



Glasgow City Region Cabinet

Report by: Director for Regional Economic Growth

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Gateway Review 2: Local Evaluation Framework (LEF)

Purpose of Report:

This paper provides Cabinet with an update on the preparations for the City Deal Gateway Review 2, including the production of the Local Evaluation Framework (LEF).

Recommendations:

Cabinet is invited to:

- a. Note the progress made in the development of the LEF;
- b. Note the feedback received from the Scottish Government, Academic Panel and the Commission for Economic Growth; and
- c. Note that Director for Economic Growth will submit the final version of the LEF to Department for Levelling Up Housing and Communities.

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1 Purpose of the Report

- 1.1 This paper provides Cabinet with an update on the preparations for the City Deal Gateway Review 2, including the production of the Local Evaluation Framework (LEF).

2 Background - Gateway Review Process Requirements

- 2.1 As part of the City Deal assurance process, the UK and Scottish governments have established a five-yearly Gateway Review process. The purpose of the Gateway Review is to evaluate the impact of interventions on local economic growth, and the process by which these interventions were agreed and implemented. Successful completion of each Gateway is required in order to unlock the coming five years' agreed funding.
- 2.2 GCR is scheduled to complete Gateway Reviews in 2019, 2024 and 2029. GCR successfully completed Gateway Review 1, which covered the period from the Deal's inception in September 2014 to October 2019, in 2020. The completion of Gateway Review 1 unlocked the £250 million funding tranche for the five financial years (2020/21 to 2024/25).

3 Gateway Review 2 Requirements

- 3.1 Preparations are now underway for Gateway Review 2. Review 2 will evaluate progress over the five-year period from November 2019 to October 2024 and will unlock the next tranche of £300 million for the years 2025/26 to 2029/30.
- 3.2 In December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) which is leading arrangements for the governments, issued a National Evaluation Framework (NEF) setting out the requirements for the City Deal Gateway Review 2 process.
- 3.3 Four key components are to be evaluated for the Review:
- a. **Process:** an overview, with examples, of how projects are developed, approved and managed; overall and project-by-project view of planned and actual spend and outputs. All activity funded through the City Deal should be covered in the expenditure, monitoring and reporting of delivery progress.
 - b. **Impact:** a series of project-level evaluations; techniques and metrics will vary by project and will more robust evidence than at Gateway Review 1; research will be required to collect evidence on outcomes and the counterfactual. Five projects have been identified for impact assessment, either because they have already completed construction and are delivering benefits, or are due to complete by October 2023:
 - i. Canal and North Gateway (Glasgow City Council)
 - ii. Ocean Terminal (Inverclyde Council)
 - iii. Gartcosh/Glenboig Community Growth Area (North Lanarkshire Council)
 - iv. Cathkin Relief Road (South Lanarkshire Council)
 - v. Greenhills Road (South Lanarkshire Council).

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- c. **Capacity and Partnership Working:** evaluate working across City Region; includes views of local authorities plus wider stakeholders including private and third sector; likely a mix of survey and interviews to give breadth and depth.
- d. **Economic forecasting:** report expectation versus actuals; for context only, not to assess impact; will also need to provide a view to the next Gateway.

4 Gateway Review 2 Roles, Responsibilities and Resources

- 4.1 The key roles and responsibilities of the government, their consultants (SQW Consulting) and regions are set out within the NEF.
- 4.2 DLUHC's role involves:
 - Commissioning the Independent Evaluation Coordination
 - Updating the NEF
 - Reviewing final reports provided by areas (i.e. Local Evaluation Frameworks) and SQW's (Mid-Term and Final Reports).
- 4.3 DLUHC's Independent Evaluation Panel (IEP), which includes SQW Consulting, an Academic Panel and a Technical Panel will:
 - Provide support and guidance to the GCR PMO and Hub on the LEF and possible evaluation approaches
 - Review/quality assure the evaluation evidence provided by GCR PMO and Hub and draw into a single Final Report for the Region.
- 4.4 The GCR Programme Management Office (PMO) and Intelligence Hub will complete the Region's requirements as set out in the LEF, which involves:
 - Lead author for Local Evaluation Framework
 - Provision of monitoring and evaluation data for Mid-Term and Final Reports
 - Commenting on the Mid-Term and Final Reports, which will be drafted by SQW Consulting.
- 4.5 The GCR Commission for Economic Growth, a group of independent experts chaired by Professor Sir Anton Muscatelli, Principal of the University of Glasgow will:
 - Act as a 'critical friend', providing independent scrutiny to the PMO's and Hub's outputs
 - Produce its own Complementary Report, outlining its analysis of Deal progress.
- 4.6 While it is intended that the majority of research activity required for project-level impact evaluations will be undertaken by the Hub, additional research is proposed to be undertaken by external consultants on commercial premises supply and demand. Where possible, all required evaluation costs will be covered by the use of the PMOs existing budget carry forward.

5 Gateway Review 2 Outputs

- 5.1 The NEF was issued to the Commission for Economic Growth and Lead Officers in December 2023 for their information. The NEF sets out the required outputs and

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their submission deadlines. Final versions of each output are to be sent to DLUHC according to the following schedule:

- Local Evaluation Framework – 28 April 2023
- Mid-Term Report – End September 2023
- Final Report – End October 2024.

6 Progress

- 6.1 The PMO and Hub received the LEF template in January 2023. A significant amount of work and consultation has been undertaken throughout February and March to complete the template. The Draft LEF was shared for feedback with a wide range of stakeholders on Monday 3 April.
- 6.2 Feedback has been provided by Lead Officers, the Scottish Government, SQW Consulting Ltd, the Academic Panel and the Commission for Economic Growth.
- All Lead Officers have approved their project-specific content within the LEF.
 - The Commission for Economic Growth met 6 April to discuss the LEF. Feedback was positive overall. Members have requested that we consider the inclusion of more information on: measuring the counterfactual; health inequalities; survey sample sizes; how the Deal supports wider housing and infrastructure strategies for the Region.
 - General feedback was received from SQW Consulting and the Academic Panel on Wednesday 19 April. This feedback was in relation to the LEFs produced by Greater Cambridge Partnership, Greater Manchester and Glasgow City Region. It noted the SQW central team and the Academic Panel were broadly happy with each area's selection of projects for impact assessment and they broadly agreed with the evaluation methods that have been set out. Further information was sought on: methodologies to be used; the specific research questions the evaluation will seek to answer; how the counterfactual will be addressed; and use of comparative data where possible.
 - The PMO and Hub met with colleagues from the Scottish Government (SG) City Deal team and officers from the Office of the Chief Economist on 4 April to provide an overview on the LEF requirements and to invite SG to advise of any further evaluation requirements. Feedback was provided Monday 17 April advising they were broadly content with the approach but asked for the following additional elements to be included: broader definition of outcomes in some logic models to reflect the social and environmental benefits of projects; outcomes broken down by demographic groups; and more info on community benefits.

7 Next Steps

- 7.1 The PMO and Hub are working through the final revisions to the LEF to take account of stakeholder feedback. The Chief Executives' Group, which received the Draft LEF on 27 April 2023, has delegated responsibility for approving final changes of the LEF to the Director for Economic Growth.
- 7.2 The implementation plan is included within the LEF. Upon approval of the LEF by DLUHC, immediate first steps will include:
- Undertaking a series of one-to-one interviews for Capacity Building workstream throughout Summer 2023;

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- Developing the specification and procuring a consultant to complete the Commercial Premises Supply and Demand study.

8 Recommendations

8.1 Cabinet is invited to:

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- b. Note the feedback received from the Scottish Government, Academic Panel and the Commission for Economic Growth; and
- c. Note that Director for Economic Growth will submit the final version of the LEF to Department for Levelling Up Housing and Communities.