UKSPF EVALUATION: RANDOMISED CONTROLLED TRIALS

Results and lessons from the discovery phase

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Contents

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1 Executive summary

The UK Shared Prosperity Fund (UKSPF) provides £2.6 billion of funding to local authorities over three years up to March 2025. It supports interventions that aim to improve pride in place and life chances across the United Kingdom.[1] The Ministry of Housing, Communities and Local Government (MHCLG) has published a UKSPF evaluation strategy which sets out an approach to evaluating the impact of the programme and generating evidence on 'what works' across three spatial tiers: intervention, place and programme. As part of the intervention-level workstream, MHCLG, with the support of Frontier Economics and BMG Research, investigated the possibility of using randomised controlled trials (RCTs) to evaluate UKSPF and other local growth fund projects.

Due to their specific design features (randomly assigning participants into a group which receives the intervention and a group which does not, and comparing the difference in outcomes), RCTs generate the most rigorous and robust evidence on 'what works' of any evaluation method; their inclusion in the UKSPF evaluation strategy forms part of a wider effort by MHCLG to expand their usage in the context of local growth.

Between March and May 2023, MHCLG invited lead local authorities (LLAs) to volunteer their UKSPF projects through an expression of interest process (EOI)[2] to serve as the subject of an RCT evaluation delivered by MHCLG. One potentially suitable UKSPF project was identified through this process but was ultimately not considered viable for a full RCT following more detailed feasibility work.

This report sets out the reasons why RCTs are a desirable choice when feasible and proportionate, the factors necessary to make an RCT evaluation possible, and the extent to which these factors align with the typical characteristics of UKSPF and local growth-type interventions. It then covers the observations, opportunities and barriers encountered by MHCLG when trying to convert promising EOIs from LLAs into deliverable RCTs, and the key lessons learned from this process about how to deliver future RCTs in the local growth space.

In summary, the following factors were identified as key to the successful delivery of future RCT evaluations using an EOI or LLA-led model:

- **Alignment with local timelines and capabilities:** by the time the EOI process launched, many UKSPF projects had begun delivery, which made it more difficult to flex their design to fit an RCT evaluation. In addition, choosing to make the EOI process as streamlined as possible meant that the information on the volunteered UKSPF projects was limited, thereby impacting the ability to assess their RCT potential and making it harder to identify

[1] See Levelling Up White Paper (HMG, 2022), https://www.gov.uk/government/publications/levelling-up-the-united-kingdom

[2] https://www.gov.uk/government/publications/uk-shared-prosperity-fund-evaluation/ukspf-evaluation-strategy

and address differences in capacity, capability and local resources to support an RCT across different LLAs.

- **Engagement with delivery partners:** as with many local interventions, the majority of UKSPF interventions involve delivery partners – third-party organisations contracted to deliver the intervention on behalf of the local authority. As their cooperation is crucial to the success of any trial, their buy-in must be secured at an early stage alongside that of the participating LLA, which was not always the case.
- **Balancing intervention and evaluation needs:** the necessary randomisation of participants into treatment and control groups to deliver an RCT was sometimes perceived as unfair by local stakeholders. Randomisation was particularly challenging from a handling perspective in cases where the UKSPF was supporting the continued provision of existing, rather than new or additional, interventions. For many of the submitted EOIs, alternative randomisation methods that might have been more palatable (such as staggered or cohort-based approaches) were not logistically feasible.

Going forward, MHCLG will continue to seek opportunities to deliver RCTs in the local growth space where appropriate and in concert with a range of other quasi-experimental and theory-based methods, drawing on the lessons summarised in this report.

2 Introduction and aims of this report

The Ministry for Housing, Communities and Local Government (MHCLG) is aiming to generate robust evidence on the contribution of UKSPF interventions to the fund's core aims of boosting pride in place and life chances in local communities.[3] The UKSPF evaluation strategy sets out a plan to generate evidence on 'what works' across three spatial tiers: intervention, place and programme. As part of the intervention-level workstream, MHCLG, supported by Frontier Economics and BMG Research, investigated the possibility of using randomised controlled trials (RCTs) to evaluate UKSPF and other local growth fund projects.

To explore the use and feasibility of RCTs in local growth contexts, MHCLG invited lead local authorities (LLAs) to volunteer their UKSPF projects as potential RCT candidates. One potentially suitable UKSPF project was identified but was ultimately not considered viable for an RCT following more detailed discovery and feasibility work.

This report aims to:

- Provide an update on how the RCT component of the UKSPF evaluation has progressed following the publication of the wider evaluation strategy; and
- Set out the lessons generated from the discovery work and the conditions under which RCTs are likely to be feasible for future local growth interventions similar to those supported by the UKSPF.

This report first explains what an RCT is and what needs to be in place for it to be feasible. Next, it describes the characteristics that are typical of many UKSPF (and other local growth) interventions, based on observations as part of the ongoing wider UKSPF intervention-level evaluation and the extent to which these align with the requirements of an RCT evaluation.

[3] Pride in place refers to local perspectives about high streets and regeneration; culture, heritage and sport; community and society; and safety and security. Life chances refers to education and skills; local economic and social environment; health and wellbeing; childhood and family; and crime and anti-social behaviour outcomes. These definitions of pride in place and life chances are consistent with the Levelling Up White Paper (HMG, 2022), https://www.gov.uk/government/publications/levelling-up-the-united-kingdom

3 Requirements of an RCT evaluation design

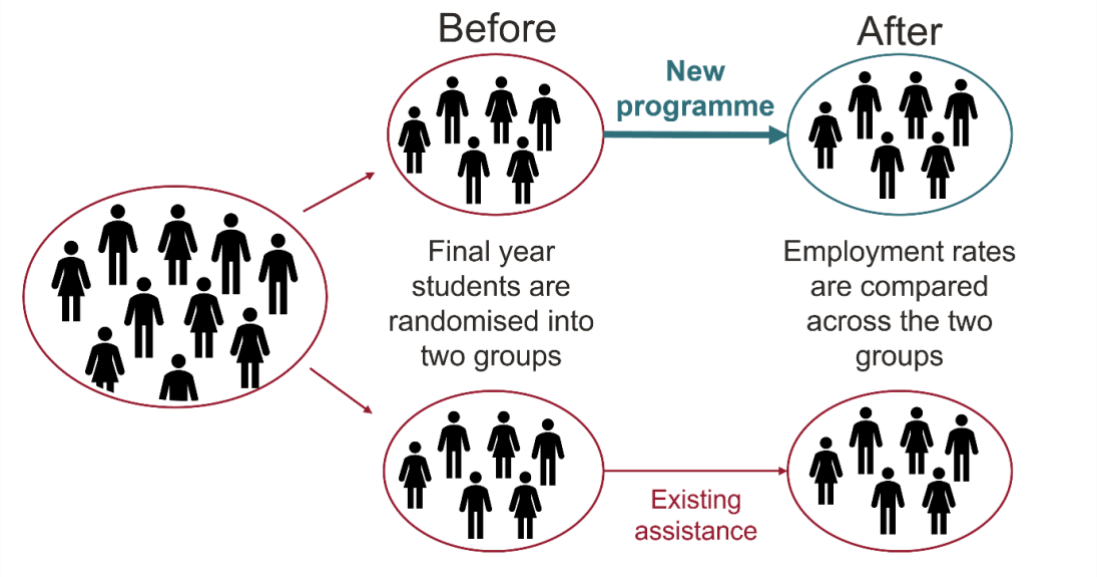
RCTs are considered to be the 'gold standard' method of evaluation.[4] They are reliable because of how they compare the change in a particular outcome (such as business revenue) for a group which received the intervention (the 'treatment' group) to a very similar group which did not (the 'control' group). The key element that strengthens the reliability of this approach is the *random* assignment of participants to the treatment group and control group.

Participants in both groups are as similar as possible; they only differ with respect to whether they receive the intervention or not or, in some RCT designs, which version of the intervention they receive.

For example, an RCT could be used to evaluate a notional local growth project aimed at helping college leavers into employment by providing CV and interview training, with the intended outcomes being (i) entered employment within six months; (ii) moved into an apprenticeship; and (iii) moved into further or higher education. In this case, a selection of similar college students could be randomly assigned to two groups: a treatment group to receive the training and a control group to receive only what would otherwise be available. Random assignment ensures that these two groups are similar in terms of age, educational attainment, parental income and other characteristics, meaning that (as far as feasible) the only difference between the two groups is whether they receive the intervention or not. After the intervention, outcomes for both groups would be compared. The difference in the outcome measures represents the impact of the intervention that can be attributable to the training.

[4] https://assets.publishing.service.gov.uk/media/5e96c41a86650c2dd9e792ea/Magenta_Book_Annex_A._Analytical_methods_for_use_within_an_evaluation.pdf

Figure 1 RCT evaluation of illustrative college leavers intervention



Source: Frontier Economics

For an RCT to be rigorous and deliver credible findings, it requires:[5,6,7]

- **Well-defined and stable interventions**: what is offered to the treatment and control groups should be well defined and should not change for the period of the evaluation.
- **Measurable outcomes**: outcomes of the evaluation should be clearly specified, measurable and possible to assess using available data. The expected changes in these outcomes should be observable in the evaluation timeframe.
- **A large enough number of people recruited to the trial (i.e. large sample size)**: the trial must be able to recruit enough participants to credibly (with statistical analysis) detect differences in the outcomes of the treatment and control groups so that any difference can confidently be estimated as the impact of the intervention. It is also important to consider how many participants are likely to drop out of the intervention.
- **Ability to randomise allocation to treatment and control groups**: it should be possible to randomise participants (individuals, businesses or places) into treatment and control groups, without bias.
- **Adherence to ethical guidelines and principles:** as is the case for all evaluation approaches, the RCT design should ensure that ethical principles and guidelines are respected. This means that participation must be with informed consent, appropriate

5 Cabinet Office (2012). *Developing Public Policy with Randomised Controlled Trials*. Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/62529/TLA-1906126.pdf

6 Kendal, J. M. (2003). *Emergency Medicine Journal*. Available at https://emj.bmj.com/content/20/2/164.

7 NICE (2012). *RCT Methodology Checklist*. Available at https://www.nice.org.uk/process/pmg6/resources/the-guidelines-manual-appendices-bi-2549703709/chapter/appendix-c-methodology-checklist-randomised-controlled-trials.

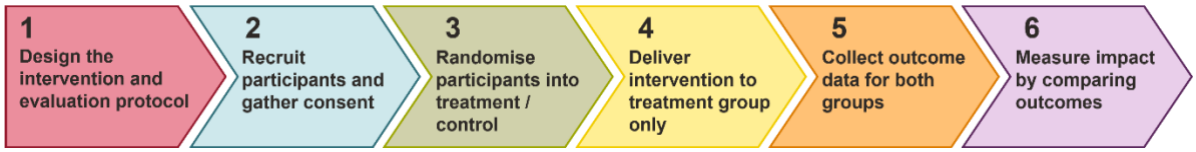
measures should be in place to avoid risk or harm to participants, and additional measures should be implemented where necessary to mitigate risks for vulnerable groups. Other risks should be minimised (such as due care after the trial ends). This is particularly the case with RCT designs where the control group does not receive any intervention (as opposed to a different version of the intervention).

- **Commitment to the RCT:** all those involved in the delivery of the intervention and RCT must be committed to the RCT for the duration of the evaluation (therefore senior buy-in and adequate resourcing are necessary).

Once a project is identified as an RCT candidate, the design and delivery can be split into six key steps. These steps, shown in Figure 2, are explained below:

1. **Design the intervention and evaluation protocol**: LLAs, delivery partners and researchers work together to design the intervention and create a detailed evaluation protocol to outline how the study will be conducted. Finalising the intervention design alongside the evaluation design helps to ensure that the RCT requirements are met.
2. **Recruit participants and gather consent**: participants are recruited using the process outlined in the protocol. Consent must be collected for participants to take part in the trial and to provide their data for the analysis.
3. **Randomise participants into treatment / control**: consenting participants are then randomised into either the treatment group or the control group.
4. **Deliver the intervention to the treatment group only**: participants in the treatment group are offered the new intervention, while those in the control group are only able to access the usual offering.
5. **Collect outcome data for both groups**: researchers collect outcome data from both the treatment and control groups. This could be collected via a survey, interviews or from secondary data sources. This data collection will often happen both before and after the intervention delivery.
6. **Measure the impact by comparing outcomes**: finally, the impact of the intervention is measured by comparing the outcomes of the treatment and control groups, determining the efficacy and effectiveness of the intervention.

Figure 2 Standard RCT process



Source: Frontier Economics

4 RCT design: local growth, intervention-specific considerations

Some of the RCT design requirements described in Section 3 require the intervention being evaluated to be designed in a particular way; for example, the intervention's delivery model must permit the randomisation of participants into control and treatment groups. The extent to which this is feasible for a given intervention depends on several factors. This section discusses those factors with reference to the characteristics common to UKSPF and other local growth projects, and how they can be mitigated in some cases.

Design and budgeting

Considerations

UKSPF and many other local growth interventions are designed and delivered by LLAs. This enables funding to be used in a flexible way that best supports the needs of local people. However, most local growth funding is available within a specified, and often narrow, time period only. This leaves little flexibility to adapt the delivery timescales to accommodate the RCT, for example to enable an adequate recruitment period to generate a sufficient sample of participants.

The designs of local interventions are often collaboratively developed following consultations with local communities. The designs that result from this process often have particular delivery models and outcomes that are specific to the local context and stakeholder needs. This can affect the ability to flex the intervention design to accommodate the RCT.

RCTs require participants to be randomly assigned to treatment and control groups. This process needs to be agreed and implemented before the intervention is rolled out. The ability to do this is particularly constrained where UKSPF (or similar funding) is used to continue ongoing interventions that may have been funded under legacy funding programmes such as the European Regional Development Fund (ERDF), where participants in the UKSPF iteration may have also been in receipt of the ERDF iteration.

In addition, many local growth projects are delivered locally through expert delivery partners. These partners are often commissioned after the design of the intervention and are contracted to carry out particular activities for a fixed budget. This can limit their ability to flex contractually agreed activities to support evaluation activity planned post commissioning.

Mitigations

Candidate RCT projects should be identified very early in their design cycles to allow for appropriate adaptions to projects to be made without impacting delivery timelines, early engagement of local stakeholders, and the building in of RCT options in delivery partner contracts where possible.

Stakeholders and local governance

Considerations

While the overall allocation of the UKSPF is set by MHCLG, LLAs are responsible for determining how this funding is distributed across interventions. Local senior officials may have specific objectives in mind for what they want to achieve with these projects and have overall sign-off on the design of interventions. While most LLAs are aware of the benefits of robust evaluation methods like RCTs, they may be reluctant to support them locally due to concerns about capacity, capability and impacts on delivery.

Local growth interventions tend to require input from many stakeholders, all of whom would need to be on board and supportive of the RCT approach to ensure that the RCT requirements are met and hold for the duration of the study. This presents a challenge due to the need to coordinate and train the different stakeholder groups to ensure everyone is aware of the RCT protocols in place and how to deliver the intervention in a way that is consistent with them.

Mitigations

Support and guidance should be provided to LLAs at an early stage to help make the case for participating in RCTs and should signpost to available support, such as capacity funding if available. MHCLG should consider how to design RCTs in a manner that minimises additional burdens on LLAs which participate in them.

Project sizes and targeting

LLAs deliver a large variety of projects within the context of local growth, with varying sample sizes, budgets and delivery timeframes. UKSPF interventions are generally of smaller scale in terms of budget than other local growth programmes such as the Levelling Up Fund.

Due to this, and as some projects aim to target very specific geographies, businesses or individuals that meet eligibility criteria, the number of potential participants can, in some cases, be relatively small. Where there are too few participants, the ability to reliably measure impacts may be limited, especially as not all participants may provide informed consent to be part of the RCT.

In addition, many local growth projects are aimed at marginalised or vulnerable groups. Designing an RCT in this context presents potential ethical challenges and extra care is required to ensure that no inadvertent harm arises as a result of participating in the RCT (for example with regard to the collection of sensitive data or as a result of restricting access to the intervention for the control group).

Finally, some local growth projects cannot involve randomisation. An example would be where the intervention is area based (like a new public park), meaning that access to its benefits cannot be easily controlled for the purposes of constructing control and treatment groups.

Mitigations

MHCLG should target its RCT efforts toward areas and programmes with the largest pool of RCT-suitable projects, i.e. those that have sufficient participant numbers, are not area based and present minimal ethical challenges. When soliciting proposals from LLAs (as with the UKSPF RCT programme), such proposals should be triaged on this basis at an early stage of selection.

5 Findings of the discovery process

To test the feasibility of running RCTs in the local growth space, MHCLG invited LLAs to volunteer projects on which they would be interested in working with MHCLG to evaluate using an RCT.

LLAs were invited to complete an expression of interest (EOI) form containing basic project information which was used (along with further information from one-to-one conversations with the LLAs) to inform an assessment of RCT suitability. This was undertaken with input from the What Works Centre for Local Economic Growth and the Evaluation Task Force.[8] Across the seven EOIs submitted by LLAs, the primary reasons for non-feasibility were:

- **Sample size:** some of the interventions considered had estimated sample sizes that were too low to reliably identify the effect of the intervention through an RCT. For example, some had just tens of people who would receive targeted support from an intervention or had a high degree of uncertainty about the level of participation.
- **Stage of intervention design:** at the stage of writing the EOIs, many of the interventions were already moving into delivery, making it difficult to make the necessary adjustments to the recruitment and allocation processes to accommodate an RCT design. This was because delivery partners were already contracted to deliver the interventions, so any changes to accommodate the RCT would have required contractual changes to reflect the RCT requirements, which were often not possible.
- **Absence of an ethical control group:** for some of the interventions, it was not possible to identify the appropriate provision to be offered to a control group. This was for various reasons such as the funded interventions were continuations of pre-existing interventions or the 'business as usual' form of support was to be discontinued in favour of the new intervention. In line with ethical guidance, MHCLG did not wish to exclude people from interventions that they would otherwise have received solely for the purposes of running an RCT.

Observations from the EOIs and conversations with LLAs

The information provided by LLAs in the EOIs and subsequent conversations identified several key factors necessary to make RCTs work for local areas:

Timing of EOI process

Conversations with LLAs that submitted EOIs suggested that the assessment of RCT suitability should ideally be a two-stage process involving: 1) early consideration of potential RCTs (i.e. before or in parallel with the intervention being designed) in order to have an opportunity to integrate the RCT design into that of the intervention; and 2) undertaking a more

[8] Evaluation Task Force: https://www.gov.uk/government/organisations/evaluation-task-force/about
What Works Centre for Local Economic Growth: https://whatworksgrowth.org/

detailed assessment when the intervention is more concrete and any practical considerations are more evident.

Working with delivery partners

Almost all of the UKSPF projects that were volunteered for RCT consideration involved delivery partners. These delivery partners were already under contract to deliver an agreed set of outputs and activities over a specific time period. Trying to accommodate an RCT after delivery partners had been contracted placed additional requirements on delivery partners in terms of supporting participant randomisation and data collection. Not all delivery partners had the appetite or resources to meet these requirements, especially given that they stood to benefit relatively less from the findings of the RCT compared to LLAs.

Understanding LLA capabilities

Although the conversations with those LLAs that submitted EOIs suggested some experience in running evaluations, the extent of this experience varied widely and, overall, LLAs had limited experience in designing and implementing experimental (RCT) or quasi-experimental (statistical methods that compare treatment and control without randomisation) evaluation methods. The intentionally streamlined EOI form did not allow for an assessment of LLA capability, nor, therefore, for a bespoke package of guidance and support, which might have helped LLAs to participate in the RCT programme.

Observations from exploring the practicalities of an RCT evaluation with a business support intervention

Following the initial EOI phase, one submitted project was progressed for further development and feasibility assessment.

The intervention aimed to address inequalities in the provision and use of local business support by providing tailored support to businesses from specific neighbourhoods. This intervention progressed to more detailed feasibility work because:

- The EOI was at the pre-design stage of the intervention, which offered the opportunity to co-design the intervention to weave in the requirements of the RCT at the same time while meeting the aims of the intervention ethically and effectively.
- Unlike many other UKSPF projects which continue previously funded interventions, this project aimed to test a new approach to business support.
- There was a clearly defined control group, involving up to 1,000 businesses, that would receive the existing business support offer, which would have provided a sufficient sample for analysis and would have ensured that no business owners were to be denied access to provision.

However, following more detailed feasibility work, it was concluded that the RCT would not be deliverable due to two limiting factors.

Firstly, the initial control group was deemed unsuitable because the existing support provided by the delivery partner was flexible and could have changed throughout the evaluation. This would have made it difficult for the results to be compared to the treatment group accurately. An appropriate alternative control group was identified but eventually ran on a much smaller scale than was originally estimated in the EOI, meaning that the number of participants would likely have been too small to obtain reliable results.

Secondly, the LLA was interested in focusing on specific neighbourhoods, such that all businesses recruited from the same geography would be allocated to either the control or treatment group. This approach was intended to reduce the potential for overspill through businesses communicating about the specific business support they were offered. However, only 30 geographic neighbourhoods were identified, which was not a sufficiently large sample size to ensure sufficient statistical power. Combined with the already reduced sample size from the alternative control offering, it was considered not proportionate to try to implement the RCT further.

This work did, however, generate some valuable insights applicable to future RCT programmes regarding the importance of the following.

Considering the needs of inequality groups

The intervention was intended to address inequalities in business support provision. This caused a perceived issue with the randomisation element of the RCT design as, by definition, some business owners would only be offered the existing level of support and would not receive the new intervention. This created the need to carefully consider the appropriate unit of randomisation to ensure perceived fairness.

Working with the control group delivery partner

The intervention aimed to introduce a new form of business support offer alongside an existing programme of local business support. The design of the new intervention therefore required a detailed understanding of the current support provision. As this was being provided by a third-party delivery partner, this took time as they were not contracted to provide this information to MHCLG and its evaluation partners.

Outcomes of interest

The key outcomes that the LLA was interested in evaluating were subjective measures, such as trust and confidence in business support services. The use of subjective measures in this way can be beneficial for capturing perceptions and experiences that are difficult to capture using more objective options (such as traditional business outcomes like turnover). However, they can be hard to accurately measure and require the use of primary data collection methods such as surveys. In this case, the limited existing research on the impact on trust and confidence in business support interventions made it difficult to estimate the potential size of the effect that could be expected, and hence a very large sample would have been needed to provide confidence that impacts could be reliably measured.

Balancing policy objectives with RCT requirements

The LLA faced a trade-off when deciding the level of randomisation. Randomly assigning individual businesses to treatment and control groups would have provided more reliable results. However, there was a risk that randomising individual businesses could be viewed as unfair, especially if business owners spoke to each other about the support that they were being offered. As a result, the LLA chose to randomise specified neighbourhoods rather than individual businesses into treatment and control groups. As relatively few neighbourhoods were identified for randomisation, this decision meant that the RCT's potential statistical power, and therefore its ability to accurately detect impact, was severely diminished.

6 Summary

RCTs are the most rigorous form of evaluation design. Their rigour does, however, mean that they must meet several requirements for their results to be credible. Chiefly, the intervention must be able to randomise eligible units into either the treatment or control group. Delivering an RCT also requires a strong commitment from stakeholders (including delivery partners) to ensure that the randomisation is conducted correctly and that only those in the treatment group receive the intervention (and those in control group only access the usual offering). As with other types of statistical evaluation methods, RCTs require the recruitment of enough participants to ensure that results can detect credible differences in the outcomes of interest. As with all forms of evaluation, RCTs should adhere to ethical guidelines and the correct consent should be provided.

RCTs are not therefore feasible in all cases or for all types of intervention. The discovery work set out in this report sought to understand the conditions under which RCTs could be feasible for local growth interventions. This work has generated important lessons on the type of characteristics that would make a UKSPF project suitable for an RCT evaluation, including:

- **Projects from the People and Skills or Business Support priorities:** projects within these priorities are the most likely to be suitable for an RCT because they are most likely to be able to support the key randomisation element. Projects from the Communities and Place priority focus on the regeneration or development of specific community buildings or public realm and are less likely to be suitable for randomisation, as controlling access to the benefits of area-based interventions is very difficult.
- **Projects that can integrate the RCT design into the intervention design from the start**: early integration can help to ensure that the RCT requirements are met by including them in contracts set up with delivery partners. It also allows for the joint consideration of insights from a local consultation, which could otherwise limit the degree of flex in the design to accommodate an RCT.
- **Projects with a sufficient sample size**: to ensure that the evaluation can credibly claim that any difference between treatment and control groups is due to the intervention, the project must have a sufficiently large sample. This suggests that RCTs are likely to be most suitable for relatively larger UKSPF projects because, with too few people, it is hard to be sure that any difference between control and treatment groups is due to the intervention rather than random chance. For those cases, smaller samples and other reliable methods of evaluation can be used.
- **Projects with an identifiable and ethical option for the control group**: projects that are most likely to identify an ethical option for the control group are those that can provide an existing programme to the control group or those that are oversubscribed and can ethically use a waitlist as a suitable control.
- **Projects that adhere to ethical guidelines and practices**: to ensure that nobody is disadvantaged by the study, projects must follow ethical guidelines and adhere to data-sharing regulations.

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