

INTERIM EVALUATION OF THE ENVIROWISE
PROGRAMME

EXECUTIVE SUMMARY

NOVEMBER 2009



EXECUTIVE SUMMARY

Introduction

Invest NI has commissioned BDO to undertake an Evaluation of the Envirowise Programme for the period 1 November 2007 to 31 May 2009 and, as far as possible, project forward to the end of the current approval period (31 March 2010) in terms of likely / potential achievements and impact. The evaluation seeks to provide qualitative and quantitative information that will help inform decisions on the future of the programme.

Our Engagement

In accordance with Invest NI's instructions, set out in your Terms of Reference, we have prepared an Interim Evaluation of the Envirowise Programme.

BDO as part of this overall engagement has completed this Interim Evaluation based upon information provided by Invest NI, Envirowise Delivery Agents (AEA Technology, WYG, Serco TTI) and participating companies which we believe to be reliable and accurate, but which, without further investigation, cannot be warranted as to its accuracy, completeness or correctness. BDO acknowledges that this paragraph is without prejudice to Invest NI's ability to rely on any assessments made by BDO in relation to the accuracy, completeness or correctness of such information provided as part of the Interim Evaluation.

We do not, in preparing this report and giving the opinions stated herein, accept or assume responsibility for any other purpose to whom it is shown (other than Invest NI for the purpose of this Evaluation) or into whose hand it may come. If others choose to rely on the contents of this report, they do so entirely at their own risk.

We emphasise that our enquiries would not necessarily disclose all matters of significance relating to the Envirowise Delivery Agents. We have not carried out any audit work on any financial information included in our report and we express no opinion thereon.

Programme Overview

Introduced to Northern Ireland in 2000, the Envirowise Programme is a UK-wide Programme that provides free and confidential advice which aims to enable businesses to improve efficiency in the use of resources, increase profitability and reduce environmental impact. Prior to 2000, the programme operated as the Environmental Technology Best Practice Programme (ETBPP), however was re-launched as Envirowise. Envirowise focuses on **identifying potential resource efficiencies to businesses** (rather than actual implementation) and aims to improve company competitiveness by identifying waste reduction opportunities and other operating efficiencies. The Programme also aims to influence implementation of resource efficiencies through capacity and capability building activities and advises businesses on compliance with relevant legislation.

Typically resource efficiencies may include for example the use of rainwater harvesting for grounds maintenance, reduced product packaging, water management, revised waste/disposal strategies, identification of resource efficiency training programmes, identification of compliance issues and development of environmental management systems such as ISO14001.

The Envirowise Programme was largely funded by the Department for Environment, Food and Rural Affairs (DEFRA) until March 2007 when Envirowise funding was withdrawn in the devolved administrations of Northern Ireland, Scotland and Wales. The final year of DEFRA funding (2006/07) was a transitional year, with DEFRA reducing their funding. Whilst Invest NI contributed to the funding in this year, the annual budget was significantly reduced, resulting in reduced activity in NI. Following an economic appraisal, Invest NI undertook the full funding of Envirowise in NI from April 2007.

Envirowise is managed on behalf of Invest NI by Momena, an operating division of AEA Technology plc, and Technology Transfer and Innovation Ltd (TTI), a wholly-owned subsidiary of Serco Limited. White Young Green (WYG) delivers the programme locally through a Country Manager.

Original rationale for the intervention and nature and extent of market failure Envirowise sought to correct

A review of the external Economic Appraisal conducted by Grant Thornton suggests that, in addition to the strategic need for the project, the need for the creation and roll-out of the Envirowise Programme was based on:

1. Whilst Resource Efficiency Programmes, which focused on ‘tackling’ the waste hierarchy, were widely available in England prior to 2007, this was as a result of funding being made available from the Business Resource Efficiency and Waste (BREW) Programme which recycled(s) landfill tax back to business by providing support for projects aimed at improving resource efficiency. Landfill tax escalator revenues were returned to the NI Government, however formed part of the overall Executive budget and were not ring fenced for resource efficiency purposes. Consequently, the Economic Appraisal suggested that the lack of funding had resulted in a piecemeal offering to NI businesses placing them at a distinct disadvantage;
2. Research¹ undertaken suggested that that small to medium sized enterprises (SMEs), which dominate the NI economy, are unable to respond readily to the requirement to reduce waste due to the limited capacity they have for such non core activities;
3. Binding UK legislation and regulations (e.g. Duty of Care regulations) imposed an obligation on all those producing waste to ensure it is managed and disposed of responsibly and in a manner that did not harm the environment;
4. Findings from the Environment and Heritage Service (EHS) Waste Arisings Surveys² (2002 & 2005) indicated that NI was struggling to meet recycling targets and embrace waste minimisation in practice and in day to day business processes. The Economic Appraisal suggested that the findings demonstrated a need for the profile of waste minimisation programmes to be heightened;

In addition to this, the findings suggested that whilst many companies in industry had embraced the idea of waste prevention and recycling, there was still a significant proportion that had not. The analysis of the survey data suggested that, amongst the key reasons cited by companies for not embracing this activity were ‘lack of information’ and that they were ‘unaware of the option’, two factors which suggests the presence of market failure;

5. Northern Ireland, in line with all other regions, had(s) a requirement to reduce its waste production. Domestic waste was the responsibility of the local councils, however industrial waste sat outside their remit. Whilst Departments such as EHS (now Northern Ireland Environment Agency) administered marketing campaigns, it was the view of the Appraiser that there was a definite lack of assistance for companies with regard to their waste production and what was required of them; and
6. Increasing NI waste levels were putting increased pressure on landfill sites across NI. This increase in landfill usage contradicted the EU landfill directive, which had(s) the aim of consistent landfill use between 1995 and 2020.

At the time of the Economic Appraisal, the appraiser stated that the issue of displacement was not considered to be an issue that would arise as a result of the creation of Envirowise, due to the fact that:

- There was a waste hierarchy and the various sustainable development programmes that existed operated at different stages within this hierarchy; and

¹ Recycling Landfill Tax Escalation Revenues conducted by Integrated Skills Limited.

² Please note that the Economic Appraisal highlighted that the robustness of the EHS surveys had been questioned by a variety of sources including Invest NI. However the lack of alternative statistics meant that the Appraisal had to consider the findings.

- A National Programmes Forum, managed by Invest NI, met to discuss issues across the programmes and highlight areas for collaboration and cross-referral and ensure that displacement and overlap in the market place does not occur³.

Strategic Context

The strategic need for Envirowise was established at a time when waste prevention and resource management were an increasing focus of private sector business. This focus was driven by the strategies and policies of EU, UK and NI Government, against a backdrop of higher waste disposal costs and increased consumer demand for products and services provided by environmentally conscious and resource efficient businesses.

A review of current strategies/policies suggests that Government continues to place a strong focus on the concepts of sustainable development and resource efficiency. More specifically, Invest NI's Corporate Plan for the period 2008–2011 indicates the importance that Invest NI places upon sustainable development, outlining that:

- Sustainable development provides a major contribution to greater wealth and economic growth;
- For economic growth to be sustainable it must be achieved in ways which respect the environment, using resources and energy as efficiently as possible; and
- Resource efficiency not only results in improved business competitiveness but contributes to enhanced environmental performance.

Policy & Operational Context

The strategic need for the Envirowise Programme was established at a time when waste prevention and resource management were an increasing focus of private sector business. This focus was driven by the strategies and policies of EU, UK and NI Government, against a backdrop of higher waste disposal costs and increased consumer demand for products and services provided by environmentally conscious and resource efficient businesses.

A review of current strategies/policies suggests that Government continues to place a strong focus on the concepts of sustainable development and resource efficiency. More specifically, Invest NI's Corporate Plan for the period 2008–2011 indicates the importance that Invest NI places upon sustainable development, outlining that:

- Sustainable development provides a major contribution to greater wealth and economic growth.
- For economic growth to be sustainable it must be achieved in ways which respect the environment, using resources and energy as efficiently as possible.
- Resource efficiency not only results in improved business competitiveness but contributes to enhanced environmental performance.

In cognisance of the above, Invest NI's Sustainable Development Team offers a portfolio of Programmes / Services, to support the achievement of these targets and subsequently deliver benefits to NI businesses. These Programmes/Services seek to target the upper levels of the Waste Hierarchy and promote the efficient use of resources. One such programme is the Envirowise Programme.

Investment Rationale

A clear rationale for investment was detailed in the economic appraisal suggesting that the need for the creation and roll-out of the Envirowise Programme was based on:

- A lack of funding in NI for resource efficiency programmes in comparison to GB, which resulted in a piecemeal offering, placing NI businesses at a distinct disadvantage;

³ Please note that the National Programmes Forum is currently in abeyance (last meeting in February 2009). A date has not been set for a future meeting but Invest NI has indicated that the forum aims to reconvene in autumn 2009.

- NI's SMEs were unable to respond readily to the requirement to reduce waste due to the limited capacity they have for such non core activities;
- Binding environmental legislation and regulations imposing obligations on NI businesses;
- Companies were not embracing waste minimisation in day to day business processes due in part to a 'lack of information' and that they were 'unaware of the option', two factors which suggests the presence of market failure; and
- Increasing NI waste levels were putting increased pressure on landfill sites across NI.

Future Investment Rationale

Programme deadweight is considered below. The survey of participants by the Evaluation team would suggest a reasonable level of additionality, at circa one third, with additionality higher for smaller companies:

Additionality by Company Size			
No. of Employees	Additionality S1	Additionality S2	Average
1 - 5	30%	45%	38%
6 - 10	34%	42%	38%
11 - 50	23%	36%	30%
51 - 100	14%	29%	21%
101 - 250	22%	44%	33%
251 - 500	21%	42%	31%
501+	15%	24%	19%

Further to the levels of additionality experienced, a significant level of market failure remains, with 43% (N=72) of companies stating that their rationale for participating on the Envirowise Programme was as a direct consequence of market failure and a further 7% - (N=72) suggesting partial market failure.

It is the view of the Evaluation team that market failure still exists, thus justifying the rationale for the Envirowise Programme and future Government intervention.

Participants Profile

Typically Programme participants have been SMEs operating in the Food & Drink, Construction and Manufacturing sectors. Project activity would appear to be targeted at sectors where the Programme is perceived to have the greatest impact.

Performance against SMART Objectives

Performance against SMART objectives to date has been broadly successful; with the 2008/2009 performance against headline impact targets a particular highlight (£2.65 million of cost savings were identified against a target of £1 million). However, there have been a number of output targets not met or partially achieved.

Two headline targets, over and beyond the targets set in the Economic Appraisal, were identified in relation to 2008/9, and 2009/10, namely:

2008/9	2009/10
<ul style="list-style-type: none"> • Identify £1.5 million of potential saving opportunities. 	<ul style="list-style-type: none"> • Identify £1.5 million of potential saving opportunities.
<ul style="list-style-type: none"> • Achieve £2.5 million of attributed cost savings. 	<ul style="list-style-type: none"> • Achieve £2.5 million of attributed cost savings.

Envirowise has provided details of identification of cost savings.

Databuild (a market research company) were commissioned to complete annual impact assessments detailing the actual financial savings realised by companies following Envirowise's identification of the potential resource efficiency savings.

The Databuild report for 2008/09 has yet to be completed; therefore the only available report for the evaluation period is 2007/08. The 2007/08 report conducted 69 consultations with NI businesses in four

sectors: Retail; Manufacturing; Commerce; and Construction. Almost three quarters (74%, N=69) of the consultees had participated in the programme with the remaining 26% being non-users. The report identified that the consultees had implemented £40.3 million⁴ of resource efficiency savings in that year, of which £1.5 million could be attributed to Envirowise's intervention, ie additional savings realised.

Whilst the above provides feedback on savings, and suggests that savings could be in line with targets, no further breakdown of this achievement is available and thus it is difficult for the Evaluation team to draw any further conclusions. We do note, however, that the additionality of the programme in terms of realising actual savings, under the Databuild calculation, is 4%.

As noted above, the Databuild report for 2008/9 has not yet been completed. This should be presented to Invest NI as soon as possible. As Envirowise directly commission the Databuild impact assessment, Invest NI have limited control over the timeliness of the report and the content.

With regards to the 2009/10 achievements, data where available, is solely in respect of the first quarter performance which does not necessarily reflect annual achievement. This is considered to be too short a period in order to determine performance against target.

Contribution to Achievement of the NI Sustainable Development Strategy

As part of the Sustainable Development Strategy's Implementation Plan, Invest NI (through DETI) was charged with a number of key actions under the theme of 'Sustainable Consumption and Production'. It is the Evaluation team's view that the Envirowise Programme impacts on the Implementation Plan's associated actions, and contributes to achieving the overall strategic objective 'to become more resource efficient'.

Progress towards to the Action Plan emanating from Sustainable Development Programmes Evaluation

A number of the agreed actions identified within the Action Plan have been completed, with the remaining actions currently being progressed. The review of the Action Plan identified some issues which Invest NI may wish to consider including the optimal balance between Programme additionality and greater resource efficiency, and whether Invest NI should fund future resource efficiency support to meet the needs of their clients only. These issues are discussed further in the recommendations section below.

Contribution to PSA Targets

Invest NI's support of Envirowise recognises that by helping businesses to improve resource efficiency, cost benefits, increased competitiveness, productivity and enhanced environmental performance are delivered. These outcomes are consistent with and contribute to the achievement of PSA targets 1, 3, 11 and 22.

Equality Considerations

On review of Invest NI's policies at a corporate level and the equality screening process undertaken for the Programme, it would appear that there is no adverse impact upon any Section 75 grouping. Furthermore, the Evaluation team recognises that, since April 2009, formal processes are in place to monitor all companies participating on Invest NI programmes in relation to Section 75.

Programme Satisfaction

High levels of programme satisfaction were identified amongst company participants surveyed, with 93% of respondents either satisfied or very satisfied. The lowest level of satisfaction recorded related to the follow on support provided, with suggestions that this element of the Programme could be enhanced or developed.

⁴ The report does not breakdown how this figure has been established.

Issues Impacting Non-Participation

A lack of Programme awareness was the primary reason for non participation amongst the non-participants surveyed. Other reasons included a lack of time and/or resources to enable participation, and a perception that the Programme would have a limited effect on the organisation.

Operational Issues

There would appear to be some ambiguity on targets for 2007/8, as referenced in the contract dated 25th October 2007. This does not apply to targets after 2007/08, ie the annual business plans and contract variations detail the targets to be achieved and recorded against.

Further to the above, the Programme was rolled out in November 2007, however the evaluation of Invest NI's Sustainable Development Programmes which incorporated Envirowise for the period 2003 to 2007, was not completed until June 2008, indicating that the economic appraisal was approved before the outcomes of the evaluation had been established. However, going forward, the Evaluation team acknowledges the timeliness of the current interim evaluation and understands that the Envirowise contract with AEA/WYG, has an option to be extended a final year, which Invest NI are currently considering. During the 2010/11 period, Invest NI will consider future resource efficiency programmes in light of the DEFRA review and its subsequent outcomes.

Programme Impact on Attitudes to Resource Efficiency

The Programme had a largely positive impact upon participants' attitudes to resource efficiency with almost three quarters of respondents indicating that they were more receptive and committed to improving resource efficiencies. Consultation also suggests that resource efficiency became a higher business priority following participation upon the Programme.

Programme Additionality & Deadweight

Programme additionality and deadweight was assessed across four Programme impacts, these impacts and the relevant additionality and deadweight levels are outlined below:

Impact of the Programme on:	Additionality	Deadweight
Companies decisions to explore resource efficiency	20% - 34%	66% - 80%
Influencing companies to identify potential financial savings	22% - 36%	64% - 78%
Influencing companies to realise actual savings	26% - 42%	58% - 74%
Developing companies knowledge	23% - 37%	63% - 77%

Whilst the levels of additionality may appear low in comparison to the NISP programme (53% - 65%), the level of additionality achieved by other Invest NI programmes such as the Start a Business Programme (16% - 26% additionality) contextualise Programme additionality in the broader Invest NI portfolio of support.⁵

The evaluation team sought to identify how additionality might be improved, and concluded that the highest levels of additionality can, on average, be achieved with smaller companies, i.e. less than ten employees. However, the Evaluation team notes that whilst programme additionality may be improved by focusing on smaller companies, larger companies have the potential to return larger cost savings.

As previously identified, Invest NI clients are also likely to be amongst those companies with less than 50 employees (79.5%). Therefore targeting smaller companies is most likely to impact the Invest NI (and potential future) client base.

However, Invest NI must consider (where there is a 'trade off') whether their strategy is to enhance programme additionality at the expense of greater savings or vice versa.

⁵ Start a Business was chosen for comparison as this evaluation was conducted by BDO using the same methodology.

Displacement

At the time of the Economic Appraisal the appraiser stated that displacement was not considered to be an issue that would arise as a result of the funding of Envirowise.

In terms of the present situation, the research undertaken by the Evaluation team during the benchmarking exercise and in cognisance of the views of participant companies, the team did not identify any other similar programmes, in terms of their content, structure, outputs and outcomes, which are currently being delivered in NI. Consequently, the Evaluation team, do not feel that Envirowise currently displaces any other programmes that presently exist within the NI marketplace.

Economic Impact of the Programme

The programme had an impact target for 2008/09 to identify £1 million in potential cost savings and has a target for 2009/10 to identify £1.5 million. In 2008/09 the programme identified £2.65 million in potential cost savings, and has identified £0.17 million between April and June 2009. However, when additionality is applied, the level of potential savings identified in the absence of the Programme was between £582,600 and £888,545 in 2008/09, and between £37,910 and £62,034 up to June 2009.

In conducting the Interim Evaluation, the Evaluation team did not have access to the data on potential cost savings on an individual company level. Hence, no conclusions can be drawn as to the sector mix, or profile, in turnover or employee terms, on the potential cost savings identified. This is an area of monitoring that Invest NI and the Country Manager (WYG) may wish to consider going forward.

Whilst the above represents potential cost savings identified, the actual economic impact is achieved through the implementation of the cost saving recommendations as identified by Envirowise. The implementation of the potential cost saving recommendations identified by Envirowise is outside of the scope of the delivery agreement. It is noted that the Databuild Impact Assessment does attempt to establish attributed actual savings to the Envirowise Programme, with the 2007 report suggesting that of the companies monitored in NI, £1.5 million of actual cost savings could be attributed to the Envirowise Programme. This data has not been verified by the Evaluation team.

However, at an overarching level, the majority of survey respondents indicated that the programme had improved their company's competitiveness which would ultimately have a positive economic impact.

Impact of the Programme on Net Present Values

Comparison of the economic appraisal and the resultant net present values suggests that the actual programme incurred a marginally higher net present cost than anticipated in the economic appraisal. However, there are significant comparison difficulties due to methodologies employed and the Evaluation team would urge caution when drawing conclusions from the comparison.

Impact of the Programme on the Environment & Non Monetary Factors

Whilst the Evaluation team cannot quantify the level of environmental savings identified, it is clear that should the resource efficiencies identified be implemented, then a positive environmental impact would result (as suggested in the Databuild Impact Assessment for 2007).

Other non monetary benefits identified by participants included the safeguarding of jobs, enhanced reputation, increased understanding of the business's environmental impact, cross working with other companies and opportunities to access other forms of environmental support outside of Envirowise.

Value for Money

It may be contended that value for money should consider actual cost and environmental savings realised by participant companies, however as mentioned above, it should be recognised that the remit of the

Programme does not extend beyond the identification of potential cost savings⁶, and as such the value for money assessment conducted by the Evaluation considers only that which the Programme has remit to deliver.

Key indicators are:

Efficiency Indicators						
Identified Savings	Budget (£)			Actual/Potential (£)		
	Funding	Target savings	Return on Investment	Funding	Potential savings	Potential Return on Investment
Year 1 ⁷	-	-	-	-	-	-
Year 2	624,217	1,000,000	1.60	624,216	2,648,182	4.24
Year 3	640,000	1,500,000	2.34	127,027	172,316	1.36
Total	1,264,217	2,500,000	1.97	751,243	2,820,498	3.75

Cost per participants was:

Cost	Cost £
Programme Year 1	293,829
Programme Year 2	624,216
Programme Year 3	127,027
Total	1,045,072
No of company participants	239
Cost per participant	£4,372

Following the assessment of the measures affecting economy, efficiency and effectiveness the evaluation team would conclude that overall value for money has been achieved through:

- Inputs being obtained by competitive tender;
- The actual return on investment achieved higher than that anticipated; and
- Programme targets broadly met.

Consideration is also given to the opportunity of companies to pay for the Envirowise service. Almost a third (31%, N=72) of consultees indicated that they would have been prepared to pay for the Envirowise Programme. Prices ranged between £60 to £400 per day for the services provided.

69% (N=72) of respondents suggested that they were not prepared to pay for the Envirowise service, with reasons recorded including financial constraints and the general nature of the advice.

Benchmarking

Regional Benchmark

In comparison to the Northern Ireland offering:

- Envirowise Scotland provides additional services such as site visits targeting small businesses and policy support to Government; and
- Envirowise Scotland targets all organisations including the public sector, and does not specifically target private sector business.

When comparing the equivalent Databuild Impact Assessment, Envirowise Scotland yields greater returns however it would be the Evaluation team's view that this is to be expected given the larger market, larger organisations (who can provide greater cost efficiencies), and greater levels of funding. However, despite

⁶ The programme does provide best practice guides and on line self help, however the evaluation team would contend that the programme is primarily focused on identifying resource efficiencies and that the programme is not an implementation programme per se.

⁷ Year 1 was excluded from consideration as the Programme did not have a specific target to identify potential cost savings.

these inequalities Envirowise Northern Ireland returns the same level of additionality in terms of actual savings realised.

Other Resource Efficiency Benchmark

In comparison to Envirowise, the Cleaner Greener Production Programme in ROI is a resource efficiency programme delivered through the Environment Protection Agency (EPA) whose key aim is environmental protection, therefore there is a greater focus on environmental benefits rather than economic benefits. The programme concerns the implementation of resource efficiencies rather than the identification of potential resource efficiencies.

The programme is a grant scheme, encompassing a greater range of activities and eligible costs than the Envirowise Programme. However, on review of the benchmark indicators, the Envirowise Programme provides a greater return on investment in terms of cost savings realised⁸.

DEFRA Landscape Review

DEFRA has stressed that a significant amount of additional work is required to shape any future delivery model and the landscape in which it will operate. It was stressed that there may be no specific changes in the nature of the current resource efficiency offerings that are presently being delivered. However, in terms of the weightings, it was the view of DEFRA, that based on current policy thinking, that there should potentially be a greater proportion of waste / resource efficiency activities targeting the more favoured upper levels of the waste hierarchy i.e. 'prevention', 'minimisation' and 'reuse'.

In relation to policy and operational implications for NI, DEFRA stressed that definitive conclusions could not be drawn at this stage, although it was emphasised that any future delivery model would continue to support the resource efficiency activities in the devolved administrations in any way that was possible e.g. sharing of best practice, access to programme information, etc.

Recommendations

Future Funding

Recommendation 1: Given the levels of additionality and market failure recorded it is clear there remains a need for government (in this case Invest NI) to continue to support the identification of resource efficiencies within NI businesses.

Recommendation 2: Given the uncertainty surrounding the DEFRA Landscape Review implications and the impact upon delivery bodies, Invest NI should consider future delivery options following the findings and outworkings of the Waste Resources Action Programme (WRAP) in October 2009. Furthermore, it is recommended that Invest NI consider a reduced funding period going forward for a resource efficiency programme, until the full implications of the landscape review are established.

The resource efficiency programme taken forward by Invest NI may not necessarily be Envirowise. Envirowise is a Government owned service delivered by third parties and as such may not be available in its current format following the DEFRA landscape review. Invest NI may wish to develop a revised resource efficiency programme which is specific to Invest NI's needs e.g. one that includes greater implementation support. However, in doing so, there is the potential that NI would lose the best practice support currently provided through a UK wide programme.

Recommendation 3: By way of seeking value-for-money, Invest NI may wish to give consideration to tendering for the delivery of any future resource efficiency programme.

Programme Development

Recommendation 4: At present, the Envirowise delivery team have a responsibility to follow up with participant businesses; however there is no onus upon the team to ensure resource efficiencies are

⁸ In lieu of other monitoring information the Databuild Impact Assessment was used to facilitate comparison.

implemented. Ultimately it is the implementation of resource efficiencies that enhance productivity rather than the identification. Given the feedback from client executives and participants, and in consideration of the additionality levels associated with NISP⁹ (an implementation programme), Invest NI should consider how to progress any resource efficiency support to facilitate the actual implementation of resource efficiencies. Options which Invest NI may choose to investigate include funding Envirowise Advisers or consultants to provide a number of days' implementation support, or establish closer linkages / referrals between programme delivery bodies and the Sustainable Development team's consultancy framework, which at present can provide up to five days resource efficiency support.

Further to the above, should implementation support be taken forward, the level of actual savings realised as a result of any implementation Action Plan should be monitored, thus allowing the impact of the Programme in economic terms to be established.

However, should Invest NI choose not take this recommendation forward and the Programme's role is to remain in the identification of potential savings, the Evaluation team would query the rationale for an attributed savings target. At present, the actual realisation of the potential savings identified can be due to a number of factors outside of Envirowise's control such as: having the finances available to make the necessary changes; having the finances available to employ the necessary consultancy support; or, having the in-house expertise to implement changes.

Recommendation 5: The evaluation demonstrates that to increase programme additionality, smaller companies i.e. less than ten employees should be targeted. However it is also noted that greater resource efficiency savings are likely to be identified in larger companies. Given that approximately 80% of Invest NI clients are small companies (less than 50 employees); Invest NI should consider if funding from Invest NI should only be targeted at Invest NI clients.

A potential solution may be to concentrate marketing activities on smaller businesses (possible Invest NI clients) encouraging them to engage with Envirowise, whilst focusing project activity on larger businesses who are likely to return greater resource efficiencies.

By engaging with small businesses there is the potential that Invest NI will instill the ethos of resource efficiency within businesses which may grow into large resource efficient organisations.

Economic Appraisal Process

Recommendation 6: In order to ensure a timely and appropriate economic appraisal, it is recommended that, should Invest NI extend the Envirowise contract for a final year, the economic appraisal be commissioned several months before the end of the funding period and after any final evaluation of the Programme that Invest NI may wish to undertake. The economic appraisal should consider the outcomes of this interim evaluation and a final evaluation, the impact of the DEFRA review and the future role for a resource efficiency programme. Furthermore, the economic appraisal should be conducted (although may be commissioned in conjunction with an industrial symbiosis programme) as an individual programme which takes cognisance of the other offerings from the Sustainable Development team. Conducting the economic appraisal separately from an industrial symbiosis programme will enable the Appraiser to consider the need for public intervention specifically on a resource efficiency programme and its distinct remit. This procurement method will also enable the Appraiser to develop extensive variations of scale, structure, content and timing, thus providing Invest NI with a variety of delivery options that relate directly to the programme.

Recommendation 7: Given that an impact of the Programme is the delivery of environmental savings, it is recommended that environmental targets be considered for any future programme of support and incorporated within the economic appraisal. This should facilitate the establishment of the aggregate impact of the Programme on environmental savings. Targets may include reductions in water usage, effluent, raw materials, energy, non hazardous waste, hazardous waste and carbon.

⁹ NISP additionality estimated at 53% - 65%

Marketing and Awareness

Recommendation 8: On review of the marketing and awareness raising activities of the Programme, feedback would suggest that very few company respondents experienced direct contact from Envirowise, be it telephone, email, advertisement or otherwise. Whilst the limitations of the central marketing budget are recognised, consideration should be considered as to how the marketing role can be enhanced within the confines of the budget. Awareness may be better enhanced by targeting senior staff and decision makers within businesses, and targeting new or specific sectors.

Further to the above, consultation would suggest that a number of Invest NI Client Executives are unaware of the Programme's content. Feedback indicates that face-to-face promotion by the Sustainable Development team with Client Executives would be the most effective form of awareness raising. Methods include:

- Exposure at Client Executive workshops where the Programme is outlined and supported by local case studies; and
- Short presentations at regional office team meetings by a member of the Sustainable Development Team.

The Evaluation team understands that Invest NI's Sustainable Development Team currently participates in the aforementioned awareness raising methods. Consequently, it is recommended that this is continued but on a more regular basis to ensure higher levels of awareness.

Monitoring and Evaluation

Recommendation 9: At present, the profiling information recorded is incomplete. In order to enhance monitoring and evaluation of any future Programme, the delivery agent should ensure that all profiling information on sector, turnover and employee numbers are returned within the site visit reports.

Recommendation 10: Should Invest NI choose to continue to support the Envirowise programme as part of their resource efficiency offering, the following target setting issues should be considered:

- Participation of Envirowise in environmental clubs and forums - Envirowise suggests that there are insufficient clubs available to meet this target. It is recommended that Invest NI consider the feasibility of the target and set appropriately or discard completely.
- Attendance at full UK wide Envirowise meetings - WYG has indicated that due to a change in the delivery of the programme in England, Scotland and Wales in 2008/09 and 2009/10, that it is now more appropriate to discuss Northern Ireland specific delivery of the programme by telephone conference with the AEA / Serco team on a monthly basis. It is suggested by the Evaluation team that this approach be agreed with Invest NI and the budget revised if appropriate.
- Programme awareness in NI - It would be the view of the Evaluation team that the methodology employed to assess awareness raising is weighed heavily in favour of the delivery agent. It is recommended that the methodology be revised to incorporate a random sample i.e. not specifically including a large percentage of Envirowise participants.

Recommendation 11: At present the financial reporting reflects the cost structure in the original economic appraisal. Going forward, the Evaluation team would suggest that greater cost detail is established both in the economic appraisal and quarterly reporting to provide greater clarity on the costs. This may include outlining the costs of events, individual site visits, cost of consumables etc.

Recommendation 12: Due to issues surrounding confidentiality the Evaluation team were not able to validate the potential cost savings identified or potential resource efficiency and environmental savings. It is recommended that future Evaluation teams are given access to site visit reports and the confidentiality clause amended as required.

Operational Issues

Recommendation 13: Feedback from participants and client executives suggests that the Fast Track Action Plans provided by Advisers should include the cost of implementation to allow companies to establish the cost / benefit ratio and prioritise actions within the plans.

Recommendation 14: Consultation suggests that receipt of action plans/reports by companies (from the delivery agent) can be, on occasion, up to and beyond six months, by which time the momentum gathered by the initial site visit has been lost. Whilst this may not be the case for all applicants, a review of the months in which recorded savings are documented suggests a significant push on the delivery of reports in the final months of the reporting year. In cognisance of this issue, it is recommended that targets for the receipt of any action plans/reports are established (30 days after intervention) to ensure a timely return to the participant company.

Recommendation 15: Reporting by the delivery agent to Invest NI indicates that Design Track Visits have not been completed over the period. Invest NI, in conjunction with the delivery agent, should consider the demand for eco-design advice and review possible other options, such as the additional visits provided by Envirowise Scotland which may generate greater demand.

Recommendation 16: At present, Invest NI funds AEA Technology to commission the Impact Assessment. Over the evaluation period, one report has been completed (2007/08), with the 2008/09 impact assessment outstanding six months after the year end.

It is the view of the Evaluation team that, going forward, Invest NI should commission any assessments directly. In doing so, Invest NI can have greater control over the report; the methodology employed; and can amend the Terms of Reference to meet their specific needs.

Recommendation 17: Whilst the Evaluation team are aware that the National Programmes Forum is in abeyance, the team would recommend that until the Forum reconvenes, that Invest NI Programme Manager meetings consider the issues of duplication and displacement.