Evaluation Strategy

Boosting productivity

Supporting clean growth

Enabling inclusive growth

Delivering 21st century transport

CONTENTS

INTRODUCTION AND CONTEXT

The West Yorkshire Combined Authority is focussed on developing a strong, successful economy where everyone can build great businesses, careers and lives for the region. The Combined Authority brings together local councils and businesses to achieve this vision, so that everyone in the region can benefit from economic prosperity supported by a modern, accessible transport network, housing digital connections and infrastructure.

The majority of the Authority's work covers the 10 districts of: Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and city of York – an area known collectively as Leeds City Region. The Combined Authority works closely with the private sector through the Leeds City Region Enterprise Partnership (LEP) to ensure that our work meets the needs of employers in the region. We also operate the Metro network of bus stations, travel centres and public transport information in West Yorkshire.

The Combined Authority is currently investing around £2 billion, working with partner councils to deliver better transport and housing, regenerate towns and cities and protect the environment, making sure that the needs of communities are met.

As a significant investor of public funds, The Combined Authority is committed to evaluating the effectiveness of its activities in order to understand how they were implemented, whether they represent value for money, and what effects they have had, for whom, how and why. The Combined Authority recognises that evaluation is not an end in itself. If evaluation is to be useful, usable and used, it needs to be an integral part of decision making, delivering and management and indeed the entire process of democratic accountability.

This Evaluation Strategy outlines the Combined Authority's commitment to effective evaluation. It is based on a thorough review of existing processes and interviews with staff from across the organisation which identified what was working well, and where the Authority's approach needed to be strengthened. This consultation directly informed the development of a number of **evaluation principles** which underpin the Authority's approach to evaluation. These principles, in summary form, are:

1. Evaluation planning is an integral part of developing the business case;
2. The focus of evaluation reflects the business case;
3. Evaluation efforts are proportional to the intervention's scale and complexity;
4. Monitoring and evaluation data is consistent across policy areas;
5. Evaluation will be undertaken independently of delivery;
6. Evaluation is a learning process and a key component in policy development;
7. Evaluation data and findings are disseminated effectively.

The Strategy builds upon existing good practice from within The Combined Authority and LEP, and elsewhere. It aligns to the latest national guidance and outlines how The Combined Authority takes a consistent and robust approach to establishing the depth of evaluation that each intervention requires.

The Strategy also outlines the factors that The Combined Authority consider when conducting or commissioning evaluations and interventions including the balance between the three types of evaluation detailed in the Magenta Book, namely:

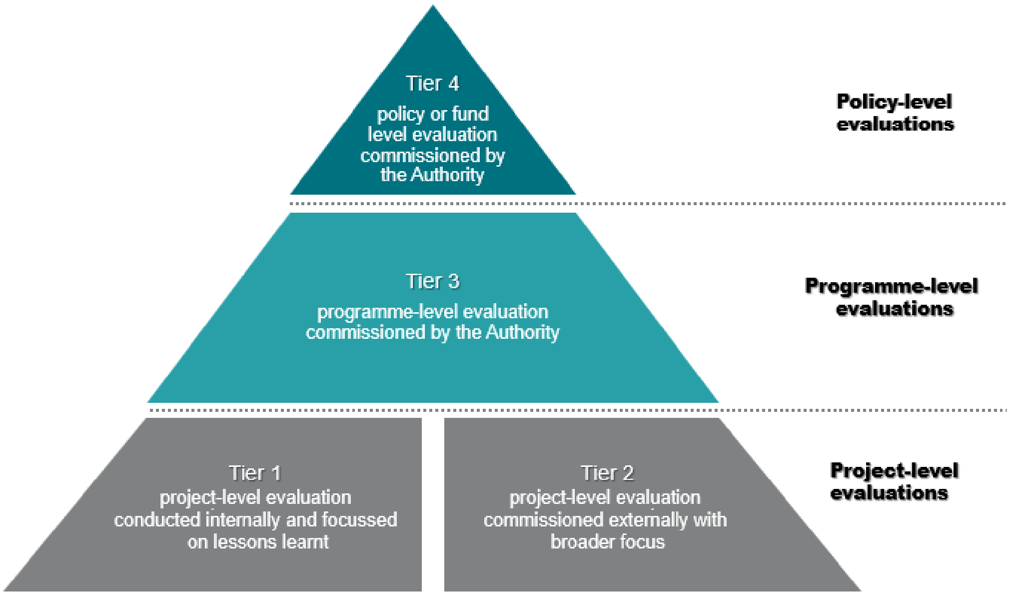
- **Process evaluations** which are concerned with how an intervention is being, or was delivered, and any lessons that can be used to inform the remainder of the implementation period, or similar activities in the future.

- **Impact evaluations** which involve a post ante objective test of what changes have occurred, the extent of those changes, an assessment of whether they can be attributed to the intervention and a comparison of benefits to costs.

- **Economic evaluations** seek to determine whether the costs of an intervention have been or will be outweighed by the benefits achieved.

Evaluations within the Combined Authority and Local Enterprise Partnership take place at one of three levels – **policy, programme or project**. The evaluation level will be determined by an assessment of various factors including the size, complexity and level of innovation involved in the intervention.

As demonstrated below, The Combined Authority will select and commission an evaluation methodology depending on the unique circumstances of individual interventions (an "Evaluation Tier"). These tiers are:



The Evaluation Strategy consists of three sections as follows:

- Section 1 focusses on best practice from national and international sources, and outlines how effective evaluations are designed, commissioned and conducted. This section provides an outline of
  - where evaluation sits in the policy, programme and project lifecycle;
  - the purpose of evaluation;
  - the main evaluation approaches; and,
  - how to design effective evaluations.

- Section 2 outlines the context within which this Evaluation Strategy will be delivered. This includes a review of current interventions and initial indications of future activities that the Combined Authority will deliver. This section provides important policy context.

- Section 3 provides applies best practice to the context outlined in Section 2 and provides a framework for evaluating the Combined Authority's current portfolio of intervention projects, with recommendations on how to approach future funding streams.

GLOSSARY OF TERMS

This glossary is provided to define key evaluation terms for readers and provide consistency of interpretation across teams within the Combined Authority and Local Enterprise Partnership.

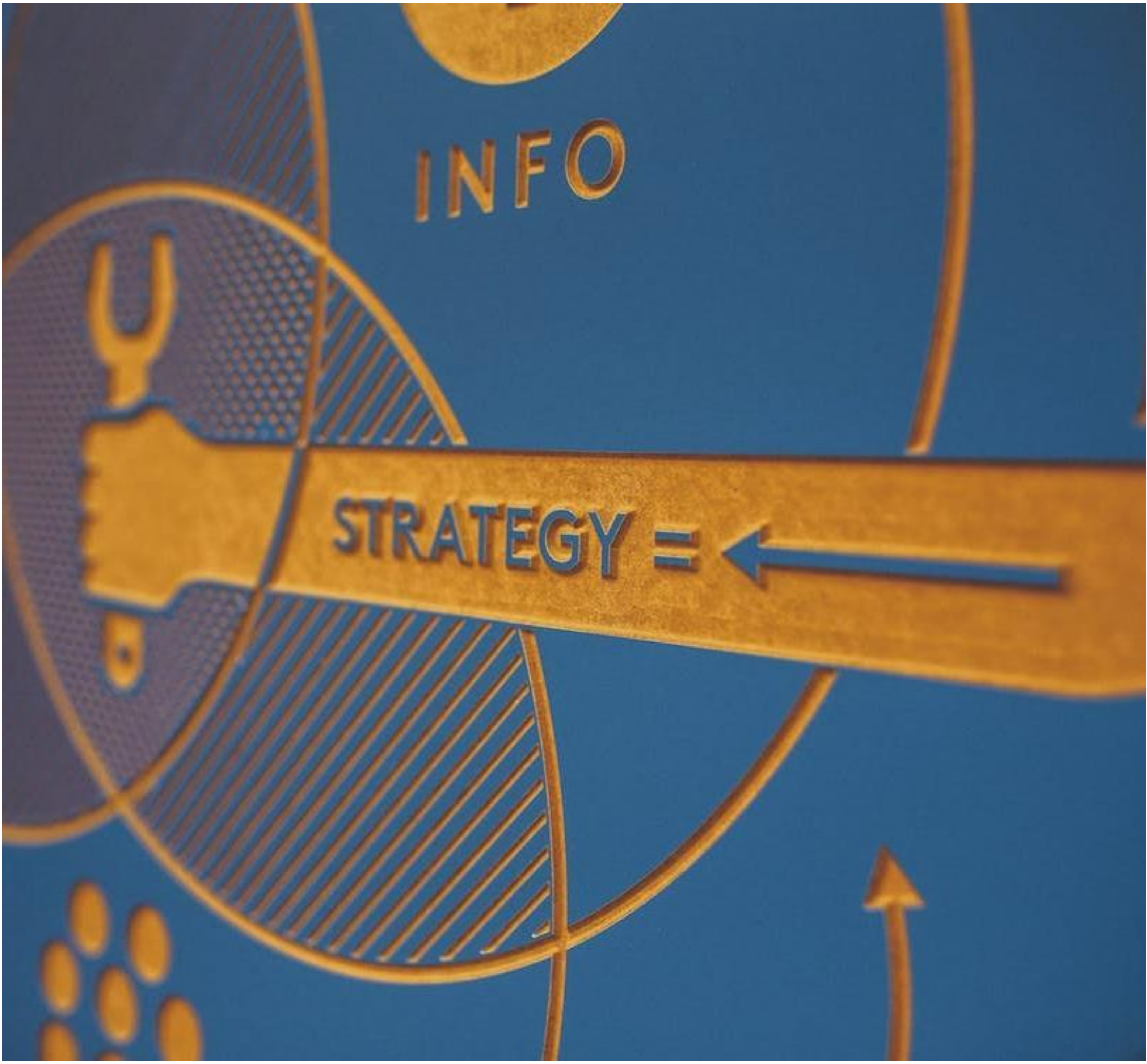
Appraisal	The process used to assess the costs, benefits and risks of alternative ways to meet an intervention's stated objectives. In the ROAMEF cycle appraisal includes identifying a list of options which meet the stated objectives and assessing the costs and benefits that each option is likely to deliver.
Assurance Framework	The Combined Authority has an Assurance Framework which outlines the systems and processes that are in place to manage funding effectively, and to ensure the successful delivery of Strategic Economic Plan outcomes.
Beneficiary	In this Strategy a beneficiary is the individual, business, social group or organisation that benefits from improved outcomes services or products arising from the intervention(s) that the Combined Authority or LEP either commission, manage or deliver.
Cost Benefit Analysis	This analysis quantifies as many of the costs and benefits of a policy as possible, including wider social and environmental impacts to determine "value for money". The Green Book provides detailed guidance on Cost Benefit Analysis (CBA) and the valuation of economic impacts.
Counter-factual	A method of comparison which involves comparing the outcomes of interest of beneficiaries from an intervention (the 'treatment group') with those of a group similar in all respects to the treatment group (the 'control group'). The counter-factual is sometimes referred to as the reference case, or the 'do-nothing' case and is relevant to both appraisal and evaluation. The amount of effort invested in establishing the counter-factual needs to be proportional to the scale and complexity of the intervention and evaluation (see deadweight below).
Deadweight	Deadweight is one of the factors that needs to be considered when calculating net, as opposed to gross outputs or outcomes. Deadweight can be seen as a simplified version of the counter-factual, and is defined in the Magenta Book as referring to "outcomes that would have occurred without the intervention." Deadweight is typically calculated in evaluations with data gathered from beneficiary surveys or using benchmarks.
Displacement	Displacement is another factor that needs to be considered when calculating net, as opposed to gross outputs or outcomes. It refers to the extent to which an increase in economic activity promoted by an intervention is offset by reductions in economic activity elsewhere within the impact area.

Economic evaluations	Evaluations that seek to establish the value for money of an intervention. Essentially the evaluation will compare the benefits of an intervention with its costs.
Ex ante	Prior, or ‘before the event’, used to refer to evaluation or appraisal pre-intervention. An ex-ante evaluation is a prior evaluation, used to identify and forecast outputs and impacts, and to set out and test the rationale for an intervention before approval.
FBC	The Full Business Case (FBC) is the final document in the process of applying for funding.
GDPR	The General Data Protection Regulation (GDPR) is in UK law as the Data Protection Act 2018. It governs personal data rights, including the way companies handle personal data and the compensation that can be claimed for misuse of data. It is important that GDPR requirements are considered when designing and completing evaluations.
Green Book	HM Treasury’s guidance on the completion of effective appraisal.
Gross to net	This is a calculation that moves from gross outputs, outcomes or overall impact to the net position. The net position accounts for deadweight, displacement, leakage, substitution and may also include multipliers which seek to account for factors including increased expenditure in a supply chain or greater retention of spending within a local economy.
Gross Value-Added	Gross Value Added (GVA) is an economic measurement that can be used for an area, industry, or sector and is the difference between total economic output and intermediate consumption goods.
Impact evaluations	These evaluations attempt to provide an objective test of what outcome changes have occurred, and the extent to which these changes can be attributed to the intervention. Establishing a counter-factual position is a key component of an impact evaluation.
Intervention	For the purposes of this Strategy the term intervention is used to describe a project or programme that the Combined Authority or LEP either commission, manage or deliver.
Leakage	Leakage is a factor that needs to be considered when calculating net, as opposed to gross outputs or outcomes. It occurs where some outputs or outcomes benefit those outside of the target area or group.
Logic chain	The logic chain is the sequence of steps that traces context and objectives through to outcomes and impacts. It describes the theory of change.

Magenta Book	HM Treasury’s guidance on the completion of effective evaluations.
Mid-term	Refers to the middle of the intervention period. Midterm evaluations are carried out midway through the intervention period.
Monitoring	The process used to check, report and evidence that spend, outputs, milestones and benefits have been achieved.
Multipliers	Multipliers can be used in a gross to net calculation to account for wider economic benefits that flow from the intervention. As outlined in English Partnership’s Additionality Guide (2008), there are two well-established types of multiplier – a supply linkage multiplier (for example, further expenditure in a supply chain) and an income multiplier (local expenditure from income derived linked to the intervention).
OBC	The Outline Business Case (OBC) is completed by scheme promoters once the SOC has been submitted and approved by the Combined Authority.
Outputs	The amount of something produced which results directly from the funded activity of an intervention.
Outcomes	Outcomes are the way something turns out; a consequence. In evaluation, outcomes are a consequence of the funded activity of an intervention and follow on from outputs.
Process evaluations	Assess whether an intervention is being implemented as intended and what, in practice, is felt to be working more or less well, and why. Process evaluations are also termed formative evaluations.
ROAMEF	The policy, programme and project cycle consisting of six stages Rationale, Objectives, Appraisal, Monitoring, Evaluation and Feedback
Scheme promoter	The scheme promoter is the applicant for funding from the Combined Authority.
SMART objectives	Objectives which are Specific, Measurable, Achievable (or Attainable), Relevant, and Time-bound
SOC	The Strategic Outline Case is a key document in the Combined Authority’s assurance process. Scheme promoters use it to demonstrate that sufficient, robust and evidenced scoping has been carried in order to determine a preferred way forward for delivering the scheme objectives.

Substitution	Substitution is a factor that needs to be considered when calculating net, as opposed to gross outputs or outcomes. It refers to those individuals, groups or businesses who change their behaviour to take advantage of public sector assistance (when they might anyway have achieved the outcome with private means).
Summative Assessment	The Ministry of Housing, Communities & Local Government (MHCLG) uses this term to define evaluations of projects supported by the European Regional Development Fund (ERDF). There is detailed guidance available on the scope of Summative Assessments.
Theory of change	Used to describe the logic model, which traces context and objectives, through resource inputs to activities, outputs, outcomes and impact. It is a description and illustration of how and why a desired change is expected to happen in a particular context.

SECTION 1 – THE PURPOSE OF EVALUATION



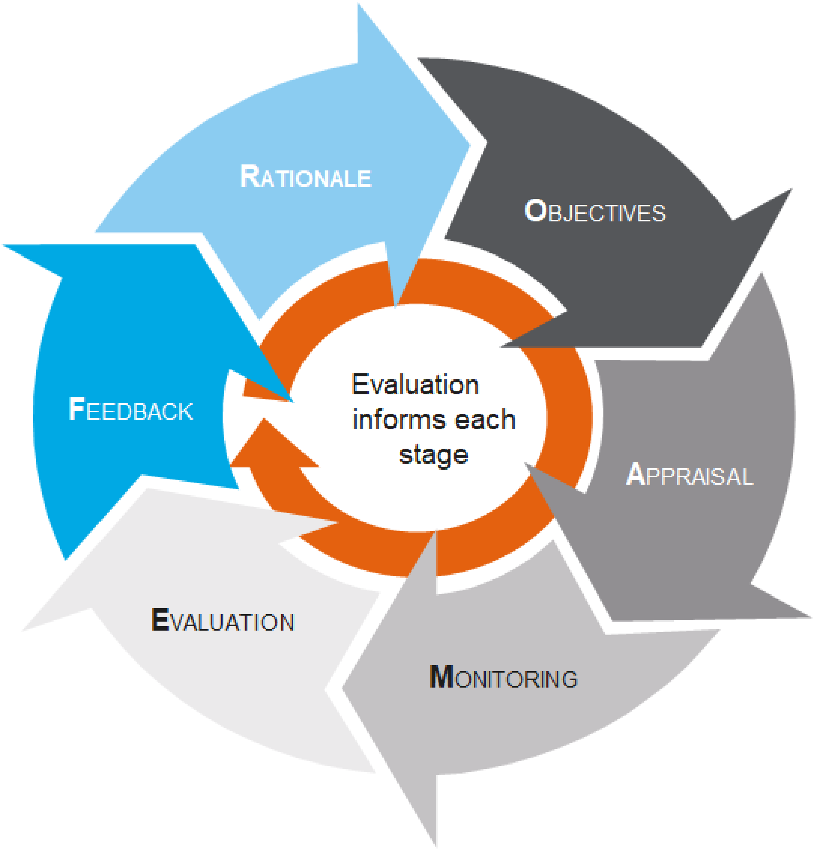
Evaluation is an objective process of understanding how an intervention was implemented, what effects it had, for whom, how and why. It forms a crucial stage in the ROAMEF lifecycle.

1.1 – THE PURPOSE OF EVALUATION

Evaluation:

- is an **objective process** of understanding how an intervention was implemented, what effects it had, for whom, how and why;
- can provide **defensible evidence to independent scrutiny** processes; and,
- can contribute **valuable knowledge** to the policy evidence base.

Evaluation is an integral part of a broad policy cycle that formalised in the acronym ROAMEF.



Whilst each stage is presented separately in the diagram, they are all inter-connected. Furthermore, whilst evaluation is shown as a specific stage in the ROAMEF cycle, it is important to note that evaluation informs each stage, and that evaluation considerations need to be acted upon in each stage for the overall cycle to be effective.

A brief definition of each stage is provided below:

1. **R**ationale - the rationale for the intervention is developed and tested. It is useful to consider the context within which the intervention will occur and the market failures that necessitate action.

2. **O**bjectives - in this stage the objective of the intervention is developed and tested. The objectives can be captured in a logic model with a summary of the inputs, activities, outputs and outcomes that are forecast. This approach aids the appraisal stage that follows.

3. **A**ppraisal – the purpose of appraisal within the ROAMEF cycle is to identify the best way of delivering on the policy prior to implementation. It involves identifying a list of options which meet the stated objectives and assessing these for the costs and benefits that they are likely to deliver.

4. **M**onitoring **-** the formal process to check, report and evidence that spend, outputs, milestones and benefits have been achieved.

5. **E**valuation **-** as defined in HM Treasury's Magenta Book evaluation "examines the actual implementation and impacts of a policy to assess whether the anticipated effects, costs and benefits were in fact realised. Evaluation findings can identify "what works", where problems arise, highlight good practice, identify unintended consequences or unanticipated results and demonstrate value for money, and hence can be fed back into the appraisal process to improve future decision-making."

6. Feedback **-** the final stage of the ROAMEF cycle reflects that evaluation is ultimately only of value if the lessons learned are used to inform future action. The cycle therefore shows that evaluation activity should directly inform the development of the rationale for future interventions.

The ROAMEF process is presented as a circle to reflect the fact that it is often iterative and there are significant interdependencies between the various elements. For example, data produced through monitoring activities are often used at the evaluation stage, to inform value for money calculations. In addition, evaluations can play a role in the policy development process – through, for instance, the use of pilots and trials. Therefore, whereas the simple ROAMEF policy cycle may suggest that an evaluation will take place after the intervention has been implemented, evaluations should be planned earlier and there is value in commissioning them whilst the intervention is in delivery as well as in the earlier stages of planning.

One of the important implications of the ROAMEF cycle is that evaluations, and evaluation considerations, inform each stage. For example, there is a crucial relationship in the ROAMEF cycle between the appraisal and evaluation stages. Effective appraisal of interventions will test the intervention's logic chain and seek to identify and remedy any gaps in logic and identify any critical assumptions. Appraisal will also review whether lessons from other similar activities have been used to inform the intervention's design. Forecast outputs, outcomes and benefits will be tested and used as a benchmark for the evaluation.

Additionally, evaluation is not only about looking back to rate success or failure. It has a contribution to make at every stage in the ROAMEF cycle. In particular, evaluation can at the earliest stage, strengthen or change potential interventions by helping to unpick intervention logics and reveal weaknesses in programme or project design allowing remedial action to be taken early.

The most common purposes of evaluations are therefore:

- **Accountability** - demonstrating how far an intervention has achieved its objectives, how well it has used its resources and what has been its impact.

- **Continuous improvement** - improving and developing capacity among programme participants and their networks and institutions.

- **Implementation** - improving the performance of projects and programmes, and the effectiveness of how they are delivered and managed.

- **Knowledge production** – understanding what works (for whom) and why (and in what contexts).

- **Planning and efficiency -** ensuring that there is a justification for interventions and that public resources are efficiently deployed.

Ultimately evaluation is about learning and using this to inform future action. Effective evaluation enables the formation of robust, evidence base to inform future action. The Combined Authority and LEP possess a series of evaluations of individual interventions which will be developed over time into a comprehensive knowledge reference for staff and partners. This reference will include individual business cases and appraisal documentation.

1.2 - EVALUATION APPROACHES

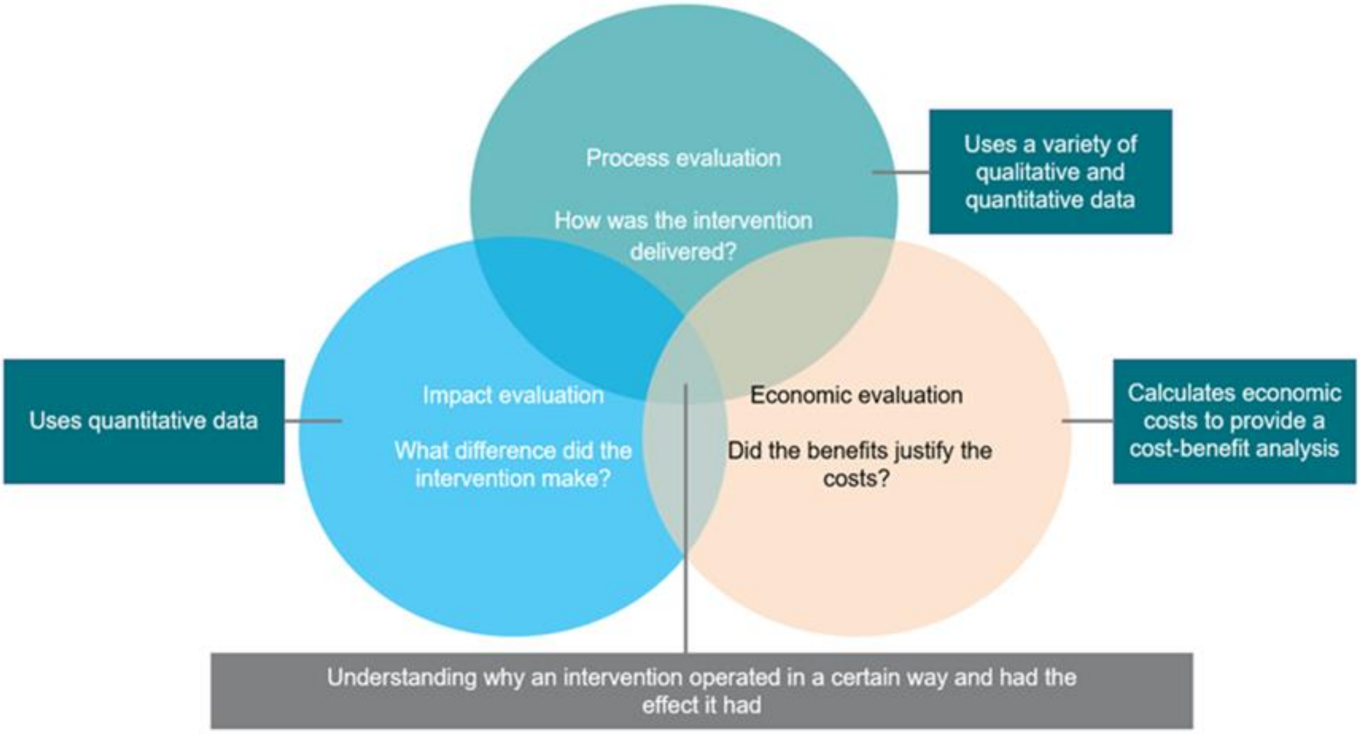
As outlined in the previous section, evaluation can deliver on multiple purposes including accountability and knowledge production. Establishing the purpose of an individual evaluation is critical in determining the most appropriate overall approach. Different evaluation purposes are associated with different kinds of evaluation questions. For example:

- Accountability – evaluations will mainly meet the needs of policy makers and Government. These stakeholders will want to know how successful the intervention has been. Has it met its targets? Has public funding been invested effectively and efficiently? What overall impact has been achieved?

- Continuous improvement – evaluations will mainly meet the requirements of programme managers and the programme's main partners. Key questions will include are the management arrangements working efficiently? Are partners as involved as they need to be? Are interventions properly targeted in terms of eligibility?

- Knowledge production – evaluations will meet the needs of policy makers. Key questions will include what have we now learned about what works? Are the mechanisms for intervention and change better understood? Does the logic of the programme and its assumptions need to be questioned?

The Magenta Book categorises three types of evaluations which each have a different overall purpose. They are summarised in the diagram below.



1.2.1: Process evaluations

Process evaluations are concerned with **how an intervention is being delivered** or was delivered. They seek to identify lessons that can be used to inform the remainder of the implementation period, or future similar activities.

Process evaluations assess whether an intervention is being implemented as intended within its budget and timescale, whether the design is working, and which activities are working effectively, and which need attention. It supports an understanding of internal processes used to deliver outputs, alongside what was actually delivered and when, and is usually completed during delivery.

Process evaluations are particularly valuable where an intervention is particularly innovative. For example, where the Combined Authority is tackling a new policy area it is useful to understand which activities proved to be effective in delivering the policy objectives and how activities interact.

Such evaluations will often include the collection of qualitative and quantitative data from stakeholders. This data collection can cover subjective issues such as perceptions of how well an intervention has been delivered.

1.2.2: Impact evaluations

Impact evaluations seek to determine **what difference an intervention made**. They involve an objective test of what changes have occurred, the extent of those changes, and, an assessment of whether they can be attributed to the intervention.

A strong impact evaluation is one which is successful in isolating the effect of the policy / intervention from all other potential influences, thereby producing a good estimate of what would have happened in the intervention's absence (the counter-factual). Establishing the counterfactual is inherently challenging, since by definition it cannot be observed – it is an assessment of what would have happened if the policy / interventions had not gone ahead.

The level of rigour and resource involved in establishing the counter-factual should be tailored according to a range of factors including the intervention's budget, complexity, level of innovation and contribution to major policy objectives.

The Maryland Scientific Methods Scale (SMS) can be used as an objective means of scoring the robustness of the Counterfactual impact evaluations (CIE), 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 by using the link; https://whatworksgrowth.org/resources/the-scientific-maryland-scale/. Summary information on different approaches to the counter-factual are provided in Section 3.6.

1.2.3: Economic evaluations

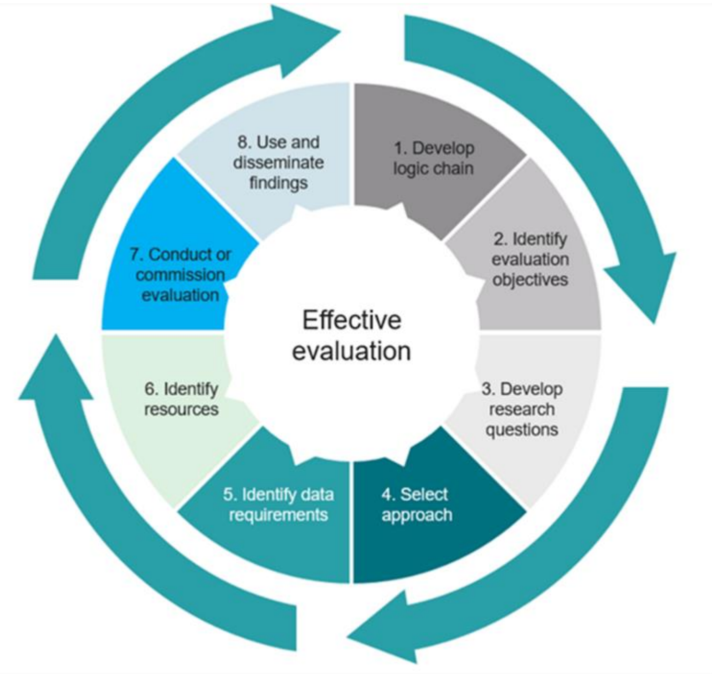
An effective impact evaluation may be able to demonstrate and quantify the outcomes enabled or delivered by an intervention but cannot determine whether those outcomes justified the intervention. The purpose of economic evaluations is to determine **whether the benefits achieved justify the costs.**

Economic evaluations typically use a range of tools. These include cost-effectiveness analysis which values the costs of implementing and delivering the intervention, and relates this amount to the total quantity of outcome generated, to produce a "cost per unit" estimate; and, cost-benefit analysis, which places a monetary value on the changes in outcomes. The Green Book provides more detailed guidance on cost-benefit analysis and the valuation of economic impacts.

1.3 - DESIGNING EFFECTIVE EVALUATIONS

The Combined Authority has adopted the following eight stage process to design, conduct and commission effective evaluations:

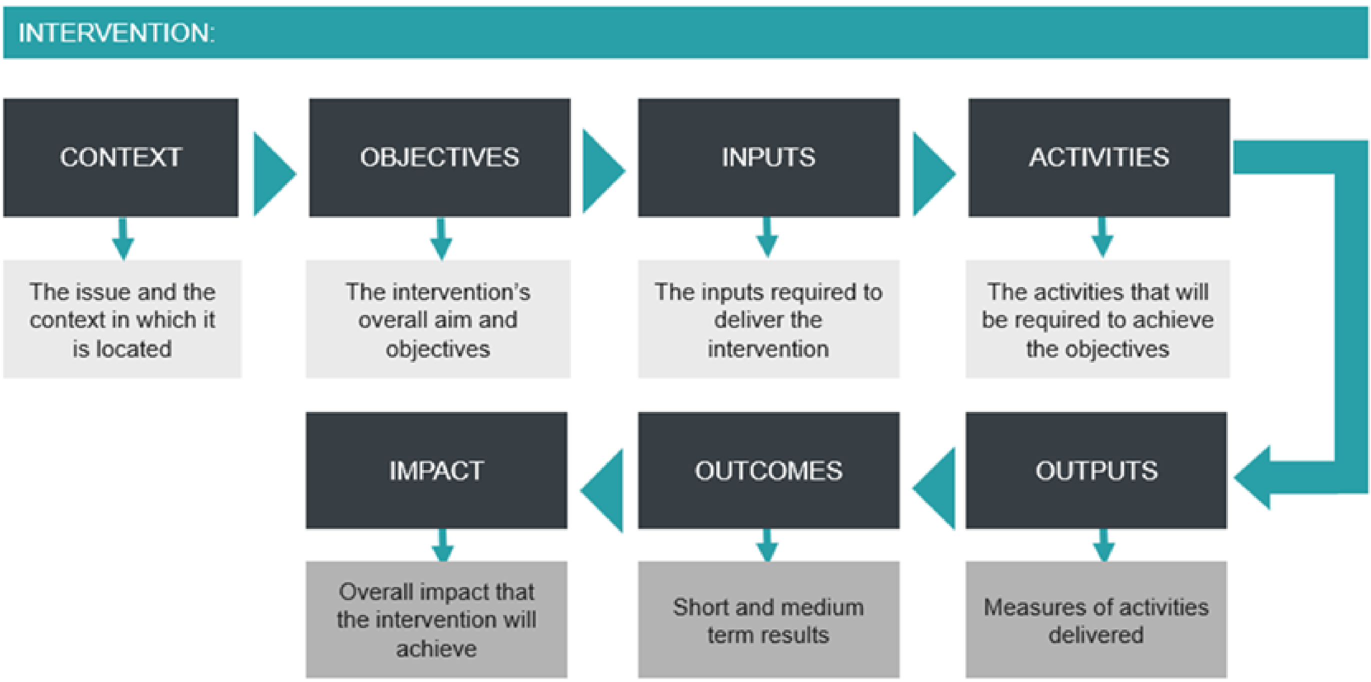
1. Develop logic chain
2. Identify evaluation objectives
3. Develop research questions
4. Select approach
5. Identify data requirements
6. Identify resources
7. Conduct or commission evaluation
8. Use and disseminate findings



This eight-stage process reflects existing activity from within The Combined Authority and LEP, advice from the evaluation literature base, and best practice from across the United Kingdom. As outlined in more depth in Section 2, the eight-stage process sits alongside The Combined Authority and LEP's Assurance Framework which outlines the approach taken to the management of projects and programmes funded by Government or local sources.

Step 1 – Develop the logic chain:

A central component of all effective evaluations is a logic chain. A logic chain describes the relationship between an intervention's inputs, activities, outputs, outcomes, and impacts as illustrated in the diagram below.



The Combined Authority's Assurance Framework requires that a logic model is developed at the

Strategic Outline Case (SOC). Where logic models already exist, they should be tested to ensure they meet the requirements set out below, as this will enable them to effectively inform the evaluation approach. Where a logic model is not in place it is crucial that one is developed before progressing to step 2. Section 3.5 provides some advice on how to develop a logic model.

Logic chains are useful devices to inform impact evaluation, because they encourage thought about the steps required for an intervention to have its desired effects, and the nature of effects that can be covered in evaluation. A logic chain should represent the causal theory about why and how an intervention might work overtime, that is, the ‘theory of change’.

Step 2 – Identify evaluation objective:

Once the logic chain is in place or has been tested and amended the next step is to define the overall evaluation objective. The objective should ultimately relate back to the business case and build on the assumptions used in the appraisal process. It should be SMART – that is Specific, Measurable, Achievable (or Attainable), Relevant, and Time-bound.

The logic model is a key input at this stage as it identifies the anticipated inputs, outcomes and impacts; and, the theoretical links between inputs and outputs that may need to be tested.

In order to create an overall evaluation objective, it is helpful to consider what constitutes a proportionate and realistic evaluation given the resources and data available, and what is already known about the policy area and the intervention. A good understanding of what is already known, and the existing evidence base informs the approach. For example, if an important question is whether the programme is more effective than similar ones evaluated previously, it will be important to ensure that the evaluation is planned, and data collected in such a way as to maximise comparability between the two sets of findings.

As outlined in Section 1.2, the Magenta Book suggests that there are broadly three types of evaluation, each with a different overall objective – process, impact and economic. It is useful to reflect on these three evaluation types

An example of an evaluation objective for the Authority’s Business Growth Programme (BGP) is provided below.

Business Growth Programme
Example Evaluation Objective: *To determine whether businesses that received a grant increased their turnover and staffing levels to a greater extent than businesses with similar characteristics that did not receive a grant. The evaluation will be commissioned by Spring 2020 and will be completed over 3 years to enable tracking of any longitudinal change.*

Step 3 – Develop research questions:

The research questions sit underneath the overall evaluation objective and provide lines of enquiry for the evaluation to pursue. Developing the research questions is an essential part of evaluation design. The questions can be:

- Descriptive and intended to observe, describe and measure changes (what happened?).
- Causal with the aim to understand and assess the relationship between cause and effect (how and to what extent is that which occurred attributable to the intervention?).

- Predictive and aimed at trying to anticipate what will happen as a result of planned interventions (for example, will the interventions to counter unemployment create negative effects for the environment or existing employers?)
- Critical and intended to support change often from value-committed stance (for example, how can equal opportunity policies be better accepted by small and medium-sized enterprises?)

The research questions flow from the evaluation objectives. An example of possible research questions for the Business Growth Programme is provided below.

Business Growth Programme
Example Evaluation Objective: *To determine whether businesses that received a grant increased their turnover and staffing levels to a greater extent than businesses with similar characteristics that did not receive a grant. The evaluation will be commissioned by Spring 2020, and will be completed over 3 years to enable tracking of any longitudinal change.*
Example Research Questions: *1) What change in turnover and staffing levels is visible in firms supported and those firms not supported by the BGP?* *2) How does any change in turnover and staffing levels in supported firms differ to unsupported firms with similar characteristics?* *3) What other factors may account for differences in turnover and staffing levels between supported and unsupported firms?*

Once the research questions have been identified, they should be tested to ensure that they can realistically be answered given the resources available and likely practical and theoretical constraints.

Step 4 – Select approach:

It is important to determine whether a process, impact or economic evaluation is best suited to the evaluation objectives and research questions. Alternatively, the evaluation may need to cover aspects of each of these areas.

The key here is to identify which of the three types of questions are of most interest given the nature of the intervention in question. Where interventions include novel or complex activities The Combined Authority may be most interested in how they were delivered. Where interventions have large forecast outputs and outcomes, an impact evaluation may be most appropriate. Where interventions are costly, and perhaps have more intangible forecast benefits, an economic evaluation may be of most interest.

Another factor to consider when reflecting on the evaluation approach is the extent to which previous evaluations of similar activity have addressed your evaluation objective and research questions. Where there is a robust evaluation of a similar intervention it may be desirable to adopt a very similar approach in order to compare which intervention was most effective and efficient in meeting the initial policy objectives.

The outcome for this step is the selection of either a process, impact or economic evaluation, or a blended approach that draws on each of the three approaches.

Step 5 – Identify data requirements:

Once the approach has been selected, it is necessary to identify what data will be needed in order to address the evaluation objectives and research questions. It is important to consider:

- If primary research is required with the beneficiaries of the intervention, how easy will it be to contact them?
- If the evaluation is assessing impact, at what point in time should the impact be measured?
- What data is required to establish the counterfactual position? For example, if you wish to compare the performance of businesses supported by an intervention with those that didn't receive support, what level of data can be obtained for the counter-factual group, and over what time frame?

One of the key considerations is obtaining a sample that reflects the total population of beneficiaries. Population in this context refers to everyone that was involved in an intervention. It is often not possible to include the whole population in the evaluation; a representative cross section or sample of the population should be selected to provide feedback. Some common sampling methods are described in the table below.

Type	Method	Description
Whole population	Census	All members of the population are included
Random: often used for quantitative work	Random	Sample selected from the population randomly
	Stratified	Homogeneous strata (for example schools in a schools project) within the population are identified. Random samples are then taken from each stratum
Non-random: often used for qualitative work	Quota	Sample members selected by means of a visible characteristic (for example gender) until quota is met
	Judgemental	Sample chosen based on evaluator's judgement of who can provide the most valuable information
	Snowball	Sample selected using networks where each sample member is asked to recommend future sample members
Mixed	Systematic	Selection of the nth member of a population or stratum, e.g. every 10th person to leave a lecture.

A summary of possible data collection methods, and the main advantages and disadvantages of each approach, is provided in the table below.

Method	Main advantages	Main disadvantages
Observation	Suitable for collecting data related to behaviour. It works well when subjects are involved in an activity and unable to provide detailed or objective opinions.	Subjects may change their behaviour if they are aware they are being observed. There is the potential for observer bias or difference in interpretation between observers. It is difficult to simultaneously observe and record.
Interview	Allows collection of in-depth information. More likely to get a representative cross-section of your audience. Respondents can be asked to explain their responses and questions can be clarified. Works well alongside a questionnaire.	Requires skill on the part of the interviewer to elicit honest responses. Creating an interview script, booking and conducting interviews is time-consuming and therefore expensive.

Method	Main advantages	Main disadvantages
Focus groups	Very 'rich' source of data. The group situation provides security for respondents and may result in greater sharing than one-to-one interviews. The time available allows a moderator to explore issues in great detail and for respondents to reflect deeply on their opinions.	Time-consuming and expensive. Requires skill on the part of the interviewer as group dynamic is crucial to collecting useful data. It is crucial to ensure that an appropriate sample is selected for the group. Requires a suitable venue for the sessions.
Questionnaire	Inexpensive and can be anonymous which may result in beneficiaries being more honest. A large sample size is possible. Can be distributed in a number of ways. Correctly designed the questionnaire can be quick and easy for people to respond to.	Appropriate questionnaire design is crucial to success. Potentially low response rate particularly where the intervention didn't involve extensive interaction with beneficiaries. There is the danger of a self-selecting sample which does not fully represent the total population of beneficiaries. Clarification of questions and answers not possible.
Data mining	Data is already available and may include bookings and materials produced during workshops for example.	Must ensure reliability of data; Only provides at best a partial picture of what happened.

If an impact evaluation is required it will be necessary to give careful thought to how deadweight or a robust counter-factual position will be established. These issues will have been considered at the appraisal stage and a conversation with the appraisal officer may help inform the approach and resulting data requirements. Please see Section 3.5 for more information about establishing the counter-factual.

Step 6 – Identify resources:

The completion of steps 1 to 5 will result in the scope of the evaluation being well-defined enabling the final confirmation of resources.

In general terms, for large scale relatively routine interventions the budgets required for evaluation will be a small proportion (normally less than 1%). On the other hand, for interventions that are innovative in character, and where evaluation has a strong learning and participatory aspect the costs are likely to be a relatively high proportion and around 5% to 10%.

The most appropriate basis for determining the budget is the nature and scope of the work required. When considering financial budget, the following questions may be helpful prompts:

- Is it possible to accept increased risk of drawing a false conclusion about the impact and cost-effectiveness of the intervention? Are all stakeholders content to accept the risk?
- Is it necessary to produce results for sub-groups of the targeted population? Or would the overall impact be sufficient? The risk here is that an intervention which works for some people but not all may be judged as ineffective. If face to face surveys are planned, could they be replaced with telephone interviews, postal or online surveys, possibly by reducing the amount of data collected?
- How long do outcomes need to be tracked for? Are there proxy or intermediate outcome measures that could be used? What are the risks of shortening the tracking period? Tracking over a longer period increases the costs.

It can be useful to either establish a Steering Group to oversee the evaluation, and the work involved in establishing or servicing this needs consideration. It is also necessary to consider management resources which may include day-to-day management of consultants, provision of data, reviewing draft documents and sharing findings. The level of staff time will vary throughout the evaluation but should not be under-estimated.

Finally, another important consideration is the capacity that partners have to engage in the evaluation as where interventions are delivered by partners, their ability to pro-actively engage will, to a large extent influence, the quality of the final work.

Step 7 – Conduct or commission evaluation:

In this step the evaluation will be conducted using internal resources (Tier 1), or externally commissioned resource (Tiers 2 - 4). An external organisation may have greater specialist expertise and may be seen as independent, which can be important for the credibility of the evaluation. However, in-house evaluators will have greater familiarity with institutional and management requirements and may well have easier access to information and key personnel.

Whilst the level of financial resources available may suggest that an internal approach is required, it is important to consider the opportunity cost. What activities will staff forgo in order to complete an effective evaluation?

Step 8 – Use and disseminate findings:

The effective dissemination of findings is critical if maximum value is to be obtained from the evaluation. Key questions to answer in this final step include:

- What will the findings be used for, and what decisions will they feed into?
- How will the findings be shared and disseminated?
- How will findings feed back into the ROAMEF cycle?
- Who will the audience be who receives the evaluation?

Effective dissemination may comprise of an event or series of events at which presentations are made to main representatives from various stakeholders, and the implications of the evaluation findings are discussed. Other means to presents findings include the creation of infographics, factsheets or case studies with staff briefings.

City Region's economy is the biggest outside London. It is worth over £62 billion and generates 5% of England's output. The Combined Authority and Local Enterprise Partnership are working to ensure that '*good growth delivers high levels of prosperity, jobs and quality of life for everyone*.'

2.1 - STRATEGIC ECONOMIC PLAN

The Strategic Economic Plan (SEP) has a **transformative vision** to "*be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone.*"

The SEP sets out the ambition to achieve "*both the right quantity and the right quality of growth; creating a strong, productive and resilient economy where a radical uplift in business competitiveness, productivity and profits goes hand in hand with access to good jobs that pay higher wages, and where all residents have access to opportunity and enjoy improved quality of life.*" The SEP is based around four priorities as shown in the diagram below.

2.2 - INDUSTRIAL STRATEGY

2.2.1 – Industrial Strategy:

The **Industrial Strategy** was published by HM Government in November 2017 with the purpose of "*boosting productivity and the earning power of people across the United Kingdom (UK).*" The Strategy is based around five foundations which are seen as "*the essential attributes of every successful economy*". These foundations are:

- **i) Ideas:** the world's most innovative economy;
- **ii) People:** good jobs and greater earning power for all;
- **iii) Infrastructure:** a major upgrade to the UK's infrastructure;
- **iv) Business Environment:** the best place to start and grow a business; and,
- **v) Places:** prosperous communities across the UK.

National Government challenges Local Enterprise Partnerships (LEP) to develop a Local Industrial Strategy (LIS) in response to the National Industrial Strategy.

2.2.2 – Local Industrial Strategy:

The City Region LEP is currently drafting its Local Industrial Strategy (LIS). The LEP is currently drafting priorities against the five foundations as follows:

Ideas	People	Business Environment	Infrastructure	Place
We will....... ..support more businesses to engage in innovation activities. ..facilitate partnerships to enable more academics to work with SMEs to drive regional innovation. ..develop a strong regional innovation brand.	**We will.......** ..develop a better-skilled, healthier and more flexible workforce and a fair, progressive employment market. ..continue to promote and cultivate a responsive skills system with empowered local leadership.	**We will.....** ..boost productivity to improve people's pay and living standards and ensure the City Region contributes to the UK improving its global standing. ..simplify and reform the business support ecosystem to ensure local employers get the support they require.	**We will....** ..invest in infrastructure to increase capacity which will help to accelerate future growth. ..ensure that infrastructure is integrated to support long-term productivity gains whilst also meeting the needs of local communities to support clean and inclusive growth.	**We will....** ..champion our diverse mix of towns, cities and rural areas, and harness the wide range of physical, natural and cultural assets. ..nurture key partnerships, embracing and building on the distinctiveness of places to provide a healthy, clean and attractive environment which promotes well-being and productivity.

The LEP is developing a logic model for each of these five foundations, and each model will be accompanied by a one-page summary of the priorities. Each opportunity will also have a logic model and one-page summary of the priorities, and each Grand Challenge will have an overview of the approach with the contribution to the LIS clearly articulated.

In developing the Local Industrial Strategy (LIS), the Combined Authority engaged with over 750 people at more than 50 events working with regional, national and international stakeholders as well as schools and youth groups.

The Combined Authority is committed to putting health at the heart of the region and the LIS recognises that the City Region's industrial heritage has created a legacy of health, social and environmental challenges.

The LIS sets out the Authority's ambitions against a series of major policy objectives. For example, the following ambitions are outlined in relation to the policy objective to 'support businesses to meet the challenges of the future economy and create good growth:'

- Make business support services more joined up;
- Provide finance for businesses scaling-up;
- Improve the quality, affordability and availability of business premises;
- Make the most of new market opportunities, including through international trade and new technologies;
- Support businesses to grow and increase productivity.

The LEP is developing a logic model for each of these five foundations, and each model will be accompanied by a one-page summary of the priorities. Each opportunity will also have a logic model and one-page summary of the priorities, and each 'Grand Challenge' will have an overview of the approach with the contribution to the LIS clearly articulated.

2.3 – EXISTING ACTIVITY

West Yorkshire Combined Authority and City Region Local Enterprise Partnership are delivering a range of interventions funded through a series of Government schemes. The table below shows the value of the Authority's current interventions by policy area. It does not account for bids submitted to central Government that are currently under consideration.

Policy area	Number of schemes	Percentage of total schemes	Total value (£'000s)	Percentage value
Clean energy and economic resilience*	13	4%	£34,699	2%
Enterprise Zones	11	4%	£49,565	3%
Growing business**	7	2%	£101,659	6%
Housing & regeneration	17	6%	£44,876	3%
Skilled people and better jobs	12	4%	£86,137	5%
Transport***	234	80%	£1,410,795	82%
Total	**294**		**£1,727,731**	

Please note that:

** Includes Priorities 3 and 4c Growth Deal schemes and Warm Homes Fund*

*** Includes Priority 1 Growth Deal schemes and Broadband (contracts 2 and 3) and Growing Places Fund*

**** Includes WYTF+, LPTIP, LTP (including one scheme for each district), TCF Tranche 1, Clean Bus and Low Emission, City Connect (Phase 2)*

A number of observations can be made about the table above:

- Firstly, the table demonstrates **the significant scale of the Combined Authority and LEPs investment in the City Region**. Managing the delivery 294 individual interventions is a major undertaking and requires a well-resourced delivery team. Given the number of individual interventions it may be prudent to adopt a programme and policy area level approach to evaluation.
- Secondly, **the weighting towards the transport policy area is striking**. Transport constitutes 80% of all interventions and 82% of the Authority's investment. Given the scale of this policy area it is important that the Authority and LEP evaluate the most innovative and largest interventions in this area.
- It is interesting to note that there is **close alignment between the number of schemes in a policy area and the overall value of investment in half of the six areas**, namely: Enterprise Zones; Skilled people and better jobs; and, Transport.
- However the alignment is significantly different for Clean energy and economic resilience (2% of value but 4% of total schemes); Growing businesses (6% of value but 2% of total schemes); and, Housing and regeneration (3% of value but 6% of total schemes). This suggests that the Growing businesses policy area has focussed more on fewer, large interventions than Clean energy and economic resilience; and, Housing and regeneration.

2.3.1 – West Yorkshire Transport Strategy:

The West Yorkshire Transport Strategy outlines that in order to deliver the Combined Authority's vison of a globally-recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone, a modern, world-class, well-connected transport system is required that makes travel around West Yorkshire easy and reliable. The Strategy contains the following objectives:

- Economy: Create a more reliable, less congested, better connected transport network;
- Environment: Have a positive impact on our built and natural environment;
- People & Place: Put people first to create a strong sense of place.

The Transport Strategy 2040, encompasses a wide range of projects including those taking steps to reduce vehicle emissions, making roads safer for cyclists and pedestrians, major road improvements (such as Castleford Northern Gateway, East Leeds Orbital Road, the Leeds Bradford Airport Link Road) and rolling out Smart Motorways.

The Transport Strategy also covers major improvements to rail stations and continuing rail electrification, the design and consultation over HS2 and Northern Powerhouse Rail, and further improvements to the MCard smartcard travel system, as well as improved flood defences, pothole repairs and road improvements.

2.3.2 – Growth Deal:

In 2014, central Government committed Growth Deal funding totalling £572.9M to City Region LEP for projects that benefit the local area and economy. An additional £54.6M was agreed in 2015, taking the total value of the Growth Deal to £627.5M.

There is a total of 23 metrics against which Growth Deal projects report. The table below outlines some of the metrics, categorised as outputs and outcomes for the purpose of this Strategy.

Outputs	
Measure	***Definition***
Apprenticeships created	Number of apprenticeship positions created as a direct result of intervention.
Housing units completed (affordable)	At the impact site, the number of completed housing units. Complete refers to physical completion of the individual unit, or, in the case of flats, on physical completion of the block.
Length of road resurfaced	Length of road for which maintenance works have been completed this quarter (km).
Number of new learners assisted	The number of new learners assisted as a direct result of the intervention, in courses leading to a full qualification.
Outcomes	
Measure	**Definition**
Jobs created or safeguarded	The total number of newly created and safeguarded permanent full-time equivalent jobs as a direct result of the intervention at predetermined employment sites.
Reduced flood risk homes	Number of homes with a reduced likelihood of flooding as a result of the project this period.

LEPs have the opportunity to report metrics on activities completed in 'impact areas'. These areas have to be agreed between each LEP and Government. The City Region LEP has prepared an options paper for impact areas and this outlines that the LEP measures benefits achieved by delivering Growth Deal projects in three ways, these are:

i) **Direct outputs** - arise directly from the project activity and do not require further investment or activity to be achieved. These are directly reported and evidenced by the project sponsor.

This may include floor-space developed, direct jobs created, length of road built.

ii) **Indirect outputs** - do not result directly but are unlocked or facilitated by the delivery of the project but require further investment or activity for them to be achieved. Once again these are directly reported and evidenced by the project sponsor. An example would be homes built following creation of a new road, these would be evidenced through planning permissions and reported new builds.

iii) **Wider impacts -** are the catalytic impacts that the project may deliver. They are likely to be realised in the longer term and by their nature less directly linked to the project being undertaken. These may only be evidenced through evaluation of the project and may require modelling. This could include attracting similar businesses to an area or enabling growth in related businesses. Identification of impact sites will allow consistent evaluation of these benefits across the programme and will take into consideration wider levels of activity rather than single projects.

The City Region LEP has proposed the following approach based on project typology:

Growth Deal priority	**Project Examples**	**Proposed Impact Area**
P1: Growing business	Business Growth Programme	Location of supported facility
P1: Growing business (*focus on innovation and Research & Development)*	Nexus - University of Leeds and University of Huddersfield Innovation Project	Location of facility or building receiving investment
P2: Skilled people, better jobs	Skills Capital	Location of college facility
P3: Clean energy and environmental resilience	Resource Efficiency Fund Energy Accelerator Programme	Location of supported facility
P4a: Housing and Regeneration	Housing Enabling Programmes Site Development Enterprise Zones	Location of site / development buffer where catalytic impacts would be anticipated.
4b: West Yorkshire + Transport Fund	WT+ Transport Scheme	Buffer areas of 250m / 500m / 1km / 1.5km
4c: Economic resilience	Flood Alleviation Schemes Natural Flood Management	Buffer reflecting effect on likely flood impacts

2.4 – FUTURE PROGRAMMES OF ACTIVITY

This Strategy has been developed at a time of significant change in the economic development landscape. There are a number of potential future programmes of activity which the LEP will bid for, deliver and evaluate. It is suggested that this Strategy is subject to an annual refresh in order to ensure that it remains up-to-date and reflects the latest developments. This section provides a brief outline of some potential areas of future funding and activity.

2.4.1 – Industrial Strategy Challenge Fund:

The **Industrial Strategy Challenge Fund** is part of Government's Industrial Strategy and is a core pillar of the Government's commitment to increase funding in research and development by £4.7 billion over 4 years to strengthen UK science and business. In general terms, it is intended to invest where the UK has a world-leading research base and highly-innovative businesses to address the biggest industrial and societal challenges today, where the UK already has world-businesses that are ready to innovate; and to invest where the global market is large or fast-growing and sustainable.

2.4.2 – Transforming Cities Fund:

In November 2019, the Combined Authority submitted the City Region Transforming Cities Fund (TCF) bid. The bid sets out the Authority's aims to:

- Transform access for communities of persistent poverty to employment opportunities and skills centres;
- Create smart, clean and liveable places which make cycling and walking the obvious choice for accessing town and city centres – improving air quality and reducing car dominance;
- Transform the public transport and active travel offer from housing and employment sites, ensuring that people are enabled to make sustainable travel choices from day one; and,
- Make travel by bus an attractive and more reliable offer for commuters through spreading the benefits of 'Connecting Leeds' to the rest of the City Region.

The Authority's bid has a core funding request of £406.3M and a stretch request totalling £480.5M. Individual interventions for which The Combined Authority seeks Government support include:

- Transform bus and rail interchange in Halifax Town Centre;
- Deliver pedestrianisation and cycle infrastructure in Bradford City Centre; and,
- Major works to the front of Leeds City Station.

A decision on the Authority's TCF submission is expected imminently.

2.4.3 – Future Mobility Zones:

The Authority's has designed a package of Future Mobility Zones (FMZ) schemes to deliver a step change mobility across the City Region. The Authority's objectives for FMZ are:

- **Inclusive growth** through improving equity of access to transport and mobility services;

- **Improving local connectivity issues**, particularly between deprived communities and employment and skills opportunities;

- **Improving the affordability of public transport** particularly for low income workers, job seekers and those in areas of deprivation;

- **Utilising technology and associated services to enable a shift to low carbon and sustainable mobility modes**, reducing transport-related emissions and contributing to the City Region achieving its ambition to be net zero carbon by 2038; and,

- **Ensuring digital and financial inclusion** is at the heart of development of new solutions.

The core package of planned interventions has a total value of £26.64M, with the total value of all interventions being £31.75M. Funding from the Department for Transport (DfT) will enable The Combined Authority to deliver:

- Affordable and accessible travel through the introduction of small, demand-responsive vehicles;
- Travel information that is better integrated and more accessible through the provision of a Mobility as a Service App including a voice activated booking system; and,
- Community mobile hubs with ebikes, car club vehicles and smaller responsive bus services.

The FMZ bid was submitted in September 2019.

2.4.4 – Strength in Places Fund:

The **Strength in Places Fund** is a competitive funding scheme that takes a place-based approach to research and innovation funding, to support local economic growth. The fund is relevant to the ideas and places foundations of the Industrial Strategy. The high level aims of the Fund are to support innovation-led regional growth by identifying and supporting areas of R&D strengths that are driving clusters of businesses across a range of sizes that have potential to innovate; and, to enhance local collaborations involving research and innovation.

2.4.5 – Shared Prosperity Fund:

The **UK Shared Prosperity Fund** is proposed as a replacement for the loss of European Union (EU) structural funding (which is worth about €2.4 billion per year and supports several aspects of economic development including support for businesses, innovation and employment) when the UK leaves the EU.

The latest House of Commons Briefing Paper on the UK Shared Prosperity Fund was issued in September 2019. It outlines that "*there are several issues that will need to be considered when setting up the Fund. These include:*

- *the priorities and objectives of the Fund;*

- *the amount of money to be allocated;*

- *the method of allocating it between the countries and regions of the UK, and whether this is based on need (and what measure is used to determine need);*

- *the model by which funding will be allocated, whether pre-allocating an amount for a country or region or inviting competitive bids from across the UK;*

- *the length of the planning period and the way in which this could conflict with domestic spending priorities;*

- *who administers the funds (whether they are controlled from Westminster or by the devolved administrations) and the degree to which local authorities are involved;*
- *the implications of the Fund for state aid rules.*"

The Government had not published its consultation on the Fund at the point that this Strategy was authored. Based on the available information it is clear that the Fund will have strong connection to the Industrial Strategy, but the detail of allocations, fund administration and priorities are being developed.

2.4.7 – Devolution Deal:

The City Region LEP has been in discussion with Government for a number of years in relation to a Devolution Deal. The geographical focus of the Deal has been subject to extensive discussion with options include a Yorkshire-wide approach.

One Yorkshire Leader has set out proposals to unlock the benefits of devolution for all parts of the region while creating a pathway to a full One Yorkshire devolution deal in 2022. An independent economic study has shown a One Yorkshire devolution deal could deliver economic benefits worth £30bn a year or £5,400 per person. In a letter to the Prime Minister in July 2019, the One Yorkshire Leader stated that "*devolution in Yorkshire is critical to deliver our shared objectives, which cross political divides and are about growth in a post-Brexit world. It aligns to your stated priorities of more investment in desperately needed transport and full fibre digital infrastructure, increase inward investment and helps our companies export, deliver more houses to meet the acute shortage across the county, quicken the progress we are making in sustainable energy generation and carbon capture, better address the skills shortages in our workforce, and critically, help tackle deprivation, both urban and rural, wherever it exists in our communities.*"

In return for devolution of these powers it is expected that a Mayor is elected reflecting the approach in City Regions that have a Devolution Deal in place, including Manchester and the Tees Valley. A Devolution Deal would result in greater funding and powers for the area, with the requisite need for robust evaluation approaches.

The City Region Local Enterprise Partnership recently confirmed that, in line with Government requirements, geographical overlap with neighbouring LEPs has been addressed by focussing purely on the following Local Authority areas: Bradford, Calderdale, Kirklees, Leeds and Wakefield. It may be that a devolution deal with Government is therefore focussed on West Yorkshire but there was no definitive position at the point this Evaluation Strategy was published.

This Evaluation Strategy should be subject to an annual review to ensure that it reflects the latest metrics and considerations as further detail is provided on the Shared Prosperity Fund and the Devolution Deal.

2.5 – NATIONAL LOCAL GROWTH ASSURANCE FRAMEWORK

Central Government issued the latest version of the National Local Growth Assurance Framework (NLGAF) in January 2019. The Framework sets out how LEPs must administer their Growth Deal funding and requires that Local Assurance Frameworks (LAF) developed by LEPs make the following commitments with regards to evaluation:

- LAFs "*should make reference to specific documentation which sets out their approach, such as Growth Deal Evaluation plans.*"
- "*Plans should… enable the designing-in of impact evaluation. This should include as a minimum, logic modelling of the individual policies in scope to clearly outline the objective for intervention and the metrics that will need to be measured.*"
- "*LEPs must ensure a proportionate approach to evaluation… and based on the art of what is possible… Where a counterfactual is truly not feasible nor value for money, lower thresholds of evaluation design can still be meaningful. A logic model and strong monitoring data will allow triangulation with other data towards a theory-based evaluation as a minimum."*
- *"Evaluation objectives should relate back to the business case and build on the assumptions used in the appraisal process. A good starting point for both the business case and monitoring and evaluation is the creation of a logic model."*
- *"It is important to have consistency in how metrics are being counted across different interventions."*
- *"Success will need to be monitored at various levels of granularity e.g. project level should build up to policy/intervention type evaluation."*
- *"LEPs must put in place mechanisms to ensure that transport schemes are evaluated in line with the latest Department for Transport (DfT) guidance on the evaluation of local major schemes. In particular LEPs should:*

  • set out proportionate evaluation and monitoring (M&E) plans that clarify requirements for individual schemes including funding of M&E activities; responsibility for undertaking M&E, how minimum standards will be met and timescales for completion and decisions.

  • ensure that M&E plans are in place for schemes by the time that funding is signed off or before any data collection is programmed.

  • put in place processes to ensure that the results of any evaluation and monitoring are published."
- With regards to transport schemes it is recommended that *"LEPs should have the results of any evaluation and monitoring reviewed independently of the scheme promoter."*

In summary, the National Local Growth Assurance Framework requires that The Combined Authority and LEP document their approach to evaluation; take a proportional approach; ensure evaluations are closely linked backed to the original intervention business case; and, complete evaluations at different scales. Finally, transport schemes must reflect guidance from the DfT.

2.6 – LOCAL GROWTH ASSURANCE FRAMEWORK

The Local Growth Assurance Framework (LGAF) was updated in August 2019, reflecting the latest guidance from Government. The Framework outlines the approach that the LEP and Combined Authority take to the management of projects and programmes funded by Government or local sources. The Framework's purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of SEP outcomes. The diagram below summarises the LEP and Combined Authority's assurance process:

The assurance process has three stages: eligibility; development; and delivery and evaluation. There are seven activities across these three stages, but each scheme is given its own pathway and they may not need to complete each activity. The process, and the intensity of appraisal applied, is tailored for each scheme depending on its type, scale and complexity, with the appropriate activities applied. A brief summary of each of the seven activities is provided in the table below:

Stage	Activity	Overview
Eligibility	1 – Strategic Assessment	Review eligibility and prioritise scheme over others that have come forward as part of the call for projects.
	2 – Strategic Outline Case (SOC)	The scheme promoter completes the SOC to demonstrate that sufficient, robust and evidenced scoping has been carried out in order to determine a preferred way forward for delivering the scheme objectives. The SOC should determine the short list of options.
Development	3 – Outline Business Case (OBC)	The OBC provides a thorough outline of the preferred option to deliver the scheme's objectives. The Combined Authority can award development funding to progress the project to its next decision point.
	4 – Full Business Case (FBC)	The FBC is completed by the scheme promoter and the Combined Authority can provide approval to either enter into a funding or loan agreement.
	5 – FBC with finalised costs	If required, the scheme promoter submits the FBC with finalised costs following development work.
Delivery and evaluation	6 – Delivery	The scheme is delivered and monitored using the web-based Portfolio Information Management System (PIMS) to ensure a consistent approach to monitoring and management of all projects. The Authority's Case Officer can approve or reject any variations outside tolerances.
	7 – Close and review	The purpose of activity 7 is to confirm that the scheme has met all key requirements and deliverables in accordance with the funding agreement. Through this activity lessons learnt are captured to inform the development and delivery of future projects.

The Local Growth Assurance Framework process reflects the ROAMEF intervention lifecycle. Evaluation considerations are built in from the outset. For example, scheme promoters are required to develop a logic model as part of the Strategic Outline Case (SOC). As part of the appraisal of the management case The Combined Authority considers whether the intervention has completed research on how other similar projects were designed and delivered. The Combined Authority is committed to continuous improvement and is currently strengthening links across the intervention lifecycle.

2.7 – CONTEXT SUMMARY

In summary, the Combined Authority and Local Enterprise Partnership are major recipients of public funding. The interventions supported with this funding cover a wide range of economic development themes including:

- Business growth;
- Business start-up;
- Clean energy;
- Environmental protection;
- Housing;
- Innovation;
- Inward investment;
- Regeneration; and,
- Transport.

At the point that this Strategy was published a number of major programmes, including the Growth Deal, are reaching their final year of delivery. The Government has launched a number of challenge schemes which the Authority, LEP and partners are bidding for including the Transforming Cities Fund.

The Government is designing the replacement for European structural funding following the United Kingdom's departure from the European Union. Details of the Shared Prosperity Fund are expected in due course and should include the role that Combined Authorities and LEPs will play in fund management, the output measures and evaluation requirements. Whilst West Yorkshire Combined Authority and the City Region Local Enterprise Partnership cannot, at this stage, develop a specific evaluation plan for the Shared Prosperity Fund, the principles and process outlined in this Evaluation Strategy positions The Combined Authority and LEP for a strong role.

This Strategy recommends that the Combined Authority and LEP conduct and commission evaluations at three levels – project, programme and policy area.

3.1 – EVALUATION PRINCIPLES

The following evaluation principles have been developed to reflect feedback from staff involved in consultation interviews to inform the Combined Authority's Strategy's development; Government guidance in the Magenta Book and National Local Growth Assurance Framework (NLGAF); and, recognised good practice.

The principles also recognise that evaluation informs each stage of the ROAMEF cycle, with a particularly strong connection between appraisal and evaluation. The principles below have informed the evaluation approach outlined in this Strategy and will guide the way that the Combined Authority and LEP design, conduct and commission evaluations.

1

Evaluation planning is an integral part of developing the business case.

Evaluation planning occurs in parallel with the development of an intervention's business case. The Strategic Assessment template has a clear focus on asking scheme promoters to identify what problem or opportunity they want to address, and this informs the logic chain which is a critical evaluation tool. At the Strategic Outline Case (SOC) scheme promoters are required to complete a logic model.

As part of the Authority's continuous improvements scheme promoters will be asked to draft an Evaluation Plan as part of the SOC and finalise it in the Full Business Case (FBC). A budget will be agreed at FBC that reflects the agreed Evaluation Plan.

2

The focus of evaluation reflects the business case.

The Evaluation Plan will sit alongside the business case and will build on the intervention's logic model. Scheme promoters will articulate any assumptions between stages in the logic model and will outline their views on the evaluation objective and research questions. The Evaluation Plan will be guided by the Authority's Case Manager with input from members of the new evaluation team.

The Authority's evaluations will be relevant and high quality with clear developmental and practical value. They will be undertaken to a sufficiently high standard that the findings can be reliably used for their intended purpose.

3

Evaluation efforts are proportional to the intervention's scale and complexity.

The nature of each evaluation is determined on a case-by-case basis as part of the appraisal process. Interventions that are modest in scale and do not represent a significantly novel approach will be subject to an internal, lessons learned evaluation conducted by the Combined Authority where there is no role in delivery or will not be evaluated.

Factors that are considered when determining whether to evaluate an intervention include the opportunity for learning; any urgency to make course corrections or future funding decisions; the potential for strategic or reputational risk; size of investment as a proxy for importance; and the expectation of a positive expected return from the budget invested in an evaluation.

Individual evaluations establish a robust counter-factual position where possible. The Combined Authority seeks to use multiple methods and data sources when possible in order to strengthen evaluation design and reduce bias. All evaluation reports conducted or commissioned by The Combined Authority clearly articulate methods used and their limitations.

4

Monitoring and evaluation data are consistent across policy

The Combined Authority ensures that there is consistency in how metrics are being counted across different interventions. The Portfolio Information Management System (PIMS) is based on a common performance framework which enables reliable reporting of outputs. Success will be monitored and evaluated at different levels from individual interventions through to whole policy areas.

5

Evaluation will be undertaken independently of delivery.

The Combined Authority will only undertake internal evaluations where there is no involvement in delivery. Wherever The Combined Authority does have a role in delivery, evaluations will be commissioned and completed by an external party on the Authority's Evaluation Panel.

The Combined Authority is committed to evaluation being independent of delivery to enable it to robustly demonstrate the validity of key evaluation findings.

6

Evaluation is a learning process and a key component in policy development.

The Combined Authority recognises that evaluation is not an end in itself and is fundamentally a learning process. The Combined Authority is determined to ensure that lessons learned from evaluations inform future policy and the focus of bids for funding from Government.

7

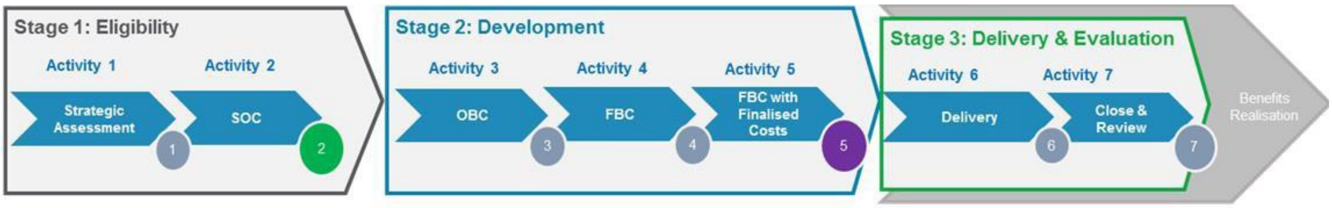
Evaluation data and findings are disseminated effectively.

The Combined Authority will share findings with appropriate audiences. Evaluation Plans developed by scheme promoters consider and identify audiences for the evaluation findings.

The Combined Authority will take time to reflect on evaluation results, generate implications for policy or practice, and adapt as appropriate. The Combined Authority recognise the value in combining the insights from evaluation results with learning based on experience.

3.2 – EVALUATION AND THE ASSURANCE FRAMEWORK

The diagram below summarises the evaluation points in the Assurance Framework.



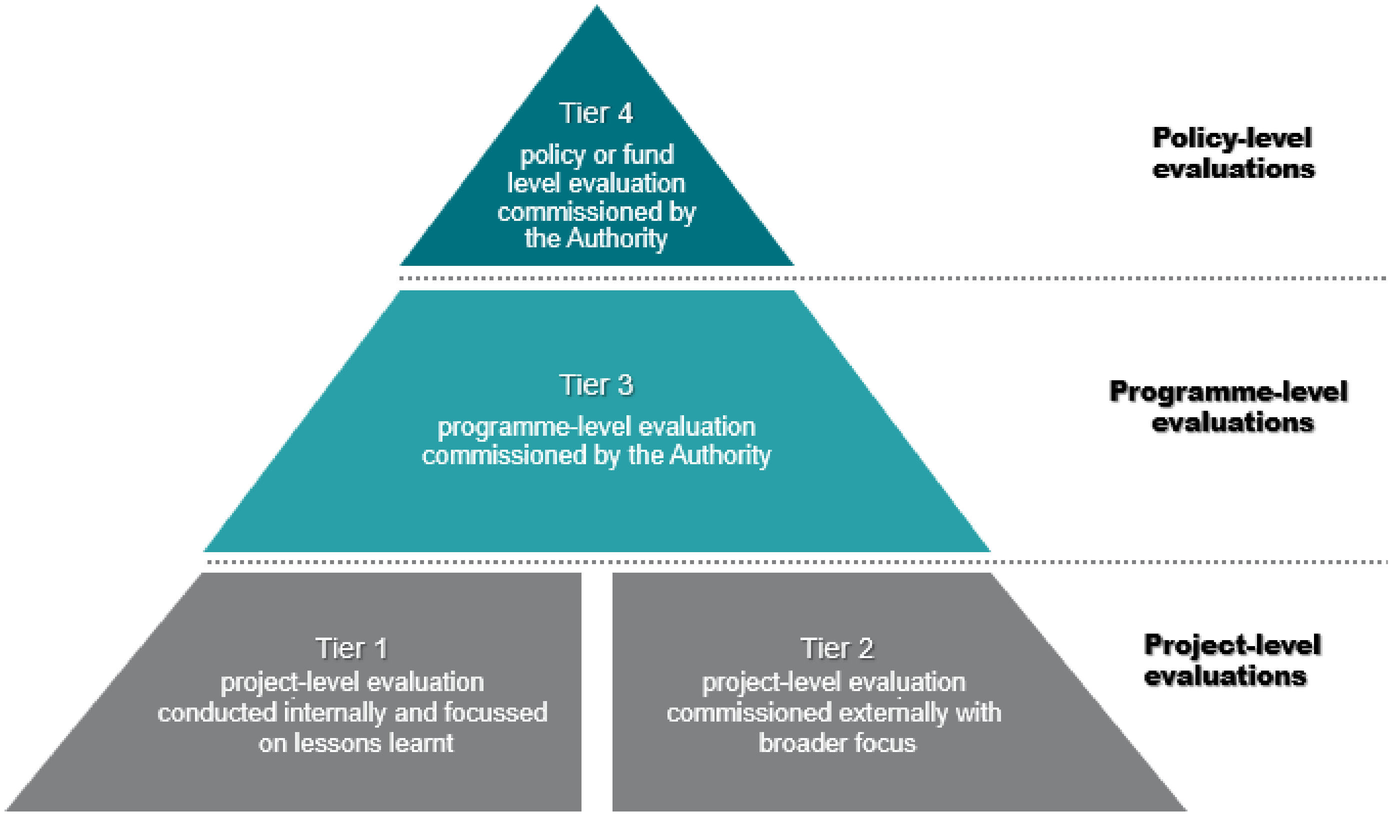
Promoter	Outline problem or opportunity to be addressed	Develop logic model and draft Evaluation Plan	Update Evaluation Plan	Final Evaluation Plan including objectives, research questions and budget	Collect and report on output data and participate in mid-term review	Participate fully in evaluation and help disseminate findings, complete Project Closure Report (PCR)
Combined Authority	Use evaluation evidence base to see how problem or opportunity has been addressed in past	Assess logic model and draft Evaluation Plan and provide feedback. Feed into appraisal process.	Assess Evaluation Plan and provide feedback. Feed into appraisal process.	Amend or approve Evaluation Plan and budget. Feed into appraisal process and specifically check whether intervention has gathered lessons learned from similar activities and used them to inform the development of the preferred delivery option.	Monitor delivery and conduct, or commission mid-term review, if stipulated in Plan	Conduct or commission evaluation as stipulated in the Evaluation Plan, convene meeting to reflect on findings and lessons learned, disseminate findings and lessons within the organisation and externally to stakeholders

Evaluation is embedded in the Combined Authority's Assurance Framework reflecting the principles outlined in Section 3.1. One of the key components of the Authority's approach is the development of an Evaluation Plan by scheme promoters at the Strategic Outline Case stage (Activity 2). This Plan is refined during the Outline Business Case stage (Activity 3) and is then finalised at either Full Business Case (Activity 4) or Full Business Case with finalised costs (Activity 5). A budget is attached to each Evaluation Plan to reflect the scale of evaluation.

The Evaluation Plan is used to develop a brief where The Combined Authority conducts an in-house evaluation, or a specification where The Combined Authority is commissioning a firm from the Evaluation Panel.

3.3 – SELECTING THE EVALUATION APPROACH

This Strategy outlines four tiers of evaluation that the Combined Authority and LEP will conduct or commission:



The five following considerations are used to determine the most appropriate evaluation tier:

1) **Type** of evaluation: The Combined Authority determines whether a process, impact or economic evaluation is required, or a combination of each three types.

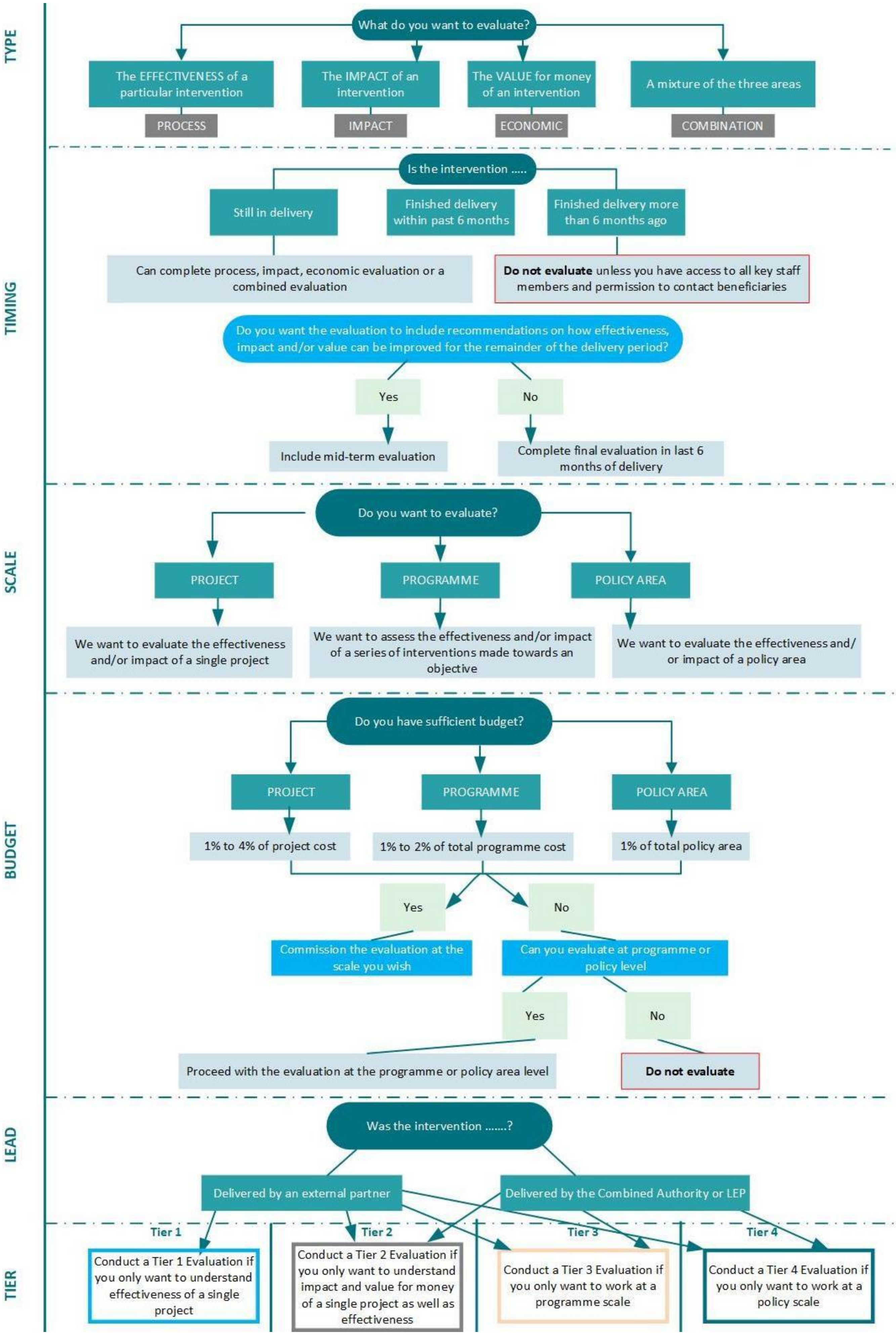
2) **Timing** of intervention: The Combined Authority reviews the timing of the intervention and determines whether this limits which type of evaluation can be used.

3) **Scale** of evaluation: The Combined Authority considers whether to evaluate a project-level intervention, or group it with similar interventions within a programme, policy or fund-level evaluation.

4) **Budget** for evaluation: The available budget for evaluation may limit the evaluation scope or may dictate the evaluation scale.

5) **Lead** on Intervention: The Combined Authority reviews its role and determines whether it is sufficiently independent to conduct the evaluation, or instead needs to commission a firm on the Evaluation Panel.

The flow chart on the following page explores each of these considerations in turn and details the most appropriate evaluation tier based on a series of prompts.


TYPE
What do you want to evaluate?
The EFFECTIVENESS of a particular intervention
PROCESS
The IMPACT of an intervention
IMPACT
The VALUE for money of an intervention
ECONOMIC
A mixture of the three areas
COMBINATION
TIMING
Is the intervention .....
Still in delivery
Finished delivery within past 6 months
Finished delivery more than 6 months ago
Can complete process, impact, economic evaluation or a combined evaluation
Do not evaluate unless you have access to all key staff members and permission to contact beneficiaries
Do you want the evaluation to include recommendations on how effectiveness, impact and/or value can be improved for the remainder of the delivery period?
Yes
No
Include mid-term evaluation
Complete final evaluation in last 6 months of delivery
SCALE
Do you want to evaluate?
PROJECT
PROGRAMME
POLICY AREA
We want to evaluate the effectiveness and/or impact of a single project
We want to assess the effectiveness and/or impact of a series of interventions made towards an objective
We want to evaluate the effectiveness and/ or impact of a policy area
BUDGET
Do you have sufficient budget?
PROJECT
PROGRAMME
POLICY AREA
1% to 4% of project cost
1% to 2% of total programme cost
1% of total policy area
Yes
No
Commission the evaluation at the scale you wish
Can you evaluate at programme or policy level
Yes
No
Proceed with the evaluation at the programme or policy area level
Do not evaluate
LEAD
Was the intervention ....?
Delivered by an external partner
Delivered by the Combined Authority or LEP
TIER
Tier 1
Tier 2
Tier 3
Tier 4
Conduct a Tier 1 Evaluation if you only want to understand effectiveness of a single project
Conduct a Tier 2 Evaluation if you only want to understand impact and value for money of a single project as well as effectiveness
Conduct a Tier 3 Evaluation if you only want to work at a programme scale
Conduct a Tier 4 Evaluation if you only want to work at a policy scale

3.4 - EVALUATION TIERS

3.4.1 – Tier 1 evaluations

The table below shows the key features of Tier 1 evaluations:

Tier 1 evaluation guide		
Type:	Process evaluation – *how was the intervention delivered?*	Major focus
	Impact evaluation – *what difference did the intervention make?*	Minor focus
	Economic evaluation – *did the benefits justify the costs?*	No focus
Timing:	Mid-term review – *do you want to make recommendations for the remainder of the delivery period?*	✓
	Final evaluation – *complete evaluation within final 6 months of delivery or within 6 months of intervention concluding*	✓
Scale:	Project level	✓
	Programme level	
	Policy or fund level	
Budget:	Internal budget for staff time	✓
	External budget for firm on Evaluation Panel	
Lead:	Combined Authority staff complete evaluation	✓
	Firm on Evaluation Panel completes evaluation	

The following areas of good practice will be followed in the design and completion of Tier 1 evaluations:

- Design – Evaluation Plan agreed at Full Business Case (Activity 4 or 5) setting out the overall objective, research questions, data collection methods and timescales.

- Involve – Combined Authority staff will identify stakeholders to interview to determine how effectively the intervention was delivered. Where possible Combined Authority staff will approach direct beneficiaries and seek their views.

- Gather data – given the nature of Tier 1 evaluations, data collection will be largely focussed on existing monitoring data including expenditure and output attainment. Staff conducting these evaluations may design questionnaires, convene a focus group or interview individuals to gather stakeholder's views. Any data gathered from beneficiaries will focus on their views on delivery.

- Governance – Combined Authority staff will either report to a Steering Group that was in place to oversee the intervention or share the findings with the Authority's Governance and Audit Committee. Staff conducting the tier 1 evaluation will ideally be situated in a team that does not manage the intervention in question.

- Report – a brief report will be created including an Executive Summary which will be shared with the Programme Appraisal Team (PAT).

- Disseminate – key findings and lessons learned will be disseminated through the following channels: Executive Summary shared with PAT and the Governance and Audit Committee; briefing session delivered to policy team; and, report made available on the intranet.

3.4.2 – Tier 2 evaluations

The table below shows the key features of Tier 2 evaluations:

Tier 2 evaluation guide		
Type:	Process evaluation – *how was the intervention delivered?*	Major focus
	Impact evaluation – *what difference did the intervention make?*	Major focus
	Economic evaluation – *did the benefits justify the costs?*	Major focus
Timing:	Mid-term review – *do you want to make recommendations for the remainder of the delivery period.*	✓
	Final evaluation – complete evaluation within final 6 months of delivery or within 6 months of intervention concluding	✓
Scale:	Project level	✓
	Programme level	
	Policy or fund level	
Budget:	Internal budget for staff time	
	External budget for firm on Evaluation Panel	1% to 4% of project budget
Lead:	Combined Authority staff complete evaluation	
	Firm on Evaluation Panel completes evaluation	✓

The following areas of good practice will be followed in the design and completion of Tier 2 evaluations:

- Design – Evaluation Plan agreed at Full Business Case (Activity 4 or 5) setting out the overall objective, research questions, data collection methods and timescales. The Evaluation Plan is then used to develop a specification for the evaluation.

- Involve – the specification will set out key stakeholders that the external firm will need to involve in the evaluation process.

- Gather data – the specification will outline the data required to address the research objectives. Given that Tier 2 evaluations are likely to have a major focus on impact and value for money, extensive primary data collection is likely to be required. Where projects sit within a well-established policy area the data requirements should be specified to enable a like-for-like comparison with other projects with similar objectives.

- Governance – the external firm should issue reports that can be shared with the Steering Group in place to oversee the intervention, or the Authority's Governance and Audit Committee where a Steering Group does not exist. Where possible a representative of end beneficiaries should be added to the Steering Group to ensure that users' views help influence the course of the evaluation. External firms will be asked to present key findings towards the end of their commission as a minimum requirement. Staff conducting the tier 1 evaluation will ideally be situated in a team that does not manage the intervention.

- Report – an extensive report will be created including an Executive Summary which will be shared with the Programme Appraisal Team (PAT).

- Disseminate – key findings and lessons learned will be disseminated through the following channels: Executive Summary shared with PAT and the Governance and Audit Committee; briefing session delivered to policy team; and, report made available on the intranet.

3.4.3 - Tier 3 evaluations

The table below shows the key features of Tier 3 evaluations:

Tier 3 evaluation guide		
Type:	Process evaluation – *how was the intervention delivered?*	Modest focus
	Impact evaluation – *what difference did the intervention make?*	Major focus
	Economic evaluation – *did the benefits justify the costs?*	Major focus
Timing:	Mid-term review – *do you want to make recommendations for the remainder of the delivery period.*	
	Final evaluation – *complete evaluation within final 6 months of delivery or within 6 months of intervention concluding*	✓
Scale:	Project level	
	Programme level	✓
	Policy or fund level	
Budget:	Internal budget for staff time	
	External budget for firm on Evaluation Panel	1% to 2% of combined projects' budget
Lead:	Combined Authority staff complete evaluation	
	Firm on Evaluation Panel completes evaluation	✓

The following areas of good practice will be followed:

- Design – Tier 3 evaluations are most likely to be conducted on interventions that have already passed through the Assurance Framework. An Evaluation Plan may therefore be developed retrospectively. Given the nature of programme-level evaluations, staff from different teams across The Combined Authority will be involved in developing a specification for the evaluation.

- Involve – the specification will set out key stakeholders that the external firm completing the evaluation will need to involve in the evaluation process.

- Gather data – the specification will outline the data required to address the research objectives. Tier 3 evaluations are likely to have a major focus on impact and value for money, and extensive primary data collection is likely to be required. The specification will set out how consistent data is required to enable a like-for-like comparison of the effectiveness, impact and value for money offered by the individual projects. The specification will also outline the suggested approach to establishing the counter factual.

- Governance – given the strategic importance of Tier 3 evaluations for policy and strategy development, The Combined Authority will ensure that a bespoke Steering Group is established to oversee Tier 3 evaluations. The Combined Authority will also ensure that the Governance and Audit Committee have strong visibility as the evaluation progresses.

- Report – an extensive report will be created including an Executive Summary which will be shared with the Programme Appraisal Team (PAT). The Combined Authority will develop a reporting framework to enable easier comparisons across reports.

- Disseminate – a dissemination strategy will be developed with the assistance of the Authority's Communications Team. Given the strategic nature of Tier 3 evaluations the Authority will ensure that staff have sufficient time and space to reflect on the findings and build them into the policy cycle.

3.4.4. – Tier 4 evaluations

The table below shows the key features of Tier 4 evaluations:

Tier 4 evaluation guide		
Type:	Process evaluation – *how was the intervention delivered?*	Major focus
	Impact evaluation – *what difference did the intervention make?*	Major focus
	Economic evaluation – *did the benefits justify the costs?*	Major focus
Timing:	Mid-term review – *do you want to make recommendations for the remainder of the delivery period.*	
	Final evaluation – complete evaluation within final 6 months of delivery or within 6 months of intervention concluding	✓
Scale:	Project level	
	Programme level	
	Policy or fund level	✓
Budget:	Internal budget for staff time	
	External budget for firm on Evaluation Panel	Around 1% to 2% of total policy area budget
Lead:	Combined Authority staff complete evaluation	
	Firm on Evaluation Panel completes evaluation	✓

The following areas represent good practice when designing and conducting Tier 4 evaluations:

- Design – Tier 4 evaluations are most likely to be conducted on interventions that have already passed through the Assurance Framework. An Evaluation Plan will therefore be developed retrospectively. Given the nature of policy or fund-level evaluations staff from different teams across The Combined Authority will be involved in developing a specification for the evaluation. Where possible staff from the funder will be given the opportunity to contribute to the specification.

- Involve – the specification will set out key stakeholders that the external firm completing the evaluation will need to involve in the evaluation process. Given the scale of a policy of fund-level evaluation stakeholder engagement will be a key component of the evaluation.

- Gather data – the specification will outline the data required to address the research objectives. Tier 4 evaluations are likely to have a major focus on impact and value for money, and extensive primary data collection is therefore likely to be required. The specification will set out how consistent data is required to enable a like-for-like comparison of the effectiveness, impact and value for money offered by the individual projects.

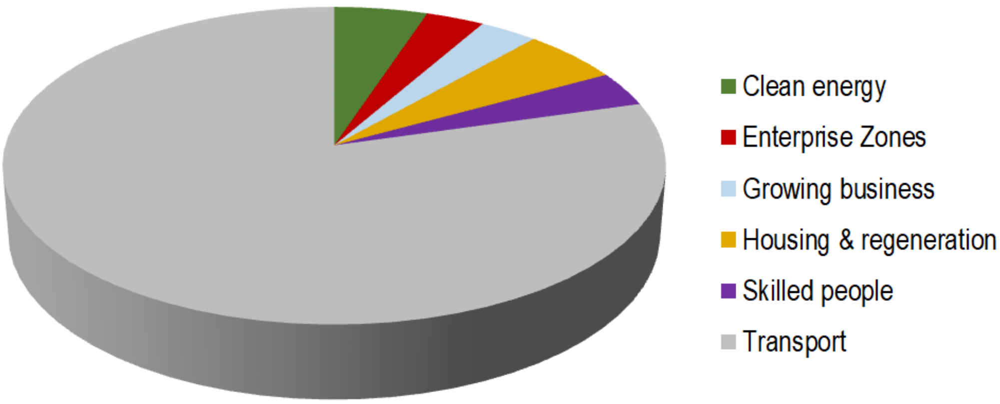
- Governance – given the strategic importance of Tier 4 evaluations for policy and strategy development, The Combined Authority will ensure that a bespoke Steering Group is established to oversee Tier 3 evaluations. The Combined Authority will also ensure that the Governance and Audit Committee have strong visibility as the evaluation progresses and reports. Individual sub- committees may also be engaged.

- Report – an extensive report will be created including an Executive Summary which will be shared with the Programme Appraisal Team (PAT). The Combined Authority will develop a reporting framework to enable easier comparisons across reports.

- Disseminate – a dissemination strategy will be developed and delivered with the assistance of the Authority's Communications Team.

3.5 –POLICY AREA CONSIDERATIONS

As outlined in Section 2.3, the Combined Authority has analysed the number of interventions, and their value across 6 policy areas. The graphic below shows the relative number of interventions in these policy areas.



It is suggested that the Combined Authority develops a logic model for each of the six areas, or variants of them to reflect the Local Industrial Strategy. A number of evaluation considerations for each policy area are provided below.

Clean energy and economic resilience:

Percentage of Combined Authority schemes:	4%
Percentage of overall Combined Authority investment:	2%

- Consider developing ideal menu of outputs, outcomes and impacts for this policy area that reflect the Combined Authority's aims and the nature of individual interventions. Consult with existing schemes over the possibility of adopting the most relevant metrics from the menu.

- Adopt best practice in terms of carbon reduction measurement, with reference to utilising established indicators and benchmarks. Ensure both the environmental and economic objectives of schemes are considered (and the balance between them).

- Consider commissioning research on how best to identify economic impacts from investment in this policy area and use this to inform evaluation approach.

Enterprise Zones:

Percentage of Combined Authority schemes:	4%
Percentage of overall Combined Authority investment:	3%

- The benefits of investing in Enterprise Zones will be witnessed over long time periods – typically over 10 to 30 years. This is particularly true where the Combined Authority is investing in enabling works. Evaluations of investment in this policy area therefore need to reflect the long benefit profile and may usefully be structured to review progress and impact at 5 year intervals.

- Common direct outputs from investment in this policy area include hectares of land remediated and provision of infrastructure. The indirect outcomes may include number of businesses that relocate and expand along with the creation of new jobs. The Government impact area approach for Growth Deal allows for the reporting of these indirect outcomes. The design of evaluations in this policy area needs to allow for direct and indirect outputs and outcomes.

Growing business:

Percentage of Combined Authority schemes:	2%
Percentage of overall Combined Authority investment:	6%

- Consider segmenting policy area by over-arching policy objectives. For example, business start-up and business growth could helpfully be separated. These two policy objectives are quite different to inward investment for example, and require different evaluation objectives and research questions.

- Consider developing a menu of standardised beneficiary survey questions to ensure the collection of consistent data. This will enable more effective comparisons between interventions within agreed policy objectives. For example, adopting a consistent approach to collecting data to calculate Gross Value Added (GVA) within the business growth policy objective would be valuable.

- Consider establishing a counter-factual cohort for each policy objective that could be used in evaluations. This approach is likely to deliver economies of scale.

Housing & regeneration:

Percentage of Combined Authority schemes:	6%
Percentage of overall Combined Authority investment:	3%

- Consider segmenting the policy area by individual policy objectives as housing schemes may have a much narrower focus than regeneration schemes. The nature of direct outputs can also vary significantly between housing and regeneration schemes.

- Public realm schemes may deliver few direct economic benefits and require careful evaluation to reveal benefits which may include changes in perception about the quality of the environment, and increased private sector investment. These wider benefits are likely to emerge over a long time period and as with Enterprise Zones, it may be appropriate to consider 5 year intervals as part of a long-term evaluation.

- Ensure a consistent approach between appraisal and evaluation on calculating and evidencing the funding gap for housing schemes.

- At present it is necessary to use a land value uplift calculation to inform the creation of Benefit Cost Ratio (BCR) during the appraisal of housing schemes (see the MHCLG guidance here). The Industrial Strategy provides some indication that appraisal methods will in future be required to take account of a ‘rebalancing toolkit’, to address the fact that the benefits of investment cannot necessary be measured in narrow land value terms across all parts of the country.

Skilled people and better jobs:

Percentage of Combined Authority schemes:	4%
Percentage of overall Combined Authority investment:	5%

- Consider segmenting this policy area to reflect the breadth of the Combined Authority’s objectives. For example, the aims and outputs from capital investment in Further Education buildings are quite different to the establishment of support for apprentices.

- Skills capital projects will require consideration of the construction and/or refurbishment costs, and the costs for equipment. This needs to be assessed in addition to the costs/impacts arising from delivering skills training.

- Consideration should be given to differentiate between projects enabling people to access available jobs and those enabling people to access better jobs and/or be more productive. Impacts arise both for individuals (skills, wages) and for businesses (productivity).

Transport:

Percentage of Combined Authority schemes:	80%
Percentage of overall Combined Authority investment:	82%

- The Department for Transport's (DfT) 'Guidance for transport impact evaluations' (2010) highlights that one of the chief challenges in transport evaluations is demonstrating that the observed outcomes and impacts have been caused by the intervention, confidently ruling out the influence of external factors. It is important to determine whether an outcome, experimental or theory-based approach will be most effective for the particular intervention, programme or policy that is subject to evaluation. Please see Appendix 1 for more information on these three impact evaluation approaches.

- Consideration should be given to differentiating between projects which directly enable economic activity (unlocking/ servicing sites) and those which may have a less direct relationship with economic benefits (e.g. reduced congestion, shorter journey times). It will be more straightforward to demonstrate cause and effect in the former. However, care should be taken not to double count impacts from the transport investment and from direct investment in sites/premises.

- For non-road projects, there will be distinctions between investments that relate to infrastructure quality improvements (e.g. facilities) and those that improve services (journey time savings). It will be more straightforward to establish the economic impacts where there are tangible benefits to individuals and businesses.

3.6 – LOGIC CHAIN, SURVEY AND COUNTER-FACTUAL GUIDANCE

This section outlines good practice that staff at the Combined Authority and LEP can draw on when developing or reviewing logic chains, and when establishing a counter-factual position.

3.6.1: Developing a logic chain:

i) Identify the issue - confirm the challenges and / or opportunities that require intervention. A literature review of the factors that may be influencing the challenges and or opportunities should be undertaken, and examples of evaluations of similar interventions sought. See What Works Centre for Local Economic Growth [https://whatworksgrowth.org/] for evaluations of similar activity.

ii) Identify the outcomes and overall impact sought – for planned impacts: what is the intervention aiming to achieve in the long-term; what single measure would best reflect the intervention's overall aim; and, what national or local policy objectives will this intervention address? For outcomes: what is the intervention seeking to achieve in the short to medium-term? Examples could include less congestion for transport projects; more businesses for start-up schemes. How would you know whether the intervention was 'on course' to achieve the planned objectives? What kind of changes (in terms of individual behaviour, or in the organisations involved) would be expected as a result of intervention activities?

iii) Develop the steps required to *deliver* the outcomes and impact - for inputs, investigate the level of resource similar interventions have had and ask: what financial resources are required to effectively implement the intervention? For activities, review any similar interventions and in particular and identify process evaluations which assess which activities are most important in achieving the objectives. Ask: What output framework exists for the funding source, and which pre-set outputs are most relevant? What participation will directly result from the intervention (who will be reached), and what kind of response will people need to have to the intervention if it is to be successful?

iv) Test the steps in the logic chain and the causal logic – and ask: why is the proposed objective and aims the most appropriate response to the challenges and / or opportunities identified in the context? Do the chosen activities reflect best practice? Why do you believe that they will address the objectives and lead to the forecast outputs? Can you clearly articulate why the activities will ultimately lead to the outcomes? What might get in the way of specific activities leading to the forecast outputs and outcomes?

Example of testing the logic chain

A job training scheme to provide placements for long-term unemployed people in companies where they can gain marketable skills and qualifications. The scheme aims to increase the number of interviews and job offers the participants receive, thereby increasing the number in jobs and their incomes. There might ultimately be a reduction in overall unemployment.

Example questions at each stage:

Link (1). How were people recruited onto the scheme? What proportions were retained for the duration of their placement? For how long had they been unemployed before starting?

Link (2). What change was there in participants' skills and qualifications?

Link (3). What are the type and number of job offers obtained, and the characteristics of those participants obtaining them? Are there any improvement in skills contributed to participants gaining those interviews and job offers?

Link (4). What is the increase in the number and type of jobs, and the incomes of participants? Has the scheme generated genuinely new jobs, or have participants simply taken jobs that would otherwise have been offered to others?

Link (5) might include whether the scheme made any contribution to overall employment levels, either locally or nationally, taking account of economic conditions and trends. There might also be some attempt to measure the impact of the scheme on local economic performance.

3.6.2: Good practice in questionnaire design:

The key to effective questionnaire design is knowing exactly what you want to find out. Questions need to be linked to the intervention's objectives and forecast outputs and outcomes. The purpose, structure, wording and layout of questionnaires influence the response rate.

Purpose:

A questionnaire is only as good as the questions it contains, so ask yourself what you will do with the information that each and every question yields. If you are unsure of the answer, consider removing the question. Prioritising items in this way will help ensure that you make the most of the questionnaire.

Structure:

A questionnaire should always start with a brief sentence or two explaining the purpose of the questionnaire and what the data will be used for. As a rule, questions should move from the general to the specific.

Question types:

Consider whether you will use closed (multiple choice) or open-end questions (where the respondent uses their own words to respond). Closed questions are quicker and easier to answer, and the data is already sorted into categories. However closed questions do not provide depth of information nor do they take account of responses which you had not anticipated.

Open-ended questions are more time-consuming and difficult to answer. Respondents will usually require some encouragement to give more than one-word answers and the interviewer needs to accurately record what was said. Analysing this data is more time consuming as answers need to be sorted into categories. However open-ended questions provide much richer data and give respondents the opportunity to properly explain their feelings and ideas.

Wording and layout:
Think about your wording to minimise bias in the questionnaire and avoid leading people to answer one way or another. Your questionnaire should be long enough to allow you to collect the information you need, but not so long it puts people off completing it.

Delivery:
Placing a questionnaire online can be a cost-effective approach if you have email addresses for the intervention's beneficiaries. There are some providers of free basic survey software that can be used for very short questionnaires.

3.6.3: Establishing the counter-factual:

The guidance below has been adapted from advice provided by the What Works Centre for Local Economic Growth (https://whatworksgrowth.org/) .The Centre is focused on increasing the levels of understanding in terms of what really works in different policy areas. The identification and analysis of good quality evaluations is a central part of this.

The guidance below reflects the high standards they place on being able to effectively attribute the net impacts from an intervention to the assumed beneficiaries.

What is it?
The construction of a valid counter-factual is used to establish causality. By causal impact, we mean the difference between the outcome for individuals 'treated' in a programme, and the outcome they might have experienced without it. The counter-factual is therefore i.e. what would have happened to programme 'participants' (individuals, firms or areas) had they not been treated under the programme.

How is it measured?
A standard approach is to create a counter-factual group of similar individuals, firms or areas not participating in the programme being evaluated. Changes in outcomes can then be compared between the 'treatment group' (those affected by the policy, sometime called the 'intervention case') and the 'control group' (those not affected by the policy, sometimes called the 'reference case').

We can also choose similar groups and give them different treatments to assess what works better e.g. selecting two similar types of business and offering some mentoring support (more expensive) and others online materials (less expensive advice).

How to choose a control group?
The central idea is to make sure that the groups compared are similar. By choosing two similar groups (aside from the 'treatment', or intervention, or policy being evaluated) the counter-factual helps address concerns that other factors might be driving changes for participants in a programme. These other factors might be 'external' to the programme (for example, the intervention is offered to struggling areas,) or they might be 'internal' (e.g. only certain types of firms choose to take part in a business advice programme).

Assessing the Counter-factual Challenge: Selection Bias

A key issue in creating the counter-factual group is dealing with the 'selection into treatment' problem, or selection bias. Selection into treatment occurs when participants in the programme differ from those who do not participate in the programme.

An example of this problem for access to finance programmes would be when more ambitious firms apply for support. If this happens, estimates of policy impact may be biased **upwards** because we incorrectly attribute better firm outcomes to the policy, rather than to the fact that the more ambitious participants would have done better even without the programme.

Selection problems may also lead to **downward** bias. For example, firms that apply for support might be experiencing problems and such firms may be less likely to grow or succeed independent of any advice they receive. These factors are often unobservable to researchers.

Approaches to Assessing the Counter-factual: Randomisation

Evidence of this type is the highest quality of evidence and is considered the 'gold standard' for policy evaluations and is called randomisation control testing (RCT).

Randomisation, properly applied, means there is no selection into the treatment. This ensures that there are **no differences** between the treatment group (the one subject to the project, programme or policy) and the control group either on observable (e.g. age) or unobservable (e.g. ability) characteristics. Any difference post-treatment (post intervention) must therefore be an effect of the treatment (i.e. the project, programme or policy).

There are five key steps:

The original programme applicants are pre-screened on eligibility requirements (pre-project or intervention).

Second, a lottery (computer randomisation) assigns a percentage of the eligible applicants (usually 50%) to the control group and the remainder to the treatment group (the intervention group).

Third, baseline data is collected (either from an existing data source or from a bespoke 'baseline' survey).

Fourth, the treatment (intervention, project, programme) is applied.

Fifth and finally, data is collected sometime after the treatment (again, either from an existing data source or a bespoke 'follow–up' survey).

In order to be fully robust, the randomisation a) must be successful (and tested via balancing tests); b) take account of attrition (drop-out) and; c) the control group must not be influenced by, or contaminated, by the treatment group.

Approaches to Assessing the Counter-factual: Difference-in-Difference

The Difference-in-Difference method compares a treatment and control group **before and after** treatment. More specifically, the treatment effect is calculated by first evaluating the change in the outcome variable for the treated group, and then subtracting the change in in the control group over the same period.

In Difference-in-Difference approaches, the control group provides the counter-factual growth path i.e. what would have happened in the treatment group had it not been treated. This is much better than a simple before and after treatment comparison, because it accounts for the fact that changes in outcome can be due to many different factors and not just the treatment effect.

Moreover, because Difference-in-Difference subtracts the differences between treatment and control both before and after the treatment, it effectively controls for any unobserved, time-invariant differences between the two groups.

The approach does not however account for **unobservable** differences between the two that vary with time.

For good Difference-in-Difference analysis it must be credibly argued that the treatment group would have followed the same trend as the control group. Secondly, there must also be a known time period for treatment so that the groups can be compared before and after the treatment.

CONCLUSIONS

As outlined in this Strategy, West Yorkshire Combined Authority and Leeds City Region Local Enterprise Partnership (LEP) are currently investing around £2 billion, working with partner councils to deliver better transport and housing, regenerate towns and cities and protect the environment, making sure that the needs of communities are met.

The Combined Authority operates in a complex environment, with major funding programmes at different stages in the lifecycle. It is inherently challenging to allocate sufficient resource to the various stages of the lifecycle with funding programmes operating over different timescales.

The Combined Authority also has a wide-ranging policy remit which includes business support, investment in skills and transport. As outlined in Section 2.3, transport is a major policy area and accounts over 80% current investment. Whilst many of the Combined Authority's investments in interventions deliver direct economic, environmental and social benefits, some schemes primarily deliver long-term benefits and do so over decades rather than years.

The policy agenda is also fast moving and responsive. A relevant example is the Combined Authority's acknowledge of a climate emergency which has led to actions including the commissioning of research to help identify how climate change and carbon considerations can be made central to all the Combined Authority's efforts.

As a significant investor of public funds, The Combined Authority is committed to evaluating the effectiveness of its activities in order to understand how they were implemented, whether they represent value for money, and what effects they have had, for whom, how and why. This Strategy makes best efforts to account for the complex operating environment and wide-ranging policy agenda, and provide a structure for evaluation. The Strategy acknowledges the close relationship between stages in the ROAMEF cycle in general, and between appraisal and evaluation in particular.

As detailed in Section 3.3, the Combined Authority will design, conduct or commission evaluations at either: project; programme; or, policy / fund level. There will be occasions where individual interventions will not be subject to evaluation because the resources required will not be matched by appropriate benefits. This may be the case for example where an intervention is well-established and has been subject to robust evaluation in the recent past.

This Evaluation Strategy reflects consultation with staff across the Combined Authority and builds on good practice that is occurring. A series of principles guide how evaluations will be delivered in practice. These include ensuring that evaluation planning is an integral part of developing the business case; that evaluation efforts are proportional to the intervention's scale and complexity; and, that evaluation data and findings are disseminated effectively. The evaluation principles will inform efforts to increase evaluation capacity and capability including the formation of a dedicated evaluation team, and new governance arrangements.

The Combined Authority and LEP will review this Strategy every year and will update it to reflect the latest national guidance on evaluation and changes to funding and activity in the City Region.