Department for Levelling Up, Housing & Communities

# Evaluation of the Community Renewal Fund 2021/22: Performance and Processes

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wavehill

Social and economic research

# Contents

# List of Abbreviations

| Abbreviation | Meaning |
|---|---|
| BSD | Business Structure Database |
| CA | Combined Authority |
| CRF | Community Renewal Fund |
| DLUHC | Department for Levelling Up, Housing and Communities |
| DWP | Department for Work and Pensions |
| ERDF | European Regional Development Fund |
| EU | European Union |
| GFA | Grant Funding Agreement |
| GVA | Gross Value Added |
| ICT | Information and Communication Technology |
| IDBR | Inter-Departmental Business Register |
| NEET | Not in Education, Employment or Training |
| NI | Northern Ireland |
| RCT | Randomised Controlled Trial |
| STEM | Science, Technology, Engineering and Maths |
| UKSPF | UK Shared Prosperity Fund |

# Introduction

# 1. Introduction

1.1 The £220m UK Community Renewal Fund (CRF) provided additional funding to pilot programmes and new approaches to support communities across the UK to prepare for the introduction of the UK Shared Prosperity Fund (UKSPF), contributing to the levelling-up agenda by investing in skills, local businesses, communities and place, as well as supporting people into employment, across the UK.

1.2 The CRF is a joint programme between the Department for Levelling Up, Housing and Communities (DLUHC) and the Department for Work and Pensions (DWP), with the DLUHC accountable for managing the programme. All projects were monitored either by the Lead Authority (in the case of Great Britain) or by the DLUHC (for Northern Ireland).

1.3 This report presents the findings from the programme evaluation. The study was undertaken during the first half of 2023, with the final report produced following CRF activity finishing by 31 December 2022.

## Overview of the CRF Programme

1.4 The CRF was launched on 3 March 2021, with Lead Authorities required to submit their bids by 18 June 2021. There was an original expectation that the UK Government would announce successful projects from late July 2021, with all funding spent by 31 March 2022. Following delays in announcing successful projects (3 November 2021), activity was extended to 30 June 2022. Due to the impact of COVID-19 on delivery activity, the CRF was subsequently extended to the end of December 2022.

1.5 The DLUHC's business case for the programme sets out two key objectives:

(a) to provide additional funding to support our communities to pilot programmes and new approaches, and

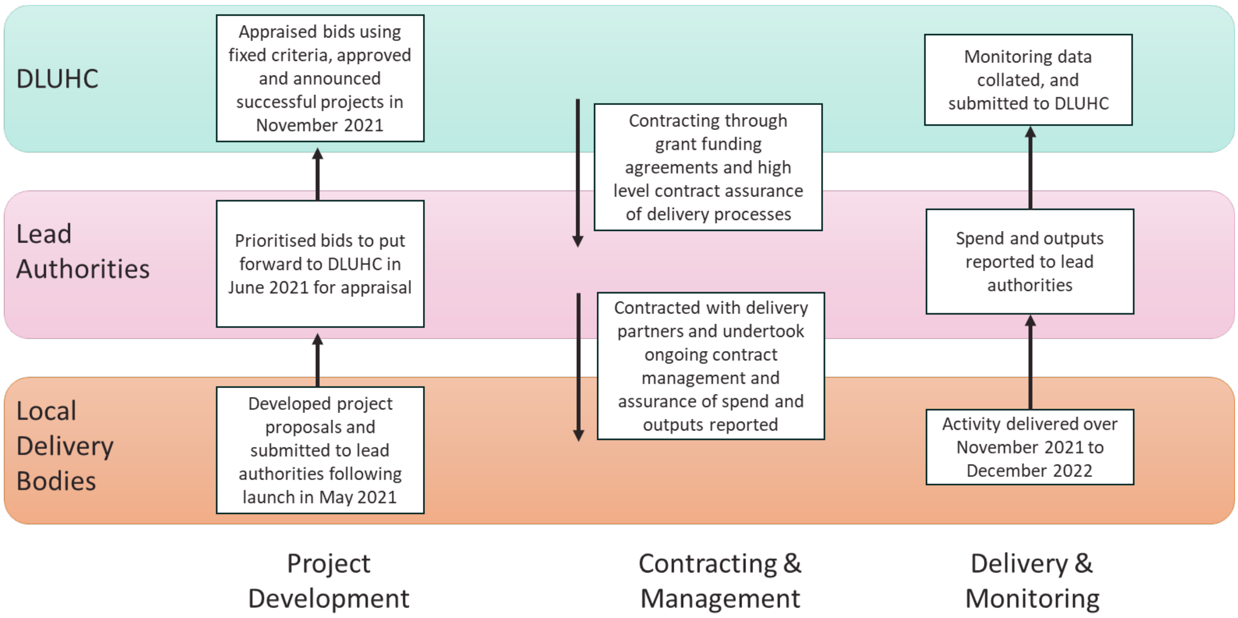
(b) to help local areas to prepare over 2021–22 for the introduction of the UK Shared Prosperity Fund (UKSPF).

1.6 More specifically, it sets out the following six outcomes and impacts that it was aiming to realise:

- **Benefits specific to targeted users/communities** to include improved user experience and project-specific outcomes, e.g. business productivity
- **Maintained or strengthened local capacity and capability** in between multi-year programmes

- **Greater understanding of the effectiveness of innovative approaches in priority places** and by local government through the use of a 'piloting' approach to understand 'what works'
- **Closer working relationship between central and local government and partners**, or between multiple agencies, in addressing economic growth and employment challenges
- **Consistent approach to addressing economic challenges** in priority places across the UK
- **Support a smooth transition from the EU Structural Funds** programme as funding tails off to 2023.

Figure 1-1: Summary of Main Roles and Delivery Processes for CRF in GB




1.7 **One hundred priority places** were identified for investment based on an index of economic resilience across Great Britain which measures productivity, household income, unemployment, skills, and population density to target the CRF at areas of greatest need[1]. The lead local authority for each of the 100 priority places received capacity funding of £20,000 per priority place to help them to invite bids locally and appraise bids. Moreover, priority places had their applications prioritised at the appraisal stage where bids demonstrated a good contribution to the strategic fit and delivery/effectiveness.

1.8 **Bidding to the fund** was organised such that local and combined authorities across Great Britain invited local organisations to submit bids. Lead

[1] For the purpose of the index of 100 priority places, 'places' are defined at the district, unitary or borough scale in England, as council areas in Scotland, and as 'unitaries' in Wales. The index sought to prioritise places that suffer from weak economic performance and are less equipped to resist and recover from shocks. This was based on an index of economic resilience across Great Britain which measures productivity, household income, unemployment, skills, and population density.

Authorities then appraised these projects and produced a shortlist of projects up to a maximum of £3m per place for submission to the UK Government (and the DLUHC invited organisations in Northern Ireland to submit bids directly), with those bids appraised by the DLUHC and funding awarded in line with the selection criteria.

1.9 With respect to **contracting and management**, in Great Britain, funds were contracted between the DLUHC and Lead Authorities, which then contracted for individual projects with lead local delivery partners; in Northern Ireland, contracting and management were undertaken directly with the DLUHC.

1.10 To help with **monitoring outputs and outcomes** delivered by the programme, a framework of indicators was established by the DLUHC, with each project setting output and outcome targets using indicators from this framework.

1.11 The **range of projects** eligible to be funded through the CRF was broad, giving much scope to local areas to develop projects that helped to address a range of local growth challenges and opportunities. The programme broke these down into four investment priorities (IP). For the purposes of this evaluation, the evaluators have broken each of the four investment priorities down into a subset of project intervention types, which have been used in drawing out evaluation findings. A summary of the investment priorities and intervention types, along with the total number of projects aligned with each intervention type, is summarised in Table 1-1 below.

Table 1-1: Overview of Number of Projects Funded by Intervention Type

| Investment Priority | Intervention Type | Number of Projects |
|---|---|---|
| **Investment for local business** | Business support for start-up and growth | 63 |
| | Supporting decarbonisation measures | 21 |
| | Development and promotion of visitor economy | 12 |
| | Investment in business hubs (incubators and accelerators) | 8 |
| **Investment in communities and place** | Supporting the development of new or existing infrastructure or green space | 44 |
| | Investment in community engagement schemes | 35 |
| | Actions to support decarbonisation and net zero | 29 |
| | Developing the local arts, culture and heritage offer | 17 |
| **Supporting people into employment** | Removing barriers to employment | 95 |
| | Support for young people not in education, employment or training (NEET) | 21 |
| | Support for employers | 15 |
| | Support for those with disabilities (neurodiverse, physical, sensory and | 10 |

| Investment Priority | Intervention Type | Number of Projects |
|---|---|---|
| | learning) | |
| **Investment in skills** | Investment in skills to improve employability | 43 |
| | Investment in skills to support decarbonisation | 21 |
| | Investment in digital skills | 19 |
| | In-work training or upskilling of existing staff | 13 |
| **Total** | | **466** |

Note: All projects are allocated to a single intervention type based on the best fit as assessed by the evaluators.

# Contextual Changes over the Delivery Period

1.12 The effect of changes in external factors on delivery and impacts of the CRF programme was limited. This is partly due to the relatively short period between the design of CRF projects in March–June 2021 and the completion of delivery by December 2022. Common factors which contribute to explaining performance against targets for certain intervention types are noted below:

- **Continued effects of COVID-19**, particularly relating to the Omicron variant, and the associated restrictions as well as disruptions to working and social lives created continued uncertainty for businesses and consumers throughout the CRF programme delivery period.
- **Effects of the UK exit from the EU** continued to have an effect on some business activity over the period of the CRF programme as businesses adjusted to the changed trading relationship between the UK and the EU (including new processes and cost implications for some businesses).
- **Developing plans for the UKSPF**, a fund launched on 13 April 2022. The UKSPF investment plan submission window was open from 30 June 2022 to 1 August 2022. The first payments expected to lead local authorities from October 2022 affected the potential for delivery continuity between programmes.
- **Inflation rises**, increasing from 4.6 per cent to 9.2 per cent from November 2021 to December 2022. This may have impacted delivery costs for some projects and affected priorities and decision making for business and individual beneficiaries of CRF-funded projects, which could have affected the demand for certain projects and the outcomes generated.

# Evaluation Approach

1.13 The evaluation included the following workstreams.

Table 1-2: Summary of Evaluation Workstreams

| Workstream | Overview |
|---|---|
| Workstream 1 – Programme Data Analysis | • Oversight and analysis of all programme data on spend, outputs and outcomes |
| Workstream 2 – Process Review | • Document and context review<br>• Engagement with stakeholders in the DLUHC and Lead Authorities to explore the management, structures, systems and processes used for managing the programme at central and local levels, exploring what was effective and less effective, and lessons learned<br>• Consultations with eight stakeholders within national government, 25 delivery partners in Lead Authorities, and five Northern Ireland project deliverers<br>• Analysis of survey evidence gathered from 57 delivery leads in local authorities in Great Britain (response rate of 59 per cent) and 23 project delivery leads in Northern Ireland (response rate of 82 per cent) |
| Workstream 3 – Meta-Analysis of Project-Level Evaluations | • Analysis across all investment priorities, covering a review of evaluation evidence from 313 projects and a synthesis of findings under each investment priority |
| Workstream 4 – Evaluation Case Studies | • Detailed analysis of 21 of the highest-quality project evaluations to succinctly draw out lessons in relation to delivery and impacts based on the context and challenges that the project was seeking to address |

1.14 Alongside this main evaluation report there are four appendices:

- Appendix A sets out a summary of findings from 20 of the higher-quality project evaluation reports
- Appendix B details the full evaluation questions addressed in the study
- Appendix C provides some additional performance analysis broken down by authority type
- Appendix D sets out a detailed analysis of performance under each of the four investment priorities.

## Limitations of the Analysis

1.15 Across the workstream outlined above, there were a range of limitations affecting the analysis and findings from the evaluation. These included the following:

- **Evaluation timing** – the fund was launched in March 2021 and the programme evaluation was delivered over a single period of work from January–May 2023 following completion of the programme as well as collection of the final monitoring data. Staff changes and recall loss constrained stakeholder insights into the fund's launch, bidding and appraisal processes. Furthermore, the evaluation has come too early for a fuller understanding of the impacts of interventions to be realised and captured (further discussed below under Lack of impact and value for money evaluation).

- **Data analysis** – a range of issues surrounding programme data collection and management affected some of the analysis of findings. These included issues relating to inconsistency where indicators were reported against (some projects not reporting against Annex A outputs), limited breakdowns of indicators (e.g. these were not reported by investment priority, or by breaking down actual achieved and future anticipated achievements for outcome indicators), and inconsistencies regarding the definitions of some output and outcome indicators and how different Lead Authorities provided assurance that these had been delivered.

- **Limitations surrounding project typologies** – to enable a more fine-grained analysis of outcomes and effectiveness of delivery, a typology was developed to incorporate four project types into each of the four investment priorities. Whilst this approach has been valuable, the allocations to intervention types were not always clear-cut, as many projects cut across more than one intervention type (and most cut across more than one investment priority). Therefore, the allocation to intervention types was carried out based on the evaluators' subjective assessment of the closest alignment.

- **Mixed quality of project-level evaluations** – the DLUHC monitoring and evaluation guidance for project applicants required a theory of change or logic model as part of the CRF project evaluation report, but the quality of reports submitted was mixed. After excluding projects without evaluations (six per cent) and those which failed to address the components required in the CRF evaluation guidance (20 per cent), 313 project-level evaluations were used (74 per cent of the total number of projects funded). Furthermore, of those that were included, there was still a range of quality of analysis and insights. Only 31 per cent of evaluations included a logic model or theory of change for the project, while only 33 per cent attempted any quantification of impacts generated. Although the base size was relatively large, almost a quarter of projects lacked evaluation or the evaluations were of insufficient quality to include in the analysis. Projects undertaking a feasibility study only were not required to submit a project evaluation.

- **Process review of stakeholder engagement** – the process evaluation achieved fewer consultation responses from smaller Lead Authorities than from medium-sized and larger Lead Authorities, meaning that fewer insights were secured from this group.

- **Lack of impact and value for money evaluation** – the design of the programme involved a range of different types of activity funded (meaning a limited critical mass of activity in any one intervention type), as well as being set up as a one-year programme to pilot new approaches to support the transition to the UKSPF (meaning that many outcomes were not fully realised or could not be fully measured in the timescales for the programme and evaluation). These factors made it difficult to design in methodologies for robust impact evaluation and value for money analysis; as such, these elements were not scoped into the evaluation work.

# Programme Performance

# 2. Programme Performance

2.1 This chapter of the report provides an overview of programme performance across the four investment priorities (IP) and by region and nation. There is further analysis in Appendix D, focused on individual investment priorities, provide more detailed findings regarding the driving factors affecting performance in each case.

2.2 All of the data in this chapter of the report draw on spend and output data up to the end of the delivery period in December 2022, gathered and provided to the evaluators in March 2023.

## Summary of Key Messages

- A total of £199m was contracted to projects. By the end of the programme, £186m (93 per cent of the contracted value) had been spent.
- The majority of the contracted values were spent across each of the four investment priorities, although the employment IP, which had the largest allocation of funding, performed the least well (only spending 91 per cent of its contracted value).
- Analysis of spend by location shows slight variations, with the North West and South West England regions performing most strongly against their contracted spend values (97 per cent and 96 per cent spend against contracted values, respectively), while Scotland performed slightly less strongly (89 per cent spend against contracted value).
- Reported outputs show that the programme supported more than 390,000 individuals, over 50,000 businesses, and more than 23,000 organisations. Two thirds of the total indicator targets[2] were exceeded, and none fell short of 75 per cent of target levels. For most indicators the local authorities containing priority places performed more strongly against targets than did areas without priority places.
- Achievement against outcome targets was mixed. In some cases the relatively short programme timescale meant that not enough time had elapsed to capture all outcomes of activities delivered, while in other cases, looser indicator definitions meant that interpretations of these in each area may have differed, making programme-level analysis more challenging.
- Nevertheless, across 22 outcome indicators, 10 met or exceeded targets and a further seven achieved at least 75 per cent of the target set. The remaining five fell further short of target levels, but these mostly related to outcome indicators where targets were based on expected future performance; therefore, limited weight can be put on the performance data available at the stage of this evaluation for these five indicators.

[2] Note: total indicator targets refer to the combined total of project-level targets for each respective output and outcome indicator.

## Performance against Spend Allocations

2.3 A total of £199m was contracted to projects (90 per cent of the £220m fund). This was reduced from the £203.1m originally allocated to the 477 projects because a number of projects withdrew. In addition to this, £2m was allocated to support Lead Authorities containing priority places with bid development and appraisal. A further £14m was originally ringfenced to support Lead Authorities in building capacity for UKSPF delivery; however, this capacity funding was not taken forward under the CRF due to delays in the announcement of the UKSPF framework.

2.4 By the end of the programme, £186m (93 per cent of the contracted value) had been spent.

Figure 2-1: Contracted and Actual Expenditure (£millions) by Investment Priority


Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar (totalling £500k) were subject to a separate process and are not included in this chart.

2.5 Figure 2-1 shows that this was relatively consistent across investment priorities, although the employment IP, which had the largest overall allocation, had a slightly lower level of expenditure against the target at 91 per cent.

Table 2-1: Contracted and Actual Expenditure by Intervention Type

| Investment Priority | Intervention Type | Contracted (£m) | Final Expenditure (£m) | % of Contracted |
|---|---|---|---|---|
| Business | Development and promotion of visitor economy | £5.5 | £5.4 | 98% |
| | Business support for start-up and growth | £32.8 | £31.5 | 96% |
| | Investment in business hubs | £4.9 | £4.7 | 97% |
| | Supporting decarbonisation measures | £8.5 | £8.1 | 95% |
| Places | Supporting the development of new or existing infrastructure or green space | £14.0 | £13.4 | 96% |
| | Developing the local arts, culture and heritage offer | £5.3 | £5.2 | 99% |
| | Investment in community engagement schemes | £14.5 | £14.2 | 98% |
| | Actions to support decarbonisation and net zero | £8.8 | £8.1 | 91% |
| Employment | Removing barriers to employment | £43.9 | £39.9 | 91% |
| | Support for young people NEET | £5.3 | £4.7 | 88% |
| | Support for those with disabilities | £4.1 | £3.9 | 96% |
| | Support for employers | £9.0 | £8.3 | 92% |
| Skills | Investment in skills to improve employability | £18.9 | £16.4 | 87% |
| | In-work training or upskilling of existing staff | £4.3 | £3.9 | 90% |
| | Investment in skills to support decarbonisation | £8.1 | £7.7 | 95% |
| | Investment in digital skills | £10.9 | £10.4 | 95% |
| **Total** | | **£198.7** | **£185.8** | **93%** |

Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar are not included in this table. Note: figures may not exactly sum to totals due to rounding.

2.6 The breakdowns by more fine-grained intervention type (defined by the evaluators), as summarised in Table 2-1, show that areas in which there was greater underspend against target levels included:

- ‘investment in skills to improve employability’ (87 per cent spend against target),
- ‘support for young people not in education, employment or training (NEET)’ (88 per cent spend against target), and

- ‘in-work training or upskilling of existing staff’ (90 per cent spend against target).

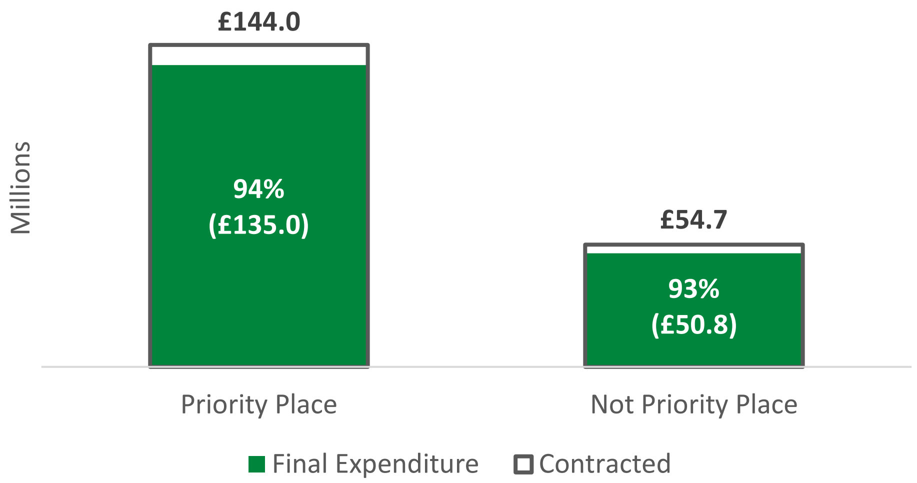
2.7 Others were close to full spend against their contracted funding by programme closure, including ‘developing the local arts, culture and heritage offer’ (99 per cent spend against target), ‘investment in community engagement schemes’ (98 per cent spend against target), and ‘development and promotion of visitor economy’ (98 per cent spend against target).

Table 2-2: Contracted and Actual Expenditure by Region and Nation

| Region | Contracted (£m) | Final Expenditure (£m) | % of Contracted |
|---|---|---|---|
| **England** | £123.5 | £116.5 | 94% |
| East Midlands | £18.2 | £17.0 | 93% |
| East of England | £18.1 | £17.2 | 95% |
| London | £3.8 | £3.6 | 94% |
| North East | £7.7 | £7.2 | 94% |
| North West | £12.1 | £11.7 | 97% |
| South East | £13.9 | £13.2 | 95% |
| South West | £21.2 | £20.3 | 96% |
| West Midlands | £16.4 | £15.1 | 92% |
| Yorkshire & Humber | £12.1 | £11.2 | 93% |
| **Northern Ireland** | £11.9 | £11.1 | 93% |
| **Scotland** | £18.3 | £16.4 | 89% |
| **Wales** | £45.0 | £41.9 | 93% |
| **Gibraltar** | £0.5 | £0.4 | 81% |
| **Total** | **£199.2** | **£186.2** | **93%** |

Source: DLUHC Programme Data, March 2023.

Figure 2-2: Contracted and Actual Expenditure by Projects Covering a Priority Place and Those That Did Not




Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar are not included in this table.

2.8 Table 2-2 presents analysis of spend by locations that shows slight variations in performance by area, with the North West and South West England regions performing most strongly against contracted spend values (97 per cent and 96 per cent spend against contracted values, respectively), while Scotland performed slightly less strongly (89 per cent spend against contracted value).

2.9 Figure 2-2 highlights that projects at least partially covering a priority place performed more strongly against contracted spend values than did projects that did not. Projects covering priority places spent 94 per cent of the total contracted spend values in comparison with 93 per cent for areas not covering priority places.

## Performance against Output Targets

2.10 As part of the application process for CRF funding, each project was required to agree on a set of output and outcome indicators relevant to that project and quantify the expected achievement against those indicators. Lead Authorities were able to select indicators from a predefined list provided by the DLUHC. These included:

- 'Grant Funding Agreement (GFA) Outputs' – relating to businesses, organisations and individuals supported, these were quantified in the original application forms
- Further guidance was issued, 'Annex A Community Renewal Fund Outputs' – relating to detailed information on exactly what organisations, individuals and businesses were supported with, these were not quantified in the original application forms and, therefore, no original targets were set for these
- 'GFA Community Renewal Fund Outcomes' – relating to the outcomes generated from the support received by businesses, organisations and individuals, these were quantified in the original application forms.

Table 2-3: Programme Performance of GFA Outputs

| GFA Output Type | GFA Output | Target | Claimed | % of Target |
|---|---|---|---|---|
| **People** | Economically inactive | 110,689 | 113,558 | 103% |
| | Unemployed | 73,396 | 57,348 | 78% |
| | Employed | 202,666 | 221,486 | 109% |
| | **Total** | **386,751** | **392,392** | **101%** |
| **Businesses** | Small | 39,723 | 41,250 | 104% |
| | Medium | 13,182 | 10,801 | 82% |
| | Large | 1,053 | 1,475 | 140% |
| | **Total** | **53,958** | **53,526** | **99%** |
| **Organisations** | Public | 4,325 | 4,600 | 106% |
| | Private | 11,791 | 10,137 | 86% |
| | Voluntary sector | 5,424 | 8,610 | 159% |
| | **Total** | **21,540** | **23,347** | **108%** |

Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar are not included in the table above.

Table 2-4: Performance against GFA Outputs for Projects Covering Priority Places and Projects Covering Non-priority Places

| GFA Output Type | GFA Output | Priority Place | Non-priority Place |
|---|---|---|---|
| **People** | Economically inactive | 86% | 122% |
| | Unemployed | 87% | 67% |
| | Employed | 92% | 117% |
| **Businesses** | Small | 123% | 72% |
| | Medium | 84% | 69% |
| | Large | 169% | 105% |
| **Organisations** | Public | 108% | 105% |
| | Private | 100% | 59% |
| | Voluntary sector | 213% | 91% |

Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar are not included in the table above.

2.11 Table 2-3 shows overall performance against the GFA outputs, which are then further broken down in Table 2-4 by projects containing priority places and those that do not. The findings highlight:

- **More than 390,000 individuals were supported by the programme** within a delivery period of one year. This included exceeding the target for the number of employed individuals and economically inactive people supported (109 per cent and 103 per cent of targets achieved, respectively) but falling slightly short of targets for unemployed individuals. The targets for unemployed individuals fell notably short in areas with non-priority places (only 67 per cent of target achieved).
- **Over 50,000 businesses were supported by the programme**, with the vast majority being small businesses. The targets for small and large businesses overall were exceeded, while there was a shortfall against the target for medium-sized businesses.
- **Over 23,000 organisations were supported by the programme**, with targets exceeded for the numbers of public and voluntary sector organisations supported. In areas with priority places the targets were exceeded for all types of organisations supported.

Table 2-5: Performance against Annex A Outputs

| Annex A Outputs | Target | Claimed | % of Target |
|---|---|---|---|
| Number of people supported to participate in education | 19,889 | 32,174 | 162% |
| Number of people supported to gain a qualification | 6,372 | 14,320 | 225% |
| Number of people supported to engage in job searching | 12,938 | 18,867 | 146% |
| Number of people supported to gain employment | 3,688 | 5,515 | 150% |

| Annex A Outputs | Target | Claimed | % of Target |
|---|---|---|---|
| Number of people supported to engage in life skills | 34,335 | 65,755 | 192% |
| Number of economically inactive people supported to engage with the benefit system | 3,318 | 2,695 | 81% |
| Potential entrepreneurs assisted to be business-ready | 1,203 | 2,094 | 174% |
| Number of businesses receiving financial support other than grants | 383 | 1,999 | 522% |
| Number of businesses receiving grants | 2,009 | 3,365 | 167% |
| Number of businesses receiving non-financial support | 7,975 | 16,174 | 203% |
| Number of organisations receiving financial support other than grants | 26 | 696 | 2,677%* |
| Number of organisations receiving grants | 182 | 501 | 275% |
| Number of organisations receiving non-financial support | 2,829 | 4,812 | 170% |

Source: DLUHC Programme Data, March 2023. Notes: contracted projects based in Gibraltar are not included in the table above. Annex A outputs were not contracted with funded projects; therefore, reporting on these was not contractually obliged.

* The original target for the number of organisations receiving financial support other than grants was very low; therefore, overachievement against this appears to be extremely high in percentage terms, but is less substantial in numerical terms.

2.12 Performance against the Annex A outputs is summarised in Table 2-5 and shows that, despite the targets not being a contractual requirement, across the programme all targets were exceeded other than the number of economically inactive people supported to engage with the benefit system. This may reflect the shortfall in the overall target for the number of economically inactive people supported.

2.13 Achievement against Annex A outputs reflects that these targets were not quantified in the original application forms and, therefore, no original targets were set for these. Targets were only added later, at which point projects may have been better able to quantify what would be achievable.

## Performance against Outcome Targets

2.14 Given the short-term nature of the programme and the lag between the delivery of outputs and outcomes, the DLUHC encouraged project leads to report both actual and expected future outcomes for each indicator. These were reported in project monitoring reports as a single figure; as such, it is not possible to fully disaggregate which of the reported figures are actual outcomes achieved and which are expected future outcomes.

Table 2-6: Performance against GFA Outcomes

| GFA Outcomes | Target | Claimed | % of Target |
|---|---|---|---|
| **Outcomes Largely Achieved by Programme End** | | | |
| People in education/training | 28,971 | 31,181 | 108% |
| People gaining a qualification | 14,439 | 15,712 | 109% |
| People engaged in job searching | 19,081 | 15,523 | 81% |
| People in employment, including self-employment | 4,976 | 4,786 | 96% |
| People engaged in life skills support | 58,258 | 71,464 | 123% |
| Economically inactive individuals engaging with benefit system | 4,613 | 2,518 | 55% |
| Businesses introducing new products to the market | 2,454 | 2,224 | 91% |
| Businesses introducing new products to the firm | 2,944 | 2,728 | 93% |
| Employment increase in supported businesses | 2,690 | 3,124 | 116% |
| Jobs safeguarded as a result of support | 4,666 | 3,558 | 76% |
| Number of new businesses created | 1,241 | 1,033 | 83% |
| Organisations engaged in knowledge transfer activity | 7,314 | 7,977 | 109% |
| Innovation plans developed | 1,801 | 1,803 | 100% |
| Decarbonisation plans developed | 3,085 | 2,970 | 96% |
| Feasibility studies developed | 266 | 447 | 168% |
| **Outcomes Anticipated to Be Achieved after the Delivery Period** | | | |
| Premises with improved digital connectivity | 569 | 131 | 23% |
| Estimated carbon dioxide equivalent reductions (tonnes) | 42,268 | 51,603 | 122% |
| Investment attracted (£) | 169,613,476 | 20,363,844 | 12% |
| Total surface area of green/blue infrastructure added or improved ($m^2$) | 2,062,824 | 2,379,586 | 115% |
| Increase in footfall | 149,813 | 51,898 | 35% |
| Increase in visitor numbers | 1,818,475 | 2,619,219 | 144% |
| Buildings built or renovated ($m^2$) | 50,981 | 15,079 | 30% |

Source: DLUHC Programme Data, March 2023. Note: contracted projects based in Gibraltar are not included in the table above.

2.15 To aid analysis, and following discussions with the DLUHC and a review of project evaluation reports, the outcome indicators have been divided in Table 2-6 into ones which the evaluators expect to mainly relate to outcomes which have been achieved within the programme delivery period, and into those which are expected to be predicted future outcomes following programme completion.

2.16 Overall, the findings highlight the following, with further analysis on the reasons for overperformance or underperformance included in the thematic analysis at Appendix D:

- Several outcome targets for individuals were exceeded, including numbers into education and training (108 per cent of target achieved), gaining a qualification (109 per cent achieved), and engaging with life skills (123 per cent achieved), although programme performance fell short for those engaged in job searching or securing employment (81 per cent and 96 per cent achieved, respectively). The target for the number of economically inactive individuals engaging with the benefit system fell further short of the target, with only 55 per cent of the target achieved.

- The outcome targets for businesses were mixed, with ‘employment increase in supported businesses’ exceeding the target (116 per cent of target achieved), and the indicators with regard to introducing new products to the firm/market falling only slightly short (93 per cent and 91 per cent of targets achieved, respectively). Targets for new business creation and job safeguarding fell further short of targets (83 per cent and 76 per cent of targets achieved, respectively).
- All of the plans and studies targets, including innovation plans, feasibility studies, and decarbonisation plans, exceeded or came very close to meeting targets. However, process review consultations noted that these were among the less well-defined indicators, with interpretations of what constituted each of these outputs differing in different areas.

2.17 With respect to longer-term targets, including those related to physical, digital and green/blue infrastructure, investment secured, footfall and visitor numbers, and greenhouse gas emissions, performance was mixed, with three exceeding targets and four falling substantially short of targets. These figures are understood by the evaluators to be primarily based on expected future performance, however; therefore, limited weight can be put on these findings at this stage of the evaluation.

# Investment-Priority-Level Findings

# 3. Investment-Priority-Level Findings

3.1 Detailed analysis was undertaken that drew on a meta-analysis of findings from project-level evaluations under each of the four investment priorities for the programme. This included analysis of the following for each investment priority:

- the value of funding and the number of projects supported
- the different types of interventions funded
- types of beneficiaries supported
- example projects
- achievements against output and outcome targets
- types of outcomes secured by funded projects
- findings regarding project delivery and what worked.

3.2 The graphics set out on the following pages present a summary of the findings for each of the four investment priorities. Detailed analysis for each investment priority and intervention type is set out in Appendix D.

## Summary of Findings for Investment in Skills IP

### Investment in Skills

**£42.5m** invested

**285** projects supported skills development

### There were four main intervention types invested in

- Investment in skills to improve employability
- In work training or upskilling existing staff
- Investment in skills to support decarbonisation
- Investment in digital skills

Project that invested in skills supported

- 64,100 individuals
- 9,800 businesses
- 3,300 organisations

### Types of Beneficiaries supported

- Unemployed people
- Employed individuals
- SMEs
- Community groups and volunteers
- Economically inactive people
- Young people
- Large businesses
- Public sector organisations
- General community

### Types of Outcomes secured

- Enhanced skills
- Qualifications secured
- Enhanced life skills
- Improved confidence
- People into education / training
- Improved social inclusion
- Apprenticeships completed
- People into work
- Business carbon reductions
- Enhanced organisation digital strategies

## Summary of Findings for Investment for Local Business IP

### Investment for Local Business

**£50m** invested

**239** projects supported business

### There were four main intervention types invested in

- Development and promotion of visitor economy
- Business support for start-up and growth
- Investment in business hubs (incubators and accelerators)
- Supporting decarbonisation measures

Project that invested in local businesses supported

- 20,000 individuals
- 23,700 businesses
- 6,200 organisations

### Types of Beneficiaries supported

- Aspiring entrepreneurs
- Employees
- SMEs
- Community groups and volunteers
- Economically inactive people
- Large businesses
- Public sector organisations
- General community

### Types of Outcomes secured

- Business start-up
- New product development
- Enhanced staff skills
- Enhanced entrepreneur skills and confidence
- Enhanced business strategies
- Increased footfall and visitor numbers
- Business growth
- Job creation and safeguarding
- Business carbon reductions

## Summary of Key Findings for Investment in Communities and Place IP

### Investment in Communities and Place

**£38.5m** invested

**263** projects invested in communities and place

### There were four main intervention types invested in

- Supporting the development of new or existing infrastructure or green space
- Developing the local arts, culture and heritage offer
- Investment in community engagement schemes
- Actions to support decarbonisation and Net Zero

Project that invested in communities and place supported

- 245,000 individuals
- 10,900 businesses
- 6,800 organisations

### Types of Beneficiaries supported

- SMEs
- General community
- Public sector organisations
- Economically inactive and unemployed people
- Voluntary sector organisations

### Types of Outcomes secured

- Creation of strategies / plans for infrastructure investments
- Development of new delivery partnerships
- Enhanced community facilities and organisations
- Rewilded land
- Enhanced low carbon strategies
- Increased footfall or visitor numbers
- New qualifications and enhanced skills
- Enhanced life skills, confidence and health outcomes
- Business carbon reductions

## Summary of Key Findings for Supporting People into Employment

### Supporting People into Employment

**£54.8m** invested

**269** projects supported people into employment

### There were four main intervention types invested in

- Removing barriers to employment
- Support for Young People NEET
- Support for those with disabilities
- Support for employers

Project that invested in employment supported

- 63,400 individuals
- 9,100 businesses
- 7,100 organisations

### Types of Beneficiaries supported

- Unemployed people
- Economically inactive people
- SMEs
- Young people
- People with disabilities

### Types of  Outcomes secured

- People into work
- Enhanced confidence, health and life skills
- People into job-searching
- Increased experience to support employabilty
- New qualifications

# Process Review

# 4. Process Review

4.1 This chapter of the report provides findings from a detailed process review of the delivery and management of the programme at the national and local levels. This involved a document and context review, consultations with eight stakeholders within national government, 25 delivery partners in Lead Authorities, and five Northern Ireland project deliverers, and analysis of survey evidence gathered from 57 delivery leads in local authorities in Great Britain (response rate of 59 per cent) and 23 project delivery leads in Northern Ireland (response rate of 82 per cent).

4.2 The overall aims from the CRF programme business case are set out below, and then each aspect of programme delivery and management is examined to consider what was intended, the extent to which this happened in practice, and what worked well and less well in different areas and why.

4.3 At the end of this chapter, findings are drawn together to provide conclusions on the extent to which programme delivery and management contributed to achieving the overall aims from the CRF business case, as set out in chapter 1.

4.4 The aspects of programme delivery and management which are analysed in the subsequent sections are set out below:

- A. Programme Design and Call for Proposals
- B. Local Project Development, Prioritisation and Bidding
- C. DLUHC Project Appraisal and Decision Making on Allocations
- D. Contracting and Payments
- E. DLUHC Support to Local Areas during Delivery
- F. Contract and Progress Monitoring and Evaluation
- G. DLUHC Strategic Governance and Operational Programme Management
- H. Local Governance and Management.

# A. Programme Design and Call for Proposals

## Overview of Approach

4.5 The CRF Prospectus invited bids from projects that aligned with one of the four investment priorities or with a combination of them. There were few constraints as to the types of activities that could be funded with the aim to enable projects to be developed that could effectively align with domestic priorities.

4.6 The CRF Prospectus was launched on 3 March 2021 as a competitive process that invited Lead Authorities across Great Britain and delivery organisations across Northern Ireland to bid for funding. Following the announcement, Lead Authorities in Great Britain and applicants in Northern Ireland had until 18 June 2021 to submit bids to the UK Government for assessment.

4.7 The CRF Prospectus set out that successful projects would be announced from late July 2021 onwards, with a view that delivery would likely commence in September 2021 and would conclude in March 2022. As such, all projects were expected to be designed to be deliverable within a six- to seven-month delivery period. This was intended so that the CRF could support a smooth transition between the end of European Structural Funds (investing until the end of 2023) and the launch of the UKSPF (beginning to invest in 2022–23).

4.8 However, project announcements in practice did not take place until 3 November 2021. Subsequently, the delivery period commenced in December 2021, originally anticipated to end on 30 June 2022. The activity end date was later extended to 31 December 2022.

4.9 In Great Britain the organisations assigned as Lead Authorities for the fund included mayoral combined authorities, the Greater London Authority, county councils, and unitary authorities.

4.10 All Lead Authorities were eligible to submit bids to the UK Government, but the CRF Prospectus set out that to ensure that the funding reached those most in need, 100 priority places had been identified.

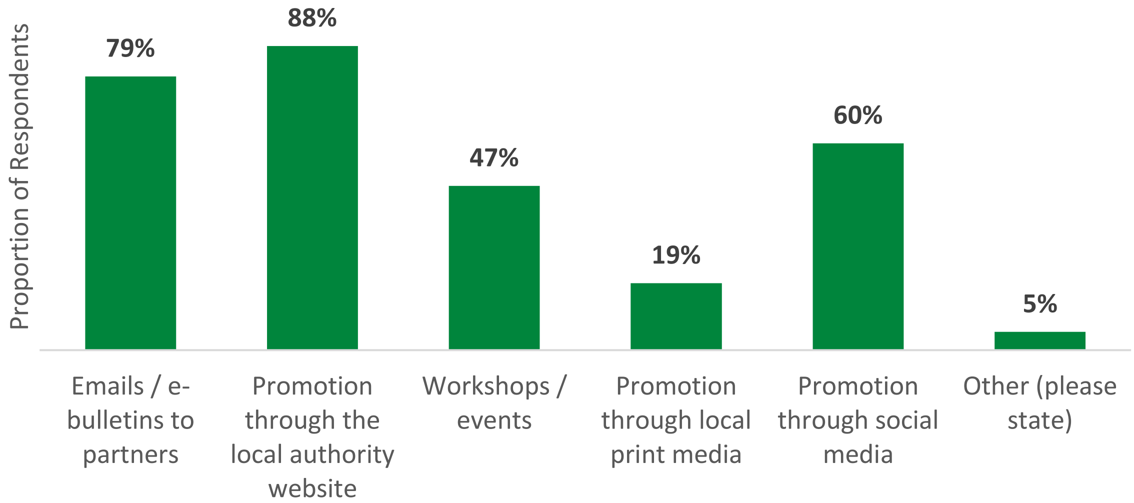
4.11 A different approach was adopted in Northern Ireland, where any legally constituted organisation could submit a bid directly to the DLUHC.

## Effectiveness of Implementation

### Call for Proposals

4.12 The CRF Technical Note for Lead Authorities set out that Lead Authorities would have to demonstrate that they had “run an open process by which organisations were invited to submit bids”. This included guidance that the invitation “should be published on the Lead Authority’s website and promoted to relevant stakeholders”.

Figure 4-1: How did you publish and promote the opportunity to bid for CRF funding in your local area? (Please tick all that apply)




Source: Lead Authority Survey (57 respondents).

4.13 As shown in Figure 4-1, most Lead Authorities surveyed as part of this evaluation (88 per cent) reported that they published the opportunity on their website. Additionally, 79 per cent included the opportunity in emails/e-bulletins, and 60 per cent reported that they promoted the opportunity via social media. In most cases, Lead Authorities reported that they had used a combination of at least three channels to promote the opportunity. Overall, this reflects strong compliance with the guidance as well as reasonable efforts to ensure a strong set of bids by Lead Authorities.

4.14 Although not a specific line of enquiry for the evaluation, a small number of Lead Authorities and project deliverers reported in consultations that they valued the flexibility regarding the range of eligible activities under the CRF, which were described as less restrictive than what could be funded under European Structural Funds.

4.15 Regarding the designation of priority places, several of the interviewed Lead Authorities (primarily those not containing priority places) reported that they disagreed with the methodology that had been used to designate these places. Most commonly, they felt that areas of high deprivation within their own localities had not been acknowledged. The methodology was also challenged by the Finance and Public Administration Committee of the Scottish Parliament, with concerns raised that it may have disadvantaged communities in Scotland due to a difference in the methodology applied in England and that which was applied in Scotland.

### Timescales between Programme Launch and Bid Submission

4.16 The timescales set out in the CRF Prospectus provided Lead Authorities with three months to communicate the CRF to prospective bidders, accept and appraise bids, and submit shortlisted bids to the UK Government. This period coincided with local elections and the associated purdah period preceding elections.

4.17 In both consultations and survey responses, Lead Authorities reported that the time afforded to Lead Authorities for carrying out the collation, appraisal and submission of bids presented challenges. Indeed, among survey respondents, whilst 30 per cent of Lead Authorities agreed that there was sufficient time to collect and assess good-quality bids, 53 per cent disagreed.

4.18 In a small number of interviews, Lead Authorities reported that they had not received the number of applications for which they would have hoped, which was felt to predominantly relate to the short timeframes available before submission.

4.19 Several interviewees reported that coordinating the bid process had been very resource-intensive and had taken staff away from their day-to-day roles. For some Lead Authorities the timing of this was particularly challenging in the context of additional pressures on resources resulting from local authority responses associated with the COVID-19 pandemic. Whilst 44 per cent of surveyed Lead Authorities reported that there was sufficient resource to collect and assess good-quality bids, 37 per cent felt that there was not. For those areas receiving capacity funding linked to priority places, there was a marked difference, with over half (53 per cent) agreeing that there was sufficient resource and only 22 per cent disagreeing. There were no notable differences in responses based on the size or type of the local authority.

4.20 Several Lead Authorities and Northern Ireland project deliverers noted, via consultations, challenges regarding the transition between the CRF and the UKSPF. This view often related to a gap between funding timescales for the two funds, meaning that projects were unable to smoothly continue activities piloted under the CRF, as CRF funding ended before funding became available through the UKSPF. This resulted in a loss of key staff members, as delivery organisations could not commit to extending contracts whilst waiting for outcomes of funding from the UKSPF.

4.21 From interviews, it was evident that some Northern Ireland projects had been unclear as to how the move between the CRF and the UKSPF would work. A small number reported that they had expected to be offered the opportunity to extend their project with UKSPF funding if it was found to be successful, but then found this not to be the case.

# B. Local Project Development, Prioritisation and Bidding

## Overview of Approach

4.22 The CRF Prospectus invited Lead Authorities across Great Britain to invite project proposals and then appraise and prioritise a shortlist of projects up to a maximum value of £3m per place and submit that shortlist to the UK Government.

4.23 The CRF Prospectus set out that each Lead Authority would set out its own requirements for bids but that a common application form and appraisal process would be used across the UK. This process was set out in the CRF Assessment Process document, which detailed the gateway criteria for the fund.

4.24 Whilst this guidance was provided to ensure a consistent approach to scoring across Great Britain, the Technical Note for Lead Authorities set out that they had more autonomy in the approach that they took to appraisal. The guidance set out:

> “Lead Authorities may choose to involve other organisations to provide advice during the assessment and prioritisation process e.g. on alignment with local priorities and other planned or existing activity. The decision on which projects are submitted to the Secretary of State rests with the Lead Authority” (UK CRF Technical Note for Lead Authorities). Where partners are involved this must be managed in a way that prevents any party exerting undue influence that distorts the bidding process in favour of any applicant or in a way that prejudices any applicant taking account of any conflicts of interest” (UK CRF Technical Note for Lead Authorities).

4.25 Lead Authorities took differing approaches to the operationalisation of appraisal. For example, some reported that they had set up internal panels, with representatives from across different areas of their Lead Authority representing the different priority areas. Others had commissioned external assessors to undertake appraisal functions, or a combination of the two. Some of the former indicated that they would have preferred to have undertaken an external appraisal approach but had been unable to do so due to time or funding capacity issues.

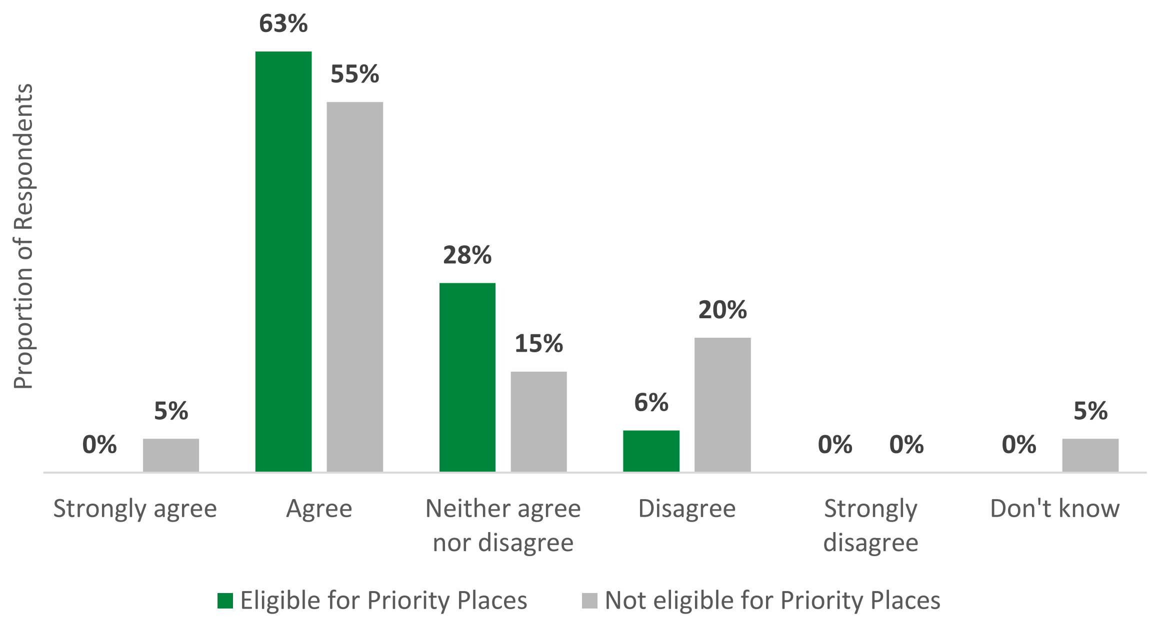
4.26 A different application approach was adopted in Northern Ireland, where any legally constituted organisation could submit a bid directly to the DLUHC for appraisal. This was to take account of the different local government landscape in Northern Ireland in comparison to Great Britain.

## Effectiveness of Implementation

### Quality of Bids

4.27 Most of the surveyed Lead Authorities (60 per cent) reported that the applications received were of sufficient quality for them to submit to the UK Government. Twelve per cent disagreed with this statement and 25 per cent reported that they neither agreed nor disagreed.

Figure 4-2: To what extent do you agree or disagree with the following statement? The applications received were of sufficient quality




Source: Lead Authority Survey (51 respondents).

4.28 As shown in Figure 4-2, areas with priority places (and therefore receiving additional capacity funding) more commonly found that the quality of applications was better than did those without. No notable differences were found in analysis by the size or type of the local authority.

4.29 In a small number of interviews, Lead Authorities reported that they had received bids that were underdeveloped, but noted that the timeframes for completing appraisals and submitting bids to the UK Government did not enable them to go back to delivery organisations to request additional information.

4.30 Within interviews a small number of Lead Authorities reported that they would have found it beneficial to be able to provide advice to applicants to support them to improve their applications. This was prohibited, however, as set out in the Frequently Asked Questions (FAQs) part of the guidance. Some felt that this may have disadvantaged organisations that were less experienced at producing grant applications, and that it was a missed opportunity to enable stronger bids based on local knowledge and experience.

4.31 The CRF sought to provide opportunities for trialling new approaches and innovative ideas. Most surveyed Lead Authorities (77 per cent) reported that the bids put forward in their area primarily sought funding for new projects, as opposed to the continuation of existing projects. Beyond this, it was difficult to objectively assess the scale of innovation in project design, although it was noted in interviews with a small number of stakeholders that they felt that the timeframes for the CRF had impacted on its success in bringing forward innovative projects, as the timescales had resulted in delivery organisations gravitating towards “safe” or established approaches, instead of more innovative approaches.

4.32 Part of the opportunity to trial new approaches with the CRF was the opportunity to form new partnerships in local areas to address local challenges. Of those surveyed, 56 per cent of Lead Authorities and 78 per cent of Northern Ireland project deliverers indicated that through the CRF they had developed new relationships/partnerships to tackle existing challenges in their area.

4.33 The CRF also invited Lead Authorities to collaborate with other authorities or partners across the UK to promote “cross-border project opportunities that address needs in common or achieve efficient delivery scale”. There was, however, very little evidence that this collaboration took place. For example, 67 per cent of Lead Authorities that responded to the survey reported that they did not collaborate with other authorities or partners to develop cross-border bids. Whilst 26 per cent of Lead Authorities reported that they had collaborated with others, in most cases they reported that this had not resulted in a bid. Only nine per cent of Lead Authorities reported that they had submitted a cross-border bid, and just under half of those — equating to two Lead Authorities — reported that their cross-border bid had been successful.

4.34 The low level of cross-border/collaborative submissions is likely in part to have been influenced by the application timeframes for the CRF. Interviews with Lead Authorities suggested that the design of the CRF created difficulties regarding the practicalities of cross-border collaborations, as Lead Authorities were not clear as to how cross-border bids should be managed. Recognising the different ways of working within Lead Authorities could present challenges for agreeing on approaches with regard to assurance and monitoring that aligned well with both organisations’ governance procedures.

### Approaches to Appraisal and Shortlisting Undertaken by Lead Authorities

4.35 Interviews undertaken with Lead Authorities suggested that there was some level of confusion among Lead Authorities regarding their remit in relation to appraisal. The guidance quoted above sets out that the decision regarding which projects were submitted sat with the Lead Authority; however, conversations with interviewees indicated that some believed that they had to submit all bids that passed the gateway checks.

4.36 In a small number of interviews, Lead Authorities reported that they had ranked their bids in order of local priority and were surprised when those that featured lower in their list subsequently achieved funding whilst higher-ranked bids had not. The guidance documents did not specifically instruct Lead Authorities to undertake a ranking approach; however, it is possible that the phrasing set out above regarding the “assessment *and prioritisation*” of bids may in some cases have been misinterpreted, and Lead Authorities may have concluded that this meant that they should share bids according to a priority ordering.

**Experiences of Northern Ireland Applicants**

4.37 Applicants in Northern Ireland reported very positive experiences of the bidding process. For example, 87 per cent of survey respondents from Northern Ireland agreed that there was clear guidance in place to support their application to the CRF and that there was sufficient time to prepare their bid.

4.38 This contrasts with the experiences of Lead Authorities in Great Britain, where only 30 per cent of Lead Authorities agreed that there was sufficient time. This is likely to be explained by the different processes in place. In Northern Ireland, applicants applied directly to the DLUHC; however, they had the same time available to them as that of Lead Authorities in Great Britain. Within this time period, though, Lead Authorities were required to launch a call for bids from applicants, appraise and shortlist bids, and submit successful bids to the DLUHC.

# C. DLUHC Project Appraisal and Decision Making on Allocations

## Overview of Approach

4.39 Final decisions as to which projects would proceed with CRF funding were made by the DLUHC in accordance with the UK-wide gateway criteria and UK-wide selection criteria set out in the CRF Prospectus. All proposed projects were assessed against their strategic fit, deliverability, effectiveness, and efficiency. Additional assessment considerations were in place for bids in Great Britain and Northern Ireland.

4.40 Ministers could exercise discretion to meet the following set of additional considerations:

- Ensuring a reasonable thematic split of approved projects
- Ensuring a balanced spread of approved projects across Great Britain
- Ensuring that the balance of approved projects gives appropriate regard to priority places
- Considerations of value for money where no distinction can be made between two similar projects in the same area.

4.41 In Northern Ireland, similar considerations were in place regarding ministerial discretion in the selection of funding. However, projects could apply with any value up to the total allocation of £11m for Northern Ireland. However, the guidance specified that the UK Government expected to fund a number of projects of different scales within this overall allocation.

4.42 The CRF appraisals were undertaken by the Assessment Hub, a newly developed approach and team with which to undertake bid appraisal, implementing assessments for the first time in June 2021. The Assessment Hub is based within the DLUHC, with staff whose role is to undertake the appraisal and scoring of applications. This work included collaboration with other stakeholders, e.g. in the case of the CRF, gathering input to support assessments from colleagues from the Department for Work and Pensions, and the DLUHC, local area teams in English regions as well as Scotland, Wales, and Northern Ireland. At the time, the Assessment Hub was not solely focused on the CRF, but was also undertaking appraisals for several other UK domestic funds, including the Levelling Up Fund and the Community Ownership Fund.

## Effectiveness of Implementation

### Successful and Unsuccessful Bids

4.43 A total of 1,062 bids were submitted from across the UK, of which 477 (45 per cent) were successful. Around two thirds of successful bids included areas defined as priority places, with around one third covering non-priority places.

4.44 The success rate for bids including areas defined as priority places was around 50 per cent, while the success rate for areas covering non-priority places was 35 per cent. This reflects the intention of the programme to target greater resources at priority places.

4.45 In total, across Great Britain, there were 141 designated Lead Authorities eligible to submit bids for the CRF programme. Of these, 114 (81 per cent) did submit at least one bid. In total, 97 Lead Authorities (69 per cent of all Lead Authorities) received funding for at least one project.

**Timeliness of Decision Making**

4.46 The CRF Prospectus set out that following the receipt of bids in June 2021, the UK Government would announce successful projects “from late July 2021 onwards”. The appraisal and decision-making process took longer than anticipated, and successful projects were not announced until 3 November 2021, three months after the originally announced timescale.

4.47 Feedback from staff within the DLUHC suggested that the delay had partly resulted from a high level of applications, with over 1,000 project bids received, which was at the higher end of what the DLUHC had anticipated. Consultees reported that responding to this volume within the originally planned timescales proved to be challenging in the context of implementing a new assessment process facilitated through the Assessment Hub. During summer 2021, the Assessment Hub was responsible for appraising bids from multiple funds in addition to the CRF, and several DLUHC consultees reported that within this context the level of resource in the Assessment Hub was not sufficient to make the original timescales for the CRF achievable. They were further constrained because digital infrastructure intended to scrape bids for key information was only 50 per cent effective, meaning that additional work had to be undertaken manually, while other digital issues made it more difficult to locate and coordinate key documents, slowing down the process.

4.48 The assessment process was published at the launch of the fund, detailing:

- Stage 1: Gateway Criteria;
- Stage 2: Scoring Criteria for Strategic Fit, Deliverability, Effectiveness, and Efficiency; and
- Stage 3: Selection.

4.49 DLUHC consultees advised that there was a consistent approach to assessments; however, a small number of Assessment Hub staff reported that they did not feel that sufficient time was available to dedicate a high level of scrutiny per application. Others within the DLUHC indicated that they had assessed all bids in managing a competitive process, ensuring that the depth of assessment was proportionate to the relatively short duration of the CRF, as well as its role in supporting communities to pilot programmes and new approaches, aligning national and local provision.

4.50 The delay to announcements and, consequently, the impact on the delivery period were a frustration to Lead Authorities and delivery bodies. Responding to the evaluation survey, 95 per cent of Lead Authorities and 70 per cent of projects in Northern Ireland reported that the delay had a negative impact on the projects in their area. Reported impacts included a loss of match funding (partly due to the delivery period now spanning two financial years), uncertainty surrounding staffing impacting retention, effects on the delivery of projects aligned with seasonal conditions or an academic calendar year, and the timing of the eventual announcement shortly before the Christmas break. Several Lead Authorities also reported that they were unable to mobilise delivery until they had received their Grant Funding Agreements from the DLUHC, due to risk aversion within their financial departments.

4.51 Within interviews, many Lead Authorities and projects reported that communication of the delay could have been more proactive, and expressed frustration that there was not greater clarity from the DLUHC regarding when project announcements would take place after the initial announcement deadline was missed. Several reported that the lack of communication put their teams under additional pressure, as they were fielding queries from project delivery organisations that were frustrated that successful bids had not been announced, and felt that this risked reputational damage to both the DLUHC and their own organisations.

4.52 Successful and unsuccessful projects were announced on GOV.UK on 3 November 2021. Several Lead Authorities reported that it would have been beneficial for communication to have come via their team, as opposed to public announcements. Some noted that project delivery partners had been contacted by the press about their projects before they were aware that they had been awarded funding.

**Perspectives on Decision Making**

4.53 There were mixed perspectives amongst Lead Authorities and project deliverers in Northern Ireland regarding the extent to which it was clear as to how bids would be selected by the UK Government. For example, 37 per cent of respondents to the survey of Lead Authorities reported that they agreed that “it was clear how submitted bids would be selected by UK Government” in comparison with 40 per cent who disagreed. In Northern Ireland, respondents were more positive, with 57 per cent agreeing with the statement and 17 per cent disagreeing. This difference may partially reflect that all survey respondents within Northern Ireland had been successful in achieving funding and, therefore, had a more positive experience of the process. In contrast, Lead Authorities were responsible for submitting numerous bids on behalf of different delivery organisations, and some therefore had experience of some bids being accepted and others being rejected.

4.54 In follow-up interviews, staff from Lead Authorities often reported that they felt that the appraisal and decision-making process lacked transparency. Several Lead Authorities reported that they had not received feedback from the DLUHC to explain why the selected projects had been approved or why unsuccessful projects had been rejected. The DLUHC felt that, given the large volume of bids and the short-term nature of the fund, not giving feedback on individual projects was appropriate.

4.55 Several Lead Authorities reported that they were surprised by some of the projects that had secured funding within their area, and in a small number of cases, Lead Authorities reported that some projects had achieved funding that the Lead Authority would not itself have decided to fund due to concerns related to deliverability or the duplication of resource.

4.56 Several Lead Authorities reported that the decisions that had been made regarding which projects to fund had sometimes resulted in what they perceived to be incohesive programmes of funding within their local area. In several examples, for instance, Lead Authorities described situations in which multiple projects had been approved that were targeting similar beneficiary groups, resulting in direct competition for beneficiaries and the duplication of resource. This made it more challenging for projects to achieve their targets.

4.57 In examples in which projects were duplicative, however, two Lead Authorities reported that they still felt that they had to submit these to the DLUHC, as there was nothing in the individual bids to justify refusing their bid. These examples suggest that greater collaboration between Lead Authorities and the DLUHC may have been beneficial in avoiding duplicative bids being selected.

# D. Contracting and Payments

## Overview of Approach

### National Contracting and Payment Arrangements

4.58 The DLUHC issued Grant Funding Agreements to Lead Authorities and successful projects in Northern Ireland. These set out the agreed funding, contracted outputs and outcomes, the payment schedule, and assurance processes.

4.59 Within Northern Ireland, projects had a direct contract with the DLUHC, which were responsible for carrying out assurance in relation to these projects. Across Great Britain, in contrast, Lead Authorities held contracts with project delivery organisations and had responsibility for compliance and assurance.

4.60 The following payment schedules were adopted by the DLUHC:

- In Great Britain, 62.5 per cent of the full award was paid to Lead Authorities upon commencement of the delivery period, with the final amount payable when final claims were approved. Lead Authorities were not required to issue payments to project deliverers in alignment with this arrangement, however, and were instead able to contract according to their preferred approach to managing assurance.
- In Northern Ireland, 25 per cent of the full award was paid directly to project delivery organisations upon commencement of the delivery period. Thereafter, payment was arranged upon proof of expenditure, with monitoring checkpoints in place at regular intervals.

4.61 In both areas, the approach provided a level of advanced payment to ensure that projects were able to cash-flow effectively, whilst upholding the principle of not paying in advance of need in order to protect the public purse.

### Local Arrangements

4.62 Lead Authorities typically implemented back-to-back agreements[3] with project delivery organisations based on the Grant Funding Agreements that they had received from the UK Government. Authorities took differing approaches to managing financial claims with successful projects. A very small number reported that they directly mirrored the payment approach adopted by the DLUHC, but, more commonly, Lead Authorities put in place payment based on evidence of defrayal of expenditure at agreed milestones (often monthly or quarterly), and in some cases with an advanced payment but in other cases not.

[3] A subcontract when all of the terms used in the main contract are incorporated into the back-to-back subcontract.

4.63 Often Lead Authorities reported that they had made upfront payments available when working with project deliverers in the charitable or voluntary sector, out of recognition that these organisations may not have the cashflow to be able to mobilise without some level of upfront payment.

## Effectiveness of Implementation

### Perspectives on the Contracting Approach

4.64 Delivery staff from the DLUHC generally reported that they felt that the contracting approach, using Grant Funding Agreements, had worked well. However, there was some feedback from DLUHC consultees and Lead Authorities that it would have been beneficial to be able to review the Grant Funding Agreement template document at an earlier stage for their own legal teams to review ahead of funding allocations being made.

4.65 Several Lead Authorities suggested that aspects of the contracting process could have been improved. For example, it would have been beneficial to have access to a template monitoring/claims form at the contracting stage to support them in developing their approach to monitoring projects.

### Perspectives on the Funding Approach

4.66 Overall, the funding approach appeared to work well. Several staff members from the DLUHC reported that they felt that a payment-on-evidence approach was important for safeguarding public money and ensuring that money was spent appropriately.

4.67 In the context of the approach adopted in Northern Ireland, staff reported that the approach had helped to minimise risk to the DLUHC, as the team were able to withhold funds where there was not sufficient evidence of spend. The approach was therefore felt to be pragmatic, and appropriately balanced risk.

4.68 The payment approach in Great Britain to Lead Authorities was also felt by staff to have appropriately managed risk. There had been examples in which the DLUHC had not fully paid final contract values because the projects within a Lead Authority area had not spent their allocation, preventing issues surrounding overpayment and subsequent recovery of funds.

4.69 Lead Authorities were mostly positive about the payment schedule adopted by the DLUHC, though many emphasised that the level of advanced payment (62.5 per cent), whilst welcome, was not necessarily required, as many authorities were well resourced to be able to manage cashflow. A small number of Lead Authorities reported that the level of upfront payment was helpful, as council budgets had come under increasing pressure. This had meant that some Lead Authorities were increasingly hesitant towards large payments that they would have to claim back in case clawback resulted in a lower payment than anticipated.

4.70 The payment approach from the DLUHC afforded a high level of flexibility to Lead Authorities in managing payments to project delivery organisations. This enabled Lead Authorities to adopt approaches that worked for their organisation in the context of internal approaches to assurance and risk management, as well as the existing relationships in place.

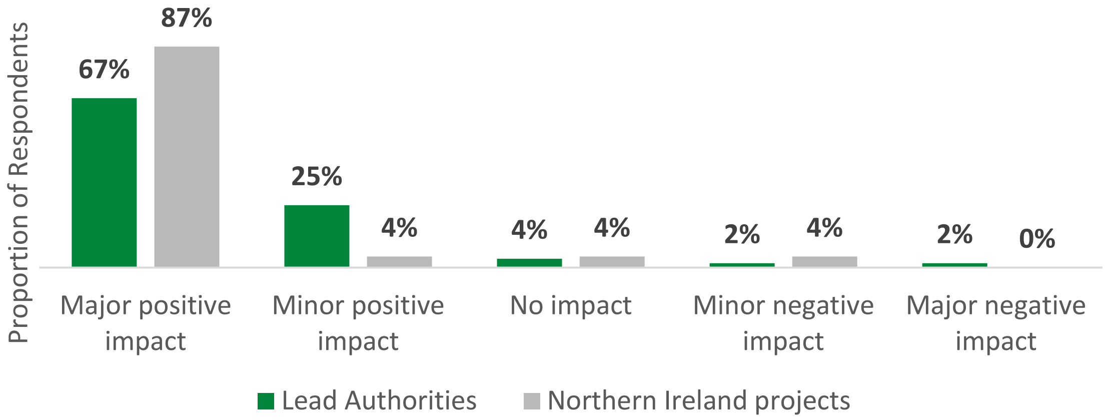
4.71 A small number of Lead Authorities reported confusion regarding whether they should adopt a payment-on-results approach. For example, one Lead Authority reported that they had assumed that they should not withhold payments based on an understanding that the CRF was not an output-based programme; however, this left them with some nervousness as to whether they would face clawback if the DLUHC determined that the project had not delivered enough. This may suggest that further guidance regarding clawback arrangements would be beneficial in future programmes. More generally, several Lead Authorities expressed concerns with regard to facing clawback, as they had experienced this being applied under previous European Structural Funds.

4.72 Interviewees who were delivering projects in Northern Ireland were also generally positive about the payment approach adopted by the DLUHC. The initial 25 per cent payment upfront was welcome, and in general projects reported that their claims were processed promptly. However, one interviewee reported more negative experiences of the process, where subsequent payments had been lower than they had anticipated. This appeared to relate to the DLUHC adopting an approach not to pay in advance of need. However, the project reported that this caused challenges for their organisation with regard to cashflow.

**Changes to Contract Durations**

4.73 Following the initial three-month delay to the announcement of successful bids, the CRF delivery period was initially contracted for a period through to June 2022. Due to the impacts of COVID-19 on delivery, an extension was subsequently announced, enabling delivery to extend through to December 2022.

Figure 4-3: Perspectives on the Impact of the Decision to Extend the Programme Delivery Period by up to Six Months on the Delivery of Projects




Source: Lead Authority Survey (56 respondents) / Northern Ireland Project Survey (23 respondents).

4.74 Lead Authorities and project deliverers were supportive of the extension, as shown in Figure 4-3, reflecting the opportunity to complete project delivery and achieve greater outputs and outcomes. There was some criticism regarding the delay to announcing the extension, and with regard to it being unfunded, which meant for some projects incurring additional management costs to cover a further six months, which had not been planned for.

# E. DLUHC Support to Local Areas during Delivery

## Overview of Approach

4.75 Once CRF projects entered the delivery period, each Lead Authority in Great Britain and each project in Northern Ireland was allocated a lead contact within the CRF Delivery Team, whom they could contact for support with any queries. Notably, this meant that project deliverers in Northern Ireland had direct contact with the CRF Delivery Team, while in Great Britain they had to do so via Lead Authorities, so the relationship was a step removed.

4.76 The CRF Delivery Team also undertook inception meetings with Lead Authorities and projects in Northern Ireland to discuss and agree expectations.

4.77 The DLUHC local area teams had a role in supporting Lead Authorities in Great Britain on CRF providing support and advice, helping to follow up on queries raised with the CRF Delivery Team where needed and, correspondingly, to chase Lead Authorities where the CRF Delivery team was waiting on inputs such as monitoring forms. The Wales and Scotland area teams had more involvement reflecting that this was the first time that the DLUHC had managed a UK-wide fund; therefore, the involvement of these teams helped in managing stakeholders in these nations.

4.78 In addition to this support, the DLUHC published various guidance documents on gov.uk. These included the CRF Technical Note for Project Applicants and Deliverers, further monitoring and evaluation guidance for project delivery, and a document on frequently asked questions and answers.

## Effectiveness of Implementation

### Perspectives on the Written Guidance

4.79 Lead Authorities provided mixed feedback in relation to the guidance produced for the CRF programme. For example, 54 per cent of survey respondents agreed that the guidance was both comprehensive and easy to understand. However, 26 per cent of respondents felt that the guidance was not comprehensive and 25 per cent felt that it was not easy to understand. In consultation feedback, some Lead Authorities described the guidance as “good” and “comprehensive”, while others reported that they felt as though there were “gaps” or “grey areas”, particularly with regard to definitions concerning outputs and outcomes.

4.80 Some of these gaps related to areas in which the DLUHC had sought to provide flexibility to the Lead Authority, but this was sometimes interpreted as “vague” or “unclear” by Lead Authorities, including in relation to assurance and monitoring responsibilities. Some Lead Authorities reported that it would have been helpful for the DLUHC to set out the level of assurance with which they would be satisfied. In the absence of such guidance, several Lead Authorities fell back on tried and tested approaches from the delivery of European Structural Funds, as they felt confident that this would provide a high level of assurance. While this provided Lead Authorities with confidence in the evidence in place, this level of assurance was time-intensive and costly to deliver.

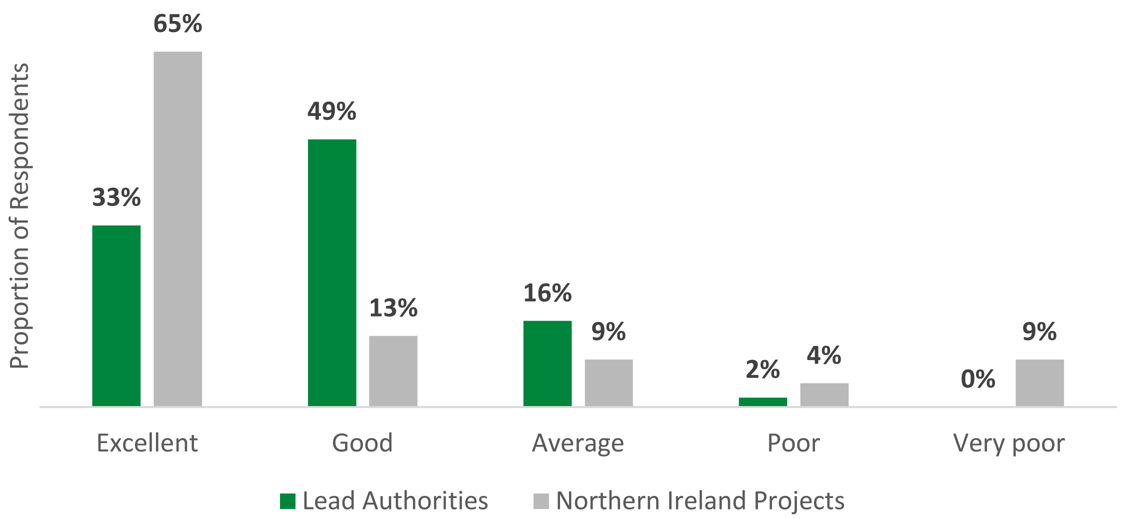
4.81 Both interviewees and survey respondents reported that the timing of the release of the Annex A Indicator Guidance had caused difficulties. In survey responses, 65 per cent of Lead Authorities reported that they felt that the guidance had been published too late.

4.82 The guidance had not been available when applications were submitted, sometimes resulting in more challenging delivery targets than project deliverers had expected. A key example was in relation to the definition concerning unemployed beneficiaries, as Annex A specified that only those unemployed for more than 18 months would be eligible for several outcomes. In several cases the definitions of indicators were not specific, leaving interpretation to individual Lead Authorities and projects, and which meant inconsistency in how these terms were applied.

4.83 Project deliverers from Northern Ireland were more positive regarding their experiences of the guidance. Eighty-seven per cent of survey respondents reported that the guidance was comprehensive and 82 per cent reported that it was easy to understand. This may reflect that the primary challenges in the guidance related to the guidance on roles of Lead Authorities that were not the responsibility of project deliverers in Northern Ireland.

### Support Provided by the CRF Delivery Team

Figure 4-4: How would you rate the quality of support that you received from the CRF Delivery Team?




Source: Lead Authority Survey (57 respondents) & Northern Ireland Project Survey (23 respondents).

4.84 Lead Authorities and project deliverers in Northern Ireland were mostly positive about the level of support that was provided by the CRF Delivery Team throughout the programme. As shown in Figure 4.4, 82 per cent of Lead Authorities and 78 per cent of projects in Northern Ireland rated the quality of support that they had received from the CRF Delivery Team as “good” or “excellent”. Similarly, 91 per cent of surveyed Lead Authorities felt that the CRF Delivery Team “responded to queries in a timely manner” and that they had “received sufficient support from the CRF Delivery Team”. In Northern Ireland, 83 per cent of project deliverers agreed with these two statements.

4.85 In survey feedback, where Lead Authorities and projects had a positive experience, they often reported that their contact within the CRF Delivery Team was “approachable” or “helpful”. In consultations, many individuals described the support that they had received from their contacts in the CRF Delivery Team as “excellent”, and reported that the team were very responsive to queries and escalated issues where they could not give a direct response.

4.86 Those who described less positive experiences typically described slow responses to queries. In several of these cases, respondents suggested that they did not feel that the CRF Delivery Team had enough staff to respond to queries in a timely manner.

4.87 A small number of staff within the DLUHC also reported that the level of resource within the Delivery Team was low relative to the support needs of the Lead Authorities and projects. In particular, staff reported that the support needs of projects funded within Northern Ireland were greater than anticipated, with a large volume of queries received from project deliverers. This may partly reflect more limited previous experience of managing European Structural Funds projects: while 96 per cent of Lead Authorities reported that their organisation had prior experience of managing or delivering projects through European Structural Funds, only 57 per cent of project deliverers from Northern Ireland reported this prior experience.

4.88 Self-reported data from Lead Authorities and project deliverers in Northern Ireland indicate that a high volume of queries were submitted to the CRF Delivery Team. All respondents reported having made at least one query. The median response was that respondent organisations had made 6–10 queries to the CRF Delivery Team. Queries commonly related to reporting expenditure and outputs, as well as project change requests.

4.89 Amongst Lead Authorities, some of the support needs appeared to have been borne out of a cautious approach relating to the greater flexibilities for fund management provided under the CRF (when compared to the management of European Structural Funds). Lead Authorities often sought reassurance regarding key decisions, reflecting a nervousness in using the autonomy provided, in case the DLUHC later challenged a decision that they had made.

# F. Contract and Progress Monitoring and Evaluation

## Overview of Approach

**National Delivery**

4.90 The DLUHC sought to implement a monitoring approach that was “light-touch” in nature as well as proportionate in the context of the short-term nature of the programme. Monitoring was undertaken on a quarterly basis, and the DLUHC issued projects (Northern Ireland) and Lead Authorities (Great Britain) with a claim form for the reporting of outputs, outcomes and spend. This also included several narrative fields for projects/Lead Authorities to describe delivery and highlight issues regarding variance from contracted targets. Northern Ireland assurance also involved sample checks of expenditure during each claim to ensure eligible spend and sufficient funding defrayed to trigger a subsequent drawdown.

4.91 In Great Britain the Lead Authorities were responsible for carrying out monitoring and assurance at a project level. Furthermore, Lead Authorities and Northern Ireland project deliverers had responsibilities to conduct a project-level evaluation of every project, with specific guidance provided by the DLUHC.

**Local Delivery**

4.92 The CRF Technical Note for Project Applicants and Deliverers set out that “it will be the responsibility of the Lead Authority to seek assurance that costs being claimed by Project Deliverers are eligible and will put in place reasonable checks as part of the claim process. The Project Deliverer should provide evidence through to defrayal to support costs to the Lead Authority when it is requested.”

4.93 In relation to the assurance of outputs, the CRF Technical Note for Project Applicants and Deliverers set out that project delivery organisations must retain supporting evidence to validate the results for each indicator, and that the “Lead Authority should confirm and agree with the Project Deliverer what documentation will be required to provide sufficient assurance to the Lead Authority”. This left it open for the Lead Authority to determine the level of documentation that would provide assurance.

4.94 In relation to spend, most Lead Authorities reported that they had carried out checks on all spend, requiring evidence of defrayal. A small number reported that they had carried out spot checks based on sampling. The former typically reflected existing financial approaches within Lead Authorities. Some Lead Authorities reported that their finance teams took a risk-averse approach to managing funds and would not accept spot checks, so they checked all spend.

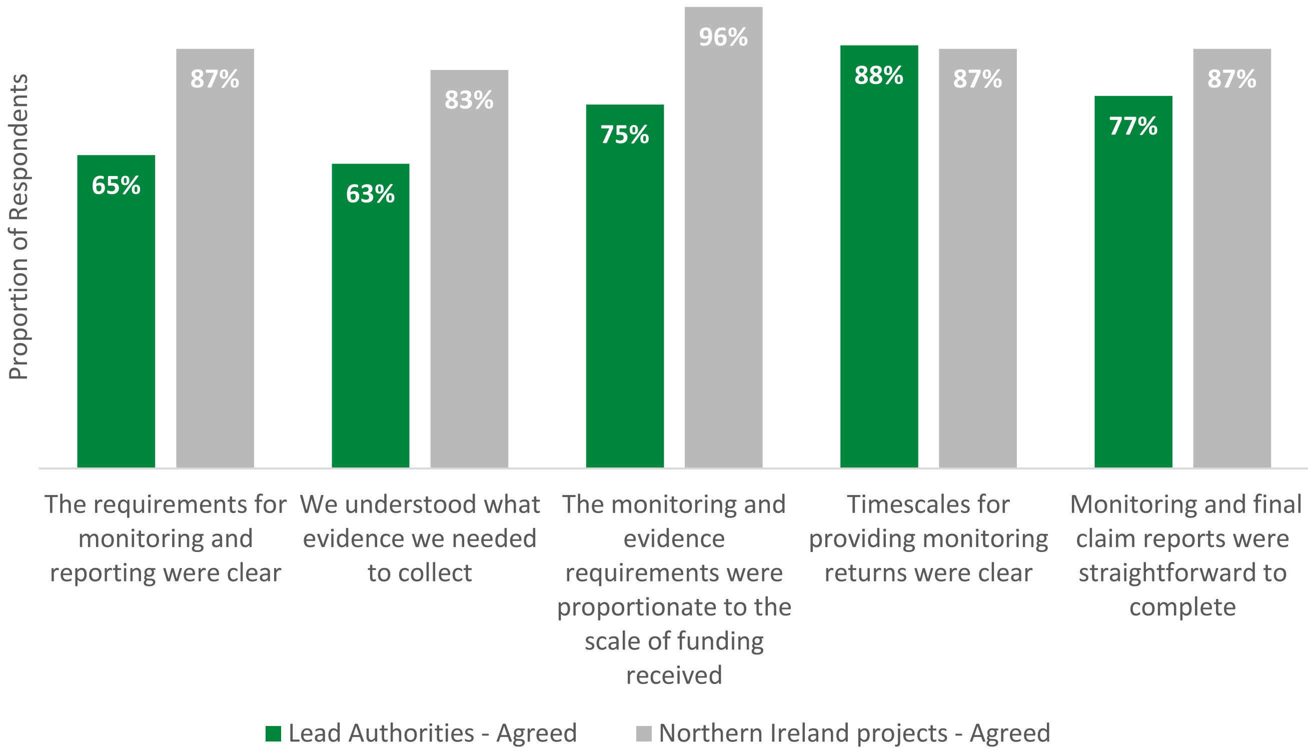
4.95 In relation to outputs, approaches were more varied. Some Lead Authorities reported that they had carried out spot checks based on agreed evidence collection approaches, using a sampling approach, and had only implemented complete checks in the event that errors or issues were identified. Some elected for complete checks on all reported outputs. Others reported using a mixture of approaches depending on the projects with which they were working. For example some Lead Authorities reported a higher level of confidence in deploying spot checks where delivery organisations had a strong track record in managing European Structural Funds, as they had confidence in the level of evidence being collected. In relation to organisations with no prior experience, they would apply more extensive compliance checks.

## Effectiveness of Implementation

### Feedback on the Monitoring Approach

4.96 There was mixed feedback from Lead Authorities in relation to the effectiveness of the monitoring approach implemented by the DLUHC.

Figure 4-5: Proportion of Survey Respondents Agreeing to Statements about the Monitoring Approach




Source: Lead Authority Survey (57 respondents) & Northern Ireland Project Survey (23 respondents).

4.97 As the findings in Figure 4-5 show, most Lead Authorities and Northern Ireland project deliverers reported that they felt that the monitoring and claim reports were straightforward to complete and that the timescales for returns were clear.

4.98 While feedback from Northern Ireland project deliverers was similarly positive regarding other aspects of the monitoring approach, the feedback from Lead Authorities was more mixed:

- Whilst 65 per cent of Lead Authorities reported that the requirements for monitoring and reporting were clear, 26 per cent disagreed. Similarly, 63 per cent reported that they understood what evidence they needed to collect, whilst 23 per cent disagreed.
- In qualitative feedback, Lead Authorities frequently reported that they would have preferred to have earlier sight of the monitoring guidance, as guidance on outputs and outcomes was released after applications.
- Several Lead Authorities noted that Annex A outputs had not been incorporated into applications or contracts, which resulted in confusion when projects were subsequently asked to report against these for monitoring returns.

4.99 A small number of Lead Authorities reported that they felt as though the timescales for submitting monitoring returns to the DLUHC were clear but unrealistic and put a lot of pressure on Lead Authorities in the context of the work that they needed to undertake to obtain quarterly returns from partners and undertake assurance activities. This was particularly pronounced where Lead Authorities were responsible for overseeing a large number of projects, which resulted in a higher number of claims to assure.

4.100 DLUHC auditors consulted as part of the evaluation reported that local authority audits had been scheduled three months into delivery. At that point the auditors were broadly happy with approaches taken to the assurance of expenditure. Regarding outputs and outcomes, few authorities had reported any by this stage, so the auditors were unable to check evidence, but instead audited the procedures in place for the assurance of outputs and outcomes. At that stage they noted concerns surrounding the robustness of these assurance processes and, therefore, of the performance data that would be reported.

**Proportionality of the Monitoring Approach**

4.101 The figures in Figure 4-5 show that stakeholders mostly felt that the DLUHC had been successful in designing a proportionate approach to monitoring. In interviews, moreover, several Lead Authorities reported that they had found the approach to monitoring adopted in the CRF to be “refreshing” or “light-touch”.

4.102 However, this approach did cause challenges for some Lead Authorities that expressed cautiousness having been accustomed to delivering under European Structural Funds programmes. There remained a concern that the

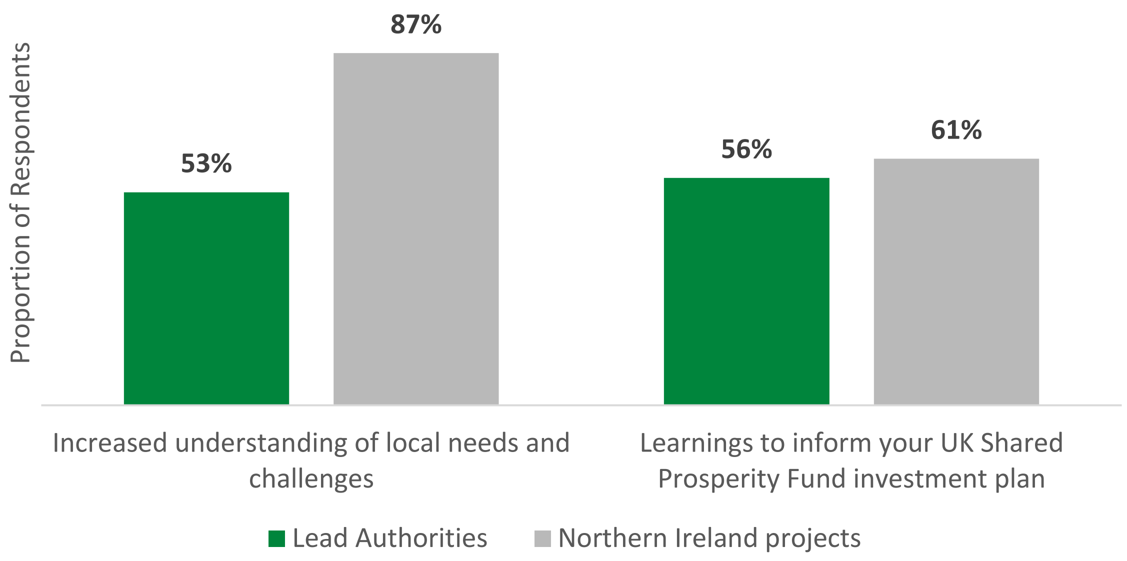
DLUHC would later ask for additional evidence, or that greater evidence might be needed in the event of any dispute, with risks of clawback. As a result, some Lead Authorities took a more risk-averse approach to monitoring and assurance than was necessarily required by the CRF programme.

4.103 While most Lead Authorities agreed that the approach adopted in the CRF was proportional, several Lead Authorities reported that the CRF had not been as “light-touch” as they had envisaged. This mainly related to the level of resource that Lead Authorities required in order to administer their responsibilities. In some cases this reflected where Lead Authorities had applied a higher level of assurance than was necessitated by the programme.

**Project Evaluations**

4.104 Although not a main line of enquiry for the programme evaluation, a number of consultees reflected on the project evaluation process. In a small number of interviews, Lead Authorities reported that it had been practically challenging to commission evaluations, resulting from the large volume of CRF projects that were going out to tender with similar timescales, meaning that many external evaluators reached capacity and were unable to provide quotations for further project evaluations.

Figure 4-6: Which, if any, of the following have happened as a result of your involvement in the CRF?




Source: Lead Authority Survey (57 respondents) & Northern Ireland Project Survey (23 respondents).

4.105 More generally, feedback from surveys indicated that learning from delivery as well as understanding of local needs had increased through CRF project delivery, as illustrated in Figure 4-6. More than half of respondents agreed that they had benefitted from increased understanding of local needs and challenges, and that learnings from the CRF had helped to inform the UKSPF investment plan.

4.106 Consultations highlighted that for several Lead Authorities the CRF had influenced the approaches/intervention types that they were looking to take forward in the UKSPF. In some cases this was an extension of a model that had been trialled in the CRF, or a new model based on the lessons learned from the implementation of an approach that had not worked as well as hoped. Others, however, reported that the timeframes had given limited opportunities for CRF delivery to inform UKSPF investment plans, as the UKSPF was launched prior to the end of the CRF programme and the completion of project evaluations.

# G. DLUHC Strategic Governance & Operational Project Management

## Overview of Approach

4.107 The CRF Programme Board was developed to provide strategic guidance and direction to the programme. The Board met monthly and had membership from staff involved in the delivery of the programme, as well as representatives from the Department for Work and Pensions (DWP), the Treasury, devolved nation area teams, the Scottish Office, the Welsh Office, the Northern Ireland Office, the Department for Business, Energy and Industrial Strategy (BEIS), the assurance and compliance team, the local growth analysis team, the Government Legal Department, and the Government Internal Audit Agency.

4.108 The Board was designed to monitor the development and progress of the programme, including monitoring emerging risks and providing recommendations on mitigations. It was not designed to undertake decision making, with decisions escalated to ministers and the Permanent Secretary for the DLUHC (who was the sole Accounting Officer).

4.109 Throughout the main programme delivery period, the core team managing and overseeing the CRF programme comprised the following.

- Senior Responsible Officer (SRO) – chairing the CRF Board
- **Head of Programme Delivery** – maintaining strategic oversight of delivery
- **Programme Delivery Lead** – providing operational leadership and managing a team of delivery managers handling the relationships with the Lead Authorities and Northern Ireland project deliverers
- **Project Management Office (PMO)** – team managing all data collection and analysis for the programme
- **Assurance team** – team undertaking quality checking of submitted spend and output information from Lead Authorities and Northern Ireland project deliverers

## Effectiveness of Implementation

4.110 Delivery staff were generally positive regarding the strategic governance and operational project management put in place. Staff reported that they felt as though the Board received a good level of information, which appeared to have been well supported by having an experienced staff team involved in the delivery of the CRF programme. Minutes reviewed from recent quarterly Board meetings indicate satisfaction with the information received, with no substantial requests for additional information noted.

4.111 A small number of potential improvements were suggested by some stakeholders, which are summarised below.

4.112 Firstly, there was some feedback that information sharing between the CRF Delivery Teams and the Local Area Teams was not as strong as it could have been. For example, Local Area Teams did not have access to evaluation reports, and reported that this would be beneficial in supporting their conversations with Lead Authorities regarding other programmes (including the UKSPF).

4.113 Secondly, there was some feedback with regard to decision making on managing CRF funding at a programme level, rather than at a project level (e.g. having the delegated authority to reallocate spending between projects where appropriate). Feedback from some Lead Authorities indicated frustration that funding had been awarded and managed by the DLUHC at a project level, which allowed Lead Authorities less flexibility to manage the funding as a programme.

4.114 With respect to the effectiveness of the team, section 4E summarised key messages on this, including positive feedback on the quality of support received from members of the team, but also concerns amongst some consultees regarding whether the team had sufficient resources to provide all of the support that Lead Authorities and Northern Ireland project deliverers felt they needed in order to deliver the programme.

# H. Local Governance and Management

4.115 This section applies only to the role of Lead Authorities in Great Britain.

## Overview of Approach

### Resourcing

4.116 The CRF guidance indicated that a flat rate of two per cent of the total value of funding received could be spent on the administration of funds by the Lead Authority. In circumstances in which there was expected to be a large volume of transactions, or complex project delivery, e.g. some employment support projects, a flat rate of three per cent was permitted.

4.117 Most Lead Authorities (65 per cent of survey respondents) reported that they did not bring in additional staff resource to carry out their management responsibilities (excluding project evaluation). Of those who did, most commonly did they report that they had seconded staff from other teams within the Lead Authority. Only seven per cent of Lead Authorities reported that they had recruited new staff into their organisation to manage the CRF, and merely seven per cent reported that they had externally contracted staff or commissioned other organisations.

### Local Approach to Management and Governance

4.118 The range of activities put in place to support local management of the CRF varied between Lead Authorities. The following processes and structures were commonly reported:

- Implementation of regular claims, often monthly or quarterly, to provide the Lead Authority with oversight of performance and risks. This was typically aligned with the payment approach and provided an opportunity for financial assurance.

- Implementation of regular meetings with project deliverers. These were not reported by all Lead Authorities that participated in interviews but were a fairly common feature of approaches. In many cases these included formalised regular monthly monitoring/update meetings, but some Lead Authorities took a more ad hoc approach. At the more intensive end, one Lead Authority reported conducting one-to-one weekly meetings with project deliverers.

- A small number of interviewees also discussed the use of internal Programme Boards to support their overall governance approach and provide the Lead Authority with oversight of CRF delivery.

4.119 In most cases, Lead Authorities met individually with the funded projects in their area, but one interviewee did report that they had brought together all CRF projects to meet, helping to raise awareness of the delivery across the area and identify opportunities for collaboration.

## Effectiveness of Implementation

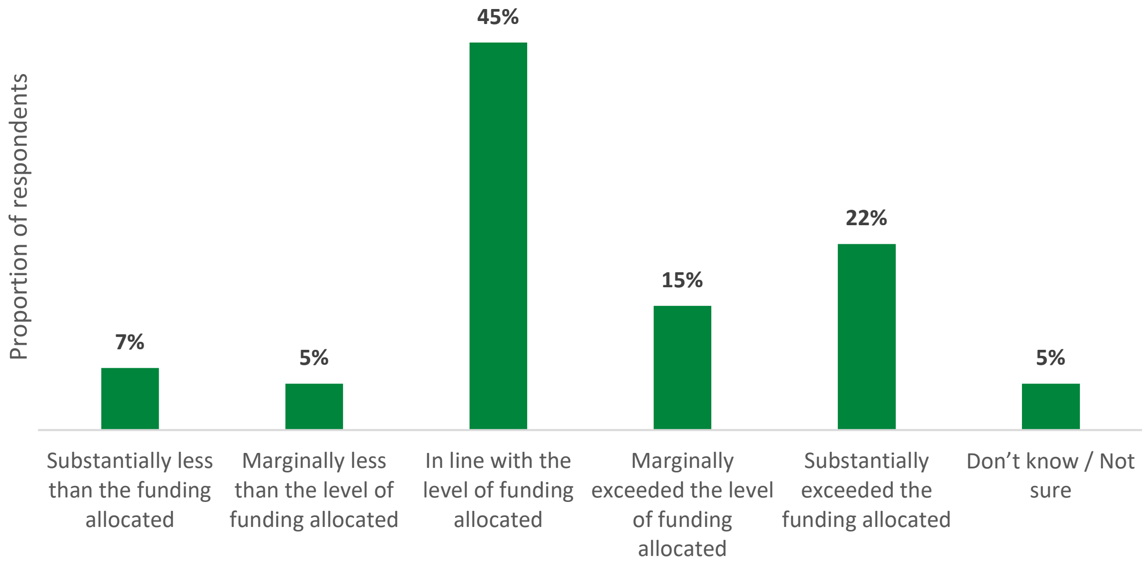
### Resourcing Approach

4.120 Most Lead Authorities reported that they felt as though the resourcing approach that they had put in place had been effective. It should be noted that most Lead Authorities reported that they were experienced in managing external funded programmes; as such, most had tried and tested approaches that they could utilise to inform their approach to managing the CRF.

4.121 However, several Lead Authorities reported that they had experienced challenges where they had sought to manage the CRF within existing roles. Lead Authorities often reported that the timeframes for the CRF influenced their decisions to manage the programme within existing teams, as the original CRF timeframes made it challenging to recruit external candidates. This, however, created challenges because the responsibilities associated with delivering the CRF took staff away from their core roles. This became more challenging in the context of the extension to the delivery period, which therefore extended the period in which staff were delivering the CRF alongside other duties, with no additional CRF resourcing being available for this. Consequently, several Lead Authorities that had adopted this approach reported that for future programmes like the UKSPF they would like to recruit dedicated posts to take on these responsibilities.

4.122 Lead Authorities had mixed perspectives on the sufficiency of the two per cent management and governance fee that was allocated in order to support them in carrying out their responsibilities.

Figure 4-7: Lead Authority Perspectives on How Much They Spent on Management and Governance Compared to the Funding Allocation for This




Source: Lead Authority Survey (55 respondents).

4.123 As presented in Figure 4-7, 45 per cent of survey respondents from Lead Authorities reported that their management costs were in line with the level of funding allocated through the management and governance fee, and a further 13 per cent reported that their costs were lower than the fee allocated. However, 36 per cent reported that their management costs exceeded the level of funding allocated, of which 22 per cent reported that the costs “substantially exceeded” their allocation.

4.124 There were a number of factors that influenced overspend, including:

- An extension to delivery timescales for the CRF programme – this saw some projects extended by up to six months. However, no additional funding was provided to Lead Authorities to cover management costs for this additional period.
- The extent of assurance activity delivered by the Lead Authority, with those adopting 100 per cent compliance checks, undertaken by multiple staff members, reporting greater spend than those that undertook spot checks.
- The complexity of issues involved in managing and governing projects; for example, Lead Authorities that had encountered significant challenges with regard to performance reported that they had needed to increase oversight.
- Greater resource needed for legal and finance team inputs than had originally been anticipated in some cases.

**Approaches to Management and Governance**

4.125 Lead Authorities were generally positive about the approaches that they had implemented to manage the projects, and reported that they felt as though their approaches were effective, typically being informed by existing practice.

4.126 Those that implemented monthly meetings reported that these had been helpful in providing opportunities to mitigate problems as they arose and support relationship building with project deliverers. For some organisations the level of regularity may have been reflecting existing approaches, but a small number reported that this level of regularity had been adopted due to the short duration of the original CRF delivery period (six months). A small number of Lead Authorities reported that regular meetings had provided some challenges for project deliverers due to the pressures associated with the delivery timescales; in the main, however, Lead Authorities were positive about the effectiveness of these in helping them to carry out their responsibilities.

4.127 Lead Authorities reported a range of challenges that they had faced in the management and governance of the programme, including the following:

- Gathering claims and reports – several Lead Authorities reported challenges related to project deliverers failing to submit claims and update reports in accordance with agreed milestones.

- Disagreements between the Lead Authority and the project deliverers regarding the funding agreement (e.g. where deliverers wanted more upfront funding than the Lead Authority was comfortable about releasing).
- Managing UKSPF expectations – a small number of Lead Authorities reported challenges relating to managing expectations in relation to the UKSPF, as some project deliverers were seeking continuation funding, but this did not align with the UKSPF investment timescales or approach.

4.128 Overall, in the evaluation survey, when asked about wider benefits of the CRF programme, 53 per cent of respondents reported that involvement in the CRF had resulted in improved management and governance structures and processes with which to support the delivery of future funds. This impact was also echoed in interviews with Lead Authorities. Many Lead Authorities reported that the CRF informed the approach that they took to managing their role and responsibilities for the UKSPF, as the CRF had provided them with an opportunity to trial systems and processes. Furthermore, it had enabled Lead Authorities to consider resourcing approaches that may be beneficial in managing their responsibilities under the more long-term UKSPF programme.

4.129 There were, however, a small number of organisations which reported that whilst they had been Lead Authorities for the purposes of the CRF, they were not eligible for UKSPF funding. This was a result of a change to the tier of local authorities classed as Lead Authorities for the purposes of the UKSPF, in contrast to the CRF (in two-tier local authorities this role shifted from the upper tier under the CRF to the lower tier under the UKSPF).

4.130 This change received some criticism from affected local authorities which reported that they had expected to receive UKSPF funding, as the CRF had been positioned as a pilot programme to enable them to prepare for this. In one case a Lead Authority reported that they had spent above and beyond the management and governance fee to discharge their obligations as a Lead Authority, which at the time they had believed to be preparing them for the UKSPF, but later meant that they felt as though they had spent local authority resource with little gain. A separate Lead Authority raised concerns that the change may have impacted local authorities that had chosen to recruit staff members or teams to manage the CRF with an expectation that the role would extend to the UKSPF.

## Overall Contribution to Business Case Aims

4.131 Table 4-1 summarises the contribution of CRF programme delivery to achieving the aims set out in the business case. A progress assessment has been provided against each business case aim.

Table 4-1: Summary of CRF Delivery Contribution to Business Case Aims

| Aim | Progress | Effectiveness of Delivery in Meeting Aim |
|---|---|---|
| **Benefits specific to targeted users/ communities** to include improved user experience and project-specific outcomes, e.g. business productivity | Aim partially met by CRF programme | • The breadth of eligible activities enabled a bespoke project design to address targeted local challenges<br>• Identifying priority places helped to focus resources at targeted users/communities<br>• Limited timescales for project development and rules constrained Lead Authorities from working with partners to enhance the bid design, contributing to only 60 per cent of Lead Authorities reporting that the applications that they received were of sufficient quality<br>• DLUHC consultees indicated that the time available for appraisals for each project was limited, and several Lead Authorities suggested that the appraisals had not resulted in the strongest projects from their area being funded (while weaker ones had been)<br>• Detailed findings regarding project-specific outcomes are covered in thematic analysis at Appendix D, but it was noted that short delivery timescales for the CRF programme overall constrained the achievement of project outcomes within delivery timescales |
| **Maintained or strengthened local capacity and capability** in between multi-year programmes | Aim mostly met by CRF programme for areas receiving CRF<br><br>(Note: Aim not met at all for areas that did not receive CRF) | • Many Lead Authorities were experienced in delivering grant-funding programmes and reported strong pre-existing capabilities in relation to their responsibilities; however, these were rooted in approaches to delivering European Structural Funds, and several reported reverting back to approaches used under such funds (e.g. around enhanced assurance)<br>• Many indicated that the CRF had provided them an opportunity to implement new approaches in order to respond to the new way of working under domestic funds |

| Aim | Progress | Effectiveness of Delivery in Meeting Aim |
|---|---|---|
| | | • It is notable, however, that not all authorities nationally received CRF funding, which meant that many authorities did not have the benefit of increasing capacity and capabilities ahead of the beginning of UKSPF funding<br>• In two-tier areas, the upper-tier authority received the CRF and began to build capacity and capabilities for this type of programme, but UKSPF allocations were then awarded to lower-tier authorities, which had not benefitted from the opportunity to prepare through the CRF |
| **Greater understanding of effectiveness of innovative approaches in priority places** and by local government through use of 'piloting' approach to understand 'what works' | Aim partially met by CRF programme | • More than half of Lead Authority and project respondents stated that they had benefitted from increased understanding of local needs and challenges and that learnings from the CRF had helped to inform their UKSPF investment plans<br>• Most Lead Authorities (77 per cent) reported that the bids put forward in their area primarily sought funding for new projects, indicating innovative/pilot approaches; however, some suggested that short timescales for project development meant that organisations gravitated towards "safe" or established approaches<br>• Project evaluations were typically undertaken too early to be able to effectively capture outcomes and gain a more detailed understanding of 'what works' |
| **Closer working relationship between central and local government and partners**, or between multiple agencies, in addressing economic growth and employment challenges | Aim mostly met by CRF programme | • Most Lead Authorities reported that they felt that the CRF programme had contributed towards creating a line of communication with the DLUHC<br>• Eighty-two per cent of Lead Authorities and 78 per cent of projects in Northern Ireland rated the quality of support that they had received from the CRF Delivery Team as "good" or "excellent", reflecting effective closer working<br>• Fifty-six per cent of Lead Authorities and 78 per cent of Northern Ireland project deliverers indicated that through the CRF they had developed new relationships/partnerships to tackle existing |

| Aim | Progress | Effectiveness of Delivery in Meeting Aim |
|---|---|---|
| | | challenges in their area<br>• There was limited evidence of cross-border collaboration with other authorities or partners across the UK, however, linked to the short timescales for bid development |
| **Consistent approach to addressing economic challenges in priority places** across UK | Aim partially met by CRF programme | • Consistent approach used by the DLUHC to identify priority places for investment across the whole of the UK, although some stakeholders challenged the methodology due to certain deprived areas not being included<br>• The bidding process meant that the amount of funding received by each priority place varied, indicating a less consistent approach to investing in each of the identified places<br>• Establishing a consistent monitoring framework for outputs and outcomes helped with consistency in monitoring delivery across all areas, although some indicators needed a clearer definition and may have been interpreted differently in different areas |
| **Support a smooth transition from the EU Structural Funds programme** as funding tails off to 2023 | Aim mostly met by CRF programme for areas receiving CRF<br><br>(Note: Aim not met at all for areas that did not receive CRF) | • For those Lead Authorities receiving the CRF, several suggested that it had provided a useful “stepping stone” between European Structural Funds and the UKSPF<br>• Cautiousness within Lead Authorities meant that many took a risk-averse approach to the assurance of spend and outputs than the guidance required, linked to a legacy of more rigorous approaches under European Structural Funds; however, over half indicated that the CRF had helped in transitioning their approaches ahead of the UKSPF<br>• The changes to timescales around both the CRF and the approval of UKSPF investment plans did mean a gap in funding, which limited this aspect of the transition<br>• Initial decisions regarding people and skills funding being delayed until the final year of the UKSPF and the switch of Lead Authority status in two-tier areas affected the smoothness of the transition from the CRF to the UKSPF |

# Conclusions and Lessons

# 5. Conclusions and Lessons

5.1 This chapter draws together conclusions arising from the study in response to the evaluation questions (set out in Appendix B). Key lessons that can be applied to the design and delivery of future national programmes to support local growth are highlighted at the end of the chapter.

## Programme Financial and Output Performance

### Financial Performance

**The programme spent £186m (93 per cent) of the £199m funding contracted across 466 projects, with all projects completing delivery within a period of 13 months.**

5.2 A total of £199m was contracted to projects. By the end of the programme, £186m (93 per cent of the contracted value) had been spent, representing notable performance against spend targets (despite the relatively tight delivery timeframe of the fund). All projects were completed by the end of December 2022 in line with revised delivery dates.

5.3 The largest funding allocation went to the employment investment priority (£60.0m), followed by business (£52.7m), skills (£45.5m), and place (£40.5m). Progress against spend allocations was relatively consistent across investment priorities, although the employment IP performed the least well (only spending 91 per cent of its contracted value).

5.4 Analysis of spend by location shows slight variations, with the North West and South West England regions performing most strongly against contracted spend values (97 per cent and 96 per cent spend against allocations, respectively), while Scotland performed slightly less strongly (89 per cent spend against allocation).

5.5 Evidence was not available through programme data analysis to answer the evaluation question regarding the profile of spend over the delivery period.

### Output and Outcome Performance

**The programme supported more than 390,000 individuals, over 50,000 businesses, and more than 23,000 organisations. Outcome data are less definitive, as they could not all be captured within CRF delivery timescales, and there were some challenges with indicator definitions and monitoring approaches. Performance was also affected by the ongoing impact of COVID-19.**

5.6 The output and outcome indicator data provide insight into programme achievements; however, a number of important caveats constrain the extent to which these data can be relied upon. These include the following:

- Detailed indicator guidance was only issued after applications had been submitted, meaning that applicants had committed to targets without a full understanding of indicator definitions, which meant that some project-level targets may not have been realistically achievable from the outset.
- More granular output indicators (Annex A outputs) were introduced at a later stage, and reporting was not a contractual obligation. As such, not all projects did so, meaning that these data are not comprehensive. Thus, no findings for these outputs are provided below.
- Short delivery timescales for the CRF meant that not all outcomes were achieved (or could be achieved) within the programme period.
- Several of the indicators lacked full clarity as to the way in which they had been defined by the DLUHC, leading to a lack of consistency, as Lead Authorities could to interpret what should be captured. There was no central quality assurance, so when collating these data at a national level, these need to be interpreted cautiously.
- Feedback from the CRF Delivery Team indicated concerns surrounding the inconsistency of Lead Authority assurance of output and outcome indicators, with low confidence that this was being done robustly and consistently across areas.

5.7 Given these important caveats, a short narrative is included for each finding to reflect on the extent to which the figures can be relied upon.

5.8 Achievement against contracted output targets (the GFA outputs) shows that the programme supported more than 390,000 individuals, over 50,000 businesses, and more than 23,000 organisations. Five of nine contracted output targets were exceeded, and none fell short of 80 per cent of target levels.

5.9 For most indicators the local authorities containing priority places performed more strongly against targets than did areas without priority places. Targets relating to the employment IP, including support for unemployed and economically inactive individuals, both fell short of targets, partly reflecting the lower spend against the target for this IP.

5.10 The GFA outputs are perhaps the most reliable of the reported indicators, as the definitions of beneficiary types are simple, so there is limited risk of misinterpretation. It is worth noting, however, that there is no minimum threshold regarding the intensity of support to capture the data, so the support provided could range from very light-touch to very intensive support in each case.

5.11 Achievement against contracted outcome targets (GFA outcomes) was mixed. The recorded programme data show that across 22 outcome indicators, 10 met or exceeded targets, and a further seven achieved at least 75 per cent of the target set. The remaining five fell further short of target levels.

5.12 With many of these indicator definitions there is scope for varying interpretations and there are different standards for evidence requirements that may have been applied in different areas, so most can only be taken as indicative:

- Several outcome targets for individuals were exceeded, including numbers into education and training, gaining a qualification, and engaging with life skills. There were shortfalls against some targets for individuals, including for those engaged in job searching or securing employment, and for economically inactive individuals engaging with the benefit system.
- The outcome targets for businesses were mixed, with ‘employment increase in supported businesses’ exceeding the target, and with the indicators for introducing new products to the firm/market falling only slightly short. Targets for new business creation and job safeguarding fell further short of targets.
- The targets for plans and feasibility studies all met or came very close to meeting targets.
- Other targets relating to investment secured and new infrastructure development were not measurable in the programme timescales. These were outcomes that would be enabled following CRF investment in feasibility studies and plans. In many cases the reported achievement was based on future estimates, so these have not been analysed in detail as part of this evaluation.

5.13 While part of the reason for variance in performance against output and outcome targets may relate to the challenges with indicator definitions outlined above (meaning that some targets were unrealistic to begin with), there were other factors highlighted through the evaluation, including the following:

- **Changing timescales for CRF delivery** – in surveys undertaken for this evaluation, 95 per cent of Lead Authorities and 70 per cent of Northern Ireland projects reported that the delay to successful CRF project announcements had a negative impact on the delivery of projects in their area. Reported impacts included a loss of match funding, potential delivery staff not being retained due to funding uncertainty, and effects on the delivery of projects aligned with seasonal conditions or an academic calendar year. Although the later announcement of a programme extension until December 2022 was welcomed and helped to increase output and outcome achievements, it did not fully mitigate the impact of the earlier delay.
- **Continuing impacts of COVID-19** – although CRF delivery began after the main peak of disruption to working and social lives, the outbreak of the Omicron variant and a corresponding increase in regulations occurred at the outset of the CRF delivery period. Over the remaining delivery period,

regulations eased but the recovery with respect to business and consumer behaviours was not immediate, and in various projects this had an effect on the demand for and the uptake of support.

- **Inflationary pressures** – several projects highlighted that plans had needed to be altered because delivery costs for certain aspects were higher than previously anticipated, reflecting the significant rises in inflation over the CRF delivery period.

# Delivery and Process Evaluation

## Projects Funded

**The CRF funded a broad spectrum of projects across business, skills, employment and place themes. Many involved the development of new partnership approaches, although there was limited evidence of innovative approaches being trialled.**

5.14 A total of £186m was invested under the CRF programme in 466 projects across the four investment priorities. As part of the evaluation a more detailed typology of intervention types was developed to enable a more fine-grained analysis of the main types of activities funded by each project:

- **Under the employment IP**, £60.0m was invested, with key intervention types including: removing barriers to employment (95 projects), support for young people NEET (21 projects), support for employers (15 projects), and support for those with disabilities (10 projects).
- **Under the business IP**, £52.7m was invested, with key intervention types including: business support for start-up and growth (63 projects), supporting decarbonisation measures (21 projects), development and promotion of visitor economy (12 projects), and investment in business hubs (eight projects).
- **Under the skills IP**, £45.5m was invested, with key intervention types including: skills to improve employability (43 projects), skills to support decarbonisation (21 projects), digital skills (19 projects), and in-work training or upskilling of existing staff (13 projects).
- **Under the place IP**, £40.5m was invested, with key intervention types including: supporting the development of new or existing infrastructure or green space (44 projects), investment in community engagement schemes (35 projects), actions to support decarbonisation and net zero (29 projects), and developing the local arts, culture and heritage offer (17 projects).

5.15 An important benefit of the CRF funding was that it enabled new partnerships to be formed to deliver interventions. When surveyed, 56 per cent of Lead Authorities and 78 per cent of Northern Ireland project deliverers indicated that through the CRF they had developed new relationships or partnerships to tackle existing challenges in their area. The broad set of eligible activities and the ability to fund projects that cut across different investment priorities helped to enable this.

5.16 While there was an aspiration for the CRF to enable the trialling of new innovative approaches to local growth, it was difficult to objectively assess through the evaluation the extent to which this happened. By one measure, most surveyed Lead Authorities reported that the bids put forward in their area primarily sought funding for new projects, as opposed to continuing existing projects. However, where local stakeholder consultees commented on whether innovative approaches had been trialled, the sentiment was that the timeframes for the CRF had impacted on the potential to bring forward innovative projects, and organisations had instead gravitated towards "safe" or established approaches, instead of more innovative ones.

5.17 There were few examples of projects cutting across local authority borders. While applicants were invited to collaborate on such bids, local stakeholders highlighted not only the limited timescales for developing cross-border partnership bids, but also the challenges with respect to how cross-border bids would be managed, recognising different ways of working within Lead Authorities with regard to aspects such as assurance and monitoring.

## How Projects Were Selected Locally

**Projects were selected locally through open bidding processes, as well as applying nationally defined gateway criteria. A lack of clarity in the guidance led to some authorities prioritising projects that they viewed to be strongest, but this was not used in national project appraisals.**

5.18 When surveyed, most Lead Authorities reported that they published the CRF bid opportunity on their website, with the majority also including the opportunity in emails or e-bulletins, and promoting the opportunity via social media. In most cases, Lead Authorities reported that they had used a combination of at least three channels to promote the opportunity, reflecting strong compliance with the guidance as well as reasonable efforts to ensure a strong set of bids.

5.19 Lead Authorities undertook an initial appraisal of applications from their area, and in some cases set out a prioritised list of bids based on their appraisals before submitting them to the DLUHC. A lack of clarity in the guidance, however, meant that a prioritised list had not been sought by the DLUHC and these were not used in the appraisals at a national level. Moreover, there were different interpretations in different areas as to whether they could reject applications (many had understood that they should only reject bids that did not meet the gateway criteria).

5.20 The gateway criteria did not include a requirement as to strategic alignment, so many projects were submitted to the DLUHC where the alignment with local strategies was not necessarily strong. As a result, several Lead Authorities consulted in the evaluation highlighted that there were projects funded that they would not have supported or prioritised, and in many cases there was limited cohesion amongst the suite of funded projects in an area (and in some cases the duplication of activity between funded projects).

### DLUHC Appraisals and Decision Making

**Project appraisals by the DLUHC were less intensive than had been the case under EU Structural Funds programmes, reflecting the short-term nature of CRF delivery. Many Lead Authorities felt that the lack of feedback on why individual projects were unsuccessful was not sufficiently transparent. Delays in the DLUHC announcing successful projects negatively affected delivery.**

5.21 The approach to appraising CRF bids was not felt to be sufficiently clear and transparent for many stakeholders. Of the Lead Authorities surveyed in the evaluation, 40 per cent indicated that it was not clear as to how submitted bids would be selected by the UK Government, with only 37 per cent indicating that they felt it to be clear. Several consultees noted that no feedback was provided for unsuccessful bids to help in understanding why some bids had been successful and others not. The DLUHC felt that, given the large volume of bids and the short-term nature of the fund, however, this was appropriate.

5.22 Consultations with individuals in the DLUHC CRF Delivery Team revealed mixed views on the time spent on the appraisal of each bid. Some felt that insufficient time was dedicated per application to ensure a high level of scrutiny, while others felt that the approach was proportionate, given the relatively short duration of the CRF programme and its role as a programme for piloting activity.

5.23 The main concern raised regarding the decision-making process was the time taken between bid submissions and the announcement of successful bids. The DLUHC had originally committed to announcing successful bids from late July 2021 onwards, but announcements were delayed by three months until 3 November 2021. As noted above, this was reported to have had a negative impact on the majority of projects. Furthermore, many Lead Authorities and projects reported that communication of the delay could have been more proactive, and expressed frustration that there was not greater clarity from the DLUHC regarding when project announcements would take place to help them to plan and to manage local stakeholder expectations.

### Quality of Project Design

**Most Lead Authorities felt that the project applications received were of sufficient quality for them to submit to the DLUHC. Evaluation evidence indicates, however, that the design quality of funded projects could have been stronger. Tight bidding timescales were a constraint on the quality of bids developed.**

5.24 Overall, most of the surveyed Lead Authorities (60 per cent) reported that the applications received were of sufficient quality for them to submit to the UK Government. Twelve per cent disagreed and 25 per cent reported that they neither agreed nor disagreed, indicating mixed views related to the bids received. This was slightly higher (63 per cent) for areas receiving capacity funding linked to having priority places in their area, indicating that the additional capacity helped to improve bid quality to a degree.

5.25 The evaluation did not review individual bid submissions to be able to assess the quality of their design; where the project design was summarised in project-level evaluations, however, an assessment was undertaken by the national programme evaluators regarding the quality of the information presented. This analysis is limited by the extent to which the project evaluators appropriately reflected the project design information in the report. However, this provides an indication of strengths and weaknesses.

5.26 This analysis found that where information on the design was included, the following findings were highlighted based on assessments undertaken for this programme evaluation:

- Around three quarters of project evaluations set out the socioeconomic challenges being addressed, evidence of project need, and strategic alignment. Of these, the socioeconomic challenges were typically well articulated (75 per cent assessed as good), while evidence of need and that of strategic alignment were less well articulated (62 per cent and 66 per cent assessed as good, respectively).
- Just under half of project evaluations set out the market failure arguments and a logic model for the interventions. Where included, they were typically well articulated (72 per cent and 77 per cent assessed as good, respectively).
- Almost all project evaluations set out the objectives and output/outcome indicators for the projects. Of those, the clarity of objectives was assessed to be good for 74 per cent of projects; the alignment of output and outcome indicators was assessed to be good for only 68 per cent.

5.27 Overall, these assessments align fairly well with the overall assessments of bid quality made by Lead Authorities noted above, and indicate that while the overall project design quality appears to be sufficient for the majority of projects, it is likely that there were a large minority of supported projects in which project design quality was weaker. The development of a clear logic model for each project, for example, which was missing in over half of project evaluations, could help to enhance the overall project design quality significantly.

5.28 A further indication that the project design quality could have been higher was reflected in the large numbers of project evaluations that highlighted considerable changes to projects during the course of delivery (the review found that only 63 per cent of projects delivered aligned to a great extent with what was originally planned, so more than one third aligned less closely). Although this partly reflected the need to make changes due to timescale delays, other common factors were in relation to aspects of the design being found to be unworkable, demand levels for certain support being found to have been overestimated, and activities being found to be insufficient to achieve the scale of contracted output and outcome indicators.

5.29 Other key factors affecting project design quality included limited time and resource for bid development and the lack of support with which to improve bids. When surveyed, 53 per cent of Lead Authorities indicated that there had not been sufficient time to collect and assess good-quality bids, with merely 30 per cent feeling that there had been. Similarly, 44 per cent felt that there was sufficient resource to collect and assess good-quality bids, while 37 per cent felt that there was not. Several Lead Authorities noted that the guidance had prohibited them from providing advice to applicants to support them to improve their applications. This reflected the nature of the competitive funding approach, but in some respects was counterintuitive because it led to lower-quality projects overall.

5.30 Northern Ireland project leads were more positive about the timescales available, which reflected that they had not required a local project appraisal phase, so they had longer timescales during which to develop their bids. Similarly, areas receiving capacity funding (those with priority places) were more positive about the resource available for collecting and assessing bids.

### DLUHC Programme Management

**The DLUHC structures and processes for programme management, contracting and delivery were broadly effective. Planning and communication regarding delivery timescales as well as the design of monitoring and assurance approaches could have been improved.**

5.31 The overall structure of strategic governance and the CRF Delivery Team within the DLUHC was broadly felt to have been effective by DLUHC consultees, although there were aspects of the approach that could have been enhanced:

- One of the most significant decisions made at a strategic level was the decision to extend the programme for an additional six months until the end of December 2022. This was well received by project deliverers, although some noted that it would have been more useful if this decision could have been made sooner to help projects to plan better for the extension.
- The approach to data management and monitoring was broadly well received, with the large majority of Lead Authorities and project deliverers surveyed indicating that the approach was proportionate to the scale of funding and straightforward to complete.

- The contracting approach, using GFAs, was found to have worked well, although some Lead Authorities noted that it would have been useful to have received the templates for these earlier to help better prepare for delivery.
- With respect to contract management, there were some concerns raised regarding consistency, with some areas receiving permission to reallocate funding between projects in their area, but other areas not permitted to do so.
- Project assurance for the programme included audits by the DLUHC of Lead Authorities, which were undertaken around three months into the programme. The findings indicated few concerns surrounding the assurance of spend eligibility, but highlighted differing approaches used for assuring the robustness of reported outputs and outcomes.

### Guidance and Communications from the DLUHC

**Most Lead Authorities and NI project leads felt that the quality of guidance and support from the CRF Delivery Team was good. Main areas for improvement were in relation to indicator definitions, as well as guidance on the requirements for the assurance of these.**

5.32 Feedback on the quality of the programme guidance from Lead Authorities and project deliverers was fairly positive, with over half indicating that it was both comprehensive and easy to understand, although around a quarter disagreed with each of these points. The most commonly reported weakness was concerned with the definitions of output and outcome indicators. This was not helped by the delay in publishing detailed indicator guidance until after project applications had been made, meaning that a detailed understanding of indicators had not been fully factored into project design.

5.33 Another area in which Lead Authorities commonly felt that more guidance was needed was in relation to the depth of project assurance needed, as well as the corresponding risks of clawback if funds were later audited by government and irregularities were identified. This is discussed further in the next section.

5.34 With respect to the ongoing support of the CRF Delivery Team throughout delivery, feedback was very positive, with the large majority of both Lead Authorities and project deliverers in Northern Ireland describing the quality of support as good or excellent, indicating that queries had been responded to in a timely manner and that they had received sufficient support from the team. In consultations the team were often described as approachable and helpful.

### Lead Authority Management

**Lead Authorities mostly drew on their own established approaches in setting up management of the CRF. The main challenges faced were the need for dedicated contract management staff and the need for setting up a proportionate assurance approach for reported spend and performance indicator achievement.**

5.35 While every Lead Authority approached the management and governance of funds slightly differently, there were many commonalities in approaches used, with the majority indicating that they were experienced in managing external funds, as well as feeling that their approaches broadly worked well:

- Most Lead Authorities undertook their contract management role using existing in-house teams. The tight delivery timescales for the fund meant that many felt as though there was insufficient time to recruit new team members for this. However, several noted that this did involve considerable work, and in future they would prefer to appoint dedicated individuals to such roles.
- With respect to strategic governance, a few of the Lead Authority consultations indicated that the suite of projects in their area had been managed as a cohesive programme of investments. This reflected the competitive bidding process and the result that projects had not been strategically selected as cohesive and complementary programmes of investment. As such, the Lead Authority role was more focused on operational contract management, rather than as a strategic oversight role.
- Contracting with delivery partners was usually undertaken on a back-to-back basis with the main DLUHC GFA, which was felt to be an effective approach. Contract management was typically found to be effective, with Lead Authorities mostly following well-established processes from within their organisation, usually involving monthly or quarterly reporting and catch-up meetings.
- Lead Authorities commonly approached contract management with a degree of caution, recognising that the shift from European Structural Funds to the CRF involved lighter-touch regulations from government, but not yet being fully confident in where the bar was now being set. This was reflected in large numbers of questions being issued to the CRF Delivery Team to seek their reassurance on certain decisions.
- Related to this point, a key area of caution was concerned with project assurance, with some Lead Authorities having experienced the clawback of funding under previous European Structural Funds programmes due to irregularities. The CRF guidance effectively left the scale of assurance checks on spend and output achievement to the discretion of the Lead Authority to ensure that they were satisfied with the robustness, but many remained concerned that lighter-touch assurance approaches could end up risking the clawback of funds at a later stage. As a result, many adopted intensive assurance approaches.
- Regarding data monitoring, as well as the earlier points regarding the lack of clarity surrounding some indicator definitions, there were also mixed views on the requirements for monitoring and reporting and the evidence that needed to be collected. Around two thirds of Lead Authorities indicated that they felt as though the requirements were clear and that they understood what evidence needed to be collected, with around a quarter disagreeing with these statements.

## Resourcing for Local Management

**The 2–3 per cent for management met resourcing needs for around half of the Lead Authorities, but for over one third it was insufficient. Extended delivery periods, complex projects, and intensive assurance approaches contributed to higher costs for some.**

5.36 Around half of surveyed Lead Authorities indicated that the resourcing for management and governance was in line with what they had spent on this; however, 37 per cent indicated that they had spent more than the available funding, of which 22 per cent indicated that the amount that they had spent substantially exceeded the funding allocated. Analysis of this by authority size did not indicate any clear differences, although the sample sizes at this level were small.

5.37 The reasons for costs exceeding the funding allocation related to three main factors: firstly, assurance approaches regarding spend and outputs. For reasons of caution, many Lead Authorities undertook assurance checks on all spend and outputs reported, which was highly resource-intensive. Others used spot checks and only initiated more detailed reviews if any irregularities were found, which was more resource-efficient for those authorities feeling confident enough to do so.

5.38 Secondly, the six-month contract extension option for projects, while welcomed by Lead Authorities and projects, did not come with any additional resource for the projects or for contract management, meaning that Lead Authorities needed to make the existing resource for contract management stretch over an additional six months. Thirdly, several Lead Authorities highlighted that where projects had experienced difficulties in delivery, they often required greater input and support from the Lead Authority to address challenges, which created additional resource requirements.

## Developing Approaches for the UKSPF

**Through CRF delivery the majority of Lead Authorities reported that their structures and processes had been refined and improved ahead of delivery of the UKSPF. Many of the designated Lead Authorities for the UKSPF, however, did not receive the CRF and missed this opportunity.**

5.39 Overall, 53 per cent of respondents reported that involvement in the CRF had resulted in improved management and governance structures and processes to support the delivery of future funds, including the UKSPF. In consultations, many Lead Authorities reported that the CRF had informed the approach that they took to managing their roles and responsibilities for the UKSPF and had provided them with an opportunity to trial systems and processes for management and monitoring, which were being built upon in preparation for the UKSPF.

5.40 Lead Authority consultees, however, did identify a number of aspects in which the CRF had been less beneficial in aiding preparation for the UKSPF:

- For some upper-tier Lead Authorities in two-tier areas, there was frustration that the time and resource invested in developing their approaches in preparation for the UKSPF were in vain, as the decision was made for Lead Authority status under the UKSPF to switch to lower-tier authorities in those areas, which had not had the benefit of preparing for this through delivery of the CRF.
- For the large number of local authorities that were unsuccessful in bidding for CRF funding through the competitive funding process, they did not have any opportunity to benefit from preparing for the UKSPF through delivery of the CRF.
- A number of Lead Authorities noted that the intention to provide an opportunity for activity piloted under the CRF to be continued under the UKSPF did not transpire. CRF projects were closing down at the point where UKSPF investment plans were approved, meaning that delivery had ceased, staff had left posts, and momentum had been lost before there was an opportunity to announce continuation funding. Although not directly related to the CRF programme itself, this was a weakness in strategic planning for the links between the CRF and its successor programme.

## Review of Impacts

5.41 It is important to note that this evaluation did not incorporate an impact evaluation workstream; therefore, the findings set out below are based primarily on analysis of project-level evaluations, which, in turn, tended to have limited impact evaluation methodologies included in their scope. A number of other caveats linked to this should be noted:

- The timing of project evaluations – being undertaken close to the end of a relatively short delivery period, it meant that in many cases, outcomes arising from support interventions are not likely to have fully transpired at the point of evaluation. Typically, the project evaluations were only able to indicate the nature of early outcomes arising from interventions.
- Counterfactual impact evaluation methods were not scoped into the programme or project design to enable an assessment of attribution – project evaluations commissioned were typically simple in the methodologies employed, did not use counterfactual impact evaluation techniques, and in most cases did not even set out a theory of change for the intervention. As such, there is insufficient evidence to comment on the attribution of any early outcomes realised, and it is not possible to comment in any robust way on the value for money of investments.

- Outcome indicators were not interpreted consistently – as noted above, many of the outcome indicators were not clearly defined and left scope for local area interpretation, meaning that these do not give a clear quantification of specific outcomes achieved by the programme.

5.42 Noting these important caveats, the findings focus on the types of beneficiaries supported and the types of outcomes for different interventions supported, as well as common drivers of project success and limitations identified in project evaluations.

### Intervention Type Beneficiaries and Outcomes

**The programme supported a broad spectrum of beneficiaries and associated outcomes — although no impact evaluation methods were used to analyse attribution. Satisfaction with support received averaged over 70 per cent for all intervention types where this is available.**

5.43 The table below provides a summary of the key beneficiary types, the average reported satisfaction rates (where provided, these represent the proportion of beneficiaries reporting that they were very or fairly satisfied with the support received — although exact methodologies for collecting these may have varied by project), and the nature of outcomes captured in project evaluations. These are broken down by the 16 intervention types analysed in the evaluation under the four investment priorities.

Table 5-1: Intervention Type Summaries

| Intervention Type | Beneficiary Types | Average Satisfaction Rate | Outcome Types |
|---|---|---|---|
| **Investment in Skills** | | | |
| Investment in skills to improve employability | • Unemployed people<br>• Economically inactive people<br>• Young people | 89.3% | • People into work<br>• New qualifications<br>• Improved confidence<br>• Improved social inclusion |
| In-work training or upskilling of existing staff | • SMEs<br>• Employees<br>• Large businesses | 97.3% | • Apprenticeships completed<br>• Enhanced skills |
| Investment in skills to support decarbonisation | • Employed individuals<br>• SMEs<br>• Unemployed individuals<br>• Community groups and volunteers | 92.5% | • New qualifications<br>• People into education/training<br>• Enhanced skills<br>• Business carbon reductions |
| Investment in digital skills | • SMEs<br>• Employees<br>• Public sector organisations | Not available | • Enhanced skills<br>• Enhanced organisational digital strategies |

| Intervention Type | Beneficiary Types | Average Satisfaction Rate | Outcome Types |
|---|---|---|---|
| | • Third sector<br>• General community<br>• Unemployed/ economically inactive people | | • Enhanced life skills |
| **Investment for Local Business** | | | |
| Development and promotion of visitor economy | • SMEs<br>• Public sector organisations<br>• Large businesses<br>• Voluntary sector organisations<br>• Employees<br>• Unemployed people<br>• General community | 74.5% | • Business growth<br>• Job creation and safeguarding<br>• New product development<br>• Increased footfall and visitor numbers |
| Business support for start-up and growth | • SMEs<br>• Aspiring entrepreneurs<br>• Unemployed and economically inactive people | 87.8% | • Business growth<br>• Business start-up<br>• Enhanced entrepreneurial skills and confidence |
| Investment in business hubs (incubators and accelerators) | • SMEs<br>• Aspiring entrepreneurs<br>• Unemployed people | 71.0% | • Business growth<br>• New product development<br>• Job creation and safeguarding<br>• Enhanced staff skills |
| Supporting decarbonisation measures | • SMEs<br>• Large businesses<br>• Public sector organisations<br>• Employees<br>• Unemployed people | 70.0% | • Business carbon reductions<br>• Enhanced business strategies |
| **Investment in Communities and Place** | | | |
| Supporting the development of new or existing infrastructure or green space | • SMEs<br>• Public sector organisations<br>• Voluntary sector organisations | 92.5% | • Creation of strategies/plans for infrastructure investments<br>• Increased footfall or visitor numbers |
| Developing the local arts, culture and heritage offer | • SMEs<br>• General community<br>• Voluntary sector organisations | 92.5% | • Development of new delivery partnerships<br>• New qualifications and enhanced skills<br>• Enhanced community facilities |
| Investment in community engagement schemes | • Economically inactive and unemployed people<br>• Voluntary sector<br>• SMEs | Not available | • Enhanced life skills, confidence, and health<br>• Enhanced community facilities |

| Intervention Type | Beneficiary Types | Average Satisfaction Rate | Outcome Types |
| --- | --- | --- | --- |
| | • Public sector organisations<br>• General community | | and organisations<br>• Development of new delivery partnerships |
| Actions to support decarbonisation and net zero | • SMEs<br>• Public sector organisations<br>• General community<br>• Voluntary sector organisations | Not available | • Reduced carbon emissions<br>• Rewilded land<br>• Enhanced low-carbon strategies<br>• Development of new delivery partnerships |
| **Supporting People into Employment** | | | |
| Removing barriers to employment | • Unemployed and economically inactive people | 80.0% | • Enhanced confidence, health, and life skills<br>• People into work |
| Support for young people NEET | • Young people<br>• Economically inactive and unemployed people | 86.0% | • Enhanced confidence, health, and life skills<br>• New qualifications<br>• People into job searching |
| Support for those with disabilities | • Young people<br>• People with disabilities<br>• Unemployed and economically inactive people | Not available | • Enhanced confidence<br>• Increased experience to support employability |
| Support for employers | • Unemployed and economically inactive people<br>• SMEs | 71.0% | • New qualifications<br>• People into work<br>• Enhanced health and confidence |

## Lessons for Delivery in Local Growth Interventions

**Delivery success in local growth projects is highly project-specific. It relates to the nature of the challenge faced, the intervention applied, and local delivery context factors. Case study summaries have been produced to allow practitioners to navigate the project evaluation evidence and identify findings relevant to the challenges faced in their area.**

5.44 In survey feedback, over half of Lead Authorities identified that CRF projects had helped their understanding of local needs and challenges, as well as providing learning to inform their UKSPF investment plans.

5.45 A range of common success factors and common limitations are set out below that were relevant across a broad range of projects. While this is useful, it is important to note that every project evaluation drew out success factors and lessons relating to a specific intervention taking place in a specific local place and context. When considering the replicability of any given project that was successful in one place, it is vital to understand the specific challenge that was being addressed and the contextual factors affecting delivery in that place.

5.46 For practitioners looking to draw lessons from evaluations of projects in other places, it is important to:

- review the lessons from evaluations related to projects that were addressing similar specific challenges to the ones that they are seeking to address
- reflect on whether the delivery context of their own area is sufficiently similar to that of the project from which they are reviewing findings.

5.47 For this reason, the summary case studies in Appendix A have been drafted to support and enable this process (with categorisations of project types as well as straightforward summaries of key contextual factors). These are intended to create a template for future local growth project evaluation summaries that would enable an accessible library of evaluation evidence in relation to delivery lessons to be developed. This should allow for easy navigation of relevant and useful evaluation evidence to support evidence-based policy and project development.

### Common Drivers of Project Success

**Key factors that helped to make CRF projects more successful included proactive beneficiary recruitment approaches, a project design targeted at local needs, flexibility of the support offer, the strength of delivery partnerships, and fitting around beneficiaries' wider commitments.**

5.48 Common factors that project evaluations identified as supporting more effective and more impactful delivery included the following:

- **Proactive and targeted beneficiary recruitment is important where delivery is taking place over short time periods** – across many of the intervention types in which beneficiary recruitment was required, recruitment by engaging through organisations already trusted by the target audience as well as direct calls to targeted audiences were typically found to be the most effective routes. More passive recruitment methods such as promotion via social media or blanket advertising were often found to be less effective.
- **Project design needs to be informed by local needs and an understanding of key local delivery factors** – in the case of business support, for example, this included understanding the needs of the business base and sectors being targeted. For community projects, it consisted of having an understanding of local needs and designing a project to respond to those needs, and for place-based decarbonisation projects, it included having an understanding of the main sources of emissions in the area and how to

complement existing actions being delivered nationally and locally to reduce emissions.

- **Flexibility of interventions offered can increase positive effects for beneficiaries** – project evaluations under several intervention types highlighted the value of having a range of intervention options available within a project so that beneficiaries can receive a bespoke package of support targeted at their specific needs. This was felt to be particularly important where beneficiaries had more complex and more multifaceted needs, such as in some types of employability support. Partnership delivery models enabled by the breadth of eligible activities and the ability to develop projects that cut across investment priorities under the CRF were often valuable in enhancing the range of available interventions.
- **Importance of strong connections and coordination across delivery partners** – linked to the previous point, the multi-partner approaches employed in many projects were most successful where there were strong links between the activities delivered by different partners, with all partners understanding the full range of project activities available, as well as having effective relationships to enable information sharing and smooth cross-referrals between interventions and delivery partners. Strong project management and coordination were often important to ensuring that this was effective.
- **Designing support to fit around wider beneficiary commitments** – understanding beneficiaries (whether businesses, individuals or community groups), recognising their wider commitments, and designing support to fit around these was identified in project evaluations as important to ensuring effective recruitment of beneficiaries into a programme, as well as the retention of them through to completion.

### Common Barriers Constraining Success

**Common barriers included tight delivery timescales, cashflow challenges for smaller delivery partners, unrealistic targets distorting delivery plans, and the lack of a detailed theory of change and intervention logic.**

5.49 Common limitations and challenges that project evaluations identified as constraining more effective and more impactful delivery included the following:

- **Delivery timescales being too short for effective delivery** – the most common finding across almost all intervention types was that the delivery timescales of just over one year created a range of challenges constraining effective and impactful delivery. The need to establish the project and begin delivery as quickly as possible meant insufficient time in many cases for effective recruitment, building relationships between delivery partners, and the setting-up of effective systems and processes for project management. In addition, there was limited time for awareness raising and building demand for the support, meaning little ability to select the most appropriate beneficiaries, as well as a pressure to quickly demonstrate the achievement of output and outcome indicators, in some cases distracting away from a focus on the quality of support.

- **Payment schedules were less effective for smaller delivery partners** – although many Lead Authorities agreed on an upfront payment with projects, beyond that, most worked on the basis of monthly or quarterly payments in arrears. For smaller organisations, notable within the voluntary and community sector, this could create cashflow issues, whereby affecting their ability to deliver.
- **Unrealistic target setting** – numerous project evaluations across different intervention types highlighted that delivery partners had not understood the definitions of indicators when agreeing to contract for these (partly due to the detailed indicator guidance not being published until after applications were submitted). These indicators often became difficult to deliver in practice and led to projects seeking to re-engineer delivery in order to meet the targets. The lack of challenge and negotiation regarding indicators (e.g. based on expected unit costs) in some cases contributed to projects focusing their efforts on delivering against indicator targets which may not have been achievable, and detracting from a focus on ensuring effective and impactful delivery.
- **Lack of a clear theory of change** – several project evaluations across different intervention themes noted a lack of clear planning within the project for how the activities delivered would lead to the target objectives and the intended output and outcome indicators. This reflects the impact of failing to have a clear theory of change in place so that it is clear from the outset what the project is trying to achieve, how it will be delivered, and how those activities are expected to lead to changes in intended outcomes.

5.50 A series of lessons for better designing-in robust impact evaluation to future programmes are set out in the next section.

## Lessons for Future National Programmes Supporting Local Growth

5.51 The findings from the CRF programme evaluation highlight a range of lessons that can be applied to the design and delivery of future national programmes to support local growth, as set out below.

### Lesson 1: National programmes to support local growth interventions need longer-term funding assurance

Enhancing the effectiveness and impacts of local growth interventions requires greater capacity in Lead Authorities. This will help to support the development of investment strategies, high-quality project design, and effective systems and processes for management. Longer-term funding assurance is needed to give Lead Authorities the confidence with which to make this investment. The CRF provided an opportunity for authorities to develop those capacities, but was constrained by the short delivery timeframe.

### Lesson 2: Where future programmes aim to build capacity ahead of a larger successor fund, a more strategic approach (e.g. an allocation of funding to all Lead Authority areas) could enable greater effectiveness

While there was value for many Lead Authorities in using the CRF to test projects and refine delivery approaches for how they would manage the UKSPF, the approach fell short of the capacity-building aim in a number of respects. Most notably, an allocation of funding to all Lead Authorities would have enabled all to build capacity ahead of the UKSPF, whereas the competitive-funding route meant that only successful applicant authorities benefitted from this.

### Lesson 3: A national programme for local growth needs to clearly define the intended outcomes of funded interventions to enhance strategic impact

Although the flexibility of the CRF programme was valued, the programme lacked clear objectives at a national level, and many of the outcome indicators identified were not sufficiently clear in their definitions and, therefore, not measured in a consistent way. Without this definition it is more difficult to decide what should be funded or to assess what the overall programme of investment has delivered at a national level.

### Lesson 4: The breadth of eligible activities and the ability to support a more holistic project design (e.g. combining interventions supporting businesses, individuals and places in a single project) should be retained for future programmes

Where previous programmes had been more siloed in approach to funding certain types of activity, the CRF enabled a more holistic project design, which also created opportunities for a more innovative project design. It would be sensible to retain these greater flexibilities in future programmes.

### Lesson 5: National funding competitions as well as centralised appraisal can lead to ineffective decision making regarding which projects should be funded to deliver local growth interventions. A more strategic role for local authorities could improve decision making in a local area

Although there can be merits from a centralised appraisal and decision-making approach, future programmes could enable better decision making in relation to local growth investments by agreeing funding allocations for every local area and devolving greater responsibility to Lead Authorities to appraise and select projects to be funded.

### Lesson 6: One year is often too short a period for effective and impactful delivery of local growth projects

Local growth projects typically require a lengthy setup phase (including recruiting staff, setting up systems, developing working relationships with other delivery partners, and designing and rolling out marketing). One year is rarely sufficient time for effective delivery following this setup phase. A more effective approach for future programmes could involve offering delivery contracts for 2–3 years.

### Lesson 7: More time and greater support are needed to ensure the quality of local growth project development

Allowing a longer timeframe for project development, of at least three months, would help to improve the quality of design. This could be further enhanced if Lead Authorities or another partner had a role as part of the development process in identifying areas of bids that could be strengthened, potentially as part of an iterative project development and appraisal process in order to help drive up quality. This was prohibited in the CRF process, but it would be beneficial to develop processes that enable support for bid strengthening while ensuring sufficient separation from the impartial appraisal process.

### Lesson 8: Further guidance to encourage and enable cross-boundary projects across Lead Authority areas under future funds would be beneficial

Additional guidance from the DLUHC to outline the recommended approach to the management and governance of cross-boundary projects should be developed — recognising than many economies and local growth activities will operate across boundaries, and that for many intervention types there is greater efficiency in achieving economies of scale by delivering across a wider area.

### Lesson 9: A more detailed and more comprehensive monitoring framework and assurance process are needed to improve robust tracking of project and programme achievements

Key factors of an effective monitoring framework and assurance approach should include the following:

- The framework needs to capture indicators relating to all eligible types of activity, but also ensure that the number of indicators for any given type is not excessive.
- The indicators need to be very clearly defined to ensure that they are captured in a consistent way and that it is clear to evaluators what has been captured. Ideally, indicator definitions should be consistent across related local growth programmes to support comparability and build practitioner familiarity.
- The framework needs to be in place before projects start delivering to ensure that the right data are collected from the outset.
- Data quality is critical, and quality assurance needs to be built in, to ensure that indicators are being captured in a consistent way and that all information that will be required for evaluation is being captured (e.g. beneficiary contact details).

The assurance approach also needs to be proportionate, though, and spot check approaches might be more feasible than a requirement of full checks on every output and outcome recorded. Further guidance from the DLUHC as well as reassurance regarding any approach to clawback may be needed for Lead Authorities.

### Lesson 10: Whilst rigorous impact evaluation in local growth funds is challenging, it is important to design it into such funds from the outset to understand the impacts of interventions

The scope of this evaluation did not include impact evaluation, partly reflecting the significant challenges of seeking to develop and deliver methodologies for impact evaluation once project delivery has already begun. This study has highlighted the need for impact evaluation methods to be designed into interventions from the outset to ensure that rigorous methodologies can be implemented.