

## **APPENDIX 1**

### **1.1 INTERNAL COHESION AND THE REVIEW OF PROGRAMME PROCEDURES**

#### **1.1.1 Introduction**

The desk-based review of programme procedures is primarily concerned with the review of partnership processes, including communication, appraisal, selection and monitoring procedures to assess if business processes work efficiently and to ensure an effective delivery of the Objective 2 Programme.

The mid term evaluation has reviewed the following documents and processes:

- SPD – East of Scotland Objective 2 Programme 2000-2006;
- Programme Complements;
- Application and Claim Forms and associated guidance;
- Annual Implementation Reports;
- Key Policy Group Activities, including Monitoring Approach;
- Labour Market Information Reports; and
- Voluntary Sector Needs Analysis and Capacity Building.

The following sections will briefly review and comment on the above mentioned documents and processes.

#### **1.1.2 The Programme Complement**

The review of the East of Scotland Programme Complement (PC) concludes that the PC presents a clearly structured document including most relevant aspects of Programme management from a detailed explanation of the principles involved in the Regional Conversion Strategy, to the identification and quantification of performance indicators including horizontal theme indicators for each measure. The section on Selection Criteria explains scoring and weighting processes in detail and includes explanations regarding the specific roles and expectations of members of the various Committees and Advisory Group structures.

The PC is successful in conveying detailed processes and strategies in a user-friendly and readable manner while emphasising important aspects of the SPD including partnership development, sustainable development, roles of strategic partners, and the overall strategic rationale for improved targeting of Programme Measures.

The PC also provides some good background and guidance with regard to the chosen Priorities and how they are to interrelate with each other. It also gives clear instruction about the importance of embedding sustainability criteria into the appraisal of project applications to ensure their inherent and explicit capability beyond 2006.

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In addition, the PC emphasises the commitment to identify and learn from best practice and to transfer this knowledge to organisations in the Programme Area.

Whilst the PC incorporates the Communication Action Plan, other documents such as the Mainstreaming Sustainable Development Action Plan, and ESEP's approach to monitoring might be useful additions, since their development during the course of the Programme has been completed.

### 1.1.3 Application and Claim Forms

At the time of the Interim Report, the evaluation team is aware that there have been amendments made to the application, appraisal and claim forms. The changes predominantly sought to incorporate the horizontal themes more appropriately and to define certain sustainable development indicators more specifically. This was to improve certain areas, where project applicants and promoters have experienced confusion or potential misinterpretation. A more in-depth review of the forms will be undertaken, once further meetings with the PME have been held regarding the specific changes undertaken to a number of indicators.

Already, the process of continuing improvement of business processes and documents demonstrates, however, that the PME is pro-actively addressing areas of weakness and is committed to structuring processes as efficiently and effectively as possible.

With regard to the claiming and reporting process, the evaluation team awaits further information and instruction from the Scottish Executive once the computer systems to enable the electronic exchange of data are fully operational.

### 1.1.4 Annual Implementation Report

The mid term evaluation team had the opportunity to review the first two Annual Implementation Reports (2000 and 2001). The documents, composed by PME staff, provide a comprehensive summary and overview regarding events and progress achieved over the respective calendar year.

The reports comment on changes in policy developments and regional socio-economic trends, which enable the partnership members to keep up-to-date with general economic conditions in the area. Most importantly, the reports give a measure by measure break down of output achievements and related issues including reference to originally agreed measure objectives in the SPD. Further sections report on the Performance Reserve indicators, and steps taken to ensure quality and effectiveness of implementation, including summaries of key issues raised at Programme Monitoring and Programme Management Committees and Advisory Groups, and discussions of actions taken to promote the horizontal themes. Reports on management arrangements and co-ordination activity with Community Policy conclude the AIR document, which contains comprehensive financial annexes relating to financial commitments and targets on a priority and measure basis.

Overall, the AIR report presents a coherent, well-structured and informative document for the benefit of the Programme partnership. The use and application of this document as a programme information and management tool is recommended.

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### 1.1.5 Key Policy Group

Sustainable development is a central objective of the East of Scotland Objective 2 Programme and is reflected throughout the various elements and aspects of Programme management. In recognition of the fact that the implementation and mainstreaming of sustainable development objectives require a pro-active approach, the partnership has formed a Key Policies Group (initially named Sustainable Development Policy Group) with a strong practical orientation, overseeing and initiating all aspects associated with mainstreaming the Programme's horizontal priorities and their management.

The Key Policy Group meets on a quarterly basis, and members include:

- Independent Sustainable Development Consultant;
- Representative of the Scottish ESF Objective 3 Partnership;
- Representative of the Scottish Environmental Protection Agency (SEPA);
- Representative of the Scottish Natural Heritage (SNH);
- Four representatives from the ESEP partnership; and
- Two PME members, including the Chief Executive.

The Annual Implementation Report provides a good overview of the actions taken to promote the horizontal themes via the Key Policy Group. Activities of the Group, included the following:

- Production of the Mainstreaming Action Plan for Sustainable Development;
- Holding a series of awareness raising and training workshops with project applicants;
- Equal Opportunities Workshop with the aim to further the process of developing a strategy for promoting equal opportunities within the Programme;
- Production of the Report and Workshop: 'Re-visiting the 12 Sustainable Development Core Criteria';
- Pilot Study on Monitoring involving a number of project assessments and their progress in incorporating and monitoring horizontal theme indicators;
- Sustainable Development Training Workshops with Advisory Group members and the Programme Management Committee;
- Proposal for Monitoring Structural Funds for reporting progress on the horizontal themes; and
- Development of a Project Monitoring Form, which is based on an assessment of progress made against the 12 sustainable development core criteria.

The above list of activities demonstrates the comprehensive range of initiatives of the Key Policy Group, reflecting a high degree of commitment to appropriately addressing issues, and to invest in training and building of capacity of the partnership's members and project applicants.

Whilst it can be argued that the East of Scotland Programme is delayed in its project monitoring activities, the partnership has taken all necessary steps to ensure that horizontal themes and sustainable development are appropriately addressed and areas of uncertainty, such as the definitions of a number of indicators are clarified, in order to undertake a well focused and comprehensive monitoring exercise. The availability of Monitoring Approach and Monitoring Form should now enable the PME to start robust and thorough monitoring visits.

The extent of commitment exercised by the East of Scotland Partnership has resulted in a high degree of visibility for horizontal themes throughout all Programme management procedures and documents, creating an appropriate basis to enable mainstreaming processes to take place via ERDF-supported project action.

#### 1.1.6 Labour Market Information Report

The East of Scotland Objective 2 Programme Partnership commissions a quarterly Labour Market Information Report as part of the operationalisation of the proposed Lowland Scotland Labour Market & Economic Intelligence System. At times, the consultants will undertake a particular piece of research in addition to the LMI reports. All Labour Market reports are posted on the esep web site and where appropriate hard copies are issued to members of the Advisory Groups.

A summary of key points of the latest available LMI report is provided in section 2.5.5 of this report.

#### 1.1.7 Voluntary Sector Needs Analysis and Capacity Building

In November 2002, a review of progress in capacity-building projects funded under the Community Economic Development priority in Measure 3.1 was undertaken in the form of a commissioned research on 'Voluntary Sector Needs Analysis and Capacity Building', undertaken by the Social Enterprise Institute, Heriot Watt University, October 2002. The main conclusions from this review are as follows:

- Projects, on the whole, are tackling the capacity-building objectives set;
- Range of projects in place puts more weight on individual skill development than on influencing decision-making processes and creating stronger voluntary organisations, public services or partnerships.;
- Partnership processes in place are an asset to capacity-building development and the study found that as many projects aim to generate better policy actors as better managers;
- Smaller community development projects that are almost exclusively process-oriented are likely to be less effective in CED planning process;

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- Recommend to pool knowledge and resources across projects in relation to monitoring tools, especially the assessment of hard and soft skill development, and evaluation tools;
  - *‘except for independently sponsored projects, we have found the conception of project management to be little ‘business-oriented’. This has major consequences for the Programme as goal setting tends to occur within the boundaries of the project application rather than the CED objectives and principles’;*
  - Staff development opportunities should be extended to project staff who do not have access to them, in particular to improve understanding of the CED and strategic planning priorities and processes; and
  - With the exception of the smaller projects, projects should be given the resources to improve management systems and recognition for doing so, as knowledge of such tools are a step towards creating strong independent ventures.

## **APPENDIX 2 – REVISED AND UP-DATED INDICATOR TABLES PER MEASURE**

Note: Indicators written in *italics*, signify that they are currently not recorded on the Monitoring System as they have not been selected by any projects, they are, however, available and targeted under the respective Measure.

<b>TABLE 1.1: MEASURE 1.1 INDICATORS – PROGRAMME TARGETS AND ACHIVEMENTS BY NOVEMBER 2003</b>			
Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
No Total no. of existing businesses assisted	6,228	5,580.00	90%
No Total no. of instances of assistance to existing businesses	12455	13,365.00	107%
No Total no. of instances of assistance to new businesses	3449	1,942.00	56%
No Total no. of new businesses assisted/created	3449	1,886.00	55%
<i>No of instances of assistance to existing businesses in areas of most need</i>	3737		-
<i>No of instances of assistance to existing businesses owned or managed by women</i>	2491		-
<i>No of existing assisted businesses from areas most in need</i>	1868		-
<i>No of existing assisted businesses owned or managed by women</i>	1246		-
<i>No of instances of assistance to new businesses in areas of most need</i>	1035		-
<i>No of instances of assistance to new businesses owned or managed by women</i>	1380		-
<i>No of new assisted businesses from areas most in need</i>	1035		-
<i>No of new assisted businesses owned or managed by women</i>	1380		-
<b>RESULTS INDICATORS</b>			
Area of technology training premises developed (sqm)	-	-	
Hectares of natural habitat management	-	788.50	
Increase in sales in existing businesses (£million)	317.52	62.48	20%
Increase in sales in new businesses (£million)	136.08	9.68	7%
Increase in volume of waste recycled or reused (tonnes)	-	585.40	
Increased investment in R&D by assisted businesses (£million)	-	0.05	
No. of gross new jobs created for women	2592	935	36%
No. of gross new jobs created in areas defined as most in need	1944	507	26%
No. of jobless people from areas of most need securing employment	648	21	3%
No. of organisations achieving recognised quality awards	967	128	13%
No. of organisations taking up e-commerce trading	483	762	158%
No. of organisations which introduce active people friendly policies	967	225	23%
Private sector leverage (£million)	12.3	16.93	138%
Total gross jobs created through self employment	1725	420	24%
Total gross no. of jobs safeguarded	2777	4,092	147%
Total no. of gross new jobs created	6480	4,221	65%
Total no. of jobless people securing employment	2160	51	2%
Total no. of organisations undertaking environmental management	967	410	42%
Total no. of patents issued / IPR registrations by businesses	-	-	
Total no. of people under 25 securing employment	720	89	12%
<i>No of people under 25 from areas of most need securing</i>			

<i>employment</i>			
<i>Gross jobs created for women through self employment</i>			
<i>No of jobs safeguarded in areas of most need</i>			
<i>Gross no of jobs for women safeguarded</i>			

**TABLE 1.3: MEASURE 1.3 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003**

Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate IN % (b)/(a)
<b>OUTPUT INDICATORS</b>			
No. of commercialisation projects in HE, FE and research institution	10	66	660%
Total no. of existing businesses assisted	1210	351	29%
Total no. of instances of assistance to existing businesses	2420	915	38%
Total no. of instances of assistance to new businesses	587	1,438	245%
Total no. of new businesses assisted/created	587	153	26%
<i>No of instances of assistance to existing businesses in areas of most need</i>	726		
<i>No of instances of assistance to existing businesses owned or managed by women</i>	484		
<i>No of existing assisted businesses from areas in most need</i>	363		
<i>No of existing assisted businesses owned or managed by women</i>	242		
<i>No of instances of assistance to new businesses in areas of most need</i>	176		
<i>No of instances of assistance to new businesses owned or managed by women</i>	235		
<i>No of new assisted businesses from areas in most need</i>	176		
<i>No of new assisted businesses owned or managed by women</i>	235		
<b>RESULTS INDICATORS</b>			
Increase in sales in existing businesses (£million)	171.5	0	
No. of gross new jobs created for women	978	56	6%
No. of gross new jobs created in areas defined as most in need	734	40	5%
No. of jobless people from areas of most need securing employment	245	0	0
No. of jobs safeguarded in areas of most need	314	0	0
No. of organisations which introduce active people friendly policies	180	10	6%
Total no. of gross new jobs created	2446	158	6%
Total no of jobless people securing employment	815	6	1%
Total no of people under 25 securing employment	272	23	8%
<i>No of people under 25 from areas of most need securing employment</i>	82		0
Total gross jobs created through self employment	59	4	7%
<i>Gross jobs created for women through self employment</i>	24		0
Total gross no. of jobs safeguarded	1048	145	14%
<i>Gross no. of jobs for women safeguarded</i>	419		0
Increase in sales in new businesses (£million)	73.5	6.94	9%
Private sector leverage (£million)	4.9	0.55	11%
Increased investment in R&D by assisted businesses (£million)	3.2	2.13	67%
Total no. of patents issued/IPR registrations by businesses	449	15	3%
No of organisations taking up e-commerce trading	180	19	11%
No of organisations achieving recognised quality awards	449	3	1%
Total no. of organisations undertaking environmental management	180	2	1%

<b>TABLE 2.1: MEASURE 2.1 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003</b>			
Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
No. of marketing campaigns / initiatives supported	27	21	78%
Total no. of environmental partnerships supported	6	0	0
Total no. of existing businesses assisted	1003	23354	2,328%
Total no. of instances of assistance to existing businesses	2005	36522	1,822%
Total no. of instances of assistance to new businesses	556	667	120%
Total no. of new businesses assisted/created	556	304	55%
<i>No of instances of assistance to existing businesses in areas of most need</i>	602		
<i>No of instances of assistance to existing businesses owned or managed by women</i>	401		
<i>No of existing assisted businesses from areas in most need</i>	301		
<i>No of existing assisted businesses owned or managed by women</i>	201		
<i>No of instances of assistance to new businesses in areas of most need</i>	167		
<i>No of instances of assistance to new businesses owned or managed by women</i>	222		
<i>No of new assisted businesses from areas in most need</i>	167		
<i>No of new assisted businesses owned or managed by women</i>	222		
<b>RESULTS INDICATORS</b>			
Increase in sales in existing businesses (£million)	43.86	0	0
Increase in sales in new businesses (£million)	29.24	0	0
Increase in visitor numbers	3,000,000	938112	31%
No. of gross new jobs created for women	858	28	3%
No. of gross new jobs created in areas defined as most in need	644	480.5	75%
No. of organisations achieving recognised quality awards	-	1	
No. of organisations taking up e-commerce trading	-	0	
No. of organisations which introduce active people friendly policies	156	83	53%
Private sector leverage (£million)	2	0	0
Total gross jobs created through self employment	55	34	62%
Total gross no. of jobs safeguarded	3020	2582.5	86%
Total no. of gross new jobs created	2146	1831.8	85%
Total no. of jobless people securing employment	715	529	74%
Total no. of organisations undertaking environmental management	156	0	0
Total no. of people under 25 securing employment	238	705	296%
<i>No of jobless people from areas of most need securing employment</i>	215		0
<i>No of people under 25 from areas of most need securing employment</i>	71		0
<i>Gross jobs created for women through self employment</i>	22		0
<i>No of jobs safeguarded in areas of most need</i>	906		0
Gross no. of jobs for women safeguarded	1208	7	1%

**TABLE 2.2: MEASURE 2.2 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003**

Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
Hectares of serviced land created or enhanced (brownfield)	58	6.87	12%
Hectares of serviced land created or enhanced (Greenfield)	25	58.1	232%
No. of community ICT projects supported			
No. of sites provided with direct access	17	33	194%
Total no. of childcare facilities created	34	0	0
Total no. of new businesses assisted/created	-	46	
Total no. of training / learning facilities created	2	9	450%
Total sqm of business space created	117920	25092	21%
Total sqm of childcare facilities created	1710	0	0
Total sqm of training / learning facilities created	3448	29451	854%
Total sqm of business enhanced	78613	250	0
<i>Sqm of business space created in areas of most need</i>	<i>29480</i>	<i>0</i>	<i>0</i>
<i>Sqm of business space enhanced in areas of most need</i>	<i>29480</i>	<i>0</i>	<i>0</i>
Total no. of training/learning facilities enhanced	2	2	100%
No. of training/learning facilities created in areas of most need	1	2	200%
No. of training/learning facilities enhanced in areas of most need	1	2	200%
Total sqm. Of training/learning facilities enhanced	2299	70542	3068%
<i>Sqm of training/learning facilities created in areas of most need</i>	<i>862</i>	<i>0</i>	<i>0</i>
<i>Sqm of training/learning facilities enhanced in areas of most need</i>	<i>862</i>	<i>0</i>	<i>0</i>
<i>No of childcare facilities created in areas of most need</i>	<i>10</i>	<i>0</i>	<i>0</i>
<i>Total sqm. Of childcare facilities enhanced</i>	<i>1710</i>	<i>0</i>	<i>0</i>
<b>RESULTS INDICATORS</b>			
Area of technology training premises developed (sqm)	5,747	1000	17%
Hectares of natural habitat management	50	0	0
Increase in sales in existing businesses (£million)	89.4	0	0
Increase in visitor numbers	647,000	0	0
No. of gross new jobs created for women	1020	58.5	6%
No. of gross new jobs created in areas defined as most in need	765	230	30%
No. of organisations taking up e-commerce trading	-	328	
Private sector leverage (£million)	11.8	0	0
Total gross jobs created through self employment	-	0	
Total gross no. of jobs safeguarded	6655	291.13	4%
Total no. of childcare places created	342	0	0
Total no. of gross new jobs created	2551	339.64	13%
Total no. of jobless people securing employment	850	0	0
Total no. of people under 25 securing employment	283	60	21%
Total sqm of business space occupied after 18 months	98267	900	1%
Total sqm of business space occupied after 36 months	16705	900	5%
No of jobless people from areas of most need securing employment	255	525	206%
<i>No of people under 25 from areas of most need securing employment</i>	<i>85</i>		
<i>No. of jobs safeguarded in areas of most need</i>	<i>1997</i>		
<i>Increase in sales in new businesses (£million)</i>	<i>59.6</i>		
<i>No of childcare places created in areas of most need</i>	<i>103</i>		

**TABLE 3.1: MEASURE 3.1 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003**

Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
No. of community appraisals completed	109	50.00	46%
No. of community development plans prepared	87	21.00	24%
(No. of community services supported)	-	1.00	
<b>RESULTS INDICATORS</b>			
No. of community development plans implemented	78	12.00	15%
(No. of gross new jobs created for women)	-	4.50	
(No. of gross new jobs created in areas defined as most in need)	-	7.00	
(Total no. of gross new jobs created)	-	7.00	

<b>TABLE 3.2: MEASURE 3.2 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003</b>			
Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
Hectares of serviced land created or enhanced (brownfield)	2	2.5	125%
No. of childcare facilities created in areas of most need	32	14	44%
No. of community appraisals completed	-	1	
No. of community development plans prepared	-		
No. of community groups supported with admin. of Key Funds or similar	15	1	7%
No. of community ICT projects supported	30	260	867%
No. of community services supported	1200	1429	119%
No. of community transport projects supported	30	3	10%
No. of existing assisted businesses from areas of most need	113	892	789%
No. of instances of assistance to businesses in areas of most need	57		0
No. of inst's of assistance to exist busin'ss in areas of most need	227	866	381%
No. of new assisted businesses from areas of most need	57	2,235	3921%
No. of training/learning facilities created in areas of most need	16	103	644%
No. of training/learning facilities enhanced in areas of most need	16	42	263%
SQM of business space created in areas of most need	8860	5586	63%
Sqm of training/learning facilities created in areas of most need	805	613	76%
Sqm of training/learning facilities enhanced in areas of most need	805		0
Total sqm of community facilities created	17367	1405	8%
Total sqm of community facilities enhanced	17367	70	0
<i>No of instances of assistance to existing businesses owned or managed by women</i>	65		
<i>No of existing assisted businesses owned or managed by women</i>	32		
<i>No of instances of assistance to new businesses owned or managed by women</i>	32		
<i>Sqm of business space enhanced in areas of most need</i>	13291		
<i>No of community waste management facilities created</i>	10		
<i>No of community waste management facilities enhanced</i>	40		
<b>RESULTS INDICATORS</b>			
Hectares of natural habitat management	9	5876	65289%
No. of childcare places created in areas of most need	460	1222	266%
No. of community development plans implemented	-		
No. of gross new jobs created for women	671	484	72%
No. of gross new jobs created in areas defined as most in need	1175	1171	100%
No. of jobless people from areas of most need securing employment	705	1885	267%
No. of jobs safeguarded in areas of most need	503	400	80%
No. of organisations which introduce active people friendly policies	243	27	11%
No. of people under 25 from areas of most need securing employment	235	608	259%
Total gross jobs created through self employment	40	55	138%
Total no. of organisations undertaking environmental management	49	1	2%
<i>Gross jobs created for women through self employment</i>	16		0
<i>Gross no of jobs safeguarded for women</i>	288	30	10%
<i>Increase in sales in existing businesses (£million)</i>	49		
<i>Increase in sales in new businesses (£million)</i>	21		

Total sqm of business space occupied after 18 mths	15823		
Total sqm of business space occupied after 36 months	26899		

**TABLE 3.3: MEASURE 3.3 INDICATORS – PROGRAMME TARGETS AND ACHIEVEMENTS BY NOVEMBER 2003**

Core Indicator Title	Programme Target (a)	Achievement (b)	Achievement Rate (b)/(a)
<b>OUTPUT INDICATORS</b>			
No. of community ICT projects supported	15	29	193%
No. of community services supported	120	189	158%
No. of existing assisted businesses from areas of most need	18	19	106%
No. of instances of assistance to businesses in areas of most need (new)	9		0
No. of inst's of assistance to exist busin'ss in areas of most need	36	131	364%
No. of new assisted businesses from areas of most need	9	19	211%
Total no. of community facilities created	-		
No of instances of assistance to existing businesses owned or managed by women	10		
No of existing businesses owned or managed by women	5		
No of instances of assistance to new businesses owned or managed by women	5		
No of new assisted businesses owned or managed by women	5		
No of community groups supported with admin. Of Key Funds or similar	10		
No of community transport projects supported	15		
<b>RESULTS INDICATORS</b>			
Increase in sales in existing businesses (£million)	2		
No. of gross new jobs created for women	41		
No. of gross new jobs created in areas defined as most in need	71	3.5	5%
No. of jobless people from areas of most need securing employment	42		0
No. of jobs safeguarded in areas of most need	31	5	16%
No. of organisations which introduce active people friendly policies	39		
No of people under 25 from areas of most need securing employment	14		
Gross no of jobs for women safeguarded	18		
Increase in sales in new businesses (£million)	1		

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## **APPENDIX 3**

### **1. STRATEGIC PARTNER CONSULTATIONS**

#### **1.1 INTRODUCTION**

Consultation with strategic partner organisations involved in the operation and management of the East of Scotland Objective 2 Programme has been an integral part of the mid term evaluation. During the months November and December 2002, the evaluation team undertook a total of 29 face-to-face consultations with representatives across all Programme management structures and sectors involved, including:

- The Scottish Executive;
- Scottish Enterprise Network;
- Local Authorities;
- Area Tourist Boards;
- Universities and Colleges;
- The Voluntary Sector; and
- The Private Sector.

The following sections present the key findings.

#### **1.2 PROGRAMME PARTNERSHIP**

*The decision making process in the East of Scotland Objective 2 Programme in terms of project selection and recommendation for approval has been devolved to the Eastern Scotland European Partnership. A wide range of organisations and large number of individuals is involved at various levels of the Programme management structure, to ensure that transparent and accountable procedures are in operation. The evaluation sought to explore some of the key issues involved in partnership working and tried to gather views on how to build on established relationships and capacities post 2006.*

The overall view across all Programme Management Committees and groups was that the partnership was well balanced in its geographical and sectoral representation. Having said this, a number of consultees felt that the voluntary and community sector could have a stronger participation than it currently has, but also recognised the fact that it is particularly difficult for smaller organisations to afford the time and costs involved in contributing. In addition, some consultees regarded the private sector as slightly under-represented. There was also a limited number of consulted organisations that felt that the complexity of rural issues was not understood well at a partnership level and wondered if there was a slight urban, or ex-Objective 2 bias.

There was overwhelming consensus amongst consultees that the partnership worked in a fair and democratic way, facilitated by the PME in allowing for transparency of processes, dissemination of quality information, and openness of debate. When asked to identify the particular strengths of the

East of Scotland partnership model, the expertise, openness and overall quality of the PME was one of the most often mentioned points.

Whilst attendance at meetings has pre-dominantly been described as good with low turnover, participation rates and workloads appear to vary depending on the type of committee and group involved. In this context, Advisory Groups seem to have the largest workload ranging between 10 and 15 days per annum, and the Programme Monitoring Committee the lightest with 3 to 4 days per annum.

With regard to experienced strengths and weaknesses of the partnership model, consultees highlighted the following:

STRENGTHS	WEAKNESSES	IMPROVEMENTS
<ul style="list-style-type: none"> <li>- scope of representation;</li> <li>- quality of PME;</li> <li>- openness of debate;</li> <li>- effective management;</li> <li>- transparent scoring.</li> </ul>	<ul style="list-style-type: none"> <li>- wide scope of representation;</li> <li>- over-reliance on 'custom and habit';</li> <li>- no formal sharing of ideas;</li> <li>- workload mitigates against smaller organisations taking part</li> </ul>	<ul style="list-style-type: none"> <li>- job descriptions for participants;</li> <li>- mechanism to share best practice projects;</li> <li>- regular refreshing of Advisory Group membership;</li> <li>- financial compensation for small organisations taking part.</li> </ul>

Many consultees expressed some degree of pessimism when asked about the likelihood of the partnership continuing post 2006. The main observations were that partnerships might evolve on a smaller geographical level as the Objective 2 model has been so successful in fostering partnership work and networking. This would leave a legacy via organisations still networking post 2006, particularly on a community-based level. To allow for a smooth transition and continuing of these processes, it is hoped that the current partnership will plan sufficiently ahead and put mechanisms in place, to ensure that the community and voluntary sectors will still play a role post 2006.

### 1.3 RELEVANCE OF STRATEGY

*The Programme strategy, and thereby the activities supported by the Programme, should reflect and correspond directly to the area's needs and current socio-economic situation. In light of the seven-year life-span of the East of Scotland Objective 2 Programme, it is, therefore, important to monitor changes in the socio-economic situation, particularly in the labour market, the rural economy and equal opportunities situation to maintain the Programme's relevance and focused impact.*

*The consultation sought to identify, if strategic partners felt that the Programme strategy is still relevant to the area's needs, or if amendments to the existing strategy for the remainder of the Programme's time-scale are perceived necessary.*

For most of the consulted partner organisations, the Regional Conversion Strategy as represented by the Single Programming Document still broadly reflects socio-economic need and external coherence with current strategies in the East of Scotland and does, in their view, not require any significant changes for the remainder of the Programme period. Some consultees, however, highlighted the fact that some important new policies and strategy documents, such as 'Smart Successful Scotland' and the 'Race Relations Amendments Act' have been released since the strategy was formulated and ought to be taken into account by the Programme in future.

In terms of the strategy itself, a number of consultees supported the focused approach to allocating funding, whilst others were more in favour of a thematically-based approach. The general regret was that the strategy and its focused approach on strategic sectors and designated areas was too restrictive and limiting to respond more appropriately to changes occurring in the economy and in communities.

A number of economic changes, which have occurred since the beginning of the programme were identified by consultees and included the following themes:

- CAP reform in the agricultural sector;
- Decline of the fishery industry;
- Negative impact from foot&mouth crisis and September 11 on the tourism industry;
- Large scale manufacturing closures; and
- Decline in the electronics sector.

Sectors in which the SPD might have over-emphasised need and importance included Food&Drink, and Forestry. The latter because the areas of need regarding the forestry processing sector were, according to some consultees, outwith the designated Objective 2 area and, therefore, non-eligible for funding.

In the context of the above industrial developments, some consultees recommended some adjustment to the designated 'Strategic Sectors'. At the same time, it was acknowledged that schemes such as the Tourism Initiative, Rosyth Ferry developments and the Cairngorms National Park initiatives were good and successful projects with considerable potential to build upon via further Objective 2 project activity. In some instances, consultees would welcome a more pro-active approach by the PME to initiative targeted project development and to rely less on a reactive approach.

A further strategic issue involving geographic versus thematic strategy was the perceived over-emphasis on Social Inclusion Partnerships (SIP) versus Community Economic Development (CED) areas for a number of consulted strategic partner organisations. SIP areas seemed to have a funding advantage through the availability of their dedicated SIP funding budgets, whilst CED areas had to compete with scarce local authority resources in their search for match-funding. In addition, a rather abrupt change in intervention rates applicable for CED-projects (from 50% down to 40%), increased this perceived imbalance and limitations for CED areas.

Regarding the economic developments in transitional areas and potential lessons for the future, most consultees stated that the concept of transitional areas in terms of weaning transitional areas off European Structural Funds was less of an issue. Some consultees recommended, however, that more preparatory work should be undertaken in transitional areas, to ensure that governance and partnership issues were better addressed and that those areas are able to use new legislative frameworks such as the Social Justice Agenda, before the influence of European Community Programmes disappear.

#### 1.4 FINANCIAL BUDGETS

*Linked to the issue of relevance of the existing Programme strategy, the following section explores the extent to which the financial budgets relate to the area's needs and demands. The consultation with strategic partners also gathered views regarding the potential distribution of Performance Reserve monies.*

Most consultees had the opinion that the financial structure and Measure allocations in general, appeared fair and reasonable. Some early imbalances between Measures, such as Measure 2.2 and 2.1 had been addressed. A number of partners commented on a potential over-spend in transitional area budgets accessing Priority 2 funds. A virement or re-allocation of funds for transitional areas was, therefore, recommended.

Further, a number of consultees raised issues surrounding Priority 3 regarding a perceived difficulty in spending available budgets under Measure 3.1 and 3.3 (CED – thematic) due to their strict definitions of eligible project activity. As Measure 3.2 was seen to be spending well, the suggestion was made to vire monies within Priority 3 into Measure 3.2.

One of the main areas of anticipated under-spend, however, was identified by consultees as Measure 1.2 (Access to Risk Capital). This Measure has not started with any project activity yet due to certain legality issues and decision-making processes at Scottish Executive and Scottish Enterprise Network levels.

When asked how they would allocate any additional Programme allocation, such as the Performance Reserve, the answers varied, but the most frequent responses were as follows:

- Allocate to Measures with greatest demand (Priority 2);
- Focus on SMEs and raising their capacities and awareness regarding Equal Opportunities;
- Set up a fund to support sustainability of projects beyond 2006; and
- Focus on revenue spending in the tourism sector.

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At the time of the consultation, most consultees stated that they were unaware of any major issues relating to the financial allocations of the Objective 2 East of Scotland Programme.

## 1.5 PROGRAMME PROCEDURES

*The assessment of Programme processes is an integral part of any Programme evaluation in order to establish how transparent and accessible business processes are operated. Provided Programme targets are relevant and realistic, well established businesses processes can be instrumental in creating an efficient and effective Programme management which is the basis of achieving set financial and outcome targets. The following section provides views held by strategic partners on some of the key aspects of Programme procedures.*

There is an overwhelming consent amongst consulted organisations that the PME operates efficiently and provides sufficient and high quality information regarding all relevant aspects of Programme management procedures and business processes.

According to consultees, the Programme Complement still reflects the currently applied Programme procedures well. Many consultees particularly welcome the robust and fair scoring and appraisal process facilitated by the PME. Overall, the decision making process is perceived by many to work better and more transparently than during last Programme period.

With regard to Programme monitoring processes and feedback on achieved outputs, many consultees feel that they would like to receive more information, in order to get a better understanding of the overall progress achieved. Whilst accepting that the particular role of an Advisory Group member is to appraise project applications, many regretted that they never heard about 'their' projects again once approved. To receive feedback on 'their' approved projects would enable many to review their own decisions in light of the particular levels of achievements reached by a project, i.e. to enable a learning process to happen.

A further point regarding information was made by a number of strategic partners referring to a perceived lack of knowledge or explanation why certain areas and Measures are not accessed, and why certain sectors are not applying for funding.

However, the amount of information already received is high and that was often commented on during the consultations. In this respect, some consultees recommended that different ways of disseminating information be found, maybe via short reports at the beginning of each meeting, or selected case studies with regard to feedback on Programme progress, and to stay in touch with the overall development of the Programme.

Overall, Programme information on monitoring is regarded as a weak point by a number of strategic partners. Many expressed the desire to receive more feedback from the PME in this respect. In an ideal world, each project should receive a monitoring visit, according to some consultees.

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## 1.6 COMMUNITY ADDED VALUE

*Primarily from a European Commission point of view, it is important to identify how successful the application of European Structural Funds is in achieving added value to the regeneration of designated areas. The consultation gathered views on the impact of European Objective 2 funding.*

While it was believed too early to measure the direct impact of Objective 2 funding, a number of distinct benefits of European Structural Fund activity were identified by strategic partners.

### Added Value: capacity building

There is a general perception amongst many strategic partners that organisations involved in managing the Objective 2 Programme gain capacity and a better understanding of administrative, strategic and operational aspects of Programme management. Consultees also consider capacity being built in terms of an improved awareness of regional issues and development opportunities, through improved partnership working, and a better understanding of strategic issues of various sectors and policy issues, such as the horizontal themes.

Smaller organisations that do not have the resources to participate more fully in the management of the Objective 2 Programme, at times questioned, if the larger intermediaries used their enhanced capacity and insight for the benefit of the less involved, smaller stakeholders. The suspicion is that knowledge is still used in very conventional ways and is not generally disseminated to the wider partnership.

### Added Value: improved networking and integration

One of the most often made comments was that European Funding facilitated good partnership working at regional and local levels and that the continuation of local partnerships would probably be one form of legacy being left behind by the Objective 2 Programme.

In some cases, the Programme facilitated new working relationships to develop between organisations that have not co-operated before, and to initiate strategic shifts towards the incorporation of economic development dimensions into their work, which had not been considered before.

### Added Value: capital investment

The most visible and lasting impact from Objective 2 funding, according to many consultees, will be in the form of capital projects, where a particular market failure rationale prevailed. This is particularly the case in CED areas where local authorities' resources can usually not accommodate this sort and level of expenditure.

### Added Value: larger, sooner, better

The majority of strategic partners believe that European Structural Funds add significant value in enabling project activity to be of better quality, larger size, and undertaken sooner rather than later. In addition, many consultees think that a project application earmarked for European funding, incorporates a mark of quality and indicates good project planning to other funding organisations. This helps in raising additional funds.

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Private sector contributions, as one form of leveraging added value, were generally regarded as under-performing and without much impact at the time of the consultations. Some consultees did not regard private sector contributions as particularly relevant to the Programme.

## 1.7 COMPLEMENTARITY

*The following section of the questionnaire explored the extent of Objective 2 additionality and how the Programme is instrumental in facilitating the implementation of a number of other public sector programmes and, thereby, helps to increase their impact in the East of Scotland.*

The overall perception amongst consulted organisations is that the Objective 2 Programme is influencing to some extent local authorities and other strategic partners in prioritising their project activities according to the objectives and accessible funding under Objective 2. At the same time, many consultees believe that the East of Scotland Programme only has limited influence on partner organisations' strategies. Undoubtedly though, the majority of consultees were convinced that European Structural Fund availability is instrumental in increasing the impact of their operations.

The Programme's emphasis on sustainable development is widely recognised amongst strategic partners and facilitates an increased awareness and, possibly, changed organisational behaviour alongside the more specific policies and legislation relating to Equal Opportunities, the Environment and Social Inclusion.

Strategic partners felt that the complementarity between Objective 2 and Objective 3 Programmes was mainly established through the work undertaken by the Scottish Executive and the creation of Working Groups at a strategic level. However, the perception was that this work was still without much practical impact through project activity and linkages. It is the view of a number of consultees that the removal of ESF from the Objective 2 Programme was a mistake, hindering complementarity and project linkages rather than fostering them.

## 1.8 MAINSTREAMING HORIZONTAL OBJECTIVES

*In line with the four strategic drivers and themes of the East of Scotland Objective 2 Programme, there are three horizontal priorities incorporated in the SPD: sustainable development, social inclusion, and equal opportunities.*

*The horizontal priorities are closely interrelated with each other, and the preparation of the Programme included a sustainable development, social inclusion and a strategic equal opportunities analysis to establish key issues and to ensure their successful integration into the Programme's various Priorities and Measures.*

*It was the task of the evaluation to establish if the existing procedures and processes enable the implementation and the mainstreaming of the horizontal priorities, and operate in a way helpful to achieving sustainable development.*

In the Objective 2 Programme context, the mainstreaming of horizontal priorities is mainly understood as the embedding of horizontal objectives and principles into the application and decision-making processes. The overall intention is widely understood as to raise awareness and, subsequently, to change behaviour of applicant organisations towards a better integration of related issues and actions into their own development operations. The main emphasis is understood by most to be on learning and facilitating an educational process for all involved.

It is also the perception of consultees that the PME takes the integration of horizontal priorities very seriously and is very committed to its cause. It is felt that the horizontal priorities are incorporated into application and appraisal processes as much as possible. Indicators and criteria applied in the scoring process are widely thought to address the horizontal priorities appropriately, and that their inclusion into the decision-making process has much improved in comparison to the last Programme period.

The PME initiated a number of workshops, offers advice and compiled documentation to raise awareness levels amongst Programme partners and applicants. These activities have been well received and commended by many consulted partners. Some consultees reported that the horizontal priority approach from Objective 2 has already helped organisations to embrace the sustainable development concept more vigorously than before.

In terms of reporting any direct impact, or achievements against Programme targets, consultees were unable to comment as they have not received any monitoring data or progress reports on horizontal output achievements from the PME. It was generally felt that applicants have improved significantly in addressing horizontal themes in application forms, but there is also a degree of scepticism amongst consultees as to whether this process has actually changed anything on the ground yet. In this respect, it has often been referred to as 'lip service' and 'paper exercise'.

Consultees believe that the twelve sustainable development indicators are well and logically reflected in the appraisal process, but expressed the desire for some degree of feedback on progress achieved. Suggestions in this

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context included the provision of trend analyses involving all twelve indicators, case studies and a dedicated monitoring function.

Whilst everyone consulted agreed with the usefulness of the sustainable development agenda of the Objective 2 Programme, some strategic partners find the emphasis on the horizontal themes in an economic development context more difficult to fully accept. In their view, specific legislation can achieve horizontal theme objectives more effectively and efficiently.

There was unanimous agreement that the Objective 2 Programme and the PME undertake all they possibly could in their remit to implement sustainable development, including the mainstreaming of horizontal priorities.

Consultees were asked about the innovative aspects of the Programme, and how innovation is being understood and assessed by the partnership. There was a general agreement amongst most consultees that innovation is a very important aspect of the Programme to enable change in people and mechanisms working towards sustainability in an ever changing economy. At the same time, though, many strategic partners perceive the European Structural Funds themselves as risk avoiding through their output and target requirements. Often, the problem of risk aversion was seen as being with the match-funders and their resistance to innovative project development.

Whilst innovation features as one of the appraisal criteria and is generally regarded as a plus point, a number of consulted partners felt that it was surely not the only game in town and supported a more open approach to include conventional and traditional solutions, which were seen as working well in their own right.

## **APPENDIX 4**

### **1. PROJECT MANAGER SURVEY**

#### **1.1 INTRODUCTION**

This chapter provides an overview of the key findings of the e-mail survey of project managers undertaken during the months of January and February 2003. The questionnaire asked about certain aspects of Objective 2 Programme and project activity and included the following key sections:

- Type of Respondent;
- Project Development and Application;
- Project Management and Implementation;
- Project Performance and Achievements;
- Innovation;
- Sustainable Development;
- The Objective 2 Programme Administration ; and
- The Future.

#### **1.2 RATE OF RESPONSE**

Based on Programme data held at the Programme Executive on 15 January 2003, the questionnaire was sent by e-mail to 143 project contacts covering a total of 211 projects (excluding nine projects without any e-mail contacts identified). Projects including both transitional and eligible Programme area elements, were treated as one project by the survey.

With 89 returns, the overall response rate reached 42% (on the basis of 211 projects), but **62%** on the basis of contacted project managers (project managers are often responsible for more than one project).

#### **1.3 TYPE OF RESPONDENTS**

With 60%, local authorities were the single most dominant type of organisation responding to the survey, with other sectors, such as voluntary/community sector, H&FE and other public sector organisations occupying a 10% share each. The Scottish Enterprise Network only accounted for 4%, despite their 12 % representation of the overall targeted projects.

Most respondents described their role in the Objective 2 project as project management (72%), project delivery (63%) and co-ordination of applications/claims (57%).

Whilst more than half of respondents (57%) already have an involvement in the management of the East of Scotland Objective 2 Programme as a

member of the PMC/PMoC or Advisory Group, 33% expressed their interest to become involved in future.

In terms of project range represented by the e-mail survey, the following table shows the type of project as identified by the respondents:

<b>TABLE 5.1: HOW WOULD YOU DESCRIBE YOUR PROJECT?</b>	
Capital	38%
Revenue	58%
Technology oriented	19%
Business Development	34%
Community Economic Development	51%
Environment	25%
Rural Development	25%
Employment Access	15%
Grant/Loan Scheme	11%
Key Sector	13%
Other	5%

Asked about the current stage of their project, 20% of survey respondent reported their project as completed, 64% as well underway and 19% as recently commenced.

## 1.4 PROJECT DEVELOPMENT AND APPLICATION

According to 90% of respondents, the development and contents of a project application was most significantly influenced by the strategic objectives of the respondents' own organisation. The second most influential document and source of information was identified as the Single Programming Document (73%), followed by one-to-one discussions with the PME (69%), discussions with project partners (67%) and the Programme Complement (65%).

The sources of information identified as having the least influence on the formulation of a project were the horizontal themes links on ESEP's website, the Monitoring Handbook for Applicants, and the ESEP Website information.

The East of Scotland Objective 2 website was rated in a mixed fashion with 30% regarding it as a good means of informing project applicants and 30% rating it as average, whilst another 30% did not know.

Surprisingly, 11% of respondents claimed that the Single Programming Document had no influence at all on the development and contents of their project!

Being asked about the difficulties experienced in filling out the application form, most respondents felt that the length of the form (65%), quantifying target outputs (63%), and the technical format of the application (61%) were difficult to very difficult to master. At the same time, tasks such as demonstrating demand and demonstrating fit with the Programme were rated as least difficult by 63% and 58% of respondents respectively. In addition, the overwhelming majority of project applicants felt that fitting their project into the strategic framework, Measure structure and requirements of the Programme was not difficult.

Whilst nearly a quarter of respondents (23%) received help to incorporate horizontal themes into their application, the majority (91%) of surveyed project applicants accessed general support from the PME during the application process. The survey also found that 90% of respondents benefited from feedback on their application from the PME following submission. If applicants were requested to alter or add any information in their application form, the most often identified areas were 'technical issues' (54%), and costings (39%).

Almost three-quarters of respondents (74%) were satisfied with the length of time it took to approve their project, enabling 61% of respondents to start their project on-time. For the 39% of surveyed project applicants, who experienced delays in their project start, areas such as match-funding, recruitment, and construction-related difficulties were mentioned most often as the reason.

## 1.5 PROJECT MANAGEMENT AND IMPLEMENTATION

Project managers were requested to describe various areas of project implementation in a scale from very challenging (1) to not at all challenging (5) according to their experience. Whilst project management tasks, such as running the project to plan, monitoring project outcomes, filling in claim reports, etc. received medium ratings, few areas attracted scores at the extreme ends of the scale.

Areas reported as most challenging were 'measuring the economic impact of the project' and 'assessing the sustainable development impact of the project' with 58% and 52% of respondents ticking the lowest two scores for these areas, respectively.

The area 'attracting targeted beneficiaries' was mentioned most often as 'not at all challenging' by 18% of respondents.

When asked to identify areas where and how ERDF funding helped in project management and implementation, the following received agreement and strong agreement from the majority of respondents:

- Helped the project to run on a larger scale (81%);
- Helped project to run at all (78%);
- Helped project to run sooner rather than later (69%);
- Helped to have a greater economic impact (68%);
- Put project in a better strategic context (67%).

The three areas with the most dominant medium positions, i.e. respondents identifying a neither/nor opinion regarding the helpfulness of ERDF funding were:

- ERDF introduced equal opportunities targets effectively (45%);
- ERDF introduced environmental project targets effectively (41%); and
- ERDF introduced sustainable development targets effectively (42%).

The claiming process was experienced in many different ways with an even distribution amongst respondents finding the whole process as too complicated and detailed to people who experienced few problems. Only 7%,

however, had no problems with the claiming and monitoring process. Whilst 57% of respondents asked the PME for assistance, 63% asked other colleagues for help in filling in the claim forms, only 2% did not need any assistance. The Monitoring Handbook was consulted by 14% of respondents to assist them in filling in a claim form.

61% felt that grant payments were received in an acceptable timespan and 67% were confident that their project was complete or will be completed at the expected time.

With regard to the quality of assistance received from ESEP to aid the implementation of the project, a quarter (26%) of respondents felt that they received very good assistance and a further 38% felt that the support they received was of good quality. Only 2% reported the support as poor.

## 1.6 PROJECT PERFORMANCE AND ACHIEVEMENTS

Asked about the performance levels of their project, the majority (61%) felt confident that their project will achieve or has achieved all targets identified in the project application form. A further 20% were unsure about their project's achievement rate, whilst 18% indicated that it is unlikely that their project will achieve its set targets, with some identifying over-optimistic targets as the main reason for under-achievement.

<b>TABLE 5.2: HAS THE PROJECT BEEN RESPONSIBLE FOR CREATING ADDITIONAL OR SAFEGUARDING JOBS SALES</b>		
Jobs/Sales	% of respondents confirming	Number of jobs/sales
Additional Jobs Created (FTE)	48%	1,298.6
Safeguarded Jobs (FTE)	35%	1671
Additional Sales Created	11%	£5,44m
Safeguarded Sales	11%	£15m
Don't Know Yet	28%	-
None Of The Above	10%	-

Table 5.2 demonstrates that just under a half of project managers (48%) confirmed that their projects will create approximately 1,300 additional jobs; 35% expecting to safeguard jobs in the area of 1671 jobs (this includes projects that create additional jobs and safeguard jobs).

11% confirmed that additional sales of up to £5.4m will be created and another 11% of project managers estimated that their projects will safeguard £15m.

According to the survey, 10% of projects will not contribute to the Programme's jobs and sales targets at all.

Only 2% of respondents felt that they could have accessed alternative funding to proceed with their project. Whilst 64% of respondents (25 project managers) initially considered using other public sector grant schemes, and a total of 36 project managers (57% of the respondents) thought that public sector funds might actually have been available to implement their project.

Almost a fifth (19%, 12 project managers) even thought they could have accessed alternative funding from private sector contributions.

Asked about the key impact of their project, many respondents identified project activity. Whilst answers varied according to the specifics of their projects, many respondents, however, referred to key themes such as:

- stimulating growth in companies;
- improved viability of SME and strategic sectors;
- improved community capacity;
- environmental improvement; and
- improved tourism sector and opportunities.

## 1.7 INNOVATION

More than a quarter (27%) of respondents felt that their project could not be described as innovative, but the majority (64%) identified their project as innovative.

Asked to describe the innovative aspects of their project, 55 respondents provided answers. Whilst the answers varied according to the specific context of their project, respondents very often referred to the following types of themes:

- New training and learning environments, ICT, learning events often in a community-based context;
- Partnership developments and new ways of working on a local level or between sectors;
- The creation of outreach, and/or bespoke services for SMEs and specific sectors;
- The creation of sustainable environmental infrastructure; and
- Forestry related projects.

## 1.8 SUSTAINABLE DEVELOPMENT

The questionnaire included a series of questions relating to the various aspects of sustainable development and the horizontal themes in particular, as well as enquiring about the perceptions of project managers with regard to the communication processes with project beneficiaries and related impacts.

The overwhelming majority (80%) of respondents identified their project as contributing significantly (40%) and contributing well (40%) to 'economic development'.

In respect of the horizontal themes, projects' contributions to social inclusion was identified by a majority of 62% of respondents (splitting into 35% for significant contribution and 27% for contributing well).

Similarly, 58% of respondents felt that their project contributed significantly (22%) and well (36%) to the equal opportunities component of sustainable development, whilst just under half (48%) of respondents identified their

project as contributing significantly (28%) and well (20%) to the environmental component of sustainable development.

In cases where project managers felt that their project could not contribute fully to sustainable development, the following reasons were given:

- economic development: 4 project managers indicated that it was impractical to their project;
- social inclusion: 6 project managers perceived it as not relevant, and 3 said it was impractical;
- environmental: 9 project managers perceived it as not relevant, and a further 7 as impractical; and
- equal opportunities: 5 project managers perceived it as not relevant, and 4 as impractical.

Project managers were asked to outline their project actions, which have been particularly successful in pursuing a sustainable development path. The following table provides an overview of the most often mentioned experiences in this context.

<b>TABLE 5.3: HOW TO ACHIEVE SUSTAINABILITY</b>
Sustainability via applying an integrated approach, including childcare, community linkage, outreach
Involving community groups, consultation processes, and sustaining their involvement long-term
Training/learning/improving skills at local level
Linking project activity to other relevant initiatives and sectors, putting project in strategic context
Sustainability via focusing on special target groups, themes
Sustainability through dedicated project staff
Involving private sector
Re-use of vacant buildings, use of local materials, contractual arrangements re. equal opps, environ.
In rural context: job creation, creation of ICT facilities, networking, to reduce out-migration

Asked if their project beneficiaries have benefited from the inclusion of horizontal themes targets in their project, project managers responded mainly indecisively, varying from 17% expressing significant benefit from social inclusion targets, to 27% not knowing if equal opportunities targets had an impact on their project beneficiaries.

The following list presents some of the responses given with regard to how project beneficiaries benefited from the inclusion of horizontal theme targets:

- improved access to learning, ICT, job opportunities for all;

- services address the needs of their customers in a more appropriate manner;
- creation of local jobs for local people;
- improved involvement of the community and better linkage of their interests with environmental and equal opportunities aspects of the work undertaken;
- improved integration of land management;
- improved linkage of business development services to equal opportunities, environmental and social inclusion services;
- better acknowledgement of needs of target groups and disabled people;
- improved use of public transport; and
- improved quality of life.

The following table gives an indication how project managers informed and involved their project beneficiaries with regard to the horizontal objectives of their project.

TABLE 5.4: HOW DID YOU ENSURE THAT YOUR PROJECT BENEFICIARIES BECAME AWARE OF THE PROJECT'S SPECIFIC HORIZONTAL TARGETS	
Discussed project objectives	61%
Provided information letter/leaflet	47%
Organised awareness raising events	39%
Provided information on monitoring requirements	26%
Requested to monitor targets themselves	12%
Other (presentations, meetings, one-to-one discussions)	12%

An overwhelming majority of project managers described the investment in communication as the most efficient way of influencing beneficiary behaviour with regard to the horizontal theme targets. Communication with the project beneficiaries, performed in one-to-one, or group sessions including feedback sessions after project activity, was often regarded as most efficient when combined with networking and publicity activity via the media, newsletters, advertising and promotional activity. In addition, many respondents felt that the promotion of best practice and practical examples would be an efficient tool to influence beneficiary behaviour positively, particularly when combined with one-to-one follow up guidance and communication.

More than half of the respondents considered their project to be best practise. In many cases, respondents considered their project as best practice because of the extent and quality of community involvement, wide partnership arrangements, or because of their specifically targeted and bespoke service to the business community or other target groups. The information provided

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will further inform the selection process for case studies to be undertaken in the course of the mid term evaluation.

## **1.9 THE OBJECTIVE 2 PROGRAMME ADMINISTRATION**

The overwhelming majority of respondents (90%) agreed that the Objective 2 Programme is beneficial to their area. More than half (55%) agreed that the objectives and structure of the Programme represent the real needs of their area, with 28% of a neither/nor opinion, 6% disagreeing and 11% not knowing if the Programme represented the needs of the area.

Asked about the programme management, three-quarters (75%) agreed that the East of Scotland Programme was well managed.

Whilst a quarter of respondents (26%) did not know about the representation of partner organisations in ESEP, more than half (54%) agreed that relevant partner organisations are sufficiently represented on the Programme management structure.

The opinion about larger organisations displacing the interests of smaller ones in the decision making process was divided, with nearly a third (30%) not knowing, and 42% neither agreeing nor disagreeing.

According to an overwhelming majority view, the Programme benefits foremost the local community and local businesses.

The main additional comments forwarded in the survey, focused on the heavy burden regarding the complexity of the application form and the bureaucracy involved with the overall ERDF administrative process, particularly for smaller organisations. At the same time, many respondents commented on the usefulness and necessity of ERDF funding.

## **1.10 THE FUTURE**

In future, half of the respondents do not know if they will apply for ERDF funding again, whilst 40% will and 10% won't, mainly for the reason of too much bureaucracy involved in the monitoring and reporting procedures.

One project, however, will not apply for ERDF funding again, because 'We are currently working on an exit strategy which will look at other sources of funding including the private sector'.

## **1.11 FURTHER COMMENTS**

Further comments, mostly reported the satisfaction with the Programme management and support and friendliness of staff. Whilst comments also focused on many of the technical difficulties, and 'language' used in European Structural Fund Programmes, there were also comments that the form filling process was not as burdensome as expected initially. More face-to-face contact with PME staff, and the simplification of processes were expressed wishes.

The most encouraging comments were:

- ESEP staff very helpful and approachable and will try hard to get a good project through the process;
- Whereas we don't have further specific projects in mind at the current time our experience with this project encourages us to consider applying if an appropriate future project arises; and

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- Generally it is a key investment source for the local economy suffering from major decline of the traditional industries and converting to a knowledge transfer based economy. It provides the major capital investment for many large scale and higher risk activities that the private sector would not contemplate and yet are essential to establishing a competitive economy, such as industrial infrastructure and innovative business support. Without ERDF support over the last 16 years the local economy would have suffered far worse problems and its recovery would be much slower.

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## **APPENDIX 5**

### **1.1 CASE STUDY I**

<b>PROJECT TITLE</b>
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Open Access to Learning
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<b>PROJECT DESCRIPTION</b>
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Dundee City Council has established 5 Open Access Learning centres throughout the Dundee area with the aim of improving and opening up the learning environment. This has been done in two principal ways. Firstly a programme of renovation within the existing library buildings with the aim of making the best use of space and tailoring it to the needs of the learners. The second part involved the installation of high spec PCs to the centres and crucially upskilling the existing staff to enable them to be a 'one stop shop' in terms of advice and support for the new technology. The project has striven to provide an holistic approach to learning and make it much more open and approachable.
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<b>PROJECT APPLICANT/PROMOTER</b>
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Dundee City Council
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<b>PROJECT TARGET GROUPS</b>
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Primarily targeting new learners attracting a wide range of people, especially those who would not normally go to the library. The centres have been established in libraries in areas of high social need / exclusion throughout Dundee.
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<b>PROJECT OUTCOMES</b>
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The funding provided by ERDF has had a significant impact as it allowed structural changes to be made to 5 library buildings. The changes aim to make the best use of possible space to provide a modern and approachable environment.
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The ERDF funding was also used to purchase high specification PCs which allowed the project to deliver a high quality service to the learners. Multiple funding streams were used by the partners in this project, some of this funding had limiting conditions attached. This was not the case with the ERDF monies which has allowed more flexibility in the use of the equipment it enabled the team to purchase.
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<b>AREAS OF PARTICULAR SUCCESS/BEST PRACTICE</b>
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This project has aimed to create a warm welcoming environment which has provided the communities with a much higher quality learning environment and level of ICT. It has taken a holistic approach of improving the buildings, the visual surroundings and
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the skills set of the staff to provide an over all better quality ICT & Learning provision to the community.

Partnership working between the project managers has been widely seen as critical to the success of the project. It has been important to have good integration, cooperation and communication between all the parties involved.

Good communication with the library staff and keeping them up to date with developments throughout the process has provided a motivated team who are willing and able to move the project forward.

The ERDF funding was also used to purchase higher specification PCs which allowed the project to deliver a high quality service to the learners.

Elements of this project are readily transferable through the highlighted partnership working and good communication.

#### **THE PROJECT'S INNOVATIVE CHARACTER**

One of the key factors within this project has been the siting of the centres. The Centres are located within a library which allows the resources to be maximised. It is not necessarily where the public would expect a learning centre to be found nor would they expect the welcoming, relaxed atmosphere which has been one of the projects main aims.

Another key innovation within this project is the link being made between the training and upskilling of library staff and the upgrading of the physical environment. This training ensures that there is a wide variety and depth of knowledge to help the learner in many situations. The integration of the building, the staff and the high specification equipment all provide the best opportunity for the learner.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

Most of the problems with the building works have been practical and logistical. These have been worked through and resolved. Good communication between the various partners and adherence to dead lines has been a vital factor.

The numerous funding streams have proved to be a challenge. Timing has been a big issue as the funding had to come together at the one time. There have also been different funding and claims procedures that have had to be mesh together simultaneously.

Time scales were very tight due to part of the funding coming to an end. This was seen as stressful but also helpful in that it focused minds.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

A project management team was put in place to coordinate the physical building work and the timing issues regarding funding. This was made up from the Income

Generation section, the Neighbourhood Resources & Development section, Architectural Department, the IT Department and the Finance section. Keeping tight control of progress of the project by this group has been essential to its success.

Formal and informal communication with the staff at the libraries ensured that they were aware of the developments and ensured their buy in to the project. The staff felt included in the process and were then able to be the management team's eyes and ears on the ground.

Sound planning and flexibility were also required.

#### **SUSTAINABLE PROJECT OUTCOMES**

The project will allow learners to gain and develop skill sets. The aim is that this would lead to further education or employment and could be an immense change in a learner's life.

The project aims to encourage a wider cross section of the population to use these centres and that they will provide group working and individual opportunities.

It is possible to measure the qualifications acquired or level of achievement gained on leaving, but it is more difficult to measure the impact i.e. where this has led the learner. It is hoped that in the future it may be possible to track the learners more with a 'Tracking individual Learner Plans' approach.

#### **IMPLEMENTED EXIT STRATEGY**

This project is a capital project and as such it is felt that there is less need for a robust exit strategy, more that it will be monitored and developed.

The main challenge for the project is how it manages its IT support. It is critical that a robust system is put in place to handle this. It will be support in a multi site environment which will require a flexible but structured approach.

There will be an issue of the PCs needing to be renewed in 2 years approximately.

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**1.2 CASE STUDY II****PROJECT TITLE**

Communities in North Aberdeenshire

**PROJECT DESCRIPTION**

This project sought to involve and empower the communities of North Aberdeenshire in developing and delivering the Community Economic Development plan for the area through a participative capacity building process involving specific local community groups, Local Economic Development Organisations (who are also local rural partnerships).

There was a strong focus on process e.g. each partnership validated each others plans, contributing to learning as well as validation. This enhanced transferability whilst developing groups further, they informed each other and reflected back on their own experience.

**PROJECT APPLICANT/PROMOTER**

Aberdeenshire Council

**PROJECT TARGET GROUPS**

Four groupings of rural communities within the O2 areas of Aberdeenshire

**PROJECT OUTCOMES**

Increased capacity in the communities and a realistic and deliverable development plan. None of the partners, Community Economic Development Organisations (CEDO's) or public sector could have undertaken activity of this nature on this scale without ERDF support. The early stages demonstrated this with the struggle to sustain the groups prior to funding being available. The council effectively underwrote the CEDO's, until the funding was secured, who could not otherwise have undertaken their core activities. (This funding was then repaid otherwise there would have been an impact on council services).

The evidence of the previous appraisal of project by project activity shows limited benefits and the need for a coherent and cohesive approach such as this. There has been a dramatic increase of activities both within the plan and outwith it. Additional Objective 2 applications are now emerging from community based groups / organisations who have developed / identified needs through the process e.g. a rural transport project in the Banffshire Partnership, the Boyndie trust application for a managed facility for craft workers and a £400k assisted employment for the disabled project, where the community have raised £160k.

The public sector has an increased willingness to accept communities ability to deliver and not to seek to control them but support their activity.

#### **AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

It is thought to be too early to in the process to identify concrete examples here. The following points are highlighted.

The independent validation which the groups carried out on each other really reinforced the relevance, priority, deliverability and buy in.

The number and extent of community consultation undertaken by the CEDO's through e.g. community appraisals was considerable.

The using of process to get the development plan whilst building the capacity within the organisations and communities provided dual benefits.

The project provided a clear demonstration of the need for proper community engagement.

The project addressed the horizontal themes in terms of the consideration built in to the plan development. (this tended to focus on equal opportunities, two of CEDS developed equal opportunity plans)

The approach clearly is transferable and the intent is to use this approach in the wider CED development plan. There is now a wider CED plan which includes the Objective 2 elements / areas and non Objective 2 areas. The peer network validation approach is now tried and tested and the council intend to use this more widely. The emergence of a federation of CEDO's as way of drawing all this together is an additional benefit.

#### **THE PROJECT'S INNOVATIVE CHARACTER**

The extension of community ownership and decision making and using the groups to validate each other's plans were the principal elements of innovation. This allowed the groups to test their own confidence, their own plans and each others. This provided peer appraisal i.e. locally appropriate and a development tool for the groups themselves allowing them to reflect on their own experience. This further demonstrated the ownership of the overall process and extended the communities role in decision making in a tangible and demonstrable manner. This is the fullest expression of the partnership involvement in development, ownership and decision making in the process, a real stake / stakeholder.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

The retrospective nature of the application, almost 1 year after the commencement was a problem overcome by the Councils underwriting.

As the project predated the Objective 2 reporting system the systems were not designed to fit and demonstrably were not set up to report the effectiveness of Objective 2 support and its effects in the process(formatting and meeting the complement and indicator / reporting framework). This placed an enormous challenge to the resources of the CEDO's, the Council Community Education

Department had to work very hard to secure resources to support their continuation.

A further problem was for the Partnership or CEDOs to be honest and open in conducting the cross validation process with difficulties regarding measuring each other as opposed to developing a robust and shared joint plan.

If developing this today the project manager would not attempt to do this retrospectively because this placed a heavy retrospective reporting element in to the process rather than keeping the focus on moving forward with the project activity itself. He would ensure a fuller and more rational coverage of CEDO's covering the area rather than the four who they ran with. Some parts of the Objective 2 area were under represented and therefore lag the others in terms of capacity planning and development. Additional resources to support the animation and community support functions would be sought.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

An approach which sought to build on open partnership involving the CEDO's in the decision making process and harnessing the strength of both sides, public and community. This had to be actual, genuine and demonstrated and constantly reinforced, breaking down barriers.

The approach needs public sector resources in terms of skills, capacity, information, fiscally and in the ability to plan strategically. This needs to be wedded with the dynamism, engagement and motivation of the CEDO's and the community. This needs a genuine partnership approach in development, application and delivery management. The existence of community network of Local Rural Partnerships, now CEDOs who were engaged with community was fundamental.

From the outset there is a need to get all the partners involved, their involvement in initiation, concept development, design and project applications is essential. There is a need to establish the credibility of each organisation. Associated with this is the need for recognition of the operational priorities of each organisation and demonstration of the cross over / locus of each organisation in the project, this helps develop a stronger stake.

There is a need for recognition from the outset that one or all of the organisations may have to undergo change, particularly in terms of culture e.g. the council seeking CEDO's as full partners on the one hand and, on the other communities trusting public sector to deliver, that this is for real, not a back door way of public sector delivering their core activities. This needs a steering group to validate this on an on going basis. (using ongoing buy in e.g. regarding claims and claimed outputs)

#### **SUSTAINABLE PROJECT OUTCOMES**

It is hoped that the results are sustainable and will continue beyond 2006. The plans are there and delivery will continue through the communities, they are responding and will continue to do so through established community infrastructure. Communities are starting to look at CEDOs as delivery vehicles, i.e. to buy their services. There is an increasing willingness by the Council etc to use them in

delivery / facilitation. Post Objective 2 they will be involved in service delivery, community planning and community budgeting which are now emerging (broadening from the purely economic) providing almost a ready made solution to Community Plan delivery.

**IMPLEMENTED EXIT STRATEGY**

The submission of a Phase 2 application to provide support for the CEDOs to deliver the development plans. This will help to develop the wider footprint of the organisation and identify the gaps and will put facilitators in there. CEDOs will move in to mainstream delivery of elements of the Community Plan i.e. being paid a fee for the delivery of services. There is already an example of the CEDOs delivering a community environmental scheme on behalf of the council (funds council could not have delivered and would have otherwise lost). This project was highlighted as good practice in terms of the schemes performance by the head of service.

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**1.3 CASE STUDY III****PROJECT TITLE**

Dundee Business Support Group

**PROJECT DESCRIPTION**

The Dundee Business Support Group is associated with the Scottish Business in the Community initiative. The Group links Dundee companies and disadvantaged communities in SIP areas offering communities and community based organisations access to company skills and resources to support the development of community projects. This is facilitated through the employment of a project coordinator who works with both the businesses and communities recruiting the businesses, identifying their potential to contribute and then matching these resources to identified community needs. The approach helps communities to address elements of projects they would either have been unable to address or would have had difficulty with due to a lack of skills or resources. Where communities have some measure of this capacity the assistance allows a higher quality of output to be achieved than would otherwise have been delivered.

**PROJECT APPLICANT/PROMOTER**

Dundee Business Support Group

**PROJECT TARGET GROUPS**

Communities involved in developing a diverse range of community based projects in Dundee. The initiative particularly targets those in disadvantaged areas with high levels of social need or exclusion.

**PROJECT OUTCOMES**

The role of the coordinator is essential in motivating and making best use of the involvement of businesses, their personnel and their resources. This has seen project activity developed in 40 communities or organisations with the involvement of almost 60 businesses in one form of assistance or another. It is suggested that in the absence of the coordinator much of this activity and involvement would not occur. The intensive nature of the coordination role requires a dedicated human resource. This is considered to be absolutely fundamental to the success of the initiative. This coordination activity results in considerable leverage from both the private sector and through increased community activity.

The direct value of immediate support provided by businesses is estimated to be at least £30,000 per annum by the project coordinator. Much of the activity supported is however the first stage of development and as such this figure takes no account of any down stream and multiplier effects of this activity. It does not include any

subsequent effects and activities e.g. value added to properties improved or the ongoing benefits which accrue through enhanced community capacity, skills transfer or higher activity levels.

The help provided by companies has enabled a number of community groups to make major funding applications. For example architect and quantity surveyor support for the Whitfield Activity Complex has helped the community group to formulate a major funding bid. The early feasibility work relating to this project is now being undertaken through the SIP and will ultimately lead to a sports lottery bid of £3m.

The size of the initiative is growing year on year and gaining momentum with increasing numbers of businesses and communities involved.

#### **AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

The 13 business support groups in Scotland are all different; most focus their activity on getting people into jobs. Here the approach is different and focuses on getting businesses and communities to work together in a single project, a portfolio and brokerage approach. The approach has been well received by business and the community.

The brokerage role which the service provides reduces the organisational burden on communities and companies and enhances quality by matching needs and opportunities to identified resources. The company to company approach through the Chamber works well as does the personal approach through the coordinator. A key factor is the ability to match skills and resources to needs and to demonstrate the success of this approach. The initiative builds on this demonstrated track record of success and the associated credibility in helping to secure wider involvement from the business community. This has been successful in working with Dundee SME's who have no community involvement commitment or funding at present. The success of the project in establishing a track record of achievement is demonstrated through the agreement with Levi Strauss to their being able to access a £210,000 community development grant fund established by the company following the recent closure of their factory.

The initiative has worked with a local secondary school in developing a link to a major construction business. This exercise saw over 130 pupils having the opportunity to find out about the construction industry and the career opportunities available. This involved the company in coming in to the school and setting up demonstrations providing the opportunity for hands on experience and discussion with those involved in these trades and crafts.

The project may be seen to be successful in addressing the horizontal themes through its strong role in the empowerment of communities by enhancing community capacity, both qualitatively and quantitatively. The project has been particularly successful in addressing the needs of young people. From an environmental sustainability perspective there are strong elements of recycling or reuse included in many of the projects undertaken, for example through the refurbishment and reuse of redundant office furniture by community groups.

The distinctive approach adopted in this project is readily transferable and is already helping to establish similar projects in Fort William and Aberdeen through the Scottish Business in the Community network. Sharing experience, in Dundee, and with other areas is essential in developing the engagement of businesses and communities in the initiative and with each other. Scottish Business in the Community is essential in this two way process of networking between businesses, communities and projects. This process sees the project currently transferring in experience to Dundee from Fife whilst exporting Dundee experience to Aberdeen and Fort William. A further aspect of transferability arises through those companies who sign up for an initial project and then remain with the process through subsequent projects.

#### **THE PROJECT'S INNOVATIVE CHARACTER**

The project is entirely new to Dundee, and is a new approach for business support groups transferring skills and resources from the business sector to the community sector. There is no other organisation in the area or Scottish Business in the Community network linking companies to community projects and company skills and resources to community objectives and needs. The provision of a dedicated coordinator to broker this activity is a wholly new approach. This involves a coordinated approach and the actual engagement and commitment of companies with a focus on 'can do' approaches and making things happen rather than seeking funding support or sponsorship. This is achieved by demonstrating to companies what they can do and the resources they have which are appropriate and transferable. There is now resulting in the development of a greater social awareness in the Dundee business community.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

The most challenging problem identified by the coordinator is the time taken to recruit companies and get them involved; this needs a lot of work behind the scenes with businesses and results in approximately a 1 in 6 success rate. This includes working with some companies which are under pressure e.g. through high workload or difficult business conditions who would struggle to help. Patience and the maintenance of contact with these businesses often results in a willingness by these companies to come on board later when workload or business conditions permit.

It is suggested that there is a need to find out more about community needs and to identify these clearly prior to contacting companies. Such tangible needs sell the project concept to businesses rather better by identifying actual opportunities for involvement rather than trying to sell the relatively abstract concept itself in isolation.

There is a need to be able to be flexible with regard to the expectations of company involvement. Companies may not be able to deliver in the original timescale due to changes in their business circumstance; this requires the recognition that business does have to come first. There can be other difficulties relating to mismatches between companies and projects, for example sometimes personalities may clash. In these cases the ability of the coordinator to apply match making skills or otherwise support the involvement is essential.

Lack of security of funding for the initiative for a sustained period is identified as a problem due to the difficulties that this presents for long term planning and the support for the coordinator role.

Staff illness in the early stages of the project saw the key coordination role unfilled for a prolonged period and is thought to have lost the project 6 months progress.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

The two key elements are the private sector board and the support provided by the coordinator. The private sector involvement coupled with the ability to undertake the work developing credibility and track record is essential in establishing organisational and personal credibility and securing business involvement and community trust. The brokerage role and ability to make these links whilst filtering the business/project compatibility is vital. Been seen to be impartial and independent is a key part of this.

Tangible evidence of success has been very important in getting individuals and companies involved. This has involved demonstrating successful approaches building on such successes and highlighting the existing involvement of companies, either as project participants or board members. This requires an ongoing process of development starting with a few small projects and building on this success, demonstrating this success to both businesses and communities and building the momentum. Capturing the evidence of this success by taking photographs, through quotes and provision of business and community testimonies is important. This requires a dedicated resource to undertake the handholding, networking, sign posting, community links and co-ordination which is essential.

The process should be undertaken on a cooperative basis with no hard sell or push, and a recognition that business necessarily comes first. This requires a sympathetic approach and the ability to work with companies. The ability to demonstrate potential links to the communities and associated opportunities for involvement which may have been overlooked is also important.

#### **SUSTAINABLE PROJECT OUTCOMES**

The need will continue, the demand has been created and there is broad commitment within the Dundee business community. This can be measured through ongoing business involvement and commitment and the steady increase which is occurring. Managing this involvement will need ongoing co-ordination. The initiative pre-dated the award of EU funding. The board was established, set the initiative up and sought out SIP and ERDF support. It is considered that the board is the backbone of the organisation and is sustainable in the longer term.

The board members provide considerable input of time and resources out with individual projects, they may consider some funding provision to cover any gap but this is not the ethos of the group.

**IMPLEMENTED EXIT STRATEGY**

There is a desire to expand the project into non SIP areas but there is no clear view as to how this will be funded, the only current prospect appears to be through a free of charge secondment. The project has secured ERDF support to 2006 and SIP support until 2005 but there is a need to secure funding support for the coordination role beyond this period. The organisation has received a management fee from Levi Strauss to bridge any short term funding gaps. They are looking to establish the continuity of the initiative but require financial resources or some other form of contribution such as a secondment.

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**1.4 CASE STUDY IV****PROJECT TITLE**

Business Gateway Clackmannanshire – Number 0/11/0002

**PROJECT DESCRIPTION**

The Business Gateway was created as a 'One Stop Shop' for the local business community. It is the result of Stirling, Falkirk and Clackmannanshire Councils and Scottish Enterprise Forth Valley joining together to fill the gap left by the closure of the Trade & Development Centre and the Centre for Innovation in Grangemouth. It provides a comprehensive range of business support services. The project activity includes the development of the general business development services provided, specific business crisis, trade innovation and e-commerce services. Supporting services, principally enhanced communications, the marketing of these services to the business community and the development and implementation of reporting and monitoring systems were also developed.

**PROJECT APPLICANT/PROMOTER**

Stirling, Falkirk and Clackmannanshire Councils and Scottish Enterprise Forth Valley

**PROJECT TARGET GROUPS**

The project targets SMEs and micro businesses with between 1 and 250 employees. The service is targeted at helping existing businesses rather than new business start ups with a particular focus on businesses in crisis and those seeking to expand or adapt to new practices.

**PROJECT OUTCOMES**

The funding has allowed the project to address the development support needs of the local business community. This has been achieved through the development of strong partnership working and the delivery of a multi agency approach which is pro active rather than reactive. This has been supported by comprehensive marketing to the business community.

In addition to general business development the programmes delivered specifically address specialist support for businesses in crisis, support for the development of innovation in business and the development of e-commerce approaches which are identified as the Councils key business development priorities. Specialist support has also been provided through specialist advisers focusing on issues associated with business growth such as intellectual property rights and exporting, this is supported through direct grant schemes.

The structure associated with the ERDF funding encouraged the development of the operational systems that now allow proper analysis and monitoring of business

support activity to take place.

#### **AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

The Business Gateway has shown that by employing an effective multi agency approach to service delivery it is possible to simplify the provision of support to clients and reduce confusion. Key factors in this are the focus on consistency of service delivery and on reducing the overlap between clients and organisations. Involvement in the development of the project has encouraged Council commitment to the process. These factors, together with the enhanced marketing effort have enabled the Business Gateway to increase both the number of business contacts and the frequency of contact with clients. The Gateway reports a 156% increase in the first year with a further 30%, cumulatively anticipated for the second year.

The Business Gateway has been successful in supporting innovation as a means of developing indigenous business growth through helping businesses address practical issues associated with new product development.

The ability to measure the results of the interventions more effectively and analyse further needs is allowing effective review of service provision and forward planning. For example, the Gateway can now identify best value factors such as improvements in businesses physical and financial performance, jobs safe guarded, which area these jobs are located in, the age profiles etc.

The approach of the Business Gateway is now being implemented across Scotland offering improved services to business users through a clearer pathway to supporting business needs.

#### **THE PROJECT'S INNOVATIVE CHARACTER**

The main innovation identified by the project managers is achieving joint Council participation and partnership with the LEC. This has a commitment to the long term development of the initiative and a considerable contribution to maintaining the forward momentum of the initiative and the associated development activity.

A further aspect of innovation in partnerships was the consultation with the business community and the incorporation of their ideas and requirements into the model.

The model is seen to be innovative in streamlining and coordinating service provision in a customer focused manner.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

Different organisational cultures within the Council and Scottish Enterprise partners caused problems, overcoming these early barriers and reconciling these differences took considerable time and effort. The differences arose through the respective historical operational activities and networks. Improved communication helped overcome this. The targeted use of classic team building activities such as ice breakers and away days has encouraged understanding and co-operation.

There were also differences in style between Scottish Enterprise and the Councils. Scottish Enterprise is seen to employ a more top down approach which is focused on national targets. On the other hand these Councils have different more locally driven priorities and intervention tends to be viewed more locally.

The Business Gateway established a Management Team, comprising representatives of all the partners. This set targets and criteria to meet both the national targets and the local needs. This Management Team was also able to deal directly with resolving some of the cultural differences. This has resulted in a considerably improved working relationship with the majority of the cultural issues having been resolved.

Managers suggest that in the initial phase of the project it would have been helpful to have had additional delivery staff. A different management structure may also have provided benefits through the encouragement of a more practical approach than the rather strategic one which prevailed.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

The approach of the Business Gateway in Clackmannanshire in addressing existing businesses was important in addressing the history of economic failure in the area; it has the third highest overall unemployment rate in Scotland, and had recently suffered further significant job losses. In addressing this unemployment position the Business Gateway is now seeking to retrain people and reprofile their skill sets in terms of their own development needs to match local opportunities.

The Business Gateway sets no formal barriers to the type of businesses that can be helped; they will intervene with any business, including the retail sector. This open door policy is relatively unusual but reflects the need to address all business development opportunities and, within that significant impact of retail jobs in the economy of the area.

Wide consultation with the business community regarding support needs and service delivery models has been very important to the relevance of the project. This has involved a degree of negotiated compromise to achieve consensus on the best approach. The maintenance of this client focus, rather than a delivery target focus is seen to be of fundamental importance. Targets are seen as important but they need to be flexible, derived from and responsive to the identified needs of clients.

#### **SUSTAINABLE PROJECT OUTCOMES**

The overall concept of Business Gateway is seen as lasting and sustainable through its role in increasing the performance of local businesses and encouraging them to be more competitive and efficient. This will enhance the self sufficiency of local businesses.

In targeting assistance on companies which are in difficulty the Gateway contributes to their continuing to trade and achieve sustainability. Business Gateway also helps companies trading normally to develop and grow resulting in benefits such as an

increase in turn over, increased profits, jobs created or safeguarded etc thereby benefiting the local economy.

The reskilling and business development activities of the Gateway are thought to be contributing to a recorded reduction in unemployment in Clackmannanshire.

#### **IMPLEMENTED EXIT STRATEGY**

The Business Gateway model is being mainstreamed and will be launched throughout Scotland in summer 2003. In Clackmannanshire the Gateway is re evaluating its processes with involvement from the local business community in identifying the current needs for business support.

Following this consultation and refocusing it is intended that the project will apply for further EU funding. During this phase the project will also seek a much greater input from the local business community in terms of finance and time. If this new funding package is not secured this will result in a reduction in the business support services provided. This is due to changing priorities within the Councils who are now focusing on Social Justice issues rather than business support.

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**1.5 CASE STUDY V****PROJECT TITLE**

Rosyth Ferry

**PROJECT DESCRIPTION**

The development and implementation of a marketing plan for new tourism activity associated with the Rosyth passenger ferry route which was initiated in May 2002. This includes activity overseas in target countries, with the ferry company and activity in Scotland working with the visitors on their arrival.

**PROJECT APPLICANT/PROMOTER**

East of Scotland Tourist Board Consortium

**PROJECT TARGET GROUPS**

Potential tourist visitors to Scotland from Northern Europe and tourism operators in Scotland and Northern Europe.

**PROJECT OUTCOMES**

The principal outcomes identified are the destination marketing effort in Northern Europe, secondary benefits arise through the extension of the partnership approach which was adopted into other areas of joint activity in the tourism sector. The marketing campaign comprises publicity, market research, tourist information facilities in the Scottish and Belgian terminals, foreign language print of visitor information materials. The Area Tourist Boards (ATB) in the East of Scotland report that they could not have committed sufficient resources to these developments. The available flexible resource within the ATB network is so limited that the ability to fund this type of activity is severely limited. As a new and additional market this activity required new resources. Funding this by diverting funding from other activities would have damaged major markets, such as short breaks. This would have been unsustainable for the wider wellbeing of the tourism industry in the East of Scotland.

The project provided a focus for the development of a local partnership approach to this activity. Without the focus of this project the coordinated effort and pooling of resources would not have occurred. The marketing activity would therefore have been polarised between Fife and Visit Scotland. It is considered that this local involvement has been essential in optimising the benefits to the East of Scotland. The partnership has demonstrated that it is a successful vehicle for such activity and the approach may be extended into other activities.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

The major success identified is the development of a successful approach in the face of initial difficulties. Key to this has been the development of new partnerships, new links and new approaches with these individual elements coming together and contributing to the whole e.g. through joint publicity between Scottish brands or partnership working in the development of foreign language web sites.

A particular element identified within this was the development of the partnership relationship with the ferry operator, Superfast. This involved resolving issues over the respective marketing responsibilities and the system and following a difficult start has resulted in a positive understanding and working relationship.

The tourism market which the ferry and associated marketing activity has generated has been much greater than anticipated. This has highlighted the potential for further development.

Market intelligence such as visitor profiling and customer feedback is being developed on an ongoing rolling basis providing a considerable new information resource which is informing the best use of the marketing plan and its further development.

The project has adopted a proactive approach to the horizontal themes which seeks to address them as appropriate in the different elements of the project. Examples include a multidimensional approach to provision for the disabled which covers access to all facilities, relevant information in all publicity and the design and content of the website. The project managers are investigating innovative IT provision such as the use of electronic information points on board the ships and third party electronic booking systems through partner's facilities. The overall approach to the marketing effort aims to ensure that markets developed are sustainable and long term and contribute to the overall strength of the East of Scotland tourism product.

The project model is thought to be highly transferable and has been further developed from the partnerships joint niche marketing project. The extent of joint working and scope of this project extends that approach. The approach is seen to work and has now been translated to a major golfing tourism initiative involving a wider partnership.

**THE PROJECT'S INNOVATIVE CHARACTER**

This is a new route which provides a new tourist access point into the area. The approach targets both market development and visitor dispersal in Scotland in a coordinated manner. This has targeted the promotion of the East of Scotland type of tourism activity and attractions product to people from Northern Europe who are travelling by car and intending to stay for around two weeks. The ATB's have tailored services, publicity and tourist provision around this market.

The ATBs have extended the partnership approach which was established through their niche marketing approach to this product. They came together as a partnership and committed resources quickly to this new and unique opportunity in Scotland's tourism market. The clear links established to activity in the wider infrastructural and transport networks represented a new area of Tourist Board involvement. The

availability of support under the East of Scotland Objective 2 Programme played a strong role in motivating, supporting and initiating the project.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

Two principal areas of difficulty were identified both of which have been overcome. There was initial reticence on the part of Superfast to become involved in the tourism marketing effort. This has been resolved as the relationship with Superfast has been built through dialogue and negotiation. The project managers identified that they had insufficient lead time to develop the project fully before its implementation. This was due to the project being dependent on securing a Freight Services Grant. The approval of this was very late with very short approval from the EU. The project couldn't start until this formal approval was secure. This resulted in a very rapid implementation of the ferry service which in turn required an extremely fast response in implementing the marketing activity. A short term plan was developed to cover the initial phase with a more studied approach now being developed and implemented.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

Partnership has been a key aspect of this projects success. The partnership between the East of Scotland ATBS's provided the basis for this. This was then extended through the link between this partnership and Visit Scotland which added to the projects success in the wider market. The third element of partnership is the developing relationship with the ferry operator, which although initially difficult is now positive and is seen to be essential.

The initial research into the Rosyth Ferry was essential in demonstrating potential demand both through displacement of other ports such as Hull, Harwich and Felixstowe and also in growing the market overall. The identification by Visit Scotland of Benelux, Germany and France as key growth markets with a good fit with the Scottish tourism project, natural heritage, scenery, green tourism allowed for effective targeting.

The involvement of as large a group as possible of the various relevant parties as soon as possible would be the ideal approach. This would see the earlier development of information resources, partner buy in and commitment, identification and allocation of resources, the development of clarity re the respective roles, the involvement of communities and the development of links. These are all key factors which contribute to the success of a project of this type.

#### **SUSTAINABLE PROJECT OUTCOMES**

Long term this project should provide an expanded North European tourism market, but this is recognised to be a long term initiative. The ferry provides a vehicle for the growth of the market which in turn ultimately will help to sustain the ferry. Success in growing the market and demonstrating the viability of this crossing may ultimately see the development of new ferry routes in to Scotland.

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<b>IMPLEMENTED EXIT STRATEGY</b>
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The project will progress through the development of the marketing plan, analysis of phase 1 research and the initiation and analysis of phase 2 research. This will be built in to the long term plan and its implementation. In the meantime there will be continue to be ongoing development of materials and other forms of publicity.
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**1.6 CASE STUDY VI****PROJECT TITLE**

GTI: A catalyst for emerging post-genomic enterprises

**PROJECT DESCRIPTION**

Genomic Technology and Informatics (GTI) involves research into genetic networks and pathways with the aim of understanding human health and disease. This involves taking extensive research data and making better interpretation of it by using advanced microchip technology to store data. This particular project involves:

- establishing a database to facilitate storage, retrieval and comparison of datasets
- provision of appropriate on-line analysis software
- develop techniques to facilitate interoperability and standardisation of data
- ensure that local data formats and database structures meet emerging international standards
- assist SMEs by providing access to enabling technologies, advice and expertise and help biotech cluster development

**PROJECT APPLICANT/PROMOTER**

University of Edinburgh

**PROJECT TARGET GROUPS**

Commercialisation of research through industrial links and collaboration with SMEs.

**PROJECT OUTCOMES**

So far has resulted in two company spin-offs employing approximately 12 people in total.

At present, more than 60 diverse microarray projects are underway. These projects range from studies on human pathology to the intricacies of yeast splicing .

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

The project is highly unique. The main key to its success has been the project management. Being able to attract staff from industry who are geared up to deliver has been critical. Such key staff are highly regarded by both the academic and the industrial world and subsequently networking between the varying types of organisations is made easier – this is key to making the project work as it has created the correct balance for academia and industry. Such staff have created a '2 way street' in terms of communication between SMEs, researchers, academia, other funders, and the project itself. These links are critical to making the project work.

**THE PROJECT'S INNOVATIVE CHARACTER**

This is a very pioneering approach to multidisciplinary post genomic medical research. This sort of model has never existed before in any University capacity.

The context of the project work itself is highly innovative and progressive in the biotech sector. Commercialisation of this work through extensive collaboration and co-operation is at the very heart of the ethos of structural funding.

**PROBLEMS ENCOUNTERED AND OVERCOME**

The project is multi funded from a variety of agencies which makes dealing with the finance side rather complicated in terms of claims and reporting. ERDF alone is split three ways which further complicates what is essentially an integrated programme. However, they have an excellent working relationship with ESEP and other funders and a degree of flexibility on both sides has helped overcome any problems. A recent meeting with ESEP helped to establish what elements of the project could be claimed as eligible expenditure.

It is paramount to be co-ordinated in approach and to keep all finance transparent, this helps communication with the funders.

**VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

Key individuals have made the project unique. It is they who have driven the project forward and without them and their expertise, the project would not have progressed.

ERDF has allowed the project to attract such individuals of the highest calibre and industry experience by being able to offer the type of attractive salaries required.

Networking is also key. The project's location within the new medical school adjacent to the new hospital but as part of the University sets the right conditions for networking to take place. In addition, physical location is in an area with significant capability of growth. It would be difficult to replicate a similar project elsewhere without the benefit of a location such as this. It also acts as a co-location for periphery companies working in collaboration.

#### **SUSTAINABLE PROJECT OUTCOMES**

The project is long term. The nature of the research and commercial spin-offs thereafter is long-term so by investing in the sector now will ensure that the benefits are realised in the future where the true impact will be evident.

#### **IMPLEMENTED EXIT STRATEGY**

The challenge will be to retain the key people who drive the programme. The project itself is not a commercial venture, it is a not-for-profit centre that would not be workable outwith the university environment in which it currently operates. The products out of the project are the key impacts.

Private sector investment amounting to approximately £2 million has also been secured for the commercial spin-offs so far. ERDF has certainly helped to lever additional funding from other sources however ERDF has been crucial in taking the project to the stage it is at today. It is envisaged that because of successful leverage, other sources of funding would be investigated in the future.

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**1.7 CASE STUDY VII****PROJECT TITLE**

Development of ITC and E.Com Knowledge/awareness for SMEs

**PROJECT DESCRIPTION**

This is an ongoing project since 1997 which assists SMEs to become innovative and sustainable through increasing their IT knowledge and awareness.

The way the scheme works is by breaking down knowledge barriers – a lot of SMEs were dealing with IT but not in the right way as they were speaking to the wrong people.

The theme of IT is inherent throughout the whole business planning process with SMEs, dealing with the next stage of development for IT for businesses whether it be start up or existing businesses.

**PROJECT APPLICANT/PROMOTER**

Stirling Enterprise Park Ltd (STEP)

**PROJECT TARGET GROUPS**

Existing and new SMEs in the area

**PROJECT OUTCOMES**

Approximately 120 existing businesses per year. Most businesses are between the 1-25 employee level and around 40-50% are from a rural area, many in the tourism sector.

Get good feedback from clients regarding increased turnover, profit and employee numbers. Also get accolades from existing businesses.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

The scheme is integrated with many other schemes operated by STEP. The client (business) gets this service all packaged together. STEP are landlords as well as offering business support so try to wrap it up in one package to clients.

It is this packaged approach which clients appreciate and this seamless delivery of integrated support helps companies grow and develop. IT is the main tool – the biggest new thing – to which businesses have to use to make their business work better.

The schemes success is rooted in need and this need is still there. It is important to identify the clients' needs.

The scheme provides one to one counselling for IT issues or clients can play around with packages with minimal input from the IT adviser.

#### **THE PROJECT'S INNOVATIVE CHARACTER**

The scheme allows companies to see computers, IT and software packages in action without having to buy them first. As the information and advice is completely impartial, clients can make an informed decision on IT products without feeling threatened. In addition, they can see what works or would work best for their company without any financial outlays beforehand.

As the IT element is packaged together with other business advice, clients also incorporate it into their business planning without thinking of it as a separate entity, therefore become more embracing of IT solutions.

Clients can also receive training on various packages although this is part of an ESF application.

Clients can use the service as often as required (within reason) allowing them to progress with more sophisticated packages once their business starts to grow.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

The scheme has developed and evolved with IT development and issues companies face including web, e-commerce, accounting packages in addition to basic word processing packages. The staff have had to evolve with this and learning for them has been an on-going process. To meet changing demands and to be aware of the next stage of IT development, helps to meet business demands to upgrade their equipment.

As STEP cover a wide and diverse geographic area, they have also taken the project out to clients in the form of roadshows to demonstrate what is available. They also circulate e-newsletters. Such roadshows take place in village halls and local hotels giving businesses the opportunity to see what is available, and again breaking down travel barriers.

**VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

Impartiality and keeping it simple. As the scheme does not have any ties to larger software providers, the staff can comment freely on all aspects of software packages without the client having to experience a "hard sell" approach. Clients had previously felt intimidated by such salesmen and were put off going down the IT route or perhaps choosing software which was not the best nor the most appropriate for their company at the time. The scheme has helped businesses develop an increased confidence to enable them to talk to sales people so they obtain the right information.

It is a concept which could be easily transferred and implemented into other areas but the trick is to keep it simple, incorporate it with other business support elements and keep impartial.

**SUSTAINABLE PROJECT OUTCOMES**

Businesses comment that they would have "got there" eventually but the scheme helped them understand and implement IT sooner, better and cheaper.

**IMPLEMENTED EXIT STRATEGY**

It will be difficult to implement and continue a free scheme without funding from somewhere. One route would be to seek funding from IT suppliers but this would remove the impartiality of the scheme.

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**1.8 CASE STUDY VIII****PROJECT TITLE**

Dawson Initiative Internet Cafe

**PROJECT DESCRIPTION**

The development of an internet café using disused flats on a housing estate which would otherwise have been demolished. ERDF funding was provided for both capital and revenue elements of the project.

**PROJECT APPLICANT/PROMOTER**

Falkirk Council via The Dawson Initiative

**PROJECT TARGET GROUPS**

Primarily young people aged 16 to 25 but not to the exclusion of other local residents in the area.

**PROJECT OUTCOMES**

The building has been refurbished and kitted out accordingly with revenue funding providing wages for running costs including 2 youth workers and a caretaker.

The facility has proven to be extremely popular and well used within the local community with membership currently standing at 182 since August 2002. Occupancy rate for machines was 92%. In addition to providing PC and internet access, the project also acts as a portal for networking opportunities to link into other projects and initiatives thus providing information and advice to residents. Many other initiatives, such as Routes to Employment, use the project to access the main target group (16-25) by holding meetings and events in the facilities. In addition, the project is working with a local company to help ensure that local residents and youths benefit from an additional 500 jobs in the area.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

It was very much a bottom up project, run by the local youths so ownership has played a significant part in its success.  
The area has a lot of history of cliques and groups of people. Because this project is led by young people, they have never been subjected to such cliques so they progress the project better.

Detached youth workers had previously consulted with the local youths in the area on what they would like to see happening and the subsequent report formed the basis of this project.

At all stages of the project, the local youths have been involved, even at the design stage where they provided rough drawings of how they would like to see the café to the architect involved who then incorporated these into the final plan.

Now that the project is up and running, a steering group has been established (Regener8) which consists of local youths. This group draws up the rules, terms of membership and constitution including an AGM.

They have also been involved with the design and implementation of the Café's website.

**THE PROJECT'S INNOVATIVE CHARACTER**

The project's innovative character lies in the 'knock-on' effects and networking opportunities with other initiatives. There is real 'buy-in' from the local residents which has ensured its success.

Its locality right in the centre of the housing estate has helped to encourage this. This has meant older people are attracted to the facility, initially out of curiosity but have felt uninhibited enough to participate.

The facility also has proved successful as an information and access point and has encouraged people and referred them onto other facilities such as the local college. The fact that the two youth workers are not computer 'experts' has made the ambience and environment less intimidating for people so they feel more comfortable. This has also encouraged younger people to help and teach others.

**PROBLEMS ENCOUNTERED AND OVERCOME**

Although the project is funded for 2 youth workers, more would be helpful. They have tried to recruit volunteers to help but this is taking longer to put in place due to bureaucracy and 'disclosure' requirements for working with young people. Hope to build up the young people's capacity to enable them to take further ownership and

running of the project.

Interestingly, despite being located in a socially disadvantaged area where generally crime levels are usually higher, the project has never had any security problems. Again this is thought to be because of the ownership experienced by the local youths so they tend to look after the facility. Also it is located within the lower half of refurbished flats with the upper flats still occupied as residencies so this may also have some impact on crime reduction.

The tenants in the flats above are quite happy with the facility and have amicable relations with the project regarding noise levels.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

- Keep listening to the young people – don't just take their initial views on board and then forget about them resulting in loss of momentum and interest in the project
- Get all policies and structures in place before starting – establish the rules
- Have a yellow/red card system in place but never had to use
- They were lucky that the opportunity came along at the right time but it's important to remain positive as initiatives such as this are easily bogged down by bureaucracy
- Design with low maintenance in mind.

#### **SUSTAINABLE PROJECT OUTCOMES**

The sustained interest from local residents has ensured the project's success. As it is they who push for further facilities and services and continue to attract a wider interest in the initiative through networking then for the foreseeable future, the project looks likely to continue and would be easily replicated elsewhere.

#### **IMPLEMENTED EXIT STRATEGY**

Through the success of the project, further initiatives have been implemented which attract additional funding:

- Communities Scotland Wider Action Fund (concierge service leading to further jobs)
- Scottish Executive Dialog Youth Project which replaces the youth Scotland Card and gets youth clubs across the country talking to each other. Their setting up within the initiative attracts funding which will cover the overheads and broadband costs

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**1.9 CASE STUDIES IX AND X****PROJECT TITLE**

Clackmannanshire Innovation:  
Centre for Creative Industries and Enterprise (Measure 2.2)  
Centre for Social and Entrepreneurial Activity (Measure 3.2)

**PROJECT DESCRIPTION**

This project was the subject of two capital ERDF applications under the measures indicated above. Whilst the beneficiaries for each application differ, the general remit to refurbish a derelict building, bringing it back into productive use, is the same, hence the case studies have been combined. *It should be noted that the construction work is only just completed and the building is not expected to become fully operational until 1<sup>st</sup> July 2003.*

ERDF has been used to redevelop the Kilncraigs Textile Mill in Alloa. A listed building, it dates from 1904 and is located in the town centre within a CED area. The building and site was donated to Clackmannanshire Council and SE Forth Valley by Tesco who have an adjacent retail development.

The 2.2 element will cover the provision of lettable business units for SMEs and the 3.2 element will cover the provision of accommodation for social economy organisations across the CED area.

**PROJECT APPLICANT/PROMOTER**

Clackmannanshire Council

**PROJECT TARGET GROUPS**

Measure 2.2  
New and growing SMEs – particularly those in the creative industries sector

Measure 3.2  
Social economy organisations – social firms, credit unions, community businesses, housing co-ops - where common denominator is that trading enterprises are used to deliver social and economic benefits.

**PROJECT OUTCOMES**

The building will not be fully operational until 1<sup>st</sup> July there are no companies located at the centre yet, however, there are currently 14 live enquiries with 3 reservations already made.

So far 3 social economy organisations have located there:

- Community Development Programme (CDP)
- SIP
- New Approaches

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE**

There were a number of buildings which were demolished as part of the refurbishment however as much of the old building material as possible was recycled into the re-construction of the remaining building. Most notably the wooden floor of the entrance foyer was constructed using wooden floors from these demolished buildings. Other materials such as glass, slate etc. was recycled commercially.

The building is one of the largest mixed-modal types of ventilated building in the world. Various sensors are built into the fabric of the building such as CO2 detectors and wind sensors. The building adjusts the ventilation accordingly and avoids artificial air conditioning which in turn cuts costs. As the building is relatively wide, this helps create appropriate working and environmental conditions within the middle part of the building.

Microwave wireless links have been incorporated into the IT system to avoid mainstreaming the lines as the servers for the systems are located one mile away in another building.

Toilet mechanisms include a dual flush system which is also of environmental benefit as it avoids using excess water.

**THE PROJECT'S INNOVATIVE CHARACTER**

Combining the SME and social economy elements creates a balanced, better working environment. Traditionally it is social economy organisations which require more in-depth assistance and intervention and thus it is more challenging to try to create social economy businesses. It is envisaged that the income generated from rental of accommodation to SMEs will help support the social economy side. Another element of innovation is the hoped cross-fertilisation of ideas and knowledge between the two target groups.

Rather than make this just another redevelopment of an old building, the architectural

refurbishment is of such an innovative and striking standard that it has raised its profile in the area and should hopefully attract people and companies outwith the area. Testament to this is where a few older members of the public have come in from the street asking to look round the building as they used to work there when it was a mill. It is the open space in the foyer which makes it particularly attractive. In addition, many of the original features have been retained such as original wood panelling, old signs etc. and incorporated sympathetically into the new modern development. This gives the building a pleasant ambience and feeling of uniqueness.

#### **PROBLEMS ENCOUNTERED AND OVERCOME**

Splitting the application according to which elements of eligible expenditure are claimed under which measure has been difficult but not insurmountable. It's just something that has to be dealt with and claims depend on who lets the space, especially for SMEs where eligible space is deemed by SMEs in the strategic sectors.

The project is also multi-funded, with additional money coming from other sources such as the lottery. Because of long lead in times to approval it means that opportunities are missed to use funds in more innovative ways to match fund against other sources.

Redevelopment of any old listed building is also challenging. Currently, the first three floors have been redeveloped and fitted out but the top 2 floors, whilst refurbished, remain as a shell until such time as they are fitted out.

Another part of the building dates from 1936 and originally this was going to be subject to a separate application from the local college to redevelop it and re-locate to the town centre from the peripheral areas to be nearer their client groups. Since the change of political power in the recent local elections, whilst this is still an option it is not a priority and discussion is underway to increase its profile.

#### **VITAL ASPECTS FOR PROJECT IMPLEMENTATION AND SUCCESS**

Excellent working relationship with the local LEC and highly skilled project managers have ensured that the project progressed. Project management skills are certainly key and are sometimes felt to be lacking in other areas which is why perhaps this project is more successful.

Whilst listed buildings can be refurbished anywhere, the location of Alloa in the central belt and the location of the building in the town centre itself has helped towards raising its profile. Although no specific marketing has taken place yet, the media campaign will take place at regional and national levels as well as local levels to avoid economic displacement.

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**SUSTAINABLE PROJECT OUTCOMES**

Certainly the project could not have happened without ERDF funding. Initial direct impacts are the overall improved look of a run-down area. If this had not happened then Tesco would not have developed the retail facility adjacent to the building.

Once occupied the building will be here for the long term. There is a possibility of establishing a Community Development Trust to help manage the building in the future. This would obviously require the consent of all the partners.

**IMPLEMENTED EXIT STRATEGY**

It is expected that the building will be fully sustainable after 2 years.

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## **2. HORIZONTAL THEME STUDIES**

The following five case studies will be more extensively used in the benchmarking study.

### **2.1 CASE STUDY HT1**

<b>PROJECT TITLE/LENGTH OF PROJECT</b>
Midlothian Community Economic Development Support Project

<b>PROJECT APPLICANT/PROMOTER</b>
Midlothian Council. Match funding support from Scottish Enterprise Edinburgh and Lothian, Communities Scotland and the local Social Inclusion Partnership.

<b>PROJECT TARGET GROUPS</b>
The project target group are local community and voluntary organisations in general wherever project activity can support the broad community economic development activities of this sector. The local Council of Voluntary services is used to help identify the most appropriate groups to work with although an open referral policy is also in effect.

<b>PROJECT OUTCOMES AND HORIZONTAL THEMES' TARGETS AND ACHIEVEMENTS</b>
The project regards itself as having no particular difficulties in protecting and developing the horizontal theme element of its work. By its very nature it seeks to serve an inclusive function and its equal opportunities approaches is firmly embedded in its adherence to standard local authority codes of practice.  The sustainability of the project is less certain. However it is anticipated that a continuing level of similar service is likely to be provided from local authority resources beyond the funding plan for the present project approach.  The project is engaged in the development of local capacity. This is necessarily a long-term process which has difficulties in producing short-term outcomes. In this regard the monitoring and evaluation criteria of the main ESEP programme is seen

as not particularly appropriate to the activities of the project.  
A more sensitive method would be required for this.

#### **AREAS OF PARTICULAR SUCCESS/BEST PRACTICE IN IMPLEMENTING HORIZONTAL THEMES**

The project has been frustrated by its inability to appoint a dedicated community economic development worker. Despite repeated recruitment efforts, this has as yet proved impossible to do. The reason for this is identified primarily as down to the part time nature of this post.

A positive aspect of this has been that it has forced the project steering group to develop proactive and co-operative working practices which might not have been the case if a dedicated officer has been available to carry much of this work.  
This has led to improved organisational awareness and co-operation.

This is an intangible output difficult to capture which, however, may be regarded as a contribution to the development of local community capacity.

#### **MECHANISMS AND MANAGEMENT TOOLS FOR THE IMPLEMENTATION OF HORIZONTAL THEMES**

Much of this work is already firmly embedded in the local authority working ethos and as such may be difficult to disentangle for the purpose of the ESEP agenda.  
The implementation of the horizontal themes is adequately recognised by the project's local authority sponsors.

However there exists an opportunity to reinforce these further by asking all future applicants to the grant fund, to assess how these are considered in their proposed actions. This will be incorporated in future grant award appraisal decisions. This will have the benefit of forcing the consideration of these in a programmed manner and refreshing the process in organisations complacent with the operational objectives most closely linked with the ESEP horizontals.

#### **PROBLEMS ENCOUNTERED AND HOW THEY WERE OVERCOME**

The main problem encountered has been in the difficulty in recruiting the dedicated member of staff. The organisation and promotion of the project has suffered because of this.  
The limited availability of match funding determined that a full time staff member could not be afforded. In retrospect this has been a critical error which has

significantly diminished the potential effect of the project.

**VITAL ASPECTS FOR IMPLEMENTATION AND SUCCESS OF ACHIEVING  
HORIZONTAL THEMES TARGETS**

The local authority framework and longstanding practice in equal opportunities and inclusion has been a significant assistance to the incorporation and development of the horizontal theme issue. This has allowed for the project steering group to adopt and control for these factors readily.

**WAY IN WHICH THE PROJECT CHANGED PERCEPTIONS AND BEHAVIOURS  
AMONGST PROJECT SPONSORS AND BENEFICIARIES**

Project beneficiaries have been relatively few so far. The project sponsor felt unable to address this question at this stage.

**SUSTAINABLE PROJECT OUTCOMES**

The sustainable outcomes of the project will only be determined over the long term. The project monitoring and evaluation framework is unable to record this satisfactorily at this early stage.

**IMPLEMENTED EXIT STRATEGY**

No developed or adopted exit strategy is yet in place although it is anticipated that the continuing function of the project, or related similar activity, will be absorbed by the local authority at the end of the current funding phase.

**2.2 CASE STUDY HT II****PROJECT TITLE/LENGTH OF PROJECT**

SIP into Business (SIB)

**PROJECT DESCRIPTION**

The project has been established to develop the number, range and quality of small business start up activity in the Alloa south and East SIP area and the CED areas of Tullibody and Sauchie in Clackmannanshire. In total this covers around 3500 households

Service delivery is structured to provide

- One to one advice and assistance to residents of who are interested in becoming self-employed
- Confidential advice and support
- Free business planning
- Free bookkeeping
- Access to free office services
- Marketing assistance
- Access to grants and loans advice

The project is staffed by the equivalent of 1.5 business advisers who offer a range of personal development and technical support services to local individuals considering self-employment as an option.

Beside the ongoing general support that the project makes available it also has the facility to provide a grant award through the mechanism of a Funding Panel. The maximum award is £2000. The funding panel comprises representatives of Scottish Enterprise Forth Valley  
The local SIP and  
The SIB project

Intensive initial support is offered over the initial year of business start up and then on a lighter support structure beyond this. Typically beneficiaries may expect the aftercare service to approach them every 6-8 weeks after this.

Beneficiaries also have the opportunity to achieve SQA accreditation through Clackmannanshire College. These modules on offer are

- Consideration for self employment
  - Researching business opportunities
- Preparing and presenting a business plan

**PROJECT APPLICANT/PROMOTER**

The project applicant is Clackmannanshire Council  
Partner funding agencies include Scottish Enterprise Forth Valley and the local Social Inclusion Partnership

**PROJECT TARGET GROUPS**

The project target group is drawn from the geographical areas introduced above and includes both employed and unemployed as potential self employed business owners.  
The project runs with around 20 live clients at any one time

**PROJECT OUTCOMES AND HORIZONTAL THEMES' TARGETS AND ACHIEVEMENTS**

The project has an impressive 72% survival rate over the first two years which compares very favourably with more general business start activities over a similar timeframe.  
This approach has a strong theme of inclusion and sustainability given the nature of the beneficiary target group, the weak economies of the communities that they serve and the difficulties faced by all new business start ups in establishing themselves.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE IN IMPLEMENTING HORIZONTAL THEMES**

The three central elements of the projects success are held to be

1. Its location at the heart of the SIP area. The ease of access that this allows beneficiaries to advise ensures that early problems are picked up before they become critical issues. The centrally based advisers are easy to get hold of. Ease of access by public and private transport has been felt to be a specifically important factor.
2. The aftercare provision beyond the intensive support period ensures that developing business can continue to access specialist support services on demand, albeit, on a more reactive basis. This is regarded as a significant comfort to the self employed individual.
3. The use of intermediary projects to promote the services of the SIB

approach. This has been felt to have established a strong credibility and profile for the project in the local area and has encouraged a strong referral stream, so much so that most referrals are by word of mouth

#### **MECHANISMS AND MANAGEMENT TOOLS FOR THE IMPLEMENTATION OF HORIZONTAL THEMES**

The project has been developing a deliberate linkage to the new Centre for Social and Enterprise Activities. This is a Clackmannanshire Council and EQUAL funded project which seeks to encourage the development of the local social economy. This extension of activity is felt to offer greater scope in the development of the local social economy and the services that this provides.

#### **PROBLEMS ENCOUNTERED AND HOW THEY WERE OVERCOME**

In general terms the project has developed very smoothly from its design to the planning and final implementation. One minor problem may be in the relatively low quality of the 'lifestyle' business which are typical of such areas. This however, is felt to be an issue mostly outwith the influence of the project and its resources.

#### **VITAL ASPECTS FOR IMPLEMENTATION AND SUCCESS OF ACHIEVING HORIZONTAL THEMES TARGETS**

The limits of the Small Business Gateway (SBG) and the gap that this has left by centralising services away from local delivery is recognised. This critical gap is directly addressed by the project and local beneficiaries are able to call on a more tailored. Responsive and sensitive business start up model, which can more clearly reflect their needs.  
Without this service it is felt that many such business would be unable to adapt to the SBG environment and may never develop.

#### **WAY IN WHICH THE PROJECT CHANGED PERCEPTIONS AND BEHAVIOURS AMONGST PROJECT SPONSORS AND BENEFICIARIES**

All project sponsors are regarded as being particularly supportive in that they share a common understanding of the difficulties of business start up in disadvantaged areas and do not perceive any service competition. In effect, all agree that the project addresses a clear market gap.

In qualitative terms project beneficiaries and felt to have improved in their confidence and self esteem and more favourably disposed to enterprising solutions to local

economic difficulties.

#### **SUSTAINABLE PROJECT OUTCOMES**

The project has had around 130 referrals in just under 3 years. Of this there have been 20 business start-ups 6 of which have been led by females, 14 male. 5 of these have ceased trading – suggesting a very high survival rate for this type of activity.

The use of a client database system which can account for turnover, profit and employee numbers also supports the understanding that much of what the project has achieved over its life so far is sustainable in economic terms.

#### **IMPLEMENTED EXIT STRATEGY**

The project funding package will become exhausted in around 18 months. Decision on future funding will be subject to decisions within the various organisations currently providing support. However, it is anticipated that the work of the project may be carried on in part by the development of a Community Development Trust – partly funded by the revenue surplus generated by the Centre for Social and Enterprise Activities.

The value of the service provided is recognised by the partner funders and an external evaluation of activity will be commissioned to inform the future funding options for the project. This will also consider developments in Community Planning.

Whatever the outcome, it is expected that the service provided by the project will continue to support the strategic interests of SEFV and the Council and that future funding scenarios are likely to involve both

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**2.3 CASE STUDY HT III****PROJECT TITLE/LENGTH OF PROJECT**

Advantech Project Lauder College

**PROJECT DESCRIPTION**

Advantech is a new training facility located within the main campus of Lauder College. The principal focus of project activity will be in

Introductory skills in computing (around 900 students per block)  
Learning space for up to 80 PC users (total 160 users)  
at any one time

Software engineering  
Computer networking  
Computer engineering  
Advanced level e.g. commercial software and MCSE, MOUS  
Advanced electronics and micro electronics to technical level  
Degree programmes in Computing and Microelectronics ( in partnership with Napier University)

**PROJECT APPLICANT/PROMOTER**

Lauder College

**PROJECT TARGET GROUPS**

The majority of project participants are previously unemployed  
The project target groups are adult learners from within the general catchment area for the college. Due to the nature of the area this entails that around 60% of users are drawn from recognised Community Economic Development areas. Within this there is a specific emphasis on engaging with young people and lone parents. The connection with young people is further reinforced by the development of a pre-school project undertaken in local schools based on a 6-week block introductory programme of work aimed at S2 and S3.

**PROJECT OUTCOMES AND HORIZONTAL THEMES' TARGETS AND ACHIEVEMENTS**

The college has developed a strong linkage with several local Objective 3 projects which it uses as a 'feeder' service. These include Fife Council's basic skills and ICT project and a local Training for Work IT Technician project.

The project is at the very earliest stages of its delivery and much of this information is as yet unavailable

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE IN IMPLEMENTING HORIZONTAL THEMES**

The project is particularly proud of the effort and success it has had in general social inclusion terms. This is readily evidenced by the intake for the project. The college feels that this is the result of a proactive strategy promoting the aims of the horizontal themes.

**MECHANISMS AND MANAGEMENT TOOLS FOR THE IMPLEMENTATION OF HORIZONTAL THEMES**

Within the student handbook specific reference is made to the horizontal themes that the college sees as an intrinsic part of its operational ethos.

The college has adopted a whole range of indicators relating to the horizontal themes. These are introduced as

- Disabled access
- Increase in female students
- Implementation of equal opportunities plan
- Employer awareness raising in the horizontal theme topics
- Improving local self employment rates
- The adoption of 'green' technology in the physical design and operation of the facility
- The use of public transport as a key means of bring students tot he centre
- Outreach and e-learning to remote and disadvantaged communities
- Material and resource recycling policy

**PROBLEMS ENCOUNTERED AND HOW THEY WERE OVERCOME**

The demographic nature of the local community is such that there is an under-representation of females in the project intake. This is felt not to be helped by the male gender connotations that a technical training environment puts across. The college has deliberately tried to ease this by the design and promotion of the service. The provision of childcare will assist in this. This process is at an early stage but it is hoped that this will help to address this imbalance.

The local SME community have been difficult to engage in the development and delivery of project activity. As the development of the overall project is at a very early stage it is hoped that this issue will be overcome once the local SME base starts to feel the practical benefit of project participation.

**VITAL ASPECTS FOR IMPLEMENTATION AND SUCCESS OF ACHIEVING HORIZONTAL THEMES TARGETS**

The existing institutional framework of the college and its existing policies relating to the horizontal themes are felt to have offered a ready template for the adoption of these within the project context. The benefit of this has been felt most in the experience of 'refreshed' thinking across the college at the incorporation of the horizontal issues within an existing college framework.

**WAY IN WHICH THE PROJECT CHANGED PERCEPTIONS AND BEHAVIOURS AMONGST PROJECT SPONSORS AND BENEFICIARIES**

All project beneficiaries will have had some degree of exposure other key aims of the horizontal measures as they apply to the project and its development. In general terms this will have raised awareness. In practical terms the college is now seeking to address these issues formally through the appointment of a Sustainable Development Officer

**SUSTAINABLE PROJECT OUTCOMES**

The project will become fully integrated within the college system and is expected to generate revenue surpluses sufficient to support its long-term activities beyond the ERDF support period

It is felt that the design and structure of the project is sufficiently robust to assist the replication of this approach in other areas.

**IMPLEMENTED EXIT STRATEGY**

The project will use its revenue surplus to support activity for the mid to long term. It is the view of the college that the project will still be running in some form over the next 5-10 years. During this time it is expected that the project will have developed a

strong and credible identity in the local community – further enhancing its operational sustainability.

**2.4 CASE STUDY HT IV****PROJECT TITLE/LENGTH OF PROJECT**

Loch Lomond & The Trossachs National Park Visitor Communications & Infrastructure Early Actions Phase 1

**PROJECT DESCRIPTION**

Exhibitions, facilities, displays, leaflet and signs (panels and plinths) to provide park visitors with information on arriving to the park. Design and delivery of park furniture.

**PROJECT APPLICANT/PROMOTER**

Carron Tobin – Director of Park Resources

**PROJECT TARGET GROUPS**

Visitors to the Loch Lomond National Park. Maintenance staff (wardens) at the park.

**PROJECT OUTCOMES AND HORIZONTAL THEMES' TARGETS AND ACHIEVEMENTS**

- 240 road signs, 18 threshold signs
- 82 welcome and interpretative plinths
- Two million brochures in five languages
- 11 TIC displays with plasma units
- Three National Park exhibitions and two mobile displays
- New and improved infrastructure at 40 sites
- Four full time and two seasonal warden jobs at NPA

All the have long reaching implications for the environment and it has heavily been considered in terms of the literature produced and design of physical structures.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE IN IMPLEMENTING HORIZONTAL THEMES**

The project is ongoing but some successes have been already been achieved. These successes have both direct and indirect consequences for environmental protection.

- The whole park is about protecting an 'environmental' resource and it is too early to say the level of success being achieved.
- Produced a logo by 'accident'. In developing other signage for the park using a graphics company, it was decided that the same imagery developed was perfect for the whole Park's identity. This is also being rolled out and incorporated into the uniforms etc.
- Leading the way in park furniture using sustainable and durable materials with intelligent design aspects for longevity, ease of use and timelessness.
- Setting up park waste recycling scheme (relatively unique for UK parks)
- Live traffic information in visitor centres (in development) as well as transportation information.

**MECHANISMS AND MANAGEMENT TOOLS FOR THE IMPLEMENTATION OF HORIZONTAL THEMES**

The National Park makes it a high priority to employ staff who have a strong appreciation of the natural environment and of the local area, to fit in with the parks aims. This gives the park a huge advantage in integrating consideration for the environment into all project actions. When employing contractors the Park tried to hire ones that prioritise the environment and they had dialogue with them and made sure the concepts of environmental protection were understood and would be considered when they carry out their contracted work. In working with partner organisations the Park has helped workshops to further explore these themes and make sure the environment was well considered.

**PROBLEMS ENCOUNTERED AND HOW THEY WERE OVERCOME**

Lack of resources and time were the main problems encountered as is not untypical with this kind of project. In order to maximise available resources a project manager was contracted which had a positive effect and allowed others to concentrate on their specific roles. A product designer was also contracted to ensure that furniture and signage was ergonomic, aesthetically pleasing and that the materials were as sustainably sourced and tough as possible. A visual coordinator was also contracted to make sure that all physical infrastructure blended with the landscape where possible. Furniture was designed in a modular way for ease of replacement without having to replace an item if damaged. In the early stages *in-house* staff with already defined roles were used to help deliver projects, this proved to be too slow. As a result the external help identified above were used.

**VITAL ASPECTS FOR IMPLEMENTATION AND SUCCESS OF ACHIEVING HORIZONTAL THEMES TARGETS**

Recognising early on that having an external professional project manager to coordinate staff and resources was crucial. Also hiring high quality contractors who understood and clearly believed in what the project was trying to achieve.

Project applicant also advocates thinking big, having wide vision and being ambitious. Their successful approach was from focusing on delivering the strategy and getting others to deliver the support e.g. hiring managers, administrative support, data handlers etc.

**WAY IN WHICH THE PROJECT CHANGED PERCEPTIONS AND BEHAVIOURS AMONGST PROJECT SPONSORS AND BENEFICIARIES**

The applicant found it difficult to identify benefits and changes in perception at this stage. Due to the project being so large in scale and the benefits difficult to measure the applicant thinks it will take some time before these benefits are seen if at all (as it is difficult to measure the benefits in isolation). The applicant thinks that the project has changed partner and employee perceptions and behaviour because it has been so successful in delivering such high quality products. The additional outcomes it also produced has helped to change perceptions.

**SUSTAINABLE PROJECT OUTCOMES**

Again the long term sustainability is hard to measure but the applicant hopes that the following will continue to be achieved and develop:

- Integrated waste and recycling scheme
- Environmentally friendly travel options
- Long lasting sustainable furniture
- Environmental education
- Long lasting corporate and park identity
- International links and communications
- Sustainably sourced materials
- Information providers which are easily updated without major overhauls

**IMPLEMENTED EXIT STRATEGY**

The exit strategy is to move into the second stage of development to implement further measures to support the first stage. They aim to expand their efforts to the rest of the park since much of the effort so far has concentrated in one particular area. Other ideas also exist to continue the stage 1 development ranging from product development, transport initiatives to specific attractions. It is hoped that this wave of funding will carry them up until they secure the next wave of funding to secure phase two of funding.

## 2.5 CASE STUDY HT V

**PROJECT TITLE/LENGTH OF PROJECT**

Demand Responsive Angus Rural Transport Pilot Scheme

**PROJECT DESCRIPTION**

Coordination of transport resources in three Angus glens providing improved transport and delivery facilities to the residents and visitors of the glens.

**PROJECT APPLICANT/PROMOTER**

Brian Masson – Project director/manager

**PROJECT TARGET GROUPS**

Residents and visitors of the glens, particularly residents who have limited transport provision such as elderly people, the unemployed and youth groups. The project also provides visitors to the area with an alternative means to access the glens and to move around in them avoiding the need for reliance upon private transport. The other beneficiaries are transport companies who benefit from pooling resources and community support.

**PROJECT OUTCOMES AND HORIZONTAL THEMES' TARGETS AND ACHIEVEMENTS**

The project aims to provide a sustainable reliable cheap alternative to private transport and the limited public transport available. The project is in its early stages at present with no data available to monitor progress. In terms of environmental sustainability it is difficult to know whether any real benefits have been gained as there is no monitoring system in place to calculate the amount of transport miles saved and the level of emissions reduction. Secondly, the project is actually giving more people the opportunity to travel who may not have travelled previously thus it may actually be encouraging more vehicle use albeit in an efficient manner.

**AREAS OF PARTICULAR SUCCESS/BEST PRACTICE IN IMPLEMENTING HORIZONTAL THEMES**

The project has succeeded in providing opportunities for youth groups to access sporting facilities, access for older people to services and to the market towns with the further transportation links they provide. It is also giving improved access to unemployed people to access training and work opportunities. As a further benefit it may also relieve mental illness brought on by isolation. It has increased tourism by improving access and allowing walkers to complete walks that are not circular.

The project is also in negotiation with leading telecommunication companies to develop new vehicle communications technology as the project has highlighted the deficiencies of current technology.

The project is also gaining international recognition and has become a learning opportunity for transport initiatives throughout the world. It has had visits from countries as far away as China who were interested in their approach for the Beijing Olympics.

Crafts and cottage industries have also benefited from the scheme by gaining exposure to outside visitors, one notable example is a knit ware company making contact with suppliers through a sister transport initiative in Italy.

#### **MECHANISMS AND MANAGEMENT TOOLS FOR THE IMPLEMENTATION OF HORIZONTAL THEMES**

The environmental sustainability is a long term benefit of the project and as such it is not addressed separately. The project implements its themes by practice and by hosting community meetings (three per week) to explain the benefits of the scheme and to actively listen to the community's needs. The system is highly flexible by nature which allows for the accommodation of the community's needs. It also advertises specific events and benefits of the project throughout the community and beyond.

#### **PROBLEMS ENCOUNTERED AND HOW THEY WERE OVERCOME**

Technology has been a hindrance due to the reliance on mobile phone networks. They have since worked in conjunction with telecom companies to improve and adapt the technology. There are also ongoing problems with the logistics of transporting materials securely, hygienically and at the right temperature. Again they are addressing this by speaking with vehicle manufacturers to design a multi purpose vehicle which can accommodate all the needs of the initiative.

They have encountered some community opposition with members not fully understanding the concept or roots of the initiative. They have countered this with clear communication and hosting community meetings to explain clearly how the initiative works and what its objectives are.

Another problem similar to the above is expectations. Some community members cannot grasp the limitations of the project and this is also being addressed by educating people in community meetings.

Alternative fuels is something which the project would like to use, unfortunately the infrastructure and access is lacking at present. The project is negotiating with the relevant authorities to promote these fuels. They are also in discussion with local farmers who have the potential to produce more sustainable fuels.

#### **VITAL ASPECTS FOR IMPLEMENTATION AND SUCCESS OF ACHIEVING HORIZONTAL THEMES TARGETS**

The project manager needs to understand the bigger picture and the political process. One also needs an in depth knowledge of how large organisations work and know how to work with companies and local authorities to get the best out of them.

Partnering with a similar initiative in Tuscany, Italy has also provided good learning

experience and highlighted potential pitfalls.

Clear communication with the intended beneficiaries is also paramount as is understanding their needs, fears and desires. Managing people's expectations is also a clear part of this.

Keeping the system flexible has also been important so it can accommodate as much as possible.

With tight budgets being resourceful and not afraid to ask has also been very important as has having vision and ambition.

#### **WAY IN WHICH THE PROJECT CHANGED PERCEPTIONS AND BEHAVIOURS AMONGST PROJECT SPONSORS AND BENEFICIARIES**

Local residents have benefited tremendously particularly elderly, young and unemployed. By being given better access, they can take advantage of all manner of services and activities that they had previously thought difficult, inconvenient or unobtainable. The project has therefore improved quality of life for these community members and as such may have changed perceptions of rural isolation and of poor transport.

In terms of environmental sustainability the initiative's inherent objectives of using transport more wisely has educated the public about resource efficiency and protecting the environment, this is quite evident when one speaks to anyone who has had some contact with the initiative.

#### **SUSTAINABLE PROJECT OUTCOMES**

The project is still in its early days and very little data has been gathered therefore it is difficult to predict project outcomes. Some economic savings have been identified by the local hospital transport scheme which uses the service but other public transport services find it difficult to work out their savings due to their structure. There is an increasing amount of usage by all participants and eventually a monitoring system will give better feedback about environmental, economic and social performance.

#### **IMPLEMENTED EXIT STRATEGY**

The project is hoping to gain further income from the private sector and more subsidy from the public sector, coupled with increased uptake by residents and visitors. It is hoped that this will make it more sustainable and self-sufficient in the longer term as the project is still dependent on funding at present.

## **APPENDIX 6**

### **List of Documents used in Evaluation**

1. The Mid Term Evaluation of Structural Fund Interventions, Working Paper no 8, CEC 2000
2. The new programming period 2000-2006: methodological working documents, Working Paper 4: Implementation of the performance reserve, DGXVI
3. Measuring Progress, A Handbook for Monitoring European Structural Fund Projects, SExec, 2000
4. Methodologies used in the Evaluation of the Effectiveness of European Structural Funds: A Comparative Assessment, Final Report, eprc, Sept 2000
5. The East of Scotland Objective 2 Programme Document 2000-2006
6. Programme Complement, East of Scotland Objective 2 Programme 2000-2006 (previous and up-to-date edition, no dates given)
7. Guidance Notes for the Completion of European Structural Funds Grant Applications, May 2003
8. ESEP The Sustainable Development Project, Final Report, 1999(?)
9. Annual Implementation Report 2000, East of Scotland Programme
10. Annual Implementation Report 2001, East of Scotland Programme
11. Annual Implementation Report 2002, East of Scotland Programme
12. East of Scotland Objective 2 Programme 2000-2006  
Annual Implementation Report 2001
13. East of Scotland Objective 2 Programme 2000-2006  
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14. ESEP Management Committee Minutes
15. ESEP Monitoring Committee Minutes
16. Strategic Sectors Labour Market Information, Consolidated Report, Yellow Book, 2002
17. Voluntary Sector Needs Analysis and Capacity Building, Social Enterprise Institute, Heriot Watt University, October 2002
18. Meeting the Needs...., Priorities, Actions and Targets for Sustainable Development in Scotland, Paper 2002/14, Scottish Executive Environment Group, April 2002

19. A Smart, Successful Scotland - Ambitions for the Enterprise Networks, SExec, 2001
20. East of Scotland Objective 2 Programme 2000-2006  
Mainstreaming Sustainable Development Action Plan - Final Draft
21. Key Policy Group/Sustainable Development Policy Group - Minutes and Workshop Papers (from October '01 to 30 Sep 2002)
22. Toolkit for Mainstreaming Equal Opportunities into Structural Fund Programmes in Scotland, EPRC, 2001 (?)
23. Mainstreaming the Horizontal Themes - Paper 2, Briefing Papers for the Fourth Meeting of Phase II of the Structural Fund Consortium IQ-Net, December 2001