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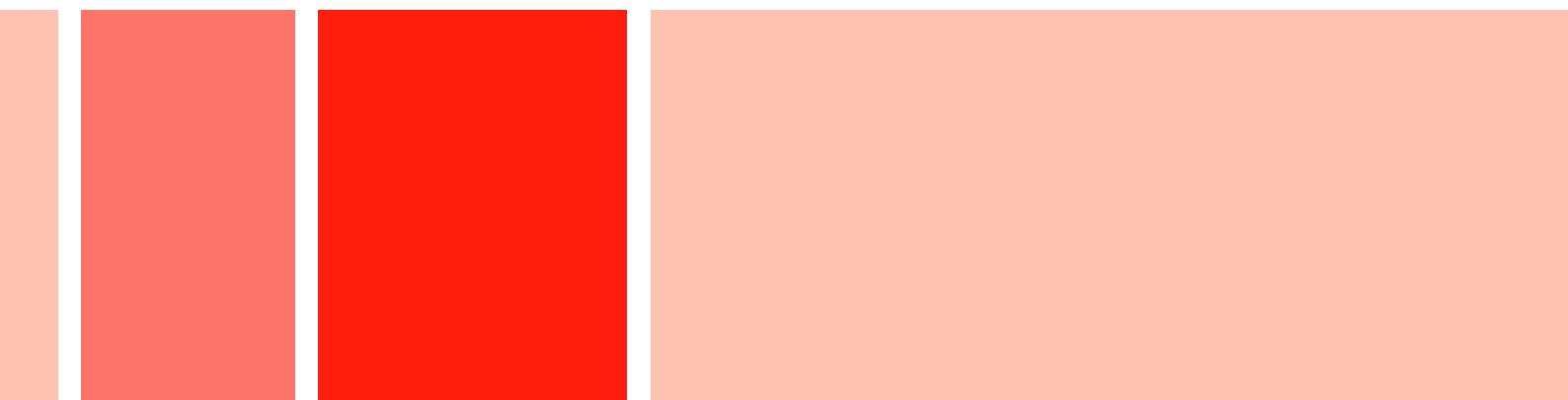
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An Evaluation of Communities Two Point Zero - Initial Process and Scoping Report



The Evaluation of Communities Two Point Zero

oldbell³

Research Policy Analysis
Ymchwil Polisi Dadansoddi

Initial Process and Scoping Report

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Assembly Government

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1.0 Introduction

1.1 Review Aims and Objectives

Old Bell 3 Ltd. has been appointed to undertake the long term evaluation of Communities Two Point Zero by the Department for Social Justice and Local Government (DSJLG) of the Welsh Assembly Government. Communities Two Point Zero is a Programme¹ which aims to provide a strategic approach to digital inclusion, working with community and voluntary sector groups and social enterprises and which is funded by European Regional Development Fund (ERDF) from the Convergence Programme for West Wales and the Valleys and by the Department for Social Justice and Local Government.

The aim of the evaluation is ‘to identify and measure the impact of Communities Two Point Zero and its progress in meeting its aims and objectives.’

The evaluation will involve three distinct stages, the first of which involves an initial process evaluation of the Programme and a detailed scoping out of the subsequent stages of the evaluation (which will include an interim, formative evaluation in the second half of 2011 and a final summative evaluation which will culminate in two reports in 2014/2015, but which is likely to also involve fieldwork in 2013).

The objectives of this first stage, as set out in the Specification are set out in Box 1.1 over.

¹ We refer to Communities Two Point Zero throughout this report as a Programme, although from the perspective of the West and Wales and the Valleys Convergence Programme it is regarded as a project.

Box 1.1: Objectives of the First Stage

- To review the rationale for the development of the Programme;
- To work with the WAG's analytical group for Digital Wales to identify gaps in evidence and make suggestions on how they might be addressed;
- To review the Programme delivery and monitoring arrangements to assess their suitability for supporting the achievement of its aims and objectives and capturing the Programme impact;
- To make recommendations on any modifications to the delivery and monitoring arrangements that are required to support the realisation of the Programme's aims and objectives;
- To review the relationships and processes between the project sponsor (WAG), delivery consortium, beneficiaries and other key stakeholders to assess their suitability for supporting the achievement of the Programme's aims and objectives;
- To undertake a broad review of the political, economic and social context of the Programme and to examine how Communities Two Point Zero has adapted to or influenced this change;
- To review Programme monitoring data and quantitative data from other sources, which might be used to inform the evaluation, to develop a detailed methodology for subsequent stages.

1.2 Work Programme

The work programme for this initial review, which was undertaken between November 2010 and March 2011 involved:

A pre-inception briefing with the Digital Inclusion Unit;

Attending an inception meeting on 4 November 2010 to agree the work programme;

Reviewing relevant background documentation, including the Business Plan agreed with WEFO, the Invitation to Tender for the delivery of the Programme, the Tender submitted by the Wales Co-operative Centre, the Consortium Agreement between the delivery partners, the “Schedule 8” agreements between the Wales Co-operative Centre and the individual delivery partners; and Quarterly Monitoring Returns to the Wales European Funding Office (WEFO);

Reviewing policy and strategy documents as agreed at the inception meeting (see Section 2.2);

Meeting with the Programme’s monitoring officer for a briefing on the monitoring systems in place;

Developing a topic guide and undertaking semi-structured face-to-face interviews with 16 key stakeholders²: these included key current and former staff of the Social Justice and Local Government Department, the Programme’s management team at the Wales Co-operative Centre, representatives of each of the delivery partners, and a number of members of the Management Board and officials within WEFO;

Developing a topic guide and undertaking small focus groups with front-line fieldworkers from each of the delivery partners during a meeting scheduled on 15 December 2010 (in all, 18 of the fieldworkers took part);

Participating as observers in the Digital Inclusion Wales Conference on 8/9 December 2010;

Developing a telephone questionnaire aimed at organisations and enterprises supported by the Programme and interviewing a total of 31 individuals, 16 of them from voluntary and community organisations and 15 from social enterprises: this represented around a quarter of all the organisations and enterprises recorded on the Programme’s database as having received assistance to date;

² Two were undertaken by telephone. A list is at Annex 1

Meeting with the Digital Wales Analytical Group and provisionally agreeing a way forward in regard to aligning questioning with, and using data from, the National Survey for Wales.

1.3 The Structure of this Report

In the remainder of this report, we first provide some background information about the Programme itself, and a review of the policy context in which the Programme has been developed and is operating (**Chapter 2**). We then turn to the findings of our work to date (**Chapter 3**), looking in turn at rationale and policy fit of the Programme in the light of the changing policy context, the way in which the current Programme delivery arrangements and processes are working, the monitoring system and evidence on performance to date, and evidence gaps and issues relating to measuring the Programme's effectiveness and impact. Finally, (**Chapter 4**) we outline our Conclusions from this first stage of the work, in terms of the relevance and performance of the Programme to date and on the appropriate methodology for the evaluation going forward.

2.0 Background

2.1 Communities Two Point Zero: Design and Delivery

Communities Two Point Zero is the flagship digital inclusion Programme of the Welsh Assembly Government which is expected to run for six years from April 2009 to March 2015. Developed by the Digital Inclusion Unit within DSJLG, it has received an allocation of £8.9 million of ERDF towards total project costs of just under £20 million.³

Communities Two Point Zero builds on but is significantly different from a predecessor project, Communities@One.

Launched in January 2006 and funded by what was then the Social Justice and Regeneration Department of the Welsh Assembly Government (now DSJLG) and ERDF (from the Objective 1 and 2 Programmes for West Wales and the Valleys and East Wales respectively⁴), Communities@One was based on the premise that working with voluntary and community organisations to develop projects which applied digital technologies to their work was an effective way of reaching into deprived communities and thus to individuals who were most likely to be digitally excluded. The Programme was targeted at the 100 wards and 32 sub-wards designated as the Communities First areas of Wales.⁵

According to the Business Plan agreed with WEFO, Communities Two Point Zero aims ‘through community groups, voluntary sector organisations and enterprises, including social enterprises, to engage people with technologies by breaking down barriers, and supporting [sic] them to exploit technologies for economic outcomes’⁶. The Programme thus adds to the Communities@One focus on community and voluntary organisations as a

³ WEFO Revised offer of grant letter dated 25 August 2010

⁴ The structure of the Objective 2 Programme meant that there were in total four separate ERDF projects (Objective 1, Objective 2 Core, Objective 2 Transitional and Objective 2 Rural). Funding for parts of Wales not qualifying under any of these Objectives was provided solely by the Welsh Assembly Government.

⁵ Communities First has been a long-term, flagship community development programme to provide holistic support to the most disadvantaged communities in Wales.

⁶ Business Plan para. 2.9

route to address digital exclusion a new emphasis on working with social enterprises, and, in so doing, generating economic benefits for supported enterprises, communities and individuals.

The Programme explicitly makes a clear link between these two main areas of activity, with the Business Plan claiming that:

‘the project will set up a form of “conveyor belt” of work with community and voluntary sector groups, starting with digital inclusion, while looking for those groups, organisations and individuals that have the potential to further develop the activities towards economic ends. Groups will generate income, enterprises, including social enterprises, will be formed, and individuals will gain skills to help them progress in the jobs market.’⁷

In doing so, the Business Plan recognises that in seeking to use digital inclusion as a route to economic inclusion, the Programme is breaking new ground:

‘The proposed next phase of work which will include seeking to move people on from digital inclusion to economic engagement is more than innovative – it is a leap of faith (as was the original Communities @One project). This future work will involve a process which aims to support community groups, and the people within them, to move from digital exclusion through digital inclusion towards economic inclusion by harnessing the potential of ICT as an economic catalyst. It will combine community development principles with a business development approach. This work has not been tried elsewhere before’.⁸

The Business Plan sets out ten strands of activity under the Programme as set out in Box 2.1

⁷ Ibid., para. 2.14

⁸ Ibid. para. 2.68

Box 2.1: Project Strands.⁹

- a) working with community groups and voluntary sector organisations to provide training/mentoring to their members to help them engage with technologies
- b) supporting community groups and voluntary sector organisations to enhance their own use of, and engagement with, technologies (as well as working with their members in relation to digital inclusion)
- c) supporting community and voluntary sector groups and organisations to exploit technologies to generate income
- d) supporting the establishment of enterprises, including social enterprises, around ICT
- e) supporting existing enterprises, including social enterprises, to engage with/adopt the use of ICT
- f) supporting individuals or groups of individuals, and enhance their skills around technologies to help them progress in the jobs market
- g) providing training/mentoring/support to community and voluntary sector groups, and enterprises, including social enterprises, in technical support with a view to developing long term sustainability.
- h) developing 'centres' of excellence (though these could be virtual as much as physical) in areas such as digital storytelling, digital inclusion, and engaging social enterprises with ICT
- i) research around digital inclusion
- j) linking with other projects in Europe to share experiences of what works and does not work, in order to learn from one another.

The targets originally set within the Business Plan relate closely to these activities and are considered more fully in Section 3.3 below.

The Business Plan suggests that the principal target beneficiaries will be voluntary and community groups and their members in the most deprived areas; enterprises including social enterprises; older people in the most

⁹ Ibid., para. 2.10

deprived areas; migrants, refugees and traveller groups; and single mothers, those on incapacity benefit and the economically inactive.¹⁰

In terms of spatial coverage, support for social enterprises may be provided in any part of the Convergence area, while work with community and voluntary organisations is restricted to the most deprived 30% of Lower Super Output Areas (LSOAs) as identified by the Welsh Index of Multiple Deprivation (WIMD) 2008. This restriction is not, however, a formal part of the agreement with WEFO but is rather set out in the Tender Specification for the delivery of the Programme.¹¹

Similarly, the Tender Specification places more emphasis than the Business Plan on the need to engage with individuals in order to enhance their ICT skills. Having recalled the targets agreed with WEFO, the Tender Specification notes that:

‘The project will also be expected to deliver considerable added value. This will include increased numbers receiving training. A central feature of the work will be upskilling of individuals both directly and indirectly... Based on the evidence of Communities @One, it is estimated that Communities Two Point Zero should aim for a target 20,000 different individuals over a six year period’.¹²

If the content of Communities Two Point Zero is significantly different from its predecessor, then its method of delivery is also. Communities@One was delivered by the Wales Co-operative Centre on behalf of DSJLG with all delivery staff employed directly by the Centre.

As a result of advice received from WEFO, it was decided that the DSJLG should be the project sponsor for the Programme (rather than as had initially been intended, the Wales Co-operative Centre, which had delivered the

¹⁰ Ibid., para. 2.69

¹¹ Para 3.1

¹² Ibid. para. 2.3

Programme on behalf of the DSJLG)¹³, and that the delivery of the front-line activity (all but the last two of the strands identified above) should be procured through a public procurement process.

The procurement resulted in a successful bid from a consortium led by the Wales Co-operative Centre but including four other delivery partners, Carmarthenshire County Council, Novas Scarman, the Pembrokeshire Association of Voluntary Services (PAVS) and the University of Glamorgan's George Ewart Evans Centre for Storytelling (GEECS). The main responsibilities of each of the partners is envisaged to be as follows¹⁴:

Wales Co-operative Centre: as lead partner taking responsibility for overall project management; providing a Centre for Support for Social Enterprises (including a virtual market place for social enterprises to trade and collaborate with one another); providing support (through a team of social enterprise support workers) for emerging social enterprises and existing social enterprises in respect of ICT; providing a team of regional community brokers to support voluntary and community organisations identify and implement initiatives to promote digital inclusion; providing circuit rider support in South East Wales; and leading on communications and marketing, including the dissemination of good practice inside and beyond the Programme.

Carmarthenshire County Council: mainstreaming digital inclusion across the Council's services and developing and implementing a digital inclusion strategy as a template for other local authorities in Wales; taking a lead on initiatives to digitally connect communities to public services delivered on line, rolling out successful pilot initiatives; forming a link between the Programme and other Welsh local authorities; delivering direct support to voluntary and community organisations in the County as part of a network of Circuit Riders¹⁵.

¹³ Information from stakeholder interviewees

¹⁴ Schedule 8 of the Consortium Agreement: Please note this is an abbreviated summary

¹⁵ Circuit Riders provide ICT technical support to third sector organisations, with a focus on building the capacity within these organisations to address their own ICT needs.

Novas Scarman: piloting activity to extend digital inclusion to hardest to reach groups, for example, homeless people, asylum seekers and ex-offenders; working with social housing providers to develop digital inclusion strategies and activities; providing Circuit Rider support to community and voluntary organisations and social enterprises in the South Wales Valleys; giving community groups free or low cost access to hardware, software and ICT networks; acting as a bridge to digital inclusion activity elsewhere in the UK.

PAVS: developing a Centre of Excellence in Circuit Rider Development and coordinating the activity of Circuit Riders across the Programme with the aim of encouraging sustainability on the part of assisted groups and enterprises; delivering support to community and voluntary groups in Pembrokeshire; establishing web-based resources to support the use of technologies by non-experts and delivering the 123-communicate support package to enable third sector organisations to develop their online activities and improve their use of ICT; leading on training of staff and developing opportunities for engaging volunteers as Circuit Riders; acting as a bridge between the Programme and the voluntary sector 'infrastructure' including other County Voluntary Services.

GEECS: developing a Centre of Excellence in digital storytelling and participatory media; delivering training workshops and other support for those wishing to develop their skills in digital storytelling and other digital media production; offering consultancy on digital media practice and delivering relevant toolkits; funding a PhD student to follow the progress of Communities Two Point Zero and contributing to the Programme's visibility in broader UK wide and international research on digital inclusion.

It is clear that the consortium in producing its tender brought some additional ideas or emphases to the proposed approach to the Programme which were not explicit in the Business Plan, for example the focus on social housing, the role of volunteering, and the importance of making structural links between the Programme and key stakeholder groups such as local authorities and the voluntary sector umbrella bodies.

In terms of delivery structures and resources the key elements are as follows:

The Digital Inclusion Unit within DSJLG which is responsible for contract management of the contracted out elements of the Programme as well as for the two strands of research and fostering European and international linkages;

A Project Management Board which provides strategic oversight of the Programme. This consists of Welsh Assembly Government officials, delivery partner representatives and a number of external experts but has met only three times to date.

A Steering Group which meets every six weeks and which provides operational management. This consists of the delivery partners and key Digital Inclusion Unit officials. These meetings are complemented by bi-annual meetings between the Wales Co-operative Centre and each delivery partner.

An Assessment Panel which meets monthly to appraise 'packages of support' applications from community and voluntary organisations or social enterprises (which are formally presented by Brokers or Social Enterprise Support Workers): this is made up of three scorers, drawn from among the delivery partners, and is chaired by a Welsh Assembly Government official from the Digital Inclusion Unit;

A project director based in the Wales Co-operative Centre;

Two project managers within the Wales Co-operative Centre, with responsibility respectively for the team of Community Brokers (six posts) and Social Enterprise Support Workers (five posts);

Managers and fieldworkers within Carmarthenshire County Council (two full-time fieldworkers plus administrative support), Novas Scarman (three full-time fieldworkers plus a part-time manager and administrative support), PAVS (three full-time fieldworkers plus a full time manager and administrative support) and GEECS (two full-time fieldworkers plus two part time managers and administrative support). Quarterly meetings are convened which bring together the fieldworkers from all of the delivery partners;

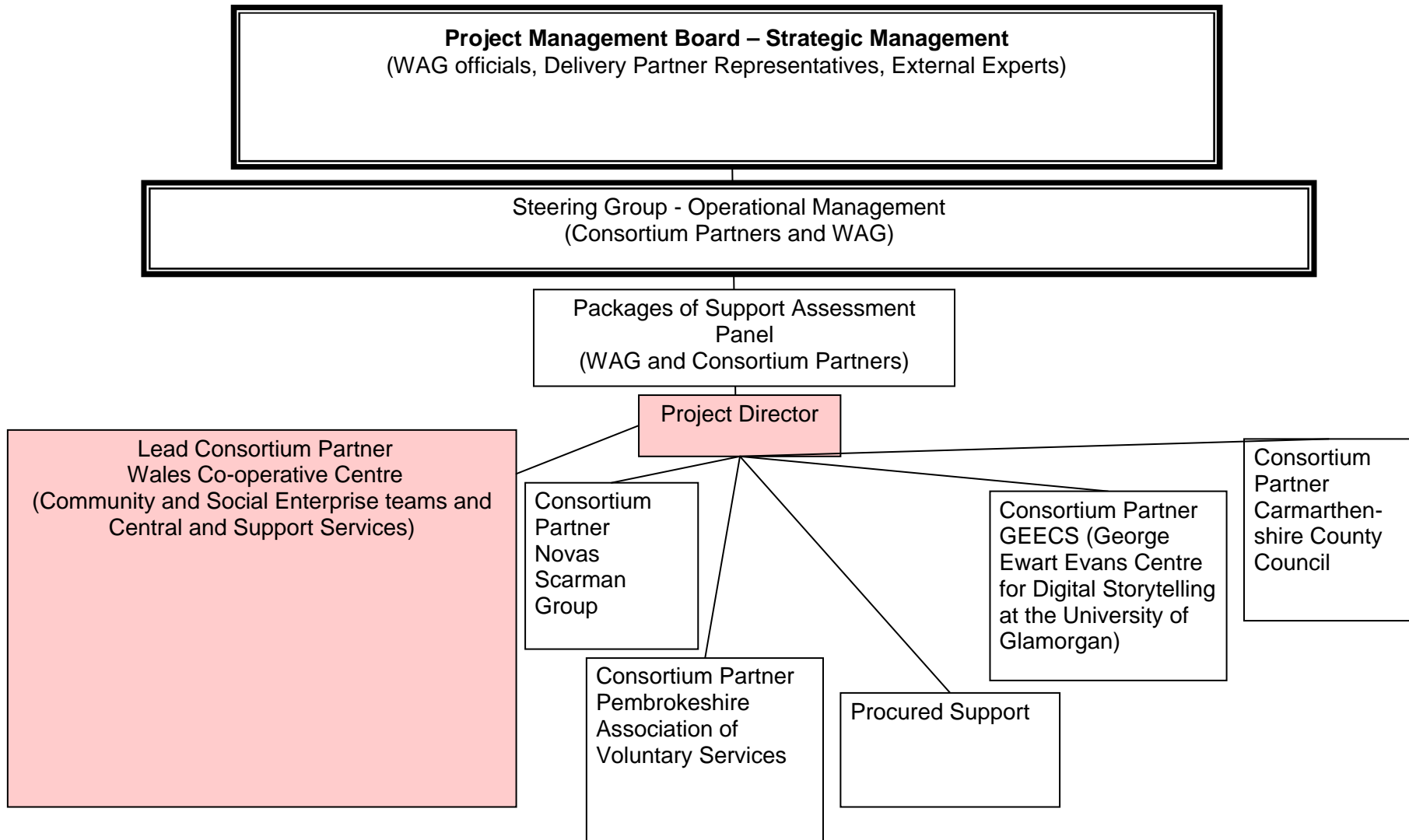
Support services within the Wales Co-operative Centre, including public engagement, monitoring, administration and finance.

Additional front-line delivery Circuit Rider capacity has been procured and is managed by the Wales Co-operative Centre.

This is illustrated in Figure 1 over.

Staff to provide direct support to community and voluntary organisations, to enterprises and to individuals, along with related overheads, account for the large majority of the Programme's funding. However, just over £3 million of the Programme's resources are earmarked for financial support to voluntary and community organisations (£2.27 million) and enterprises (£0.92 million). This again represents a major change of emphasis from Communities@One where the majority of that Programme's funding (some 71%) was disbursed through a Grant Fund.¹⁶

¹⁶ Welsh Assembly Government (September 2008), *Evaluation of the Communities@One Programme* (Final Report) prepared by Old Bell 3 Ltd, Cardiff: Welsh Assembly Government. p.8



2.2 Policy Context

2.2.1 Introduction

The 2008 evaluation of the Communities@One programme identified the growing importance of the 'digital inclusion' agenda within the Welsh, UK, European and wider policy contexts.¹⁷ Clear from the review was the magnitude and strength of the supporting evidence base and the role this played in driving forward the digital inclusion agenda.¹⁸ Overall, the Communities@One policy review found that 'digital inclusion' was increasingly viewed as a central enabling factor in achieving wider inclusion and economic policy goals.

2.2.2 UK Policy Context

Since the end of Communities@One in late 2008, the policy context across the UK has been, and continues to be, very supportive in meeting the challenges presented by digital inclusion.

The *Informal Adult Learning (2008)*¹⁹ consultation and subsequent *Learning Revolution White Paper (2009)*²⁰ re-established the value of informal learning. The so-called Morris *Review of ICT Skills (2009)* made a number of recommendations on digital inclusion; most notably that 'digital life skills' be made available and accessible to all.²¹

¹⁷ Welsh Assembly Government (September 2008), *Evaluation of the Communities@One Programme* (Final Report) prepared by Old Bell 3 Ltd, Cardiff: Welsh Assembly Government.

¹⁸ Including for example: *Inclusion Through Innovation* (Social Exclusion Unit, 2005); *The Digital Inclusion Landscape in England: Delivering Social Inclusion through ICT* (The Digital Inclusion Team, March 2007); *Digital Inclusion: A Discussion of the Evidence Base* (Fresh Minds for UK online centres, July 2007); *Long-term opportunities and challenges* (HM Treasury, November 2006); *Digital Inclusion in Partnership*. (Scottish Executive, February 2007); *Preparing Europe's digital future - The i2010 Mid-Term Review* (April 2008); *Understanding Digital Exclusion* (DCLG, 2008); *Transforming access to public services through ICT enabled channels: Issues for hard-to-reach-groups* (WAG, 2008); OFCOM Nations and Regions Report for Wales (2008).

¹⁹ Department for Innovation Universities and Skills (2008) *Informal Adult Learning: Shaping the Way Ahead*, London: UK Government

²⁰ Department Innovation Universities and Skills (March 2009) *The Learning Revolution*, White Paper presented to Parliament in March 2009, London: UK Government

²¹ *Independent Review of ICT Skills*, presented by Baroness Estelle Morris in June 2009, London: UK Government

In October 2008 the then Secretary of State for Wales and Minister for Digital Inclusion issued for consultation *Delivering Digital Inclusion: An Action Plan for Consultation*.²² The document provided the framework for progressing towards greater digital inclusion and for championing the best use of technology to tackle ongoing social inequalities. The Plan made clear that while digital technology pervades every aspect of modern society, its usage (and benefits) were not universal. This gave rise to two strands which underpin the digital inclusion agenda: firstly (and directly), ensuring that all citizens have the opportunity to access, use and benefit from digital technology. Secondly (and indirectly), that digital technology can be exploited to better understand the needs of deprived communities and from there be used to deliver improved services including by better targeting of resources.²³

The Action Plan also identifies a number of relevant cross sector initiatives. These include good practice websites²⁴, offering toolkits which have supported, and in many cases continue to support, local authorities with electronic service delivery, and a range of Government sponsored projects such as DC10plus and Digital Challenge; all underpinned by a clear commitment (backed by extensive investment) to develop a user-focused technology based approach across Government.

Stakeholders broadly welcomed the Action Plan commenting in particular on the importance of not becoming too narrowly focused on the 'technological aspects' of digital inclusion, at the expense of broader social benefits.²⁵ Stakeholders made clear that the Government's policy response needed to be:

'people focused' not 'government focused'- driven by people and not by government';

tailored to specific needs of communities (not 'one size fits all');

efficient in its targeting;

underpinned by benchmarking and measurable outcomes.²⁶

²² Department for Communities and Local Government (October 2008) *Delivering Digital Inclusion: An Action Plan for Government*, London: UK Government

²³ *Ibid*, p4

²⁴ For example, www.esd.org.uk

²⁵ Department for Communities and Local Government (April 2009) *Delivering Digital Inclusion: Summary of Consultation Responses*, London: UK Government, p6

²⁶ *Ibid*, p8-10

Stakeholders were further able to differentiate between two types of barriers that formed constraining factors to digital inclusion: those barriers connected to individuals, including affordability, aspiration levels and lack of skills and confidence; and those (structural) barriers associated with lack of access, accessibility and usability of digital technology systems.²⁷

In June 2009 the Westminster Government published *Digital Britain*.²⁸ The report further develops the creative media and digital inclusion agendas, drawing heavily from the digital inclusion consultation and earlier contributions such as *Creative Britain – New Talents for the New Economy*, which appeared in 2008.²⁹

Digital Britain identified four barriers to achieving national digital (including digital inclusion) goals: ‘availability’, ‘affordability’, ‘capability’ and ‘relevance’. In response the report proposed:

- better access to digital resources for poorer households;
- enhanced provision for, and access to, digital skills;
- re-affirming the commitment to universal access to broadband and presenting measures to roll-out (‘superfast’) broadband through a newly created Next Generation Fund aimed at part subsidising broadband providers to deploy next generation broadband to homes and small businesses in those areas which would otherwise not be commercially viable (the so-called ‘final third’ of the population currently underserved);
- identifying those sectors where public intervention is not merited because the market is already working satisfactorily;
- the new digital inclusion programme with Martha Lane Fox in the post of Champion for Digital Inclusion (appointed in June 2009 with the aim of getting online the four million people who are most socially and digitally excluded);
- additional funding for demand side measures in a National Plan for Digital Participation.³⁰

²⁷ *ibid*

²⁸ Department for Culture, Media & Sport and Department for Business Innovation & Skills (2009) *Digital Britain: Final Report*. London: UK Government (The Stationery Office).

²⁹ DCMS, DIUS, DBERR (2008) *Creative Britain: New Talents for the New Economy*, London: UK Government

³⁰ *Ibid*, p11-12

Of relevance to digital inclusion it was envisaged that this response would bring about benefits in relation to:

- 'social mobility';
- 'financial savings';
- 'educational attainment';
- 'improved salary prospects';
- 'democratic engagement';
- 'increased satisfaction with public services'.^{31 32}

Indeed, in addition to this list, a number of spin-off benefits might also plausibly include increased economic growth: Digital Britain estimates that the 'digital sector' in the UK contributes almost 10% of national economic output.³³

The proposals set-out in Digital Britain also fed into the then UK Government's review of public services presented as the *Smarter Government* report (2009).³⁴ The report links digital inclusion with the delivery of lower cost and better public services and proposed 'an acceleration in the move towards digital public services.'³⁵

Overall, the digital inclusion targets set by the previous Westminster Government were clearly challenging. Published in March 2010, The National Plan for Digital Participation set a target for a 60 per cent reduction in the people who are not currently online.³⁶ This has not abated with the new coalition Government of May 2010. The work led by the Digital Inclusion Champion aims to get four million of the most disadvantaged people online (and around ten million people overall) with the *Race Online 2012* initiative – a programme for near-universal web literacy by the time

³¹ Ibid, p29

³² Extrapolating from this list helps identify the sorts of benefits likely to be associated with projects such as Communities Two Point Zero (and may prove useful in developing a suitable economic impact model)

³³ *Digital Britain* the final report by Lord Carter presented to the Minister for the Department for Culture, Media and Sport and the Minister for the Department of Business, Innovation and Skills in June 2009, p1

³⁴ UK Treasury (December 2009) *Putting the Frontline First: Smarter Government* Presented to Parliament by the Chief Secretary to the Treasury, London: UK Government

³⁵ Ibid, p9

³⁶ Department for Business, Innovation and Skills (March 2010) *National Plan for Digital Participation*, London: UK Government

of the London Olympics.³⁷ To date around 997 partner organisations have pledged to help almost two million people online (in terms of making use of the internet for the first time) as part of *Race Online 2012*.³⁸

Yet the UK digital inclusion process has clearly not been pain free.³⁹ It has also been argued that such momentum has been some time in the coming.⁴⁰ Moreover, delineating the impact of any one Government intervention will inevitably raise questions about the (attributable) effect of the wider ICT context. For example, *Race Online 2012* will clearly benefit from wider Government agenda to place an ever greater proportion of public information and services online⁴¹ – and in this respect recent proposals to ensure that many public services (such as service delivery contracts) are provided digitally ‘by default’, will be a significant spur.⁴²

The overall effect that the recent economic turbulence and associated economic austerity measures will have on the digital inclusion agenda remains fully to be seen of course. At present, ‘deceleration’ seems unlikely: the UK Government elected in May 2010 has not sought to fundamentally change the direction or pace of the digital inclusion agenda set-out in *Digital Britain*, and can point to a number of notable recent developments, including:

In June 2010, the new Government asked Martha Lane Fox to expand her role as UK Digital Champion advising how online public services delivery can help to encourage digital take-up.⁴³

In July 2010 The Digital Champion launched the *Manifesto for a Networked Nation* – the annual report of *Race online 2012*. The Manifesto

³⁷ <http://raceonline2012.org/>

³⁸ *ibid*

³⁹ See for example: Bennett O. (May 2009) Electronic Government, House of Commons Library, SN/SC/1202

⁴⁰ For example, in a 2002 Press Release (http://www.nao.org.uk/whats_new/0102/0102764.aspx) for the National Audit Office (2002) *Government on the Web II* (HC 764 Session 2001-2002) report the National Audit Office was already calling for the UK Government ‘to move beyond campaigning for e-government towards a service delivery style with emphasis on implementation.’

⁴¹ A process given momentum by the findings of the Varney Review (2006) – see: HM Treasury (December 2006) *Service Transformation – A better service for citizens and businesses: a better deal for the tax payer*, Report by Sir David Varney, London: UK Government

⁴² Based upon recommendations made in the strategic review of Directgov. The UK Government’s initial response was been largely receptive.

⁴³ number10.gov.uk/news/statements-and-articles/2010/06/letter-of-appointment-to-martha-lane-fox-52045

introduces the aim of getting everyone of working age in the UK online by the end of this parliament.⁴⁴

A number of other supportive measures are planned including, for example, a new UK scheme that will offer £98 personal computers to the 9.2 million British adults who have never used the internet.⁴⁵

Perhaps most significantly of all in terms of driving demand, the UK Government has announced its intention to move the delivery of most benefits online, stating that 'claims for the new Universal Credit will normally be made through the internet and ... most subsequent contact between recipients and the delivery agency will also be conducted online'.⁴⁶

2.2.3 European Context

The wider European policy context is also very supportive of the digital inclusion agenda. The growing importance of ICT inclusion presented via the *i2010 policy framework* (launched in June 2005) was further underlined a year later with the so-called *Riga Declaration* which recognised the importance of ICT in social and economic terms and committed the EU to a number of e-inclusion related policy goals. This included closing the digital literacy gap between the general population and disadvantaged groups such as the unemployed, immigrants, those with low educational attainment, the disabled, older people and marginalised young people.⁴⁷

Preparing Europe's digital future - The i2010 Mid-Term Review (April 2008), highlighted the key achievements that had been implemented since the initial i2010 strategy and Riga Declaration.⁴⁸

At the Vienna Conference on e-Inclusion in December 2008 the Presidency of the Council of the European Union reaffirmed the importance of digital inclusion likening

⁴⁴ The work of the Digital Inclusion Champion, for example, has continued unabated, though the body she lead – the Digital Public Services Unit – has been axed

⁴⁵ <http://www.bbc.co.uk/news/technology-12205412>

⁴⁶ 'Universal Credit: Welfare that Works', Cm 7957, HMSO, p.33

⁴⁷ Riga Declaration (June 2006)

⁴⁸ The Seventh Research Framework and the ICT Policy Support Programme under the Competitiveness and Innovation Programme (CIP).

broadband to an 'essential commodity like water or electricity'.^{49, 50} In drawing conclusions, the Presidency noted, however, that much remained to be done: almost half of the European population were not regular users of the internet nor had sufficient competences to do so.⁵¹ Crucial was that 'measures to improve digital inclusion ... have to be at the centre of public policies addressing the information society'.⁵²

The adoption of the Communication *Towards an accessible Information Society* at the Vienna Conference set a clear, common European direction for e-Accessibility.⁵³ The Communication made suggestions for improving web accessibility, including reinforcing cooperation with Member States and other stakeholders.

However it was in *Digital Agenda for Europe* (DAfE), published in August 2010, that the European Commission formally set out its digital strategy. The overall aim of the digital agenda is defined as being:

'to deliver sustainable economic and social benefits from a digital single market based on fast and ultra-fast internet and interoperable applications.'⁵⁴

In line with the recommendations of *Europe 2020*⁵⁵ published in March 2010, the new Digital Agenda urges rapid action in response to the recent economic crisis. It identifies 'a digital literacy deficit'⁵⁶ as a key failing which excludes 'many citizens

⁴⁹ Conclusions of the Presidency of the Council of the European Union (December 2008) Ministerial Conference on e-Inclusion (Vienna)

⁵⁰ This notion resonates with later findings in the UK by the Joseph Rowntree Foundation (2010) that a computer and home internet connection are now considered 'essential' for all non-pensioner households. Notable also was the speed of change: similar research conducted by JRF in 2008 found that computer and home internet connection were considered 'essential' only for families with school-age children (see: Centre for Research in Social Policy at Loughborough for the Joseph Rowntree Foundation (2010) University A minimum Income Standard for the UK 2010)

⁵¹ Ministerial Conference on e-Inclusion, Vienna (December 2008), p2

⁵² Ibid, p3

⁵³ European Commission (December 2008) *Towards an accessible information society* Commission Communication Brussels: European Commission Directorate General for Information Society and Media

⁵⁴ European Commission (August 2010) *A Digital Agenda for Europe*, Brussels: European Commission, p3

⁵⁵ European Commission (March 2010) *EUROPE 2020 - A strategy for smart, sustainable and inclusive growth*, Brussels: European Commission.

⁵⁶ The Agenda also commits to making digital literacy and skills a priority of the 'New skills for new jobs' Flagship launched in 2010

from the digital society and economy' and states that member states should 'implement by 2011 long-term e-skills and digital literacy policies and promote relevant incentives for SMEs and disadvantaged groups'.⁵⁷ Moreover, the digital literacy deficit is deemed to also act to hold 'back the large multiplier effect of ICT take-up to productivity growth'.⁵⁸ The document therefore adopts a high level target of increasing the proportion of the EU population who are users of the internet to 75% by 2015 (compared to 60% in 2009) and reduce to 15% the proportion of the population who have never used the internet (30% in 2009).⁵⁹

2.2.4 Digital Inclusion Policy in Wales

In taking forward the digital inclusion agenda, policy makers have been able to draw upon a growing research evidence base. Much of this evidence is interlinked, and as more data have become available, more light has been shed on debates about 'what works' and in 'what context'. For example, Clearly et al (2008) found that access to broadband in the home had more potential to get people engaged with services and opportunities than publicly available online access;⁶⁰ however researchers at the University of Oxford found that access alone is not enough - even when high quality access is equally distributed there is inequality across different socio-economic groups in terms of actual engagement with technologies.⁶¹

An increasingly important contribution to the evidence base has come from the findings of projects and interventions funded (at least in part) through the digital inclusion agenda.⁶² In this respect, policy makers in Wales have also been able to benefit first hand from the emerging experiences and findings within the Communities@One programme.

⁵⁷ European Commission (August 2010) A Digital Agenda for Europe, Brussels: European Commission, p7, p27

⁵⁸ Ibid, p6

⁵⁹ Ibid., p41

⁶⁰ Cleary, P.F., Pierce, G. & Trauth, E.M., (2006) *Closing the digital divide*, , Information Society, 4, 354-373

⁶¹ , Dutton, W. & Helsper, E., (2007) *The Internet in Britain:2007*, Oxford Internet Institute, University of Oxford

⁶² See for example, case study reviews associated with the earlier mentioned DC10plus project (www.dc10plus.net)

Communities@One was widely recognised as a ground-breaking initiative, winning recognition from the EU as a finalist in the European Commission's e-Inclusion awards and praise from experts in the field.⁶³ In evaluating the project's impact, researchers noted a number of particularly successful elements, for example, the introduction of the 'Broker' model which, it was felt, had a wider value for initiatives targeted at the voluntary and community sector in Wales.⁶⁴

Further, the formal evaluation of Communities@One⁶⁵ identified a number of recommendations in respect of a potential follow-on project, including the need to:

- ensure that the Welsh Assembly Government has in place a clear statement of overall digital inclusion policy;
- have a much longer time horizon (a minimum of five years was suggested);
- retain the Broker model but with clearer guidance on the extent to which Brokers should undertake tasks for assisted groups as opposed to supporting them to do so;
- carefully consider the potential role (if any) within a future project for public service providers particularly in relation to increasing access to public services on-line;
- consider whether grant funding should comprise a lower percentage of the overall project budget;
- ensure close scrutiny on whether acquisition of equipment ('kit') through grant funding actually delivers digital inclusion;
- continue the digital story telling element but with assurance that the emphasis is on engagement with digital technology not 'the story';
- ensure enhanced funding for monitoring to deliver stronger data from which impact and coverage (including uptake by geographical location) may be ascertained;
- move towards online claim forms for any future grant elements;
- review and redevelop the project's ICT platform.

⁶³ Experts including Dr Gail Bradbrook of Citizens Online speaking to the House of Commons Welsh Affairs Committee

(<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmwelaf/305/30505.htm>)

⁶⁴ Old Bell 3 Ltd (2008) Evaluation of the Communities@One Programme – Final Report, Cardiff: Welsh Assembly Government

⁶⁵ *ibid*

Although Communities@One was the ‘flagship’ initiative in Wales, it should be noted that it was not alone in addressing the digital inclusion agenda in Wales. In practice, a plethora of community based initiatives - many showing positive individual outcomes – have operated across Wales, including Citizens Online and BT’s *Everybody Online* programme (active in Rhyl, Clydach Vale and Bettws in Newport)⁶⁶; Credu and Fujitsu’s Digilabs initiative⁶⁷ and the BBC’s ‘Capture Wales’ Digital Storytelling project.

Alongside developments ‘on the ground’, there has also been a rapid evolution of a public policy framework for digital inclusion in Wales.

At the ‘macro’ level, *One Wales* (2007), the overarching strategic agenda for Wales for 2007 -2011, re-affirms the Assembly’s commitment to inclusivity⁶⁸ while *Economic Renewal: A New Direction* (2010) contains a pledge that Wales should enjoy the best ICT infrastructure alongside targeted support for technology based skills development and access to ICT (e.g. ‘all households in Wales will have access to broadband by 2020’).⁶⁹

Turning more specifically to digital inclusion, the House of Commons Welsh Affairs Committee in their 2009 report *Digital Inclusion in Wales*, made clear that the National Assembly for Wales – with direct responsibility for education and social inclusion – ‘has an important role in increasing digital inclusion’.⁷⁰

The report found no evidence that digital inclusion was ‘significantly greater or different in nature in Wales compared to the rest of the UK’. A number of factors were of specific interest to Wales; like other areas of the UK, people living in ‘hilly or sparsely populated areas’ were more likely to encounter a problem with access to

⁶⁶ <http://www.citizensonline.co.uk>

⁶⁷ <http://www.canllaw-online.com>

⁶⁸ Welsh Assembly Government (June 2007) *One Wales: a progressive agenda for the governance of Wales*, Cardiff: Welsh Assembly Government, p5

⁶⁹ Welsh Assembly Government (June 2010) *Economic Renewal Programme: A New Direction* Cardiff: Welsh Assembly Government

⁷⁰ House of Commons Welsh Affairs Committee (2009) *Digital Inclusion in Wales*, Thirteenth Report of Session 2008–09, p3

broadband and mobile networks, and older people and those on lower incomes were less likely to choose to use the internet and other digital technology.

In this respect the Committee highlighted issues of priority interest to the Welsh context – e.g. the eradication of so-called broadband ‘not spots’ in areas of challenging topography and low population density – and criticised the fact that the UK Government’s *Digital Inclusion Action Plan* had taken no account of the needs of Welsh Language speakers.⁷¹

The Committee further noted that while the UK Government’s *Digital Inclusion Action Plan* was a ‘welcome step’, it was also ‘very general’ in its approach. The Committee agreed that in meeting the challenge of digital inclusion much work would have to be done at the Wales only level.⁷² What was needed was a joined up approach: ‘Digital inclusion is not an issue which can be delivered by any single Government Department or agency.’⁷³ Hence the Committee concluded that the response should involve not only the National Assembly but also wider stakeholders including those in the private and third sectors.

Moreover, while noting that Wales compared well with many other European nations, the Select Committee warned that Wales must remain engaged with the wider UK digital inclusion and Digital Britain work or risk missing out on policy developments, funding opportunities and sharing of good practices.⁷⁴

This emphasis - on ‘working together to extract maximum value’ - was somewhat reaffirmed in *The Heart of Digital Wales*⁷⁵, the independent review of the Welsh Assembly Government’s activities in the field of the creative industries. The findings of the review considered evidence of the growing importance of the Creative Media industry to Wales while making recommendations as to how the sector may be further strengthened.

⁷¹ *ibid*

⁷² *ibid*

⁷³ *ibid*, p9

⁷⁴ Welsh Affairs Committee (July 2009): *Digital Inclusion in Wales*, London: UK Government

⁷⁵ Hargreaves, I. (2010) *The Heart of Digital Wales: A review of the Creative Industries for the Welsh Assembly Government*,

Like the Welsh Affairs Select Committee, *the Heart of Digital Wales* called for the Welsh Assembly Government to ensure that it extracted maximum value from wider UK Government's Digital Britain and other UK level programmes. Moreover – and notable for projects such as Communities Two Point Zero seeking to use digital media – the report called for more emphasis to be put on engaging the larger media organisations (e.g. BBC) in the Assembly's creative media strategies and actions.

In 2010 Welsh Assembly Government Social Research Division undertook a comprehensive *Baseline Study of Digital Inclusion in Wales*.⁷⁶ The study – spread over three phases - presented evidence to support and shape the development of the Inclusion Delivery Plan within *Digital Wales*.

The study found that while almost all households in Wales by 2008 potentially did have access to broadband⁷⁷, only around 60 per cent were thought to actually access broadband.⁷⁸

However, both internet and broadband use has increased markedly in recent years. Data presented from the *Living in Wales Survey* suggest internet use was 17 per cent higher in 2008 than 2004. Over the same period the proportion of households in Wales with broadband increased from 12 per cent to 54 per cent.⁷⁹

However, the findings also revealed those not currently accessing the internet tended to come from certain socio-economic groupings.⁸⁰ Internet use was significantly lower among adults who were:

- aged 45 years and above;
- not working, or working in intermediate or routine jobs;
- disabled (in a work limiting way);

⁷⁶ Two reports were reviewed: Welsh Assembly Government (August 2010) *Baseline Study of Digital Inclusion: Stage 1 Evidence Review*, Cardiff: Welsh Assembly Government Social Research Division and Welsh Assembly Government (2010) *Stage 2: Quantitative Analysis*, Cardiff: Welsh Assembly Government Social Research Division

⁷⁷ Bevan Foundation.(2009)*Digital Wales, Divide Wales*. Blaenau Gwent: Bevan Foundation.

⁷⁸ Welsh Assembly Government.(2008). *Internet Usage in Wales*. Cardiff: Welsh Assembly Government Statistical Directorate

⁷⁹ IpsosMORI (2008) *Living in Wales Survey 2004-2008*, Cardiff: Welsh Assembly Government

⁸⁰ Welsh Assembly Government (2010) *Stage 2: Quantitative Analysis*, Cardiff: Welsh Assembly Government Social Research Division

living in the most deprived communities (defined as the 30% most deprived Lower super Output Areas);
living in social housing.⁸¹

The review noted that some evidence (albeit now somewhat dated) suggested that these gaps would close over time without the requirement of public spending.⁸² However, other evidence backed the argument that intervention might further improve rates of digital take-up.⁸³ Moreover, it was argued that it was important to consider different elements of the digital divide according to whether differential use of ICT relates to 'exclusion' (enforced by social, economic and physical health constraints) or 'personal choice' (cultural or social characteristics).⁸⁴

'Personal choice' was found to be by far the greatest reason for non-take-up of internet/broadband.⁸⁵ 79 per cent of households in Wales without a home computer stated they had 'no interest or don't need a computer' compared to just 13 per cent who stated that a computer was 'too expensive'.⁸⁶ This perhaps shows the scale of the challenge for Communities Two Point Zero.

Other key findings from the literature reviewed in the Baseline Study showed that:

the greatest barrier to internet access is a lack of understanding of its benefits;⁸⁷

awareness raising campaigns need to be maintained; Tookey et al (2006);⁸⁸

engagement with the internet does not necessarily mean that individuals are getting the most from the internet: individuals from higher social classes tend to use the internet in a more informed way and for a greater range of

⁸¹ Ibid, p2

⁸² Citing in particular Compaine, B.M. (2001) *The Digital Divide: Facing a Crisis or Creating a Myth?* Massachusetts Institute of Technology Press.

⁸³ Dutton, W.H., Helsper, E.J. and Gerber, M.M. 2009. *The Internet in Britain 2009*. Oxford: University of Oxford.

⁸⁴ Welsh Assembly Government (August 2010) *Baseline Study of Digital Inclusion: Stage 1 Evidence Review*, Cardiff: Welsh Assembly Government Social Research Division, p5

⁸⁵ Welsh Assembly Government (August 2010) *Baseline Study of Digital Inclusion: Stage 1 Evidence Review*, Cardiff: Welsh Assembly Government Social Research Division, p6-7

⁸⁶ Ibid

⁸⁷ Drawing upon findings from the Centre for Rural Communities. 2005. *Beyond digital divides? The future for ICT in rural areas*. West Yorkshire: Countryside Agency Publications.

⁸⁸ Tookey, A. Whalley, J. and Howick, S. 2006. Broadband diffusion in remote and rural Scotland. *Telecommunications Policy* 30 (8-9) pp. 481-495.

activities. In response, intervention should move from providing availability for all to meaningful take-up and engagement for all;^{89, 90}

digital exclusion is linked closely to wider social and economic exclusion.

Therefore interventions to reduce digital exclusion will benefit if they are delivered in parallel to interventions aimed at reducing these wider forms of exclusion;⁹¹

causality may also act in the reverse way in that individuals who are digitally engaged benefit from increased income and better employment outcomes;⁹²

formal 'digital intermediaries' – advisors located in public places like libraries who offer support to others seeking to access and use digital technology – may be an effective way of bridging the digital gap.⁹³

Most importantly of all, *Digital Wales* sets out the Welsh Assembly Government's agenda for the digital future in Wales. In its Framework for Action – *Delivering a Digital Wales* - published in December 2010, the Assembly makes clear its commitment to 'make sure the public sector does whatever it needs to do, to make things happen.'⁹⁴ In practice the proposal is for 'an integrated, holistic approach' drawing upon expert advice (Digital Wales Advisory Board, Digital Inclusion Management Board) and bringing together 'a range of partners, from businesses to community groups' to progress the agenda.

Delivering a Digital Wales emphasises the linked nature of the five central digital themes of 'inclusivity', 'skills', 'the economy' (economic impact), 'public services' and 'infrastructure'.⁹⁵ This point is fundamental: it suggests that the achievement of the targets in interventions such as Communities Two Point Zero will also rest on the extent to which the digital inclusion agenda is built into, and supported by, wider strategies

⁸⁹ Hargittai, E. 2010. Digital Na(t)ives? Variation in Internet Skills and Uses among Members of the "Net Generation". *Sociological Inquiry* 80(1) pp. 92-113.

⁹⁰ Bevan Foundation. 2009. *Digital Wales, Divide Wales*. Blaenau Gwent: Bevan Foundation.

⁹¹ Ono, H. and Zavodny, M. 2007. Digital inequality: A five country comparison using microdata. *Social Science Research* 36(3) pp. 1135-1155.

⁹² PricewaterhouseCoopers. 2009. *The Economic Case for Digital Inclusion*. PricewaterhouseCoopers LLP.

⁹³ Warren, M. 2007. The Digital Vicious Cycle: Links between Social Disadvantage and Digital Exclusion in Rural Areas. *Telecommunications Policy* 31(6-7) pp. 374-388.

⁹⁴ Welsh Assembly Government (December 2010) *Delivering a Digital Wales: The Welsh Assembly Government's Outline Framework for Action*, Cardiff: Welsh Assembly Government

⁹⁵ *Ibid*, p3-4

for economic growth, infrastructure, public service delivery, education and skills. In particular, the Framework highlights the importance of 'bring[ing] together the digital inclusion and Making the Connections/e-government agenda' and promises that the Welsh Assembly Government will strengthen the relationship with the UK Government policy and initiatives, seeking to be aligned with parallel areas of activity, such as the Digital Champion⁹⁶.

Delivering a Digital Wales highlights Communities Two Point Zero as a critical initiative in taking forward the digital inclusion agenda, along with the work of libraries. Unsurprisingly, these two sources of public sector intervention are also given considerable prominence in the *Digital Inclusion Framework*, also launched in December 2010 which also notes that 'this Framework is not about the provision of new funding. Considerable resources are already available, including through Communities 2.0'.⁹⁷

Under the Framework the Assembly is committed over the next five years to helping to break down the barriers for those who are digitally excluded in Wales (thought to number in total some 785,000), working towards a vision of a Wales where 'everyone who wants to be on line can get on line, do more on line and benefit from the advantages of being on line'.⁹⁸

It proposes to do this by bringing together a wide range of different stakeholders in the public, private and third sectors to align plans and coordinate activities in a way that maximises impact and by ensuring close joint working with UK wide initiatives including social marketing campaigns. It also suggests that there may be major role for volunteering in breaking down skill and attitudinal barriers.⁹⁹

The Framework suggests that the Assembly's response to the challenges of digital inclusion will be guided by the need to:

⁹⁶ Welsh Assembly Government (December 2010) *Delivering Digital Inclusion: A Strategic Framework for Wales*, Cardiff: Welsh Assembly Government, p.8

⁹⁷ Ibid.

⁹⁸ Ibid., p.2

⁹⁹ Ibid., p1, p.16-18

help people acquire the confidence, motivation and skills to use digital technologies;

support intervention that helps secure economic benefits to the Welsh economy and efficiencies in public service delivery;

improve public access to public services through use of digital media;

support (in particular) families on low income and individuals on benefits to obtain goods and services more easily and more cheaply online;¹⁰⁰

support greater democratic participation;

secure new opportunities for people to contribute and participate in society and the economy.¹⁰¹

The Welsh Assembly Government acknowledges that market forces alone will not be sufficient to get people onto the internet and that the scale of digital exclusion represents a formidable challenge.¹⁰²

The Framework stresses that the response to the problem of digital exclusion will need to be better aligned and co-ordinated. To date, interventions (across public, private and third sector) have offered a piecemeal approach. What is needed instead is 'buy in' from a wide range of stakeholders all working towards common goals and in a supportive (ideally synergistic) way.¹⁰³

Approaches will likely focus on:

'on the ground delivery through community based approaches' [in other words, Communities Two Point Zero];

access through libraries;

learning opportunities through education and lifelong learning, and skills development;

social marketing;

¹⁰⁰ For example, the Framework report presents findings by Pricewaterhouse Coopers that suggests that households off-line miss out on savings of £560 per year from shopping and paying bills online alone – see PricewaterhouseCoopers (October 2009) *The Economic Case for Digital Inclusion*.

¹⁰¹ Welsh Assembly Government (December 2010) *Delivering Digital Inclusion: A Strategic Framework for Wales*, Cardiff: Welsh Assembly Government, p3

¹⁰² Ibid, p4

¹⁰³ Ibid, p6

volunteering.¹⁰⁴

But to be efficient interventions must also be well targeted. This begins by understanding 'who is missing out', 'why are they missing out' and 'what it is they are missing out on'. The Framework highlights four broad Priority groups (noting that all four are priorities for both Communities Two Point Zero and for public libraries):

older people

residents of Social Housing

the unemployed and economically inactive who lack ICT skills (though noting that more work is needed to understand how to add value to existing interventions)

people with disabilities.¹⁰⁵

Finally, the Framework acknowledges that digital technologies are a fast paced sector and hence interventions will need to be responsive and flexible in meeting the latest developments.

2.2.5 Social Enterprise Policy

Along with digital inclusion, policy on social enterprise has also been developing rapidly over recent years, both in Wales and across the UK.

At a UK level, the recently announced *Big Society* initiative by the UK Coalition Government points to an increasing emphasis on the role that social enterprises, co-operatives and mutuals have to play, building on, rather than reversing, what was a major theme under the last Labour Government, albeit with a reinforced emphasis on the potential for social enterprises to play their part in reducing the role of the state:

'we will support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and support these groups to have much greater involvement in the running of public services'.¹⁰⁶

¹⁰⁴ *ibid*

¹⁰⁵ *Ibid.*, p.10-11

¹⁰⁶ Source: <http://www.cabinetoffice.gov.uk/media/407789/building-big-society.pdf>

Though starting from different ideological principles, the policy landscape in Wales has been equally fast moving over the past few years, notably with the publication of the refreshed *Social Enterprise Action Plan* in 2009. This builds, of course, on the over-arching principles laid down in *One Wales*¹⁰⁷ which emphasises the potential for social enterprise to meet a variety of social, economic and environmental needs. At its heart, the *Social Enterprise Action Plan* (which itself takes forward the earlier Social Enterprise Strategy of 2005) has a focus on ‘accelerating the number, scale and impact of social enterprises in Wales’.¹⁰⁸ It outlines as a key priority that ‘all Welsh Assembly Government departments and the wider public sector have been challenged to identify opportunities for social enterprises to compete to deliver high quality and citizen centred public services’¹⁰⁹ and to realise what is described as the ‘huge untapped potential of social enterprise’¹¹⁰.

2.2.6 Conclusions from the policy review

In summary, it is possible to draw a number of clear messages from the policy review which helps to develop understanding (and provide context) for Communities Two Point Zero, including:

Digital inclusion is high on the agenda of Government at the Welsh, UK and European levels. The agenda has seemingly been unaffected by the recent economic recession. Indeed there may be a growing case that recent economic turbulence and subsequent austerity measures have strengthened the case for the digital inclusion agenda, with digital inclusion increasingly being seen as a corollary of moving public service delivery onto digital platforms as a way of achieving savings in public spending. This apparent narrowing of the focus on to a ‘race on line’, in contrast to a broader emphasis on digital inclusion as an important component of social inclusion, seems particularly clear in the UK Government agenda;

¹⁰⁷A Progressive Agenda for the Government of Wales. An agreement between the Labour and Plaid Cymru Groups in the National Assembly. 27th June 2007.

¹⁰⁸Social Enterprise Action Plan (2009), Welsh Assembly Government, Page 5

¹⁰⁹ Ibid

¹¹⁰ Ibid, page 9

Policy developments at all levels of Government seem to be underpinned by a number of fairly consistent themes e.g. the need for agencies to work together in a targeted way. In theory these should provide useful Frameworks from which to approach the design of interventions under projects like Communities Two Point Zero. However, in practice, and particularly given the speed of technological change, the relationship between policy thinking and interventions on the ground is fluid and iterative rather than one-way;

Digital exclusion in Wales is not fundamentally different from other parts of the UK and there is a growing body of evidence about 'what works' upon which decision makers might draw. This includes the experiences, good practices and wider evidence from the now substantial number of digital inclusion interventions across the UK (and more widely);

Overall, digital exclusion remains a problem however: whilst progress has been made since 2008, much work remains to be done to achieve the UK and Welsh Government's sizeable medium term targets.

3.0 Findings

In this Chapter we present our findings from this initial stage of our research, drawing on our literature review and desk-based analysis of monitoring information, our fieldwork interviews and focus groups with those directly involved with developing and delivering the Programme and other stakeholders and our telephone interviews with a sample of those organisations and social enterprises who have received assistance from the Programme to date.

3.1 Rationale and Policy ‘Fit’ in the Context of Changing Policy

In this section, we consider the rationale behind the Programme and its ‘fit’ with broader Welsh Assembly Government policy on digital inclusion.

Recognising that the policy environment has been changing rapidly – with *Delivering a Digital Wales* and the *Digital Inclusion Framework* only being published well after the commencement of Communities Two Point Zero – we consider this first with regard to the originally agreed business plan, then in terms of the contracted delivery arrangements and finally from the perspective of the present.

3.1.1 *The Business Plan*

The Business Plan agreed by WEFO makes a relatively strong argument for the Programme as originally designed, based firstly, on the evidence of the scale and nature of digital exclusion in the UK and, secondly, on the experience of Communities@One. In particular, the case for Communities Two Point Zero was strengthened by the generally positive evaluation findings from Old Bell 3’s long term evaluation, which suggested that the approach of working with community and voluntary organisations to access the digitally excluded was paying dividends (albeit with the caveat that more needed to be done to capture data with regard to individuals who were ultimately benefiting and to ensure progression by these individuals). This was reflected in a very positive assessment by WEFO of the strength of the evidence base presented and the fact that, more generally, few of our interviewees found any reason to question the fundamental approach behind the Programme.

The choice of demographic target groups for particular attention within the Business Plan – older people, migrants, and lone parents and the economically inactive – seemed well aligned to the data. The continued focus on community and voluntary organisations as a route to reaching these was rooted in the experience of Communities@One, and Section 5 of the Business Plan makes clear the strengths of using this approach (as opposed, for example, to an approach based on the provision of a network of drop-in centres or one based around the provision of ‘kit’), though (with the wisdom of hindsight) it might be argued that there is relatively little consideration of alternative ‘routes into’ these excluded groups, such as social landlords, or public sector organisations such as JobCentre Plus and other employment service providers.¹¹¹

In particular, largely because the focus of the WEFO funding is less on the scale of the intervention in terms of the numbers of individuals starting to interact with technology than on economic progression, there is relatively little discussion of whether working through community and voluntary organisations is the most appropriate way of reaching large volumes of digitally excluded individuals.

The aspect of the Programme where the rationale presented by the Business Plan seems less secure relates to the focus on working with ‘enterprises, including social enterprises’¹¹².

The focus on social enterprises is seen less as a stand-alone element than an integral part of an approach to strengthening the capacity of the broader third sector to use technology effectively and thus to support the digital inclusion of those involved in such organisations on a voluntary or a paid basis. The Business Plan lays out the intention to support existing community and voluntary organisations to exploit technologies to generate income; to support the establishment of enterprises around ICT; and to support existing enterprises to engage with/adopt the use of ICT. It sees support of social enterprises as part of a ‘conveyor belt’ whereby community and voluntary organisations initially helped by the Programme will progress to

¹¹¹ Many of these avenues have, however, subsequently been explored in considering how to take forward the Programme.

¹¹² Business Plan para. 2.68

income generation and to forming sustainable enterprises, while also assisting existing social enterprises. However, it is perhaps striking that relatively little evidence is presented as to the needs of enterprises and social enterprises in particular in terms of access to ICT support, although we understand that the view that ‘this is the first time that social enterprises have been targeted to engage with using technologies’¹¹³ was based on fairly extensive consultation with relevant social enterprise support agencies. There is, for example, no reference to the flagship Objective 1 project for supporting SMEs engagement with ICT (Opportunity Wales) experience of which would have been relevant given the intention to include all SMEs, not just social enterprises, within the scope of the Programme. More generally there is a degree of ambiguity in the way in which the Business Plan clearly focuses on social enterprises, but leaves open the door for support to be given also to ‘for profit’ enterprises, which reflects a concern about the risk that the project would exhaust the demand from the population of social enterprises. However, it might be argued that either there is a need in terms of market failure for conventional SMEs to receive such support – in which case, their opportunity to receive it should not depend on whether or not the social enterprise work of the project has reached market saturation – or there is not a need, in which case support should not be offered, even if the team established by the project has spare capacity.

The question of the coherence or, more precisely, the integral link between the support for community and voluntary organisations as a way of reaching digitally excluded individuals and the focus on social enterprises was one which a number of interviewees raised. Several argued that the time taken to move a community organisation to a sustainable social enterprise generating a significant proportion of its revenue from trading made it unrealistic to expect that the targets in the Business Plan for assisting social enterprises could be reached without a drive to recruit existing social enterprises as the main focus of this strand of the Programme. In practice, interviewees suggested that the social enterprise strand of the Programme was being delivered fairly separately from the other parts of Communities Two Point Zero, with many of the enterprises currently being supported having been cross-referred from other parts of the Wales Co-operative Centre:

¹¹³ Business Plan para. 3.23

'I hope I'm not speaking out of turn by saying that the conveyor belt approach was quite simplistic – social enterprises don't just emerge in that way'.

More generally, no interviewees were able to cite specific evidence as to whether social enterprises were more likely than other SMEs of equivalent size to need support with the exploitation of ICT and some questioned whether the scale of demand was likely to be there:

'The risk is whether there is the scale of social enterprise (and interest within the sector) in Wales. If interest levels are low then provision may look inefficient'.

In terms of the policy context discussed in Section 2.2 above, there is little in the Business Plan which does not fit well with the thinking in the Welsh policy frameworks which have emerged since then.

3.1.2 The Contracted Delivery Arrangements

In practice, a distinction can be drawn between the Programme as it emerges from the Business Plan and the way in which it is being implemented. This does not mean that the approach set out in the Plan is not being delivered broadly as intended, but does reflect the fact that the focus of the Programme has shifted, in part as a result of the process of contracting out delivery of most aspects to the consortium led by the Wales Co-operative Centre, and in part as a result of the emergence of new data and the development of the broader policy context.

As will be discussed in Section 3.3 below, the targets set within the contract include, but go beyond, those set out in the Business Plan, most notably the target for the Programme to benefit 20,000 individuals over its lifetime. None of these additional targets seem in any way difficult to reconcile with the policy framework and they do seem rooted in a realistic appraisal of the experience of Communities@One (although at least one of our interviewees was very sceptical of the validity of these underpinning assumptions).

There has also been some refinement of the targeting both in spatial terms and in terms of target groups during the development of the Programme to date.

In terms of spatial targeting, the Business Plan makes clear the intention to introduce some spatial restriction on the support to community and voluntary organisations:

‘It is the intention that, as and when funding becomes available, this initiative will be Convergence wide. However, funding availability means that the short-term focus of support to the community and voluntary sector organisations will be in Communities First and other deprived areas. Due to the nature of their work, support to social enterprises would extend beyond Communities First areas’.

However, the contractual arrangements with the delivery partners makes clear that in practice, support should be focused on the Communities First areas and other areas ‘which are within the most deprived 30% of LSOAs, as determined by the 2008 WIMD, and have the capacity to sustain activity’.¹¹⁴

It could be argued that the degree of prescription around this spatial targeting is not particularly well matched to the evidence concerning digital exclusion which suggests it is more closely associated with personal characteristics (age, income) rather than spatial ones – although research has also found a strong link between digital and social exclusion, which of course is spatially concentrated. However, research commissioned by Experian subsequent to the launch of the Programme suggests that there is a strong overlap between the targeted areas and those which are thought to have high proportions of digitally excluded people, although there are some of these areas, particularly in rural Wales, which are not included (see Section 3.4 below).

Some policy interviewees felt that the spatial targeting of the Programme was appropriate, on the basis that working with community and voluntary organisations in these areas would capture a far higher proportion of digitally excluded individuals than a more generic approach. Similarly, some fieldworkers felt that, in practical

¹¹⁴ Tender Specification para. 3.1

terms, it was far easier to work in areas where Communities First offered a 'way in' to the local community and that diluting the focus of the Programme still further would not be compatible with a community development based approach.

At the same time, a significant proportion of those interviewed felt that the spatial targeting was problematic in terms of operating on the ground (particularly outside of areas such as the Valleys where the high proportion of eligible areas meant that problems were surmountable) – particularly as the momentum was building for developing 'initiatives', in other words larger projects with organisations including local authorities and housing associations to themselves undertake digital inclusion activities with groups they worked with.

'it's a nightmare to try to shoehorn activities into postcodes... if it's a social justice issue, like literacy and numeracy, it should be all Wales'.

Some policy interviewees also suggested that the main 'driver' for the spatial targeting was the importance of ensuring that Communities Two Point Zero was aligned with the broader priorities of DSJLG as its sponsor, rather than specific evidence that it was an appropriate way to tackle digital exclusion.

Interviewees were clear that Communities Two Point Zero is focused on four target groups in respect of working with individuals - older people; residents of social housing; the unemployed and economically inactive and disabled people – and were supportive of this focus. While these are identical to the target groups identified in the *Digital Inclusion Framework* they appear to have emerged from the period after the agreement of the Business Plan, which as we have seen, talks rather of older people, migrants, lone parents and the economically inactive. The rationale for selecting these groups generally seems to fit with the evidence of population groups where there are high rates of digital exclusion (for example, the evidence reviewed in the Baseline Study which was only undertaken after the development of the Business Plan).

Another area where there appears to have been a gap between the Programme as conceived in the Business Plan and the arrangements on the ground which emerged

from the tender process was what appears to have been a relative diminution of the role of the Community Brokers.

The Communities@One Evaluation, cited in the Business Plan, highlighted the importance of the Community Brokers as the lynchpin of the community development approach to digital inclusion and suggested that a successor Programme should focus more heavily on facilitation than on grant funding. But despite the fact that this latter route has been followed by Communities Two Point Zero, with a sharp increase in the proportion of funding going to staffing, rather than to grants or 'packages of support', the number of Brokers has been considerably reduced, with many interviewees suggesting that they were too thinly stretched and were much less able to engage directly with individual community and voluntary organisations to identify ways in which they could use technology more effectively to engage their members or clients.

By contrast, the focus on Circuit Riders, with their brief of helping community and voluntary organisations access technological solutions appears to have increased, while there is clearly a much wider variety of different front line roles within the delivery partners (potentially leading to a lack of coherence).

Related to this, the Programme as it emerged from the contracting process appears to have placed a stronger emphasis on taking forward six key initiatives viz Participatory Media; Circuit Riders; E Government; Social Enterprise Virtual Market Place;¹¹⁵ Widening Access; Hard to Reach Individuals. The choice of these initiatives seems to have flowed from the discussions between the delivery partners prior to submitting their tender and some interviewees felt that these priorities were based more on the experience and interests of the partners than on an objective sifting of possible foci. Indeed, it was argued by a small number of interviewees that the WEFO target which this was designed to meet was one which was capable of a far looser interpretation and that this had become an unnecessary 'obsession' for the delivery partners.

¹¹⁵ Though in practice this has not been taken forward due to the launch of a similar, alternative system by the Wales Council for Voluntary Action

This leads on to the nature of the partnership within the consortium. Few of the individuals involved with putting together the consortium are now directly involved with Communities Two Point Zero. However, a number of interviewees suggested that the rationale for having the specific organisations around the table was not at all clear, although each clearly brought something to the table in terms of expertise: indeed, one interviewee argued strongly that the choice of Novas Scarman, GEECS and PAVS was almost dictated by the fact that the Business Plan and the Tender Specification referred specifically to working with the hardest to reach, digital storytelling and ICT volunteering. It was felt by some that the partnership had to some extent been opportunistic, focused less on what was needed to implement the Programme than on what was needed to win the tendering process. While in practice, many interviewees now felt that the partnership was working relatively well together, several suggested that there was a very large spectrum across the delivery partners of different approaches, philosophies and skills. It was also suggested that the loss of some key staff with a particular interest in and experience of digital inclusion from several of the delivery partners had undercut the rationale of these organisations' original participation.

The nature of the partnership (with two delivery partners based and strongly focused on South West Wales and two others having staff based only in South East Wales) also gives rise to a question about the evenness of the 'offer' throughout the Convergence area. Although the Business Plan makes clear that the approach of Communities Two Point Zero should not be delivered in a uniform way but should be responsive to local needs, there is clearly an expectation that the Programme will be delivered across the Convergence Area. Interviewees had mixed views about whether this was problematic or not: some felt that there was already evidence that North Wales (and Ceredigion) was losing out in some ways (it being noted that, for example, it had now been decided that GEECS should not try to deliver services in North Wales because of the travel time involved in doing so), while others thought that the situation needed to be monitored but that there was not yet evidence of a major imbalance in delivery. It was also noted that the Wales Co-operative Centre was already 'backfilling' gaps which were emerging, for example, contracting a number of external providers to deliver Circuit Rider services.

3.1.3 *Impact of Changing Policy*

If broadly the developing policy agenda since the launch of Communities Two Point Zero does not in itself appear to have undercut the basic premise of the Programme, it was nevertheless striking that a majority of interviewees felt that the strategic environment had changed significantly, and in ways which were challenging the rationale of the Programme as conceived in the Business Plan:

‘We need a clearer steer from WAG as to where this agenda is heading and how they want us to respond to that... the goalposts are constantly moving’

‘The agenda is completely different now from what it was two and a half years ago ... getting people to use technology was the original vision... now it’s about getting them on-line and leaving a legacy by bringing others in on the agenda’.

In particular, a large number of more senior interviewees both from outside and within the Programme delivery structure highlighted the growing imperative of achieving financial efficiencies by delivering government and other public services as a key contextual factor which in their view was seen to be leading to a much greater focus on maximising the number of currently excluded individuals on-line. It was suggested that the target of 20,000, challenging though it was – would need to be revised upwards.

At the same time, some interviewees were clear that this would mean that there would have to be greater emphasis not just on individuals directly supported by the Programme but also on ‘assists’, where the Programme had a role in referring on the individuals to other forms of engagement with ICT. Others thought that the likely insistence of UK Government agencies (notably in the Welfare to Work context) moving to deliver services on-line would generate a push factor to complement the efforts of Communities Two Point Zero: ‘it will probably give individuals increased motivation for participation’.

However, some interviewees were deeply worried by the fact that, in their view, very high expectations were being placed on Communities Two Point Zero – as the main

digital inclusion initiative being funded by the Welsh Assembly Government at a time when shrinking budgets made it unlikely new publicly-funded initiatives could be considered were unrealistic:

‘the only worry at the moment is that Communities Two Point Zero... is the only delivery model that can deliver that strategy, because there is nothing else out there that has funding... there could be a danger that the project could be seen as a way of delivering the whole strategy and that is not possible within the resources available’

Others noted that if the focus of the Programme was to shift entirely or largely to the functional issue of how to get the maximum number of people on-line (in order to be able to access public services), significant elements of the original approach¹¹⁶ might be redundant or at least far less important in terms of prioritising resources within the Programme:

‘What is clear is that there is much more pressure on us now to deliver than there ever was. The numbers have gone up. And the project is not set-up in a way that can meet that kind of additional “ask” of it... So you could say the WAG targets - which are around digital inclusion in the community - are much more challenging than the WEFO targets. And certainly they are now, because as of the last three or four months we’ve got a very different world to work in. And that world is all about getting people in Wales online very quickly - that’s the only game in town.’

Indeed, some interviewees suggested that the Programme was already shifting its focus away from working with the community and voluntary sector to a much wider engagement with a range of public, private and third sector partners and wondered where this left concepts like, for example, Circuit Riders, which were really about developing the capacity of the third sector to exploit technology more fully, rather than ‘playing the numbers game’ in terms of individuals. While some thought that the (social) enterprise elements would have to be retained in order to maintain the fit of

¹¹⁶ Such as trying to engage people in a range of different technologies, including digital media and focusing on the organisational needs of assisted community and voluntary organisations.

the Programme with WEFO's priorities, it also seems likely that these changes will increase the risk of the social enterprise strand of the Programme operating in isolation, since again the focus of this work is largely on improving the efficiency and commercial viability of these organisations rather than engaging with large numbers of the digitally excluded.

Thus, if the overall rationale of the Programme as originally conceived appears to have been reasonably well grounded in the policy environment of the time, there are clearly major challenges in terms of a mismatch between emerging expectations of policy makers and the way in which the Programme is structured. This is already being reflected in discussions involving all the partners and the Digital Inclusion Unit about the future of the Programme and a wholesale revision of the Business Plan:

'We can justify the Programme doing in 2010 what we thought was important in 2008 but we certainly can't justify the Programme doing in 2015 what we thought was important in 2008. We can afford to be more ambitious'

3.2 Programme Delivery Processes and Arrangements

In this section, we step away from what appear to be looming challenges of the future to consider the way in which current Programme processes appear to be working. We look in turn at relationships between the Welsh Assembly Government as project sponsor and WEFO (Section 3.2.1.), between the Welsh Assembly Government and the Wales Co-operative Centre (Section 3.2.2), between the delivery partners (Section 3.2.3), and within and between the fieldworkers (Section 3.2.4) before turning to the way in which community and voluntary organisations and social enterprises are being supported (Section 3.2.5) and relationships with other external stakeholders (Section 3.2.6).

3.2.1 Relationships between the Welsh Assembly Government and WEFO

In general terms, relationships between the Digital Inclusion Unit and WEFO seem to be running smoothly. A re-profiling of both of the financial projections and of Programme targets was undertaken in February 2010 as a result of the slower than expected start to the project (particularly delays in recruiting staff and issues over the processes for offering financial support) but this was seen by WEFO as relatively

uncontroversial. There have also been issues over the way in which the Programme should work towards the target for supporting businesses to introduce Environmental Management Systems (see also Section 3.3).

In the early stages of the Programme, there were also issues about the timing of quarterly returns to WEFO which did not match with the delays built in to a system in which first, the Wales Co-operative Centre needed to collate data from its partners, submit this to the Digital Inclusion Unit who in turn needed to check this, aggregate it with its own information and return it to WEFO. These have also now been resolved to mutual satisfaction.

3.2.2 Relationships between the Welsh Assembly Government and the Wales Co-operative Centre

Our fieldwork highlighted the fact that there had been significant issues in the first six months of the Programme between the Welsh Assembly Government and the Wales Co-operative Centre, as lead partner.

In part, this clearly arose from the fact that, whereas relationships over Communities@One had been quite fluid and informal (aided no doubt by the secondment of a Welsh Assembly Government official to be project manager), the procurement process used on this occasion introduced a level of formality and even inflexibility. Welsh Assembly Government interviewees tended to report that they had been frustrated by the fact that the procurement process prevented them from negotiating changes to the tender that had been submitted by the consortium. In particular, they took the view that the original tender had not given sufficient recognition to the complexity of bringing together five very different delivery partners to deliver the Programme in a seamless way and that for the first six months or so of the Programme, they had been unduly passive in their approach to managing the partnership. This had led to Ministerial intervention and a secondment of a Welsh Assembly Government official to the Programme for six months.

By contrast, while generally seeing the secondment as having been helpful, Wales Co-operative Centre interviewees tended to take the view that delays in getting the Programme off the ground were due to external circumstances, not least a lack of

clarity over the way in which any grant funding (the 'packages of support') would work and felt that the assertive role played by the then Minister had risked destabilising the partnership. It was widely recognised that the situation was somewhat complicated by the fact that relationships between the Welsh Assembly Government, the Wales Co-operative Centre and the other delivery partners were not and could not be linear, since the delivery partners inevitably had their own contacts with the Welsh Assembly Government.

At the crux of the issue was the question of whether or not the Programme should have a separate director, a post not originally envisaged in the tender submission. This was ultimately agreed upon and, almost without exception, interviewees felt that the arrival of the Programme Director, who clearly commands respect both internally within the Centre and externally with the Welsh Assembly Government, had made a very positive difference to relations between the two.

Operationally, it was felt that communications and working relationships between the two were now very good. Digital Inclusion Unit staff are clearly quite 'hands on' but this was widely seen as being appropriate, given the scale of the project and the Unit's responsibilities as sponsors.

At a more strategic level, it was widely recognised that the Management Board was still something of a work in progress, with one or two interviewees wondering whether its role was adequately defined, in terms of its capacity to influence the way in which the Programme was being delivered. Some interviewees who had been involved with the delivery of Communities@One clearly felt that the current arrangements as yet lacked the input which had come from the earlier project's Advisory Board (though this was complicated by the fact that a number of the key members of that Board were now involved with Communities Two Point Zero as delivery partners).

3.2.3 Relationships between the Delivery Partners

It was recognised by many interviewees that relationships between the delivery partners were not necessarily straightforward, since their organisational cultures were thought to be quite dissimilar, with the Wales Co-operative Centre, for example,

being considerably more used to operating within a target-driven environment than some of the other partners:

‘we've had to make compromises ... for example we had to buy into processes introduced by [the Wales Co-operative Centre]... 90% of the time it works, but there are times when it doesn't’.

More particularly, fieldworkers from several organisations were uncomfortable with what they saw as a view that, since the qualifying threshold for helping an organisation was seven hours’ assistance, staff were encouraged to provide this but not then continue to provide long-term, intensive support to the same organisation, rather than seek out new organisations to work with. One was clear that he often turned existing beneficiaries away in order to focus on potential new beneficiaries while another (from a separate delivery partner) said:

‘They [the Wales Co-operative Centre] seem focused on collecting beneficiary data to meet targets. To us we want to satisfy our client needs. Our meetings are about progress against targets when we would prefer emphasis on the quality of our delivery... The same goes on things like how many hours we should spend with clients. Who’s to say that 7.5 hours is enough? It might take longer than 7.5 just to develop a relationship, to develop trust. It’s not a mechanical thing. Deliverers are not robots; neither are clients. We don’t just go in and “fix problems”. It sets the wrong tone.’

Moreover, some noted that the relationship between the Centre and the delivery partners was more complicated because the delivery partners were equal members of a consortium, rather than contracted organisations. While this undoubtedly provided (at least potentially) a greater space for innovation and flexibility, it also gave the central team much less opportunity to ensure a uniform approach across the Programme. In this context, it is interesting that the Consortium Agreement does not contain any delegation of targets to individual partners, though most interviewees appeared to be very comfortable about this, with some arguing that allocating targets would encourage delivery partners to ‘hold on’ to clients rather than refer them to

other partners where this was most appropriate. This was not a universal view, however:

‘There’s no doubt that a better way to meet the new targets would be to start from scratch and move to a system where services are procured in, as and when needed (including from the current partners)’.

Generally, however, while it was acknowledged that the early phases of the Programme, when there had been conflict with the Welsh Assembly Government, had also put strain on the relationships between the delivery partners, current arrangements were working relatively smoothly, with the possible exception of monitoring systems, which were felt by some to be unduly onerous and bureaucratic (though others claimed that this was necessarily the case given the requirements of Structural Funds regulations).

In particular, interviewees generally felt that the Steering Group for the Programme worked well, with partners particularly valuing the fact that there was now the opportunity for them to meet for an hour in advance of the formal Group meeting, without the Welsh Assembly Government officials being present, to resolve any internal management issues.

That said, several partners still felt that ‘it’s hard to see us as one large team. We’re five separate, individual organisations’.

3.2.4 Relationships with and between front line staff

Front line staff generally appeared to be fairly comfortable with their own roles within the Programme. There was a feeling that relationships had improved recently, with joint working such as over the First Click campaign helping build a sense of teamwork and fieldworkers also appreciated the opportunity to come together regularly with their colleagues from other organisations. At the same time, several interviewees felt that these sessions did not give enough opportunities for in-depth explanation of their work and sharing of good practice, with some arguing that more use should be made of opportunities for staff from one partner to spend a short period of time shadowing colleagues in other partners:

‘we still need to work on this ... we still haven’t formalised how to capture it [good practice]’.

Relationships with the Community Brokers were generally seen to be very positive, with these largely acting as a gateway to the Programme for new community and voluntary organisations and being essential to the way in which the Programme worked:

‘Brokers are central to all of it... the keepers of their particular patches...they’re paid more than [partner organisations’ field] staff and their role is more complex’.

However, it was clear that other delivery partners did also themselves form the first point of contact with organisations who became engaged with the Programme (relying on previous contacts, either organisational or individual) and there was some doubt as to the extent to which all organisations who were being assisted by the Programme were getting the same ‘diagnostic’ and message about what support they could be given (whether, for example, an organisation whose first contact with the Programme was through Novas Scarman or PAVS was equally likely to be offered the opportunity to work through digital storytelling as one contacted by the Brokers or by GEECS).

By contrast, it was clear that the Social Enterprise Workers were working by and large as a discrete element of the Programme, with most referrals coming through prior contacts/clients of the Wales Co-operative Centre. Indeed, several interviewees suggested that the social enterprise strand was largely autonomous:

‘Quite honestly what I feel at times is that the two strands of the project should be separate altogether – because they work in a different fashion... Social enterprise workers don’t seem to be making the referrals. They’re not exploring the digital inclusion at the individual level so much’.

One issue which did arise was the lack of comparability between fieldworkers in terms of their terms and conditions, but also their access to equipment and technology – and the lack of interoperability between them. In some cases, the lack of appropriate equipment was seen as a major problem in terms of practical delivery support and credibility with clients:

‘If we are going out there, meeting clients and telling them that they should think about this technology or that technology then you have to have that technology to hand to be able to show them. I cannot say to someone that they should get Windows 7 when I don’t have it myself. It is more than bizarre that we were going out trying to convince people that they will benefit from digital inclusion when we ourselves were digitally excluded! We only receive mobile phones last month! That has caused practical issues.’

More generally, also, some of the fieldworkers felt that their teams were under-resourced, not least in terms of support staff.

3.2.5 Support Packages and relationships with ‘customers’

Many of our interviewees did not have (and would not expect to have) a great deal of insight into the way in which the Programme was working ‘at the sharp end’.

Several did comment, however, on the problem of managing expectations of community and voluntary organisations during the early part of the Programme. It was felt that it had taken quite some time to get across, particularly to organisations which had been supported by Communities@One, that Communities Two Point Zero was a very different animal and would not simply be able to continue providing the sort of financial support which had been forthcoming previously. A handful of interviewees thought that the more limited opportunities for providing financial support, and the targeting of this on larger scale initiatives rather than on the internal needs of individual voluntary and community organisations, had had a negative effect on the Programme’s capacity to engage with particularly some parts of the sector.

Conversely, as already noted, some interviewees felt that the spatial targeting of the Programme potentially caused problems in working with larger third sector organisations.

Several interviewees (particularly from amongst the fieldworkers) commented that they did not think Communities Two Point Zero had a particularly high profile and thought that many of the organisations who were working with the Programme came from established relationships with one or other of the delivery partners. Some interviewees also voiced concerns that cross-referrals where they took place did not always happen smoothly (in some cases because of incompatible technology) and that different delivery partners had different approaches to customer service standards, for example, the acceptable delay in responding to a contact. In terms of applications for packages of support, the general view of those interviewees with some insight into the workings of the Assessment Panel was that the quality was very mixed and that the appraisal process was quite rigorous (a view confirmed by our observation of one meeting).

There was also said to be a clear contrast between applications for social enterprise support, which were often internally focused on the applicant organisation and those for community and voluntary organisations which more often involved the appointment of digital inclusion workers to work with specific client groups. One interviewee suggested there was a contrast also within the latter category between North and South Wales, with the projects coming forward from the former being less strategic or large scale.

Turning to the evidence from our telephone fieldwork with assisted organisations¹¹⁷, it was noticeable that while 15 of the organisations were recorded on the Programme database as contributing to the target for social enterprises assisted, only ten of the 31 (32%) defined themselves as social enterprises. A further quarter (seven organisations or 23%) chose to describe themselves as voluntary organisations, a fifth (six organisations or 20%) as community groups and five organisations (16%) as

¹¹⁷ As noted in Section 1, we interviewed a total of 31 organisations, 16 of whom were recorded on the Programme's database as having been assisted as community and voluntary organisations and 15 as social enterprises. The organisations were broadly representative of the geographic spread of all assisted organisations

charities (albeit some of these were also registered companies limited by guarantee). The remaining four organisations described their organisation in a more specific way e.g. as a registered Community Interest Company.

Two thirds of the surveyed sample (21 respondents or 68%) were coded on the Programme's database as having received support from the Wales Co-operative Centre¹¹⁸ whilst most of the remaining respondents (9 or 29%) had received support from PAVS. Only one respondent (3%) was identified as having had support from Novas Scarman and none from Carmarthenshire County Council or GEECS. All but one of the surveyed respondents could recall which provider they had contact with as part of the Communities Two Point Zero Programme suggesting a general strong sense of awareness about the Programme's delivery providers amongst beneficiary organisations.

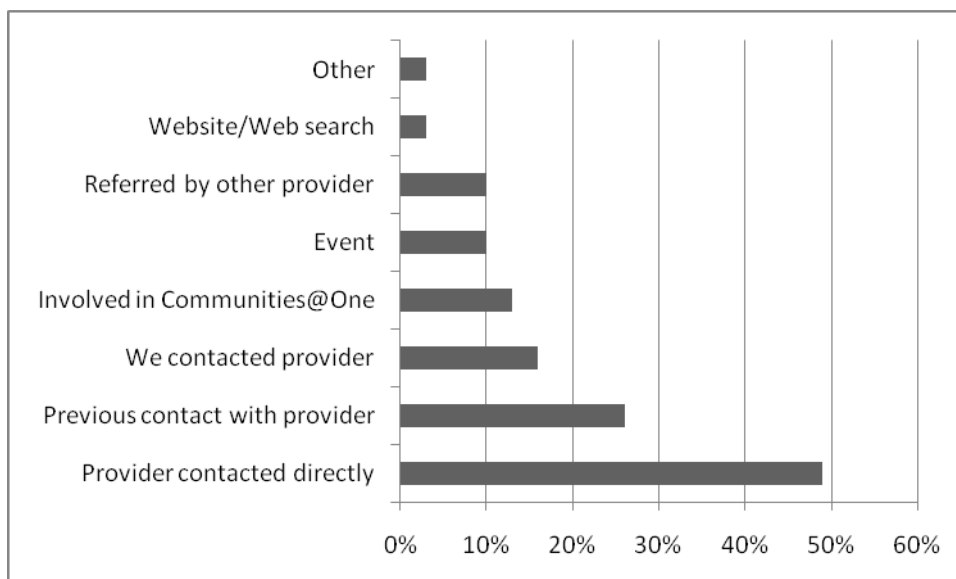
When asked about whether their organisation had also accessed support from any of the other four Programme providers only two respondents said that they had done so (one from Novas Scarman and the other from GEECS), suggesting that there has not been much joint delivery between providers in terms of supporting organisations to date.

Figure 3.1 shows that the most common way of hearing about the Communities Two Point Zero Programme was as a result of the provider contacting organisations directly (cited by 15 respondents or 49%).¹¹⁹ Social enterprises were more likely than other organisations or groups to state that the provider (almost always the Wales Co-operative Centre) had taken the initiative to contact them.

¹¹⁸ Or via one of its two sub-contracted providers namely Annog Cyf and PC Care.

¹¹⁹ Respondents could select more than one option.

Figure 3.1: Hearing about Communities 2.0 Programme



Base=31 respondents

The second most common way of hearing about the programme was as a result of previous contact with the provider (with eight respondents or 26% selecting this option). Interestingly, all of these respondents were social enterprises. Wales Co-operative Centre clients were more likely than others (six of the ten or 60%) to state that they had previous contact with the provider.

A slightly lower number (five respondents or 16%) had previous involvement with the Communities@One programme and it is perhaps unsurprising given their role in this programme that all of these respondents were Wales Co-operative Centre clients.

The large majority of surveyed respondents thought that finding out about the support available from the Communities 2.0 Programme had been easy (21 respondents or 68% thought that it had been very easy and nine respondents or 29% thought that it had been fairly easy). Many of these respondents argued that their previous involvement with Communities@One or previous involvement with the provider in question had been the reason for this and those who had been approached directly by the provider generally said that had it not been for that contact, it would have been highly unlikely that they would have heard about the Programme:

'We only came to know about it after the Co-op contacted us'.

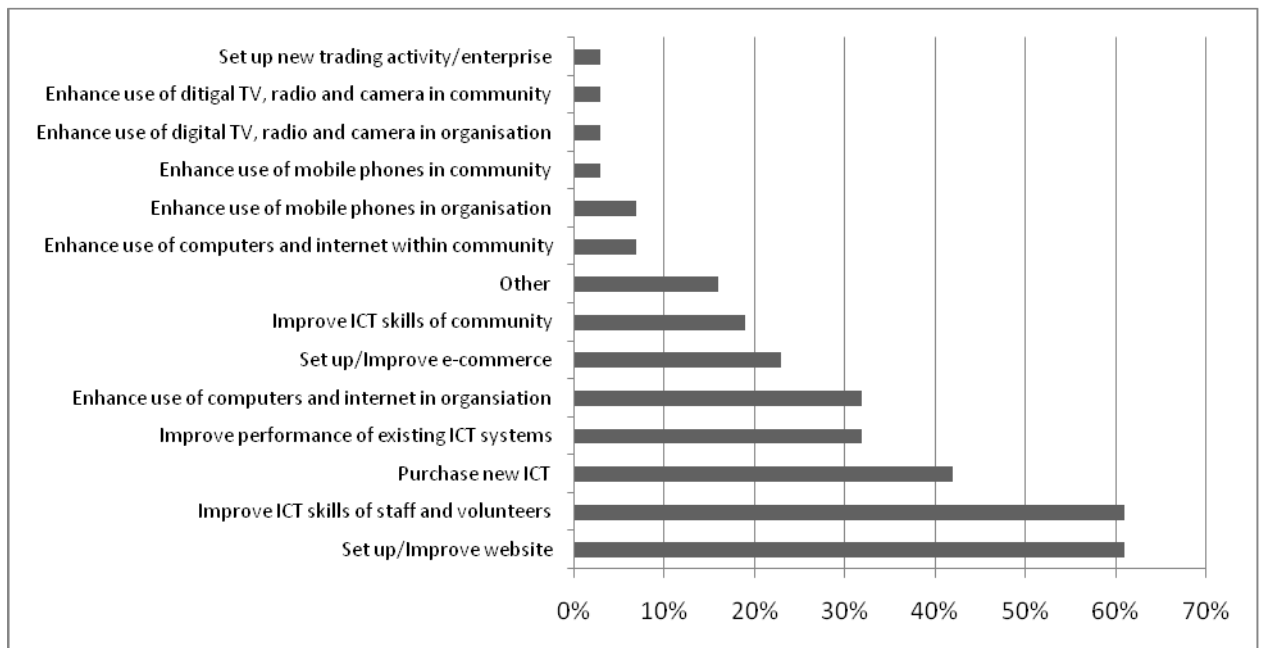
Only one respondent stated that it had been very difficult to find out about the Programme.

Several of the surveyed sample suggested ways by which the Programme could be better promoted to organisations such as themselves, and these ideas included:

- better distribution of Programme leaflets;
- better promotion at social enterprise network meetings;
- greater promotion via organisations such as WCVA, Communities First, Local Authorities and CVCs;
- greater use of media (including local newspapers);
- greater use of existing websites and digital community notice boards in local towns;
- more direct methods such as direct e-mails to voluntary organisations.

In terms of motivation for getting involved with the Programme, the majority of organisations were hoping to achieve one or both of two main objectives – the first was to set up or improve their organisation's website and the second was to improve the ICT skills of staff and volunteers involved with the organisation (both cited by 19 respondents or 61%). Only small numbers were looking to become more commercially orientated – with for example only seven respondents (23%) looking to set up or improve e-commerce activity and only one respondent (3%) looking to set up a new trading activity or enterprise (see Figure 3.2)

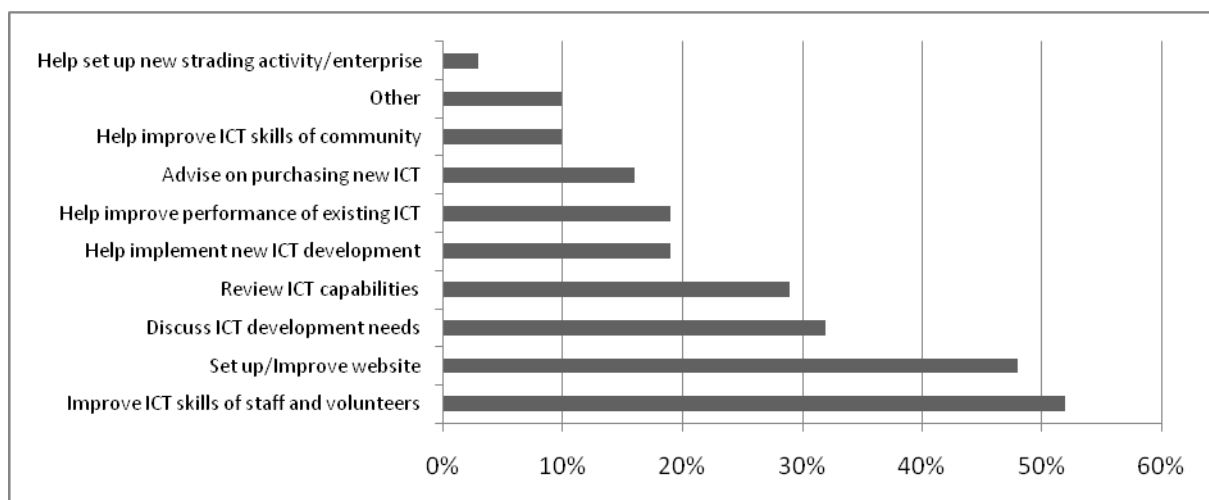
Figure 3.2: Expectations from the Communities 2.0 Programme



Base=31 respondents

The assistance received from the Programme appears to have matched expectations. Just over half of respondents (16 respondents or 52%) stated that they had received help to improve the ICT skills of staff and volunteers and a similar number (15 respondents or 49%) had received help to set up or improve the organisation's website (Figure 3.3).

Figure 3.3: Support Received from the Communities 2.0 Programme



Base=31 respondents

It also appears that a fair number (about a third) had benefited from having a review of their organisation's capabilities and capacity as well as a discussion about their ICT development needs. Very few, however, had received help to set up a new trading activity or trading enterprise which raises some questions about the programme's ability to help organisations exploit ICT for commercial benefits.

Just over half of the surveyed sample (16 respondents or 52%) did not think that they could have accessed similar support from elsewhere: community organisations were most likely to take this view. All but one of the remaining respondents (14 respondents or 45%)¹²⁰ - which included a large majority of both social enterprises and voluntary organisations - were of the view that their organisation could have accessed similar support from elsewhere and the most likely source of alternative support was cited as private sector ICT based businesses. Very few (two in each case) thought that they could access similar support from any other source such as public sector services or community based initiatives. The overwhelming reason why these organisations chose the Communities Two Point Zero Programme over any of these other sources of support was related to cost in that the Programme was viewed as being a cheaper or free service particularly in comparison to private sector sources. Only a few respondents (four in each case) argued that they had chosen the service because it was of a better quality or because the Programme had a better understanding of their organisations' needs. This suggests some displacement of private sector ICT provision by the Programme – though with costs savings to the assisted social enterprises and voluntary organisations.

All but one of the surveyed respondents thought that the support that they had received so far had been relevant to their organisation: indeed 25 respondents or 81% thought that the support had been very relevant and four respondents or 13% thought it had been fairly relevant.

Whilst the large majority were content with the quality of the support received (with 27 respondents or 87% of the view that the support had been either very good or

¹²⁰ The one remaining respondent did not know.

fairly good) a small number (four respondents or 13%) were less satisfied – indeed two of these respondents rated the quality of the support as being very poor.

Similarly the large majority of surveyed respondents (27 respondents or 87%) were satisfied that the support received had been made available within an appropriate timescale. However, the same four respondents who were dissatisfied with quality were also dissatisfied with the timeliness of the support: all four reported that they had experienced unacceptable delays (of six and nine months in two cases) particularly between making the initial contact with the programme and receiving support.

The majority of satisfied customers identified a number of strengths of the support received which included:

- delivery of very practical and specific support particularly in terms of assessing organisational ICT needs and development opportunities: ‘we were given lots of new ideas and suggestions’;

- delivery of very relevant support that was tailored to the needs of the organisation and delivered on a one to one basis: ‘it was face to face contact and we could talk things through easily’;

- A service delivered by professional, experienced and knowledgeable staff who had good communication skills and strong technical abilities: ‘she [adviser] went out of her way to help us’.

Only a very small number of suggestions were made about how the support could have been improved, and these included:

- reducing the length of time some organisations had to wait between making the initial contact and receiving support;

- enhancing the IT knowledge base of advisors – only one respondent from an IT based business noted this however and stated that ‘we had more knowledge than the advisors’.

When asked what further support, if any, respondents would have liked to have had from their provider the most commonly cited response related to general on-going

support and the opportunity to access follow-up sessions with the advisor after the initial support had effectively come to an end. One respondent noted for example that they would benefit from 'a follow up support visit from the officer to discuss what other options or help is available to us' whilst another commented they 'would now like some on-going support to develop the system further'. The second area of need was around training whether that be further training for staff or the provision of courses for community members. Finally one respondent noted that they would welcome further support to help develop the organisation as a social enterprise.

A high proportion of the surveyed organisations (at 39% or 12 organisations) had submitted an application for financial support to the Programme and the large majority of these were classified as social enterprises. A further two organisations were in the process of submitting an application at the time of interview. Most of these organisations (nine in total or 29% of the overall sample¹²¹) had been informed that their application for financial support had been successful, one had been unsuccessful and two were still awaiting a decision.

Of those who had submitted or were in the process of submitting an application some 43% (six of 14 respondents) were of the view that it had been easy to complete the application form itself whilst 14% (two respondents) had found it fairly difficult. Six respondents (43%) were unable to comment on the difficulty of completing the application form – the two who were in the process of submitting an application felt that it was too early to comment and four who had not themselves submitted the application. Only in one case did a respondent state that their advisor¹²² had completed the application on their behalf. In the other cases another person at the organisation had been responsible for the application process.

The large majority of respondents were content with the timescales of the decision making process for their financial support application and only one respondent noted that the timescale had been too long.

¹²¹ In comparison with 12 enterprises (or 9% of the overall total) who were reported as having received financial support in the Programme's December 2010 quarterly return to WAG

¹²² Based at the Wales Co-operative Centre

When asked what aspects of the Communities Two Point Zero financial support application process needed to be changed or improved, two suggestions were made:

a speedier turnaround for transferring funds to successful applicants (cited by two respondents);

improved communications between applicant organisation and funders as in the case of one organisation the respondent felt that they were 'now in limbo and unable to make any decision regarding their IT requirements' until they were aware of the application outcome.

Just under a third (seven respondents or 23%) of organisations had previous involvement with the Communities@One Programme. All but one of these organisations were Wales Co-operative Centre clients.

Respondents held extremely mixed views about whether their experience of Communities Two Point Zero was better or worse than their experience of Communities@One. Although care must be taken with such a small sample it is telling that two thought their experience of Communities Two Point Zero was better than that of Communities@One, two thought it was similar and three thought it was worse.

Those reporting a better experience within the Communities Two Point Zero Programme stated that the current provision was:

'more intensive, focused support' and

'more realistic and structured - the support is very relevant to us and we got things rather than having a wish list'.

On the other hand those reporting a worse experience believed that the current provision:

was 'less organised and structured to help meet our needs';

was 'less hands on and more advice based';

had 'less time for organisations like us' (i.e. smaller ones);

had not got a good partnership delivery in place, unlike Communities@One.

3.2.6 Relationships with other external stakeholders

Interviewees were generally not able to speak in any depth about the Programme's relationships with other external stakeholders. Fieldworkers generally cited Communities First Partnerships as remaining key ways in to communities, and in some cases direct beneficiaries (e.g. of digital storytelling), though it was felt the degree of interest was very variable across different areas.

In terms of Local Authorities, it was noted that the Digital Inclusion Unit and Programme staff were jointly undertaking a series of workshops with individual Local Authorities which was seen as necessary to complement and build on the role of Carmarthenshire County Council as a link. However, some interviewees felt that progress to date with developing a model for Local Authority digital inclusion strategies was disappointing.

It was also noted that Housing Associations were a key target audience, with Novas Scarman leading on this, though it was felt that the response was quite mixed, with some showing considerable enthusiasm and others much less willing to engage.

Only a handful of interviewees commented on relations with CVCs other than PAVS, and these tended to think that levels of engagement were generally quite low.

A handful of interviewees noted that the social enterprise field seemed quite crowded and there was a potential risk of duplication with other projects funded, for example, by the Convergence Programme, though the social enterprise team was endeavouring to make the appropriate linkages.

While the above gives an impression of fairly limited levels of engagement with external stakeholders, our observation at the Digital Inclusion Wales conference suggested that there was a vibrancy and 'buzz' surrounding the Programme – both in Wales and beyond which perhaps belied the rather subdued responses of our interviewees. We will be surveying external stakeholders as part of future stages of the study and this will give us a clearer impression of their views of the Programme.

3.3 Monitoring and Performance

In this section, we consider the evidence, principally from the desk-based review on the targets set for the Programme (Section 3.3.1), the monitoring systems in place (Section 3.3.2) and performance against targets to date as shown on the monitoring system (Section 3.3.3). We also consider financial outturn so far (Section 3.3.4) and the limited evidence from our telephone survey with assisted organisations on results to date (Section 3.3.5).

3.3.1 Programme Targets

The Communities Two Point Zero Programme is required to achieve ten high-level targets (referred to as ‘Objectives’ and outlined in Table 3.1 below) which the Consortium reports upon to the Welsh Assembly Government. Seven of these targets also form part of the Programme’s WEFO funding agreement (but not objectives 1, 8 and 9 which are targets set by the Welsh Assembly Government). These targets contain a mix of both ‘beneficiary’ and ‘enterprise¹²³’ related targets as well as ‘activity’ and ‘outputs’ based targets. Consortium members have adopted WEFO’s ERDF eligibility guidance for defining each target¹²⁴ that is reported to WEFO whereas it has agreed upon a definition with the Welsh Assembly Government for the remaining non ERDF targets. In doing so, it would appear that the consortium involved in the delivery of Communities Two Point Zero has put into action one of the key recommendations made in the Evaluation of Communities@One¹²⁵ which, in 2008, flagged up the need for any future Programme to ‘identify a small number of core output indicators with associated standard definitions which should be used by all Grant Fund projects or streams of activity (e.g. beneficiaries, new users of facilities, community groups assisted)’.

As already noted, interviewees had very different views of the utility of the targets set, with some taking the view that ‘they are a way of keeping us honest’, while some felt they risked distorting behaviour away from a truly client-centred approach.

¹²³ WEFO definition adopted by project as ‘Any entity engaged in an economic activity, irrespective of its legal form. This includes self-employed persons and partnerships or associations regularly engaged in an economic activity’.

¹²⁴ “ERDF Indicator Definitions: ERDF Indicators, Definitions and Evidence Requirements” (January 2009) Version 1.02 2009 WEFO.

¹²⁵ *Evaluation of the Communities@One Programme – Final Report Old Bell 3 Ltd 2008*

Table 3.1 Communities 2.0 Targets, Definitions and Source of Evidence

Objective	Description	Definition	Evidence
Objective 1	To assist 360 community groups and voluntary sector organisations in adopting and/or exploiting ICT.	<p>Definition is 7 or more hours of relevant consultative advice, guidance and information which excludes travel time.</p> <p><u>[Definition agreed with Welsh Assembly Government and is not reported to WEFO]</u></p>	<p>Field Officers complete a Client Meeting form for each activity and activity hours are entered onto the Project MIS against the relevant client. Field Officers also complete ICT Preliminary Report and Completion of Assistance Support Report, and add these to the Project MIS as evidence of activity prior to reporting of output.</p> <p>The processes in place to collect evidence for this Objective satisfies WEFO's definition as it ensures that any group or organisation is only counted once after seven hours support has been given. The MIS discards travel time prior to reporting and will only report on support provided by one Field Officer (even if two or more were present at particular event).</p>
Objective 2	Assist 120 existing Enterprises in adopting and/or exploiting ICT.	<p>WEFO's definition is adopted: 'Receiving a minimum of seven hours of consultancy advice, guidance and information, which can be through the following media: face-to face, telephone, web-based dialogue, conference, seminar, workshop, or Networks. The assistance encompasses only active advisory work and does not include travel time to clients. The amount of assistance should be calculated on a cumulative basis. A project should count each enterprise only once during the project's lifetime. However, an enterprise recorded under the indicator "Enterprises created" can subsequently be treated as any other enterprise in terms of assistance and, if consistent with this definition, be recorded again'.</p>	<p>WEFO states that the evidence required is: 'Confirmatory document from the provider to the enterprise recording the contact including some detail of the assistance; adequate supporting documents from the provider to the enterprise recording the number of hours of assistance; spreadsheet evidencing individual enterprises showing the activity undertaken'.</p> <p><u>Project evidence:</u> Field Officers complete Client Meeting Forms for each activity and activity hours are entered and collated on the Project MIS which is set up to collect cumulative time (but excluding travel) and thus satisfies WEFO definition. Field Officers will also complete ICT Preliminary Report and Completion of Assistance/Support Report and add these to the Project MIS as evidence of activity prior to reporting of output.</p>

Objective 3	To financially support 120 existing Enterprises to adopt and /or exploit ICT	WEFO's definition: 'Receiving a minimum of £1,000 in loans, equity investment, or grants. This excludes grants which are for consultancy support, in this case the duration of consultancy support should be counted, cumulatively, towards assistance. The amount of financial support should be calculated on a cumulative basis. A project should count each enterprise only once during the project's lifetime. However, an enterprise recorded under the indicator "Enterprises created" can subsequently be treated as any other enterprise in terms of financial support and, if consistent with this definition, be recorded again'.	WEFO states that the evidence required is: 'Confirmatory document from the provider to the enterprise recording the contact including some detail of the financial support; contact with the enterprise about use of the financial support; adequate supporting documents from the provider to the enterprise recording the financial support which includes: application form for support, support criteria, signed agreement of financial support'. <u>Project evidence:</u> Evidence collated when Submissions Panel approve a Social Enterprise submission proposal forms and data is inputted into project MIS. This satisfies WEFO definition.
Objective 4	To assist in establishing 50 new enterprises around the exploitation of ICT to enhance their performance internally and externally.	WEFO's definition: The gross number of enterprises created. The enterprise will be considered as created when one of the evidence criteria is fulfilled.	WEFO states that the evidence required must satisfy one of four criteria: 1. Evidence of the first service delivery/goods provision – usually the date the first invoice is raised 2. Date on which the business registers for VAT if appropriate – a statutory recognition of trading. 3. Below the VAT threshold – date individuals involved register for Class 2 National Insurance contributions (must occur within 13 weeks of the start of trading) – a statutory recognition of trading 4. In cases, where the above is not necessarily applicable, the start of the business may be determined by developing the balance sheet: investment in assets for the purpose of the business; or opening of a business bank account

			<p><u>Project evidence:</u> Field officers obtain relevant evidence to satisfy WEFO's criteria and administrative staff notes that new enterprise has been created in Project MIS. Paper evidence is stored by project thus satisfying WEFO requirement.</p>
Objective 5	Deliver 6 initiatives to address barriers to ICT.	<p>WEFO's definition of 'Initiatives addressing barriers to ICT uptake' is 'initiatives aimed at increasing the effective use of ICT by communities, social enterprises, citizens and the third sector. The barriers to effective use can be physical, social or lack of knowledge of the benefits of ICT. Initiatives could, for example, include: working with a community group to develop their use of ICT through a range of methods; activities such as digital storytelling to develop someone's confidence in using ICT before they go on to using the internet to undertake various transactions, some of which could relate to engaging with public services'.</p> <p>The Project Initiatives are:</p> <ol style="list-style-type: none"> 1. Participatory Media 2. Circuit Riders 3. E Government 4. Centre of Excellence for Social Enterprises 5. Widening Access 6. Hard to Reach Individuals 	<p>WEFO states that the evidence required is: 'Each initiative should be recorded when started. Evidence should be provided of the support being provided to the group and also the engagement with other agencies/Partnerships in the area on any proposal; adequate supporting documents should be provided evidencing each individual initiative supported; evidence should also include details of any engagement with other agencies/partnerships in the area on any initiative'.</p> <p><u>Project evidence:</u> Targets are reported as soon as the project starts to deliver in the specified project initiative area thus satisfying WEFO criteria. Supporting documentation would include Client Meeting forms, ICT Preliminary Report, Digital Inclusion Full Proposal Form and Completion of Assistance/Support Report.</p> <p>[NOTE that organisations participating in any of these initiatives would also be counted under Objective 1 provided they satisfy the requirements of this objective].</p>
Objective 6	To support 200 individuals or groups of individuals to enhance their skills around technologies so as to help 200 individuals to progress in the jobs market.	In line with WEFO's definition of 'individuals assisted', this is defined as individuals receiving 14 or more hours of relevant consultative advice, guidance and information. These 200 people will be from the 20,000 beneficiaries who will have been reported under Objective 9 and/or from enterprises supported.	Beneficiary forms are completed (including via the Digital Inclusion Initiative and/or other project work) and time is accumulated on the Project MIS. The outputs will be picked up by the Reporting processes and the Monitoring Officer checks and submits the data.

Objective 7	To support 120 enterprises, assisted by this project, to adopt or improve their equality strategies (including equality monitoring systems)	WEFO's definition: 'Number of enterprises adopting a strategy, which outlines the key priorities for action by the employer and its staff to promote equality and challenge discrimination, and monitoring progress against these priorities. The equality strategies and monitoring systems must have been adopted or improved as a result of Structural Fund assistance or financial support'.	WEFO states that the evidence required is: 'Copies of Annual Report on progress of the integration of equal opportunities within the project. Report would include monitoring data and any actions to be taken forward'. <u>Project Evidence:</u> Unable to comment about quality of evidence due to no activity against this Objective to date. Process in place to ensure that any enterprise that has received project support is required to attend two networking events focused on equality and environment policy in the context of developing an enterprise. Completed policy document template will be provided as evidence.
Objective 8	To signpost 48 enterprises adopting or improving Environmental Management Systems	WEFO's definition is: 'Enterprises operating Environmental Management Systems at a level that requires monitoring and reporting of carbon emissions'. Environmental Management Systems is defined as 'The implementation of a formal system within an enterprise whereby progress is monitored against defined targets to achieve a more efficient usage of natural resources thereby improving environmental performance. The Environmental Management System must be at a level that requires monitoring and reporting of carbon emissions and must have been adopted as a result of Structural Fund assistance or financial support'. The project's definition is slightly different in that the focus is on the 'signposting' of enterprises to this support as opposed to direct support. WEFO has approved this change in definition.	WEFO states that that evidence required is: 'Formal notice from the EMS provider certifying that the environment management system has been effectively adopted or improved according to the agreed specification. The certification document must include details as to how the enterprise will monitor and report their carbon emissions and confirm that the EMS is at least of ISO14001 level'. <u>Project Evidence:</u> Unable to comment about quality of evidence due to no activity against this Objective to date. Process in place to ensure that any enterprise that has received project support is required to attend two networking events focused on equality and environmental policy in the context of developing an enterprise. Completed policy template document will be provided as evidence.
Objective 9	To benefit 20,000 individuals over the lifetime of the project.	Any person who received assistance, help. Support or advice to enable them to use and exploit technologies. Each person is counted	Welsh Assembly Government has stated that when appropriate a full Beneficiary Form should be completed and this data is entered onto

		<p>once as a beneficiary (although they can also be counted under Objective 6 if they go on to meet this criteria).</p> <p><u>[Definition agreed with Welsh Assembly Government and is not reported to WEFO]</u></p>	<p>Project MIS. Process in place to check that individual is not already a project beneficiary.</p>
Objective 10	To create 100 gross new jobs.	<p>WEFO's definition for Gross jobs created is 'the gross number of jobs created'. A Job is defined as 'A new permanent post, i.e. there is a reasonable belief that the post has no finite life-time: that it is not of fixed duration. The post itself should be counted, not an estimate of the number of people that may occupy the post over time. A seasonal job may also be counted, so long as the job is expected to recur indefinitely. In this case the project should report, in addition to number of hours per week, the proportion of the year worked. Project management/administration jobs within the Structural Fund project cannot be included. Jobs should be reported as Full Time Equivalents (FTEs), based on a 30 hour week'.</p>	<p>WEFO states that the evidence required is: 'Personnel records showing the increase in headcount. Any other documents showing that these directly relate to the project'.</p> <p><u>Project Evidence:</u> Documentary evidence collected would be a copy of personnel record and any other documents that show that the job is directly related to the projects assistance/support. Paper evidence is kept and the MIS is updated with this information thus satisfying WEFO requirements.</p> <p>As the project can only report jobs that are not time limited the MIS also captures data for Fixed Term Jobs created under a separate output.</p>

3.3.2 *Monitoring Systems*

The Wales Co-operative Centre has formally documented the processes involved in monitoring project activity. These are presented within three key documents which have been shared with all team members:

1. *Communities 2.0 Project Process Manual (27.9.10)* which outlines the eleven project Objectives and process flow chart for entering data onto Management Information System.
2. *Monitoring Framework (2.7.10)* – which details the Monitoring Framework that has been adopted for the Programme, which includes an overview of the key processes adopted by the Programme, including for example formal data gathering processes, monitoring visits, case study preparation and quality assurance evaluation.
3. *Communities 2.0 Project Activity Hours Logging Menu – Guidance (20.8.10)* which outlines the activity category codes that field staff can select to reflect the activity undertaken with client or enterprise. These categories are reflected within the electronic Management Information System adopted by the project.

A light touch review of these documents suggests that a comprehensive well-thought out monitoring process has been put into place for the Programme.

In addition the Wales Co-operative Centre, as lead partner, has developed a very comprehensive Management Information System (MIS) to monitor the delivery of the Programme and to report upon outputs to both WAG and WEFO. The MIS was originally developed during the delivery of Communities@One but it has evolved to accommodate the needs of Communities Two Point Zero. The MIS was designed in-house and is maintained and updated by the Wales Co-operative Centre's IT team. It can be accessed by all partners and advisors who work on the project (though interviewees reported poor functionality for some users external to the Centre). It is managed by the Project's Monitoring Officer who is responsible

for validating data on the MIS and for preparing quarterly outputs reports to the Welsh Assembly Government.

The Client Management System is currently undergoing some re-development with the aim of improving the front user-interface of the database so that it better meets the needs of front-line staff. The objective is to create a more user-friendly, speedier system that will have better functionality including a dynamic search facility.

The MIS allows the Wales Co-operative Centre to report against each of its ten objectives and has some important functionality, such as:

- the ability to aggregate eligible advisory time spent with beneficiaries/enterprises (and disregard ineligible activity such as travel time);

- the ability to manage beneficiaries/enterprises so that they are only reported once against each target;

- the ability to manage information relating to equal opportunities for beneficiaries (and lead individuals for enterprises and organisations);

- the ability to upload and save supporting documentation for each beneficiary/enterprise activity as further evidence of support received or output achieved.

- the ability to run reports on project outputs for monitoring and reporting requirements.

The monitoring processes and MIS adopted by the Programme appear to be largely fit for purpose and the feedback provided suggests that they are being effectively adopted. The planned improvements are expected to further enhance the user-friendliness of the MIS.

The Programme has also developed a series of forms to record essential information for the MIS. A sample of these forms were reviewed including:

Beneficiary Form Initiatives – to capture details of beneficiaries involved in the Programme and includes details such as employment, education and equality monitoring;

Beneficiary Form Multiple – to capture basic details for those beneficiaries involved in group based activity;

Enterprise Monitoring Form – to capture details for enterprises that are trading including details of turnover (prior and after support), category of business, equality monitoring details for owner and details for employees/volunteers.

Job Progression Activity Log – to capture basic contact details for participants and type/duration of activity/support received.

All forms are available in either Welsh or English, and in our view are appropriate in that they collate the right level of information to satisfy WEFO reporting requirements.

Forms have, however, been modified several times over the initial duration of the Programme and this has created issues for fieldworkers. Indeed, while our desk review of monitoring processes suggested systems were generally appropriate, there was quite a high level of negative feedback from fieldworkers and others involved directly in delivering the Programme.

‘[In the early days] it was the only thing we’d talk about meeting after meeting’.

To some extent, this reflects differential experience of involvement with European funded Programmes, but it does also suggest the need to continue to focus on internal communication across the consortium.

In many cases (such as for trading enterprises) the information on turnover and employees post intervention will be collated at a later date by the Programme Monitoring Officer during a monitoring visit or telephone conversation.

3.3.3 Progress Against Targets to Date

The Wales Co-operative Centre provides quarterly reports to the Welsh Assembly Government (narrative and quantitative) and to date has produced seven quarterly reports¹²⁶ covering the initial 21 months of activity since 1 April 2009. The latest quarterly return for December 2010 shows that the Programme is performing either in line or ahead of its target across three key Objectives but is under-performing against the remaining seven objectives (albeit that three of these Objectives, namely 1, 4 and 9) are only marginally underperforming against the re-profiled target to date (Table 3.2).

Table 3.2 Communities 2.0 Achievements against Targets (December 2010)

Objective	Description	Project Target	Target to Date	Achieved to Date
Objective 1	To assist 360 community groups and voluntary sector organisations in adopting and/or exploiting ICT.	360	70	66
Objective 2	Assist 120 existing Enterprises in adopting and/or exploiting ICT.	120	29	61
Objective 3	To financially support 120 existing Enterprises to adopt and /or exploit ICT	120	26	14
Objective 4	To assist in establishing 50 new enterprises around the exploitation of ICT to enhance their performance internally and externally.	50	9	7
Objective 5	Deliver 6 initiatives to address barriers to ICT.	6	5	5 ¹²⁷
Objective 6	To support 200 individuals to enhance their skills around technologies with a view to progressing them in the jobs market.	200	0	15 ¹²⁸
Objective 7	To support 120 enterprises, assisted by this project, to adopt or improve their equality strategies (including equality monitoring systems)	120	22	0
Objective 8	To signpost 48 enterprises adopting or improving Environmental Management Systems	48	7	0
Objective 9	To benefit 20,000 individuals over the lifetime of the project.	20,000	2,286	1,536
Objective 10	To create 100 gross new jobs.	100	2	0

¹²⁶ June 09, Sept 09, Dec 09, March 10, June 10, Sept 10 and Dec 10.

¹²⁷ The Social Enterprise Virtual market Place is the only initiative not yet being delivered.

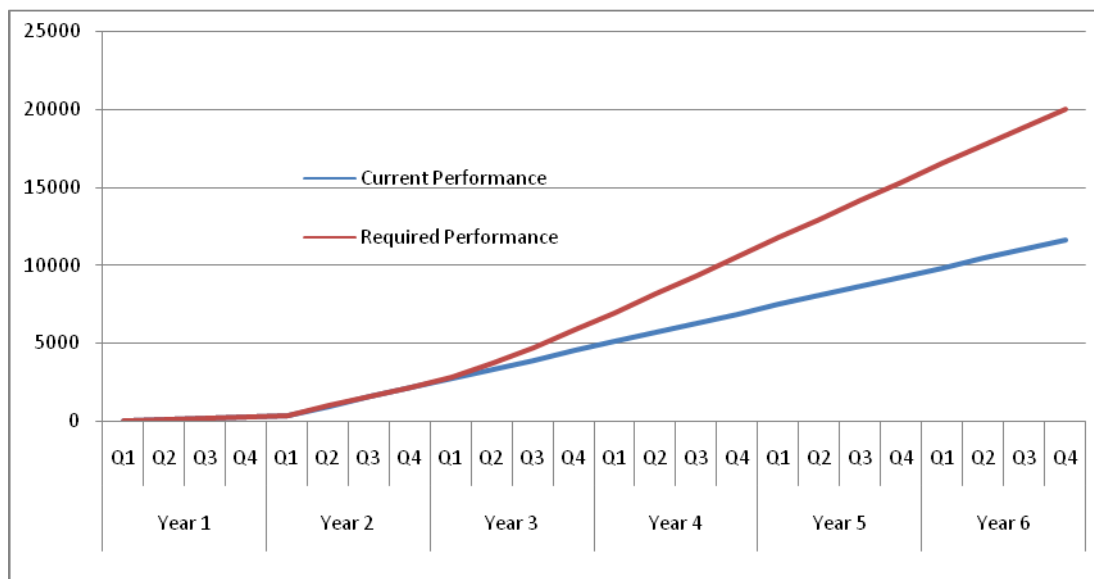
¹²⁸ No targets have been profiled for Objective 6 until quarter 8 of the project.

Given that around 20% of the project's funding has been spent to date, and given the inevitable time lag involved in setting up a project of this nature, the underperformance in some targets do not give grounds for significant concern.

The biggest challenge for the Programme will be to achieve the target set for Objective 9 (to benefit 20,000 individuals over the lifetime of the project) – even without any renegotiation of this target upwards which (as we have seen in Section 3.1.3 seems a possibility). As at the end of December 2010 the Programme had achieved an output of 1,536 supported beneficiaries and it would appear that the Programme has reached a current plateau of reporting just over 580 new beneficiaries per quarter (the Programme reported 587 and 582 beneficiary outputs in the last two quarters).

It is clear that the rate of assisting new individuals will need to increase significantly if the Programme is to achieve its current target: on current trends, the Programme is likely to achieve just over 11,000 of its beneficiary outputs if it continues with its current level of provision. In order to reach the overall target the Programme needs to be reporting on average over 1,000 beneficiary outputs per quarter over the remaining 17 quarters of the Programme lifetime i.e. effectively doubling its activities in this respect (see Figure 3.4).

Figure 3.4: Beneficiary related Programme outputs (extrapolated)



Having said this, some fieldwork interviewees were clear that many of the individual beneficiaries are expected to be supported through initiatives with community and voluntary organisations. Since many of these involve the appointment of staff to develop and implement digital inclusion strategies, it was argued that it was unsurprising that there was a significant time-lag between the approval of packages of support and the evidence of successful engagement with individuals. This theory is certainly compatible with the gap which is apparent between financial commitment to packages of support and actual spend (see Section 3.3.4 below), although it is also worth noting that the total number of beneficiaries ‘promised’ by successful support package applications from community groups (which currently account for 29% of all the funding available) is currently running at 4,780.¹²⁹ This does, perhaps, add to some concerns about the attainability of the 20,000 figure if there is no significant change to the Programme.

Some interviewees were also worried that the intensity of support provided to individuals would be insufficient to achieve the goal of digital inclusion, even if the headlines numbers were reached, with one drawing the analogy of expecting ‘someone illiterate to read a novel in three sessions... I fear that groups will remain digitally excluded because of issues outside our control’.

In comparison, the targets set for supporting enterprises (which are delivered directly by Programme fieldworkers) would appear to be more realistic, a view shared by interviewees, though with the slight *caveat* that since many social enterprises assisted to date were ones which the Wales Co-operative Centre had previously worked with, there was a risk that the pool might run dry.

Another key challenge which is clear from the monitoring data is that of achieving the target for number of jobs originally forecast given that the Consortium is restricted to reporting to WEFO those jobs that are not time limited. Significant concerns were expressed by interviewees that the project may not fulfil its jobs created target as a result – particularly given the more

¹²⁹ Draft quarterly return for quarter to 31 December 2010.

general economic climate. Given these concerns the Wales Co-operative Centre is capturing data for Fixed Term Jobs created which may be used as evidence if needed to justify any under-achievement against Objective 10.

When looking at the achievements of the Programme over the initial 21 month period some general observations are worth making at this stage:

there has been a continued positive ramp up in the outputs being reported on a quarterly basis across many of the key indicators; there is a marked difference in the outputs being generated at Local Authority level and this may be heavily influenced by the location and focus of sub-contracted providers during the initial stages of the project. This is particularly pronounced for the outputs being reported against Objective 1 of the programme as 19 of the 66 groups/organisations supported to date (29%) are based in one county (Pembrokeshire) and half of all groups/organisations supported to date (33 of 66) based within the three counties of Pembrokeshire, Swansea and Carmarthenshire. A similar pattern is evident for Objective 9 outputs achievements – just under a quarter (23% or 356) of all beneficiaries benefiting from the programme to date have been based in Carmarthenshire and the four north Wales counties of Conwy, Denbighshire, Gwynedd and Anglesey only account for 13% (194 beneficiaries) of outputs under this Objective. The regional disparity is less evident when looking at the achievements against Objective 2 for supported enterprises;

to date, all SMEs assisted by the project are very small SMEs employing between two and nine employees each;

to date, information on project beneficiaries reveal that:

- the gender split is fairly healthy - of 1,536 beneficiaries who supplied gender detail 43% (653) were male and 57% (883) were female;
- the age profile of beneficiaries is well distributed, bearing in mind the focus on older people - of 1,362 beneficiaries who

supplied age detail¹³⁰ 0.5% (7) were aged 11-14, 14% (187) were aged 15-24, 37% (485) were aged 25-54, 16% (214) were aged 55-64 and the remaining 34% (469) aged 65 and over.

3.3.4 Financial Performance to Date

The financial return for the quarter to 31 December 2010 (Table 3.4 over) suggests that spending is running somewhat below profile (as amended), with an overall underspend of a little over 5%. There are more significant underspends in terms of some of the delivery partners' core costs, support packages for enterprises and the budget for procured support, where we understand a procurement framework is still being developed.

However, it is also apparent that there was a sharp increase in the rate of disbursement from June 2010 onwards, reflecting additional recruitment to more or less a full complement and the start of payments of packages of support.

Interviewees generally believed that, although the Programme was still behind its profile (even following the re-profiling in mid 2010), the situation was not one to cause concern, although there was scope to ensure greater timeliness in respect of invoicing on the part of the delivery partners.

Interviewees also emphasised that funding was not ring-fenced to individual delivery partners: there was an agreement that underspends would be recycled through to front-line provision, for example through procurement of additional support for organisations and enterprises.

¹³⁰ A further 174 beneficiaries had not disclosed their age.

Table 3.3 Financial Spend to Date

	Actual	Actual	Actual	Actual	Actual	Budget	
			2010/11				
	09/10	Apr - Jun	Jul - Sept	Oct - Dec	To Date		
Wales Co-operative Centre Costs							
Total Staff Costs	730,929	201,229	240,347	228,759	1,401,263	1,414,431	-13,168
Travel (Mileage / Accommodation / Train / Subsistence)	28,307	8,958	11,127	11,927	60,318	54,806	5,512
Overheads	119,735	22,492	31,807	30,368	204,402	225,214	-20,812
WCC Costs	878,970	232,679	283,280	271,054	1,665,983	1,694,452	-28,469
Carmarthenshire CC	33,554	19,218	27,045	25,835	105,653	122,329	-16,677
GEECS	163,688	21,790	33,578	34,156	253,213	279,350	-26,137
Novas Scarman	129,971	29,196	30,291	36,228	225,686	227,227	-1,541
PAVS	144,798	9,381	33,728	38,077	225,984	239,896	-13,912
TOTAL PARTNERS COSTS	472,011	79,585	124,644	134,296	810,535	868,802	-58,267
Website (Software, Development & Management)	8,529	860	24,902	24,816	59,107	62,723	-3,617
CENTRE OF EXCELLENCE - WEBSITE	8,529	860	24,902	24,816	59,107	62,723	-3,617
Public Engagement	40,990	3,268	12,652	4,249	61,159	73,352	-12,193
Conference & DI Awards	0			15,410	15,410	30,000	-14,590
PUBLIC ENGAGEMENT COSTS	40,990	3,268	12,652	19,658	76,568	103,352	-26,784
Digital Inclusion - Legacy Projects	119,830	4,291	469	0	124,590	124,590	0
Digital Inclusion - Community Groups	0	0	45,332	55,496	100,828	106,139	-5,311
Digital Inclusion - Enterprises	0	0	40,876	24,750	65,626	83,273	-17,647
Digital Inclusion - Procured Support	24,960	0	0	2,300	27,260	44,960	-17,700
Circuit Riders	0	0	25,660	19,245	44,905	49,181	-4,276
OTHER COSTS	144,790	4,291	112,338	101,791	363,210	408,143	-44,933

TOTAL (excluding VAT)	1,545,291	320,682	557,815	551,615	2,975,403	3,137,472	162,069	-
VAT	245,328	56,119	97,618	96,533	495,598	523,960	-28,362	
TOTAL (including VAT)	1,790,619	376,801	655,432	648,148	3,471,001	3,661,431	190,431	

More detailed figures show the time-lag between offers made in terms of support packages and spend. Payments made to date, at £166,455 represent only 5% of the total budget available for such support packages (£3.27m). This compares to some 24% of the funding which has committed through offers of grant: in other words, less than 20% of funding awarded has yet been spent. The gap between commitment and actual spend is larger for community group projects than it is for social enterprises – although a far smaller proportion of the overall social enterprise budget has been committed (only 13% to date as against 29% of the community groups budget).

3.3.5 Results of Support: Preliminary Evidence

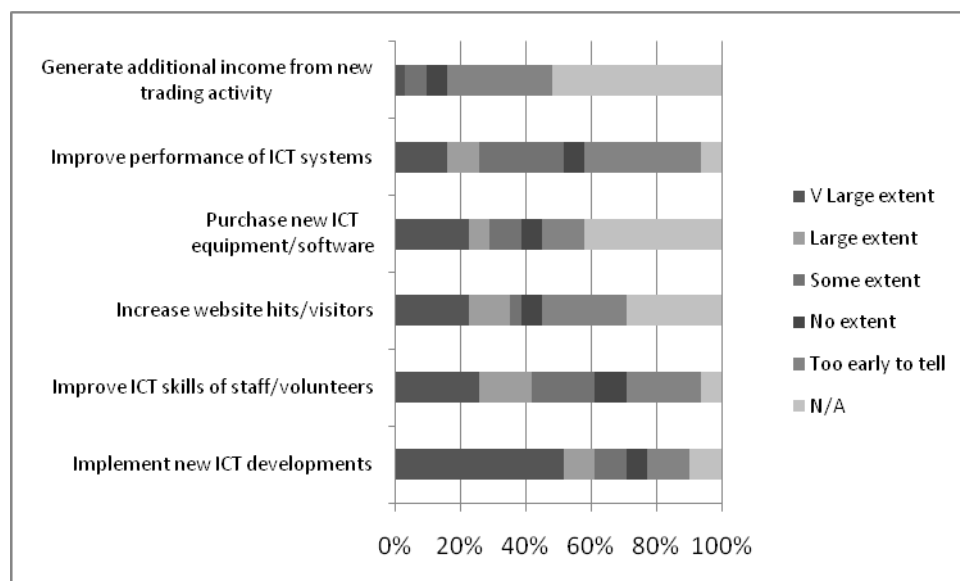
It is obviously very early in the lifetime of the Programme to start to judge the results of the support provided by the Programme: indeed, in the critical case of individuals assisted, we have as yet no data to go on.

However, our telephone sample of a small number of assisted organisations and enterprises did enable us to ask some preliminary questions about outcomes.

In particular, respondents were asked to rate the extent to which the support received had made a difference to the performance of their organisation. Figure 3.5 shows that the Programme has been able to have the greatest impact upon organisations' ability to implement new ICT development (with 22 organisations or 53% of the view that the Programme had helped them in this area), followed by an improvement in the ICT skills of staff or volunteers and thirdly, increase in the number of website hits or visitors.

So far the Programme has had little impact upon organisations' ability to generate any additional income from a new trading activity or trading enterprise - with only three respondents or 10% saying that this was the case. Furthermore it does not look likely that support given so far to the surveyed organisations is likely to have bearing upon this area of organisational performance as some 16 organisations felt this to be inapplicable to themselves.

Figure 3.5 Extent to which support has helped surveyed organisations



Base=31 Respondents

A few respondents were able to quantify or comment on specific changes that had already taken place within their organisation as a result of the support and these are outlined below:

increase in number of website hits or visitors: Five respondents were able to quantify these increases which ranged from a 20% to 60% increase in website visitor numbers. Another respondent noted that a new website, which had been developed with the support of the Programme, had secured some 200-300 visitors. Another respondent noted that their Google status had improved and a final respondent noted that they had seen a surge in telephone enquiries since making changes to their website.

generate additional income from a new trading activity or trading enterprise: three respondents provided further details around additional income, with one noting that their organisation's income had increased by some 20%, another commenting that they had secured an additional 'couple of hundred pounds' from the income of running courses and the

third commented that 'people who now come to use our ICT purchase refreshments from the coffee shop'.

the type of improvements in the performance of ICT systems that were identified included: 'removal of unwanted programmes and files off computer hard drives resulting in more hard drive space', 'improved security and antivirus systems', 'system is quicker, easier to access' and 'improvements in the layout of the ICT suite'.

examples of improvements in the ICT skills of staff or volunteers included being able to complete on-line volunteer application forms, use the Internet more efficiently, greater understanding of computer systems, website and ecommerce management skills and develop new skills for certain IT packages such as Joomla and Adobe.

3.4 Evidence Gaps and Issues in Measuring the Programme's Effectiveness and Impact

In this Section, we briefly consider the main issues concerning potential evidence gaps for the evaluation. Since it is fairly clear that the Programme's processes and more particularly the monitoring system have been set up in such a way as to capture data concerning Programme inputs (in terms of costs) and activities (and that the accuracy of the latter can be tested through fieldwork with assisted organisations and enterprises), these issues are principally concerned with the assessment of results and the impact of the Programme.

The background to this is the fact that, in the case of Communities@One, it was impossible to do more than present anecdotal evidence of the effectiveness of the Programme in reaching individuals and changing their behaviours with regard to technology (and to tracking any further impacts this might have on their economic, social and personal well being). This was because of:

the lack of monitoring data concerning individuals assisted by the Programme,

the lack of any meaningful data by which to judge whether there had been any significant change in the up-take of digital technologies in the targeted areas (the methodology of the evaluation was based on a sample of individual Communities First areas) relative to the population as a whole (particularly given the rapid increase in use of the internet which is the best proxy for digital inclusion); and

thirdly, even had there been such data, the lack of any meaningful way of attributing the change to the intervention of the Programme.

For stakeholders interviewed for this report, the main concern remains the issue of tracking the impact of the Programme on individuals where several interviewees expressed frustration that the baseline position is still not particularly clear, since reliable survey data is not available at smaller area levels than that of individual Local Authorities. This is therefore the focus of the remainder of this section.

Before turning to this question, however, it does need to be recognised that the economic impact on (social) enterprises assisted by the Programme is also an explicit goal of Communities Two Point Zero and is reflected in the WEFO targets for jobs created. The impact of the Programme on these businesses will therefore need to be addressed through the evaluation, and this will be done (assuming the social enterprise strand of the project is largely untouched by the Business Plan review which is underway), through the longitudinal case-study sample of social enterprises assisted by the Programme. This will enable us to explore in some depth issues around the changes experienced by the business as a result of the assistance, the extent to which these changes are sustained (or give rise to further positive change) over time, and the extent to which attribution of these changes should be shared with other interventions or externalities as well as the support from Communities Two Point Zero. While we are not proposing to work with a matched sample of non-participating enterprises (which might be the best way

of exploring additionality but which, in any case, would be unlikely to give any meaningful evidence given the small scale of the case-study sample), this should give some indications of the economic impact of the (social) enterprise strand.

Turning to individuals, there are four components to this discussion.

- the availability of data on individuals assisted by the Programme;
- how to track change in digital exclusion/inclusion on the part of these individuals;
- how to ensure – given the plethora of other influences on behaviour in terms of ICT usage and the rapidity of social change in this regard – that the impact of the Programme can be judged by ensuring that deadweight (in particular) is fully taken into account; and
- how (and if) to move beyond the direct impact of the Programme to judge the indirect impacts of increased digital inclusion in terms of other individual circumstances, particularly (given the focus of the Programme) employment status and income.

The first two of these would appear to be relatively straightforward. Data is being collected by the monitoring system on individuals supported by the Programme (including individuals reached through the packages of support), which we understand includes contact details. While there may well be issues about the extent to which this data capture all those touched by the Programme – particularly if the forthcoming Business Plan review places still more emphasis on motivating third parties to undertake digital inclusion activities not funded by the Programme – this nevertheless provides a good basis for working with direct beneficiaries.

Our original methodology proposed undertaking a longitudinal telephone survey (with two cohorts) of individuals supported by the Programme. This would enable us not only to gain feedback about respondents' views of the support provided but also to provide direct information about changes in ICT usage on the part of the sample (and the extent to which these are sustained

over time) and the extent to which these are attributed by the individuals wholly or in part to the intervention of the Programme (for example, by probing as to whether the support which they received might have been provided in any other way).

However, turning to the third of our components, it seems clear that relying only on the attribution by the individuals themselves is likely to be a relatively poor way of probing deadweight connected with the intervention. Rather, what is needed is some way of comparing the changes in behaviour of the beneficiaries with that of a control group or virtual control group.

Since the evaluation budget will clearly not allow for an approach which seeks to use a formal control group from the general population, an alternative (though less robust) approach would appear to be to use time-series data on digital exclusion within and outside the targeted spatial areas (the 30% most deprived LSOAs¹³¹).

As part of the baseline work undertaken by the Digital Wales Analytical Group, a mapping exercise was undertaken by Experian to illustrate the relative levels of digital inclusion/exclusion in order (in part) to explore whether the choice of targeted areas was appropriate. The result is shown in Figure 3.6 over.

However, while this is useful as a sense check, this work, even if repeated, will be only of very limited use in tracking changes in *actual* experience of digital inclusion in these areas over time. It is important to appreciate that this is not based on survey data. Rather it is based on extrapolating digital inclusion/exclusion from the known social and demographic composition of the LSOAs, and applying these to nationally derived data about the relative propensity of different groups to be digitally included. This means that actual changes in the ICT usage of individual demographic and social groups in individual LSOAs (even in aggregate across the Convergence area) would not

¹³¹ Individuals are expected primarily to be supported through the community organisations strand which is (currently at least) spatially restricted

Percentage of Adults 18+ Digitally Included
Lower Super Output Area

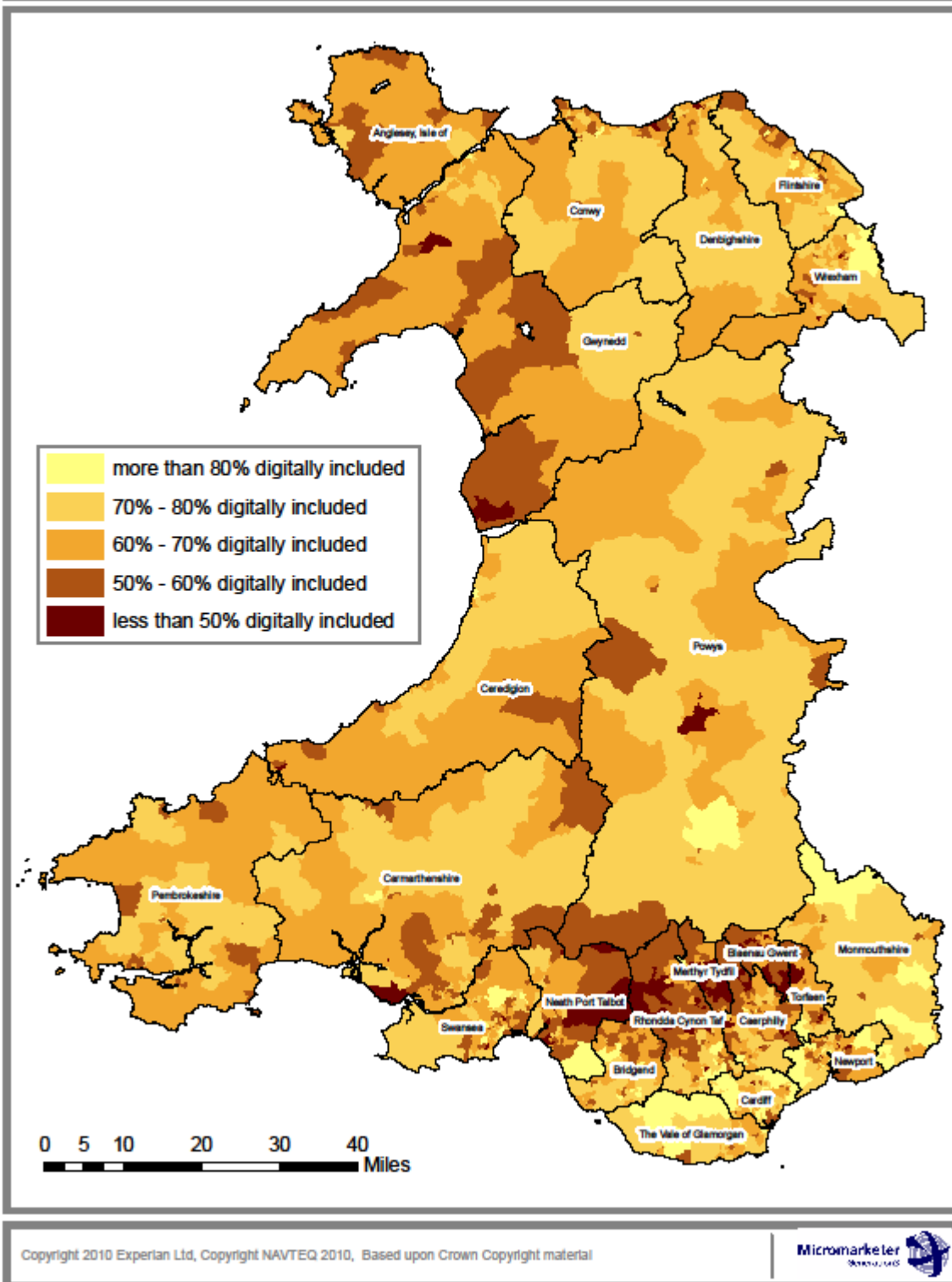


Figure 3.6: Percentage of adults 18+ digitally excluded

show up in changes to this map, if across the UK, these changes were not significant: so, for example, even if every person aged 65+ in Tywyn and Barmouth got on line, this area would still be likely to feature as an area with high digital exclusion if, nationally, older people continued to have a low propensity for ICT use.

However, there is a potentially useful source of data in the forthcoming National Survey for Wales which has been piloted in 2009/10 and which will begin its mainstage application in 2011/2012. This large scale survey will include a number of questions on ICT usage: while the exact wording is to be still to be confirmed, the current intention is to ask 'How often do you access the internet, whether at home, work or elsewhere?' which will be used as a proxy for digital inclusion, with those answering 'never' considered to be digitally excluded (other options being 'on most days', 'at least once a week' or 'less often than once a week').

While the survey will not be of sufficient scale to yield results at the level of individual LSOAs or even ward level, the data can be aggregated so that statistically valid data can be presented for the different deciles of deprived LSOAs (indeed, this has already been done using Living in Wales data as part of the baseline survey).

This means that data from the National Survey for Wales can be used to compare changes over the lifetime of the Programme in internet usage of the whole population and for the main groups within the population (gender, socio-economic group, age) across the 30% most deprived LSOAs with what is happening across the population of the remainder of the Convergence area where the Programme is not operating. It could also be used to compare the change in the 30% most deprived LSOAs within the Convergence area, with the change in the 30% most deprived LSOAs within East Wales which currently at least do not benefit from Communities Two Point Zero. While it will be impossible to use this data to attribute any observed difference in the increase in internet usage in the targeted areas to the Programme's

intervention, it will be a useful sense check of the data from the longitudinal survey of beneficiaries.

This is, however, vulnerable to potential changes in the way in which the Programme is operating in particular any removal or dilution of the current spatial targeting within the Convergence area or (as we understand is likely) any extension of the Programme to similar areas within some or all of East Wales.

However, even in this case, it should be possible to make use of the National Survey data to provide some comparative data. By using the precise questions on internet usage (and also, as far as possible on socio-economic characteristics of respondents) by the National Survey in our telephone questionnaire with beneficiaries we should be able to compare internet usage of this group with the whole population and (to some extent at least) with comparable groups within the population as a whole.¹³² While this is unlikely to yield a statistically valid comparison of deadweight, it should provide an indication of the extent to which behaviour of individuals assisted by the Programme diverges from what otherwise might be expected, to add to the subjective views of the interviewees themselves on the additionality of the intervention.

Finally, turning to the fourth component, how (or if) to move from an estimation of the impact of the Programme on the use of ICT to consider the economic impact of these changes, we believe there are no easy solutions here, given the even greater difficulties of making linkages between the two. We would intend as part of the longitudinal survey to track changes to employment status and, as far as possible, to link the questions used to those being used for the National Survey (though there may be issues of length of the questionnaire) so that we can again compare results, while also specifically asking interviewees for their assessment of the extent to which

¹³² Though it needs to be recognised that the surveys will not be directly comparable as ours will be telephone based whereas the National Survey will be conducted on a face-to-face basis.

their use of the internet had contributed to any changes in employment and other economic benefits. More generally, we would intend to interpret our results on the extent to which the Programme has led to increased digital inclusion on the part of the individual beneficiaries in the light of the best evidence available at the time of the final report on the economic benefits of internet usage.

4.0 Conclusions and Next Stages

In this Chapter, we first present some overall conclusions (Section 4.1) before proposing a somewhat revised work programme for the remainder of the evaluation. It needs to be emphasised, however, that our conclusions are based on limited fieldwork – with no data yet gathered directly from the individuals who are the main ultimate object of the Programme - and will need to be tested further.

4.1 Conclusions

There is no doubt that digital exclusion is an issue which has risen sharply up the policy agenda over the last decade. However, the context in which Communities Two Point Zero is being implemented is altering rapidly. In the wake of the economic crisis and in the context of sharp cuts in public expenditure, a wider range of Government departments and public bodies are taking a stronger interest in the issue: ensuring the participation of those who currently do not have the skills, interest or means to make use of digital technologies is increasingly seen as an imperative in order to deliver services more cheaply and efficiently rather than being solely an expression of social justice concerns.

Although Communities Two Point Zero is clearly very different in design (and to some extent also intent) to its predecessor, Communities@One, the rationale underlying it is shaped firstly, by the evidence of the extent and impact of digital exclusion which is uncontested and secondly, by the experience of Communities@One that working through voluntary and community groups was a successful way of reaching at least some of those who were least likely to otherwise seek out access to ICT, not least by stimulating an interest in exploring technologies by tapping in to the diverse interests of different individuals. That rationale shaped the emphasis in the Business Plan on working, bottom up, through the voluntary and community sector, which to a large extent also drove the decisions of the Wales Co-operative Centre and its delivery partners in shaping their ultimately successful tender.

In addition, the design of Communities Two Point Zero incorporates an element of support to social enterprises, and potentially to for profit SMEs. While the idea is, in part, informed by an aspiration to move voluntary and community groups through the Programme along a continuum from voluntary association through more formal engagement with income generation to the status of sustainable social enterprise, the rationale for this part of the Programme is less clear-cut, especially given the evidence from our fieldwork that in practice it is, at least in these early stages of the Programme, focused mostly on established social enterprises. Of course, the engagement with social enterprises does fit well with the view that such enterprises have a particularly important role to play in nurturing enterprise in deprived communities, and with an increasing policy focus on social enterprises in general by the UK and Welsh Assembly Governments. However, there does not appear to be any firm evidence to suggest that established social enterprises are less likely to use ICT effectively than other equivalent (largely micro-) businesses or of market failure. In this context it is interesting that almost 50% of our sample of social enterprises and voluntary and community organisations saw the main selling point of Communities Two Point Zero as being that it provided services (principally website design) free or at low cost which otherwise would have been sought from private suppliers.

The shape of the Communities Two Point Zero Programme as it is being delivered largely reflects the concerns of digital inclusion policy in 2007/8, as expressed in the Business Plan, although some aspects (for example, the emphasis on the four groups of the elderly, disabled, economically inactive and social housing tenants and the central idea of the six initiatives) came into sharper focus as the tendering and contracting process was concluded, while the proposals of the consortium perhaps provided less resource than might have been expected for the Community Brokers.

However, it is less clear that the delivery structures (including fundamentally the role of the five delivery partners as conceived in the Tender and in the Schedule 8 agreements) are appropriate to what is now being required of

them by policy makers within the Welsh Assembly Government, namely a much stronger focus on enlisting the largest number of individuals in engagement with ICT, and more particularly, the use of the internet, in the context of a much stronger drive 'top-down' to encourage or incentivise people to access services on line and, indeed, at least in the context of the UK Government, the presence of a large stick (in terms of certain benefits being available only on line), thus, arguably, reducing the need to 'woo' organisations and individuals into taking an interest in ICT.

Programme managers are well aware of this and are already working with the Digital Inclusion Unit on a realignment of the Programme, but it does seem that there is a need to consider very carefully the degree to which the new policy imperative does undercut some of the fundamental assumptions on which the Programme is based. To the extent that some fairly fundamental re-engineering is needed, it will be important to ensure that this re-engineered approach is based on a very clear revised rationale which still makes sense of the delivery mechanism available, without the Programme being left to drift, and which also fits clearly with the approach and targets agreed with WEFO as a condition of European funding.

Ironically, perhaps, given these significant concerns over the shape of the Programme in the emerging strategic context, it is clear that initial difficulties over the way in which the Programme was operating on the ground have now moderated. Although there remain some differences in terms of ethos and style between the different delivery partners (perhaps aggravated by the lack of consistency in terms of working conditions, including access to 'kit'), and although it is not entirely clear that client cross-referral mechanisms are working smoothly, all the key internal relationships necessary to the delivery of the Programme appear to be functioning reasonably well, albeit that the delivery partners feel resources are being stretched to the full. There are some issues in terms of the capacity of the partners to deliver across the whole of the Convergence area but these are being addressed through the development of a procurement strategy.

In terms of external stakeholders, the recent Digital Inclusion Wales conference was a major success in terms of communicating with a wider audience, although it would appear that some of the original assumptions about how the delivery partners would be able to ensure structured relationships with external stakeholders (e.g. Local Authorities and CVCs) have not really been realised.

The monitoring system, though not liked by many of the fieldworkers, appears to be fit for current purposes and is relatively well resourced and the Programme as a whole seems capable of delivering the targets originally set for it. At the same time, it does need to be recognised that realising the current target for engaging individuals is reliant very heavily on the success or otherwise of the packages of support agreed with community organisations, while there are some concerns that fieldworkers will stop working with groups and individuals prematurely because of the pressure to accumulate additional beneficiaries.

Initial feedback from organisations and enterprises supported by the Programme is generally positive, though delivery partners express some concerns about the 'heaviness' of the appraisal process of the packages of support. Clearly, more work will be needed to track the effects and impact of the Programme (though this may also have to be extensively revised in the light of the discussion about fundamental changes to the Business Plan and delivery mechanisms), which is a major focus of our Work Programme going forward.

4.2 The Next Stages of the Evaluation

In this Section, we set out our proposed method for the remainder of the evaluation. This, however, may need to be amended in the light of decisions on revisions to the Business Plan and subsequent changes to the Programme. The scale of the samples proposed should also be reviewed in

the light of any additional resources which may become available before the later stages of the research.¹³³

Stage 2: Formative Evaluation (April – November 2011)

Stage 2A: Preparation, Sampling and Research Instruments (April – July 2011)

The aim of this stage is to:

Ensure that relevant developments in terms of the operating environment for the Programme since the Stage 1 report are taken into account;

Ensure that fieldwork with key stakeholders, supported organisations and end beneficiaries is based on an analysis of up to date monitoring information as well as on the Evaluation Framework agreed at Stage 1;

Ensure that fieldwork with supported organisations and end beneficiaries is representative of the Programme as a whole.

This will involve:

An initial meeting with the Steering Group to bring the team up to date with proposed changes to the Programme;

Securing comprehensive data (including contact data) in respect of both voluntary and community organisations and social enterprises supported by the Programme and of individuals assisted through these initiatives;

Analysing and critiquing the monitoring data provided to gain an overview of Programme progress;

¹³³ We have flagged up with the Steering Group that we would prefer larger scale samples: those currently proposed reflect the constraints of the budget rather than what we believe to be desirable.

Analysing data from the pilot phase of the National Survey for Wales and undertaking a 'light touch' desk-based review of any further policy developments since the Stage 1 report;

Drawing a case-study sample of a range of organisations and social enterprises. We would propose at this stage to sample around 15 voluntary and community organisations and five social enterprises. We would seek to balance this sample to reflect factors such as groups/enterprises with and without packages of support (though biasing the sample towards the former), geography, engagement with different core partners and Community Brokers/Social Enterprise Support Workers; type of support received; and (as far as possible) nature/sector of organisation;

Drawing a sample of some 750 individuals supported by the Programme: these would be drawn from the voluntary/community organisations and social enterprises within our sample, but, should these prove insufficient, would 'top up' the sample from other supported organisations;

Developing a questioning framework;

Developing semi structured topic guides, drawing and focusing on outcomes and emerging impact of the Programme to date (including probing the counterfactual, especially in the case of assisted organisations), for face-to-face interviews with:

- key stakeholders;
- key contacts within our case-study sample.

Developing a fully bilingual telephone questionnaire for individual beneficiaries within the sample, aligning questioning where relevant to those questions used in the National Survey for Wales and probing in particular the effects of the intervention in terms of their access to and

use of digital technologies; and broader social, economic and financial effects (including on confidence and other 'soft' outcomes): this would include probing the counterfactual;

Developing a brief web-based survey questionnaire for external stakeholders including Communities First Coordinators, Local Authority lead officers and CVCs, and securing the support of the Communities First Directorate, WLGA and WCVA for deploying this.

Stage 2B: Fieldwork (June – October 2011)

The aim of this stage is to:

Ensure the Stage 2 Report is based on a thorough understanding of the different perspectives of a range of stakeholders, including a representative sample of those supported by the Programme.

This will involve:

Undertaking a second series of face-to-face or telephone interviews or focus groups with all those key stakeholders interviewed in Stage 1 to gauge their awareness and perception of the effectiveness and impact of the Programme to date, as well as organisations contracted to the Programme as a result of the current procurement exercise;

Deploying the web-based survey addressed to Communities First Coordinators, Local Authorities and CVCs and analysing the results;

Undertaking face-to-face interviews with representatives of the case-study sample of voluntary and community organisations and social enterprises;

Completing telephone interviews with 175 individuals from the sample drawn, using our bilingual in-house telephone team. The key stages of the survey will involve:

- Piloting the questionnaire with 10 individuals to test its content and flow. The pilot will test respondents' understanding of the questions and changes made in light of our findings;
- Briefing interviewers and providing written instructions to them. They would also receive a paper copy of the questionnaire and relevant supporting information that would help categorise responses;
- Contacting respondents who would be given the option of completing the interview at a suitable time (including evenings and weekends). Where there is no response but a number appears to be functioning, we would undertake a minimum of six calls (or three where messages had been left) before deleting a record;
- Concluding the survey work when 175 interviews have been achieved in line with the proposed sample (or when all individuals whose contact details have been provided have been contacted);
- Monitoring the quality of the interviewing via call-back arrangements with at least 10% of those surveyed, ensuring that the work of each interviewer is checked and monitoring the quality of our data entry via internal control procedures;
- Providing survey results and tabulations using SNAP survey software.

Analysing the results of the fieldwork with individuals against the data available from the pilot National Survey for Wales;

Stage 2C: Reporting (October 2011 – November 2011)

The aim of this phase is to:

Provide a thorough report reviewing progress on implementing the Programme and emerging evidence on its impact;

Provide clear recommendations on the future of the Programme in the context of the Mid Term Review with WEFO.

This will involve:

Drafting a report drawing on the analysis of monitoring data, the update of the policy context and the fieldwork and presenting this by the end of October 2011;

Taking on board comments received from the client/Steering Group (including those from the peer review process) and providing a final agreed report (including an Executive Summary) by the end of November 2011;

Translating the reports into Welsh.

Stage 3: Summative Evaluation (April 2013 – June 2015)

Stage 3A: Additional Fieldwork with Supported Organisations and Individuals (April – May 2013)

The aim of this stage is to:

Add to the evidence base in respect of assisted organisations and individuals;

Explore longer term impacts of the support from Communities Two Point Zero with supported organisations and individuals.

This will involve:

A meeting with the Steering Group to review the method in the light of changes to the Programme;

Securing updated comprehensive data (including contact data) in respect of both voluntary and community organisations and social enterprises supported by the Programme and of individuals assisted

through these initiatives, including organisations and enterprises sampled during Stage 2B;

Drawing a case-study sample of an additional 15 voluntary and community organisations and five social enterprises which have accessed support since the first sample was drawn. We would again seek to balance this sample to reflect factors such as those with/without packages of support, geography, engagement with different core partners and Community Brokers/Social Enterprise Support Workers; type of support received; and (as far as possible) nature/sector of organisation;

Drawing a sample of some 750 individuals supported by these organisations or social enterprises, 'topped up' where necessary by individuals supported through work with other organisations which have 'come on stream' since the first samples were drawn;

Drawing on the questioning framework, developing a semi-structured topic guide for a second wave of interviews with the voluntary and community organisations and social enterprises interviewed during Stage 2B, concentrating on longer term impact of the support received (in terms of use of digital technologies, turnover, number of employees and volunteers) including probing the counterfactual;

Drawing on the questioning framework, developing a telephone questionnaire for a second wave of interviews with the individuals interviewed during Stage 2B, aligning questions where possible with the National Survey for Wales and concentrating on longer term impact of the support received in terms of their access to and use of digital technologies; and broader social, economic and financial effects (including on confidence and other 'soft' outcomes): this would include probing the counterfactual;

Undertaking a second wave of face-to-face interviews with representatives of the case-study sample of voluntary and community organisations and social enterprises. We would hope to complete interviews with at least two-thirds of the organisations interviewed;

Undertaking face-to-face interviews with representatives of the additional case-study sample of voluntary and community organisations and social enterprises;

Undertaking a second wave of telephone interviews with the individuals interviewed in Stage 2B, using a similar approach: given the 18 months time lapse, we would anticipate that we would only be able to re-interview around 75 of the original sample of 175.

Completing further telephone interviews with 175 individuals from the additional sample drawn, using the same approach as in Stage 2B above;

Providing a brief report on this second round of interviews, comparing the results with data from the pilot and first substantive National Survey for Wales (which will be available from late 2012).

Stage 3B: Preparation for the Final Stage Fieldwork and Desk Based Review (April – May 2014)

The aim of this stage is to:

Ensure that any relevant developments in terms of the operating environment for the Programme since the Stage 2 report are taken into account;

Ensure that fieldwork with key stakeholders is based on an analysis of up to date monitoring information.

This will involve:

Meeting with the Steering Group to ensure the team is aware of changes to the Programme since the Stage 2 report and to identify examples of good practice in terms of support provided to specific organisations outside the case-study sample;

Securing comprehensive monitoring data from the Wales Co-operative Centre and analysing and critiquing the data provided to gain an overview of Programme progress;

Undertaking a light-touch literature and policy review of developments since the Stage 2 report;

Reviewing 'top down' data available on the use of ICT, notably the results of the National Survey for Wales (pilot phase, and 2011/12, 2013/14 Surveys) to track changing trends in terms of relative uptake of ICT in the most deprived areas, by the groups targeted by Communities Two Point Zero, and by different socio-economic classes;

Developing updated semi structured topic guides, drawing on the questioning framework and focusing on outcomes and impact of the Programme, for face-to-face interviews with key stakeholders.

Developing a repeat brief web-based survey questionnaire, drawing on our questioning framework for external stakeholders including Communities First Coordinators, Local Authority lead officers and CVCs, and securing the support of the Communities First Unit, WLGA and WCVA for deploying this.

Stage 3C: Final Stage Fieldwork (June – October 2014)

The aim of this stage is to:

Ensure the Stage 3 Interim and Final Reports are based on a thorough understanding of the different perspectives of a range of stakeholders, including a representative sample of those supported by the Programme;

Enable the final report to highlight examples of good practice without distorting the balance of the summative evaluation.

This will involve:

Undertaking a further series of face-to-face interviews or focus groups with the key stakeholders interviewed in Stage 2;

Deploying the web-based survey addressed to Communities First Coordinators, local authority lead officers and CVCs and analysing the results;

Undertaking a second wave of face-to-face interviews with representatives of the second cohort of the case-study sample of voluntary and community organisations and social enterprises (first interviewed at Stage 3A) using the research instruments developed for the first cohort during Stage 3A;

Undertaking a second wave of telephone interviews with the second cohort individuals interviewed in Stage 3A, using a similar approach to that undertaken with the first cohort in Stage 3A: given the 18 month time lapse, we would anticipate that we would only be able to re-interview around 75 of the original sample of 175;

Undertaking additional face-to-face interviews (up to a maximum of ten) with representatives of voluntary and community organisations or social enterprises supported by the Programme identified as representing good practice.

Stage 3D: Reporting (October 2014 – September 2015)

The aim of this phase will be to:

Provide a thorough summative evaluation report, quantifying outcomes and drawing conclusions on the social and economic impact of the Programme, as well as considering the effectiveness of programme processes, highlighting good practice and considering the sustainability of the interventions supported, all within the context of the changing policy context.

This will involve:

Drafting a comprehensive Interim report drawing on the analysis of monitoring data, the update of the policy context, the analysis of the National Survey for Wales, and all the fieldwork undertaken at Stages 2 and 3 and presenting this by the end of October 2014;

Taking on board comments received from the client/Steering Group and providing a final agreed Interim report (including an Executive Summary) by the end of November 2014;

Translating the reports into Welsh;

Undertaking a brief series of update interviews (by telephone) with key stakeholders at the end of the Programme (April – May 2015);

Analysing the final monitoring data available at the end of the Programme;

Updating the Interim Report to take account of the final monitoring data and any major findings to emerge from the final interviews with key stakeholders;

Presenting a draft Final Stage 3 Report by the end of July 2015;

Taking on board comments received from the client/Steering Group and providing a final agreed Final Report (including an Executive Summary) by the end of September 2015;

Translating the reports into Welsh.

Stage 4: Project Management (Throughout)

The aim of this phase is to:

Maintain excellent relations with the client;

Ensure consistency across the research team

This will involve:

Maintaining regular contact with the client contract manager (by telephone and/or e-mail). We would provide progress updates on a fortnightly basis, unless agreed otherwise during 'live' periods of research;

Holding at least two further internal team meetings during the lifetime of the project to ensure that all members of the team are clear about the approach to the research and can share views about emerging conclusions.