



European Union

European Structural
and Investment Funds

**European Structural and Investment Funds
2014 - 2020**

Growth Programme for England

ESI Funds Growth Programme Board

2014-20 European Regional Development Fund (ERDF) Evaluation

(Please note that this paper should be printed in colour)

Purpose:

To present to the Growth Programme Board (GPB) the 2014-20 ERDF Evaluation Plan.

Recommendations:

That the Board:

- examines and approves the ERDF Evaluation Plan, attached at annex A, and notes progress to date on delivering the Plan.

Summary:

The Board last considered the ERDF Evaluation Plan at the December 2016 meeting. Following feedback received on that draft, and discussions with a range of experts the plan has been further updated; attached at annex A.

The two main changes made to the Evaluation Plan since it was reviewed by the Board in December 2015 are:

- Firming up the budget; and
- Carrying out a scoping study before the appointment of a national evaluation contractor.

Following circulation of this paper the Plan will be discussed with the Evaluation Sub-Committee on 6th June, seeking their final comments and recommendations. An oral update will be given at the GPB meeting.

Progress is already being made on delivering the Plan:

- The invitation to tender for the scoping study is currently being drafted and is due to be published in late June/ early July; and
- Summative assessment guidance for projects has been produced and is currently being piloted. The Managing Authority expects the guidance to be rolled out to all contracted projects in July 2016.

Background

1. EU regulations require the Evaluation Plan be submitted to the Commission by 1 July 2016 i.e. 12 months after the Commission adopted the Operational Programme.
2. The Board last had a substantive discussion on the Evaluation Plan at its meeting in December 2015. Since that discussion the Plan has been further developed by DCLG analysts and revised following feedback from the Board, DG Regio, DCLG's Research Gateway, and the Evaluation Policy Group (comprising representatives from the Growth Delivery Teams). The update has also been informed by discussions with other government departments including BIS, DECC, Defra, and also with the Welsh Government.
3. Following circulation of this paper the Plan will be discussed with the Evaluation Sub-Committee on 6th June, seeking their final comments and recommendations. An oral update will be given at the GPB meeting.

Updates to the Evaluation plan

4. The two main changes made to the Evaluation Plan since it was reviewed by the Board in December 2015 are:
 - Firming up the budget; and
 - Carrying out a scoping study before the appointment of a national evaluation contractor.
5. The Managing Authority (MA), following on from the feedback and discussions outlined above, has concluded that [REDACTED] of the Programme budget [REDACTED] will be set aside for evaluation. In drawing conclusions around the final budget for the national evaluation value for money will be a key consideration
6. Given the complexity of the evaluation it has also been concluded that we should seek an expert assessment of the options for evaluation, their feasibility, duration/phasing and costs. As such the MA is in the process of commissioning a scoping study.
7. Each ERDF funded project is contractually obliged to undertake a project (or summative) assessment which is an evaluation of their individual project; the framework for which is to be provided by the MA. The MA recognises the need to quickly ensure that projects know what is required of them from their summative assessments. Also, the need to quickly set standard baseline indicators for summative assessments to ensure that data is being collected at a project level which can be used as an evidence base for the national evaluations. As such this summative assessment work will also fall within the remit of the scoping study contract.
8. The updated Evaluation Plan is attached at Annex A. The changes to the draft from the version circulated in December 2015 are set out in track changes. Changes are minimal as they will be superseded by the findings of the scoping study.

Progress to date

Scoping study and Summative Assessments Baselines Project

9. The Managing Authority (MA) intends to have the contractor in place to deliver the 'Scoping Study and Summative Assessments Baselines Project' by September 2016. A Pre-Tender Market Engagement event held in May has largely confirmed our definition of the requirement, route to commissioning, and duration of the project.
10. Subject to discussions in the Evaluation sub-committee on 6th June the MA anticipates that the Invitation to Tender (ITT) for the contract will be published in late June/ early July 2016. In addition, that the ITT will cover:
 - design of the national evaluation, and informing the budget and design of the national evaluation and the specification of the ITT;
 - design of the project summative assessments; communicating the immediate and longer-term requirement to projects; and setting out the baseline data required for all types of project against which their project's success will be measured at the end of the period; and
 - Build the capability in Growth Delivery Teams (GDTs) to support projects in conducting their project summative assessments, up until the national evaluation contractor is appointed.
11. The MA expects to have the contractor in place in September 2016.

Summative Assessments – Phase 1

12. Each ERDF funded project is contractually obliged to undertake a project (or summative) assessment which is an evaluation of their individual project. They are required to spend 1 per cent of the project's funding on this, up to a maximum of £100k.
13. These summative assessments have the potential to provide an additional set of data which can inform the national evaluations. For this opportunity to be maximised beneficiaries will need to collect the data from the beginning of the project and also for the baseline indicators to be standardised across all similar projects.
14. The scoping study will set out the bulk of the common framework and methodology for summative assessments, so that the evidence on the outcomes and impacts achieved by these projects will be useful and can inform the national evaluation.
15. To ensure time is not being lost the Managing Authority, working with DCLG analysts, has already drafted guidance to projects on the first phase of summative assessments and is conducting a small pilot which concludes at the beginning of June 2016. This pilot involves 10 projects that have signed their Grant Funding Agreements (GFAs). It requires them to produce a logic model for their project; effectively a summary of their rationale for how their project will contribute to the programme's specific objectives and what the anticipated outcome and result of the investment will be. Projects are also being asked to propose indicators, in addition to the output indicators that will be in the

project GFA, which will aid them in establishing whether their project has achieved the intended outcomes and results.

16. Following this pilot, the guidance will be updated based on the feedback received and issued to all projects after they sign GFAs. The MA will provide initial training to colleagues in the GDTs so they can provide support to projects as required.
17. The scoping study will draw from the completed logic models available as part of the work to establish baseline indicators later in 2016.
18. The medium term aim is embed the development of a project's summative assessment logic model into the final application. This will enable Growth Delivery Teams to review the logic models at the project appraisal stage. Under the requirements of the scoping study the contractor will develop further support materials for the GDTs as required.

David Morrall/ Simon Jones (DCLG ERDF Policy)
Baljit Gill (DCLG Analysis)
June 2016

Annex A: England ERDF Operating Programme 2014-2020: Evaluation Plan

1. Objectives and purpose

1.1 The plan for the impact evaluation of the ERDF 14-20 Operational Programme aims to test and understand a) the process of implementation and delivery of the projects funded through the ERDF programme and b) if and how this has directly resulted in the intended outcomes and impact.

1.2 The ERDF 2014-2020 evaluation consists of three key elements;

- a) the ERDF indicators as a measure of performance and for monitoring the ERDF fund spend and implementation;
- b) a central process and impact evaluation which aims to enable us to attribute any results identified to the programme; and
- c) summative assessments, conducted by the projects themselves according to a format prescribed by the Managing Authorities which will feed into the central process evaluation and help validate the indicators.

1.3 The evaluation will need to analyse impacts (i.e. Results) for each Priority Axis, as well as to assess the application of the horizontal principles of the promotion of equality between men and women, non-discrimination and of sustainable development. Finally, it will be important to show the territorial impact of the Operational Programme, both across categories of region and also at Local Enterprise Partnership area level.

1.4 It is acknowledged that the extent to which we will have sufficient statistical power to identify impacts and differences between and within different categories of region and LEP areas as well as in some Priority Axes will be difficult to measure in some instances. However, we aim to run the analysis, whilst being aware of the issues and will apply caveats as necessary when presenting this data.

1.5 The ERDF 2014-2020 evaluation plan takes on board lessons learned from a variety of local growth evaluations, such as the ERDF 2007-13 evaluation, the Regional Growth Evaluation and the scoping document for the Growth Deal central evaluation. In addition, it is consistent with advice from the What Work Centres on Local Economic Growth and Wellbeing (as an additional measure of impact) as well as the EU and HMG's standards and protocols on impact evaluation, [Quality in Policy Impact Evaluation](#) and the [Magenta Book](#).

1.6 The purpose of this Evaluation Plan is to outline how the Managing Authority, in compliance with EU Regulations, will monitor and evaluate the ERDF Operational Programme to assist in its effective management and delivery. This plan will be presented to the DCLG Evaluation Network, its Research Gateway for quality assurance and the Growth Programme Board (PMC) for ESF and ERDF in England, for examination within one year of the adoption of the Programme and its progress will then be reviewed on an annual basis.

1.7 The evaluation plan activities set out below take on board the above lessons and it outlines a methodology which will fulfil the evaluation requirements provided for in Regulation (EU) No 1303/2013. It outlines activities to evaluate the contribution of each priority axis, assessment of outcome and impact indicator values, analysis of net effects,

thematic issues, including sub-programmes, cross-cutting issues, contribution of CLLD strategies and territorial development initiatives. These are only preliminary views and the Managing Authority will commission a scoping study to identify more comprehensive options for evaluation, their feasibility, duration/phasing and costs.

2. Evaluation design and activities

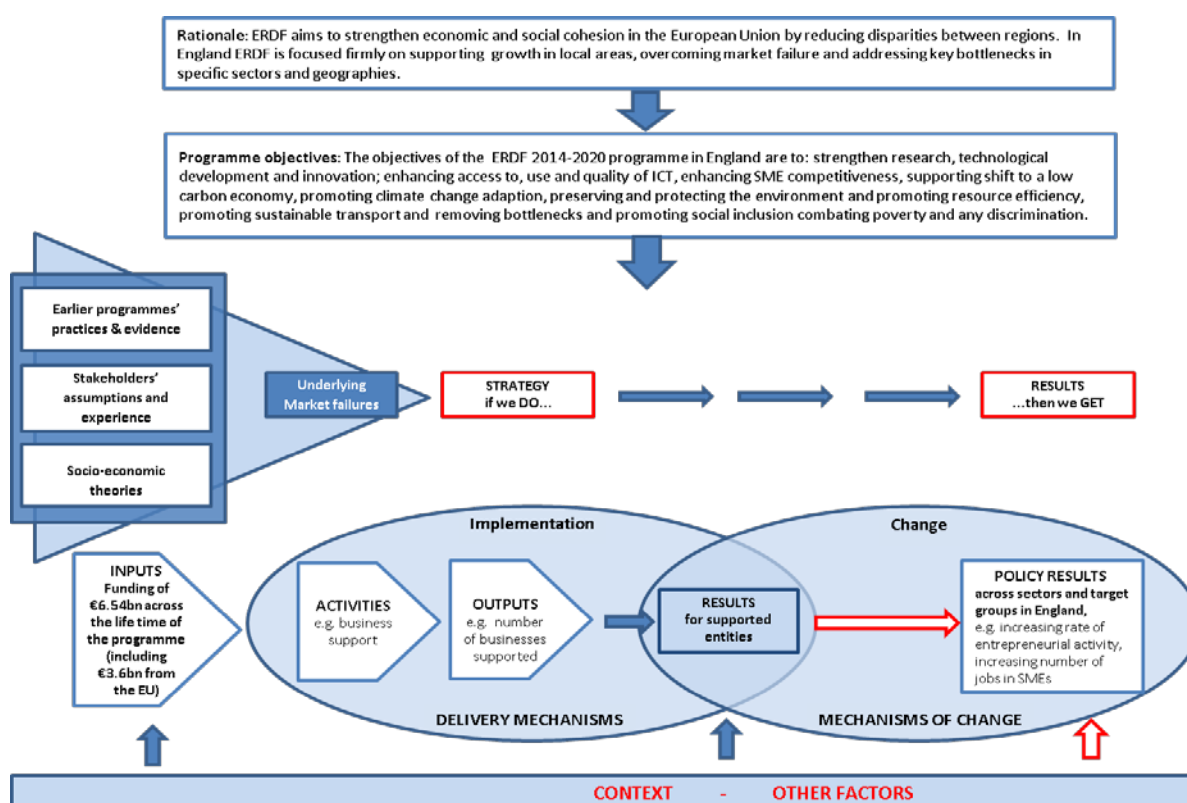
2.1 Evaluation is an objective process of understanding how a policy, strategy or other intervention was implemented, what effects it had, for whom, how and why. The ERDF 2014-2020 evaluation will do this through using 1) a process evaluation and 2) both theory-based and counterfactual impact evaluation¹. The evaluation will assist in demonstrating how the operational programme is delivering on its priorities and objectives, demonstrate accountability, and provide defensible evidence to independent scrutiny from Government, partners, the EC and other interested parties. This evaluation will also contribute valuable knowledge to the local economic growth policy evidence base, feeding into future policy development and occupying a crucial role in the policy cycle.

2.2 To this end, and to ensure clarity regarding what the programme aims to achieve, how it will go about meeting its aims, and the impacts it expects to see as a result, a logic model has been developed. This is a key tool in evaluation to help inform the design and definition of the data that needs to be collected to help us understand what the actual practice and experience of the programme was following implementation (rather than what was expected or intended, which forms part of appraisal). The intervention logic model is shown at **figure 1** below.

2.3 As stated above, in order to understand both the delivery and impacts of the ERDF 2014-2020 programme, both a national process and impact evaluation is proposed. The advantage of this approach is that if impacts are identified, we can better relate them to delivery mechanisms and where impacts are not necessarily seen, a logical assessment can be made of whether it is the policy, strategy or operational programme that has failed to deliver as intended, or that its implementation has failed.

¹ For more information please see European Commission Guidance Document on Evaluation, Terms of Reference for Impact Evaluations Guidance on Quality Management of External Evaluations Plans, February 2015, http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/evaluation_plan_guidance_en.pdf

Figure 1: Logic model ERDF²



Process evaluation

2.4 The process evaluation primarily aims to help us understand **the process of how the operational programme has been implemented and delivered, and identify factors that have helped or hindered its effectiveness.** It will seek to generate a detailed description of the priority interventions delivered, who provides them, what form they take, how they are delivered and how they are experienced by the participants and those who deliver them. This will provide an in-depth understanding of the decisions, choices and judgments involved at various stages of programme delivery, how and why they are made and what shapes them.

2.5 Research questions for the process evaluation

- How was the programme delivered?
- In what context was the programme delivered?
- What did participants and staff feel worked in delivering the programme, why and how?
- What did they feel worked less well in delivering the programme, and why?
- Was the policy implemented “on the ground” in the way it had been planned? (e.g. what were the “take up”, compliance and unintended consequences)
- Did the programme meet its targets for inputs and outputs? (to establish the need to investigate causes of any difference between expectation and delivery.)
- Was the logic model (set out above) linking policy and outcomes supported in the delivery?

² The diagram is adapted from one prepared by the European Policies Research Centre at the University of Strathclyde

- How effective were risk management strategies in anticipating and mitigating risks?
- Did delivery meet budgetary expectations when rolled out, or were there unforeseen issues and hidden costs?
- How might the programme be refined or improved?

2.6 The process evaluation will use a range of both quantitative and qualitative data to help answer the key research questions outlined above. These will take the form of descriptive statistics, which are collected as part of the Operational Programme's set of performance indicators, aggregation of individual projects summative assessments of their own performance and an in-depth description of their delivery and a beneficiary survey to help inform the impact evaluation.

2.7 Further consideration is required as to the most suitable unit of analysis. Using ERDF nomenclature:

- The applicant - The organisations/ individuals responding to calls for projects, only some of which will be successful.
- The grant recipient/ beneficiary - The organisation that has been awarded funding to take forward a project.
- The final recipient – The business/ individual/ organisation benefiting from the project.

2.8 While more information is available for grant recipients/beneficiaries, impact evaluation should ideally be conducted at the level of the final recipients who benefit from the ERDF funded projects. In the following proposed elements of the evaluation design, further thought needs to be given to the most appropriate unit of analysis, and the feasibility of evaluation at this level. For example, noting the difficulties in evaluating unsuccessful applicants, or identifying all of the final recipients, surmounting challenges of collecting sufficient contact details (and confidentiality concerns) and response rates.

2.9 The following design elements have **not** been revised in line with this nomenclature.

I. Indicators

2.10 The output indicators for monitoring the ERDF 2014-2020 operational programme are set out for each investment priority in the priority axes in the programme. A subset of these was selected for the performance framework for each priority axis. The indicators are based on a set of common core indicators as provided in the EU Regulations and additional programme-specific indicators. Each project and scheme will have selected relevant indicators from the investment priority under each Priority Axes from which they are funded. All projects will also have a profile of expected delivery which will include both expenditure and output indicators; a tolerance for each area will be applied and automatic warnings issued if the tolerance is breached.

2.11 The DCLG will use the indicators selected by the projects / schemes to monitor their performance and progress. The project / scheme level indicator data will also be aggregated up to priority and programme level to allow us to monitor the performance of the Priority Axes and associated Investment Priorities and the overall programmes. The data obtained from these indicators will primarily relate to the 'inputs' and 'outputs' as

outlined in the logic model above and will help elucidate some of the process evaluation research questions.

2.12 It is important to note that, whilst the term 'result' implies an attribution of the 'results' to the Operational Programmes, it is usually not possible to conclude that the ERDF has 'resulted in' these effects on the basis of monitoring alone. "Results" for ERDF will be measured from external sources as set out in the Operational Programme. Evaluation will however be necessary to assess the contribution ERDF made to these results, which is difficult because of the relatively small size of ERDF in England and external factors. Because of this, impact evaluation involving control groups is usually necessary to estimate what would have happened without the project or programme (i.e. the 'counterfactual') and compare differences in outputs, outcomes and impacts.

II. Summative assessments (case study)

2.13 In addition to the output indicators which projects/schemes will be collating data against and reporting to DCLG on, there is a requirement for each individual project/scheme to undertake their own summative assessment of their project. Final summative assessments reports will inform DCLG's national *process* evaluation. They will, where feasible, also inform the national *impact* evaluation, noting: 1) that at the project level they may not be able to collate the volume of data necessary to enable them to have statistical power to undertake any meaningful inferential analysis; and 2) that a counterfactual would be necessary to make any formal assessment of impact. However, the data collected through the summative assessments will clearly feed into the *impact* evaluation.

2.14 As a result of the above, DCLG will issue central guidance regarding its requirements for the project level summative assessments which aims to build on the output indicator data collected and enable it to answer some more of the research questions about local level delivery in a consistent and reliable way. It is very likely that these summative assessments will involve the following requirements to understand the processes and activities of each project. They should involve the specification of a project/scheme level logic model and assessment of performance against the Logic Model through:

- Interrogation of administrative files
- Observation
- Interviews with staff and managers
- Interviews with beneficiaries

2.15 Projects can commission or undertake these themselves and the requirement for these is being built into the standard Grant Funding Agreement. It is worth noting that, as DCLG will have a summative assessment of every project/scheme that has received funding, this will form a census. Each project will complete contracted activity at different times and this will need to be factored into how information produced is used in relation to process and impact evaluations.

2.16 The advantage of these summative assessments is that they will allow, to a certain degree, aggregation of findings across the priority axes to enable reporting to the GPB and EC on tentative findings throughout the ERDF programme life cycle. All necessary caveats regarding the interpretation of these iterative indicative findings would of course be applied. The budget for the national evaluation does not include the cost of the summative

assessments of projects which will be funded and undertaken locally from project costs. However, outputs from these will feed into the national evaluation.

2.17 A significant development is the requirement that each project produces a logic model, which has been added to each project's funding agreement. These models will provide a useful framework in defining the aims and objectives of each project and how they will be met, by breaking the process into steps: objectives, rationale for the intervention, inputs, activities, outputs, intended outcomes, and intended impacts (as well as unintended impacts). They are therefore fundamental to projects in developing their summative assessments, since they provide a road map for measuring progress.

2.18 Guidance will also be issued on the summative assessments in phases, with a template tailored to each Priority Axis. The guidance will be developed over time to maximise the value of the assessments and ability to support both the process and impact evaluations, drawing on the expertise of the appointed evaluator and on-going input of the Evaluation Network. But the aim is to ensure projects:

- are sufficiently aware of the requirement
- establish processes for collecting data and self-assessment, including the collection of baselines, in a timely manner

2.19 The First Phase Summative Assessment Guidance will be issued in March 2016. It will ensure projects know what it is they have to deliver by completion of the project, that they have clearly formulated objectives, and are now establishing evidence to be used in the assessment of the impact of the project.

2.20 The First Phase guidance will cover the requirement for logic models, with examples tailored to each Priority Axis, and there will be associated webinars in April. Logic models can identify early warnings where delivery is off course, unintended consequences or risks, and the involvement of project members in the exercise embeds the sense of purpose and understanding of the project.

2.21 The Department will work with the Evaluation Policy Group to review the logic models submitted and will use information obtained in this review to inform subsequent guidance concerning the establishment of project performance baselines and monitoring.

III. Beneficiary and non-beneficiary survey

2.22 The national process evaluation can be supplemented by a beneficiary and non-beneficiary (project/scheme) survey. The aim of the survey is to 1) fill the gaps in evidence that remain at both the national level and also the investment priority level and 2) to gather equivalent information from the non-beneficiaries identified as the counterfactual(s) for the impact evaluation. Additional beneficiary data that is collected will not replicate data that is collected elsewhere, but work to enhance/fill gaps in data.

2.23 One of the key areas where a beneficiary and non-beneficiary survey will prove useful is through the collection of data on funding streams. For the purposes of the impact evaluation, this survey will help DCLG to map and understand what additional funding streams its counterfactual may have benefitted from (enabling analysts to control for these impacts in analysis if possible) as well as the ERDF Operational Programme. Understanding what other

factors may have contributed to or undermined our and our counterfactual's impacts is a core requirement for attributing cause and effect and measuring the additionality of the ERDF.

2.24 It is likely that some surveys will make a useful contribution to the national process and impact evaluations but, given their cost, they should be used judiciously according to their feasibility and value-add. Beneficiaries fall into two groups: those which sought to benefit from a project but were refused, and those which did not seek any project support. But surveys of non-beneficiaries may not be recommended, when one takes into account challenges in the ability to identify non-beneficiaries, differences in their characteristics to beneficiaries, and often the absence of incentives to participate. But they may add to understanding the effectiveness of Programme delivery processes, or the context for displacement and spill over effects.

Impact evaluation

2.25 The process evaluation will be supplemented with an **impact evaluation which will be structured and delivered to assist in the attribution of outcomes and impacts identified (through the defined results as well as other measures) to the ERDF 2014-20 operational programme** itself. Fundamentally, this involves:

- determining whether something has happened (outcome); and
- determining whether the policy was responsible (attribution).

2.26 For the first condition to be met, reliable and valid data on the outcomes and impacts we expect to see (as set out in a logic model) need to be collated before and after implementation and secondly, the same set of data needs to be available for comparative purposes from a suitable 'counterfactual' group where all conditions other than the presence of intervention are the same. This is to enable DCLG to understand whether any observed impacts would have occurred in the absence of the operational programme, or, in other words, that they are 'additional'.

2.27 It is worth noting at this stage that there are some particular challenges to this impact evaluation. A first challenge relates to the diversity of activities and expenditure funded through ERDF. These include support for business development, funding of research and development (R&D), energy efficiency projects and green infrastructure. There are also a number of 'hybrid' interventions that do not fit into one type of intervention. The diversity of the ERDF projects and programmes suggests the use of a mix of methods.

2.28 The second is challenges in separate (sub-group) analysis of each ERDF Priority Axis and geographic reviews in relation to the three Categories of Region in the ERDF Operational Programme and within and across LEP areas. This is desired due to the mix of investments and deliberate emphases on complementarity across Priority Axes and geographic flexibility in the England Operational Programme. It is acknowledged that this is dependent on having sufficient statistical power to identify outcomes and impacts between and within Priority Axes and geographic areas.. However, we aim to run the analysis, whilst being aware of the issues and will apply caveats as necessary when presenting this data.

2.29 The research questions for the impact evaluation

- Is there a difference in outcomes on each of the priority axes pre and post implementation of the ERDF programme?

- Is there a difference in outcomes for the priority axes between the operational programme group and control group?
- Can the difference in any of our outcomes be reliably attributed to the ERDF Operational Programme?
- Did the Operational Programme achieve its stated Specific Objectives?
- Which aspects of the programme (from process evaluation) seem to have led to an observed outcome?
- Did any changes in outcomes vary across different individuals, stakeholders, sections of society (sub groups), Categories of Region (including at LEP area level) and if so, how did they compare with what was anticipated?
- Did any outcomes occur which were not originally intended, and if so, what and how significant were they?

2.30 As stated above, the two key components of the impact evaluation are the aggregation of reliable data on the outcomes and impacts of the ERDF operational programme and the creation of a (or series of) suitable comparison groups to form our counterfactual for the programme. Outlined below are the details of the proposals for the creation of the counterfactuals and the process for obtaining the objectives and reliable data on outcomes for the programme.

Counterfactual(s)

2.31 **Figure 2** below illustrates the proposed matching approach for the ERDF Operational Programme beneficiaries using the Office for National Statistics (ONS) Business Structures Database (BSD), a national firm level database. The match pool is the population of projects/schemes from which comparators are selected. Two match pools could be used in this evaluation. The first is all businesses in the BSD. An alternative pool used in the study consists of the rejected applicants for ERDF 2014-20 funding. Using unsuccessful applicants may have some qualitative advantages. Unsuccessful businesses are similar to those that won support in the important aspect that they share the motivation to apply for funding.

2.32 Another level at which analysis can be done is for applicants, ie projects, and comparing successful applicants with unsuccessful applicants. This may have some qualitative advantages. Unsuccessful businesses are similar to those that won support in the important aspect that they share the motivation to apply for funding. However, there may also be disadvantages to this match pool; rejection may correlate with unsuitability to be in the control. Also, it is argued that the unit of analysis for understanding the impact of the programme should be the final recipients e.g. SMEs benefiting from the projects (where this is appropriate according to the objectives of each Priority Axis). But the approach may be useful as part of the process evaluation.

2.33 DCLG is seeking to identify sources of data for beneficiaries and their match controls that are relevant to each Priority Axis. The evaluation Plan has set out a proposed matching approach for beneficiaries of the Operational Programme, using the ONS Business Structures Database (see below), and is exploring other registers. But it is noted that such data sets would not be the full set required. For example, data on employees and turnover is helpful but will not be sufficient to fully understand the impacts of PA 3 on increasing the competitiveness of SMEs. The ability to add data on patents would support impact evaluation of PA 1 on promoting research and innovation.

2.34 Notwithstanding the practical challenges entailed in working with such registers, identifying beneficiaries and matching with non-beneficiaries, the method offers a relatively inexpensive means of providing for a minimum level of impact assessment – at the very least, to observe increases in turnover and employees. DCLG is exploring the availability of other registers which may be useful and support a wider set of Priority Axes with other departments including BIS, Defra and DECC.

2.35 The work of BIS in establishing **Joined up Business Information Database** with ONS is highly relevant, and could lead to the addition of data on productivity through linkage with HMRC data on GVA. It is also likely to result in a better understanding of the data contained in the database, which will support more valid analysis and conclusions. BIS ambitions may also allow for identification of **businesses in receipt of support across a range of programmes** – and DCLG would seek to incorporate ERDF recipients into such a database.

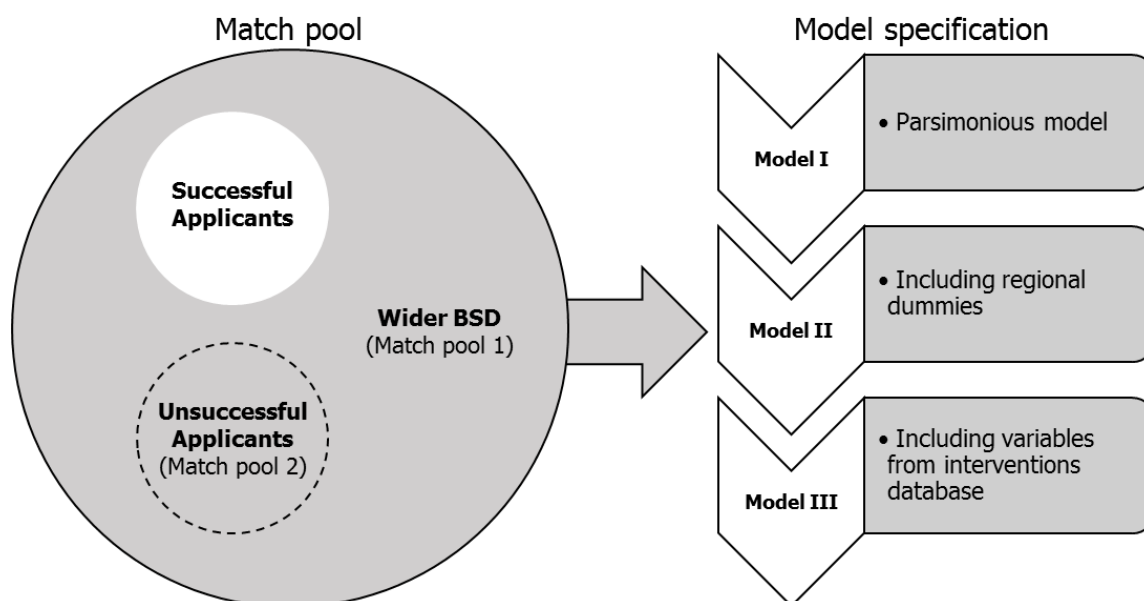
2.36 The resulting database would be a resource that can facilitate both process evaluation (eg looking at the penetration of these programmes including ERDF in a local area) and understanding impact. Since some of the outcomes of ERDF project interventions will take time to materialise, the ability to track impacts over a longer timescale than set out for this evaluation will also be useful.

2.37 Integration of the ERDF evaluation with other, related evaluations across Whitehall, also offers the potential to widen the data available for comparisons between beneficiaries and non-beneficiaries, and to add to the wider evidence base – beyond ERDF alone – on what works. The BIS Growth Accelerator Programme was linked to ERDF recipients, and the Business Growth Service will potentially provide for evaluation of ERDF participants.

2.38 The right-hand side of **figure 2** describes how statistical matching could be used to identify comparable businesses. Comparability is optimised using a range of characteristics such as size, age, industry and location. A key advantage to matching would be the use of historical data about whether the businesses benefitted from non-ERDF government support, such as from Innovate UK or UK Trade and Investment. This data, if known, could be used to qualify the statistical matching by addressing the problem of selection bias on characteristics largely unobservable in prior business support evaluations.

2.39 The preferred control group uses businesses similar to the beneficiaries taken from the unsuccessful applicants but this depends upon there being sufficient comparable businesses among the unsuccessful applicants. The preferred matching model (i.e. the variables on which businesses are compared) uses key characteristics (related to size, age, industry and location) and also the use of non-ERDF, government support.

Figure 2: Structure of theoretical matched pool for the ERDF programme



N.B Regional Growth Fund (RGF) model

2.40 This impact evaluation proposes the use of different control groups to test whether the *impacts* created in supported projects/scheme are additional. Matching to a control group seeks to replicate the selection processes that determine whether project/schemes benefit. It initially uses pre-treatment characteristics of the project/scheme, such as size, industry and location. As the matching takes into account the history of individual project/schemes' use of government support, the control groups could look more like the ERDF beneficiaries in their outcomes and the measured treatment effect is reduced. This begins to quantify the extent to which outcomes (e.g. jobs created) are additional. The matching process varies across two dimensions: the *match pool* (i.e. are matches derived from the wider BSD, or just the group of applicants) and the *model specification* (which variables are included in matching).

2.41 Another control group for consideration involves assessing gross impacts by using areas within concentric rings of increasing distance from the subject sites as comparators, including within the analysis as controls other potential variables which might contribute to observed performance differences. This would enable an assessment of displacement to the ERDF schemes/projects. It would require data linking via the [BSD Virtual Micro data Library](#) to explore the extent to which ERDF project/scheme occupiers are new firms or relocations and, if the latter, whether the relocation involved growth – helping to inform an assessment of how far the identified gross effects involve local displacement.

Outcomes

2.42 The output metrics identified within this document form a key element of the evidence base necessary for evaluation of the Operational Programme. Projects will be required to submit supplementary data during the life cycle of the ERDF Operational Programme through, for example, the summative assessments and the beneficiary and non-beneficiary survey. This data will need to be collated and linked in various ways to additional administrative datasets to provide a comprehensive picture of the impact of the programme.

2.28 Priority Axis 3 equates to the largest ERDF programme spend (just over 40% of the programme budget), particularly in areas with low levels of enterprise activity and amongst under-represented groups. The ONS BSD tracks the employment of all UK businesses that are economically active. By using the Companies Reference Number, this will enable an objective estimate of the employment impacts of the programme to be built into the evaluation. This involves a selected matched comparison group to compare employment change impacts in ERDF-funded businesses to non-funded businesses.

2.29 A first part of any evaluation will involve preparing and linking various official micro datasets. This approach utilises business identifiers to link the businesses benefitting from ERDF funding to administrative data covering the number of employees. This allows employment performance to be tracked using firm-level data. As UK business registers are comprehensive, most businesses can be identified and linked in this manner.

2.30 The requirements for Priority Axis 3 can primarily be met from the above; however, the BSD is unlikely to be suitable for all the priority axes. Some further mapping is required to assess this. It might be that we would need to find other reliable data sources for some of our investment priorities, and this might be an area we revert to as part of the beneficiary and non-beneficiary survey as outlined above if there is a data gap. It will be for the initial scoping exercise to identify potential alternative data sources and set out their suitability for the national evaluation.

Impacts

2.31 The proposed approach for measuring impact compares the performance of supported schemes/projects with samples of non-supported schemes/projects that are as comparable as possible to those that received ERDF funding. The “gold standard” for identifying comparable schemes/projects is a randomised control trial (RCT). This involves random allocation of eligible ERDF projects to schemes to be either funded (treatment) or not funded (control group). Random allocation implies the beneficiaries and the control group, on average, share similar characteristics and any difference in impact observed between the two can be ascribed to the intervention.

2.32 Here, a quasi-experimental approach is proposed because all ERDF applicants were accepted or rejected on the basis of how well they met the Fund’s objectives and value for money criteria. This study proposes an approach to identifying comparable non-beneficiaries using statistical matching techniques to help find businesses that appear as if, had they applied for ERDF funding, they would have been selected. The increase in jobs seen in the beneficiary businesses can then be adjusted for any change seen in the control group. Adjusting employment impacts in this way allows for the possibility of “deadweight” associated with an intervention rather than displacement or other aspects of additionality. So the term “additional” used refers to impacts net of deadweight. For this to be accurate, the comparable businesses have to be selected carefully.

Economic Growth

2.33 As stated above, the largest proportion of ERDF spend is likely to take place in areas with low levels of enterprise activity and amongst under-represented groups. Here, we commit to using the Companies Reference Number to enable data linking for an objective

estimate of the employment impacts of the programme to be identified and compared and contrasted with the following groups;

- Areas that applied for ERDF funding and were unsuccessful (to measure differences in impacts – measure deadweight/additionality)
- Areas in concentric circles out from ERDF areas (to measure changes in impacts – displacement/deadweight)
- All businesses/areas (to measure difference in impacts –additionality/ deadweight)

Wellbeing

2.34 Wellbeing is proposed as an additional long term impact measure across local growth programmes, which is consistent with the What Works Centres advice for longer term evaluations. It is proposed here, to support the promotion of higher levels of planned growth, led at local level, and to understand further and explore the assertion that growth is harmful to local communities and has adverse impacts on wellbeing and quality of life. It provides the opportunity to explore additional social impacts, above and beyond economic impacts, which we might not always be able to demonstrate and can help validate the findings from the economic impact analysis. This analysis aims to provide a more holistic picture of the success of the programme in addition to the financial benefits, as this is something the previous 2007-2013 programme fell short of.

2.35 The UK ONS collects data on wellbeing by area and analysis which compares our ERDF sample areas, pre and post intervention with the above three comparison groups identified above (unsuccessful ERDF applicants, nearest neighbours in concentric circles out and all other areas) to explore changes over time in wellbeing. We hope that this approach will set England out as innovative in our approach to undertaking impact evaluation on spatial growth programmes, which others can learn from.

3. Data and information

3.1 Datasets created for the ERDF Operational Programme are critical because they provide a sampling frame for evaluations and can be used to link to other datasets to obtain further information on the outcomes of the ERDF. The content of these datasets will be outlined in monitoring guidance for projects.

3.2 Access to these datasets will be strictly controlled to be in compliance with the UK Data Protection Act. Access to monitoring data will be restricted to key staff and an audit trail of their access to data will be maintained. Datasets consisting of data fields relevant for analytical purposes will be securely shared with evaluation contractors. Anonymised data will be shared with contractors where this is sufficient e.g. where beneficiary surveys are not taking place.

3.3 In addition to the data beneficiaries are required to submit to the Managing Authority, they will also be encouraged to collect additional data that will assist with scheme management and evaluation, including sufficient baseline data to enable schemes to robustly track progress for their final recipients.

4. Risk Assessment

4.1 The risks to the success of the project, identified impacts and contingency plans set out below in **table 1** are based on the Managing Authority contracting out the evaluation and project managing its delivery.

Table 1.

Risk	Level of risk	Potential impact on project	Measures to minimise the risk
General: Illness of key personnel or staff leaving	Low / medium	Low / medium	Contractors will be required to ensure a large project team to ensure the impact of anyone leaving would be very short term. Multiple senior staff should ensure continuity at the head of the Project Team.
General: Data corruption through viruses, etc.	Low	Medium	Full back-up in data handling and storage; daily system virus checks.
Defining Impacts: Delays caused by disagreement on definition	Low	Low	Mature definitions of impact will be requested for adoption as part of the evaluation.
Database and preparatory work: Delays caused by inter-agency data sharing, data quality and disagreements on definition	Medium	Low	Arrangements to mitigate this risk to be requested as part of tender documentation and arrangements set up at project inception.
Delays caused by issue data linking and data quality	Low	Medium	Contractors will need to demonstrate a proven record of using linked business data. Layered quality assurance process to identify and correct methodological issues. Alternative survey-base and case-study approaches to provide evaluative evidence and triangulate results.
Case study Fieldwork/Fieldwork planning: Issues scheduling interviews	Medium	Low / Medium	Use appropriate scheduling tool (such as online calendar). Use flexibility afforded by having different organisations and interview methods (face-to-face or phone). Anticipate that sampling approach will allow for appropriate substitutes.
Beneficiary Survey: Lack of contact details	Low / medium	Medium	
Survey: Delays to the start of fieldwork	Medium	Low	flexible in our scripting approach, such that as soon as the questionnaire is finalised, scripting work can commence.

Survey: Achieving a lower than expected response rate	Low / medium	Medium	<p>Advance letter; ERDF communication with programmes regarding their own evaluation; use of highly experienced interviewers with learning and skills experience; detailed survey briefing; reassurance emails; flexibility of interview times; monitoring of each individual interviewer's achievement rates to identify (and rectify) below-average performers.</p> <p>Among unsuccessful applicants we anticipate a lower response rate due to a less engaged audience. Nevertheless the target is relatively low compared to the successful beneficiaries survey.</p>
Survey: Concurrent programme evaluations	Medium	Low / medium	DCLG will communicate with each programme in advance of the survey informing them of our own evaluation. Contractors will be informed which programmes are running their own evaluations and when these are likely to occur, so we can manage the fieldwork process accordingly to ensure beneficiaries are not overburdened with research studies.
Survey: Not completing the fieldwork on time	Low / medium	Low / medium	Fieldwork resource should be flexible, with the option to increase if required. Progress to be monitored on a daily basis and extra interviewers will be added to the project if it starts to fall behind.
Loss of data / data protection violation	Low	High	Contractors to confirm ISO accreditation and provide assurances that staff are trained in the data handling and data transfer protocols (e.g. sample files or data files being password encrypted).

5. Governance and coordination

5.1 The Managing Authority on behalf of the English Government will be responsible for the functioning and governance of the ERDF Operational Programme. It will be overseen by a policy team, working closely with their analysts to ensure a cohesive programme of performance monitoring and evaluation. In terms of monitoring, the Managing Authority will ensure secure electronic information system (through its IT suppliers), provide the EC with relevant indicator data, assemble the Annual Implementation Reports (AIR) and provide the following governance and reporting groups with the information and documents necessary to monitor progress.

5.2 The Analysis and Data Directorate (ADD) regularly engage and share best practice with various research, monitoring and evaluation networks at European Commission (EC) and UK Government level. ADD is a multi-disciplinary group, which includes social researchers, who are members of Government Social Research (GSR), the professional

body for social researchers working across the UK government and who have led on the development of this evaluation plan.

5.3 A social researcher in ADD is responsible for compiling the ERDF Operational Programme Evaluation Plan and ensuring it is consistent with the Monitoring and Evaluation System. The social researcher is supported by an economist, who is a member of the Government Economic Service (GES), the professional body for economists working across UK Government. In the 2014-2020 programming period, the ERDF contribution to each of the Result Indicators at Specific Objective and Investment Priority level will be evaluated at least once, as part of sub group analysis and reported, with the necessary caveats throughout the proposed process and impact evaluation.

5.4 The Managing Authority will provide the secretariat for the Evaluation Policy Group and Evaluation National Sub-Committee, manage evaluation tenders, coordinate data collection, project manage contractors, facilitate cooperation amongst stakeholders and ensure capacity building of stakeholders. The team will also take responsibility for communicating evaluation results to stakeholders and the wider public in an accessible format.

5.5 The Social Researcher in ADD will work closely with policy and delivery leads for the ERDF in the Managing Authority to ensure that linkages between Programme implementation and evaluation are maintained. This will ensure that evaluation findings and recommendations are reviewed at a strategic Programme management level. The Managing Authority will keep a log of all evaluation recommendations and the Managing Authority's responses to ensure that there is a clear mechanism to follow up evaluation recommendations.

Evaluation Policy Group (EPG)

5.6 The existing ERDF Evaluation Policy Group will remain in operation for the duration of the 2014-2020 to continue to advise on monitoring and evaluation arrangements. This group has been in existence throughout the 2014-20 programming period and comprises of local DCLG teams who can advise on what practice on the ground looks like, to ensure plans are feasible and deliverable.

Evaluation National Sub-Committee (ENSC)

5.7 The sub-committee consists of the range of Departments within England who have a stake in the research, as well as independent academic experts on evaluation, local economic growth and 'what works'. The ESI Funds Managing Authorities within the England ESI Funds Growth Programme, i.e. the Department for Work and Pensions and the Department for the Environment, Food and Rural Affairs, will input ongoing.

5.8 The Group will have distinct formal responsibilities for ERDF in England and voluntary-level engagement as appropriate between ESI Funds MAs in England and across the UK. For the ERDF in England, the ESG will provide advice on the project management of the Evaluation Plan, input to quality control of the research final reports and ensure that findings are reliable, credible and disseminated widely. This includes feeding back lessons into wider economic growth evaluations and strategy, policy and delivery.

In addition, either through this forum or a separate body, Devolved Administrations will be invited to share the development and implementation of respective ESI Funds Evaluation Plans. Similarly, BIS will be invited to engage to support its role at UK-level. In this way, progress and best practice will be promoted and supported at Member State level.

The Managing Authority will also actively participate in the REGIO Evaluation Network

Growth Programme Board (GPB)

5.9 The GPB will receive regular reports providing updates on ongoing evaluation activities. The GPB will also receive presentations on the key findings and recommendations arising from completed evaluations. As far as possible, Strategic Environmental Assessment (SEA) monitoring of significant effects will be integrated into the monitoring of the implementation of the ERDF Operational Programme and the reporting mechanisms.

5.10 In accordance with art. 55 CPR evaluations will be sent to the GPB, who will be informed of evaluation findings and recommendations on an ongoing basis to facilitate Operational Programme management.

Structural Funds Programme Board

5.11 The Structural Funds Programme Board has oversight for the ERDF programme. The Board consists of senior civil servants from DCLG, BIS and DWP. The Board acts as a strategic forum to consider issues relevant to the successful delivery of the programmes, by monitoring and considering progress against critical milestones; advising the Accounting Officer as to any corrective measures that are necessary. As such will be kept up to date on progress against the evaluation plan and take decisions as required.

Beneficiaries

5.12 Beneficiaries of ERDF are directly involved in the monitoring and evaluation process as stakeholders through the provision of information necessary for the Managing Authority's Governance and Oversight of delivery of the Programme.

Evaluators

5.13 ERDF Operational Programme evaluators will be functionally independent of the authorities responsible for Programme implementation, i.e. the Managing Authority and designated Intermediate Bodies. The evaluation will involve the contracting of evaluators who are demonstrably functionally independent of DCLG. This is likely to be at an estimated cost of around 0.1% of the programme budget with half of the cost being met by DCLG.

6. Lessons learned for this evaluation plan

6.1 The DCLG is in a much stronger position than at the outset of the previous ERDF programme, in that it can build on the lessons learnt from various local growth evaluations and the What Works Centres to clearly define our requirements at the outset, *based on what we know is and is not feasible*. This includes building in data collection requirements, access agreements and quality assurance conditions into grants and designing this evaluation in such a way to ensure we commission the best external evaluators to undertake the work by bringing in experts at each stage.

ERDF 2007-13

6.2 In 2007, the Regional Development Agencies (RDAs) led on this work and each Operational Programme had its own Evaluation Strategy. A key obstacle to effective evaluation in the regional 2007-13 ERDF Operational Programmes was a lack of coordination across them and consistency in application of evaluation approaches and activities (despite their all working to a common RDA framework). For the 2014-20 programming period there is only one England Operational Programme: this means that a national evaluation approach is positively enabled. We can therefore benefit from improved consistency and coherence against a framework of territorial sensitivity and localisation, across England's 39 Local Enterprise Partnership areas, and thematic coherence across the inter-dependent Priority Axes – which, particularly, make possible the standardised parameters for measuring the outcomes and impacts of the programme.

Regional Growth Fund (RGF) evaluation

6.3 The Regional Growth Fund three year evaluation is underway and includes the key factors necessary for undertaking robust local economic growth impact evaluations. For example, the design of this research has included a test bed for the creation of comparison groups or counterfactuals that we can learn from for the ERDF 2014-2020 evaluation. It has also involved preparing and linking various official micro datasets to evaluate economic impact. The approach uses business identifiers to link the businesses benefitting from RGF to administrative data covering, for example, the number of employees and turnover. This has allowed employment performance to be tracked using firm-level data. As UK business registers are comprehensive, most businesses can be identified and linked in this manner, although not all.

6.4 For the purposes of analysis, three main datasets have been linked: the ONS Business Structures Database (BSD), RGF Management Information and administrative data about other government business support programmes. These main datasets have been supplemented by data on regional characteristics from ONS sources to enable analysis of economic impacts. A similar approach is proposed for the creation of the ERDF counterfactuals where appropriate.

Growth Deals Scoping paper

6.5 Data linking being undertaken by the RGF is dependent on obtaining Company Reference Numbers (CRN) from firms. This was a key recommendation from the Growth Deals evaluation scoping paper, to facilitate both the creation of the counterfactual group, where the local economic growth intervention was not taking place, and to enable reliable data linking to explore the relationship between intervention to outputs, outcomes and impacts. This approach will be followed for ERDF.

What Works Centres on Local Growth and Wellbeing

6.6 All of the lessons learnt from previous evaluations as set out above and the approach for evaluating the ERDF 2014-20 programme is consistent with the advice from the What Works Centres on Local Economic Growth and Wellbeing. Wellbeing, in particular, is proposed as an additional long term impact measure for the ERDF programme. To this end, the collection

of CRN numbers has been built into the ERDF indicators data collection process. It is also something DCLG is building in to the monitoring requirements of other local programmes, for example the revision of monitoring metrics for Enterprise Zones. The benefits of including a measure of wellbeing are; that they provide an additional measure of social policy impacts, above and beyond the economic which can make a real difference to people's lives.

7. Reporting

7.1 The Managing Authority will produce a number of monitoring reports to stakeholders on the progress of the programme. The main group of stakeholders for the programme will be the Growth Programme Board (the ERDF and ESF PMC), the Evaluation Policy Group and the Evaluation National Sub-Committee. The Managing Authority Team will produce detailed programme monitoring reports at each meeting of the GPB to assist it in reviewing the progress of the Programmes. These will build on the reports used for PMCs in the 2007-2013 period which outlined progress based on data for the indicators, finance, project approval and pipeline and a qualitative account of issues in implementation.

7.2 The other major stakeholder for the Programme will be the European Commission (EC). The main monitoring tool for the EC is the *Annual Implementation Report* (AIR). The EC requires Member States to submit AIRs for each Operational Programme. The first AIR is due in 2016 and will cover 2014 and 2015 (art. 111(1), CPR regulation).

7.3 The AIRs will report on the implementation of the programme based on the indicators (including the result indicators) and financial data and will highlight any issues affecting the performance of the programme (art. 50(2), CPR regulation). In addition, the AIRs will contain a synthesis of the findings of all evaluations of the programme completed during the previous financial year (art. 50(2), CPR regulation). Beginning with the report submitted in 2017, the AIRs will also contain information on progress against the milestones defined in the performance framework (art. 50(2), CPR regulation). The AIR submitted in 2017 will also: assess progress towards achieving the objectives of the programme, including the contribution of the programme towards the change of result indicators, when evidence from evaluations is available; and assess the implementation of actions to take into account the principles set out in Articles 7 and 8, and the role of the partners referred to in Article 5 in the implementation of the programme; and report on support used for climate change targets (art. 50(3), CPR regulation). The AIR submitted in 2019 and the Final Implementation Report (FIR) will contain all the above as well as an assessment of progress towards achieving the objectives of the programme and their contribution the EU2020 Strategy (art. 50(4), CPR regulation).

7.4 The deadline for submitting the AIRs (apart from those submitted in 2017 and 2019) is 31 May (art.111.1 EU regulation 1303/2013). As well as the reports for the GPB and the AIRs, the Managing Authority will also produce monitoring reports as appropriate to be used within England by local and national ESIF subcommittees that have been set up to review particular aspects of programme implementation, whether geographic or thematic.

7.5 As part of its reporting function the Managing Authority will produce the monitoring data required to report against the *performance framework*. The Partnership Agreement sets out how the Managing Authorities will work together to ensure consistency of data and DCLG as the England Managing Authority for ERDF will be actively involved in this work.

8. Timeline

8.1 Monitoring and evaluation is scheduled to take place throughout the lifetime of the programme period. It will be for the Scoping Exercise to provide proposals on the individual evaluations that will take place under the main evaluation contract and when it is best to carry them out. At this stage only a limited timeline can be set out; key dates are shown in **table 2**.

Table 2.

Key Deliverable	Date	Comments
Scoping Study and Summative Assessment Baseline Project	End 2016 for Scoping	The main outputs of the scoping study will be: <ul style="list-style-type: none"> • identify cost-effective and feasible options for the design of the national evaluation; and • support the implementation of the summative assessments by: <ul style="list-style-type: none"> ○ identifying base line data that will both support projects in carrying out effective evaluation of their own work but also provide an evidence base to support the national evaluations; and ○ providing training and support to Growth Development Teams who will in turn be supporting the projects (this element will extend into 2017 as required).
Annual Implementation Report	Annually 2016-2023	EU Reporting Requirements: <ul style="list-style-type: none"> • Assessment of programme take up and efficiency of programme outputs.
Initial Programme Process Evaluation	Mid 2017	An early review of the Programme's business processes to allow sufficient time to make any required changes to those processes and for them to have an impact during this programming period.
Enhanced Annual Implementation Report I	30 June 2017	EU Reporting Requirements: <ul style="list-style-type: none"> • Evaluation of the effectiveness of programme implementation to assess the delivery mechanism. • Initial assessment of programme efficiency in terms of inputs, outputs and outcomes/results.
Enhanced Annual Implementation Report II	30 June 2019	EU Reporting Requirements: <ul style="list-style-type: none"> • Outcome / result indicators & impact indicators reported. • Counterfactual analysis carried out to identify net impact of programme. • Develop answers to common and programme-specific evaluation questions. • Conclusions and recommendations to improve programme design and implementation.

9. Communication

9.1 The Managing Authority has various groups and committees it needs to report to on a regular basis, both within the UK and the EU. Emerging outputs and findings from the research will be shared with groups as appropriate on delivery with all necessary caveats regarding the limitations of analysis and interpretation applied.

9.2 A core principle of the Managing Authority's Government Social Research (GSR) profession is that there will be prompt release of all government research and analysis, with publication normally within a maximum of 12 weeks from agreeing the final draft. Final reports for publication will only be accepted after incorporation of independent academic peer review comments as part of the Managing Authority's quality assurance process before publication. ERDF evaluation reports will follow this format as standard.

9.3 The two major audiences for Programme monitoring and evaluation information will be the GPB and the European Commission (EC). The main monitoring tool for the EC is the Annual Implementation Report (AIR). The EC requires Member States to submit AIRs for each Operational Programme. The first AIR is due in 2016 and will cover 2014 and 2015 (art. 111(1) CPR regulation).

9.4 To supplement our evaluation, the European Commission intends to collect evidence from evaluations covering the same policy fields across Member States: where a sufficient number of good quality evaluations cover the same fields, it will carry out meta-analyses and to the extent possible build a repository of evidence for policy making. The results of these analyses will be disseminated widely. Evaluation evidence will be shared and compared across the UK in England, Northern Ireland, Scotland and Wales. Where possible, common approaches will be developed and agreed through the UK Partnership Agreement Programme Board to support UK-level evaluation of ERDF and ESF.

10. Resources

Staffing Resources

10.1 The Managing Authority will make use of analytical experts within its Analysis and Data Directorate (ADD) which consists of a multidisciplinary team of social researchers with monitoring and evaluation expertise, statisticians, economists and data scientists. A social researcher and an economist will support the design, project management and of the evaluation. The Evaluation Plan has been designed by a social researcher within the directorate with extensive monitoring and evaluation expertise of national programmes and consultation of economists on the feasibility and measurement of economic outcomes.

10.2 In addition the Managing Authority will use external evaluators to achieve objective assessments at programme / scheme level management in the Evaluation Plan. The Managing Authority is able to utilise existing national procurement frameworks to procure the evaluation of the ERDF Operating Programme.

10.3 All other resource options will be considered in the delivery of the monitoring and evaluation supporting the ERDF 2014-20 to ensure the accurate, timely and effective delivery of the programme. The Managing Authority's policy team will provide the core management and co-ordination, supported by Growth Delivery Teams based in LEP areas.

Financial Resources

10.4 The Managing Authority has currently set aside approximately [REDACTED] of the programme to carry out the national evaluation. Half of the funding for the evaluation contracts will come from Technical Assistance with the match being provided by DCLG.

10.5 Given that potentially [REDACTED] will be invested in evaluating the programme the Managing Authority has concluded that in the first instance a scoping exercise should be carried out. The Scoping Study and Summative Assessment Baseline Project will:

- identify cost-effective and feasible options for the design of the national evaluation; and
- support the implementation of the summative assessments by:
 - identifying base line data that will both support projects in carrying out effective evaluation of their own work but also provide an evidence base to support the national evaluations; and
 - providing training and support to local Growth Development Teams who will in turn be supporting the projects.

The total cost proposed for Scoping Study and Summative Assessment Baseline Project [REDACTED] – shown at **table 3**). This estimate has been drawn up based on previous scoping exercises. However, we have been unable to benchmark the costing of the summative assessment support work, which will also form part of the contract, and as such the final cost may differ from this initial projection.

10.6 The budget does not include the cost of the summative assessments of projects which will be funded and undertaken locally, but with outputs feeding into and providing further value for money to the DCLG national evaluation.

Table 3.

Costs (by financial year)	Excluding VAT	Including VAT
2016-17	[REDACTED]	[REDACTED]
2017-18	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

10.7 Competition is a necessary part of the tendering process. A range of consultants and academics will be invited to come forward with innovative and cost effective proposals.

10.8 Any invitations-to-tender will advise contractors that their proposals should consider how the research would meet the requirements of ethical standards, data protection, and equalities as set out in the Government Social Research guidance.

10.9 In addition, stringent criteria set for assessment of bidders for the contract.