

Edinburgh Enterprise Campaign

2002 - 2004 Evaluation

Final Report

KMC Management Consultants

10 Randolph Crescent Edinburgh EH3 7TT

August 2004

***Commissioned
by***

Edinburgh Enterprise Campaign Steering Group

Contents

1	<i>Introduction</i>	<u>3</u>
2	<i>Background</i>	<u>4</u>
3	<i>Description of the Campaign</i>	<u>5</u>
4	<i>Analysis of the period 2002 to July 2004:</i>	
	<i>Inputs</i>	<u>6</u>
	<i>Activities</i>	<u>7</u>
	<i>Outputs</i>	<u>13</u>
5	<i>Conclusions</i>	<u>17</u>
6	<i>Key Issues for the future</i>	<u>18</u>

1 Introduction

This is the Final Evaluation Report of the Edinburgh Enterprise Campaign, which has been funded for the period from January 2002 to December 2004. The Report has been produced by KMC Consultants for the Campaign's Steering Group.

The Steering Group consists of representatives from the main stakeholder agencies involved with initiating and developing the Edinburgh Enterprise Campaign:

- City of Edinburgh Council (CEC)
- Scottish Enterprise Edinburgh & Lothian (SEE&L)
- North Edinburgh Area Renewal (NEAR)
- Granton Information Centre (GIC)
- Capital City Partnership (CCP)
- South Edinburgh Partnership (SEP)
- Worktrack South Edinburgh (WSE)

The report examines and analyses the performance of the Edinburgh Enterprise Campaign during its initial pilot period from January 2002 through to July 2004, against the targets and outputs that were originally envisaged prior to its launch in January 2002.

The Campaign has been funded with support from the European Social Fund (ESF), with the matched funding being provided by SEE&L and CEC.

The report should also be seen as part of a decision-making process which will determine whether or not the Edinburgh Enterprise Campaign should continue beyond its current funding expiry date of December 2004. This decision-making process involves three stages of documentation:

1. Final Evaluation of the Campaign's operation from January 2002 through to July 2004, which will make recommendations on future funding support.
2. Submission of an Application to ESF for an extended Campaign (2005 – 2007), on the basis of positive recommendations from the Final Evaluation
3. Business Plan for the Operation of an extended City-wide Campaign (2005 – 2007), which will outline the implications of rolling out the Campaign on a City-wide basis

The main purpose of these three documents will be to allow the various stakeholders involved in supporting the Edinburgh Enterprise Campaign to have an opportunity to assess the new context and the wider priorities within which the Campaign's activities could best be delivered during the coming three year period, from January 2005 to December 2007.

An Interim Report was submitted in early August 2004 to the Campaign Steering Group and the CCP's Joined-Up-for-Enterprise working group, for discussion. Feed-back from these has been incorporated in this Final Evaluation Report, and is also reflected in the accompanying Business Plan.

2 Background

The impetus for the current Edinburgh Enterprise Campaign was generated by concerns that Scotland has experienced lower than average levels of both business start-up and of self-employment. Allied to these wider contextual features, there were also the strategic objectives of social and financial inclusion of the major stakeholders, which indicated that people living within Edinburgh's Social Inclusion Partnership (SIP) areas encounter a number of additional barriers in seeking to access the mainstream business advisory and support services.

An earlier pilot project within the Craigmillar area of Edinburgh operated for a one-year trial period in 2000, and was funded jointly by the City of Edinburgh Council and the Edinburgh Chamber of Commerce, with additional support from the KONVER programme of the ERDF.

This local project, which was managed by the agency Forth Sector, indicated that an innovative approach based on the recruitment of a local 'Enterprise Guide', who knew the local area intimately and to whom the local community related extremely well, could act as an effective conduit between those local people in SIP areas who might be interested in the enterprise model, and the range of agencies in the city providing mainstream business support services. (*'Craigmillar Enterprise Campaign – Final Report' - Forth Sector - March 2001*)

The subsequent Edinburgh Enterprise Campaign successfully obtained funding from the European Social Fund (ESF), with matched funding being provided in equal parts by SEE&L and CEC. The funding was designed to allow the new Campaign to operate within two of the city's main geographical SIP areas, North Edinburgh and South Edinburgh, for a three-year period from January 2002 through to December 2004.

The Edinburgh Enterprise Campaign was initiated in January 2002, and became fully operational in April 2002, with the recruitment of the two local Enterprise Guides.

The two Enterprise Guides were recruited and based within relevant locally-based 'host' organisations, Granton Information Centre in North Edinburgh, and Worktrack in South Edinburgh.

The Campaign's activities were overseen by a central Steering Group, and the City of Edinburgh Council acted as the lead organisation in all dealings with the ESF.

Finally, the Steering Group organised a major seminar in October 2003, which was attended by representatives of all of the significant players in business development & support agencies, the major banks, and representatives from a wide range of social and financial inclusion agencies.

This seminar presented the achievements to date of the two local Enterprise Guides, and invited the targeted audience to contribute to the debate on the future development of the Edinburgh Enterprise Campaign. The two main conclusions of this seminar were that the Campaign should be fully evaluated and that, depending on the outcome of such an evaluation, consideration should be given to extending the Enterprise Guide network on a wider basis to other suitable areas of Edinburgh. This Evaluation Report was commissioned as part of that follow-up process.

3 Description of the Campaign

The Edinburgh Enterprise Campaign is funded for a three year period, from January 2002 through to December 2004. Its objectives are:

- To promote attitudinal and cultural change to enterprise amongst excluded groups
- To encourage training and education activity in local areas
- To develop the local business support infrastructure in North and South Edinburgh, through creating referral systems and networks to signpost clients to, in partnership with, enterprise and other organisations

(source: Edinburgh Enterprise Campaign: Strategic Development Plan)

The Campaign has an overall budget of £202,000 for the three-year period, with 45% being accessed from the ESF and the additional 55% matched funding being contributed equally between SEE&L's Business Gateway Division and CEC's City Development Department.

The management of the Campaign has been provided at a strategic level by the Campaign Steering Group, which includes the two main funding partners, SEE&L and CEC, as well as Capital City Partnership, representatives of the two local 'host' organisations with an established track record in the area/s, and finally representatives of the main strategic agency in North and in South Edinburgh. The composition of the central Steering Group is shown below:

- | | | | |
|---|--------------------|---|-------------------------------------|
| ▪ | Margaret Morrison | - | CEC City Development |
| ▪ | Bob Moffat | - | SEE&L Business Gateway |
| ▪ | Mike Chapman | - | CCP Financial Inclusion |
| ▪ | Caroline Pickering | - | Granton Information Centre |
| ▪ | Christine Docherty | - | North Edinburgh Area Renewal (NEAR) |
| ▪ | Martin Smith | - | Worktrack |
| ▪ | Susan Milne | - | South Edinburgh Partnership |

Local management support has been provided for each of the local Enterprise Guides by their respective 'host' employer organisations, Granton Information and Worktrack South Edinburgh.

Whilst the anticipated general outcomes from Campaign over the whole three year period, 2002 to 2004, were reflective of the three objectives stated above, the specific targets for tangible outputs set out in the original funding prospectus were stated to be:

- 200 people using new materials
- 105 people given substantial support
- 38 new enterprises established

(source: ESF application 2001)

These targets were set on the basis of direct comparison with the earlier Craigmillar project.

The remainder of this Evaluation Report outlines the Inputs, Activities and Outputs from the two local Campaigns over the operational period, sets out the resultant conclusions

and finally makes recommendations for the future scale and scope of any wider application of the Edinburgh Enterprise Campaign.

3 Analysis for the Period – January 2002 to July 2004

Inputs, Activities and Outputs

This section of the report draws on a series of reports and documents provided by the Campaign to describe the inputs, activities and outputs of the organisation over the period January 2002 to July 2004. This obviously does not cover the remaining five months of the three-year pilot project, from August through to December 2004.

INPUTS

The North Edinburgh and South Edinburgh local Enterprise Campaigns each have two staff members, comprising:

- Enterprise Guide (full time)
- Admin Support Assistant (part time)

Table 1:

Table 1 below shows the funding received by the Campaign over the entire three calendar years, from 2002 to 2004.

	2002	2003	2004 (part)	Total	% of Total
<i>ESF Funds</i>	£19,058	£28,461	£43,675	£91,188	45.0%
<i>CEC Matched Funding</i>	£11,648	£17,394	£26,690	£ 55,734	27.5%
<i>SEE&L Matched Funding</i>	£11,647	£17,393	£26,690	£ 55,734	27.5%
Total	£42,353	£62,248	£97,055	£ 202,656	100 %

(Source: CEC)

It has proved necessary, as with many other ESF projects, to fine-tune the original budget headings as the live project developed, and this process has had to be applied with the budgets for both local Campaigns, with the prior approval of the ESF and the other funding partners. The respective budgets for the two local Campaigns, with revisions, are shown below:

North Edinburgh Campaign:				South Edinburgh Campaign:			
Item	Original £	Current £	Variance £	Item	Original £	Current £	Variance £
<i>Guide salary</i>	62,157	54,003	-8,154	<i>Guide salary</i>	62,157	54,906	-7,251
<i>Staff training</i>	1,200	1,283	+83	<i>Staff training</i>	1,200	766	-434
<i>Feasibility study</i>	1,225	1,468	+243	<i>Feasibility study</i>	1,225	1,469	+244
<i>Surgeries</i>	11,250	500	-10,750	<i>Surgeries</i>	11,250	8,450	-2,800
<i>Staff recruitment</i>	0	1,495	+1,495	<i>Staff recruitment</i>	0	547	+547
<i>Staff travel</i>	0	516	+516	<i>Staff travel</i>	0	840	+840
<i>Staff subsistence</i>	0	25	+25	<i>Staff subsistence</i>	0	100	+100
<i>Training materials</i>	5,000	275	-4,725	<i>Training materials</i>	5,000	500	-4,500

Promotion	10,000	11,555	+1,555	Promotion	10,000	8,170	-1,830
Accommodation	10,496	30,208	+19,712	Accommodation	10,496	25,580	+15,084
Total	101,328	101,328	nil	Total	101,328	101,328	nil

Analysis for the Period 2002 to 2004 (continued)

INPUTS (continued)

It has been highlighted by Granton Information Centre that it has experienced significant cash-flow problems as a result of delays in receiving funding. This arrangement has caused this relatively small organisation to carry a sizeable deficit in each of the three years that it has acted as host for the local North Edinburgh Enterprise Guide. *(The issue of any future cash-flow problems is raised in the accompanying Business Plan.)*

Over the Campaign's initial 2½ year pilot period, there has also been success in the leveraging of additional funds from a number of other sources by each of the two local Campaigns, but these are shown as outputs as they are provided directly to their clients.

There has also been a level of management support from the two 'host' organisations, but as these are charged as a management fee to the Campaign, they have not been added as a calculated 'in-kind' input, neither has the 'in-kind' contribution made over the period by the members of the Steering Group.

ACTIVITIES

The Edinburgh Enterprise Campaign receives and forwards quarterly activity and output returns to the appropriate source for ESF and for the match funders SEE&L and CEC on behalf of the two local Campaigns. However, it is clearly the responsibility of the individual Guides and their respective 'host' organisations to collect these, and verify their content.

Throughout the process of this evaluation, the consultant has found that the two local Guides have taken rather different approaches to recording data. Such local variances may well be considered appropriate for the innovative stages of pilot projects such as these, but it has created some difficulties in collating and analysing the data for a fuller like-for-like evaluation purposes.

It is also stated later in this Report that these different approaches to the recording of additional (*non-ESF required*) data on clients by the two Guides may be directly influenced by the different organisational culture of the 'host' organisations within which they operate. However, this level of 'experimentation' and 'innovation' at local project levels are integral to the spirit of such ESF pilot programmes.

The activity and output figures shown below include both North and South Edinburgh separately, with the overall aggregated ratios calculated at the central, strategic level. Comments on how this approach may have an effect on particular calculations, such as in value-for-money comparators, are made later in this Report.

Various other business support organisations also provide direct services for Campaign clients, mainly on an outreach basis, delivered in the local area and organised by the local Enterprise Guides. These are generally provided at no direct cost to the local Campaigns, and are therefore not shown earlier as (financial) inputs, albeit that they are in turn funded by mainstream programmes such as Training for Work, Business Gateway, etc

Table 3: below, gives a breakdown of the registration of clients by both Campaigns:

Table 3: Registration of Beneficiaries			
2002	2003	2004 (part)	totals

North Edin	South Edin	North Edin	South Edin	North Edin	South Edin	combined
40	31	59	41	28	12	
71		100		40		211

Analysis for the Period 2002 to 2004 (continued)

ACTIVITIES (continued)

The total registration by each individual Campaign over the 2½ years is shown in table 4 below, giving a total registration of clients by both Campaigns:

Table 4: Total Registration of Beneficiaries over entire period

North Edin	South Edin	combined
127	84	211

Table 5: gives a breakdown of the registration of clients by gender for both Campaigns:

Table 5: Beneficiaries by Gender

Clients by gender	2002		2003		2004 (part)	
	North Edin	South Edin	North Edin	South Edin	North Edin	South Edin
Female	12	16	21	11	12	7
Male	28	15	38	30	16	5
Total	40	31	59	41	28	12

Table 6: gives a breakdown of clients by ethnic origin for both Campaigns:

Table 6: Beneficiaries by ethnic origin

Beneficiaries by ethnic origin	2002 – 2004	
	North Edin	South Edin
White	114	82
Black - Caribbean	1	-
Black - African	3	-
Black - Other	-	-
Indian	-	1
Pakistani	-	-
Bangladeshi	-	-
Chinese	-	1
Other	-	-
Total	127	84

Analysis for the Period 2002 to 2004 (continued)

ACTIVITIES (continued)

Table 7: below, gives a breakdown of clients for both Campaigns by disability, lone parent, and health concern:

Table 7: Beneficiaries by category	2002		2003		2004 (part)	
	North Edin	South Edin	North Edin	South Edin	North Edin	South Edin
Disability	2	-	1	-	3	-
Lone Parent	3	4	9	8	5	5
Health Concern	2	-	2	-	4	-
Total	7	4	12	8	12	5

Table 8: gives a breakdown of clients by ESF 'core categories' for both Campaign

Table 8: Beneficiaries by ESF core categories	2002 – 2004	
	North Edin	South Edin
Unemployed < 6 months – under 25 yrs	14	2
Unemployed 7 - 12 months – 25 yrs + over	23	7
Unemployed - returners	11	2
Workless households	n/a	22
Lone parents	17	17
Ex-offenders	n/a	2
“not applicable”	n/a	29
other	-	-
Total	41	79

Diverging Styles of Operation:

The two local Enterprise Guides appear to have adopted quite different styles of operation within their individual Campaigns. This would appear to be the result of a number of factors:

- personalities of the individual guides
- different nature of the North and the South Edinburgh communities
- organisational culture of the local 'host' organisations

There were also significant problems in recruiting suitable candidates with the unique skills mix required by local Enterprise Guides. (This issue is taken up in the accompanying Business Plan, where factors likely to affect continuity of service provision are addressed.)

Analysis for the Period 2002 to 2004 (continued)

ACTIVITIES (continued)

a) North Edinburgh Guide:

Alan Laing, the local Guide in North Edinburgh appears to have built upon the existing community networks very effectively. In reports submitted to the Steering Group, Alan has reported that he has established a regular presence in a number of established local community centres, where a 'drop-in' service is provided. These include a number of centres that provide a wide geographical spread across North Edinburgh, which is recognised as being very territorial in nature, rather than in Granton, where Alan is permanently based:

- Prentice Centre
- Craigroyston Community Centre
- Drylaw Neighbourhood Centre
- Moving On – Employment Access agency

Alan has also reported establishing working links with other centres including:

- Muirhouse Millennium Centre
- West Pilton Neighbourhood Centre
- North Edinburgh Arts
- Royston/Wardieburn Community Centre
- Black Community Development Project
- Muirhouse Youth Development Project
- Pilton Community Health Project
- plus local schools, libraries

He also appears to have established good working links with the local Telford College, as a valuable source of supplying clients who live locally to the North Edinburgh Campaign.

The North Edinburgh Campaign has also provided the consultant with a breakdown and analysis of the sources of referrals to the local Enterprise Campaign. The North Edinburgh referrals are stated to be sourced from agencies including:

- Access Partnership
- SEE&L
- PSYBT
- Educational Institute
- Chamber of Commerce
- NEAR (*North Edinburgh Area Renewal*)

The North Edinburgh Campaign also appears to work towards the possibility of different 'positive outputs' for assisted individuals, in addition to the core category of self-employment and/or small business start-up. These include clients going on to employment (*from unemployment*), into Further Education courses, etc. These additional outputs appear to be well-recorded.

The North Edinburgh Campaign has provided the consultant with good data on follow-up statistics from clients, at periods of 3 months, 9 months, and 18 months. This is recognised as an extremely difficult aspect of all project monitoring, and the feedback response recorded by the North Edinburgh Campaign appears to be good at 3 months, then dropping off slightly at 9 months, and (*as ever*) becomes fairly thin at 18 months on.

The overall level of recording data within the North Edinburgh Campaign would appear to be extremely good, and this may well be a reflection of Granton Information Centre's general approach to this aspect of their wider work practices.

Analysis for the Period 2002 to 2004 (continued)

ACTIVITIES (continued)

b) South Edinburgh Guide:

Val Brown, the local Guide in South Edinburgh appears to have developed a different model of operation in her local area and, on the basis of headline figures provided by the Guide, there would appear to be a relatively high level of success in assisting with successful 'start-ups'.

However, the way in which some data in the South Edinburgh Campaign has been collected has created like-for-like analyses difficult. Recording of data on the 71 clients reported by the South Edinburgh Campaign categorises them on a spectrum of initial registration through to full, active trading entities, on a four-stage process. This shows 57 fully trading, with 9 at pre-trading level and 5 at intermediate level.

However, insufficient data appears to have been collected on the source/s of 'general enquiries' to the Campaign, so that a useful conversion rate of overall contacts into registration of clients has not been possible for inclusion in this Report. Additionally, it is unfortunate that relatively little central recording of the source of client referral appears to have been maintained, listing mainly anecdotal evidence of 'word of mouth'. Such data would have better shown any intra-sectoral relationships with other agencies.

The consultant has been provided with one written report from the South Edinburgh Guide (dated April 2004), and this has been rather general in nature.

The recording of data at the South Edinburgh Campaign would appear to be influenced mainly by the requirements of quarterly ESF returns, which have been completed throughout. However, the information supplied to the consultant would suggest that the South Edinburgh Campaign appears to conduct fairly limited analyses outwith that of recording the basic data required by quarterly ESF returns.

Records have been produced on 'Training for Work' eligibility, but apparently not on other programmes or streams. Provision of external training has been recorded in six categories:

- Access Partnership
- Inland Revenue
- Jewel & Esk Valley College - Care 12
- Jewel & Esk Valley College - Health & Safety
- Jewel & Esk Valley College - First Aid (accredited)
- Computer Training (Lytegate)

Further invoices have also been submitted centrally to Worktrack for other outsourced training/support, although it is unclear how this has been allocated amongst the various registered clients:

- Accountancy - supplier - M.P. Sinclair
- Client Accountancy Support - supplier - Pauline Strange
- Client assistance on book-keeping - supplier - Pauline Strange

The South Edinburgh Campaign has also provided a number of their clients with very useful additional support in the areas of design and production of initial marketing

materials. This service has been made available for 44 clients, 34 of these being produced in-house, and a further 10 being contracted out to a local supplier, Ink Shop.

Analysis for the Period 2002 to 2004 (continued)

ACTIVITIES (continued)

Overall Comments on other areas of Local Enterprise Campaign Activity:

Publicity:

It would appear that both local Campaigns have produced very professional publicity and promotional materials, within the constraints of their fairly limited budgets. Good use appears to have been made of the local community newspapers, the 'North Edinburgh News' and the 'South Edinburgh Echo'.

However, consideration is made in the accompanying Business Plan on how publicity and promotional materials may be more unified and co-ordinated, and consistently 'branded' if the Enterprise Campaign is rolled out on a wider, scale.

Local Management Arrangements:

General project control and direct line management has been provided at a local level, through Granton Information Centre and Worktrack South Edinburgh, respectively. Whilst this local diversification has been useful during an initial pilot period, it is clear that any wider arrangements would certainly have a requirement for a more standardised form of management arrangements and procedures.

Analysis for the Period 2002 to 2004 (continued)

OUTPUTS

Overall Targets:

As indicated earlier, the anticipated outcomes from the combined Campaign over the projected three-year period, 2002 to 2004, were originally stated to be:

- 200 people using new materials
- 105 people given substantial support
- 38 new enterprises established (later revised upwards to 65)

(source: ESF application 2001)

These targets were further expanded, and were divided equally between North and South Edinburgh local Campaigns, as illustrated below. Given that the Edinburgh Enterprise Campaign is being evaluated as a unified whole, it seems appropriate to look also at overall 'actual' tangible outputs & outcomes against overall output 'targets'.

Table 9:

The three-year Enterprise Campaign Output targets, and achievement of these, are shown below:

Outputs / Activities:	target	2002	2003	2004 (part)	Actual totals	North Edin	South Edin
Beneficiaries getting self-employment help	200	78	90	40	208	113	95
Number of people given substantive support	105	61	89	36	186	100	86
Number of employed beneficiaries	37	18	22	13	52	35	18
Beneficiaries aged 16-24 unemployed < 6 months	24	8	8	6	22	14	8
Number of women receiving support	80	33	31	19	83	45	38
Aged over 25yrs receiving help before 12 months unemployed	24	11	21	9	41	23	18
Number of events held	11	2	1	7	10	6	4
Number of new materials developed	6	0	5	1	6	3	3
Beneficiaries given guidance or advice	200	84	99	39	222	127	95

Analysis for the Period 2002 to 2004 (continued)

OUTPUTS

Table 10:

The three-year Enterprise Campaign Impacts/Outcome targets, and achievement of these, are shown below:

<i>Impacts/Outcomes:</i>	<i>target</i>	<i>2002</i>	<i>2003</i>	<i>2004 (part)</i>	<i>Actual totals</i>	<i>North Edin</i>	<i>South Edin</i>
<i>Number of people using new materials</i>	200	84	78	26	188	100	88
<i>Number of Enterprises established</i>	65	26	47	18	91	20	71
<i>Survival rate of self-employment after 18 months</i>	25	n/a	1	23	24	6	18
<i>Number of leavers entering employment</i>	75	3	30	58	91	20	71
<i>Positive outcomes for completers</i>	145	61	85	52	198	127	71
<i>Number of people attending events</i>	250	70	25	35	130	84	46

Leveraged Funding:

Other valid outputs would appear to be leveraged funding, whether grants or loans sourced from outwith the core input financial resources (ESF + SEE&L & CEC):

<i>Category:</i>	<i>2002</i>		<i>2003</i>		<i>2004 (part)</i>		<i>totals</i>	
	<i>Clients</i>	<i>Funds</i>	<i>Clients</i>	<i>Funds</i>	<i>Clients</i>	<i>Funds</i>	<i>Clients</i>	<i>Funds</i>
South Edin P'ship	7	3,426	20	9,475	10	4,647	37	17,548
Edin Bus Dev Fund	4	11,300	9	33,750	5	19,000	18	64,050
Business Gateway (e-award)	3	1,500	5	2,500	1	500	9	4,500
PSYBT	1	1,200	6	22,000	2	3,824	9	27,024
Banks	-	-	1	4,000	-	-	1	4,000
Other	-	-	6	7,878	9	2,419	15	10,297
Totals:	15	2,000	47	28,628	27	10,743	89	127,419

These figures illustrate that an additional £127,419 was secured for SIP residents in the context of their pursuing self-employment/business start-up options, and they represent a considerable contribution towards the implementation of the Campaign stakeholders' financial inclusion objectives.

This should be seen in the context of the £202,656 invested by the funders in the pilot project (*over the full three year period*), thereby leading to a relatively high level of leveraged finances to targeted individual in SIP areas.

Analysis for the Period 2002 to 2004 (continued)

OUTPUTS

It is notable that the two Guides appear to have had quite different experiences in accessing these various funds. Available data would suggest that South Edinburgh has had seven successful PSYBT clients, whereas North Edinburgh had only two, over the 30-month period.

The data returns of clients accessing funds from the Banks, however, appears to show that only one client (*in North Edinburgh*), accessed funding of some £4,000. This would appear to suggest, on a superficial analysis at least, that the remaining 88 clients (*of the two combined local Campaigns*) either had no success, or did not approach the Banks for funding, as part of their overall financial package.

Similarly, the 10% of overall clients accessing the Business Gateway 'e-award' would appear to be rather low.

Aggregated Turnover:

Given the strategic importance of financial inclusion to the major stakeholder agencies it would have been extremely interesting if data on the aggregated financial turnover of the start-ups had been captured. This would have enabled the Campaign to achieve a wider insight into the overall gains made by their actions in introducing additional financial activity within the micro economies of their two local communities generally.

VALUE FOR MONEY

The absence of more detailed breakdown of data on additional 'positive outcomes' (*such as assisted individual clients going on to employment, further education, etc*), as well as that on financial turnover (*of the various successful start-ups*) serves to reduce the Campaign's additional, value-added impact on top of the basic headline value-for-money calculation outlined below.

Similarly, it has not proven possible in this short evaluation exercise to seek to measure the other equally valuable 'soft' indicators, such as the raising of awareness of enterprise through "attitudinal and cultural change", as referred to in the project's initial objectives.

On the assumption that the key successful outputs (*business start-up/self-employment*) of the Edinburgh Enterprise Campaign's clients were entirely attributable to the project's intervention, **Table 12** below gives an indication of value for money.

The funding reflects the combined ESF plus SEE&L and CEC matched funding, and the level of business start-ups reflects the number of clients who have been reported as trading, using the definition of clients fulfilling the criteria of Inland Revenue registration, plus operating a new business bank account :-

Year:	2002	2003	2004 (part)	Total
Business Start-ups	26	47	18	91
Total funding	£42,353	£62,248	£97,055 (full year costs)	£202,656 (full three year costs)
Cost per unit	£ 1,629	£ 1,324	£ 5,392	£ 2,227

Analysis for the Period 2002 to 2004 (continued)

Given the higher number of reported start-ups within the South Edinburgh area (71), it would obviously be possible to report two different value-for-money calculations, with South Edinburgh representing a rather better ratio, and North Edinburgh (at 20) a lower ratio, but the more logical representation would seem to be the aggregated one shown above. Clearly, the timing of this evaluation also causes the full three-year costs against as yet incomplete 2½ year output figures. Hence the final headline value-for-money figure is almost certain to be an improvement in the £2,227 shown above, perhaps dropping below the £2,000 cost-per-unit ratio.

The consultant has found it difficult to benchmark this figure against any other similar enterprise development-based initiatives. Research would appear to suggest that within, say, the Scottish Enterprise LEC network, a wide range of overheads/ staffing/other cost factors are taken into various value-for-money evaluations.

An equally valid, related comparison might also be that undertaken recently by the same consultant into a large-scale Employment Access community-based intermediary agency in an Edinburgh geographical SIP, which showed a value-for-money cost per unit ranging from £3,679, £2,305 and £1,218 - for a range of different 'positive outcomes', but aimed at the more difficult long-term unemployed. Such comparators might prove more useful than with more mainstream enterprise development programmes, such as Business Gateway contracts.

5 Conclusions

The Edinburgh Enterprise Campaign has been funded for an initial three-year period, until December 2004, when it is scheduled to cease operation.

As indicated earlier, this stage of the Edinburgh Enterprise Campaign should be viewed as an innovative, experimental period. This would suggest that new ways of working, new approaches and a level of experimentation with inputs, activities and final outputs can and should be encouraged. In this sense, the Campaign's overall approach appears to have been justified.

However the main issue, which lies at the core of this Evaluation report, is to seek to identify that which worked against that which was less successful, in order to 'cherry-pick' those elements of good practice that can be transferred elsewhere. This is of particular importance in any consideration on whether or not the initial pilot project of the Edinburgh Enterprise Campaign can be successfully rolled out across Edinburgh as a model in other areas of the city.

Like any pilot project, based on innovative approaches, it is also crucial that strong linkages are built and maintained in any future development with other more mainstream programmes and services, in order to ensure that added-value results are achieved, and not duplication or substitution in any way.

The evidence gathered for this Evaluation Report would seem to suggest that the initial Pilot stage of the Campaign has been successful. Extremely useful experience has been built up, new ways of working have been experimented with, and innovative approaches have been established.

This evaluation and analysis would suggest that:

- there has been a general over-achievement of targets in all original categories
- over the evaluation period, there has also been a relatively significant level of leveraged funding of £127,419, specifically targeted at SIP resident clients from a variety of external sources
- the value-for-money factor has been clearly established, and can now be used as a basis for future benchmarking in any city-wide project,

It is also reasonable to conclude that if the current three-year pilot project is to be extended in scope and scale, by rolling in out in a more strategic city-wide basis, then it would be more appropriate for the Edinburgh Enterprise Campaign to be linked more strategically with other policy-led initiatives, especially in the field of financial inclusion. Such an approach would ensure that access by SIP residents to financial services, funding

and business support can be advanced more effectively, in a more integrated, joined-up manner.

6 Key issues for the Future

This final section of the report raises a number of issues that were highlighted during the conducting of the consultancy study. These include:

Identification & Transfer of Good Practice

Those elements of good practice that have been developed by both of the local campaigns should be incorporated into any wider version of the Edinburgh Enterprise Campaign. The establishing of Enterprise Guides in other areas of the city should be encouraged to adopt the good practices and approaches that have been developed and refined during the initial 2½ year pilot project phase.

Collection of Data

This should be more clearly standardised, and supplemented by more detailed data being captured in areas of sources of: initial client referral, recording of other additional 'positive outcomes' for assisted individuals, aggregating the financial turnover of all new start-ups as well as identifying in more detail any general barriers in access to sources of finance.

Quality Control of Service Delivery

A downside of local innovation of delivery methods can often be a diversification which leads to an uneven level of quality standards, from area to area. It is imperative that any widening of the scope and scale of the project ensures that a high minimum standard of quality control is achieved. This will entail close monitoring, intensive induction of new employees, and a well-structured programme of in-service training for all Enterprise Guides and support staff.

Linkages with Mainstream Programmes

The value of the Enterprise Guide approach has been welcomed by those operating in the wider mainstream business support agencies. There is wide recognition that providing a tailored service to specific residents in SIP areas can prove beneficial, and introduce the mainstream service-providers to previously difficult-to-access clients. However, clear lines of 'demarcation' need to be recognised, in order to ensure that the very best professional advice and support is channelled to those SIP residents wishing to investigate and pursue the option of self-employment and business start-up.

Value-for-Money

A clear determination of value-for-money criteria should be agreed at the outset of any future development of the Campaign's activities and services. Whilst it is extremely difficult to identify exact comparators for what are essentially 'hybrid' forms of service-delivery, it is crucial that achievable output targets are set that have a logical relationship with aggregated inputs, so that management of processes become the central focus for attention.

Future Funding Arrangements

Any future funding arrangements for the Campaign's activities and services will undoubtedly entail a packaging of appropriate funding partners. It is likely that continued utilisation of ESF resources, along with a grouping of matched funders will be an appropriate route in the immediate future.

Long-Term Sustainability of the Campaign

In order to ensure that good practice is allowed to be embedded in the local areas, and for lessons to be drawn from a more city-wide approach, it would appear appropriate that a three-year period of funding be set as a minimum level of commitment by the funding partners.

*KMC Consultants
August 2004*