

# SKILLS FOR LONDONERS CAPITAL FUND ROUND 2

## Core Metrics and Definitions

**“The general rule is that the benefits should be valued unless it is clearly not practical to do so. Even if it is not feasible or practicable to value all of the benefits of a proposal, it is clearly important to value the difference between options”.**

**HM Treasury Green Book**

## Introduction

The Core Metrics and Definitions document identifies the key outputs and outcomes to be delivered by regeneration projects funded by the GLA. It also defines how these should be quantified and verified.

The purpose of the document is to define some of the key outputs and outcomes and to set out an approach for appraising the economic, social and environmental impact of regeneration interventions. This guidance document is therefore intended to assist potential internal and external project applicants in writing their business plans for project funding proposals.

## Strategic Context

Projects should support delivery of the Mayor's vision and economic development objectives as set out in the following key strategic documents:

- Skills Strategy
- Skills for Londoners Capital Fund - Round 2 Prospectus
- Environment Strategy
- Equality, Diversity and Inclusion Strategy
- Draft Economic Development Strategy
- The GLA Business Plan

Funded projects should directly contribute to the delivery of one or more of the priorities set out in the strategies listed above.

## Approach

Understanding the economic, social and environmental impact of different types of investments is critical to understanding their value. The collection of evidence on project performance and impact is therefore an integral part of the delivery process. This will also provide valuable information for the GLA and the LEAP to understand the impact of our programme of investment across London as a whole, providing learning to help us shape and design future investment programmes.

Any proposals for spending or funding should provide a model (explicit or implicit) of how their proposal, by way of intervention, will achieve or influence desired outcome(s). All applicants must then identify a set of indicators against which performance can be tracked and commit to providing regular updates on progress against these during project implementation a long with the completion of a self-evaluation at project close. Annual reporting will also be expected over a 3-year period post practical completion.

One way of thinking of such model is through a 'logic chain'. A logic chain is simply a picture of the influences or drivers in a series of stages towards the achievement of an outcome (or impact). A logic chain should then provide a summary of the rationale for the project, the activities being delivered and the way in which these activities support various outcomes and impacts, enabling forensic analysis of both the elements of the chain as well as what happens between any of those.

The logic chain might then be seen as:

**FUNDING → INPUTS → ACTIVITIES → PROCESSES → OUTPUTS → OUTCOMES → VALUE**

For example, if the Mayor seeks to introduce a programme with the intention of helping increase the number of long-term unemployed Londoners who achieve sustained employment. In this logic chain 'increased sustained employment' is the outcome, which might well be the first step in a series of positive impacts (increased income and well-being for the individual and her/his family, and so on). However, even if "sustained employment" is not achieved, there may be other positive outcomes from the intervention. The key point about constructing the logic chain is therefore to try to ensure that all the drivers and effects are considered during the establishment of outputs and eventual outcomes.

This model should support the development of the business case and ongoing monitoring and evaluation of the impact of the intervention. To do so, applicants must carefully select their **output** and **outcome** measures, set measurable and achievable targets and define the evidence collection processes to be followed. The next section should be used as guidance when selecting specific outputs and outcomes for your proposal. The list of [Green Book Supplementary Guidance](#) also contains a number of thematic appraisal and impact evaluation documents, including energy and air quality considerations as well as for regeneration and infrastructure projects. Further information on each step, and their relevance to an appropriate Evaluation Strategy, can then be found within [HM Treasury's Magenta Book](#).

Similarly, the below resources can be consulted to support projects in the identification of relevant outputs and outcomes within specific areas or themes:

### **Assessing economic impact**

Central government provides formal and accepted methodologies for assessing economic impact. HM Treasury's [Green Book](#) is central government's guidance on appraisal and evaluation. Chapters 7 and 8 cover the various considerations involved when undertaking a project's appraisal and evaluation. Similarly, its list of [Supplementary Guidance](#) offers detailed information on valuing economic and other factors.

### **Measuring social impact**

As stated in the Prospectus, applicants are encouraged to consult the Mayor's [Equality, Diversity and Inclusion Strategy](#) and demonstrate how their proposal will contribute to a fairer and more equal city, both in terms of outputs as well as the potential social benefits, such as improved engagement with the community or increased interaction with people from different backgrounds.

There are also a number of widely used formulations of measures for assessing other social benefits and perceptions. For example, the Office of National Statistics' [Wellbeing indicators](#) as well as the [surveys using their 4 personal wellbeing questions](#) are good examples.

## **Environmental impact**

There are a number of sources which can be consulted to develop a sound environmental assessment of any proposal. Applicants can refer to HM Treasury's Green Book Supplementary Guidance on [environmental impact accounting](#) as well as those relating to [regeneration and regional development](#). Similarly, Government's guidelines on measuring and reporting environmental impacts can be found [here](#). Lastly, [RICS's Whole life carbon assessment for the built environment \(2017\)](#) offers detailed guidance on carbon emissions reductions within the built environment and how to interpret those results.

## **Skills and employment impact**

Applicants are expected to consult the [Skills Strategy](#) and the [SfLFC Prospectus](#) to identify which project measures best align with the Mayor's priorities around skills and employment. There is also a large amount of guidance on measuring and evaluating the impact of skills and employment projects. A good starting point is the list of investment priorities and output indicator tables developed for the [ESF programme](#), outlining skills related objectives and specific measures for long-term outcomes. The above guidance on economic and social impact assessment is also relevant.

## **Metrics**

To establish adequate metrics and targets, it is important to understand the difference between outputs and outcomes and their relation to a baseline or reference case.

## **Outputs**

Outputs are what we actually deliver. They quantify the benefits that specific projects or programmes deliver for target beneficiaries (individuals and businesses) and areas. They are specific and quantifiable and frequently represent a step towards achieving successful outcomes. Without clearly defined outputs, projects will be difficult to analyse and evaluate.

Outputs vary significantly across different projects but within a particular regeneration programme, certain projects might share similar characteristics that can be categorised into themes. These will range from learner focused themes such as increases in qualification starts or the number of learners supported (including those from vulnerable groups) to more place focussed aspects, such as increased space with improved energy efficiency, or savings delivered by lower running cost etc. This document therefore provides definitions for some of the most common outputs.

## Outcomes

Outcomes are the result of outputs and will typically represent longer term effects. The value of any project cannot be measured without defining success. It requires focus on outcomes. Outcomes are the events, occurrences, or changes in conditions, behaviour, or attitudes that indicate a positive impact or progress toward project goals. Outcomes must then be specific, measurable, and meaningful, indicating fulfilment of purpose toward long-term impact.

They can cover a wide range of areas and aspects as illustrated by the sample list below:

- Increased levels of progression into employment
- Improved perception/learner experience
- Improved engagement/perception from the local community
- Improved visibility within minorities/protected groups
- Increased use of public space
- Improved accessibility/permeability
- Organisation becoming more resilient

There are several government resources which provide advice on formulating intended outcomes and conducting the evaluation process, including the [Magenta Book](#) and the [Magenta Book supplementary guidance](#).

## Baseline / reference case

The term 'baseline' refers to the collection of background information and data which will support the measurement of the impact of an intervention. Baseline data is collected to provide a description of the status and trends against which predicted changes can be compared and evaluated in terms of importance and to provide a means of detecting actual change once a project has been initiated. Normally, information is obtained from secondary sources via an existing database (such as historic ILR data), or the acquisition of new information through updated research. Alternatively, information can be acquired from primary sources (i.e. field research of the area to be generated) without relying on secondary sources.

Projects should note that when undertaking an assessment of your baseline and the economic and social impacts of your project should consider a few valuation terms, including:

**Additionality:** a real increase in social value that would not have occurred in the absence of the intervention being appraised (HM Treasury Green Book). It is therefore, the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention. The additional (or net) impact of an intervention should then be the difference between the baseline (what would happen anyway) and the position if the project were to be implemented (the gross impact).

Key components of additionality include:

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**Displacement:** the degree to which an increase in productive capacity promoted by government policy is offset by reductions in productive capacity elsewhere. For example, to what extent are ‘new’ jobs created by a project or have they merely ‘displaced’ from somewhere else? Displacement effects should be deducted.

**Leakage:** the extent to which benefits created by a project are retained locally or whether they also benefit those outside of the spatial area or the group which the intervention is intended to benefit. Leakage effects should be deducted.

**Substitution:** arises where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance. These effects need to be deducted.

### Assessing additionality of outputs by intervention type

Intervention Type	Intervention Category	Leakage	Displacement	Substitution	Reference Case (Deadweight)
<b>Transport Infrastructure and Fixed Assets</b>	Economic & Environmental Making Better Places Growing London’s Prosperity.	Always need to assess.	May affect modal split.	Not likely to be relevant.	Always need to assess.
<b>Public Realm &amp; Place Making</b>	Environmental Making Better Places.	Always need to assess.	N/A	Not likely to be relevant.	Always need to assess.
<b>Enterprise &amp; Business Support, Skills &amp; Employment, and Community</b>	Economic/ Social Growing London’s Prosperity.	Always need to assess.	Displacement may arise in relation to private sector business support (e.g. banks) and product and factor market displacement.	May be relevant.	Always need to assess.
<b>Longer Term Transformational Impacts</b>	Economic/ Social & Environmental Growing London’s Prosperity.	Always need to assess.	May result in displacement or other provision.	May be relevant.	Always need to assess.

## Output definitions

<b>Outputs</b>	<b>Definitions</b>	<b>Verification</b>
<b>Additional learners supported</b>	<p>Learner support, defined as the ‘strategies which empower learners to establish and fulfil their learning’. This is an all-encompassing category which should focus on NEW learners supported by the investment, but which might include some of the below categories (e.g. SEND, NEET).</p> <p><b>This category should NOT include the numbers for apprenticeships or work placements.</b></p>	Signed evidence of enrolment and attendance of individuals (by the educational/training provider), including breakdown of categories which relate to the Fund’s priorities (BAME, women, etc.).
<b>New learners assisted (in courses leading to a full qualification)</b>	A subset of the above, this is specifically for those learners who are registered within a course which leads to a recognised qualification. Recognised regulated qualifications are listed <a href="#">here</a> .	Signed evidence of enrolment and attendance of individuals, including course details and qualification level to be achieved.
<b>Additional apprenticeship starts</b>	<p>The number of students starting an apprenticeship course in a given time period, usually quarterly or annually. Provision of the course should be supported by the project investment.</p> <p>A start is assigned to the quarter/year that it begun and is <u>only counted once</u>. However, a learner undertaking more than one qualification will be counted for each qualification/programme. For example, a learner starting an Intermediate Level Apprenticeship and then starting or transferring to an Advanced Level Apprenticeship will be counted as two starts.</p>	Signed evidence of enrolment and attendance of individuals.
<b>Additional work placement starts</b>	<p>Unlike apprenticeships, work placements comprise those opportunities during the participant’s learning journey to gain <b>on the job work experience</b> to build on or embed the skills learned. This must be <u>within a formal work environment</u>.</p> <p>The commitment from the business/employer and provision of the work placement should be the result of the project investment and its objectives (e.g. the development of new curriculum, new partnerships to support the project).</p> <p>This could also include work placements driven by the delivery of the project (construction, project management, etc.).</p>	<p>Signed evidence of enrolment and attendance of individuals.</p> <p>Written confirmation from the employer, with the following details:</p> <p>Employer – name, address, post code, telephone number, ownership and number of employees. Work placement – title of the job, expected start date, hours of work.</p>

<p><b>Area of new or improved learning/training floorspace (m2)</b></p>	<p>New or upgraded: new buildings constructed as part of the project, refurbished, improved or adapted for productive use as part of the project.</p> <p>Improved: actual floor space and its value towards learning/training purposes has been increased by some physical improvement.</p>	<p>An architect's floor plan drawings showing floor space area, copy of completion certificate to demonstrate works undertaken, surveyor reports from pre and post-completion of works and photographic evidence.</p> <p>Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.</p>
<p><b>Cost savings</b></p>	<p>The change in otherwise anticipated maintenance or running costs (cleaning, heating and like costs) for any accommodation which is refurbished.</p>	<p>Change in costs per square metre for any accommodation which is replaced by comparing cost of new with otherwise anticipated costs of replaced accommodation. This figure to be adjusted for any alteration in total space provided.</p> <p>For services to all buildings, new as compared with otherwise anticipated costs of relevant services. Verification would require baseline data on previous years' outturn costs.</p>
<p><b>Jobs created</b></p>	<p>New and permanent paid full time equivalent jobs that are <b>directly connected to the intervention</b>, measured by FTE within impact sites*. This includes:</p> <ul style="list-style-type: none"> <li>- Employment on occupied commercial premises (in the case of site development);</li> <li>- Employment in supported enterprises (in the case of business or innovation support);</li> <li>- Employment in new space constructed by the intervention (in the case of new FTE training/teaching staff).</li> </ul> <p>* 'Impact sites' are those sites where there has been a demonstrable unlocking impact as a result of the intervention.</p> <p><b>Excludes jobs created solely to deliver the intervention (e.g. construction jobs) and people supported to find employment (e.g. employment progression outcomes).</b></p> <p><b>New</b> – should not have existed in the London borough or with the employer before the intervention.</p> <p><b>Permanent</b> - should have a life expectancy of at least 26 wks. FTE - 35hrs or more per wk.</p>	<p>Written confirmation from the employer that jobs are as a result of the intervention, with the following details:</p> <p>Employer – name, address, post code, telephone number, ownership and number of employees. Job – title of the new or attracted job, expected start date, hours of work.</p> <p>To avoid double counting, a job must not be counted again if it is filled over time by different people.</p> <p>Safeguarded jobs (i.e. those that may have been lost without the intervention) are not included.</p>



<b>SEND learners supported</b>	<p>A SEND learner is a learner with special educational need(s) and/or a disability (SEND), which calls for special educational provision to be made for him or her, used in line with the Disability Rights Commission's definition of independent living. This includes:</p> <ul style="list-style-type: none"> <li>• those who have a learning difficulty or disability;</li> <li>• those who have significantly greater difficulty in learning than the majority of others of the same age;</li> <li>• those who have a disability which prevents or hinders them from making use of educational facilities of a kind generally provided for others of the same age.</li> </ul>	<p>Signed evidence of enrolment and attendance of individuals.</p> <p>Evidence to include:</p> <ul style="list-style-type: none"> <li>• a personalised programme for each learner, based on their starting point and their planned destination;</li> <li>• the opportunity to have achievements recognised through nationally accredited qualifications.</li> </ul>
<b>LLDD learners supported</b>	<b>Do Not Use. Use the SEND learners supported category, where applicable</b>	
<b>NEETs into employment or training</b>	<ul style="list-style-type: none"> <li>• <b>NOTE: this category replaces the previous one: 'Learners at risk of becoming NEET'. You must edit/delete accordingly</b></li> </ul> <p>A NEET is a young person who is 'Not in Education, Employment, or Training'. The resultant effect of the assistance from projects should lead to individuals becoming enrolled with the FE college or another provider or employer. Anybody aged 16 to 24 who is not in education or training and who is not in employment is considered to be NEET. The definition of 'in employment' follows that used for the official labour market statistics.</p>	<p>Signed evidence of enrolment and attendance of individuals.</p> <p>Grades/credits earned.</p> <p>Record and Evidence of effects post programme to include achieving employment or further or higher education enrolment.</p>
<b>Additional students progressing into employment</b>	<p>This measures the number of additional participants who enter employment as a result of the funding intervention (compared to those who would otherwise be doing so under current circumstances).</p>	<p>Written confirmation from the employer that jobs are as a result of the intervention, with the following details:</p> <p>Employer – name, address, post code, telephone number, ownership and number of employees.</p> <p>Job – title of the new or attracted job, expected start date, hours of work.</p>
<b>New SMEs/businesses supported</b>	<p>Number of small and medium sized enterprises receiving support (including advice and training) with the intention of improving performance and/or growth (i.e. reduce costs, increase turnover/profit, innovation, exporting). Value of the support should be a minimum of £1,000, calculated at Gross Grant Equivalent (see ERDF guidance) or a minimum of 2 days of consulting advice.</p> <p>It can also include individuals and groups (community, not for profit, other) who are seeking support to start a business.</p>	<p>Business – name, address including post code, telephone number, contact details, ownership, number of employees</p> <p>Form or letter confirming consultancy support and hours delivered – details of the provider of any support (name and address) and details of the</p>

	Counted as a new business when it is still in operation 12 months after it started trading (start trading = date when business registers for VAT or for National Insurance contributions).	<p>assistance provided to the business to include a record of hours of assistance.</p> <p>Copy of receipts for grant or equivalent signed and dated by recipient.</p> <p>Notes to evaluate who has benefited; data on size, gender/ethnicity and sector/cluster should be collected to see how well they fit with LEAP priorities.</p> <p>Start of trading – Company Registration Number / VAT Number and date of registration of NI Class 2 date of registration and date of first transaction</p>
<b>Employers engaged</b>	The number of employers or businesses engaged by the lead delivery partner towards the project development, design or provision of the curriculum.	<p>Written confirmation from the business confirming the engagement with the provider as part of the GLA funded project (e.g. providing sector specific equipment or engaging in the design of the curriculum), including:</p> <p>Business– name, address including post code, telephone number, contact details, ownership, number of employees.</p> <p><b>Should not include work placement numbers.</b></p>
<b>New businesses formed</b>	<b>Do Not Use. Use the New SMEs/businesses supported category, where applicable</b>	
<b>Improved attendance rates</b>	Provider successfully plans, establishes and manages a curriculum and learning programmes that meet the needs and interests of learners, employers and the local and national community, leading to increased attendance rates.	<p>Common Inspection Framework / Inspection.</p> <p>The FE provider to report the attendance of learners on courses delivered as a result of the project. The FE provider to retain the individual records for each learner. Records should be accessible for audit purposes.</p>
<b>Amount of space with improved energy efficiency (m2)</b>	Area of space resulting in improved energy efficiency (m2) as a result of replacement of old with new boilers/lighting/heating.	Measure of area improved and type/details of equipment upgraded/replaced leading to energy efficiency.

<p><b>Public realm improvements (m2)</b></p>	<p>The public realm should be seen as a series of connected routes and spaces that help to define the character of a place, including all the publicly-accessible space between buildings, whether public or privately owned, from alleyways and streets to squares and open spaces.</p> <p>Improved: significant improvement in the quality of the built environment through improved use of space, urban design and improved quality of materials used. Could be linked to measurement of time savings, reductions in road safety incidents, increased perception etc.</p> <p>New: space which was previously not for public use.</p>	<p>Architect drawings demonstrating the area improved (before and after) and invoices and contracts to demonstrate work has been commissioned and completed.</p> <p>The designs should be supplied as part of invoicing along with photographic evidence and supporting evidence of improvements/benefits (increased permeability, increased road safety, increased public furniture/art, etc.)</p>
<p><b>Increase in water efficiency/waste production/green infrastructure</b></p>	<p>The delivery of exemplar sustainable water and waste management schemes across London FE institutions, delivered through whole educational provider engagement and educational awareness raising and physical interventions such as improved metering, water efficiency installations and reuse/recycle strategies on site.</p> <p>Green/living roofs (and to a lesser extent green walls), leading to green coverage targets set by the Mayor's Environment Strategy.</p>	<p>BREEAM Certification as ultimate validation.</p> <p>Water and money savings for FE Institutions through water efficiency measures and delivering of a widely available learning programme.</p> <p>Proof of sustainability strategy and/or designs that show infrastructure improvements.</p>
<p><b>Reduction in carbon dioxide emissions</b></p>	<p>The positive effect in terms of carbon dioxide emissions resulting from the improvement of facilities or associated infrastructure and systems (boilers, heating system, etc.) This could equally represent the difference between current emissions and the projected ones in the case of new builds replacing old facilities.</p>	<p>An evaluation carried by a qualified assessor or Energy Performance Certificate results, in accordance with <a href="#">UK guidelines</a>.</p>
<p><b>New or improved commercial space or business space (m2)</b></p>	<p>New or upgraded: new buildings constructed as part of the project, refurbished, improved or adapted for productive use as part of the project.</p> <p>Improved: Actual floor space or potential market value has been increased by some physical improvement.</p>	<p>An architect's floor plan drawings showing floor space area, copy of completion certificate to demonstrate works undertaken, surveyor reports from pre and post completion of works and photographic evidence.</p> <p>Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list.</p>