

# **Evaluation of the ‘Event Ready Producers - Road to 2014 and beyond’ project**

**Report to Scottish Enterprise, September 2016**

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<sup>1</sup> Annexes have been submitted as separate document.

## Executive summary

This is the report of an evaluation and economic impact assessment of the project: 'Event Ready Producers - Road to 2014 and beyond'. The Event Ready Producers project (hereafter ERP) in scope for this study runs from March 2012 to February 2016 i.e. for c. 47 months. The study has been undertaken on behalf of Scottish Enterprise (SE) by Stewart Brown Associates Limited during April to June 2016.

The objectives set by SE for this study include assessments of: (i) achievements against project objectives and targets; (ii) the extent to which the original market failure rationale for the project has been justified and addressed; (iii) the actual (to date) and anticipated economic impact arising from the project; (iv) any other benefits, tangible or intangible, that participants have gained; (v) the value for money (vfm) achieved by SE's investment in the project; (vi) the efficacy of what has been delivered through the project; (vii) what more, if anything, could have been done to help participating companies realise benefits; and (viii) any learning that should influence similar activities in future.

## Summary findings

The ERP project has delivered many of the outputs identified in the original Approval Paper – a market segmentation, business referrals to third party sources of information and support, a business database, a website and e-zine (jointly with the Experiencing Scotland project), as well as producing a set of company case studies. Following an extension to its period of delivery by c. 12 months, the ERP project has achieved 86% of its target (of 26) for provision of 1-2-1 support to companies.

The original information failure rationale for the intervention is justified and it has been addressed by the project.

Stakeholders point to the project as a good example of partnership working between stakeholder organisations, although certain consultees have argued that more referrals of candidate businesses to the project delivery team coming forward from some (but not all) quarters would have been beneficial.

Over four years, 26 businesses received 1-2-1 support. Businesses are broadly satisfied with the support received. For example:

- 85% of respondents are satisfied or very satisfied with the review of their company's readiness to supply events in Scotland
- 100% of respondents are satisfied or very satisfied with the advice they received on sales and supply strategies
- 71% are satisfied or very satisfied with the advice given on product and price propositions.

On business capacity and capability outcomes, c.61% feel better able to plan to supply event organisers and better able to find support when they need it, but only 38% feel better placed to actually supply event organisers in Scotland. Also, 15 participants report winning business at c. 71 different events attended for the first time after receipt of the ERP support.

The economic impact of the ERP project in terms of net additional GVA lies in the range £104k to £160k, aggregated over a seven-year period. The Net Present Value for the ERP project lies in the range minus £51k to plus £5k. The low number of responses to a beneficiary survey and the inability/unwillingness of some companies to share quantitative business performance data together have an adverse effect on the quality and usefulness of these impact findings. Moreover, relatively few survey respondents received support in the early part of the programme. Thus, it is reasonable to assume that, for a relatively large proportion of respondents, not all of the impacts that the support might achieve would have arisen by the time of the survey. In other words, it is possible that our findings may under-estimate the eventual overall impact of support.

In terms of a value for money assessment, the ratio of net additional GVA to £ of spend ranges between 0.67 and 1.03. The cost per job ranges from c.£29k to £45k. Overall, the project has delivered relatively poor value for money whilst the evidence points to the delivery of support being appropriate in the context of the 2014-15 year of international events and Homecoming celebrations, and their associated business opportunities.

On other business and economic benefits, c. 69% of business survey respondents said that the 1-2-1 support had a 'significant positive impact on the way that the company finds and secures event organisers as clients'; overall, there was a 73% increase in the number of event-organiser clients that firms had after receiving 1-2-1 support and 61% of respondents said their business had improved its service delivery to event organisers in Scotland following the support.

## 1. Introduction

This is the report of an evaluation and economic impact assessment of the project: *'Event Ready Producers - Road to 2014 and beyond'*. The Event Ready Producers project (hereafter ERP) in scope for this study runs from March 2012 to February 2016 i.e. for c. 47 months<sup>2</sup>. The study has been undertaken on behalf of Scottish Enterprise (SE) by Stewart Brown Associates Limited during April to June 2016.

### 1.1 Study objectives

The eight objectives set by SE for this study include assessments of: (i) achievements against project objectives and targets; (ii) the extent to which the original market failure rationale for the project has been justified and addressed; (iii) the actual (to date) and anticipated economic impact arising from the project; (iv) any other benefits, tangible or intangible, that participants have gained; (v) the value for money (vfm) achieved by SE's investment in the project; (vi) the efficacy of what has been delivered through the project; (vii) what more, if anything, could have been done to help participating companies realise benefits; and (viii) any learning that should influence similar activities in future.

### 1.2 Research methods - overview

Four main research methods have been deployed: (i) desk-based review and analysis of background documents and monitoring records; (ii) online survey<sup>3</sup> of project beneficiaries; (iii) telephone interviews with beneficiaries; and (iv) face-to-face or telephone consultations with stakeholders and SE's delivery contractors.

Recruitment to the survey faced two challenges: (i) a number of undelivered ('bounced back') e-mails - efforts by SE's project manager to obtain valid addresses and re-issue e-mails helped to eliminate this issue; (ii) poor level of response to the initial invitation - a second round of recruitment e-mails improved the level of response as did a direct approach by phone to all outstanding organisations by SE staff.

The population of intended beneficiaries of the ERP project numbers 26. The intention of the research design was for all organisations to be invited to contribute to this study. In the event, five firms were excluded in order to adhere to SE's survey management procedures. Invitations were issued by e-mail from SE staff. Recipients were given the option of completing an online questionnaire or agreeing to a telephone interview. The questionnaires used under each option were the same. Almost all opted for an online response.

Notwithstanding these 'chasing' efforts and flexibility over the method of response afforded the beneficiaries, in the end 15 responses were received (albeit some partial). Whilst this response rate is 71% of those invited to participate, it is only 58% of the total population of beneficiaries. Notably, this response is less than required to deliver quantitative results that are statistically robust.

### 1.3 Report structure

This report is in two parts: (i) description of the ERP project and summary of the key research findings, conclusions and recommendations; and (ii) a series of annexes which detail the evidence upon which the summary is based.

The annexes address the following: (Annex A) analysis of monitoring records; (B) survey of ERP beneficiaries, including method and results; (C) approach to economic impact and vfm assessment; and provides (D) a list of consultees; and (E) a copy of the survey questionnaire. A working document (a spreadsheet) used when calculating net additional economic impact has been submitted separately to SE for information.

<sup>2</sup> The ERP project was extended until June 2016.

<sup>3</sup> The online surveys were operated using facilities provided by Survey Monkey.

## 2. About the ERP project

In this section, the ERP project is described in terms of: (i) rationale and strategic 'fit'; (ii) objectives; (iii) inputs; and (iv) nature of deliverables.

### 2.1 Rationale

The 2012 Approval Paper (AP) for the project refers to the presence of "information failures". It also justifies project funding by recognising the need to "provide practical guidance to support food and drink companies to successfully enter and benefit from the events market". The AP sets out the case for support in the context of business and economic development opportunity - essentially the 'prize' to be won in Scotland. It reports a forecast that Scotland's events industry will grow from £182.9 million in 2013 to £192.5 million in 2021 (based on a report by the consultancy, Frontline in 2012).

The AP in making the case for intervention identifies the following actions as critical:

- communicating to firms the market opportunity presented by events
- communicating the business case for offering premium, "provenanced" and healthy produce at events
- encouraging producers to identify and address capacity issues which may impede entry to this market
- strengthening linkages between the food and drink and the events sectors
- stimulating demand for Scottish food and drink across the events catering sector.

There is reference to barriers to market entry for SMEs associated with (by implication) their unwillingness or inability to invest in equipment and training.

The AP indicates that delivery of SE's Experiencing Scotland project (Phase 1) identified challenges for producers supplying events: this influenced the establishment of the ERP project.

### Assessment

According to one stakeholder consultee which we judge to be worthwhile reporting, the ERP project was designed to address "supply-side barriers", notably an unwillingness in general to supply tourism-related businesses as they are perceived to: (i) have seasonal demand; (ii) have highly variable demand; (iii) be poor payers; and are (iv) often located in places where logistics of delivery are difficult/expensive. Another factor in play is that whilst there are many local suppliers, they can find it hard to supply to the capacity demanded by events. In this context, according to stakeholders, the ERP project has encouraged 'pooling' of local suppliers e.g. Argyll Producers.

Survey evidence (Annex B) provides the most direct, useful source when assessing the extent to which the project has addressed the information and capability deficits that formed a large part of the original rationale. Table 1 extracts relevant responses. These give some indication that information and capability factors have indeed been addressed in a positive way for project participants: however, arguably, the endorsement is moderate given the number of responses in the 'neither agree nor disagree' category. Moreover, it is not possible (unsurprisingly) to claim that the ERP project has been successful in eliminating information failures in the market: (i) the ERP project has 'penetrated' only a small sub-set of the relevant business base; and (ii) market intelligence, in the broadest sense, of relevance to companies is likely to change over time.

Table 1: Capability following support

Please indicate your level of agreement or disagreement with the following statements. After the 1-to-1 business support, the company:

Answer Options	1 Disagree strongly	2 Disagree	3 Neither agree nor disagree	4 Agree	5 Agree strongly	Response Count
Was better placed to supply events in Scotland	0 0%	0 0%	8 62%	3 23%	2 15%	13
Improved its marketing to event organisers in Scotland	0 0%	0 0%	6 46%	5 38%	2 15%	13
Improved its contacts with event organisers in Scotland	0 0%	0 0%	7 54%	3 23%	3 23%	13
Was better able to find support when required	0 0%	0 0%	5 38%	6 46%	2 15%	13
Was better able to plan its efforts to supply event organisers in Scotland	0 0%	0 0%	5 38%	6 46%	2 15%	13
<b>answered question</b>						<b>13</b>
<b>skipped question</b>						<b>2</b>

## 2.2. Strategic case

Events are viewed by the Scottish Government, SE and other stakeholders as critical in attracting visitors to Scotland. In addition, with significant growth of events throughout Scotland the ERP project aimed to support businesses to identify and address the capacity issues which impede their entry into this market.

The project was devised with particular investments and opportunities in mind - 2014 Commonwealth Games; expansion of the Edinburgh International Conference Centre; 2014 Ryder Cup; and the Year of Homecoming 2014. This forms the context for the emphasis on ensuring: "Scottish food and drink is well represented at events, and producers and caterers make the most of growth and profile opportunities".

The AP notes that the ERP project was considered at an SE Food and Drink ideas generation session in 2011 where the strategic case was confirmed and prioritised for SE to lead. The description of strategic 'fit' includes a number of specific references *viz.*

- *complements the Scottish Government Economic Strategy* - with its focus on key sectors which can make the greatest contribution to the economy: food and drink is identified as a key industry
- *contributes to the Government's National Performance Framework* - by supporting targets around growth, productivity and cohesion
- *forms part of SE's support for the Food & Drink Fresh Thinking strategy* and action plan under the strategic theme of Turnover UK
- *complements the Scottish Government's Commonwealth Games Legacy Plan*
- *delivers against 'action 4.2 of the Food and Drink Strategic Masterplan for 2012 - 2014 Games and other Major Event Related Activity'.*

The AP contends, in acknowledging other investments in this general area of economic activity, that the ERP project would add value to activities delivered by partners/colleagues:

- sharing of information/insights gathered in the course of the project with the Scottish Government, EventScotland, Scotland Food and Drink, and the Flourishing Theme Group chaired by SE's Games Legacy Team
- support the broader work undertaken by SE's Games Legacy Team in the wider event market place
- work with SAOS (the Scottish Agricultural Organisation Society) to support the development of an online Scotland Food and Drink database of event ready producers and caterers.

### Assessment

Much is made in the 2012 AP and again in stakeholder contributions to this study of the importance for SE and other public bodies of partnership working. Stakeholders point to strong "strategic alignment" maintained between SE and partners throughout the project. Moreover, ERP was one of a number of initiatives through which SE was able to contribute to the Scottish Government's 'themed years' and their related major events.

On a more practical level, and despite this positive partnership working, a small number of consultees hold the view that the project would have benefited from more business referrals from other parts of SE and from certain other partnership bodies.

In what is now arguably a more mature landscape of public sector and other initiatives in Scotland associated with food and drink, in our view the positioning - or differentiation - of ERP as currently operated merits re-assessment. In particular, SE in collaboration with industry representatives will require stronger evidence on the need and demand for an ERP-type intervention going forward than can be found in the results of this study.

At a higher level, the present food and drink sector strategy for Scotland ends in 2016-17 and research is now being commissioned to inform the preparation of a new strategy. This should provide the broad context in which decisions in niche areas such as those addressed by the ERP will be considered in future.

### 2.3. Objectives

The stated "SMART objectives" for the ERP project<sup>4</sup> over the three-year period from March 2012 are:

- dedicated information resources to be produced to highlight market opportunity and business benefits of supplying events
- 30 producers to work with a specialist adviser to develop their event sales or supply strategies
- 15-20 new trading relationships formed between Scottish producers and event organisers.

The AP adds: "It is anticipated this project will create market conditions which will lead to an increase in the quality of the food experience for event visitors to Scotland and enable food and drink companies to access premium event markets and thereby increase turnover and GVA."

The AP refers to work with SAOS (Scottish Agricultural Organisation Society) to support the development of an online Scotland Food and Drink database of event ready producers and caterers. It refers to the segmentation of Scotland's events to identify which have the greatest potential to promote a food provenance proposition. And the AP mentions various referral activities: (i) "groups" with potential to grow as event supply or retail cooperatives to be referred to Scotland Food and Drink, with the latter taking forward these organisations as part of collaborative activity with SAOS and Cooperative Development Scotland (CDS); (ii) referrals of businesses to the Government's Food Processing Marketing & Co-operation Grant; and (iii) referrals to Scotland Food and Drink's Small Companies Programme.

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<sup>4</sup> An assessment of how the objectives for the ERP project are expressed is not in scope for this evaluation.



Interpreting the text of the 2012 AP, it appears that the schemes referred to in (ii) and (iii) above are viewed as the sources of any assistance that may be necessary for producers who wish to invest in equipment and training (identified as barriers to events market entry for SMEs). The AP states this provision will be kept under review during the first year of the ERP project.

## 2.4 Inputs

The ERP budget is profiled below based on data within the 2012 AP. For the period March 2012 to March 2015 (i.e. three years), budget approval was given for up to £175,000 (including VAT). This included the following contributions:

- £154,500 from SE
- £10,000 from Highlands & Islands Enterprise (HIE)
- £10,500 from private sector contributions (from business beneficiaries).

It is understood that the original budget was modified to remove the intended contribution from HIE, making for a reduced budget of £165,000. This budget, originally intended to be spent over the period to March 2015, was the subject of a Project Change Request: this resulted in the same budget being used for a period extending to December 2015 i.e. a project extension in time but not in budget. The project was extended finally from December 2015 to June 2016 as the delivery team had three "hot leads": in the event these candidate beneficiaries did not participate in the ERP project.

Table 2 gives the planned breakdown of the budget by activity, based on the original sum of £175,000. It shows a budget distributed across activities of varying 'intensity' relative to support for individual firms.

Table 2: Budget summary

Activity	2012-13	"Future Years"	Total
Development and delivery of business information resources/communications	£30,000	£35,000	£65,000
1-2-1 advisory service and business support	£25,000	£50,000	£75,000
Event profiling, mapping and database building support	£25,000	£10,000	£35,000
<b>Total Project Costs</b>	<b>£80,000</b>	<b>£95,000</b>	<b>£175,000</b>

The organisations receiving the 1-2-1 advice/support were supported under *De minimis*.

Expenditure data given to this study indicate that the actual spend on the ERP project up to March 2016 has been £141,623. This is understood to be the gross spend by SE i.e. not offset by any revenue from company participants. The original plan was for companies to pay a fee of £500 (plus VAT) to receive the 1-2-1 advice/support service over a period of 3.5 days. It is understood that the revenue gained from project participants to March 2016 amounts to £13,000, as profiled in Table 3.

Table 3: Profile of revenue from ERP participants

Date	Amount
April 12 – March 13	£1,000
April 13 – March 14	£6,000
April 14 – March 15	£4,000
April 15 – March 16	£2,000
<b>TOTAL:</b>	<b>£13,000</b>

### Assessment

Comparing the spend over four years (c. £142k) to the original, three-year budget set by SE (only) of £154k indicates that the ERP project has underspent, even after extending the project for 12 months without an increase in the financial input.

The revenue from participating businesses of £13,000 over four years compares favourably with the forecast of £10,500 over three years in the original AP. Revenue from the business participants to date will defray a portion of SE's costs.

### Other inputs

The other key input to the ERP project has been the time and expertise of SE's project delivery contractors, providing 1-2-1 advice/support involving c.3 days' consultancy per company. Staff time was also assigned to the project by SE in order to undertake project management tasks. SE assigned a nominated Senior Responsible Officer (SRO) to the ERP project.

### 2.5 Intended beneficiaries

The ERP project targeted Scottish food and drink producers with an interest in accessing the "premium events" market and with the potential to do so. The project's aims related to support for entering the events market *sensu lato* i.e. not aimed at support for selling into specific events. The project has tended to focus on firms in need of quite practical (operational) advice and support.

### Assessment

A sub-set of consultees acknowledge that recruiting firms to the ERP project has been a challenge (a "hard sell") at times. There is no consensus on the cause but a number of potential factors have been mentioned that we judge to be worthwhile setting out here: time required for participation; fee for participation (up to £500 for the 1-2-1 support); the 1-2-1 support may be too 'intrusive' for some firms. The delivery contractors consider that charging for participation in the project turned companies off especially as they claim that other initiatives in Scotland with similar objectives are being offered often at no cost: this contention should be checked out if a similar intervention is being considered in future.

A linked issue may be the following points raised by certain consultees that: (i) a larger budget for PR and recruitment activities would have been beneficial; and (ii) further business referrals from other parts of SE and from partnership bodies would have been beneficial. Consultees involved in recruitment to the ERP project argue that the process would have been aided by enhanced promotional material.

We understand from the delivery contractors that companies are content with the ERP approach to offer support for entering the events market in general rather than a focus on specific events.

Finally here, demand for the ERP has fallen away since its peak years of 2014 and 2015. The project was designed to close in 2016. We understand that the contractors have been struggling to recruit to meet their contractual targets for 2016.

### 3. Achievements

In this section, the results of an analysis of monitoring records and of survey results are used to assess the achievements of the ERP project relative to its original objectives and targets.

#### 3.1 Review of monitoring records

A summary of the evidence from monitoring records on what has achieved against activity and output objectives and targets is provided in Table 4.

Table 4: Checklist of items for delivery referred to in the Approval Paper

Item	Description (incl. 3 year targets)	Status	Comment
information resources	- on market opportunity and business benefits	delivered in various ways - through website, Quarterly Update and through 1-2-1 support	- the information resources included the preparation of 20 company case studies
1-2-1 support	- 30 producers to work with a specialist adviser	26 recipients (over 4 years)	
trading relationships	- 15-20 relationships formed between Scottish producers and event organisers	15 companies reporting in total 71 new relationships with suppliers	- see explanation below
database	- work with SAOS to support the development of an online Scotland Food and Drink database of event ready producers and caterers	established	- see explanation below
market segmentation	- segmentation of Scotland's events to identify greatest potential to promote a food provenance proposition	reported as having been completed	- see explanation below
referrals	- "groups" with potential to grow as event supply or retail cooperatives referred to Scotland Food and Drink/ SAOS/Cooperative Development Scotland (CDS) - businesses to the Government's Food Processing Marketing & Co-operation Grant - businesses to Scotland Food and Drink's Small Companies Programme	completed in part - appears to have been modified since AP	- see explanation below
review	- referrals to grant schemes	no formal activity undertaken	- see explanation below

On the reference in the AP to "segmentation" of events to identify which have the greatest potential to promote a food provenance proposition, it is understood that events were reviewed with EventScotland and Scotland Food and Drink then segmented and targeted accordingly as part of the ERP project process. If an event received public funding and was profiled in the Homecoming 2014 programme, it was prioritised, with particular emphasis on 'signature events' (using EventScotland's terminology). However, this did not preclude ERP project support for businesses interested in other events of regional significance.

On the formation of "new business relationships", monitoring records give data on relationships claimed to result from participation in the project. The data summarised in Table 5 are for ERP participants reporting a new business relationship specifically in the form of winning business at a new event i.e. from selling into an event for the first time. The 'value' of these new relationships to the various parties and the Scottish economy cannot be determined from monitoring records.

Table 5: Data on new business for companies following participation in the ERP project (Source: monitoring records)

Number of food and drink producers reporting business at new (first time) events	Total new events in 2014	Total new events in 2015	Total new events in 2016
15	26	32	13

The AP refers to work with SAOS to support the development of an online Scotland Food and Drink database of event ready producers and caterers. Monitoring records provide information on company database development as part of the ERP project. The database information provided to this study indicates the establishment of the following:

- Food to Go-Event Ready companies: 57 entries
- Retail - Event Ready companies: 25 entries.

We understand that CDS or SAOS were both involved in the ERP project, especially at the project development stage and in the production of the 'ready for events' guide. It is reported that referrals involving these organisations also occurred (as with Scotland Food and Drink and with the Marketing and Processing Grant scheme).

This database was created within the "Scotland Food and Drink Showcase", within its event ready category. The database contains businesses who have gone through the ERP project.

The AP refers to various "business referral" activities as part of the ERP project viz.: (i) to Scotland Food and Drink as part of collaborative activities with SAOS and CDS; (ii) to the Government's Food Processing Marketing & Co-operation Grant; and (iii) to Scotland Food and Drink's Small Companies Programme. It is understood that ERP project participants were referred to other products/services and most businesses were already registered with Scotland Food and Drink.

On the specific reference in the AP to the ERP project and available equipment and training grant schemes, the ERP project manager reports that the links between these schemes were kept under review informally throughout 2013-14.

In our view the acknowledgement that different firms in the same market niche have different and multiple support needs points up the merit of having an 'intervention framework' in place rather than a number of essentially separate, disparate interventions.

### 3.2 Views of the beneficiaries

Full details on beneficiary survey responses are given in Annex B.

Businesses were broadly satisfied with the support they received; overall, the most common response by survey respondents on the various elements of the 1-2-1 support was 'satisfied': 85% of respondents were satisfied or very satisfied with the review of the company's readiness to supply events in Scotland; 100% of respondents were satisfied or very satisfied with the advice they received on sales and supply strategies; and 71% were satisfied or very satisfied with the advice given on product and price propositions. The most 'mixed' response to a strand of 1-2-1 support came in relation to action plans and financial forecasts.

**Beneficiary comment**

*[The consultant's] extensive knowledge of the events sector saved us lots of time. There is no question it accelerated the growth of our company and our exposure to quality events.*

In terms of impact on firms' capacity and capability, our survey showed that while 61% of businesses felt better able to plan to supply event organisers in Scotland and better able to find support when they needed it, only 38% felt better placed to supply event organisers in Scotland.

**Beneficiary comment**

*The service for us was excellent in the background operations of the business & presenting ourselves better to the public. It would've been good to get a written list or contact sheet on how to access more events.*

**Beneficiary comment**

*A mature company, producing oils and dressings for retail sale and attending variety of food and drink festivals, noted:*

*The market fluctuates, with the opportunities varying depending what shows are available: "some years we pick up new events, while others drift away". Interestingly, in this market the company does not consider itself a client of the event organisers, "it's more the other way around".*

*The company's purpose in participating in the ERP project was to improve its processes/logistics associated with the events and to improve how it displays its products.*

The ERP project's website experienced a notable build-up in usage to 2015 but (perhaps not surprisingly) this tailed off in 2016 as the end of the project approached; feedback from the delivery contractors suggest that the website has been too "static" in terms of contact and this led to limited levels of multiple return visits.

Thirty-one per cent of respondents to the survey said they always read the e-zine Quarterly Update, the same percentage said that it provided useful information about the sector, and 38% said it provided information that was useful to their business. This positive response may be characterised as moderate, rather than fulsome.

#### 4. Economic impact and value for money assessments

Based on an analysis of quantitative data on turnover and employment obtained from the beneficiary survey, the business and economic impact of the ERP project is reported in Table 6 below. A detailed description of how this calculation was conducted is given in Annex C. (A working document - a spreadsheet - showing all details of the impact calculation has been passed to SE for information.)

Where ranges are given, these reflect the Confidence Intervals associated with the analysis of the limited data derived from the beneficiary survey.

In terms of impact, the net additional GVA impact at present value, including the multiplier, lies within the range £104k to £160k. This figure is based on the aggregate over a seven-year period to 2017/18.

The Net Present Value for the ERP project lies in the range minus £50.6k to plus £5.3k.

Table 6: Summary of gross and net additional business and economic impacts

Parameter	Value	Comment
Total additional TURNOVER - for sample	£312,761	- over period 2012/13 to 2018/19 (seven years) - aggregated annual values - expressed in constant prices (2012-13 reference year) - sample size of 11 from population of 26
Total additional EMPLOYMENT (ftes) - for sample	1.9 ftes	- over period 2012/13 to 2018/19 - aggregated annual value of ftes - sample size of 11 from population of 26
Total net additional TURNOVER - for sample	£156,381	- total most sensitive to product market displacement discount (50% applied)
Total net additional EMPLOYMENT - for sample	1.9 ftes	- gross equals net additional - no discount made for labour market displacement
Total net additional GVA (direct only) - for sample	£60,988	- conversion factor of 0.39 (based on amalgam of Scottish Government statistics for 'Manufacture of Food Products', 'Manufacture of Beverage Products' and 'Restaurants and mobile food service activities')
Total net additional GVA (direct, indirect and induced) - for sample - for sample	£100,631	- Type II GVA multiplier of 1.65 (based on SG statistics for 'Manufacture of other food products' and 'Food and drink beverage services activities')
Total net additional EMPLOYMENT (direct, indirect and induced) - for sample	2.9 ftes	- Type II employment multiplier of 1.5 (based same sectors as row above) - aggregated annual value of ftes
<b>Total GVA impact at Present Value - for population</b>	<b>£104,065</b>	- PV of total (direct, indirect and induced) net additional GVA at constant price - range based on extrapolation from sample to population
	<b>£160,099</b>	
<b>Total EMPLOYMENT impact - for population</b>	<b>3.4</b>	- range based on extrapolation from sample to population - based on aggregated annual value of ftes
	<b>5.3</b>	
Net cost of the project at Present Value	£154,763	- total expenditure by SE, net of revenue from beneficiaries - expressed at constant prices (2012-13 reference year)
<b>Net Present Value of the ERP project</b>	<b>-£50,699</b>	- negative value at lower end of range - based on influence of Confidence Interval on approach to scale up to beneficiary population
	<b>£5,336</b>	

#### 4.1 Value for money

The value for money achieved by the ERP project is expressed in terms of GVA per £ of project spend and cost per job. The results of the vfm calculation are shown in Table 7. Again, the ranges given reflect the broad Confidence Intervals associated with the analysis of the limited data derived from the beneficiary survey (see Annex C).

The impact ratio (GVA per £ of spend) is in the range 0.67 to 1.03. Cost per job is in the range £29k to £45k.

Table 7: Value for money ratios (based on cumulative impacts over c. 7 years)

Parameter	Impact value	Project costs	Ratio	
Net additional GVA at PV/cost of intervention	£104,065	£154,763	0.67	i.e. GVA per £ of spend (range)
	£160,099		1.03	
Net additional FTEs (aggregate of annual values)/ cost of intervention	3.4		£45,519	i.e. cost per job (range)
	5.3		£29,201	

## 5. Learning for development

Consultations with stakeholders and with delivery contractors point to the following lessons<sup>5</sup>:

- *recruitment*: give closer attention to resources for effective project marketing/promotion and recruitment
- *referrals*: ensure a more effective process for business referrals to an intervention of this kind - obtain greater buy-in to a referral process both from other parts of SE and partner bodies
- *online presence*: look afresh at the online presence of projects such as this in terms of: ensuring more 'dynamic' (changing) website content; the merits of social media; the merits or otherwise of a separate website for an individual project; and the benefits of communicating an ERP-type project under a better recognised brand within the sector.

Survey respondents were asked for recommendations for future support. Their suggestions included:

- use more rural locations for project delivery events
- events receiving grants should be obliged to work with local producers and offer "reasonable" terms
- ensure contracts are split between smaller independent contractors instead of one large operator
- make it "compulsory" for every event (in receipt of public funds) to source a minimum of 80% local Scottish produce
- help raise awareness of events (with the supply-side)
- include stipulations for local council licensing of events that a certain percentage of Scottish producers are included as part of the food offering
- collaboration with government organisations and event organisers to work with Scottish producers, e.g. this year's Perth Show is going for all artisan producers – "an excellent example of how it can be done"
- more support in terms of helping to pool resources as there are too many smaller suppliers trying to compete with big operators.

### 5.1 Adding value

The references above to a more effective online presence and to greater involvement of third parties in terms of referrals of candidate companies to the project are the two main areas where further value may have been realised.

Based on comments from a sub-set of consultees which we judge to be worthwhile reporting, customer service quality and an enhanced ability to "tell the story of the local food offer" are important issues still for firms to address. More emphasis on these factors may have proved beneficial in some cases.

In terms of evaluation, a key lesson is to have firms commit from the outset to engage in research, and to provide turnover and employment data. The provision of such data for the purposes of evaluation should be a condition of receiving public sector (especially financial) support. Projects such as ERP, which have small populations, require almost 100% response rates if evaluation data analyses are to be statistically robust.

## 6. Conclusions and recommendations

In this section we review findings against the eight study objectives (including provision of recommendations).

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<sup>5</sup> This summarises the inputs from what has been a small number of consultees that we judge to be worthwhile reporting.

### 1. Rationale for intervention

- the original information failure rationale is justified - producers were not always aware of opportunities associated with supplying events and/or ways to assess and mitigate perceived risks of supplying events. There was a time-sensitive need to promote opportunities linked to events associated with themed-years, and notably opportunities with the Commonwealth Games, the Ryder Cup and Year of Homecoming
- the information failure has been addressed - albeit only in part and for a small sub-set of the relevant business base.

### 2. Efficacy of the different activities/outputs

- businesses are broadly satisfied with the support received - overall, the most common response in terms of level of satisfaction with the elements of the 1-2-1 support was 'satisfied'. In more detail:
  - 85% of respondents are satisfied or very satisfied with the review of a company's readiness to supply events in Scotland
  - 100% of respondents are satisfied or very satisfied with the advice they received on sales and supply strategies
  - 71% are satisfied or very satisfied with the advice given on product and price propositions.
- on firms' capacity and capability - some 61% feel better able to plan to supply event organisers and better able to find support when they needed it, but only 38% feel better placed to actually supply event organisers in Scotland
- feedback from the delivery contractors suggests that the website has been too "static" in terms of content and this led to limited levels of multiple return visits - use of the website has tailed off recently
- on the e-zine Quarterly Update, 31% of respondents said they always read it; the same percentage said that it provided useful information about the sector, and 38% said it provided information that was useful to their business. This support may be characterised as moderate, rather than fulsome.

### 3. Economic impact

The results of the economic impact assessment are summarised in Table 8. The low number of responses to the beneficiary survey overall and the inability/unwillingness of some to share quantitative business performance data together have an adverse effect on the quality and usefulness of these impact findings.

Table 8: Summary of economic impact assessment

Parameter	Value	Comment
Total GVA impact at Present Value - for population	£104,065	- PV of total (direct, indirect and induced) net additional GVA at constant price
	£160,099	- range based on extrapolation from sample to population
Total EMPLOYMENT impact - for population	3.4	- range based on extrapolation from sample to population
	5.3	- based on aggregated annual value of ftes
Net cost of the project at Present Value	£154,763	- total expenditure by SE, net of revenue from beneficiaries - expressed at constant prices (2012-13 reference year)
Net Present Value of the ERP project	-£50,699	- negative value at lower end of range - based on influence of Confidence Interval on approach to scale up to beneficiary population
	£5,336	



4. Other business and economic benefits

- sixty-nine per cent of respondents to the survey said that the 1-2-1 support had a 'significant positive impact on the way that the company finds and secures event organisers as clients'
- overall, there was a 73% increase in the number of event-organiser clients that firms had after receiving 1-2-1 support and 61% of respondents said their business had improved its service delivery to event organisers in Scotland following the support.

5. Value for money assessment

The assessment of vfm is based on two ratios: GVA per £ of spend and cost per job. (The impact ratios are based on cumulative totals over c. 7 years.) The ratio of net additional GVA to £ of spend ranges between 0.67 and 1.03. The cost per job ranges from c.£29k to £45k.

Notwithstanding its achievements in delivering the activities and outputs specified in the original AP, this project has delivered relatively poor value for money.<sup>6</sup> However, feedback confirms the appropriateness of the intervention in the context of the international events and related business opportunities in Scotland notably in 2014-15.

6. Other activities/outputs to add further value

Inputs from consultations that we judge to be worthwhile reporting indicate that further impact may have been achieved if project marketing/promotion and recruitment had been more effective, including more referrals from partners.

Beneficiaries suggest the project's impact may have been increased – or its goals achieved more fully achieved – via stricter parameters being placed on procurement by event organisers, especially those in receipt of public funding, and more support to enable small producers to combine, in order to achieve the scale required by organisers of large events. (Of course, SE cannot set the procurement policies of event organisers.)

7. Overview on achievement of objectives

The evaluation evidence indicates that the ERP project has delivered many of the outputs identified in the original AP – a market segmentation, business referrals to third party sources of information and support, a business database, a website and e-zine (jointly with the Experiencing Scotland project), as well as producing a set of company case studies.

The project has fallen short of its target for engaging companies in 1-2-1 support. The project has struggled at times to recruit companies, especially post-2014-15, and whilst operational (e.g. promotional) and pricing factors may have played a role in this, we judge that there are concerns about the intrinsic level of demand now for what it offers.

One stakeholder view expressed is that the ERP has essentially run its course. Another, that although it retains value, any future plans to intervene in this market should be made in the context of the future for SE's

<sup>6</sup> For comparative purposes, the chart below gives benchmarks for vfm ratios taken from SE's 2014 Impact Appraisal and Evaluation Guidance (<http://www.evaluationonline.org.uk/evaluations/Search.do?ui=basic&action=show&id=547>). The Guidance states: "these should not be overstated as what is important is not the exact figure but the order of magnitude".

	Tourism	Food and Drink	Enterprise support
Cumulative Net GVA Impact Ratio at Year 3:	2	1	3
Cumulative Net GVA Impact Ratio at Year 5:	3	3	5
Cumulative Net GVA Impact Ratio at Year 10:	5	8	8
Cumulative Cost per Net Job at Year 3:	£26,000	£43,000	£18,000
Cumulative Cost per Net Job at Year 5:	£16,000	£18,000	£10,000
Cumulative Cost per Net Job at Year 10:	£11,000	£7,000	£7,000

Experiencing Scotland project and, more generally, as part of a wider consideration of need and demand for supply chain support involving tourism/event businesses and Scottish food and drink producers/suppliers.

Whilst stakeholders point to the project as a good example of partnership working between stakeholder organisations, certain consultees have argued that more business referrals to the project delivery team coming forward from some quarters would have been beneficial.

### 6.1 Recommendations

Our strategic recommendations are as follows:

- *discontinue the ERP project* - unless strong evidence of continuing need and demand can be obtained e.g. from Scotland Food and Drink and EventScotland. (Of course, an ongoing activity would also need to be in line with sector opportunities and the prevailing SE business plan.) Any proposals for further themed years or events that are likely to generate substantial demand should be taken into account when considering the case for a similar, successor project
- *supply chain focus* - use the opportunity of the refresh of the national food and drink sector strategy to consider the merits of a more integrated supply chain intervention linking tourism/event businesses on the demand-side with the producers/providers of Scottish food and drink
- *intervention framework* - in the above context, SE and its partners should together examine the merits of establishing an 'intervention framework' as distinct from relatively small, stand-alone projects
  - and in so doing, seek to make cross-referral of candidate businesses between stakeholder/partner bodies more effective, perhaps by shared targets and/or incentives.

Operationally, in future for interventions comparable to the ERP project:

- re-consider: (i) what is an appropriate resource to allocate to project marketing/promotion and company recruitment; (ii) examine innovative ways to exploit a project's online presence (more 'dynamic' content, use of social media etc.) - and generally consider afresh how to exploit digital technology in line with SE's own developing digital presence; and (iii) re-examine the benefits of exploiting an already well-established brand in the sector/s rather than promote a single, project-branded website.

In summary, other recommendations from ERP beneficiaries included references to: (i) use more rural locations for events; (ii) various ways through conditions of grant and through procurement terms, to ensure a higher proportion of Scottish produce is used; (iii) enhanced collaboration between relevant public bodies and event organisers to design-in a stronger presence for Scottish producers at events (example given is the focus on artisan produce at the 2016 Perth Show); and (iv) further advice and support for smaller producers to pool resources in order to compete with large companies. (These are reported here for completeness whilst acknowledging that it may not be within SE's remit to address them all.)

### Annexes

The following annexes have been submitted in a separate document:

- Annex A: Activities, outputs and outcomes - evidence from monitoring records
- Annex B: Beneficiary survey
- Annex C: Economic impact and value for money assessment
- Annex D: List of consultees
- Annex E: Copy of beneficiary survey questionnaire