

**REVIEW OF WEST LOTHIAN
STRATEGIC ACTION PLAN**

**Final Report to:
Scottish Enterprise Edinburgh and Lothian**

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SCOTTISH ENTERPRISE EDINBURGH AND LOTHIAN**

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CONTENTS

Section	Page
Executive summary	
1 Introduction	1
2 Local context	5
3 Mapping the process	13
4 Review of project impact	20
5 Review at Plan level	35
6 Conclusions and recommendations	42

Appendices

A - List of consultees

Executive Summary

1. This is the summary of a review of the progress achieved by the West Lothian Strategic Action Plan (WLSAP). It was commissioned on behalf of its partners by SE Edinburgh and Lothian (SEEL) and undertaken by SQW Ltd.
2. The WLSAP was the West Lothian Economic Partnership's response to the closure of Motorola's Easter Inch facility. It was developed at a time when Scotland appeared to be facing major economic challenges, as inward investment projects ended and activity was often transferred to low cost countries.
3. The aim of the WLSAP was to provide a three-year programme of actions to help get the West Lothian economy 'back on the growth track'. It comprised seven interlinked projects. The purpose of this assignment has been to undertake a full evaluation of the implementation and effectiveness to date of the WLSAP. For the avoidance of doubt, as the Plan is still under way this is an interim three-year review, not a full impact evaluation. In accordance with our brief, the emphasis is on lessons learned for future application, should a similar situation arise.

Conclusions

4. The WLSAP has progressed well towards achieved the outcomes sought for it. Conspicuous among these are the employment targets for public and private sector jobs, both of which achieved over 85% of the total number of jobs sought. Some WLSAP projects have yet to be completed; others have done so relatively recently. This means that there will be effects yet to be measured in full. This evaluation, therefore, will have tended to under-estimate the outcomes achieved.
5. During the implementation of the WLSAP additional funding, notably from the ESEP, was drawn in. This was of a substantial nature, adding £4m to the £6m provided by the Executive. Less visible, but also of significance, was the support provided by the local business community. As this came from the participation of individual businesses in WLSAP initiatives, it has a lower profile. There has been quite an extensive involvement of the private sector in many projects.
6. WLSAP progress was subject to comprehensive monitoring and reporting within a framework designed and operated on behalf of the partners. This allowed progress reviews and the identification of underspend, and provided the basis for regular management reporting. This kind of approach is used infrequently and was an asset to the Plan and its partners.

7. The West Lothian Strategic Action Plan has been developed and implemented with high levels of commitment, energy and purpose by those involved. Key stakeholders and partners, often working on specific projects, have achieved progress through commendable hard work and persistence. Many of the outputs of the Plan have been achieved. The continuing buoyancy of the national economy and the underlying strength of the West Lothian economy mean that the contribution of the Plan itself is difficult to establish with precision.
8. Local stakeholders and partners worked closely. Despite some tensions built into the funding and approval process, both Scottish Enterprise Edinburgh & Lothian and West Lothian Council engaged effectively with each other, with local agencies and the WLSAP initiatives. Resources were committed appropriately. Stakeholders share a broad sense of agreement (with variations in interpretation) as to the effectiveness of their joint efforts with the WLSAP.
9. What is also clear, from a perspective in 2005, is that West Lothian was both less affected by the closures than envisaged and more capable of sustaining their impact than was foreseen. The local economy was, and is, resilient and quite diverse. It does retain a dependency in job terms upon a relatively small number of large employers. It also has a stronger SME sector and has been able to attract companies and organisations – including public sector employers - to invest in West Lothian, resulting in a more robust economy.
10. The question arises as to whether there should have been an analytical review of the position of the West Lothian economy mid-way through the Plan. At the time the underspend was being addressed, there was the opportunity to determine how significant the effects of the closures had been on the area. How these effects had played out in actual, rather than anticipated, impacts could have been examined at this point.
11. There exists the question of how far West Lothian would have continued its progress in the absence of the WLSAP. This issue of ‘deadweight’ results from the continuing performance of the national economy, the relative prosperity of metropolitan Edinburgh and the underlying capability of West Lothian to withstand such shocks without suffering the damage forecast. It is evident that the WLSAP investment contributed to the stronger position now enjoyed by the local economy. It is also clear that its success is bound up in that of the local economy and its capacity for growth and change.
12. Finally, this is a good time for the Partnership to pause, take stock of subtle changes in their respective agendas, look at the outstanding local economic development issues and consider how best to address the further development of West Lothian’s economy through continued joint working.

Learning and development

13. One of the principal aims of this review was to provide insight into learning and development from the experience of developing and implementing the Plan. While there have been many individual lessons, we believe that the main learning and development can be grouped into three areas.
14. First there is the **nature of the response** that cast such a large shadow over much that followed. We reviewed the process by which the WLSAP was devised and support for it secured. Many of the issues raised here relate to the urgency that drove the design parameters for what was envisaged as a strategic approach to West Lothian's future. Rather than a genuinely strategic approach, however, something much more tactical was assembled. Little opportunity was afforded to the longer term needs and opportunities arising from the kind of change being experienced in 2001-2002.
15. Second, the **model adopted** for the development and delivery imposed particular constraints and challenges. The requirement from the Scottish Executive that the Plan concentrate only on new and additional projects was a serious constraint. This requirement meant that timescales were extended before projects could get underway. This approach also added to the risks of new and less predictable projects. This seemed, and seems, unduly restrictive. Green Book guidance places value on the acceleration of benefits or the delivery of enhanced levels of output from current initiatives.
16. There was no major issue about the choice of partner to act as the custodian of Scottish Executive support. The subsequent issues stemmed from the protracted decision making processes, which meant that parties outwith SEEL were not engaged for periods of time. The need for quite small decisions to be taken by the Executive to allow the SE Network to move funds was a further delaying factor.
17. Above all, the treatment of the WLSAP as part of the national initiative, subject to standard appraisal and approval processes, enforced a sclerotic pace. This was a local action plan addressing a specific priority. It needed to run local projects, recognising that displacement, for example, would be acceptable at this level. In a real sense the priority accorded to West Lothian's perceived circumstances could not be fulfilled. The essence of a local project is to place priority on the area at the expense of other areas – for a time.
18. Third, the **resourcing of the WLSAP** meant that limited staff time was dedicated to the Plan. Instead it was "borrowed" from individuals, particularly in the Council and at SEEL, where initial modest demands on time became much more burdensome. This approach had the advantage of minimising direct costs involved in a dedicated project team – but it also caused difficulties for both organisations in securing the services of the right people at the right time. Without question, a very significant in-

kind contribution - much greater than initially anticipated - was made by the Council and SEEL to WLSAP implementation.

Recommendations

- If similar circumstances were to arise in the future, partners should begin with a shared agreement as to the desired outcomes sought, to avoid becoming bogged down in means and methods.
- It is vital to ensure sufficient evidence gathering up front, to justify that money of this kind is indeed required through this form of delivery. In particular we would recommend that a robust options appraisal process must take place.
- Partners should avoid launching initiatives and then taking so long to put activity on the ground that intended beneficiaries and supporters become frustrated, if not cynical. In particular, this means:
 - trying as far as possible to avoid the political dimension at all levels, introducing an urgency for action that belies the nature of the response required - this challenges partners in such situations to provide strong upward briefings to tell the “true story”
 - avoiding a “knee jerk” demand for immediate action on what are in fact longer term challenges – the distinction between important and urgent should not be dismissed as semantics.
- Greater use should be made of small working groups drawn from the wider stakeholder community, including local business people, in the design to sustain buy-in and help push for implementation and take-up. We acknowledge that such an approach brings challenges and what may be seen to be inefficiencies, but we would argue for its longer term capacity building merits.
- Once the Plan was adopted, the Executive and SEEL should have been less “purist” about WLSAP. The bar for approving projects should have been lowered, acknowledging that this was a time-limited, local action plan for a specific priority. It needed to set up and run local projects without having to treat them as though they were part of a national strategy. In other words, once the rationale is accepted, concerns over potential displacement should be ignored: the essence of a local project is to place priority on the area at the expense of other areas – for a time.
- Control of budgets and related operational decision making should be delegated to a low enough level to help make things happen more efficiently. Such an approach has to continue to incorporate the need for public accountability and audit requirements.

- An agency or formal partnership should be set up to deliver the Action Plan, with a strong local focus, resourced with a dedicated team for 3-5 years. This would:
 - protect it from the unnecessary rigidities and bureaucracies of its parent organisations
 - give it clear terms of reference and let it get on with its own job.

West Lothian Economic Partnership

19. The West Lothian Economic Partnership has been focussed on the implementation of the WLSAP. This operational emphasis has been sustained over the past four years. As the implementation phase comes to its end, it is appropriate to consider the way forward for the Partnership.
20. West Lothian remains an area with a resilient, stronger local economy. Outstanding challenges for the area include its relatively low GDP per capita, indicative of low income levels from part time work. Likewise, workforce development (for the existing workforce) and employability skills (for those not currently working) remain a priority in West Lothian as they do elsewhere. With the reduction in Scottish Enterprise capacity to support the social inclusion agenda, it falls to the other members of the WLEP to ensure that measures are in place to equip the unemployed and disadvantaged with the skills they need for the labour market.
21. In the meantime the public policy agenda in Scotland has moved on quite significantly. Changes include a much more prominent role for community planning and its associated local focus, along with metropolitan regions – east and west - as a focus for national and international policy. All of this leads to the conclusion that the Partnership should consider “stepping back” to look at the key issues stemming from these changes and their implications for West Lothian’s future success.

1 Introduction

- 1.1 This is the report of a review of the West Lothian Strategic Action Plan (WLSAP) commissioned on behalf of its partners by SE Edinburgh and Lothian (SEEL) and undertaken by SQW Ltd.

Background

- 1.2 The WLSAP is the West Lothian Economic Partnership's response to the closure of Motorola's Easter Inch facility. The Motorola announcement resulted in the development of a three-year plan, endorsed by partners, and submitted to the Scottish Executive for consideration in November 2001.
- 1.3 While the Plan was being considered by the Scottish Executive, NEC Semiconductors announced that its Scottish facility would close in early 2002. Including redundancies announced by NEC in July 2001, a total of 1,674 jobs were affected by this decision. In total, it is estimated that announcements of around 6,000 job losses were made in West Lothian in the period April–December 2001.
- 1.4 In December 2001, the Scottish Executive advised that an extra £6 million would be made available to help fund the Plan.
- 1.5 The WLSAP was designed at a time when Scotland, along with other parts of the developed world, witnessed dramatic developments as major inward investment projects ended and activity was often transferred to low cost countries. At the time these moves presaged a fundamental shift in the Scottish economy with the prospect, it seemed, of the country losing significant parts of industrial and service base.

The West Lothian Strategic Action Plan

- 1.6 The aim of the WLSAP was to 'provide a 3-year programme of specific actions to help get the West Lothian economy back on the growth track'. In pursuit of this aim, the specific Plan Objectives were to:
- broaden the employment base of West Lothian
 - grow the indigenous sector, making West Lothian less reliant on foreign-owned inward investment
 - position West Lothian as a location for high value investment and the engine for the wider Scottish economy

- develop the skills of the West Lothian workforce to match the requirements of the new high technology industries
- connect disadvantaged groups to work opportunities.

1.7 The Plan comprised seven interlinked projects:

- Technical Assistance Programme (TAP): a grant scheme to encourage SMEs, particularly from the manufacturing sector, to invest in technical solutions
- The Academies: an employability project providing employer-led training to disadvantaged groups
- ICT Skills Development Project: a project to enhance the ICT component of training courses and to upskill trainers and those advising on jobs and careers
- E-Connections: a project to accelerate the provision of broadband infrastructure in West Lothian
- Smart Place for Business: a project to present West Lothian as the location of choice for expanding, relocating and start-up companies, and also for public sector organisations
- Hi-Tech Space: a project to provide property solutions for knowledge businesses
- Business Learning Network: a project to create a local web-based learning resource to meet the needs of SMEs and their employees.

1.8 In the light of the underspend which had become apparent by 2003, a number of new initiatives were developed as extensions of the original projects in order to ensure that job targets would be met and all funding would be fully accounted for. These were:

- 8 employability skills initiatives developed as extensions to The Academies and geared to securing employment for disadvantaged groups
- 3 initiatives to enhance the Business Gateway service, presented as an extension to the E-Connections project
- 6 property, infrastructure and inward investment initiatives, presented as an extension to the Hi-Tech Space project
- 3 workforce development initiatives, presented as extensions to the Business Learning Network.

1.9 This report takes the full raft of initiatives into account.

Evaluation objectives

- 1.10 The purpose of this assignment has been to undertake a full evaluation of the implementation and effectiveness to date of the West Lothian Strategic Action Plan (WLSAP). For the avoidance of doubt, as the Plan is still under way this is an interim three-year review, not a full impact evaluation. In accordance with our brief, the emphasis is on lessons learned for future application, should a similar situation arise.
- 1.11 Three objectives were identified by SEEL:
- to map the process (influencing factors; organisations involved; monitoring and reporting)
 - to evaluate project delivery (project development and implementation, effectiveness of management and partnership working, progress towards targets, customers' views, etc)
 - to make recommendations (encompassing examples of good practice, learning points, etc).

Methodology

- 1.12 Our approach to the review has comprised:
- desk based review of relevant documentation, including:
 - approval papers
 - monitoring reports
 - project-specific documentation, where available
 - consultation with key personnel at 'strategic' level (particularly – but not exclusively – within SEEL and West Lothian Council)
 - consultation with key personnel at 'operational' level
 - interviews with a selection of project customers and intermediaries.
 - review process with the client group.
- 1.13 Consultations were open, constructive and well informed. They included key stakeholders, partners and project delivery bodies. They were all held on a confidential and non-attributable basis. A full list of consultees is provided at Appendix A.
- 1.14 A comprehensive monitoring and reporting system was created to track progress and outputs. This was produced and updated on a regular basis by EKOS Ltd. Information from this system is used throughout this report. We have not sought to duplicate or validate the

results from this work, except in the broadest sense when comparing stakeholders' and others' views on performance related issues.

2 Local context

West Lothian economy – then and now

- 2.1 The economic misfortunes of West Lothian over recent decades are well known. Its traditional industries, which were coal and oil related, became virtually extinct during the 1980's. The region was subject to a major closure in Bathgate when British Leyland ceased vehicle production there, and its wider manufacturing sector also suffered during this period. More recently, in 2001, the area suffered a major double blow when the electronics giant NEC Semiconductors announced that 1,200 workers were to be made redundant - around the same time that Motorola closed its plant with the loss of 3,000 jobs in Bathgate.
- 2.2 Despite the potential that these factors had to wreak devastation and decline on the area, West Lothian in fact has one of the most successful micro-economies in Scotland. According to the West Lothian Councillor Willie Dunn¹, some 6,000 jobs were attracted to the area between 2000 and 2001 in the form of skilled, well-paid jobs from employers such as Sky television. Additionally, in 2002 both the Inland Revenue and Scottish Courage announced their intentions to move into Livingston, bringing with them 600 new jobs.
- 2.3 Technology based industries continue to grow in West Lothian because of the concentration of expertise, as well as the strong transport infrastructure giving easy access to Scotland's road and rail network and to nearby Edinburgh airport. The area excels in electronics, software and communications: six of its largest ten private employers are in these sectors.
- 2.4 As described in West Lothian's Economic Review 2002, the local economy has changed fairly significantly since the late 1990s. The statistical evidence suggests that West Lothian continues to have a higher economic activity rate (80.9%) than the Scottish and GB averages (79.9% and 79.5% respectively)³. In West Lothian, this rate of 80.9% represents 86,000 people who are either in employment or actively seeking employment.
- 2.5 In terms of unemployment, in 1997 the figure was reported to be around 5.8%. This fell to around 4.8% in 1998. Scottish Executive statistics show that the percentage of claimants receiving unemployment related benefits then fell further: from 4.5% in 2000 to 3.2% in 2003. In October 2004, West Lothian Council estimated the official rate of unemployment in the area to be 2.1% - the lowest level since the mid 1970s, and lower than the Scottish average

¹ <http://news.bbc.co.uk/1/hi/scotland/1297110.stm>

² www.westlothian.gov.uk/content/business/economy

³ Labour Force Survey August 2003

of 2.7%. ONS estimated that unemployment rates in February 2005 were significantly below the Scottish average, at 2.4% and 3.0% respectively.

- 2.6 Over the last three census dates the population has grown by almost 17%, meaning that the size of the workforce has also grown by about the same proportion. In 1999, the total population of West Lothian was estimated to be 154,680. By 2003, it had increased to 162,020.⁴ The working age population also increased during that time, from 100,851 to 104,894. The net result is that the workforce has grown by about the same proportion as the population. The area has a workforce of just under 90,000.
- 2.7 The majority of those in employment in 2001 were employed in manufacturing (19.6%), wholesale & retail trade, and repair of motor vehicles sectors (14.4%).⁵ In 1998 the Manufacturing Gross Value Added (GVA) figure for West Lothian was £1,040 million. Between 1998 and 2003 it fell steadily to £520 million. Around the same time period (1998 – 2002) the percentage of employee jobs in the service sector in West Lothian grew from 61.4% to 74%.
- 2.8 In line with UK trends, employment patterns in West Lothian have also demonstrated a move away from full time work towards part time work and self employment. Average gross weekly earnings of full time workers on adult rates also increased from £384 in 2000 to £423 in 2003, although they are now below the Scottish average of £436.80.
- 2.9 The rest of this chapter discusses the main economic development strategies impacting on West Lothian and further illustrates the pre and post 2001 economic profile of this area.

Local / regional strategies for economic development

a) West Lothian Economic Development Strategy

- 2.10 In 1998 the West Lothian Economic Partnership was launched with the publication of a joint economic strategy: “West Lothian – Building an economy for the knowledge age”.
- 2.11 The ten year development strategy set out to achieve “*a modern high performance knowledge-based economy, with world links, creating jobs and raising the quality of life for the people of West Lothian*”⁶.
- 2.12 To achieve this goal, the Strategy set out three high order targets and organised delivery around five strategic objectives. These are shown in Tables 2.1 and 2.2, below.

⁴ Scottish Economic Statistics publications: 2001, 2002, 2003 and 2004.

⁵ ONS, Scotland Census 2001

⁶ West Lothian Economic Partnership: “Building an economy for the knowledge age”, 1998

Table 2.1 West Lothian Economic Strategy - High-level Targets

Increase employment by 10,000 to 70,000
 Raise revenue earnings to 5% above the Scottish average
 Improve education attainment by 20%

Source: West Lothian Economic Partnership: "Building an economy for the knowledge age", 1998

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Table 2.2 West Lothian Economic Strategy – 5 Strategic Objectives

Objective	Objective statement
Business competitiveness	To grow the base of internationally competitive companies
Skilled workforce	To develop the labour force with the skills , knowledge and flexibility needed by innovative knowledge based industry and commerce
Business environment	To create a world class business environment for knowledge based industry and commerce
Quality of Life	To provide an outstanding quality of life for a prosperous workforce
Economic and Social Inclusion	To address unemployment and economic and social inclusion

Source: West Lothian Economic Partnership: "Building an economy for the knowledge age", 1998

2.13 The Strategy was refreshed in 2004.

2.14 The prior existence of the West Lothian Partnership was an important factor in the development of the West Lothian Strategic Action Plan, and provided a solid foundation on which to build.

b) 'Delivering our potential' - Edinburgh & Lothian Economic Strategy

2.15 The Edinburgh and Lothian economic strategy, which forms the wider context for the West Lothian developments, sets out a future for the development of a sustainable and inclusive economy⁷. West Lothian is recognised as a key growth area within the city region and the wider Scottish economy.

2.16 The strategy outlines five key "aspirations":

- developing the finest education system in the UK
- world class research, innovation and knowledge companies
- creativity, quality of place, community
- Scotland's capital city gateway

⁷ Delivering our Potential – an Economic Strategy for Edinburgh and the Lothians, 2004

- seeking common purpose with metropolitan Glasgow and neighbouring areas.

National Strategies

2.17 The refreshed strategy for West Lothian is aligned with the Scottish Executive’s priority of a “Smart Successful Scotland” (SSS). In particular the strategy has been framed around the three themes of Growing Businesses, Global Connections and Learning and Skills. Table 2.3 below shows the West Lothian Economic Strategy’s priority areas under each of the SSS themes⁸.

Table 2.3 Relationship between West Lothian Economic Strategy and SSS

SSS Theme	Priority
Growing Business	<ol style="list-style-type: none"> 1. Maximise the potential of existing businesses 2. Develop a culture of entrepreneurship resulting in higher business birth and survival rates 3. Promote West Lothian as a location for commercialisation of research and spin-outs from universities 4. Diversify the business/ economic base.
Global Connections	<ol style="list-style-type: none"> 5. Engender an international outlook amongst businesses and individuals 6. Make West Lothian an attractive place to live and work 7. Improve communication structure
Learning and Skills	<ol style="list-style-type: none"> 8. Increase education attainment 9. Develop a flexible workforce equipped with relevant skills 10. Improve levels of economic participation

Source: West Lothian Economic Partnership “Enterprising Britain 2005” West Lothian Delivers

Pre & post 2001 economic profile

- 2.18 It is worth looking at the performance of the West Lothian economy to date against the three high-level targets set by the West Lothian Partnership. Key figures are presented in Table 2.4 below⁹.
- 2.19 We also note two further trends: the rise in average earnings and the positive improvements in education at all levels. Overall, the West Lothian economy is performing better than Scotland as a whole.

⁸ Note, against these priority areas are the set “deliverables” for West Lothian. These are extensive and have not been included here, but can be found in West Lothian Economic Partnership “Enterprising Britain 2005” pp12-14.

⁹ West Lothian Economic Partnership “Building an Economy for the Knowledge Age – Strategy Update 2004-2006”.

Table 2.4 Performance of West Lothian economy pre and post 2001

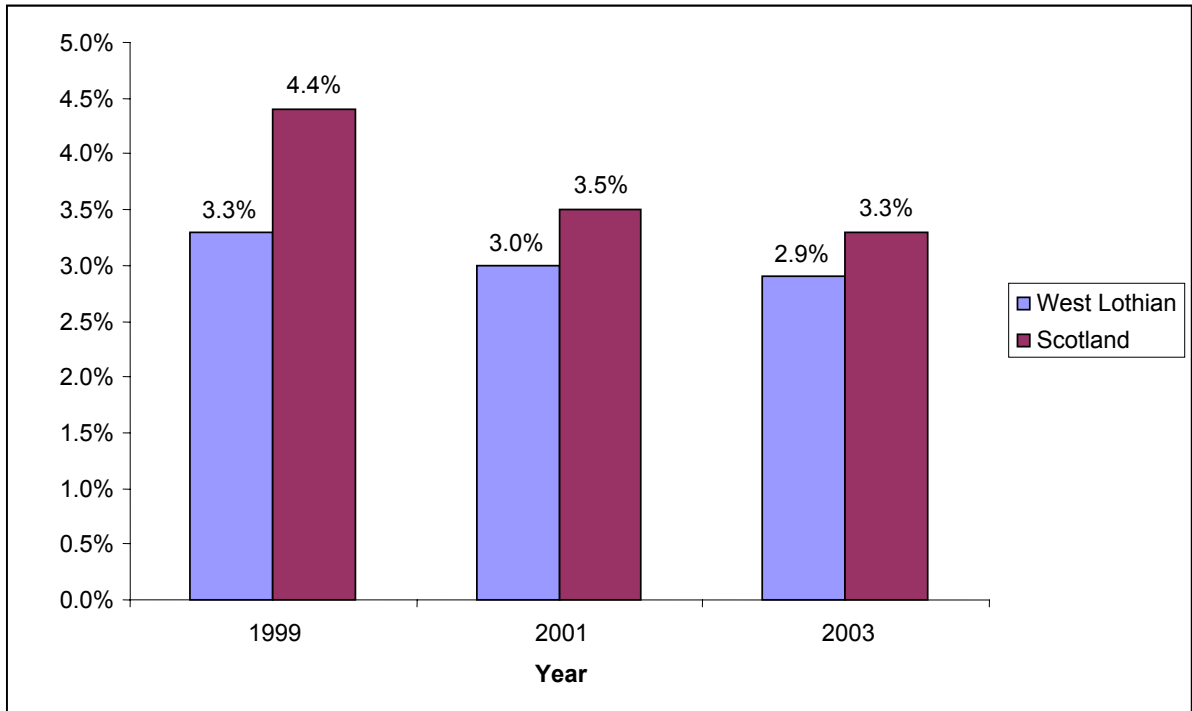
10 Year Targets	Performance 1998/9		Performance 2003	
	West Lothian	Scotland	West Lothian	Scotland
Increase employment by 10,000 to 70,000				
Number of jobs	62,000	N/A	68,700	N/A
Percentage of economically active residents	82%	78%	83%	79%
Raise average earnings to 5% above Scottish average				
Gross hourly earnings	£8.47	£8.80	£9.78	£10.51
Gross weekly earnings	£310	£313	£369	£366
Improve education attainment by 20%				
Students achieving 5+ level 3 (Standard grades 1-6)	91%	90%	92%	91%
Students achieving 5+ level 4 (Standard grades 1-4)	72%	74%	76%	76%
Students achieving 5+ level 5 (Standard grades 1-2)	27%	31%	33%	34%
Students achieving 3+ level 6 (Highers A-C)	18%	20%	21%	23%
Students achieving 5+ level 6 (Highers A-C)	4%	6%	9%	10%

Source: West Lothian Economic Partnership "Building an Economy for the Knowledge Age – Strategy Update 2004-2006"

- 2.20 The results for the West Lothian economy show that the target of increasing employment to 70,000 had almost been achieved by 2003. There was also a rise of 6,700 in the number of jobs in the period 1998/99 to 2003. In short, the regional economy was already showing significantly better performance prior to much WLSAP activity being delivered.
- 2.21 The pre and post 2001 economic profile is further illustrated by the unemployment figures presented in Figure 2.1 below¹⁰. This shows that not only has unemployment fallen by 0.4% in West Lothian from 1999 to 2003, but that in the entire period before, during and after the introduction of the WLSAP it has been consistently lower than the national average for Scotland.

¹⁰ West Lothian Council "West Lothian in Figures"

Figure 2.1 Unemployment pre and post 2001



Source: West Lothian Council, “West Lothian in Figures”

- 2.22 As outlined earlier, the ten year development strategy introduced in 1998 by WLEP set out to achieve “a modern high performance knowledge-based economy, with world links, creating jobs and raising the quality of life for the people of West Lothian.”¹¹ This was to be delivered around the five strategic objectives of: business competitiveness; skilled workforce; business environment; quality of life; and economic and social inclusion.
- 2.23 There has been active progress against the five strategic objectives, as outlined in Table 2.5, below¹².

Table 2.5 Progress against the five strategic objectives

Objective	Achievement
Business Competitiveness	<p>There has been a 15% increase in West Lothian’s business base over the last 5 years</p> <p>More than 100 companies have been assisted to innovate, export and trade internationally by public agencies over the last 5 years</p> <p>West Lothian has 23 companies in the Scottish Business Insider’s top 500 – a higher number than the cities of Stirling, Inverness or Dundee</p> <p>West Lothian has secured 20% of the total value of RSA awards in Scotland since 1999</p>
Skilled Workforce	<p>43% of school students now progress into higher and further education</p> <p>More than 90 MSc students have graduated from the Institute for System Level Integration at the Alba Centre since its launch in 2000</p> <p>More than 650 people have progressed through the Modern Apprenticeships to become skilled employees since 1999</p>

¹¹ West Lothian Economic Partnership “Enterprising Britain 2005” West Lothian Delivers

¹² West Lothian Economic Partnership “Building an Economy for the Knowledge Age – Strategy Update 2004-2006”.

	<p>The number of employees undertaking work based training at West Lothian College has increased threefold to 642 by 2003-4</p>
Business Environment	<p>High quality business parks have been developed at the Alba Campus, Easter Inch, Rosebank, J4M8 and Starlaw</p> <p>The West Lothian College Livingston campus was completed in 2001 – the first new college campus in Scotland for 30 years</p> <p>Since 1998 more than 30,000 square metres of office and industrial space has been developed via joint ventures between the public and private sector</p> <p>Broadband coverage is nearing completion</p>
Quality of Life	<p>Major regeneration packages for the former Leyland site and Polkemmet colliery have been secured with a total planned investment to the value of £250 million</p> <p>Opening of the McArthur Glen Designer Centre – now attracting 3 million visits per annum</p> <p>The number of leisure sector businesses has increased from 417 in 1999 to 502 in 2003, currently employing 3,800</p> <p>Development of tourism and visitor attractions including the new Millenium Link and the established Almond Valley Heritage Centre – Museum of the Year 2002</p>
Economic and Social Inclusion	<p>Diminishing levels of unemployment and long term unemployment, to below the Scottish and UK rates</p> <p>Highest levels of economic participation in Scotland with 85% of the working age population economically active</p> <p>Jobcentre Plus New Deal programme have assisted 2,090 long-term jobless back to work</p> <p>Launch of new programmes to promote youth inclusion</p>

Source: West Lothian Economic Partnership "Building an Economy for the Knowledge Age – Strategy Update 2004-2006"

Implications for the West Lothian Strategic Action Plan

2.24 The factors highlighted above are important in two respects.

- First, the pre-existence of the West Lothian Economic Partnership provided a strong foundation upon which the WLSAP could build.
- Second, the WLSAP was developed and implemented against a background of consistently improving economic performance in West Lothian. The region has been characterised by:
 - an unemployment rate below the Scottish average before, during and after the NEC and Motorola closures
 - a growing population
 - a growing number of people in employment.

2.25 These few economic indicators illustrate that the local economy was - and is - stronger and more resilient than was expected or appreciated during the pressure of events in 2001/02.

Indeed, the resilience of the local economy, despite the sudden loss of economic activity on the scale that took place in 2001, is quite remarkable. This conclusion is qualified by the fact that events showed that a significant proportion of those who lost their jobs at Motorola lived outwith West Lothian.

3 Mapping the process

3.1 In this section we address the first of the objectives of this review: to ‘map’ the circumstances influencing the WLSAP and the processes through which it was initiated, designed and implemented. Here we review the evidence provided by stakeholders with a strategic involvement in the WLSAP (see list of consultees in Appendix A). As will become apparent, some lessons arise from this on how to approach similar challenging circumstances in the future.

Preliminary remarks

3.2 Any discussion as to the performance of the local economy and the extent to which it would have prospered in the absence of the WLSAP has to take into account several factors:

- a sense of real shock at the Motorola and NEC announcements and the need to come up with an appropriate response underpinned and influenced much that followed - there was at the time a strong sense that this was the beginning of the end for volume manufacturing in West Lothian (and indeed in the UK as a whole)
- the widely shared imperative that a response to the events of 2001 was required and broad agreement that what had been proposed was appropriate (in terms of scale and timing)
- the difficulties in interpreting the extent to which performance information on the local economy represented a robust means of understanding how West Lothian was progressing
- the perspective of hindsight afforded by this review being carried out in 2005.
- some consultees may underestimate the difficulty of doing what they would wish to have seen done
- some consultees may have an over-optimistic view of the willingness and / or the capability of certain stakeholder groups to contribute in the ways they suggest.

3.3 With these caveats, we consider that what follows is based on a fair and measured assessment of frank contributions to this study from a number of well informed sources.

3.4 We also wish to acknowledge the following:

- the widely held view that those individuals most directly involved were committed, hard working and well intentioned, trying to do what was best in difficult circumstances
- that some strong working relationships and committed individuals in the Council and in SEEL made a major contribution to what has been achieved
- the Action Plan involved all or many of the key stakeholders in breaking new ground
- a recurring sense that management and bureaucracy are perceived to have been unhelpful, with operational staff making progress despite rather than because of these functions, often under-resourced and sometimes at personal cost in terms of stress and reputation.

Developing the response

- 3.5 The Strategic Action Plan was presented as a development created by the West Lothian Strategic Partnership at the invitation of the Minister for Enterprise and Lifelong Learning.
- 3.6 The existing Economic Partnership had already formed the view that moving up the electronics industry value chain was required for the local economy. There appeared to be a clear need to shift from volume manufacturing towards businesses more in keeping with the knowledge-based economy (hence the support for Alba and Cadence). When this view was set out in 1998, it was an objective that was to be achieved over ten years. At the time of the Motorola “shock”, the view taken was that what was required was to accelerate delivery of the Economic Partnership’s existing strategy.
- 3.7 The first practical step following the Ministerial commitment was to draw up the Action Plan. However, consensus on the content of the Plan seems to have proved hard to achieve despite the existence of the Joint Strategy. In part this seems to have resulted from the Scottish Executive’s insistence on funding only new projects rather than supporting more of what was already being done. Doing more of the same things or doing them faster were ruled out. As a result, certain Partnership members felt themselves being “bounced” hastily into new projects.
- 3.8 One consultee indicated that the stakeholders developing the Action Plan should have been looking 10-15 years into the future and linking it to the Structure Plan to progress with the development of the West Lothian that was wanted in the longer term. For some members of the Partnership, the relationship between what they had developed in terms of the West Lothian Economic Strategy and what emerged as the Action Plan was at best tenuous. In short, it was not clear how the Action Plan was reinforcing and helping to implement an existing Strategy that had been locally and jointly developed. Others simply saw the Action Plan as the creation of SEEL and the Council, with little transparency and little in the way of

wider consultation over its design. However, another consultee may be closer to the mark: *“If SEEL was under pressure from the Executive to produce something quickly, then that would explain the way the Plan was drawn up.”*

- 3.9 It is unclear to what extent the initial commitment to an Action Plan was underpinned by evidence-based appraisal. Was a local Action Plan of this size and scope, focused on West Lothian, indeed the most appropriate response in the circumstances? What options were available on how best to act? The importance and urgency of the situation in the wake of the redundancies was addressed quickly – and, it appears, effectively - by the PACE initiative. The important, but arguably less urgent, response to what was at the time viewed as a shock of long term significance for the West Lothian economy, merited and would have benefited from a little more time for options appraisal and reflection than it appears to have been accorded.

Role of the Executive

- 3.10 The role adopted by the Executive has received mixed judgements. Its immediate commitment of financial support was of course welcomed. Local stakeholders were happy. However, this was linked to a sense locally that West Lothian was due a share of the money that would be clawed back from Motorola by the Executive in any event.
- 3.11 Concerns have been expressed over the Executive’s perceived micro-management of the initial set-up phase: picking elements from the draft Action Plan it liked and focusing on outputs rather than outcomes. Its insistence on the “new” was in the view of some respondents never fully justified, but this may have been linked to what appears to have been an underlying concern in the Executive over creating unwelcome precedents in West Lothian. The commitment to fund the WLSAP would cause potential difficulties to the extent that there may have been other areas of the country in greater need of this kind of investment.
- 3.12 Whatever the underlying reasons for insisting on “new” projects, those charged with developing the Action Plan contend that the Executive was oblivious to the time it would take to bring new projects into being and to the risks involved.
- 3.13 Also, some view the short list of projects selected by the Executive from a long list of candidates to have been overly restrictive. One widely held viewpoint is that the Executive should have focused much more on setting out the outcomes it wished to see and left the delivery partners to manage how they would be achieved.

Operational control

- 3.14 The Executive’s decision to hand financial and operational control to SEEL resulted in some stakeholders considering themselves as being relegated to the fringe of decision making. Matters were placed within one partner organisation, which in the view of some stakeholders

was unhelpful: it is seen to have placed distance between the Action Plan and local stakeholders during the crucial development phase.

- 3.15 Some argue this was compounded and had a longer term effect as the WLSAP was given a high priority in SEEL's targets and Key Performance Indicators. The sense prevails that although having a major controlling influence on the Plan, for SEEL it was an add-on rather than a mainstream part of its business. In the view of some, SEEL had already moved away from recognising West Lothian as a distinctive priority in order to concentrate on the "city region" and the SE national agenda. Indeed, within SEEL we sense a concern that it would divert resources away from higher priority matters.

Process of design, and the engagement of partners

- 3.16 We have attempted to tease out the background to the issues around engagement. It appears that when the Economic Strategy was developed in 1998, sub-groups for different themes had been set-up involving individuals from SEEL and the Council. Superficially then at least, the work to develop the WLSAP could have been slotted into this infrastructure. In reality, the working groups only existed on paper: for the most part they were inactive.
- 3.17 One view is that the WLSAP served to re-activate this dormant infrastructure, albeit still with restricted stakeholder involvement. Another view is that the infrastructure that was supposed to be in place in terms of joint working was found wanting, just when it was needed. It is therefore not surprising that these immature groups found it difficult to reach consensus on an Action Plan in such pressured circumstances.
- 3.18 It was agreed that these re-activated groups would develop projects to populate the Action Plan. We understand that they worked in an informal way. We have seen no records of their deliberations. In support of this process, a consultancy firm was commissioned to draw up the initial Action Plan. Overall, the process came up with a portfolio of 10-12 candidate projects for the Plan.
- 3.19 The projects were only developed in outline, and after filtering and selection by the Executive and approval by SEEL a lot more work was still required to determine how the projects would work in practical terms. A significant time gap therefore arose between the public commitment of money by the Minister and having fully-developed, robust projects implemented on the ground.
- 3.20 The high profile public commitment to an Action Plan at the time of the "shock"; the sense of urgency that was around at the time; the insistence by the Executive on the "new"; the absence of an effective collaborative working process to call on; and time to gain both approvals and develop operational plans all conspired to raise scepticism, if not frustration, amongst the wider stakeholder community.

- 3.21 Despite the political pressure and media profile surrounding the announcement of support for the WLSAP, progress was not immediately visible at local level. A key factor here is that Executive commitment was to a strategy with *proposed* actions: working up, approving and then implementing actual projects took time, during which the WLSAP was invisible to most stakeholders because of the project development process that was adopted.

Development and approval of projects

- 3.22 The projects proposed for the Plan were subject to SEEL's normal internal approval processes, a step-wise procedure involving SEEL's management team, then SEEL's Board, then the SE National Board. Most project approval papers went to the management team in March 2002. Some of these (TAP, Academies, ICT Skills) were fully worked up propositions for the three year period, but others (e.g. Marketing, Property) were first stage ideas.
- 3.23 Some projects were immediately approved by SEEL management team, others were not. At this point stakeholders became frustrated: they had assumed that because WLSAP was supported by additional and discrete funding it would be fast-tracked, with fewer hoops to jump through. However, we understand that it was the Executive which specified that projects should go through normal SE Network approval processes: WLSAP projects were not treated differently from any other SEEL projects.
- 3.24 This revealed differences between the partners over the significance of displacement in the assessment of project proposals. For a short term Action Plan focused on a limited area in response to a particular circumstance, it is at least arguable that issues of displacement should be discounted once the underlying rationale for locally directed action is agreed. This was not the approach adopted by SEEL.
- 3.25 Also, the adherence to SEEL's normal procedures led - in the view of some - to an unhelpful rigidity. One consultee drew attention to a missed opportunity: to support West Lothian businesses that fall outside of the criteria which SEEL use to identify businesses to support.

The underspend and risk

- 3.26 A large underspend was identified after 18 months. An extension of one year for the delivery of the Plan was negotiated and additional projects were agreed by the Executive, but on condition that they be presented as enhancements of the existing work streams.
- 3.27 We sense the prime concern was over the underspend rather than the intended outcomes and their status. It appears that the WLSAP figured on SEEL's "risk register" only in the context of the identified underspend. Its status in terms of risk at the outset is not known to us.
- 3.28 The second tranche of activity to address the underspend permitted investment in skills and employability initiatives of the kind that were being wound down by SEEL as a result of its

own changing priorities. These initiatives would not therefore have taken place: it is argued therefore that the new WLSAP investment was wholly additional.

- 3.29 For some consultees, the real issue which with hindsight should have been addressed at the 18-month point was the status of the continuing rationale for supporting the WLSAP. The contention here is that West Lothian is an “economic success story”: its economy was and is strong. The view put to us is that mid-way through the WLSAP there should have been some hard economic analysis which would have shown how well the area was doing, despite what had happened at Motorola and NEC. At that point the question should have been asked: should the WLSAP be shut down and any money left given back to the Executive?
- 3.30 However, some point to spotting the underspend in time to rectify matters to be an important achievement of SEEL’s management of the WLSAP. In the prevailing political climate, an underspend was viewed as unthinkable. As one consultee put it: “It was as unthinkable as giving any part of the money back half way through”.

European funding

- 3.31 More funding in support of the Plan was sought successfully. European funding was obtained and channelled through the Council not SEEL. This part funded the Portal, TAP, the Business Learning Network and Smart Place.
- 3.32 There were significant problems over timing and co-ordination to resolve in gaining access to the EC money: delays by the Executive; the need to align with East of Scotland European Partnership (ESEP) objectives; and coping with the perception that the part of the Executive on ESEP Advisory Group did not join up with the part of the Executive involved with the WLSAP.
- 3.33 The European funding was a significant factor in raising the total budget of the WLSAP from £6m to £10m. This enabled TAP, for example, to support considerably more companies.

Delivery issues

- 3.34 Difficulties over staff resources for the WLSAP, especially in SEEL, are a recurring theme in our consultations. The WLSAP coincided with a period of considerable change in the SE Network and within SEEL. There were significant staff changes which impacted unfavourably on efficiency. We have been informed that “endless effort went into negotiating people’s time”.
- 3.35 Relationships between SEEL and Council staff are perceived to have become more effective over time, despite some pinch points.

- 3.36 Dual lines of reporting and decision making also proved time consuming, especially in the early months of a project. Those experiencing this have recommended establishing a dedicated project team with a clear line of responsibility in future.

4 Review of projects

Introduction

- 4.1 The WLSAP was made up of seven projects. These developed, for reasons set out above, into a larger portfolio of projects. As part of the process of assessing project delivery and the lessons this provides we have reviewed each project area individually. In our next chapter we examine the overall progress at the level of the Plan itself.

Impact at project level

- 4.2 We have reviewed each of the project areas against a set of key criteria comprising: targets and achievements; constraints and barriers; additionality; partnership working; sustainability; customer feedback; learning points; and summary of impact. The results of this process are set out below.

Project: 1) TECHNICAL ASSISTANCE PROGRAMME		
Description		
TAP provided strategic support to SMEs either located in, or re-locating to, West Lothian to improve their international competitiveness and growth performance. Companies from the more traditional manufacturing and technology sectors were the prime anticipated beneficiaries. TAP provided 50% of eligible project costs up to a maximum of £50k per project.		
Targets and achievements		
<i>Project</i>	<i>Target March 2005</i>	<i>Actual March 2005</i>
TAP	Support for 50 grant approvals 250 jobs	37 grant approvals (of which 34 proceeded). 237 forecast jobs of which 114.5 achieved to date
The project is now completed except for Council ERDF funded activity. The May 2005 Monitoring Report produced by EKOS indicates that 34 existing organisations and 2 new-start SMEs have been assisted. This report forecasts that 22 organisations will adopt new products or new processes as a result of TAP. Project spend was in line with overall forecasts. Among company beneficiaries were textile, construction and manufacturing firms.		
Constraints and barriers		
Delays in set-up and delivery caused frustrations among partners. Differences of view also emerged over the significance of issues such as "displacement" in assessing proposals from business: should "displacement" issues be disregarded in such a geographically focused and time-bound intervention to address a particular local development challenge?		
Progress was constrained by lower than anticipated demand, the time taken to get through the		

<p>overall approval process and legals for the TAP budget, and the contention that the project was under-resourced in terms of project staffing at the outset. Early concerns that the project would underspend were overcome by improved recent performance which brought TAP back on budget.</p>
<p>Additionality</p>
<p>The grant support was designed to fill a perceived gap in available sources of financial support – a gap between SCIS and RSA. However, there were apparently significant differences in view between the partners over what constituted a good proposal in terms of additionality and displacement issues (see also above).</p> <p>The argument is put that TAP helped to introduce modern technology into traditional businesses and thus it is reasonable to claim a high level of additionality. No direct evidence from business beneficiaries is available at this time.</p>
<p>Partnership working</p>
<p>Targets were set jointly by SEEL and the Council, who held joint responsibility for implementation and delivery. There were some early frustrations over delays in implementation. Differences in views over what constituted a supportable grant application were gradually overcome, and more effective partnership working developed. As an indication of this, the last 17-20 proposals have gone through the “system” smoothly.</p>
<p>Sustainability</p>
<p>We understand there are no plans to continue with TAP. What was originally perceived to be a gap in support funding will therefore re-emerge.</p>
<p>Customer and/or intermediary feedback</p>
<p>Project managers point to a loss of credibility in the early stages within the business community because the time lapse between initial announcement and actual delivery became too long. This caused a loss of momentum.</p>
<p>Learning points</p>
<p>There is a need to have greater clarity and agreement between partners up front upon what constitutes an attractive, supportable project proposal.</p> <p>Care should be taken not to announce such a scheme to the business community and then take so long to implement it.</p>
<p>Summary of impact</p>
<p>There was less demand for TAP support than anticipated at the outset. Overall, the delivery partners consider TAP to have been a success in achieving the outcomes and impacts set for it, albeit at a lower level than its original targets.</p>

Project: 2) ACADEMIES / EMPLOYABILITY SKILLS

Description

The Academies project, modelled on a similar project in Edinburgh, aimed to provide a demand-led approach to employment. It sought to address recruitment difficulties in key sectors by identifying appropriate job vacancies and procuring customised training for clients furthest from and excluded from the labour market.

When Academy activity failed to achieve its targets, and following a review of the local labour market led by the University of Glasgow, a raft of new Employability Skills projects was identified by the partners to make full use of the available resources. Many of these run through existing national programmes such as Training for Work and Modern Apprenticeships.

Targets and achievements

Project	Target	Actual
a) Academies	280 jobs	66 secured; 23 sustained*
b) Employability skills:		
1. Business Start up Training	12 jobs self employed	10 self employed, 3 into jobs, 1 into FE*
2. ECDL Training	19 jobs	15 secured, 5 expected*
3. Gas Service Engineers Training	5 jobs, plus 6 VQ3	5 jobs expected by Sept 05*
4. Get into Work (NEET)	15 jobs	19 jobs secured*
5. Business & Management Training	21 MAs	14 MAs achieved, 11 more expected*
6. Job Rotation	10 co's, 10 jobs, 40 trainees	10 co's, 10 jobs, 49 people assisted+
7. TEGS for SMEs	75 jobs	5 into employment (a further 55 forecast in 2005-06)+
8. Action Team & Capacity Building	110 jobs, 30 into training	2 into employment (forecast is for targets to be achieved in 2005-6)+
9. Monitoring & Evaluation	n/a	
		* as at end of July 2005, SEEL + as at May 2005, Ekos

As can be seen, the second raft of projects which were brought in to replace the Academies have in many cases reached – or even exceeded – their output targets. Spend forecast is likely to be achieved.

Constraints and barriers

The original Academies project did not have the anticipated impact, for several reasons. The specific circumstances in West Lothian were not identical to those in Edinburgh, where the model originated. In particular, a key characteristic of West Lothian is the high proportion of micro and small businesses.

The review of the local labour market undertaken by Glasgow University Training and Employment Unit (TERU) highlighted key issues which were exacerbating the situation, including: poor joined-up working between agencies; fragmented service delivery; inadequate knowledge sharing; poor use of labour market intelligence; failure to target the hard-core unemployed; failure to engage with SMEs; and poor focus and qualifications of frontline agency staff. The West Lothian partners have sought to address the lack of joined-up working, and the raft of replacement projects was developed as a direct response to the challenges identified by TERU.

Additionality

<p>The replacement Employability Skills projects were additional in the sense that this activity would not otherwise have gone ahead. However, in the case of projects delivered under the auspices of National Programmes (Training for Work, Modern Apprenticeships, etc) additionality can only be described as technical rather than being in the spirit of the Plan. None of the activity can be said to be new; it is simply an extension of existing mainstream provision.</p>
<p>Partnership working</p>
<p>The original Academies project required partnership working between various agencies - notably SEEL, West Lothian Council, Jobcentre Plus, West Lothian College and the Chamber of Commerce, in addition to a range of local employers. However, the raft of replacement projects were managed primarily by SEEL and the Council alone, and delivered by their mainstream training providers, thus requiring very little partnership working.</p>
<p>Sustainability</p>
<p>Given that much of the activity supported under this strand of the Plan resulted in an extension of mainstream activity rather than the development of new initiatives, the issue of sustainability is not as pertinent as in other strands of the Plan. We would simply note that SEEL is continuing to fund the projects for which it is responsible (items 1-5 in the above list) into 2005-2006, following the end of WLSAP funding in April 2005.</p>
<p>Customer and/or intermediary feedback</p>
<p>(We have not attempted to survey the views of training deliverers or individual beneficiaries in this strand of the WLSAP. Those delivering the projects involving National Programmes are not thought to be aware of the WLSAP as the source of activity; to them, it will simply be part of their mainstream activity. For this reason we believe that there is little to be gained from contacting them.)</p>
<p>Learning points</p>
<p>In relation to the original Academies project, hindsight shows that it was unwise to attempt to 'import' a model from elsewhere without first ascertaining that it would be appropriate to the specific circumstances in West Lothian.</p> <p>However, the partners acknowledged that the project was failing and were pro-active in addressing the issue. If anything, the decision to discard a failing project and move swiftly to replace it should be regarded as a positive outcome.</p>
<p>Summary of impact</p>
<p>The impact of this strand of the project has not been significant. Much of the activity funded represents an extension of existing mainstream provision.</p>

Project: 3) ICT SKILLS

Description

The broad aim of this project was to address a deficit in transferable ICT skills within the local labour force – a local weakness which had been identified during the Motorola redundancy response, when it was found that a large number of the Motorola workforce had no, or very basic, ICT skills. This aim was to be achieved by embedding the delivery of ICT skills development into not just one, but all, local interventions designed to equip people to enter or re-enter the job market.

Three distinct strands contributed to the overall objectives: training of trainers to integrate ICT skills training and use of ICT into all personal and vocational skills development projects; equipping job advisory and counselling services with the capability to use ICT and assess client ICT core skills; and working with local skills development projects to integrate core ICT skills into all job preparation and skills interventions.

The lead delivery agent for this project is West Lothian College, in partnership with West Lothian Council (Community Education, Economic Development, Libraries), Jobcentre Plus, Careers Scotland, Vocational Training and other voluntary sector organisations. The project officially ended in March 2005.

Targets and achievements

Strand	Target	Actual*
1. Training of trainers 2. Intermediary capability 3. Working with local projects	60 trainers trained 25 intermediaries assessed 14 projects; 350 beneficiaries	62 trainers trained 24 intermediaries assessed 32 projects; 682 beneficiaries** <i>* Data provided by WL College, August 2005</i> <i>** Excludes registrations via WL Council Community Education – actual total will be much higher</i>

In broad terms the project has met – and in the case of Strand 3, greatly exceeded – its output targets.

The full project spend of £325K was achieved by August 2004. This was supplemented by additional funding from ESF, CALL and Coalfield funds amounting to over £272K. Continuing activity is being supported by the College's core funding.

Constraints and barriers

There has been some tension between the main aim of the project (improving employability support infrastructure) and the need for SEEL to be able to measure its impact by recording individual beneficiary outcomes. The infrastructure and capacity building nature of the project means that beneficiaries are likely to require further training or guidance beyond this project before they are able to secure employment. This requires systems to be put in place which can track beneficiaries through a number of subsequent projects and organisations to capture the eventual outcomes.

EKOS recommended as part of their monitoring that gaps in data capture be identified and addressed. In light of this, West Lothian College agreed with the monitoring team to undertake a telephone interview sample with 20% of beneficiaries which could then be grossed up across the whole project.

Issues surrounding the collection of personal details from beneficiaries, and the sharing of those details between partner organisations, have prevented comprehensive monitoring from taking place. It was recognised at the outset that the nature of some of the client group ('aversion to officialdom') would require a sensitive, and pragmatic, approach to data collection. In addition, some of the partner organisations felt unable to share client information due to data protection and other issues; the Council, for example, does not ask its community education beneficiaries to state their

employment status or to indicate whether the purpose of their course is leisure or employment related.
Additionality
The partner agencies concur that the value of this project lies in the improved infrastructure and joined-up working which now exists to equip individuals with employment skills.
Partnership working
<p>The start of this project was characterised by a certain degree of confusion over roles and responsibilities, until SEEL made it clear that the project should be led by West Lothian College. Since then, partnership working has been clearly in evidence, with the Council and other agencies playing a key role in delivery. The main partners speak highly of each other. More importantly, the strength of the partnership is a clear factor in the sustainability of the project beyond its official closure date (see below).</p> <p>Relationships at strategic level appear to be strong. The College is keen for its contribution to the delivery of community and flexible learning to be valued; it is working hard to ensure that its activity in this field is complementary to that delivered by other agencies rather than being perceived as a 'threat'. Duplication of activity between College and Council is said to be much reduced as a result of partnership in this project.</p>
Sustainability
<p>The ICT Skills project has managed to achieve longer term sustainability beyond the formal end of the project. The operational group which was set up to deliver the project (comprising the College and representatives from the Council, the voluntary sector, Careers Scotland and Jobcentre Plus) is continuing to convene under a new name, in order to ensure that joined-up delivery of flexible learning through IT is maintained. As a result of the project, any new employability initiative involving ICT skills is now overseen by this group.</p> <p>Crucially, as a result of the ICT Skills project West Lothian College has been able to tap into its own core funding in order to continue similar activity.</p>
Customer and/or intermediary feedback
Intermediaries thought that the project had been useful and had improved the advice and training they could give to local people. They believed it had directly contributed towards some local people gaining employment.
Learning points
<p>One of the success factors of the project is felt to be the willingness of those involved to take an 'organic' approach; some of the original ideas (e.g. an initial focus on specific vocational areas, which subsequently proved to have insufficient demand) had to evolve in order for the project to meet its longer term objectives.</p> <p>Although the project has many strengths, there does not appear to be significant evidence that it has linked effectively with other WLSAP projects. Potential for synergy and further partnership working may have been lost.</p> <p>Attribution has been a problem for project monitoring: individual beneficiaries will have become more employable as a result of the IT skills they have gained from the project, but it is impossible to identify which of them have since gained employment directly as a result of the project. The main success of the project is felt by the partners to lie in the improved infrastructure which has resulted, rather than in the number of individual outcomes. If similar initiatives are to be considered in the future, the type of target outcomes should be clearly identified at the start: they must be appropriate to the nature of the project, and they must be measurable.</p>

Summary of impact

West Lothian College believes that through this project, the West Lothian Strategic Action Plan has genuinely delivered capacity building in the region. The College could not have delivered this project without the SAP, which has been crucial to its ability to deliver community learning; without the project, the College would not have been able to tap into its core funding.

The overall impact of the project lies in the improved infrastructure and joined up working between the various regional partners involved in the delivery of ICT skills for employability. A new methodology is now established, which recognises the importance of providing continued support to learners rather than (as in the Motorola experience) hoping that the mass delivery of a generic, standalone ICT course will be sufficient to help someone into employment. The continued existence of the original project operational group – now convening under a new name – is evidence of the success of the ICT Skills project.

Project: 4) E-CONNECTIONS		
Description		
<p>The E-Connections initiative was designed to provide the “last mile” broadband connections for businesses in the area other than those that would benefit from SE’s Project ATLAS. The initiative involved a mapping of businesses and an awareness raising initiative among the local business community. The project also included support for an Enhanced Business Gateway.</p>		
Targets and achievements		
Project	Target March 2005	Actual March 2005
E-Connections	Map supply/demand of broadband – forecast tool	Forecast tool. Project suspended following concerns with Project ATLAS
Enhanced Business Gateway – including broadband project, SIP Start-ups and Business Gateway support	56 start-ups, of which 25 SIP 56 jobs (revised upwards from 10 originally)	54 start-ups, with 15 SIP start-ups 54 jobs
<p>A report which maps supply/demand of broadband has been completed. The May 2005 Monitoring Report notes that due to difficulties with the delivery of the national Project ATLAS, further work on this project was suspended. BT subsequently accelerated its own investments in broadband connectivity and so there was no further need for the E-Connections project.</p> <p>On the Enhanced Business Gateway, the EKOS monitoring report of May 2005 also makes reference to 50 companies installing broadband, 121 companies attending e-commerce events and 54 individuals receiving assistance.</p>		
Constraints and barriers		
Additionality		
<p>It is argued that the early work on this project raised the profile for Broadband and brought forward BT’s upgrades.</p>		
Partnership working		
Sustainability		
<p>BT has now invested in a sustainable infrastructure useful to business.</p>		
Customer and/or intermediary feedback		
<p>None</p>		
Learning points		
<p>The value in engaging at an early stage with potential private sector investors to explore options and mutual interests.</p>		
Summary of impact		

It is probably reasonable to conclude that the interest shown in making these Broadband connections and raising the profile of Broadband with the business base encouraged and perhaps brought forward BT's investment plans. It is claimed that the resulting ICT upgrade kept one firm in West Lothian.

Project: 5) SMART PLACE FOR BUSINESS		
Description		
<p>Smart Place for Business was designed to take forward the WLSAP objective of positioning West Lothian as a location for high technology and knowledge based investment. The need to help to diversify the economy was seen as crucial, and inward investment had a role to play in achieving this.</p> <p>The project sought to raise West Lothian's profile by first identifying its key strengths and then by developing a marketing plan based on the theme of 'West Lothian Delivers for Business' and on identified customer groups in key sectors.</p>		
Targets and achievements		
Project	Target	Actual
Attraction of new businesses	75	
Gross new jobs created	490	408*
Attract public sector jobs to West Lothian	1900	1680 * Attribution difficulties commented upon by EKOS
Constraints and barriers		
<p>The project had to be positioned carefully to fit within the existing framework for investment promotion. It was constrained as to where, and to whom, it could promote West Lothian. WLC and SEEL argue this was ultimately a benefit, as it forced more serious thinking about where business could most effectively be targeted and where awareness raising would be of real value.</p> <p>Smart Place was developed following a research phase to establish the nature of the potential investment offering represented by West Lothian. Securing approval took time as the whole project cost had to be approved. Smart Place has run for two of the three possible years of implementation. Limited timescales are often cited as reasons for slow progress. In this case, given the nature of the promotional work – attendance at trade exhibitions, following on trade press promotion - and the limited options such methods provide, there is good reason to support the view that the timescale has been too short.</p>		
Additionality		
<p>Smart Place started from a relatively low base, due to the fact that the Council had previously had limited marketing resources. In addition the material available in support of inward investment was "tired". The project involved marketing and promotion to target specific audiences within key sectors, rather than a more generalised approach. West Lothian Council has separated out enquiries it believes were generated by Smart Place activities – eg attendance at an exhibition. That said, monitoring of enquiries has been incomplete (companies engage with different departments).</p> <p>Smart Place was developed as a marketing programme with the potential to raise West Lothian's profile and to draw in interest. It was not designed as a fully fledged inward investment project – that being the responsibility of SDI/SEEL – and therefore did not have the instruments such as financial support and property to deliver the jobs sought. A degree of realism therefore, has to be applied to any assessment of this project's measurable contribution. It seems clear that an effective and professional marketing programme was delivered.</p>		
Partnership working		
<p>The project was driven by close partnership working between SEEL and WLC. It also involved support from local businesses and intermediaries in their roles as ambassadors and supporters. Companies supported case studies and attended trade fairs, etc. The project had to chart a difficult course within the Scottish (SDI) responsibilities for inward investment promotion and the focusing on UK businesses, as well as improving the capability of the area to deal with enquiries and respond to</p>		

requests for information.
Sustainability
Different elements of the project face different issues. Marketing staff have been employed under the project, which has added greatly to its capacity and capability. These resources are in place until December 2005. Other on line services are in place which will be more sustainable as part of the West Lothian Business Portal.
Customer and/or intermediary feedback
This evaluation has not involved a review of companies involved in the programme. Discussions have, however, been held with some local businesses and intermediaries. One aim of the programme was to engage local companies: feedback suggests this was effective. There was a welcome for the idea that the Council was showing an active willingness to support the business community.
Learning points
Place promotion has a role to play in support of the wider national marketing and FDI attraction efforts. The re-defining of the West Lothian 'product' helped focus attention on the area's strengths and on its potential to exploit these, which the project did in several ways. It helped build confidence locally at a time when this needed to be supported. Effort has been made to try to sustain the work supported to date. Building Smart Place into the Business Portal has helped here. Also, and of fundamental importance, West Lothian has begun to align itself with the wider Edinburgh city region and its new promotional emphasis. There is here a degree of mainstreaming taking place.
Summary of impact
Estimating attribution has always been challenging for this project. Evidence exists that activity was generated from Smart Place activities. If well handled and drawn into the WLC/SEEL inward investment work, this will contribute to the area's future growth. Smart Place was a <i>marketing programme</i> ; to seek to look beyond the limits of such activity is inappropriate and the cause of one of the main difficulties of this project – quantifying its impact.

Project: 6) HI-TECH SPACE		
Description		
<p>The project aimed to provide high tech business space on flexible terms together with support services for start-up or early stage companies. It also involved supporting refurbishment to bring other sites into use.</p>		
Targets and achievements		
Project	Target March 2005	Actual March 2005
Hi-Tech Space	30,000 sq ft space and 225 jobs (jobs target now for 2006)	62,000 sq ft and 80 jobs (34 safeguarded and 46 created)
Blackburn House	45 jobs (target for March 2006)	Funding package now in place.
Eliburn site servicing	5 acres serviced (target revised to 2006)	Tenant withdrawing has caused delay.
Science Zone	Financial support for marketing campaign. Investment up 10%. Support to campaign revised to 2006.	Implementation started. Note, the investment target is a long term one.
Intercell	25 jobs	Reported by EKOS as part of the actual outputs for the overall Hi-Tech Space project above
Oatridge College	To support business plan and all weather gallops	Assistance and study completed
Pyramid buses	To provide bus service	Bus service became operational in Oct. 2004
<p>The Hi Tech Space project assisted one existing organisation and one inward investor. 62,000 sq ft of property have been developed, substantially more than the original target. Two accommodation units have been provided. Two organisations have been accommodated, involving 80 jobs. Securing the investment of FST Technologies is attributed to this project: this led to the creation of 11 jobs and the safeguarding of 34. The creation of 35 jobs by Intercell is also attributed to the Hi Tech Space project.</p> <p>The Hi Tech Space project involves the development of a new business incubator. Around 70% of the Hi Tech Space project budget in the Action Plan is directed towards this incubator. SEEL and West Lothian Economic Partnership have contributed £3.8m. Temporary incubator space at the Alba Centre is currently being used until the new incubator building is ready for occupation (anticipated to take place around August 2006).</p> <p>The shortfall in jobs between target and actual must in part be due to the timing of the new premises becoming available. Monitoring of progress against targets should therefore be continued.</p>		
Constraints and barriers		
<p>The progress made from Board level approval in October 2004 to site preparation underway within a year is regarded as a good achievement by many of those directly involved in delivering this project, although some do not regard this as a reasonable timescale.</p> <p>The legal issues surrounding developments associated with the Alba Campus proved challenging. The approval process within the Scottish Enterprise Network "system" is viewed as having taken a long time. There is a sense that for what was a local Action Plan the project approval process involved too many different parties with a range of views on what constituted a project worthy of approval. It is important to "bottom-out" the decision making process for project investment of this kind at the outset. Take-up of funds for refurbishment by existing businesses in West Lothian has been lower than anticipated.</p>		

Additionality
As we understand that the Council had been interested for some time in establishing an incubator in Livingston, it is not possible to claim definitively that the incubator would not have happened without the WLSAP. It does seem clear that the Action Plan provided a good opportunity and that it has ensured the incubator development has happened much earlier that it might have otherwise.
Partnership working
<p>The additional financial contributions, plus what appears to have been effective joint working between the representatives of both organisations leading on this project, illustrate a good level of partnership working – particularly at officer level. However, at the outset differences in the strategic outlook of the partners had to be overcome (despite prior joint engagement in the development of an economic strategy). These appear to have been worked through successfully.</p> <p>Given the nature and aims of the incubator project, it appears that it was viewed more as an SE project in some quarters than a joint project with the Council.</p>
Sustainability
The business incubator in particular is a long term project which, if successful, should provide sustained impact. A successful incubator with an appropriate graduation policy should feed grow-on space provision in the area.
Customer and/or intermediary feedback
None to report
Learning points
Important to “bottom-out” the decision making process for the project investment at the outset. More realistic forecasts of staff resource to take forward such a project need to be put in place. We have been alerted to significant under-resourcing in terms of allocated staff time.
Summary of impact
<p>The impact and success of the WLSAP investment in this project will only become apparent once the incubator is fully operational. (The appointment of ICS as the operator, given this company’s evident success with the business incubator at Hillington, bodes well for the future of the West Lothian facility.)</p> <p>The current incubator facilities are serving four tenants, all drawn from the local area.</p> <p>The project will be separately evaluated at a later date.</p>

Project: 7) BUSINESS LEARNING NETWORK

Description

The Business Learning Network (BLN) was designed as an extranet for local businesses, created around a dedicated business learning portal or hub. The virtual facility was to provide: access to dedicated business learning information and resources; an interactive knowledge bank of business learning experience and resources; delivery of on-line learning materials to SMEs with localised support where appropriate; a support service to help SMEs use the Network and extend the use of ICT; and an up to date resource for business and learning provider contact and information exchange.

The original idea of creating new infrastructure for a discrete learning network was amended when it was decided to integrate BLN into the wider West Lothian Business Portal (which was being developed concurrently using funding from the Modernising Government agenda) – not solely for cost reasons, but in recognition of the fact that companies are more likely to access e-learning when it is part of a wider offering rather than a stand-alone service. Incorporating BLN within the wider Portal has not only enabled cost efficiencies to be made, but has also ensured the sustainability of BLN beyond the WLSAP funding period.

A further amendment to the original idea was the shift away from locally created bespoke learning packages towards the identification of existing products of relevance to SMEs – a response to the increasing availability and quality of existing products, and a sharper than anticipated learning curve in developing new products.

A further three projects were instigated at the time when the WLSAP underspend was developed. Two of these were targeted at upskilling staff in specific companies: Sky, and Sun Microsystems. No targets were set for the achievement of qualifications: the aim was for the WLSAP to fund initial training, with a commitment from the employers to fund and complete the remainder of the training through to VQ level.

The final project took the form of a study to identify the training needs of SMEs. The results of the study indicated that SEEL’s mainstream programmes would be the most appropriate way of meeting SMEs’ needs, rather than developing new activity under the WLSAP.

Targets and achievements

<i>Project</i>	<i>Target</i>	<i>Actual</i>
Business Learning Network	200 business users	427 business users
Sky – Worforce Development	283 upskilled	283 upskilled
Sun – Workforce Development	385 upskilled, 520 safeguarded	385 upskilled; progress made towards safeguarding jobs
SMEs – Workforce Development	Map training needs of SMEs	Completed

The first users accessed the website in March 2004. Latest monitoring information indicates that it has been used by 427 businesses.

Constraints and barriers

Initially marketing of BLN was not regarded as a priority. During the early stages of the project a decision was taken to develop the functionality and attractiveness of the site first, and then promote the service once it had been fully tested. However, the interim evaluation and subsequent follow-up work (including SQW’s review of the wider West Lothian Portal) indicates that promotion of the service and regular encouragement of users will be needed if take-up is to be maximised.

The upskilling of employees in Sky and Sun went according to plan.

Additionality
The evaluation of BLN conducted by EKOS in 2004 reported that the level of additionality seemed fairly positive: two thirds of respondents who took part in the evaluation reported that e-learning would not have happened in their company at all without BLN, and just under a half said that no learning or training would have happened at all.
Partnership working
SEEL and West Lothian Council have been the main partners in this project. In the early stages a wider active partnership existed – including the College, the Chamber of Commerce and many of its members – but once the project was re-shaped there seems to have been little call on it. The Business Learning Network is complementary to learndirect scotland, and the two initiatives work as partners rather than competitors. The BLN website has a link to learndirect scotland. BLN business users are currently offered two free web-based courses from learndirect, and a discount on materials.
Sustainability
The decision to incorporate BLN within the Council's wider West Lothian Business Portal (www.westlothian.com) means that the Council has taken lead responsibility for maintaining the site in conjunction with the wider West Lothian Economic Partnership.
Customer and/or intermediary feedback
Intermediaries interviewed created online interactive training materials for SMEs through the Business Learning Network. This mainly related to management information. Some of the companies involved in developing materials in the early stages thought that management of the project could be improved and that there was the "lack of a single driving force" behind the project. Awareness of the service is growing, and SEEL reports that 1,000 local businesses have now registered with the Network.
Learning points
The local business community (as represented by the Chamber of Commerce) would have welcomed more involvement and more transparency of decision making.
Summary of impact
The BLN project has delivered what it set out to do and has exceeded its targets in terms of the number of businesses registering on the site. It is also sustainable, in the sense that it is hosted within the Council's wider Business Portal and will be maintained by the Council.

5 Review at Plan level

5.1 Below we attempt to ‘read across’ what has been achieved in each individual project, as set out in Chapter 4, and to synthesise the findings in order to come to a qualitative review of what has been achieved at Plan level.

Targets and achievements

5.2 Part of our remit for this assignment was to embrace the findings of EKOS Ltd - who were commissioned by SEEL to undertake all monitoring associated with the WLSAP - rather than to duplicate their work. EKOS have clearly adopted a very rigorous approach to the monitoring of WLSAP spend and outputs, and we are able to make use of their findings with confidence.

5.3 In the Tables below, we cite the data collected by EKOS in relation to a) outputs, and b) spend at Plan level at March 2005. (EKOS’ work is ongoing, and a further monitoring report is expected from them at the time of presenting this report.)

Outputs

5.4 Table 5.1, below, provides a summary of the original Plan targets and performance:

TABLE 5.1: SUMMARY OF ORIGINAL TARGETS AND PERFORMANCE			
	Target	Actual (March 2005)	% of target
Jobs - Public Sector Relocation	1,900	1,680	88%
Jobs - Private Sector (created/secured)	1,320	610 ¹ 520 safeguarded	46% (86%) ²
Business space (sq ft)	30,000	62,000	207%
ICT training	350 trainees 60 trainers 25 intermediaries	667 trainees 62 trainers 29 intermediaries 164 employees (additional group)	191% 103% 116%
Business Learning Network	200 business users 500 employee users	427 businesses 511 employees	209% 102%
Broadband	Map supply/demand	Completed	-

¹ Includes 122.5 forecast jobs for TAP

² If safeguarded included – see discussion last two paragraphs page 16 and associated technical monitoring note.
Source: EKOS Ltd: WLSAP Monitoring Report, May 2005

5.5 The totals in Table 5.1 do not take into account any new investment that may have been attracted through Smart Place. However, attribution to this project remains a significant challenge. This project alone accounted for 490 of the original target jobs. EKOS Ltd have

noted in several monitoring reports that few of the investments to date will be attributable to the Smart Place project.

Spend

5.6 Table 5.2, below, summarises the total spend under the WLSAP at March 2005:

TABLE 5.2: EXPENDITURE (£)									
(Bold – parent project)	Scottish Executive							SEEL 2005-06 Forecast	Total Spend
	Original Planned	Revised Forecast Sep 2004	Actual to Mar 2005	Forecast to Mar 2006	Total 4 Year Exec Spend forecast	Variance against original Forecast	Variance against revised Forecast		
TAP	1,100,000	861,276	1,100,000	-	1,100,000	0.0	27.7	-	1,100,000
The Academies	320,000	218,881	209,836	-	209,836	-34.4	-4.1	20,000	229,836
<i>Employability skills</i>									
- Bus. Start-up training	-	20,150	22,436	-	22,436	-	11.3	1500	23,936
- ECDL	-	50,095	43,412	-	43,412	-	-13.3	3,850	47,262
- Gas Eng. training	-	34,000	30,548	-	30,548	-	-10.2	14,000	44,548
- Get into Work	-	36,000	34,291	-	34,291	-	-4.7	-	34,291
- Bus & Man Training	-	18,690	23,574	-	23,574	-	26.1	29,000	52,574
- Develop key people	-	-	13,240	-	13,240	-	-	16,788	30,028
- Job Rotation	-	98,000	75,515	-	75,515	-	-22.9	29,000	104,515
- TEGS for SMEs	-	40,000	3,100	-	3,100	-	-92.3	30,000	33,100
- Action Team	-	60,000	10,238	-	10,238	-	-82.9	40,000	50,238
- Bus. Support Group	-	-	5,000	-	5,000	-	-	-	5,000
ICT Skills Devel.	325,000	325,000	325,000	-	325,000	0.0	0.0	-	325,000
E-connections	140,000	40,000	40,000	-	40,000	-71.4	0.0	-	40,000
<i>Enh. Bus. Gateway</i>									
- Broadband project	-	30,000	30,000	-	30,000	-	0.0	-	30,000
- SIP Start ups	-	46,000	42,000	-	42,000	-	-8.7	-	42,000
- Bus Gateway Supp.	-	66,900	47,900	-	47,900	-	-28.4	-	47,900
Smart Place	675,000	680,462	685,361	7,293	692,654	2.6	1.8	-	692,654
Hi-Tech Space	2,625,000	2,124,090	413,108	1,621,631	2,034,739	-22.5	-4.2	-	2,034,739
- Blackburn house	-	-	(£200,000) ²	-	0	-	-	-	0
- Eliburn site servicing	-	33,800	27,800	-	27,800	-	-17.8	-	27,800
- Science Zone	-	16,000	0	16,000	16,000	-	0.0	-	16,000
- Intercell	-	100,000	82,204	-	82,204	-	-17.8	-	82,204
- Oatridge College	-	45,000	35,000	-	35,000	-	-22.2	-	35,000
- Pyramids Buses	-	7,000	7,500	-	7,500	-	7.1	8,000	15,500
Business Learning Network	750,000	523,475	523,475	-	523,475	-30.2	0.0	-	523,475
<i>Workforce Development</i>									
- Sky	-	141,500	141,500	-	141,500	-	0.0	-	141,500
- Sun	-	288,750	288,750	-	288,750	-	0.0	-	288,750
- SMEs	-	13,142	13,358	-	13,358	0.0	1.6	-	13,358
Monitoring & Eval.	65,000	81,789	22,472	58,458	80,930	24.5	-1.1	-	80,930
Total	6,000,000	6,000,000	4,296,618	1,703,382	6,000,000	-16.6	0.0	192,138	6,192,138

¹ Figures are those reported on SEEL's K-MIS

² Blackburn House expenditure in 2004-05 drawn from SEEL Discretionary Funding

Source: EKOS Ltd: WLSAP Monitoring Report, May 2005

5.7 Of the original seven projects, the situation in March 2005 was that:

- Technical Assistance Project and ICT Skills Infrastructure were on budget
- Smart Place was over budget (but only by 2.6%)
- The Academies, E-Connections, Hi-Tech Space and the Business Learning Network were under budget. However, the significant underspend was identified during the course of the Action Plan and led to the development of additional projects to address the anticipated shortfall and to help achieve the overall output targets. Spend is forecast into 2006 for Hi-Tech Space, as the project continues into a fourth year.

5.8 To the end of March 2005 a total of just under £4.3 million of Scottish Executive funding (72% of the total allocated) had been spent. The forecast is for the remaining £1.7 million of Scottish Executive funding to be spent by March 2006. However, this will be heavily dependent upon the delivery of one project – Hi-Tech Space (i.e. Business Incubator) - which will account for £1.6m of that total.

Constraints and barriers

5.9 The Plan faced difficulties with some of its projects. In several instances this arose from the limited time available to build an evidence base, or to carry out project appraisal more generally. Some projects, such as the Academies project - which seemed to be based on a sound premise and be readily replicable in the West Lothian labour market - struggled. Perhaps surprisingly, given the high quality of joint working relationships elsewhere, a lack of joined up working was identified as a key barrier in this case.

5.10 The need to start from scratch with many projects led to delays as partners worked out how to take projects forward. These are not unusual in project development of this kind. They become more problematic when part of a concerted effort in which building momentum and confidence are central to creating progress.

Additionality

5.11 The Plan brought resources to West Lothian that would not have otherwise reached the area. Some of these supported new activity. Other resources plugged gaps where budgets were under pressure or being cut back. As regards additionality at the Plan level, the main benefit has been the strong geographic focus of the Plan. It brought stakeholders, partners and delivery groups to bear on local customers/end users. In the case of the Smart Place project it also developed a 'product' for selected groups outwith West Lothian.

Partnership working

- 5.12 Close collaboration, especially between the Council and SEEL, has been a feature of this initiative. The private sector - through the West Lothian Chamber of Commerce, and more particularly via local firms - has supported the Plan at various times and in various ways. Despite initial issues and uncertainties over roles, responsibilities and timetables, the two public sector partners (especially at operational level) were able to work closely to resolve problems and progress projects, in sometimes difficult circumstances.
- 5.13 There was a legacy of close working at all levels through participation in projects across West Lothian amongst many of those involved in WLSAP. The Plan brought pressures which partners were able to cope with, in many cases due to the personal commitment of the individuals involved.
- 5.14 The paths of SE Edinburgh & Lothian (as part of the wider SE Network) and West Lothian Council (as a local authority) have diverged somewhat since the WLSAP was initiated. The focus of the Scottish Enterprise Network now lies more specifically on business development, while the role of local authorities continues to encompass a strong element of social inclusion.
- 5.15 With the WLSAP now reaching its end, this is a suitable juncture for the partners to pause and consider how best to move forward, acknowledging the shifts in their respective agendas. There remains a need for joined-up working to ensure that the economic development of West Lothian is sustained as effectively as possible. In particular, Scottish Enterprise's market segmentation approach to business development means that many companies in West Lothian are not prioritised for support. The members of the WLEP should ensure, as a partnership, that other mechanisms are in place through which these companies receive the support they need.
- 5.16 Likewise, workforce development (for the existing workforce) and employability skills (for those not currently working) remain a priority in West Lothian as they do elsewhere. With the reduction in Scottish Enterprise capacity to support the social inclusion agenda, it falls to the other members of the WLEP to ensure that measures are in place to equip the unemployed and disadvantaged with the skills they need for the labour market.
- 5.17 In short, this is an appropriate time for the Partnership to take stock and make plans which take account of the shifting landscape.

Sustainability

- 5.18 It is clear that the WLSAP partners will not be able, nor indeed will they wish, to continue to finance all the activity currently being supported by WLSAP. The impact of WLSAP upon service planning and delivery is difficult to assess, although the employability strand with its proximity to the mainstream agenda provides one example of how this is being achieved.

- 5.19 The closer partnership working and improved infrastructure established under the ICT Skills element of the WLSAP provide the best example of sustainability emerging from the Plan. This is evidenced by the fact that the project's operational group – comprising West Lothian College, the Council's Community Education Department, Jobcentre Plus, local training providers and other agencies – continues to convene after the project has ended. The group continues to see value in maintaining oversight of all employability interventions in West Lothian which involve an element of ICT skills.
- 5.20 Meanwhile, the growth in the role of online services has provided opportunities for the Business Learning Network, which has now been integrated into the mainstream online provision of West Lothian Council. The Council has now taken responsibility for maintaining the Business Learning Network element of the website. This is another example of sustainability emerging from the WLSAP.

Customer and intermediary feedback

- 5.21 Where possible we have attempted to survey various customer and intermediary groups who have been involved in, or benefited from, the WLSAP. In the case of the ICT Skills project, for example, we have spoken to trainers who themselves have received training in how to integrate ICT into employability interventions. Feedback from these intermediaries has been positive, and confirms that the project has resulted in an improvement in the advice and training they are able to give to local unemployed people.
- 5.22 In the case of the Business Learning Network we spoke to various local companies that were involved in the early stages of the project, helping to develop online learning materials. Feedback from these intermediaries was less positive, and similar to that of customers surveyed in the TAP project: that is, these projects suffered from a loss of momentum between the initial announcement and actual delivery.

Learning and legacy

- 5.23 There has been a good deal of learning and development from the implementation of the Plan. At project level, new relationships and partnerships have developed. Overall there are signs of learning and adaptation in response to monitoring information, or as a result of feedback from partners. Project managers have been able to introduce changes, at times to a drastic level, to ensure that projects moved forward.
- 5.24 The senior management at SEEL and senior officials at West Lothian Council addressed the larger, more strategic or potentially contentious questions that arose, enabling the WLSAP to stay on track. At the time when underspend was noted appropriate remedial action was taken, allowing the Plan to move forward.

- 5.25 We have sought to identify the legacy created by the WLSAP. Stakeholders offer mixed views on the details of projects, but overall we detect a sense of a missed opportunity. The business incubator offers arguably the best prospect for a significant *tangible* legacy. Those involved in the ICT Skills project feel that the improved regional infrastructure which it has created – albeit in a less tangible form, linking organisations together rather than creating a physical development – can also be described as a worthwhile legacy of the WLSAP.
- 5.26 Comments received from consultees in respect of legacy – reflecting the mix of opinions described above - include the following:
- “the legacy is poor when assessed against the £10m investment leveraged by the Plan - there is a sense that West Lothian has not had the value”
 - “the biggest project, the incubator, has yet to fully established and if successful should bring long term benefits”
 - “substantial learning achieved by the staff of SEEL and the Council who have been involved with the WLSAP”.
- 5.27 We would suggest that the partners may be under-valuing their own learning - in dealing with teething problems, having to re-develop ideas which were not working, learning to work together, and so on. However, it is important that this learning extends beyond the individuals involved operationally through to the senior management functions of the organisations and that steps have been taken to help embed this learning more widely for future use.
- 5.28 More specifically, involvement in the WLSAP is acknowledged as having been beneficial for stakeholder organisations in particular ways. In the case of West Lothian College, for example, improved communication channels between itself and the Council, and better sharing of information – which have resulted directly out of the WLSAP - mean that there is now significantly less risk of duplication of skills and employability interventions in the region.

Summary of impact

- 5.29 The impact of the portfolio of projects which made up the WLSAP ought to be greater than the sum of the individual interventions. As stated at the beginning of this report, we have not sought to quantify economic impact. It is too early to assess the full impact of Plan projects: some are still under way, others are winding down or are near completion. One major project – the incubator - has yet to be completed.
- 5.30 Beyond the traditional assessment of impact, two effects are notable:

- first, it is always important when carrying out reviews of this kind – several years after the initiative began - to be reminded of the context of the time. In 2001/2002, when key decisions and actions being taken, it was absolutely paramount that local, regional and national confidence be restored and enhanced. This was an implicit aim of the WLSAP. It is clear that the impetus created by the engagement of partners, the profile developed and the sense that “something” was being done should not be under-estimated
- the second, and related, consequence was the emergence of strong, visible leadership within partner organisations. Backed by early Ministerial support, the role of the public sector partners in demonstrating they were intent on addressing serious issues became a key feature of the Plan’s progress.

5.31 Finally, as part of the context at the time, strong historical echoes remained in West Lothian of the impact that major plant closure can have on local communities. Memories of the British Leyland closure at Bathgate were still very much alive. Also, in the late 1990s inward investment was a large part of the economic development agenda (or if this was not the case, it was certainly portrayed as such). Then, as now, West Lothian was a crucial part of the Edinburgh and Lothians product to offer to this “market”.

5.32 On a less positive note, some stakeholders believe that the WLSAP has had very little impact. One private sector representative, for example, commented:

- “companies in West Lothian are asking: where did the £6m go? The economy is currently healthy, but the real issues have not been addressed by the Action Plan. A large proportion of the new jobs are low paid and in retail, with bigger employers finding it hard to recruit because of low unemployment”.

5.33 Another consultee felt that:

- “the West Lothian economy appears to have improved between 2001 and today, at least superficially - but this would have happened anyway, regardless of the £6m”.

5.34 Perhaps for the reasons of pressure and urgency expressed above, a number of stakeholders consider that the WLSAP consisted of a list of projects with little overall strategic coherence. That a great deal of activity resulted is not in doubt, but many question whether this has amounted to any more than the sum of its parts.

6 Conclusions and recommendations

- 6.1 The purpose of this section of our report is to summarise key conclusions, especially around the lessons learned from the WLSAP. We then set out our recommendations based on these conclusions.

Conclusions

- 6.2 The WLSAP has progressed well towards achieved the outcomes sought for it. Conspicuous among these are the employment targets for public and private sector jobs, both of which achieved over 85% of the total number of jobs sought. Some WLSAP projects have yet to be completed; others have done so relatively recently. This means that there will be effects yet to be measured in full. This evaluation, therefore, will have tended to under-estimate the outcomes achieved.
- 6.3 During the implementation of the WLSAP additional funding, notably from the ESEP, was drawn in. This was of a substantial nature, adding £4m to the £6m provided by the Executive. Less visible, but also of significance, was the support provided by the local business community. As this came from the participation of individual businesses in WLSAP initiatives, it has a lower profile. There has been quite an extensive involvement of the private sector in many projects.
- 6.4 WLSAP progress was subject to comprehensive monitoring and reporting within a framework designed and operated on behalf of the partners. This allowed progress reviews and the identification of underspend, and provided the basis for regular management reporting. This kind of approach is used infrequently and was an asset to the Plan and its partners.
- 6.5 The West Lothian Strategic Action Plan has been developed and implemented with high levels of commitment, energy and purpose by those involved. Key stakeholders and partners, often working on specific projects, have achieved progress through commendable hard work and persistence. Many of the outputs of the Plan have been achieved. The continuing buoyancy of the national economy and the underlying strength of the West Lothian economy mean that the contribution of the Plan itself is difficult to establish with precision.
- 6.6 Local stakeholders and partners worked closely. Despite some tensions built into the funding and approval process, both Scottish Enterprise Edinburgh & Lothian and West Lothian Council engaged effectively with each other, with local agencies and the WLSAP initiatives. Resources were committed appropriately. Stakeholders share a broad sense of agreement (with variations in interpretation) as to the effectiveness of their joint efforts with the WLSAP.

- 6.7 What is also clear, from a perspective in 2005, is that West Lothian was both less affected by the closures than envisaged and more capable of sustaining their impact than was foreseen. The local economy was, and is, resilient and quite diverse. It does retain a dependency in job terms upon a relatively small number of large employers. It also has a stronger SME sector and has been able to attract companies and organisations – including public sector employers - to invest in West Lothian, resulting in a more robust economy.
- 6.8 The question arises as to whether there should have been an analytical review of the position of the West Lothian economy mid way through the Plan. At the time the underspend was being addressed, there was the opportunity to determine how significant the effects of the closures had been on the area. How these effects had played out in actual, rather than anticipated, impacts could have been examined at this point.
- 6.9 There exists the question of how far West Lothian would have continued its progress in the absence of the WLSAP. This issue of ‘deadweight’ results from the continuing performance of the national economy, the relative prosperity of metropolitan Edinburgh and the underlying capability of West Lothian to withstand such shocks without suffering the damage forecast. It is evident that the WLSAP investment contributed to the stronger position now enjoyed by the local economy. It is also clear that its success is bound up in that of the local economy and its capacity for growth and change.
- 6.10 Finally, this is a good time for the Partnership to pause, take stock of subtle changes in their respective agendas, look at the outstanding local economic development issues and consider how best to address the further development of West Lothian’s economy through continued joint working.

Learning and development

- 6.11 One of the principal aims of this review was to provide insight into learning and development from the experience of developing and implementing the Plan. While there have been many individual lessons, we believe that the main learning and development can be grouped into three areas.
- 6.12 First there is the **nature of the response** that cast such a large shadow over much that followed. We reviewed the process by which the WLSAP was devised and support for it secured. Many of the issues raised here relate to the urgency that drove the design parameters for what was envisaged as a strategic approach to West Lothian’s future. Rather than a genuinely strategic approach, however, something much more tactical was assembled. Little opportunity was afforded to the longer term needs and opportunities arising from the kind of change being experienced in 2001-02.

- 6.13 Second, the **model adopted** for the development and delivery imposed particular constraints and challenges. The requirement from the Scottish Executive that the Plan concentrate only on new and additional projects was a serious constraint. This requirement meant that timescales were extended before projects could get underway. This approach also added to the risks of new and less predictable projects. This seemed, and seems, unduly restrictive. Green Book guidance places value on the acceleration of benefits or the delivery of enhanced levels of output from current initiatives.
- 6.14 There was no major issue about the choice of partner to act as the custodian of Scottish Executive support. The subsequent issues stemmed from the protracted decision making processes, which meant that parties outwith SEEL were not engaged for periods of time. The need for quite small decisions to be taken by the Executive to allow the SE Network to move funds was a further delaying factor.
- 6.15 Above all, the treatment of the WLSAP as part of the national initiative, subject to standard appraisal and approval processes, enforced a sclerotic pace. This was a local action plan addressing a specific priority. It needed to run local projects, recognising that displacement, for example, would be acceptable at this level. In a real sense the priority accorded to West Lothian's perceived circumstances could not be fulfilled. The essence of a local project is to place priority on the area at the expense of other areas – for a time.
- 6.16 Third, the **resourcing of the WLSAP** meant that limited staff time was dedicated to the Plan. Instead it was “borrowed” from individuals, particularly in the Council and at SEEL, where initial modest demands on time became much more burdensome. This approach had the advantage of minimising direct costs involved in a dedicated project team – but it also caused difficulties for both organisations in securing the services of the right people at the right time. Without question, a very significant in-kind contribution - much greater than initially anticipated - was made by the Council and SEEL to WLSAP implementation.

Recommendations

- If similar circumstances were to arise in the future, partners should begin with a shared agreement as to the desired outcomes sought, to avoid becoming bogged down in means and methods.
- It is vital to ensure sufficient evidence gathering up front, to justify that money of this kind is indeed required through this form of delivery. In particular we would recommend that a robust options appraisal process must take place.
- Partners should avoid launching initiatives and then taking so long to put activity on the ground that intended beneficiaries and supporters become frustrated, if not cynical. In particular, this means:

- trying as far as possible to avoid the political dimension at all levels, introducing an urgency for action that belies the nature of the response required - this challenges partners in such situations to provide strong upward briefings to tell the “true story”
- avoiding a “knee jerk” demand for immediate action on what are in fact longer term challenges – the distinction between important and urgent should not be dismissed as semantics.
- Greater use should be made of small working groups drawn from the wider stakeholder community, including local business people, in the design to sustain buy-in and help push for implementation and take-up. We acknowledge that such an approach brings challenges and what may be seen to be inefficiencies, but we would argue for its longer term capacity building merits
- Once the Plan was adopted, the Executive and SEEL should have been less “purist” about WLSAP. The bar for approving projects should have been lowered, acknowledging that this was a time-limited, local action plan for a specific priority. It needed to set up and run local projects without having to treat them as though they were part of a national strategy. In other words, once the rationale is accepted, concerns over potential displacement should be ignored: the essence of a local project is to place priority on the area at the expense of other areas – for a time
- Control of budgets and related operational decision making should be delegated to a low enough level to help make things happen more efficiently. Such an approach has to continue to incorporate the need for public accountability and audit requirements.
- An agency or formal partnership should be set up to deliver the Action Plan, with a strong local focus, resourced with a dedicated team for 3-5 years. This would:
 - protect it from the unnecessary rigidities and bureaucracies of its parent organisations
 - give it clear terms of reference and let it get on with its own job.

West Lothian Economic Partnership

- 6.17 The West Lothian Economic Partnership has been focussed on the implementation of the WLSAP. This operational emphasis has been sustained over the past four years. As the implementation phase comes to its end, it is appropriate to consider the way forward for the Partnership.
- 6.18 West Lothian remains an area with a resilient, stronger local economy. Outstanding challenges for the area include its relatively low GDP per capita, indicative of low income levels from part time work. Likewise, workforce development (for the existing workforce)

and employability skills (for those not currently working) remain a priority in West Lothian as they do elsewhere. With the reduction in Scottish Enterprise capacity to support the social inclusion agenda, it falls to the other members of the WLEP to ensure that measures are in place to equip the unemployed and disadvantaged with the skills they need for the labour market.

- 6.19 In the meantime the public policy agenda in Scotland has moved on quite significantly. Changes include a much more prominent role for community planning and its associated local focus, along with metropolitan regions – east and west - as a focus for national and international policy. All of this leads to the conclusion that the Partnership should consider “stepping back” to look at the key issues stemming from these changes and their implications for West Lothian’s future success.

APPENDIX A

LIST OF CONSULTEES

List of consultees

Name	Organisation
James Adam	EKOS Limited
Sue Bedford – Visser	West Lothian Council
John Carmichael	Scottish Enterprise Edinburgh & Lothian
Derek Catto	West Lothian Council
Tracey Crozier	Scottish Enterprise Edinburgh & Lothian
Jim Dickson	West Lothian Council
Cllr Willie Dunn	West Lothian Council
David Greaves	West Lothian Council
Suzanne Henderson	Scottish Executive
Mhairi Laughlin	West Lothian College
Paul Lewis	Scottish Enterprise National
Cameron MacKenzie	Scottish Enterprise Edinburgh & Lothian
Dave McDougall	West Lothian Chamber of Commerce
Jim McFarlane	Scottish Enterprise Edinburgh & Lothian
Linda McPherson	Scottish Enterprise Edinburgh & Lothian
Claire McVeigh	Scottish Enterprise Edinburgh & Lothian
Jon Moore	Scottish Enterprise Edinburgh & Lothian
Andy Murray	West Lothian College
Marion Nicholson	Scottish Enterprise Edinburgh & Lothian
John O'Callaghan	West Lothian Council
Peggy Rowney	CA Magazine
David Ritchie	Codestuff
Francis Sinclair	Discom Technology
Alistair Shaw	West Lothian Council
Alice Sinnett	West Lothian Council
Martin Smith	CAPDM
Jenny Stalker	West Lothian Council
Alastair Ross	Scottish Enterprise Edinburgh & Lothian