



Lancashire Enterprise Partnership Limited

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Growth Deal Monitoring and Evaluation Framework

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Purpose of Report

Every Local Enterprise Partnership is required by Government to prepare and submit a Monitoring and Evaluation Framework (MEF), as part of their overarching Assurance Framework. The purpose of this report is to provide a near final MEF for consideration by the Lancashire Enterprise Partnership (LEP) Board.

Recommendations

The Board is asked to:

- (i) Note that the LEP Board agreed an overarching approach to Growth Deal evaluation at its meeting in March 2015;
- (ii) Approve the submission of the draft Growth Deal MEF to Government, based on the document set out in Annex 1;
- (iii) Note that the MEF is a live document and will be reviewed annually and according to business need;
- (iv) Note that an initial allocation of £100,000 has previously been set aside for monitoring and evaluation from the LEP's existing core funding allocation;
- (v) Note that the implementation of the MEF will be overseen by the proposed Growth Deal Management Board; and
- (vi) Request that detailed draft Terms of Reference for the Growth Deal Management Board be submitted to the June meeting of the LEP Board for consideration.



1. Background and Approach

- 1.1 The Lancashire Enterprise Partnership (LEP) secured one of the country's most significant Growth Deals with over £234M competitively secured from the Government's Local Growth Fund (LGF). Our Growth Deal programme has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes. The Growth Deal will enable the delivery of strategic transport, skill and economic development initiatives across the LEP footprint area.
- 1.2 Given the scale of resources devolved all LEPs are required to prepare and approve a Growth Deal Monitoring and Evaluation Framework (MEF) and to submit the MEF to Government. The shadow Growth Deal Implementation Board has overseen the preparation of the MEF which has been undertaken by a monitoring and evaluation sub-group with leading experts from Lancaster University Management School, with retained transport consultants Jacobs, along with officers with significant experience in this area from the County Council, and Blackburn with Darwen and Blackpool Councils.
- 1.3 The LEP Board, at its meeting in March 2015 approved the core principles which underpin the MEF:
 - (i) The need for monitoring and evaluation to be inter-linked and embedded at the start of the Growth Deal Programme;
 - (ii) A recognition of the benefits of formative (on-going) evaluation;
 - (iii) A programme approach whereby all project sponsors understand the impact of the performance of their scheme on the overall Growth Deal programme;
 - (iv) The need for detailed project evaluation on exemplar schemes; and
 - (v) An understanding that early intervention where projects are not achieving anticipated outputs can impact positively on the longer term impacts.

2. Developing The Growth Deal Monitoring and Evaluation Framework

- 2.1 Building on the principles outlined in 1.3 the monitoring and evaluation sub-group have prepared a draft MEF, which is attached at Annex '1'.
- 2.2 Individual project sponsors have been engaged in the preparation of the MEF from the outset and earlier drafts of the MEF have been submitted to both the Shadow Growth Deal Implementation Board and Government for comment and the final draft attached reflects and incorporates the feedback received.
- 2.3 The monitoring and evaluation sub-group have developed a "logic chain template" methodology for the MEF. This approach will ensure that there is a clear and consistent link, embedded from the outset, between the monitoring of key project outputs and the evaluation of outcomes and impacts.



- 2.4 Lancashire County Council, as accountable body, is required to complete and submit a quarterly financial monitoring report to Government. Additional outputs and impacts will be collected and submitted periodically (quarterly, annually and bi-annually).
- 2.5 In addition to specific project monitoring analysis, Government also expects each LEP to undertake/commission project evaluation. Government have advised that the extent, nature and scope of evaluation is a decision for individual LEPs. Notwithstanding that there is no additional budget for evaluation, it is important for the LEP to understand the outcomes and impact of its Growth Deal programme.
- 2.7 In addition to the "logic chain template" approach which all 30 GD projects will use the monitoring and evaluation sub group have developed and recommend a validation and exemplar approach to project evaluation. It is proposed that 12 GD projects are subject to a detailed evaluation exercise. An example of a Validation Evaluation Plan is set out within the MEF and involves a rigorous test of any assumptions made in the logic chain concerning, for example, the role of market forces (such as business demand for floorspace) in translating project outputs into impacts. It may result in variations to the planned activities both to monitor and or stimulate this demand.
- 2.8 It is proposed that a further 6 GD projects are subject to a more detailed evaluation. This will involve a more detailed monitoring of high cost, innovative or high risk (because of the extent perhaps to which they rely on a market response and the assumptions made about this) through the life of the project with the intention that this will result both in continuing improvement activities and provide a model for other similar projects.
- 2.10 All business cases approved by the LEP following independent scrutiny will set out detailed information on monitoring and evaluation, in accordance with the MEF. Project sponsors understand that the monitoring requirement will be formalised in the legally binding Local Growth Fund (LGF) Agreements and that it will be their responsibility to resource this requirement. A separate report on the principles of the LGF Agreements appears elsewhere in this agenda.
- 2.12 Detailed work is now underway with project sponsors to finalise the detail of the monitoring systems, templates and processes to ensure that data collection (and onward submission to Government) is simple, efficient and timely.
- 2.13 The LEP's Performance Committee and proposed Growth Deal Management Board can play a valuable role in ensuring that the systems in place are robust, and that there is a clear read across reporting and performance management systems of the LEPs other key initiatives.
- 2.14 A detailed presentation on the MEF will be made by Lancaster University Management School at the Board meeting.
- 2.15 It should be noted that all project sponsors have been given a further opportunity to confirm that the metrics sets out in the MEF are correct. In



addition some monitoring information is still being sought from Growth Deal extension project sponsors.

- 2.16 Subject to this outstanding information being incorporated into the MEF the Board is asked to approve the submission of the MEF, as set out in Annex 1, to Government in due course. (Please note the design, layout and format of the document will be improved, once all information has been received).
- 2.17 It should also be noted that the MEF will be published on the LEP website, along with key interim and final evaluation findings. The MEF is a live document and will be reviewed annually and or according to business need.

3. Financial and Resource Implications

- 3.1 The collection and submission of individual project core monitoring metrics (outputs and outcomes) and undertaking the formative evaluation using the "logic chain template" methodology is the responsibility of individual project sponsors. Lancashire County Council, as accountable body, is committed to providing Growth Deal programme level management: including legal; financial; implementation; monitoring; and communications support and capacity.
- 3.2 An initial allocation of £100,000 has been set aside from within the LEP's existing core funding budget to ensure that the external costs of exemplar and validation evaluation can be met in the first years of the Growth Deal Programme. It should however be noted that additional resources are likely to be required over the life-time of the Growth Deal Programme. Government have not confirmed future core funding allocations for LEPs, however, once there is further clarity on this position, the LEP will be able to make further investment decisions on the resources available for monitoring and evaluation.
- 3.3 The monitoring and evaluation sub group have provided invaluable advice and support in the preparation of the LEPs MEF. Government advised that all LEPs seek the input of local HEI expertise in the development of their MEF and the LEP has done this, with specific support from Lancaster University Management School drawing on their expertise and directly relevant experience in evaluating for Government the national Growth Hub network.
- 3.4 Subject to the LEP approving the MEF, the County Council, as accountable body, will advise on the optimum route to procuring the external validation and exemplar evaluation.
- 3.5 The Shadow Growth Deal Implementation Board was established, in interim, to oversee the preparation of the three core documents: the Assurance Framework; the MEF and the Implementation Plan, all three documents are now complete.
- 3.6 The Board has previously agreed to establish a Growth Deal Management Board, a key role of which will be to oversee the delivery of the Growth Deal Programme, including the implementation of the MEF. It is recommended that



detailed Terms of Reference for the Growth Deal Management Board are brought to the Board for consideration at its June meeting.

4. Conclusion and Recommendations

- 4.1 A significant amount of technical work has been undertaken in a relatively short period of time to ensure that the LEP's Monitoring and Evaluation Framework can be implemented from April.
- 4.2 The Board is asked to approve the recommendations set out at the front of this report.