

LSC LONDON CENTRAL

GUIDANCE NOTE

**UNDERTAKING EVALUATION
FOR ESF PROJECTS 2005-07**



EUROPEAN UNION
European Social Fund



Leading learning and skills

Guidance Note Undertaking Evaluation for ESF Projects 2005-07

Contents

This note seeks to explain the benefits of undertaking evaluation and presents the framework within which to conduct it. The three sections are:

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1. Why evaluate?

Basic Rationale

Evaluation is an essential part of a project. It is an important learning exercise as well as a way of demonstrating the performance of a project. It should not be just viewed as an "end-of-project" exercise that forms part of project administration, but should be conducted so that all parties can take something from how a project has developed and delivered. Evaluation findings are useful in developing future projects. Furthermore, they can provide a valuable insight into the strengths and weaknesses of the organisation as a whole.

LSCLC's ESF Requirements

This note outlines Learning and Skills Council London Central's (LSCLC) requirements of evaluation for European Social Fund (ESF) projects. The guidance contained in this note should also be applicable to evaluation requirements of other Learning and Skills Councils.

European Social Fund represents the main financial instrument at European Union (EU) level, providing the means to achieve the objectives of the European Employment Strategy¹. Evaluation is a requirement of the European Commission and is vital in assessing performance of the ESF programme at EU, national, regional and local level. Evaluation findings enable measurement of the programme's outcome against its objectives and demonstrate what is successful and what isn't working so that future programmes can be adjusted accordingly.

One of the main ways of evaluating the success of the ESF programmes nationally is to carry out a leavers' survey. This survey, managed by the Department for Work and Pensions, gathers information on the characteristics of those helped by ESF, their outcomes on leaving ESF and their views on the support they received. At regional level ESF is administered through Government Offices. Government Office for London (GOL) is responsible for administering the funds in London, and requires all co-financing organisations², including LSCLC, to undertake an evaluation of their local programme.

Individual project evaluation reports contribute to local level programme evaluations. LSCLC requires interim evaluation reports at the mid-point of every ESF project and final evaluation reports within six weeks of completion of the project.

¹ The objectives of the European Employment Strategy are to protect and promote employment, and to combat unemployment, discrimination and social exclusion

² The Government has introduced arrangements whereby ESF and required match funding are channelled to providers in a single funding stream. Bodies that do that, having been allocated funds direct from the Government Office, are called co-financing organisations (CFOs). CFOs are charged with delivering through competitive tendering the priorities and target groups identified for support in the Regional Development Plan.

Funds should be allocated to the undertaking of evaluation at the outset of the project and included in the budget submitted in the project tender. The importance of evaluation reports to LSCLC's ESF programme is reflected by making profile payments for interim and final evaluation reports in all ESF contracts. Milestone MS4 is paid upon the completion of the interim evaluation report, whilst milestone MS5 is paid upon the completion of the final evaluation report. For projects with a total value of less than £250,000, no more than £1,000 is paid for completion of each evaluation report. If the project has a total value of £250,000 or more, no more than 1% of total contract value is paid for completion of each report. Please note that these prices do not necessarily reflect the cost incurred by a provider in undertaking an evaluation.

How Evaluations are Important?

Project evaluations have some important uses and benefits, particularly for providers themselves:

Assessing inputs and activities – a complete evaluation report describes the inputs and activities, and assesses how these have worked. This allows a provider to think about all aspects of project delivery, and whether activities have worked in the desired way, e.g. innovative methods of delivery, marketing, project administration, and overcoming barriers to learning. Interim evaluations give the provider the opportunity to tackle some of the issues raised for the remainder of the project.

Performance against output and outcome targets – an evaluation should consider whether the project has achieved against its original objectives in terms of both output and outcome numbers against the delivery profile, and softer outputs and outcomes. If the project has performed well against its objectives, the evaluation should consider why this has occurred so that the provider can understand how to meet output and outcome targets in the future. If the project has underperformed against targets, the evaluation needs to determine why this has happened so that the provider can learn for project delivery in the future. This can be particularly useful for interim evaluations, because, with the project still running, it means that the provider may be able to turn things around.

Publicising achievements – an assessment of the project can enable some determination of the impact that it has had on individuals and the communities. This can be strengthened using case studies, which are useful tools to market the work of the provider to individuals, firms, communities, funding organisations and others.

Learning lessons – as well as learning lessons that can be taken on board for the remainder of the project (as in interim evaluations), evaluations give the opportunity for the provider to learn more widely, particularly for delivering other projects in the future.

Fitting in with local priorities – an evaluation should assess how the project has helped to address the original priorities and issues that were identified in the tender specification and project tender. In addition, the final evaluation report should determine the context regarding these issues at the end of the project. This can then determine whether provision should attempt to be continued or perhaps modified.

As well as benefiting providers, these rationales for evaluation are also applicable to LSCLC, who can:

- Learn about different activities and methods of delivery that are being adopted and to what degree of success. In addition, evaluation reports can provide a useful starting point on sharing innovative methods of delivery;
- Use findings on the lessons learned from various evaluations undertaken of projects to understand what works in practice, so the LSCLC is able to share with others what is effective and what has been found to be less effective;
- Gauge the overall effect that funding programmes have had, both in terms of outputs and outcomes, and wider impact.

Interim evaluation reports contribute to **LSCLC's mid-point review of overall programme progress**. The mid-point review will be undertaken in summer 2006. The reports will provide important information on how the projects are performing, and highlight lessons learnt that may be applicable to the programme overall. Interim evaluation reports are particularly important for providers who have mid-term clauses built into their ESF contracts. Findings from the interim reports relating to these projects will be used as supporting documentation in determining whether to release the remaining value of the contract or whether to terminate the contract.

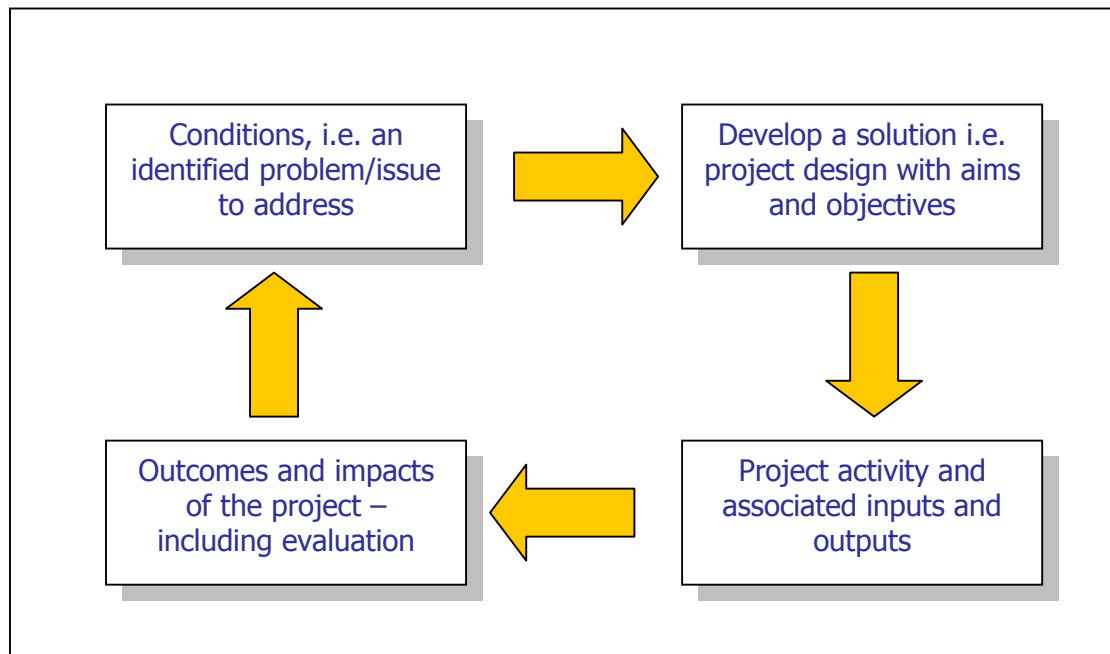
Project Design Cycle

The evaluation can help the provider understand how the project and its activity fit into an ongoing process.

The diagram below shows the process. A project is set up in order to address a particular issue or problem from conditions identified in the original funding prospectus and through further work by your organisation. The project would have been designed to find a solution(s) to the issue, and the initial development would have had aims and objectives associated with this. Following this, the project will have been delivered through its activity and inputs, and there would have been

outputs associated with this. This then leads to outcomes and impacts. At this final stage, the final evaluation takes place.

However, evaluation should be undertaken at all stages of the process. Moreover, the final evaluation should assess how the completed project can go forward and be developed further, and so continuing the process.



2. Evaluation process

External or Internal Evaluation?

LSCLC recommends that all ESF projects with funding of £250,000 or more appoint an external organisation to carry out an independent evaluation. For projects with a value of less than £250,000, evaluations can be undertaken internally or externally.

There are two key benefits of external evaluations:

- undertaken independently, and so removal of bias and opportunity to get an “outsider’s” point of view;
- external consultants will have experience in conducting them.

However, external evaluations may be more expensive and tend to be more time consuming. There can be a steep learning curve for the external evaluators in developing an understanding of the project and the provider. Therefore, where it is possible to carry out an internal evaluation, it may be desirable to do so.

External Evaluations

If the evaluation is being conducted externally, you should consider writing a brief to send to organisations to tender. You can then decide to appoint the best/most suitable respondent to the brief.

Format of a brief

Background

X organisation was allocated *£x,000* of ESF money by LSCLC for a project entitled “.....” *X organisation* would like to appoint consultants to undertake a final evaluation of the project.

The original aims and objectives of the project were to.....

Evaluation terms of reference and scope

The evaluation will assess the performance of the project in relation to its original aims and objectives. In addition it will assess the original rationale for the project, and whether this rationale is/is not still valid (including how it fits with the LSCLC’s priorities and those of other local and regional organisations). The evaluation should assess inputs and activities and the resulting outputs and outcomes, illustrating the lessons learned from the project, including examples of good practice. Where an interim evaluation is being conducted, recommendations should be produced on how the project can further improve performance over the remaining period.

The evaluation will be overseen by *X* the consultant should report to them by *X*.

Evidence base

Tenderers should specify the evidence that they will collect and analyse, which may include: interviews with the project manager and other staff; interviews with beneficiaries; monitoring returns on outputs and outcomes.

Tender format and fee

Tenders should include: a brief outline of the proposed methodology; evidence to be used; fee (the maximum fee available is *£x,000* inclusive of VAT) which should be justified; brief CVs of those undertaking the work.

You should agree on the exact work programme and format that the report should take at the outset of the work being undertaken. This will ensure that the final report is satisfactory.

Internal Evaluations

If the evaluation is being conducted internally, it is essential that it is done in an "independent" fashion. This means that it is important to provide an effective self-critique and self-assessment to yield all of the benefits described in section one.

3. Evaluation and self-assessment

In undertaking the evaluation, you should be aware that ESF providers are now required to conduct an annual self-assessment in line with requirements of Department for Education and Skills (DfES), Ofsted, Adult Learning Inspectorate (ALI), Jobcentre Plus and LSC. The primary purpose of self-assessment is to support the provider in its own pursuit of quality improvement, helping it to measure progress against its mission and goals. LSCLC will be providing training to ESF providers on the Self Assessment process. Providers may wish to refer for guidance to the documents Quality Improvement and Self-Assessment (May 2005) and Planning for Success (December 2005). See below for links to these documents:

<http://readingroom.lsc.gov.uk/lsc/2005/quality/goodpractice/quality-improvement-self-assessment.pdf>

<http://readingroom.lsc.gov.uk/lsc/2005/quality/goodpractice/planning-for-success-framework-for-planning-and-quality.pdf>

The important thing to note is that the information you gather for the evaluation can also be used to complete the self-assessment report, provided that you take account of the five key questions addressed by the self-assessment process. The table below lists the five key questions and how these correspond to what goes into an evaluation report as detailed in section 4.

Self-assessment report question	Evaluation report topic
How well do learners achieve?	Outputs and outcomes; Case Studies
How effective are teaching, training and learning?	Outputs and outcomes; Lessons learnt
How well do programmes and activities meet the needs and interests of learners?	Aims and objectives; Outputs and outcomes; Equal Opportunities
How well are learners guided and supported?	Inputs and activities; Outputs and outcomes; Equal Opportunities
How effective are leadership and management in raising achievement and supporting all learners?	Inputs and activities; Outputs and outcomes

4. What goes into an evaluation report?

This section covers what LSCLC expects from an evaluation report. The order of the headings below should be used as a basic structure for both interim and final evaluation reports. There are, however some differences in the weighting that should be given to the sections. These differences are highlighted under the headings below.

Executive Summary

This should be a brief synopsis of what is in the report and should be no longer than a page. An executive summary should be included in both the interim and the final evaluation report. The executive summary should include some background information on the organisation, its location and target learner groups.

Rationale for the Project

This section should indicate the issue(s) that the project was seeking to address. For example, it may have been seeking to tackle poor English skills amongst certain communities or helping to raise NVQ levels in some professions. The rationale will obviously be based on the tender specification that the application for funding was made under. However, it will obviously be more specific than that, and you should detail the key issue(s) you identified that were behind you developing your project and making an application for funding. A rationale for the project should be included in both the interim and the final evaluation report.

Aims and Objectives

Stemming from the rationale for the project, the aims and objectives should be described clearly. This should include both the broad aims and objectives for the project, and the precise targets. These aims and objectives should be based on the information included in your original application. The aims and objectives should be included in both the interim and final evaluation reports. If these aims and objectives changed or were clarified during the life of the project, this should be explained as well. It is particularly important for final evaluations to identify and give reasons for any changes to the original aims and objectives.

Inputs and Activities

This section should describe the inputs and activities undertaken as part of the project. Discussion of inputs and activities should be included in both interim and final evaluation reports. They should include:

- the amount of funding used in the project from LSCLC and other sources;
- anything innovative in the activities, e.g. flexible delivery of training;
- an assessment of activities such as project management, marketing and delivery of training (including how they worked well, and not so well, and how they could be improved next time);
- how barriers to access to training were overcome;
- how partnerships have developed, e.g. with other learning providers, community organisations and employers.

What is innovation?

When talking about innovation, we need to be clear as to what we mean.

Innovation is rarely about adopting new ideas that have never been tried before. It is often about embracing new ideas that have been used elsewhere.

Innovation is rarely about major leaps in delivery, products and services. It is often about small incremental changes.

Therefore, when reporting innovation, be open-minded. Examples of innovation include:

- flexible training delivery, e.g. time and place;
- tailor-made training packages and courses;
- different learning methods;
- working with organisations that are not traditional partners.

Outputs and Outcomes

This section of the evaluation should look at the achievements of the project. Key to this is the question “have the output and outcome targets in the delivery profile been met?” The evaluation report should show clearly the numbers that have been achieved against targets. It is also useful to have a set of key outputs and outcomes to show simply what has been achieved, as projects may be monitoring against a range of outputs and outcomes. The discussion of outputs and outcomes is likely to be more comprehensive in the final evaluation reports.

In the case of interim evaluations, outputs and outcomes need to be looked at in order to assess progress so far. This should also indicate points to be picked up by the provider to take note of good practice and effective activity, and ways to improve performance against targets. The final evaluation should provide a full report of all final outputs and outcomes.

Headlines for both reports should include:

- number of beneficiaries (both individuals and, if applicable, organisations);
- number of accredited qualifications achieved; including levels and qualification references;
- number of non-accredited qualifications achieved, e.g. in-house certificates, which can be used to record the achievement of soft outcomes. Where non-accredited qualifications have been delivered, the evaluation needs to explain why accredited qualifications were not appropriate;

- number going onto further learning;
- number going into employment;
- number going into other positive destinations.

Where possible, beneficiaries should be asked to identify how and to what extent the project activities helped them to achieve their present outcome.

The distinction between outputs and outcomes

Outputs can be described as the first or direct results of project activity. For example: a beneficiary engaged in learning is a direct result of activity; an organisation engaged in support is also a direct result of activity.

Outcomes are the next stage. This can be described as what the activity has contributed to in terms of individual or organisation achievement. For example: a beneficiary achieving their learning aim; a beneficiary taking up employment; an organisation achieving a quality standard. Outcomes are the vital next stage in the process, as outputs alone do not necessarily mean that the project has made a positive impact on individuals and organisations.

Therefore, the outputs and outcomes of a project could be:

- 100 beneficiaries supported (output)
- 10 organisations supported (output)
- 85 beneficiaries achieving their learning aim (outcome)
- 85 beneficiaries achieving qualifications at NVQ Level 2 (outcome)
- 35 beneficiaries going into further learning (outcome)
- 20 beneficiaries going into employment (outcome)
- 50 beneficiaries retaining employment (outcome)
- 8 organisations achieving a quality standard (outcome)

Remember that output and outcome numbers need to be supported by evidence. In particular, individual beneficiary numbers, achievements and destinations must match details submitted through Individual Learner Records and/or Short Records completed for the project on Provider Online.

If targets have been achieved, the evaluation needs to determine the factors that have helped this to happen. This will enable good practice to be picked up, which the provider will want to take on board for the future.

If the delivery profile has not been met, the evaluation needs to ask why not. This is an important way of learning lessons for the future. Reasons why targets were not met, and possible solutions that could have been adopted, should feed into future projects.

In addition to "hard" data about the achievement of outputs and outcomes, it is also important to evaluate softer outcomes. Soft outcomes are outcomes that cannot be directly measured, and may include:

- interpersonal skills (such as social skills and coping with authority);
- organisational skills (such as personal organisation and the ability to order and prioritise);
- analytical skills (such as the ability to exercise judgement, managing time or problem solving); and
- personal skills (such as insight, motivation, confidence, reliability and health awareness).

Soft outcomes are particularly important in projects funded through ESF, as the prime target for such funding is assisting the employability of those that are “hardest to reach”. To this extent, achievement of soft outcomes represents an important step towards overcoming the barriers some people face in entering the labour market. In the case of people with multiple barriers to employability, achieving soft outcomes can be as important as achieving harder outcomes.

If you require any further information about soft outcomes, including measuring and evidencing soft outcomes, please refer to the *Guide to Measuring Soft Outcomes and Distance Travelled* (The Institute for Employment Studies, 2000). An electronic link to this document has been circulated to all LSCLC ESF Providers and you should contact your contract manager if you require this link again.

Monitoring the progression of beneficiaries once they have finished their training/activity is vital. Firstly, this may contribute to the achievement of outcome targets. For example, further down the line a beneficiary may go into employment or further training. This may be claimed as an outcome if it takes place within the time limits set down in the guidance on the use of outputs, outcomes and milestones (please refer to your contract manager if you are not sure about these time limits). Secondly, it is important in terms of assessing how projects are contributing more widely, rather than just through the number of people who have been helped. Therefore, beneficiaries who have completed their activity should be tracked to assess their progress, typically at three months. This can be done by telephone interviews, SMS messaging, postal questionnaires, email or face-to-face contact. Obviously, you should ensure you have collected beneficiaries’ contact details to do this tracking.

Equal Opportunities

The ESF Programme requires providers to show how they are supporting the three cross-cutting themes of equal opportunities, sustainable development and use of ICT. A discussion of the cross-cutting themes should be included in both the interim and the final evaluation reports, although the section is likely to be more comprehensive in the final report.

Equal opportunities should be embedded within all aspects of the project delivery. Therefore, the evaluation report should assess how equal opportunities (on the basis of gender, ethnicity and disability) were promoted and safeguarded by the project.

The report should address both how specified aims of the project promoted equal opportunities and how this agenda was met through the project delivery.

Like the evaluation of the project generally, the evaluation assessment of the success of the equal opportunities aspects of the project report should cover:

- hard outputs and outcomes, such as the ethnicity, gender and disability status of beneficiaries supported;
- soft outputs and outcomes, such as raising awareness of equal opportunities among participants and reducing prejudice; and
- a brief summary of any challenges the project had in delivering equal opportunities (e.g. difficulties reaching certain groups or attitudes of learners), steps that were taken to try to overcome these difficulties, and details on how any such difficulties will be overcome in the future if it is intended that the project will continue.

Sustainable Development

Sustainable development should also be embedded within all aspects of the project delivery. Therefore, the evaluation report should assess how all aspects of sustainable development (economic, environmental and social) were promoted and safeguarded by the project. The evaluation needs to consider the progress that the project has made from the initial sustainable development toolkit completed at the start of the project to developing and implementing an action plan through the sustainable development workshops. The evaluation needs to include details of the action plan and the experience of implementing it, the impact it has had for now and its likely impact in the future.

Use of ICT

As part of the drive to widen access to information technology and to enhance the opportunities for new forms of knowledge and new ways of working, the evaluation should demonstrate how the project is incorporating ICT into delivery to maximise the skills base of the beneficiaries. The evaluation should also explain how ICT is used to deliver, manage and monitor the project.

Case Studies

Evaluation reports should make use of case studies of learners and organisations. These are useful in demonstrating the "reality" of the outputs and outcomes, and the impact that the project has had on people's lives and organisational performance as well as demonstrating the achievement of soft outcomes. Case studies do not need to be long. They can simply illustrate how an individual took part in a project, how they enjoyed it and found it useful, and what it has meant for them in terms of personal achievement and personal development. Where case studies are available

at the interim stage, these can be included in the evaluation. Inclusion of case studies is recommended for final reports.

Lessons Learned

This section should summarise the specific lessons learned and what this means generally for a provider in the future. One of the key reasons for undertaking evaluations is to learn lessons.

The interim evaluation should focus lessons on the project delivery that can be taken forward in the remainder of the project's life. The final evaluation should focus on lessons for similar projects in the future or for the organisation as a whole.

This section should provide some detail about difficulties encountered by the provider during the project and what was done to attempt to overcome these difficulties. Almost all projects will suffer some difficulties in delivering ESF projects, and recognising these and potential ways to overcome them is an important part of the evaluation process.

Future for the Project

Finally, the evaluation should examine the sustainability of the project. If it is to continue, the evaluation should examine the factors surrounding this:

- will the project be funded through mainstream funding or new tenders for funding (remembering that there is no guarantee that new tenders for ESF will be successful)?
- will the project be delivered in the same way or not?
- how will it build upon the current project and the lessons learned?

The evaluation should make an assessment as to whether the project still fits with LSCLC priorities or not, or whether it now fits with a slightly different priority (e.g. the original priority may have been long-term unemployment, this may need refocusing to targeting particular groups who are long-term unemployed). Similarly, the evaluation can assess how the project would fit with other organisation's priorities, such as the London Development Agency and local Neighbourhood Renewal. This may present opportunities for further developing the project.

It should be noted that current levels of ESF spending in the London Central area are unlikely to be sustained beyond the end of LSCLC's current Co-Financing Plan (which is contracted to finish in December 2007). This is due to the expansion of the European Union and the resulting likely decrease in European structural funding received by the United Kingdom.

If the project is not to continue, the evaluation should examine why not. In all cases, the evaluation should go back to the design cycle and the original rationale for the project. This should be done to assess whether the original rationale for the

project is still valid, or if indeed a slightly different rationale is now appropriate. The provider's priorities might have changed and the project might no longer serve the purposes of the organisation as a whole.

The Readiness Assessment Tool can be used in examining the future for the project. This new business planning tool is available to ESF-funded projects to help them plan for a future where ESF funding is not assured. The toolkit is available through the following link:

http://www.gos.gov.uk/gol/European_funding/?a=42496