project inception meeting and management of the above (assumes 4-6 months to deliver) including weekly updates and calls. Review/update of process map and/or evaluation framework as needed.</i>	£	13,000.00
Phase Total (excl VAT)	£	58,000.00

We suggest this should be commissioned as soon as possible in 2020/2021 and will take approximately 4-6 months to deliver.

Phase 2 Costs

Phase 2 costs will be dependent on MHCLG's decision regarding ownership and the necessary frequency of external evaluation.

Annual or Biennial Frequency

As noted above, frequent monitoring and evaluation (annually or biennially) in the first few years during the most intensive infrastructure activity may be desirable to ensure a greater degree of proactivity in identifying and addressing any issues that could hinder project success. This would mean conducting a slightly smaller-scale evaluation more often, providing a regular, independent assessment to which MHCLG and HE can respond.

Should this frequency be chosen, we estimate that the cost would be approximately £40,000 +VAT per wave based on 2020 rates, increasing in line with inflation thereafter. The breakdown of these costs is shown below.

Table 7.2 Phase 2 expected costs – annual/biennial frequency (frequency 1)

2. In-Fund Process - Annual/Biennial Waves	<i>Rates as of 2020 (no inflation)</i>	
HE Monitoring Data - Acquisition, QC and tabulation* <i>Access and transfer of HE/MHCLG monitoring data, data QC and tabulation.</i>	£	6,000.00
Monitoring Data - Quantitative survey (Short)* <i>Design, execution and tabulation of short online survey to Local Authorities to collect any additional data not collected by Homes England online reporting system.</i>	£	6,000.00
Monitoring Data - Quantitative survey (Full) <i>Design, execution and tabulation of full online survey to Local Authorities to collect all monitoring data, should Homes England portal not be an option</i>	£	12,000.00
Qualitative interviews <i>Interviews with 15 Local Authorities, 5 HE Project Managers, and c. 7 stakeholders from HE, MHCLG and OGDs per wave.</i>	£	13,000.00
Wave report <i>Analysis of monitoring data and qualitative interviews, culminating in wave report with wave-findings and any trended analysis.</i>	£	12,000.00
Project management <i>Project inception meeting and management of the above (assumes 3-4 months to deliver each wave) including weekly updates and calls. Review/update of process map and/or evaluation framework as needed.</i>	£	9,000.00
Phase Total (excl VAT) <i>*Assumes monitoring data collected primarily by Homes England with short separate survey for additional metrics</i>	£	52,000.00
Phase Total (excl VAT) - 7% net inflation (c. 2025)	£	56,000.00
Phase Total (excl VAT) - 12.5% net inflation (c. 2030)	£	59,000.00
Phase Total (excl VAT) - 33% net inflation (c. 2040)	£	69,000.00

**There is minimal cost difference when using Homes England for data monitoring with a small supplementary survey vs. conducting a full monitoring data survey.*

However, should this option be desired, commissioning an independent evaluator to conduct annual/biennial 'waves' over five years (for example) would create a degree of costs savings, as it would save on set up and project management for each wave due to continuity, whilst also 'locking in' 2020/2021 rates for the longer period. An example of this is shown below, which assumes annual evaluation over five years, resulting in c. 15% cost savings (£175,000 +VAT).

Table 7.3 Phase 2 example cost – 5-year contract for annual monitoring

2. In-Fund Process - Annual Waves - 5yr Contract	Rates as of 2020 (no inflation)	
Data acquisition, QC and tabulation <i>Access and transfer of HE/MHCLG monitoring data, data QC and tabulation (for each of 5 years).</i>	£	17,000.00
Monitoring Data - Quantitative survey (Short)* <i>Design, execution and tabulation of short online survey to Local Authorities in each of 5 years to collect any additional data not collected by Homes England online reporting system.</i>	£	17,000.00
Monitoring Data - Quantitative survey (Full) <i>Design, execution and tabulation of full online survey to Local Authorities in each of 5 years to collect all monitoring data, should Homes England portal not be an option</i>	£	35,000.00
Qualitative interviews <i>Interviews with 15 Local Authorities, 5 HE Project Managers, and c. 7 stakeholders from HE, MHCLG and OGDs per wave (x5).</i>	£	51,000.00
Wave & Final reports <i>Four annual 'wave' reports with analysis of monitoring data and qualitative interviews, culminating in wave report with wave-findings and any trended analysis. Final, full and trended analysis of monitoring data and qualitative interviews, culminating in full report of five-year period, including trended analysis and recommendations.</i>	£	67,000.00
Project management <i>Project inception meeting and management of the above (assumes 3-4 months to deliver each wave in each of 5 years) including weekly updates and calls. Review/update of process map and/or evaluation framework as needed.</i>	£	40,000.00
Phase Total (excl VAT)	£	192,000.00
<small>*Assumes monitoring data collected primarily by Homes England with short separate survey for additional metrics</small>		

**There is minimal cost difference when using Homes England for data monitoring with a small supplementary survey vs. conducting a full monitoring data survey.*

Additional scenarios can be provided or scoped out as part of the procurement process.

For more frequent process evaluation, the first wave should be commissioned after Local Authorities are in-contract and with c. one- or two-years gap (depending on frequency selection) before evaluation commences; MHCLG and HE capturing of monitoring data should begin immediately once Local Authorities are in contract.

Joined-Up Approach

If MHCLG and HE are able and willing to take on greater ownership in ongoing monitoring of process data across the in-fund period, a lower frequency option such as aligning process evaluation to/around the impact evaluation is an alternative. This assumes larger-scale, more robust process evaluation waves every c. five years (or more) completed by an external evaluator, with no external review or insight in between. Monitoring and review between waves would be the responsibility of MHCLG and HE internally.

Should this frequency be chosen, we estimate that the cost would be approximately £40,000 +VAT per wave based on 2020 rates, increasing in line with inflation thereafter. The breakdown of these costs is shown below.

Table 7.4 Phase 2 expected costs – frequency linked to impact evaluation (frequency 2 or 3)

2. In-Fund Process - Aligned to Impact Evaluation	<i>Rates as of 2020 (no inflation)</i>
Data acquisition, QC and tabulation <i>Access and transfer of HE/MHCLG monitoring data, data QC and tabulation (assumes c 5 years of data).</i>	£ 16,000.00
Monitoring Data - Quantitative survey (Short)* <i>Design, execution and tabulation of short online survey to Local Authorities two or three times across phase to collect any additional data not collected by Homes England online reporting system.</i>	£ 12,000.00
Monitoring Data - Quantitative survey (Full) <i>Design, execution and tabulation of full online survey to Local Authorities two or three times across phase to collect all monitoring data, should Homes England portal not be an option</i>	£ 24,000.00
Qualitative interviews <i>Interviews with 33 Local Authorities, all (c. 10) HE Project Managers, and c. 15 stakeholders from HE, MHCLG and OGDs.</i>	£ 21,000.00
Wave report <i>Analysis of monitoring data and qualitative interviews, culminating in wave report with wave-findings and any trended analysis.</i>	£ 21,000.00
Project management <i>Project inception meeting and management of the above (assumes 3-4 months to deliver each wave) including weekly updates and calls. Review/update of process map and/or evaluation framework as needed.</i>	£ 17,000.00
Phase Total (excl VAT) - no inflation <i>*Assumes monitoring data collected primarily by Homes England with short separate survey for additional metrics</i>	£ 87,000.00
Phase Total (excl VAT) - 7% net inflation (c. 2025)	£ 93,000.00
Phase Total (excl VAT) - 12.5% net inflation (c. 2030)	£ 98,000.00
Phase Total (excl VAT) - 33% net inflation (c. 2040)	£ 115,000.00

**There is minimal cost difference when using Homes England for data monitoring with a small supplementary survey vs. conducting a full monitoring data survey.*

Should this option be of interest, we recommend reviewing the approach and timings following the impact evaluation baseline stage.

Costing assumptions

These costs assume the following:

- Costs assume full set up and management for all phases, allowing for new agencies to take over specific components as needed and thus no cost savings from repeat work. This includes a review/update of the approach at each wave, which should be done in partnership with the lead evaluator.

- Phase 1 costs use current market rates, whilst Phase 2 options assume a c. 2.5% increase in rates annually in line with inflation then very roughly extrapolated across years to provide a ballpark cost for future waves of work. These are based on the approximate timings as outlined in previous sections.
- Budget assumes Local Authority data collection and monitoring for Phase 2 will be collected by MHCLG or Homes England, with minimal input from the evaluator. However, due to the reliance of the evaluation on this data, budget does include 5 days of consultancy per phase of work to gain access to, clean and run quality control checks on this data before analysis can begin. Should support be required to collect some/all monitoring data, we can provide a proposed approach (i.e. annual survey) and cost for this.
- All phases include budget for 'wave reports' (interim reports of c. 50 pages) and/or full reports (75-150 pages), but do not include cost for presentations nor any provision for qualitative transcriptions.