

South West RDA

Reflections and Lessons

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These documents have been written as the Agency has been in the process of closing down and transferring some of its responsibilities to other organisations. This knowledge legacy work has had to be fitted in around, not only our busiest ever operational year, but also our intensive Transition & Closure Programme. Several of the staff involved have already been made redundant and the others will be leaving over the coming months. We are delighted, and proud, that our colleagues have continued to show such commitment and professionalism, despite the difficult situation.

These documents have been put together by Sadie Moisan, Kate Relph, Jo Johns, Tim Harris, Kate MacDowall, Donald Barr, Andy King, James Harper, Ian Watson, Nigel Jump and Simon Hooton – supported by many others from across the Agency.

This is one of four documents that have been produced by the South West RDA in order to share our knowledge and experience of delivering economic development across the South West, over 12 years.

The other three are:

South West RDA – A Short History

A look at why and how RDAs were created, and how the South West RDA has developed and delivered over its lifetime.

 Read more... p


South West RDA – The Economics Story

A detailed look at the current state of the region's economy and the things that will shape the economy in the future.

 Read more... p

Economic Development Guide

A practical manual for those involved in economic development.

 Read more... p

The arrows above are used throughout and indicate links for further reading in the other documents, shown by colour, initials and page number.

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Executive Summary

This report focuses on what we have learned from 12 years' work on economic development. It draws both on formal research and evaluation reports and also on our experience of doing this work in the South West.

Alongside the formal evidence we have also captured the views of people who have worked for – and with – the Agency over its lifetime.

We have identified eight cross-cutting reflections from across all our work areas and we also look at specific lessons from our Business, People and Place interventions.

Cross-Cutting Reflections

Getting the conditions right for economic development takes many years

- Market failure is almost always structural and complex, requiring sustained intervention by many partners over many years.
- It takes time to understand issues and develop common strategies.
- It takes time to put partnerships and delivery vehicles in place.
- Also it takes time to see results, and the quickest wins are not necessarily the lasting ones.

Economic development is rarely straightforward and so requires flexibility

- The economy does not operate within clear national, regional or local boundaries.
- We were hampered by lack of clear regional identity, accountability and leadership.
- We suffered from a lack of joined up national policy on matters affecting the English regions.
- As a result, we ourselves took time in getting to grips with managing these different tensions.

Regions are a useful link between national and local perspectives

- Unlike many EU competitors, England has not had long-standing regional governance structures.
- There were times, especially when working with the EU, that only a regional perspective would do.
- We worked to add value to local strategies and plans, rather than replace them.
- We helped local partners build relationships and alliances with each other.

Risky business – and changes needed?

- Public intervention to address market failure is, by its nature, risky.
- Success depends heavily on finding the right delivery mechanism which works in the particular context and at that time.
- Project objectives must be agreed between partners, then monitored and reviewed regularly.
- What works in one situation will not necessarily work in another.

Targets tend to determine what you end up delivering

- The long-term impact we were seeking was not always supported by the narrower outputs (e.g. jobs, business start-ups) we were measured by.
- Targets drive behaviour. You can be driven by targets and lose sight of the intended 'real' business of a project.
- Scrutiny is important, yet managing scrutiny can become an output in itself.
- It was hard to get the right balance between setting clear priorities and then responding quickly to unexpected pressures, often outside our control.

Size matters, and so does timing

- In general, our larger (generally urban-focused) investments have been shown to deliver the greatest strategic economic impact.
- The knock-on impact of these on rural economies was limited. Rural needs should be considered as an integrated part of any overall investment.
- It is important to consider whether you can have most impact at the beginning or end of a project cycle.
- Rapid response works sometimes but not always.

You need to have all the economic development 'tools' available

- Money was usually our main attraction though often led to wider influence.
- Money can also get in the way of fruitful relationships through resentment if nothing else.
- We needed to say 'no' more often – and to mean it.

Strong and long-lasting partnerships are essential

- We were an overt political creation, so never the most popular kid in the class.
- Despite many good relationships, we were perceived by some as arrogant and bureaucratic.
- We did make some friends but should have worked harder to make more.
- Sometimes we underestimated the strong and confident communication needed to manage conflicting expectations.
- We struggled to overcome the South West's lack of strong regional identity.

Chapter One

Introduction


This section includes:

- Regional Development Agencies
- Delivering the Regional Economic Strategy (RES)
- Reflections and Lessons - about this report
- The South West RDA Highlights

Regional Development Agencies

The South West RDA was one of nine Regional Development Agencies (RDAs) established under the Regional Development Agencies Act 1998. RDAs were created to bring fresh vitality to the task of economic development and social and environmental regeneration in the regions through a business led approach. The Act charged each agency with the delivery of five statutory purposes:

- To further economic development and regeneration
- To promote business efficiency, investment and competitiveness
- To promote employment
- To enhance development and application of skills relevant to employment
- To contribute to sustainable development.

 [Read more... p15](#)

“In 2001 / 2002 the Government introduced two overarching targets for the economy to which RDAs were expected to contribute: to “make sustainable improvements in the economic performance of all English regions and, over the long term, to reduce the persistent gap in growth rates between the regions”.

'Mind the Gap'

Given the need for this to be a longer term target, the Government stipulated that this was to be reported on in 2012. This target has been subject to a great deal of misunderstanding often based on the assumption that RDAs alone would be able to reduce the economic growth disparities between their regions. RDAs were able to deliver against the purposes for which they were originally established (PwC evaluation report, Impact of RDA Spending, 2009). However, RDA resources were relatively limited, representing about 1% of all identified public expenditure in English regions by Central and Local Government. Given the RDAs purpose in contributing to the growth of their own regions, the growing strength of the London and South East economy, and the limited resources of the RDAs relative to the size of the overall economy, made narrowing this gap more difficult, as previous Governments had experienced. In addition some commentators have not realised that Government saw this target as needing time to be addressed and have therefore made premature judgements about RDAs' ability to achieve it.

Over our lifetime, we were able to deliver a wide range of activity – from inward investment to regeneration; and from business support to renewable energy. Given the RDAs' proven track record for delivering on the ground, the Government gave them many new functions to deliver after 2000.

Corporate responsibility for ensuring that RDAs fulfil the aims and objectives set by central government and for promoting the efficient and effective use of staff and other resources by the Agency lies with the RDA Boards. These were appointed by the Secretary of State, in line with the Code of Practice issued by the Commissioner for Public Appointments.

Funding for RDAs has been drawn from a range of central government budgets (latterly DCLG, BIS, DUIS, Defra, DCMS and UKTI) merged (since 2002) into a single budget allocation. Between 2005 and 2010 the total allocation to the nine RDAs was between £2.2 and £2.3 billion split unequally on the basis of an assessment of need and opportunity. For the South West, which has 18% of England's land mass and 10% of its population, the allocation was only 7% of the total. This allocation was further restricted by an imposed capital / revenue split which skewed spending.

 [Read more...](#)

The RDA also became responsible for managing the delivery of the new rounds of European Programmes (ERDF and RDPE) in the region – worth well over £800 million to the region over 6 years.

Delivering the Regional Economic Strategy (RES)

Our work has been underpinned by the South West Regional Economic Strategy (RES), developed in partnership with business, local authorities and other regional stakeholders.

The 2006-2015 South West Economic Strategy set the vision for the region as:

“South West England will have an economy where the aspirations and skills of our people combine with the quality of our physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.” It also asserted that the region would seek to demonstrate that economic growth could be secured within environmental limits.

The strategy identifies 3 core objectives:

- Successful and competitive businesses
- Strong and inclusive communities
- An effective and confident region.

Our Corporate Plan sets out how we support the delivery of the RES. Since 2009 our work has been focused around five themes:

1. Low Carbon Economy - enhancing activity to provide greater emphasis and investment in a drive to a low carbon and resource-efficient economy for the South West.
2. Successful Businesses - a more focussed approach to retain and develop a competitive and innovative business base – encouraging innovation, research and skills.
3. Prosperous Places - a more selective approach to the transformation of key places that most help to improve the region’s economy.
4. Leadership and Advocacy - a more targeted approach to ensure appropriate regional strategic leadership.
5. Better Service, Better Value - increasing efforts to deliver a more effective and streamlined service, at a time of reduced public finance.

Reflections and Lessons – about this report

This legacy report focuses on what we have learnt from our 12 years of operations. As such, it is primarily about public sector involvement in economic development. It reflects the changing operational environment for RDAs – 11 years of a Labour administration and 18 months of a new Coalition Government. Much of our work was necessarily a result of that political framework.

The report has been central to our development and learning. We have accumulated a body of evaluation evidence which includes:

- Over 60 independent evaluations of SW projects and programmes
- National evaluation material by BIS and others
- Independent performance audits by the National Audit Office (NAO)
- Articles from peers in other regions and academic institutions.

We have built a highly respected economics and research resource which includes:

- A range of written reviews and briefings covering the whole regional economy and its sector and spatial parts, often offered through our provision of the Economy Module of the South West Observatory.
- Strategic and intelligence databases, including the SW Regional Accounts tool for structural analysis and impact appraisal and in support of tourism, trade and other specific initiatives.
- Bespoke research into a spectrum of topics such as globalisation, meeting productivity gaps, and local analysis of place, business and people.
- A series of presentations and other direct engagements with partners across the region and beyond in the private and public and third sectors.

To complement the research and evaluation learning, we have also sought to capture some of the less formal 'experiential' learning from a range of people who have worked for (and with) the South West RDA during its lifetime. This report draws on:

- Interviews with key South West RDA staff
- 'What we have learnt' workshops held in Spring 2011.

We have identified **Eight Cross Cutting Reflections** drawn from our work across all work areas. Each reflection includes background analysis, case studies and some individual reflections from *senior South West RDA staff*. In Chapter 3 we summarise our learning about what has worked (and what hasn't) in Business, People and Place interventions.

The South West RDA Highlights

This document aims to present an honest and objective analysis of our activity, reflecting on a series of achievements stretching back more than a decade.

As evidence from all the major, developed economies continues to show, economic development needs to be delivered and supported consistently, over decades and beyond the normal political cycles.

Many of our larger projects simply could not have happened without the scale of funding we could deploy and the determination to commit support over many years. Most were too risky for the private sector to lead and too complex for smaller organisations to develop.

Business

We have supported our most important industries with sector initiatives that have culminated in – among other things - three marine training centres, the Coral Reef programme for the aerospace sector and Wave Hub in Cornwall. We have supported research and innovation by building SPark science park, innovation centres in many of our larger towns and cities, and by offering Grant for R&D. We have enabled thousands of business to start, grow, develop and thrive - using the expertise of Business Link, Manufacturing Advisory Service, Rural Enterprise Gateway and others.

People

We have played a major role in bringing training providers together to meet the needs of business and industry, supported by strategic investments where necessary. The success of the Combined Universities in Cornwall and the new energy skills academy on Bridgwater are just two examples of where this has worked well. We have also worked extensively with the universities in the region to enhance their contacts with business and help provide a bridge between research and industrial exploitation.

Place

After decades of inaction and dereliction, we have (despite some setbacks) developed Temple Quay and Harbourside in Bristol; we have transformed Royal William Yard in Plymouth and Osprey Quay in Dorset; we have established and funded Urban Regeneration companies in Gloucester, Swindon and in Cornwall. We have been major funders of regeneration in South Bristol, St Austell, Swindon, Gloucester and Taunton. We invested millions of pounds to support rural communities and market towns. We were major (and continuing) funders of the Eden Project. We championed sustainable construction in business parks throughout the region. We were able to be the catalyst for new communities east of Exeter and at Dursley, near Stroud.

It is from this rich experience across all aspects of economic development that we can reflect on what went well and what could be done better in the future. The landscape for economic development looks very different now, with significantly less money and a new approach, which is both localist and centralist. Many of our key functions will now be delivered by separate bodies, or stopped altogether. New bodies can, therefore, learn from our experience and consider how to evaluate and assess their contributions in the most useful way. Future policy makers can then look at the most effective ways to make the biggest difference in terms of economic development.

The logic for some economic development delivery at regional level will surely be revisited, as there is a compelling case for a strategic level between the local and the national. Most other developed economies have had a 'regional' tier for decades and it is a crucial part of their way of delivering public sector investment and of supporting both small, local and large, international businesses. Equally, these same countries have pursued a largely consistent set of interventions over many years. This has meant operating beyond political cycles (therefore with tacit cross-party support) and more in line with industry / innovation cycles.

Finally, it is worth pointing out that the South West RDA itself was subject to considerable audit and scrutiny. In 2006, the Independent Performance Assessment, by the National Audit Office, found that we were performing well. The 2009 report from PWC, 'The Impact of RDA Spending', found that RDAs created £4.50 of value for each £1 spent – more if long term benefits were taken into account. In 2010, the NAO's Independent Supplementary Review assessed us as 'good'. And the HM Treasury's own benchmarking exercise found RDAs to be in the top 25% of public bodies in terms of back office efficiencies. And this despite the large number of new responsibilities given to RDA over the past few years – each of which has been merged into the overall operation of the South West RDA.

Chapter Two

Cross Cutting Reflections

This section includes:

- This stuff takes time
- It's messy and it's complicated
- It's useful to have a link between local and national
- It's a risky business
- Targets drive delivery
- Size matters... and so does timing
- You need to choose from the whole toolkit
- It's about relationships

Key to Icons

THIS STUFF TAKES TIME

Getting the conditions right for economic development takes many years



IT'S MESSY AND IT'S COMPLICATED

Economic development is rarely straightforward, and so requires flexibility



IT'S USEFUL TO HAVE A LINK BETWEEN LOCAL TO NATIONAL

The regional level provided a bridge which should not be lost



IT'S A RISKY BUSINESS

There is no single model that works – managing risk requires a number of different responses



TARGETS DRIVE DELIVERY

What you measure tends to be what you end up delivering



SIZE MATTERS... AND SO DOES TIMING

Fewer, bigger projects tend to deliver more leverage than many, smaller ones



YOU NEED TO CHOOSE FROM THE WHOLE TOOLKIT

Bringing the different types of interventions together has much more impact



IT'S ABOUT RELATIONSHIPS

Successful economic development needs strong and long-lasting partnerships





This stuff takes time

Getting the conditions right for economic development takes many years

“This is tricky stuff to deliver and we expected too much, too quickly”

DIRECTOR OF DEVELOPMENT AND REGENERATION

Introduction

A key rationale for public investment in economic development is the unlocking of potential economic growth constrained by market failure and unrealised opportunities. Developing land and buildings currently neglected by the commercial market, addressing skills gaps in growth sectors and supporting businesses to become more productive and competitive have formed the backbone of public intervention for decades and our core business for the past 12 years.

Market failure is almost always structural and complex. Addressing it almost always requires intervention on a number of levels, by a lot of different partners, over a prolonged period and in a co-ordinated and adaptive way. The reasons why economic growth in one place lags behind another are equally complex and usually made up of a number of inter-related causes and effects.

For some of our consistently less productive places, the downward spiral of falling demand for goods and services, job losses, lack of investment in infrastructure and skills leading to poor business confidence is extremely hard to break. There are winners and losers in all economic cycles so that one geographic place may find itself facing structural decline of key sectors on a scale which is virtually impossible to manage without large scale and sustained public intervention.

At whatever level, international evidence clearly shows that a consistent approach to economic development which works with the natural business cycles and beyond short-term political cycles tends to be more successful. This then supports the potential for opportunistic public sector intervention.

It takes time to understand issues and develop common strategies

RDAs were charged with leading the development of Regional Economic Strategies (RES) and with overseeing their delivery. Our experience tells us that there are no short cuts to this process and that failure to allow enough time for genuine dialogue and joint working almost inevitably means delay and difficulty further down the implementation line, particularly when resources become tighter and tougher choices have to be made. A clear, agreed and evidenced strategy is a prerequisite for economic development at whatever level – as it provides the common objectives that ensure everyone is pulling in the same direction.

We dedicated considerable staff resources to strategy development but even so found that it always took longer than planned to get through the process. On average the preparation of a full RES took 18 months from start to launch date and involved consultations with over 200 stakeholders and partners. Even a RES refresh was a slow process taking many months and involving both formal and informal consultation processes.

A central part of this work was to provide a robust evidence base to share with regional partners and stakeholders so that we could develop a common understanding of key issues and challenges that the strategy would address. This was not a one-off or short term exercise but an investment that over time certainly paid off. Consistently high quality research and analysis and regular, clear and relevant publications (including the award winning ‘Economics Review’) all contributed to the process. Gaining broad consensus on the evidence base for later reviews of the RES and for the second Regional Funding Allocation (RFA2) was certainly helped by the robustness of, and familiarity with, the research and analysis behind it.

Skills and Learning Intelligence Module


The Skills and Learning Intelligence Module (SLIM) was created with RDA and ESF funding to bring information and intelligence on skills and learning to policy makers and practitioners across the South West. Between 2001 and 2010 SLIM ran a series of Learning Themes providing opportunities to explore specific issues with researchers and practitioners and a route for disseminating best practice. Adult Basic Skills in the Workplace led to the development of a regional capacity building project the 'South West Skills for Life Unit' aimed at developing the numeracy and literacy workforce and raising awareness with employers of the benefits of a numerate and literate workforce. This has a direct impact on the SW achieving its PSA targets.

It takes time to put partnerships and delivery vehicles in place

Time after time, our evaluations highlight the length of time it takes to put together effective partnerships and delivery organisations. Our analysis shows that almost everyone (including South West RDA) persistently underestimates this and set over-optimistic timescales for agreeing strategy, identifying action plans, commissioning activity and delivering outcomes and impacts. Even where there is an existing partnership in place, the challenge of a new policy or funding framework can, frustratingly, often mean going back to the starting block in terms of negotiating where resources will be focused and who will deliver what, when and how. A number of partnerships have developed and strengthened over time leading to rapid action in difficult times. For instance, our strong partnership with the Learning and Skills Council and its subsequent change to Skills Funding Agency and National Apprenticeship Service meant that we were able to respond quickly to extend an Apprenticeship Training Agency Pilot in the South West during the recession.

National research into the governance of English regions¹ concluded that:

"All regions possessed a legacy of overlapping, often fragmented, partnership structures, operating at different spatial scales, but the depth of partnership working varied. The Agencies were also under pressure from Whitehall to prepare their strategies rapidly, leading to rushed consultation and hampering efforts to develop policies tailored to the contrasting socioeconomic conditions in each region."

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Urban Regeneration Companies (URCs)

Our evaluations of the South West Urban Regeneration Companies² highlighted a common tendency to significantly underestimate (and therefore plan for) the amount of time it would take to establish these delivery vehicles. They were not as hoped able "to hit the ground running" needing considerable support and investment to develop structures and build consensus around master plans and delivery frameworks. Even with these delays, over time it became clear that we paid insufficient time and attention to properly testing the deliverability of the plans in terms of available funding, partnership and delivery capacity or timescales.

Our experience and evaluations tell us that time spent building strong relationships almost always pays off over the longer term and can be fundamental when it comes to having to deal with emergencies or the unexpected. The long history of regional joint working on employment and skills issues, for example, really came into its own during the recession. The region was able to respond quickly to the call from central government for a coordinated skills and employment programme and, as a result, we were able to fully utilise available funding including running the Apprenticeship Training Agency pilot.

Of course partnerships are not an end in themselves but a means to more effective, shared delivery. They require consistent support to resource both capability and capacity. Organisations working together over a sustained period of time have more chance of success than one organisation working by itself.

¹ Ayres & Pearce, Governance in English Regions)

² URCs were established in Camborne/Pool/Redruth; Gloucester Docks and Swindon

It takes time to deliver outputs... and even longer to become self-sustaining

Many of our investments were made on the basis of fixed, and time-limited, funding on the assumption that either an activity would be fully delivered within the agreed timescale or that future funding would be sorted as part of the project exit strategy. In some cases this was unrealistic - timescales changed so much that contracts had to be extended simply to deliver agreed outputs and outcomes. In others, there was a clear need for the activity to continue and an increasing expectation of continued support beyond the initial contract. We could have planned better for potential delays and ensured that clients and delivery agents were more realistic about timescales.

While continued support did enable some projects and organisations to build capacity, momentum and financial sustainability, very many found this challenge overwhelming and they continued to need public support to survive beyond the initial start-up phase. Even successful projects ended up with much longer dependency 'tails' than had been planned for. The Eden Project, for example, while highly successful in many respects, has needed some continued public investment way beyond the timescale originally envisaged.

It takes time to see results.... and the quickest wins are not necessarily the lasting ones

Our evaluation programme has consistently highlighted the difficulty in measuring, or even assessing, lasting impact within the timeframes of project or even programme funding. Some types of intervention deliver measurable impact over the short or even medium term (2-3 years in economic development terms), however many of the most sustainable results have come from interventions which were slow to deliver results. It is clear that we were expected to evaluate too many projects over too short a timescale when, arguably, this became a 'stick to beat us with' rather than a tool for learning about impact.

Grants for R&D Programme

In support of the academic literature, our evaluation of the Grants for R&D Programme found that there was often a significant time lag [often years] between the provision of business support / investment in R&D and taking new products to market and a further often quite protracted lag before a business would see any measurable results in terms of profitability and growth. Businesses tend to underestimate the amount of time it takes to get a new product or service off the ground and find themselves diverted during the development process – by core business pressures and/or changes in the external business environment. Nevertheless, feedback from businesses involved in the programme consistently reports the value of early support in terms of building confidence and links that are instrumental in a product or service finally getting to market.

In the 'Impact of RDA Spending' report, investments in the public realm were identified as less good value for money than those in business support or skills on the basis on delivering significantly less measurable GVA per £ invested in terms of job creation. Yet public realm works are consistently highlighted as vital elements in successful area regeneration programmes. By providing a visible indicator of public sector commitment, such initiatives can be key triggers for securing private sector investment but this inevitably takes several years to filter through into further measurable GVA impact.

A high-quality public environment can have a significant impact on the economic life of urban centres big or small, and is therefore an essential part of any successful regeneration strategy. As towns increasingly compete with one another to attract investment, the presence of good parks, squares, gardens and other public spaces becomes a vital business and marketing tool: companies are attracted to locations that offer well-designed, well-managed public places and these in turn attract customers, employees and services. In town centres, a pleasant and well-maintained environment increases the number of people visiting retail areas, otherwise known as 'footfall'. A good public landscape also offers very clear benefits to the local economy in terms of stimulating increased house prices, since house-buyers are willing to pay to be near green space.

'The Value of Public Space', CABE Space.

Our evaluations of physical regeneration investments indicate that these sorts of projects often take longer to show GVA impact but can have a more lasting impact in tackling structural economic decline and leveraging additional investment. Our physical regeneration activity, for example, levered in private investment at a ratio of 22:1. Economic theory suggests that the knock on impacts of physical investments take time until they can be realised.

Gloucester Heritage URC

Having been previously involved in the regeneration of Gloucester Docks, SWRDA took a key strategic role in generating support to establish a focused delivery vehicle through which several public sector partners could create a shared vision for Gloucester. This approach developed into a formal bid to Government to secure Urban Regeneration Company status in 2004; this status would not have been possible without RDA involvement. Core funding is shared between the major economic partners - South West RDA, Homes and Communities Agency, Gloucester City Council and Gloucestershire County Council.

GHURC is on target to achieve its 10-year goals of reclaiming over 100 acres of brownfield land, restoring over 80 historic buildings, delivering over 3,000 city centre homes and creating at least 2,000 jobs. The leverage secured by the URC to date has been impressive. Against an original target of securing £1 billion of total investment, it now anticipates securing £1.3 billion over a ten year lifespan. It is an example of the way in which focused public sector investment can be used to unlock very substantial resources from private business.

GHURC has delivered a greater mix of regeneration outputs for Gloucester than would have been achieved otherwise, as demonstrated at Gloucester Docks. Evaluation of physical regeneration activities has indicated that if SWRDA had not been involved it is unlikely that GHURC would have gained the support necessary to pursue the scale and scope of the Gloucester Docks project and that the 'place making' heritage regeneration aspect would have been lost³.

It is also clear that spending public money is not a quick process either. From the initial appraisal, through 'Green Book compliant' procurement, to effective project management and final delivery is rarely a quick business. It is worth resisting external pressure for quick-fixes and quick spending.

Taking the Learning Forward

Central Government:

- Build realistic, but firm, timeframes into national programme delivery and spend profiles to allow for robust partnership development and local programme planning.
- Allow year-on-year flexibility in budgets to enable local partners to respond intelligently to unavoidable delays in delivery – and to provide more optimal rather than just satisfactory outcomes.
- Develop more sophisticated approaches to measuring impact that acknowledge the long term nature of tackling market failure and structural economic issues and the differences in timescales for seeing results in different types of interventions.
- Encourage innovation and creativity by allowing for a level of experimental 'failure' and learning.

Local Authorities and Strategic Bodies:

- Invest in shared research and intelligence to develop common evidence bases and shared understanding of needs and priorities.
- Develop strategic leadership to facilitate effective and faster cross-sectoral partnership working.
- Build sustainable capacity to plan and deliver large scale multi-partner interventions.
- Build business, finance and budgeting capacity to manage complex projects and develop sustainability.

Delivery Partners:

- Build in sufficient time for partnership development and project planning, but with firm deadlines.
- Build business, finance and budgeting capacity to manage complex projects and develop sustainability.



It's messy and it's complicated

Economic development is rarely straightforward, and so requires flexibility

"Never underestimate the ability of politics to override analytical evidence."
CHIEF ECONOMIST

Introduction

Our economic research, evaluation and evidence work has consistently shown that the economy does not operate within clear national, regional or local administrative boundaries.

Early analysis of the South West economy identified a series of overlapping functional economic zones which cut right across the region's local authority boundaries. Our understanding of the complexity of how markets and local economies actually operate has developed over time – a recent study⁴ concluded:

"The geography of economic activity is increasingly complicated. People often live, work and undertake leisure activities in different administrative areas and links for business and people can be truly global. There is a strong argument that economic analysis is best undertaken at the spatial level at which the market operates. This can support better policy making, by allowing consideration of the full costs and benefits of policies and ensuring that wider barriers and opportunities are considered, it can also help to reduce co-ordination failures and ensure that policies support wider interests."

While we reflected this evidence in our strategic and developmental work, we often struggled to carry it through to implementation and action plans. Each issue was taken through its own operating environment and its own operating context – giving rise to several levels of complexity, where detail was often lacking. Also, getting buy-in, partnerships and funding in place across administrative boundaries proved to be extremely difficult and time consuming.

Equally, we have had to operate in an ever changing national policy and funding landscape reflecting central government priorities and funding arrangements. With direct accountability to the Secretary of State and parliamentary scrutiny, at times we inevitably found ourselves delivering national political and economic imperatives at the expense of regional and local priorities.

With many different factors to consider, and a constantly changing operating environment, one of our key jobs was to pull all the threads together, to examine the options and then to exercise judgement.

We had to play multiple roles

"Until Mandelson came along, the Government that created RDAs didn't know quite what to do with them." Head of Communications

Local and sub-regional partners are often at odds with government perspectives and priorities and there were times when we found ourselves in the middle of uncomfortable tensions between national and local interests. National government sometimes expected us to simply act as their regional delivery vehicle implementing already agreed priorities and actions but, at other times, expected us to negotiate regional consensus through formal and informal consultative processes. This dual role was difficult to manage with partners often expressing confusion about exactly what they were being offered and what precisely our role was.

4 Functional Economic Market Areas and Economic Linkages in the South West SQW July 2010 .

We were hampered by lack of clear regional identity

“Other regions with stronger identity and traditions of political leadership were always likely to fare better”
Head of Communications

For most businesses, ‘boundary’ issues were an irrelevance, as most businesses worked across and through administrative areas. They required, and did not always get, a seamless service wherever they were operating. Both at local and regional level, competition and politics often failed to produce the right outcomes for business in this regard.

The lack of strong regional leadership from key local authorities was a significant brake on our ability to push forward on some of the most difficult problems of the region which needed coordinated and, at times, risky decisions. There were some notable success stories, however, where we did manage to develop, over time, genuinely regional approaches – particularly with the private and third sectors.

South West England Marketing Campaign

The South West is a large and diverse region and it was always going to be a challenge to create a single regional brand. Some local stakeholders have always seen it as an uncomfortable grouping of counties, the creation of Government rather than a natural boundary and resisted the idea of a single South West identity. By creating a regional brand, which encompassed both tourism and business needs and which had built in flexibility to enable it to be tailored to more localised campaigns, we were able to get sufficient regional buy-in. Utilising one brand for both was a bold and cost-effective idea that challenged false perceptions of the business versus tourism debate and helped the region to stand out from the crowd.

Working nationally

While it was reasonable within the region, to hope for regional leadership from local authorities, nationally we failed collectively as RDAs to fully secure respect as a valuable and valued part of the economic development landscape. The differential targets between regions set us up as competitive rather than collaborative bodies.

This was undoubtedly a missed opportunity. One South West RDA senior manager bluntly asked:

“If the LGA with 419 member authorities can get its act together, why couldn’t the RDA network of 9 make itself a powerful force?” Head of Transition and Closure


‘New Industries, New Jobs’

During the last few years of the Labour administration, we engaged proactively with the their ‘New Industries New Jobs’ initiative - seeking to make sure that the region could benefit from high value jobs in the advanced engineering sectors that were the focus of national industrial policy. We commissioned independent research that identified which regions had the most important concentrations of leading businesses and research establishments for each NINJ technology. In this instance, the RDA network worked well together to deliver a national priority. In the South West, we benefitted from a national focus on low carbon technologies and on composites and aerospace.

What quickly became clear was that, while there are spatial concentrations of key assets in the NINJ technologies, expertise and excellence is geographically dispersed. What matters is being part of wider, pan-regional value chains and making sure that regional businesses are aware of opportunities at the appropriate stage of development. For regional impact, you need to make sure that local policy and interventions mirror national characteristics and objectives.

Our accountability and scrutiny arrangements were often complex and sometimes conflicting

Scrutiny arrangements were complex and multi-layered with accountability upwards, through Chair and Chief Executive, to the Secretary of State (and ultimately to Parliament) but also across and downwards to local elected members through the Regional Assembly. Further scrutiny came from NAO and sponsoring government departments - BIS, DCMS, Defra and from the European Commission. Plans under the last national administration to establish elected Regional Assemblies would have seen some shifting of governance and accountability of RDAs to the new bodies but these were not, in the event, implemented.

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While RDAs had statutory responsibilities and numerous governance and scrutiny arrangements, there is no doubt that we were unable to secure universal support from elected members across the region for our work. From the outset, the added value of the regional level of strategy and delivery was not universally accepted in the South West and there was persistent rumbling about legitimacy of our 'control' over funding. We regularly faced criticism from stakeholders and the media about our strategic and investment decisions and what were felt to be 'over-bureaucratic' processes. In a national study, by HM Treasury, in 2009, RDAs were, in fact, found to be in the top 25% of public bodies for the efficiency of their back office functions (Finance, HR and IT).

Our processes were, to some degree, an inevitable reaction to criticisms about investment as we sought to ensure that we could show robust and fair decision making processes in the face of challenge. Nevertheless, it remains important to have clear control over funding when dealing with public money. If this process is not rigorous, delivery outcomes are often worse. Formally, HM Treasury's 'Green Book' details how investment and appraisal should be carried out and conforming to these regulations, which helps to make better decisions, is inevitably a time consuming process.

We suffered from national push and local pull

"Effectiveness...was always going to be limited by lack of statutory process for implementation of the RES." Director of Strategy

RDAs have throughout their existence operated in a complex and, to a degree, overcrowded strategic, statutory and political landscape. Although regional economic strategies were heralded as a new policy instrument, from the outset they had to accommodate a whole raft of inherited programmes (RDC, English Partnerships and so on) and were always required to fully reflect national strategies and priorities. The lack of joined up government policy on matters affecting the regions made the task of balancing the expectations and aspirations of different departments, and remaining faithful to regional and local needs and conditions, much more difficult (Better Regulation Task Force 2002).

The burgeoning of regional policy initiatives demanded by different parts of government added to the complexity. By 2004, there were around thirty different regional strategies in each English region, including economic development, waste, climate change and skills (Ayres and Pearce, 2004). At a strategic level there was a similarity between the goals of different regional strategies but they differed in terms of status, governance, resources, methodologies, scope and timing. This often left partners reeling from strategy fatigue and finding themselves having to meet, and report on, multiple outputs and outcomes.

There were immense challenges too as a direct result of funding frameworks and requirements that were at odds with the realities of our economic development process on the ground. The requirement to spend in-year or lose budget had a number of negative impacts. To some degree, in the early years, we had to 'hit the ground running' and start spending before we had time to develop and bed in robust strategic direction and appraisal processes. This undoubtedly resulted in some early hurried investments decisions.

Later, the 'broad' scope of the evolving Regional Economic Strategy, the inevitable result of needing wide regional political buy-in, enabled a very wide range of projects to demonstrate a strategic fit and, even as resources tightened, did not really demonstrate tough decisions in the face of local (or national) challenge. In many ways, it became easier to be more strategic as time went on – with a good 'pipeline' of potential investments and tighter budgets, we had to be more rigorous in our investment decisions.

Pressure from individual local authorities to invest in particular local sites and local initiatives was a constant challenge to maintaining focus on RES priorities and aspirations. Local elected members were understandably keen to be able to, and be seen to, respond positively to local issues and needs. As the Independent Supplementary Review (ISR) concluded:

“Many (local stakeholders) also expressed the view that South West RDA did not listen to the local needs of industry and instead followed the direction of national policy” Area Director

In 2007, the Review of Sub-National Economic Development and Regeneration (BERR, DCLG 2007) proposed a move towards a single integrated regional strategy covering economic development, spatial planning (including housing), transport and other infrastructure needs. The Regional Funding Allocation (RFA) process which followed was to some extent an attempt by government to 'force' better alignment of regional and local priorities and spending. The development of the Regional Infrastructure Fund (RIF) as a mechanism to manage the ups and downs of local investment in development transport and other infrastructure was a clear success story in this respect. Overall, however, the process probably served simply to bring local / regional tensions into clear focus.

Institutionally, the regional governance landscape was both crowded and complex. Government Regional Offices (GOs) had a remit to deliver central government policy in the regions. RDAs were clearly established to be business (rather than local authority) led and charged with leading on the development and implementation of regional economic strategies that focused on improving productivity and growth. Regional Assemblies, made up of representatives from local authorities and other economic and social interests, but not directly elected, were charged with development and implementation of Regional Spatial Strategies and with some scrutiny over the RES / RDAs. Considerable amounts of time, money and energy went into managing these relationships rather than the real work of delivery. We often found ourselves sandwiched uncomfortably between the push of government demands and the pull of local leaders wanting direct control over regional policies and financial allocations.

Getting to grips with the complexity of this stuff was challenging

Economies, whether global, regional or local, are highly complex and dynamic. Intervening in any market will always influence and be influenced by other things in 'the system'. We may have assumed greater 'control' than we really had over how things turned out and what the results of our investment would be. Over time, we began to understand this better and to recognise the need to build in feedback loops and review processes in order to respond to what was happening as a result of our intervention or of other things happening within the same sphere of operation. We came to realise that performance management, in its widest sense, was as critical a part of the process as the initial appraisal and investment decisions. Our decision to develop internal programme boards was part of our response to increased understanding of the need for coordinated and responsive review processes that could adjust investment and activities in the light of new knowledge and changed circumstances.

Some of our most effective work was through well-developed and mature partnerships where genuine joined up delivery and review processes enabled us to respond proactively to the complexities of markets and of inventions within and between different parts of the economy.

Taking the Learning Forward

Central Government:

- Recognise that the economy does not operate in tight local administrative boundaries and encourage cross boundary working through the development of a clear hierarchy of sub-national governance and through a continuation of mechanisms such as the RFA process.
- Allow for changing course as a normal part of programming providing that it is backed by robust evidence.
- Simplify scrutiny and review processes to discourage 'tick box' delivery and the diversion of resources away from real investment.
- Avoid overlapping agencies with overlapping policy remits. The clearer the operational landscape, the easier it is to deliver effectively.

Local Authorities and Strategic Bodies:

- Embrace the reality of economic geography across administrative boundaries and create workable structures for operating at sub-regional and regional levels especially where mutual benefit can be identified.
- Recognise that investment and support outside local authority boundaries can have direct and indirect economic benefits into the area.
- Exercise effective leadership to ensure that area and sub-national interests are fully represented in national and international policy and funding arenas.
- Invest in capacity and processes to understand and manage the complexity of economies and interventions within them.



It's useful to have a link between national and local

The regional level provided a bridge which should not be lost

"RDAs achieved a lot, were an excellent source of expertise – and above all were good at getting things done."

EXECUTIVE DIRECTOR OF OPERATIONS

Introduction

Most other developed economies have had a 'regional' tier for decades and it is a crucial part of their way of delivering public sector investment and of supporting both small, local and large, international businesses. The size (of between 5 and 10 million population) offers a scale which can provide a strategic or 'helicopter' view of priorities, but still with enough local knowledge to facilitate delivery.

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Unlike many of our European Union counterparts, England has not had long-standing elected regional government structures in place with which business was fully engaged. To counter this deficiency, we have worked closely over the years with our Regional Assembly and other regional partners to present a clear and strong voice to both EU and national governments. This has brought rewards to the region in terms of both public and private investment and also in terms of raising the profile of the region as an inward investment and tourism destination.

As an RDA, we have been able to build a high value regional resource of economic development, technical and regeneration experts which has added to, and complemented, local expertise and knowledge. It is often difficult for individual local areas to maintain sufficient capacity to respond and deliver large scale investments and programmes. For the most part, major national and international businesses do not have the resource to engage with many local areas – preferring to work at national or, at least, regional level. The regional level offers economies of scale for activities which may not be viable at a more local level e.g. Regional Skills for Life Unit, Nuclear Skills Academy.

The scale and complexity of major investments is challenging and generally requires extended lead times to bring together partners, funding packages and local commitment. Holding on to sites and at times to ideas to make sure that they are not lost while essential development work and capacity building takes place has been a vital part of our role over the past 12 years.

There were times when only regional would do.

The core drivers of national and EU economic development intervention by governments of all persuasions have long been growth and 'cohesion' addressing disparities between the economic performance of different areas. The 'management' of the natural 'boom and bust' business cycle and tackling structural economic decline as a result of increasingly globalised markets have become the imperatives behind their policy and investment decisions.

Competition for major investment and support from both national and EU programmes is fierce and as much about influence as evidence. With Objective 1 and 2 status secured for parts of the region from 2000 onwards, there was a need not only for strong and efficient regional structures to manage and deliver large scale programmes but also for an effective voice to represent the region within an EU where regional government is generally, for many member states 'the norm'. Our record in managing EU programmes is strong and enabled the region to develop a close and productive relationship with Brussels (in part due to the excellent work of the South West UK Brussels Office) which undoubtedly brought further investment into the South West beyond the allocated Structural Funds.

At a national level too, there is evidence that securing large scale investments often depends on effective regional lobbying and influence. There is almost always choice in where to place national economic infrastructure investment and success requires consistent, comprehensive and often expensive expert input over a number of years. A research study into network strategies concluded that:

'Regions were often able to articulate and discuss more radical and innovatory proposals that reflected territorial needs. '(Ayres),

Independent and external reviews of our performance, including IPA and ISP processes, have consistently reported that as a region we have performed well in terms of maximising investment into the region and in managing these funds well to deliver impact across the region. Notable examples include BioEnergy Capital Grants Scheme (BECGS) and the National Aerospace Technology Strategy (NATS).

A major plank of our strategy was to support the development of strong and independent arm's length regional bodies able to represent the region on national and international stages and to work within the region sharing good practice and developing joint initiatives. Many of these organisations bore fruit - bringing funding to the region, increasing profile and above all enabling the region to present itself as coherent and accessible. We benefited from their role as critical friends, suggesting ways in which we could improve our response to wider issues such as equalities, sustainability and the third sector.

We added strategic and operational value to local plans and initiatives.

A number of evaluations showed that regional policy and delivery expertise is valued by business and public sector partners alike. We were able to develop a breadth and depth of knowledge and understanding across the whole range of economic development interventions that enabled us to act as 'expert' advisors to both programme partnerships and individual projects. We drew on good practice not only from within the region but also more widely and worked hard to make this available across the region in timely and accessible ways. This was not easy activity to sustain as we found our investments in building regional capacity challenged as a result of the evaluation focus on GVA impacts. This type of activity almost inevitably falls short of identifiable and quick impact against this measure.

Joint Working on Skills

Throughout our existence we have worked closely with the Learning Skills Council (LSC), now the Skills Funding Agency (SFA), and other key agencies to strategically influence regional skills and employment activity. The Regional Skills Partnership ensures that all parts of the region are able to address skills issues and gaps in their local and sub-regional economies.

Key roles at the regional level have been 'translating' national policy direction for local strategic and delivery partners and coordinating skills support initiatives to ensure maximum skills development in all parts of the region. We were able to offer local partners a breadth and depth of skills, education and employment knowledge; forge partnerships with and between the private, public and voluntary sector; interpret changing policy and funding arrangements and use our funding to provide flexibility for developing pilots and new projects.

Neither did we always succeed in convincing partners that we were adding value. A 2008 Economic Impact Review of Learning and Skills work reported a clear view amongst some stakeholders that we failed to concentrate sufficiently on adding value and should have focused more effectively on our critical role in encouraging coordinated delivery and in forecasting future skills needs.

This was at a similar time to when the Government changed our reporting framework, in the skills world we went from outputs focussed on training courses (this could be matched to skills needs at any level) to more structured skills outputs which included Level 2 and Basic Skills (Numeracy, Literacy and English Speakers of Other Languages) qualifications.

We held the ring while local partners built partnerships and alliances...and found the money

It has become increasingly clear that putting together partnerships and alliances across, but also within, local authority boundaries takes time (see 2.1). With major developments and initiatives there is sometimes an imperative – perhaps commercial interest, perhaps public sector programming – to show interest and commitment beyond that which would be possible for local partners. We have on several occasions ‘held the ring’ by underwriting investment at the early stage to allow plans to be developed and matched funding to be negotiated.

Exeter Science Park

The RDA has funded the risky design and planning stages of the project and then the site acquisition and infrastructure - £20million in total enabling local partners including the Met Office, local authorities and Exeter University to use the opportunity to form a partnership and latterly a management company who will market and operate the science park and provide support services.

Osprey Quay, Portland

The RDA has invested £39 million in site preparation and new infrastructure in this former Royal Navy air station to provide a series of serviced waterfront sites for marine business, residential and leisure use. Our joint venture agreements with public and private sector partners have taken significant risk out of the projects, such as land remediation and flood defence, allowing them to focus their time and money on the new buildings and attracting occupiers. The site is home to the National Sailing Academy and will host the sailing events for the 2012 Olympics.

Taking the Learning Forward

Central Government:

- Recognise that not all good investments will ‘fit’ the GVA evaluation test and develop better ways to measure investment in capacity building and the sharing of good practice.
- Look at other measures to better reflect how economic development works at strategic level.
- Invest in infrastructure to support the development of strategic and operational partnerships across local boundaries.

Local Authorities and Strategic Bodies:

- Find ways to build and share capacity across local boundaries perhaps by developing shared ‘pools’ of experts able to support large scale investments wherever they are happening.



It's a risky business

There is no single model that works – managing risk requires a number of different responses

“Apply an 80:20 rule - do what you can but don't beat yourself up if what you do isn't perfect. Doing something is easily always better than doing nothing.”

DIRECTOR OF DEVELOPMENT AND REGENERATION

Introduction

As a guardian of public money, we had obligations both to take some 'risky' investment decisions and to minimise delivery risks. Our experience is that there is no 'one size fits all' way of delivering programmes or projects. Success is heavily dependent on finding delivery mechanisms that work in the particular context and prevailing at the time.

Risk is an integral part of public intervention

A key driver for our existence was addressing market failure which inevitably meant that much of what we did carried considerable risk, both in terms of the chances of success but also in terms of delivering value for money from public funds.

We sought to identify and manage risk as a core part of our processes and, as we developed our own internal expertise and knowledge became more confident in doing so. The Eden Project for example was a high risk venture but one that, despite some challenging issues around the considerable public funding over the years, we certainly feel was a risk worth taking.

Nevertheless, this was the exception rather than the rule and we continually struggled with funding risky projects even where we felt that they had merit. This was partly the result of the scrutiny burden where we felt under pressure to explain our investment rationale. The effect of this was that some potentially innovative and creative projects were lost. Robust and effective performance management and review are critical

Very little of what we have been involved in over the past 12 years was simple and straightforward. Market failure is always complex and the crowded landscape in terms of partners and funding streams added yet more complexity. In the 'real' economy nothing stands still so that we couldn't develop 'solutions' and then simply stand back and wait for the outputs and impacts to arrive. We found ourselves continually having to review and adjust our interventions in response to changing situations, both as a result of what we had done and of changing external factors.

Our performance management processes were designed to help us and partners understand this complexity and respond to it. Appraisal and evaluation were key parts of this as was our corporate research programme and the various reports that came from external scrutiny and review. Our evolution to internal Programme Boards in 2010 was the culmination of developing our programme management skills which suggested that we needed integrated and on-going review processes to manage strategic and operational delivery of our priorities.

Over time, we learnt that without rigorous and continual attention, it was easy for some things to get lost at the delivery stage. Secondary objectives can easily slip once a project gets going – our evaluation of the Rural Renaissance Initiative RRI, for example, highlighted the danger of slippage of environmental outcomes if they are not seen as core to the whole initiative.

Joint objectives get 'prioritised' and may lose some key element that was critical at the regional level but less so for local partners. The best projects were those that had clear and jointly owned objectives which could be monitored and reviewed on a regular basis.

Although we sought to engage regional and local partners, and staff, with our commitment to on-going performance management and review, many remained sceptical about both its value and its impartiality. This made it harder to get buy-in for changes to projects and programmes and to adjust budgets and priorities in response to monitoring feedback, evaluation and review findings.

There is a time and place for being 'hands off'

A number of evaluations have shown significant benefits can accrue from allowing delivery vehicles a high degree of independence from us as funders. Both the Single Regeneration Budget (SRB) and Rural Renaissance operated in this way.

The uncomfortable truth is that despite our business-led governance and our genuine commitment to making things happen, we were frequently 'branded' as bureaucratic, highly centralised and at the beck and call of central government. In such circumstances, projects often pushed for maximum freedom to operate independently, without having demonstrated either capacity or ability. We sought to find an appropriate balance between proper control and support and unhelpful interference. This was made all the more difficult by the fact that, despite widespread aspirations to become financially self-sustaining as soon as possible, few projects actually achieved this.

Frequently, we found ourselves, at the end of project funding, being asked for additional resources to maintain and develop activities – without the essential knowledge and confidence that comes from being close to an active delivery partner. There is an argument that we should have imposed clearer, robust and uniform standards and monitoring whilst allowing local or activity independence.

The 'hands off' approach in setting up a series of arm's length regional bodies was highly successful in terms of encouraging joint working, sharing good practice and developing high profile networks and sector groups. Many of them operated as our 'critical friends', challenging our assumptions and supporting us to get the very best for the region out of national and EU programmes and funding. These too however mostly found it impossible to make the shift to genuine independence and remained steadfastly reliant on our funding. There needs to be a recognition that many of these types of organisations which provide wider public benefit will always require some public support.

However, in some cases, we felt it was justified to keep a lead role in managing some of our investments to ensure the original project objectives were secured and value for money obtained. Examples include SPark and Exeter Science Park – where through a combination of land ownership, restrictions on use and setting up a management board with local partners we ensured that the original mission of the parks to accommodate science and research businesses is protected. Local planning conditions alone were not strong enough to ensure this.

Royal William Yard was another example where the RDA and its predecessor agency has owned this site for 15 years, enabling us to control the regeneration of this sensitive heritage in accordance project with a masterplan and by releasing phases of development to the market. Now the site has matured and sufficient private investment has been secured it is appropriate to transfer the remaining development to the private sector which will be done in 2011.

What works in one situation won't necessarily work in another

During our 12 years existence we have worked with a whole range delivery partnerships and vehicles from small purpose-built mechanisms designed to deliver very specific and defined outcomes to well established partnerships for whom our investment was simply one in a complex package of programming. There is some evidence from evaluations that the well-established partnerships and delivery vehicles are better able to withstand the challenges and pressures of delivering large scale publicly funded projects and programmes and that, unless they can quickly show results, newly created vehicles often struggle to survive beyond the initial investment period.

New isn't always best

The evaluation of our Phoenix Fund project concluded that finance for community enterprise and business initiatives should wherever possible make use of established Community Development Finance Initiatives (CDFIs). Trust and understanding of the particular needs and values of this sector are fundamental to success in getting finance out into the market.

In practice, success seems almost always to depend upon finding a delivery vehicle that is able to understand and respond to the particular context and circumstances that justify public intervention and investment in the first place. Our experience of Urban Regeneration Companies, SRB and ERDF programmes suggests that having genuine and deep local buy-in across all public, private and voluntary sectors is vital. Our skills work showed the importance of strong regional partnerships able to address the wider issues of sector and business skills development. Our early experience of business support showed how easy it is to end up with multiple and duplicate provision which is both costly to deliver and confusing for businesses trying to access services. The business support simplification process grew out of an appreciation of the need to offer a guarantee of quality of service as well as ease of access – hard to deliver without a reasonably centralised delivery vehicle.

Taking the Learning Forward

Central Government:

- Be clear about expectations and roles in delivering national policy and programmes in localities, sub regions or regions.
- Offer appropriate flexibility in delivery vehicles to allow for local context and pre-existing delivery vehicles, whilst establishing clear standards of action, monitoring and administration.
- Recognise that financial self-sustainability is an unrealistic short or even medium term goal for many types of intervention.

Local Authorities and Strategic Bodies:

- Build capacity and capability into LEP structures and processes to allow for the use of different delivery vehicles for different aspects of economic development including as skills, business support and area regeneration.
- Invest in supporting and maintaining appropriate delivery vehicles over a prolonged period rather than reinventing them for each new initiative.
- Invest for the long term and be prepared to take calculated risks.
- Recognise that financial self-sustainability is an unrealistic short or even medium term goal for many types of delivery vehicle.



Targets drive delivery

What you measure tends to be what you end up delivering

“We were given too many things to do by government... this meant a lack of focus and a scattering of responses and expertise.”

AREA DIRECTOR

Introduction

We operated in a complex, fast changing and highly regulated context. Our operating budgets (Single Pot and EU) came from the public purse and we were, therefore, quite rightly held publicly accountable for what we did - including showing that we were delivering both results and impacts and value for money.

In terms of impact the single key measure of our success was economic growth, measured by Gross Value Added (GVA), with the added objective of reducing the gap between regional growth rates of GVAs per head across the country. With London and the South East significantly outperforming all other English regions, this was always going to be a challenge. However, the gap closure we saw, especially for Cornwall, was testimony to what sustained intervention might be able to achieve.

We were required to deliver across a range of outputs that were seen as contributors to achieving GVA impact, such as:

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- Jobs
- New business creation
- Business assistance
- Skills
- Cross-regional collaboration
- Carbon reduction
- Floorspace created.

While there are significant benefits from target driven delivery in terms of managing progress and measuring performance, there is little doubt that delivery is to a very large degree determined and constrained by rigid reporting frameworks. In some instances this can drive projects away from their original purpose. This is especially relevant for projects which were funded mainly for their strategic or partnership nature rather than their ability to achieve outputs.

Outputs are not the same as impact

“Drive for quality - we have set very high standards, much of which has gone into the mainstream.”
Area Director

We faced a continual dilemma about the alignment of outputs and impact and the time that some activities take to show either. Evaluation shows that one should ensure relevant and measurable outputs which measure the lasting impact on regional and local economic growth. The PWC Report, for example, highlighted the apparent poor performance, in terms of output, of improvements to public realm in area regeneration. Yet there is increasing evidence that these are vital confidence building blocks to have in place to get business investment into deprived and declining areas, and thereby create lasting economic impact.

Our business support work highlighted the tension between delivering 'businesses supported' outputs and the growing evaluation evidence that targeting intensive support to a limited number of businesses can deliver more lasting economic impact than light touch interventions to a large number of businesses. For example, by assisting very large companies (or Primes), there can be a multiplier effect through the supply chain, if this is written into the funding agreement.

Targets drive behaviour

"People often do what you inspect rather than what you expect." Head of Evaluation

Targets are a mechanism of performance management and review – a way to check on progress and of value for money and efficiency. As such, they are an understandable and useful part of any public investment programme.

Our experience however is that our output targets became a significant driver of how we, and our delivery partners, operated. Despite having clear roles, written into the RDA Act, the RDAs were subject to a constantly changing set of targets, imposed by government. At one point we had 197 indicators that we were asked to report against (where appropriate) – although this was reduced considerably by successive Tasking Frameworks. We reported at four levels – against objectives, outcomes, milestones and service standards. We reported our contributions to wider PSA targets. We even reported against our own targets, such as leverage of new investment.

For us, the need to achieve output targets year-on-year drove our appraisal and investment decision-making process and was the primary focus of regular monitoring requirements for delivery partners. Fundamentally, we asked them to report on outputs and spend against profile. The quality of those outputs, whether they were really meeting the needs that the activity was intended to address and whether they were long lasting were factors that tended to be picked up (if at all) at evaluation stage. Maintaining a close check on a projects delivery requires considerable resource – and so regular checking of outputs is not always possible at the time.

For delivery partners, our output targets (rather than impacts) were an important driver of how partners designed and presented proposals. Writing 'good' proposals that would stand a chance of securing funding meant showing both strategic 'fit' and ability to deliver as many of the listed outputs as possible. Evaluations of both sector business support and skills for business projects, for example, highlighted a tendency to over promise on outputs which then proved difficult to deliver. There are numerous examples within local areas of projects competing for the same clients to deliver target outputs. Meeting reporting requirements around outputs was also identified as something which, at times, could overwhelm projects and divert scarce resources away from the 'real' business of the project. Nevertheless, it was part of the funding agreement and our contract management. Recording outputs is essential to be able to demonstrate impacts – i.e. recording the beneficiaries contact detail so we can go back and talk about impacts.

Scrutiny is a driver too

As a publicly funded arm's length agency, we were required to operate within a complex and demanding reporting framework which scrutinised and reviewed our performance in terms of proper governance, operational efficiency, results and impact and value for money. With ministerial and departmental accountability; regional scrutiny through GOSW and the Regional Assembly, Parliamentary Grand and Regional Select Committees; and national assessment through the Audit Commission, scrutiny through EU institutions and the Court of Auditors, national impact evaluation and benchmarking programmes, we certainly felt that managing scrutiny had become an output in its own right.

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Nonetheless, it remains important that, whatever the chosen structures, impact evaluations and benchmarking is done consistently so that policy makers can see the relative effectiveness of different models of economic development.

It's hard to get the right balance between strategic 'wiggle room' and clear prioritisation

In developing our RES, we sought to respond to our evidence base. Our vision and objectives emerged out of a growing understanding of the challenges that our regional economy faced in an increasingly competitive and global market. In developing the strategy and implementation plans, we sought to be clear about direction and priorities.

In practice however the process of developing the strategy and getting wide stakeholder buy-in almost always meant that the final wording was broader and more open to interpretation than we might have wanted in terms of its role in keeping the region tightly within agreed directions and priorities. This experience was replicated on a project level and also by arm's length bodies.

Partners were looking for the strategy to provide 'hooks' on which they would be able to hang their particular priorities and issues and we were looking to leave enough 'wiggle room' to respond to challenges and opportunities as they arose and to adapt to changes in the political, economic, environmental and social context in which we operated. This strategic and operational flexibility proved, on balance, to be positive.

The net effect of these pressures was that our RES was always widely cast enough to provide justification for a very wide range of activities and projects. At times this was a positive giving us the flexibility to respond to opportunities even when they were not planned for. For example, we agreed to provide significant funding for work in the Integrated Wing; but as the project developed, it became clear that the technology was changing – and we were able to successfully back the alternative. Other times, however, it certainly made it more difficult for us to say 'no' to particular investments and to make difficult choices between investments.

Changing direction

Inevitably, as the economic and political context changes, there is a need to adjust priorities and the targets that go with that. However, it should be remembered that these changes, quite properly, take considerable time.

Economic development is a long term activity and projects take time to get established and deliver effectively. As a consequence we maintained a long 'tail' of projects that would come to fruition in the years ahead. It took us, therefore, almost four years to change the emphasis of our Corporate Plan from physical development in places, towards supporting the innovation and skills needs of businesses.

Taking the Learning Forward

Central Government:

- Standardise on a few, high-level, strategic measures and targets for economic development across Whitehall departments – this should minimise confusion and duplication in reporting, allowing room for the qualitative story to come through.
- Ensure that these targets are linked to the national economic plan, and national priorities.
- Ensure both outputs and outcomes are measured to allow for measurement of longer-term impacts.
- Ensure that scrutiny arrangements support rather than hinder effective and efficient delivery and that there are people with the right skills to lead on this.

Local Authorities and Strategic Bodies:

- Work with partners at the programme development stage to identify meaningful measures and targets that positively support effective and efficient delivery.
- Be clear how local priorities fit with, and support, national policy objectives and targets.
- Align local measures and targets with national programmes where possible; and have an objective rationale for any differences when they occur.

Delivery Partners:

- Develop realistic proposals which include deliverable outputs rather than aspirational ones; and outputs that link to impacts.
- Build capacity to accurately monitor and report progress.
- Be able to substantiate impact claimed for, even if qualitative.
- Have the confidence to admit when something isn't working, learn from what has happened and apply this learning in future.



Size matters...and so does timing

Fewer, bigger projects tend to deliver more leverage than many, smaller ones

“Be ambitious - the public sector tends to fund on too many projects which are tactical rather than strategic.”

DIRECTOR OF INTERNATIONAL BUSINESS

Introduction

When we reviewed our investment portfolio, as part of the 2010 deficit reduction drive, we found that we had 896 live individual projects on our books. Much of our money was invested in large scale and coordinated programmes and projects but we also carried a very large number of small projects with few formal links to others and little in the way of proven strategic added value. Many of these were part of inherited programmes, such as Redundant Building Grant.

Our evidence base pointed us clearly to the region’s urban areas as the engines of future growth. Research and evaluation, both our own and that of others, suggests that to have lasting impact on the most structural of economic problems interventions generally have to be large scale, coordinated across a number of agencies and partners and sustained.

In practice, we found it hard to maintain a hard and fast line in terms of scale and size of investments and in terms of a rigid focus on urban areas. This was, sometimes, simply a pragmatic response to the complexities of the politics of the region but, at others, the result of our desire to respond to needs and opportunities as they arose. In practice a mix of projects – ‘rocks and stones’ - was often required.

Bigger was generally better

Overall, our evaluations and research shows that investing on a large scale in our urban areas (e.g. Bristol, Plymouth, Swindon) had the greatest impact in terms of strengthening the region’s ability to compete nationally and internationally and, therefore, to deliver sustained economic growth. In fact, some evidence goes further to suggest that, in our region, only the Greater Bristol area has the necessary critical mass, or agglomeration, of business and infrastructure to support large scale economic growth.

Through large scale investment, we were able to secure a number of iconic developments for the region including Wave Hub, Eden and the National Composites Centre. We believe these projects will deliver high impact over a sustained period for the region but, because of their complex nature, were not always able to deliver ‘quick win’ outputs to show measurable short term value for money. The scale at which we could operate and the levels of ambition from ourselves and partners offered a ‘game-changing’ context. Within some investment areas – such as sector development – scale was particularly important, enabling a critical mass to develop and drive change through the sector.

Tamar Science Park – more might have been better

The Tamar Science Park evaluation highlighted under-capitalisation as a key problem for this initiative; and this diverted vital development time and energy to managing debt rather than growing the business. Larger scale investment and ensuring management and Board capacity might have brought earlier success and impact. With all our investments in science parks, we have learnt that added value activities including good on-site management, technology support, networking and the enterprise / deal-making backup are essential elements in delivering additional revenue to businesses in the park and wider economic benefits from the investment.

Encouraging the Aerospace Sector

With a strong existing sector base, we needed to operate to retain aerospace businesses in the region and to compete globally. The aerospace cluster in north Bristol enjoys an international lead in researching and developing materials technology but needs a continual stream of new talent to maintain this position. While the businesses recruited globally, we encouraged more home grown talent by working with colleges and schools to deliver appropriate training and support for local people.

Alongside skills initiatives we also sought to encourage the highest environmental commitments in the sector to ensure that it is able to continue to compete in the future when carbon emissions and climate change controls may become increasingly challenging.

Our business support and skills work suggested that intervening intensively and over a long period with target businesses and individuals is more likely to deliver lasting impact than short term scatter gun interventions with larger numbers. This strategic companies approach was adopted successfully by Regen SW and the Marine Sector.

We also found that reinforcing activities through allied skills development programmes and through other types of support including networking, research and information dissemination considerably increased the potential impact of an investment. The Skills for Life Unit, Leadership South West, GRADSW, SWOOP (South West Opportunities for Older People) are all examples.

All of this evidence is not to suggest that there is not a role for small scale targeted interventions. Our experience suggests that small projects can be extremely effective both in terms of outputs and impacts but also in terms of value for money. They often fill in the gaps in provision that larger organisations miss. The critical factor seems to be linking projects with wider strategic initiatives and expertise and ensuring that these projects deliver within a broader context of tackling a wide scale and structural issue.

Association of Colleges Interactive Database

Investing in an Interactive Database and later a regional website for the Association of Colleges. These projects (collectively at less than £15,000) provided the facility to analyse college activity, learning participation data, and their collective contribution to the economy as well as providing a communication tool, a place to share best practice and an access portal for information advice and guidance. The information gathered supported the development of both the Regional Economic Strategy and the development of the first Regional Skills Strategy – The Framework for Regional Employment and Skills Action, helping us to target future investment and collaborative approaches.

..but spill over was limited and patchy

The nature of the South West as a region, geographically large and diverse and with significant rural areas and populations, made an exclusively urban focus unrealistic both practically and politically. Our rural areas faced serious challenges with declining agricultural employment and incomes and generally low wage sectors as the main alternative employers. As technology changed, agricultural workers found themselves needing to upskill just to keep pace with modern techniques and processes. We funded Agrinet – a mobile learning facility containing laptops and qualified trainers to support upskilling of workers in rural areas. We also were responsible for the delivery of rural funding programmes which often required us to find match from our Single Pot.

The conventional thinking behind the 'cities as engines of regional growth' approach is that spill over effects will ensure that urban hinterlands and rural areas surrounding cities benefit more from this type of growth than they would from direct investment.

Our research and evaluation shows that, while there was some spill over effect from investment in key regional cities, it was limited to a relatively tight area around the urban centre, diminishing gradually and dissipating completely beyond forty to fifty miles away. This made a complete focus on urban areas unjustified. Addressing rural connectivity, both physical and virtual, can maximise the spill over impact but needs to be done as an integral and connected part of the overall investment. In the early days under the Skills Challenge funding from DfES we funded two mobile electronics classrooms for North Devon College (Now Petrok) to enable them to teach certain subjects in rural areas, taking the learning environment to the learners. Adding these things on as separate schemes, as we sometimes did, does not generally deliver such positive results; whereas integrating them into wider programmes proved more effective.

With widely divergent GVA performances within the region, we faced a continual dilemma because focusing investment on urban areas as engines of economic growth had the inevitable consequence of accentuating the differences in productivity and incomes between the region's different communities.

There is a time and place for rapid response

The evidence around rapid response interventions is mixed. On the one hand, there is evidence that one-off 'emergency' interventions do not generally work. For example, evaluations of "protective" land purchases undertaken quickly on the rationale of preventing unwanted / unstrategic commercial development have shown that these can simply prolong market failure and delay potential economic development.

On the other hand, our record on rapid response to major economic threats and crisis is strong and has shown that it is possible to deliver quick and effective interventions to support businesses and jobs in a crisis. Responses to the Foot and Mouth outbreak, to flooding incidents and most significantly to recession demonstrated the latent potential for coordinated and strategic interventions across sectors and agencies. In our early days the South West RDA was responsible for administering the Rapid Response Fund, a fund from government to support companies and their staff during redundancy. This fund was later transferred to the DWP and administered by Job Centre Plus.

In the face of a genuine crisis, many agencies showed a willingness and ability to suspend 'normal' business priorities and processes and to rejig budgets to get things off the ground quickly. The impacts of rapid response work have been shown to extend beyond dealing with the immediate crisis with for example the establishment of permanent and stronger new joint working arrangements as a result.

Area Action Forces

Area Action Forces (AAF) have been established across the region with key objectives:

- To respond to the anticipated increase in redundancies and company closures
- To ensure the public sector response to redundancies and company closures across the sub region is co-ordinated
- To develop a more coordinated approach to identifying those companies, individuals who are most at risk
- To feed back information and intelligence to to influence future service delivery, resources and policy development.

Early is good....but sometimes so is late

Evaluation evidence suggests that the timing of our commitment to spend was a critical factor in success. Involvement from the very earliest stage of a project enabled us to shape and support the project to deliver maximum impact against RES objectives and priorities. As a public funder, investing where there is clear opportunity but also market failure, we often found that being a 'catalyst' investor was the key to projects getting off the ground - the Combined University in Cornwall is a good example.

Marine Energy

Early recognition of the potential to develop a world class marine energy industry in the South West is now benefitting from RDA investment as the fledgling sector develops. Wave Hub is the cornerstone of the region's offer – and it is a project that took us eight years to plan, design and build. This is supported by PRIMaRE, a new dedicated research institute for marine renewables that we helped to set up and fund and which now has excellent research equipment and capacity targeted at addressing the key industry challenges. Without our foresight and willingness to act early the region would not have a market advantage over its global competitors.

Equally, we could sometimes provide the last part in a complex jigsaw of funding that enabled projects to go ahead, and often extend the scope of a project beyond the original objectives. The Future Skills – Apprenticeships project extended a national pilot by providing funding to create 100 new apprenticeship places in core economic sectors of engineering, creative and digital media and low carbon.

As a result of increasing globalisation and competitive pressures, business cycles have been shortening for many years, so the ability to react quickly and at the right point in the cycle is critical. We didn't always get this right at the start, but improved over time.

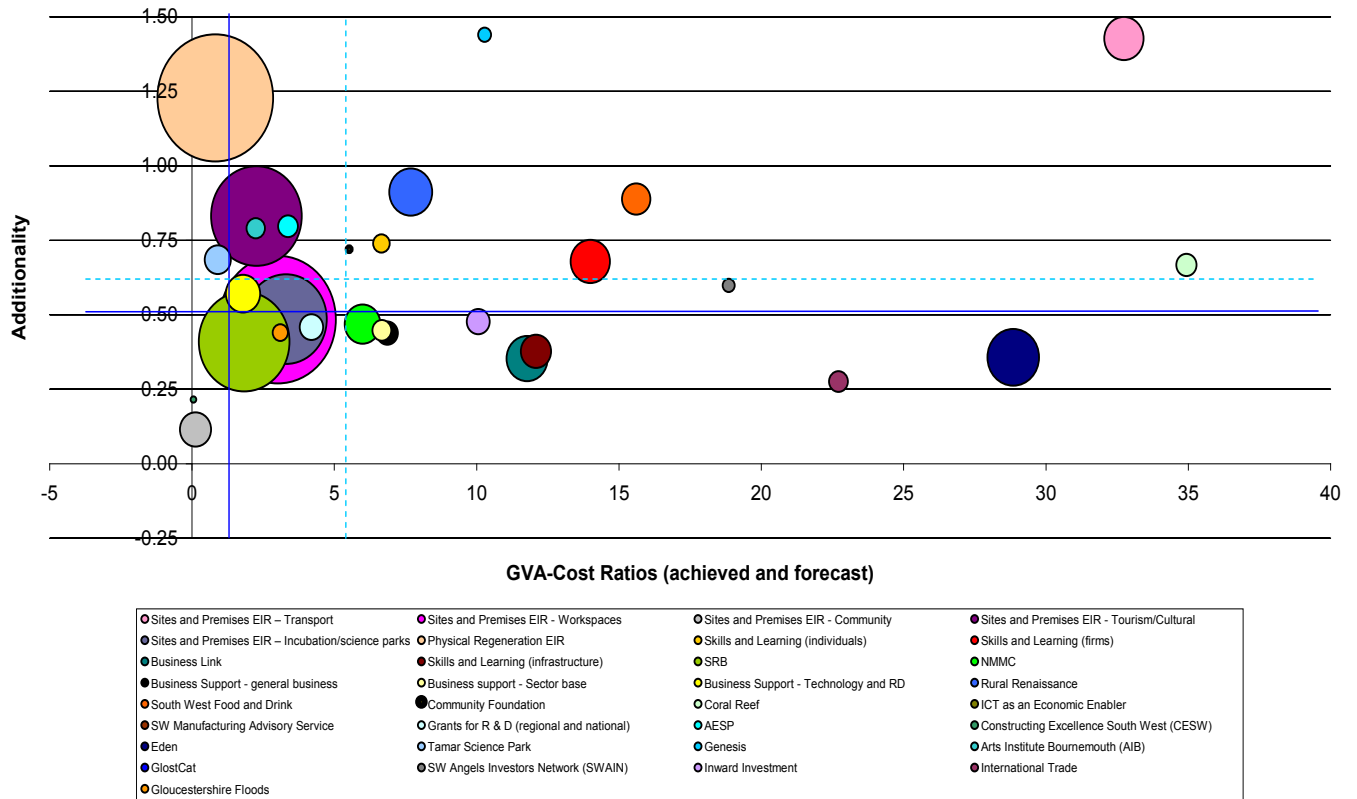
...and we didn't always get more bang for more bucks

Although there is clear evidence of the added value of operating at scale, our evaluations and the Impact of RDA Spending Report showed no straightforward correlation between the size of our investment and the scale of impact.

The 'bubble' diagram titled 'Additionality and GVA - Cost Ratios by Project' (overpage) illustrates the relative value for money and additionality of projects that have been evaluated. Value for money is measured in terms of net GVA created per pound spent. Additionality is a measure of the percentage of project impacts that can be fully attributable to the RDA. The size of the bubble denotes the size of South West RDA investment on that project, with large bubbles representing high spend.

The solid blue axis marks a £1 return per £1 spent return; the dotted pale blue axis shows the average GVA returns of £4.50 for a RDA project.

Additionality and GVA-Cost Ratios by Project



Taking the Learning Forward

Central Government:

- Invest in further research into agglomeration and spill over effects. More importantly, it should identify where and when interventions to broaden these effects have a chance of success, including how to link wider areas into an ‘agglomeration’ zone.
- Recognise that there may not always be a ‘one size fits all’ solution to urban and rural economic development challenges. This requires a clear delineation of goals, tools and expected impacts.
- Allow for long impact lead times when programming for large scale and complex projects.

Local Authorities and Strategic Bodies:

- Recognise the need to operate at scales beyond the local administrative boundary.
- Align local policies and priorities with national and EU programmes to maximise potential investment in growth sectors.
- Be open to opportunities for investment at different stages of local projects to ensure maximum impact. Don’t fail to take advantage of any market lead within strong local sectors.



You need to choose from the whole toolkit

Bringing the different types of interventions together has greater impact

“Firstly joining up all aspects of economic development in single projects is important but different because of the breadth of activity required.”

DIRECTOR OF DEVELOPMENT AND REGENERATION

Introduction

Although RDAs in each of the English regions operated within the same statutory and policy framework, we faced very different challenges in South West England as a result of our particular current economic and political contexts and our geography and physical and environmental constraints. All of these factors influenced not only the prospects for growth, but also the kinds of tools and mechanisms that could be brought into the intervention mix.

Using the toolkit

Economic development is about a whole range of initiatives, and is about much more than supporting business. Our experience has been that combining a number of different activities (eg skills initiatives, business support, property development, regeneration, innovation, strategic leadership, business finance, key sectors) creates a stronger set of outcomes. Within the RDA, it was possible to do this directly – as we had our hands on many of the levers. But, in many cases, it means working with other providers to ensure an effective and joined-up approach.

Some large projects not only take a lot of time to deliver, but require a number of different interventions. Typically a major build project will require land assembly, master planning, direct investment, design, professional services, construction – but will also benefit from sustainable construction techniques, local labour and training opportunities, business advice to new occupants and so on.

Our evaluations of Innovation Centres, for example, have found that employing a Centre Manager, who can bring in specific business support, makes a big difference to the effectiveness of the Centres.

Case Study: Carpenter House Incubation Centre, Bath

This Centre, which was a conversion of an existing building was designed to provide an environment for business start-ups in digital design and multi-media sectors. It received RDA funding in 2002 and became operational in 2003. The success of the project was due to a number of ‘soft’ factors rather than just the physical space provided by the conversion.

The incubation environment provided almost daily interface with the university. A mentoring system, based upon the Business Angel model, was used by CHIC for each incubating company and added considerable value to those companies. The Centre Manager, with a background in PR, an ability to open doors and to prepare the ground on so many aspects of the fledgling businesses’ paths, proved invaluable. The continued influence of Set Squared and its strong and well-organised network of specialists brought additional benefits.

While it is obviously not necessary to use all the available ‘tools’ on each project – understanding what tools are available and how to bring them together in the right combinations is a critical factor. It was increasingly rare for South West RDA to deliver a single issue project without embedding other supporting activities.

Money makes the world go round

There can be little doubt that for many local partners, our money was our main attraction. In the context of overall public expenditure, our programming budgets were relatively small but were seen as a vital source of additional funding for economic development related activities and physical infrastructure projects and initiatives by both local and regional partners.

Our programme funding enabled us to open discussions with partners where we had identified an opportunity and guaranteed us a seat at the table for many partner-led initiatives. This enabled us to play an important role from the very start of many projects and provide vital regional input alongside our money and expertise. Over time, our staff became recognised as regional experts across a whole range of fields and were valued as support for projects from the very early proposal stage. We employed, for example, surveyors, economists, planners, educationalists, engineers, marketers and policy specialists and were able to combine their skills to generate better projects.

Powering Greener Buildings

As a developer in our own right, we set ourselves a strict requirement for high environmental standards in our construction projects. While the initial cost was higher we placed a value on the longer term benefits resulting from the reduced running cost of buildings over their lifetime, as well as the contribution it could make to addressing climate change. Over time we required these high standards to be incorporated into any development project we funded. The result was that we raised the bar, shifted normal practice across the region in both the public and private sectors such that a 'BREEAM excellent' assessment rating became the norm, and we put the region at the forefront of sustainable construction.

"There is not a lot of cost difference between poor design, acceptable design and excellent design. Better to choose excellent design and leave a lasting legacy." Head of Marine Energy

St Austell Town Centre

The St Austell regeneration project included the development of new homes, retail properties and leisure facilities in the heart of the town centre. With significant public investment we were able to drive aspirations and embed high environmental standards within the town centre scheme across the procurement of materials, design and construction of permanent and temporary works. This was recognised with an assessment rating of 'BREEAM excellent', only the second commercial development in the UK to achieve this accolade.

Our budgets were an essential element in securing and delivering EU Structural Programmes for the region, including funding in Cornwall. The need to show clear sources of [required] match funding is a key part of the Brussels assessment process and relatively easy for the many EU States that have institutionalised regional levels of government with identifiable and autonomous budgets. For England, RDAs were the next best thing, in that we were operating at regional level and with identified, delegated national budgets. Our Convergence Programme Review highlighted the value of our resources in enabling the South West to draw down EU Funds. Also, it added value in encouraging other partners to find match too.

We also provided match funding for a variety of ESF projects. Examples include Technical Assistance match for the Skills and Learning Intelligence Module and for the Regional Skills Partnership to facilitate networking, dissemination of best practice and partnership building and ESF Equal match funding for the South West Opportunities for Older People to test new and innovative ways of engaging and re-engaging older workers in the economy.

.... but can also get in the way

There can be little doubt that our budgets enabled us to influence a whole range of regional initiatives (although, it was less than 1% of the public sector spend within the region). It is also clear, however, that they also dictated the nature of our relationships within the region. Many local partners resented our control of regional funding and this sometimes created a climate in which positive partnership working was a real challenge. Local partners saw themselves in competition with each other to secure their 'share' of the funding pot and some believed that it was our duty to ensure that there was 'democratic' distribution across all parts of the region. This inevitably led to the occasional spat but more significantly constrained our ability to develop genuinely regional initiatives and approaches.

Our desire to be proactive and to support projects from the very earliest stages brought many benefits - over time our staff became recognised as regional experts across a whole range of fields and were valued as 'critical friends and supporters' during the often long and complex project development stage. Evaluations consistently highlight the added value that we brought in terms of quality build and environmental standards, developing linkages with other partners and sharing good practice from elsewhere.

On the downside, however, there were occasions when we felt that our early involvement created a conflict of interest at the appraisal stage with our staff inevitably championing a project that they had been supporting for months, and, in some cases, years. Having 'supported' the development of a project, many partners felt that we had effectively already made a commitment to fund it. However, when managing the ERDF programmes, we separated out the functions of Case Officer and Appraiser, which provided more clarity.

We needed to say 'no' more often, and to mean it

"Be brave in saying what you believe repeatedly, based on objective evidence, rather than on what the audience wants to hear"

Our two stage process for assessing proposals was designed to ensure that we funded only good projects that were in line with our strategic purpose and priorities. It was also, however, intended as a way to minimise 'wasted' effort by partner organisations in developing detailed proposals for projects that would not secure our funding. To partners, our process may have appeared slow and bureaucratic but we continually sought (without compromising proper governance and accountability) to streamline it and make it as open and transparent as possible. Nevertheless, we were also criticised for not being rigid enough - the National Audit Office concluded that "the Agency needed to [...] say 'no' to projects that were unsuitable at an earlier stage"⁵.

Part of this problem can be traced to the pressure on us to spend budget right from the start of our operation as an RDA. In the early days, we had to actively seek out proposals to fully spend our year-on-year budgets and, therefore, to some degree created an impression with partners that we took a fairly liberal view of strategic fit and technical capability. As budgets got tighter and the pipeline of potential proposals grew, we did get better at prioritising but never really shook off the regional perception that, if we had been involved in a proposal from the start then funding, would almost certainly be forthcoming in the end.

Taking the Learning Forward

Central Government:

- Develop mechanisms to enable continued full draw down of EU programmes in the regions.
- Acknowledge that risk is an integral part of public intervention in economic development and regeneration and develop more flexible ways to measure success.

Local Authorities and Strategic Bodies:

- Invest in developing active performance management and review capacity to support effective strategic and operational delivery.
- Find ways to share risk across local, sub-regional and regional partners.



It's about relationships

Successful economic development needs strong and long-lasting partnerships

“Was our reputation and profile considered a key part of achieving success, or an unimportant by product or even perceived failure?”

HEAD OF MARKETING

Introduction

Developing strong relationships was always at the heart of our work; we needed to work with Central and local government, with other regional bodies, with business, with universities and with voluntary and community organisations.

We had to work hard at this, not least because our regional role and remit was never universally accepted by some local partners. We had considerable success working with existing partnerships and establishing new ones where and when they were needed. Over time, we were acknowledged as positive partner with a can-do attitude around many tables across the region.

We also faced challenges in our partnership working. Managing expectations of partners proved tricky at times and we found that our ambition always to operate ‘partnerships of equals’ was unrealistic.

Our region lacks the coherence of some of other English regions and we struggled to develop a strong sense of common regional identity across partners.

[SH](#) Read more... p11

We were never the most popular kid in the class.

From the outset we faced considerable challenge from a number of local partners and, particularly in the early years, our stakeholder surveys challenged us as arrogant and bureaucratic. Others, however, and more usually business, commented that we tried too hard to be “all things to all men” and needed to get better at saying No.” Either way, we were charged with having a wider, strategic view of the economy and this sometimes brought us into conflict with more narrow, local views.

We were to some degree between a rock and hard place from day one. We were established by the 1997 New Labour Government with a substantial parliamentary majority which enabled it to push through new initiatives regardless of the views of other parties. Cross-party support for the strengthening of regions was at best lukewarm and in some cases downright hostile. Regional assemblies, while often working in concert with their RDA to promote the region’s interests, would also sometimes seem more interested in reining RDAs in, making the most of their scrutiny role to promote the perception of a “democratic deficit” in RDA decision making.

[SH](#) Read more... p12

Although, over time, we developed a generally good working relationship with our Regional Assembly, the lack of clarity and understanding of roles and responsibilities and on-going tensions around key policy lines (most obviously around housing numbers) and resources diverted considerable amounts of our time and energy away from our core jobs.

More broadly across the region, with the disappointed shouting loudest, our strategic lead and funding responsibilities often made us unpopular. Local partners sometimes felt that they were not treated fairly in terms of funding decisions or that we were imposing solutions on them without understanding the local context. Regional and sub-regional partners sometimes argued that we cut across their strategic ambitions and failed to act as equal partners.

Some of our poor image may have come from an almost institutional lack of self-confidence. Some evaluations and surveys picked up a tendency across the South West RDA to talk about ourselves in the third rather than the first person ('the Agency thinks...' rather than 'we think..'). This was sometimes interpreted as an acknowledgement of poor decision making but was in reality more often than not simply a reflection of our over-sensitivity to criticism and challenge.

.....but we did make some friends

At both strategic and operational levels over time we did establish some very strong relationships based on trust and respect. Individual staff who worked with organisations for a number of years were seen as valuable partners in regional and local delivery, with our input often described as 'positive' and 'can do'. Our sector leads were able to establish trust and credibility with significant companies across a range of key industries. Also our final stakeholder survey showed significant improvements in strength of relationships and the quality of our delivery across all stakeholders, ironically just before we were abolished.

Managing expectations was tricky

In the early days of our operations, we worked hard to build up a good pipeline of potential projects capable of delivering against our strategic objectives. After a few years, tighter budgets and a growing interest in our funding meant that we had to be more selective about which activities we could support. Alongside this, our approach to project development and appraisal meant that our case officers worked closely with partners from the earliest stage of a proposal, something which was often taken as tacit agreement to fund.

At times, we found that we were unable to manage partners' expectations. In these circumstances we found that effective and confident communication was vital in terms of safeguarding our reputation and credibility. Where this failed, the fallout could be painful - as was the case with our decision not to fund the Bristol Arena development work, following a feasibility study that indicated that the project might not be viable. Equally, we sometimes failed to explain the development process clearly enough at the outset - and so partners expected all the outputs early on - even though the actual delivery of those were often in the hands of the private sector.

..... and so was partnership working

'An organisation needs to work hard from the outset to understand who its key audiences are and then to build and maintain these relationships. We did this too late and too half-heartedly" Head of Communications

Our modus operandi was always to work in partnership with local and regional partners and across public, private and voluntary sectors. We developed and were involved in some highly productive and successful partnerships. These ranged from the Regional Business Forum, to Rural Renaissance and from Regional Employment and Skills Board to the East of Exeter initiative.

Some, however, struggled to deliver effectively. Evaluation of some of our SRB programmes concluded that:

"Partnerships had successes and failures, as did schemes themselves. Where partnerships worked well there was often an appropriate balance of public, private and community representation on partnership boards. Where partnerships were not so successful, there were often difficulties in getting the formal structures functioning smoothly and in getting the balance of participation right."

..and that

"Engaging with the private sector was a consistent challenge for partnerships - the reported bureaucracy of SRB processes may not have helped in this regard - and there was a tendency for partnerships to be dominated by public and voluntary sector groups."

With hindsight, we may have unwittingly contributed to some of the tensions we found in some of our partnership work. Our partnership model was one of all partners being equal whereas in reality this was rarely the case. We were often funders and setters of the strategy, as well as partners, which could cause tensions when things were not going well. Business and voluntary sector representatives often reported feeling like second class partners with less resource and capacity than their public sector counterparts.

We struggled to develop a strong regional identity

While some regions such as the West Midlands and the North East had an established identity prior to the establishment of RDAs, we have always struggled to develop a really strong sense of regional identity. This is partly to do with the geography of the region – it is large and very diverse – but also because the long established perception of ‘the West Country’ is largely of rural charm and tourist destinations. It does not in any way reflect the diversity and scale of the South West economy.

We invested heavily in the establishment of a regional brand and had some success in promoting the region in the rest of England and further afield. This sort of activity was difficult to sustain however because it did not perform well against our target measure and outputs. Measuring perception change is in itself challenging and so too is showing that branding activity itself is responsible for that change. Nevertheless our South West England campaign did show results – with perceptions of the region changing over time including greater understanding of the diversity of our business base and of the region’s core strengths and resources.

Taking the Learning Forward

Central Government:

- Build cross party consensus around the most appropriate structures for supporting sub national economic growth, before those structures start work.

Local Authorities and Strategic Bodies:

- Work together across administrative boundaries to maintain and develop the South West England brand – to avoid unnecessary competition and benefit from economies of scale.

Chapter Three

Major Projects

This section includes:

- National Composites Centre
- Market and Coastal Towns Initiative (MCTI)
- Morlands
- Wave Hub
- South West Food and Drink
- Combined Universities in Cornwall
- Managing EU Programmes

National Composites Centre

The gestation of this ground-breaking project goes back many years.

For at least 20 years, the local authorities and universities in the Greater Bristol Area have explored the idea of creating a large Science Park – to bring in cutting edge companies and to strengthen the link between university research and commercial opportunities. Unfortunately, there was little agreement about location; insufficient public funding to kick start such a venture; and considerable politicking about influence and control.

In 2009, the South West RDA, working with the existing partners and some of the largest businesses in the area, identified a potential site. Having spent a great deal of time brokering agreement between the partners, the RDA purchased a number of parcels of land – bringing them together in one ownership. We also undertook a number of studies to identify the best possible plans for the site. SPark was born.

In parallel, the RDA had been working with a number of major companies in the aerospace sector to support this critically important cluster in the West of England. The RDA invested around £30 million in a number of collaborative R&D projects to develop lighter structures, more efficient engines and unmanned air vehicles (UAVs) which highlighted the need for the UK to understand how to design and manufacture composite structures. Such investments attracted around seven times the South West RDA's investment from companies, TSB, BIS and EU sources and created or safeguarded thousands of jobs. It attract for instance civil engine development work to the SW for the first time since Concorde's engines were developed 40 years ago.

In 2009, the South West RDA used its knowledge of industry's needs to propose the establishment of the National Composites Centre in the region. After a competition involving other regions, the Government granted £12 million to towards the establishment of a National Composites Centre which also attracted £9 million of ERDF and £4 million of South West RDA funds. Members of the NCC (which costs up to £300k pa) include Airbus, AgustaWestland, GKN, Rolls-Royce, Vestas and the University of Bristol and will develop the technologies to make massive wind and marine turbine blades, lightweight aircraft and car structures and even corrosion resistant bridges.

Our success was directly related to the years of patient partnership work in the area; the ability to lead the development of a complex project involving private and public stakeholders, understand the needs of industry and the readiness of the SPark site to accommodate such a national centre.

Reflections:

- It is important to understand industry's technology needs and to find ways of supporting projects which underpin long term sustainability.
- It is important to understand what is genuinely world-class and find ways to build on it using UK and EU public funding to match private funding.
- Develop an understanding of State aid.
- Be prepared to devote time and resource over a protracted time commensurate with the size of the prize.
- The strength of partnerships are tested when things are slow to materialise – but it is worth persevering, even when there are no immediate outputs.



Market and Coastal Towns Initiative (MCTI)

Previous to the launch of MCTI and Rural Renaissance, the South West RDA had inherited a number of prescriptive grant programmes - SRB, RDPE, RBG, LRP, CIF etc. The creation of MCTI as a programme was an attempt to move away from that very silo'd approach. Given the rural geography of the South West, the RDA also looked at ways to spread regeneration to smaller towns across the region.

When MCTI was conceived it aimed to operate in a number of innovative ways. It was intended to support local people to come together and plan the future of their towns (and rural surroundings). Money was set aside to encourage extensive consultation and to fund a 'quick-win' project in each town. Crucially, the concept of the Brokering Table was born – so that local people did not have to hawk their ideas around a myriad of funders but could come to one place and, if their proposals were strong, leave the funders to work out how to provide the resources needed.

The Initiative started strongly with 20 towns joining in the first wave. Quickly thereafter, an Association was formed to share experience between the towns; a training scheme was developed to increase skills in this area and the whole programme was subject to independent, and parallel, evaluation by the University of Bristol. By the close of the programme in 2008 we had invested about £25 million in supporting the 80 participating towns – though with markedly different results.

Only a small proportion of the towns benefitted fully from the programme – that is they understood the concept and built up significant community engagement, using that to drive change and development in their towns. In these towns, a number of really innovative projects were started that brought substantial benefits to their local communities.

Many more of the towns saw the programme primarily as a way to access funding – rather than as a different approach to regeneration and development. In some, the town and district councils resisted the idea of letting local people having more control. And some expected that the RDA would simply fund any initiatives they could dream up (or pull off the shelf) and were disappointed when this was not the case.

It proved to be quite resource intensive for our case officers, not all of whom necessarily had the skills and experience to do the community development work. It benefitted from having the specialist community development expertise that was developed within MCT Association (MCTA). The MCTA also honed down the systems and processes for community engagement.

Reflections

- While MCTI was a genuine attempt to deliver regeneration in a more engaging and useful way, it probably combined too many innovations at once.
- We failed to communicate well enough to many of the stakeholders that this was a radically different approach and demanded different responses from them.
- The MCTA was a useful creation initially, but we could have retained more control of it and used it to showcase the best practice.
- RDA case officers on the ground were subjected to huge pressures and, on reflection, we should have provided more 'top cover' against political demands for funding and control.
- Over 80 towns had the chance to engage in a process of transformation. Several took full advantage and have delivered substantial changes within their communities and improved the opportunities in their areas.



Morlands

For 15 years, the old leather and tanning factory on the outskirts of Glastonbury had lain empty. It was largely derelict, the land suffered from extensive contamination and the building were in a dangerous state. However, as one of the largest plots of land in that part of Somerset, it had long been earmarked as a key site for development and for potential employment.

Prior to the RDA's involvement, neither the owners, potential developers nor the local authorities had been able to bring the site forward for development. It was seen to be too expensive or too complicated to bring an acceptable rate of return. Recognising its importance to the local economy (it was located in a relatively deprived area, close to the centre of the town and on the main road link with Street, and the M5), the RDA stepped in during 2001 and bought the site.

Following discussions with the local council, potential developers and other local stakeholders, the RDA agreed to invest £19 million to decontaminate the land; to provide key services and to get the site ready for development. At the time, the South West RDA was promoting the environmental goods and service sector, so we aimed to create a business park that would support both 'green' businesses and other priority sectors. As it turned out, there was insufficient demand from those types of companies and we had to open the site to a wider range of companies. Unfortunately, this approach meant that a couple of companies were turned away from the site.

During this time, as part of our marketing of the site and as part of our engagement with the local community, we promoted the potential benefits of the Morlands development. This raised expectations to an unrealistic level, as we had failed to explain clearly that the final stage in the development was entirely dependent on the market.

And now? Well, there are several industrial units built and occupied and the remainder of the site has been fully serviced for development. The site will ultimately contain the new job numbers forecast albeit the take-up rate has been slower than expected, largely because of the recession. One 'historic' building was saved from demolition and has been sold to a local community action group who are now finding a variety of small scale uses for the building. The site has now been sold to the private sector who will provide further buildings and sell plots to occupiers.

Reflections:

- It needed a body like the RDA, with sufficient investment and a remit to take some risks, to unlock the Morlands site. It would otherwise still be a derelict and dangerous site. It was better to have done something than nothing.
- The partnership and planning phase took longer than expected – but nonetheless, it was invaluable to get this stage right.
- We tried to restrict business usage to 'green' companies – when we had no real market research to justify such an approach.
- We raised expectations about final potential outcomes without explaining how long it might take for that to be achieved.
- We could have forged stronger ties with local people and community groups earlier on.
- We maintained a commitment to developing the site even when the economy went into recession and when there was strong opposition. The result is that there is now a prime development site, fully serviced and partially occupied. This is a huge improvement on what was there before.



Wave Hub

It had been clear for many years that the South West had the potential to exploit the enormous energy reserves around its coasts – wind, wave and tidal. From the early years of the RDA, we identified Environmental Technologies (and renewables in particular) as a key sector for support.

The idea for the Wave Hub came from consultation with industry and a thorough examination of the barriers that were preventing companies developing technologies in what was a relatively untested market – marine renewables. Essentially Wave Hub is a grid connected electrical socket on the seabed 10 nautical miles off the north Cornwall coast and an 8km² consented area of sea. It is the world's largest test site for the connection of arrays of wave energy devices enabling their performance in open sea conditions to be tested. In order to further support the development of a fledgling industry, the RDA funded a number of onshore projects such as PRIMARE, a dedicated research institute for marine renewable energy that brings together expertise within the Universities of Exeter and Plymouth, and provided targeted research and development grants for companies developing wave and tidal energy technologies.

From the outset, this idea had widespread support – from the industry, from business organisations and from local and national government. Apart from parts of the fishing industry who feared some disruption to their fishing grounds, this project proved popular.

However, the actual development of the project was much more complex than we could have imagined at the start. Initially, the regulatory burden was a major barrier – it took us two years to secure the necessary consent before we could proceed. Then the challenge with procuring the design and installation of Wave Hub almost brought the project to an end, due partly to public sector procurement rules but mainly due to the nascent nature of the industry which was not geared up to the award of a single contract and managing the associated risks. Further expert advice was sought and the design and procurement strategy was revised.

Finally, the Wave Hub was installed and connected to the shore via a 25km electrical subsea cable in late summer 2010. In the event, the recession and the lack of suitable public sector support in the form of ROCs (Renewables Obligation) has delayed the development of wave energy technology and the take up of the four berths.

Reflections:

- This was a risky venture for the RDA – ahead of its time and with no proven predecessor. Nevertheless it presented an opportunity to move the South West and UK wave energy industry ahead of international competition.
- The publicity generated at the outset raised expectations of a full and rapid take up of the opportunities. Not until quite late on in the development of the project did we fully understand the length of time it would take to deliver and the potential risks attached to the project. This hampered our ability to explain when the first device deployments would take place and associated economic benefits realised. Managing expectations remains a challenge.
- Working closely with industry through the design phase of the project proved invaluable. We never forgot that Wave Hub was in effect enabling infrastructure to support the development of technology and that it was therefore critical it was designed to meet the needs of industry. However, when our first attempt to procure the project failed we became inwardly focussed and the regular dialogue broke down to the detriment of our operational planning.
- After several years, we identified a dedicated resource to drive delivery of the project. On reflection, we might have taken this step earlier so that the project did not have to fight for time and attention in a very busy development programme within the RDA.



South West Food and Drink

From the outset, the South West RDA identified a number of key sectors for support. These were either sectors that had a good chance of growing in value and employment terms, or which were already important within the region and needed support to improve productivity. The Food and Drink sector was one of these. As a largely rural region with over 70% of the land area under cultivation, the sector remains crucial to the region's economy and to rural employment.

Support for the industry started in 2002 and ran for eight years until 2010 – investing around £5 million during this period. These investments included establishing South West Food and Drink Ltd. (SWFD), an independent body with its own Board of Directors, on which the RDA had a seat. In the early years, as part of our support, SWFD managed a number of sub-groups, including Dairy, Organic, Meat, Fish, Drinks. A number of other projects were established, mainly managed by SWFD, focusing on the priorities driven by the Sustainable Farming and Food Strategy of Supply Chain Development, Market Development, Skills and Adding Value. In 2005 the RDA completed an impact evaluation and subsequently led a change in focus away from direct delivery resulting in a changed operational structure to deliver more initiatives via third parties – becoming a conduit for delivery of RDA funding against clearly defined outcomes.

In 2002, we identified the activities we thought were important however the expected role of SWFD and outcomes and outputs were unclear and this created significant tensions with other organisations in the region. During 2005 we developed and agreed an exit strategy with SWFD and defined some clear outputs and outcomes to be achieved. The ECOTEC evaluation in 2008 showed a significant increase in productivity over and above underlying growth and Value for Money was described as excellent. The exit plan was finally signed off in 2010 – and there is now a reasonable plan for future.

The key roles of SWFD (and the Food and Drink Strategy) were to improve Market Development, Supplier Development, Enhancing Skills, and Adding Value.

Reflections:

- While Food and Drink remains an important sector for the region, it has enjoyed significant support (and subsidy) for many years. We could have been more explicit early on that this sector organisation needed ongoing support from the sector itself.
- We could have been clearer from the outset about the measurable changes we wanted to see in the sector and about the impacts our funding would produce. SWFD have done much to support the sector, and our impact assessments showed that it achieved good returns.
- Like many other 'arm's-length' bodies SWFD enjoyed considerable autonomy, even though we provided the vast majority of the funding. With hindsight, we should have exercised more control from the outset – especially with how the sector engaged in wider economic activities.
- The lack of clear targets and role of SWFD, at the outset, created tensions with existing food groups often vying for influence or funding. As a sector-led organisation, delivering services to businesses, SWFD were often unable to arbitrate, a role taken on by the RDA in 2005, however separation of business support delivery from programme management activity earlier would have avoided many of the situations needing arbitration.



Combined Universities in Cornwall

CUC is a partnership between higher and further education providers in Cornwall, and was explicitly conceived from the outset as an economic development venture as well as an educational one. It has had a real impact on higher education in Cornwall – both at the main Tremough Campus and at other institutions across the county. In the 10 years since the inception of the partnership (which includes the Universities of Plymouth and Exeter, University College Falmouth, Peninsula College of Medicine and Dentistry, Cornwall College and Truro and Penwith Colleges), the number of HE students in Cornwall has more than doubled. Research income to the HEIs has trebled, 7538 jobs have been created as a result of CUC investments by 2005 (the majority of which are graduate jobs); average earnings relative to the UK national average are rising, and a total of £42 million of GVA had been added to the Cornish economy by 2008.

Key to the success of CUC has been the ‘hub and rim’ model in which higher and further education institutions have collaborated to improve access to higher education throughout the County. Combined Universities in Cornwall also played a major role in ‘keeping’ young people in the region. It has also had a direct impact on the retention of young people and graduates in Cornwall who would otherwise have left the county.

The gestation and development of the project was both lengthy and at times highly charged politically. A number of different models had been proposed, including a completely new university. Different partners sought different levels of engagement and control at different times. In the end, it required all the RDA’s leadership and brokering skills to ensure an agreed plan was reached and then delivered by the partners. The RDA’s investment (over £20 million) was significant but not enough to shape the overall project. Our influence was felt, though, in pushing for high standards of environmental construction and for the creation of a new innovation centre adjacent to Tremough campus, near Falmouth.

The early investments in CUC have laid solid foundations for future collaboration and recent developments under Cornwall’s Convergence Programme, for which the RDA has also provided match funds. These include Exeter University’s Environment and Sustainability Institute, which will help drive Cornwall’s vision of becoming a leader in low carbon living; UCF’s Academy of Innovation and Research, creating an innovation laboratory for HE to work with business, and Cornwall’s businesses, and the new Dental School in Truro

Reflections:

- This was the first major RDA project which successfully brought together a physical development with education and skills and business outcomes. A multi faceted project requiring input from a range of experts across the Agency.
- Graduate jobs need to be available to persuade graduates to stay in the region (subsidies can often make the business case to smaller employers to take on a graduate).
- Self employment or company spin offs are more common now – partnership approach at CUC means graduates have better advice and guidance on business start up.
- Developments like these make HE more accessible and help to raise the aspirations of the people living close by.
- Encouraging institutions who might normally see each other as competitors has not always been easy. While the availability of European (and RDA money) helped foster collaboration, it remains to be seen how far this will be sustained and developed without external stimulus.



Managing EU Programmes

In 2007, the Government passed to RDAs responsibility for the management of the European Regional Development Fund (ERDF) and the Rural Development Programme for England (RDPE). Previously the ERDF had been managed by the Government Offices in the regions. Both programmes run from 2007 to 2013 and together amount to £9 billion nationally. The RDAs took formal responsibility for the Programmes in 2008 and they were launched in February of that year.

In the South West, the EU programmes are worth almost £700 million over the 6 years. In the South West there are two ERDF programmes, the Convergence Programme covering Cornwall and the Isles of Scilly (the only such programme in England) and the Competitiveness Programme, covering the rest of the region. The South West also had the largest single RDPE programme, across the greatest geographical area, with more than £100 million of spending being committed between 2008 and 2011.

Critically, the close and direct involvement of partners from the start ensured a strong buy-in, to both the content of the Programmes and to the strategic commissioning approach to delivery. This commissioning approach meant that, whilst there was a longer lead in time to project inception, the RDA partners could be sure that programme investments were much more likely to support the strategic aims of the programmes, to align with other investments and offer best value for money. Up-front investment of time with project partners also led to improved quality of grant claims, etc, with potential for errors minimised as a result.

Audit reports have demonstrated that the RDA's approach led to efficient, effective and fully compliant operation of these complex schemes. For example, finance operations, such as monitoring and claims, were integrated so that staff worked across ERDF, RDPE and RDA Single Pot to enable the effective management of work flows, bring all available expertise to bear on the process, and strengthen resilience.

Reflections

- Integration of EU and Single Pot processes proved to be a strength for the delivery of the programmes.
- Involvement of partners was important in developing strategy and to commissioning approach.
- The programmes have been heavily reliant on SWRDA match-funding. Cuts to public finances may threaten the availability of match-funding and the human resources to support programme delivery.
- There is uncertain support in central government for Cohesion Policy which could jeopardise future delivery.
- The programmes had clear objectives but had to face a changing economic climate. Many stakeholders warned against the strategy being blown off course through responding to the cyclical impacts of the recession.
- Importance of wrap-around support of the RDA should not be underestimated – as we were able to make joint investment decisions, and bring a full armoury of expertise to bear, well beyond the team actually assigned to the EU programmes.



Chapter Four

What We Have Learnt

This section includes:

- Investment in Business
- Investment in People
- Investment in Place

Investment in Business

Businesses are critical to the economy as they are the key wealth creators. The South West RDA has had business support at the core of our work providing both direct and indirect support. This section looks at the direct support, whilst indirect support for business is covered in the sections on Place and People.

Direct business support includes individual business support (for example, via Business Link advisers); sector based business support (e.g. the West of England Aerospace Forum); support for science, R & D and innovation (e.g. support for innovation centres); foreign direct investment and foreign trade (e.g. investment in the international trade support programme).

Throughout much of the RDA's life, the primary policy focus was upon improving business performance and to increase productivity. The labour market had generally performed well with high levels of engagement and low levels of unemployment. In the South West many economic development investments did not have job creation as the primary focus, although it would still have been a consideration.

Rationale for Investment

Market power: assistance to embryonic, new and / or small businesses may help to overcome the negative effects of excessive market power in the hands of large organisations;

Imperfect information: this is the most frequently cited justification for policy intervention to support small businesses. By their very nature, access to information may be difficult and expensive for small firms; conversely banks and other providers may find it difficult to obtain information about small firms. The result may be that businesses or other agencies miss out on vital information that could help to generate additional jobs and / or economic activity;

Institution / policy failure: this refers to the fact that there may be organisational or other reasons why public or private sector bodies cannot meet the needs of small businesses; for example, bureaucracy associated with some central government organisations may mean that the needs of businesses in some areas and / or sectors of the economy are not addressed effectively;

Equity; it can be argued that the market mechanism does not always result in an equitable distribution of benefits to different groups within society. The equity argument is not frequently used in relation to business support, but may be applied to initiatives to help some groups (e.g. women, minority ethnic groups) to set up or run businesses.

Lessons

Evaluation reports show that job creation rates are particularly high among businesses receiving general business support and relatively low among those receiving Technology and R&D Support - this is due to the length of time it takes for R&D projects to show impact.

There is merit in considering outputs in terms of the quantity delivered versus the quality of delivery. It is not always clear that meeting a numerical target is beneficial when in fact a smaller number of high-quality, longer term relationships may be preferable.

Business Support

Providing information or advice to businesses (or aspiring businesses) helps to overcome information asymmetries whereby small businesses in particular are at a disadvantage in terms of the cost of obtaining information relevant to business decisions. This distortion may lead to a concentration of market power among larger businesses, to the detriment of the regional economy. In some cases there is an equity element in the justification for intervention, such as supporting disadvantaged groups. The South West RDA provided a focal point for much of the regional policy and strategy setting, partnership projects and the provision and channelling of funding.

Individual Business Support

In terms of competitiveness and entrepreneurship the region has ranked quite highly with good rates of business creation and research and development. The South West having large intra-regional disparities in productivity and business creation (i.e. high rates in urban areas and low rates in rural areas). Business Link were the main source of business support, offering a high-quality, inclusive service across the region. The foundations for Business Link were laid in the 1980s in response to a perception that SMEs underestimate the benefits of external advice business advice. Since its inception Business Link underwent a number of re-structures and from April 2007 Business Link Advisers have taken on the role of brokerage agents providing access to third party suppliers through Information, Diagnostic and Brokerage (IDB) services.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Business Link</p> <p>Business Link is a signposting service, providing a vast amount of information and trained Advisors who work with businesses to understand the problems they face and direct them to appropriate sources of support.</p>	<p>From an evaluation of Business Link a third of respondents reported that the support received from Business Link had increased profits, and slightly less (31%) stated it had led to an increase in turnover. More intensively assisted firms (33%) benefitted from an increase in turnover than non-intensively assisted ones (26%). However without a breakdown of Business Link spend by intensity of support, it was not possible to draw conclusions about value for money.</p> <p>The Business Link service cost £165 per business assisted, not distinguishing between businesses who had been intensively assisted and those who had received lighter-touch support.</p> <p>The GVA (annual, £m): South West RDA cost ratio was 4.2:1</p> <p>The overall additionality ratio was 35%.</p>	<p>Business stakeholders value support around interpreting government policy and appreciate the introductions a neutral third party can make to other businesses and partner organisations involved in economic development.</p> <p>There has been a commonly held belief that the southern zone in the South West needs special treatment given the particularly high proportion of micro businesses (less than five employees) in that area. However, the baseline figures showed that whilst the number of micro businesses is indeed high in that sub region, it is actually slightly lower than the proportion of such businesses in the north and east sub-regions of the South West.</p> <p>The most important service element in the South West is local outreach / local advisers.</p> <p>Targets / KPIs are activity based and therefore provide insufficient input on the performance against objectives.</p>

Other Example Projects

- South West Manufacturing Advisory Service
- PRIME
- Women's Enterprise
- RISE

Business Networks

Networks can provide tangible benefits to firms. The networks that are most powerful in raising the profitability levels of firms are those that are developed by the businesses themselves and can be characterised as knowledge or innovation exchange networks. Whilst established groups such as trade organisations provide a way of sharing and bringing firms together, cross-sector networks were missing in the South West Region. Moreover they are unlikely to be established and developed through normal working of the markets and conventional motivations for co-operation and collaboration.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Beacon South West</p> <p>Operating under the Solutions for Business, Beacon brings together senior management in companies from a diverse range of industries, with a proven track record of success, to promote good practice, share ideas and exchange experience.</p>	<p>70% of businesses claimed they had acquired new skills and knowledge from participation in the network, but much lower proportion claimed that this had translated into new alliances or collaborations, or resulted in adoption of better management practices.</p> <p>There was very little evidence that Beacon had benefited non-Beacon businesses in terms of their performance and 'bottom-line'. But, from the stated expectations of the surveyed non-Beacon firms, this was not a declared intention for their participation. They were mainly interested in establishing their credibility and profile, developing their business and getting better access to information on guidance and support.</p> <p>A common characteristic of firms claiming full additionality of benefits was their location in rural or peripheral areas suggesting that Beacon's impact is greatest in hard to reach locations. .</p>	<p>Whilst there is some knowledge transfer going on beyond the Beacon boundaries, it seems largely to be confined to the usual contacts of the Beacon firms. The links between the Beacon network and other group and network leaders appeared to be poorly developed; such links could be beneficial by providing a conduit for good practice and knowledge transfer.</p> <p>Public funding needs to induce additional improvements not only in the businesses directly assisted but also in other non-assisted businesses, the business infrastructure and wider strategic alliances in order to provide the foundations for sustained increases in productivity and growth. To this end, particular attention needs to be given to what mechanisms are likely to be effective in securing these wider benefits.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • Enterprise Europe Network SW 		

Business Finance

For the most part, demand from Small and Medium Sized Enterprises (SMEs) for external finance is met by mainstream sources, primarily high street banks. However, two key problems have been identified with the business finance system:

- Information asymmetries in the access to finance market: Banks cannot always accurately assess the risks associated with a business proposition and business owners may not be fully aware of the finance available to them.
- Changes to the mainstream banking industry where standardised credit-scoring, has replaced 'relationship banking'.

The South West RDA's Finance for Business Strategy sought to improve access to finance for businesses at each stage of their growth cycle by developing better networks and protocols between financial providers / institutions, intermediaries and businesses and building business capacity and investment readiness.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>SWAIN</p> <p>SWAIN is an independent not for profit company which connects private investors, or 'Business Angels' with companies looking for investment. SWAIN specifically focuses on addressing the shortage of risk capital for small and medium sized companies, an area known as the 'equity gap'.</p>	<p>Businesses valued the opportunity to present to a larger number of investors than they would be able to identify on their own, whilst investors recognised opportunities including meeting businesses face-to-face, networking with potential co-investors, and their careful management enabling quick appraisal of the business plans being presented.</p> <p>Those businesses which had received investment from a business angel via SWAIN were more confident about their company's prospects over the next three years than those which had not.</p> <p>In overall terms, South West RDA's investment in SWAIN has led to the creation of 214 net jobs and a net increase in GVA of just over £8 million.</p>	<p>Another facet of SWAIN's success is that it acts as a facilitator, providing a platform for business / investor matches and offering general 'investment ready' guidance, rather than influencing individual investment decisions. This impartiality is key. It enables the identified market failures to be addressed without the public sector attempting to pick winners and potentially distort the market.</p> <p>It took quite some time for the impacts to be felt in terms of jobs. Over 3 years after the end of phase 1, the businesses supported were creating jobs as a result.</p>

Other Example Projects

- PHOENIX Fund
- Selective Finance for Investment in England (SFIE)

Sector-based Business Support

Most of the business support available is available to all businesses, for example the Business Link service. However businesses in some sectors would benefit from additional support either to benefit from growth potential or to support them in the context of transition or decline. Focussing on a sector allows specific issues to be addressed within that industry.

Sector Organisations / Groups

Organisations such as South West Food and Drink and Regen South West provide strategic leadership for their sector in the region. Sector organisations bring business leaders together to identify the needs and set the direction for the sector it represents. The primary market failure influencing the rationale for setting up a representative group is that of information failure, stemming from gaps in the understanding between public policy and the needs of businesses.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>South West Food And Drink</p> <p>In 2002 South West Food and Drink was established with a vision to champion regional excellence of food and drink from the South West.</p>	<p>According to the monitoring data, the South West Food and Drink projects have been successful in helping almost 4,000 people to acquire new skills, 1,503 people to gain basic skills as part of the Skills for Life Strategy, and 1,916 people to achieve an NVQ Level 2 or equivalent qualification.</p> <p>South West Food & Drink was found to have created 710 net additional jobs with an average of £3,830 cost per net job. The jobs created by South West Food and Drink generate over £9 million net additional GVA annually. It can be concluded that value for money has been clearly good.</p> <p>SWFD's role in providing strategic direction through the development of the South West Food and Drink Strategy.</p>	<p>The institutional landscape is crowded but any rationalisation would raise complex issues. As a minimum, further organisational proliferation should be avoided. The difficulties of achieving rationalisation and underlying questions – for example, about whether this body should be a membership organisation and how its board should be appointed and accountability to the sector as a whole can be ensured - are not underestimated.</p> <p>It is difficult for some networks to become self sustainable and therefore are more likely to require public funding.</p> <p>The strategy needed to be developed to be more of a 'living document' which is regularly updated, and it needed to incorporate SMART objectives against which progress can be measured and a delivery plan which can be systematically monitored.</p>

Other Example Projects

- West Of England Aerospace Forum
- Regen South West
- Constructing Excellence

Individual Sector Support

Individual sectors, that may not be covered by a sector organisation may also ??

The rationale for South West RDA intervention to support and promote particular sectors varies according to the sector in question.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Digital Peninsula Network</p> <p>The project aimed at bringing together primarily small and micro business in the digital sector.</p>	<p>Projected outputs for the period of 30 months from September 2003:</p> <ul style="list-style-type: none"> • 2 direct FTE jobs • £1.888 million gross additional sales • 43.5 net additional jobs (10% to be transferred from outside region; 22 to be Created for unemployed members) • £1.05 million net additional GDP • 290 learning opportunities • 150 new businesses attracted <p>59 per cent of beneficiaries said that their turnover had increased since receiving support; 16 per cent felt that this was largely or entirely due to the support received.</p> <p>30 per cent stated that the overall impact of the support was large or significant.</p>	<p>South West RDA funding was relatively modest but crucial in ensuring the continuity of Digital Peninsular Network and the establishment of the shared facilities at the Old Brewery.</p> <p>South West RDA support enabled a group of enthusiastic local business people to develop from a relatively informal network into a significant resource for local businesses.</p> <p>A business support project focused on a key, growing sector in a relatively poor area of the region, building on the potential of primarily 'lifestyle' businesses to enable them to work together more effectively, to develop their business and technical knowledge and create a sustainable sector.</p>

Other Example Projects

- Manufacturing Advisory Service
- Marine South West
- Supply Chain 21 (Aerospace Sector Support)

Science, R&D and Innovation

The South West RDA also invested in projects and programmes designed primarily to stimulate research, development, innovation and knowledge transfer within South West businesses, in most cases these had no specific geographical focus. There are well-established arguments, based primarily around barriers to entry, positive externalities, very long-term returns on investment, imperfect information and institutional failure, for the provision of publicly-funded support to promote innovation, particularly among small businesses who may be affected by market power issues and are less able to absorb risk and uncertainty than are large organisations. A further key factor here relates to institutional and cultural issues regarding the relationship between the Higher Education sector and businesses.

Knowledge Exploitation (Exchange)

A fundamental market failure identified in relation to technology transfer is that HE institutions within the region were not felt to be working effectively with businesses, leading to an under-exploitation across the regional economy of the potential opportunities offered by research and other activities being undertaken within the HE sector. Research suggesting that the South West economy contains a comparatively small proportion of 'high growth' businesses served to reinforce this perception.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Knowledge Exploitation South West</p> <p>A project to support the South West region to develop the capacity of HEIs to engage with businesses on knowledge transfer in response to government priorities.</p>	<p>KESW contributed to:</p> <ul style="list-style-type: none"> • Greater awareness and demand for knowledge transfer through recognition of its competitive advantages • Improved responsiveness of HEIs to business needs • Increased contribution from HE to the regional economy. <p>Increasing cooperation between the region's HEIs has enabled the provision of more tailored business support based on accessing the individual specialisations of each HEI and then making them available to businesses across the entire SW region.</p> <p>Cultural change has been stimulated in the region's HEIs. The KESW project has prompted considerable development and culture change within HEIs, engaging more academics in business collaborations as well as introducing new staff members to support the knowledge transfer activities.</p> <p>HEI capacity was developed to identify, nurture, support and spin out new knowledge-based businesses.</p>	<p>Working with higher education is challenging. Universities are strapped for funding and therefore their engagement with business needs to be supported</p> <p>The indications are that – compared with General and Sector-Based Support – beneficiaries of Technology / R&D Support are more likely to give credit to the support for the impacts achieved (i.e. additionality is higher).</p> <p>Technology transfer and innovation are long-term processes and it is likely that the net impacts of this type of investment will be measurable only after a number of years, rather than months. These include the establishment of joint projects between business and universities; setting up of spin-off ventures; adoption of existing technologies by SMEs; improved innovation management; better equipped research facilities.</p>

Innovation Centres

The South West is – on average – a less conducive environment to innovation, business start up and growth than the rest of the country and often significantly less so than the South East. Change has generally been steady and often in line with improvements either nationally or in the South East. Therefore, if the South West is to catch up with the national average, further intervention appears to be necessary.

Innovation centres provide growth oriented SMEs and start-ups with premises on highly flexible terms, together with a range of supporting business support services, access to business networks, and an environment shared with other entrepreneurs with similar ambitions, opportunities and problems.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Tamar Science Park A science and technology park located in Derriford north of Plymouth.</p>	<p>Tamar Science Park is a key player in the strategy to upgrade the economic base in Plymouth towards a more innovative and knowledge-based economic environment.</p> <p>The success of developing a science and technology park product in Plymouth should not be underestimated given the historical context, particularly the dependence on military related activities.</p> <p>Evaluation estimates that the overall GVA contribution so far (evaluated in 2008) of around £23.62m to the economy of Plymouth.</p> <p>Jobs created in association with Innovation Centres, such as Tamar Science park, have a high degree of displacement associated with them. On other output measures, for example, the land brought back into use and commercial space created, can be more confident of higher levels of additionality due to the strength of investment rationale.</p>	<p>A suitably qualified and networked centre manager (and team) is of critical importance in ensuring the success of an innovation centre. The strategy / management board also play an important wider role in providing advice and guidance.</p> <p>Having parts of the centre for social interaction, encouraging informal and formal communication between tenants, can play a vital role in a centre's success</p> <p>The centre has to be able to break even, which may mean difficult decisions have to be made about the extent to which tenants are supported and sustained. In ensuring viability, other income generation measures – such as a café and conference facilities – can play a very important role in the process.</p> <p>Carefully consider the existing portfolio of science parks to ensure that activities complement rather than compete.</p>

Other Example Projects

- Business Acceleration Centre, Bristol
- Carpenter House, Bath
- Castledown Business Centre, Wiltshire
- Three Cornish Innovation Centres – Pool, Tremough And The Medical Innovation Centre In Treliske
- Enterprise Pavilion, Bournemouth
- Exeter Innovation Centre
- Spike Design, Bristol
- Yeovil Innovation Centre

Foreign Direct Investment and International Trade

The South West RDA has taken a two pronged approach to promoting the South West to foreign firms:

- Generating new Foreign Direct Investment into the South West that would have otherwise gone elsewhere (and enabling larger or faster FDI investments)
- Providing information, skills development and encouraging businesses to export.

Foreign Direct Investment

The latest data on Foreign Owned Companies (FOC) performance since 2004 indicates that their number has grown at the fastest rate of any region, with some 6,700 as of 2007. These companies typically have higher Gross Value Added (GVA) per firm and per employee than UK owned firms based in the region, are larger, pay higher wages and have higher value supply chains. A comparison of GVA and employment growth between UK and FOC's indicates that the latter are growing substantially faster in the South West. Despite this, overall business performance in the South West, still lags behind national averages and the role of FOCs in closing that gap is clear.

Example Projects	Example Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Overseas Representatives</p> <p>RDA representatives based in Australia, China and United States have annual targets for delivering foreign direct investment (FDI).</p>	<p>The nature and intensiveness of support provided to foreign owned companies (FOCs) is diverse, but five core activities are undertaken: marketing, targeting (and managing) new opportunities, investor relations and aftercare, promoting strategic collaborations and briefing embassies and consulates.</p> <p>Overall it was estimated the inward investment programme to have generated some £57.6 million net additional GVA to the regional economy since 2004 (to 2009).</p> <p>In terms of its return on investment, the investment generated some £2 for every £1 invested by the RDA. When including persistence effects, the figure rises to £14 for every £1 invested</p> <p>The businesses themselves benefit through the coordination and simplification of support, the receipt of logistical support and specialist expertise in relation to operations and labour, and the provision of advocacy.</p> <p>The overseas offices work tactically, alongside UK colleague foreign-owned firms, including those already located in the South West, to leverage in South West suppliers and / or fill gaps in the domestic supply chain. This includes introduction of FOC's to domestic service providers (accountants etc). This economic leverage is substantial.</p>	<p>Low additionality, and high deadweight, suggest that (information) market failure at the level of individual businesses may be quite weak (i.e. a large majority of firms have not needed RDA support to relocate to the South West). That the region continues to underperform in terms of FDI relative to most other regions may therefore have more to do with structural weaknesses than information barriers, for example relative geographic remoteness from large markets and trade routes.</p> <p>The alternative argument is that the high return on investment justifies intervention, almost irrespective of the level of additionality. Analysis of the characteristics of foreign owned companies has underlined the importance of these firms in the South West. On average they pay more, have a higher value supply chain and grow faster (both in terms output and employment) than UK owned firms in the region.</p> <p>Maintaining overseas offices poses some challenges from a management and practical perspective. Staff turnover is generally high in overseas posts which interrupts momentum and requires continual effort in ensuring that the message is sufficiently understood and communicated to potential investors.</p>

Other Example Projects

- SW Globalisation
- Positioning The Region

International Trade

International trade covers activities that encourage and develop the skills of businesses new to exporting. An analysis of regional goods export data shows that the South West has a low number of exporters compared to other English regions, with only Yorkshire and Humberside and the North East having fewer. Moreover, the South West has the lowest average value of exports per exporter of all regions. The market failures that provide the rationale for international trade support are the public good characteristics of information on overseas markets that are required for a firm to export, underestimation of benefits of international trade and the restricted access domestic firms may have to foreign networks and trade partnerships.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Passport To Export</p> <p>An extension to the existing UKTI 'Passport to Export' programme to encourage and develop the skills of businesses in key regional sectors that were new to exporting.</p>	<p>Support included business mentoring, training in areas such as website optimisation, as well as financial support for overseas market research.</p> <p>The South West RDA approved a total of £2.9m for investment in the international trade support programme between 2004 and 2009.</p> <p>70 per cent of firms stated that the programme had helped them in some way, and export turnover of surveyed beneficiaries increased by 18 per cent over the course of the programme. The majority of the new export markets (over 70 per cent) were in Europe.</p> <p>Overall we estimate the international trade programme to have generated some £61 million net additional GVA to the regional economy since 2004.</p> <p>In terms of its return on investment, the investment generated some £5 of GVA for every £1 invested by the RDA. When we include persistence effects, the figure rises to £21 for every £1 invested.</p>	<p>The additionality of Passport to Export was low, but its impact in terms of regional GVA was high.</p> <p>Evaluation has not identified any specific reasons for the poor regional performance in this area. However, the industrial structure of the economy, and the lack of freight gateways are likely to be contributory factors. In any wider policy considerations of how the South West could improve the internationalisation of its economy, these large strategic issues need to be considered.</p> <p>Given the strong return on investment, this seems pragmatic from the RDA's perspective. But to a certain extent, it does beg the question as to the value of the RDA's role, when it is reduced to little more than a financial investor.</p> <p>Increase in scale of UKTI activities brought an explicit focus on strategically important sectors identified in the Economic Strategy, and therefore a greater sense of strategic alignment between UKTI activities and the region's economic ambitions.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • Internationalisation & Globalisation • SW Globalisation 		

Investment in People

The 1998 RDA Act recognised that in order to achieve economic development and growth human capital was required. The Act therefore required us to “enhance the development and application of skills relevant to employment in our area”. Early research on the reasons for the South West’s productivity gap highlighted the tightness of the labour market (particularly in rural areas) and the under-utilisation of skills as particular issues, which is why the importance of the skills as a driver of the regional economy was recognised in the first and subsequent Regional Economic Strategies.

The South West’s success is built on the talent and hard work of its people. While the RDA was not the main public funder of skills training, we made a number of key investments to boost skills and know-how for the region’s businesses. We also worked with local, regional and national organisations to shape the delivery of mainstream training interventions so that they met the needs of the region’s business and support the economy of the future.

At the regional level, the Regional Economic Strategy (RES) bridges the gap between national policy and sub-regional delivery of economic development activity and provides the overall strategic context for the work of the RES. The RES has a focus on key growth sectors: advanced engineering, ICT, marine, food and drink, tourism, creative industries, environmental technologies and bio-medical.

The Skills and Learning Framework for Action was the first skills plan and focussed on five themes; Information and Research, Lifelong Learning, Access to learning, training and employment, Developing a sector skills approach and Bringing business and providers closer together.

In November 2002, we launched the South West Framework for Regional Employment and Skills Action (SW FRESA) which had 3 three strategic objectives to help achieve a healthy labour market i) increasing employers’ participation in skills development in the South West, ii) raising individuals’ aspirations and skills for the South West and iii) developing the efficient and inclusive working of the South West Labour Market. The most recent 2010 Statement of Regional Priorities highlights three priorities which are consistent with the 2002 FRESA objectives;

Priority 1: Delivering skills provision that will support the development of high growth and emerging sectors.

Priority 2: Raise individuals’ aspirations and skills levels in the South West.

Priority 3: Increasing employers’ participation in skills development in the South West.

What is clear from the last 12 years is that in order to “enhance the development and application of skills relevant to employment of the area” certain priorities have remained constant in attempting to balance supply and demand of economically valuable skills.

The Leitch Review of Skills emphasised the need for a shared responsibility for increasing skills levels between government, employers and individuals. It placed emphasis on the development of economically valuable skills led by demand from employers and individuals, as well as the need to adapt and respond to changing market needs and to build on existing structures.

Rationale for Investment

Externalities: Training an employee has costs for a firm, and these costs may not be matched with benefits if, for example, the employee leaves the firm soon after receiving the training. However, society at large will benefit from the training whether the employee stays at the firm or not (because he'll go and have an economic benefit elsewhere). Therefore there is a good argument that the public sector should assist with the costs of training, to give firms more of an incentive to train staff.

Imperfect information: Firms and potential employees that are a 'good match' for each other might not be able to find each other in the real world, due to a lack of information.

Equity: Some commentators argue that the market mechanism does not always result in an equitable distribution of benefits to different groups within society. The equity argument is not frequently used in relation to business support, but may be applied to initiatives to help some groups (e.g. women, minority ethnic groups) to set up or run businesses.

Analysis of market failure suggests that there is a demand – as well as a supply-side - dimension to the need for intervention in relation to skills. On this basis there is an economic rationale for public sector intervention in skills development. Without this intervention, theory indicates that investment in skills development would fall short of the socially optimal level.

Outputs, Outcomes and Impacts

As indicated by the economic impact assessment, South West RDA has achieved some positive net outputs as a result of the £19.5m of skills and learning expenditure, within the scope of this review, undertaken between 2002/03 and 2006/07.

The total net additional employment impact is estimated to be 1,570 while the total net GVA impact amounts to £41.5m pa created through employment gains and £24.7m pa created through productivity gains.

The estimated cost per job created, or filled, ranged from £7,900 (skills development for firms) to £22,900 (skills development for individuals). The cost-per-job estimates indicate that a good level of value for money has been achieved. Projects also show very high returns in terms of GVA created, although these figures may be less reliable due to issues around the reliability of the figures reported by survey respondents.

Investment in skills development helps to correct market failures around externalities, imperfect information, and the limited access of individuals to capital markets. Without public sector intervention, private investment in skills and learning activity would almost certainly be below the socially optimal level because of difficulties in funding the investment (caused by limited access to capital markets) or because the individual or business fails to take account of the external benefits generated by improved workforce skills levels.

According to the Learning and Skills Council's Skills in England 2006 report, individuals gaining additional skills and qualifications at Level 3 see a significant return on investment in terms of future earnings. Much evidence exists which indicates that if you gain an apprenticeship or a degree that your earning capacity will be over £100,000 more than if you did not hold that sort of qualification.

Also evidence to suggest that as the labour market tightens and competition of jobs increases, those without qualifications will find it even harder to access employment, even in low paid low skilled jobs.

Lessons

Where necessary, targets should be reviewed at intervals during the project lifetime to ensure they are still appropriate and reflect the activity being undertaken. Changes are appropriate where the experience of the project is pointing to a need for adjustments to be made, not where activity is changing to reflect what is found to be easier in delivery terms.

A process should be introduced to ensure that beneficiary consent for the sharing of this information is obtained at the time of their involvement so this information can subsequently be passed on without any potential conflict with the Data Protection Act. If this type of system had been in place it is likely it would have enabled the evaluation of more skills projects.

A structured but simple evaluation process should be put in place at the start of project development and a learning log maintained to capture lessons along the way and illustrate the subsequent changes in direction. Project Steering group meetings are a good opportunity to record progress and challenges along the way.

Keep up to date on a wide range of departmental activity and policy (ensuring the right people have the right skills in the right geographic area will help businesses to grow and people to thrive).

Develop and maintain strong and trusted partnerships with clear lines of communication, when the policy or funding environment changes, having access to people in the know and having people you can work with will facilitate a quicker and more effective response when its really needed, e.g. Area Action Forces and the recession.

Skills For Business

There has been a long-standing recognition that levels of investment in training are likely to fall short of the socially optimum level in the absence of interventionist policies. The focus on skills was identified as the basis for intervention as sustainability and growth are dependant on a strong skills base. Skills are also a major factor in enabling innovation, which will lead to the development and production of higher value products. It can also be argued that a well-trained workforce is a public good, and therefore society has a tendency to invest to a sub-optimal level in this resource.

Sectors

The market failures described above provide the rationale for helping businesses to get advice and guidance on training issues. Encouraging an increased take up of higher education provision ensures the workforce becomes more skilled, alongside work to encourage graduates to stay and work in the South West. This work with businesses tends to have a focus on priority sectors.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Advanced Engineering Skills Programme (AESP)</p> <p>Programme of support to enhance the performance of the advanced engineering and manufacturing sector in the South West region through the encouragement of training and development of a stronger culture of workforce development within the sector.</p>	<ul style="list-style-type: none"> • 457 Training Plans were delivered at a unit cost of £5,768 • 5,965 individuals benefited from training at a unit cost of £442 • 144 people achieved level 3 or 4 NVQs at a unit cost of £18,305 • 3,831 learning opportunities were created at a unit cost of £688 • 54 Best Practice seminars or Master Class events were held to publicise AESP. <p>The project made a significant contribution by directly increasing the uptake of training in businesses. In particular, training was better targeted to needs with businesses reporting improved training plans and a better understanding of their training needs and options.</p> <p>A good programme of activity with schools was developed through the programme, engaging many pupils and teachers. Although linkages were developed through the project, sustainability was the main weakness of the approach and little of the project's activity appears to have been mainstreamed or picked up by other agencies.</p>	<p>In the management of AESP, the project was represented on the steering groups and meeting groups of other manufacturing and engineering bodies across the region. This also helped establish a sense of regional economic leadership through the project. These actions were taken across the region, achieving a pan-regional approach.</p> <p>Focus on cross-cutting sector skills rather than skills within a sector footprint, e.g. engineers are needed across all sectors, not just within companies who are classed as 'engineering companies'.</p> <p>Look at both transferable skills (competencies) such as Leadership and Management, numeracy and literacy</p> <p>Look for a balanced approach between basic skills and higher level skills; all have an impact on business growth.</p> <p>Work with credible business intermediaries or work direct with the businesses themselves. We commissioned EEF and WEAFF to run the Advanced Engineering part of the Talent Retention project as they already have good working relationships with the sector on a business footing.</p>

Other Example Projects

- Aerospace Training South West - Explores the skills and training issues of the Aerospace sector and brought employers and stakeholders together to discuss the identified barriers and gaps whilst exploring the opportunities for collaboration.
- Marine South West (MSW) - Leads the regional economic development of the sector with a particular focus on improving skills and productivity.

Brokerage

The areas of activity includes encouraging the needs of the South West to be taken into account nationally and regionally by contributing (via consultations etc.) to the development of policy, priority setting and funding decisions. Also, it is about creating independent information advice and guidance for businesses to ‘broker’ in support when and where they need it.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Energy Skills Centre A nuclear skills centre at Bridgwater College to assist the international shortage of skilled nuclear personnel both for construction of new reactors to day to day running and decommissioning.</p>	<p>A £3 million investment with the aim of providing a skilled local workforce for the EDF nuclear new build project.</p> <p>870 expected skills assists, 19 expected jobs created, 22 expected business assists.</p> <p>Provides an opportunity to help solve a national skills shortage and support local people into well paid, skilled jobs for years to come.</p>	<p>One of the only projects where skills needs were articulated well in advance of businesses actually needing them. Long lead in times facilitate effective and well thought through solutions. However the long lead time means the impacts are yet to be felt, therefore it could be considered a riskier investment.</p> <p>Changes in key project staff in long-term projects can lead to confusion if hand-over of projects are not comprehensive.</p> <p>Need to understand the international, national and sub national impact of such programmes (nuclear build) and broker effective solutions which benefit UK Plc as well as supporting local people gain local jobs.</p>

Other Example Projects

- Area Action Forces - Capitalising on our relationships with a wide range of public bodies and business support providers, we convened eight Area Action Forces across the region to facilitate the people and skills response the recession. The AAFs coordinated the public sector response to businesses in difficulty, providing in-depth, bespoke support and practical advice. Partners include Business Link, JobCentre Plus, and Citizens Advice Bureaux.
- Gloucester City Employment and Skills Programme - GCESP attempts to achieve a step change in the productivity of Gloucester businesses, boost participation in the local labour market and ensure local people gain access to, and benefit from, the major regeneration opportunities being created by Gloucester Renaissance, the Heritage URC (GHURC). The programme was developed and started before the recession (but has seen a significant increase in activity during the recession) and is aimed at the most deprived local wards in Gloucester.

Leadership and Management

Business leadership and management is an important element of economic growth:

“Our productivity as a nation is already lagging behind our competitors in North America and Europe. By tackling our management and leadership deficit with real vigour, we will unlock the doors to increased productivity, maximise the benefits of innovation, gain advantage from technological change and create the conditions for a radical transformation of public services.” (DfES, 2002)

Individuals and businesses in the region however face a confusing array of provision, and this may act as a barrier to accessing appropriate support.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Leadership South West</p> <p>Leadership South West was a Regional Centre of Excellence in Leadership and Management Development offering a strategic resource and information hub to develop capacity across the South West</p>	<p>Interim evaluation findings:</p> <ul style="list-style-type: none"> • 473 businesses assisted to improve their performance • 10 businesses engaged in Knowledge Based Collaborations 10 • 825 people assisted in skills development • 10 existing networks supported. 	<p>Whilst there is a wide choice of Leadership and Management provision on offer in the region, it is this very choice that potentially creates a confusing picture for the customer.</p> <p>Adding to the confusion is the lack of a consistent definition of Leadership and Management.</p> <p>Although sectors do require development programmes tailored to fit their specific industry needs, it is important that cross-sector approaches are also on offer.</p> <p>It is important that the major publicly funded providers in FE and HE do more to ensure that their provision meets business needs, and in particular those of smaller businesses.</p>

Skills For Individuals

This intervention type includes projects that have provided individuals with support, either assisting them to improve their skills or helping them into employment. Potential economic impacts of these programmes include both helping the unemployed into work, and productivity benefits for employed beneficiaries who are able to perform their role in their current job more productively or move on to a more productive job.

Worklessness and Exclusion

The Government recognised that employment was the best route out of poverty, and led to better outcomes for individuals, social cohesion and also the economy (e.g. reduced benefits bill). To support this work the Government invested in programmes to improve basic literacy and numeracy and gave free entitlements to Level 2 and other training.

Worklessness occurs when a person is detached from the formal labour market and essentially refers to those who are unemployed or economically inactive. Worklessness tends to be more prevalent in particular areas, and among particular groups.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>WEST @ WORK</p> <p>Intensive support programme to help local people, particularly in adjoining deprived wards, access the 4,000 job opportunities created by the development of Cabot Circus, Bristol.</p>	<p>Evaluation has shown that over 50% of the jobs created by Cabot Circus were filled by local people – 65% of whom were previously unemployed, 26% from an ethnic minority background and 75% aged between 16 and 25.</p> <p>West at Work initiative was a successful collaboration between a number of organisations, including the Learning and Skills Council, local authorities and JobCentre Plus.</p> <p>Working with those out of work demonstrated the need to understand the flow of people in and out of employment and how quickly individuals start to lose confidence when unemployed.</p>	<p>Economic inclusion is better tackled in the future by considering how to engage economically inactive people through all economic development interventions (regeneration, skills, infrastructure etc). It is essential to ensure that there is equality of access to work, independent and objective training and business advice if participation levels are to be increased.</p> <p>There is a potential gap in provision during the 'at risk' of redundancy period. Many recruiting employers are not aware of this potential workforce. Work with public and private sector organisations helps to bridge the gap between employment, redundancy and re-employment. The Talent Retention (see below) projects did this by making individuals at risk of redundancy visible to prospective new employers before they actually become unemployed.</p>

Other Example Projects

- Skills for Life Unit - Focuses on improving numeracy, literacy and language levels in the South West economy and supporting the Regional Skills Partnership (chaired by the RDA) to achieve the Region's Skills for Life targets. The work of the Unit and the RSP contributed to over 25,000 individuals gaining skills-for-life qualification during 2004/05. For the first time in the region demand for skills-for-life provision outstripped supply.
- Talent Retention (pilot) – A recession-related programme which is helping people in the sector at risk of, or being made, redundant to find alternative opportunities through an IT system that matches people to vacancies. This system can also be used by sector primes to share staff (e.g. through secondments) and better manage their flows during the peaks and troughs of the recession. The service has been piloted with advanced engineering businesses, creative industries and the financial services sector. Over 200 hundred vacancies have been advertised in the different sectors and all three are being integrated into sector support mechanisms, so will survive beyond the life of the RDA.

Science, Technology, Engineering And Maths (STEM)

Encouraging the pipeline of people with STEM (science, technology, engineering and maths) skills and reforming the careers advice and guidance system which has historically not been responsive enough business and economic need.

There are already shortages in most engineering disciplines, both for highly qualified engineers and for experienced technicians. There is an increasing reliance on STEM skills, which will exacerbate current shortages as competition increases from other sections of the economy.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>STEM SW</p> <p>A three pronged approach (research, partnership and information and interventions) which aims to develop the pipeline of STEM skills in the SW region.</p>	<p>The projects "Cad Cam" and "Regional Robotics Competition" have made progress towards:</p> <ul style="list-style-type: none"> • 1,100 adults engaged in activities including specific teacher training opportunities (Skills assisted) • 120 business supported (business engagement with education) • 100 + Science and Engineering Ambassadors (from Business) participating • 1,700 Secondary students participating over 2 years (Cumulative total) • 2,500 Primary students participating over 2 years (Cumulative total) • £125,000 of support in kind and cash from partners and industry • 30 university students supported Robotics finals. 	<p>The focus on STEM subjects needs to start as early as possible.</p> <p>There have been problems with recruiting STEM teaching staff in schools and FE colleges and opportunities for ongoing staff development.</p> <p>Public funding for training and skills is already struggling to meet demand. These pressures are likely to increase in the future as the public funding pressures increase. Improving the co-ordination and impact of public investment will be critical, as will raising investment by businesses and employers.</p> <p>It is not possible to compare the two and determine whether the supply of STEM skills is or will be sufficient to meet demand.</p> <p>There is a low level of cross-curriculum working and lack on innovation in curriculum development.</p> <p>There is a need for better industry and education links.</p>

South West Labour Markets - Age

The South West region made significant steps forward in understanding the nature of the labour market in the South West, its issues and its constraints.

To increase economic 'Participation' by raising older workers aspirations and skills for work, promoting equality of access to work, training, advice and guidance.

The South West is the only region in England to have a greater number of residents aged 50+ than aged between 16 and 24 years. This is exacerbated by the numbers of young people leaving the region to seek work elsewhere after leaving education. The South West of England also has the highest proportion of its population of older people over the age of 50 than any region in England.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>SWOOP</p> <p>South West Opportunities for Older People</p> <p>Represented the experience and aptitudes of older people to enhance their employability</p>	<p>The SWOOP project:</p> <ul style="list-style-type: none"> • Created or safeguarded 75 at a cost of £1,608.27 • Assisted 260 to get a job at a cost of £463.92 • Assisted 240 in their skills development at a cost of £502.58 <p>In terms of strategic impacts there are many concrete examples of influence; impact on policy, programmes, and change in organisations and provider practice</p>	<p>Qualifications "are a poor proxy for skills"; with highly skilled older people now prevented from practising their trades because they do not hold qualifications which are now mandatory.</p> <p>'Age' itself is not a selling point for engagement – there must be a wider 'hook' for employers and individuals to become engaged with the discussion. Furthermore systematic engagement with the private sector was required.</p> <p>Solutions for the over 45's are not the same as solutions for 16-19 year olds.</p>

Skills Infrastructure

This area of work covers the South West RDA's involvement in capital projects to provide learning and training centres and the organisational structures to deliver skills development to the region. These projects support the development of both individuals and businesses.

Further Education / Higher Education Provision

The development of economically valuable skills led by demand from employers and individuals, as well as the need to adapt and respond to changing market needs and to build on existing structures.

Investment in learning infrastructure generates issues around the market's failure to provide these public or 'merit' goods which would not be provided to a socially optimal level by the private sector acting alone (particularly in the case of community-based learning centres). Public sector intervention is required to increase the supply of such facilities.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Combined University Cornwall</p> <p>A partnership, an initiative and a funding stream which seeks to provide a significant increase in the range of HE provision available in Cornwall.</p>	<p>The construction phase of CUC has supported 636 job-years of construction employment, with a further 16 indirect or induced jobs supported through the multiplier process.</p> <p>At the point of evaluation (2006/7) CUC was directly providing 512 jobs, which represented around 2.6% of jobs in the education sector. It is important to note that over half of these will be highly skilled academic jobs.</p> <p>In a student survey 11.5% of respondents said they would not have gone to university had it not been for CUC.</p>	<p>South West RDA's capital investment in skills centres will have resulted in an expansion of learning capacity in the region with a higher resulting throughput of learners.</p> <p>South West RDA's involvement provided added value, for example by increasing the scale or scope of activity.</p> <p>Post-completion monitoring should be undertaken in the case of training infrastructure projects to ensure that subsequent training outputs are recorded, so the longer term effects can be seen.</p> <p>It is hard to benchmark these types of investments as most are unique.</p>

Other Example Projects

- HERDA-SW - Support for the initial set up of HERDA-SW (Higher Education Regional Development Association) more recently known as Universities South West. For the first time, bringing universities together to work collaboratively on policy change, funding and business opportunities. The Agency provided office start up costs and were able to utilise various thematic groups for consultations and project delivery.
- Bridgwater College
- Peninsula Medical School

Leadership, Integration And Intelligence

In the early days of the South West RDA labour market information was 'partial, fragmented, difficult to access. According to the DFEE, this led to skills shortages and gaps in the UK have often reached levels that generate significant concern. The RDA and regional partners sought to bridge that gap.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Skills And Learning Intelligence Module (SLIM)</p> <p>SLIM provided the region with labour market information and data and intelligence on skills, learning and employment issues.</p>	<p>SLIM helped hundreds of individuals seek data and research, identify and implement best practice and engage in European projects.</p> <p>Their learning themes facilitated an in-depth exploration of various skills issues and are one of SLIM's key outputs.</p> <p>The Learning Theme on Sector Skills Agreements (2005) helped define the process for regional sector prioritisation.</p>	<p>Labour market intelligence and data came from a variety of sources, inevitably leading to confusion and tensions amongst agencies and sector groups. For example the RDA, LSC and SSC's data were all different due to the way sectors were defined and how different agencies monitored progress and achievement.</p> <p>There does not appear to be a strong case for direct public provision of these services (due to market failure), not least because of the existence of a commercial market for labour market information and data. However those projects undertaken received positive feedback.</p>

Other Example Projects

- Regional Employment And Skills Board (RESB) - The RESB provides the main mechanism at regional level for the coordination of employment and skills policy. We invested £1.5m over three years in the critical strategic work of the RESB and in the Skills and Learning Intelligence Module (within the South West Regional Observatory) in order to provide regional direction, coordination and expert knowledge in what has been is, and will increasingly be, an extremely unpredictable employment and skills landscape.

Investments in Place

Types of Investments

The South West RDA's economic development work has strived to create sustainable communities in which to live and work. At times, the Agency invested in regeneration of the physical places, whilst other investments have focussed on access to services and raising aspirations. Alongside these we have sought to ensure that the region values and maximises the benefits of the natural environmental assets in the South West.

As a peninsula, and predominantly rural region, areas of the South West face specific challenges regarding peripherality and access to services. As well as supporting everyday life, being connected to transport and digital infrastructures is essential for improving productivity and growth.

The South West faces specific challenges in reducing disparity. In some communities relative deprivation persists alongside degraded environments and educational underachievement. In order to achieve strong and inclusive communities, the region has been working on improving economic participation, regenerating the most disadvantaged areas and planning for sustainable communities.

Tourism is worth more than £8 billion annually to the South West economy. Annually 26 million visitors are attracted to the area by the high quality environment. This presents challenges in terms of a prevalence of low paid jobs and threats to the physical environment as well as the economic opportunity.

The situation will be different for each place. Differences are likely to be particularly dependent factors such as the inherent skills mix or entrepreneurial tradition of the population, business confidence, quality of infrastructure provision, and proximity to trading markets. Long term economic trends make differences in economic performance inevitable and these can and do change over time.

Rationale for Investment

Externalities / public goods: A 'public good' is a good which is both 'non-excludable' and 'non-rival'. Non-excludable means that you can't stop someone from using it, and non-rival means that one person's enjoyment of it does not detract from another's. Public space is an example pertinent to economic development. It is by its nature non-excludable, and it is (virtually) non-rival. The 'public good' nature of public space will mean that any private entities within, or adjacent to, that space will not wish to invest their private funds in improving it since they will not receive the full benefits of that investment. For example, a shop will probably not invest £10,000 improving the public space outside their shop if it would only increase sales by £5,000 (i.e. a 'poor investment' in a private sense). However many people could enjoy the public space for many years to come (making it a 'good investment' in a societal sense). Public money is therefore used to subsidise the improvement of places.

Coordination failure: Even if individuals or businesses were willing to invest in the success of their area, for example in relation to a public good, they may still need to overcome coordination failures. Many different types of beneficiaries may need to work together which could be hampered due to high costs of co-ordination or asymmetric information. This provides the argument to say that a single body should coordinate the regeneration of a complex area.

Equity: Some areas are worse off than others. This is not necessarily due to a single market failure however public intervention can assist less privileged areas to help redistribute resources for equity reasons.

Lessons

- Places are made up of people, businesses and local environments. The complexity of investing in places should not be underestimated - it is generally not a question of resolving a market failure but making progress in areas with multiple problems.
- Improving places is a multi-generational task. Projects or programmes take a long time to set up and it takes a long time for the benefits to come to fruition.
- A particular challenge for public investment in localities is that the economy does not function in accordance with administrative boundaries, such as within local authority or regional borders. Projects should therefore consider and co-ordinate with neighbouring geographical areas.

Area Regeneration

Renewing the physical fabric of a place improve the prospects for people and businesses in the community. This improvement may be achieved by creating confidence in a place, or meeting the practical needs of the area. Funding from South West RDA has been essential in promoting the regeneration schemes, leveraging in funding, and making private investment a more appealing proposition for the companies that will undertake the construction of new housing and employment space.

Urban Regeneration Companies (URCS)

The Urban Regeneration Companies, partnerships between public and private organisations, sought to achieve a radical physical transformation by creating and implementing a shared vision for the area, in a way that could not be achieved through individual ad hoc decisions. The South West URCS were all set up in areas where the socio-economic statistics show relatively high levels of disadvantage and deprivation, namely Swindon, Gloucester and Camborne, Pool and Redruth.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Urban Regeneration Companies</p> <p>Each URC produced a masterplan which reflected the challenges of the area. The plans identified key geographical areas and identified uses and projects to deliver transformational change. Some addressed specific issues or opportunities in the URC area. For example, the use of heritage assets in Gloucester.</p>	<p>At the time of evaluation the majority of projects are currently in the implementation stage rather than the completed stage therefore achieved outputs were relatively low. However, the potential future benefits in a number of cases (such as Union Square in Swindon) are expected to be significant.</p> <p>South West RDA has provided substantial funding to projects but importantly it also contributed significant strategic added value. It has helped to inspire confidence and attracted more private and public sector funding to the areas than would otherwise have been the case. In addition, it has brought forward projects that would not otherwise have come forward in the time or to the quality standard seen.</p>	<p>Undoubtedly it has taken much longer to get projects to the delivery stage than was originally expected. This appears to be due to a number of reasons. The URCS themselves took some 12 months to become established and did not 'hit the ground running' as expected. The masterplans, whilst visionary documents for the physical regeneration of the areas, did not appear to be tested against: funding partners' budgets and business plans; market demand; the staff competency or capacity of the URC and founding partners; planning and other delivery issues; or overall realism of the timescales.</p> <p>Such large scale regeneration schemes take many years and substantial public sector support. Without continued public sector support it is likely that a number of projects in the early implementation stages will fail to deliver once public funds are withdrawn.</p>

Public Realm

Public realm projects seek to improve attractiveness and appearance of the town centre to increase business and consumer confidence in the area for example pedestrian access (footpaths), and improvements to streetscape (lighting, landscaping, street furniture, etc).

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
Tiverton Pannier Market	<p>The project provided new market space, community facilities and improved links to the main shopping area. The works renewed and restored the building, reinstated historic 'enclosure' for the market, constructed modern complementary retail space and improved lighting design for safety and sustainability.</p> <p>Using the aggregate responses from across a number of different public realm projects an average of a 1.46% rise in employment was found for neighbouring businesses.</p>	<p>The measurable impact of public realm investments is likely to be small as they are spread thinly across a number of beneficiaries, and build slowly over time. From a survey of stallholders at Tiverton Pannier Market it was clear that other influences, such as the building of a supermarket nearby, can have effects that substantially outweigh the benefits of public realm improvements.</p>

Other Example Projects

- Weston Civic Pride
- Penryn Townscape Heritage Initiative
- Bristol Harbourside
- Symes Avenue, Bristol

Community-Based Regeneration

The South West RDA sought to build strong and inclusive communities. Community-based regeneration aimed to enhance the quality of life of local people in areas of need, tackling the causes of deprivation and exclusion and seeking opportunities for sustainable growth.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Single Regeneration Budget</p> <p>SRB sought to reduce the gap between deprived areas and other neighbourhoods. Acting as a flexible funding supplement, it ensured resources were available for local partnerships to deliver projects tailored to local circumstances.</p>	<p>The evaluation evidence shows that in gross terms the SRB programme in the South West created 4,031 jobs, of which one-third were in Plymouth, and safeguarded a further 8,040.</p> <p>SRB in the South West led to 49,039 people gaining qualifications, again a large proportion of which took place in Plymouth as a result of the Working Together for a Better Future scheme.</p> <p>Communities will have felt significant benefits from the diverse outcomes, including the creation of thousands of jobs, the businesses that were supported, the people that were trained, the community facilities that were built, the land that was reclaimed, and the areas that were regenerated.</p>	<p>SRB funded a huge variety of projects, from very small-scale training programmes through to major urban regeneration projects. This approach proved to be both a strength and a weakness. On the one hand it allowed local partnerships to target funds at those problems specific to their areas.</p> <p>However, it also meant that SRB as a spending stream arguably at times lacked coherence and focus.</p> <p>Where partnerships were not so successful, there were often difficulties in getting the formal structures functioning smoothly and in getting the balance of participation right.</p> <p>Engaging with the private sector was a consistent challenge for partnerships – the reported bureaucracy of SRB processes may not have helped in this regard – and there was a tendency for partnerships to be dominated by public and voluntary sector groups.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • 'The Way Ahead' 		

Infrastructure

Distance to markets and connectivity is a significant factor to economic success. In order to compete globally and accommodate future growth, the RDAs invested in improving transport and digital infrastructure.

Planning

The Regional Economic Strategy and the South West RDA's Corporate Plans worked alongside the Regional Spatial Strategy, which provided the steer for developing transport infrastructure schemes.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Regional Infrastructure Fund</p> <p>RIF was a mechanism for forward funding developer contributions to infrastructure projects that are required to support growth. RIF will recoup its investments through scheduled S106 payments as developments come on stream.</p>	<p>Each RIF investment forward funded a piece of infrastructure. The early delivery of the infrastructure impacts upon future development by de-risking it in planning and by reducing up-front site development costs. RIF can also facilitate innovative and substantially cheaper infrastructure solutions. For example, the Longrun Farm flood relief scheme investment now enables development in the town centre to come forward without expensive on-site flood mitigation.</p> <p>The impact of the RIF can also be seen by its adoption elsewhere in the country and through references by government. Including the Chair of the BIS Committee examining the new LEPs (October 2010).</p>	<p>Early engagement with Central Departments was important. Regular engagement with Local Authorities through the Key Areas Group and the Business Planning process was also beneficial to development.</p> <p>There was, and continues to be, widespread confusion about the Planning Obligations system.</p> <p>The RIF concept was relatively simple. Keeping options open early in its development allowed the RDA to respond to the economic downturn, investing directly with private sector partners rather than through Local Authorities.</p>

Other Example Projects

- North Bristol Transport Group
- Supporting the Regional Spatial Strategy

(Digital) Connectivity

At a relatively modest cost (compared to those required for transport infrastructure) digital infrastructure projects, such as improving broadband networks, can overcome the economic barriers associated with peripherality.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>ACTNOW</p> <p>A project to ensure the business benefits from broadband technology and connectivity are maximised.</p>	<p>Over 1,700 businesses have connected to broadband through ActNow contributing to the unrivalled rural take-up rate in Cornwall.</p> <p>Outputs include net additional jobs created 46; net additional GDP safeguarded £1,062,600; net additional GDP created £2,125,200.</p>	<p>The business support, in particular, for which the South West RDA funding is requested, has proved to be instrumental in facilitating the take-up and success of broadband facilities which directly leads to the outputs being realised.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • Intra-Regional Connectivity • Next Generation Broadband 		

Master Planning

The South West RDA has supported a variety of visionary and masterplanning exercises. Working with county, town and parish councils, representatives from business and the local community we have sought to create a vision for well connected, high quality local environments. For example the South West RDA has supported the regeneration of Weston-Super-Mare which contains two Super Output Areas in the top 5% most deprived in England.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Weston Vision</p> <p>Weston Vision aimed to deliver large scale high quality employment space and housing to help re-establish Weston's commercial position in the region.</p>	<p>Weston Vision enabled the preparation of an area-wide strategy for the regeneration of Weston-super-Mare, as well as the preparation of an Area Development Framework (including an economic strategy, a Strategic Environmental Assessment and a marketing and branding campaign), master planning for the Locking Parklands site.</p> <p>Feedback has suggested that the overall image and reputation of the area had improved.</p> <p>Alongside South West RDA investments on public realm, Weston Vision has generated momentum behind a number of emerging town centre proposals.</p>	<p>Local residents feel strongly that they were not consulted early enough and that the timescale for comments was too short, although it is acknowledged that significant effort was put in to make the consultation appear fair. Residents, who put significant work into the consultation at private expense, suggested a deeper and wider consultation could be conducted through the local press rather than at single public meetings.</p> <p>Key stakeholders believe without South West RDA regeneration would have gone ahead but would have been smaller scale and would have been undertaken over a long time period. It would still have been governed by the economic climate and would probably have been delivered in smaller phases and not on the same scale as has been achieved with South West RDA intervention.</p>

Rural

The South West has always recognised the importance of the natural environment to the economic success of the region. Economic activity in rural areas is no longer dominated by the land-based sector in terms either of GDP or employment. The occupational profile of most rural areas is diverse with roughly even rural / urban pattern of business types. The need for rural regeneration was further heightened by the disruption and damaged caused by the Food & Mouth Disaster in 2001.

Rural Economic Partnerships

Several rural investment programmes have been funded by the RDA and managed by local partnership. The schemes have sought to tackle long term problems, particularly in the less accessible areas, as well as act on immediate and acute issues. The programmes were largely a response to policy and opportunity rather than clear market failures. The relative economic weakness of a minority of “lagging” rural areas meant that there was also a social equity motivation for the investment.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Rural Renaissance Initiative</p> <p>One of South West RDA's main rural regeneration initiatives and a delegated investment programme for economic development projects in rural areas in the South West.</p>	<p>As of December 2007 investment through Rural Renaissance Partnerships in the South West contributed 989 net additional jobs created or safeguarded totals, contributed £39.2m in value to the region's economy. This compares favourably to the £16.58m South West RDA investment through the partnerships.</p> <p>The types of business outcomes already produced include improved turnover, new products and services, supply chain development, and productivity gains. Individual outcomes include moving into employment and further training.</p>	<p>Clarity is required on the likelihood of follow-on programmes to avoid losing some of the regeneration capacity and to inform decisions about the value of investing in new structures. Establishing new delivery structures requires considerable resource therefore the costs of creating new structures is likely to adversely affect the value for money of impact.</p> <p>A lack of active private sector members in some Partnerships has meant they have needed to work to identify and then create the types of projects they need to deliver the outputs required. This can lead to an impression of lack of transparency.</p>

Other Example Projects

- Local Action Groups
- Modernising Rural Delivery
- Rural Development Fund

Land and Property

The spatial characteristics of the South West require a balance of the needs between the prosperous and deprived areas. The two key focuses of sites and premises projects have therefore been in Cornwall, which received Objective 1 and Convergence funding, and in deprived areas in key towns and cities in the region such as Bristol, Plymouth and Taunton.

Workspace

National government policy has had a focus on enterprise in deprived areas. Evidence showed that significant disparities existed in levels of business creation between deprived and more prosperous areas. Our investment in workspace aimed to provide the facilities to boost business creation and growth.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Torbay Managed Workspace</p> <p>The Torbay Managed Workspace project invested in two innovation centres, providing accommodation for a range of SME business.</p>	<p>The evaluation found that the project had created 38 net jobs and net additional GVA of £1,318,638 per annum. The GVA return to cost ratio, although below average for an RDA project, exceeded the level of investment at £1.20 for every £1 spent.</p>	<p>The GVA impact was not higher because the centre did not attract enough of the sorts of businesses that had capacity for high growth. Typical sectors were accountancy, recruitment, cleaning services etc, and few of these were start-ups, with fewer than 12% of them less than one year old. This highlights an underlying uncertainty about exactly what constitutes an innovation centre and what sorts of businesses they should accommodate.</p> <p>The meaning of innovation should be more tightly defined and understood in future similar projects – “any process that is adopted by any type of business to make it substantially more productive” is too broad.</p>

Other Example Projects

- Enterprise Pavilion (Arts Institute Bournemouth)
- Spike Island, Bristol

Green Construction

50% of our carbon emissions come from the construction and operation of the built environment. The South West RDA has incorporated green practices into our projects and also funded projects that directly influence green construction practices.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>Genesis Centre A £2.5 million, award winning, educational resource at Somerset College of Arts and Technology (SCAT) in Taunton, and the use of the Centre to develop sustainable construction education and training.</p>	<p>The total number of users of the Centre has been high at more than 10,000 per year.</p> <p>Operational expenditures are estimated to support net annual employment of 5 FTE jobs and regional GVA of £0.2 million.</p> <p>The courses the centre provides benefit participants but individuals find it difficult to identify and specify impacts due to the short term duration of the courses.</p> <p>Genesis building is inspirational and the standard of finished workmanship is very high.</p>	<p>At the time of evaluation Genesis was unable to provide detailed data on energy consumption and production. This raised serious concerns about Genesis's role as a demonstrator of sustainability issues.</p> <p>The evaluation concluded that there was a high degree of additionality associated with the outputs of the Genesis Project i.e. the net effects represent a high proportion of the gross effects. It is therefore very unlikely the project would have proceeded without South West RDA funding.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • Constructing Excellence SW • Future Foundations 		

Decontamination

Site remediation costs creates large cost-value gap. Development of sites provides the opportunity to render it suitable for industrial / commercial use. Investment in decontamination and remediation creates confidence in a site and the surrounding area and private development will be attracted thereafter.

Example Projects	Outputs, Outcomes and Impacts	Questions, Lessons and Challenges
<p>North Dorset Business Park</p> <p>The acquisition of 3 plots of brownfield land and the development of 11 units that would be made available to local businesses.</p>	<p>The £52,500 per annum rent set against the capital value of the asset of £740,000 gives the Agency a rental yield of approximately 7.1%. With industrial property yields tending to remain in the range of 5%-8% (with an average nearer 6%) – this represents a good level of yield return.</p>	<p>The level of information received from the current output monitoring reports is basic. Whilst providing some job creation details, there is little further information upon which to base even a partial evaluation of the project. Whilst recognising that the level of returns could be adversely affected by requiring a greater level of information from businesses, business performance data would be useful.</p> <p>There could have been closer mechanism between South West RDA direct development projects and business support services.</p>
<p>Other Example Projects</p> <ul style="list-style-type: none"> • Morlands 		

Chapter Five

Learning About Learning

This section sets out some key learning points about the evaluation process, reflecting on the experiences of evaluation within the South West RDA. It does not discuss policy or impact conclusions from evaluation these can be found in Chapter Four 'What We Have Learnt'.

This section includes:

- Timing
- Attribution
- Quantifying impact
- Consistency
- Learning & dissemination
- How much?
- Resources

Timing

Quick enough to learn and improve – but late enough to fully measure impact

Our evaluation strategy and programme sought to “prove and improve” our impact. Getting the timing right to meet both objectives has been problematic. Evaluate too soon and the impacts may not have come to fruition, evaluate too late and memories may have faded or the opportunity for learning passed.

The RDA was faced with the additional difficulty of evaluating a range of different project types with differing profiles of impact. For example, physical regeneration projects take many phases to complete and as a consequence the impacts may be delayed, but then accrue for many years. It is therefore unlikely that impacts will be measurable soon after project spend has been completed. This was particularly highlighted in the [‘Impact of RDA Spending’ Report](#), where quantifiable impact for place-based physical regeneration projects was considerably less than for ‘business’ and ‘people’ interventions which tended to have a more immediate and shorter impact profile. Comparison across different project types and their impacts was fraught with difficulty. However, it did allow the RDA a better understanding of which projects had a more immediate impact. This provided evidence for the government response to the economic crisis, to focus on projects with a short to medium term.

The long period of time before impacts mature is not necessarily limited to physical place based projects. For example, encouraging the uptake of STEM⁶ subjects with school children is part of a very long term strategy and the impacts of these investments will therefore be difficult to measure.

Evaluating late enough to prove impact needs to be balanced with the need to maximise the learning from evaluation. If there are to be further project phases, the evaluation from learning would be most beneficial alongside ongoing project development.

Attribution

Sometimes our effectiveness was about more than just the money we invested.

The RDA routinely worked with public and private sector partners to jointly deliver projects in the region. In some cases we played a catalytic role to bring partners together to initiate or increase the scope of projects. However, this leadership role is not easily proven. The ‘Impact of RDA Spending’ report used the formulaic approach of apportioning estimated impacts amongst the public sector funders according to their financial contribution (in some cases apportioned by the private sector funding too). We have consistently believed that this undervalued the contribution of an organisation, particularly if they were instrumental in making a project happen. In addition to this, the full impact of a project may be underplayed if only apportioned impact is reported, as was the case in the ‘Impact of RDA Spending’ Report.

Fundamentally this evaluation approach differed from that used at a project appraisal stage where the merits of an RDA investment were considered on a whole project basis, rather than apportioned by funders.

Quantifying impacts

It’s about much more than ‘a number’ – consider the added value

We believe that boiling impact down to one estimated economic impact number does not necessarily illustrate the wider impacts of projects. Although useful as an indicator of value for money, it may not fully capture the full benefits.

The finding that £4.50 GVA was created for every £1 of RDA funding was an important finding and the best available estimate at a national level. However it, and other similar figures, should be interpreted with care. Quantifying impacts appears to allow easy comparison between projects and areas even though they may be very different with a range of differing aims or objectives. When comparing metrics, consideration should always be given to the methodology used to calculate the figures. Whilst the 'IEF' set a minimum standard for evaluation to meet, there will inevitably be inconsistencies in approach which may lead to different findings. It is worth considering whether different results could reflect differences in evaluation approaches as much as actual differences in project impacts.

Additionality

The IEF places an emphasis on understanding what would have happened without the intervention and how well the project has reached its target beneficiaries. A series of adjustments are made to the total observed change - the gross impacts - to estimate the net additional impact of the intervention. Applying each factor of additionality in order to identify net additional impact is a fundamental requirement of the IEF.

Gross Impacts	Example*
	Gross increase in turnover £1,151,893
Deadweight: outputs / outcomes that would have been secured anyway	Less deadweight of 55% $£1,151,893 \times 0.45 = £518,352$
Leakage: outputs / outcomes that benefit those outside the target area	Less leakage of 5% $£518,352 \times 0.95 = £490,352$
Displacement: outcomes offset by reductions elsewhere	Less displacement of 40% $£490,352 \times 0.60 = £294,870$
Substitution: substitution of an activity to benefit from Government assistance	Less substitution of 2% $£294,870 \times 0.98 = £290,208$
Multiplier: Further benefits from additional income & supplier purchases	Apply multiplier 1.35 $£290,208 \times 1.35 = £391,369$
Net additional impacts	Net impact £391,369 net additional turnover

*Example adapted for illustrative purposes from the Interim evaluation of Business Link services in the South West (2009), page 72

Strategic Added Value

Strategic Added Value (SAV) provides a framework to analyse the contribution of RDAs over and above project and programme spend. We found that this was hard to measure but was worth describing – as it provided a useful way of capturing the wider benefit of our role.

SAV Function	Explanation
Leadership & Catalyst	Articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders
Influencing	Generating commitment and activity towards shared objectives
Leverage	Financial and other incentives to mobilise resources (equipment, people, funding)
Synergy	Improving information exchange and co-ordination between partners
Engagement	Engaging stakeholders in delivery of regional and sub-regional programmes

It is also important to understand how measurements are calculated and displayed. For example, if estimates of impact are given as annual or cumulative and if and how forecast future benefits have been included. All factors will affect the headline figures which will become often quoted.

Consistency

If you want to compare - then you need to use consistent methods

The methodology for assessing impacts improved and increased in rigour over the years of the RDA evaluation programme. This was initially driven by the quality required to input into the 'Impact of RDA Spending' report and the need for consistency across the RDA network.

The consistency between the RDA evaluation approaches remained an issue even after the publication of the 'IEF Plus', a more prescriptive approach to impact evaluation. This stemmed from both how the evaluations were set up i.e. whether they were evaluations of individual projects, programmes or 'bundles' of similar projects and whether the focus was on proving impact to stakeholders or informing investment decision making.

Learning & dissemination

Headlines are useful – but there can be rich learning in the detail

Managing the evaluation with a steering group was perhaps the most effective way to disseminate learning from evaluation, as well as ensuring 'buy-in' from the project team. Those who participated in the evaluation process, such as the RDA case officer and the project partners, were able to feedback in an open and constructive environment. They could collectively face sometimes challenging questions about how the project's activities could maximise impacts for the benefit of the region.

Dissemination of findings to those outside the steering groups was less effective. We committed to making as much information publicly available and routinely published reports on the internet. Due to the requirements for methodological robustness and analytical detail many reports were long and not easy to quickly interpret. Executive summaries were produced for each report, as well as one-page summaries (see below) which were considered useful although fairly high level.

Evaluation of International Trade

Description of Project and Rationale
The Agency's investment in increasing exports from the region intends to enhance the activities of UK Trade and Investment (UKTI). This has been through an extension to the existing UKTI 'Passport to Export' programme to encourage and develop the skills of businesses in key regional sectors who were new to exporting. Market failure arises from information asymmetries and network externalities.

Objectives

- To extend the regional Passport to Export programme to cover key RES sectors, such as marine, aerospace and automotive
- To support 365 SMEs, new to international trade, in developing their export markets between 2004 and 2009
- To improve exporting confidence, ability and success among new exporters in key sectors, and deliver economic benefit to the region

Inputs

- £2.9m RDA expenditure – funding for extension of Passport Programme activities and salaries of extra ITAs
- £418,000 private expenditure levered

Activities
The Agency invested in promoting international trade through an existing UKTI product, Passport to Export. Additional International Trade Advisors were recruited to expand the support to SMEs in key sectors. ITAs provide on-going support including an initial visit, international business review, business action plan and post-project review.

Outputs

- Target of 1058 gross jobs created/safeguarded
- Target of 365 businesses supported
- Target of 300 skills developed

Outcomes

- Close relationship with ITAs has produced positive benefits, particularly through their detailed knowledge of specialist sectors
- Increased export activity
- Increased export values
- Accessing new markets

Impacts

- Net additional GVA
- Net additional jobs

BUSINESS– Internationalisation of business
Project Number: SWR00211
Project Case Officer: Ellen Stallins
Date of Project: 2004 - 2008
Evaluation Author: Consulting Inplace
Date of Evaluation: March 2010
Methodology: Beneficiary, non-beneficiary and stakeholder surveys
95% confidence interval of +/-10%

Key Targets & Achieved Outputs/Outcomes

- 192 gross jobs created
- 376 businesses supported
- 227 skills developed

Additionality Factors

Deadweight	80.8%	Substitution	3.3%
Displacement	5.9%	Multiplier	1.6
Leakage	1.4%	Persistence	5 yrs

Value for Money
The value for money delivered by the programme in GVA terms is high: £21 for every pound of RDA money invested. Within this overall figure, £11 has resulted from export activity alone. All but two of the surveyed supported companies suggested that they had been able to increase employment as a direct result.

Impact Findings

- £61m net additional cumulative GVA (2004-2009) including persistence effects
- 1,052 net additional jobs - the difference between the gross jobs reported and this result may be a cause of different interpretations of a 'job' (output claims use strict definitions), and the likelihood of persistent employment benefits occurring after formal support through the programme has ended.

SAV: There is little evidence of SAV within the Agency's investment in the Passport to Export programme. Essentially, the RDA funded an expansion of an existing UKTI programme, and played no other role in its strategic delivery. This has avoided any duplication of effort between the RDA and UKTI. What the RDA investment did deliver, aside from a scale increase in international trade support, was an explicit focus on strategically important sectors identified in the RES, and therefore a greater sense of strategic alignment between UKTI activities and the region's economic ambitions.

Key Lessons & Recommendations


Impact: The impact on businesses, and the regional economy in terms of jobs and GVA, has been very high. This suggests good targeting of businesses by the programme, efficient and constructive activity delivered through its activities and ITAs, leading to a demonstrable impact on business performance. Few of the companies had negative business experiences as a result of the recent economic downturn.

Policy: It is reasonable for an RDA to invest in a low additionality intervention, like Passport to Export, if the return on investment is high. This balance must be made on a case-by-case basis.

SAV: The Agency's SAV can be seen in the expansion of Passport to ensure its coverage of industry sectors of strategic importance to the region. The initiative has practically reinforced the way in which UKTI and the Agency collaborate on internationalisation activity.

Benchmarks	Cost per net job	Net additional achieved GVA	GVA return to cost ratio	Net additionality ratio	
Value for Money & Additionality					
International Trade	£2,757	£61m	£21:£1	28%	Excellent
Interim Evaluation of NWDA's Funding of the International Trade Programme	£21,333	N/A	£21:£1	44%*	Poor

*derived from data in the report



South West RDA

We also produced a number of Policy and Evaluation summaries which brought together our knowledge and understanding of particular issues. See Annex 1 for example.

How much?

It's not cheap to do it well – so you need to get maximum value from the work

Monitoring and evaluation can be very detailed and, in turn, be very costly. The requirement for highly robust analysis - as determined by the IEF - meant that our evaluations were often very detailed. Evaluation budgets need to be balanced against the requirement for proving impact and maximising the learning from the evaluation process.

At an aggregate level, the RDAs were required by BIS (then BERR) to evaluate 60% of their historical spend to the IEF standard. As a consequence, the RDAs' evaluation programmes were relatively costly. Whilst the whole exercise provided a rich evidence base, as we have previously noted, the reporting on a national level was largely limited to the quantifiable impacts and did not fully consider or analyse the wider policy conclusions. The benefits from spend on evaluation across the RDAs was therefore not fully maximised.

Resources

Getting to GVA: How to capture the GVA impact of your project

A toolkit developed by the South West RDA a toolkit to help projects monitor the GVA impact of their project.

www.southwestrda.org.uk/about_us/our_performance/evaluation/evaluation_legacy.aspx

Evaluation Invitation to Tender - Template

A 'model brief' for commissioning evaluation projects including the key questions an evaluation should seek to answer.

Monitoring for Evaluation Plan – Template

A template, based on logic chains, and guidance to help projects develop monitoring plans to capture project impact.

Evaluating the Impact of England Regional Development Agency a Methodology and Evaluation Framework

Also known as the "Impact Evaluation Framework" this document sets out the methodology for assessing the impact of RDA projects. This includes description of the different elements of additionality and a framework for measuring strategic impacts.

www.bis.gov.uk/files/file21900.pdf

RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework

Also known as the "IEF+" or "IEF Plus" the document builds on the Impact Evaluation Framework using the experience of the Impact of RDA Spending Report (March 2009). The IEF+ includes more prescriptive methodology for assessing impact and additionality to improve consistency between RDAs including consideration of persistence. www.bis.gov.uk/files/file54095.pdf

Appendix 1 Beneficiary Survey Methodology and Questionnaires

www.bis.gov.uk/assets/biscore/economics-and-statistics/docs/09-1560-rda-evaluation-practical-guidance-appendix1 includes example survey questions to assess GVA impacts and additionality.

Research to Improve the Assessment of Additionality

Captures and analyses the individual factors of additionality the majority of the evidence coming from RDA evaluations. www.berr.gov.uk/files/file53196.pdf

Evaluation Library

Impact of RDA Spending

In 2009, the then Department for Business, Enterprise and Regulatory Reform (BERR) commissioned Pricewaterhouse Coopers to lead a comprehensive evaluation of RDA activities. Working towards this report stimulated an increase in evaluation activity and standards across all RDAs. www.berr.gov.uk/files/file50735.pdf

The Green Book

HM Treasury Guidance on appraisal and evaluation of policies, programmes and projects.

www.hm-treasury.gov.uk/data_greenbook_index.htm

Chapter Six

Evaluation & Research Guide

Research Reports Guide

As the body previously responsible for leading economic development in the region, it was fundamental for the South West RDA to understand how the economy functioned and what could be done to improve its performance.

The Corporate Research Programme (CRP) was one of the resources by which the regionally significant, strategic research needs of the South West RDA were managed. The aim of the CRP was to steer the development and implementation of the Agency's Corporate Plan, Regional Economic Strategy and a range of investment activities through the provision of coordinated and robust research. In many instances, the RDA worked collaboratively with partners, leveraging in other funds and providing resource to better understand particular research questions.

Many of the findings of the research will remain relevant today and into the future.

From understanding why our productivity gap persists, to improving our trade performance through to understanding the implications of potential defence spending cuts, many issues will be as relevant tomorrow as when the original research was commissioned.

Agency 'research' had two distinct components: evidence and understanding. The 'evidence' was the data and intelligence about what is happening, or has happened, in the region. The 'understanding' was the process of using research findings to determine what could or should be done: evidence-led policy making. Collectively the CRP was about developing and underpinning the RDA's strategic approach, but individual research projects were tailored to specific actions or interventions, ranging from basic evidence gathering to testing new ideas.

Research reflected the region's aims and aspirations at that time. This encapsulated issues such as understanding more about functional economic areas through to the development of a low carbon economy. The aim of each piece was to fill gaps in our collective understanding.

The Research

Agency 'research' had two distinct components: evidence and understanding. The 'evidence' was the data and intelligence about what is happening, or has happened, in the region. The 'understanding' is the process of using research findings to determine what could or should be done: evidence-led policy making. Collectively the CRP was about developing and underpinning the Agency's strategic approach, but individual research projects were tailored to specific actions or interventions, ranging from basic evidence gathering to testing new ideas.

Corporate Research Resources

Business

- **Review of the Business Incubators of the South West**
A two stage study assessing the potential of the knowledge base in the South West and the supply and demand factors likely to influence the development of incubation and science park facilities.
- **Review of Business Services**
Updating previous business support review to provide an analysis of the competitiveness of SW businesses, demand and supply of business support, and key issues and design principles relating to a business support framework for the region.
- **Evaluation of the Effectiveness of Coaching Support for High Growth Businesses**
Evaluation of the effectiveness of publicly funded coaching support for high growth and growth potential businesses in the South West to inform the development of a high growth coaching strategy and action plan for the South West.
- **Low take-up of ICT and Development of an ICT Toolkit**
The second large scale survey of business use of ICT. Commissioned in support of the Connecting South West broadband project.
- **South West Large Organisation ICT Research: Impacts, issues and intentions 2008**
2008 research to achieve an understanding of the impact of different ICTs on business activity and productivity, the barriers large organisations face in optimising the use of different ICTs, and current intentions in relation to ICT.
- **South West Business Support Needs**
Bringing together existing data to produce a powerful summary analysis of business support needs in the region.
- **Financing UK Small and Medium-sized Enterprises - 2007 Survey**
Boost of the South West sample of the 2007 SME Finance survey. Over 500 businesses with fewer than 250 employees in the region were surveyed during the period of decelerating growth of the economy and the emergence of the problems at Northern Rock.
- **Meeting the Trade Challenge - Export Performance Report**
Study of the export performance of businesses in the region including a detailed picture of performance relative to the rest of the UK, key determinants of levels of performance at a regional scale and whether or how the picture has changed over time.

Economics

- **Understanding and Improving Productivity**
Analysis of the productivity gap in the South West as compared with other regions and nations. Identification of factors contributing to low productivity.
- **Meeting the Productivity Challenge**
Investigation of the effectiveness of different RDA / public sector interventions on improving the five drivers of productivity.
- **Meeting the Productivity Challenge 2: Update 2006**
Taking previous work forward in time and down to sub-regional level. Key messages are the same: inter and intra regional productivity gaps reflect differences in capital investment, organisational structure, skills, and time distance / competitiveness.
- **Knowledge Driven Economy**
Current views, definitions, scale and characteristics of, likely future growth and structure of the knowledge driven economy. Recommendations on how the RES & RSS can support future growth.
- **Globalisation and the South West**
Three strands of research covering the impact of globalisation, the capacity of the regional economy to meet globalisation challenges and the options for intervention.
- **Impact of ICTs on the South West Economy**
An assessment of the impact of ICT on clusters and sectors of the region's economy, indicating which ICTs are likely to be most important and have the most impact; how it impacts firms, examples of best practice and what barriers might be faced.
- **UK Recession Scenarios: Impact on South West Sectors and Places**
Scenario analysis looking at three possible recession scenarios for the region to explore, in advance, the possible effects of the economic downturn - named "baseline", "worse" and "adverse".
- **2008-10 Measuring regional progress: regional index of sustainable economic well-being (R-ISEW) for all the English regions**
The Regional Index of Sustainable Economic Well-being (R-ISEW) is alternative measurement of economic progress, monetising environmental and social considerations alongside economic indicators.
- **What does firm level productivity data tell us about agglomeration and spill-over effects?**
Research to identify empirically whether there are spill-over effects (which may be positive or negative) from primary urban areas in the South West to their surrounding areas.
- **Various UK Regional Economic Trends Survey**
A report of a Survey of Business Support commissioned on behalf of the CBI and RDAs. Includes cross-regional comparisons and highlights regions performing particularly well (or badly) on aspects of Business Support.
- **2003-09 SW Global Entrepreneurship Monitor (GEM)**
This research looks at 'Total Entrepreneurial Activity' across the South West and on a European level. Regional analysis includes attitudes to entrepreneurship and potential barriers to entrepreneurial activity.
- **2003-09 RDA National Business Survey**
The Agency - along with all other English RDAs - conduct a six monthly survey of businesses in the region. The survey is undertaken by IPSOS-MORI and encapsulates 400-500 businesses in the region.
- **2009-10 Purchasing Managers Index**
Sponsorship of the regional Purchasing Managers Index (PMI), that provides the first indicators of economic conditions each month, based on the responses from purchasing executives in private manufacturing and service sector companies.

European

- **Impact of Common Agricultural Policy (CAP) Reform**
Analysis of proposals for the reform of the Common Agricultural Policy (CAP) and the potential impacts on the South West rural and regional economy. Includes a brief history on the CAP and commentary on why CAP reform has become necessary.
- **Impact of EU Enlargement**
Analysis to inform the Agency's view of the opportunities and threats associated with EU enlargement to South West business and inward investment. Following and drawing on existing work by other RDAs.

- **Impact of the EU INTERREG programme in the SW**
Preparation for EU structural funding (2007-2013) including a review of current INTERREG projects activity in the SW, assessment of the added value of and gaps in the current project activities and recommendations that will inform future developments.
- **Integrating Low Carbon into the Structural Fund Programmes 2007-2013 in South West England**
Expert advice to better understand the definitions and the potential for delivery around the concepts of carbon neutrality.
- **Cohesion post 2013 – towards low carbon regional policy**
Research and analysis to support the post 2013 Cohesion debate within the region in order to establish what changes could maximise the impacts of European Cohesion Policy in supporting the transition to a low carbon economy.

Infrastructure

- **ICT Research Preparation**
Preparation of survey, analysis and evaluation of the current use of ICT within the region. Includes a detailed methodology with which to proceed.
- **Intra-regional connectivity**
Commissioned to support work on the Regional Transport Strategy. It provides answers to some of the gaps in knowledge, identified in response to consultation on spatial options.
- **Property Intervention Report**
Investigation of the causes and extent of the cost-value gap in land and property development in the South West in order to steer future Agency policy and activity.
- **The Demand and Supply of Employment Land, Sites and Premises in South West England: RES Delivery Through RSS**
Assessment of supply and demand of employment land, sites and premises 2006-2026 to inform the debate around rural issues for the Examination in Public, Spring 07; informing development of the RSS in ensuring rural communities are the home of jobs as well as residents.
- **People, Places & Spaces**
People, Places and Spaces is about a 'joined up' approach to cultural infrastructure. It looks at cultural initiatives of such scale and ambition that they lie beyond the reach of a single agency, providing opportunities for inter-agency collaboration.
- **Next Generation Access Broadband**
Research to analyse and document the distribution of the potential demand for faster broadband, matching this to existing and potential next generation access supply across the region.
- **2004-05 business uptake, understanding and awareness of ICT and Broadband**
Building on preparatory work completed early 2003, an investigation of the extent of virtual operations within South West businesses. Establishing potential benefits to improved competitiveness and a guide to future RDA investment and policy.
- **High Speed Rail**
Research looking at potential employment impacts of High Speed Rail (HSR) and rail electrification on the region, how this can support growth and/or potentially distort market competitiveness and location of growth.

Places

- **Economic Assessment of Bristol Port**
Economic assessment of Bristol Port to help provide an improved understanding of its role and contribution to the local and South West regional economy.
- **Bristol Container Port: Economic Impacts and Value to the Region**
Assessment of wider business development opportunities arising from proposed new container port.
- **Planning for your community: a sourcebook**
A practical sourcebook offering guidance to help communities with capacity building and Community Strategic Planning stages of their engagement with the Market & Coastal Towns initiative (MCTI).
- **The Way Ahead: supporting the South West to deliver sustainable urban extensions**
Research to create a Sustainable Development Framework to ensure that any potential disparity between sustainable development theory and its implementation at project level is narrowed and ultimately eliminated.

- **South Bristol Delivery Framework**
Research into a framework for development in south Bristol to support the Agency's statutory planning role and to help inform decision making on the future economic and related physical structure of the area.

Public Sector

- **The Regional Impact of Increased NHS Funding in the South West**
Analysis of potential opportunities from increased spending on the NHS in the South West. Identification of potential opportunities for businesses in other regions to invest in the South West, which may arise from extra spending in the South West.
- **The Effect of War in Iraq on the Economy of the South West**
Report on the possible impacts of the Gulf War on the regional economy. Includes analysis of possible effects at national, international and regional level and highlights opportunities and risks for key sectors, including aerospace and tourism.
- **Priority Locations in the South West Region for Public Sector Relocation**
Work to inform the Agency's response to consultation on moving public sector workers to the regions. Includes an assessment of possible sites/locations and government departments/agencies most appropriate to relocate to the South West.
- **Military Presence and Economic Significance in the South West**
Research investigating the economic impacts of defence spending in those areas of the region with a significant military presence.

RDA Operations And Strategy

- **Statutory Consultee Status: implications for RDAs in the Planning System**
Analysis of the implications of RDAs' statutory consultee status for planning applications. Includes exploration of the numbers, type and location of past and potential future planning applications of significant economic impact.
- **Review of SWRDA's Statutory Consultation Role in the Planning Application Process**
Review of the RDA statutory consultee role in the planning application process and how this could be improved to support delivery of the RES. The review also considered current consultation arrangements and practice elsewhere.
- **Initial Environmental Review of South West RDA Operations**
The project provides an initial Environmental Review and Scoping Study - to provide the RDA with a framework for the subsequent development of an Environmental Management System consistent with the requirements of the EMAS 2 regulations
- **Scenarios 2026**
Four scenarios designed to stimulate, guide and inform strategic thinking about the future of the South West Region, providing a methodology for dissemination, visualisation and regional training.

Rural

- **The Environmental Economy in the Rural Areas of South West England**
Framework for activity that creates jobs and economic opportunities that draw from, but help to sustain and enhance, the natural environment of the rural areas. Examined in two phases: economic benefits and a framework for evaluating economic impact.
- **Regional Livestock Markets Research**
Critical examination of the capacity and demand within the livestock industry for regionally based livestock markets. Includes mapping existing markets, strategic analysis of RDA involvement in livestock markets and a review of State Aid regulations.
- **Rural Research in the South West of England**
Research into rural areas of demand and capacity, a review of recent research in rural areas and identification of rural priorities for the region to help provide a coherent rural research agenda and a peer review mechanism
- **Capital for Communities: Accessing Finance, Property and Skills for Rural Enterprise**
Investigation of learning points from the implementation of business and community development products. Includes analysis for closer integration between these products and Business and Rural Development initiatives managed by the RDA and partners.

- **Rural deprivation in the South West**
Data analysis providing detailed profiles on deprivation in every small town settlement to isolated dwelling in the South West. Building from the Index of Multiple Deprivation to give a true indication of the extent of deprivation in rural areas.
- **Low Carbon Rural Economy**
Comprehensive overview of existing literature and range of low carbon activities to identify the opportunities for the economy of the rural South West and to begin to assess the implications of further development of possible activities.

Sectors

- **State of the Key Sectors - Volume 1 & 2**
Detailed and robust analysis of the regions priority sectors. Includes recommendations on how the RDA and partners can improve the effectiveness of activity to increase business competitiveness through support of the key sectors.
- **The Spatial Dynamics of Change in the Region's Key Sectors**
Spatial characteristics and dynamics of key and emerging sectors over the next 20 years. In particular, how the future growth of the sectors can be supported through the provision of strategic employment sites, transport infrastructure and housing.
- **Sector Cluster Maps - various**
Strategic industry maps for ICT, Aerospace, Creative Industries, Bio Med, Environmental Tech / Renewables, depicting the structure of the sector diagrammatically.
- **New Industry, New Jobs - various**
South West RDA led cross-RDA research activity looking at where areas of expertise and excellence in the New Industry, New Jobs (NINJ) technologies currently exist.
- **A Review of the Sector Approach as a Tool to Improve Business Competitiveness**
Objective assessment of the Agency's current approach to sector development. Includes options for future policy and activity and recommendations for improvement on how the RDA develops, manages and evaluates work to improve business competitiveness.
- **Financial Services Study**
Identification of opportunities within the region to market to the financial services investment community. Development of the South West's profile as a competitive region for financial service companies to locate and develop.
- **Financial and Business Services in the South West - Draft for discussion**
Assessment of the financial services sector in the region including the scope for public sector intervention to improve productivity growth and highlight opportunities for sub-regions that don't currently have strengths in financial services sector.
- **Farming & Food: a sustainable future – working papers 1 & 2**
Investigating potential implications of the Curry Report on the future of farming for the South West rural economy. Recommendations from the Curry report formed the basis for Strategy for Sustainable Food and Farming in England Autumn 2002.
- **Socio-Economic Baseline Study of the South West Fishing Industry**
This study provides a socio-economic baseline and audit of the South West fishing and associated industries to inform RDA regional fishing strategy in support of the regeneration of coastal towns and declining sectors.
- **Migrant Workers Within the Food and Drink Sector**
Increasing numbers of migrant workers have been entering the Food & Drink Sector in recent years. This research provides further understanding of the issues relating to this development in the Region.
- **Feasibility Study for a Biotechnology Incubator in the Bristol / Bath Area**
This independent assessment examines whether a bio-technology incubator is viable for the Bristol/Bath sub-region and provides an analysis of the potential economic impact.
- **Regional Mapping and Economic Impact Study of the Creative Industries**
Research of creative industries in the region and the individual sub-sectors' contribution to the economy. Includes an assessment of the 13 sub-sectors and a specific assessment of the Crafts, Design, Music and Performing Arts sub-sectors.

- **Tourism Strategy Research - various**
Research contribution to refreshing the regional tourism strategy Towards 2015 evidence base, looking at three distinct areas; success of 'Experience' branding, non-visitor survey information and a review of actual bed-stock in the region
- **Iconic Tourism Projects in the South West of England**
An objective assessment of the net economic impact and economic viability of existing large scale and iconic attractions in the South West with recommendations to whether and how SWRDA should seek to encourage large scale and/or iconic attractions.
- **Aerospace Training South West**
This study explores the skills and training issues of the Aerospace sector and brought employers and stakeholders together to discuss the identified barriers and gaps whilst exploring the opportunities for collaboration.
- **Economic role of the civil and defence Aerospace sector in the South West**
Research in order to better understand the economic value, role and contribution of the civil and defence aerospace sector to the South West regional economy.

Skills And Employment

- **The Modern Apprenticeship programme in the south west**
Understanding the role of Modern Apprenticeships (MAs) in the South West economy. Identification of key MAs and their lifecycles, destinations of MA graduates and value added. Analysis of gaps and oversupply against demand.
- **NVQ Progression Routes - various**
Research to identify progression routes through the National Vocational Qualification (NVQ) delivery structures in South West priority sectors. Includes a review of planned delivery and a gap analysis of oversupply against demand.
- **SW Centre for Personal Development Planning / Recording Achievement: Scoping and Feasibility Study**
Research to establish the potential benefits and drawbacks of a Centre for Personal Development Planning (CPDP) in the South West, investigating functions of a centre and its ability to support implementation of the FRESA.
- **Great Expectations: A Study of Work-Based Learning**
Research to help improve quality and take-up of work-based learning in the region's key sectors through a review of relevant literature, plans for work-based learning and piloting a range of work-based learning approaches with employees/employers.
- **Regional Analysis of the National Employers' Skills Survey**
Draws results of the NESS into a statistical report on employers' skills needs across the region. Combines findings from the NESS, Census 2001 and a survey of Individuals' Learning and Employment in the SW.
- **Healthy Labour Market Review**
Analysis of the health of the labour market in the SW and its sub-regions which can be monitored over time and used as a basis for an assessment of whether SWRDA and partners' current policies and programmes remain appropriate.
- **The South West Skills Market: A review of supply and demand**
Research intelligence to inform an early response to emerging skills shortages and mismatches. Includes overview of the South West skills market and analysis of the use of labour market intelligence by organisations responsible for promoting skills.
- **Barriers to Carers Participation**
A review of existing research and legislation into the barriers faced by Carers when accessing employment, training and education.
- **Delivering Economic Inclusion: Lessons From SRB**
This research report looks to identify best practice from the Single Regeneration Budget (SRB). It will inform mainstreaming of best practice into RDA's future delivery of economic inclusion.
- **Economic inclusion in the South West**
This research is aimed at understanding the 'what' of economic inclusion. It will also then look to influence further work to be done on the 'how' (capacity, future funding etc.)

- **High Level Vocational Skills - Best Practice Event**
Research event to bring national best practice into the region to help HEIs in the South West build on their current expertise in engaging employers and training their employees
- **The Impact of Graduate Placements on Businesses in the South West**
Longitudinal research designed to run alongside the Graduates for Business (G4B) programme to assess its impact and to discover the factors associated with more and less successful placements.
- **Alumni Networks in the South West**
Research looking at utilising the regions Higher Education alumni network to deliver economic benefits. In particular, the potential to create business networks and increased business interaction through the development of existing alumni networks.
- **Regional Economic Impact of HEIs in the South West Region**
Research is to inform an extensive paper being prepared by each RDA, working with the HEIs in their regions, to illustrate the role of Higher Education Institutions in economic development.
- **South West Employment and Skills Action - various**
Series of skills related research projects including flexible training solutions, labour market dynamism, workplace perspectives on skills for life, European Social Fund Impact Analysis, mapping leadership and management and skills gap analysis. Also Migrant workers and Analysis of Regional Skills, Enterprise & Employment.
- **Higher Level Knowledge & Skills Transfer from Migrants**
Research to link increases in international migration to the region, a growing regional skills gap and movement toward a 'knowledge-based' economy; investigating how migrants can use their knowledge and skills in ways most beneficial to the region.

Spatial

- **Spatial Dynamics**
Identification of spatial zones which reflect the economic, social and environmental 'operation' of the region, to help influence and inform development of the Regional Spatial Strategy.
- **Spatial implications of economic potential in the South West**
To inform the RES and draft RSS, two agreed growth scenarios were applied to travel to work areas and qualitative issues researched to better understand how the economic potential identified in the growth scenarios might be delivered in the region.

Sustainability

- **Resource flow and ecological footprint analysis of the South West**
Resource flow analysis and sustainability assessment of the South West. Includes development of various scenarios to provide investment costs of particular activities, attendant CO2 values, impact on jobs and local value added.
- **Reviewing the effectiveness of the sustainable development framework for the South West of England**
Contribution towards the Regional Sustainable Development Framework to evolve into a more engaging, interactive and user-friendly tool which will enable organisations in the region to adopt more sustainable approach at a strategic and practical level
- **Tomorrows Property Today: sustainable live/work development in a low carbon economy**
This report examines the potential of live/work property to sustain local economies and enhance communities in a low carbon economy
- **Achieving a Green Economic Recovery**
Research to support an environmental understanding of the economic downturn and the measures being undertaken to support South West people and businesses.

Evaluation Evidence Guide

As illustrated in the first Regional Economic Strategy in 2000, the South West RDA has been always believed in continuous review and developing an understanding of the impact of our project investments.

In 2007 the Regional Development Agency network committed to providing evidence for a collective assessment of the impact of RDAs' investments. All subsequent evaluations that contributed to the national report were in line with the standards set out in the Impact Evaluation Framework (IEF). The IEF is the government's guidance document for evaluating economic development projects. The 30 South West evaluations that were completed between 2007 and 2009 covered 75% of the South West RDA spend that took place between 2002/3 and 2006/7. The 'Impact of RDA Spending' report was published in March 2009 and the forms the basis of our evaluation evidence.

Evaluations commissioned prior to 2006/7 are included within this resource but are less likely to fully meet the IEF standards, for example they may not fully quantify impact or assess additionality using primary data.

Since 2009 our evaluation programme aimed to cover at least 60% of our expenditure (on a rolling basis) and meet the standards of the IEF. The South West RDA evaluation programme was integrated with the evaluation of ERDF Competitiveness and Convergence programmes. The reports may therefore include impact attributed to the ERDF programmes as well as those attributable to the RDA single pot. In 2010 all new evaluation activity was stopped and longitudinal studies were brought to a close.

Evaluation Framework Sources

Business

- **Business Support Economic Impact Review (multiple projects) 2008**
This evaluation looked at 55 business support projects which make up around 30% of total SWRDA investment in business support over the period 2002- 2007. The focus of this evaluation is to determine the impact of the projects in terms of employment and Gross Value Added (GVA).
- **Business Link (SW) 2006**
The evaluation assessed the impact of Business Link Local Services on those businesses that received assistance in the 6 month period April to September 2003 and its impact over the subsequent period to May/June 2005.
- **Business Link (SW) 2009**
An interim evaluation of the Business Link service in the South West since April 2007.
- **South West Angel and Investor Network (SWAIN) 2009**
An economic impact evaluation of the South West RDA's investment in SWAIN, a business angel network facilitating partnerships of small businesses and private investors.
- **Beacon South West 2007**
The Beacon South West project aims to increase productivity by facilitating companies to share and learn by networking.
- **Selective Finance for Investment in England (SFIE) 2007**
An evaluation of the impact of financial support provided to business under the Regional Selective Assistance Scheme in the period 2000-2004, and its replacement Selective Finance for Investment in England Scheme since April 2004.
- **Phoenix Fund 2010**
Evaluation of the Phoenix Transition Fund, which was channelled through the South West's community development finance institutions, providing loans to businesses that could not access mainstream finance.
- **Profit Through Procurement 2005**
An interim evaluation of the Profit through Procurement project which aimed to help small and medium sized businesses in the South West to become aware of public sector opportunities in their area.

- **Carpenter House 2006**
South West RDA investment in Carpenter House Incubation Centre (CHIC) converted an existing building into a new business incubator facility focussing on business start-ups in the multimedia and creative digital industries.
- **Business Incubation SW 2005**
Business Incubation South West (BISW) is an arms-length delivery body of SWRDA, managed on its behalf by UK Business Incubation (UKBI). They are tasked with supporting businesses and investors to make best use of SWRDA's significant investment in business incubators.
- **Review of SW Business Incubators 2005**
A review of eleven business incubators in the region which resulted in an appraisal framework for each facility clarifying the aims, intended outcomes and outputs.
- **RISE 2005 (Regional Infrastructure for Social Enterprise)**
RISE is a strategic regional organisation established in April 2003 to champion and support the social enterprise sector. For this review, a balanced scorecard approach was used to assess internal process, finance, learning and growth and strategic impact.
- **Grants for R&D (SW) 2008**
An evaluation of Grants for R&D, a national programme that provides grants to entrepreneurs and SMEs in developing technologically innovative products and processes that move a concept closer to realisation.
- **Knowledge Exploitation SW 2006 (KESW)**
KESW intended to establish a basic capacity in all HEIs to engage with businesses (particularly SMEs) across the region. The evaluation draws together key recommendations based around four headings:
 - Marketing and publicity
 - Monitoring
 - Regional Partnership activities
 - Sustainability of activities
- **Manufacturing Advisory Service (SW) 2005**
An evaluation of South West Manufacturing Advisory Service which aims to help manufacturing businesses improve productivity, reduce waste and compete more effectively.
- **Manufacturing Advisory Service (national) 2007**
A national evaluation of the Manufacturing Advisory Service.
- **Manufacturing Advisory Service SW Leadership and Management Programme 2007**
An interim evaluation of the South West Manufacturing Advisory Service (SWMAS) Strategic Management Programme (SMP).

Economics

- **BEM & SLIM 2008**
An evaluation of the Business Economy Module (BEM) and the Skills and Learning Intelligence Module (SLIM) who provide data and research for policy makers in the region and are part of the wider South West Observatory network.
- **Great Western Research Evaluation 2008**
An assessment of progress against the Great Western Research project's specified aims and objectives.
- **ONS 2008**
An interim evaluation of locating Office of National Statistics statisticians within the Regional Development Agencies.

European

- **ERDF Programme Review 2010**
Assesses the success to date of the South West Convergence and Competitiveness European Regional Development Fund Programmes in delivering outputs, results and impacts (by axis) and assess whether the ERDF Programmes are on course to reach the targets set for outputs, results and impacts.
- **ESF & ERDF Feasibility Study 2010**
A study examining the feasibility of a combined evaluation approach for European Regional Development Fund (ERDF) Convergence and the European Social Fund (ESF).

- **Europe Enterprise Networks 2010**
An evaluation of Europe Enterprise Networks a project that aims to improve productivity of SMEs through technology transfer activities.

Infrastructure

- **Science Parks - Case Study - 2009**
- **Innovation Centres 2010 (not yet published)**
- **ICT as an Economic Enabler - Connecting SW 2008**
An evaluation of the ICT as an Economic Enabler (ICTaEE) project which aimed to provide strategic support to the Connecting South West programme, which in turn provided support to the region's nine area ICT partnerships.

National

- **Business Link (national) 2006**
- **Manufacturing Advisory Service (national) 2007**
A national evaluation of the Manufacturing Advisory Service
- **ASTRAEA (national)**
- **Grants for R&D (national) 2008**
An evaluation of Grants for R&D, a national programme that provides grants to entrepreneurs and SMEs in developing technologically innovative products and processes that move a concept closer to realisation.

Places

- **Gloucestershire Floods**
A review of the economic impact of the Gloucestershire Floods in July 2007 and the subsequent public sector response.
- **Gloucestershire Floods - Case Study**
A review of the economic impact of the Gloucestershire Floods in July 2007 and the subsequent public sector response.
- **Tamar Science Park 2008**
An evaluation of the Tamar Science Park Project, a joint venture to address the needs of Plymouth firms in the knowledge-based sector
- **North Dorset Business Park 2006**
The evaluation assesses the impact on local economic performance through the creation of the North Dorset Business Park (NDBP), located in Sturminster Newtown, Dorset.
- **The Way Ahead 2008**
An evaluation of The Way Ahead, the South West's response to the national Sustainable Communities Plan.
- **The Way Ahead - Case Study - 2009**
- **Sites and Premises Economic Impact Review (multiple projects) 2008**
This is a multi-project evaluation of around 75% of SWRDA's sites, premises and infrastructure investments between 2002 and 2007. The focus is on the direct and indirect net additional impacts in terms of business creation, employment and Gross Value Added (GVA).
- **Torquay Waterfront 2004**
An impact evaluation of three interlinked projects in Torquay: land reclamation works, the Living Coasts Marine Aviary and waterfront development.
- **Temple Quay 2006**
An economic impact evaluation of the development of Temple Quay 1 - a regeneration area, which now forms a hub of city centre office employment in Bristol.
- **Camborne Pool Redruth Regeneration (CPRR) 2009**
An interim review of Camborne Pool and Redruth Regeneration company 2002-2009.
- **Gloucester Heritage URC - Case Study - 2009**

- **Torbay Managed Workspace 2010**
Evaluation of the completed two phases of the Torbay Managed Workspace project, with an appraisal of a potential third phase.

Projects

- **Creating Excellence 2007**
An evaluation of Creating Excellence, a regional facility providing training and knowledge exchange in rural and urban regeneration.
- **MAS (SW) 2005**
An evaluation of South West Manufacturing Advisory Service which aims to help manufacturing businesses improve productivity, reduce waste and compete more effectively.
- **Coral Reef 2008**
An evaluation of the COMposites Research ALLiance REgional Engineering Facilities South West (Coral Reef SW), a state of the art facility to support research in manufacturing and development of composite structures.
- **National Maritime Museum Cornwall 2008**
An evaluation of the project that used a previously vacant waterside site in Falmouth to create a new museum building for the National Maritime Museum Small Boats Collection and the Cornwall Maritime Museum collection.
- **Eden 2009**
An economic impact assessment focussed on SWRDA's investment in the Eden project.
- **HMS Scylla 2005**
An economic impact study of SWRDA investment in HMS Scylla, an artificial reef for diving created from a deliberately scuttled warship in Whitsand Bay.
- **Enterprise Pavilions 2008**
An evaluation of the Enterprise Pavilions Project, a joint venture to develop a business incubation centre for the creative industries on the Arts Institute Bournemouth campus.

Regeneration

- **SRB meta evaluation (national) 2008**
A meta-evaluation of Single Regeneration Budget (SRB) activity in six English regions.
- **Physical Regeneration Economic Impact Review (multiple projects) 2008**
This is a multi-project evaluation of around 72% of SWRDA's physical regeneration investments between 2002 and 2007. The focus is on the direct and indirect net additional impacts in terms of business creation, employment and Gross Value Added (GVA).
- **Physical Regeneration Evaluation 2011**
This study is a comprehensive longitudinal evaluation of the impact of South West RDA's investment in regeneration projects in four towns over the two year period 2009-2011.
- **Urban Regeneration Companies 2010**
A review of South West RDA funded physical regeneration projects in the three Urban Regeneration Company (URC) areas in the region.
- **The Way Ahead 2008**
An evaluation of The Way Ahead, the South West's response to the national Sustainable Communities Plan.
- **Creating Excellence 2007**
An evaluation of Creating Excellence, a regional facility providing training and knowledge exchange in rural and urban regeneration.

RDA Operations and Strategy

- **RDA Impact Report 2006**
This report analyses what Regional Development Agencies (RDAs) have delivered since their inception and assesses their impact on economic policy goals.
- **RDA Impact Report 2009**
Provides an independent assessment of the impact of the spending by each of the nine RDAs and the RDA network as a whole; and assesses RDAs' achievements against the objectives of both their Regional Economic Strategies (RESs) and their Corporate Plans.
- **Sub-Regional Economic Partnerships SW 2006**
- **Destination Marketing Methodology 2010**
This study developed a robust and Impact Evaluation Framework (IEF) compliant methodology for assessing the economic impact of destination marketing and promotion (DM&P) activity, including a cost benefit analysis framework.
- **Foreign Direct Investment and International Trade 2010**
Interim evaluation of the South West RDA's Foreign Direct Investment (FDI) and International Trade Projects, covering the period 2004-2009.
- **EPSRC Case Awards 2005 (Engineering & Physical Sciences Research Council)**
This report looks at the issues that have been encountered by the main partners during the allocation of Engineering & Physical Sciences Research Council (EPSRC) grants by SWRDA.

Rural

- **Rural Enterprise Gateway 2005**
An evaluation of the South West Rural Enterprise Gateway after 1 year of the project. The evaluation highlighted a number of recommendations including improving communication, staff training and creating links with other projects.
- **Rural Renaissance and Modernising Rural Delivery 2008**
An evaluation of Rural Renaissance, one of SWRDA's main rural regeneration initiatives, investing in economic development projects in rural areas in the South West.

Sectors

- **SW Food and Drink 2005**
This report sets out the results of an evaluation of the South West Food and Drink organisation (SWFD) sector organisation for the South West Regional Development Agency (SWRDA).
- **SW Food and Drink 2008**
An economic impact and process evaluation of SWRDA's investments in the food and drink sector since 2002.
- **BioApproaches 2007**
An evaluation of BioApproaches South West programme which aimed to raise productivity by promoting and supporting the emerging bio sector.
- **South West RDA Support for the Aerospace Industry 2006**
An evaluation of the direct and indirect impacts of South West RDA's investment in the aerospace industry, including an assessment of 'Strategic Added Value' (SAV).
- **Support for Aerospace - Case Study - 2009**
- **WEAF 2010**
An evaluation of the West of England Aerospace Forum, sector organisation.

Skills and Employment

- **South West Leadership and Management Project Evaluation 2007**
- **SWOOP 2009**
An evaluation of South West Opportunities for Older People (SWOOP) which aims to increase participation of older people in the workforce.
- **Combined Universities in Cornwall 2008**
An evaluation of the Combined Universities of Cornwall project which aims to use higher education as a motor for economic regeneration.
- **Relocation of Gloucester FE College 2009**
An evaluation of the relocation of Gloucestershire College to a single campus site at Gloucester Docks.
- **Strengthening Community Foundations 2008**
An interim process and impact evaluation of the capacity building “Strengthening South West Community Foundations” project.
- **Regional Skills Partnership 2007**
A review of the South West Regional Skills Partnership, originally entitled the SWESA (South West Enterprise and Skills Alliance), which aimed to increase training and skills levels in the South West.
- **Advanced Engineering Skills Project 2008**
An evaluation of the Advanced Engineering Skills Project which aimed to identify and address the training needs of firms in the advanced engineering sector.
- **Marine Skills Centre - Case Study – 2009**
- **South West Food and Drink Skills Network 2007**
An evaluation of the performance of South West Food and Drink Skills Network from April 2005 to March 2007 and makes recommendations for the future.
- **Wiltshire and Swindon Employer Training Programme 2005**
This evaluation was commissioned by the Wiltshire and Swindon Learning and Skills Council [the LSC] to undertake an interim evaluation of the Level 3 and 4 Employer Training Programme.
- **Skills Economic Impact Review 2008**
This is a multi-project evaluation of around 38% of SWRDA’s skills and learning investments between 2002 and 2007. The focus is on the direct and indirect net additional impacts in terms of employment and Gross Value Added (GVA).

Sustainability

- **Constructing Excellence SW 2009**
An evaluation of Constructing Excellence SW, an organisation created to secure radical improvements in the design, quality, customer satisfaction and sustainability of the region’s construction industry.
- **Genesis – Somerset Sustainable Construction Centre 2008**
An evaluation of the Genesis Sustainable Construction Centre, sited at Somerset College of Arts and Technology (SCAT) in Taunton.
- **Future Foundations 2009**
A strategic evaluation of Future Foundations, which is a partnership of regional and sub-regional stakeholders with the purpose of promoting the benefits of sustainable construction in the South West.
- **Envision 2010**
An economic, environmental and strategic impact assessment of Envision, a business resource efficiency project.
- **Regen SW 2010**
An economic, environmental and strategic impact evaluation of Regen SW, the SW BioHeat Programme, and the SW Bio-energy Capital Grants Scheme (SW BECGS). PLEASE CHECK
- **Sustainability SW 2007**
A review of Sustainability South West (SSW), the regional champion of sustainable development.

References

Index of Abbreviations

AAF	Area Action Force
BERR	Department for Business Enterprise and Regulatory Reform
BIS	Department of Business Innovation and Skills
CIF	Community Investment Fund
CUC	Combined Universities of Cornwall
DCMS	Department for Culture Media and Sport
DEFRA	Department for Environment Food and Rural Affairs
DFES	Department for Education and Skills
DWP	Department for Work and Pensions
ERDF	European Regional Development Fund
ESF	European Social Fund
FOC	Foreign Owned Company
GHURC	Gloucester Heritage Urban Regeneration Company
GOSW	Government Office South West
Grant for R&D	Grant for Research and Development
GVA	Gross Value Added
HEI	Higher Education Institution
IPA	Independent Performance Assessment
ISR	Independent Supplementary Review
KESW	Knowledge Exploitation South West
MCTA	Market and Coastal Towns Association
MCTI	Market and Coastal Towns Initiative
NAO	National Audit Office
NCC	National Composites Centre
NINJ	New Industry New Jobs
PRIMaRE	Peninsular Research Institute for Marine Renewable Energy
PWC	PriceWaterhouseCoopers
RBG	Redundant Buildings Grant
RDC	Rural Development Commission
RDPE	Rural Development Programme for England
ROCs	Renewable Obligation Certificates
RRI	Rural Renaissance Initiative
SRB	Single Regeneration Budget
SWFD	South West Food and Drink
URC	Urban Regeneration Company



Annex 1 Example of Evaluation and Policy Learning

This example is one of many which we have written up about different issues. It reflects a range of evaluations, some research, policy analysis and the experience of staff. We found it useful to bring together key findings into a short and digestible paper which could be shared with colleagues and partners.

Low Carbon Economy

The South West businesses, projects and organisations have demonstrated early leadership in promoting environmental sustainability and are therefore well placed to share what we have learned. This paper reviews emerging policy and reflects findings from environmentally focussed projects and research to highlight good practice and lessons learned.

Current Policy Context

The new Coalition Government (May 2010) recognises that climate change is one of the most serious threats that the world faces. The Prime Minister has pledged to make this the greenest government ever and has committed to assessing the environmental impact of all its budget measures as proposals are developed.

Government is starting to further define its low carbon policy and in the emergency Budget (June 2010) it re-confirmed its commitment to moving towards a low carbon economy. Despite government's primary focus being to reduce the UK's structural deficit it recognises that the UK needs £200 billion of investment to 2020 to provide secure, low-carbon energy. The government has pledged to achieve this through reform of the energy market and action to attract additional private sector funding.

The Coalition's Programme for Government outlines its commitments for energy and climate change (further detail will emerge through legislation in the 'Energy and Security and Green Economy Bill' - announced in the Queen's speech on 25th May 2010). Commitments include:

- Energy Efficiency – The Green Deal – helping individuals invest in home energy efficiency improvements that can pay for themselves through the savings in energy bills. Improvements can provide substantial and cost-effective carbon reductions, but the initial cost can be significant, especially for low-income households. The Government will also continue to work on green financial products to provide individuals with opportunities to invest in the infrastructure needed to support the green economy. The Government will take measures to improve energy efficiency in businesses and public sector buildings. Roll out of full programme expected late 2012.
- Green Investment Bank – helping address barriers to investment in the low carbon economy through the creation of a Green Investment Bank. Detailed proposals will be put forward following the Spending Review 2010.
- Carbon Price – assessing how the energy tax framework can provide the right incentives for investment. Government will reform the climate change levy to provide more certainty and support to the carbon price. The detail of this will be confirmed in the Finance Bill in 2011. Legislation will also be introduced for an enhanced capital allowance for zero-carbon vehicles purchased from April 2010. Government will also reform company car tax as an incentive to purchase low emitting vehicles.
- Carbon capture and storage technology – continuing to develop technology in four coal-fired power stations. An emissions performance standard will be developed to prevent coal fired power stations being built in the future unless they meet sufficient carbon capture and storage standards.
- Renewable Energy – increasing the targets for energy from renewable sources:
 - Introducing measures to encourage marine energy (wave and tidal stream is being supported with excellent prospects for growth in these areas)
 - Introducing measures to promote a huge increase in energy from waste through anaerobic digestion
 - Delivering an offshore electricity grid to support the development of a new generation of offshore wind power
 - Encouraging community-owned renewable energy schemes where local people benefit from the power produced and keep the additional business rates generated
 - Ensuring that New Nuclear can go ahead (so long as there is no public subsidy and a clear policy framework for dealing with waste, reprocessing and decommissioning)

The Coalition's 'Programme for Government' also states that they will push for the EU to demonstrate leadership in tackling international climate change, including by supporting an increase in the EU emission reduction target to 30% by 2020. The UK will also work towards an ambitious global climate deal and explore the creation of new international sources of funding for the purpose of climate change adaptation and mitigation.

Headline Research and Evidence Findings

Research

Rural South West: Low Carbon Economy (2010)

Recently completed research identifies the opportunities and implications for developing a low carbon economy in the rural South West. The research identifies the need to clarify whether grant funded projects such as community renewables or farm diversification such as anaerobic digestion are eligible for Feed-in Tariffs and Renewable Heat Incentives.

National Spatial Distribution of Expertise and Excellence for Key Industrial Technologies (2010)

Research by GHK identifies localities with particular levels of assets⁷ and competitive strengths in growing manufacturing and services in the UK. There is significant presence in the south west in 7 of the 12 key industrial sectors, including the low carbon sectors of offshore wind and marine energy. The UK share of the global market in both marine and offshore wind is strong; however they are at the smaller end of the spectrum in terms of global market size. Offshore wind however is forecast to experience the highest global market growth rates of new technologies reviewed in the research. The south west shares a presence of assets in offshore wind with other parts of the UK. The research identifies that potential opportunities lie in a) the gaps in the supply chain (i.e. assembly) and b) scaling up of production. In the South West, for example, Vestas and the Advanced Composites Centre for Innovation and Science (ACCIS at Bristol University) are together focussing on the manufacturing of blades, smart materials and lightweight structures.

The South West is the only region to have significant and combined presence of assets in marine energy. It is however predicted to remain smaller in the foreseeable future as commercial opportunities remain uncertain.

Achieving a Green Economic Recovery (2009)

In 2009, research was commissioned to support an environmental understanding of the economic downturn and to scope out issues to inform a regional transition towards a low carbon, resource-efficient economy.

The research found:

- Domestic energy efficiency is one of the areas with the highest potential to reduce greenhouse gas emissions and to create jobs in the process. Future focus could therefore be geared to retrofitting housing and non-domestic buildings, incorporating renewables;
- Greening basic industries is difficult and creates relatively few jobs. However, there is an opportunity to improve the skills of much of the existing workforce;
- Improving business energy efficiency could also drive immediate spending into the economy; ensuring that this investment flows directly into job creation. The research concluded that economic development policy should therefore continue to focus on resource efficiency;
- 2,900 direct FTE jobs were created in the renewable energy sector in 2008 (a rise from 1140 in 2005). Whilst this is a significant increase, countries with more active policies to promote renewable energy have seen employment surge in this sector. In Germany, for example, the number of jobs almost quadrupled to 260,000 in less than 10 years.
- Some of the larger projects that are subject to the national decision-making process, such as new nuclear, might limit local and regional policy makers to influence outcome. Nonetheless, the potential significance of technologies such as these led researchers to conclude that new nuclear was one of the areas that had clear benefits for the region.

Identifying Resource Productivity for Five Key Economic Sectors in the South West (2007)

This research was commissioned by SCPnet to inform the regional debate in the South West on Environmental Limits. The study concluded that the transport equipment manufacture, business services and motor vehicle production sectors in the South West, should be the first targets for identifying and improving potential resource efficiencies. This would involve a closer inspection of manufacturing and business practices on-site, the implementation of environmental management systems, a further exploration of regional supply chains, and improving supply chain management.

7 An asset may be part of the natural world, a university science hub, commercial technology centre or supply chain cluster.

Evidence

Regional Economy-Environment Modelling

Regional economy-environment models can play an important role in planning for a low carbon future by highlighting the scope of technological improvements required under different scenarios of population and GVA growth. Throughout this paper reference is made to two models: Regional Economy Environment Input-Output (REEIO) and Resource and Energy Analysis Programme (REAP). These models can be used to explore the impacts of regional economic activity on the environment (including CO₂ emissions) from a 'production' perspective (the former) and a 'consumption' perspective (the latter)⁸.

Some of the headlines emerging from the new version of the REEIO model include:

- Activity within the SW generated 7.5m tonnes of CO₂ directly in 2007 (5% of UK total);
- The main sources are road transport (39%), households (22%) and manufacturing (17%);
- Between 2005 and 2007, emissions from road transport increased in both absolute and per capita terms (growth in passenger vehicle Kms is expected to be slightly slower than the increase in freight vehicle Kms);
- The largest absolute reductions in CO₂ emissions between 2005 and 2007 were from households;
- It is predicted that the recession will have an impact on emissions, particularly from manufacturing with energy use falling sharply as a result of reduced activity;
- By 2030, the overall energy intensity of production in the economy (excl. power stations, transport and domestic sector) is expected to fall. Economic growth is expected to be stronger in services than in manufacturing, with services being less energy-intensive.

Examples of the practical application of the REAP and REEIO models are detailed throughout the remainder of the report.

State of the South West 2010 – Carbon Efficiency of SW Industries

In relation to regional carbon efficiencies, "State of the South West" identified that in 2007, the South West emitted a total of 432 tonnes of CO₂ per each million £ of GVA generated. This was less efficient than the English average but the third highest efficiency of the English regions. Carbon efficiency increased across all English regions between 2005 and 2007. The rate of improvement in the South West ranked middle of the English regions.

Of the English regions, the South West had the fourth highest GVA per head in 2007 and the fourth lowest CO₂ per head, suggesting that as well as being relatively productive, the region is also relatively resource efficient.

In terms of individual sectors in the South West, the transport and communications sector is by far the most carbon intensive sector with a total of 1,083 Kt of CO₂ emitted per each £m GVA. This is almost entirely due to land transport (including car journeys) which made up 92% of the sector's emissions. The more service orientated sectors contribute heavily to regional GVA, but are relatively carbon 'light'. Other market services (including Banking & Finance and Computer services) generated just 2.5Kt per each million £ of GVA. The low levels of CO₂ associated with the service sector and the regions long term shift towards a service oriented economy will be a key reason for its overall reductions in emissions in recent years.

The report notes that CO₂ emissions are measured on a territorial basis, which means they capture emissions associated with goods produced within the region but not those imported. It may be that the region is effectively exporting its emissions to the countries from which it imports goods and services.

Headline Evaluation Findings

Evaluations of Regen SW (a renewable energy sector body for the South West), Regen SW's projects (South West Bioheat and South West Bio Energy Capital Grants Scheme) and Envision (a business resource efficiency project), demonstrate that projects can improve business productivity and competitiveness and, at the same time make, substantial carbon savings. Leadership on low carbon and the wider sustainability agenda is also evident through activities supported by bodies such as Regen SW, Constructing Excellence and Future Foundations. Headline findings from these evaluations are discussed in turn.

Renewable Energy

In light of the need to develop renewable energy capacity, and an awareness of the potential of the south west to develop its environmental technologies industry, the South West RDA convened the South West Renewable Energy Group in 2000, which eventually resulted in the formation of Regen SW as the renewable energy office for the south west region in 2002. Regen SW delivers a programme of work to maximise the deployment and uptake of renewable energy in the region and to unlock sustainable energy business opportunities. Since 2002, the scope of Regen SW activity has increased to include providing support to the energy efficiency sector, the promotion of low carbon development, and additional projects (SW Bioheat and SW BECGS) related to the biomass sector. In terms of the SW Bioheat and SW BECGS programmes there was a clear rationale to overcome funding constraints to the deployment of biomass projects; and to increase capacity and coordination in the biomass sector.

⁸ Further information on the REEIO and REAP models can be found at: www.scpnet.org.uk/index.html

Although direct comparisons to other interventions is difficult, the findings suggest that Regen SW has higher costs per job created and per unit of GVA than pure business support projects such as Business Link. This is hardly surprising given the nature and depth of activities. The cost per tonne of carbon saved by Regen SW (£7 per tonne CO₂ overall including impacts to date, persistence, and future impacts) is significantly lower than the traded or non-traded value of carbon as defined by DECC (currently £50). Once the totality of economic and carbon impacts are combined, the overall return on investment is extremely high (13:1).

Regen SW has also generated relatively high levels of Strategic Added Value in a short period of time through its work on key strategic projects such as Biomass, Onshore and Offshore wind, Marine and Low Carbon Development. Regen SW has initiated and/or been involved at an early stage in all of the major renewable energy projects in the region; and successfully worked closely with partners at local, regional and national level.

An evaluation of Inward Investment and International Trade projects identified that whilst the South West RDA investment in the Passport to Exports programme sought to cover the priority sectors, only 1 environmental technology business subsequently received support.

Environmental Business Development

The Envision, business resource efficiency, mentors provided advice and support to SMEs to implement a range of resource efficiency actions, most commonly reducing energy use and reducing the amount of waste going to landfill. In terms of financial savings businesses intensively supported by Envision saved, on average, between £3000 and £5000 pounds a year (net additional)⁹, and businesses receiving light touch information, advice and guidance saved just over £1000 (net additional).

In total, the project has saved businesses between £18m and £24m to date. When persistence is accounted for and assessed against installation costs, businesses are expected to benefit by between £65m – £105m over the life of the actions. The resource saving equates to between 112 and 182ktonnes of Carbon Dioxide equivalent. This is equivalent to between 0.9% and 1.5% of the South West's overall Carbon use in the industrial and commercial sector. The carbon saving represents a value to society of between £6.0m and £9.7m.

Many businesses reported that Envision has helped them achieve a genuine staff/business culture change. Envision helped businesses develop Environmental Management Systems which provide for a lasting cultural change. Furthermore, as well as the resource savings, businesses have also taken action to reduce environmental risk and wider activities to improve their environmental impact.

The project was successful at raising the profile of resource efficiency within the business community, but securing 'sales' of intensive support was more challenging. The evaluation evidence suggests that cost, time and perceived lack of need for the service remains a barrier to uptake.

Low Carbon Leadership

The evidence base indicates that there are a range of policy tools deployed to provide low carbon leadership. In addition to Envision and Regen SW, evaluation evidence can be drawn from reviews of Constructing Excellence, Future Foundations and the Eden Project.

Constructing Excellence was created in 2004 to secure radical improvements in the design, quality, customer satisfaction and sustainability of the region's construction industry. Future Foundations was established in 2001 as a partnership of regional and sub-regional stakeholders with the purpose of promoting the benefits of sustainable construction.

The evaluation of Constructing Excellence found that its ability to interrelate with hard to reach micro businesses was encouraging. Given the challenge of achieving in-roads into this segment of the market, the progress was welcomed. It suggests that there is merit in learning from experience and transferring approaches adopted at Constructing Excellence to different policy areas / markets where interacting with micro businesses is also challenging.

Nonetheless the GVA return from its activities was very low, reflecting firstly the challenge of translating knowledge share at business and training events into actual business performance and secondly the high levels of deadweight reported by the businesses who received the support.

The Eden Trust was established to develop and operate the Eden Project in 2000. The Eden Project is an educational charity and a social enterprise. Its mission is to promote a universal understanding of the critical importance of our relationship with plants; supporting and showcasing projects, and encouraging individual actions and choices that will lead to sustainable land use.

The rationale for public sector support towards the Eden Project was based upon multiple market failures, the contribution to the quality of life of disadvantaged groups (equity), and support to public policy objectives. The evaluation found that the Eden Project has:

- Attracted a substantial number of visitors – to 2009 over 10 million visits had been made;
- Contributed towards extending the tourism season in Cornwall;
- Had a positive impact on businesses and, therefore, has stimulated business growth and investment;

- Had a very positive impact on the image of Cornwall and the South West of England more generally;
- Led developers and others to invest in Cornwall - for example, this includes one of the new hotel developments in St Austell;
- Developed a Sustainable Transport Plan to mitigate the negative environmental effects of additional journeys by motorised transport, following initial infrastructure to combat early off-site road congestion;
- Helped some 255 people reach NVQ level 2 or above. In addition, some 1,935 course places have been filled;
- Had an estimated net additional impact on Cornwall (direct, indirect and induced) of £805 million (as of 2009), with an annual impact in 2007 of £93.6 million. If the Eden Project's own expenditure is added back, the cumulative figure increases to £928.8 million.

Key Policy Challenges

Renewable Energy

The Regen SW evaluation found the level of deadweight of support is unusually high (96.5%): both within the economic and carbon assessments. The research identified a number of possible explanations for this such as the fact that the sustainable energy sector has grown considerably over the period since 2005, and that there are a variety of other drivers, policies and agencies which support growth in the sector – in terms of business growth and deployment. It is also worth bearing in mind that in having a 'dual rationale'; Regen SW may only interact with some beneficiaries in one area (e.g. economic rather than deployment or vice versa). Nonetheless, high levels of deadweight are a serious issue that policy makers need to consider. Policy makers and project developers alike may also need to consider increasing the review periods of bodies such as Regen SW so as to reassess the degree to which the focus of activities continue to match a shifting rationale for intervention as market failures and institutional failures are addressed. While research shows that there is still some way to go in terms of deployment in order to meet the 2020 targets for renewable energy, the low levels of economic and carbon additionality exhibited by Regen SW highlight the importance of matching action to sought outcome and benefits.

Evaluation evidence continues to indicate a clear relationship between the intensity of support and level of impact: with the greatest impact per beneficiary and per £ spent in the high intensity support group. Within the Regen SW evaluation the economic and carbon impact stemming from low intensity types of support (e.g. training, conferences etc) was very low. Whilst this type of intervention can increase awareness and lead to change in business/organisational behaviour in the long-term, it remains a fact that its immediate impact is nearly unobservable by beneficiaries. This same finding was reflected in the evaluation of Constructing Excellence, where despite general satisfaction levels in relation to events, the discernible impact on business performance was difficult to isolate. Within the carbon assessment, it is clear that Regen SW's greatest impact came (and will come in the future) from a small number of high-level strategic interventions – for example in relation to the Atlantic Array project (offshore renewables). In the future, it may be worth therefore focussing effort to a few high value projects rather than seeking involvement in a large number of smaller installers/projects.

The overall carbon impact (savings) varies across the different technologies which Regen SW has had involvement with. The greatest savings to date come from biomass – which is somewhat unsurprising given the specific SW Bioheat and SW BECGS programmes related to this technology. There is a clear rationale to continue to overcome funding constraints in relation to the deployment of biomass projects, and to increase capacity and coordination in the biomass sector. A significant carbon impact has also come from onshore wind, which reflects the fact that this is one of the main technologies in the South West. Offshore wind is the main technology going forward, reflecting the stage of deployment of this activity, and in terms of public sector focus, offshore wind remains an economic opportunity which can be maximised within the South West; scaling up the sustainable energy sector to be able to compete effectively.

In terms of regional priorities, it is worth noting that Regen SW has had a hand in the development of a range of activity from Wave Hub, to involvement in the low carbon economic area, to working with Crown Estates in relation to offshore wind zones. It is worth noting that the greatest added value appears to be where Regen SW's role has been clear and where it has been involved in more significant investments. The challenge for policy makers is how to ensure that sector based organisations retain a focus to their strategic input, away perhaps from smaller, more local projects.

Environmental Business Development

Business resource efficiency

The Envision evaluation found that, perhaps unsurprisingly, businesses were most likely to take low or no cost savings which it is likely they could have achieved without intensive support. Very significant savings were most likely to have been made by businesses that had a commercial pressure to act. A strong link was found between the implementation of an environmental management system and more bottom line efficiency savings.

This represented an interesting policy finding, as when the results were mapped against a marginal abatement cost curve, it was clear that the evaluations mirrored other research. The curve shows that the technologies that are more expensive to install have the greater energy saving potentials. Given that the evaluation found that most businesses were only willing to complete very low cost actions, the level of impact that could be achieved was minimised.

A policy question moving forward therefore is whether the focus of resource efficiency programmes should be geared from the start to those companies that are likely to make future investments, and whether the low cost options provide sufficient changes in business behaviour to warrant extensive public support? A clear finding showed that 90% of intensively supported businesses had taken at least some action.

This policy question presents a further challenge for the designing of public sector interventions in this area. If businesses that are likely to achieve the greatest carbon/resource savings (as they have commitment via an EMS or a commercial driver) are most likely to have taken the action anyway, then the level of deadweight is likely to be high, raising questions about the additionality of support that the public sector can realistically achieve. The policy challenge is how the shrinking public sector continues to encourage resource efficiency solutions across the business community with sufficient returns on its investment (environmental and economic) vis-à-vis other business support solutions.

These findings however need to be set within an even wider context. Over the last decade significant effort has been geared to changing business behaviours and to increasing productivity in the workplace. The question for policy makers as they move forward, is to what extent has a wider knowledge and understanding of resource efficiency issues in the domestic and non-domestic markets negated extensive programmes of public support in these areas? Conversely, to what extent do findings within the evaluation strengthen the market failure case that risk and information asymmetries continue to prevent many businesses investing in high cost options?

At the project development stage it is clear, in future, that target setting needs to be carefully considered so as not to skew the policy outcomes sought by the business support activity. The sheer number of 'business assists' required of the project over the period had the effect of focussing attention on the number rather than the quality of customer acquisitions. The effect was that business advisers could chase 'low hanging fruit' in order to meet contractual arrangements by the various funding partners. This limited the results and impacts that could be achieved.

Issues in relation to performance data were most profound in relation to ERDF indicator sets. Firstly a five day business assist (as was set for Objective 1 & 2, reducing to 2 days for ERDF) was often too significant an outlay for a business to dedicate staff time towards. The study found that there was not a high demand for intensive support and this was a 'hard sell' for delivery partners. Businesses were not always convinced that they needed this level of activity and queried its value, especially where advice was available through written materials. Secondly the focus on 'jobs created' defied an intervention logic which focussed on cost savings: the value of any job reported figures in assessing the value for money of this type of activity is therefore questionable and should be used by policy makers with caution. In defining the intervention logic for Envision, it was considered more appropriate to convert the cost savings to a gross value added figure. This in itself was not simple and further research may be beneficial.

Whilst the evaluation itself concludes that intensive support should be focussed on those companies that are most likely to act (with financial mechanisms considered for businesses not predisposed to do so), the caveats and policy challenges outlined above should also be considered when defining future policies in relation to resource efficiency. For future programmes, there may be benefits to a more graduated support process, more focused on business needs; such an approach may also remediate the issues of deadweight.

Although the benchmarks applied in the evaluation need to be used with caution, the reported figures for NISP and Wrap range from Annual Financial Savings (GVA)/£m of £3.3m to £9.6m respectively. These show a better return on investment reflecting perhaps:

- National programmes are able to provide a better economy of scale;
- They have responsibility for targeting the needs of large businesses which are likely to deliver much more significant savings.

At a local level these benchmarks pose a question for future initiatives: even where a gap exists in relation to intensive supports, if the make-up of businesses is predominantly micro and small enterprises to what extent are gains going to be achieved, if the make-up of businesses leans more towards the medium and large enterprise, then does existing national provision suffice? Intensive provision is expensive to deliver and so it is important that it is focused on those companies that are most likely to act on the advice. Future support may best be targeted towards deploying the right financial mechanism to stimulate appropriate interest: capital costs remain a barrier for many businesses, a service which links up to interest free loans or grants may help secure the desired action from businesses. If businesses are also querying the value of intensive support then the provisions of self-help tools may provide greater value and help to have lasting cultural change.

These findings appear to chime with an exercise conducted in 2006 which used the REEIO model to construct three business resource efficiency scenarios in the region. The scenarios involved targeting subsets of industrial sectors – the largest consumers, the most intense consumers, and those predicted to change substantially over the next decade. It was concluded that targeting the largest consumers was the most effective in reducing consumption and carbon dioxide emissions.

Developing the environmental technologies and services sector

The environmental technologies and services sector is clearly diverse, and evidence on its development is contained within a range of evaluations from Regen SW to Envision and Constructing Excellence. This is not a substantive evidence base, but it does provide an indication of the policy challenges. What is clear is that developing sectors is not easy. Project developers should be aware however that simply providing a target or objective will not elicit an outcome if it is not in the intervention logic. For example, the evaluation of Envision found no evidence that new products or services had been developed as a consequence of the advice which is perhaps not surprising with the focus on resource efficiency.

Challenges equally exist at the sector specific level. As an example, the evaluation of Constructing Excellence noted that whilst it had engaged with all sub-regional clubs (and was responsible for establishing several of these) the ongoing management and operation of the clubs is undertaken on a voluntary basis which limits the influence that the regional team can exert in terms of activities and membership. Equally, the evaluation of Future Foundations found that it had achieved very limited penetration into the SME and micro business industry. This was due to a targeted marketing strategy intended to maximise the impact of the project's limited resources. However, it also meant that a large segment of the construction industry was still likely to require support about interpreting sustainability into their activities. These are important points within the context of public sector austerity measures. When public funding falls below a level with which an organisation (such as Constructing Excellence) can reach a critical mass then its ability to follow through initiatives that have been put in train are hampered. The value for money in 'limping on' becomes questionable and at that point a decision perhaps should be made as to whether to truly invest or stop public sector support.

That said, it is clear from the Constructing Excellence and Regen SW evaluations that the benefits of sector organisations are reflected in their ability to 'blend information' about different challenges faced by their respective industries into events that provide practical and relevant advice.

Promote the region as a low carbon location of choice

The Regen SW evaluation re-affirmed the findings identified in the 'Road to 2020' (Regen SW, 2008) report. The scale of the ambition for the deployment of renewable energy nationally means that there will be significant activity within this sector to 2020 and beyond. Coordination and support will still be required over this period to assist the sector in scaling up to meet future demand; and to ensure that the benefits of investment are captured within the SW region. The issue, moving forward, is what form that support may take. A snapshot of the relationships between UK Energy Policy and the English Regions identified where support may best be conveyed, this highlighted a unique selling point for regional coordination to establish effective innovation systems to bring forward low carbon technologies and processes. It also highlighted the pivotal role of national government in providing mechanisms to remove barriers, and the importance of local governance to facilitate local infrastructure arrangements and to encourage support for low carbon economic development. Should, moving forward, the delivery of regional innovation systems, regional and inter-regional coordination continue to be of benefit to national and local government then some funding mechanism / alternative route to delivery continues to be required to retain core capacity.

In 2008 the South West RDA and South West Tourism completed a scenario analysis of household transport. Using the REAP model, it reviewed the relative effects of different aspects of SW households transport use on carbon dioxide emissions. Scenarios reducing SW resident use of cars, in particular by increasing occupancy and decreasing distance travelled, had the biggest impact on reducing carbon dioxide emissions. In addition, switching transport from car to train appeared to be more effective than switching from car to bus. The findings from this research have application across a range of policy areas. A cost benefit analysis (Evaluation of the Eden Project, 2009) of the Eden project for example found that whilst the economic benefits and strategic added value had been significant for Cornwall and the wider region, when one combined the analysis with an assessment of the carbon costs and effects of travel and congestion there was a significant reduction in the overall benefits. In addressing this point, Eden has been engaged in substantial activity to provide alternative transport routes for its visits. Nonetheless, as with other examples, the brigading of carbon and economic assessments continues to highlight the inevitable policy challenge of delivering economic growth within environmental limits.

Low Carbon Leadership

Net Zero Carbon Methodology

Regional strategy mirrors national and international attempts to manage economic growth within environmental limits. The focus of Regen SW's activity over the period provides a good example of where multiple impacts can be delivered together. The measurement of economic and environmental effects provided a more rounded view of impact. Using a mix of methodologies the Regen SW evaluation found that although the body had successfully delivered on both economic and environmental objectives, at times the dual rationale has presented a degree of tension for those managing the portfolio of activities. Whilst analysis has shown that Regen SW has had a significant impact in both economic and carbon terms, (therefore indicating that it is possible to deliver simultaneously on both counts) it needs to be acknowledged that demonstrating economic impact of energy efficiency and carbon related activities in terms of GVA and employment may present a challenge as the economic impact of carbon saving activities does not always have an immediate intent.

Reviews of the Competitiveness and Convergence Operational Programmes provided an opportunity to review progress against the environmental cross-cutting theme. The review found that whilst the cross-cutting theme is becoming embedded both vertically and horizontally through in the operational programmes, there are some key challenges to consider. The most significant being whether the programme is seeking to achieve relative or absolute carbon savings, potentially representing the tension between economic versus environmental success.

An article in the South West Economics Review (Feb 2010) reinforced the importance of economy-environment modelling in providing evidence to support approaches to a low carbon region. It stated:

- Gains in resource efficiency and labour productivity are inherent and beneficial to our economy-environment nexus;
- Higher economic and population growth are both likely to reduce these net benefits significantly;
- Any efforts to change the nexus must recognise unemployment and other social effects.

It was recognised that models cannot cover all feedback loops through poverty and opportunity, incentives for consumption, behaviour change and risk taking, technology and regulatory adoption, and innovation and investment. They provide useful benchmarks for discussion rather than definitive answers.

Developing a Low Carbon Action Plan

As with other sector evaluations, it is clear that issues persist with a number of organisations undertaking closely related tasks managing similar areas of focus. This becomes problematic when isolating the additionality of support, and is reflected in the feedback from Envision, Regen SW, Future Foundations and Constructing Excellence. Notably this same feedback has also been reflected in other evaluations, such as that of the food and drink sector. Managing within a crowded institutional landscape poses a number of issues, from beneficiaries unable to discern where to go to support, to significant overheads in managing relationships and cross-overs as organisations vie for position.

Within the current economic context, one of the challenges for policy makers is how to consolidate the expertise contained within these organisations for the benefit of a wide number of users, within the context of a shrinking public sector. Where sector development spans local administrative boundaries and geographies this may be a key issue to unpick as action plans are developed to respond to whatever administrative level over the forthcoming years.

The dispersed nature of sectors such as the construction industry was also reflected in recent research on key industrial sectors which found that the South West does not have significant clusters of activity in building materials technology, demonstrators or industrial academic collaborations, with much of the economic activity highly dispersed. Moving forward, driving growth across significant dispersed sectors will provide a challenge particularly where policy is focussed both on delivering environmental and economic benefits, as has been the case in and around sustainable construction.

Influence National and European Low Carbon Policy and Programmes.

The evaluation of Regen SW demonstrated that it, together with the South West RDA had built a best practice example in terms of raising awareness, transferring knowledge and delivering both economic and carbon impact and was in general highly valued. The South West RDA has provided the appropriate support and foundation for Regen SW to flourish and Regen SW has evolved as an extremely well connected and knowledgeable organisation to support the Renewable Energy sector. They have initiated and/or been involved at an early stage in all of the major renewable energy projects in the region; and successfully worked closely with partners at all levels.

It is recognised that the rationale for investment in Regen SW was driven for economic and environmental reasons. For example, the comparative advantage of the South West in the renewable energy sector provided an opportunity to maximise the growth in the sector in a coordinated way that would benefit the whole regional economy. A number of issues were identified that required public sector initiative and intervention. These included a several failures such as a lack of an independent regional champion to spearhead information and knowledge of renewable energy technologies, a need to address capital constraints and risk adversity by the private sector and barriers to infrastructure investment such as planning.

To this end, there has been a clear benefit in maintaining an organisation that can act as a conduit between national policy and activity on the ground at local level. While the additionality of economic and carbon benefits may be low, the strategic added value of Regen SW has been medium to high. The future policy challenge is how we retain this capability, knowledge and expertise as new models for economic development emerge.

This same finding is reflected in feedback on Future Foundations with regards to sustainable construction. The project defined sustainable construction in meaningful terms and prioritised the key issues of zero/low carbon and procurement. This clarity allowed synergy to be developed between regional partners and for Future Foundations to take a leadership role in the region. Importantly for both Regen SW and Future Foundations, the benefits of being considered 'independent' of local and regional bodies have enabled them to be considered as regional champions for their area of focus. Across both areas this has enabled them to become a focal point for co-ordinating regional responses to national government consultation exercises. These roles reflect the ability of sector organisations to act as structured advocates of change for their respective industries. With models of economic development moving towards local enterprise partnerships, maintaining a wider sectoral focus across a geography which is more confined than a UK or England level, but more substantial than a local level, may well provide some challenge to local and national policy makers over the next few years.

It may be considered that business support programmes are not positioned to drive thought leadership in the same way as other policy mechanisms: they are a practical response to policy issues. Nonetheless, it is clear that through the Envision project the Environment Agency in particular did play a leadership role with respect to environmental support for business, forming strong links with the South West RDA, Local Authorities and others and as a result influenced the incorporation of the resource efficiency agenda into a number of strategies and activities locally, regionally and within the Environment Agency itself.

Some stakeholders were more reserved about the extent to which the business support project had influenced the activity of others, suggesting the project has been successful at engaging with individuals on an 'officer to officer' basis, but less successful at influencing the corporate position or board level decisions. This feedback does represent a policy and process challenge in how to best harness the best practice and lessons learnt at the business support level so that wider lessons can directly inform ongoing policy and strategy development.

That said, during the life of Envision, resource efficiency and the low carbon economy has moved from a fringe position to a core element of economic development both within the region and nationwide. It is worth noting however that this has principally been a result of global and national developments such as global climate talks, the publication of the Stern review and numerous pieces of legislation such as the climate change levy and climate change bill. The ability to provide that input to national and European debate from the bottom up is likely to be an ongoing challenge and perhaps focus should replicate that of Cornwall Council where learning was incorporated into its white paper on economic development. A further leadership challenge is the extent to which resource efficiency is generally considered a 'good thing' and so the policy debate becomes hampered by a group think mentality. Whilst it is clear from the evaluation that the results are positive, they are not so much so to warrant a blanket acceptance that national, regional and local investment in this area should continue in perpetuity.

Leadership was a core theme within the Eden evaluation. The research found that this iconic project was led by a strong project champion. It demonstrated the importance of garnering support from committed, highly skilled individuals who can deliver a clear vision to ensure that a project is funded, implemented and remains an ongoing success. In the case of the Eden Project, Tim Smit was (and continues to be) the driving force behind the project and has ensured that it continues to deliver substantial positive benefits. Whilst a project lesson, the applicability of this finding cuts across policy themes as well as specific interventions and Government investments. The challenge for policy makers is accessing those individuals that can champion key areas of work.

Conclusions

The Coalition Government has set out a range of measures with the aim of moving the UK towards a low carbon economy. The Government has pledged to achieve this through reform of the energy market and action to attract additional private sector funding.

Within the context of the Government's principle policy objective to reduce the UK's structural deficit and with a focus on decentralising services to a local level, policy makers will need to reassess current delivery mechanisms to achieve the Government's low carbon aims.

Particularly policy makers and service providers alike should critically assess on a frequent basis:

- The challenges that need to be addressed;
- The number of related organisations that undertake similar roles;
- The net additional benefit that the public sector investment is providing;
- The driver of any given public sector interventions: environmental and / or growth; and
- The focus and targeting of the support offer.

Research has shown that strategic objectives need to be checked against different policy drivers so that risks to the achievement of multiple objectives are understood. Policy makers should also recognise that this is a complex and new sector. Its development will therefore be a long term proposition..

ng Centre | Business Link | **Plymouth International Business Park** | West at Work |
eeth/Petrockstowe Railway | Wrafton Laboratories Ltd | Falmouth Maritime Museum |
mouth to Budleigh Salterton Railway | **Mayflower Heritage Centre**, Plymouth | Pitts
ave, Tavistock | Hayle Foundry | Exeter Sky Park Tiverton Business Park | The Prince's
outh Business Trust | N Hayle Industrial Park Plots 1 & 2 | Newquay Airport | Becton Dic
on Ltd | Yeo Bridge | **Constructing Excellence South West** | 2012: Cultural Olympiad
novation Relay Centre | Barnstaple | Tamar Science Park ITTC - Phase 2 | Mylor Yacht
bour, Falmouth | Okehampton - A30 | **PRIMARE** | RNAS Portland/Osprey Quay | Tripo
ceptor Research Ltd | Cabot Freight Park | South West England Marketing Campaign | M
ads Site, Glastonbury | **Gloucestershire Flood Relief** | Women's Enterprise | SW Region
ence & Industry Council | Jaeger Factory, Plymouth | National Marine Aquarium - Phase
Leadership SW | Peninsula Medical School | Exeter University Innovation Centre - Phas
Advanced Engineering Skills Project (AESP) | **St Austell Town Centre** | Bristol Airport
rminal Infrastructure | Plymouth City Development Company | Frome Market Town Regene
ation | Wessex Rail Franchise Study | **Crediton Town Square** | Media Skills Developme
programme | Torquay Harbour Waterfront Development | **Exeter Science Park** | South
est Regional Infrastructure for Social Enterprise | Radstock Town Centre | SW Quadrant,
dport | **Bristol Foyer** | Broadband4Devon | **Beacon Company Initiative** | Black Deve
ment Agency, Bristol | SW Opportunities for Older People (SWOOP) | NCN Route 3 Avon
ey Greenway, Bristol | Weymouth & Portland Sailing Academy | **Business Link Service**
Bournemouth International Centre | Business Incubation South West | Forest of Dean CA
treach | **Devon Food Links** | Cannington College | Rural ICT Training Project | Equali-
s South West | **Market & Coastal Town Initiative** | UK Micro-nanotechnology Networ
oup | Winfrith Innovation Centre | Regional Venture Capital Fund | **Eden Project** | HM
ylla' | Rural Recovery Initiative - Foot & Mouth | Science City Bristol | Forest of Dean To
n Study | Tamar Science Park | Bournemouth University Incubation Centre | Jurassic Coa
orld Heritage Centre | **Marine South West** | SLIM | Gradsouthwest.com | Cornish Sea
it | SW Angels Network | Manufacturing Advisory Service | **Regional Observatory** | R
naissance | **Culture South West** | South West Food & Drink | Aerospace Sector Support
Knowledge Exploitation SW | Newquay Regeneration | At Bristol | **SW Angels Network**
Combined Universities of Cornwall | Purbeck Business Centre | Princess Yachts Ltd | BAE
stems | **Pendennis Shipyard Ltd** | Archimedia (Knowle West Media Centre) Bristol | H
urside - Bristol 2000 | New Swindon Company (URC) | **Pervasive Media Studio** | Watc
arina | Sutton Seeds, Long Road, Paignton | **West at Work** | Weymouth Skatepark | Ply
th Airport Extension Works | **City Works Project, Gloucester** | Plymouth Cycle Netwo
Phoenix Fund | Devonport Urban Village | Plymouth | The Showground, Bridgwater |
ay Park Engine House, Camborne | Polmarth Park | Tolmen Centre, Falmouth | Construc
g Excellence South West | Living Coasts Marine Aviary | Torquay | Millbay Regeneration
ymouth | Pennygillam Industrial Estate | Launceston | **SW Angels Network** | Coney Hill

Community College, Gloucester | The Cornish Way - China Clay Routes | Poole Arts Centre
Helston Business Park | **The Wave Hub, St Austell** | Helston Business Park | **St Paul's
Sea Regeneration** | Castledown Business Park | Sowton Industrial Estate Improvement
eter | Plymouth Marine Laboratory | St James's Trading Estate Phase 2 | Redruth Hospita
W Coast Scoping Study | **Western Riverside, Bath** | Plymouth Railway Station | **Naval
se Visitor Centre** | Plymouth | St Just Heritage Area | Investment Framework for Inner
s Bristol | SW Regional Science & Industry Council | **Minehead Regeneration Area** | S
umb Major Ind Estate - Phase 1 | Swindon Incubator Centre | Building Communities Ini
tive | Caradon Hill Heritage Regeneration Project | North Dorset Business Park | **Cabot
eight Park** | Bristol Foyer | Kuumba Project, Bristol | City Works Project, Gloucester | N
n Park & Ride Extension, Wareham | **400KW Wind Turbine Development** | Tiverton
Business Park - Phase 2 | SW Climate Change Impacts Partnership | Bradford on Avon Gas-
orks | **Beacon Technology Park** | Cheltenham Civic Pride | City Business Park, Plymouth
The Cornish Way - China Clay Routes | SW Manufacturing Advisory Service | Mylor Yacht
rbour, Falmouth | Jaeger Factory | Tolvaddon Energy Park | Cricklepit Site Phase 1 | Cat-
market Site | Long Rock Ind Estate | **Dorset Broadband Partnership Project** | Exeter
iversity Innovation Centre | Wincanton Healthy Living Centre | St Austell Brewery Comp
l | **Matson Lane Resource Centre** | Gloucester | Stonehouse Creek Community Centre
Plymouth | Coney Hill Community College, Gloucester | Knowledge Exploitation SW | Sou
ake Railway Path | Poole Arts Centre | **Hengrove Park, Bristol** | Helston Business Par
eymouth Skatepark | Western Riverside, Bath | Eden Institute | St Austell | Frome Marke
wn Regeneration | **Next Generation Access – Broadband** | Kelly's Ice Cream Factory
kP Falmouth Limited | Mere Rural Workspace Project | Swindon Incubator Centre | Carad
l Heritage Regeneration Project | **North Dorset Business Park** | TUC Learning Services
rnwall | New Swindon Company (URC) | Tintagel Heritage Regeneration | Torquay Har-
ur Waterfront Development | **ACT Now Project** | Dorset World Heritage Site | Cornwa
velopment Company | Plymouth Guild of Voluntary Service - One Stop Shop | South W
gional Infrastructure for Social Enterprise | Newquay Airport - Infrastructure Improve
ude Stratton Business Park Extension | Carpenter House - University of Bath | Plymouth
y Growth Strategy | **SW Region Skills For Life** | Gloucester Urban Regeneration Comp
Research Instruments | Bickland Ind. Estate | Exeter Airport Infrastructure | **Gloucester
ire Innovation Centre** | Anaerobic Digestion | Newlyn Seafood Park | Bristol Zoo's Wild
nservation Park Development | Hurd's Spring Valley Watercress | Pathfields Industrial Si
Cannington College | Chronos Technology Ltd | Food Sector Research | Broadband4Devor
Princess Yachts Ltd | Business Start-Up Fund | **Eastbrook Organic Pig Farms** | Rural ICT
ining Project | Rural Renaissance in Dorset | Innovation Relay Centre | Tresco Heliport
grade | South West Fishing Strategy | **Food and Drink Sector "Buy Local" campaign**
ondon 2012 Olympics - Sailing Venue Design | Camborne Pool Redruth URC | Museum o
rtmoor Life | HMS 'Scylla' | Kawasaki Precision Machinery (UK) Ltd | Dorset Village Bake