THE EVALUATION OF COMMUNITY ECONOMIC DEVELOPMENT INITIATIVES

1. Introduction
Community Economic Development (CED) initiatives have exhibited rapid growth in regional policy programmes in the UK in the 1990s. A significant gap has emerged between evaluation practice and the needs of the burgeoning CED programmes. There are two main reasons for the gap. The first lies in the unusual characteristics of CED when compared with traditional business support policies (e.g. the unusually long lead times for benefits). This makes CED peculiarly difficult to evaluate. The second is the pace of expansion of CED in regional policy. Insufficient time has elapsed for sufficient empirical evidence necessary for evaluation to accumulate.

This paper examines the suitability of the existing evaluation methodology for CED. As a vehicle for examining the key issues, evidence is drawn from the *ex post* evaluation of the Yorkshire and the Humber Objective 2 programme for 1994-1996 (Government Office for Yorkshire and the Humber, 1999a). Spending on this programme continued until the end of 1998. In particular, the paper draws upon the results of four case studies of CED projects funded by the 1994-96 programme. The case studies comprised a targeted environmental project, a childcare scheme, a development trust and a credit union. The four case studies were deliberately included within the *ex post* evaluation as a means of experimenting with possible new approaches to CED evaluation.

The paper begins (section 2) with a brief description of the 1994-96 Yorkshire and the Humber Objective 2 programme and the position of the four CED case study projects within it. This is followed in section 3 by a review of current Structural Funds evaluation methodology. Section 4 presents the results of the four case studies. The paper concludes in section 5 with proposals for the future monitoring and evaluation of CED initiatives.

2. CED in the 1994-96 Yorkshire and Humber Objective 2 Programme

*The Commission’s CED Model*

Support from the Structural Funds was the key stimulus to CED in the disadvantaged regions of the UK in the mid-1990s. However, some community projects existed long before the ‘community turn’ in Structural Funds policy. Moreover, domestic UK government policy had also increasingly recognised a community aspect in its regeneration and employment policies (e.g. New Deal for the Communities, and recent rounds of the Single Regeneration Budget – Department of Environment, Transport and the Regions, 2000). However, this paper is primarily concerned with CED in the context of the Structural Funds, although the findings presented touch on and have implications for domestic UK policy too.

The initial political and conceptual impetus for CED came from EU debates on social and economic exclusion which were captured by the Delors White Paper (Commission of the European Communities, 1993). This was reinforced by successive European Presidencies (most notably at Essen and Madrid which made job
creation the paramount priority of the Structural Funds) and which had a significant impact on the delivery of programmes in the member states. The importance of employment initiatives has since been reinforced by the Amsterdam Treaty of 1997 and by the European Commission’s report on the potential for employment from ‘atypical’ or ‘third sector’ activities (European Commission, 1995).

CED initiatives were new to all UK Single Programming Documents (SPDs) for the 1994-96 Objective 2 programmes and the Merseyside 1994-99 Objective 1 programme. Most of the regions had to cope with a steep learning curve of how to design and implement effective CED. There were, however, some examples of good practice to draw upon. Merseyside and (particularly) Strathclyde had developed economic regeneration programmes with substantial local community input which had been running for a number of years (McArthur, 1993). To enhance this learning process DGXVI of the European Commission contracted a team at the University of Liverpool to research the state of CED in the UK programmes and provide guidelines on how CED should be designed and implemented in the future (European Commission, 1996 – The Lloyd Report).

The report identified two elements of CED. First it should be understood as a process “the end point of which is sustainable development and reconversion in spatially targeted areas” (European Commission, 1996, p.19). Above all, this process is based on capacity building which aims to release “forces for reconversion and development at the local level and facilitate the wider mobilisation of social capital” (ibid.). In this context capacity can include a number of activities and draws heavily on Putnam’s (1993) work on the role of social capital in Italian regional development. The second part of CED the report calls community linking: the process by which communities become reinserted back into the mainstream economy.

As a Priority within the Structural Funds programmes, the elements of CED include, inter alia (European Commission, 1996, pp. 22-23):

(a) It is a spatially sensitive (i.e. area-based) Priority which recognises that social and economic marginalisation has a geography which intensifies such conditions;

(b) It engages agency participants in the development of realistic partnership with local communities to foster the development and reconversion of such areas;

(c) It fosters the creation of locally ‘owned’ strategies to both support the economic and social development of the community and through this leads to region-wide conversion;

(d) It seeks to give disadvantaged individuals and groups opportunities for reinsertion into the mainstream economy;

(e) It is a programme delivered to give coherence and co-ordination to development at local level to ensure greater effectiveness and sustainability;

(f) It seeks to achieve additional economic spin-offs, personal incomes and job opportunities (for instance through generating investment in cultural activities) and through this play a formative role in building self-confidence;
It demands a degree of innovation and carefully judged risk investment in order to tackle imaginatively the hitherto intractable problems that disadvantaged communities face.

In the context of the process of CED, ‘community’ is defined as a spatial term which recognises that a single geographical community may contain, amongst other characteristics, several social, ethnic or demographic communities. As such, one challenge for CED is to mobilise different interest groups to tackle the problems within their area, whilst recognising that different non-spatial communities will rarely be wholly enclosed by geographic and/or administrative boundaries. Identity is not necessarily a precursor for defining a community in this context; rather, ‘identity’ is something which could be developed by the process of CED itself.

It should be noted that the Structural Funds have deliberately been focused on a somewhat narrower range of types of help for socially excluded communities than other schemes such as the Single Regeneration Budget. The Commission has taken the view that the Structural Funds should concentrate on initiatives having the potential to generate economic benefits in the form of jobs, new enterprises etc. This is narrower than most other types of social inclusion policies, many of which have overt social and political goals as well as economic goals. The European Commission’s goals are therefore rather more explicitly economic in nature (Lloyd and Ramsden, 1998).

The Place of CED in the 1994-96 Yorkshire and the Humber Objective 2 Programme

The 1994-96 Objective 2 programme in Yorkshire and the Humber had six Priorities and 23 Measures within which projects were funded (Government Office for Yorkshire and the Humber, 1995). CED was a free standing Priority (Priority 6) which was allocated 17% of the budget. Table 1 gives the amount of money made available under the CED Priority, together with the sums eventually committed to approved projects. In addition to the £41m of European Regional Development Fund (ERDF) and European Social Fund (ESF) money, an extra £65m of matching funding was eventually found (£1.9m of which was private sector money, the rest being from the public sector, principally local authorities). The size of CED in the 1994-96 programme is noteworthy in the light of the largely untried nature of CED at the start of the programme, and the fact that it was introduced at such a late stage (the end of 1995). The commitment to CED was subsequently carried over into the 1997-99 Yorkshire and the Humber Objective 2 programme where 25.4% of the budget has been allocated to CED (Government Office for Yorkshire and the Humber, 1999b). Other British Objective 2 regions have also witnessed large increases in CED spending between the 1994-96 and 1997-99 programmes (Government Office for Yorkshire and the Humber, 1999b, Table 6.2).

As table 1 has shown, CED spending was spread between four separate Measures. Three of the four case studies in this paper were drawn from Measure 6.21 (Support for Community Based Economic Projects) projects. The final case study was drawn from Measure 6.22 (Targeted Environmental Improvements). Measure 6.21 was the largest of the four Measures (both in terms of spending and the number of individual projects – 111), and also contained by far the greatest variety and innovative types of CED of interest here (in the sense of posing new challenges for evaluation). Despite it name, in practice only a small part of Measure 6.21 help went directly to genuinely community businesses (Calouste Gulbenkian Foundation, 1982;
Armstrong et al., 1999). Measures 6.22 and 6.23 were dominated by projects with large infrastructure components, and relatively few projects were funded as a result (34 and 17 respectively).

Spatial targeting was achieved by designating a patchwork of eligible localities for CED assistance. These CED areas were nominated by partners (particularly the local authorities) on the basis of a variety of indicators of exclusion and deprivation. Many partners used the popular Index of Deprivation, derived largely from 1991 Population Census information (Lee, 1999), but other indicators too were drawn upon. The resulting set of CED areas encompassed 35% of the Objective 2 region’s population.

Turning to evaluation process, the 1994-96 programme sought to develop a meaningful set of monitoring targets. These more comprehensive monitoring procedures were accompanied by significant improvements in evaluation. The SPD incorporated the results of a more extensive ex ante evaluation than had been the case prior to 1994. Subsequently, in 1997, the Programme Monitoring Committee (PMC) commissioned an unusually large interim evaluation (or ‘thematic review’ - Armstrong et al, 1998; Government Office for Yorkshire and the Humber, 1997).

The Place of the Case Studies within the CED Priority

In order to obtain maximum benefit from the four CED case studies, attention was deliberately focused on those types of CED most likely to pose the greatest challenges for traditional evaluation methods. In selecting the case studies, therefore, attention was directed at projects with multiple objectives, extensive capacity building, long lead times before significant benefits are likely to be observed, multiple funding streams and those closely intertwined with other regeneration policies such as SRB. Activities directly creating employment such as direct subsidies for private enterprises and community businesses, were deliberately excluded. While these can have longer term and capacity building implications, they also have immediate economic benefits which are more amenable to the techniques of traditional evaluation (Armstrong et al, 1999).

The four case study projects were selected on the basis of the following specific criteria:

(i) one was selected from each of the four main CED categories identified above;
(ii) the project manager and local partnership had to be willing to participate in the research;
(iii) each project selected had to offer good prospects of illuminating key difficulties in applying traditional evaluation methods; and
(iv) each project selected had to be reasonably representative of the majority of CED projects in the 1994-96 Programme; they should not be a prominent ‘success story’ or ‘flagship’ scheme.

The case study projects are described in more detail in section 5. They comprise an environmental improvement project, a childcare scheme, a capacity-building development trust, and a credit union. All four projects are urban projects. The 1994-99 programme also provided help for socially excluded communities outside the big cities (e.g. coal field communities), but in practice the vast majority of the projects helped were in the cities and larger towns of the Objective 2 region. This reflects the heavy urban concentration of socially excluded communities nationally in Britain (Green, 1998).
3. Current Evaluation Methodology

The Evaluation of the Structural Funds

The European Commission has sought to progressively improve the methodology used to monitor and evaluate the Structural Funds. The increasing profile accorded to monitoring and evaluation is set to continue into the 2000-2006 programme period (European Commission, 1997a; 2000). The Commission has developed a recommended system of evaluation for the Structural Funds (MEANS, 1995a; 1995b). This, like the UK government’s domestic equivalent (HM Treasury, 1995), represents a distillation of thirty years of regional evaluation research. The fundamental principles of regional policy evaluation command a wide consensus. The Treasury and MEANS systems are, as a result, extremely similar.

Figure 1 gives a summary of the MEANS approach. The MEANS methodology recommends that a combination of ‘top down’ and ‘bottom up’ evaluation techniques be applied, rather than a single method. This is because the two approaches can act as a cross-check on the robustness of the results obtained. ‘Top down’ methods rely upon the analysis of secondary data sources (either time series or cross-sectional data, or a combination of the two). ‘Bottom up’ methods involve the collection of primary data through sample surveys of the main beneficiaries (mainly private businesses and individuals obtaining training). These primary data are then statistically analysed. As Figure 1 shows, the ‘top down’ techniques seek to estimate ‘global’ impacts (e.g. aggregate GDP increases, or employment), whereas the ‘bottom up’ techniques proceed by identifying microeconomic impacts on individuals and firms. The ‘micro’ impacts are then aggregated to give global effects which can be used to cross-check the results of ‘top down’ evaluation.

The origins of regional policy evaluation lie in ‘top down’ evaluation. This approach in Britain was pioneered in work on the UK government’s domestic regional policy in the early 1970s (Moore and Rhodes, 1973). This work focused on the employment impacts of regional policy and used regression equations fitted to time series data to standardise for non-regional policy influences (notably industrial structure and business cycle fluctuations) on employment in the assisted areas, leaving the regional policy effect as a residual. The employment impact of regional policy remains, of course, a crucial one for evaluation. This is as true for CED it is for the more traditional types of business support policies and training initiatives. ‘Top down’ regression analysis was, however, readily extended from job creation to other important impacts, and from time series to spatial cross-sectional data sets. A host of applications of this type have been undertaken in the years since 1973 (see Armstrong and Taylor, 2000, for a review). Regression analysis continues to be widely used to evaluate regional policy impacts. This is shown by a recent evaluation of the impact of UK domestic regional policy schemes on the degree of industrial diversification of the assisted areas using a panel data set and an error correction model approach (Wren and Taylor, 1998), and in other recent applications (Williamson, 1998).

As Figure 1 shows, ‘top down’ evaluations can now also draw on a menu of more sophisticated alternatives to regression analysis. Full macroeconomic models are arguably preferable to all of the other evaluation...
techniques. They give estimates of a wider array of impacts and also place regional policy interventions within a framework enabling the system-wide effects of the policy to be traced. Unfortunately, they are also extremely demanding of data. It is for this reason that this type of ‘top down’ method has only found ready application in those Objective 1 regions which are also wholly or mainly national economies for which good quality national economic data sets exist (e.g. European Commission, 1999). For most Objective 2 regions less sophisticated regional econometric models and input-output models approaches tend to be used. Even these are unavailable in most English regions such as Yorkshire and the Humber. In the English regions, therefore, ‘top down’ evaluation is only very weakly developed. In practice, evaluators are reduced to using very simple regression methods, or else baseline analysis. Most of the recent ex post evaluations of the 1994-99 Objective 2 programmes in English regions have used baseline analysis as the main type of ‘top down’ evaluation. This approach involves undertaking the collection of detailed statistics on a whole range of economic and social indicators for the start year of the programme (hence ‘baseline’). The ex post evaluations then track changes from these baselines over the period of the programme in order to check whether improvements have occurred.

Baseline analysis is very useful in its own right and finds considerable favour among policy makers in the current public policy climate of working to detailed sets of pre-determined targets. It has led to changes in the analysis of economic trends within the Objective 2 areas in the 1990s, greatly improving the understanding of local problems and opportunities. In the Yorkshire and the Humber ‘thematic review’ and the subsequent ex post evaluation, the analysis was taken further. The baseline indicators were disaggregated to the level of the sub-regions and local areas within the Objective 2 region, and the Yorkshire and Humber region’s performance was compared, unusually, with other UK Objective 2 areas (see Government Office for Yorkshire and the Humber, 1997, Chapter 1; Government Office for Yorkshire and the Humber, 1999b, Chapter 1).

Seasoned students of the regional policy evaluation literature will, of course, recognise how weak a technique baseline analysis is. The economic performance of a region is affected by many things, of which the Structural Funds represent only one. Many other things can change, such as international trading conditions, the rise and fall of the business cycle, changes in macroeconomic policies, and sudden sectoral shifts (e.g. the run down of the coal industry in South Yorkshire during the 1994-99 period). Baseline analysis is fundamentally incapable of estimating the ‘counterfactual’: what would have happened to the region in the absence of the Structural Funds. Econometric methods can provide an estimate of this, as can most of the ‘bottom up’ methods, but baseline analysis cannot.

It should come as no surprise, therefore, to find that it is ‘bottom up’ survey methods which have dominated the most recent set of Structural Funds evaluations in England. This is also true for evaluations of the UK government’s domestic regional policy initiatives (e.g. PA Cambridge Economic Consultants, 1993). ‘Bottom up’ methods comprise a combination of surveys and case studies of businesses and individuals (e.g. trainees) assisted by the Structural Funds programmes. The surveys seek information directly from the beneficiaries and
contain detailed questions which seek to measure the ‘counterfactual’ (i.e. what would have happened in the absence of help).

At the core of each survey are sets of questions designed to quantify the following key characteristics:

(i) **Deadweight.** Would the additional economic activity have occurred irrespective of the Structural Funds assistance given? For example, how many of the new jobs created by a firm would have been created in any event, and hence how many can be attributed to the assistance?

(ii) **Displacement.** Are jobs created by assisted businesses at the expense of jobs in competitor firms elsewhere in the Objective 2 area?

(iii) **Supply chain effects.** Do the expanding businesses buy significant amounts of their inputs from other local firms, creating knock-on benefits elsewhere in the Objective 2 area?

(iv) **Multiplier effects.** To what extent do the extra jobs (and the wages the employees get) trigger income and employment multiplier benefits elsewhere in the local economy?

While these four differing effects of the Structural Funds help have been described in terms of help for businesses (rather than trainees) and in respect of employment impacts, the principles they embody are relevant to every other type of beneficial impact (whether economic, social or environmental in nature). The net impact of the Structural Funds is obtained by beginning with the gross impact, subtracting the deadweight and displacement effects, and adding back in the supply chain and multiplier effects. It is the net impact which is of most relevance as a measure of the success of the programme. The MEANS methodology recommends that each Objective 2 region should conduct its own ‘bottom up’ evaluation. This is because the crucial coefficients for deadweight, displacement, supply chain effects and multipliers can vary widely from one Objective 2 region to another.

The Commission has, however, in recent years sought to distil sets of benchmark coefficients by trawling the results of previous evaluations of the Structural Funds (Ekos, 1999). These benchmark values, such as the typical ERDF cost-per-job for a CED project, are extremely valuable in their own right as summary measures of how effective the Structural Funds have been. They are also invaluable in *ex ante* evaluations where the necessary empirical evidence of outcomes does not, of course, yet exist. In these cases one is seeking to make forecasts of the likely future employment and other impacts of spending which has not yet taken place. Benchmarking is not, however, a substitute in *interim* and *ex post* evaluations for the direct collection of data from beneficiary firms and individuals. The Yorkshire and the Humber evaluation (1999a), for example, found that supply chain effects in the local regions were significantly stronger than benchmark supply chain coefficients. This is a reflection of unique local conditions in the region.

Perhaps the most important role of all for ‘benchmark’ estimates is that they permit comparisons of the relative effectiveness of CED to be made with other types of initiatives (e.g. innovation, inward investment, traditional business support schemes). Indeed, where they are in a suitable form (e.g. cost per net new job) they can also be compared with non-EU regional policies such as the Regional Selective Assistance scheme of the UK government. This is important since it ensures that a further fundamental principle of evaluation can
be attained: the estimation of the \textit{opportunity cost} of a policy. The Structural Funds are finite; spending on one project is at the cost of spending elsewhere.

Traditional methodology appears at first sight to produce hopelessly inadequate results for CED initiatives. Application of traditional ‘bottom up’ survey-based methods to the ERDF Measures in Priority Six of the 1994-96 Yorkshire and the Humber programme, for example, gave estimates of only 1,000-1,600 gross new jobs and a mere 500-1,100 net new jobs (Government Office for Yorkshire and the Humber, 1999a). Other standard indicators (e.g. cost-per-job, value added etc.) are equally unimpressive. Results such as these might suggest that the traditional evaluation methodology is hopelessly inadequate for CED. Such a conclusion would, however, be as unfair as taking the opposite stance: that they ‘prove’ how inadequate CED is. Neither is correct. The truth is much simpler: the late insertion of CED into the 1994-96 Structural Funds programmes meant that too little time had elapsed by the time of the evaluations (1998) for employment benefits to accumulate. Evaluation in the 2000-2006 period will not face such a severe problem.

Another fallacious argument is that the traditional evaluation methodology cannot be applied to CED because it relies on \textit{quantifiable} indicators such as employment. This criticism rests on a misunderstanding of the nature of evaluation methodology. Regional policy evaluation has never had a problem with qualitative indicators. Better examples of the genre have always systematically incorporated qualitative measures (e.g. King, 1990). The focus on quantifiable measures in the past has arisen simply because the goals of regional policy have been almost wholly economic in nature, and therefore amenable to quantification. As noted earlier, this economic focus remains the case with CED policies with the Structural Funds, even though this is not so for wider social inclusion policy. The issue of the choice of appropriate indicators for CED (whether quantitative or qualitative) is, however, an important one and is considered in this paper. The four case studies were also deliberately used to experiment with more modern methods of qualitative analysis such as focus groups and semi-structured interviewing using local community members as interviewers.

Nor should we fall into the trap of thinking that the fundamental principles of evaluation are inappropriate for CED because they are somehow solely ‘economic’ in nature. It is certainly true that supply chains and multipliers are concepts relevant only to economic impacts. The same is not, however, true for deadweight, displacement and opportunity cost. These apply equally to social, environmental and political impacts of CED. Take, for example, the much-vaunted \textit{community capacity} effects of CED. In evaluating a CED project it is surely important to seek answers to the following types of questions. Would local community groups and networks have evolved anyway, irrespective of the CED project? Have the highly localised community networks stimulated by the CED projects led to a diminution of family-centred links or contacts across the wider city? Has the CED project absorbed funds which might better have been spent elsewhere (on CED or more traditional types of initiatives), or perhaps even just handed over as a cash payment to local residents? These are, respectively, deadweight, displacement and opportunity cost questions.
If arguments that evaluation is solely quantitative and economic are incorrect, it is pertinent to ask in what ways CED poses new challenges for evaluation. In our opinion, there are four sets of characteristics of CED which pose new challenges:

(i) CED has multiple objectives. These include social as well as the more traditional economic objectives.
(ii) Multiple target groups of beneficiaries exist. This is because CED areas typically contain several different types of socially excluded groups (e.g. single parents, ethnic minorities, long term unemployed).
(iii) The benefits of CED have unusually long lead times, particularly during the capacity building phase.
(iv) CED areas typically suffer from ‘multiple deprivation’ (i.e. complex different sets of barriers to social and economic inclusion). As such, they typically attract the attention of many different public policies: there is complex interlocking of initiatives. This makes it hard to disentangle the impacts of the different policy interventions – a problem also known as the ‘multiple counting of benefits’.

In each of the four case studies set out in the next section, these four challenges are systematically examined.

4. Results for the Four Case Studies

Case Study 1: NWICA Environmental Improvements, Sheffield

This case study project was funded under Measure 6.22 - Targeted Environmental Improvements (see Table 1). The project was in the North West Inner City Area (NWICA) of Sheffield, and was sponsored and managed by Sheffield City Council. The project involved a series of environmental improvements on council-owned land around and between housing in the area.

The case study undertook an analysis of the project’s monitored targets, a series of semi-structured interviews with those involved in the delivery of the project, a review of supporting documentation (including on-going URBAN and SRB programmes in the same area), two focus groups involving local residents (designed to examine the process of community involvement in the area, as well as obtaining views on possible new monitoring methods), and a series of pilot surveys of local residents, businesses and property agents (estate agents, housing action trusts and the council lettings department). A combination of a formal questionnaires and semi-structured interviews were conducted with target beneficiary groups (residents and local businesses). A ‘community interviewer’ technique was used in which local residents were trained to carry out the surveys. This approach is designed to increase the value and relevance of survey findings and is beginning to be more widely used in this type of research. It tends to give more accurate responses from local residents than is obtained by using ‘outsider’ professional interviewers.

In common with all other projects in the 1994-96 programme, initial targets for monitoring purposes had been set. The seven targets were typical of other CED projects the British 1994-96 programmes in that they comprised a mixture of activity variables (e.g. 15 trainees; the establishment of a local community group), and outputs (e.g. 15 jobs). As is typical of CED, the majority of the target indicators measured ‘activities’ (i.e. inputs and processes) rather than final outputs such as jobs. Across the CED Priority as a whole fewer than
one in four targets set were output indicators, the remainder being activity measures (Government Office for Yorkshire and the Humber, 1999a, Table 6.4). It is interesting to note that the list of targets contained qualitative indicators (e.g. ‘improving’ the community) as well as quantitative measures.

(i) Multiple objectives.

The project at first sight has a refreshingly simple environmental objective: to improve the green environment of areas close to social housing being renovated (i.e. the built environment). The green environment objective was reflected in some of the targets set (e.g. hectares of land ‘improved’). However, since the project also had the aim of “adding to the groundswell of activity in the area” (Project Business Plan) there were clearly other wider objectives too. These were not only economic (as shown by a job creation target), but social too (as shown by a crime reduction target). Multiple social, environmental and economic objectives therefore did exist. A problem with this project, and virtually all other CED projects, is that these wider objectives are not explicitly stated. This is a serious problem for evaluation since if the final objectives are not clearly stated, progress towards them cannot be properly assessed.

(ii) Multiple beneficiaries.

The case study was able to identify the following beneficiary groups: local residents, existing local businesses, visitors to the area, property agents (both public and private), community groups, and new firms entering the area. The case study surveyed or interviewed most of these groups, new firms entering the area and visitors being the only exceptions. The presence of a long list of target beneficiary groups in the local community is typical of CED projects. Previous research in the area by the Joint Institute for Social and Economic Research of the University of Sheffield and Sheffield Hallam University (JISER, 1997) has also shown that NWICA is typical of many inner city localities in that it contains a mixture of socially excluded groups suffering multiple deprivation problems. This means that there are also separate sub-groups within the ‘local residents’ category.

It is not clear which of the many beneficiary groups form the principal target of the project. In common with many CED projects it is assumed that the benefits will accrue to all of the groups simultaneously. In practice, the fact that the money is targeted at green areas close to the residential blocks, and the involvement of people in the local community group established by the project strongly implies that it is the local residents which are the principal initial target beneficiaries. Other groups, however, are clearly intended to be long term beneficiaries.

The challenge posed for the evaluator by the presence of multiple categories of beneficiaries is not one of fundamental principle. The challenge can be met by undertaking the evaluation for each of the target groups in turn. This adds greatly to the complexity and cost of the evaluation, but does not require any great leap forward in methodology. Much more serious is the implicit assumption, found widely in the CED literature, that benefits will be enjoyed simultaneously by all of the groups in the local community. It is this assumption which, one suspects, underlies the unwillingness of many CED projects to spell out precisely which local group is the principal target. If all members of the community can be assumed to benefit then there is simply no need to pinpoint the principal target group. Unfortunately, this assumption flies in the face of almost all
evaluation research. Situations of pure pareto gain are extremely rare indeed. In the real world one is almost invariably faced with trade-off situations in which some gain and some lose. Attempts to improve the green environment for residents may, for example, make life more difficult for existing local manufacturing firms (employing local residents).

(iii) Capacity building and lead times.
Capacity building is part of the process of creating ‘social capital’. To economists, capital is an input, irrespective of whether one is considering physical capital, human capital or social capital. By contrast, many political scientists and sociologists appear to consider social capital to be an output – a benefit in its own right for local residents who have become empowered by the process of capacity building. This difference of opinion is likely to become an important one in future CED evaluation research. In the event of CED initiatives failing to quickly move on to the community linking phase and create traditional economic benefits (e.g. permanent jobs) it is likely that proponents of CED will argue that the creation of social capital will have been worthwhile in its own right.

Given the importance of the initial capacity building phase in CED it is clear that new methods of measuring ‘community capacity’ are needed. This issue is now the subject of quite a lot of research. Indeed, the earlier JISER study in NWICA drew on work by the Community Development Foundation to develop sets of quantifiable indicators of capacity building. These comprised:

(i) network ability – the degree to which local community groups come together to develop and deliver regeneration programmes.

(ii) the extent of volunteering by local community members.

(iii) the degree of democratic participation and representation within local umbrella organisations.

(iv) the degree of involvement of local people in monitoring, representation and feedback on regeneration projects.

Our own case study identified three distinctive dimensions to the impact of the NWICA project on community capacity:

(i) the consultation process.

(ii) community strengthening effects.

(iii) the role of community groups.

Taking each of these in turn, the effects of the project on the local consultation process were sought using a variety of qualitative methods (surveys, interviews and a focus group) designed to obtain the opinions of local residents. These suggested that in analysing capacity building it is important to distinguish the following:

(i) Awareness raising. Two years prior to the project, Sheffield Council wrote to all residents, conducted leaflet drops and used the existing Tenants Associations to discuss the improvements. Businesses were also informed in due time that the improvements were to take place.

(ii) Consultation prior to the work. The survey of residents and businesses suggested that the consultation process could have been managed better. Furthermore some felt that the design and implementation of
the improvements had already been decided and that the consultation was not a valuable exercise. However, equal numbers were content with the consultation.

(iii) **Consultation during and since the work.** Residents did not feel that consultation had occurred during or since the improvements were carried out. Moreover, residents did not feel that they were consulted in the next stages of the improvements or in the way the improvements were maintained. A similar picture emerges for the businesses surveyed.

Turning to **community strengthening effects**, the previous JISER research attempted to measure the participation of individuals in five types of network: family/community, employment, private service, public service, and voluntary service. The JISER (1997) findings suggest that local networks of friends may be as important as family links in NWICA. Moreover, unemployment tends to lead to exclusion from many types of network. The JISER (1997) results also reflected our findings by showing that residents are on the whole satisfied with their housing and that the environmental improvement programme has been the stimulus to this.

In our own case study work, four sets of questions were asked to ascertain the community strengthening impact of the project:

(i) Has the project had significant effects on the interaction between individuals? Responses suggested that activities other than the project had a more significant impact.

(ii) Have the environmental improvements had an effect on how safe the residents feel? This question reflected one of the key target indicators of the project. The majority of responses were positive.

(iii) Changes in interaction with other residents. The majority of residents did not feel that the project had stimulated links between residents which were subsequently maintained after the initial consultation process.

(iv) Finally, residents were asked whether, even if their own involvement in the community had not increased, the involvement of others in the community had been. Respondents were aware of increased activity of residents associations and community groups. However, they felt that the actual environmental project itself had had only a minimal effect.

Lastly, there is the issue of the role of community groups. NWICW has an Open Spaces Group of residents, which along with the Ponderosa Environment Group (Ponderosa is an area of open space within NWICA), form the main community bodies involved in environmental issues in NWICA. Both groups contain representation from a diverse array of community groups, interest groups, local agencies and the council. However, it was evident that the structure of groups and their relationships (for instance with Sheffield City Council) had changed rapidly over the previous five years. This change has been the result for many reasons - some due to the proactive role of a key community activists, some due to the council and others due to requirements of European and SRB funding.

The case study focus groups and supporting interviews highlighted the difficulties in unravelling the impact of an *individual* project on community-level regeneration and environmental partnerships. Given that the case study project did not have a specific remit to alter community level partnerships it is difficult to assess its
impact in this area. Responses from an Open Spaces focus group suggested that the project’s effect on partnership activity was either neutral or negative (probably because it had not actively involved the community in its design and implementation). Focus group work also showed that the local community group established specifically for the NWICA project (and one of the formal targets of the project) had subsequently been disbanded, with members being subsumed into the new groups subsequently formed.

There remains the issue of the lead times for capacity building. This issue is absolutely crucial if CED is ever to be properly evaluated since otherwise capacity building is unlikely ever to give way to the community-linking phase so vital for final economic outputs. In each of the case studies a determined effort was made to try to establish the order of magnitude of the lead times for capacity building. For environmental projects such as NWICA, the case study found that the lead-times depend crucially upon which market the project is seeking eventually to produce community linkage into. The NWICA project offers possibilities for linkage to three different markets:

(i) The property market. By improving the green environment of the area, increased demand for council owned, Housing Action Trust (HAT) and private residential property, together with commercial property (retail, industrial and leisure sector), should occur as the image of the area improves.

(ii) The labour market. The project was designed to have both direct benefits (i.e. training, work experience and temporary employment) and indirect effects (i.e. increasing the attractiveness of the area for firms).

(iii) The final product market. The project may also improve the competitiveness of existing and new firms in the area.

Taking the property market first, pilot surveys were conducted of local property agents (estate agents, HATs and the council lettings department) and of the residents. The aim of was to identify the relative importance of environmental improvements to the regeneration of the area (for instance in comparison to issues such as crime, public transport or the provision of local jobs) and the lead times for the environmental improvements to affect the property market. Most residents were positive about the improvements made and felt that they had contributed to the area feeling safer and encouraged residents to stay in the area. These are, of course, immediate benefits with very short lead times. However, residents generally valued improvements to the actual housing itself over those to the external green environment.

Guaging how long a lead-time there will be before the project has an impact on property prices in the private sector property market is a more difficult task. The task is hindered by the small size of the local private property sector (70% of residential property is social housing). As an experiment, interviews were conducted with local estate agents and other property market businesses in Sheffield. Only a small proportion of the total turnover of estate agents in Sheffield is in NWICA. For instance, one estate agent estimated that only 0.3% of the firm’s annual turnover was in NWICA. However, drawing on experience in both NWICA and other similar areas in Sheffield, the estate agents suggested that lead times of around 20 years would be the appropriate time scale for environmental impacts to be fully reflected in the local property market. This
then is the kind of order of magnitude of lead-time one can expect for targeted environmental improvements in CED areas.

The key impact of the NWICA project on the labour market is through its 15 trainees. A pilot survey was conducted of the trainees who were employed by Sheffield Works Department for the duration of the scheme. This sought information on how the intermediate labour market in which the trainees found themselves was functioning. Information was sought on the trainees’ experience of the project (type of training, work experience etc.), what each trainee was doing immediately prior to the scheme, the level of satisfaction with the scheme, qualifications gained and those held prior to the course, trainee activities since leaving the project, and various personal details (e.g. gender, ethnic group). Additional questions were included to ascertain the number and spells of vocational training, employment, and unemployment the trainee had faced, since the project finished, in the last five years and over their working life.

The questions asked were typical of ESF and other training policy evaluations. They reflect the need to track the effects of training schemes over time, particularly with intermediate labour market projects. Former trainees, particularly where training is not work-based, can be difficult to track, even within a short time of leaving particular projects. This can be addressed by requiring project sponsors to maintain details on former trainees, although in reality this too is difficult. In the NWICA case this was not difficult because many of the trainees had remained employees of the City Council. The survey suggests that the lead times for intermediate labour market aspects of CED are likely to be a lot shorter than for property market impacts; three years or less for the NWICA project.

In order to explore effects of the project on the final product market, a business survey was piloted on two groups of beneficiaries: manufacturing businesses within the small (and diminishing) NWICA industrial area; and businesses in the main shopping area. There was a clear divide in the responses obtained. The manufacturing firms had few views on the environmental improvements and most were not even aware that they had taken place. This group however held very strong views (some positive, some negative) on the effects of other local EU supported projects (especially support for Sheffield’s the Supertram and other local built environment improvements). Retail businesses had a far greater awareness of the changes which had occurred. From the surveys it was apparent that the environmental improvements undertaken will have only long-term effects on the competitiveness of local businesses (again up to 20 years). Most firms also thought that the benefits of environmental improvements would only accrue if integrated with the wider economic and social regeneration of the area.

(iv) Interlocking of initiatives.

The NWICA area is eligible not only for Priority 6 help, but also URBAN and SRB funding. Moreover, parts of the area have manufacturing and other firms eligible for EU and national industrial policy incentives. A wide array of projects has been implemented in the area, drawing on many different funding streams. Across Priority 6 as a whole it was found that CED projects in the 1994-96 programme had accessed no fewer than 11 major types of external funding (e.g. Lottery, EU, Millennium Fund, charities etc.) and over 50 different
sponsor organisations (Government Office for Yorkshire and the Humber, 1999a). Projects in NWICA at the time of the ERDF-funded initiative included the remodelling of the housing stock, together with projects designed to increase social solidarity, build community capacity and to develop employment opportunities for local residents. The ERDF project itself was part of a wider environmental initiative (SRB and local authority funded), focused on the manufacturing and recreational parts of NWICA. Hence, although the project itself involved only three funding streams (ERDF, local authority and SRB), it was part of a closely interlocked group of other initiatives. In this respect it is typical of CED.

Case Study 2: Holmewood Kidzone (Work and Training Through Childcare), Bradford

This was one of a series of initiatives delivered under the auspices of a local partnership (the Holmwood Consortium). Holmewood is a large peripheral housing estate in south Bradford. The project provided an array of types of out-of-school support for children and parents (e.g. collecting children from school, providing care and activities during holidays and sign-posting residents to other community-run or based initiatives which lead to training and employment opportunities).

The case study research comprised an analysis of monitored targets of the project, semi-structured interviews with the project manager and others closely involved (e.g. the local college and Training Enterprise Council), a review of supporting documentation (e.g. the project business plan), a review of the findings of an in-house ‘capacity building’ research project and a Bradford-wide capacity building evaluation, a focus group convened with the members of the Kidzone management committee, and series of pilot surveys of local residents and businesses on the Holmewood estate (the target beneficiaries). The survey interviews were again conducted by trained community residents.

The project’s formal targets were a typical CED mix of activity measures (e.g. before- and after-school places for children) and output indicators (e.g. permanent jobs for parents). More, however, were quantitative targets than is usual for CED.

(ii) Multiple objectives.

The project developed from an earlier local study of the extent of need in the community for out-of-school care. As a result of this work, an application was made to the City Challenge programme. The bid deliberately focused on the economic benefits which out-of-school care could provide - helping parents (especially lone parents) find employment. Where possible, staff to run Kidzone were recruited locally. The ERDF support was utilised by Kidzone to extend existing services.

Although its primary objective was the straightforward economic one of assisting lone parents in finding training and employment, Kidzone also aimed to provide activities for children which would “keep them off the streets” and reduce the risks of them becoming disenchanted or involved in crime. Provision of high quality care was also seen as providing parents peace of mind which would not exist if the children had no out-of-school provision or had to rely on unregistered child minding services. There were, therefore, secondary objectives of a social nature. Multiple objectives clearly therefore did exist with this project.

(ii) Multiple beneficiary groups.
Given the stated objectives of the project it is clear that unemployed lone parents were the key target group. However, the project in practice had an array of other intermediate and final beneficiaries. The case study identified these as local residents, community groups, existing local businesses and new firms entering the area. Most of these groups were surveyed as part of the case study.

(iii) **Capacity building and lead times.**

Considerable efforts have been made to build community capacity on Holmewood. The ERDF project was part of a wider capacity building initiative encompassing all of Bradford’s CED areas. As part of this initiative a full time ‘community capacity builder’ had already been employed on Holmewood.

The experience of the capacity builder in running the project highlighted a key difference between the focus of the Holmewood project and NWICA, the previous case study. NWICA’s capacity building focused on individual participation and the strengthening of community partnerships. Holmewood’s capacity builder focused on how capacity building can help individuals overcome barriers to their re-entry into the labour market. These barriers may be individual (e.g. a lack of self-confidence) or organisational (e.g. poor links between the different parts of the Holmewood Consortium). Unlike NWICA, core organisational capacity in the form of the Holmewood Consortium was already in place. For the Kidzone project, therefore, capacity building was concerned with enabling residents to move forward to find employment or take up training opportunities. The Kidzone project is therefore much closer to the final community-linking phase of CED than was the NWICA project. The project is therefore much more typical of the stage CED projects are likely to be at in the 2000-2006 Structural funds programme period.

The more advanced nature of capacity building in the Kidzone project meant that the Holmewood Consortium had already built up an unusually deep understanding of how best to measure capacity building success. Two characteristics in particular are seen as crucial to success:

(i) **Awareness and use of community resources.** How aware are the target beneficiaries of existing community resources (including Kidzone, the consortium’s Edwards Rainbow Centre, job search, and the family services unit)? What proportion of target residents had made use of more than one of Holmewood’s centres?

(ii) **Interest in courses and training.** The Holmewood research discovered that more than half of respondents were interested in taking courses for the following reasons: personal interest, improved job prospects, to gain additional qualifications, social reasons, and confidence building. These appear to be important measures of how *personal capacity* has grown in line with community capacity.

As with the other case studies, project managers, the focus group and the surveyed residents were asked as part of the case study to identify the lead times required for initiatives to have an impact. Typical responses were that *two years* was a sufficient length of time for most of the intermediate impacts of the project (e.g. for provision of childcare places). Successfully overcoming labour market exclusion (i.e. permanent jobs) and crime would somewhat take longer it was thought, but well within a *10-year* horizon. These lead times are significantly shorter than for the NWICA environmental improvement project.
(iv) Interlocking of initiatives.

The Kidzone project turned out to be an excellent example of just how complex the interrelationships between a given CED project and other initiatives can be. The Holmewood Consortium is a mature organisation. It has an array of initiatives funded from different sources. The project managers of Kidzone were therefore well placed to exploit strong links with other activities designed to increase the quality of life on the Holmewood estate. The appointment of a full-time ‘capacity builder’ was a powerful way of stimulating residents participation in a wide array of community based activities of which Kidzone was merely one. Furthermore the project also systematically sought to forge closer links with local training providers and employers.

In summary, the Kidzone project exhibited multiple economic and social objectives and also had multiple beneficiary groups. In practice, however, the key goal was an economic one (successfully linking residents into the formal labour market) and lone parents were the principal target group. In other respects Kidzone is more typical of wider CED projects in that capacity building was important and the ERDF project was interwoven with a number of other initiatives.

Case Study 3: Heeley Development Trust, Sheffield

The project was built on an earlier round of ERDF support provided to Heeley City Farm, an initiative located within the inner city area of Sheffield. The project sought to place the organisation on a firmer footing, by establishing a Trust with an independent financial and legal status, and by building up its activities taking the capacity building process to its next logical stage. The project, in stark contrast to the Bradford Kidzone, was almost wholly concerned with the capacity building phase of CED. It is therefore an excellent example of CED activity in which capacity has had to be built from a low base and in which there are at present few community linkage effects yielding traditional economic benefits.

With capacity building projects such as this, the ability to sustain the process is crucial, and is often hampered by the short time horizons of most of the funding bodies (including the Structural Funds). The Trust has therefore sought to turn itself into a self-sustaining organisation supported by involving itself in an array of different public sector and private sector activities. The Trust’s role is to act as a catalyst to community based organisations that would in turn support residents and local businesses.

Research for the case study comprised an analysis of monitored targets, semi-structured interviews with the project manager and others closely involved in the project, a review of the supporting documentation (e.g. business plans, action plans and previous research), and pilot surveys of the main target beneficiary groups.

Four monitored targets were set for the project. One was an output indicator (to create two jobs with the Trust), another was an activity target (to ‘assist’ six SMEs), and two were measures of capacity building (to establish the Trust and develop a long-term strategy). The targets are very revealing since they are typical of the kinds of targets being set for largely capacity building CED projects at the present time. They show how difficult it is at present to define quantifiable targets for the capacity building phase.

(i) Multiple objectives.

The project had the following stated objectives:
(i) To work towards the reduction of local unemployment, particularly youth unemployment, through the development and establishment of community enterprises and the provision of training and work experience.

(ii) To work towards improving the environment of the Heeley and Lowfield Wards of Sheffield, through the development of further funding bids.

(iii) To create an information and resource agency for the area with the possibility of this eventually forming a separate community enterprise.

(iv) To co-ordinate capacity building in the area through consultation with various groups to identify need and develop common solutions to problems and to disseminate ideas and expertise.

These show clearly that there are multiple objectives present: economic, environmental and social. Unlike the NWICA and Kidzone projects, however, the focus of the project itself is almost entirely on capacity building. Very little attempt has been made to specify the objectives (e.g. reduced unemployment) expected once the community-linking phase is reached. It is only through the first objective (help for new local enterprises) that immediate community-linkage to the economy is expected.

(ii) Multiple beneficiary groups.

Identifying the target beneficiaries of capacity building organisations such as the Trust is a complex task given its interest in almost all aspects of a community’s activities. Interviews with the Trust’s managers showed that the primary aim of the Trust was to stimulate the activities of a lower tier of other community organisations – it is these therefore which are the direct beneficiaries of the project. However, the Trust’s ultimate aim was clearly to help the residents and businesses of Heeley. Hence three different sets of target beneficiary groups can be identified, between them encompassing virtually the whole community. This is a much wider array of target groups than in any of the other three case studies in this paper.

(iii) Capacity building and lead times.

As noted earlier, the project was designed to provide almost all of its support for the capacity building phase of CED, primarily for its establishment and identification of possible future initiatives for the Trust. It would therefore be inappropriate to expect that the Trust will have a substantial impact on community organisations, residents or businesses over the time period of the project (20 months).

The Trust is the product of earlier rounds of capacity building. Through the interaction of individuals, established community groups, schools, local businesses and outside agencies the Trust is now in a position to enable a process whereby local people are involved in regeneration. However, interviews with the Trust managers showed that the real aim of the Trust in the long term was to achieve economic viability and sustainability, both for residents and the Trust itself. The challenge for evaluation is to capture its shorter-term capacity building impacts within the context of the longer-term economic goals.

The case study research discovered that local awareness of the Trust was high, primarily because of its newsletter, the New Heeley Voice. The consultation process is therefore well under way. Prior research on community capacity in the Heeley area, had shown that resident’s participation in the SRB area of which
Heeley is part was low (34.8% of residents being involved in one or more voluntary groups against figures for NWICA and the UK of 42.1% and 54.3% respectively). This suggests that the Trust still has more community strengthening work to do.

It is, however, in capacity building by strengthening community groups that the Trust has had most success. The Trust provides support for an array of community organisations. Comparing the Trust’s activities with the wider research literature on development trusts suggests that the Heeley Trust has less direct control over activities which help residents than trusts elsewhere. This is an interesting finding and is perhaps reflected in the wide ranging initiatives the Trust’s beneficiary organisations are involved in, and the wide range of different types of organisations affiliated to the Trust.

A study for the European Commission identifies three aspects of capacity building which are useful for assessing the success of organisations (such as the Heeley Trust) which seeking to enable community groups (Ekos 1998, Appendix C):

(i) **function**: what is it that assisted community groups are enabled to do through Structural Funds intervention?

(ii) **sustainability**: to what extent has assistance improved the sustainability of groups in terms of the tenure of their existence and their need for on-going public sector support?

(iii) **coverage**: to what extent have groups been assisted to increase their penetration of their target constituencies (i.e. beneficiaries)?

The Ekos study suggests that a useful starting point for gauging the impacts on function of capacity building is the extent to which Structural Funds support enables community based groups to extend their role and play a greater part in regeneration and development (Ekos, 1998). The suggested starting point is the roles model developed by the Community Development Foundation which posits a continuum in terms of the functions that groups can adopt (see Figure 2). The roles model suggests that evaluation should attempt to gauge the distance travelled by those groups supported by the Structural Funds. This will not be appropriate to all organisations, but is relevant to most and can be adapted to fit most circumstances. It is also true that many organisations will not aim to become a ‘deliverer of economic services’. However, the rationale behind CED is that a critical mass of organisations should be engaged either as the deliverer of economic services or as a long term partner service by the end of a project.

From our interview with the project manager, survey of assisted organisations, and analysis of the content and viability of Heeley Trust’s action plan, it appears that the Trust has established the capacity to act as a long-term partner service. Moreover, the organisational, communications, and financial capacity to design, negotiate and implement a CED action plan, would suggest that the Trust has more than fulfilled the Commission’s criterion of having built capacity (European Commission, 1996). Our survey of beneficiary organisations also suggests that these have progressed to become the ‘source of project ideas and focus of activity’ suggested by the roles model (Figure 2). All of the organisations surveyed in the case study stated that they would not have undertaken these activities without the support of the Trust.
Turning to the issue of *sustainability*, the first measure proposed by the Ekos (1998) study is the period of tenure of the assisted groups. The organisations surveyed in our case study were already in existence prior to the establishment of Trust. However, the organisations did stress that the support provided by the Trust had enabled them to either provide training to residents, or had provided them with business advice. The organisations were still in existence at the end of the programme - although only one faced commercial constraints. The Ekos study suggests that one measure of sustainability is a simple count of the groups established/assisted by a project which remained in existence at the end of the programme. However, this clearly has limitations and does not provide an indication of *long term* sustainability. Perhaps a more suitable measure would be to gauge whether organisations supported are capable of continuing their operations without public support.

Finally, there is the issue of *coverage*: the ability of the supported organisations to target their key beneficiary groups. The case study research suggested here that there is wide variation in the degree of coverage from organisation to organisation. Development Trusts in other communities typically have both social and economic functions, of which some may have commercial viability. This is certainly true of the Heeley Trust and most of the other organisations it itself supports. The case study research did show, however, that once the target beneficiaries have been identified (whether residents, businesses or both), evaluating coverage should not be too difficult a task. It should be possible for most CED projects to identify and count the number of residents and businesses of different types involved. More importantly still, it should be possible to calculate the proportion of residents who are involved in community economic regeneration groups. This should form an important indicator and allow community groups to monitor the penetration of community activity.

(iv) **Interlocking of initiatives.**

Development trusts and the various other community organisations they support typically access a wide array of different funding streams, and Heeley is no exception to this. Moreover, the CED area is eligible for a range of other types of national, urban and regional policy schemes. In the case of Heeley it is SRB which has provided the most visible help in recent years, but there have been many other types of intervention too. The case study showed clearly that this type of CED project has many more interlocked initiatives than other types of CED.

**Case Study 4: Dewsbury Credit Union**

Credit unions and new types of micro credit facilities operate in *intermediate credit markets*, from which mainstream banking services have either withdrawn or have always ignored. Although *intermediate credit markets* do not necessarily have a geographic dimension, the existence of concentrations of disadvantage (including financial exclusion or ‘red-lining’) suggests that they at least have some geographic elements. Moreover, as credit unions and micro credit are typically focused on a specific geographic area, this suggests that the policy response should also have a strong geographical element.
Why banks withdraw services from intermediate credit markets may be largely explained by the existence of one or all of the characteristics of risk aversion, informational asymmetries, transactions costs in serving low income communities and prejudice (Dymski, 1995). Financial exclusion appears to be a cumulative process (from the perspective of banks). Once services begin to be withdrawn (e.g. due to a sudden increase in unemployment which causes greater loan defaults) then banks will face higher costs in recouping debts, their market penetration will fall. This in turn increases information asymmetries (between the bank and the borrower), which in turn may lead to a lower volume of loans in an area, and a reduction in the potential to spread risk. This process eventually leads to banks concentrating services in safer markets.

Credit unions and micro credit institutions attempt to overcome some of the problems of transactions costs and information asymmetries. For instance credit unions, by being locally based, may know more about the people they lend to and the likelihood that they will repay. They are also in a better position to monitor repayments.

In the context of Structural Funds, credit unions and micro credit institutions appear to be a hybrid of initiatives which combat poverty and initiatives which focus on economic regeneration and jobs. At present, support is overwhelmingly skewed towards the former. Evaluation is therefore unlikely to find evidence of much direct job creation.

The aim of the case study project was to create a single credit union for the whole of Dewsbury in West Yorkshire. The target population included both residents and employees commuting into Dewsbury. The project had a series of novel features intended to build on previous experience with credit unions to ensure long term success. In particular, four distinct phases were envisaged:

(i) Initial **awareness raising** by actively promoting of the benefits of a credit union in the area.
(ii) The establishment of a **study group** drawn from a core group of individuals who expressed an interest in being actively involved from the start.
(iii) **Capacity building** using the study group as the start point (e.g. training the study group via an accredited Open College Network course in skills relevant to credit union development – especially book keeping and credit union management). The core members of the study group were to eventually become the management committee of the credit union.
(iv) **Registering and establishing** the credit union itself. At the time of the case study this fourth phase had just been reached and the credit union in the process of being registered with the Registrar of Friendly Societies.

The ERDF project was sponsored by Kirklees Metropolitan Council and was run by full-time project managers who had extensive prior experience of stimulating credit union development. ERDF support was provided for pilot work, the training and establishment of the credit union, and the refurbishment of premises. Matching funding was provided by SRB. The Dewsbury Credit Union exploited a recent relaxation of the regulations of credit union registration enabling members to be both residents and employees working in the area. To ensure sufficient membership (to maximise economies of scale and reduce risk), the credit union was
made available to the whole of Dewsbury (i.e. both CED and non-CED areas alike). This is an interesting departure for a CED initiative since most previous credit unions have been confined to residents within the socially excluded area.

As in the previous projects, the case study research comprised an analysis of monitored target indicators, semi-structured interviews with the project managers, a review of the supporting documentation (the business plan; previous studies nationally of credit unions, and the literature on financial exclusion), and a focus group involving members of the management committee of the credit union. Focus groups and surveys of local citizens were not conducted in this case study since at the time of the research the credit union had not been set up, the project having only just reached the end of its capacity building phases. However, semi-structured interviews with local financial institutions were used to examine the role of banks in the regeneration of Dewsbury and views of professional local bankers were sought on financial exclusion and credit unions. The project had five main target indicators for monitoring purposes, only two of which were output measures (jobs).

(i) Multiple objectives.

The project appears at first sight to have a very straightforward economic objective: to rectify capital market failure (in retail banking). This is reflected in the stated long term aims of the project which include generating a more widespread access to a convenient financial service as an alternative to mainstream high interest, low convenience financial institutions, and retaining more money within the local economy (i.e. ‘internal blocking’ of the local multiplier). The objectives were to be achieved by extending the core credit union services (by providing a cheque service) to include bill paying services, payment of insurance premiums, and credit links to other community based businesses.

While it is true that credit unions, like other micro-credit initiatives, do have more focused economic objectives than most CED projects, it is important not to take too simplistic a view of this in the evaluation process. The manager interviews and the focus group both highlighted the fact that the credit union will eventually have a wide array of direct and indirect effects on residents, including community capacity building. Multiple objectives are therefore again present.

(ii) Multiple beneficiaries.

The challenge to evaluation posed by the presence of multiple beneficiaries is less serious with credit unions than with most other CED projects. The target beneficiary group is residents in the CED area, and one can also safely assume this means all residents in the area. However, the Dewsbury case study does highlight an inherent difficulty with CED micro-credit initiatives. Previous experience with credit unions has shown that if they are confined solely to the residents of a single social exclusion area they are more likely to fail (or else stabilise at a very low level of membership). Success will be quicker and more permanent if the target area incorporates more affluent suburbs and/or in-commuters (i.e. workplace-based target population). The Dewsbury project therefore wisely sought a wider membership from the start. The implication of this for monitoring and evaluation, however, is that a careful check needs to be kept of how far the scheme brings
benefits to the original target area of social exclusion. The hijacking of social policy initiatives by the affluent middle class has been a perennial problem in Britain in the past, a problem which CED may soon experience.

Credit unions must also be aware that while the target beneficiaries comprise the full population of the CED area, different sub-groups within the area may require specific targeting within the scheme. Our interviews, for example, highlighted that significant numbers of the local Muslim community in Dewsbury were facing economic disadvantage. However, the Koran contains strict usury laws forbidding the receipt of interest on savings. Issues such as this have implications for evaluation, particularly the need to present its results disaggregated by ethnicity (and perhaps also age and gender).

(iii) Capacity building and lead times.

At the time of the research it was impossible to gauge whether the credit union had led to any capacity building effects over and above those required to select the study group and to raise awareness. This is because the actual credit union had not yet been created. However, much of the literature on credit unions highlights that most succeed only when key capacities of both the core group and the wider membership are built (see New Economics Foundation, 1997, for a review). Work by Birmingham Credit Union Development Agency suggests the following as minimum criteria for a mature credit union:

(iv) An active membership of over 250. Previous research shows that a passive membership can become a drain on resources (e.g. members only using the savings function). Dewsbury Credit Union is aiming for 300 members in its first year and a target of 1000 members for its long-term success.

(iv) Assets of over £400,000 with at least £240,000 out as loans (a 60% ratio). This would generate a surplus of approximately £25,000 assuming a loan interest rate of 1% per month. The Dewsbury Credit Union was aiming for an asset base of £330,000 but with a higher assets-loan ratio of 75%. This would produce a surplus sufficient to allow the credit union to employ a full-time manager.

Although credit unions do survive with less healthy financial balances, smaller margins will jeopardise the credit union’s long term viability. A core group of volunteers. Successful credit unions tend to have a core group of 20 volunteers who will form the management board and have between them the array of skills (financial, marketing, promotional, organisational) to ensure that the credit union is a success. This was borne out by the Dewsbury Credit Union. The case study research suggested the following key criteria for capacity building via a credit union:

(i) A core group of volunteers, perhaps numbering at least 20 persons, who will form the management board and have between them an array of skills (financial, marketing, promotional, organisational) to ensure success.

(ii) A high quality service. in the early stages of credit union development, it is essential that the core services (savings and loans) are delivered without fault. Without this, trust in the credit union can be quickly lost. Future services (e.g. cheque payment, special types of loans, utilities payment, debt consolidation), should only occur once this core activity has been established.
(iii) **Membership.** Credit union managers need to ensure that membership is a balanced one, primarily by geographic location, and ensure, where possible, that services are open to as wide a population as possible. However, the focus group and the wider literature counsel that detailed information on members should not be collected as this may create barriers to key customer groups.

(iv) **Links to other initiatives.** If credit unions are to actively contribute to the wider community economic regeneration agenda they need to engage with local communities and their partnerships. This is likely to be realised through a number of roles such as awareness raising and promotion through other CED initiatives, interlocking membership with other community regeneration partnerships, using community facilities as collection points for interest and loan repayments, and using community partnerships providing a vehicle through which the credit union services are made more responsive to the needs of members.

The evidence from the case study also suggests that it is the consultation and community strengthening aspects which are of particular importance, particularly in the early phases. Once established, a credit union can play a role in strengthening wider community groups, but this is less important for such a focused initiative as a credit union than it is for most other types of CED.

(iv) **Interlocking of initiatives.**

This is much less severe a challenge with credit unions than with most other types of CED. As noted earlier, the Dewsbury Credit Union project did have SRB support in addition to ERDF. The local authority was also actively involved. However, evaluating the success or otherwise of a single credit union rarely involves disentangling the effects of more than two or three supporting partners (including ERDF).

4. **A Way Forward for Monitoring and Evaluating CED Projects**

The case studies have clearly shown that all four characteristics of CED which pose the greatest challenges for traditional evaluation methodology (i.e. multiple objectives, multiple beneficiary groups, capacity building and interlocking initiatives) are present in each of the projects studied. This is the first significant finding of the paper. The four sets of characteristics are by no means unique to CED and have long been present in traditional regional policy. What is new, however, is the degree to which they are present in CED.

It is pertinent to ask how a way forward can be sought for monitoring and evaluation in the 2000-2006 Structural Funds programming period. The simplest way forward would be to soldier on with the current methodology. This is superficially attractive. Many of the problems with CED evaluation in the 1994-99 programming period will melt away as the necessary hard empirical evidence accumulates on how effective the CED projects have been. By 2006 there will be 11 years evidence for those CED projects established in 1995 and ‘rolled forward’ into subsequent programming periods. Moreover, given the emphasis in the Structural Funds on economic benefits (especially jobs), it can be argued that ignoring the less tangible social and environmental objectives of the projects would not be too serious a problem.

There are, however, three reasons to avoid the ‘no change’ option. Firstly, 11 years of evidence still falls short of many of the lead times for benefits identified in our case studies (e.g. NWICA has lead times in
excess of 20 years). Moreover, such a long run of evidence will only be available for CED projects ‘rolled forward’ into the 2000-2006 programmes. Many projects will in practice have been in existence for much shorter periods. Secondly, if one accepts the opinion of sociologists and political scientists (but not the economists) that capacity building confers utility in its own right, then monitoring and evaluation will at a very minimum need to be extended to incorporate measures of capacity building. These have been either absent or only crudely measured in the 1994-99 evaluations. Thirdly, to continue to focus only on direct economic benefits (such as jobs) is at variance with the underlying philosophy of CED. Proponents of CED have made much more radical claims than has ever been the case before for regional policy: that many different economic, social and environmental can be attained simultaneously by a single initiative. Far better, surely, to use monitoring and evaluation to rigorously test this assertion than to simply assume that it is true.

Since the simple option is not available, we must ask what light the case studies throw on how a way forward can be found. Each of the four key challenges will be considered in turn.

(i) Multiple objectives.

Despite the focus of the Structural Funds on economic objectives such as jobs, the case studies show that in practice all four projects have social and environmental aims too, however vaguely they might be stated. This is true even for projects such as the Dewsbury Credit Union and the Bradford Kidzone where the stated goals are largely economic and relatively direct in nature (e.g. better low cost finance and lone parents into jobs).

The case studies suggest four changes will be necessary in 2000-2006.

1. **Clarification of objectives.** Future evaluators will need to establish exactly what the full set of objectives are for a CED project. Since these are rarely clearly stated it will be necessary for the evaluator to establish them with the partners involved.

2. **Analysis of trade-offs.** Previous experience with (traditional) regional policy cautions against the evaluator naively accepting the assertion that CED can attain all of its objectives simultaneously. As evidence builds up in the 2000-2006 programming period it should be possible to begin to systematically check for trade-off situations in CED in which the different objectives are in conflict with one another. In our opinion, evaluators should be systematically encouraged by the Commission to seek evidence of trade-offs as well as appraising the various objectives individually. Who is filling the jobs created in the CED area (locals or in-commuters, the unemployed or those previously in jobs)? Are businesses being induced to set up in the area when other (non-CED) locations would be better for them (i.e. equity versus efficiency objectives)? Is the social networking encouraged by a CED project enhancing or disrupting existing (perhaps family) networks? These are the kinds of issues which will need to be considered.

3. **Combined quantitative and qualitative monitoring and evaluation.** The case studies have shown clearly that some of the objectives will never be amenable to quantified monitoring and evaluation. The case studies have, however, shown that it is possible to develop an appropriate mix of quantitative and qualitative techniques. This issue is considered in more detail below when capacity building impacts are
considered. A mixture of quantitative and qualitative methods is particularly appropriate for capacity building impacts.

4. **Bigger evaluation.** In the 2000-2006 programmes evaluators will have to get used to undertaking more complex monitoring and evaluation, and the money to pay for this will have to be found. Since CED projects have deliberately set out to attain multiple objectives it is inevitable that the list of impacts to be evaluated will be longer than in the past. A useful rule of thumb for any evaluator would be to ensure that there is at least one target to be monitored and evaluated for each separate objective of the project.

(ii) **Multiple beneficiaries.**

The four case studies have shown that CED projects typically have many ‘beneficiary groups’. Local residents always figure prominently (although not always all local residents). Typically, in the inner city areas and peripheral social housing estates of the case study projects, the term ‘local residents’ also covers an array of different excluded groups. In addition to local residents, however, there are other target beneficiaries such as local business owners and in some cases even visitors and residents outside the CED area (as with the NWICA project and the Dewsbury Credit Union).

The presence of multiple beneficiaries has similar implications for monitoring and evaluation as does the presence of multiple objectives. Firstly, the evaluator will need to undertake an initial exercise designed to clarify precisely who the target beneficiary groups are. The case studies have shown that it cannot be assumed that it is simply the local residents (or all local residents) for whom the costs and benefits need to be estimated. Secondly, the evaluator will need to systematically search for trade-offs between beneficiary groups. The widespread use of the ‘pure pareto gain assumption’ in CED (i.e. all groups in the local community benefit simultaneously) suggests that there is a strong case for evaluators being asked, as a routine matter, to carefully evaluate the impact of projects on all of the main groups within a local community. This will be costly, but has the double advantage of both testing whether the current ‘pure pareto gain’ orthodoxy in CED is correct, while also producing valuable evidence on the distribution of benefits and costs of the project within local communities. Thirdly, a mix of quantitative and qualitative approaches will be necessary if the effects of the project on all of the beneficiary groups are to be effectively monitored and evaluated. Finally, more complex monitoring and evaluation is inevitable in the 2000-2006 period. The evidence of the case studies is that the matrix of objectives and beneficiary groups is a large one for most CED projects. In practice, for some projects it will be possible to limit the evaluation to a sub-set of objectives and beneficiary groups. For example, in the case of the Holmwood Kidzone it might be possible to limit the evaluation to the employment impacts on lone parents and the social impacts on the children themselves. For projects such as the Heeley Development Trust and the NWICA environmental scheme this will not be possible. It should be noted that the extra cost and complexity of evaluation of CED is not the result of some failure of fundamental principle of evaluation methodology. It is the result solely of the more ambitious goals CED has set for itself.

(iii) **Capacity building and lead times.**
The presence of a capacity building phase in CED projects, and the view that community capacity is an output in its own right, pose the most distinctive challenges for evaluation. Capacity building poses no threat to the fundamental principles of evaluation. Community capacity is simply another of the list of objectives of a project. The real challenge is to devise appropriate indicators of community capacity for monitoring and evaluation purposes. These do not yet exist because CED is so new. The case studies deliberately sought to address this issue. Three conclusions have emerged:

1. **Multiple indicators.** When one combines the existing research literature on capacity building with the results of the case studies, it is clear that community capacity is a multi-dimensional concept. It is a process. Hence indicators must be selected which reflect the stage-by-stage nature of this process – the distance travelled (including consultation and community strengthening phases) and sustainability of the capacity created. In addition, community capacity has been shown to have different dimensions to it (e.g. extent of community networks, degree of local participation, representativeness of participants, the role of community groups and whether the system of organisations is hierarchical in nature as in Heeley). The case studies have shown that simple but effective indicators of capacity building can be developed and used in evaluation, but that it is important to use a variety of measures and not just one or two.

2. **Quantitative and qualitative methods.** Table 2 summarises the indicators of capacity building (and the other main objectives) revealed by the case study work with project managers and beneficiary groups. A surprising number of these are quantifiable indicators. Others are amenable only to qualitative research methods. The case studies have demonstrated that it is possible both to identify the indicators which are best able of assess capacity building and to develop the appropriate mix of quantitative and qualitative methods necessary to monitor and evaluate progress made.

3. **Representativeness.** On a number of occasions in the case study research it was clear that serious problems were being encountered in drawing in the full spectrum of community members. Monitoring and evaluation will need to make special provision for checking for representativeness in capacity building. Surveys designed to produce measures community capacity (e.g. of residents and local firms) will need to be conducted on a sufficiently large stratified sample of the population to identify the proportion of all residents involved in community activities (together with their age, ethnicity, gender etc.). Other methods, such as those based on focus groups will also need to pay close attention to the representativeness of members. This will be a key issue if capacity building is to be adequately monitored and evaluated.

Turning to the issue of lead times, most of CED’s lead times are the result of the capacity building phase. Lead times do not pose any fundamental challenge to the principles of evaluation. CED is not alone in having long lead times. The ERDF has always been used to support infrastructure projects (e.g. roads), build industrial premises, and assist firms with new technology. These are all types of traditional regional policies with long lead times. Similarly, the ESF has supported many projects involving training which leads recipient back to a job in a step-by-step manner. Traditional evaluation methodologies have evolved to cope with long lead times. Take, for example, an environmental improvement scheme such as the NWICA project. Social cost benefit
analysis (SCBA) has long used techniques such as hedonic pricing models to quantify the impact of environmental changes (e.g. airport noise) on the utility of residents using the housing market as a method of ‘shadow pricing’ the environmental impacts. The lead times for the impact of environmental changes on the housing market can be long ones since the housing market is quite a sluggish one. This has never been a fundamental problem for SCBA. In the case of projects such as the Bradford Kidzone and other CED intermediate labour market projects, longitudinal analysis of panel data sets of the kind widely used in traditional evaluation of the ESF are directly applicable to the step-by-step movement of single parents back into full time employment. The real problem the long lead times of CED is a pragmatic one: CED is so new that evidence of the final community linking phase has not had time to accumulate. Evaluators in the 2000-2006 programming period will be fortunate in having much more hard data on this issue available.

Perhaps the most distinctive result of the case studies on lead times in capacity building is that there is such a huge variation from project to project and by type of benefit. Lead times have been shown to vary from 2 years (the Kidzone project) to over 20 years (NWICA). Interestingly, the expected length of lead times for different types of CED has been the subject of very little research, and lead times are rarely explicitly stated in project plans. In our opinion, this poses a challenge of the first importance for evaluators in the 2000-2006 programme period. It is absolutely vital that sensible lead times be set at the start of CED projects. If they are not, it is likely that the capacity building phase is unlikely ever give way to the community linking stage (at which the ‘hard’ economic benefits are finally attained). Monitoring and evaluation have a key role to play in putting pressure on projects to push forward from capacity building to genuine economic regeneration. Where clear lead times are not forthcoming from the project bids themselves, it will be necessary to evaluate the projects against lead times which can be reasonably expected (i.e. ‘benchmarks’) based on best practice projects of the same type. More research is needed urgently, drawing on the experiences of 1994-99 CED projects, to establish benchmark lead times for CED capacity building.

(iv) Interlocking initiatives.
CED is not alone in having a problem with interlocking initiatives. Traditional regional policy (such as support for SMEs) has usually involved a mix of EU, national, regional and local partners. Difficulties in disentangling the influence of any one partner gives rise to the common problem of ‘multiple counting of benefits’ in which each partner organisation claims credit for all of the combined benefits of the assistance given. As the case studies have shown, however, CED does seem to involve a longer list of partner organisations than traditional regional policy.

The problem to be confronted is a double-barrelled one. In the CED areas there are typically not only a range of different partner organisations and funding streams involved (with the Structural Funds as one), but also an array of overlapping projects. In the early days of regional policy evaluation this was not really a problem. The UK national government was usually the sole participant and the recipient firm would be getting help from just the one source. Ideally the evaluation process for modern regional policy would be able to separate out the impact of each partner and each project. This is a truly formidable task. Indeed, one can argue
that if there is genuine synergy between the different partners and projects it may be wholly pointless to try to disentangle the impacts: the whole is greater than the sum of the individual parts.

The case studies do not give an easy solution to this challenge. Our own preferred way forward would be to take a pragmatic two-fold approach:

1. Many EU-funded CED projects (perhaps most) are relatively free standing in terms of their impacts on the local area. The Dewsbury Credit Union and the Bradford Kidzone projects are good examples of this type of project. As such, they can probably be safely monitored and evaluated as free-standing projects. There will still be the issue of how to divide up the benefits between the EU and the matching funding providers, but a simple rule of thumb such as a division of benefits in proportion to financial contribution would probably suffice.

2. On the other hand, projects such as NWICA and the Heeley Development Trust are inextricably intertwined with other previous and current projects, and other funding partners. The presence of genuine synergy in these cases makes any subdivision of benefits a pointless exercise. What then can be done? We would suggest a three-step procedure. This cannot solve the problem entirely (since genuine synergy means that the disentangling of impacts is meaningless). The result would, however, in our opinion be an improvement on current practice. The three steps are:

- Structural Funds partnerships should be strongly encouraged by the Commission to prevent member organisations from claiming all of the jobs and other benefits for projects in which they are involved. Multiple counting of benefits is inherently dishonest and serves merely to bring regional policy into disrepute. Systematically recognising in all publicity the role of the other partners involved would be a welcome step forward.

- Holistic evaluation. The CED areas have suffered greatly in the 1994–99 programme period from the lack of ‘top down’ evaluation at the level of the CED areas. Almost all of the baseline analysis undertaken has been at the wider Objective 2 regional level and not for the much smaller CED areas. It is vital that this be rectified as evidence accumulates during 2000–2006. Since baseline analysis also faces severe problems in establishing the ‘counterfactual’, it is also important that other top-down evaluation methods be extended down to (or as close as possible to) the level of the CED areas. CED is an area-based policy. It makes sense therefore to evaluate progress for each CED area as a whole (i.e. all residents and for the full set of projects and initiatives taken together – an holistic approach). The result will still not enable the contribution of each individual project to be evaluated, but would allow the extent of synergy (or lack of it!) to be judged by comparing the top-down and bottom-up evaluation results.

- Disaggregation. We have earlier argued that the production of disaggregated evaluation results for each of the main beneficiary groups within a CED area should be undertaken in 2000–2006. A picture of the distribution of benefits among the different local groups of residents and businesses is valuable in its own right. A further benefit of this approach is that it has the potential to throw considerable light on the relative contributions of different projects and partner organisations. Take, for example, the NWICA case
study. Rising demand and prices/rentals for property in the area will not be uniform. Producing disaggregated results for those areas where the ERDF-funded environmental projects have occurred and for other areas as well (e.g. close to the Sheffield Supertram lines) has the potential to provide considerable indirect evidence for the relative effects of individual projects where genuine synergy exists. There will be limits to how far this can be taken when synergy exists (e.g. in trying to separate the effects of building renovation from the simultaneous improvement of the external green environment in NWICA). It is likely, however, that cases of genuine synergy are much less widespread than appears to be commonly assumed in the CED literature.

There is nothing in this paper which suggests that four challenges posed by CED are such that traditional evaluation methodology must be set aside and a new one developed. Monitoring and evaluation in 2000-2006 will be more complex and require more resources. This is because CED, compared to traditional types of regional policy, has more objectives (including capacity building), more target beneficiary groups, and is more interlocked with other initiatives. The fundamental principles of evaluation, however, remain intact. Indeed, there is a pressing need to extend them to CED. It is particularly vital with such a new type of policy as CED to produce estimates of its deadweight, displacement and opportunity cost. Only then will we know if it has been sensible to replace so much of traditional regional policy by CED. Unfortunately, in the 1994-99 programmes there has been a tendency to treat CED evaluation differently from the other Priorities. A good example of this has been estimates of displacement. Displacement effects on employment, for example, are typically estimated for CED only at the level of the local CED area, whereas for other Priorities (e.g. support for SMEs) they are estimated at the level of the whole Objective 2 area. This type of practice means that it is impossible to systematically compare the effectiveness of CED with other types of help. The sooner CED is brought back within the embrace of traditional evaluation methodology the better.

Acknowledgements

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References


Table 1  Funding for CED Measures in the 1994-96 Programme

<table>
<thead>
<tr>
<th>Measures Within Priority 6 (CED)</th>
<th>EU Funds Available at Start of Programme (£m)</th>
<th>EU Funds Eventually Committed (£m)</th>
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<tr>
<td>6.20 Training and Employment (ESF)</td>
<td>10.302</td>
<td>8.071</td>
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<tr>
<td>6.21 Support for Community Based Economic Projects (ERDF)</td>
<td>14.306</td>
<td>12.778</td>
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<tr>
<td>6.22 Targeted Environmental Improvements (ERDF)</td>
<td>10.528</td>
<td>9.811</td>
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<tr>
<td>6.23 Access to Work Through Improving Public Transport (ERDF)</td>
<td>6.275</td>
<td>5.472</td>
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<td><strong>Total</strong></td>
<td><strong>41.411</strong></td>
<td><strong>36.132</strong></td>
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Source: Government Office for Yorkshire and the Humber (1999a, p.4).
Figure 1       The MEANS Evaluation System

**The Macro Side: Estimating global impacts**

Top down

- Econometric models
- Input-Output models
- Statistical analysis
- Multipliers, coefficients
- Surveys, case studies

**Estimating specific effects: The Micro Side**

Bottom up

Source (MEANS, 1995a, Figure 4.1.)
Figure 2  Role Progression In Capacity Building

Passive                Consumer

Group as beneficiary/user of service

Group as a consultee and representative of local opinion

Group as a source of project ideas/focus for activity

Group as a deliverer of services and generator of economic development

Group as a long term (strategic) partner service
Table 2  Main Categories of Target Indicator and Baseline Variables Identified by the Case Studies

<table>
<thead>
<tr>
<th>NWICA Environmental Improvements</th>
<th>Holmewood Kidzone</th>
<th>The Heeley Development Trust</th>
<th>The Dewsbury Credit Union</th>
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<td><strong>Labour market:</strong></td>
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<td>- job creation (for the different target groups)</td>
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<td><strong>Holmewood Kidzone</strong></td>
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<td><strong>The Heeley Development Trust</strong></td>
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<td><strong>The Dewsbury Credit Union</strong></td>
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<td><strong>Capacity building:</strong></td>
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