Department for Communities and Local Government

European Union
European Structural and Investment Funds

England European Regional Development Fund Programme 2014 to 2020: Project Summative Assessment Guidance – Appendices

ESIF-GN-1-034

August 2017

Note: These appendices provide supplementary technical advice to and should be read in conjunction with the summative assessment guidance available in a separate document: England European Regional Development Fund Programme 2014 to 2020: Project Summative Assessment Guidance (Reference: ESIF-GN-1-033)

ERDF Project Summative Assessment Guidance - Appendices
ESIF-GN-1-034 Version 1
Date published 9 August 2017

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Appendix A - Preparing the Logic Model

A.1 The guidance contained in this section updates the previous guidance issued by DCLG on the preparation of logic models.

The logic model template

A.2 All projects must use the standard logic model template provided by the managing authority (Ref ESIF-Form-1-011). If grant recipients have already completed a logic model based on the previous guidance, now superseded, from the managing authority DCLG (ESIF-GN-3-002 ERDF Summative Assessment Logic Model Guidance for Grant Recipients v1) they are not expected to update that logic model.

Purpose of the logic model

A.3 Grant recipients are required to prepare a logic model which sets out the intervention logic for their project, including the range of outputs, outcomes and impacts that it intends to achieve. Most of the information necessary to complete the logic model will be contained in the full project application form.

A.4 The key aim of the logic model is to provide clarity about the manner in which the proposed project activity will achieve the intended outcomes and impacts and hence address the underlying rationale and objectives for the intervention. While this intervention logic will have been developed as part of the project development process, this is a key opportunity to test the appropriateness and realism of these linkages.

A.5 Once complete, the logic model will outline the specific nature of project activities, the characteristics of direct and indirect beneficiaries and the way in which the project's activities are expected to lead to beneficiary level outcomes and impacts. Ultimately, the logic model needs to provide a basis for decisions about how the project's implementation and progress will be monitored and what type of data will be collected.

Logic model components

A.6 It is important that grant recipients are familiar with the concepts which are used at the project level to measure the consequences of the investments and how they relate to the programme level performance framework.

A.7 In addition, that grant recipients carefully consider each of the elements of the logic model and the linkages between them. This will help to ensure the design of high quality summative assessments.

A.8 The completed full application form should be of assistance when completing each of the logic model sections. For ease of reference, each section title below identifies the relevant area of the application form.

Context (full application sections 2.5, 2.8, 3.0)

A.9 This part of the logic model should identify the nature and importance of the challenges grant recipients are trying to address, the policies that already exist to tackle these challenges and what needs to happen for these challenges to be overcome. The section should:

- Provide concise evidence of issues within the business sector or local economy (examples would be data on lack of access to finance, skills etc.) showing how this issue is worse or more pressing than in other business sectors, regions and how, for example, it might be getting worse over time.
- Summarise the local and national policies that are operating to respond to these issues, for example, if the issue is related to a gap in the provision of suitable business support, are there relevant public sector backed business support programmes already in place?

Market failure assessment (full application sections 2.10, 2.11, 2.12)

A.10 This should explicitly set out the market failures which mean that in the absence of intervention by the public sector, the social, economic or environmental issues (or opportunities) identified in the contextual analysis will not be adequately addressed.

A.11 This should also set out why these issues will not be resolved in the absence of the proposed intervention.

Project objectives (full application sections 2.5, 2.8, 3.1, 3.2, 3.4)

A.12 This should set out the overall objectives of the project. As a guide, these will often reflect the outcomes grant recipients are hoping to achieve as a result of the investment.

Rationale for proposed approach (full application sections 2.5, 2.83.1, 3.2, 3.7 - 3.13)

A.13 This should explain why grant recipients have chosen to deliver a particular type of activity and the manner in which the project activities will be provided. It should also highlight the efficiency and effectiveness of this approach compared to other ways of achieving the similar objectives.

Project inputs (full application section 5)

A.14 This should provide an overview of the financial resources which the project will use, including the overall level of ERDF grant and levels and sources of match funding. For revenue projects, please also include staffing (eg head count or full time equivalents) and an indication of the equipment/facilities that will be used to deliver the project.

Project activities (full application section 2.5)

A.15 This should provide an overview of the project activities broken down in main strands with a short description. Detail the key activities that projects will deliver as a result of the above inputs. For example, construct a building, provide dedicated business support, run promotional events, set up a website etc.

Outputs (full application sections 6.0)

A.16 Outputs are the measurable activities that the project will provide. These will, in the main, reflect the outputs that grant recipients have already set out in their full application and agreed within the grant funding agreement (GFA).

A.17 As a minimum, grant recipients will need to develop their project logic model in a way which links clearly to the programme level reporting framework (that is, the contractual output indicators). However, the analysis should go beyond this to ensure that the logic model provides a full account of the likely range of outputs, outcomes and impacts which could arise as a result of the project.

A.18 Grant recipients may, however, choose additional outputs if appropriate and Appendix D sets out suitable indicators which should be used across the range of different interventions covered by the Priority Axis. Grant recipients are encouraged to limit their selection to these indicators in order to ensure consistency across projects. However, if they wish to use any other indicators, this should be agreed with their local growth delivery team (GDT).

Project outcomes (full application sections 2.5, 2.8, 3.3, 6.0)

A.19 This part of the logic model framework relates to the benefits which accrue at the level of the beneficiary of the project activities. It should set out the intended **outcomes** of the project – this is the measurable change that the project is intending to achieve among direct or indirect beneficiaries.

A.20 The nature of the beneficiaries will differ widely across the ERDF programme's investment priorities, for example:

- **Direct beneficiaries:** small and medium-sized enterprises which receive business advice and guidance, individuals who have received start-up advice;
- **Indirect beneficiaries:** small and medium-sized enterprises which occupy premises or have access to research facilities built with ERDF grant support or use enhanced transport infrastructure part financed with ERDF;
- **Wider beneficiaries:** businesses which benefit indirectly from the improved operation of product, labour or capital markets as a consequence of ERDF backed investment (eg businesses or residents which, although they may not use a new road link, benefit indirectly from reduced congestion on the road network as a whole and reduced journey times in the local area).

A.21 The description of outcomes should reflect the sequential processes by which outcomes arise within beneficiaries. For example, outcomes of a business

support programme providing leadership and management coaching services could include:

- Changes to the skills and competencies of company management, leading to improved productivity;
- Changes in company strategy and growth plans and eventually supporting business growth and enhanced productivity;
- Changes in company turnover, employment and associated gross value added (GVA) etc.

A.22 These processes can be complex for many project types, with multiple steps. The sequential processes need to reflect both intermediate and final outcomes. Intermediate outcomes are those which are most closely related to the ERDF funded activity and for which the causal link with the ERDF activity is strongest. Final outcomes are more distant from the ERDF funded activity and might be affected by a much broader set of factors in addition to the ERDF activity (eg turnover, employment and associated GVA in the example above).

A.23 The logic chains need to capture the main relationships or steps in the outcomes, while not over complicating them.

Intended impacts (full application sections 2.5, 2.8, 3.3, 6.0)

A.24 These should capture the gross benefit that a project realises within their local economy, measured using appropriate economic, social or environmental indicators (eg GVA, full time equivalent employment, carbon savings, etc). The selection of these indicators needs to reflect the nature of the project and the manner in which they are intended to secure change within local economies.

A.25 In recognition of the potential deadweight, displacement, substitution and leakage effects that projects can generate, this section should also highlight the expected net additional impact. This is in effect a measure of the overall change a project generates in the local economy.

A.26 The important distinction between outcomes and impacts is the level at which they are measured. Outcomes occur at the beneficiary level, impacts occur at the level of the economy. In the example above, the impact would be the net additional GVA in the economy arising from enhanced business performance following receipt of business support.

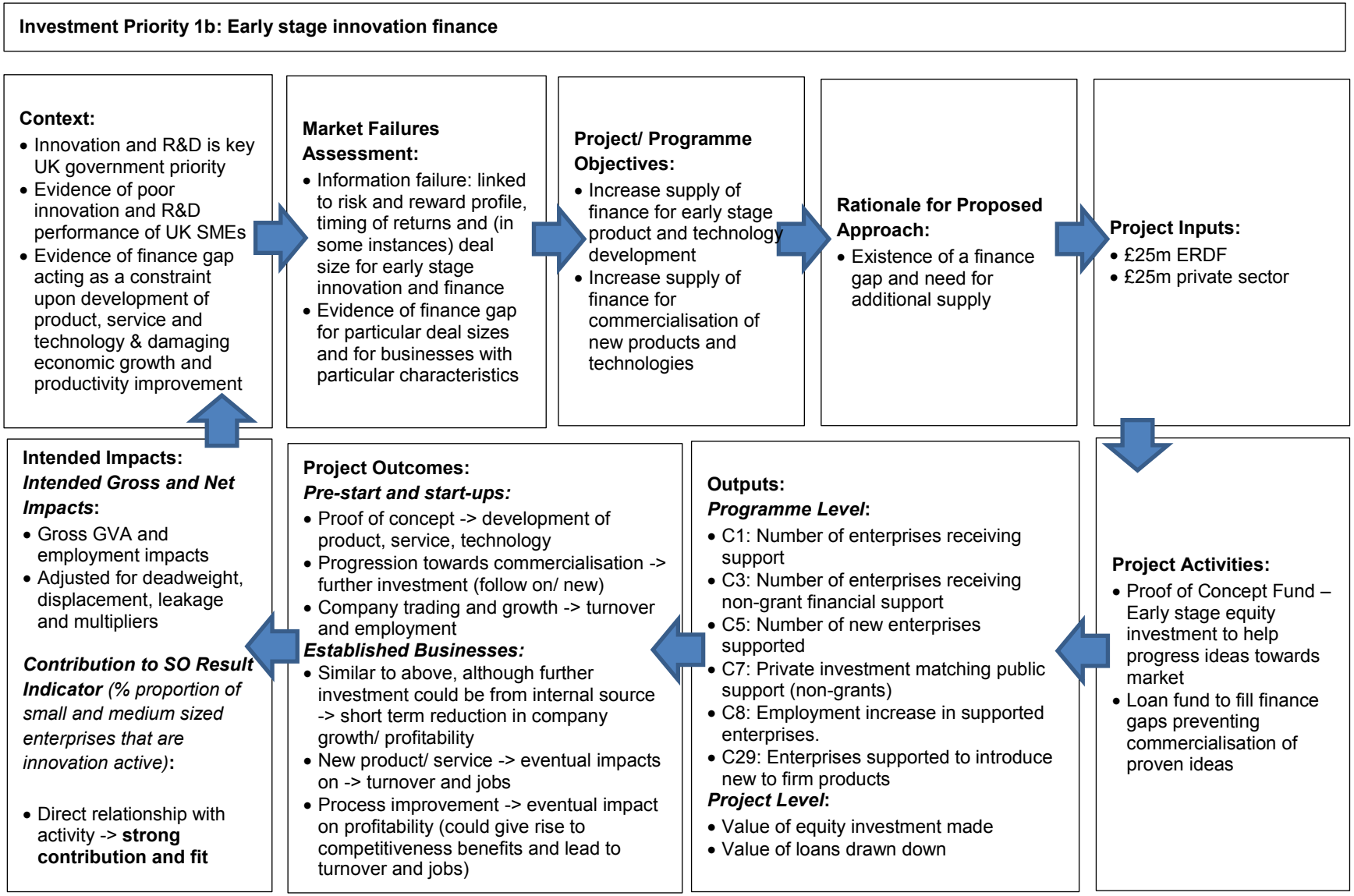
Project contribution to programme result targets

A.27 The ERDF programme includes result indicators and targets for each of its investment priorities against which its achievements will be judged. The logic model should seek to capture the potential contribution that each project may directly or indirectly make to the achievement of these result indicator targets for the Investment Priority that it is funded under or any other relevant result indicator (this does not need to be quantified).

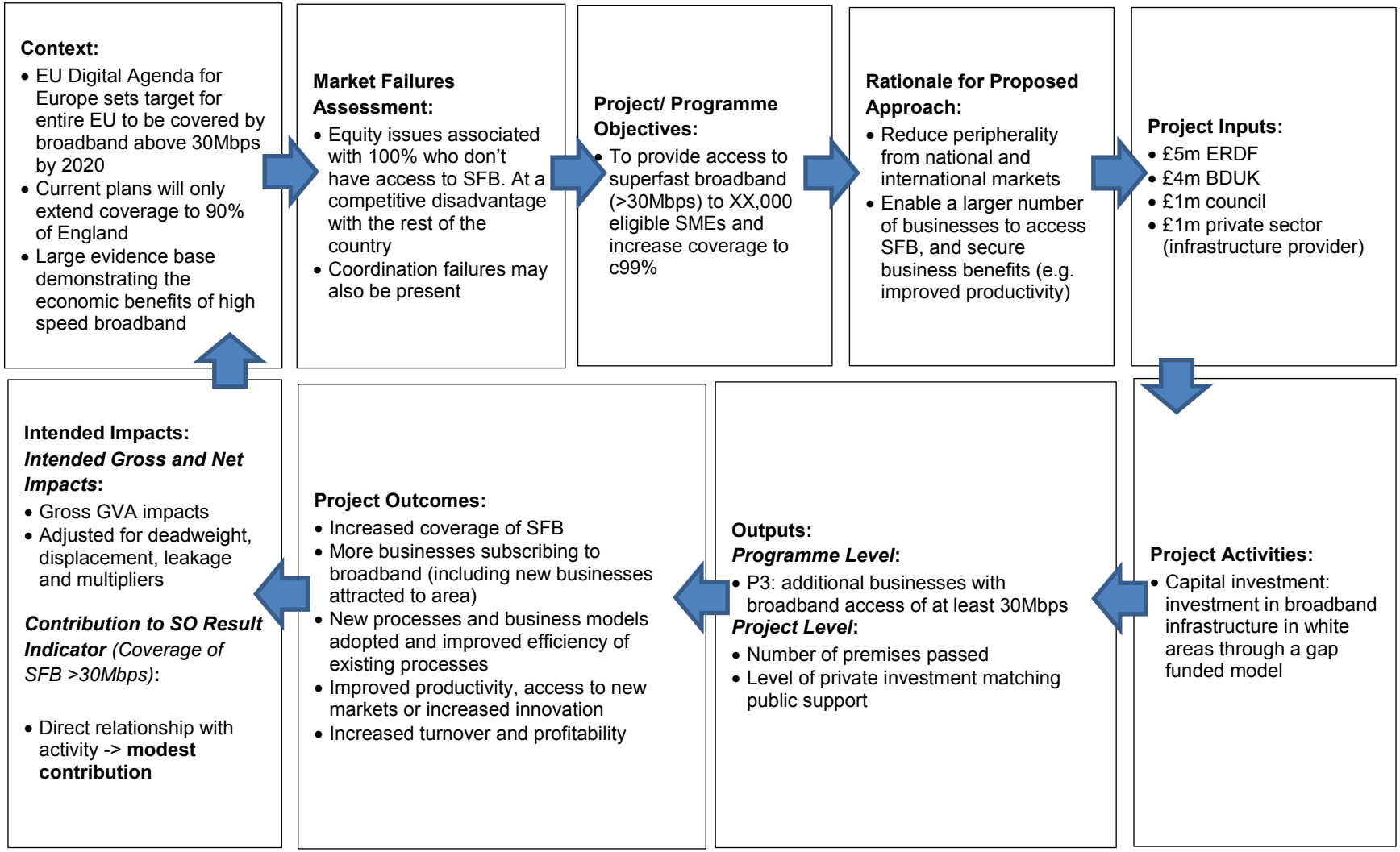
A.28 However, due to the nature of the programme result indicators, not all projects will contribute directly to the achievement of these targets.

Logic model examples

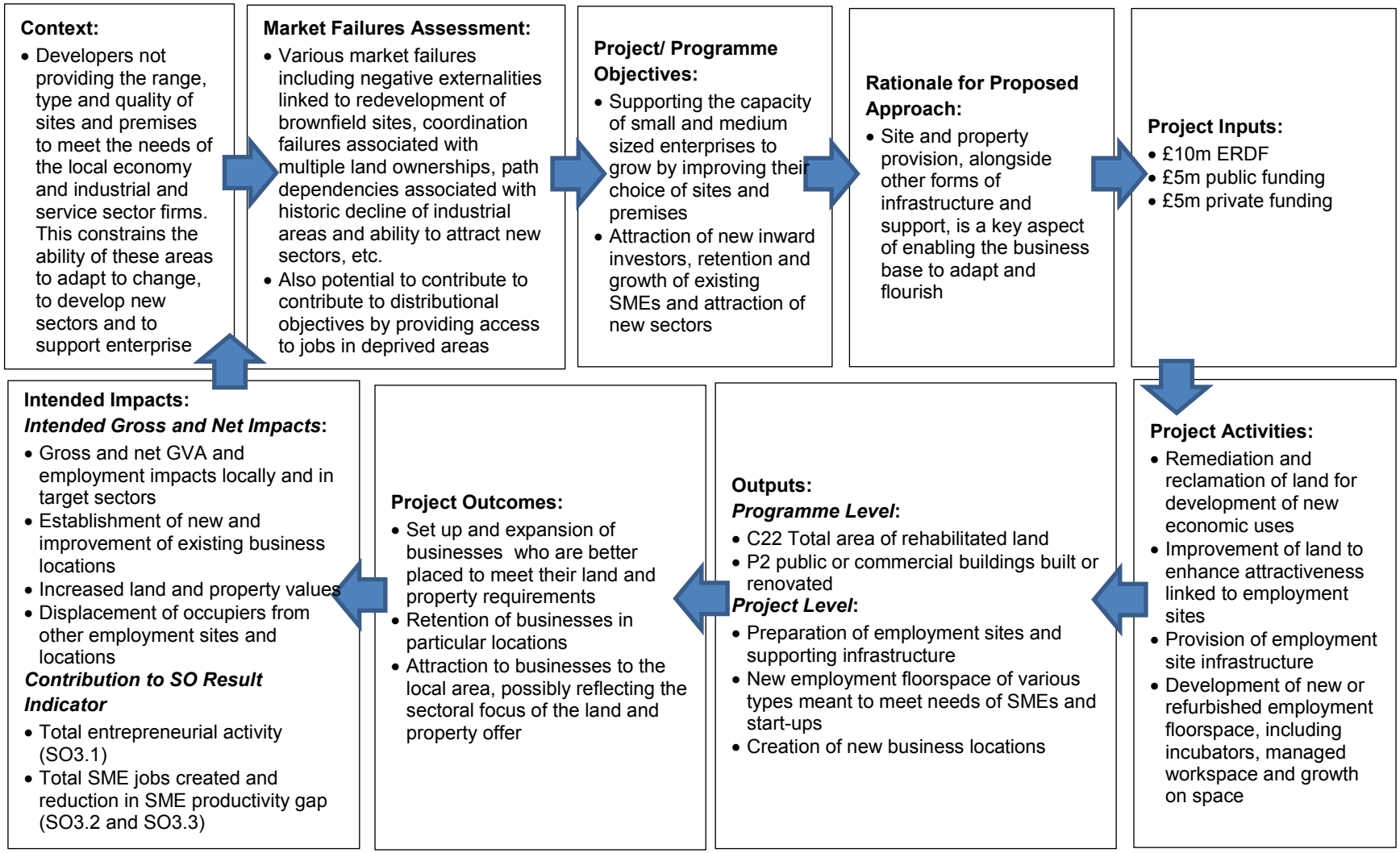
A.29 Examples of logic models are provided below for a range of intervention types. It is important that grant recipients tailor their logic model to their own project.

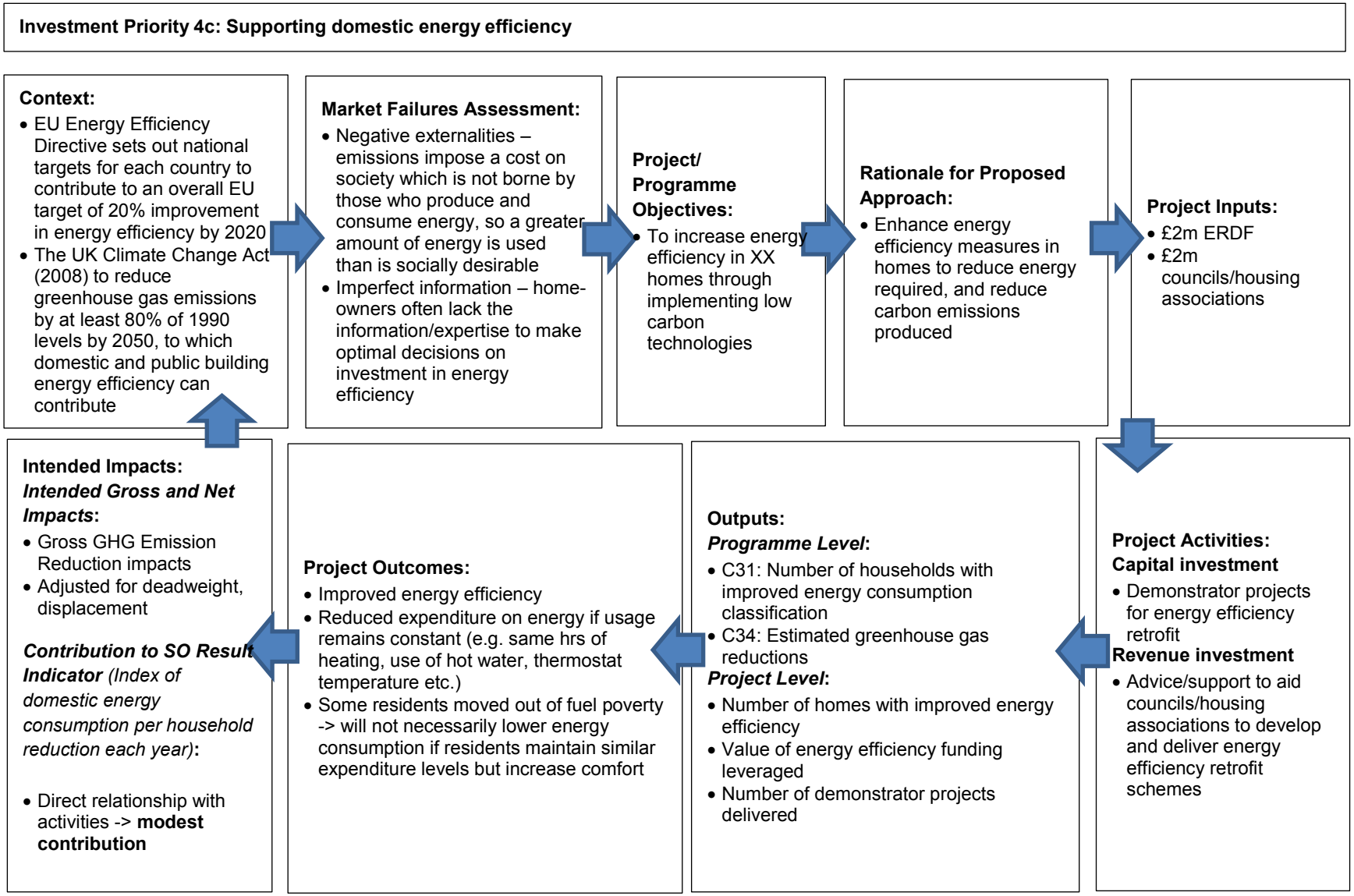

Investment Priority 1b: Early stage innovation finance
Context:
• Innovation and R&D is key UK government priority
• Evidence of poor innovation and R&D performance of UK SMEs
• Evidence of finance gap acting as a constraint upon development of product, service and technology & damaging economic growth and productivity improvement
Market Failures Assessment:
• Information failure: linked to risk and reward profile, timing of returns and (in some instances) deal size for early stage innovation and finance
• Evidence of finance gap for particular deal sizes and for businesses with particular characteristics
Project/ Programme Objectives:
• Increase supply of finance for early stage product and technology development
• Increase supply of finance for commercialisation of new products and technologies
Rationale for Proposed Approach:
• Existence of a finance gap and need for additional supply
Project Inputs:
• £25m ERDF
• £25m private sector
Project Activities:
• Proof of Concept Fund – Early stage equity investment to help progress ideas towards market
• Loan fund to fill finance gaps preventing commercialisation of proven ideas
Outputs:
Programme Level:
• C1: Number of enterprises receiving support
• C3: Number of enterprises receiving non-grant financial support
• C5: Number of new enterprises supported
• C7: Private investment matching public support (non-grants)
• C8: Employment increase in supported enterprises.
• C29: Enterprises supported to introduce new to firm products
Project Level:
• Value of equity investment made
• Value of loans drawn down
Project Outcomes:
Pre-start and start-ups:
• Proof of concept -> development of product, service, technology
• Progression towards commercialisation -> further investment (follow on/ new)
• Company trading and growth -> turnover and employment
Established Businesses:
• Similar to above, although further investment could be from internal source -> short term reduction in company growth/ profitability
• New product/ service -> eventual impacts on -> turnover and jobs
• Process improvement -> eventual impact on profitability (could give rise to competitiveness benefits and lead to turnover and jobs)
Intended Impacts:
Intended Gross and Net Impacts:
• Gross GVA and employment impacts
• Adjusted for deadweight, displacement, leakage and multipliers
Contribution to SO Result Indicator (% proportion of small and medium sized enterprises that are innovation active):
• Direct relationship with activity -> strong contribution and fit

Investment Priority 2a: Extending superfast broadband coverage in a rural area



Land reclamation, site infrastructure and property development




Investment Priority 4c: Supporting domestic energy efficiency
Context:
• EU Energy Efficiency Directive sets out national targets for each country to contribute to an overall EU target of 20% improvement in energy efficiency by 2020
• The UK Climate Change Act (2008) to reduce greenhouse gas emissions by at least 80% of 1990 levels by 2050, to which domestic and public building energy efficiency can contribute
Market Failures Assessment:
• Negative externalities – emissions impose a cost on society which is not borne by those who produce and consume energy, so a greater amount of energy is used than is socially desirable
• Imperfect information – home-owners often lack the information/expertise to make optimal decisions on investment in energy efficiency
Project/ Programme Objectives:
• To increase energy efficiency in XX homes through implementing low carbon technologies
Rationale for Proposed Approach:
• Enhance energy efficiency measures in homes to reduce energy required, and reduce carbon emissions produced
Project Inputs:
• £2m ERDF
• £2m councils/housing associations
Project Activities:
Capital investment
• Demonstrator projects for energy efficiency retrofit
Revenue investment
• Advice/support to aid councils/housing associations to develop and deliver energy efficiency retrofit schemes
Outputs:
Programme Level:
• C31: Number of households with improved energy consumption classification
• C34: Estimated greenhouse gas reductions
Project Level:
• Number of homes with improved energy efficiency
• Value of energy efficiency funding leveraged
• Number of demonstrator projects delivered
Project Outcomes:
• Improved energy efficiency
• Reduced expenditure on energy if usage remains constant (e.g. same hrs of heating, use of hot water, thermostat temperature etc.)
• Some residents moved out of fuel poverty -> will not necessarily lower energy consumption if residents maintain similar expenditure levels but increase comfort
Intended Impacts:
Intended Gross and Net Impacts:
• Gross GHG Emission Reduction impacts
• Adjusted for deadweight, displacement
Contribution to SO Result Indicator (Index of domestic energy consumption per household reduction each year):
• Direct relationship with activities -> modest contribution

Appendix B - The Summative Assessment Plan Template

B.1 The template (ref ESIF-Form-1-012) that grant recipients need to complete is available from the managing authority. This standard structure and format is intended to help grant recipients ensure that all elements of the summative assessment plan requirements have been considered.

Setting the summative assessment objectives

B.2 In setting the objectives for the summative assessment, grant recipients will need to think about the purpose of evaluation and consider these principles in the context of the project. This will allow grant recipients to identify the specific research questions for the summative assessment.

The principles of good project evaluation

B.3 There is a wealth of guidance available on evaluation theory and practice. The What Works Centre for Local Economic Growth (WWCLEG) has spent the last two years assessing the evaluation evidence for a wide range of local economic growth interventions. It has also set out what it considers to be important principles for effective evaluation. These are summarised in Table B.1 below

Table B.1 What Works Centre for Local Economic Growth Evaluation Principles

- **Start early:** good evaluation is embedded in the policy design process, allowing good data to be captured on the success/failure of the intervention. Evaluations long after the project finishes don't help make better decisions on cost-effectiveness or its continuation[1].
- **Define success:** in order to determine if a project is a success, the effects it is likely to have should be considered and what level of those effects would be considered a success. Clarity on objectives is therefore a fundamental evaluative concern[2].
- **Focus:** evaluations should be focussed on answering the question: what works better? For example, the National Institute for Health and Care Excellence (NICE) does not provide guidance about what makes us healthy, but it evaluates specific treatments for particular conditions[3].
- **Control groups:** pinning down causality is crucial to any impact

[1] What Works Centre for Local Economic Growth (2015). *How to evaluate: Start early.* http://www.whatworksgrowth.org/blog/how-to-evaluate-start-early/

[2] What Works Centre for Local Economic Growth (2015). *How to evaluate: Define Success*. http://www.whatworksgrowth.org/blog/how-to-evaluate-define-success/

[3] What Works Centre for Local Economic Growth (2015). *How to evaluate: What to evaluate.* http://www.whatworksgrowth.org/blog/how-to-evaluate-what-to-evaluate/

evaluation and this is dependent upon the construction of a valid counterfactual. Another approach is offering similar groups different treatments (eg level of finance)[4].

- **Collect data:** ensuring the data captures the outcomes and impacts linked to the project's objectives, records the identity and characteristics of programme participants, and is gathered through the most appropriate methods.
- **Length:** short-term indication of programme effects will help inform policy development while longer term data becomes available. Though sometimes long term evaluations are preferred, political pressures and the policy development cycle often mandate early evidence[5].
- **Learn from others**: the importance of copying freely from the approaches adopted in existing studies. Ideally, drawing upon evidence from multiple randomised control trials before intervention would be deployed more widely[6].
- **Get everyone on board:** evaluations need to bring the relevant stakeholders together as they will all be able to provide a mix of their perceptions and evidence.

Source: Adapted by Regeneris from What Works Centre for Local Economic Growth

Setting summative assessment questions

B.4 The manner in which grant recipients undertake their summative assessment will vary depending upon various factors including:

- The type of intervention and the particular activities the project is delivering;
- The nature and timing of the benefits the project is seeking;
- The scale of the project;
- The resources available for assessment.

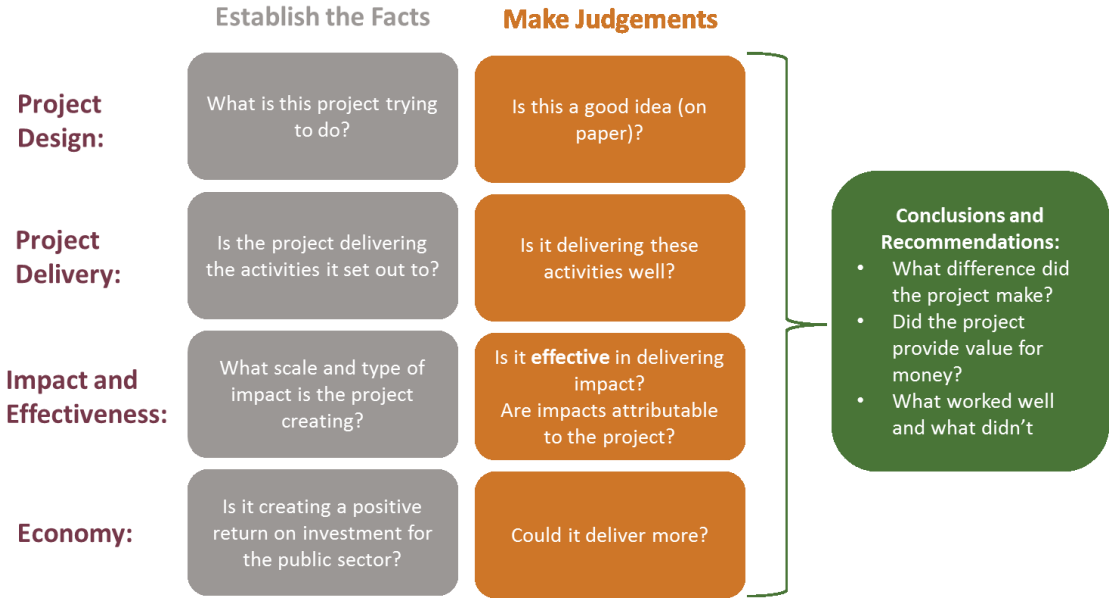
B.5 These factors mean that each summative assessment will need to be tailored to these circumstances for each project. While each assessment will be different, there are some common questions which all summative assessments should consider. These relate to the design of the project, the delivery of activities, the effectiveness with which impacts are secured and the efficiency with which these benefits are realised. These high level questions are summarised below.

[4] What Works Centre for Local Economic Growth (2015). *How to evaluate: Find a control group.* http://www.whatworksgrowth.org/blog/how-to-evaluate-find-a-control-group/

[5] ibid

[6] ibid

Table B.2 Key summative assessment questions



Source: Regeneris Consulting

B.6 These generic questions provide a starting point for the development of the objectives for grant recipients' own summative assessments. Grant recipients will need to consider these in the context of their own project and develop a set of more tailored questions which reflect the particular activities of the project and the insight being sought by the various audiences for the summative assessment.

The logic model

B.7 Grant recipients will have already completed the logic model when preparing their full application[7]. If, however, in developing the summative assessment plan grant recipients identify any changes required then they can be made at this stage.

Approach, methods and tasks

B.8 The plan will need to refer back to the objectives of the summative assessment and then outline the methods that will be used to deliver the insights. The consideration of methods needs to encompass both the progress, process and impact focused elements of the summative assessment. Further details of what should be considered under this task are set out in Appendix C.

[7] **Note:** It is the managing authority's intention that the logic model is submitted with the full application form. Until changes are made to the process and forms to reflect this, the logic model will have to be submitted with the summative assessment plan after the signature of the GFA.

Data and monitoring

B.9 The plan must demonstrate that appropriate monitoring arrangements are in place to support strong and insightful summative assessment, which creates a full and detailed picture around progress and activities of the project.

B.10 It will need to include a commitment to collecting the minimum/compulsory data set out in Appendix D and also outline any additional monitoring data.

Implementing the summative assessment

B.11 This section of the plan needs to set out the practical steps involved in implementing the summative assessment. This should cover the following.

The assessment route

B.12 A clear statement is needed about who will undertake the assessment. This needs to state clearly whether the assessment will be carried out internally or by external evaluators and explain the rationale for this decision.

B.13 If external support will be procured, this section should set out the process for procurement and ensure compliance with ERDF regulations.

Timescale and outputs

B.14 A delivery plan identifying key milestones and output dates is required.

Management and quality assurance

B.15 A concise management plan for the assessment which could include:

- Nominated project manager;
- Management and oversight arrangements for the summative assessment;
- Budget for the summative assessment;
- Quality assurance approach and procedures.

Dissemination

B.16 A statement will be required setting out how grant recipients propose to disseminate and share the findings from the summative assessment. As a minimum, the full report needs to be shared with the managing authority and the summary findings template must be freely available.

Appendix C - Choosing the Impact Assessment Method

C.1 This section provides an overview of the important factors which need to be considered in specifying the approach to assessing outcomes and impacts as part of the summative assessment.

C.2 It provides an introduction to some of the key method types, and highlights important sources of further information. It also sets out the important factors which need to be considered in determining the approach for the summative assessment.

Possible impact evaluation methods

C.3 One of the main ways in which the effort and robustness of the summative assessment will vary is the assessment of project outcomes and impacts. **While all projects will need to gather evidence of the outcomes and impacts they achieve, smaller projects will not be expected to implement more demanding and robust methods including counterfactual methods**. It is however expected that most projects will carefully consider how to maximise the quality and robustness of the impact assessment component of the summative assessment (see sections 3.11 and 3.12 of the summative assessment guidance ref ESIF-GN-1-033).

C.4 The purpose of any impact evaluation is to measure the net economic impact of a policy, project or programme compared to the situation in the absence of the intervention. There are a wide range of methods which can be used to achieve this. While a detailed explanation of evaluation methods is beyond the scope of this guidance, a number of methodological approaches are highlighted which can be used to *assess the contribution* of projects in securing both the desired impacts and potentially unintended consequences. The more common methods of impact assessment include theory based approaches and counterfactual impact methods, both of which can be used to complement each other.

Theory based approaches

C.5 Theory-based approaches seek to analyse the theory behind the project. They are designed not just to find out whether there has been any positive or negative effect on a particular group, but seek to understand why and how an intervention works, as well as for whom.

C.6 The logic model is at the heart of this approach (the guidance on the development of these models is set out in Appendix A), with it being developed during the design of the project or soon after the start of its operation. This sets out in detail the anticipated links between the context, inputs, activities, outputs and all of the potential outcomes and impacts over time. It should try to articulate the assumptions or hypotheses that underpin the logic, with these hypotheses being tested as part of the evaluation process.

C.7 Theoretical approaches are commonly used where the intervention is complex, perhaps as a result of the mix of needs or support available within a project. There are a number of approaches to theory-based evaluation, which include 'theory of change', 'contribution analysis' and 'realist evaluation'. More information can be found here[8].

C.8 Theory-driven evaluation approaches employ logic models to specify the relationship between actions, outcomes and other factors, and are often expressed in diagrammatic form, but can also be expressed in other forms, such as in the form of a narrative. The elements used to describe the theory of change embodied in the logic model commonly comprise inputs, activities and outputs, combined so as to form a process theory, expected initial and intermediate outcomes, followed by long-term outcomes representing the project's ultimate 'impact'. Inputs represent the types of resource needed to implement the project, activities represent the actions needed to bring about desired outcomes, and outcomes are the anticipated changes that result from inputs, activities and outputs.

C.9 In theory-driven approaches, inputs, activities and outcomes often relate to behaviour and behavioural change. Initial outcomes are often expressed in terms of changes to knowledge, skills and abilities; intermediate outcomes are the change in behaviour that is expected to lead to impactful, long-term changes in economic or social performance. While counterfactual impact evaluation (CIE) approaches to evaluation create counterfactuals so as to isolate relevant effects, Theory of Change approaches commonly deal with attribution by instead making the assessment of change stakeholder-led. Attribution is achieved by evidencing the desired behavioural change, and tracing it to the various actions initiated by the intervention, rather than through the use of a counterfactual.

C.10 However, as there is no robust counterfactual, when used in isolation theory-based approaches are unable to isolate impact, because they do not control for what would have happened anyway without intervention. Supporters of theory-driven approaches to evaluation would argue that this is not the purpose of theory-driven evaluation approaches, which instead represent an alternative to CIE that seeks to attribute the effects of an intervention through more qualitative means. However, theory-driven evaluation approaches and CIE can be complementary to each other as theory-driven methods can provide invaluable causal insights to complement the identification of the specific impact of an intervention identified through CIE. This is the way they are viewed in the National ERDF Evaluation Plan.

Counterfactual impact evaluation methods

C.11 *Counterfactual impact assessment* uses comparison groups or areas to isolate the difference which an intervention makes to the beneficiaries or treatment

[8] More information is available from: http://ec.europa.eu/regional_policy/sources/docgener/evaluation/guide/evaluation_sourcebook.pdf

areas. In its simplest form, a counterfactual compares a group of participants or treatment areas who have received support with businesses, individuals or areas with similar characteristics who have not. More rigorous approaches randomly determine if eligible businesses, individuals or areas receive the support. While this approach is valuable in attributing the observed outcomes and impacts to the support provided, additional research will be needed to understand how and why the intervention works.

C.12 In short, high quality CIE needs to:

- accurately measure the change that occurs across relevant indicators of outcome or impact after a project has been implemented; and
- construct a counterfactual which can disentangle the influence of other factors on the impact indicators and allow the impact of the project to be isolated. The way in which this counterfactual is constructed is the key element of evaluation design.

C.13 There are numerous ways to achieve each of these aspirations. Evaluators need to make various methodological choices to ensure that the counterfactual assessment is appropriate to the nature of the project being evaluated, the beneficiary groups that it affects and the characteristics of the impacts it supports. The main types of methodology and their respective strengths and weaknesses are considered below.

Approaches to measuring change among beneficiaries

C.14 There are two broad methodological options for measuring the change supported by ERDF projects. First, it is possible to use administrative datasets to observe changes that take place on relevant business, economic, social and environmental indicators. This can be done:

- At the beneficiary level: by identifying beneficiaries on datasets such as the Interdepartmental Business Register (IDBR) or Individual Learner Record (ILR) and tracking change over time;
- At the area level: by using area based datasets to look at aggregate area performance using particular indicators over time.

C.15 Approaches such as these can reduce the potential for measurement or reporting error that is associated with fieldwork based data collection methods. Their feasibility and desirability depends on the availability of datasets which provide adequate and timely coverage of beneficiaries and which report on an appropriate range of metrics. For ERDF there are a handful of datasets which provide appropriate coverage at the beneficiary level (these are explored later). The range of existing datasets is much more extensive at the area level, although many are themselves sample based and can be subject to some error.

C.16 Ideally, evaluations will employ a range of qualitative and quantitative methods, employing both secondary and primary data, and will seek to triangulate between the findings of these different approaches in order to gather a comprehensive picture. However, when it comes specifically to identifying the *impact* of an intervention, qualitative techniques are *not* a substitute for

quantitative techniques. Impact can only be established through use of an accurate counterfactual representing what would have happened had no intervention been undertaken. This places primacy on comparator-based techniques, such as matched-control group analyses carried out using secondary datasets.

C.17 However, matched-control group analysis of this type may also be usefully complemented by collection of primary data in the form of surveys of beneficiaries and comparable non-beneficiaries. Care needs to be taken to ensure non-beneficiaries are comparable. Because the collection of primary data is tailorable to the specific context of the intervention, allowing for the collection of specific variables related to the intervention which are not available in secondary datasets, it can provide a useful means to uncover important causal nuances to bolster the impact analysis achieved using secondary datasets. However, it should be borne in mind that beneficiary surveys can be expensive to conduct and raise various issues about the quality and representativeness of the information gathered.

Approaches to establishing a counterfactual

C.18 Establishing the counterfactual is the essential step in isolating and understanding the actual impact that a particular project, programme or policy has created.

C.19 The most technically robust approaches to the counterfactual draw upon comparator or control groups of individuals or businesses not participating in or not eligible for the programme being evaluated. The main assumption is that the post-policy outcome in the control group can provide an estimate of what would have happened to the treatment groups had the policy or programme not been implemented. As part of a robust CIE it is necessary to demonstrate that this assumption is plausible. Standard regression or 'difference in differences' analysis can go some way to achieving this by statistically controlling for differences in characteristics between the policy-on and control groups and accounting for the other factors which can affect changes in impact variables.

C.20 The National Audit Office (NAO) report identifies that there are broadly four ways in which the control groups can be designed or adjusted to make the best possible comparison. The important point is that the desirability of different approaches depends on numerous factors, in particular the nature of available data and the variables covered. Randomised Controlled Trial (RCT) approaches need to be designed into a project during the design stage. That is participants need to be randomly allocated to the treatment and control groups before an intervention takes place. Quasi-experimental approaches provide a variety of other approaches to constructing comparison groups. This can include, under certain circumstances, using unsuccessful applicants for support as a comparison group and hence it is helpful for grant recipients to retain information on this group.

C.21 The most frequently used alternative to control or comparison group based approaches are self-reported methods. These have been widely used in a variety of evaluations and are often the most practical means of looking at the counterfactual. Here a sample of beneficiaries is identified using project

monitoring and contacted after they have experienced the intervention and asked to recall the role that it played in changes in performance or outcomes. Their responses can be used to make adjustments to gross changes that are recorded in datasets or reported by beneficiaries.

C.22 Self-reported approaches have inherent weaknesses. In particular, individuals can find it difficult to disentangle the effects of a particular intervention or programme from all of the other factors which affect their behaviour over time. For this reason in particular, they have been widely criticised and are considered to be the least robust means to establish a counterfactual.

Overview

C.23 The various counterfactual and change measurement approaches can be applied in various combinations as summarised below. Each method has its own set of theoretical benefits and drawbacks and these depend on the particular characteristics of the intervention being considered. However, comparator-based techniques in which there is comparison against a counterfactual, representing what would have happened anyway without the intervention, *should be given priority over non-comparator-based approaches*. While a holistic evaluation will ideally draw on a number of approaches, non-comparator-based techniques used in isolation are likely to result in a poor-quality evaluation. They are unable to attribute any identified effect specifically to the intervention undertaken.

C.24 The Maryland Scientific Methods Scale (SMS) can be used as an objective means of scoring the robustness of the CIEs, ranging from 1 (least robust) to 5 (most robust) according to the method used and the quality of its implementation. Robustness, as judged by the Maryland SMS, is the extent to which the method deals with the selection biases inherent to policy evaluations and hence the ability to identify causation. More information can be found on the What Works Centre for Local Economic Growth (http://www.whatworksgrowth.org/resources/the-scientific-maryland-scale/)

Table C.1 Summary of CIE Approaches

		Construct a Counterfactual		
		Non-comparator Based Approaches	Control Groups / Comparator Areas	Randomised Control Trials
Measure Change at the Area Level	Observe Outcomes in Official Datasets	Observe change in area based datasets. No means to attribute to intervention in absence of comparator group.	Identify comparator areas with similar characteristics to the programme areas. Observe change in area based datasets in programme and control areas and use econometric analysis to identify additional effect of the intervention on outcomes, controlling for other factors. Number of comparators likely to	Randomly determine membership of treatment and control group before intervention. Random allocation helps ensure similar

			be modest	treatment and control characteristics.
	Primary Research to Estimate Outcomes	Capture data using population and business surveys. Aggregation of data likely to be a challenge and sample sizes would need to be large. No means to attribute to intervention in absence of comparator group.	Identify comparator areas with characteristics to the programme areas. Capture data on key variables using population and business survey. Sample size would need to be large for aggregation. Number of comparators likely to be modest so analytical power limited.	
Measure Change at the Beneficiary Level	Observe Outcomes in Official Datasets	Match beneficiaries to official datasets and observe change. No means to attribute to intervention in absence of comparator group.	Match beneficiaries to official datasets and observe change. Replicate in control groups and use econometric analysis to look at the additional effect of intervention on outcomes, controlling for other factors.	
	Primary Research to Estimate Outcomes	Use of surveys and carefully designed interviews to determine change and self-attribution to intervention.	Replicate survey analysis in control areas and use of statistical analysis to look at additional effect on intervention on outcomes, controlling for other factors. *Source: Regeneris Consulting*	

C.25 In order to facilitate CIE methods, it is important that grant recipients gather the following information as a minimum:

- Information on the beneficiaries which can enable them to be identified in administrative datasets such as the IDBR (such as the company registration number in the case of businesses);
- Precise information on the type of support received, its timing and intensity (such as the financial value);
- In certain circumstances, information on unsuccessful applicants for the support offered by projects (this is particularly relevant where demand exceeded the available supply of support and hence a selection process with objective criteria were used to select beneficiaries).

Implications for summative assessment design

C.26 The evidence that summative assessments will provide in relation to the impacts of ERDF funded projects is extremely valuable to delivery bodies, DCLG and wider stakeholders. It is essential that the summative assessments

seek to deliver as robust and detailed an assessment as possible. The National Evaluation is likely to be undertaking counterfactual impact evaluations for some intervention types, although it is not appropriate in all instances. Where CIE is being undertaken as part of the National Evaluation (such as for SME advice, guidance and finance projects), projects are still encouraged to undertake their own CIE as there could well be a mismatch between the timing of project summative assessments and the results of the National Evaluation being available. Where the National Evaluation does not provide an effective basis for CIE (such as for transport, sites and premises, broadband schemes), CIEs undertaken by projects will be particularly important in providing the evidence needed at a national level (see sections 3.11 and 3.12 of the summative assessment guidance ref ESIF-GN-1-033).

C.27 In designing and implementing the summative assessment plan it is essential that all grant recipients consider the potential to undertake CIE as part of the summative assessment.

C.28 As outlined above, CIE is intended to identify the impacts which are both attributable to the ERDF project and which would not have arisen in its absence. UK Government and the European Commission are placing much more emphasis on the use of counterfactual methods to identify the impacts of ESIF programmes and the projects they fund.

C.29 This is one of the most challenging aspects of evaluation and although the available techniques and resources to support it have improved in recent years it may not always be appropriate or practical to use counterfactual methods. In developing the summative assessment plan, grant recipients will need to demonstrate that they have considered the scope for using CIE methods.

C.30 Given the breadth of ERDF projects, it is extremely difficult to generalise about the appropriateness of different methods for particular types of intervention. ERDF projects vary substantially in terms of the characteristics of their beneficiaries and the type of outcomes they create. This variation is summarised in Table C2 below. This highlights two very important points.

C.31 First, the broad range of ERDF project types give rise to a complex array of impact types. These include:

- Less tangible impacts that are difficult to assess quantitatively such as impacts on individuals' confidence and aspirations;
- Outcomes that can be analysed and assessed in a quantitative manner such as changes in qualifications of individuals or registration of patents;
- Readily quantifiable changes such as business turnover, employment or earnings of individuals.

C.32 Second, some intervention types have direct beneficiaries which could include individuals, researchers or newly formed or established SMEs. But for many types of intervention there are no direct beneficiaries and impacts materialising indirectly at a sector or area level. These intervention types may include investments in infrastructure, place marketing or investments in public realm.

C.33 Given the range of factors which affect the feasibility of CIE, it is not possible to generalise about the potential scope for CIE methods by project type. The

upshot of this is that, in designing the summative assessment, grant recipients will need to consider carefully a range of factors and draw conclusions about the feasibility of CIE methods. The project logic model will be an important starting point for this analysis. This will provide a clear and concise description of all of the relevant features of the project's design and the manner in which it supports outcomes at the beneficiary level and the wider impacts.

Table C.2 Summary of Intervention, Beneficiary and Impact Types (*Source: Regeneris Consulting)*

	Intervention Type	Description and Examples	Outcomes Mostly Related to…					
			Individual Employability	Business Performance	Enterprise / Start-up	Innovation	Area Image	Physical Regen
Beneficiaries are Predominantly SMEs	SME Competitiveness	Mainstream enterprise support to established and growing businesses to improve productivity and promote growth. Beneficiaries are mostly SMEs.		✓✓✓	✓	✓		
	Sector Development	Interventions targeted at specific sectors. Examples include sector or cluster development programmes. Predominantly SME beneficiaries.		✓✓✓	✓	✓		
	SME Innovation	Interventions to improve innovation performance of SMEs. Includes knowledge transfer projects and innovation advisory services. Mainly SMEs working with universities, R&D facilities and large companies. Emphasis on improved business performance but could also include collaboration, new products/services and proof of concept.		✓✓	✓✓	✓✓✓		
	Energy and Resource Efficiency	Investments targeted at SMEs' use of energy and uptake of low carbon technologies. Might also include a small number of low carbon retrofitting projects for homes where SMEs and tenants are identified as beneficiaries. Some SME beneficiaries. Impacts most likely related to productivity but incremental. Beneficiaries largely individuals / domestic.		✓✓✓		✓		
	Access to Finance	Range of financial instruments providing capital or funding for development projects. Examples include Venture Capital and Loan Funds, transitional Loan Funds and SME grant schemes. Extensive range of SME beneficiaries receiving various types of investment. Could include start-ups as well as established SMEs.		✓✓✓	✓✓	✓✓		
	Social-enterprise	Actions to support development of social enterprise. Examples include advisory and start up schemes. Beneficiaries will include social		✓✓	✓✓✓			

	Intervention Type	Description and Examples	Outcomes Mostly Related to…					
			Individual Employability	Business Performance	Enterprise / Start-up	Innovation	Area Image	Physical Regen
		enterprises and their supply chains.						
	Strengthening the R&D Base	Capital and revenue investments to strengthen and exploit regional science bases / promote commercialisation of research. Examples include investment in university research facilities and commercialisation support services. Mix of institutional and business beneficiaries. Improved business performance is objective but not always direct SME beneficiaries.		✓	✓	✓✓		✓✓

Main Focus on Individual Beneficiaries (but some SMEs beneficiaries possible)	Business Formation and Entrepreneurship	Business start-up support and activities to promote entrepreneurship. Includes enterprise coaching, social enterprise start up services, youth enterprise services and incubator facilities. Focused on creation of SMEs, so some business assists but also on individual entrepreneurs.	✓✓	✓	✓✓✓			
	Access to Employment	Interventions to improve availability of and access to employment opportunities. Includes business premises in deprived areas, travel schemes linking employment areas to deprived communities. Most likely to be individuals benefiting from interventions.	✓✓		✓		✓	✓
	Community	Investments which appear to be aimed solely at community facilities, networks etc.	✓		✓		✓	✓✓
	Skills Development	Investments aiming to improve skills and qualifications. Could be targeted towards particular groups. Individuals, possibly also SMEs employing individuals.	✓✓✓		✓✓			
Mostly Indirect Beneficiaries	Sites and Premises	Range of capital investments to support the development of employment land and premises. Includes land remediation, business premises and JESSICA. Some SME beneficiaries but generally indirect recipients of ERDF through developer and operator of premises.		✓	✓		✓	✓✓✓
	Infrastructure	Investment in specific infrastructure projects, examples include superfast broadband networks, station facilities and interchanges, flood defences, etc. Most interventions will have no direct beneficiaries but some (e.g. broadband) could have direct SME and individual beneficiaries.		✓	✓		✓	✓✓✓
	Investment Marketing	Direct beneficiaries will be those attracted as a result of investment promotion marketing. Complex pattern of impact and attribution. Could also be supply chain impacts and wider SME beneficiaries associated with landed businesses.		✓			✓✓✓	
	Public Realm	Investments in blue and green infrastructure. No direct beneficiaries. Individual and SMEs likely to benefit indirectly.					✓✓✓	

C.34 There are a number of factors to consider here. These are linked and there are no hard and fast rules. It is not possible to provide clear guidance about when CIE is and is not feasible as there are numerous factors to consider. In reaching a decision about whether CIE is appropriate for the project, the following factors need to be considered:

- **The size of project:** generally speaking, there is a stronger case for the use of CIE methods for larger projects due to the level of resource being used (and linked to this the size of the summative assessment budget), the scale of potential impacts and, subject to the nature of the project, a larger volume of beneficiaries with whom to engage.
- **The nature of the activities that the project delivers:** although the manner in which many local growth focused interventions can be complex, some interventions are better suited to CIE approaches. For example, the provision of business finance to growth focused SMEs should, in general, help them to grow their businesses, improve their productivity and increase the overall GVA of the local economy. In contrast, while road improvements may help to improve productivity of the local businesses and the attractiveness of an area as an investment location, it achieves these benefits in much more diffuse ways.
- **The nature of project beneficiaries:** in general, it is easier and less costly to undertake CIE methods where there are direct project beneficiaries and their details have been recorded accurately so that they be identified in administrative datasets to enable the selection of comparison groups.
- **Timing of impacts:** there can be a considerable lag in the occurrence of economic, social and environmental outcomes and impacts of projects. These lags arise from multiple sources (eg delivery of interventions, changes in beneficiary approaches and performance, improvements in published data, etc) which often compound each other and can be a major constraint upon the ability to gain evidence on economic impacts within a reasonable period of time.
- **Wider economic impacts:** the ERDF programme has the potential to generate a diverse range and potentially complex mix of positive and negative wider impacts affecting factor and product markets. In practice it can be very difficult to capture these effects using CIE methods and, if they are judged to be important, usually require supplementary research methods to gather the necessary evidence.
- **Coverage in the National Evaluation.** It is not practical to undertake comprehensive CIE for some project types in the National Evaluation, including for example transport, broadband and many forms of place based infrastructure investments such as sites and premises, and blue and green infrastructure. This places more emphasis on CIE being undertaken at a project level if possible and practical in light of the other points raised above.

C.35 There is a growing body of guidance and toolkits on the use of CIE methods which can be drawn upon, including the What Works Centre for Local

Economic Growth and Wellbeing. As many projects will not have the evaluation skills and experience in-house to undertake CIEs, they should also look to external evaluators to provide advice on the suitability of CIE methods and the approaches to maximising the potential offered by these techniques.

Choosing the spatial area for the assessment

C.36 As part of the summative assessment plan, it is necessary to provide a clear statement about the spatial scale at which the impact assessment will be undertaken and the assessment methods to be used.

C.37 While the majority of ERDF backed projects will operate and draw their beneficiaries within a clearly defined LEP area, some others operate across multiple LEP areas (eg a number of the SME business finance projects) and a small number of projects may operate across England as a whole. Also given the nature of many types of interventions, they will provide benefits to a range of indirect beneficiaries across areas which are not defined by specific administrative boundaries (eg transport infrastructure projects).

C.38 In selecting the spatial areas within which the outcomes and impacts of projects will be measured, grant recipients should consider the following:

- The spatial area within direct beneficiaries are drawn from;
- The spatial area in which the majority of indirect beneficiaries are likely to be located;
- The spatial area in which any wider economic, social and environment benefits are likely to be concentrated.

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Appendix D - Guidance on Data Collection and Reporting

Data collection

D.1 The project logic model will identify the full range of output and outcome indicators which will be monitored. This will provide the basis for a careful consideration of how this insight can be translated into the grant recipient's approach to data collection during the project to ensure that it supports the summative assessment. The summative assessment framework contains a degree of required data collection:

- **Meets the requirements of the claims process**: when making claims there will a requirement to record programme specific outputs delivered and verification data against businesses supported. These data requirements should be included in the logic model and summative assessment plan.
- **Meets the requirements of the National Evaluation:** for the project summative assessments to properly support the National Evaluation of the programme there is a requirement for all projects to report certain datasets on the basis of activity being supported by the project. These data requirements should be included in the logic model and summative assessment plan.

  To facilitate the National Evaluation the programme has been broken down in to several types of activities. Different datasets will need to be collected to evaluate each type of activity as will also be the case for the summative assessment. Table D.1 below sets out the types of activity that investments have been broken down into and how these relate to the programme's investment priorities; this should enable grant recipients to easily identify which activities apply to their project. Tables D.2 through to D.10 set out the reporting requirements for each type of activity. In most projects it is expected that only one of the activities will apply, however, under more complex projects it is possible that more than one type of activity may be covered. In these instances the required data from all applicable tables should be collected.

  The managing authority accepts that in some instances projects may not be able to report against "required" data in the respective template, for example, not all projects will have "non-beneficiaries" even though there may be a requirement against these. Where this is the case grant recipients should inform their contract manager when returning their summative assessment plan.

D.2 Good evaluation is heavily dependent on the quality of monitoring information that is collected during delivery. Drawing on the logic model, grant recipients will need to consider whether it might be necessary to collect additional data / monitor additional project level indicators above those required by the claims process and National Evaluation. Tables D.2 through to D.10 below, in addition

to setting out data which is required also identify “advised” data sets which *could* be collected to support the evaluation of the specific activity.

D.3 Grant recipients will need to refer to their logic model closely in deciding what additional data to collect during delivery. The purpose of any additional indicators will be to ensure that the summative assessment can better capture and describe the activities the project is delivering.

Data reporting

D.4 During the delivery of the ERDF project, grant recipients will need to ensure that they collect all of the data identified in the summative assessment plan and report against as follows:

- The contractual spend and outputs included in the GFA: these will be reported as part of quarterly payment claims.
- Businesses supported verification data: again this will be reported, where appropriate, as part of quarterly claims reporting.
- The required datasets identified in the relevant tables D.2 through to D.10 should be reported using the appropriate summative assessment data monitoring template (Ref ESIF-Form-1-013). Where this is the case grant recipients should inform their contract manager when returning the summative assessment plan.

  Data on outputs and beneficiaries should ideally be reported on a quarterly basis as and when support starts; this should also help avoid the burden of bulk reporting at the end of the project. Data relating to outcomes, however, cannot be reported until the support has been provided.

  Given the timing of the final report the managing authority acknowledges that not all outcomes will have been captured by the end of the project. Where grant recipients are seeking to continue to collect outcomes following the submission of the final report for their own evaluation purposes they are encouraged to share this data with the managing authority too. This sharing of data will help ensure that the National Evaluation of the programme can be as effective as possible.
- Data on any additional output or outcome indicators that have been identified as useful: where these include “advised” datasets covered in the relevant tables D.2 through to D.10, then these should ideally be reported using the appropriate summative assessment data monitoring template. Where the datasets are bespoke to the project then they should be reported alongside the interim and final summative assessment report as applicable.

D.5 Grant recipients must ensure that direct and indirect beneficiaries (such as small and medium-sized enterprises or individuals receiving business start-up support) are aware of the contractual obligations to share various types of information with the National Evaluators and DCLG.

Privacy notice for the collection of personal data

D.6 Where personal data is required, projects will need to provide the privacy notice (see Appendix E) to direct and indirect beneficiaries they engage with. This allows their data to be shared with the National Evaluators for the purposes of the National Evaluation or to contact them if necessary for the purposes of conducting surveys.

D.7 The Common Provisions Regulations (CPR)[9] and ERDF regulations require the Department for Communities and Local Government (DCLG), as the managing authority of the programme, to monitor and evaluate ERDF-funded activities.

The ERDF Operational Programme 2014-2020 states that robust governance and accountability require programme related analysis, monitoring and evaluation to form an integral part of programme delivery.

D.8 In order to conduct monitoring and evaluation, individual participant data is required. There is a legal basis for collecting and processing personal data and sharing it with the managing authority for the purposes of monitoring and evaluation (in particular Articles 27.4, 54, 56 of the CPR and Article 6 of the ERDF Regulation[10]).

Therefore, individuals' consent to collect participant data and to be re-contacted for monitoring and evaluation purposes is not required. As such, participant data, including contact details, should be collected and stored for all participants in order to meet monitoring and evaluation requirements. This includes direct and indirect beneficiaries' data.

D.9 For the purposes of the Data Protection Act 1998, DCLG is the data controller in respect to information processed which relates to all participation in the project funded by the European Regional Development Fund. Grant recipients are data processors in respect to information processed which relates to participants in the operations and projects funded by the ERDF (see 'Data protection' clause in grant funding agreement).

D.10 Grant recipients should ensure that for all ERDF projects, the privacy notice used by them and any delivery partners explains to direct and indirect beneficiaries that individuals' contact details may be used for monitoring and evaluation purposes and, in some cases, to re-contact them after the ERDF operation to invite them to take part in monitoring and evaluation activities. Wording for the privacy notice can be found in Appendix E.

D.11 All grant recipients must use the privacy notice wording. The wording **should not be changed**, amended or supplemented. The privacy notice **should never** be combined with any consent or enrolment forms. Participants **should not** be asked to sign or tick to indicate that they have read or understood the privacy notice.

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[9] https://ec.europa.eu/digital-single-market/en/news/eu-regulation-common-provision-regulation-cpr

[10] http://ec.europa.eu/regional_policy/en/information/legislation/regulations/

D.12 Depending on the nature of activities and the indicators listed under each activity (see tables below), grant recipients should supply the following information for each direct or indirect beneficiaries where these are individuals:

- Name of contact point within a business (in some cases property owner) engaged with or individual engaged with;
- Address
- Postcode
- Phone number
- Email address
- Labour market status prior to receiving support and 6 months after support;
- Duration of support
- Intensity of support

A full data monitoring form listing the variables (ref ESIF-Form-1-013) is to be submitted by the grant recipient on a quarterly basis.

D.13 It is expected that grant recipients will quality assure and validate all data prior to upload. Grant recipients are expected to supply all the details required in the monitoring form. However, if the data is not available for a particular field, the field should be left blank. Data quality is the responsibility of grant recipients, and where issues in data quality are identified this will be followed up.

Table D.1 Linkage between Project Activity and Programme Investment Priorities

Priority Axis	Investment Priority	R&I infrastructure and Business support	Advice, Guidance and Finance for Start-ups	Business Advice, Guidance and Finance for Established SMEs	Business Related Infrastructure: Broadband	Business Infrastructure: Land and Property	Transport Infrastructure	Other Infrastructure	Low Carbon Generation	Resource and Energy Efficiency	Community Led Local Development
1	1a	XX				X					
	1b	XX	X	X							
2	2a				XX						
	2b		X	XX							
3	3a		XX			X					
	3c			XX							
	3d		X	XX							
4	4a		X	X					XX		
	4b		X	X						XX	
	4c					X				XX	
	4e						X		X	X	
	4f	X		XX					X	X	
5	5b							XX			

Priority Axis	Investment Priority	R&I infrastructure and Business support	Advice, Guidance and Finance for Start-ups	Business Advice, Guidance and Finance for Established SMEs	Business Related Infrastructure: Broadband	Business Infrastructure: Land and Property	Transport Infrastructure	Other Infrastructure	Low Carbon Generation	Resource and Energy Efficiency	Community Led Local Development
6	6d							xx			
	6f	x		xx						x	
7	7a						xx				
	7b						xx				
8	9d		xx	xx		x					xx
9	Technical Assistance										

xx = Strong correlation
x = Potential correlation under certain projects.

This table is only a guide and if grant recipients conclude their project is supporting activities under an investment priority not identified here they should collect the required datasets and vice versa. Where either of these situations arise then this should be set out in the logic model and summative assessment plan and the contract manager informed when submitting the material.

Table D.2 R&I Infrastructure

Additional Indicators	Unit	Requirement
Information on Direct Beneficiaries - Businesses		
Named contact, telephone number and email address	Text	Required
Business sector	SIC code[11]	Required
Business start-date	Date	Required
Business trading age at the start of support	Years/ months	Required
Full time equivalent employment at the start of support	Number	Required
Financial turnover for the last complete financial year prior to receiving support	£	Required
Annual R&D spend in last complete financial year prior to receiving support	£	Required
Number of product and process innovations in last three financial years prior to receiving support	Number	Required
Date when support first accessed and duration of the support from the ERDF project	DD/MM/YY	Required
A measure of intensity of support, such as the value of the assistance (not relevant for property related provision)[12]	£ and/ or hours	Advised
Beneficiary Outcome Indicators		
Adoption of new technologies	Number	Advised
New investment in capital equipment and facilities	£	Advised
Information on Indirect Beneficiaries		
Same details as above for SMEs occupying incubation and managed workspace	As above	Required

[11] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

[12] Where the aid is not in the form of a grant and where the organisation awarding the aid is providing the "gross grant equivalent" measure is acceptable

Table D.2 R&I Infrastructure

Additional Indicators	Unit	Requirement
Address prior to occupying ERDF funded property (if relevant)	Text	Required
Name and contacts details for researchers	Text	Required
Other Information		
Contact details and business characteristics of SMEs that apply **unsuccessfully** for support and/or premises	As above	Required

Table D.3 Advice, Guidance and Finance for Start-ups

Additional Indicators	Unit	Requirement
Information on Direct Beneficiaries – Start-ups and Existing Businesses		
Named contact, telephone number and email address	Text	Required
Business sector	SIC code[13]	Required
Business start-date	Date	Required
Business trading age at the start of support	Years/ months	Required
Full time equivalent employment at the start of support	Number	Required
Financial turnover for the last complete financial year prior to receiving support	£	Required
Date when support first accessed and duration of the support from the ERDF project	DD/MM/YY	Required
A measure of intensity of support, such as the value of the assistance[14]	£ and/ or hours	Advised
Information on Direct Beneficiaries – Individuals not yet starting a business		
Nature of support accessed through the ERDF project	Drop down menu text	Required
Name, date of birth, address, postcode.	Text	Advised
Labour market status prior to receiving support	Drop down menu text	Advised
Labour market status 6 months after receiving support	Drop down menu text	Advised
Date when support first accessed and duration of the support from the ERDF project	DD/MM/YY	Advised

[13] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

[14] Where the aid is not in the form of a grant and where the organisation awarding the aid is providing the "gross grant equivalent" measure is acceptable

Table D.3 Advice, Guidance and Finance for Start-ups

Additional Indicators	Unit	Requirement
A measure of intensity of support, such as the value of the assistance[15]	£ and/ or hours	Advised
Beneficiary Outcome Indicators		
New businesses set up following receipt of support	Number	Required
Business survival (12 months after business start-up)	Y/N	Required
Labour market status of individual receiving support 12 months post support	Drop down menu text	Advised
Other Information		
Contact details and business characteristics of small businesses and potential entrepreneurs that apply **unsuccessfully** for support and/or premises	As above	Required

[15] Where the aid is not in the form of a grant and where the organisation awarding the aid is providing the "gross grant equivalent" measure is acceptable

Table D.4 Business Advice, Guidance and Finance for Established SMEs

Additional Indicators	Unit	Requirement
Information on Direct Beneficiaries - Businesses		
Named contact, telephone number and email address	Text	Required
Business sector	SIC code[16]	Required
Business start-date	Date	Required
Business trading age at the start of support	Years/ months	Required
Full time equivalent employment at the start of support	Number	Required
Financial turnover for the last complete financial year prior to receiving support	£	Required
Annual R&D spend in last complete financial year prior to receiving support	£	Required
Number of product and process innovations in last three financial years	Number	Required
Date when support first accessed and duration of the support from the ERDF project	DD/MM/YY	Required
A measure of intensity of support, such as the value of the assistance[17]	£ and/ or hours	Advised
Beneficiary Outcome Indicators		
Adoption of new technologies	Number	Advised
New investment in capital equipment and facilities	£	Advised
Other Information		
Contact details and business characteristics of SMEs that apply **unsuccessfully** for support and/or premises	As above	Required

[16] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

[17] Where the aid is not in the form of a grant and where the organisation awarding the aid is providing the "gross grant equivalent" measure is acceptable

Table D.4 Business Advice, Guidance and Finance for Established SMEs

Additional Indicators	Unit	Requirement
Projects should provide information on their application and selection process for support.	Text	Required

Table D.5 Business Related Infrastructure: Broadband

Additional Indicators	Unit	Requirement
Information on Indirect Beneficiaries - Businesses		
The Company Reference Number (CRN) of business	Text	Advised
Company name and full address, including postcode	Text	Advised
Named contact, telephone number and email address	Text	Advised
Business sector	SIC code[18]	Advised
Age of business	Years/ months	Advised
Date access to improved internet speed started	DD/MM/YY	Advised
Indicative internet speed prior to access to improved internet service	Mbps	Advised
Businesses new to the area due to broadband (either recently established or moved into area)	Y/N	Advised
Other Information		
Contact details and business characteristics of SMEs in local area unable to secure access to improved service	As above	Advised

[18] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

Table D.6 Business Infrastructure: Land and Property

Additional Indicators	Unit	Requirement
Output Indicators		
Proposed use of rehabilitated land	Drop down menu text	Advised
Postal of the supported site or commercial property	Text	Advised
Additional net developable areas available: Number of plots available and total area	Number/ sq. metres	Advised
Allocated uses for sites	Text	Advised
Type of commercial floor space (new, refurbished; office, industrial; incubation, managed workspace, grow-on, other)	Drop down menu text	Advised
12 months following development: Development rate for employment sites or occupancy rates for commercial property	Number	Advised
Information on Indirect Beneficiaries - Businesses		
The Company Reference Number (CRN) of business	Text	Advised
Company name and full address, including postcode	Text	Advised
Named contact, telephone number and email address	Text	Advised
Business sector	SIC code[19]	Advised
Age of business	Years/ months	Advised
Date when accessed site or occupied property	DD/MM/YY	Advised
Location prior to accessing site or occupied property	Text	Advised

[19] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

Table D.7 Transport Infrastructure

Additional Indicators	Unit	Requirement
Output Indicators		
Total length of additional lane capacity	Km	Advised
New road junctions/junction improvements	Number	Advised
New/refurbished stations	Number	Advised
Outcome Indicators		
Reduction in all year average vehicle journey time	Hours	Advised
Reduction in all year average road traffic accident rates	Number	Advised
Number of additional rail services (per year)	Number	Advised
Reduction in all year average rail journey times	Hours	Advised
Increase in number of users of multi-model points	Number	Advised
Increase in number of users of multi-model transport hubs	Number	Advised

Table D.8 Other Infrastructure

Additional Indicators	Unit	Requirement
Output Indicators		
Type of use of the rehabilitated land post treatment	Drop down menu text	Advised
Beneficiary Outcome Indicators		
Change in commercial property prices in impact areas following investment	%	Advised
Following investment annual value of business savings through avoided costs	£	Advised
Value of other infrastructure cost savings through avoided costs	£	Advised
Number users of areas with improved habitats	Number	Advised
Information on Indirect Beneficiaries		
Geospatial data for treatment sites showing location	Text	Advised
Number and type of properties in the impact area	Drop down menu text/ Number	Advised
CRN for businesses in 'at risk' flood area	Text	Advised

Table D.9 Low Carbon Generation

Additional Indicators	Unit	Requirement
Beneficiary Outcome Indicators		
Type of renewable energy production	Drop down menu text	Required
Typical load factors for the specific installed generating technology	%	Advised
Reduction in overall net energy use and costs amongst businesses	%	Advised
Information on Direct Beneficiaries - Businesses		
Named contact, telephone number and email address	Text	Advised
Business sector	SIC code[20]	Advised
Type of the financial support provided	Drop down menu text	Advised
Value of the financial support provided	£	Advised
Capacity of the installed generating technology	KW	Advised

[20] https://www.gov.uk/government/publications/standard-industrial-classification-of-economic-activities-sic

Table D.10 Resource and Energy Efficiency

Additional Indicators	Unit	Requirement
Beneficiary Outcome Indicators		
Reduction in businesses costs following investment	%	Advised
Number of social housing properties with reduced energy consumption	Number	Advised
Number of social housing tenants with improved energy comfort	Number	Advised
Reduction in social housing tenants energy costs following investment	%	Advised
Number of public sector buildings with reduced energy consumption	Number	Advised
Reduction in public sector landlords or tenants energy costs following investment	%	Advised
Information on Direct Beneficiaries: Businesses		
Named contact, telephone number and email address	Text	Advised
Date when support first accessed and duration of the support from the ERDF project		Advised
Type of the financial support provided	Drop down menu text	Advised
Value of the financial support provided	£	Advised
Type and size of property receiving treatment	Drop down menu text / sq. metres	Advised
Change in energy costs following investment	%	Advised
Information on Direct Beneficiaries: Social Housing		
Details of properties being treated	Text	Advised
Name, address and contact details for property owner	Text	Advised
Details of property (number of bedrooms)	Number	Advised

Table D.10 Resource and Energy Efficiency

Additional Indicators	Unit	Requirement
Details of property treatments	Text	Advised
Change in energy costs following investment	%	Advised
Information on Direct Beneficiaries: Public Buildings		
Details of properties being treated	Text	Advised
Name, address and contact details property owner	Text	Advised
Details of property use and occupiers, including tenants if relevant	Text/ Number/ sq. metres	Advised
Details of property treatments	Text	Advised
Change in energy costs following investment	%	Advised
Other Information		
Details of SMEs, social landlords or public sector organisations which apply for but don't receive support	Text	Advised

Table D.11 Community Led Local Development

Additional Indicators	Requirement
Additional Proposed Output Indicators	
See 'Advice, Guidance and Finance for Start-ups', 'Business Advice, Guidance and Finance for Established SMEs' and 'Business Infrastructure: Land and Property' worksheets	Advised
Additional Proposed Beneficiary Outcome Indicators	
See 'Advice, Guidance and Finance for Start-ups', 'Business Advice, Guidance and Finance for Established SMEs' and 'Business Infrastructure: Land and Property' worksheets	Advised
Information for Direct SME Beneficiaries	
See 'Advice, Guidance and Finance for Start-ups', 'Business Advice, Guidance and Finance for Established SMEs' and 'Business Infrastructure: Land and Property' worksheets	Advised
Information on Indirect Beneficiaries	
None	N/A
Other Information	
None	N/A

Appendix E - Privacy Notice for the Purpose of Data Collection

Privacy notice

The EU Common Provisions Regulations (CPR), in particular Articles 27.4, 54, 56 of the CPR, and Article 6 of the European Regional Development Fund (ERDF) regulation require the Department for Communities and Local Government (DCLG), as the managing authority for the programme, to monitor and evaluate ERDF-funded activities. In order to conduct monitoring and evaluation individual participant data is required.

For the purposes of the Data Protection Act 1998, DCLG is the data controller in respect of information processed which relates to your participation in the project funded by the European Regional Development Fund, while ***[insert grant recipient or delivery partner name]*** is the data processor.

Depending on the nature of activities of the ERDF-funded project and the indicators listed under each activity, the following information for each direct or indirect beneficiary where these are individuals may be supplied:

i. Name of contact point within a business (in some cases property owner) engaged with or individual engaged with;
ii. Address
iii. Postcode
iv. Phone number
v. Email address
vi. Labour market status prior to receiving support and 6 months after receiving support;
vii. Duration of support
viii. Intensity of support

Your details will be stored securely and retained in compliance with the Data Protection Act 1998. This information will be used to evaluate this project and to report to the European Regional Development Fund for monitoring and evaluation purposes.

(continued below)

Privacy notice *(continued)*

Your details will be used to support the ERDF programme research and evaluation activities. DCLG will need to share all or some of your data with the national evaluator of the ERDF programme. In some cases, the national evaluator, i.e. independent external contractors commissioned by DCLG, may use the contact details to contact a sample of direct or indirect beneficiaries for the purpose of the National Evaluation of the programme. It is likely that the survey methodology will need to incorporate a variety of approaches in order to maximise the survey response rate (for example, telephone survey, written survey, and e-mail survey) – hence the need for a variety of contact details required for each participant. DCLG may also need to share with other government departments and the European Commission where this is necessary to test the robustness of the data gathered or to inform the National Evaluation.

DCLG will not give any personal data to any other organisation unless needed for the purpose of the evaluation and will instruct them not to use it to contact individuals for any reasons not connected with the purpose of the National Evaluation of the ERDF programme 2014-2020 or other matters directly relating to the evaluation. If DCLG has to pass on the data, it will only provide what is needed, and if possible will remove the details that might identify individuals personally.

DCLG will not keep your personal data for longer than it needs but as a minimum, will retain data for two years after the closure of the 2014-2020 ERDF programme.

The data collected is your personal data, and you have the right, subject to lawful data requirements:

- to see what data we have about you;
- to ask us to stop using your data;
- to ask us to delete or correct your data;
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at https://ico.org.uk/ , or telephone 0303 123 1113.

For any information on the above, you can contact DCLG's Data Protection Officer at dclgkia@icasework.fcos.gsi.gov.uk or by telephone 030 3444 0000.

Appendix F - Summative Assessment Final Report

F.1 Grant recipients are required to ensure that the summative assessment report covers each of the areas outlined below. This requirement is fixed and applies to all projects irrespective of the nature or scale of projects. However, it is important to note that the balance of effort between these components will vary and the nature of the methods used will need to be tailored according to the nature and size of the projects.

F.2 The summative assessment structure below sets out the key sections which need to be included and poses questions which the assessments must explore.

Summative assessment final report structure

Section 1: Project context

F.3 This section needs to consider the economic and policy context in which the project was designed, including the nature of the market failure, the project objectives and the rationale for the delivery approach. This section should be based around the project logic model and include critical analysis about the appropriateness of the project's design given its objectives.

F.4 It should consider whether there has been a change in this context and whether it has any implications for the practical delivery of the project and the benefits which could be realised for beneficiaries and the local economy as a whole. The key questions that need to be explored here are:

- What was the project seeking to do?
- What was the economic and policy context at the time that the project was designed?
- What were the specific market failures that the project was seeking to address? Was there a strong rationale for the project?
- Was it appropriately designed to achieve its objectives? Was the delivery model appropriate?
- Were the targets set for the project realistic and achievable?
- How did the context change as the project was delivered and did this exert any particular pressures on project delivery?
- Bearing in mind any changes in context or weaknesses in the project design / logic model, can the project reasonably be expected to perform well against its targets?

Section 2: Project progress

F.5 This section should consider the progress with the implementation of the project, drawing in particular on annual and lifetime performance against the expenditure, activity and output targets. Variations from the targets should be carefully explained and supported by the available evidence. Progress against any horizontal principals and any explicit targets which were set should also be considered.

F.6 The key questions here are:

- Has the project delivered what it expected to in terms of spend and outputs?
- What are the factors which explain this performance?
- When the project draws to a close, is it expected to have achieved what it set out to?

F.7 As the summative assessment may be conducted prior to the completion of the project, it would be appropriate in these instances to forecast the expected lifetime outturn for the project and the assumptions which underpin the analysis. If this is the case, it is important that there is a clear distinction between the outcomes and impacts which have actually been realised and those which are predicted to arise in future years. For quantitative forecast, the estimation method will need to be clearly explained[21].

F.8 This section of the report must include a Spend and Output table (Table F.1) using all of the relevant indicators for the project. This table format must not be adjusted in any way as it forms the basis of the Summary Template (ref ESIF-Form-1-014).

Table F.1 Standard Table Format: Spend and Output Performance

Indicator	Targets		Performance at Time of Evaluation		Projected Performance at Project Closure		Overall Assessment
	Original	Adjusted (if relevant)	No.	% of Target	No.	% of Target	
Capital Expenditure (£m)	£5.0	£4.0	£4	100%	£4.0	100%	
Revenue Expenditure (£m)	£1.0	£1.0	£0.8	80%	£0.9	90%	
C1: Number of Enterprises Receiving Support	200	200	180	90%	210	105%	

[21] The Green Book: Appraisal and Evaluation in Central Government, HM Treasury: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

C2: Number of enterprising receiving non-financial support	200	200	180	90%	210	105%	
C26: Number of enterprises cooperating with research entities	50	50	10	20%	20	40%	
P2: Public or commercial buildings built or renovated	2	2	2	100%	2	100%	
Etc.							

Section 3: Project delivery and management

F.9 This section of the summative assessment will need to provide a more qualitative analysis of the implementation of the project. This should include procurement, selection procedures, delivery performance, governance and management. It needs to consider the elements of project delivery which have gone well and, if necessary, the elements which have gone less well.

F.10 The key questions that the summative assessment will need to explore here include:

- Was the project well managed? Were the right governance and management structures in place and did they operate in the way they were expected to?
- Has the project delivered its intended activities to a high standard?
- Could the delivery of the project have been improved in any way?
- For projects with direct beneficiaries: did the project engage with and select the right beneficiaries? Were the right procedures and criteria in place to ensure the project focused on the right beneficiaries?
- How are project activities perceived by stakeholders and beneficiaries? What are their perceptions of the quality of activities / delivery?
- To what extent have the horizontal principles been integrated into and shaped delivery?

Section 4: Project outcomes and impact

F.11 The analysis here will need to set out the progress that the project has made towards outcomes and impacts set out in the project logic model. It will need to provide an analysis of the gross and net additional economic impacts. It will be particularly important here to ensure that the analysis provides forecasts of lifetime outturns. This section should also provide conclusions about the contribution that the project has made to any ERDF programme result indicators which are identified as relevant to the project.

F.12 The overarching question that this section will need to explore is whether or not the project has made a difference. In answering this critical question, projects will need to consider:

- What progress has the project made towards achieving the outcome and impacts set out in its logic model?
- To what extent are the changes in relevant impact and outcome indicators attributable to project activities?
- What are the gross and net additional economic, social and environmental benefits of the project (where relevant and applicable to project activities)?
- Can these benefits be quantified and attributed to the project in a statistically robust way?
- To what extent has / will the project contribute to the achievement of ERDF programme result indicators?
- What are the main sources of Strategic Added Value that the project has created?

F.13 The summative assessments should try to use the type standard table format illustrated below for reporting the total aggregate gross and net additional impacts achieved, clearly specifying the time period covered and the impacts areas used. A similar format can be used for predicting any expected impacts if this is appropriate, although the basis for these estimates will need to be clearly stated.

Table F.2 Standard Table Format: Gross and Net Additional Impact for Employment and GVA (time period)

		Impact Area 1: [Enter Impact Area Name]		Impact Areas 2: [Enter Impact rea Name]	
Impact Indicator: Employment		Measure	Adjustment	Measure	Adjustment
Unit = FTEs	Gross Impact	100	-	120	
	Deadweight / reference case	40	60%	60	50%
	Displacement /substitution	36	10%	42	30%
	Leakage	34	5%	39	6%
	Net Additional	44		59	
Impact Indicator: GVA	Gross	£5.0	-	6.6	
	Deadweight / reference case				

Unit = £m	Displacement /substitution	£2.0	60%	£3.3	50%
	Leakage	£1.8	10%	£2.3	30%
	Net Additional	£2.3	0.35	£3.3	0.5

Section 5: Project value for money

F.14 Drawing upon the analysis in the impact assessment section, this section of the summative assessment report will need to provide a clear analysis of the value for money that the project has provided. This will need to be benchmarked against other similar interventions.

Section 6: Conclusions and lessons learnt

F.15 It is difficult to be prescriptive about the content of the conclusions section of the report as these are naturally driven by the characteristics of particular projects, the priorities of grant recipients and the analysis contained within the rest of the summative assessment report. It is suggested that the conclusions are structured around identifying the strengths and weaknesses of the project. They should also highlight specific lessons for the following audiences:

- The grant recipient / project delivery body
- Those designing and implementing similar interventions
- Policy makers

F.16 The conclusions must be objective and constructive and wholly evidenced by the analysis within the summative assessment report.

Summative assessment final plan summary

F.17 In addtion to the final report itself grant recipients are also required to complete a summary. This will help grant recipients see at a glance the key findings of the summative assessment. In additon, it will help the National Evaluators when they undertake their assessment of the programme as a whole

F.18 The template (ref ESIF-Form-1-014) that grant recipients must complete is available from the managing authority. This standard structure and format is intended to help ensure that all elements of the summative assessment final report summary requirements have been covered. The headings replicate the six sections of the summative assessment final report structure.