

Monitoring and Evaluation Guidance

1. Introduction

This guidance sets out the LEP's approach for monitoring and evaluation and provides important principles for effective evaluation. It's based on central government guidance and supersedes the Monitoring and Evaluation Framework which was written for the Growth Deal. This guidance is delivered through a Programme of Evaluation.

The purpose of this guidance is to support the monitoring and evaluation of projects across the LEP's portfolio of investments. This guidance is broad in scope in order to cover all investments funded through the LEP, including **but not limited to**:

- Growth Deal Funding
- Growing Places Fund
- Growing Business Fund and associated grant schemes
- New Anglia Capital
- Enterprise Zone Accelerator Fund
- Eastern Agri-tech Growth Initiative
- Voluntary Challenge Fund
- European funded programmes

The purpose of monitoring and evaluation is to provide the LEP and its partners with real and proportionate intelligence to understand:

- (a) Progress being made towards delivery of the Economic Strategy for Norfolk and Suffolk;
- (b) The impact our programmes / projects are having on our ambitions to increase productivity, deliver more houses, new businesses and create more jobs;
- (c) Enable us to test delivery models against effectiveness and determine whether a project or intervention is delivering as planned and whether resources are being effectively used; or to justify reinvestment or resource savings.
- (d) To identify which activities / programmes have had the most impact and lessons for use in delivering future projects and programmes.
- (e) To justify future activity and enable further funding opportunities.
- (f) To determine whether assumptions made were the right assumptions and whether the project / intervention delivered and met the expectations and needs of the business community.
- (g) Provide Government with robust and timely information and analysis to sustain confidence in our ability to deliver projects/programmes and/or achieve our objectives.

The LEP has developed a Strategic Management Cycle to show the important links between strategy development, planning, implementation and review/evaluation (figure 1).

Strategy Formulation

Development of the LEP's ambitions and intent (i.e. what the LEP and partners want to achieve and by when) which are expressed as a range of specific high-level objectives.

Planning

Determining how to achieve the LEP's ambitions and supporting objectives, identifying resources required and developing programmes/projects/interventions which will help realise these ambitions, incorporating monitoring and evaluation criteria.

Implementation

Delivery of LEP programmes/projects/interventions, working with partners and monitoring and reporting progress to the LEP Board, LEP partners and Government.

Review

Evaluation of LEP programmes/projects/interventions, determining their effectiveness and measuring outcomes and impacts to determine whether the anticipated benefits have been realised.

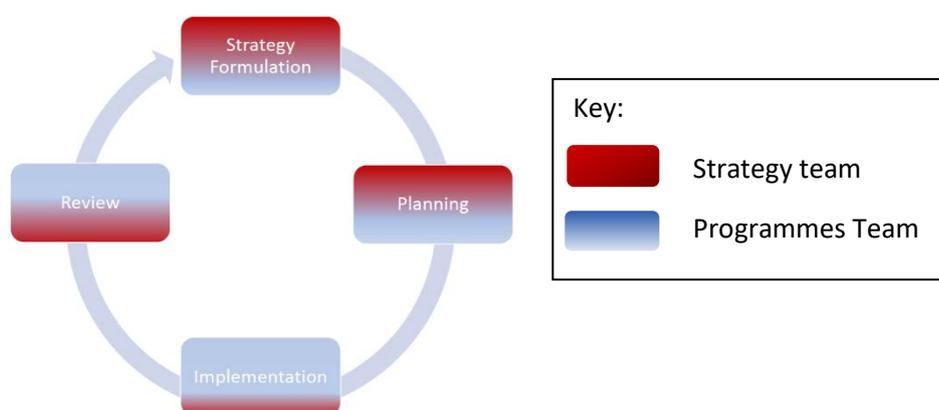


Figure 1: The Strategy Management Cycle

Good-quality evaluations play important roles in setting and delivery of the LEP's ambitions and objectives, demonstrating accountability and providing evidence for independent scrutiny processes. They also contribute valuable knowledge towards our evidence base, feeding into future strategy development and occupying a crucial role in determining our future projects.

Not evaluating, or evaluating poorly, means that the LEP will not be able to provide meaningful evidence in support of any claims it makes about the effectiveness of a programme or project intervention; effectively rendering any such claims unfounded.

Evaluations should be proportionate to spend and based on what is possible as well as being tailored to the programme, intervention or project being considered, and the types of questions it is hoped to answer.

Considering evaluation early in the development of a programme or intervention will enable the most appropriate type of evaluation to be identified and adopted.

2. What is a good evaluation?

A good evaluation is an objective process which provides an unbiased assessment of a project's performance.

Good evaluations should always provide information which could enable less-effective programmes or projects to be improved, support the reinvestment of resources in other activities, or simply save money. More generally, evaluations generate valuable information

which can be used in a variety of ways and are a powerful tool to help inform future strategies.

Good evaluation, and the reliable evidence it generates, provides direct benefits in terms of performance and effectiveness of the LEP and its partners; supports democratic accountability; and is key to achieving appropriate returns from Government funding.

All evaluations should be grounded in the availability of high-quality data.

3. Evaluation Approach

Monitoring and evaluation should be incorporated into the development and planning of a project from the start and agreed through Heads of Terms. This is important to ensure successful implementation and the responsible, transparent management of funding and resources. Monitoring and evaluation is a process of continuous improvement which is illustrated through the ROAMEF cycle, produced in the Treasury's Green Book, Appraisal and Evaluation in Central Government.

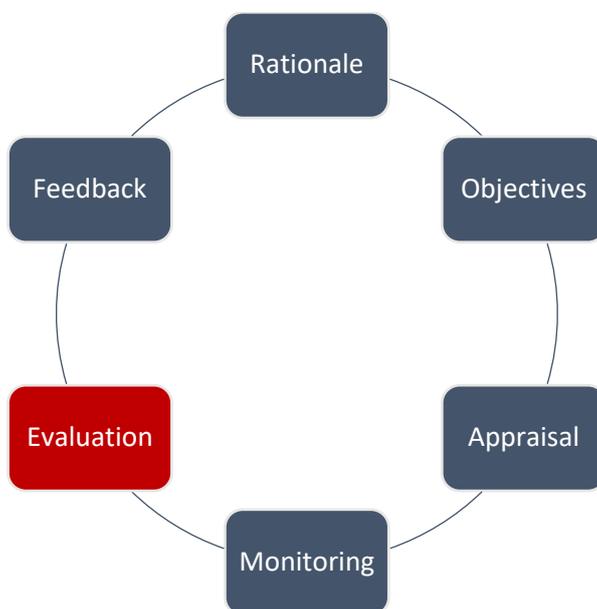


Figure 2: ROAMEF Cycle

- **Rationale** is the reasoning behind why we have chosen to do a particular project
- **Objectives** are those which we expect the project to achieve
- **Appraisal** takes place after the rationale and objectives of the project have been formulated. The appraisal determines whether the project fulfils our criteria on deliverability, additionality and value for money and whether it fits with the ambitions and objectives outlined in the Economic Strategy. The appraisal may be carried out by an independent third-party to ensure fairness and transparency.
- **Monitoring** checks progress against planned targets and can be defined as the formal reporting and evidencing that spend and outputs are being successfully delivered, and milestones met. Monitoring is undertaken by the LEP's programmes team.
- **Evaluation** assesses the effectiveness of a project or intervention both during and after implementation. It measures outcomes and impacts to determine whether the

anticipated benefits have been realised. It reviews the approach to determine whether it was the right approach and whether we could do things better in future. Evaluations can be carried out by the LEP or an independent third party.

- **Feedback** – using and disseminating the evaluation findings is critical for influencing decision making and for determining strategy planning.

4. Types of Evaluation

The LEP employs a combination of three types of evaluation approach – process, impact and economic - to assess the outcomes of the programme / project (i.e. how it was delivered, what difference it made, whether it could be improved and whether the benefits justified the costs) – see figure 3. Appendix 1 sets out the differences between these three types of evaluation.

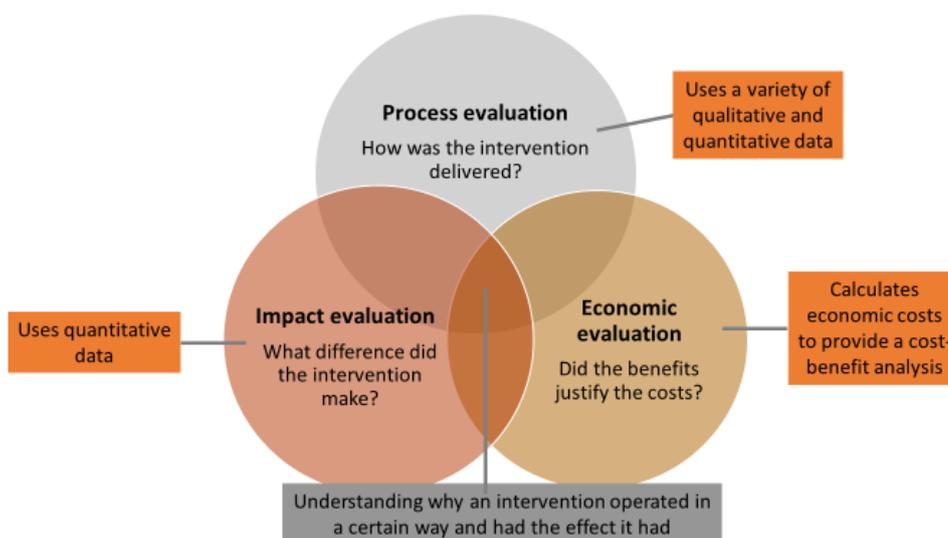


Figure 3: Different Types of Evaluation

To find out why a project operated in the way it did, and had the effect it had, requires a combination of all of these types of evaluation and these need to be designed and planned at the same time.

Before deciding which evaluation approach is appropriate, a wide range of factors need to be considered, including:

- the nature and scale of the project, complexity, innovation, its implementation and future direction;
- the objectives of the evaluation and the types of questions it would ideally answer;
- the timing of key policy decisions and the information on which they need to be based;
- the types of impacts which are expected, the timescales over which they might occur, and the availability of information and data relating to them and other aspects of the project;
- the time and resources available for the evaluation.

5. Identifying the right type of evaluation for the project

The level of evaluation should be based on what will achieve the most comprehensive outcome, although the aspiration is that programmes should be evaluated counterfactually (what would have happened to the outcomes in the absence of the intervention). Where this is truly not feasible, nor value for money, lower thresholds of evaluation design can still be meaningful.

Evaluation types (and/or methods) are determined by the nature of the questions they attempt to answer. It is important to begin an evaluation by being clear on what is wanted from the evaluation. A logic model helps by providing a project outline that helps develop different measures of success that track the project's development and impact over time.

The logic model (figure 4) should be used for each evaluation to illustrate the key elements the project / intervention contributed to the outcome of the project.

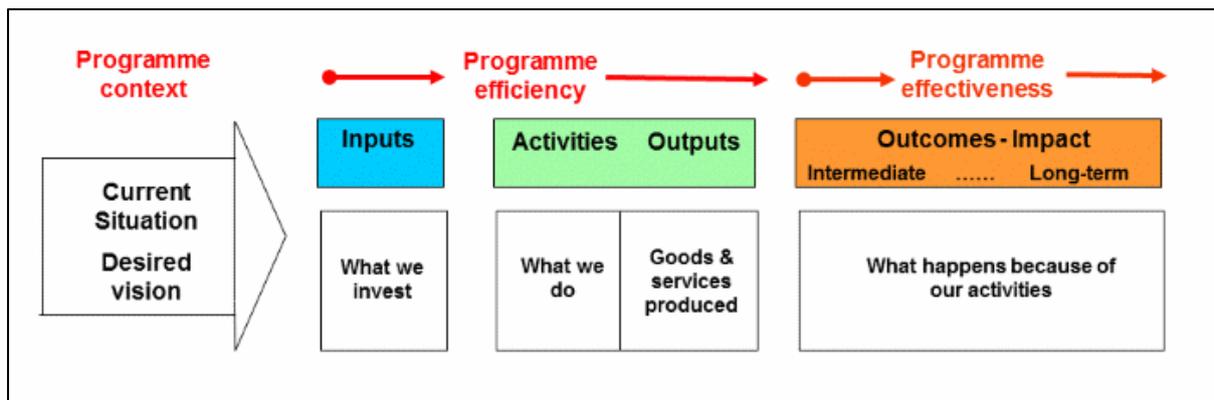


Figure 4 - Logic Model

The various elements of the logical model are explained below:

- **Inputs** - (resources and/or infrastructure) - what raw materials will be used to deliver the project/intervention (inputs can also include constraints on the programme, such as regulations or funding gaps, which are barriers to the project's objectives)?
- **Activities** - what does the intervention need to do with its resources to direct the course of change?
- **Outputs** – jobs created, match funding, new houses, etc.
- **Outcomes (or impacts)** - what kinds of changes came about as a direct or indirect result of the activities?
- **'Impact site'** this is the area which has been positively influenced by some kind of change due to the project. This can be a specific location or a wider area.

It is therefore important to have a clear idea of the questions that need to be addressed and the required type(s) of evaluation at the early stage in developing the programme or intervention to help inform the design of the evaluation and the resources required.

The following provides information on the different types of evaluation used within the LEP:

Process Evaluation: How was the project delivered?

Process evaluations use a variety of qualitative and quantitative data to explore how the project was implemented; assessing the actual processes employed, often with assessments of the effectiveness from individuals involved or affected by implementation of the project.

There is an overlap between the types of questions answered by process evaluation and those addressed through impact evaluation. Programme / project delivery can be described in terms of output quantities, such as jobs and new businesses created. But these are also measurable outcomes of the project. This means that process evaluations often need to be designed with the objectives and data needs of impact evaluations in mind and vice versa. Using and planning the two types of evaluation together will help to ensure that any such interdependencies are accounted for.

Impact Evaluation: What difference did the project make?

Impact evaluation uses quantitative data to determine whether a project was effective in meeting its objectives. This involves focusing on the outcomes of the project.

A good impact evaluation recognises that most outcomes are affected by a range of factors, not just the project itself. To assess whether the project was responsible for the change, we need to estimate what would have happened if the project had not gone ahead (i.e. 'business as usual'). To help this type of evaluation, the business case would need to include these estimates and forecast the difference the project could make.

A reliable impact evaluation may demonstrate and quantify the outcomes generated by a project, but on its own it will not be able to show whether those outcomes justified that project. Economic evaluation considers such issues, including whether the benefits of the project have outweighed the costs.

Economic evaluation: Did the benefits justify the costs?

Economic evaluation involves calculating the economic costs associated with a project and translating its estimated impacts into economic terms to provide an understanding of the return on investments or value for money. There are different types of economic evaluation, including:

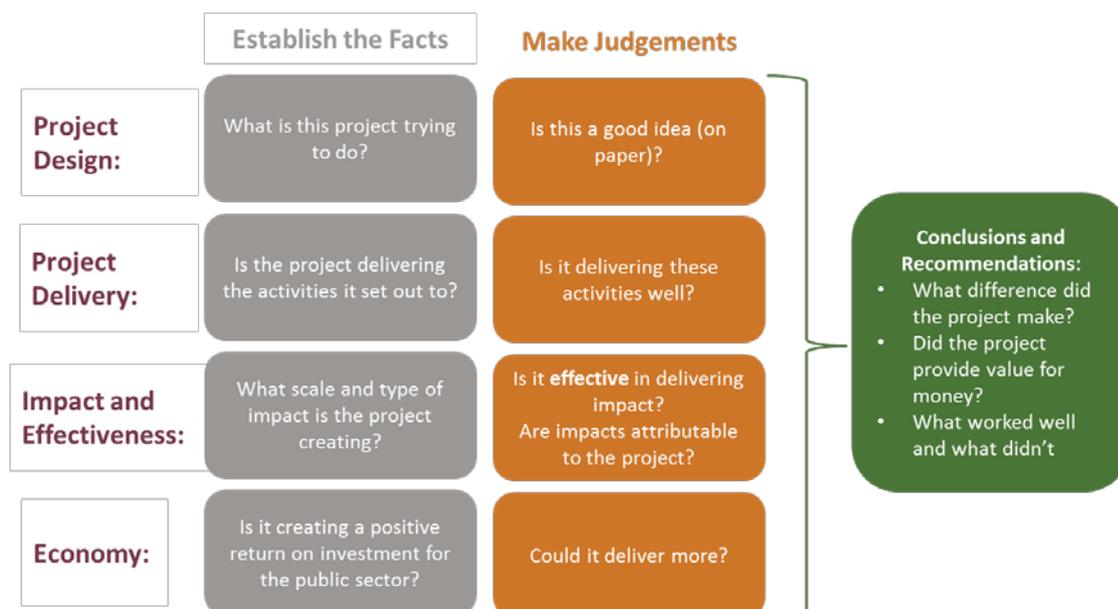
- Cost-effectiveness analysis produces an estimate of "cost per unit of outcome" (e.g. cost per additional individual placed in employment), by taking the costs of implementing and delivering the project and relating this to the total quantity of outcome generated.
- Cost-benefit analysis examines the overall justification for a project by quantifying as many of the costs and benefits as possible, including wider social and environmental impacts (such as air pollution, traffic accidents etc) where feasible. It goes further than the cost-effectiveness analysis by placing a monetary value on the changes in outcomes as well (e.g. the **value** of placing an additional individual in employment). This means that the cost-benefit analysis can also compare projects which have quite different outcomes.
- Net Treasury Gain can be described as 'for every £1 spent, an additional £X is generated for the economy'. This could be used as leverage for Government funding – demonstrating that a project generates more money for the Government than it costs to run (i.e. positive net treasury gain).

Economic approaches value inputs and outcomes in different ways. It is therefore important that the needs of any economic evaluation are considered in the development and planning of a project at the start. Otherwise, an evaluation may generate information which, although highly interesting and valid, is not compatible with a cost-benefit framework, making it very difficult to undertake an economic evaluation.

6. Key Evaluation Questions

Having a set of Key Evaluation Questions (KEQs) makes it easier to decide what data to collect, how to analyse it and how to report it. A maximum of 5 – 7 main questions will be sufficient. It may also be useful to have some more specific questions under the KEQs.

KEQs are open questions, broad enough to be broken down, but specific enough to be useful in guiding you through the evaluation. They are good at reminding us to explore **why** something occurred, what worked for whom, and so on. KEQs should lead to useful, credible, evaluation and are not the same as a question in a survey. Below are some examples of KEQs:



Source: Regeneris Consulting

7. Overview of Evaluation within the LEP

A number of steps need to be considered when designing and managing an evaluation which are detailed in Appendix 2. In broad terms, monitoring and evaluation consists of:

- **Annual strategic review** – reflecting on progress against the Economic Strategy, evidencing action taken to deliver against ambitions. A specific focus of the review will be to evidence the strategic ‘added value’ achieved (e.g. the LEP working in collaboration with partners), as well as securing direct investment. The review will also reflect on overall economic performance and progress towards the economic indicators.
- **Monitoring of our Investment Portfolio** – The LEP continues to monitor the ongoing performance and progress of projects within its portfolio. The aim of which is to:
 - Understand progress and performance of investments, identify slippage and risks to delivery; or to justify reinvestment or resource savings.
 - Collect data that will support subsequent evaluation / impact studies;
 - Report progress back to Central Government / funders.

The metrics used to monitor each of our programme investments is set out in our LEP Programme Outputs – User Guide and Technical Annex.

- **Evaluating Individual Investments** – in addition to basic monitoring requirements, each investment project will be required to produce a post-project evaluation report.

An Evaluation Programme has been developed which monitors the LEP's portfolio of investments. It identifies what will be evaluated; the timings of the evaluation; who the person is who is responsible for designing the evaluation; and who the evaluation will report back to. It also monitors the data being collected and whether the evaluations will be conducted in-house or externally commissioned.

- **Meta-Evaluation** – the LEP may conduct strategic evaluations across its portfolio to understand the impact on a specific theme or group of projects; learn lessons from pilot/exploratory projects and build the evidence base on what works and why.

The exact nature of these evaluations will be informed by intelligence needs later in future years but may explore particular investment themes (e.g. FE capital, innovation infrastructure), specific geographies (e.g. investment in our priority places). To enable us to undertake meta-evaluation studies, the LEP ensures there is consistency in measuring success at individual project level.

Appendix 3 provides more detail on our evaluation approach.

8. Programme of Evaluation

The Strategy Team maintains a programme of evaluation. This is a simple spreadsheet which is completed by LEP exec staff responsible for monitoring project outputs and ensuring evaluations are undertaken. The programme of evaluation is reviewed and updated on a quarterly basis.

The programme of evaluation includes:

- An overview of what will be evaluated by when,
- Whether the evaluation will be conducted internally or externally commissioned,
- Whether the evaluation is a contractual requirements
- The chosen evaluation approach
- Who is leading the evaluation
- Who the evaluation will report back to
- The data being collected

The programme of evaluation can be found here: [2019-09-23 LEP Evaluation programme.xlsx](#)

APPENDIX 1

Types of Evaluation

The following are the types of evaluation which can be used singularly, or combined, to assess the outcomes of projects and programmes.

| Type | Monitoring | Process Evaluation | Impact Evaluation | Economic Evaluation |
|-----------------------------|---|--|--|--|
| Purpose | To capture qualitative and quantitative information relating to inputs, activities, outputs at the individual project or programme level. | To assess whether a programme or project is being implemented as intended and what, in practice, is felt to be working more or less well, and why. | An objective test to assess what changes have occurred, and the extent to which these can be attributed to the programme / project intervention. | To compare the benefits of the programme / project with its costs. |
| What it will tell us | Whether it is on track to deliver on time / to spend / expected outcomes. | How the programme / project was delivered. | What difference the programme / project made. | Whether the benefits justified the costs. |
| When | Monitoring conducted monthly, quarterly or annually. In some cases, ex post outcome evaluation will be conducted | Variable – during or soon after implementation | Prioritised according to larger or innovative projects and programmes or projects where opportunities for learning are greatest | Annual – as part of review of Economic Strategy |
| Coverage | Monitoring coverage will be universal | Focused on key aspects of the delivery and decision-making infrastructure and selected projects and programmes | Prioritised according to larger or innovative projects and programmes or projects where opportunities for learning are greatest | LEP-wide |

Appendix 2 - Planning an Evaluation



APPENDIX 3

| What | Why | How | Cost, Funding and Resources | Owner | Dissemination | When |
|--|---|---|-----------------------------|-------------------------|--|--|
| Annual Strategic Review | <ul style="list-style-type: none"> • Demonstrate progress against Economic Strategy ambitions • Strategic Added Value • Investment achieved • Economic Performance and progress against economic indicators | <p>Review conducted by the Strategy team.</p> <p>Views gathered by:</p> <ul style="list-style-type: none"> • LEP Executive and local authority partners • Key external stakeholders • The LEP Board • The Economic Strategy Delivery Board • LEP Leadership team | | Chief Operating Officer | AGM Website Newsletter | Complete by AGM - Sept 2019 |
| Monitoring our Investment Portfolio | <ul style="list-style-type: none"> • Understand progress and performance of investments, identify slippage and risks to delivery; or to justify reinvestment or resource savings. • Collect data that will support subsequent evaluation / impact studies; • Report progress back to Central Government / funders. | Detailed in our Evaluation Programme. | | Head of Programmes | Data sent to Government, LEP Board and Leadership Team | Quarterly/6 monthly/ annually depending on agreed reporting framework. |

| | | | | | | |
|--|---|--|-----------------|------------------|--|----------------------|
| Evaluating Individual Investments | Individual projects will be required to produce a post programme evaluation report covering (as a minimum): <ul style="list-style-type: none"> • Expenditure • Outputs • Impact • Lessons learnt (process and impact) • Assessment of success (meeting original objectives and tackling problem) | Appendix x provides a template for individual projects to use in developing their M&E plans. | Project Budget | Project sponsor | Dissemination: LEP leadership and management groups and on-line | End of project |
| Meta - Evaluation | Strategic Evaluation Studies to: <ul style="list-style-type: none"> • Understand the impact of a specific or group of projects; • Learn lessons from pilot/exploratory projects; • Build the evidence base on what works and why. | Externally commissioned evaluation studies. | Resources (tbc) | Head of Strategy | On website Promoted directly to: Project sponsors, LEP Board and leadership groups | As and when required |