

THEMATIC REVIEW OF THE 1994-1996 YORKSHIRE AND HUMBER SPD

1. INTRODUCTION

This paper presents the results of a review of the operation of the 1994-96 SPD in the Objective 2 area of Yorkshire and the Humber (YH). The region, lying in the north eastern part of England, is an important part of the United Kingdom. The YH region as a whole has a population of 5 million, comprising just under one in eleven of the UK's total population. It produces some 8% of the total GDP of the UK. The region contains both Objective 2 and 5b areas. Parts of the region are also eligible for various Community Initiatives such as RECHAR and RETEX. The Objective 2 area within YH comprises almost the whole of the county of South Yorkshire, together with significant parts of the county of West Yorkshire and the four unitary authorities of the Humber.

The title of this paper describes the study as a *thematic review*. At first sight, this phraseology may seem rather unusual. Since the study was conducted during 1997, it could perhaps have been described as an *interim evaluation*, falling as it does at the mid-point between the 1994-1996 and 1997-1999 Objective 2 SPD's¹.

The term 'interim evaluation' does not, however, adequately describe the nature of the study actually undertaken. While the review does indeed contain the elements found within a traditional interim evaluation, it differs in a number of significant respects to previous practice. These differences are considered in greater detail later in the paper. The term 'review' is therefore preferred to 'evaluation'. Moreover, the review can be described as 'thematic' in nature because of its focus on key issues drawn from the overall strategy. As well as analysing employment and other impacts and progress in the financial implementation of the SPD (issues normally addressed by interim evaluations), the review also examined the partnership process, capacity building and implementation procedures.

The review, commissioned by the Programme Monitoring Committee (PMC) of the 1994-1996 SPD, comprised three component parts:

- Three Sub-Regional Assessments (SRAs): one for the South Yorkshire part of the Objective 2 area, one for West Yorkshire, and one for Humberside.

- A Programme Wide Appraisal (PWA). This was deliberately designed to follow on from, and build upon the work of the three SRAs.
- A Quality Assurance (QA) programme undertaken by independent consultants (EKOS Ltd.).

All three parts of the review were guided by a Technical Assistance Sub-Group (TASG) of the PMC, a group which played an extremely active role in the design and implementation of the review.

Having briefly described the three Objective 2 sub-regions within YH (section 2), attention will be turned to the distinctive features of the thematic review (section 3). Section 4 presents key results. Since the review was a wide-ranging one, it would be inappropriate to attempt to present the full findings². Attention in section 4 is therefore concentrated upon *one* of the SRA studies (South Yorkshire), as an example of the work undertaken, and on the PWA. Section 5 considers the manner in which the review was managed and the roles played by the PMC, the regional and local partners, DGXIV and the QA consultants. The issue of how the implementation of the many proposals arising from the review can be managed, and how continuity with the 1997-1999 SPD is being ensured, are also considered. The paper concludes in section 6 with an attempt to draw lessons for the future. The detailed proposals arising from the review are listed in Annex 1.

2. THE OBJECTIVE 2 AREA OF YORKSHIRE AND THE HUMBER

An important reason for the decision to undertake the review by way of an interlocking set of sub-regional studies (the SRAs) and an area-wide analysis (the PWA), lies in the *diversity* found within the YH Objective 2 area. While it would be inappropriate here to attempt to set out the full results of the economic assessment analysis undertaken by the three SRAs and the PWA, three examples serve to illustrate the diversity existing within the YH Objective 2 area.

¹ It should be noted that the timing of the study precluded a full *ex post* evaluation of the 1994-1996 SPD. A full *ex post* evaluation will take place in 1998.

² Copies of the full review reports (one for the PWA and three individual SRA studies) can be obtained upon request from Isobel Mills, European Secretariat, Government Office for Yorkshire and the Humber, 25 Queen Street, Leeds LS1 2TW, West Yorkshire, UK. Tel: +441138340. Fax: +441138301.

Consider table 1, which shows demographic changes for the three sub-regions and the various smaller local authority districts, which collectively comprise the Objective 2 area. Column 4 gives *percentage* population changes between 1991 and 1995. This overall population change can be sub-divided into that part resulting from natural changes due to births and deaths (column 5) and that part from all other changes (principally net migration). All three Objective 2 sub-regions show a slow rate of population growth, but the overall rates vary from 1.3% in Humberside to a mere 0.1% in South Yorkshire. This sub-regional diversity is also revealed by the wide variations in the excess of births over deaths (column 5) and in net migration rates (column 6). The latter reveal how serious are the losses due to out-migration from South Yorkshire, an issue which is of particular concern given the tendency of most migrants to be drawn from the younger, more educated and more economically active members of the workforce.

Even more striking in table 1 is the extent of diversity revealed at local level *within each Objective 2 sub-region*. Grimsby and Scunthorpe, for example, lie within an Objective 2 sub-region (Humberside) which is experiencing net in-migration and population growth, and yet are themselves experiencing net out-migration and slow population decline. Similar local-level diversity is revealed in the other two sub-regions.

The extent of sub-regional diversity is also shown in the manner in which the three Objective 2 sub-regions differ in their ability to generate new small businesses. Table 2 shows how the numbers of new businesses have grown in each sub-region between 1980 and 1994. For comparative purposes, the table also gives the *density* (i.e. stock of businesses per 10,000 population) estimates. While as one might expect, all three YH Objective 2 sub-regions perform more poorly than the GB economy as a whole, what is interesting is the variation among the three sub-regions, with South Yorkshire facing particular challenges.

Finally, table 3 sets out sub-regional and local (travel-to-work area) unemployment rates, a further example of the extent of diversity within the Objective 2 area of YH. The table illustrates the sub-regional variations very starkly, with West Yorkshire exhibiting a 1996 unemployment rate of 8.2%, South Yorkshire 10.7% and Humberside 9.0%. The local-

level variations, however, are even larger, ranging from 7.1% in Scunthorpe to 13.1% in the Rotherham & Mexborough travel-to-work area.

As well as the large sub-regional and local variations in the *scale* of problems faced, the three sub-regions also have very different economic characteristics. West Yorkshire, long renowned for its textile industries, has also developed a strong SME base and has a number of active immigrant communities. Humberside has well-established port industries such as chemicals and oil refining, but also problems associated with fishing and other communities affected by rapid change. South Yorkshire has traditionally been characterised by larger companies, metal manufacturing and coal mining sectors, and has experienced particularly poor GDP growth in recent years.

Economic assessments of the type from which tables 1-3 are drawn are, of course, an integral part of all SPD programmes, including the earlier 1989-1993 YH Objective 2 programme and the original 1994-1996 SPD document. The economic assessment undertaken as part of the current review is, however, unusual in that:

- It was simultaneously both *bottom-up and top-down in its approach*. The bottom-up aspect was achieved through the detailed analysis of economic and social issues undertaken by the three SRAs within their local areas. The top-down component was achieved by the analysis undertaken at the full Objective 2 area level by the PWA team, building on the SRA studies.
- *The economic assessment analysis attempted the difficult task of balancing flexibility with consistency*. With such diverse local economies, it is important that the sub-regional teams be given the flexibility to concentrate on problems and opportunities which are specific to their own local area (e.g. the textile industry in West Yorkshire, or metal working industries in South Yorkshire). At the same time, however, it was necessary to ensure that each SRA team produced consistent benchmark statistics and undertook sufficient comparable analysis of issues to enable a complete programme-wide picture to be assembled by the PWA team. Closely associated with this issue is the additional problem, common to many of Europe's Objective 2 areas, that the administrative boundaries of the three sub-regions coincide only very imperfectly with the boundaries of the Objective 2 area. The review sought to overcome these difficulties in the following ways:

- (a) The QA consultants, in consultation with the TASG, established a core of set of analyses which each of the three SRA teams were asked to undertake. This comprised a list of common topics (e.g. unemployment, social exclusion, sectoral employment etc.), together with detailed sources of the appropriate statistics (to ensure comparability).
 - (b) The QA consultants provided detailed on-going guidance to the three SRA teams on what analyses of the core statistics would be appropriate and how the results could be presented in a way which would maximise comparability across the three sub-regions.
 - (c) The QA consultants actively encouraged and provided advice to the three SRA teams on methods to take the results down to the level of geographical disaggregation which provided the best 'match' with the Objective 2 area. The three SRA teams themselves comprised members with extensive expertise on this type of research.
 - (d) Within the central core of common analysis, the three SRA teams and the PWA were also given considerable latitude to identify and pursue themes of their own choosing, retaining the desirable element of flexibility.
 - (e) The PWA team was given the task of re-aggregating the three sets of SRA results to provide an Objective 2 area-wide perspective. Gaps remaining in the analysis at the end of the first phase were filled by direct analysis undertaken by the PWA. The re-aggregation task from sub-region to area-wide levels was facilitated by the decision to work from a fine locality level to begin with and by the consistency introduced by way of the QA process.
- *The review sought to develop a genuine partnership approach to the economic assessments undertaken.* Each SRA team was made up of members of *local partner organisations* together with specialist academics and consultants chosen for their expertise and detailed knowledge of the specific sub-region. The PWA team, selected via a tender process, was drawn from academics and consultants across the region, and able to rely upon advice and input from the regional partners directly and via the QA consultants and the TASG. The PWA team comprised members with different specialisms to create a consortium of appropriate skills. The close involvement of local and regional partners at all stages, including the initial specification of the issues to be analysed, the analysis itself and the interpretation of the results, is unusual and is a model could be usefully applied elsewhere.

- *Economic appraisal research was taken down to very local areas within each Objective 2 sub-region.* Having detailed benchmark statistics and empirical analysis at a geographical level which coincides with the small areas over which the majority of individual projects operate can be vital when new projects are being devised and subsequently implemented. Just how useful was starkly revealed by a survey of partners and project managers undertaken at the start of the review. This found that only 9% of projects actively drew upon the 1994-1996 SPD document economic appraisal evidence in drawing up projects, and only 3% of partners actively used previous SPD economic assessment evidence in project selection decisions. This was because much of the information in these earlier assessments was at a very broad geographical level.

The review identified a number of difficulties still needing to be overcome in future economic assessments:

- Much of the analysis tends to be *retrospective*. While this type of work is extremely valuable, a strong case can be made for economic assessments to develop a stronger *forecasting* and *economic intelligence-gathering* role (e.g. on the effects of Eastern enlargement of the EU).
- Only a small part of the large body of research undertaken by or on behalf of the *European Commission* is being systematically drawn upon by SPD economic assessments. Relatively little use is made of the results of EU studies of regional competitiveness, of the regional economic impact of EU policies such as the Single Market and Eastern enlargement. This problem is by no means confined to YH; it appears to be a widespread one, and the review makes proposals on how it may be overcome.
- Undertaking economic appraisal analysis and disseminating the results to partners and project managers are activities which, like evaluation, should be considered as *on-going functions* and not one-off studies. This area too was the subject of a number of proposals, including strengthening regular, on-going, *ex ante* research.

3. DISTINCTIVE FEATURES OF THE REVIEW

In addition to the distinctive features of the economic appraisal element, the review was also distinctive, as an interim appraisal, in the following respects:

- It was an *evaluation in partnership* that recognised how complex and sophisticated partnerships have become, both in geographical and also functional terms. The make-up of the SRA teams and the PWA and the manner in which they set about their roles reflects this partnership approach. So too does the role of the PMC and its members. Co-finance was provided by the regional partners and not the UK government, giving genuine partnership involvement.

- The review attempted to develop a *balance of bottom-up and top-down* approaches. The bottom-up research comprised an unusually large amount of survey and case study work for an interim appraisal. The mixture of bottom-up and top-down approaches has already been shown in section 2 with the economic appraisal work. The balance was also, however, reflected in the other tasks undertaken. When the review was originally established, it was envisaged that the PWA team would take on the role of appraising the interim progress of the SPD as a whole and would make the overall normative judgements. The three SRAs were originally envisaged as being more focused in their approach, collecting information through a partnership process and concentrating on local conditions and local projects. In other words, there were two evaluation ‘loops’, each interacting with the other:

(a) Project objectives – project implementation – project evaluation.

(b) Programme objectives – programme implementation – programme evaluation.

An interesting feature of the review was that, as it developed the clear division of labour between the PWA and SRAs began to break down, particularly in the case of the South Yorkshire SRA discussed later in the paper. This was a reflection partly of the need to consider the two evaluation ‘loops’ in a genuinely interactive manner, but also a reflection of the growth of expertise and self-confidence as the teams of partners, academics and consultants developed their work.

- It was designed to be both *external and internal* in its perspective on the matters considered. The external (objective) elements were introduced partly through the involvement of academics, consultants, the QA team and PMC participation, but also by way of the encouragement of an analytical approach to the issues by the teams. The internal perspective was encouraged by the partnership approach and by the emergence of a self-

critical culture as the review progressed. There were clear signs of the emergence of an 'honesty pact' and critical self-assessments by the partners within each of the SRAs. Care was taken to avoid the SRA teams becoming mere pressure groups for local interests.

- The review was designed to be sensitive to the value added of the *regional strategy* whilst also adapting itself to the variety of the *local conditions* within the Objective 2 area.
- The review was deliberately designed to be both *thematic and general*. This was done by identifying those themes which were of particular importance to the strategy.
- The review combined elements of both *ex ante* and *ex post* evaluation, particularly in relation to estimates of the employment effects which formed a significant part of the work of the PWA and SRAs. There were, of course, limitations on the amount of *ex post* work possible given the early stage at which the programme was at. The intention here was to develop an effective interim appraisal of the SPD whilst simultaneously pointing the way forward to a continuing, on-going process of evaluation and the development of an 'evaluation culture'. Critical in this process is the further encouragement of the region's 'learning partnership'. The review took place at a time when the region had achieved significant progress towards an effective 'learning community'. The challenge was to build upon this.
- As noted earlier, the review sought to be a *comprehensive* one, reaching beyond the traditional concerns of interim appraisals.
- The review sought to lay the groundwork for an *on-going, iterative* appraisal system, with clear links through to the 1997-1999 SPD.

In presenting the key results of the review in the next section of the paper, attention will be concentrated on these distinctive features of the review.

4. RESULTS AND RECOMMENDATIONS OF THE REVIEW

In this section a summary is presented of the key results of the PWA study and that of one of the three SRA studies, South Yorkshire. The latter was chosen partly because it is the largest of the three Objective 2 areas and also because it contains within it some of the most severe challenges facing the Structural Funds. It should be noted, however, that South Yorkshire is a far from homogeneous sub-region. A prosperous west (including south and

west Sheffield) and growing prosperity along its motorway corridors, contrasts with severe deprivation in much of the rest of Sheffield and in the coalfield areas in the north and east of the sub-region. The South Yorkshire SRA also undertook a rigorous analytical approach, including impact analysis of the effects of the SPD.

4.1 The South Yorkshire Sub-Regional Assessment

The SRA was undertaken by a team drawn from both the academic community *in the sub-region* and local partnerships, enabling the academic researchers to have regular access to the knowledge and expertise possessed by local practitioners during the research process. This was particularly valuable in study of the operation of local partnerships and in facilitating access to the contacts and resources of the Training and Enterprise Councils and local authorities. It also provided first hand knowledge of the operation of a number of key ERDF and ESF funded projects.

The research team itself reported to a Steering Group which was chaired by the Rotherham Economic Partnership and contained members drawn from a wide variety of local partnerships. The regular inputs from the Steering Group at inception, and the interim and draft report stages were key elements in the *bottom-up* aspects of the study. *Top down* perspective was provided by the need to work closely with the PWA team and to report to the TASG and the QA consultants at regular intervals. Cross membership of the research teams and regular liaison between the project managers helped to ensure that the sub-regional study and the PWA used consistent guidelines and approaches. The TASG and the QA consultants approved the study programme and the draft and final reports. At each stage feedback and guidance was given concerning the quality and coverage of the study.

At the outset, the research team agreed with the Steering Group and the TASG that the sub-regional study would aim to provide an *honest* internal picture of the operation and impact of the programme. Every attempt was made to ensure that the study did not fall into the trap of simply representing local interests. This was particularly relevant in terms of the estimates of the impacts of the programme. The element of *external objectivity* was provided by the external QA assessors.

The sub-regional study was organised around a number of *themes* which taken together provided a general appraisal of the operation, impact and management of the 1994-6 SPD within the sub-region. The main themes were an analysis of the sub-regional economy (economic assessment), an appraisal of the operation and impact of the programme and the role of partnerships in the management of the programme. Attention was also paid to the key elements of a future sub-regional strategy for South Yorkshire. Throughout, care was taken to relate the variety of local conditions encountered in the sub-region to the wider interests of the development of a strategy for the region. This was particularly relevant for those parts of the sub-region where pollution and poor infrastructure pointed to a different set of priorities than those appropriate to the more prosperous areas.

The study of the operation, impact and management of the programme involved both *ex post* and *ex ante* aspects. For example, although many of the projects were unfinished at the time, the study did attempt to both catalogue what had already been achieved and to estimate, using a computer model, what the final employment and other impacts of the programme would be. The section on partnerships was used both to outline and appraise the operation of partnerships during the period 1994-1996 and to make recommendations as to how they could operate more effectively in the 1997-1999 programme.

A key part of the appraisal was a large set of project case studies. These cases provided new information on the 'grassroots' operation of the programme. The findings of the case studies were also used to develop a set of general conclusions concerning the major problems faced by project managers during the implementation of the programme.

The South Yorkshire SRA was one of the most wide-ranging reviews of the operation of the Structural Funds ever undertaken in the sub-region, and an array of key findings and proposals were developed.

The economic assessment

South Yorkshire has the lowest GDP per capita of any region or sub-region in the UK and this is declining relatively to the national average and even more sharply compared with the EU average. There is an extremely high level of male unemployment and future prospects are poor because its occupational and industrial workforce mix is biased towards industries and occupations with poor prospects for growth. It is, however, lack of employment rather

than an adverse mix which is the main problem. The problems are not spread evenly across the sub-region and there is a need to take this local diversity in to account when formulating policy.

In discussion with the major local partners, the research team took the view that the key to a successful strategy in the sub-region is the exploitation of existing distinctive competencies in relevant markets. Recent economic performance suggested that the 'key sectors' approach was not a fruitful one for South Yorkshire. The long-term strategy should aim to strengthen local businesses and raise the skills base of potential employees. It should promote stakeholding, build up commitment and promote innovation. The strategy should not be based on searching for industry-based solutions or targeting of this nature but on targeting firms across all sectors that display genuine growth prospects, each offering the sub-region their own distinctive capabilities.

Putting the framework into action must be seen in the context of the government's regional policies, its *Welfare to Work* programme and the region's lack of knowledge about local economies and the impact of regeneration programmes. Finally employment objectives should be based on realistic assessments of net additional employment impacts and the acceptance by all parties of seemingly modest targets for employment impact.

The implementation of the Programme

South Yorkshire's actual share of approved funds from the 1994-1996 SPD was found to be in line with what its population size and unemployment levels would have predicted. ERDF approvals were within 20% of the indicative totals across all Priorities but there was a serious under-performance within the ESF programme. This was partly due to the late approval of the SPD and a focus on training people in work rather than the unemployed. The under-performance of ESF also reflected a limited absorptive capacity on the part of organisations and SMEs. There was a feeling among local partners that the under-spend on ESF and some of the 'softer' elements of ERDF reflected a mismatch between the needs of the sub-region and the priorities of the Commission.

Discussions with project sponsors and the local partnerships indicated that the operation of multi-annual funding and multiple deadlines within the ESF programme would ease some of the difficulties encountered during 1994-1996. A more flexible scoring system in terms of

target educational outputs, definitions of innovating projects and the importance of a proven track record might also speed up the process.

The results of a postal survey and in-depth case studies identified a number of considerations that were particular concern to project sponsors. Many of these problems relate to the bureaucratic systems used to manage the SPD and to the difficulties in arranging matched funding. The most successful projects proved to be those that addressed a clear market need or were championed by individuals with a clear vision and useful personal contacts.

Outputs and impacts

It must be remembered that at the time of the study few of the output indicators for projects which were being routinely monitored had actually been completed. In practice, the measurement of outputs was often difficult, particularly when more than one programme could have contributed to them. There is a need to find a mechanism for more realistic estimates of outputs, and approval bodies need to ensure greater rigour in their definitions.

Not only is there the distinction between target and achieved outputs but it is also useful to distinguish between final outputs which have a direct impact on the economy (e.g. jobs), intermediate outputs which facilitate economic impact (e.g. managed workspace) and monitored outputs, such as the number of training hours, which are essentially inputs.

It is estimated that aggregate approved outputs were not significantly different from what might have been expected given South Yorkshire's indicative share of grant, apart from a shortfall in jobs created and jobs safeguarded targets.

In terms of estimating *impacts*, the study concentrated on job creation from ERDF projects. The study found there to be a lack of clarity concerning the definitions of indirect job creation and jobs safeguarded and this has led to large discrepancies in cost-per-job figures for similar projects. There was also a great variation in the job density estimates for projects that appeared to be similar when measured in terms of sites and premises. Evidence seems to suggest that the location of proposed sites is important and that in order to maximise geographical impact, the sub-region needs to assess which sites enjoy a strategic advantage, and to focus resources there and co-ordinate policies accordingly.

In addition to the issues outlined above, attempts were made to quantify *displacement*, *supply linkage* and *multiplier effects* in order to distinguish gross from net employment effects. Use of a specific sub-regional impact model indicated that both displacement (reducing net job creation) and supply linkages (increasing net job creation) may be higher than is typically assumed by project managers and in other evaluations.

The interim stage of the programme at the time of the SRA meant that to a large extent attention was concentrated on *ex ante* impact estimates. It also meant that little could be said about the effect of job creation measures on social exclusion, gender and quality of jobs, but given the number of unemployed males in South Yorkshire it appears likely that gender is a relatively less important issue in social exclusion.

Taking all of these factors into account the study estimated actual *net job creation to be between 2,500 and 5,750 of the 11,500 SPD target*. However, bearing in mind the interim nature of project job forecasts any attempt to quantify the final impact of the programme should be treated with caution.

The role of the partnerships

The research team used its partnership links to investigate four levels of partnership - the Programme Partnership (the Area Advisory Group), Local Regeneration Partnerships, Community Partnerships and Project Partnerships.

The Area Advisory Group experienced many problems, but whatever its shortcomings, by the end of the programme a sense of partnership was beginning to develop. The Local Regeneration Partnerships also demonstrated that they it is possible work effectively as partnerships. But to have an assured long term future they need to be clearer about their priorities and address issues such as their accountability, capacity and links to mainstream programmes. Community Partnerships represent a new force of increasing importance. They aim to be inclusive but are disadvantaged by limited capacity, lack of resources, and uncertain position with regard to local government. There were examples of successful Project Partnerships in the programme but generally most sponsors viewed their projects in isolation and did not fully explore opportunities for working with other partners.

Discussions with practitioners led to the view that in the 1997-1999 programme there will be a need to safeguard the sub-regional perspective in strategy formulation, and a

strengthening of the capacity of the Regeneration and Community Partnerships to enable them to undertake the more demanding role envisaged for them. Given the size of the 1997-1999 programme and need for match funding it will be even more important in future to consider opportunities for joint action between related project partnerships.

4.2 The Programme Wide Appraisal

The review was designed to ensure that the PWA undertook the bulk of its work once the three SRA studies had been completed. This allowed the PWA to develop its twin roles of producing a detailed *synthesis of the results* of the three SRA results, together with a number of *additional investigations* designed to extend the works of the SRAs.

The work of the PWA can be divided into:

1. *Sub-regional and area-wide economic assessments.*
2. *Partnership capacity.*
3. *Relevance of the strategy for employment creation.*
4. *Relationship of ESF and ERDF.*
5. *Programme implementation.*

The economic assessment component was considered in section 2.

4.2.1 Partnership capacity

A distinctive feature of the PWA review was its detailed examination of partnership capacity. The various YH partnerships are nowadays sophisticated, complex and have shown enormous ability to adapt to changing circumstances. The region in 1994-1996 had three types of partnerships. The first were the formal Objective 2 partnerships (the PMC and three Area Advisory Groups, one for each sub-region). Then there were a number of other partnerships important in influencing, stimulating and implementing projects funded by the SPD, particularly a number of 'core groups', various teams and workshops addressing particular themes such as business support, and an array of project partnerships (e.g. Sheffield Waste Management group). Finally, there were a number of wider partnerships such as the Bradford Congress and Humber Forum, together with broad-based local community partnerships.

The review of partnership capacity embodied all of the distinctive features set out earlier, in section 3. It was, given the make up of the SRA and PWA teams, an *evaluation in*

partnership, with the partners themselves fully involved. This approach has, of course, the immense advantage of allowing the wealth of knowledge and expertise of the partners to be brought into the evaluation process. The risk in this approach is that the close involvement in evaluation of those charged with delivering the various projects of the SPD might lead to a kind of ‘consensus’ or ‘least common denominator’ evaluation in which problems are not fully recognised. Objectivity and searching scrutiny, however, was sustained by (a) the involvement of external members in the teams, (b) the QA system, and (c) the emergence of ‘honesty pacts’ among the partners in each team. It was initially intended that the review of partnership operation would be largely undertaken by the three SRA teams (a bottom-up approach), with the PWA concentrating on the wider regional groups. An interesting feature of the review, however, was that this division of labour soon broke down and the SRA studies rapidly became involved in critically assessing all levels of partnership.

Key findings of the review were:

- The PMC partnership was appropriate to the task and demonstrated an ability to evolve quickly during the programme. By the end of the period it was seen to be operating more strategically and more willing to challenge projects for the common good, two widespread initial criticisms. The evolution of the ‘core groups’, thematic workshops and a separate TASG assisted this process of evolution.
- The three Area Advisory Groups (AAGs) suffered similar initial problems to the PMC and were also affected by delays in the agreement of the SPD. The AAGs were seen to have succeeded well in approving substantial projects to a compressed timetable, and enjoyed a build-up of trust and understanding. Problems involving weak representation of community partners and voluntary organisations, poorly developed *sub-regional* strategic frameworks, inadequate management information and parochialism formed the basis for recommendations by the review.
- The various other partnerships in the region proved adept in planning and implementing projects, but only relatively slowly developed into fully functioning partnerships working to common ends. This was partly the result of inadequate capacity.
- The new structures of the 1997-1999 SPD (notably priority-based management groups together with local and thematic delivery partnerships) have already addressed many of the

proposals of the review, but cannot provide a miracle solution. Further developments are proposed, as is the pressing need for the development of a widely-owned *regional* strategy, clearly linked to the sub-regional and local strategies, but continuing to reflect sub-regional views and differences. The PMC has a key role in this, as well as in the development of a more *information-based* programme.

4.2.2 Employment creation.

Employment creation was only one of a wide array of impacts examined by the SRAs and the PWA. It was, however, singled out for specific attention by the PWA partly because job creation is a key target for the Objective 2 areas, and partly because it was anticipated that while the SRAs would focus upon a variety of impacts (including job creation), there would be a need to consider job creation from the perspective of the Objective 2 area as a whole as well as for the individual sub-regions.

The PWA developed its employment creation work through *four Job Creation Studies*, each corresponding with one of the Priorities of the SPD: Business Support, Infrastructure/Property/Tourism, New Technologies/Innovation and Community Economic Development. In each case particular attention was concentrated on identifying and, where possible quantifying, the standard component parts of job creation estimation built into the MEANS methodology: deadweight effects, displacement effects, supply chain impacts and income multiplier impacts. As well as gross and net employment impacts, cost-per-job estimates were made for the different Priorities within the SPD. Efforts were also made to assemble evidence on other important aspects of job creation such as job quality, the length of job duration and the value of production associated with the jobs created.

As was noted earlier, the timing of the study (1997) meant that a full *ex post* evaluation of employment effects was not possible. While the programme deliberately encouraged the approval of projects already under way in 1994 (e.g. Don Valley Link Road), many projects were at an early stage in their implementation, a problem compounded by the late start to the SPD. The resulting sparseness of monitoring information was accentuated by a further problem. The kinds of help given and the benefiting firms and individuals in the early stages of a project are often not typical of a fully completed project. Routine monitoring or

survey work in the early days of a project in practice acts as a sample from which the information obtained is likely to be biased.

The PWA study sought to circumvent the problems endemic in interim evaluations by undertaking four separate analyses, three of which are bottom-up methods (in the MEANS terminology), and one of which is top-down:

1. A synthesis of the evidence collected by the SRA teams. This largely consisted of evidence collected from numerous detailed *case studies* of individual projects. The PWA complemented these sub-regional case studies with 33 of its own, drawn from the larger *region-wide projects* and *Regional Challenge* projects. The case studies were invaluable in revealing project managers' views on employment and other impacts, but could not yield data which could be aggregated up to give an area wide impact estimate, given the early stage at which projects were at the time of the study.
2. An analysis of the *employment (and other) targets* set by each of the approved projects. These were aggregated and compared with (1) the original SPD document targets, (2) actual outcomes as reported through the monitoring process at May 1997, and (3) employment and cost-per-job benchmarks from other UK regions (as a 'reality check' on the YH targets). Table 4 gives an example, for one of the Business Support Measures in the SPD, of the comparisons between employment and other targets of the approved projects and (a) the original SPD document targets and (b) monitored outcomes at May 1997. As can be seen from a Measure which is typical of the other 22 Measures in the SPD, most projects were at a very early stage in their implementation at the time of the study. Table 5 shows, as another example, this time drawn from the Community Economic Development Priority of the SPD, how the costs-per-job implied by the employment targets set by each project can be estimated. Estimates of the type set out in table 5 can then be compared to benchmark cost-per-job figures from previous evaluation exercises and other UK regions to ascertain how realistic the YH targets are likely to be.
3. A limited amount of primary survey work was conducted with firms benefiting from SPD projects. Given the very early stage of the projects in 1997, and the likely bias inherent in the surveys, no attempt was made to aggregate up from the survey results obtained.

The purpose of the surveys was two-fold: (a) to develop a 'model' survey methodology which could form the basis of the full *ex post evaluation* when it is eventually undertaken; and (b) to act as a demonstration exercise to illustrate to partner organisations and project managers the utility of regularly surveying benefiting firms to ascertain job creation and deadweight, displacement and supply chain parameters. For example, surveys of SMEs benefiting from Business Support Measures in the SPD revealed that 32% of assisted firms primarily serve *local* markets and 32% have their main competitors located locally too. This indicates how extensive deadweight and displacement effects are likely to be.

4. As a complement to the above three bottom-up employment appraisals, the PWA undertook a top-down analysis based upon benchmark cost-per-job estimates from previous UK evaluations of the Structural Funds. This work was commissioned by the PWA from PA Cambridge Economic Consultants (PACEC), and drew upon PACEC's data base of over 200 previous evaluation studies in the UK. The analysis was designed to produce aggregate (for each of the three sub-regions and at full Objective 2 area level) estimates of the *likely eventual gross and net employment impacts* of the 1994-1996 SPD. The analysis combines *actual expenditures* through the various Measures of the YH SPD with *benchmark cost-per-job* figures derived from previous regional evaluations of the Structural Funds. The results should therefore be interpreted as the gross and net employment effects which can be anticipated to eventually be attained once the YH projects are completed. The figure rest upon the assumption that the YH projects will enjoy roughly the same number of jobs per £1,000 of expenditure as have been revealed by previous (*ex post*) evaluation work to have occurred in matched projects elsewhere in the UK. Table 6 presents a summary of this exercise and shows that the SPD can be expected to eventually successfully fulfil its original employment targets. The SPD is likely to generate over 70,000 gross and over 18,000 net jobs. Wide variations are revealed among the different Measures of the SPD.

The four Job Creation Studies of the PWA produced a number of key findings and formed the basis of an array of detailed proposals for future action (see Annex 1):

- While the initial SPD document job targets are very reasonable and based on previous evaluation evidence for YH, there were considerable inconsistencies from project to project in the job targets being set. A large number (25%) of Business Support projects, for example, set no job creation targets whatsoever despite having likely significant effects. By contrast, a small number of projects were considerably overestimating job targets (based upon benchmark cost-per-job figures).
- There is evidence that systematic *underestimation* of employment impacts has occurred for many projects. For example, the top-down PACEC analysis suggests that twice as many jobs will be created under Measures designed to provide business premises for small firms than project managers anticipate in their targets, and ten times as many under support for cultural industries.
- There is enormous variation from project to project in the extent to which employment targets are monitored and, more importantly, in the extent to which the MEANS evaluation principles (i.e. deadweight, displacement etc.) are used to inform project managers in their day-to-day decision making on which firms to help and which not to. The task of developing a shared 'evaluation culture' among project sponsors, managers, Government Office and the partners formed the subject matter of proposals.
- While existing monitoring procedures and information collection are good in the region, a number of proposals were made to improve the *information collected*, refine *management information systems* available for its analysis and sharing among partners, and for the future *regular sample surveying* of firms and individuals benefiting from the SPD.
- Detailed proposals were developed to encourage partners to develop further the region's '*learning partnership*', based upon the adoption of best practice project design, implementation and monitoring, based upon experience within the YH partnership and from other EU regions.
- Because of delays in launching the 1994-1996 SPD, the PWA found evidence that the programme at May 1997 was lagging in its attainment of the initial SPD targets.

- Business advice Measures within Priority 1 (Action to Support SMEs) had some of the lowest costs-per-gross job, whereas those under Priority 5 (Tourism and Cultural industries) have some of the highest.
- Both the top-down and bottom-up analyses indicated that a considerable difference existed between gross and net job creation estimates for almost all projects and that the full extent of potential deadweight and displacement effects were not fully appreciated by project managers.
- The PACEC study indicates that the Business Support Measures are likely to eventually result in some 32,000 gross and 10,900 net new jobs. Infrastructure, Property, Tourism and Cultural Industries Measures will eventually create around 29,800 gross and 4,200 net new jobs. New Technologies and Innovation Measures show smaller likely job effects (2,100 gross and 1,200 net jobs), although the evaluation of such initiatives is notoriously unreliable given the very long term nature of their effects. Community Economic Development Measures are likely to eventually produce some 6,500 gross and 2,300 net new jobs.
- The PACEC study, drawing as it does upon benchmark cost-per-job figures from other UK evaluation studies, reveals wide variations from Measure to Measure in the cost-per-*net*-job created (i.e. making allowance for deadweight, displacement, supply chain and income multiplier effects). These wide variations in costs-per-job between Measures, together with the big differences already noted between *gross* and *net* employment impacts reinforce the value of an ‘evaluation culture’ in which all partners and project managers are conscious at all times of the MEANS principles. Solely within the Business Support Measures, for example, (i.e. within Priorities 1 and 2 as set out in table 6), cost-per-*net*-job estimates varied from £3,830 per job for Advice for SMEs to £36,508 for Training for Business Needs. Similar wide variations in cost-per-*net*-job estimates are found in all of the other Priorities in the SPD too.

The interrelationship of ESF and ERDF assistance

The PWA study undertook a specific examination of the role of ESF assistance within the SPD, and the manner in which ESF and ERDF funding was combined. This was because the YH Objective 2 SPD, as with other UK programmes, has experienced particular problems in its use of ESF funding. Over £16m of ESF money remained unallocated at the

end of the Programme and significant switching of ESF money between Measures took place during 1994-1996.

Various explanations for the difficulties faced were found, ranging from the narrowness of some of the ESF-funded Measures to the annual nature of ESF funding decisions. More serious was the finding that there appeared to be very little synergy between ESF and ERDF 'communities' accessing the funds, a finding also prominent in SRA studies such as that for South Yorkshire. Many ESF projects appeared to be operating in a vacuum involving little contact or interchange with groups undertaking ERDF projects.

The PWA developed a series of proposals (see Annex 1) to take forward the already strenuous efforts underway in the region to improve the integration of ESF and ERDF interventions and to improve the project design, monitoring, implementation and evaluation of ESF funded projects. These include proposals:

- To encourage the ESF 'community' to become more self-aware, and to bring ESF and ERDF 'communities' together.
- To overcome problems associated with ESF timing (the 'annuality' problem), bureaucracy and application routes via a separate UK ministry.
- To clarify relationships between ESF projects and job creation at all stages in the design and implementation of projects, despite the well known difficulties of making these links common to all human resource interventions.
- To develop more systematic surveys and analysis of the effects of ESF assistance on individuals and firms benefiting from the projects.
- To learn from and build upon the detailed results of the PWA's analysis of case studies of the successes, failures and range of types of ESF intervention in the 1994-1996 period.

Programme monitoring and implementation

The PWA study completed its thematic approach with an investigation of the application, selection, monitoring and implementation of individual projects and of the programme strategy as a whole. This part of the study also included an update of the extent to which the *financial implementation* of the SPD was proceeding at the time of the work in 1997. Progress towards financial implementation is a traditional element in interim evaluation work and is also the subject of annual reports for the PMC in the region.

The PWA study examined and developed detailed proposals for each of the following areas associated with programme implementation:

- *Project application procedures.* These showed rapid improvement during 1994-1996, and proposals to take this process of evolution forward included various methods of strengthening Secretariat and partnership support for applicants (particularly for community groups seeking help).
- *Project selection criteria and procedures.* These too have evolved rapidly and proposals to strengthen various aspects of guidance for applicants were made.
- *Scoring systems for project applications* were the subject of a series of new proposals, as were procedures for taking forward the results of scoring systems.
- *Measure level criteria* were found to contain conflicts and examples of duplication, and tended to focus on project attributes rather than those aspects associated with genuine behavioural changes by recipient firms and individuals. These were of particular concern with ERDF Measures within the SPD.
- *Monitoring procedures at programme wide level and at project level.* The SPD has developed sophisticated monitoring systems, and proposals focused on how to build from the base which currently exists. Proposals concentrated on extending monitoring from 'headline outputs' (necessary for projects to draw down funding) to wider intermediate and subsidiary outputs. In addition, proposals for future action were designed to enable improved ownership of the SPD by partners and project managers and the wider sharing among partners of monitoring evidence and experience. The latter can be seen as part of a step-by-step progression towards a comprehensive output monitoring framework of the type now being pioneered in areas such as Western Scotland.
- *Monitoring and electronic management information systems* again are already sophisticated in the region, and form a solid base from which to build.
- *The greater integration of ESF with ERDF assistance, and between different Measures within the SPD.* The proposals here focus on the critical areas of timing, partnership and scale of delivery (e.g. local, sub-regional and regional levels) which are crucial to the emergence of greater synergy.
- *The identification and sharing of 'best practice' from within and outside the region.*

- *The development and use of performance indicators for on-going evaluation as the SPD progresses.* This is part of the development of a more deep seated ‘evaluation culture’ within the region.

5. THE NATURE OF THE CONTINUOUS APPRAISAL SYSTEM

The PMC approved the decision to undertake the series of major studies which collectively comprise the review in Autumn 1996. The decision to undertake three SRAs and a PWA reflect how the 1994-1996 programme had been delivered, and its degree of decentralisation. The approach adopted allowed both a detailed review of each geographical sub-region, with an over-arching study examining strategic and programme wide issues. The PMC comprises members of the YH Partnership, government departments and representatives from DGV and DGXVI.

The evaluation was overseen by the TASG, itself appointed by the PMC. As well as agreeing the terms of reference and selecting the consultants, the TASG met throughout the duration of the evaluation, to monitor progress, to actively advise the teams involved, and to pass comment on draft papers. The TASG was a small committee of experienced partners drawn from a variety of sectors (e.g. the university sector, and the business development sector). The individuals involved in the TASG brought both their own subject knowledge and a high degree of commitment to their task of overseeing the research.

The TASG in turn appointed a consultancy company, EKOS, to undertake a quality assurance (QA) function. This included drafting terms of reference, producing a detailed guide to the scope of coverage required, and the appraisal of the various proposals to undertake the four studies (i.e. the PWA and the three SRAs). The second stage of the QA exercise consisted of formally appraising the draft reports, and providing the TASG with an oral and written report on each draft. Equally importantly, the QA team were in regular touch with the PWA team, providing informal advice and guidance on technical and other matters. This regular, informal contact was yet another example of the partnership and collaboration theme which existed at all levels of the research. In practice, the appointment of such an experienced group of QA external consultants proved to have been extremely

valuable both for the very high quality of the advice and help provided, but also in their ability to bring to YH detailed knowledge of best practice elsewhere.

The 1997-1999 PMC was presented with detailed recommendations from the studies (see Annex 1). Although the research related to the 1994-1996 programme, many of the proposed changes to systems and practices are highly relevant to the 1997-1999 programme.

The new PMC responded positively to the findings, and delegated a number of groups to consider aspects of policy or practice in more detail. The danger of recommendations being lost or bogged down in sub-committees was counterbalanced by the PMC decision to include progress in implementing recommendations as a *standing item* on the PMC agenda. This unusual step clearly indicated the PMCs view of the importance of implementing change based on the authoritative research undertaken by the study teams.

The Programme Executive strongly advocated both the need for the studies, and the provision of adequate resources to undertake thorough research. In many ways, although the PMC took the decision to undertake the research and establish the TASG, the Programme Executive championed the work, from the idea stage thorough to the presentation of recommendations to the 1997-1999 PMC.

The Programme Executive took responsibility for collating the many recommendations made in the various reports, and re-packaging them into broad themes for consideration by the relevant parts of the Partnership. This approach has allowed all of the recommendations to be effectively disseminated to all levels of the Partnership. It also ensured that the recommendations could be 'digested' in manageable chunks, with particular aspects of themes delegated to other groups for detailed consideration.

Each of the three SRA teams comprised a research group drawn from local universities and local consultancy companies, and a study group drawn from local partners, with staff provided on secondment. This approach of combining academic researchers, with staff from the partnership organisations was a unique feature of the review. The SRA teams collaborated closely with the PWA (under EKOS guidance) to avoid duplication and overlap.

The PWA team was a truly multi-disciplinary group, comprising senior staff from a number of universities, all of whom were expert in a particular field. The team combined people with a detailed understanding of European programmes, with a number with more limited experience. This latter group brought a fresh perspective to the study, bringing techniques and approaches from other fields of research.

DGXVI was a full partner in the study, and played an active part in the TASG throughout the life of the research. This included commenting on the study specification and on the draft and final reports. This provided the study teams with the broad policy framework within which the programme was implemented. The DGXVI Desk Officer involved was a strong supporter of the partnership approach.

6. CONCLUSION

In setting out the findings of the thematic review of the 1994-1996 YH Objective 2 programme, this paper has attempted to draw lessons from the experience of the work undertaken. The paper argues that the review has been unusual in a number of respects. It was a deliberate attempt to develop genuine *evaluation in partnership*. It attempted to balance *bottom-up and top-down* approaches not only to the estimation of employment impacts, but also in other aspects of the study. The study itself was more than an interim evaluation: it attempted to be a comprehensive *thematic review* of the programme. In doing so, a balance was sought between *external (objective) and internal perspectives*. A balance was also attempted between the needs to allow for a high degree of *sub-regional and local diversity* whilst not losing sight of the broader *regional strategy*. The review incorporated both *ex ante* and *ex post* appraisal elements, despite being undertaken before the completion of most projects. Detailed *proposals* were derived and systematically taken forward into the 1997-1999 programme.

The paper has attempted to identify the advantages of the approach adopted, but also to pin point the problems experienced. The resulting review was larger, more costly to produce and labour-intensive than most previous studies for both the teams involved and the partners. On the other hand, costs are still tiny when compared to the overall SPD spending budget.

There is also no doubt that work of this kind inherently involves, within itself, the need to maintain a careful and often difficult balance between different forces. In particular, there is a need to maintain a balance between the need for (externally validated) objectivity whilst fully involving regional and local partners whose performance is being appraised. Then there is the balance between region-wide effects and local diversity. Finally, there is the balance between the advantages of obtaining in-depth analysis of a variety of thematic aspects of the programme, whilst retaining an overall programme wide view of the SPD. All of these must be attempted whilst retaining the commitment of the academics and consultants as well as the partners. The commitment of academics and consultants can only be maintained if they feel that they are being listened to and can genuinely influence the policy as it develops. The latter group (the partners) must also feel that their expertise and knowledge is being taken seriously and fully incorporated, and that practical use will be made of the appraisal results.

The review has attempted to develop an approach which can cope with the need to maintain these balances whilst simultaneously working to tight deadlines and the need to produce workable proposals of use to the 1997-1999 SPD.

The effectiveness of any evaluation lies only in the use to which it is put by the client. In this case, the evaluation had a number of short, medium and long term impacts. In the *short term* the evaluation brought together local practitioners and academics, encouraging team work and increasing local capacity. This part of the process also exposed practitioners to economic and research disciplines. The use of case studies – a key feature of the review – brought illumination and intellectual rigour together.

In the *medium term*, the user community was provided with a number of practical tools with which to improve project development in the future. In this way, the evaluation acted as a *bridge* between the 1994-1996 programme and the 1997-1999 programme. Users were able to draw on a new vocabulary in commissioning economic assessments, for example, and had a new confidence when it came to preparing local strategies at both a thematic and a geographical level.

Finally, in the *longer term*, the evaluation has had a very powerful impact on the development of a culture of continuous improvement. The region has used the evaluation to inform its programme-wide strategy for Technical Assistance. This strategy responds to the

issues thrown up by the evaluation – the need for more structured exchange of best practice, the need for more guidance in the use of job creation terminology, the better intellectual basis for project development – and sets an agenda for change, and the celebration of success.

Table 1 Mid-Year Population Changes in Yorkshire and Humberside Objective 2 Area Local Authority Districts, 1991-1995

Local Authority District	Population 1995 (000s)	Changes : 1991-1995		Natural Chge. (000s)	Other Chge. (000s)
		Nos. (000s)	%		
<i>1. Old Humberside LADs:</i>					
Beverley	119.6	6.4	5.6	-0.5	6.8
Boothferry	65.4	0.7	1.1	0.3	0.4
Cleethorpes	70.7	1.0	1.4	0.4	0.5
East Yorkshire	90.0	4.7	5.5	-0.6	5.3
Glanford	73.3	1.1	1.6	0.1	1.0
Grimsby	89.4	-2.5	-2.7	1.1	-3.6
Hull	268.6	2.1	0.8	4.3	-2.2
Scunthorpe	59.6	-2.9	-4.6	0.9	-3.8
<i>Old Humberside Obj. 2 LADs</i>	<i>836.6</i>	<i>10.6</i>	<i>1.3</i>	<i>6.0</i>	<i>4.4</i>
<i>2. New Humberside LADs</i>					
East Riding	308.4	12.9	4.4	-1.1	13.9
Hull	268.6	2.1	0.8	4.3	-2.2
North East Lincolnshire	160.1	-1.5	-1.3	1.6	-3.1
North Lincolnshire	152.1	-1.5	-1.0	1.1	-2.6
<i>New Humberside Obj. 2 LADs</i>	<i>907.2</i>	<i>12.0</i>	<i>1.3</i>	<i>5.9</i>	<i>6.1</i>
Barnsley	226.7	2.3	1.0	1.2	1.1
Doncaster	292.9	-0.4	-0.1	3.3	-3.7
Rotherham	255.8	0.8	0.8	2.9	-2.0
Sheffield	528.5	-0.8	-0.1	1.0	-1.7
<i>S. Yorks. Obj. 2 LADs</i>	<i>1303.9</i>	<i>1.9</i>	<i>0.1</i>	<i>8.4</i>	<i>-6.5</i>
Bradford	482.7	7.3	1.5	8.9	-1.6
Kirklees	387.7	6.3	1.6	4.3	1.9
Wakefield	317.1	0.9	0.8	3.4	-2.4
<i>W. Yorks. Obj. 2 LADs</i>	<i>1187.5</i>	<i>14.5</i>	<i>1.2</i>	<i>16.6</i>	<i>-2.1</i>
<i>Yorkshire and Humberside</i>	<i>5029.5</i>	<i>46.7</i>	<i>0.9</i>	<i>38.1</i>	<i>8.6</i>
<i>England and Wales</i>	<i>51820.2</i>	<i>720.7</i>	<i>1.4</i>	<i>452.4</i>	<i>268.3</i>

- Notes:**
1. Holderness is excluded from the Humberside list of LADs as it lies wholly outside of the Objective 2 area. Most of East Yorkshire and part of Boothferry also lie outside of the Objective 2 area, but have been left in the table as they incorporate parts of the Objective 2 area.
 2. In the case of West Yorkshire, only the three Objective 2 LADs have been included. The Objective 2 area incorporates the whole of Wakefield, but only parts of Kirklees and Bradford.
 3. Any discrepancies in column totals are due to rounding.

Source: ONS Population and Health Monitor PP1 96/2 and 96/3; Humberside Sub-Regional Study.

Table 2 Changes in the Stock of VAT-Registered Businesses and in the Density of Businesses Per 10,000 Population, 1980-1994

Year	West Yorks. Obj. 2 LADs		South Yorks. Obj. 2 LADs		Humberside Obj. 2 LADs		YH Standard Region		Great Britain	
	Stock	Density	Stock	Density	Stock	Density	Stock	Density	Stock	Density
1980	22,779	197.2	19,788	151.9	17,376	216.5	102,932	212.5	1,261,110	231.8
1981	23,299	201.8	20,181	153.5	17,661	219.7	105,157	214.3	1,291,950	236.0
1982	23,634	205.0	20,542	156.5	17,841	221.0	106,780	217.5	1,311,411	239.4
1983	24,327	211.0	21,003	160.3	18,193	225.9	109,534	223.2	1,345,382	245.5
1984	24,561	213.0	21,213	162.5	18,226	226.3	111,070	226.5	1,374,336	250.3
1985	24,619	213.9	21,168	162.4	18,258	227.6	111,319	227.1	1,393,332	253.1
1986	24,642	214.5	21,532	165.9	18,485	231.0	112,067	228.7	1,419,881	257.2
1987	25,070	217.8	21,935	169.3	18,724	234.5	113,920	232.5	1,460,587	263.9
1988	26,102	226.8	22,823	176.6	19,651	245.7	118,327	240.9	1,527,988	275.3
1989	27,273	235.6	23,955	185.0	20,520	255.0	123,647	250.3	1,607,034	288.8
1990	28,069	242.0	24,644	190.1	21,202	262.6	126,935	256.3	1,660,742	297.5
1991	28,241	242.2	24,881	192.5	21,152	257.0	127,496	257.3	1,663,125	296.7
<i>New series</i>										
1992	26,042	221.1	23,098	177.1	19,686	237.3	119,339	238.6	1,535,836	272.4
1993	25,846	218.4	22,845	174.9	19,418	233.3	118,143	235.6	1,513,074	267.5
1994	25,738	218.9	22,815	174.8	19,227	229.7	117,610	234.0	1,517,096	267.3

- Notes:**
1. The Objective 2 areas represent the 'best fit' combination of local authority districts (LADs). In the case of Humberside a wide definition of these has been used and all LADs are included except Holderness. West Yorkshire comprises Bradford, Kirklees and Wakefield LADs. South Yorkshire comprises Barnsley, Doncaster, Rotherham and Sheffield LADs.
 2. The change in the series between 1991 and 1992 was the result of a change in the VAT threshold size from £30,000 to £45,000. This accounts for part of the falls in stocks and density, but the onset of the early 1990s recession will also have had an effect.
 3. Density is the stock of VAT businesses per 10,000 population in each area.

Source: Department of Trade and Industry (Nomis), © Crown Copyright, 1997; *Regional Trends*; OPCS, *Population Monitors*.

Table 3 Unemployment Rates for Objective 2 Travel-to-Work Areas, 1988-1996

Figures are annual averages.

Travel-to-Work Area	1988	1989	1990	1991	1992	1993	1994	1995	1996
<i>Bradford</i>	9.2	6.8	6.7	9.0	10.2	10.3	9.9	9.0	8.1
<i>Wakefield/Dewsbury</i>	10.1	7.9	7.2	9.2	10.3	10.8	10.3	9.1	8.5
<i>Castleford/Pontefract</i>	12.3	9.3	7.2	8.9	10.4	11.0	9.2	7.9	8.2
All W. Yorks. Obj. 2	9.9	7.5	6.9	9.0	10.3	10.8	9.9	8.8	8.2
<i>Barnsley</i>	14.5	10.3	8.9	12.0	13.1	13.2	12.5	11.4	10.0
<i>Doncaster</i>	14.1	10.9	9.3	11.9	13.4	13.6	13.3	12.3	11.3
<i>Rotherham/Mexboro'</i>	16.5	12.9	11.0	13.4	14.7	14.9	15.4	14.2	13.1
<i>Sheffield</i>	12.5	9.4	8.2	10.4	11.6	12.0	11.4	10.9	9.7
All S. Yorks. Obj. 2	13.8	10.8	9.1	11.5	12.7	13.0	12.6	11.6	10.7
<i>Hull</i>	10.6	8.2	7.7	10.0	11.3	11.7	11.0	10.4	9.4
<i>Grimsby</i>	11.0	8.6	8.2	9.9	10.6	11.4	9.7	10.2	9.7
<i>Scunthorpe</i>	9.8	6.9	5.8	8.0	9.5	9.4	8.1	7.7	7.1
All Humbs. Obj. 2	10.6	8.0	7.5	9.6	10.8	11.2	10.4	9.8	9.0
YH Standard Region	9.9	7.5	6.7	8.7	9.9	10.3	9.7	8.7	8.0
Great Britain	8.1	6.1	5.6	7.9	9.7	10.2	9.3	8.2	7.5

Source: Office for National Statistics (Nomis), © Crown Copyright, 1997.

Table 4 Project targets and outcomes at May 1997: Business Support Measure 2.6: Spin-outs, partnerships and supply chains

Target	Original SPD document targets	Targets in final set of approved projects	Outcomes at May 1997				
			Whole Obj. 2 area	West Yorkshire	South Yorkshire	Humb-erside sub-reg.	Regional level projects
<i>Jobs created</i>	1,469	649	337	2	0	186	149
<i>Jobs Safeguarded</i>	734	4,830	0	0	0	0	0
<i>Cases of advice or assistance</i>	881	9,267	7,269	6,125	40	853	251
<i>Strategic Partnerships</i>	'Formed'	12	149	0	0	0	149
<i>Supply chains</i>	'Formed'	146	71	0	0	0	71
<i>Spin-out Companies</i>	'Developed'	14	0	0	0	0	0

Source: Government Office (Yorkshire and the Humber) report of June 1997 and own calculations.

Table 5 An example of the costs-per-job of different types of project implied by the employment targets set by project managers: Measure 6.21 : different types of Community Economic Development projects

Project category	ERDF Cost-Per-Job (£)		Total Public Sector Cost-Per-Job (£)	
	All projects	Excluding those projects setting no jobs targets	All projects	Excluding those projects setting no jobs targets
Capacity Building	22,816	20,458	49,917	45,334
Indirect Support For Community Enterprise	5,700	3,844	11,621	7,963
Community Enterprise Support/Advice	2,192	1,741	4,319	3,425
Finance for Community Enterprise	47,255	17,467	98,510	38,935
Managed Workspace	7,143	7,022	18,198	17,950
<i>ALL TYPES</i>	<i>3,800</i>	<i>3,054</i>	<i>8,050</i>	<i>b6,576</i>

Note: Figures refer to gross jobs and do not therefore allow for deadweight, displacement, supplier or income multiplier effects.

Table 6 Objective 2 area-wide gross and net employment estimates

SPD Measure	Gross employment	Net employment
<i>Priority 1:</i>		
<i>Action to Support SMEs</i>		
1.1 Venture Capital	862	134
1.2 Advice for SMEs	8,130	3,558
1.3 Business Premises	8,830	1,562
1.4 Training for Bus. Needs	2,228	1,313
<i>Priority 2:</i>		
<i>Mature SMEs</i>		
2.5 Help With Dev. And Growth	7,762	3,396
2.6 Spin-Outs, Supply Chains etc.	3,416	313
2.7 Clean and Lean Technology	No quantification possible.	
2.8 Training for New Ways of Working	819	628
<i>Priority 3:</i>		
<i>Knowledge-Based and Technology</i>		
3.9 Support for Innovation	293	255
3.10 Technology Transfer	693	377
3.11 High Tech. Training	190	162
3.12 Telematics	954	375
<i>Priority 4:</i>		
<i>Attraction of New Industries</i>		
4.13 Sites and Premises	13,069	2,312
4.14 Gateways for Industry	5,593	490
4.15 Human Res. For New Firms	108	89
	32	
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Priority 5:

Tourism and Cultural Industries

5.16 Tourism Facilities	1,131	315
5.17 Town Centres	2,377	366
5.18 Cultural Industries	7,337	457
5.19 Training for Tourism	249	155

Priority 6:

Targeted Action on Key Deprived Areas

6.20 Support for Training	4,298	1,068	
6.21 Community Based Economic Proj.	1,604		1,241
6.22 Targeted Environmental	421		14
6.23 Access to Work	219		7

Source: PACEC estimates on behalf of PWA.

ANNEX 1 KEY PROPOSALS ARISING FROM THE THEMATIC REVIEW