

Evaluation of European Structural Funds' contribution to Community Planning Partnerships

First Stage Overview Report

Introduction

- 1.1 In May 2009 we were commissioned by the Scottish Government Structural Funds Division to carry out the evaluation of European Structural Funds' contribution to Community Planning Partnerships.
- 1.2 The first stage of this evaluation has been to draw up 13 baseline reports for each of the Community Planning Partnerships in the LUPS area which have received ESF Priority 1 and ERDF Priority 3 funding.
- 1.3 The cornerstones of our approach to this evaluation are that the process will be: participative, reflective, iterative, and informed, and that the evaluation will enhance organisational performance and identify and share best practice.
- 1.4 In line with that approach, the baseline reports which we have written, based on documentation review, statistical analysis, and depth interviews with each CPP, are now being returned to the CPPs for them to check for accuracy before being taken to the advisory group for this project.
- 1.5 This overview paper summarises a number of key issues and learning points drawn from the baseline reports and identifies elements of positive practice we have encountered.
- 1.6 We set out our comments under the following headings, which reflect the priorities for the evaluation identified by the Scottish Government:
 - Development of the CPP Programme
 - Partnership working
 - Monitoring and evaluation (including additionality, attribution and good practice)
 - Horizontal themes
 - Progress to date against targets
 - Conclusions.

Development of the CPP programme

- 1.7 The underpinning rationale for funding Community Planning Partnerships to deliver programmes to support Progressing into Employment and Urban Regeneration is that the European funding should add to and enhance a strategic and integrated approach to employability at CPP level.
- 1.8 Overall we have found a somewhat mixed bag of strategic development across the CPPs:
- there is some excellent practice in place, where we see a clear strategic focus supporting moves towards integrated delivery of employability support;
 - there is some practice which, although partially strategic, needs further strengthening to link the structural funds programme into other employability strategies and practices in the CPP;
 - there is some practice which is not rooted in any overall CPP strategy to employability and which needs pulled together into a coherent strategic approach.
- 1.9 Key features identified to date which appear to support best practice in developing a workable strategic approach include:
- the existence of a strong strategic and operational employability partnership;
 - a dedicated programme manager with knowledge and expertise in EU funding;
 - local authority and/or CPP staff with knowledge and understanding of employability issues, and with sufficient seniority to ensure action and compliance;
 - demonstrable commitment from the CPP partners to engaging with structural funds and understanding the positive opportunities presented by the funds;
 - an assessment (or clearly demonstrated understanding) of existing service delivery identifying strengths, weaknesses and gaps;
 - development of realistic targets, outputs, and outcomes based on evidence of need and local labour market analysis.
- 1.10 The above points are illustrated by the approach which different CPPs have taken to developing their programme bids. CPPs which demonstrate

good practice in being strategic have examined their current employability strategies and plans across all partner organisations - regardless of funding source - and looked for where they needed to add value or fill gaps across all their provision in order to achieve their CPP's strategic outcomes; in some cases specific mapping exercises have added to partners' understanding of service gaps and need. They have then developed bids, in consultation with partner organisations, which seek to ensure these strategic outcomes will be met.

- 1.11 Using an approach based on capacity and need has given these CPPs the flexibility to adapt their provision as capacity and need changes.
- 1.12 In some other CPPs, those tasked with developing the programme bid have asked organisations to bid in to them with projects which met the overall priorities of the CPP and the structural funds, but have not then integrated the projects they developed into the CPP's overall strategy or delivery structure for employability.
- 1.13 In at least one instance the bid developers worked with partners to decide on the target group to whom they wished to provide services and then developed a number of projects around this group. They admit that although there was a partnership approach to developing the programme bid, this was not a strategic and integrated approach to delivery of services but rather the development of a set of "*mini-projects*".
- 1.14 One major difficulty of a fixed project approach is that it can be difficult to be dynamic and adapt provision to meet changing need.
- 1.15 CPPs welcomed the existence of the Challenge Fund. However, in retrospect those CPPs who were striving to be genuinely strategic believe that a sequential rather than parallel approach to the funding application process would have enabled an overall more strategic approach to be adopted. In other words, they believe it would have been better to assess the CPP strategic bids first and then examine the Challenge Fund bids to make sure they could fill the gaps, add value to, and align strategically with the CPP bids. It is understood that there were pressures of time and resource which prevented this happening, but it is a learning point.
- 1.16 All the CPPs raised some issues relating to the development of their bids and the approval process. These mainly concerned the change from the original decision to fund three CPP bids to the consequent decision that 13 CPPs in the LUPs area would be eligible for funding, and also what were perceived to be instances of conflicting or contradictory guidance from the Scottish Government and/or ESEP.
- 1.17 CPPs nevertheless welcomed the fact that all 13 received funding, including in particular some of the smaller CPPs who may not have been

successful in a more competitive bidding situation but who had identified a need for structural funds.

- 1.18 Some CPPs found that the need in some instances to renegotiate elements of their bid, which slowed down the speed at which they were approved and was therefore problematic.
- 1.19 However, most CPPs front-loaded funding from other sources so that they could begin delivery before they could draw down funding against their first claim, and the majority did not experience major difficulties with the application and approval process.
- 1.20 The 2007-2013 programme has involved changes in structures and eligibility rules which were new to both the Scottish Government and ESEP.
- 1.21 Considered objectively, it is not surprising that there was a steep learning curve for the funders and administrators to negotiate. However, as is the nature of relationships between applicant and funder, the Scottish Government and ESEP were assumed by CPP applicants to “*have it all sorted*”. It seems to us that the reality is that the Scottish Government and ESEP were having to offer guidance to CPPs before they reached the end of the learning curve, so some guidance needed to be revised or amended.
- 1.22 There may be a learning point here around continuing to increase the transparency and communications between the Scottish Government and ESEP and the CPPs in terms of the challenges which all participants face with European funding rules and regulations.
- 1.23 CPPs have found the opportunity to meet in the CPP Network to be extremely useful, and also value the input and discussion from the Scottish Government at these meetings.
- 1.24 Despite some of the reported criticisms, it is clear that overall the CPPs have good and supportive relationships with both the Scottish Government and ESEP.

Partnership working

- 1.25 There are a variety of types of partnership approaches to the structural funds, with some being highly structured, strategic, commissioning partnerships and others being much looser partnership groups brought together solely for the purposes of bidding for and overseeing this tranche of funding.

- 1.26 Across the CPPs all partnership representatives state that partnership working is strong, albeit that not all the partnerships are equally strategic. Some of the key elements which seem to support good practice in this area include:
- the existence of an employability partnership formed as part of involvement in and funding from Workforce Plus;
 - Jobcentreplus/DWP being a key and active partner;
 - partners contributing to match funding;
 - partners working to an agreed employability pathway or pipeline;
 - partners sharing a common tracking and monitoring system.
- 1.27 Generally speaking the voluntary sector and the further education sector have been reasonably well engaged in the partnership approach to European structural funds. There has however been variation across CPPs in the roles undertaken by partners actively involved in local partnerships as well as variation in the inclusiveness of representation from these sectors. In our opinion, the active involvement of representatives from these sectors adds to the strategic nature of the approach adopted.
- 1.28 In addition to the above, there is evidence from the baseline interviews of added value to the partnership which comes from partners understanding and identifying the roles and functions which each partner can play in the field of employability. This is enabling partners to better contribute individually and jointly to the structural funds' outcomes and also to the outcomes in the CPP's Single Outcome Agreement.
- 1.29 This added value is demonstrated by, for example, new shared funding bids for employability and health being developed by different partners; by non-employability partner organisations such as Social Work making referral for clients to employability support organisations a condition of their commissioning process; and by improved cost effectiveness resulting from greater efficiency in engaging with beneficiaries, retaining them, and supporting them to progress.

Monitoring and evaluation (including additionality, attribution and good practice)

- 1.30 All the CPPs have monitoring and compliance systems in place to ensure that they can report to ESEP against the approved ESF and ERDF indicators. These seem to be operating satisfactorily although it was not

part of our work at this stage to examine reporting systems in detail. If anything it is our sense that some CPPs are perhaps over-vigilant with their monitoring and compliance systems but this is perhaps understandable given the new structural funds regime.

- 1.31 So far as we are aware at least one CPP has commissioned an external evaluation of their programme, and for some the services funded through the structural funds will be evaluated as part of an overall evaluation of their employability services.
- 1.32 A number of the CPPs have relatively sophisticated web-based and/or electronic tracking systems in place which can track beneficiary progress across services and partners to monitor the programme's performance. The systems are impressive and provide a depth of information which partners crucially appear to be using internally as well as for external reporting purposes. The use of these systems tends to be in CPPs that have applied a pathway/pipeline approach.
- 1.33 Some CPPs which do not having tracking systems nevertheless use an employability pathway approach, and have established clear procedures for accountability and tracking of progress into individual services or projects so that they can monitor the spend on individuals and the outcomes from that spend.
- 1.34 Although CPPs claim to have unique identifiers which enable them to ensure that individuals are not double-counted and that progression does happen, in fact not all have databases or spreadsheets in place, nor do all have sufficiently robust "unique" identifiers to convince us at this stage that individuals can be identified and that progress can in fact be followed in all instances.
- 1.35 This makes attribution difficult in those instances where it is not clear exactly what monies are being spent on which individuals and with which outcomes.
- 1.36 In all cases where CPPs which do not already have unique identifiers they are in the process of developing their own tracking systems databases so we anticipate that this issue should begin to be resolved.
- 1.37 We observed that the development of tracking systems has involved two approaches: local partnerships developing their own IT systems as well as the purchasing of existing systems which are adapted to suit local requirements. Where local partnerships have developed IT systems from scratch it was stated that this would ensure the systems were bespoke and entirely fit for purpose. Further independent assessment of the value for money of these two approaches may provide lessons for the future of European structural funds as well as further afield.

- 1.38 Some of the CPPs which are strong on their strategic approach recognise that the fundamental purpose and value of monitoring is to drive up the quality of the experience and the outcomes for the individual, and to improve the capacity of the providing organisations, and they are using the monitoring requirements of the structural funds very effectively to make sure this happens.
- 1.39 This is a real strength of the structural funds, and because of the tightness of the monitoring requirements they can be used strategically to bring about change in the behaviours and practice of service deliverers and improve their efficiency and effectiveness.
- 1.40 For some CPPs however the fundamental purpose of monitoring appears to be to assure the accuracy and eligibility of claims so that funding can be drawn down. Whilst this is essential it is not the sole purpose of monitoring. There is a learning point here for those CPPs.
- 1.41 The structural funds have the potential to make a significant contribution to a coherent and integrated CPP employability strategy. If, rather than seeing the administrative and funding requirements as simply a bureaucratic burden, CPPs can take a more positive approach to what the systems can offer, then the quality of their programme's performance can be improved as can the efficiency of the service providers. (This is not of course to ignore the fact that European funding regulations can on occasion be complex and onerous).

Horizontal themes

- 1.42 All CPPs can provide satisfactory evidence that social inclusion is an integral part of their provision, and is in fact the policy driver for much of what they are doing.
- 1.43 In general CPPs are much weaker on the remaining two themes of equal opportunities and environmental sustainability.
- 1.44 All CPPs state that equal opportunities are embedded across all their programmes or projects.
- 1.45 However, whilst some CPPs have specific elements which focus on people from BME communities or on older people, the most significant aspect of labour market inequality, affecting the largest number of individuals, is the worsening pay gap between men and women caused in large part by occupational segregation.
- 1.46 There is limited evidence of CPPs offering any constructive action to tackle this area of inequality.

- 1.47 Whilst all CPPs have a stated commitment to environmental sustainability, and there are some projects funded to work in this area but this theme does not appear to be a high priority for most CPPs. It is unfortunate that one CPP which had addressed this issue better than most at the bidding stage has experienced difficulties in delivering the proposals.
- 1.48 The learning point with these latter two themes, is that if the European Commission and the Scottish Government are serious about ensuring they are embedded across all programmes then there is a need to ensure they are more seriously addressed.
- 1.49 Structural funds and the regulations attached to their use have so far been used successfully to drive through changes in progress with social inclusion and with reaching and engaging the hardest to reach unemployed. There is no reason why structural funds could not be similarly be used to drive through significant and real change in the areas of equal opportunities and environmental sustainability.
- 1.50 We do recognise however that there may be a need for capacity building amongst CPPs to support them to implement such change.

Progress to date against approved ESF and ERDF indicators

- 1.51 We have accumulated data on progress for all CPPs as at March 2009 and are in the process of requesting data for the following quarter.
- 1.52 We are using CPP data generated on progress rather than the Eurosys data on claims since the CPP data is currently more up to date.
- 1.53 The analysis of the progress to date on the ESF results show differences in the level of ambition of different CPPs. Some CPPs have set targets for the number of participants receiving support which appear disproportionately high compared with other CPPs although in at least one instance this does not seem to be preventing them from achieving their targets.
- 1.54 At this stage in the life of the programme, even allowing for the slow start in some areas it might be reasonable to expect the CPPs to have engaged with around 30% – 40% of participants. Five CPPs have engaged with fewer than 30% of participants and in two of these cases we would have concerns about them achieving this target.
- 1.55 In terms of participants entering employment, in order to be sure of reaching their target for March 2010 we would expect CPPs to be at around 30% by end March 2009. Only two CPPs have achieved this. There are five or six CPPs which may need external support if they are to have any possibility of reaching their targets.

- 1.56 The position with ERDF targets is equally mixed. Overall the jobs brokerage targets seem to be being achieved but spend on projects for refurbishment or for business incubation units is patchy, largely it seems because of technical problems either with structural funds or within the CPP itself.
- 1.57 We believe there is a piece of work to be done with some of the CPPs to examine their current progress in providing services; to assess the current unemployment/workless data in their area and the local labour market intelligence; and then to re-look at the continuing relevance and reality of their targets against the available evidence of need and the likelihood of them meeting their targets.

Conclusion

- 1.58 Overall the CPP model is working well, with some very encouraging and positive signs of the potential of this model of European funding to be a very real contributor to helping CPPs achieve the terms of their Single Outcome Agreement.
- 1.59 More importantly, where the model is working at its best, it is making a very real difference to the lives of unemployed people in some of the most disadvantaged areas of Scotland.
- 1.60 Generally speaking there is support for the partnership approach from those most closely involved in the process – the 13 CPPs.