



Pre-Tender Market Engagement

European Regional Development Fund – Additional Impact Evaluation CPD4126082

Authority: Department for Levelling Up, Housing and Communities (DLUHC) (“the Authority”).

Date Response required: 5:00pm on 15th September 2023

1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (from herein referred to as a “**Potential Supplier**”) to undertake a further evaluation of the European Regional Development Fund (ERDF) 2014-2020 Operational Programme (OP) in England. The purpose of this PTME is to:
 - 1.1.1 help define the requirement;
 - 1.1.2 help provide a better understanding of the feasibility of the requirement;
 - 1.1.3 understand the best approach;
 - 1.1.4 understand the capacity of the market to deliver and possible risks involved; and
 - 1.1.5 provide the market with an opportunity to ask questions, raise queries and any issues to be addressed at an early stage.
- 1.2 The Authority shall maintain commercial confidentiality of information received during the PTME.

2 INTRODUCTION

- 2.1 The Department for Levelling Up, Housing and Communities (DLUHC) wishes to commission further evaluation of the European Regional Development Fund (ERDF) 2014-2020 Operational Programme (OP) in England.
- 2.2 The overarching aims of ERDF programme evaluation are to examine three areas:
 1. the process of implementation and delivery of the projects and programmes funded through the ERDF programme;
 2. the outcomes and impacts that can be established from programme investment.
 3. where possible, the value for money of the programme.
- 2.3 Several evaluations have already been undertaken for the Programme including process, impact and economic evaluations. The main impact and economic evaluation was undertaken in 2022. However, the impact of Covid-19 on delivery of funded activities led to a significant number of ERDF projects extending into 2023. As such, at the time of this evaluation, less activity had been delivered than envisaged which constrained the analysis under some intervention types.
- 2.4 DLUHC is now considering further evaluation to strengthen our understanding of the effectiveness and efficiency of the Programme drawing from the additional evidence available including building on the longitudinal work from previous evaluations.

3 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

3.1 A set of research questions was established for the evaluation work to date. A full list can be found in Annex A. It is suggested that the further evaluation would focus on the following taken from the fuller list, but the Authority would welcome views on this.

3.2 Programme Financial and Output Performance

- What progress did the programme make towards the achievement of its financial and output targets? Did the programme meet its targets for inputs and outputs?
- What factors explain variations, including under- or over-performance?

3.3 Delivery and Process Evaluation

- How was the programme delivered? This additional evaluation will focus on more detailed local delivery perspectives from the summative assessment reviews.
- What bearing did a national programme developed to support local growth have on processes and do the business processes strike an effective balance between responsive investments according to local needs, and ensuring regulation compliant expenditure? Phase 2 and 3 impact strand may provide some further insight into this issue from the perspective of delivery bodies and beneficiaries.

To what extent have the horizontal principles helped to achieve equality and sustainability objectives?

We would look to draw out key delivery lessons from a review of final summative assessment reports. These will be shared to aid practitioners in design and delivery of future local growth interventions.

3.4 Impact Evaluation

- To what extent did the interventions delivered to beneficiary groups make a difference to their outcomes?
- What was their experiences of receiving this support?
- Is there a correlation between the beneficiaries' outcome and those intended by the intervention?
- Did the OP achieve its stated Specific Objectives?
- What outcomes has the Programme secured?.
- Can the difference in any of the outcomes be reliably attributed to the ERDF Operational Programme? What additional factors have influenced the impact?
- Which aspects of the programme (from process evaluation) seem to have led to an observed outcome?
- What bearing did a national programme developed to support local growth have on impacts?

- To what extent did the application of the horizontal principles help to achieve equality and sustainability at the project level and contribute to achievement of impacts and mainstreaming

3.5 Economic Evaluation (in conjunction with evidence from the impact evaluation and financial performance strands.)

- To what extent did the programme provide value for money to the Government and other funders, both overall and within each PA?
- How did value for money differ by type of intervention?

Analysis of typical unit costs for key outputs delivered by the programme will also be a key outcome of this analysis.

3.6 We envisage these research questions to be addressed via :

- Analysis of programme financial and output performance data – the phase 2 evaluation considered financial performance to July 2022 and outputs achieved to December 2021. The 2014-20 programme will conclude on 31st December 2023. Further evaluation could therefore analyse the final performance of the programme and provide a narrative on factors which had an influence on this performance.
- Review of project level summative assessment final reports – 342 final reports were analysed in the phase 3 evaluations across the programme Priority Axis. Since the phase 3 evaluation 368 final reports have been received with a further 262 expected by programme closure – breakdown by priority axis as below:

Priority Axis	No. of contracted projects	Reviewed as part of Phase 3 Evaluation	Final Reports Received Since Phase 2	Due to Be Submitted
PA1 - Research and Innovation	285	116	114	47
PA2 - ICT	42	11	20	10
PA3 - SMEs	420	147	142	100
PA4 - Low Carbon	157	35	52	69
PA 5 - Climate Change	21	7	10	3
PA 6 - Environment	51	7	22	22
PA 7 - Sustainable Transport	10	5	1	4
PA 8 - CLLD	43	4	9	5
Total	1029	332	370	260

- Counterfactual impact analysis of SMEs, start-ups and entrepreneurs who have received support through the ERDF programme. The phase 3 evaluation included counterfactual study of
 - 7,102 SMEs in receipt of research and innovation support
 - 40,417 established businesses in receipt of general SME competitiveness support

- 3,482 supported start ups and entrepreneurs

3.7 Further evaluation could allow for additional longitudinal study of the impact on supported beneficiaries since the analysis undertaken in Phase 2.

3.8 Since the phase 3 evaluation, an additional 48,000 outputs have been achieved and claimed by beneficiaries allowing for a wider pool of supported beneficiaries. Output data supplied by projects details beneficiary name, Company Registration Number (where applicable) and post code.

Outputs	Actuals Achieved by Phase 3 Evaluation July 2022	Number Achieved by July 2023	Additional
Number of enterprises receiving support	143,603	178,020	34,417
Number of new enterprises supported	23,836	28,852	5,016
Number of potential entrepreneurs assisted to be enterprise ready	47,649	57,008	9,359

3.9 In addition, for the phase 3 evaluation, 1,465 data monitoring forms containing beneficiary contact details were also supplied. Monitoring forms are completed cumulatively so some of this number would be duplicate forms for one project. These contained details of 41,359 businesses in receipt of ERDF support, as well as 1,404 who registered but did not receive support.

3.10 Since the phase 3, updated monitoring forms for a further 90 projects have been received.

Programme Delivery Team	Number of Updated Monitoring Forms
GSE	9
London	1
Midlands	49
NEYH	18
NW	13
SW	22

3.11 In addition to the above, as part of this evaluation we looking to commission analysis of the design, implementation, and impact of the Sustainable Urban Development strategy of the English 2014-20 ERDF programme. This will likely incorporate aspects of process review and impact analysis.

4 OUTPUTS/DELIVERABLES

4.1 As outlined, the envisaged deliverables will encompass :

- Analysis of financial and output performance data

- Desk based review of summative assessment final reports
- Counterfactual impact analysis of supported beneficiaries
- Review of the implementation and performance of Sustainable Urban Development

Stakeholder consultations may be included in the works, as required.

- 4.2 An impact and evaluation report will be the main output, detailing findings from across the workstreams broken down by intervention. Technical annexes setting out more detailed findings across individual workstreams may also be produced.
- 4.3 Delivery lessons learned gathered from summative assessment final reports are also to be shared with practitioners to guide design and delivery of future local growth interventions. This learning will be collected into a separate output to the evaluation report.
- 4.4 Tenderers should be guided by the previous outputs from the study, including the various published process and impact evaluation reports, and the recommendations for the conduct of phase 3. The recommendations report, and any so far unpublished reports, will be shared with tenderers on a not for further circulation basis.
- 4.5 Narrative around financial and output performance, and the factors affecting them will also be required to contribute to the final implementation report to be submitted to the European Commission

5 KEY DATES & TENDERING PROCESS

- 5.1 If it is decided this service is required, it is anticipated that a procurement may start in November 2023 with the contract to commence around January 2024. These indicative dates are for information purposes only. DLUHC reserve the right to amend these dates at any time, and Potential Suppliers rely on them entirely at their own risk.
- 5.2 The contract is expected to be for a period of 3 - 4 months.
- 5.3 The project, if progressed, is likely to be procured through the Crown Commercial Service (CCS) Dynamic Purchasing System (DPS) – RM6126 Research & Insights Market Place. Suppliers are able to apply to join the DPS at any time. During application to join the DPS, suppliers indicate which services they may be able to provide under the DPS.
- 5.4 Please note that new suppliers are able find further details and register with the DPS via the following link (and that the registration process can take at least two weeks):
<https://supplierregistration.cabinetoffice.gov.uk/dps>
- 5.5 If you have any questions about the DPS and would like to contact a member of the CCS team please use the links provided on the website above.

6 RESPONSE

6.1 Please respond by email to commercialtenders@levellingup.gov.uk with the following by 5:00 pm on 15th September 2023 (the “Response Deadline”).

- Q1 Would you be interested in bidding for this project?
- Q2 Is this project deliverable in the timeframe proposed?
- Q3 Are the Authority’s goals, desired outcomes and/or requirements clear?
- Q4 What, if anything, has the Authority missed or overlooked in setting out their requirement?
- Q5 Is there anything here which is irrelevant, outdated or unnecessary?
- Q6 Are the proposed research questions appropriate ?
- Q7 Is further longitudinal counterfactual study of supported beneficiaries practical with the additional beneficiary numbers / time elapsed since previous analysis?
- Q8 What would be the estimated costs for this work?

6.2 Your response must be clearly marked with the reference number and title of this exercise in the subject header.

7 QUESTIONS AND CLARIFICATIONS

7.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to commercialtenders@levellingup.gov.uk only.

7.2 To ensure that all Potential Suppliers have equal access to information regarding this PTME exercise, responses to questions raised by Potential Suppliers will be published in a “Questions and Answers” document, which will also be circulated by email, with updates appearing at regular intervals (approximately two to three working days).

7.3 Responses to questions will not identify the originator of the question.

7.4 If a Potential Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Potential Supplier must state this in their email and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Potential Supplier will be invited to decide whether:

7.4.1 the question/clarification and the response should in fact be published; or

7.4.2 it wishes to withdraw the question/clarification.

8 GENERAL CONDITIONS

- 8.1 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering requirements. It will also aid Potential Supplier's understanding of the requirements in advance of any formal competitive tender exercise.
- 8.2 The Authority reserves the right to change any information contained within this PTME at any time, and Potential Suppliers rely upon it entirely at their own risk.
- 8.3 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.
- 8.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.
- 8.5 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.
- 8.6 The Authority expects that all responses to this PTME will be provided by Potential Suppliers in good faith to the best of their ability in the light of information available at the time of their response.
- 8.7 No information provided by a Potential Supplier in response to this PTME will be carried forward, used or acknowledged in any way for the purpose of evaluating the Potential Supplier, in any subsequent formal procurement process.

ANNEX A – Research Questions – Full List

Programme Relevance, Appropriateness and Consistency

- 1.1 In what context was the programme delivered?
- 1.2 Have the programme objectives remained relevant and appropriate, given the changes in economic and policy context which have occurred at an EU, UK or sub-national level?
- 1.3 In response to changes, has the programme been adaptive in relation to strategy and resourcing?
- 1.4 What are the lessons learnt and recommendations for the design and delivery of follow-on domestic funding programmes?

Programme Financial and Output Performance

- 2.1 What progress did the programme make towards the achievement of its financial and output targets? Did the programme meet its targets for inputs and outputs?
- 2.2 What factors explain variations including under- or over-performance?

Programme Delivery and Processes

- 3.1 How was the programme delivered?
- a) Was the policy implemented “on the ground” in the way in which it had been planned? (For example, what were the “take-up”, compliance, and unintended consequences?)
- b) Was the programme logic model linking policy and outcomes supported in the delivery?
- c) What did participants and staff feel worked well in delivering the programme, why and how? What did they feel worked less well in delivering the programme, and why?
- d) How effective were risk management strategies in anticipating and mitigating risks?
- e) Did delivery meet budgetary expectations when rolled out, or were there unforeseen issues and hidden costs?
- 3.2 What bearing did a national programme developed to support local growth have on processes?
- 3.3 Do the business processes strike an effective balance between responsive investments according to local needs and ensuring regulation-compliant expenditure?
- 3.4 How effectively have the delivery processes helped to reduce the administrative burden on beneficiaries to date?
- 3.5 How effectively has the programme sought to achieve synergies with other EU funds to date?
- 3.6 To what extent have the horizontal principles helped to achieve equality and sustainability objectives?
- 3.7 How might the programme be refined or improved?
- a) Are the current business processes the most efficient means of achieving this objective?
- b) What can be done to further reduce the burden within regulatory and resource constraints?
- c) Within regulatory and resource constraints, is there scope to achieve further synergies in the future?

Programme Impacts

- 4.1 To what extent did the interventions delivered to beneficiary groups make a difference to their outcomes?
- a) What were their experiences in receiving this support?
- b) Is there a correlation between the beneficiaries' outcomes and those intended by the interventions?
- 4.2 Did the Operational Programme achieve its stated specific objectives? Is there a difference in outcomes for each of the Priority Axes pre- and post- implementation of the ERDF programme?
- 4.3 What outcomes has the programme secured?
- a) Is there a difference in outcomes for the Priority Axes between the Operational Programme group and the control group?
- b) Where sufficient levels of data are available, did any changes in outcomes vary across different individuals, stakeholders, sections of society (sub-groups), and categories of region (including at the LEP area level), and if so, how did they compare with what was anticipated?
- c) Did any outcomes occur which were not originally intended, and if so, what and how significant were they?
- 4.4 Can the difference in any of our outcomes be reliably attributed to the ERDF Operational Programme? What additional factors have influenced the impact?
- a) Which aspects of the programme (from the process evaluation) seem to have led to an observed outcome?
- b) What bearing did a national programme developed to support local growth have on impacts?
- c) Has the impact of ERDF interventions increased where investments have been strategically aligned with other domestic and EU funding streams?
- 4.5 To what extent did the application of the horizontal principles help to achieve equality and sustainability at the project level and contribute to achievement of impacts and mainstreaming?

Programme Value for Money

- 5.1 To what extent did the programme provide value for money to the government and other funders, both overall and within each Priority Axis?
- 5.2 How did value for money differ by type of intervention?