



Shared Prosperity Fund

Monitoring and Evaluation Framework

v1.1

Contents

Key Terms	4
1. Introduction	6
1.1. The purpose of this monitoring and evaluation framework	6
1.2. Process for review and revision	6
1.3. Additional sources of information	6
2. Background and Context of the SPF Good Growth Programme	7
2.1. Background to the SPF Good Growth Programme	7
2.2. Monitoring and evaluation responsibilities of lead local authorities	7
2.3. Further requirements to support United Kingdom-level evaluations	8
3. Overall Approach to Monitoring and Evaluation	9
3.1. Overall approach and underlying principles	9
3.2. Key responsibilities for Cornwall Council and funding recipients	9
3.3. Approach to monitoring and evaluation at different levels	11
3.4. Ensuring that monitoring and evaluation is proportionate	12
4. Monitoring	14
4.1. Indicators	14
4.3. Collection of unique identifiers	14
4.4. Reporting to Government	15
4.5. Ongoing local consultation and feedback	18
5. Evaluation	19
5.1. Aims of evaluation	19
5.2. Methods of evaluation	19
5.3. Local priorities for evaluation	20
5.4. Overall SPF Good Growth Programme evaluation	20
6. Monitoring and Evaluation Contract Requirements	22
6.1. Introduction	22
6.2. The rationale for intervention	22
6.3. Theory of change and logic models	22
7. Annex 1: Process Evaluations	24
7.1. Aims of process evaluations	24

7.2. Structuring process evaluations	25
7.3. Data and information required for process evaluations	25
7.4. Developing a proportionate process evaluation	25
8. Annex 2: Quantitative Causal Impact Evaluations and Additionality	27
8.1. Purpose of this annex	27
8.2. Assessing impacts	27
8.3. Calculating additionality parameters	29
8.4. Other comparability factors	30
8.5. Considerations relevant to projects of certain types	31
8.6. Capital project impacts	32
8.7. Assumptions and precision	32

Key Terms

Beneficiaries are those who directly benefit from the Shared Prosperity Fund (SPF), most commonly individuals and businesses, or other organisations.

Impacts are the long-term goals or ultimate objectives achieved as a result of outcomes. Impacts will often be more difficult to measure than both outputs and outcomes, and since it will frequently occur over a long period of time with other influencing factors, it can be challenging to identify whether any changes observed can actually be attributed to the project or programme in question. They might include effects on wider society; and, for the purposes of evaluation, should include gross value added and employment.

Interventions are specific activities identified by Government to support the objectives of the United Kingdom SPF. They are identified by 'E-numbers' in Government plans.

Investment priority areas are the three broad areas identified by Government as priorities for investment under the SPF: Community & Place, Supporting Local Business and People & Skills.

Lead authorities are the local government bodies identified by Government to have overall accountability for SPF funding and operations in different places. Cornwall Council is the lead authority for the SPF in Cornwall and Isles of Scilly (CioS).

Outcomes are the short-to-medium-term effects or the 'step changes' that result from outputs and need to occur to achieve long-term or ultimate impacts. They are often more difficult to measure than outputs, as they can frequently relate to perceptions or other internal states.

Outputs are the tangible or intangible things that a project delivers. These could be completed services, products, interventions or other deliverables. Outputs are designed to act as the catalyst for outcomes. They are normally relatively easy to quantify and measure, for example the number of people supported or the amount of floorspace constructed.

Indicators are metrics used to measure the state or level of spend, outputs and outcomes.

Processes, the causal pathways operating in a project to convert objectives and inputs to outputs, outcomes and impacts.

The Programme refers to the SPF Good Growth Programme to be delivered using CioS of the SPF.

Projects are the activities through which the SPF Good Growth Programme is delivered to meet a specific set of objectives. A single project may cover several interventions.

Recipients are the companies or organisations who receive SPF Good Growth Programme funding to deliver one or more of its projects. They will have a prescribed set of monitoring and evaluation responsibilities defined in their contracts with Cornwall Council.

Spend includes expenditure invoiced and paid, as well as accrued, in line with financial accounting standards.

1. Introduction

1.1. The purpose of this monitoring and evaluation framework

This document sets out Cornwall Council's approach to monitoring and evaluation in relation to the implementation of a programme of projects and interventions funded by the United Kingdom Shared Prosperity Fund (SPF) in Cornwall and the Isles of Scilly (CloS). This programme is referred to in this document as the SPF Good Growth Programme.

The framework set out here outlines the general principles and proposed approach that will be taken to monitoring, reporting and evaluating the SPF Good Growth Programme and its projects and interventions. While it does include some guidance on data collection and reporting processes, as well as Cornwall Council's preferred approach to various forms of evaluation, it is not designed to replace the identification of project-specific monitoring and evaluation requirements. Such requirements will be defined for each project within the SPF Good Growth Programme at the time of contracting.

This document demonstrates local commitment, working with Government, to monitor and evaluate the SPF Good Growth Programme. It provides a robust framework within which Cornwall Council will carry out its own monitoring and evaluation of the overall programme and its projects and interventions.

1.2. Process for review and revision

This monitoring and evaluation framework will be reviewed and revised as required by Cornwall Council following the release of Government's United Kingdom-wide Evaluation Strategy, expected in Autumn 2022. Any substantive changes made at this point are likely to relate to data required to be collected by Cornwall Council and shared with Government to support their evaluation of the overall fund.

This document should then be reviewed by Cornwall Council and revised as appropriate, at least annually thereafter. The primary aim of such reviews will be to ensure that it remains relevant and fully aligned to progress on delivering the SPF Good Growth Programme in CloS. As such, this process will likely draw on feedback and recommendations from recipients, beneficiaries and other stakeholders. It will also be shaped by ongoing dialogue with and guidance from Government as well as sources of best practice for evaluating schemes to encourage local economic growth.

1.3. Additional sources of information

For a complete understanding of the background to this Programme, this document should be read in conjunction with SPF Good Growth Programme Investment Plan which provides more information regarding the types of projects that will be delivered and the outputs and outcomes they are designed to deliver.

The UK Government SPF prospectus and additional guidance may provide useful context on the Fund's aims and objectives at the United Kingdom level, and how its implementation has been approached by Government.

Other resources that may prove helpful in the development of evaluations include:

- The Magenta Book, which provides Treasury guidance on what to consider when designing an evaluation - <https://www.gov.uk/government/publications/the-magenta-book>
- The Green Book, which provides Treasury guidance on how to appraise and evaluate policies, projects and programmes - <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

2. Background and Context of the SPF Good Growth Programme

2.1. Background to the SPF Good Growth Programme

CloS has been allocated £132 million from the fund, including £2.5 million in ringfenced funding for the national adult numeracy programme, Multiply. As the lead authority for CloS, Cornwall Council is responsible for managing the area's SPF allocation, including assessing and approving applications, processing payments and day-to-day monitoring.

A local Investment Plan outlining the proposed SPF Good Growth Programme has been developed and will be agreed by Government before funding is released. In the plan, Cornwall Council and the Council of the Isles of Scilly selected a set of interventions and corresponding outputs and outcomes relevant to each of the three SPF investment priority areas: Community & Place, Supporting Local Business and People & Skills.

As part of the funding agreement with Government, Cornwall Council will be subject to monitoring, evaluation and reporting requirements. There will be a formal reporting request every six months, with quarterly qualitative progress updates also required.

In the Investment Plan, Cornwall Council notified Government of any current or emerging operational or financial risks, or issues, and any contingency measures put in place. This will be updated in each report thereafter. The risks identified here will be used in conjunction with forecasts for the delivery of outputs and outcomes to determine whether any further monitoring is required by Government.

2.2. Monitoring and evaluation responsibilities of lead local authorities

As a minimum, Cornwall Council is required by Government to monitor spend, outputs and outcomes against the indicators agreed in its Investment Plan. It will also be required to

provide project location data and unique identifiers for individual and business beneficiaries. The information submitted to Government will also be used to assist with programme-level evaluation and assurance.

Cornwall Council is also advised by Government to carry out process evaluations of each project they fund to demonstrate the effectiveness of delivery of the interventions pursued. **Process evaluations** examine the processes through which an intervention generates outcomes (i.e., how they work). This requirement is intended to contribute towards local accountability and provide learning on what worked in terms of delivery.

To build the evidence base on what works for local interventions, Cornwall Council will consider conducting its own causal quantitative impact evaluations. However, these may be prioritised on particular projects if impact evaluations on some other projects are unlikely to provide meaningful results. The focus of impact evaluations will be on quality over quantity, including attempts to define causality or contribution.

2.3. Further requirements to support United Kingdom-level evaluations

At the national level, the fund will be evaluated based on a theory of change aligned with the objectives of the Levelling Up White Paper, its theory of change and the resulting outcomes that the Government wants to achieve across the Levelling Up agenda.

Government is developing a national approach to evaluation, including a scoping study in partnership with the What Works Centre for Local Economic Growth. The evaluation methodology will be fully specified once all investment plans have been received and the range of activities to be funded understood.

The national evaluation will consider the SPF as a whole through two related lenses:

1. **Fund-level process evaluations** to demonstrate accountability and understand what worked well, what did not, and why, in the design and delivery of the Fund. Performance indicators from all lead local authorities and/or project deliverers will contribute to the UK-wide programme-level process evaluation. Causal impact and/or value for money evaluations are also being considered, but will not duplicate evaluations completed locally.
2. Government also intends to use the SPF to build the evidence base on what works for local pride, life chances, and local growth interventions, by robustly **evaluating a number of interventions** delivered through the Fund (using experimental or quasi-experimental methods, if appropriate) to determine their effectiveness. Government will determine which interventions will be evaluated at which level and using which methods, after reviewing the local investment plans for all places.

Cornwall Council, and by extension the recipients of the SPF Good Growth Programme, may be required to cooperate with the evaluation activity undertaken by or on behalf of Government. To allow it to look across a range of areas or types of intervention, Government may make specific asks of all places, including CloS, in what data and information they collect. This may include the collection and provision of additional data and information

beyond what will be supplied for the purpose of monitoring the fund and locally commissioned evaluations.

3. Overall Approach to Monitoring and Evaluation

3.1. Overall approach and underlying principles

The approach outlined in this framework uses the Magenta Book definitions of monitoring and evaluation:

- **Monitoring:** Seeks to check progress against planned targets, formal reporting and evidencing that spend and outputs are successfully delivered, and milestones met.
- **Evaluation:** Seeks to measure outcomes and impacts to assess whether anticipated benefits are realised. It is the assessment of the effectiveness and efficiency during and after intervention implementation.

The approach also makes wider use of the guidance within the Magenta Book which acknowledges that whilst it is the “recommended central government guidance on evaluation that sets out best practice for departments to follow”, it is “not a textbook on policy evaluation and analysis, rather, it is written and structured to meet the specific and practical needs of policy makers and analysts working in public policy”. This reflects Cornwall Council’s own broad intentions which are to make best use of academic advice and to also be guided by practical considerations around capacity when implementing monitoring and evaluation across a large range of different projects.

Cornwall Council’s approach to monitoring and evaluation is underpinned by the following key principles:

1. Reporting requirements are locally defined and support delivery of local strategies
2. Evaluation is meaningful and proportionate
3. Data is collected once and used many times
4. Monitoring and evaluation is a core part of all activities
5. Lessons learned are used to inform future policy development

3.2. Key responsibilities for Cornwall Council and funding recipients

Cornwall Council is fully supportive of Government’s efforts to build the nation-wide understanding of what works well in different places; it also recognises the importance of conducting an evaluation of its own activities to develop local understanding and inform future decision making in CloS.

As set out in Table 1, Cornwall Council will adopt ultimate responsibility for the collection and processing of monitoring data, and reporting internally and to Government. It will also conduct or commission process and impact evaluations for the programme as a whole, in line with the guidance provided in Annex 1 and Annex 2 of this document.

Table 1: Summary of SPF Good Growth monitoring and evaluation components

Delivery		Benefits			Role of Cornwall Council
Inputs	Activities	Outputs	Outcomes	Impacts	
Progress monitoring and reporting on relevant indicators for all projects and interventions, where required by Government					Collect from recipients, split out by intervention and parliamentary constituency where required, review and report to Economic Prosperity Board and Government.
Process evaluations for: <ul style="list-style-type: none"> All projects with a proportionate level of detail The overall SPF Good Growth Programme 					Require funding recipients for all projects to complete a process evaluation with a level of detail proportionate to the funding received. Lead programme-level evaluation, with project-related information provided by funding recipients.
Quantitative causal impact evaluations for: <ul style="list-style-type: none"> Selected projects depending on spend and the likely utility of such evaluations The overall SPF Good Growth Programme 					Require projects with large funding allocations to commission a quantitative causal impact evaluation. Lead programme-level evaluation, with project-related information provided by funding recipients.
Support for Government-led value for money evaluations or intervention evaluations					Alongside funding recipients, support Government's activities as set out in the Evaluation Strategy to be released in Autumn 2022.

Funding recipients will be responsible for much of the monitoring and evaluation of their own projects:

- Unless otherwise agreed at the time of contracting, it will be the recipient's responsibility to collect and share with Cornwall Council all **qualitative and quantitative data required for monitoring purposes**. This may include data to identify beneficiaries. This data should be shared at the level of the project, and with a breakdown of some indicators below the project level to inform reporting at intervention-level where this is feasible and as set out in the contract.

- All recipients will be required to conduct a **process evaluation** with a level of detail proportionate to the funding received. See Annex 1 for further guidance.
- Recipients of large allocations (more than £500,000) of SPF Good Growth Programme funding will be required to commission a **quantitative causal impact evaluation**. See Annex 2 for further guidance.

All recipients will be required to support programme-level evaluation activities by, for example, providing information required by or on behalf of the Council or Government, participating in consultations and encouraging beneficiaries to provide feedback on their experience of the project.

In carrying out their monitoring and evaluation duties, the recipient must ensure that policies and regulations regarding data protection and privacy are followed.

3.3. Approach to monitoring and evaluation at different levels

Monitoring activities in CloS will take place primarily at the project level, with the monitoring at higher levels—investment priority areas and the SPF Good Growth Programme as a whole—simply the aggregate of the projects that make it up. Monitoring at the intervention level will take place in line with Government requirements, with Cornwall Council processing project level indicators to allocate outputs and outcomes to their relevant intervention. Outputs and outcomes will be split according to their associated interventions where this is appropriate.

Evaluation activities will take place primarily at the project and programme levels. While the outputs and outcomes of each larger level will remain the sum of the relevant outputs and outcomes produced by the intervention that make it up, there may be wider causal impacts created that are not captured when individual projects are evaluated in isolation.

Table 2: Monitoring and evaluation at different levels of the programme

Level	Monitoring	Evaluation
Intervention	Monitored by Cornwall Council based upon indicators supplied by recipients at the project level	Evaluated at the project level
Project	Monitored directly based upon indicators supplied by recipients	<ul style="list-style-type: none"> • Process evaluation • Quantitative causal impact evaluation, including a breakdown of the impacts arising from specific interventions where possible
Investment priority area	Monitored using the aggregate of output and outcomes produced by constituent projects	Evaluated at the SPF Good Growth Programme level

SPF Good Growth Programme	Monitored using the aggregate of output and outcomes produced by constituent investment priority areas	<ul style="list-style-type: none"> • Process evaluation • Quantitative causal impact evaluation, including a breakdown of the impacts arising from investment priority areas where possible
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3.4. Ensuring that monitoring and evaluation is proportionate

Both monitoring and evaluation requirements should be proportionate to the amount of funding received, and the burden placed on individual beneficiaries and other stakeholders who might be required to share data.

A variety of indicators will be used for the purpose of monitoring projects and the overall SPF Good Growth Programme they make up. In designing monitoring and evaluation requirements for individual projects, Cornwall Council will work with prospective funding recipients to identify beneficiaries and other stakeholders to establish the potential areas where data collection may prove disproportionately onerous indicators. Where this is the case, the Council will engage with prospective recipients to consider alternative methodology.

Process evaluations will be undertaken for each project funded under the SPF Good Growth Programme at a level of detail proportionate to the size of the project. Since impact evaluations are unlikely to be meaningful below a certain threshold of resources dedicated to them, quality should be prioritised over quantity here. Only those projects with a very large allocation (i.e., £500,000 or more) of SPF Good Growth Programme funding should be evaluated in this way. An indicative guide is set out in Table 3, but the precise evaluation requirements for each project will be agreed at the time of contracting.

Table 3: Monitoring and evaluation requirements based on funding received

SPF Good Growth Programme funding	Monitoring requirements	Evaluation requirements
£50,000 or less	<ul style="list-style-type: none"> • All Good Growth indicators as identified at the time of contracting 	<ul style="list-style-type: none"> • A high-level process evaluation as set out in Annex 1: This will include an overview of the project or intervention's processes, any deviations from the anticipated implementation, how closely outputs or outcomes were to targets and lessons to be learned for the future.

£50,001 – £499,999	<ul style="list-style-type: none"> • All Good Growth indicators as identified at the time of contracting 	<ul style="list-style-type: none"> • A simple process evaluation supported by consultation with staff and any delivery partners of the funding recipient, and other relevant stakeholders as set out in Annex 1.
£500,000 or more	<ul style="list-style-type: none"> • All Good Growth indicators as identified at the time of contracting 	<ul style="list-style-type: none"> • A comprehensive process evaluation supported by consultation with staff and any delivery partners of the funding recipient, direct beneficiaries if applicable and other relevant stakeholders as set out in Annex 1. • A causal quantitative impact evaluation produced in line with guidance set out in Annex 2.

Where evaluation requires feedback from beneficiaries, consideration should be given to the burden placed on individuals and businesses to ensure that this is proportionate to the support received from the Programme. For some projects with a high-volume of beneficiaries receiving a similar type of relatively low-value support, it may be appropriate to collect a minimal amount of data from a large sample of beneficiaries, with a smaller representative sample asked to provide a more complete set of information. At the discretion of the recipient, it may be appropriate to compensate sampled beneficiaries for the time taken to support monitoring and evaluation activities.

4. Monitoring

4.1. Indicators

Financial, output and outcome indicators are the main instruments of monitoring the SPF Good Growth Programme locally and by Government:

1. **Financial indicators** relate to the amount of SPF Good Growth Programme funding allocated, spent as well as any match funding used. Spend includes expenditure invoiced and paid, as well as accrued, in line with financial accounting standards. These indicators may be used to monitor progress in terms of the payment of the funds available for a project in relation to its budgeted cost.
2. **Output indicators** relate to what is directly produced or supplied through the implementation of a project, measured in physical or monetary units. Outputs are measured at the level of supported individuals, supported entities, provided goods or services delivered.
3. **Outcome indicators** capture the expected effects brought about by a project. Outcome indicators go beyond output indicators in so far as they capture a change in the situation, often related to the direct beneficiaries. To minimise external factors influencing the value reported under the outcome indicators, it is advisable to set indicators which are as close as possible to the activities conducted under the respective investment priority.

Indicators to monitor performance can also include milestones, risks and issues. Regardless of their type, all indicators will be clearly defined with their unit of measurement selected at the time of contracting. Indicators should be closely linked to the project or intervention and be feasible to measure and report periodically.

The indicators submitted at the point of application will form part of the grant funding agreement. Please check individual initiation forms for the specific interventions and the relevant indicators required for each open invitation, these vary and are taken from the government list – <https://www.gov.uk/guidance/uk-shared-prosperity-fund-outputs-and-outcomes-definitions-2>. Applicants will also be required to evidence a contribution to the Good Growth Policy - the full list of interventions and indicators can be found on the Good Growth website.

4.3. Collection of unique identifiers

In addition to the aggregation and reporting of indicators, Cornwall Council will also obtain from funding recipients the unique identification numbers from direct beneficiaries of SPF Good Growth Programme projects. This will include National Insurance Numbers, for individuals who have directly benefitted from the People & Skills interventions, particularly in relation to interventions that result in personal income and labour market outcomes and impacts. Cornwall Council will, however, be pragmatic when collecting such details from participants who may not have a National Insurance Number, or access to an existing one.

Cornwall Council will also collect and store (as appropriate) Company Record Numbers for all businesses who directly benefit from projects or interventions within the CloS area.

Recipients must ensure that privacy notices are in place to inform data subjects of the need to collect and share personal data, including their National Insurance Numbers in the case of individual beneficiaries and Company Record Numbers in the case of businesses directly supported. Government will set out timings and mechanisms of how this data should be passed from the lead local authority to the Department in the Evaluation Strategy to be released in the Autumn 2022. Government will arrange data sharing agreements with lead local authorities to facilitate sharing along with any necessary privacy notices.

4.4. Reporting to Government

Progress reporting to the Cornwall and Isles of Scilly Economic Prosperity Board and to Government will take place quarterly, with further detail provided at half-yearly intervals in line with reporting requirements set out in Table 5.

Project monitoring will involve at least quarterly project highlight reports commenting on spend, key activities and risks. Quarterly qualitative progress reporting will include:

1. Spend to date against the three investment priority areas and forecast
2. A short narrative update to summarise progress with an overall red-amber-green (RAG) rating of the Programme's progress
3. Where underspend is forecasted at the end of the financial year, an explanation of how the Council plans to address this and by when
4. Notes on any upcoming new projects, events, case studies and opportunities for Ministerial visits

Every six months, further detail on projects, interventions, investment priorities should be compiled, and shared with the Cornwall and Isles of Scilly Economic Prosperity Board and Government, in line with the reporting requirements set out in Table 5.

Table 5: Contents of six-monthly detailed reporting

Level	Information
Intervention (for Government only)	<ol style="list-style-type: none"> 1. Intervention number 2. Output name 3. Output target to be achieved 4. Output delivered to date 5. Percentage of output delivered to date 6. Forecast output in next six months 7. Whether the intervention is forecast to meet the output target 8. Outcome name 9. Outcome target to be achieved 10. Outcome delivered to date 11. Percentage of outcome delivered to date 12. Forecast outcome in next six months

	13. Whether the intervention is forecast to meet the outcome target
Project (for live, finished and abandoned projects)	<ol style="list-style-type: none"> 1. The intervention(s) the project has been set up to support 2. Start date 3. The project's projected spend 4. The project's actual spend to date 5. Value of match funding against the project 6. Postcode(s) where funded activity is being delivered 7. Parliamentary constituency or constituencies benefiting from project 8. Whether SPF funding is being used to complement an existing project 9. Whether the project is live, finished or abandoned 10. Projected end date (when it will cease to be supported by SPF funding) if live, or confirmed end date if finished or abandoned
Project level (upcoming in next six months)	<ol style="list-style-type: none"> 1. The intervention(s) the upcoming project has been set up to support 2. Projected spend
Investment priority level	<ol style="list-style-type: none"> 1. Headline expenditure in year on management and administration 2. Whether any slippage / delay in delivering projects against this investment priority have been identified, and if so, an outline of the reasons for delay, how this will be resolved and by when

The Chief Finance Officer at Cornwall Council will need to sign off both quarterly and sixth monthly returns to confirm they are content that what has been provided is accurate and deliverable. All reports will then be delivered to Cornwall and Isles of Scilly Economic Prosperity Board and Government. Table 6 sets out the schedule for these reports.

Table 6: Schedule for reporting to Economic Prosperity Board and Government

Reporting period	CloS Economic Prosperity Board deadline	Government deadline	Information type
1 August to 31 December 2022	1 February 2023	1 February 2023	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report)

			<ul style="list-style-type: none"> • Explanation of how £20,000 capacity payment has been spent
1 January to 31 March 2023	1 May 2023	1 May 2023	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) • Further detail on projects, interventions, investment priorities
1 April to 30 June 2023	1 August 2023	1 August 2023	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) only
1 July to 30 September 2023	1 November 2023	1 November 2023	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) • Further detail on projects, interventions, investment priorities
1 October to 31 December 2023	1 February 2024	1 February 2024	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) only
1 January to 31 March 2024	1 May 2024	1 May 2024	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) • Further detail on projects, interventions, investment priorities
1 April to 30 June 2024	1 August 2024	1 August 2024	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) only
1 July to 30 September 2024	1 November 2024	1 November 2024	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) • Further detail on projects, interventions, investment priorities
1 October to 31 December 2024	1 February 2025	1 February 2025	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report) only
1 January to 31 March 2025	1 May 2025	1 May 2025	<ul style="list-style-type: none"> • Qualitative progress reporting (summary report)

			<ul style="list-style-type: none"> • Further detail on projects, interventions, investment priorities • Final reporting for funding round
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Contingent on adequate ongoing funding provision by Government, Cornwall Council will continue to collect and report on the outputs and outcomes of the SPF Good Growth Programme where benefits continue to be delivered after the reporting period. How Government will expect Cornwall Council to provide outputs and outcomes that continue to materialise after 2025 will be set out in due course.

4.5. Ongoing local consultation and feedback

It is important to Cornwall Council that there are opportunities for recipients as well as prospective beneficiaries and the wider community to provide feedback to the Council on project management and delivery. In particular, it is important that there is a continued improvement feedback loop in place so that applicant experience can be improved throughout the lifetime of the programme. For this reason, ongoing consultation and feedback forms will be an important component of local monitoring. This will have two parts:

1. **A stakeholder panel** made up of representatives of project recipients, their delivery partners, and in so far as it is practical, beneficiaries. Workshops with this panel will be organised and conducted at least every six months until the end of the funding period to gather feedback on existing processes and to help develop plans for improvement as required.
2. **An online form** will be shared with any organisations and individuals that approach the programme about support, to ensure a variety of voices are heard and that opportunities to provide feedback are as accessible as possible. This form will ask respondents about the quantity and quality of the support that they received, and whether they could they navigate the application process including the website and claims forms easily. The form will also be made available on the SPF Good Growth Programme website in due course so that the wider public has an opportunity to have ongoing input into the delivery of the programme.

Feedback provided to the Council during this process will feed into the overall programme evaluation.

5. Evaluation

5.1. Aims of evaluation

Evaluations assess the effectiveness, efficiency and impact of projects and programmes, and help to improve their design and implementation in the future. In this way, evaluations will support Cornwall Council and Government to shape their strategies, inform them about what works and what doesn't and in turn allow them to learn what has been achieved through the SPF Good Growth Programme and the nation-wide delivery of the SPF.

There are two key types of evaluation that will take place at both the project and programme levels: process evaluations and causal quantitative impact assessments. More details on these evaluations and procedures for standardisation in approach can be found in Annex 1 and Annex 2.

The objectives of SPF Good Growth Programme evaluations are:

1. To assess the project context and objectives, project progress, project delivery and management
2. To report on the achievement of the project's outputs and outcomes and compare this to targets
3. To collate and summarise lessons learned and best practice for projects
4. Where it is deemed to be proportionate, to assess the wider impact of the project in CloS

5.2. Methods of evaluation

A mixed-methods approach will be used for all evaluations of the SPF Good Growth Programme and its constituent projects. In the interest of strengthening evidence-based policymaking, evaluators should be granted access to confidential data used for project and programme monitoring. This data might for example include anonymised payroll information.

Where applicable and proportionate, consultations with a representative sample of beneficiaries and other stakeholders involved in the delivery of the project should be used to support the evaluation of the project. These can be conducted using written, verbal or a combination of both methods. They can be conducted in groups or individually as appropriate. Here the emphasis should be on gathering a wide range of perspectives.

Wherever possible, consultations should include a sub-sample of beneficiaries and stakeholders who also have experience of previous Cornwall Council-led projects and interventions provided under different funding schemes, in particular the European Union's funding. These participants should be encouraged to express the differences and similarities of their experiences under the two schemes. These anecdotal comparisons should be used

to inform local evaluations, but caution should be taken when drawing inferences from these perspectives.

5.3. Local priorities for evaluation

There are a number of questions that Cornwall Council would like to focus on in evaluations of the SPF Good Growth Programme, as well as its investment priority areas, projects and interventions. Attention should be paid to these questions within the individual evaluations of projects and interventions, and summarised at the programme level within a programme-wide evaluation.

Questions to focus on in process evaluations:

1. Has the SPF Good Growth Programme's coordinated model of support led to better outcomes and beneficiary experiences than other models used previously?
2. Has the SPF Good Growth Programme been successful in responding to local emerging needs as they arise throughout the Programme? Has local implementation of SPF performed better in respect of better project/funder relationship and building in flexibility to deal with systemic/economic changes?
3. Has the SPF Good Growth Programme been successful in blending capital and revenue-based projects? In particular, have large capital-intensive projects been accompanied by a successful wider skills development wrap-around?
4. Was the application and delivery process accessible, and were signposting functions, for example, from the Growth Hub and the Council's project management office out to other organisations, effective?

Questions to focus on in causal quantitative impact evaluations of projects and interventions:

1. Has the SPF Good Growth Programme been successful in levelling up places and communities in Cornwall? Has funding been targeted at need and has it made a difference for people living in the places that have benefitted from funding?
2. Has the SPF Good Growth Programme been successful in generating more higher paid jobs as well as improving the conditions—real living wage and less precarious employment (zero-hour contracts or seasonal jobs)—of lower paid jobs in CloS?
3. Has the SPF Good Growth Programme had a positive impact on reducing carbon dioxide equivalent emissions and on nature recovery?

Answers to the above questions should be collated and summarised in an evaluation of the overall SPF Good Growth Programme.

5.4. Overall SPF Good Growth Programme evaluation

The key addition, over and above the monitoring and evaluation components requested by Government, will be a programme-level evaluation of the processes and impacts resulting from Cornwall Council's design and management of the SPF Good Growth Programme. It will draw on project and intervention level evaluations to include a high-level overview of

the outputs, outcomes and impacts of resulting from the Programme. It will also seek to answer a series of locally defined research questions relevant to the Programme. More information on this evaluation is set out later in this document.

Evaluation of the SPF Good Growth Programme will involve three broad elements:

1. A high-level overview of the outputs, outcomes and impacts of projects split out by their investment priority area. This part of the evaluation will draw almost exclusively from the project-level process and impact evaluations outlined above.
2. An attempt to respond directly to the locally identified research questions above.
3. Where relevant, an evaluation of Cornwall Council's role as the designers and overall manager of the SPF Good Growth Programme.

This evaluation will rely heavily on the programme-wide panel of stakeholders and any feedback provided to the Council through the online form shared directly with prospective beneficiaries and made available to the wider public.

6. Monitoring and Evaluation Contract Requirements

6.1. Introduction

The monitoring and evaluation requirements for each project should include:

1. The rationale for intervention
2. The theory of change for the project, illustrated with a logic model
3. Indicators for target outputs and outcomes to be monitored
4. How data will be collected and provided to Cornwall Council
5. Key research questions to be answered at the evaluation stage
6. What evaluation activities (including their required level of detail) will be undertaken by the funding recipient
7. The potential for other demands to be placed on the funding recipient
8. How the project was delivered
9. Procurement activity and demonstration of value for money
10. Management of risk and issues
11. The expected timings of all monitoring and evaluation activities

6.2. The rationale for intervention

The rationale for intervention needs to be articulated so that it is clear why the Good Growth Programme is becoming involved and why the private sector, alone, cannot take the planned action at the same level, timescale or quality. If there is no clear rationale, then the danger is that there is crowding out of the private sector and public resources are being used to create benefits that would have happened anyway. Having a clear rationale is not simply something of theoretical concern. Without a clear rationale there may be considerable deadweight or displacement, both of which will result in the net impacts of the project being limited.

There are at least two common categories of rationale:

- Equity, where the project is justified as the market results in an inequitable distribution of benefits, on a spatial or perhaps a beneficiary basis, which is politically or socially unacceptable
- Market failures, where it is felt that, for some reason, the market alone cannot achieve an efficient or as good an outcome

The rationale should be clearly articulated and, where possible, evidenced.

6.3. Theory of change and logic models

All projects proposed within the CloS Investment Plan correspond with SPF interventions from the menu of options provided by Government. As a result, a theory of change, logical framework or logic chain was not required for any of the projects within the investment

plan. Nevertheless, it is important when designing monitoring and evaluation activities that this is recognised.

A theory-based approach, in which the underpinning theory of a project provides a structure for the process evaluation design, data collection and analysis should be adopted. The 'theory of change' articulates how a project is understood to generate change in its target population or group, specifying cause-and-effect pathways operating in the project. Relevant psychological and social theories, and existing literature, might be used to inform the theory of change. The theory might also describe how a project could be introduced in a particular CloS context. Contextual factors will also be important in explaining any variation in changes that occur as a result of the project.

A logic model should be produced to graphically represent the theory of change for the project. A logic model can illustrate the stages of a project and the causal pathways theorised to occur, from the delivery of the project through to mechanisms of change and outcomes. This will specify what outputs the project will deliver, how the intended target population is expected to respond (this might include both psychological and behavioural change), and the outcomes and impacts expected to follow from the project. Complex projects can have many interacting components, and logic models representing project processes may also become complex. Therefore, there is a trade-off between having a simple (and useable) logic model and having a logic model which reflects the complexity of the empirical world.

Logic models are useful to understand how impacts arise and the relationship between different stages of a project process. The trajectory of a project will generally be as follows:

1. Cornwall Council first makes an input to a project. This will be in terms of such tangibles as finance. In projects involving other public sector partners, all public sector costs and inputs in kind should be identified at application stage.
2. These inputs are then used to undertake activities and this then results in outputs, for example the numbers of companies who attend an event or are given advice and support. These can be seen as the immediate benefits of support and should be measured quantitatively wherever possible and especially where they have been identified as target outputs in the Investment Plan, but additional outputs may also be recorded qualitatively.
3. This then results in outcomes. For example attendees at events change their behaviour in some way or start to do something new. These are also known as the intermediate benefits of support and will be monitored and reported to government where these have been identified.
4. Finally, there are impacts which could include, though are not limited to, those which are economic in nature (i.e., an increase in net GVA).

Where several research questions can be drawn from a logic model and resources to answer them are limited, priority should be given to those questions that are likely to provide Cornwall Council with information that is most likely to have an impact on future policy decisions within CloS.

7. Annex 1: Process Evaluations

7.1. Aims of process evaluations

Process evaluations will be used to help stakeholders understand how outputs and outcomes were achieved, and whether programme, project activities have been implemented as intended. In this way they are distinct from outcome and impact evaluations, which assess the effectiveness of a programme, project in producing outputs and outcomes and achieving their ultimate goals.

Like other theory-based approaches to evaluation (such as realist evaluation and 'theory of change' approaches), process evaluations investigate the underpinning theory of the project. Data collection and analyses in process evaluations are usually structured around logic models which represent this theory and which illustrate the causal pathways thought to be operating in the project. These causal pathways are the 'processes' of process evaluation. See Annex 1 for further information on the production of logic models.

The process evaluations completed for each project will help Cornwall Council to understand how projects operate to produce outcomes. This includes:

- Knowing which aspects of a project are important;
- How different aspects of a project work together; and
- How a project can be implemented in a given context.

Process evaluations document the process of a programme, project or project's implementation. Results of a process evaluation will strengthen Cornwall Council's ability to report on its Programme, projects and use information to improve future activities. A process evaluation can also explain why a project failed and indicate how it might need to be redesigned.

The relationships between various aspects of a project are also an important area of investigation for a process evaluation. For example, the ways in which a project is delivered may have an effect on participant or community response, and the acceptability of the project. However, relationships between project aspects are not necessarily linear and may include feedback loops. For example, low acceptability may result in changes to delivery methods which could in turn change levels of uptake of a project.

Process evaluations are also concerned with how a project has an effect on participants, organisations, and communities, including their response to the project and its influence on determinants of outcomes. For example, did it change the identified negative attitudes, communication skills, or community engagement. Context can affect and be affected by a project; contextual factors may include an individual's characteristics, family, social network, organisation, such as a school, or local community.

7.2. Structuring process evaluations

Process evaluations aim to explain how complex projects work. They are especially useful for projects that include a number of interacting components operating in different ways and also when projects address complex problems or seek to generate multiple outputs and outcomes. Process evaluations can also help explain why projects do not work: for example, the underlying theory of change may be sound, but the project may not have been delivered as planned, that is, the delivery had poor fidelity. Process evaluations can also aid understanding of why the project works for some population groups, in some contexts, but not others. These are important findings which can contribute to better-designed projects and studies in the future.

There are three main aspects of a project that the project-level process evaluations will investigate:

1. Whether the project was implemented as planned and what this looked like;
2. The theory of change underpinning the project, and how the project produced change in beneficiaries; and
3. The impact of context on how the project works.

7.3. Data and information required for process evaluations

Process evaluations often involve collection of multiple qualitative and quantitative datasets. These provide an opportunity for mixed methods approaches to be used, where different types of data are integrated at the data collection and/or data analysis stages. One type of data (for example, qualitative data from interviews) can be used to expand on findings from another type of data (for example, quantitative data on attendance rates).

Quantitative data used in these evaluations will be limited to the indicators collected for monitoring purposes throughout the project and following its completion. Qualitative methods, in particular consultations with stakeholders via interview, focus groups or surveys, can be used to explore processes in more depth, such as participant perceptions of the project and how the project and its context interact with each other. For larger SPF Good Growth Programme projects, where a more detailed process evaluation is desired, these might involve the thematic analysis of interviews with beneficiaries or with those who delivered the project.

Mixed methods approaches, which integrate different data can produce robust and comprehensive findings about the multiple and interacting aspects, processes and causal pathways in complex projects.

7.4. Developing a proportionate process evaluation

Conducting a meaningful process evaluation requires a bespoke approach for the programme and project in question. Process evaluations should be tailored according to research priorities, depending on the research questions and the resources available. The underlying theory of how the project works for each project should form the basis for the evaluation.

Process evaluations of the SPF Good Growth Programme and its projects will vary in what is deemed proportionate:

- **A high-level process evaluation** for projects with smaller funding allocations will include an overview of the project or intervention's processes, any deviations from the anticipated implementation, how closely outputs or outcomes were to targets and lessons to be learned for the future. The final evaluation will likely be two or three pages in length and might be completed directly by the recipient.
- **A simple process evaluation** for projects with a moderate funding allocation will cover the same broad topics as the high-level process evaluation, but it is expected that the perspectives used to inform the evaluation will be more diverse and the detail included will be more robust and demonstrate critical thought. This should be supported by consultation via interviews or focus groups with key staff and any delivery partners of the funding recipient, and other relevant stakeholders.
- **A comprehensive process evaluation** for large SPF Good Growth Programme projects will include all the aspects of a simple process evaluation but will additionally be supported by consultation with direct beneficiaries, where there are such businesses or individuals. There will be an expectation for a very high level of detail for such evaluations.

Regardless of the level of detail required in the ultimate process evaluation, the following activities should be used to support it:

1. Review project documentation including plans that describe project goals, objectives, and activities, and guides that outline implementation procedures;
2. Review output and outcome data collected by recipients and written documentation to determine whether projects were delivered as planned;
3. If it is deemed proportionate to the funding received, consult (via interview or focus groups) key staff implementing the project, including frontline providers, managers, and partners where appropriate to learn how things were supposed to work and how they functioned in practice;
4. If it is deemed proportionate to the funding received and relevant, talk to beneficiaries to understand their perspectives on the amount, type, and usefulness of services they received;
5. If it is deemed proportionate to the funding received, survey staff and stakeholders to assess their understanding of how things were supposed to occur, how they actually occurred, and suggestions for improvements;
6. Summarise information collected to identify where the project went well and where it needs improvement; and
7. Share findings with key stakeholders to support project refinement, guide strategic planning, and improve future projects.

8. Annex 2: Quantitative Causal Impact Evaluations and Additionality

8.1. Purpose of this annex

Impacts are the long-term goals or ultimate objectives achieved as a result of outcomes. Impacts will often be more difficult to measure than both outputs and outcomes, and since it will frequently occur over a long period of time with other influencing factors, it can be challenging to identify whether any changes observed can be attributed to the project or programme in question. They might include effects on wider society.

Given the difficulties in collecting sound and timely data for impact indicators, their use is not advised for performance monitoring purposes. Wider impacts, by their very nature are not only influenced by the programme and its projects, but also by external factors. It is one of the primary tasks of evaluations to identify the effects which can be directly attributed to the delivery of the SPF Good Growth Programme. Impact should be assessed and quantified through causal impact evaluations where this is proportionate to the level of SPF Good Growth Programme funding received by a project.

The purpose of this annex is to outline the approach that Cornwall Council takes to quantifying the causal impact of the Programme, investment priority areas and projects delivered across CloS as part of its SPF Good Growth Programme. This is also the approach that it would like others to take when assessing the impacts of its Programme, investment priority areas and projects. By ensuring that impact evaluations are undertaken in a consistent and transparent way, this will enable the impacts of different types of projects to be compared, with the confidence that the comparison is valid in so far as similar approaches and assumptions have been made.

The guidance outlined here focuses upon the identification of two key factors, the net impacts of the Programme and its projects on CloS gross value added and employment. As a result, it is likely to be most relevant to evaluations of projects relating to local business support. It is also worth considering the impact of the Good Growth Principles.

Assessing the impact of individual projects, let alone the overall SPF Good Growth Programme is likely to be complex and technical. These impact evaluations are expected to be based on a large number of assumptions to produce the best assessment of impacts using the evidence available at the time they are undertaken. Accordingly, all assumptions should be clearly set out so that impacts can be reworked if new evidence becomes available.

8.2. Assessing impacts

When the programme intervenes in the market, the assumption is that this results in activities happening that would not otherwise take place, or that these activities take place at great scale, faster or are of better quality than would otherwise be the case.

Additionality refers to the extent to which something happens as a result of a project that would not have occurred in its absence. The key to identifying this additionality, converting gross to net impacts, is to look at what has happened (or is expected to happen) as a result of the project (the 'with project' scenario as it is described) and then compare this to what would have happened (or is expected to have happened) without support (the 'without project' scenario). The difference between the two is the additionality and is mainly accounted for by five factors:

- Deadweight
- Displacement
- Multipliers
- Leakage
- Substitution

Deadweight is the extent to which projects are not resulting in any additionality: for example, the Good Growth programme might support a local business, but the business does exactly what it would have done without the support. In such a case deadweight is 100% as the outcomes and impacts would have been the same if there had been no project.

Displacement is the negative impact that support has upon other businesses that are not supported. For example, if SPF supports a business, so that it becomes more competitive and increases its market share, then this may result in other companies in CloS, producing similar goods and services, losing market share. The net effect is that growth in the CloS economy is less than it would have been had all competitors been based outside of CloS.

Multipliers measure the knock-on effects associated with the support. This takes two main forms:

- **The indirect impacts** on the supply chain as additional economic activity requires additional inputs (supplies) from other companies (the Type I multiplier); and
- **The induced impacts** (in directly assisted companies and the supply chain) as a consequence of the project result in wider economic impacts as employees spend their income (the Type II multiplier that combines the indirect and induced effects).

Leakage is the proportion of the impact of a project that benefits economies outside CloS. For example, funding may be provided to a business to develop a new product, some of which is manufactured outside CloS. Generally, a surrogate for leakage is the proportion of staff supported by a project who work outside of CloS.

Substitution occurs when a business deliberately stops doing an activity to take advantage of public sector financial support. The most common examples probably relate to labour market subsidies when, for example, a company may recruit from a particular group (for example, the long term unemployed) as it can benefit from a wage subsidy. In such instances this may result in someone else who does not fall into this target group being denied a job. However, as substitution is generally seen as being a minor issue, guidance is that it should be ignored unless there is strong evidence to the contrary.

Generally, in gross to net calculations, the leakage and substitution adjustments are minor. The other three factors tend to predominate.

8.3. Calculating additionality parameters

It may be tempting to use those produced by the Office for National Statistics and published in the input-output tables, with the appropriate multiplier being selected based on a business' Standard Industrial Classification registration at Companies House. However, this should be avoided as they simply will not be accurate for CloS. Instead, sector and place-specific multipliers should be used where available. If this is not available, then an appropriate multiplier should be estimated based on information provided by recipients and other relevant data held by Cornwall Council.

Cornwall Council has adopted a standard set of questions which should be asked of supported businesses where applicable to inform estimates for deadweight, displacement, substitution, leakage and multipliers, where these cannot be sourced from elsewhere.

Sample questions:

1. What was/what do you forecast turnover/operating profit/employee costs/depreciation/employment will be in your business in CloS from the start of the project and for five years thereafter, with the project's support?
2. What do you think turnover/operating profit/employee costs/depreciation/employment would have been in your business in CloS from the start of the project and for five years thereafter, without the project's support?
3. Thinking about competition in your main area of business, what proportion of your competitors are based in CloS?
4. Approximately what per cent of your main competitors are based in CloS?
5. Thinking about the market conditions in your main area of business over the next five years, would you say that market conditions have stayed the same, declined or improved, and to what extent?
6. Of the jobs that will be/have been created or safeguarded with the project's support how many are based outside CloS?
7. Has the turnover/employment growth in your company been quicker than would otherwise have been the case without the project's support? If so, how has turnover/employment growth been affected?
8. Thinking about your business's main recipients, what proportion of your supplies come from CloS-based recipients?
9. You have identified that the support from the project has led to/will lead to benefits in terms of increased turnover/jobs/skills/wages. Over what period of time do you expect these benefits to last?

10. How much do you expect the benefits arising from the project to decrease (decay) on an annual basis?

8.4. Other comparability factors

The above outlines in very broad detail the key concepts involved in identifying the additionality of the SPF Good Growth Programme's projects and those of other public sector agencies. However, if impacts are to be comparable across projects there needs to be consistency in the treatment of a number of other factors. These fall into three categories:

- Those cross-cutting factors, such as the period over which impacts are assessed and benchmarking of impacts, which are important in putting the impact of specific projects in context;
- Factors that are relevant to particular types of projects. These include, for example, ones that have, as an outcome, the generation of private sector investment in CloS and the treatment of projects that generate a revenue stream to Cornwall Council; and
- Factors that are applicable to capital projects. These include such things as the use of standard employment densities to estimate impacts and the short-term impacts of construction.

In reporting monetary impacts, the emphasis should be on comparability. To this end it is important that impacts are reported in constant prices using a base year of 2022: that is reporting impacts in values that are comparable as they adjust for the impact of inflation which, over time, erodes monetary values.

In addition to using a constant price base to ensure that there is comparability, it is important that adjustments are made to reflect the time that the impact stream appears. This reflects the fact that generally greater value is placed upon impacts that appear sooner rather than later. To reflect this, future impacts need to be discounted to give present values. This normally involves the application of a 3.5 per cent annual discount rate. The consequence of this is that, for the same GVA impact, greater value is placed on this if it comes about in year one rather than year three. Discounting also enables the costs and benefits that occur at different times to be compared between different types of project.

When calculating the impact ratio, attempts need to be made to estimate all the project's costs. Often it is only the direct project costs that are readily identified, and staff costs and associated overheads are often not included. To obtain an accurate estimate of the true costs of a project these costs should be included.

Cornwall Council is increasingly concerned about the equity impacts of its projects. For example, will a project create jobs for young people or create jobs in an area where unemployment is above average? These are factors that should be noted throughout the monitoring and evaluation process.

Appraisals and evaluations produce both absolute (£ million of GVA) and relative (cost per job) measures of impact. In isolation these can have little meaning as, for example, it may be unclear if creating a net additional job at a cost of £10,000 is good, average or bad. To set impact metrics in context, comparison should be made to the forecast outputs and outcomes based on Cornwall Council's extensive evidence base of projects delivered in CloS under previous funding streams in the first instance. Benchmarking to other Shared Prosperity Fund projects should also be undertaken wherever comparable information is available, though Cornwall Council understands that efforts such as this will be primarily led by Government. And in any case, Cornwall Council's experience is that the costs of delivering projects in CloS are such that comparison to other, often better-connected, places with different needs and priorities are generally unhelpful.

8.5. Considerations relevant to projects of certain types

There will invariably be projects that have atypical features that may reflect such things as the nature of the beneficiary and the design of the project. The Guidance deals with some of the most frequently encountered instances of these.

Some projects under the Good Growth programme have as an outcome, for example, the attraction of private sector investment or visitor spending. If this were to come from outside CloS then this should be counted as part of the gross value added of the project in question.

Support may be given to businesses that are not yet producing a sales income (i.e., pre-revenue companies). Such companies can still be generating impacts as they are likely to be employing staff and buying supplies, although in some cases the GVA impact—if calculated in the standard way—may appear to be a negative value. In such cases, common sense should be used, and it may be preferable to base GVA impacts on employee costs alone.

There may also be instances where the project supports a cost centre (i.e., a site that employs staff but does not have a separate profit and loss account as it is part of a larger group). This means that calculating GVA using one of the standard methods will be inappropriate. In such instances it may be more appropriate to base impact on employee costs only.

There are also instances of projects where the intention is that there will be an eventual income stream to Cornwall Council. Examples include investments that will eventually be realised and infrastructure developments that are intended to generate rental income. However, often these income streams may be very uncertain. Accordingly, as a general rule the potential for income should be noted but should not be included in the benefit side of any impact calculations until it is realised.

For most, if not all, of the projects carried out under the SPF Good Growth Programme, Cornwall Council will be the sole public sector responsible body. However, where Cornwall Council is one of several public sector partners, there may be a tendency when impacts are estimated for all partners to then "claim" all of these impacts, with the usual assertion being that "but without our support the project would not have gone ahead". To avoid the

consequent double counting, the overall net impact should be apportioned to each public sector partner in proportion to their share of the total public sector funding package. Thus, if Cornwall Council is contributing 25 per cent of the public sector cost of a project, then it should claim 25 per cent of the net impacts.

8.6. Capital project impacts

When SPF funds property, infrastructure or other capital developments this is not done as an end in itself. Rather, the “end” is the production of economic and social impacts associated with the users of the capital once complete. Construction impacts should be calculated and then reported separately as there will be employment benefits for the duration of the work. Government notes that the monitoring and reporting of jobs created or safeguarded for their purposes exclude those created or safeguarded solely to deliver the project (e.g., construction).

When undertaking appraisals of, monitoring or evaluating capital projects, then the potential end use employment and GVA impacts can be estimated based on employment densities. Evidence-based guidance that gives typical densities for broad use categories is available in the latest edition of the Employment Density Guide published in November 2015 by the former Homes and Communities Agency (now Homes England). In some instances, stakeholders may already have, or may wish to develop their own density estimates based on past experience. Where available, these bespoke density estimates should be used as they may be a more accurate reflection of CloS circumstances.

Per employee GVA figures can then be used to derive a gross estimate of the impact of the development, with this data being sourced from the latest labour productivity indices by economic enterprise region published alongside the Office for National Statistics Subregional Productivity releases.

8.7. Assumptions and precision

The process of assessing the impact of public sector projects can be seen as complicated, technical and a very precise science. What needs to be remembered is that assessing impact, even in an evaluation when the project is in the past, can be imprecise and is invariably based on many assumptions. This imprecision can be even greater in appraisals when assessments are being made of future events. What is important is to develop assessments based on the best evidence available to allow decisions to be made.

It also needs to be remembered that decision makers are unlikely to base their actions on precise numbers: Project A is unlikely to be supported as it is estimated to produce £0.248 million more GVA over ten years than project B. It is the order of magnitude that is of interest to policy makers. This has two implications:

- When calculating and reporting on impacts the assumptions underlying the work need to be clearly outlined. This will allow others to see exactly what has been done. This will also mean that if there is evidence to challenge these assumptions then the impacts can be reworked. However, it is important to stress that any reworking needs

to be based on evidence not simply a feeling that the impacts are too small or too large; and

- Reported impact numbers should be rounded. Not only is this acknowledgement of the imprecision of what is being done but it will also be far easier to understand. 1