

# ERDF Projects - Final Claims Review June 2008

Prepared by  
Premier Business Development Ltd (PBD)

For  
Appraisal & Evaluation Team  
Scottish Enterprise  
150 Broomielaw,  
Atlantic Quay  
Glasgow  
G2 8LU

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## Executive Summary

### Background

In May 2008, Scottish Enterprise (SE) appointed Premier Business Development (PBD) to collate information required for the submissions of "final claims" for SE projects in receipt of monies from the European Regional Development Fund (ERDF) during 2000-2006.

Regular reporting on the progress and achievements of these projects and programmes has been a condition of funding with the final reporting on these projects (claims) due in June 2008.

Information on targets and outcomes achieved by ERDF funded projects is collected through ongoing project monitoring which is the responsibility of the project owner/manager. The projects included in this review had omissions in the data required for the final claims submission.

9 projects delivered by 5 former LEC areas<sup>1</sup> were identified by the SE Evaluation Team for inclusion in this review as follows:

- Property Funding Initiative (SE Borders)
- Graduates For Business (SE Glasgow)
- Web Transformation (SE Glasgow)
- Hillington Park Innovation Centre Phase 2 (SE Renfrewshire)
- Wireless Innovation (SE Renfrewshire)
- Innovation Programme (SE Renfrewshire)
- Innovation Programme (SE Dunbartonshire)
- Internationalisation Programme (SE Ayrshire)
- Sustainable Business Efficiency (SE Glasgow)

The review sought to assess a range of standard ERDF target and outcome data eg ownership/management of assisted businesses, employment (created for women/ethnic minorities/disabled people/in areas of need/related to environmental activity) and private sector leverage. In addition, project specific data such as increased sales from exports/e-commerce, number of patents/IPR registrations, new products and process introduced, number of exporters entering new markets, increased investment in innovation/IT, number of organisations taking up e-commerce trading, number of business/sectoral networks supported and business survival information.

The time period under review was 2005-2008 ie the last 3 years of project activity.

### Survey Approach

Given the tight timescales, this review focussed only on the "gross" outcomes required for the final claims, more in-depth evaluation of these projects including the assessment of deadweight, displacement, leakage, substitution and multiplier effects will be considered as part of the SE Strategic Economics, Evaluation and Research (SEER) planning process.

The SE Designated Relationship Managed (DRM) companies who received support from the 9 projects under review were excluded from this study, this was to avoid survey fatigue amongst supported companies as they were already being approached to participate in the SE survey of all DRM companies which had just been carried out prior to this review.

SE project managers were asked to supply the contact details of the companies supported, in many cases the quality of the data was poor eg incomplete or incorrect contact details. Where possible, the consultants filled the gaps through web services and updated the survey database where required.

The survey attempted to gain a 100% response rate from these 330 companies (non DRM) supported, therefore all 330 companies were approached to participate.

The survey methodology used was primarily telephone with some questions sent by email or letter if requested by the company. The consultants tried to limit themselves to three points of contact, however, on several occasions, up to five attempts were made to gain the responses required.

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<sup>1</sup> 12 LECs became 5 SE Regions on 1<sup>st</sup> April 2008

12% of companies approached had ceased trading ,no contact details could be found or the business had been sold.

11% of companies approached had no contact with or did not recognise the project in question, relevant staff had moved or there was no one in the company with any or sufficient knowledge of the support received who could respond to the survey.

The SE Project Managers used the survey outputs as a basis for projects' final claims submissions.

## Survey Results

The survey obtained a range of quantitative data specific to each project. A summary of the employment and turnover benefits are given below:

	No of survey responses	Turnover/Sales Increase	Employment
SE Borders Property Funding Initiative	8	£1,544,200	6
SE Glasgow Graduates For Business	19	£8,765,000	138
SE Glasgow Web Transformation	35	£4,175,000	1,162
SE Renfrewshire Hillington Park Innovation Centre (HPIC)Phase 2	19	£2,785,000	845
SE Renfrewshire Wireless Innovation	10	£520,000	31
SE Renfrewshire Innovation Programme	8	Not required	82
SE Dunbartonshire Innovation Programme	34	£492,500	20
SE Ayrshire Internationalisation Programme	28	£594,000	56
SE Glasgow Sustainable Business Efficiency	33	Not required	1,310

*All figures above are gross and do not capture the net additional economic benefit of SE support.*

## Recommendations

The following recommendations are made:

### Recommendation 1

This survey focused solely on the project monitoring data required for ERDF reporting purposes, consideration should be given to assessing the net economic benefits of these projects through the SE Strategic, Economics, Evaluation and Research (SEER) Planning process.

### Recommendation 2

For the next round of European Funded projects, it is recommended the process for ongoing collection of project monitoring data required for European Funding claims is reviewed and appropriate procedures put in place as early as possible. This should include gathering basic company contact details in a standardised format.

### Recommendation 3

Consideration should be given as to how data on ethnicity be gathered in the future as a number of companies indicated they found questions on this subject offensive.

### Recommendation 4

Company contact detail updates gathered by the consultants during this survey should be updated on the appropriate SE systems.

## 1. Introduction and Background

In May 2008 Scottish Enterprise (SE) appointed Premier Business Development Ltd (PBD) to collate information required for the submission of "final claims" for SE projects in receipt of monies from the European Regional Development Fund (ERDF) during 2000 -2006. SE Projects which have received ERDF funding during the 2000-2006 funding round are due to submit their final claims in June 2008.

Progress and achievements on the SE Projects and Programmes in receipt of ERDF funding have been reported to the European Fund Programme Management Executives (PMEs) on a regular basis by the individual LECs involved. This regular reporting was a condition of European funding.

Generally, the information on targets and outcomes achieved by the projects is collected through ongoing project monitoring arrangements, which is the responsibility of the project owner/manager. The projects included in this review had data gaps or omissions in the collection of this monitoring information and was required for the projects' final claims. This issue is returned to in the conclusions and recommendations section.

As this review was driven by tight timescales, the aim was to gather the quantitative data required for the final claims. More in-depth evaluation of these projects will be considered as part of the Strategic Economics, Evaluation and Research (SEER) planning process. This review has involved a survey of companies that have received support through 9 ERDF funded Projects, and has focused solely on the quantitative information required by SE regional offices (formerly LECs).

### 1.1 Project Descriptions and Project Information Required

Table 1 provides a short description of the projects covered by the review.

**Table 1: Project Descriptions**

Project	Description
SE Borders Property Funding Initiative (now SE South Region)	Provision of grant support to SMEs seeking to develop new or redevelop existing property for their own use by the provision of gap funding for specific property projects undertaken by the SMEs.
SE Glasgow Graduates For Business (now SE West Region)	This project provided businesses with graduates to undertake specified business development and technical projects from new product design and development to exporting and international participation.
SE Glasgow Web Transformation (now SE West Region))	Provision of adviser and consultancy support for web development projects including support for a development plan and post implementation review.
SE Renfrewshire Hillington Park Innovation Centre (HPIC)Phase 2 (now SE West Region)	A joint project between MEPC and Scottish Enterprise, HPIC was designed to provide high quality business start up and incubation space for innovative firms.
SE Renfrewshire Wireless Innovation (now SE West Region)	Provision of specialist support to companies in the wireless and mobility industries aimed at improving the growth of supported companies.
SE Renfrewshire Innovation Programme (now SE West Region)	Provision of grant support to companies to encourage additional R&D spend resulting in increased development of new products and processes.
SE Dunbartonshire Innovation Programme (now SE West Region)	As above.
SE Ayrshire Internationalisation Programme (now SE West Region)	This project supported companies to grow their businesses through internationalisation through the provision of international strategy support, market research, market visits and advice and guidance from a core team of international specialists.
SE Glasgow Sustainable Business Efficiency (now SE West Region)	This project aimed to transfer "Lean Thinking" skills, knowledge and a delivery culture into participating companies through a series of seminars, workshops and one to one support.

The survey sought to gather a mix of both standard ERDF (eg employment) and project specific data for the 9 projects included in the study as outlined in Table 4.

**Table 2: Project Information Required**

Information Required	Projects
No of assisted businesses owned or managed by ethnic minorities	All projects
No of assisted businesses owned or managed by women	All projects
No of gross new jobs created	All projects
No of gross new jobs created for members of ethnic minorities	All projects
No of gross new jobs created for women	All projects
No of gross new jobs for disabled people	All projects
No of gross new jobs in areas defined as most in need	All projects
No of gross new jobs directly related to environmental activity	All projects
No of jobs safeguarded	SE Borders
Increase in sales in new/existing businesses	SE Borders, SER Wireless, SER HPIC, SE Dunbartonshire, SEG Graduates, SEG Web
Increase in sales from exports	SE Ayrshire
Increase in sales from e-commerce	SEG Web
Private sector leverage	SEG Graduates, SEG SBE, SE Ayrshire, SE Borders
No of patents/IPR registrations	SER Innovation, SE Dunbartonshire
No of new products introduced	SEG Graduates, SER Innovation, SE Dunbartonshire
Increased investment in innovation by SMEs	SER HPIC, SER Wireless, SEG SBE, SE Dunbartonshire
Increased investment in IT equipment	SEG Web
No of new/improved processes introduced by businesses	SEG SBE, SEG web, SEG Graduates
No of business/sectoral networks supported	SER HPIC
No of business surviving 18 months/36 months	SER HPIC
No of organisations taking up e-commerce trading	SEG Web
No of new exporters / businesses entering new markets	SE Ayrshire

It should be noted that this review sought only to assess "Gross Outcomes" for ERDF reporting purposes and did not require a "Gross to Net" calculation which would have taken account of deadweight, displacement, leakage, substitution and multiplier effects (as per SE Economic Impact Assessment Guidance) therefore study did not assess the additional benefits of these projects ie the overall difference made by SE.

The projects are abbreviated as follows in the report

- South (Galashiels Office) - SE Borders - Property Funding Initiative (Borders)
- West (Glasgow Office) - SE Glasgow - Graduates For Business (Graduates)
- West (Glasgow Office) - SE Glasgow - Web Transformation Programme (Web)
- West (Paisley Office) - SE Renfrewshire - Hillington Park Innovation Centre (Phase 2) (HPIC)
- West (Paisley Office) - SE Renfrewshire - Wireless Programme (Wireless)
- West (Paisley Office) - SE Renfrewshire - Innovation Programme (Innovation Prog)
- West (Clydebank Office) - SE Dunbartonshire - Innovation Programme (Dunbartonshire)
- West (Kilmarnock Office) - SE Ayrshire - Internationalisation Programme (Ayrshire)
- West (Glasgow Office) - SE Glasgow - Sustainable Business Efficiency Programme (SBE)

This remainder of this report details the methodology, analysis and reporting of results by project and presents conclusions and recommendations.

## 2. Methodology

### 2.1 Preparation of Company Contact Data

The companies surveyed in the ERDF Projects Review were those who were not client or account managed or described as "Designated Relationship Managed" (DRM) under SE current terminology.

A large scale in-depth survey of all SE DRM companies was carried out in the first quarter of 2008. To avoid survey fatigue amongst companies, it was decided to remove these companies from the ERDF review and attempt to survey all other companies who received support through the projects and programmes under review.

Table 3: Survey Targets

Project	No of Companies Supported	No of DRM Companies Identified by SE	No of non DRM Companies identified by SE	Variance between non DRM cos originally identified* & number actually supplied
SE Borders	17	7	10	0
SEG Graduates	148	123	25	-1
SEG Web	103	54	49	-26
SER HPIC	48	26	22	-13
SER Wireless	22	7	15	+4
SER Innovation	45	30	15	+1
SE Dunbartonshire	122	67	55	-5
SE Ayrshire	90	37	53	+20
SEG SBE	127	41	86	-1
<b>TOTALS</b>	<b>722</b>	<b>392</b>	<b>330</b>	<b>-21</b>

\* estimated no of companies to be surveyed included in the original evaluation brief

Table 3 highlights the differential between the original target numbers of companies to be surveyed ie the numbers included in the original evaluation brief and the company details actually supplied by SE project managers. There were a number of companies where no data was supplied or could be traced. In the case of SE Ayrshire, there were significantly more companies to be surveyed than originally identified in the evaluation brief.

Prior to undertaking the fieldwork, considerable work was undertaken to update available company data and all duplication removed. Any information gaps including email and telephone contact details, where relevant, were filled by the consultants.

Where data was not available in the original spreadsheet, a web search and or telephone directory search was carried out. If no information could be gleaned from this process, the contact was abandoned.

In all cases, the information held within the database has been upgraded, where possible.

### 2.2 Company Consultation

Consultation with beneficiaries of the projects captured information primarily by telephone with additional email and postal methods also used where necessary.

Details of 330 companies were received across the nine Projects/Programmes - attempts were made to make contact with every company listed on more than one occasion.

In keeping with good data protection principles & practice and the Market Research Society guidelines, the number of attempts made to contact consultees was limited. On advice from the SE Project Executive, and to avoid client negativity, the consultants tried to limit themselves to three points of contact, however, on several occasions, up to five attempts were made. The preferred method of contact was telephone and thereafter email, where possible.



The consultants also identified those companies that have received support from more than one project, only one contact was made and a combination of question sets used to cover those Programmes.

The entries for SE Renfrewshire Wireless and SE Renfrewshire HPIC had a large number of duplications. Of the 15 companies taking part in the Wireless Project, 11 were also involved in HIC. The companies were only surveyed once with an extended question set covering both projects.

Several companies required the questions to be provided by email.

Of those contacted, one respondent from SE Borders requested that the questions be sent by post with a covering letter from Scottish Enterprise outlining PBDs involvement. This was done and an SAE provided.

In the case of the SE Dunbartonshire Innovation Programme, a significant number of individuals were private individuals or sole traders developing their product and business ideas whilst maintaining a full time job. The consultants called during and outside normal office hours to facilitate contact with this hard to reach group.

Where a company had been bought over or sold, information was logged where appropriate.

There were a number of companies where the original contact had either left or changed and the new contact had no knowledge of the Programme. In these cases, certain results could not be logged. This was especially true of the SBE project where almost 1 in 3 (29%) of companies contacted had no knowledge of the Programme.

Certain companies had had little or no input from the Programmes. In some cases whilst they had requested support, they had yet to receive it. In others, simple information requests had been made and the company did not feel they were in a position to answer the questions. In these cases, no information was logged.

Throughout the research period, the consultants had few refusals and the vast majority of those individuals, organisations and companies contacted were happy to contribute.

It should be noted that for questions of business ownership, some respondents fell into more than one category. For example, a business owner may be of ethnic minority and a woman, or a woman with a disability. In all cases, the responses to individual questions have been treated as individual company responses.

It should also be noted that many companies do not log jobs by ethnicity or sex and consequently were, in some cases, unwilling to give responses in the format requested.

Survey responses and results by project are including in the following sections.

### 3. Analysis and Reporting

#### 3.1 Survey Responses

With any major sampling exercise, where sampling on limited numbers - it is unlikely that it will be possible to meet a 100% target. However, across the Projects/Programmes surveyed, the success rate in company contact has averaged 81.5%, with a completed survey response rate of 59%.

In agreement with the SE Project Executive, a view was taken on whether a 100% result was required in all cases. Practical considerations dictated that it was not achievable, primarily due to contacts being unavailable or unresponsive. An average of 4 contacts were made per non responsive company.

Table 4: Survey Status Table

Project	Responses Achieved to date	Non responses	Ceased trading, no contact details, no email, etc	Company had no contact or did not recognise Project; staff moved on & no company knowledge
SE Borders	8	1	1	0
SEG Graduates	19	1	3	2
SEG Web	35	7	4	4
SER HPIC	19	3	0	0
SER Wireless*	13	1	4	0
SER Innovation	8	1	6	0
SE Dunbartonshire	35	12	9	0
SE Ayrshire*	33	0	5	5
SEG SBE	33	20	8	25
<b>TOTALS</b>	<b>203</b>	<b>46</b>	<b>40</b>	<b>36</b>

Note: Responses from client companies exceeded the target set in the original evaluation brief. Subsequent tables use the target figures of 10 (SER Wireless) and 28 (SE Ayrshire) as 8 companies responded after the cut off date for the analysis.

Table 4 shows the status of the responses from all companies in all 9 Projects/Programmes. It can be seen that in:

- SE Borders, 1 response is outstanding. The SE Project Executives (Sheila Perry and Liz Gribben) agreed that no further contact should be attempted.
- SEG Graduates, 1 response is outstanding, and has been contacted on 5 occasions. The company has no email and no message space on their answering machine.
- SEG Web has 7 responses outstanding - all have been contacted several times and a decision was taken to cease contact.
- SER HPIC has 3 responses outstanding, of these, 1 has been called 4 times and had the questions emailed, another was called 3 times and the third was called 3 times and the questions emailed.
- SER Wireless has 1 outstanding. This company has been called 5 times and the SE Project Executives agreed that no further action should be taken.
- SER Innovation, 1 company has still to respond. This company was also included on the HPIC Programme and has been contacted 4 times by phone and had the questions emailed.
- SE Dunbartonshire has 12 responses outstanding - in each case the consultants have contacted the individuals or sole traders on 4 or more occasions, including outside office hours. For this reason, no further attempts have been made.
- SE Ayrshire is complete and more than the target achieved.
- SEG SBE has 20 companies outstanding. In the majority of cases, 5 or more attempts have been made to contact the company without success and the SE Project Executives agreed that no further action should be taken.

Further information on the companies approached for survey by project is given below and show the number and percentages of companies within each project that have ceased trading, had no contact details or the business had been sold. Numbers and percentages are given for the total number of companies supported and the number of companies approached for survey.

Table 5: Ceased trading etc (% of total companies supported)

Project	Total Companies supported	Ceased trading, no contact details, no email, business sold etc	%age
SE Borders	17	1	6%
SEG Graduates	148	3	2%
SEG Web	103	4	4%
SER HPIC	48	0	0%
SER Wireless	22	4	18%
SER Innovation	45	6	13%
SE Dunbartonshire	122	9	7.4%
SE Ayrshire	90	5	5.5%
SEG SBE	127	8	6%
<b>TOTALS</b>	<b>722</b>	<b>40</b>	<b>5.5%</b>

Table 6: Ceased trading etc (% of companies approached for survey)

Project	Number of Companies Approached	Ceased trading, no contact details, no email, business sold etc	%age
SE Borders	10	1	10%
SEG Graduates	25	3	12%
SEG Web	49	4	8%
SER HIC	22	0	0%
SER Wireless	15	4	27%
SER Innovation	15	6	40%
SE Dumbarton	55	9	16%
SE Ayrshire	53	5	9%
SEG SBE	86	8	9%
<b>TOTALS</b>	<b>330</b>	<b>40</b>	<b>12%</b>

The results indicate the Innovation Programme shows the highest number of 'ceased tradings' - this may be expected due to the business model.

The following tables show the numbers and percentages of companies within each project who had no knowledge of the projects/programme, did not recognise receiving support from the project, the relevant staff had moved and therefore there was no knowledge of the support received. The percentages are given for the total number of companies supported and the number of companies approached for survey.

Table 7: No knowledge of the projects/programmes (% of total companies supported)

Project	Total companies supported	Company had no contact with project; didn't recognise the project; staff moved on & therefore no company knowledge	%age
SE Borders	17	0	0%
SEG Graduates	148	2	1.35%
SEG Web	103	4	3.88%
SER HPIC	48	0	0%
SER Wireless	22	0	0%
SER Innovation	45	0	0%
SE Dunbartonshire	122	0	0%
SE Ayrshire	90	5	5%
SEG SBE	127	25	20%
<b>TOTALS</b>	<b>722</b>	<b>36</b>	<b>5.0%</b>

Table 8: No knowledge of the projects/programmes (% of companies approached for survey)

Project	Number of companies approached	Company had no contact with project; didn't recognise the project; staff moved on & therefore no company knowledge	%age
SE Borders	10	0	0%
SEG Graduates	25	2	8%
SEG Web	49	4	8%
SER HIC	22	0	0%
SER Wireless	15	0	0%
SER Innovation	15	0	0%
SE Dumbarton	55	0	0%
SE Ayrshire	53	5	9%
SEG SBE	86	25	29%
<b>TOTALS</b>	<b>330</b>	<b>36</b>	<b>11%</b>

Whilst SBE has proved to be an anomaly, the number of people, organisations and companies involved in the other projects show %ages which are in line with expectations. The SBE outputs have significantly impacted on the overall totals.

Results by each of the 9 projects is given in the following sections:

### 3.2 SE Borders: Property Funding Initiative

#### Project Summary

In the Borders property market, the cost of creating industrial or commercial property frequently exceeds its value. This cost/value gap means that companies seeking to develop property for their own use are at best disadvantaged, and at worst, unable to overcome the constraints that inadequate property has on their growth and expansion prospects.

The Property Funding Initiative provided grant support to SMEs seeking to develop new, or redevelop existing, property for their own use. Working under the rules of the State Aids Notified Property Support, Capital Investment, and Land Remediation Schemes, this initiative involved the provision of project-specific gap funding support to individual SMEs, with the object of mitigating the adverse effects of property market failure on these companies.

**Table 9: SE Borders Property Funding Initiative**

Questions	Gross outcomes (based on 8 survey responses)	Averages based on total companies supported (17)	Averages per company surveyed Based on Non DRM Companies surveyed (8 responses)
Increase in sales	£1,544,200	£90,835	£193,025
Total number of jobs created	6	0.35 jobs per co.	0.75 jobs per co.
Number of jobs created for women	6	0.35 jobs per co.	0.75 jobs per co.
Number of jobs created for disabled people	1	0.6 jobs per co.	0.1 jobs per co.
Number of jobs safeguarded	132	7.8 jobs per co.	16.5 jobs per co.
Private sector leverage	£140,000	£8,235	£17,500

### 3.3 SE Glasgow: Graduates For Business

#### Project Summary

This Project provided businesses with graduates to undertake specified business development and technical projects including: new product design and development; new process development and implementation; strategic marketing and market research; e-business; ICT and software development; developing human resource policies; environmental management; exporting and increased international participation.

Each Project's duration is flexible (3 – 12 months) and available to business clients throughout the year. Support is provided by local delivery contractors who define and agree projects, undertake pre-screening and short-listing of graduates, arrange interviews, and provide ongoing project monitoring and mentoring.

Table 10: SE Glasgow - Graduates For Business

Questions	Outcomes (based on 19 survey responses)	Averages based on total companies supported (148)	Averages per company surveyed Based on Non DRM Companies (19 responses)
Number of businesses owned or managed by ethnic minorities	3	2%	15.7%
Number of assisted businesses owned or managed by women	10	6.8%	52.6%
Increase in sales	£8,765,000	£59,223	£461,316
Total number of jobs created	138	0.93 jobs per co.	7.3 jobs per co.
Number of jobs created for ethnic minorities	19	0.12 jobs per co.	1 job per co.
Number of jobs created for disabled people	2	0.01 jobs per co.	0.1 jobs per co.
Number of jobs created for women	40.5	0.27 jobs per co.	2.1 jobs per co.
Number of new products introduced	19	0.12 per co.	1 per co.
Number of new /improved processes introduced	39	0.26 per co.	2.1 per co.
Private sector leverage	£715,000	£4,831 per co.	£37,632 per co.

### 3.4 SE Glasgow: Web Transformation

#### Project Summary

The support was delivered on behalf of SE Glasgow by Targeting Innovation Ltd (TIL) using a range of advisors/consultants. SMEs also have access to grant support for specialist consultancy support costs.

Adviser support activities included:

- Responsibility for interaction with each company - up to 5 day's time
- An initial business review and analysis
- Establishing the business needs and priority areas for action
- Establishing a robust development plan with defined targets for each SME
- Monitor proposals from specialist suppliers and support selection and implementation of the proposed solution
- A post-implementation review
- Case study material for wider dissemination of the beneficial project results

Table 11: Outputs: SE Glasgow - Web Transformation

Questions	Gross outcomes (based on 35 survey responses)	Averages based on total companies supported (103)	Averages per company surveyed Based on Non DRM Companies (35 responses)
Number of businesses owned or managed by ethnic minorities	4	3.8%	11.4%
Number of assisted businesses owned or managed by women	13	12.62%	37.1%
Increase in sales derived from e-commerce	£4,175,000	£40,534	£119,286
Increase in sales	£58,920,000	£572,039	£1,683,428
Increased investment in IT equipment	£830,000	£8,058	£23,714
Total number of jobs created	1,162	11.28 per co.	33.2 per co.
Number of jobs created for disabled people	7	0.06 per co.	0.2 per co.
Number of jobs created for ethnic minorities	129	1.25 per co.	3.7 per co.
Number of jobs directly related to environmental activity	53	0.51 per co.	1.5 per co.
Number of jobs created for women	456	4.42 per co.	13.1 per co.
Number of new/improved processes introduced	161	1.56 per co.	4.6 per co.
Number of organisations taking up e-commerce	18	17.5%	51.4%

### 3.5 SE Renfrewshire: Hillington Park Innovation Centre (Phase 2)

#### Project Summary

The Hillington Park Innovation Centre is a joint Project between MEPC and Scottish Enterprise. The Centre was designed to provide high-quality business start-up and incubation space for firms that were deemed to be "innovative".

The principal objective of Scottish Enterprise Renfrewshire was to grow the number of innovative/technology based firms in Renfrewshire. The principal objective of MEPC was to create a new type of facility that would attract a different type of firm to Hillington estate and thereby feed-stock firms locating in the more established units.

**Table 12: Outputs: SE Renfrewshire Hillington Park Innovation Centre (Phase 2)**

<b>Questions</b>	Gross Outcomes (based on 19 survey responses)	Averages based on total companies supported (48)	Averages per company surveyed Based on Non DRM Companies (19 responses)
Number of businesses owned or managed by ethnic minorities	2	10.4%	10.5%
Number of assisted businesses owned or managed by women	1	4.2%	5.3%
Number of businesses/sectoral networks supported	17	87.5%	89.4%
Increase in sales	£2,785,000	£126,590 per co.	£146,578 per co
Total number of jobs created	845	17.6 per co.	44.5 per co.
Number of jobs created for ethnic minorities	10	0.21 per co.	0.5 per co.
Number of jobs directly related to environmental activity	25	0.52 per co.	1.3 per co.
Number of jobs created for women	48	1.0 per co.	2.5 per co.
Number of businesses surviving 18 months	3	6.3%	15.8%
Number of businesses surviving 36 months	10	21.0%	52.6%
Increased investment in innovation	£7,380,000	£153,750	£388,421



### 3.6 SE Renfrewshire: Wireless Innovation Programme

#### Project Summary

Wireless Innovation is a national Project providing specialised support to companies in the wireless and mobility industries. The overall aim of the project is to improve the growth of Scottish companies developing new technologies and applications within the wireless industry. The specific project objectives are to:

- Improve the ability of the companies to exploit wireless and mobile opportunities
- Facilitate interactions with suppliers, customers and intermediaries
- Work with SDI to promote the wireless industry
- Develop linkages with organisations developing new technologies e.g. ITI's, universities, Innovation Relay Centre and
- Provide a showcase for Scottish wireless technologies through the wireless lab facilities at Hillington.

Table 13: Outputs: SE Renfrewshire Wireless Innovation Programme

Questions	Gross outcomes (based on 10 survey responses)	Averages based on total companies supported (22)	Averages per company surveyed Based on Non DRM Companies (10 responses)
Number of businesses owned or managed by ethnic minorities	0	0	0
Number of assisted businesses owned or managed by women	2	9%	20%
Increase in investment in innovation by assisted SMEs	£770,000	£35,000	£77,000
Increase in sales	£520,000	£23,636	£52,000
Total number of jobs created	31	1.4 per co.	3.1 per co.
Number of jobs created for ethnic minorities	3	0.13 per co.	0.3 per co.
Number of jobs created for women	5	0.22 per co.	0.5 per co.
Number of jobs directly related to environmental activity	5	0.22 per co.	0.5 per co.

### 3.7 SE Renfrewshire: Innovation Programme

#### Project Summary

Innovation Support offers companies in Scotland financial assistance, in the form of a company grant, for projects that lead to the development and introduction of new products and processes. Scottish Enterprise contributes towards a percentage of eligible costs.

The aim of the Programme is to encourage companies to increase their R&D spend for the benefit of the Scottish economy and to increase the number of new products and processes developed in Scotland. The Programme offers support to eligible single company projects involving market research; product or process development, (R&D); and market launch.

Commercial prospects for the product/process must be realistic and viable and the product/process should add significantly to the applicant's technology base.

Table 14: Outputs: SE Renfrewshire Innovation Programme

Questions	Gross outcomes (based on 8 survey responses)	Averages based on total companies supported (45)	Averages per company surveyed Based on Non DRM Companies (8 responses)
Number of businesses owned or managed by ethnic minorities	0	0	0
Number of assisted businesses owned or managed by women	2	4.44%	25%
Number of new products introduced	23	0.51 per co.	2.9 per co.
Total number of patents issued /IPR registrations	7	0.15 per co.	0.9 per co.
Total number of jobs created	82	1.82 per co.	10.3 per co.
Number of jobs created for ethnic minorities	2	0.04 per co.	0.3 per co.
Number of jobs created for women	35	0.77 per co.	4.4 per co.
Number of jobs directly related to environmental activity	24	0.53 per co.	3.0 per co.

### 3.8 SE Dunbartonshire: Innovation Programme

#### Project Summary

Innovation Support offers companies in Scotland, financial assistance in the form of a company grant, for projects that lead to the development and introduction of new products and processes. Scottish Enterprise contributes towards a percentage of eligible costs.

The aim of the Programme is to encourage companies to increase their R&D spend for the benefit of the Scottish economy and to increase the number of new products and processes developed in Scotland. The Programme offers support to eligible single company projects involving market research; product or process development, (R&D); and market launch.

Commercial prospects for the product/process should be realistic and viable and the product/process add significantly to the applicant's technology base.

Table 15: Outputs: SE Dunbartonshire Innovation Programme

Questions	Gross outcomes (based on 34 survey responses)	Averages based on total companies supported (122)	Averages per company surveyed Based on Non DRM Companies (34)
Number of businesses owned or managed by ethnic minorities	1	0.81%	2.9%
Number of businesses owned or managed by women	10	8.2%	29.4%
Number of businesses owned or managed by people with disabilities	6	4.9%	17.6%
Increase in sales (established business)	£301,000	£2,467	£8,853
Increase in sales (new business)	£191,500	£1,570	£5,632
Increased investment in innovation by SMEs	£3,795,500	£31,111	£111,632
Number of jobs created for women	4	0.03 per co.	0.12 per co.
Number of jobs created for disabled people	2	0.01 per co.	0.06 per co.
Total number of new jobs created	20	0.16 per co.	0.60 per co.

### 3.9 SE Ayrshire: Internationalisation Programme

#### Project Summary

The Ayrshire Internationalisation Programme supported companies in Ayrshire to grow their businesses through internationalisation.

The Programme was delivered in partnership involving: SE Ayrshire, North Ayrshire Council, South Ayrshire Council and East Ayrshire Council.

The key areas of support provided to companies primarily involved:

- consultancy input on international strategy
- market research assistance
- grant support to explore overseas markets through market visits and attendance at exhibitions
- grant support to engage international expertise/consultancy input on an interim basis
- advice and guidance from a core team of international specialists

Table 16: Outputs: SE Ayrshire Internationalisation Programme

Questions	Gross outcomes (based on 28 survey responses)	Averages based on total companies supported (90)	Averages per company surveyed Based on Non DRM Companies (28 responses)
Increase in sales derived from exports	£594,000	£6,600	£28,215
Number of jobs created for disabled people	1	0.01 per co.	0.03 per co.
Number of jobs created for ethnic minorities	4	0.04 per co.	0.14 per co.
Number of jobs directly related to environmental activity	2	0.02 per co.	0.07 per co.
Number of jobs created for women	12.5	0.13 per co.	0.44 per co.
Number of new exporters/businesses entering new markets	43	0.47 per co.	1.53 per co.
Private sector leverage	£127,500	£1,417	£4,554
Total number of new jobs created	56	0.62 per co.	2.0 per co.

### 3.10 SE Glasgow: Sustainable Business Efficiency

#### Project Summary

This project engaged with companies to provide seminars, workshops and one to one working to transfer Lean Thinking skills, knowledge and delivery culture into participating companies.

The format of seminars followed by workshops raised initial awareness of the effectiveness of the tools and methods of Lean Thinking . Workshops and one to one facilitation supported the company to carry out process efficiency improvements. Workshops were delivered by external consultants.

An Advisory Service programme also provided one to one consultancy assistance to enable eligible companies to receive fast track growth assistance through rapid improvements in their business performance.

**Table 17: Outputs: SE Glasgow Sustainable Business Efficiency**

<b>Questions</b>	Gross outcomes (based on 33 survey responses)	Averages based on total companies supported (127)	Averages per company surveyed Based on Non DRM Companies (33 responses)
Number of businesses owned or managed by ethnic minorities	1	0.78%	3.0%
Number of businesses owned or managed by women	8	6.29%	24.2%
Number of businesses owned or managed by people with disabilities	4	3.14%	12.1%
Increased investment in innovation by SMEs	£351,500	£2,768	£10,651
Number of jobs created for ethnic minorities	0	0 per co.	0 per co.
Number of jobs created for women	0	0 per co.	0 per co.
Number of new /improved processes introduced	123	0.96 per co.	3.72 per co.
Private sector leverage	£80,750	£636	£2,447
Total number of new jobs created	1,310	10.31 per co.	40 per co.

## 4. Conclusions and Recommendations

The following recommendations are made:

### Assessing net economic benefit

This survey focused solely on the project monitoring data required for ERDF reporting purposes, consideration should be given to assessing the net economic benefits of these projects through the SE Strategic, Economics, Evaluation and Research (SEER) Planning process.

### European funded projects - monitoring systems

For the next round of European Funded projects, it is recommended the process for ongoing collection of project monitoring data required for European Funding claims is reviewed and appropriate procedures put in place as early as possible. This should include gathering basic company contact details.

### Questions on Ethnicity

It should be noted that a significant number of respondents found questions about ethnicity offensive or inappropriate. Indeed some questioned whether it was legal to ask for such information. Whilst it is recognised that the questions were to comply with ERDF requirements, it is recommended that consideration is given to how data on ethnicity be gathered in the future as a number of companies indicated they found questions on this subject offensive.

The UK's Race Discrimination laws prevent companies from advertising positions specifically for ethnic minorities. Many consultees highlighted this and also stated that they recruited on merit - regardless of ethnic background.

### Data Quality

The quality and formatting of the data received from individual former LEC's varied which led to the consultant's having to spend a considerable amount of time aligning the data into a useable format. What was also surprising was the paucity of data for some companies where little more than a company name was given. It would be strongly recommended that Scottish Enterprise look to standardise the data held on a company and the format in which that data is held in its databases.

Company contact detail updates gathered by the consultants during this survey should be updated on the appropriate SE systems.