Ministry of Housing,
Communities &
Local Government

Local Growth Fund and Getting Building Fund Evaluation: Final Feasibility Assessment

Contents

Glossary

BEIS – Department for Business, Energy & Industrial Strategy
DCLG – Department for Communities and Local Government
DESNZ – Department for Energy Security and Net Zero
DfE – Department for Education
DfT – Department for Transport
DLUHC – Department for Levelling Up, Housing and Communities
MHCLG – Ministry of Housing, Communities and Local Government (formerly DLUHC)
ESIF – European Structural and Investment Funds
GBF – Getting Building Fund
LEP – Local Enterprise Partnership
LGF – Local Growth Fund
ONS – Office for National Statistics
UK SPF – UK Shared Prosperity Fund
VfM – Value for Money

Executive Summary

This report presents the final feasibility assessment regarding evaluation of two major UK government funding programmes: the Local Growth Fund and the Getting Building Fund. Commissioned by the Ministry of Housing, Communities and Local Government in April 2023, the study was conducted by Steer Economic Development (Steer-ED) to determine the viability of conducting process, impact, and value for money evaluations for both funds.

The viability of process evaluation was confirmed in an initial feasibility assessment, and was then commissioned and undertaken. This report therefore focuses on the viability of impact and value for money evaluations.

Methodology

A five-stage approach was adopted to produce the recommendations within this study:

1. **Develop policy understanding** – developing programme and intervention logic models and project typologies

2. **Explore methodological options** – via review of evaluation literature and interviews with experts to discuss best-practice approaches (including representatives from the Office for National Statistics, Ministry of Housing, Communities and Local Government, What Works Centre for Local Economic Growth, a Local Enterprise Partnership, and an academic econometrician)

3. **Assess available data** – consolidation and review of data held by the Ministry of Housing, Communities and Local Government, and consideration of potential uses of secondary data sources

4. **Local data gathering** – interviews with Local Enterprise Partnerships to discuss data availability, followed-up with data requests to all Local Enterprise Partnerships to gather this data

5. **Develop final recommendations** – internal expert discussions and consideration of methodological options, considering feasibility, advantages and disadvantages, given findings from previous work.

Challenges

The feasibility investigations uncovered several key challenges associated with evaluation of Local Growth Fund and Getting Building Fund interventions. These include:

- the wide range of intervention types supported, resulting in a correspondingly diverse set of outputs – meaning that no single evaluation approach could effectively address all of the interventions
- the lack of a suitable area-level counterfactual (since all areas received funding)
- a range of confounding factors, in particular the COVID-19 pandemic
- the presence of complex interaction effects, with portfolios designed to deliver complementary selections of projects.

Proposed Approaches

In response to the challenges raised, a mixed-methods tiered evaluation approach was initially proposed. This approach would provide the opportunity to use rigorous quasi-experimental methods at the intervention level, combined with qualitative study of synergistic benefits at the programme level. However, following collection of data from Local Enterprise Partnerships, it transpired that insufficient intervention-level data was held to build a national picture of Local Growth Fund and Getting Building Fund interventions. This data was found to only be available for a select group of areas, meaning that quasi-experimental analysis would be possible for only a relatively narrow selection of interventions and areas.

A revised approach was explored, which did not seek to provide programme-level insights, but instead concentrated on a more limited assessment, focusing on a selection of Local Enterprise Partnerships, and making use of quasi-experimental methods only in the limited situations for which such data was available. However, some concerns remained with this revised approach. These include the limited insights that would be drawn from this methodology, and some outstanding feasibility challenges. Given these concerns, and departmental priorities in light of the 2025 Spending Review, ultimately this alternative option was not considered a value for money investment.

Final Evaluation Approach

Instead, a lighter-touch option was pursued: the Ministry of Housing, Communities and Local Government commissioned Steer-ED to undertake a set of impact-focused area-based case studies. This permitted the development of a set of rapid, qualitative assessments of Local Growth Fund and Getting Building Fund impacts, focussing on the role of the single pot. The case studies were commissioned and prepared to inform the 2025 Spending Review discussion and are published separately.

1. Introduction & Methodology

Scope and purpose of this report

This document is the final report of an evaluation feasibility assessment of two funds aimed at supporting local economies: the Local Growth Fund (LGF) and the Getting Building Fund (GBF). In April 2023, the Ministry of Housing, Communities and Local Government (MHCLG) commissioned independent consultancy Steer-ED to assess the feasibility of conducting process, impact, and value for money (VfM) evaluations of the two funds. MHCLG is committed to understanding the impact of local growth funding, as set out in the department's evaluation strategy.[1] However, as noted by the National Audit Office, evaluation of funds like LGF and GBF presents several challenges.[2] These include the funds' heterogeneity in interventions, spatial distribution, and devolved administration – all of which contribute to the complexity of the evaluation process.

In January 2024, initial conclusions from Steer-ED's feasibility assessment were published, in the [Local Growth Fund and Getting Building Fund: initial evaluation feasibility assessment](). The assessment made the following recommendations:

Process evaluation: the assessment recommended that a process evaluation was feasible and should be undertaken. Following this recommendation, a process evaluation was commissioned by MHCLG and completed by Steer-ED;
Impact and VfM evaluation: the assessment recommended that further scoping work, focusing on data gathering at the local level, would be required to offer a conclusive view on the feasibility of an impact and VfM evaluation.

In February 2024, MHCLG commissioned Steer-ED to undertake the recommended further scoping work, over the period February 2024 to September 2024. The conclusions from that work, and final recommendations regarding the feasibility of impact and VfM evaluation, are presented in this report.

Background and context

Introduction to LGF and GBF

LGF was announced in 2013 as a 'single pot' of £12 billion in devolved funding to support local economic growth. The fund was entirely capital. There were three rounds of the fund, which ran from 2015 through to 2021. Of the £12 billion total, approximately £7 billion was allocated as flexible funding which was managed by Local Enterprise Partnerships (LEPs) and overseen by MHCLG. Only the £7 billion of flexible funding is in scope of this commission. The remaining £5bn was managed by other government departments or agencies and comprised:

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[1] DLUHC, (2022) [DLUHC evaluation strategy]()
[2] National Audit Office, (2022) [Supporting local economic growth]()

£2bn delivered through the first round of Growth Deals and managed by the Department for Transport (DfT)
£0.4bn for a Housing and Skills Budget
£2bn for a Home Building Fund
£0.45bn for Transport Majors Funding.

These programmes are subject to their own evaluations and are therefore out of scope of this commission.

GBF was introduced in 2020 as a COVID-19 response measure, with £900 million dedicated to stimulating economic growth by investing in 'shovel ready' projects. Many of the GBF projects were expected to focus on making smaller improvements to existing local infrastructure rather than developing entirely new infrastructure projects. LEPs were awarded funding between 2020 and 2022, and the entire fund is in scope of this commission. In many ways, GBF was a continuation of LGF – it followed chronologically, made use of delivery processes that had been established under LGF, and delivered similar (sometimes the same) interventions, albeit with somewhat different objectives, which were driven by the COVID-19 Pandemic. For these reasons, the feasibility of evaluating the two funds was considered jointly.

Introduction to LEPs

LEPs were introduced in 2010 by the Conservative and Liberal Democrat coalition government to replace the nine regional development agencies (RDAs). LEPs assumed several, but not all, of the duties previously managed by RDAs in terms of local economic development.[3] A total of 39 LEPs were introduced across England, under the oversight of MHCLG (this number was later reduced to 38 LEPs). LEPs took the form of business-led partnerships between local authorities and local businesses. During their time, LEPs played a central role in determining local economic priorities and undertaking activities to drive local economic growth and the creation of local jobs.

In 2023 (around a similar time to the commissioning of this feasibility study), the government announced that it intended to withdraw support for LEPs and transfer their functions to local and combined authorities. This transition was largely complete by March 2024.

Methodology for evaluation scoping

Figure 1.1 below sets out the stages involved in conducting this evaluation feasibility assessment, from initial assessment to final conclusions. Each stage is described in further detail below.

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[3] RDAs had also overseen the promotion of innovation and the attraction of inward investment to their areas, tasks which were returned to the central government post-2010.

Figure 1.1: Evaluation feasibility assessment stages

1. Develop policy understanding
- Develop programme and intervention logic models
- Develop project typologies

2. Explore methodological options
- Impact & process scoping interviews with policy & evaluation experts
- Review of relevant evaluation literature
- Consideration of a range of evaluation methods (feasibility, advantages, disadvantages)

3. Assess available data
- Consolidate, clean & review monitoring data
- Consider feasibility, advantages & disadvantages of using secondary datasets
- Develop recommendations, based on evidence collected to date, regarding evaluation feasibility

Initial feasibility assessment
- Recommendation to conduct process evaluation
- Recommendation to conduct additional data gathering

4. Local data gathering
- Interviews with LEP stakeholders to discuss data availability
- Data requests to all LEPs using a standardised template

5. Develop final recommendations
- Internal expert discussion
- Consideration of methodological options, considering feasibility, advantages and disadvantages

Final feasibility assessment
- Recommendations regarding approach to impact and VfM evaluation

Source: Steer-ED, 2025

Stage 1: Develop policy understanding

This stage comprised the following:

An evaluation purpose workshop to gather stakeholder views on the purpose of the evaluation and to inform lines of enquiry for the scoping calls;

Four context scoping interviews with key civil servants to provide a comprehensive understanding of the funds;

Document review: a review of policy documents to inform the evaluation team's understanding of the two funds and policy context;

Development of programme and intervention logic models through a collaborative and iterative process with the project steering group, including a logic model workshop to test and refine draft logic models;

Development of project typologies: Steer-ED developed a typology of project objectives and impacts and mapped these against project monitoring data. This process built upon a fund typology developed in 2016 as part of development of the LGF business case.

Stage 2: Explore methodological options

This stage comprised the following:

1. **Process scoping interviews** with 14 central government stakeholders & LEPs to identify process evaluation stakeholders/information, discuss key considerations, requirements and feasibility for process evaluation design.
2. **Scoping interviews with internal experts** to discuss best-practice evaluation approaches, similar evaluation commissions, relevant datasets (both at LEP and national level), and VfM approaches. Consultees included representatives from the Office for National Statistics, MHCLG, Department for Transport (DfT), Homes England, Department for Energy Security and Net Zero, What Works Centre for Local Economic Growth, one LEP and one local evaluator commissioned by a LEP. Steer-ED

also drew on an expert panel including an academic econometrician and senior economists spanning different aspects of the funds.

3. **Literature review:** a selection of relevant impact evaluation literature was reviewed to gather insights on methods used, relevant datasets, and key challenges encountered by other evaluations of large, capital-focused funds. In total, 27 documents were shortlisted for review, examining subjects including national funds, evaluation guidance, area-based initiatives, and others.

As part of the initial scoping work, a series of impact and VfM research questions were developed. These research questions, which are presented in Annex A, were used to guide the feasibility assessment by highlighting the key areas of interest for the evaluation.

Stage 3: Assess available data

Given that the evaluation activity was to take place after fund delivery had completed, experimental methods, such as Randomised Control Trials, were not considered feasible. However, depending on the quality and availability of data, quasi-experimental methods could be considered a viable approach. In light of this, a detailed review of all LGF and GBF monitoring data held by MHCLG was undertaken. This data is compiled by MHCLG from individual LEP monitoring data returns, submitted on a quarterly (or in some cases biannual) basis. The review focussed on understanding the data available, identifying what gaps exist in the data, and assessing the quality and reliability of the data. Data scoping also involved assessing relevant secondary datasets that may be of use for evaluation – at either the programme or intervention level. This included for example data on subregional productivity, Land Registry house price data, college enrolment data and others. Consideration was given to the availability, granularity, timeliness and relevance of each dataset.

While this stage provided comprehensive conclusions around the availability of data from secondary sources or those held by MHCLG, **key uncertainties remained regarding the availability and quality of data which would need to be obtained directly from LEPs.** The availability of this data would have determined whether, where and how impact and VfM assessments could be effectively conducted.

Stage 4: Local data gathering

Due to these outstanding uncertainties, Steer-ED was commissioned to conduct further data gathering at the local level. This local-level data would be required to conduct intervention-level quasi-experimental impact analysis, since such analysis requires granular detail about the type of intervention that has been implemented – for example the amount of funding awarded to specific projects/beneficiaries, and the nature and duration of support. Such information is not held by MHCLG, and it was not known to what extent the information had been systematically retained by LEPs (there was no requirement that LEPs keep these records, and significant staff and organisational change had occurred since the interventions were first implemented). The investigation focused on three types of intervention which were considered most feasible for conducting quasi-experimental methods: business support projects, employment site developments, and innovation site developments.

The data gathering exercise was conducted over the period May to September 2024, and involved the following:

Initial contact with LEPs: all 38 LEPs were initially contacted and, following this, 30 scoping meetings were held with LEPs to explain the purpose of the exercise and outline what was required from them: an understanding of the data they held and the feasibility of sharing it.

Data requests: 38 initial data requests were sent to LEPs. These data requests took the form of a spreadsheet to complete, which was tailored to the LEPs according to the interventions they had delivered through the funds. The spreadsheet indicated all variables of interest.

For example, for LEPs that delivered business support interventions, it requested data on when and how much funding was awarded, along with details of the recipient businesses, including their name, address, and Company Registration Number. For employment site developments, it requested data such as the name of employment sites, address/postcode/map of the site, beneficiary business names, Company Registration Numbers and SIC codes, nature of the intervention (e.g., remediation, transport, construction), occupancy dates, and private sector contributions. For innovation site developments, it requested data including the name of innovation sites, address/postcode/map of the site, beneficiary business names, Company Registration Numbers and SIC codes, description of any wrap-around support provided to beneficiary businesses, occupancy dates, and private sector contributions.

Follow-up and clarification: 16 follow-up meetings were held in response to queries, and extensive email conversations occurred in order to ensure all LEPs understood the request.

As a result of this work, a total of 21 completed spreadsheets were returned by LEPs (55% of the total requested). However, many of the LEPs that returned spreadsheets were unable to provide the level of granularity requested, due to limitations around capacity, records not having been taken (or not being retrievable), or records being held by third parties.

Stage 5: Develop final recommendations

Initial methodological recommendations were formed at stage 3. These were then revisited and revised following completion of stage 4. The granular data which ideally would have been collected to perform quasi-experimental designs (demonstrating which units had received 'treatment', when, at what scale, and how measures of key output variables had changed before and after treatment) transpired not to be available, and therefore a revised approach to evaluation – with lower dependence on quantitative techniques – was developed, in consultation with the MHCLG client team and Steer-ED's expert advisors. Full details of both the original proposed approach and the revised approach are provided in Chapter 2 of this report.

2. Impact and Value for Money Evaluation Feasibility

Chapter overview

This chapter outlines the key challenges associated with performing impact and VfM evaluation. It discusses a range of options which were considered, and describes the challenges and opportunities associated with each. It concludes by providing a summary of the final evaluation approach taken by MHCLG following receipt of these recommendations.

Challenge of performing impact and VfM evaluation

There are several key challenges associated with evaluating LGF and GBF that emerged during the first phase of scoping work. One major challenge is that the funds supported a **wide range of intervention types**, resulting in a correspondingly diverse set of outputs. Different interventions may require different evaluation approaches – thus complicating the process of measuring impact consistently and comparably across the fund. Individual projects were also relatively small (with some notable exceptions). This suggests that no single evaluation approach could effectively address all interventions, making a mixed-methods or 'composite' approach the most suitable option. Even then, some approaches may struggle to detect impacts, given the relatively small scale of funding assigned to some interventions.

Another challenge involves developing a suitable counterfactual. Since every LEP received funding, there are no unfunded areas to serve as comparators for establishing overall LEP-level impact. When considering the intervention level, different interventions operated upon different contexts or populations – requiring differing units of analysis for evaluation.[4] This suggest that a range of different counterfactual-based designs may need to be adopted, each addressing a different unit of analysis. Where gaps remain, non-counterfactual designs (such as qualitative analysis, case studies, or theory-based approaches) could be used as supplementary method.

Adding to these challenges, **confounding factors** (such as alternative funding sources and other local or central government spending) within the target areas make it challenging to isolate the impact of LGF and GBF. In particular, the **COVID-19 pandemic** caused a dramatic interruption to local activity, over a time-period that intersected with LGF investments (and was also the catalyst for GBF investments). This shock poses a significant confounding factor to analysis, and means that before/after analysis, especially in the absence of a counterfactual group, would be unlikely to produce meaningful results.

Finally, there are **complex interaction effects**, with LEP portfolios designed (in theory, if not always in practice) to deliver complementary selections of projects. This suggests that

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[4]For example, business, housing sites, colleges, or learners might all be potential units of analysis for evaluating LGF and GBF interventions.

the evaluation approach should not simply consider projects or interventions in isolation but examine the potential for interactions between projects.

Initial proposed evaluation approach

Given the challenges described above, a single-method evaluation approach (relying exclusively on a single quantitative or qualitative method) was ruled out. Instead, mixed-methods evaluation options were explored. Mirroring the layered nature of LGF and GBF investments, and the desire to explore impacts at a range of different levels, a 'tiered' evaluation approach was proposed. This approach would include evaluation activities conducted at three tiers: (1) individual project-level evaluation activity; (2) evaluation of specific intervention types and/or effects at the local area level; and (3) evaluation of the programme as a whole. This tiered approach is not uncommon for evaluation of programmes of this type. For example, the forthcoming UK Shared Prosperity Fund evaluation uses three tiers (intervention, place and programme) and the forthcoming Towns Fund evaluation uses two tiers: Tier 1, the programme-level evaluation; and Tier 2, the intervention-level evaluation (a case study approach).

The key benefit of the tiered approach is that it mirrors the approach to implementation of the funds – allowing for consideration of a range of different output and outcome types, across mixed units of analysis. It also provides an opportunity to use rigorous quasi-experimental methods (such as for example difference-in-differences or regression discontinuity designs) to study the outcomes of specific interventions, acknowledging that such methods would not be feasible for all interventions, or at the programme-level. At the same time, the approach also permits study of synergistic programme-level benefits using alternative research methods, such as qualitative methods. This initial proposed approach to evaluation is summarised on the next page, using a mixed-methods tiered design comprising 15 evaluation workstreams. Table 2.1 provides a summary of each of the 15 proposed workstreams.

Figure 2.1: Initial proposed mixed-methods evaluation approach, operating at three tiers
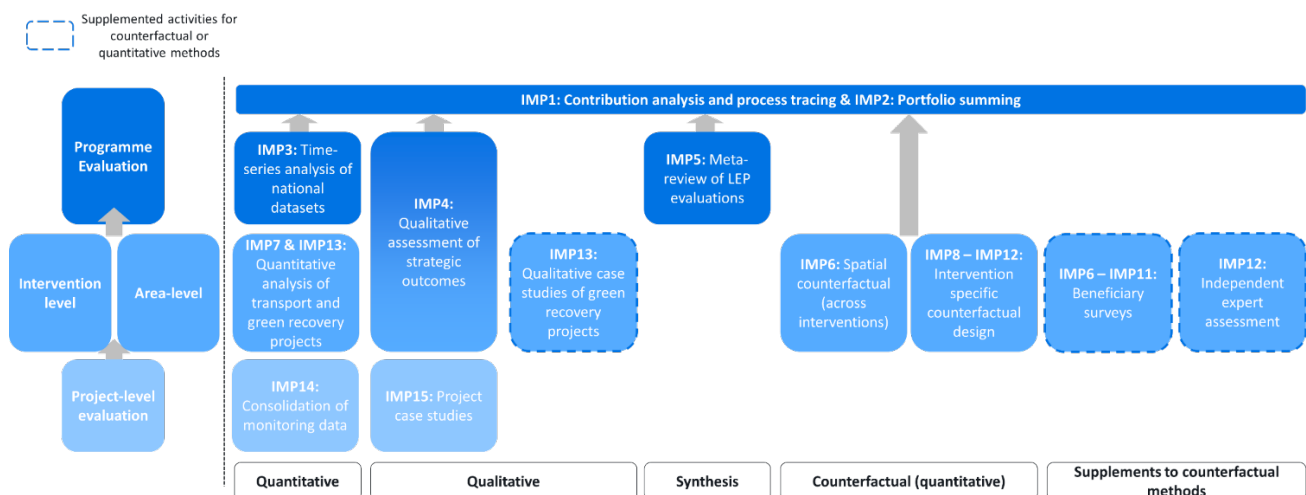
Source: Steer-ED, 2023

Proposed workstreams within the initial proposed mixed-methods approach

IMP1: CONTRIBUTION ANALYSIS AND PROCESS TRACING
A portfolio-level theory-based assessment of the overall impact of LGF/GBF, drawing together all evidence gathered through other workstreams.

IMP2: PORTFOLIO SUMMING
A portfolio-level quantitative assessment which draws together quantitative findings from other workstreams, uses sampling/pro-rating to arrive at suitable estimates, and supplements with evidence from other sources where required.

IMP3: TIME SERIES ANALYSIS OF NATIONAL DATASETS
An assessment of change in metrics showing local economic growth at the LEP-level, with comparison made before and after LGF/GBF intervention

IMP4: QUALITATIVE ASSESSMENT OF STRATEGIC OUTCOMES
A series of depth-interviews with strategic and wider stakeholders at the LEP and programme level

IMP5: META-REVIEW OF LEP EVALUATIONS
Consolidation of impact assessment from across all LEP-produced evaluations (primarily for LGF, since very few GBF evaluations have been produced to date)

IMP6: SPATIAL COUNTERFACTUAL (ACROSS INTERVENTIONS) WITH SUPPORTING BUSINESS TELEPHONE SURVEY
Difference-in-difference assessment of small geographic zones within which multiple LGF/GBF interventions have occurred. Economic outcomes for firms within the zones identified would be studied, and compared to similar geographic zones which had not be in receipt of LGF/GBF investments. Method supplemented by a survey of firms operating within the treated zone, used to provide a deeper understanding of mechanisms and triangulate findings from the counterfactual analysis.

IMP7: TRANSPORT QUANTITATIVE ASSESSMENT WITH SUPPORTING TRANSPORT USER SURVEYS
Modelling-based (non-counterfactual) approach supplemented by transport user surveys. The modelling-based approach consists of reviewing original transport models prepared as part of scheme design and updating these using locally-sourced traffic data.

IMP8: SKILLS CAPITAL COUNTERFACTUAL WITH SUPPORTING COLLEGE SURVEY
Counterfactual-based assessment of FE colleges (or other institutions) that received funding, compared to a matched group of colleges which did not receive funding, potentially compared using a difference-in-difference methodology. Method supplemented by a survey of FE colleges in receipt of funding, used to provide a deeper understanding of mechanisms and triangulate findings from the counterfactual analysis.

IMP9: BUSINESS SUPPORT COUNTERFACTUAL WITH SUPPORTING BUSINESS SURVEY
Counterfactual-based assessment of businesses in receipt of grant funding support, compared to a matched group of businesses which did not receive funding. A range of matching techniques including Propensity Score Matching and nearest neighbour analysis could be considered. Method supplemented by a survey of recipient firms.

IMP10: EMPLOYMENT SITE COUNTERFACTUAL WITH SUPPORTING BUSINESS SURVEY
Counterfactual-based assessment of small geographic sites which were the recipients of employment site interventions. Economic outcomes for 'resident' firms and property outcomes in the geographic area will be examined, and assessment undertaken using a difference-in-difference analysis. Method supplemented by a survey of firms operating within the treated zone.

IMP11: INNOVATION SITE COUNTERFACTUAL WITH SUPPORTING BUSINESS SURVEY
Counterfactual-based assessment, using a difference-in-difference methodology, of innovation sites which have been upgraded/refurbished using LGF/GBF funding, compared to a matched group of innovation sites which did not receive upgrades. Method supplemented by a survey of firms operating within the upgraded innovation centres.

IMP12: HOUSING COUNTERFACTUAL WITH SUPPORTING INDEPENDENT EXPERT ASSESSMENT
Counterfactual-based assessment of housing site developments that were the recipient of funding. Only considered viable for LGF due to time lags. Sites compared against a matched group to estimate whether LGF affected the likelihood or speed that a site was developed into housing. A regression discontinuity design, using sites which had narrowly missed out on receiving LGF/GBF funding, was considered potentially feasible. Method supplemented by an independent expert review of the viability case for each treated site, used to triangulate findings from the counterfactual analysis.

IMP13: GREEN RECOVERY QUANTITATIVE ASSESSMENT AND CASE-STUDIES
Three-pronged approach, which includes sorting projects into categories such that they can be included within other workstreams; use of commonly accepted benchmarks to estimate carbon impacts for projects which have typical characteristics; and a series of light-touch case studies to demonstrate strategic and growth impacts for a selection of projects that cannot be covered with the former two options.

IMP14: CONSOLIDATION OF MONITORING DATA
Gathering, review and descriptive statistical analysis of monitoring data to draw conclusions about what has been delivered, according to self-reported data provided by LEPs.

IMP15: PROJECT CASE STUDIES
Series of in-depth case studies which include beneficiary interviews, wider stakeholder interviews and desk review to illustrate the impacts delivered by a range of projects, selected in order to provide a balanced view across the portfolio. Some case studies to also focus on small groups of projects which interact with one another within a geographic area.

With its strong focus on counterfactual-based methods, the tiered approach described above is a highly rigorous approach to impact evaluation. **However, in order to be feasible it also requires access to granular intervention-level data:** both to perform quasi-experimental methods, and also to perform accompanying beneficiary surveys. For example, a quasi-experimental study of businesses supported by LGF/GBF would require knowledge of the businesses that had been in receipt of funding, the amount received, and the timing of the grant awards, plus access to details of a group of non-treated businesses to perform counterfactual analysis. Performing surveys of these businesses would also require access to contact details for the businesses.

Feasibility of the initial proposed evaluation approach

Several of the original proposed workstreams were later dismissed due to concerns around feasibility or proportionality. These are outlined below.

IMP3 (time-series analysis of national datasets)
Time-series analysis of national datasets was dismissed due to concerns that robust causal findings would not be produced, due to the presence of other economic, social and political factors likely to have influenced economic variables of interest. Additionally, before-and-after analysis without a counterfactual group is not considered a highly robust method (as noted, for example, by the What Works Centre for Local Economic Growth),[5] therefore limiting the value of this workstream.

IMP7 (transport quantitative assessment)
Transport quantitative assessment was dismissed due to concerns around duplication of efforts. While transport interventions represent a large element of LGF and GBF funding, in discussion with DfT it became apparent that significant evaluation is already underway to collect evidence for similar and overlapping transport interventions. It was therefore concluded that it would not be a valuable use of resources to conduct further evaluation of transport-specific outcomes.

IMP8 (skills capital counterfactual)
A skills capital counterfactual was dismissed as unfeasible due to the extreme heterogeneity of interventions. Upon further examination, it emerged that skills capital funding had been used for a wide range of different types of project, from relatively modest refurbishments through to construction of entire facilities, with project size ranging from £10k to £140m. As such, it became apparent that a counterfactual approach using a single outcome measure across all projects would not be appropriate for this intervention type.

IMP12 (housing counterfactual)
The housing counterfactual was dismissed due to the anticipated delay in outcomes emerging, with many housing sites not yet completed (or even underway) at the time of writing. It was therefore anticipated that quasi-experimental evaluation of housing projects would not produce meaningful results at this point in time.

Following the initial feasibility activities, further work was commissioned to investigate the availability of data to perform quasi-experimental methods and supporting telephone surveys of three interventions for which feasibility was considered potentially feasible, but with some outstanding concerns around the availability of locally-held data. These three intervention types were: business support; employment sites; and innovation sites (workstreams IMP9, IMP10 and IMP11 respectively). Table 2.2 summarises findings from this work.

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[5] https://whatworksgrowth.org/wp-content/uploads/16-06-28_Scoring_Guide.pdf

Table 2.1: Summary of findings from LEP-level data collection activity

	IMP9: business support	IMP10: employment sites	IMP11: innovation sites
No. LEPs delivering interventions of this type	11	24	23
No. returns received which provided the required level of detail	6	6	13
Total beneficiaries for which data was provided	380 beneficiary businesses (of which 271 were from one LEP)	106 employment site occupants (of which 87 were from two LEPs)	273 innovation centre occupants, spanning 41 innovation centres

Source: Steer-ED, 2024

As shown in Table 2.2, **the data-gathering work performed at the LEP level concluded that intervention level data was concentrated on a relatively small number of LEPs**. This was due to the fact that for many LEPs, the data was either not held, or could not be made available to the researchers. It was also due to the fact that the interventions were not spread evenly across the country, with some LEPs focussing more heavily on some intervention types than others.

Due to the limitations of the data collected, and the concentration of data in some geographic areas, the conclusion from this work was that the previously proposed tiered mixed-methods approach would not be feasible. The concentration of LEP-level data in a relatively small number of areas meant that outcomes would not achieve a national-level picture as initially anticipated, and the limits to viability of many of the 15 workstreams meant that the tiered approach initially envisaged would face significant gaps and limitations.

Revised evaluation approach

In response to the challenges described above, an alternative proposed methodology was developed for an area-based case study approach, supplemented by a systematic synthesis and 'test and challenge' process. This approach would make use of a consistent set of qualitative and quantitative methods used to investigate intervention and LEP-level impacts for a selection of case study LEPs. The rationale for proposing this new approach was as follows.

Exploring strategic impacts: The approach would allow for exploration of how the 'single pot' helped to deliver synergistic programme-level impacts and helped to accelerate local economic growth. These types of impact are difficult to quantify and are therefore better explored via qualitative research. As revealed through the process evaluation for the funds, the 'single pot' concept was a fundamental element of the design of LGF and GBF, and therefore this is considered a valuable focus for impact evaluation.

Consistency of approach: The approach would permit methods to be executed consistently from one area to the next. For example, topic guides for depth interviews would be the same across all areas (albeit with some variations to allow for differences in project portfolios). This would allow for comparisons across areas to be made in a way which would not be possible if each area case study was conducted independently.

Making use of robust methods where possible: The approach would make use of the data collected through the data gathering work to perform quasi-experimental analysis for some interventions. These methods are preferred since they are recognised as the most robust impact evaluation approaches by the Magenta Book, What Works Centre and the MHCLG evaluation strategy. The proposed approach would therefore be to make use of these methods where possible. **However, due to gaps in local-level data, these methods would be limited to areas and interventions where data is available. Consequently, case study selection would need to prioritise these areas to enable their use.**

Figure 2.2 provides a diagrammatic summary of the proposed alternative approach. The diagram illustrates an example for which eight areas are selected as case studies. A core set of qualitative and quantitative methods would be conducted across all areas (workstreams 1 to 4) and these would be supplemented by a selection of 'optional' workstreams (workstreams 5 and 6), selected according to feasibility and desirability. Further details of the six evaluation workstreams are provided below Figure 2.2.

To bring together the area case studies, an overarching layer of synthesis would then be undertaken. This would be an iterative process, combining insights from wider stakeholders, and 'test and challenge' focus groups conducted with stakeholders from non-case study areas. These would be combined systematically with 'process tracing', a theory-based evaluation approach which makes use of evidence tests to help weigh the evidence to support a range of causal narratives.

Figure 2.2: Diagram summarising revised impact evaluation approach
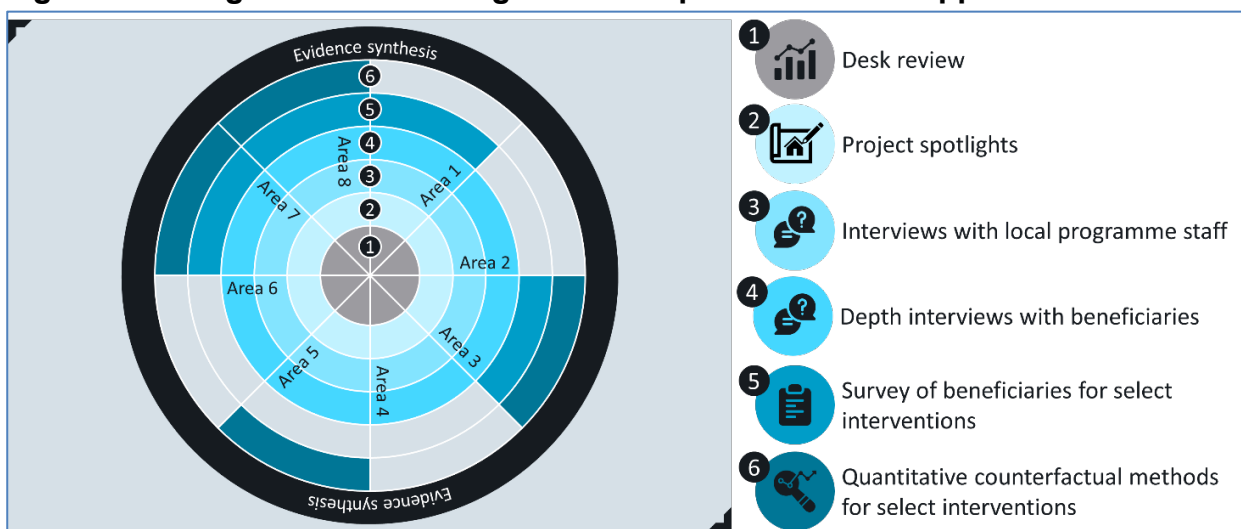
Source: Steer-ED, 2024

Details of the proposed six evaluation workstreams are as follows:

Workstream 1: desk review – First, descriptive statistical analysis of monitoring data to provide basic information about outputs delivered as a result of the programme. Second, review and critique of locally commissioned evaluations to gather information about impact generated and barriers/enablers to impact. Finally, light-touch review of 'What Works' literature to provide complementary evidence of the likely success (or otherwise) of selected intervention types, based on existing evidence.

Workstream 2: project spotlights – description of a selection of eight to ten projects delivered in each case study area, developed via desk review and through programme delivery interviews. The purpose of this workstream would be to bring to life elements of LGF/GBF delivery by providing detailed information about specific projects.

Workstream 3: interviews with local programme staff – semi-structured depth interviews conducted with LEP and local authority staff involved in delivery LGF/GBF projects to provide a self-reported account of the impacts delivered by projects, to understand project synergies, and to explore barriers and enablers to impact.

Workstream 4: depth interviews with beneficiaries – semi-structured depth interviews conducted with project beneficiaries from across a range of different interventions – for example colleges, innovation centres, and green recovery projects. The purpose of this would be to provide a self-reported account of the impacts delivered by a selection of different projects, and the opportunity to compare/contrast views from across a range of different stakeholders.

Workstream 5: survey of beneficiaries for select interventions – a telephone or online survey conducted with beneficiaries of a selected LGF/GBF intervention. For example, within one case study area this could involve a telephone survey of recipients of a business capital grant, for another area it could involve an online survey of businesses located within an employment site. The purpose of this workstream would be to gather a self-reported account from beneficiaries of the difference that an intervention has made, and what they would have done in the absence of the initiative. A statistically representative sample would be sought, using LEP-held datasets on the population of funding recipients, such that the findings are reflective of the population of beneficiaries for a particular intervention.

Workstream 6: quantitative counterfactual methods for select interventions – quasi-experimental methods to understand the impact of the interventions on beneficiary organisations compared to a matched group of untreated organisations. This would make use of the methods proposed in Table 2.1 for a small subset of feasible intervention types – for example propensity score matching for businesses in receipt of business support; difference-in-difference analysis for colleges in receipt of skills capital funding, and so on. The purpose of this workstream would be to use highly robust impact evaluation methods to understand the impact of elements of LGF/GBF spending on recipient organisations in terms of measures such as firm growth, employment etc. While the opportunity to use these methods is very limited, it would provide valuable evidence for corroborating findings gathered elsewhere in the evaluation.

Limitations of the revised evaluation approach

While offering a more feasible approach than the original proposed tiered methodology, some significant limitations remained surrounding the alternative proposed methodology. Since the methodology would provide robust quantitative methods for only a small number of interventions within a small number of areas, the approach would provide only a very partial picture of overall fund impact. Furthermore, existing concerns remained around the feasibility of these methods with the small numbers of treated units and multiple intervention types acting within a single area likely to confound any results. This meant that there were concerns that pursuing this alternative approach may not offer value for money for the department, especially given that significant process learnings had already been gathered via the LGF and GBF process evaluation.

It also became clear that findings from the evaluation of LGF and GBF would be most valuable if available in time for the 2025 Spending Review announcements, for which first deadlines were in February 2025. Therefore, the time taken to conduct the revised approach (estimated to be around 8 months) was not considered to offer best value to the department.

Conclusion and final evaluation approach

Following consideration of the optimal approach to evaluation of LGF and GBF, an initial impact evaluation methodology was proposed, using a mixed-methods tiered evaluation design. This approach comprised 15 workstreams, with a strong focus on quantitative counterfactual methods. The approach was considered to have the potential to be highly robust and also to be alignment with the approach to evaluation of other similar programmes. However, concerns were raised regarding the feasibility of the constituent evaluation workstreams, in particular those using quasi-experimental methods.

Further feasibility work was conducted, including gathering of locally-held intervention-level data. This exercise revealed that while the initial assumption had been that intervention-level data would be available to build a national picture of LGF and GBF interventions, in reality such data was only available for a select group of areas, and quasi-experimental analysis would be possible for only a relatively narrow selection of interventions and areas. Some other workstreams were also dismissed due to concerns around proportionality or feasibility. Following these revelations, it became apparent that the mixed-methods tiered approach could not be performed to the extent anticipated, and that the approach would therefore be unable to give the desired programme-level account of impact.

A revised approach was explored, which did not seek to provide programme-level insights, but instead concentrated on a more limited assessment, focusing on a selection of LEPs, and making use of quasi-experimental methods only in the limited situations for which such data was available. However, given the limited insights that would be drawn from this methodology, some outstanding feasibility concerns, ultimately this alternative proposed option was not considered a value for money investment for MHCLG.

Instead, a lighter-touch option was pursued: MHCLG commissioned Steer-ED to undertake a set of impact-focused area-based case studies, using the 'alternative proposed approach' described in this chapter, but removing the most time- and resource-intensive elements (quasi-experimental and survey-based methods). This permitted development of a set of rapid, area-based qualitative assessments of LGF and GBF impacts, focussed on the role of the single pot. The case studies were commissioned and prepared in time to inform the 2025 Spending Review, and are published separately.

Annex. Evaluation research questions

Table 2: Impact and VfM research questions

	Evaluation Question	Sub-questions
RQ1	For each funded project, what outputs were produced, and to what extent do these align with the outputs anticipated?	- What outputs were proposed in the original project business case? - What outputs have been recorded to date? - How do the outputs recorded, and the progress compared to original business case outputs, vary across project types and geographies?
RQ2	What outcomes occurred as a result of LGF/GBF: - At the project level? - For each intervention type? - At a LEP level? - For the overall portfolio?	How do the outcomes compare to those anticipated in the original project business case?
RQ3	What impacts occurred as a result of LGF/GBF: - At the project level? - For each intervention type? - At a LEP level? - For the overall portfolio?	- What are the net additional impacts? - What would have happened in the absence of the Fund? - To what extent were there spillovers or displacement of impacts across LEP geographies? - How confident can we be that the Fund caused the difference? - To what extent did the scheme result in greater impacts than could have been produced by individual project investments in isolation?
RQ4	What lessons can we learn about the impact of LGF/GBF that can be applied to other policy domains?	- What barriers and enablers to achieving impact were observed? - Which intervention types, areas, or other project characteristics were most likely to be successful in delivering impact, and why? Which were least successful, and why?
RQ5	What was the overall VfM of LGF/GBF: - At the project level? - For each intervention type? - At a LEP level?	How does the ratio of costs to benefits compare to that of alternative interventions?

Evaluation Question	Sub-questions
• For the overall portfolio?	• Are there particular projects, interventions or LEPs that have delivered better VfM than others?

Source: Steer-ED, 2023