
Final Report for Defra

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EKOS Limited, St. George’s Studios, 93-97 St. George’s Road, Glasgow, G3 6JA
Reg 145099

Telephone: 0141 353 1994
Web: www.ekos-consultants.co.uk
Direct enquiries regarding this report should be submitted to:

Regina Trenkler-Fraser, Associate Director, EKOS
Email: regina.trenkler-fraser@ekos.co.uk
Tel: 0141 353 1994

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Executive Summary

This study has been commissioned by Defra to assess the social and economic impact of the Rural Development Programme for England (RDPE) 2007-2013 in Axis 1 (Improving the Competitiveness of the Agricultural and Forestry Sector) and Axis 3 (Quality of Life in Rural Areas and Diversification of the Rural Economy) Measures. The research was commissioned to focus on providing evidence of impact only, and therefore does not represent a comprehensive evaluation of the RDPE as such.

The RDPE Axis 1 and 3 Measures that are included in the study comprise the following.

<table>
<thead>
<tr>
<th>Axis 1 Measures</th>
<th>Axis 3 Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>111: Vocational training and information actions;</td>
<td>311: Diversification into non-agricultural activities;</td>
</tr>
<tr>
<td>121: Modernisation of agricultural holdings;</td>
<td>312: Support for the creation and development of micro-enterprises;</td>
</tr>
<tr>
<td>122: Improving the economic value of forests;</td>
<td>313: Encouragement of tourism activities;</td>
</tr>
<tr>
<td>123: Adding value to agricultural and forestry products;</td>
<td>321: Basic services for the economy and rural population;</td>
</tr>
<tr>
<td>124: Cooperation for development of new products, processes and technologies;</td>
<td>322: Village renewal and development;</td>
</tr>
<tr>
<td>125: Infrastructure related to the development and adaptation of agriculture</td>
<td>323: Conservation and upgrading of the rural heritage; and</td>
</tr>
<tr>
<td>and forestry.</td>
<td>331: Training and information for economic actors operating in the fields covered by Axis 3</td>
</tr>
</tbody>
</table>

Study Method and Participation

Impact assessment in an RDP context is closely aligned to the requirements of the European Common Monitoring and Evaluation Framework (CMEF)\(^1\). Therefore, all questionnaires used in the primary research as well as all economic impact calculations and models applied in this research are based on the CMEF. The study extends to numerous appendices that provide detail of the scoping and sampling processes, a literature review focusing on the various study methods of previous RDP studies, and detailed presentations of the various fieldwork findings.

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\(^1\) [http://ec.europa.eu/agriculture/rurdev/eval/index_en.htm](http://ec.europa.eu/agriculture/rurdev/eval/index_en.htm)
The report summarises the study methods used and issues encountered during the research. Although the RDPE beneficiaries that participated in the surveys were very co-operative and keen to answer the questions genuinely and accurately, one of the key study issues was to reach beneficiaries and engage them in the study.

Many were unable or unwilling to participate in the fieldwork for a number of reasons. Further important challenges were the length of the questionnaire and the detail of the financial questions posed.

Although all 603 business respondents were happy to answer the more general and qualitative questions, only a much reduced number (370) provided a full set of financial details required for the economic impact assessment calculations.

Including the business, community and training surveys, the extensive primary research fieldwork programme captured the experience of 861 participants, as detailed below.

Table 1: Primary Research

<table>
<thead>
<tr>
<th>Primary Research Method</th>
<th>No. of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone survey (334 from Axis 1 and 269 from Axis 3) targeted at business beneficiaries (farm and forestry holdings and other rural businesses)</td>
<td>603</td>
</tr>
<tr>
<td>Online survey of beneficiaries participating in training delivered under Measure 111 (88) and Measure 331 (17)</td>
<td>105</td>
</tr>
<tr>
<td>Face-to-face case study research undertaken with 32 community-based projects receiving funding under Measures 321, 322, and 323.</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>861</strong></td>
</tr>
</tbody>
</table>

The analysis of the fieldwork findings incorporated a qualitative and quantitative analysis, an Economic Impact Assessment of the business survey findings, and a Social Return on Investment analysis with the 32 community-based projects.

The study included two approaches of counterfactual analysis to assess the additionality of the RDPE investment. Firstly, all survey respondents were asked to provide their perception whether they would have achieved similar benefits had they not received RDPE funding. Secondly, a counterfactual analysis was undertaken comparing the business performance of RDPE supported farm beneficiaries to a group of non-supported farm holdings.
The Key Findings of the Research

The study had eight study aims which are represented by the following sections against which the key findings of the research are summarised.

1. Economic Impact and Social and Environmental Benefits

The reported positive impact of the RDPE on business performance can be considered as ‘very good’ in that the vast majority of beneficiaries reported positive outcomes. Apart from six beneficiaries (i.e. 1% of all respondents) everyone (99%) who received RDPE funding reported that their project had at least one or more positive economic, social or environmental impacts on their business, farm or forestry holding.

The key findings are as follows (in bracket the percentage of telephone survey respondents):

- improved business sustainability (96%);
- higher levels of competitiveness (90%);
- improved quality standards, product quality, and improved techniques (85%);
- increased and sustained sales (77%); and
- increased and sustained employment (70%).

The reported outcomes from community-based project activity indicate that the Programme has impacted significantly on improved activity levels, social inclusion, and an increased social capital in the respective rural communities. The area of highest impact was increased entrepreneurial attitude. Many workshop participants stated that their RDPE project had a substantial impact on their confidence levels and – foremost – generated ideas for future project activity. The positive impact of transnational project activity was also mentioned.

However, the participants of only a minority of case studies showed that their projects actually created economic impact either through the creation of jobs, training opportunities or through an increase in their service provision which impacted positively on the financial sustainability of their organisations.

Beneficiaries were mostly unaware of how their initiatives could create direct and indirect employment benefits in their local economy. This was largely due to a lack of appreciation that community-based projects can actually have an economic impact on their local community.
In the view of the researchers, most case study projects had a substantial potential to create economic impact locally, but because the awareness levels about this are so low, no-one considered monitoring and pursuing any of these benefits.

Training beneficiaries were less likely to disclose any financial details about themselves and were much less aware of how their improved skills levels and improved quality of work had impacted on the profitability or productivity of their organisations. However, 80% felt that the support was very important to them personally. Most beneficiaries still apply all (or most) of what they had learned, and the positive impacts are expected to last for more than five years.

2. Which type of Measures offer higher or lower Returns on Investment, including levels of deadweight and displacement

The achieved response rates across the Programme Measures allowed for a reasonable robustness at Programme and Axis levels. However, the number of responses have been too small in most individual Measures to make any viable comparative statements (i.e. the findings of the small number of responses do not represent the total population of their respective RDPE Measures). Only the responses in Measures 121 (Modernisation of agricultural holdings) and 311 (Diversification into non-agricultural activities) were sufficient enough in this context. Here, it showed that the return on investment (ROI) was much higher in Measure 121 (£4.88:1) than in Measure 311 (£0.59:1). Similarly, the differences between the two Measures are also apparent with regard to deadweight of sales and employment outcomes, as shown below.

Table 2: % of Respondents Indicating Full Additionality or High Deadweight of Outcomes

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Full Additionality (none of the impacts would have happened without RDPE)</th>
<th>The majority of impacts would have happened anyway</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measure 121</td>
<td>Measure 311</td>
</tr>
<tr>
<td>Employment</td>
<td>10%</td>
<td>55%</td>
</tr>
<tr>
<td>Sales</td>
<td>12%</td>
<td>58%</td>
</tr>
</tbody>
</table>

2 Displacement is the negative effects on non-beneficiaries which arise because an intervention has generated positive outcomes for beneficiaries. This occurs due to increased competition in the markets in which beneficiaries participate.
It should be noted that displacement was standardised for Axis 1 beneficiaries (5% and 10%), but due to the different industry sector implications treated on a case-by-case basis for Axis 3 respondents (as explained further in Appendix F).

3. Assessment of Gross Value Added (GVA) and Other Key Indicators

The economic impact was assessed on the basis of the business financial data provided by the beneficiaries and calculated on the CMEF Economic Impact Assessment model.

Table 3: Net Impacts Attributed to RDPE

<table>
<thead>
<tr>
<th>Impacts</th>
<th>RDPE (selected Measures)</th>
<th>Axis 1</th>
<th>Axis 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net attributable GVA</td>
<td>€486m to €501m (+12%)</td>
<td>€302m to €309m (+8%)</td>
<td>€186m (+36%)</td>
</tr>
<tr>
<td>New net FTE Jobs created</td>
<td>9,600 – 9,950</td>
<td>6,850 – 7,250</td>
<td>2,900</td>
</tr>
<tr>
<td>Labour Productivity increased GVA per FTE (project start to n+2):</td>
<td>€4,400 - €4,700 per FTE</td>
<td>€3,200 - €3,700 per FTE</td>
<td>€6,500 per FTE</td>
</tr>
<tr>
<td>Return on Investment (based on total project costs):</td>
<td>£1.72 :1 - £1.78:1</td>
<td>£1.82:1 - £1.92 :1</td>
<td>£1.59 :1</td>
</tr>
<tr>
<td>Unit Costs per net Job (by total project costs):</td>
<td>£69,000 - £71,500</td>
<td>£55,600 - £58,700</td>
<td>£98,150</td>
</tr>
<tr>
<td>Unit Costs per net Job (by RDPE award):</td>
<td>£27,500 - £28,500</td>
<td>£20,500 - £21,750</td>
<td>£43,100</td>
</tr>
</tbody>
</table>

Table 4: Monetary Impacts Created by 32 Community-Based Projects at Study Level Only (not grossed up at Programme level)

<table>
<thead>
<tr>
<th>Impact</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net FTE jobs created</td>
<td>22</td>
</tr>
<tr>
<td>Volunteer Positions (representing 0.25 FTE each)</td>
<td>507</td>
</tr>
<tr>
<td>Social Return on Investment:</td>
<td>£5.85:1</td>
</tr>
<tr>
<td>Unit Costs per net job (including volunteers) (by total project costs):</td>
<td>£28,252</td>
</tr>
<tr>
<td>Unit Costs per net job (including volunteers) (by RDPE awards):</td>
<td>£19,961</td>
</tr>
</tbody>
</table>

4. Costs to Beneficiaries in Applying for and Implementing RDPE Funding

Regarding the costs to beneficiaries in applying for and implementing RDPE funding, the research findings indicate that considerable efforts and resources needed to be utilised by business as well as community-based projects.
Table 5: Average (median) Time and Costs to Compete Application

<table>
<thead>
<tr>
<th></th>
<th>Business/Holdings Applicants</th>
<th>Community Applicants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Stage</strong></td>
<td>Staff time</td>
<td>5 days</td>
</tr>
<tr>
<td></td>
<td>Consultants</td>
<td>£1,000</td>
</tr>
<tr>
<td></td>
<td><strong>Implementation Stage</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff time</td>
<td>10 days</td>
</tr>
<tr>
<td></td>
<td>Consultants</td>
<td>£5,000</td>
</tr>
<tr>
<td></td>
<td><strong>Reporting/Claiming Stage</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff time</td>
<td>1.5 days</td>
</tr>
<tr>
<td></td>
<td>Consultants</td>
<td>£500</td>
</tr>
</tbody>
</table>

5. Characteristics of RDPE Funding Recipients Experiencing Highest Impact

The primary research involved the following business types across Axis 1 and Axis 3: 362 farm holdings, 39 forestry holdings and 170 other rural businesses. All types of businesses were happy to respond to general, more qualitative questions about the impact of RDPE funding on their organisation, but only 360 could provide the full set of detailed financial data to conduct the impact assessment.

Table 6: Percentage of Survey Respondents Stating Positive Impacts of RDPE Investment on Sales and Employment by Business Type

<table>
<thead>
<tr>
<th>Business Types</th>
<th>Increased Sales</th>
<th>Sustained Sales</th>
<th>Increased Employment</th>
<th>Sustained Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm holdings (362)</td>
<td>63%</td>
<td>17%</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Forestry holdings (39)</td>
<td>62%</td>
<td>0%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Rural businesses (170)</td>
<td>74%</td>
<td>12%</td>
<td>49%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Note: multiple answers were possible

In terms of wider impacts, across all business types, the majority of respondents reported positive impacts, particularly increased business sustainability and business competitiveness.

Further differences between the three business types included:

- forestry holdings experienced proportionately more positive impact on improved quality standards than farm holdings and rural businesses;
- more farm holdings experienced a positive impact on new technologies and innovation than both other groups;
forestry holdings experienced slightly more positive impact in terms of diversification (with farm holdings reporting this as their second lowest impact overall);

more forestry holdings experienced positive impacts in increasing biodiversity and in improving sustainable land management than farm holdings and rural businesses; and

more farm holdings reported positive change in water and air quality due to RDPE investment than the other two groups.

6. Comparison between Schemes

Beneficiaries across three project schemes (Farm and Forestry Improvement Scheme (FFIS), The Rural Economy Grant (REG), Woodland Grant) generally enjoyed similar levels and types of economic impacts, with improved quality standards among the most commonly enjoyed across each of the three schemes. However, response rates were very different between the three observed schemes as the following table shows. Therefore, the responses are unable to inform any conclusions for the schemes in totality.

Table 7: Percentage of Survey Respondents Stating Positive Impacts of RDPE Investment on Sales and Employment by Scheme

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Increased Sales</th>
<th>Sustained Sales</th>
<th>Increased Employment</th>
<th>Sustained Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFIS (130)</td>
<td>51%</td>
<td>13%</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>REG (28)</td>
<td>64%</td>
<td>4%</td>
<td>75%</td>
<td>4%</td>
</tr>
<tr>
<td>Woodland Grant Scheme (30)</td>
<td>67%</td>
<td>3%</td>
<td>20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

The following additional small differences in impact were reported across schemes:

- whereas the introduction of new technologies/innovation was a common impact of both FFIS and REG projects, a majority of England Woodland Grant Scheme beneficiaries identified no change on this aspect;
- FFIS had least impact on beneficiaries regarding diversification and access to markets;
- FFIS beneficiaries felt that the award made their business more sustainable, and contributed to new technologies;
- all REG respondents reported a positive change in business sustainability; and
a majority of REG respondents stated improved access to markets and other marketing options, whilst a majority of FFIS respondents stated no change in these areas.

7. Additional Support Opportunities for Co-operation and Innovation

Capacity building in learning to better understand how to measure and monitor progress and achievement of their projects is one of the most crucial areas where additional support would be required in future across all types of beneficiaries. The need for greater awareness of the type of performance measurement the Programme is looking for should also be reflected in promotional material, as well as in the design of the application forms, award letters, and claim/reporting templates. This should also include much more clarity and definition of the various terms used, and particularly in the context of the meaning and differentiation of the terms ‘new’ and ‘innovative’.

There is a perception held by many that ‘community development’ is quite separate from ‘economic and business development’ and that the one does not have anything to do with the other. This is unfortunate and indicates that the integrated development approach is still evolving and in need of more awareness raising and capacity building. This is important as our community-based research has shown the substantial impact that a successfully applied integrated approach can achieve.

Transnational co-operation and learning has only been reported by a small number of case studies, but where it has been undertaken the effects were very positive, particularly in terms of idea generation and new, innovative approaches to be applied in future rural development.

8. Benchmarking Output, Result and Impacts RDP Programme

Benchmarking the findings of the current study with other RDP evaluations is difficult as most ex-post evaluations have not been commissioned yet, and evaluations that have followed the prescribed CMEF model are rare as extensive data collection is required.

The recent assessment of the GVA results and impact indicators for the Scottish RDP shows that – although not fully comparable – the English RDP is performing well, i.e. achieved higher impacts.
In terms of the Social Return on Investment, the study built on the proxy values used by a previous CCRI study\(^3\). Although the current study has scaled down a number of the CCRI proxies on the basis of the fieldwork findings and has overall been conservative in its estimations, the overall SROI ratio at Axis 3 level is higher (5.85:1) than that estimated evaluative SROI ratio by CCRI (2.16:1). This could be due to the fact that the 32 case studies participating in the current study tended to be larger than the mean of the total project population suggests. In addition, the type of projects researched produced different levels of SROI ratios, whereby broadband projects for example had by far the highest SROI ratio.

### Additionality and Counterfactual Assessment

One of the key interests of the research was to assess the additionality of RDPE funding, i.e. would any of the positive impacts have been created anyway? The study approached this question in two different ways. As indicated earlier, the study included relevant questions in the survey, but also undertook a counterfactual assessment.

On the basis of the findings from the telephone survey, 38% of businesses thought that their employment increase was fully additional to RDPE funding and 33% of beneficiaries who experienced sales increases stated that these impacts were fully additional, i.e. would not have happened without RDPE funding.

Regarding training initiatives funded by RDPE, 65% of online survey respondents stated that they would not have achieved the same positive outcomes without RDPE support.

In the community-based projects, the additionality varied according to type of community-projects supported (usually projects relating to Access and Service provision were considered more additional than other type of initiatives). However, it was very difficult for most community-groups to quantify their outcomes and to deal with hypothetical questions.

Secondly, the additionality was assessed through a counterfactual exercise. This assessment observed the differences in performance across beneficiary (supported) and non-beneficiary (unsupported) businesses. The study used the Farm Business Survey to source non-beneficiaries and was, therefore, restricted to comparing the findings from farm holdings only.

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\(^3\) CCRI: An assessment of the Social Return on Investment of Axes 1 and 3 of the RDPE, for Defra, 2013
The study applied the Propensity Score Matching (PSM), which is a staged approach in which statistically-based matching techniques are first applied to enable closer matching of “supported” and “unsupported” cases: the better this match across supported and unsupported businesses then the greater the likelihood that any observed differences in performance are due to support rather than to other business characteristics.

Generally, the results of the counterfactual analysis are supportive of a positive effect from RDPE support. For two time periods investigated, “2010 to 2012” and “2011 to 2013” the data imply a positive effect from support on GVA performance, although the scale of this effect is sensitive to the exact matching procedure employed.

### Study Recommendations

1. The study found that the awareness of RDPE Project Managers and beneficiaries of RDPE evaluation and monitoring requirements is low. This also affects their wider understanding of how RDPE funding actually is able to affect economic and social development in a wider sense. It is, therefore, recommended to produce relevant guidance and tool kits to increase awareness, and improve relevant capacities and know-how in how to measure and monitor the effects of project activities.

2. To improve the reliability and completeness of financial data sets for business-type beneficiaries, it is recommended to consider additional collection methods (application form; completion report) than those based on evaluation studies only.

3. Although the RDPE showed high levels of satisfaction with the vast majority of survey respondents stating that the sustainability of their business/organisation has been improved, a quarter of those with impacts in sales and turnover would have created those anyway. It is therefore recommended to address this issue, either through stricter appraisal procedures or by making available a wider range of financial investment mechanisms, such as loan funding.

4. Although the increased level of entrepreneurial attitude bodes well for a further increase in project activities and engagement levels, it is recommended that the new RDPE allocates resources towards awareness raising and capacity building initiatives (tool kits, training sessions, etc.) to increase the understanding of integrated rural development so that closer links and synergies can be created and appreciated between social, environmental and economically focused projects at the local level.
5. To improve the accessibility of the contact details of training beneficiaries, relevant records should be shared with the Managing Authority. At the same time, short ‘before and after’ questionnaires could be undertaken and electronically stored by all training initiatives for improved feedback.

6. Provide guidance, technical support and capacity building for project managers regarding key RDPE objectives and performance indicators, including providing well-defined and clear terminology so that essential drivers and aims are understood and appreciated.

Additional Recommendations:

7. A Unique Beneficiary Number should be applied in all RDPE datasets.

8. Future survey invitations should be sent out by hard copy letter.

9. Defra should invest in regular updating and maintenance of the beneficiary database.

10. Alternative ways of participating in surveys (online, postal) should be available.

11. Award letter should point out that beneficiaries need to partake in evaluation.

12. A simpler formula to ascertain a proxy GVA value (i.e. jobs created) should be applied to reduce the amount of information required by beneficiaries.

13. Survey questionnaires should be kept short and straightforward.

14. Specific areas of interest could be explored in detail via bespoke research.
1. Introduction and Background

1.1 Introduction

This study has been commissioned by Defra to assess the social and economic impact of the Rural Development Programme for England (RDPE) 2007-2013 in Axis 1 and Axis 3 Measures. The study seeks to provide evidence of impact to inform the ex post evaluation of the current RDPE and the design of the new Programme.

The study had a strong focus on collecting new primary data through a number of surveys of RDPE Axis 1 and 3 beneficiaries in order to provide more robust nationally representative estimates on the economic and social return on investment of a selected range of RDPE Measures.

The study has been undertaken in the period from December 2013 to March 2015.

Chapter Summary

Chapter 1 presents the study objectives and the method employed by the research at different stages. During the course of the study, a considerable number of working papers and appendices have been produced and Chapter 1 provides a brief summary for each working paper before outlining the study issues. There have been a number of methodological challenges primarily due to the CMEF requirements and the financial detail of data that was requested from survey participants. Overall, however, the ability of engaging with RDPE beneficiaries as well as their willingness and ability to report on detailed financial business data was a key study issue.

1.2 Study Objectives

The study objectives have been identified in the Tender Specifications and include the following:

1. To better estimate the impact of the activities that the RDPE Axes 1 and 3 has funded and their value for money. What are the economic benefits of RDPE Axes 1 and 3 for the rural economy? What wider social and environmental benefits has it produced?
2. To improve the evidence of which type of Measures offer higher or lower returns on investment, including levels of deadweight and displacement;

3. To provide an assessment of achievement against RDPE Axis 1 and 3 output, result and impact indicators at Axis and Measure level. To include an assessment of levels of Gross Value Added (GVA) for supported (forestry, agricultural and non-agricultural) businesses and net and gross jobs and businesses created or safeguarded. To also include an assessment against proposed EU level new indicators for the 2014-2020 to provide a benchmark against which to assess delivery;

4. To provide representative statistics on the costs to beneficiaries in applying for and implementing RDPE funding. This will include an assessment of unit costs for Axis 1 and 3 activities supported, at both Measure level and type of projects supported;

5. To better understand the characteristics of RDPE funding recipients and provide analysis of where funding has the highest economic impact, for example in relation to jobs and rural business growth. This will inform decisions on how best to target recipients, industry and sectors through the next Programme and choices about prioritisation of spend in the next Programme;

6. To provide an assessment of the approach and targeting of three of the RDPE’s “schemes”: the Skills and Knowledge Transfer Framework, Farming and Forestry Improvement Service and Rural Economic Grant, and of the approach to support for the forestry sector through Axis 1 England Woodland Grant Scheme activity, in comparison to previous regional approaches and other support available outside of the Rural Development Programme for England;

7. To look at the potential opportunities for additional support for cooperation, innovation and other models of investment to be offered in the 2014-2020 period; and

8. To help support benchmark output, result and RDP Programme indicators for the 2014-2020 period, including providing a view on indicators that could support an assessment of future delivery.

The above objectives have formed the basis for the design of the research method applied by this study.
1.3 Study Method

Following a detailed scoping exercise with the Client, the approach of the study was agreed to be based on a mixed-method and to be undertaken through the following stages:

- **Stage 1**: Setting the Context – scoping and desk-based research;
- **Stage 2**: Survey Development – logic models, sampling, questionnaire design;
- **Stage 3**: Primary Research – online, telephone, and face to face surveys;
- **Stage 4**: Analysis and Impact Assessment – economic and social impact assessment, counterfactual analysis, and comparative research; and
- **Stage 5**: Learning and Reporting – workshops and preparation of reports.

Figure 1.1 (over) shows the overall sequence of study operations according to the above stages.
Figure 1.1: Study Methods and Workplan

**Inception Meeting**
Agree method, access to data, reporting

**Stage 1: Scoping - Desk-based Research**
- Review of RDPE Survey Findings and Impact Assessment Models
- Review and integration of CCRI SROI
- Analysis of Monitoring Data
- Literature Review of rural development impact studies from elsewhere

**Stage 2: Survey Development**

**Study Team Session:**
- Review of findings
- Development of intervention logic
- Selection of impact indicators
- Develop sample frame options
- Identify counterfactual group

**Client Learning Workshop:**
- Presentation of findings
- Consideration of research options
- Agreement of preferred primary research option

**Stage 3: Primary Research**
- Design of fieldwork material
- Pilot test of questionnaires

**Telephone survey of business beneficiaries**
**Online survey of training beneficiaries**
**Counterfactual research with FBS data**

**Stage 4: Analysis of Findings and Impact Assessment**
- Economic and Social Impact Assessment (Unit Costs, ROI, Value for Money)
- Comparative analysis and benchmarking with other studies and countries
- Triangulation of EIA/SROI findings with desk-based research findings

**Stage 5: Learning and Reporting**
- **Draft Report**
  Preparation of report to Client specifications
- **Reflection and Revision**
  Focus group with stakeholders and Client
- **Final and Dissemination Report**
  Completion, Dissemination, Learning Events (3)
1.3.1 Literature Informing the Study Method

The literature review focused on the methods of impact assessment used by other studies in rural development and the learning which was gained from their respective approaches.

At the time of the study, the overall conclusion from the literature review was that there are few best practice studies available to draw from. This is due to the fact that most RDP evaluation studies are still confined to a mid-term assessment stage (with most studies suffering from unavailability of contacts and/or completed project activity), and that they have conducted their impact assessment at the Programme level (not Measure level). Those which have incorporated more elaborate impact research are longitudinal studies.

However, there are a number of research approaches, which have informed the study. These include:

- close alignment with CMEF is of benefit to demonstrate contribution to EU-RDP objectives and reporting procedures;
- without relevant targets and baselines relating to the impact indicators and qualitative aims of a programme, the assessment of progress and judgement of success of a programme is difficult (if not impossible);
- confirmation that a mixed-method approach is advisable to address the different beneficiary groups appropriately, including the acceptability of a ‘next best approach’ if only project managers can be reached;
- the importance of using both quantitative and qualitative methods is stressed by most studies. Surveys, interviews, case studies and focus groups are all relevant tools but all require to be adapted to the overall research approach, beneficiary type and individuals or organisations concerned;
- the assessment of Quality of Life performance indicators benefit from a focus group approach to capture the various effects on a range of different stakeholders/rural actors (Axis 3);
- a small number of potentially suitable financial proxies for qualitative impact assessment developed by CCRI;
- a range of benchmarking values for ROI comparison at the end of the study;
- identification of non-beneficiaries via Defra databanks/FBS is possible; and
counterfactual research ideally to be conducted on a longitudinal research basis – if this is impractical, two approaches have been used by the reviewed studies:

- desk-based analysis of relevant FBS data as a source for the agricultural sector (Axis 1); and
- primary research with RDP beneficiaries – exploring the counter-factual situation via the hypothetical question ‘what would have happened without RDP intervention?’ (Axis 3).

### 1.3.2 Key Study Method Principles

A number of key principles were agreed with the Client regarding the sampling and the study method used which were discussed in detail in the Scoping Report. The key points are summarised below:

- study relates to Axis 1 and Axis 3 projects only;
- the study will use a mixed method approach to suit different beneficiary groups (businesses (telephone survey; participants of training initiatives (online survey)); and rural communities (focus groups));
- sampling of surveys is based on individual RDPE Measures;
- survey will focus on completed projects only;
- survey questions are designed in line with the Common Monitoring Evaluation Framework (CMEF) and the study will use the formulae for impact assessment as prescribed by the CMEF guidelines;
- the study will not look at three particular schemes delivered by Natural England: ELS Training and Improvement Partnership (ETIP) (Measure 111); Catchment Sensitive Farming (Measures 111, 121 and 125) and the Energy Crops Scheme (Measure 121) and Paths for Communities (Measure 313); and
- regarding the random sampling of the beneficiary population:
  - random sampling for ‘grant paid’ has been agreed, excluding projects with missing values which will be excluded
  - the distribution of projects across RDPE schemes will not influence the sampling frame
The functional group is not applied as a sample criterion as the widely dispersed nature of this characteristic will be covered via the random sampling approach.

Steering Group to agree that the ‘capital/revenue’ will not influence the sampling frame as this will be covered by the random sampling approach.

1.3.3 Detailed Presentation of the Study Method

Further context and detail which has informed the design of the study method is presented in the following working papers which are all accessible in Appendix A:

**Working Paper 1: Logic Chains and Indicators**

Working paper 1 provides the overall context of the study vis-à-vis the Common Monitoring and Evaluation Framework (CMEF) as prescribed by the European Commission, including:

- the logic models suggested by Directorate General Agriculture (DG Agri) for application to Rural Development Programmes (RDP) during 2007 to 2013, with a view to assessing their applicability to the Rural Development Programme for England (RDPE); and

- the range of common and additional results and impact indicators adopted for the RDPE, with a view to assessing the appropriate scope of Economic Impact Assessments.
Working Paper 2: Literature Review

Working Paper 2 summarises the findings of a number of studies so that the RDPE impact study would take learning from previous research into consideration. The review involved the following studies:

- MTE RDPE;
- CCRI – SROI;
- National Impact Assessment of LEADER;
- SRDP – Economic Impact Assessment Survey;
- European Guidance; and
- the findings from the Synthesis of MTEs

Working Paper 3: Qualitative Impact Assessment

Working Paper 3 presents the rationale and context for a logic model for the assessment of the qualitative impact of the RDPE. It commences with a brief review of the CMEF impact indicators and lists the Common and Horizontal Evaluation Questions in relation to their qualitative impact.

A more detailed discussion of the Quality of Life Common Evaluation Question, leads to the development of a range of survey questions under each Axis 1 and Axis 3 Measure relevant for this study.


Working Paper 4 reflects on the availability of data and reviews the population of “projects” supported by the RDPE as provided by the ROD database of Defra. The paper further recommends a detailed sampling approach.

Working Paper 5: Survey Questionnaires

Working Paper 5 contains the detailed questionnaires for the primary research. This includes the Business Questionnaire (telephone survey); Training Questionnaire (online survey); fieldwork material for community-based projects including questionnaire for Project Managers and workshop guide and structure for stakeholder workshops. A feedback questionnaire for the pilot surveys is included.
Working Paper 6: Economic Impact Assessment Model

Working Paper 6 presents the approach for the Economic Impact Assessment. This includes models for the GVA results indicator, and the impact indicators including the gross to net calculations, deadweight, displacement, and multiplier effects. This paper also explains how the survey data were grossed up to national totals.

Working Paper 8: Counterfactual Approach

Working Paper 8 describes the principles of the counterfactual approach as anticipated by the European Commission and elaborates further its applicability in the context of this study.

The main tasks were to identify a matching counterfactual sample of unassisted farm holdings from the Farm Business Survey (FBS) and sort this sample according to the different time-spans as presented by the study sample (n to n+2). The study explored three different approaches:

- straightforward Difference-in Difference (DID), where we examined directly the influence of support in a simple regression with no other variables (apart from intercepts);
- augmented DID, where we included other independent variables; and
- propensity Score Matching whereby we matched the EKOS and FBS counterfactual sample using propensity score matching.

Following this exploration of approaches, it was agreed to apply the Propensity Score Matching (PSM) approach. A full report of the approach used by the study and the findings is presented in Appendix G.
Scoping Report and Summary of Steering Group Agreements

The Scoping Report summarised the decisions regarding the contents presented in the Working Papers and agreed the sampling and study method on a Measure by Measure basis. The key agreements regarding the primary research included:

- sampling of surveys was based on individual RDPE Measures of Axis 1 and Axis 3 projects, which were selected and screened by Defra for available contact details, suitability, and willingness (beneficiaries who responded negatively to the Defra survey invitation letter were withdrawn from the data lists);

- surveys focused on completed projects only, but if (n+2) years were in future, respondents were required to estimate the relevant values;

- random sampling has been agreed including characteristics such as ‘size of grant paid’, RDPE schemes; ‘area status’; ‘functional group’; ‘capital/revenue’. It was agreed that the analysis will however comment on findings relating to ‘area status’ and ‘functional group’;

- a mixed method approach of primary research has been used (telephone, online, face-to-face case studies);

- survey questions were designed in line with the CMEF and the EIA will be conducted according to the proxy model as prescribed by the CMEF; and

- the counterfactual assessment draws on data held by the Farm Business Survey (farm holdings only). The counterfactual analysis for all other respondents is covered by the hypothetical question integrated in all survey questionnaires.

Regular meetings with the Study Steering Group were held to inform about progress and discuss evolving issues.

1.4 Study Issues

A number of study issues have been encountered during the study period at different levels. A number of detailed reports and recommendations have been prepared during the course of the study and can be accessed in Appendix B.
1.4.1 Key issues and Survey Response Rates

Table 1.1 (over) shows that a total of 603 interviews were undertaken across five Axis 1 and three Axis 3 Measures. This was a disappointing result mainly due to a number of difficulties associated with the quality of the ROD database, and lack of availability of beneficiaries.

Although the primary research findings are statistically robust at the Axis and Programme level, the achieved number of survey respondents was too low to provide robust findings at the level of most Measures and for individual sub-groups of the sample. This restricts the analysis of the gathered information to a general, over-arching level rather than a detailed beneficiary-group or Measure specific analysis which could have delivered more insight into the distinct and more bespoke circumstances and characteristics of individual beneficiary groups.

Business Beneficiary Telephone Survey

The lack of success in obtaining higher response rates was due to a number of reasons, including:

- availability of only a very small number of beneficiaries for some Measures such as 122 and 124 (the survey only included beneficiaries who had completed projects by 2012; un-controversial history with Defra; free of any ongoing dealings with Defra);
- considerable number of out of date contact data;
- substantial difficulties in reaching beneficiaries and gaining their approval for participation in the survey;
- length of questionnaire;
- high number of missed appointments; and
- high number of missing values – where beneficiaries were unwilling or unable to provide the required financial information necessary to conduct impact assessment.
Regarding the business telephone survey response rates, Table 1.1 shows the total beneficiary population which was identified by Defra for the survey, number of participants that have actually taken part in the survey (‘surveyed projects’) and the Confidence Interval\(^4\) that was achieved at RDPE Measure, Axis and Programme level on the basis of the total population of completed projects identified by Defra.

**Table 1.1 RDPE Business Telephone Survey Participant Numbers and Margin of Error**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Total Population of completed projects by Sep14(^2)</th>
<th>Surveyed Projects(^3)</th>
<th>Margin of Error (Confidence Interval(^4))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axis 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>121</td>
<td>4,446</td>
<td>174</td>
<td>+/-7.28%</td>
</tr>
<tr>
<td>122</td>
<td>77</td>
<td>15</td>
<td>+/-22.85%</td>
</tr>
<tr>
<td>123</td>
<td>857</td>
<td>88</td>
<td>+/-9.9%</td>
</tr>
<tr>
<td>124</td>
<td>24</td>
<td>3</td>
<td>+/-54.06%</td>
</tr>
<tr>
<td>125</td>
<td>471</td>
<td>54</td>
<td>+/-12.56%</td>
</tr>
<tr>
<td>Total Axis 1</td>
<td>5,875</td>
<td>334</td>
<td>+/-5.21%</td>
</tr>
<tr>
<td>Axis 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>311</td>
<td>754</td>
<td>100</td>
<td>+/-9.13%</td>
</tr>
<tr>
<td>312</td>
<td>2,427</td>
<td>118</td>
<td>+/-8.8%</td>
</tr>
<tr>
<td>313</td>
<td>566</td>
<td>51</td>
<td>+/-13.1%</td>
</tr>
<tr>
<td>Total Axis 3</td>
<td>3,747</td>
<td>269</td>
<td>+/-5.76%</td>
</tr>
<tr>
<td>Programme (Axis 1 + 3)</td>
<td>9,622</td>
<td>603</td>
<td>+/-3.86%</td>
</tr>
</tbody>
</table>

\(^2\) The total population of completed projects represents projects that have been identified by Defra as approachable for the survey.

\(^3\) The surveyed projects represent the number of interviews that were undertaken.

\(^4\) The confidence interval (also called margin of error) is the plus-or-minus figure expressed as a percentage representing how often the true percentage of the population who would pick an answer lies within the confidence interval. The calculations are based on a 95% confidence level which means for example for Axis 1 with a confidence interval of +/-5 and in the case where for example 80% of respondents were very satisfied with the award that we can be 95% certain that between 75% (80-5) and 85% (80+5) of the total population of Axis 1 beneficiaries would have provided the same answer.

As Table 1.1 shows, the achieved Confidence Interval at Axis and Programme level are of a good, low level between +/- 3% and +/- 5%. At Measure level, however, the Confidence Intervals are higher whereby those for Measures 121, 123, 311 and 312 can still be regarded as satisfactory.

\(^4\) Please note that the Confidence Interval of the achieved number of responses against the total population of approachable RDPE beneficiaries of completed projects was calculated on the basis of a ‘Sample Size Calculator’ available here: [http://www.surveysystem.com/sscalc.htm](http://www.surveysystem.com/sscalc.htm)
However, the findings at Measure level 122, 124, 125 and 313 cannot be considered robust for the total population of these Measures, as the number of interviews achieved was too low.

In addition, the number of responses which were able to be used for the detailed Economic Impact Assessment were smaller than those which were provided for the more general survey questions. The number of missing values was relatively high with regard to questions relating to the Economic Impact Assessment (questions of a financial nature which many survey respondents were unable/not willing to provide). This reduced the sample size and therefore the Confidence Interval values. For this reason, it should be noted that the findings of the survey should only be regarded as statistically robust at Axis and at Programme level.

**Training Online Questionnaire**

The online survey targeted at beneficiaries of training delivered under Measures 111 and 331 was disseminated by Defra to all available Project Manager contacts with the request to disseminate the online-hyperlink to the individual participants of their training events.

The main issue was that many of the training providers benefiting from RDPE during 2007-2013 had ceased to exist. In addition, many relevant Project Managers had moved on and could therefore not be reached to respond to the study. A further barrier was that a number of training managers might not have had access to the detailed records of training events anymore (archived files, etc.).

In total the online survey produced 105 responses (Axis 1 - 88, Axis 3 - 17) representing a Confidence Interval of +/- 9.56 and Confidence Level at 95% given a total population of 221,000 individuals supported by the two RDPE training Measures. This, of course, needs to be seen in context (i.e. that it is at Programme level and not stratified in any way), therefore the findings should be regarded with care as only a limited number of training courses was captured by the survey.

In terms of missing values, a third of respondents (31/100) did not want to disclose their income levels, despite the fact that confidentiality was assured and that income groups were provided. Similarly, 4/29 respondents who declared that the training had a positive impact on their income were not prepared or able to quantify this impact.
Community Case Studies

The community-based RDPE interventions under Axis 3 were covered by case study research and interviews with Project Managers. Here, there was no issue with a lack of participation as all projects contacted by the research team were happy to participate in the research. There were a number of barriers preventing projects being researched, including Project Managers having moved on, or being ill, or on holiday.

Missing values are therefore much less of an issue, and only relate to the impact assessment questions where project stakeholders in the workshops were required to estimate a number of quantitative values and financial figures. The questions asked were designed to inform:

- the willingness-to-pay-method; and
- the travel cost method.

These methods were chosen as part of an ex post Social Return on Investment (SROI) approach. In a small number of cases, the use of financial proxies was also considered with the workshop participants – but in most cases the proxies of the previous CCRI SROI Assessment study were used and amended in consideration of the findings of the EKOS study.

In most cases, however, workshop participants found it extremely challenging to estimate or consider any of the hypothetical questions and were most often unable to provide any financial values for the qualitative effects that they had experienced through the RDPE investment. From an evaluator’s perception, the key difficulty was that workshop participants were unable to engage with hypothetical scenarios (similar to the findings from the business survey, where respondents were unwilling/unable to estimate future business factors).
1.4.2 Additional Problematic Areas of Concern

In summary, the following key issues were experienced:

Preparatory Phase of Study:

- lack of Unique Beneficiary Numbers led to considerable time inefficiencies in reviewing the total population of beneficiaries across Measures (single awards, multiple awards - within one Measure; - within one Axis, and – across Axes;
- informing beneficiaries by e-mail was easily overlooked, hard-copy letters would have been better (but more costly);
- ROD database to be kept up-to-date and comprehensively populated – ROD to be appreciated as a highly valuable asset for Defra; and
- keep survey questionnaires as straightforward and short as possible to encourage participation and willingness to participate in the survey. Only include questions that are relevant and essential to the research to avoid overly lengthy questionnaires. Terminology must be clear in definition and easy to differentiate between terms.

Primary Research Implementation:

- researchers/interviewers should be allowed to re-send survey invitation letter on behalf of Defra – to be more time effective and not lose the momentum with beneficiaries captured on the phone;
- EC requirements of EAFRD beneficiaries to co-operate with monitoring and evaluation studies should be clearly stated at the outset, i.e. at the application or the award/contract procedures, so that beneficiaries could be reminded of this obligation by the research team;
- alternative routes for respondents should be available at the outset, i.e. by telephone, online, or by post to potentially reduce missed appointments due to work situation of the beneficiary;
- there is still a wide-spread inability to provide financial information and/or quantify project outcomes particularly when interviewing individual businesses and training beneficiaries. This is also true for community stakeholder groups;
- there is a wide-spread inability to deal with hypothetical questions; and
- high numbers of missing values.
Cross-cutting issues:

- detailed financial information that is necessary for the CMEF GVA formulae and impact assessment should be collected at application and completion stage in combination with relevant project reports. This would substantially assist the research process, not only by providing a full census data set, but also by reducing the considerable length of the CMEF results and impacts questionnaire, thereby encouraging participating and avoiding missing values; and

- for specific and detailed areas of interest, consideration should be taken to commission bespoke research to enhance the level of depth and detail necessary to inform highly specialist areas. Case studies, longitudinal studies or Panel Surveys could all be considered for this purpose.

Analysis of Findings:

- **EIA calculations and reliability of the provided databases**: The raw data were sourced from Defra’s ROD database and the Forestry Commission (exclusively for Measure 125). During the course of the study a number of up-dates of databases were undertaken which required the study team to re-draft sampling and grossing up procedures. This invariably has led to small variances in the total population of the raw data mainly affecting the grossing up calculations when broken down by Schemes and Measures. We have, therefore, opted to report the Return On Investment for any sub-groups (such as Schemes, or beneficiary types) at survey findings level only (i.e. because the number of responses were so low at sub-group level, we have not grossed up to the total population for any sub-groups);

- **EIA calculations and reliability of provided financial beneficiary information.** The financial questions in the survey of beneficiaries were considered as difficult or intrusive by a fair number of interviewees. This has led to considerable occurrence of ‘missing values’. It is also likely that the interpretation of some of the terms requested were interpreted differently by beneficiaries – as the CMEF terminology is in places different to Farm Business Survey terms and/or accountancy terms. Although detailed definitions were provided by the interviewers for clarification, a certain degree of uncertainty remains regarding the reliability of the provided data. Caution should therefore applied when dealing with the figures;
lack of monitoring information (tourism operators, but also other beneficiaries including community-based projects, and businesses) – a wide range of RDPE beneficiaries stated that they would have required more guidance and awareness raising from the Programme as to what to Measure and monitor during the course of their project. In many cases, it would not have been a problem had they known beforehand what to look out for. To report accurate units of progress and change at the evaluation stage – at times years after the project has been completed – was regarded as a difficult task; and

- SROI proxy values – the study sought to build on the findings of the CCRI study. Although the approach was different (CCRI-geographic focus and EKOS study – case study focus), we utilised a number of the financial proxies developed by CCRI. In view of the findings from our case study research, many of the financial proxies were fine-tuned (in many cases this involved a broadening of the indicator to allow for a wider number of projects to report against it) or changed financial proxies. We have also designed a few additional indicators, while on the other hand, some of the CCRI proxies were not used as they were less relevant.

**Counterfactual:**

- due to a number of issues particularly relating to a cost-efficient identification of data of rural businesses that have not been assisted by the RDPE, it was agreed to focus the counter-factual analysis on farm holdings only. This beneficiary group participates in the annual Farm Business Survey (FBS) including data on RDPE participation and it was thought that this was the most appropriate way forward to identify a close match with those farm holdings that participated in the EKOS survey;

- the first task was to identify the most accurate match of data fields between the CMEF terms used in the EKOS survey (the financial data to conduct the GVA calculation model prescribed by the CMEF) with those used in the FBS. At times – and particularly with regard to the CMEF terms, there was room for interpretation regarding the precise meaning and best match in relation to the FBS data fields;

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• we first cleaned the FBS Data. Here the main difficulty was matching up the available data with the n (n= project completion date) and n+2 (project completion date plus two years) periods of the survey data. This was challenging as only a proportion on the FBS data were cases which have been unassisted throughout the Programme Period; and

• a further issue arose with farms dropping into and out of the FBS due to a need to satisfy minimum size criteria (e.g. a small farm could be big enough to be included in the FBS one year, but not big enough the next year and therefore excluded. This could be followed by another year where the farm holding is big enough and therefore included, etc).

1.5 Structure of the Report

The remainder of this report is structured as follows:

• Chapter 2 summarises briefly the aims and objectives of the RDPE and its recent implementation context;

• Chapter 3 provides the findings of the business telephone survey and Economic Impact Assessment;

• Chapter 4 presents the key findings of the online survey with training beneficiaries;

• Chapter 5 summarises the findings from the community-based research and the case studies undertaken and the Social Impact Assessment; and

• Chapter 6 presents the conclusions of the study in line with the study objectives and outlines the recommendations to inform the ex post evaluation of the previous and implementation of the new Programme period.

There are a number of Appendices which should be read in conjunction with the main report. These include:

• Appendix A – Working Papers and Scoping Report informing the study method;

• Appendix B – Study Issue Papers;

• Appendix C - Detailed Findings of the Business Beneficiary Telephone Survey and Economic Impact Assessment;
• Appendix D – Detailed Findings of the Online Survey with Training beneficiaries;

• Appendix E – Case Studies presenting the 32 projects included in the community-based research;

• Appendix F – Economic Impact by Schemes and Beneficiary Groups; and

• Appendix G – Counterfactual Assessment.
2. Programme Context

2.1 Introduction

Chapter 2 provides a brief overview of the RDPE Programme in relation to the study and the CMEF logic models and its performance indicators. Appendix A (particularly Working Papers 1 and 3) is particularly relevant here for further and more detailed information that has provided the basis for the study design.

Chapter Summary

Chapter 2 briefly outlines the basic CMEF logic model which underlie the entire RDPE design and should also be reflected in any evaluation research. A further brief overview of the RDPE structure is given and those Measures which are included in the study are identified. The chapter continues to outline some of the factors that have informed the study, including the structural changes involving the RDA, the economic downturn, and relevance of acknowledging the importance of ‘safeguarded jobs’ in addition to the focus on ‘job creation’. Because GVA is calculated on the basis of a number of proxy models, the study included a number of alternative approaches which are presented in Appendix F. Finally, the chapter describes the difference between the current study remit (focus on social and economic impact only) to the much wider remit usually covered by an ex-post evaluation.

The study only consulted with beneficiaries of completed projects, i.e. projects that were completed by 2014. In addition, the grossing up of findings to total population numbers is based on the total number of completed projects.

2.2 CMEF Logic Models

The RDPE and all its individual Measures are based on a Logic Model prescribed by the Common Monitoring Evaluation Framework (CMEF) developed by DG Agri. The Logic Model starts off with presenting the various needs and objectives of a respective Measure (i.e. why the Measure is relevant for rural England), the amount of inputs allocated and type of support provided. It then relates a range of performance indicators to the various levels of objectives – as shown in Figure 2.1 (over).
A logic model suggests that the performance indicators should be monitored throughout the Programme period so that the investment of allocated resources can be assessed regarding its effectiveness and efficiency in achieving the Programme objectives.

By providing support it is expected that benefits will be generated for beneficiaries defined in terms of results (for example, an increase in GVA in assisted businesses) which reflect the Specific Objective such as improving the performance of agricultural holdings.

Finally, through improving the GVA performance of individual holdings and rural businesses, it is expected that impacts will be generated for the Programme Area (for example, net additional GVA) and these will contribute to the achievement of the Overall Objectives of the Programme for example, generating wealth for the Programme Area.

2.3 The RDPE

The RDPE 2007 – 2013 supports rural areas in a number of ways which recognise the connections between agricultural and economic development, environmental stewardship and community sustainability.

The RDPE is built around 4 “Axes” or objectives:

- **Axis 1** – improving the competitiveness of the agricultural and forestry sector;
Axis 2 – improving the environment and the countryside;

Axis 3 – Quality of Life in rural areas and diversification of the rural economy; and

Axis 4 – The LEADER approach to delivering Axis 1 and 3 Measures.

The current study had the objective to feed into the ex post evaluation of the 2007-2013 Programme and inform decisions on which actions should be prioritised in the new 2014-2020 Programme, better evidence is needed regarding the effectiveness of certain RDPE Measures and their return on investment.

An initial in-house review identified that Defra is in need of a robust evidence base regarding the impacts of Axes 1 and 3 Measures. The last national assessment of RDPE was carried out in 2010 as part of the Mid-Term Evaluation (MTE). Since then considerable change to the RDPE delivery landscape has occurred, i.e. the changes from a regional delivery by the Regional Development Agencies (RDA) to a more nationally consistent policy and delivery approach led by Defra.

The RDPE Axis 1 and 3 Measures that are included in the current study include the following:

- Axis 1 comprising Measures:
  - 111: Vocational training and information actions
  - 121: Modernisation of agricultural holdings
  - 122: Improving the economic value of forests
  - 123: Adding value to agricultural and forestry products
  - 124: Cooperation for development of new products, processes and technologies
  - 125: Infrastructure related to the development and adaptation of agriculture and forestry; and

- Axis 3 comprising Measures:
  - 311: Diversification into non-agricultural activities
  - 312: Support for the creation and development of micro-enterprises
  - 313: Encouragement of tourism activities
  - 321: Basic services for the economy and rural population
  - 322: Village renewal and development
  - 323: Conservation and upgrading of the rural heritage
  - 331: Training and information for economic actors operating in the fields covered by Axis 3.
2.4 Factors Informing the Study

The change from RDA involvement and the RDA level plans (Axis 3) for RDPE implementation and the now streamlined implementation model across England may have had implications for the effectiveness of Programme delivery. This could have particularly affected areas where the intervention approach has actually changed. In addition, the economic downturn will have led to certain difficulties in achieving expected targets such as in employment and GVA creation. These targets were agreed long before 2008 when economic conditions were more favourable.

Since 2008, however, the safeguarding of jobs in agriculture, forestry and rural businesses has become an overriding aim, in many instances safeguarding jobs has been the prime concern before new employment creation could even be envisaged. In consideration of this, the safeguarding of jobs through EAFRD investment should be acknowledged. However, CMEF indicators do not include this indicator consistently. It was agreed at the outset of the study to include ‘safeguarded jobs’ in the survey questions.

A further issue throughout Axis 1 and Axis 3 (and 4) implementation is the collection of result indicators such as the ‘GVA created’. Had this indicator be regularly monitored at a ‘gross’ level, it could have supported the impact assessment to some considerable extent. Unfortunately, the GVA results indicator has been difficult to ascertain by beneficiaries, and confusion over the precise method of collecting and calculating of the relevant financial constituents has hindered a meaningful monitoring and reporting of this indicator in most places. For this reason, the study incorporated a number of approaches to assess gross and net GVA created (via the number of jobs created multiplied by sector specific ONS ‘GVA per employee’ data) to assess the advantages and disadvantages of each EIA method. Appendix F provides the comparative findings.

Although not included in the range of CMEF impact indicators, the wider social impacts, particularly of those created through Axis 3 community-based interventions (i.e. the improvement of the Quality of Life (QoL) in rural communities) are important aspects to capture the ‘whole story’ of achievement and change created by the RDPE.
2.5 Study Limitations

The study brief specified that this research was specifically focused on calculating the impact of a number of selected Measures of the RDPE relating to Axis 1 and Axis 3 only. As such, this study does not represent a full evaluation exercise.

There are a number of areas covered by an ex-post evaluation which have not been part of the remit of this study, including:

- strategic and policy review (this type of review involves a detailed desk-based review of the RDPE and key strategies which have been implemented at the same time of the programme to identify the extent to which the various active strategies and funding programmes have complemented or duplicated each other. The desk-based review is usually accompanied by consultations with strategic stakeholders to gain their views on how programme performance can be put in context with wider policy and industry sector developments);

- programme management and governance (a full evaluation will review the key programme management systems and governance arrangement to establish how efficient and effective the programme was promoted, implemented, monitored and reported. This should include the review of systems and procedures complemented by consultations with programme and scheme managers);

- monitoring data review and assessment against performance targets (the review and analysis of the monitoring data that has been collected by the programme is of vital importance to an evaluation. This relates to all the required outputs and results and any additional performance indicators specified by the RDPE. The assessment of the outputs and results achieved against the relevant performance targets provides an important indication of the effectiveness of the Programme); and

- budget allocations and financial performance of the overall RDPE (an evaluation will include the analysis of the detailed financial allocations, all changes that have occurred during the programme period and spend over time to assess if the programme was designed in line with the actual demand).
Although the current impact study has not included the above, the findings of this research should substantially inform the forthcoming ex-post evaluation of the RDPE by representing much of the primary research and impact assessment which an evaluation should include.

The study only consulted with award recipients/beneficiaries of completed projects, i.e. projects that were completed by 2014. In addition, the grossing up of findings to total population numbers is based on the total number of completed projects.
3. Findings and EIA of Business Beneficiaries

3.1 Introduction

This Chapter provides a summary analysis of a telephone survey which was undertaken with 603 businesses who received grant support through Axis 1 or Axis 3 of the Defra RDPE 2007 – 2013 Programme. This represents a response rate of 5.6% of all viable beneficiary contacts forwarded to the study team by Defra and the Forestry Commission.

A full analysis of the survey is provided in Appendix C; the Economic Impact Assessment, which has been undertaken on the basis of the survey findings is presented in Appendix F; and the Counterfactual assessment is reported in Appendix G.

Chapter Summary

Chapter 3 presents the key findings of the survey with business recipients of RDPE funding under Axis 1 and Axis 3. Farm holdings, forestry holdings and other rural businesses were the key target groups of the selected Measures. The chapter starts by comparing the surveyed sample with the total beneficiary population whereby each region is represented in the survey fairly evenly, with a slight over-representation of the South West, North West and South East, which account for a combined 53% of respondents.

The findings of the telephone survey can be regarded robust at Axis and Programme level.

After providing the key characteristics of the surveyed sample of beneficiaries (352 farm holdings, 39 forestry holdings, and 209 rural businesses), a brief analysis of their extent of diversification (only 34% generated their turnover from more than one business activity) is presented.

It is worthwhile noting that respondents from Axis 1 reported higher employment gains than Axis 3 beneficiaries over the observed programme period of n (completion year) and n+2 (two years after completion).
The main part of Chapter 3 analyses the reported impacts. Here the survey found that the majority of beneficiaries reported increased/sustained sales (77% of respondents), and 70% were able to increase/sustain employment. Only six respondents reported that they had no impact whatsoever. 99% however, reported to have observed at least one or more, wider business impacts, as well as positive impacts on animal health/welfare and environmental impacts.

Two-thirds of businesses indicated that they had developed either a new product, service or technique as a result of RDPE investment. Fewer respondents reported the development of any equivalent innovative outcomes though. Here, a confusion of terminology and lack of clarity in defining the terms was noted by the interviewers.

Further findings include the costs/time taken for implementation and if the RDPE support contributed in any way to the promotion of gender equality (here, many beneficiaries were confused and unable to understand why their project should have had any relevance to this topic).

Although the detailed Economic Impact Assessment is provided in Appendix F, a summary table presents the key findings. Grossed up to programme level, it is estimated that between 9,600 – 9,950 new net FTE jobs have been created through RDPE project activity, representing a Return on Investment of £1.72:1 to £1.78:1 based on total project costs. In terms of unit costs by RDPE award, the EIA estimates that each net job cost between £27,500 to £28,500.

Finally, the chapter summarises the findings of the counterfactual assessment presented in detail in Appendix G. The study applied the Propensity Score Matching (PSM), which is a staged approach in which statistically-based matching techniques are first applied to enable closer matching of “supported” and “unsupported” cases. Generally, the results of the counterfactual analysis are supportive of a positive effect from RDPE support. For two time periods investigated, “2010 to 2012” and “2011 to 2013” the data imply a positive effect from support on GVA performance, although the scale of this effect is sensitive to the exact matching procedure employed (however only in one case was the difference between the two groups significant at normal levels of statistical confidence).
3.2 RDPE Programme Context

Telephone surveys were undertaken with businesses who had received support through a select number of Measures under each Axis (excluding Measures for training, and community-based development). Table 3.1 (over) provides a breakdown of responses by Axis and Measure, and how this compares to the split of the overall number of RDPE supported projects.

Table 3.1: Breakdown of Respondents Compared to the Distribution of the Overall RDPE Population in the relevant Measures

<table>
<thead>
<tr>
<th>Measure 121</th>
<th>Survey Respondents</th>
<th>RDPE award recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of surveyed respondents</td>
<td>% of total survey respondents</td>
</tr>
<tr>
<td>Measure 121</td>
<td>174</td>
<td>29%</td>
</tr>
<tr>
<td>Measure 122</td>
<td>15</td>
<td>2%</td>
</tr>
<tr>
<td>Measure 123</td>
<td>91</td>
<td>15%</td>
</tr>
<tr>
<td>Measure 124</td>
<td>2</td>
<td>0.3%</td>
</tr>
<tr>
<td>Measure 125</td>
<td>53</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Axis 1 Total</strong></td>
<td><strong>335</strong></td>
<td><strong>56%</strong></td>
</tr>
<tr>
<td>Measure 311</td>
<td>100</td>
<td>17%</td>
</tr>
<tr>
<td>Measure 312</td>
<td>118</td>
<td>20%</td>
</tr>
<tr>
<td>Measure 313</td>
<td>50</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Axis 3 Total</strong></td>
<td><strong>268</strong></td>
<td><strong>44%</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>603</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

N.B. Measure totals may not sum to Axis totals due to rounding errors.

The distribution of responses by Measure was largely in keeping with the distribution of the overall population. There was a more even split between Axis 1 and Axis 3 businesses in the survey, however, the former still comprised the majority of respondents. Whereas those supported under Measure 121 were underrepresented and those supported under Measure 123 over-represented in the survey in comparison to their distribution in the overall population.

The geographic breakdown of survey respondents is outlined by Axis in Appendix C. Although each region is represented in the survey fairly evenly, there is a concentration of respondents among the South West, North West and South East, which account for a combined 53% of respondents.
In comparison with the distribution of the overall population of EAFRD recipients, there are slight discrepancies with the South West under-represented by 6%, and the South East and Eastern regions over-represented (by 5% and 4% respectively).

Table 3.2: Geographic Distribution of Respondents and Overall Population

<table>
<thead>
<tr>
<th>Region</th>
<th>% of respondents</th>
<th>% of overall population</th>
</tr>
</thead>
<tbody>
<tr>
<td>South West</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>North West</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>South East</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>North East</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>Eastern</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>East Midlands</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Yorkshire and Humber</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3.3 Project Cost and Intervention Rates

The total cost of overall beneficiary population projects is c £850m, with the total cost of respondent projects in the survey summing up to £130.7m representing 15% of the total project cost figure.

In terms of grant award, the total of RDPE grants awarded to the overall beneficiary population was c £320m. The sum of all survey respondents was reported at £48.6m, again, representing 15% of the total.

The RDPE awards of the surveyed projects ranged in size from £134 to £4.4m. The intervention rate of RDPE funding ranged from 12% to 100% - the average) was 44%.

Regarding the EAFRD awards of the surveyed projects, over two-thirds of RDPE awards (69%) went to projects supported under Axis 1. The mean size of grant awarded was £20,563, whereby Axis 3 projects received slightly larger grant awards (£24,427) than Axis 1 (£17,535).

Of the 603 surveyed projects, there were 79 awards of at least £100,000 (14%) and seven (1%) of at least £1m (all of which were Axis 1 projects).

A 100% intervention was reported in five instances.
3.4 Characteristics of Surveyed Projects

3.4.1 Project Length

There was a gradual increase in the number of projects starting as the RDPE Programme period commenced and up to 2010, then peaking in 2012 and dropping considerably towards 2014.

The majority of surveyed projects – 479, 80% - took up to one year to complete, as Figure 3.1 shows. Appendix C presents the completion years, whereby project completion dates peaked in 2013 and continue into 2015 (no final data are therefore available yet).

Figure 3.1: Project Length

3.4.2 Beneficiary Type

The majority of surveyed beneficiaries were farm holdings (352 - 58%). This was particularly true of businesses supported under Axis 1 (74% of whom were farm holdings).

By adding the 39 forestry respondents (65% of projects were either farm or forestry holdings), the survey engaged with 391 farm/forestry holdings with a combined land size of 76,150 hectares. This accounted for 78% of all land owned by project beneficiaries.
In 71% of cases, the RDPE project related to the entire farm/holding which beneficiaries owned.

A total of 209 respondents identified themselves in the survey as a rural business (other than farm and forestry holding) or ‘other’ (mostly tourism operators and retail) representing 35% of all survey respondents. Their proportionate share of respondents was much higher in Axis 3 (56%) than in Axis 1 (17%).

**Figure 3.2: Beneficiary Type by Axis**

<table>
<thead>
<tr>
<th>Beneficiary Type</th>
<th>Axis 1</th>
<th>Axis 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm holding</td>
<td>246</td>
<td>106</td>
<td>352</td>
</tr>
<tr>
<td>Forestry holding</td>
<td>29</td>
<td>10</td>
<td>39</td>
</tr>
<tr>
<td>Business (other than farm or forestry holding)</td>
<td>56</td>
<td>114</td>
<td>35</td>
</tr>
<tr>
<td>Intermediary (training agent)</td>
<td>4</td>
<td>3</td>
<td>39</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>3</td>
<td>39</td>
</tr>
</tbody>
</table>

N= Total - 603; Axis 1 – 335; Axis 3 – 268. N.B – Figures for each Axis and total amount to 100%, split by respondent type – the same type across each Axis will not total to 100%.
3.4.3 Business Activity

Table 3.3 sets out the types of business activities that survey respondents identified.

<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of respondents active in this area</th>
<th>Instances of beneficiaries that draw 100% of their turnover from one sector only</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of beneficiaries that are non-diversified</td>
</tr>
<tr>
<td>Agricultural Production</td>
<td>339</td>
<td>176</td>
</tr>
<tr>
<td>Agricultural Services</td>
<td>129</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>132</td>
<td>85</td>
</tr>
<tr>
<td>Tourism</td>
<td>90</td>
<td>45</td>
</tr>
<tr>
<td>Food Production</td>
<td>54</td>
<td>36</td>
</tr>
<tr>
<td>Forestry Production</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Forestry Services</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>393</strong></td>
<td><strong>35%</strong></td>
</tr>
</tbody>
</table>

N = 594, Multiple responses possible.

Almost four-fifths of businesses participating in the survey generated at least some of their turnover through Agricultural Production (339) and/or Services (129). In comparison, the smallest sector of engagement was Forestry with a total of 12% of surveyed businesses generating turnover through either Forestry Production (50) or Services (26). However, Agricultural and Forestry Production and Services was an activity identified by 92% (544 of 594) of the businesses participating in the survey.

The majority of survey respondents (393 - 66%) generated 100% of their income solely from one sector. This was most dominant in the area of Food Production (67% of all respondents active in this area did this exclusively) and in Agricultural Production, just over half (52%) of respondents active in this area. Indicating that the degree of diversification in these sectors was relatively smaller to the other business sectors queried.

Overall a fifth (132 of 594) of businesses identified ‘other’ as one of their activity. This included primarily, arts and creative industry (8), property and lettings (8), farm/community shops (7) and horticulture (6), amongst other activities. Quite a large extent of respondents in this category (64%) worked in this area drawing 100% of their income from one sector, again indicating that the level of diversification is relatively low.
The type of business activity undertaken by business type is as expected in some cases – e.g. a majority of those involved in Agricultural Production or Services are farm holdings. Businesses other than farm/forestry holdings generate turnover through a range of activities – particularly in terms of Food Production and ‘other’ sectors.

There is a close link between those generating turnover through Tourism and Agriculture Production (71% involved in Tourism are also involved in Agricultural Production) – this is also a common activity for those involved in Food Production and other activities (53% in each case).

3.4.4 Employment Levels and Costs

Employment Levels

Businesses employed a total of 7,638 staff in the start year of their project, with this rising by 10% to 8,408 by two years after project completion. All businesses under Measures 121, 123, 311, and 312 showed an increase in employment over the same period, with businesses supported under Measures 123 and 311 reporting particularly strong increases (52% and 38%, respectively).

These changes in employment were split relatively evenly by employment type, with 34% of this increased employment on a part-time basis, and a further 26% in full-time employment. Full-time employment is the primary employment status both in year of project start, and in the two years after completion; however, it does decrease from 60% to 56% of total employment over this period.

Those beneficiaries employing no staff decreased from 4% to 3% between project start and two years after completion.

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6 N.B. This increase is observed independently of the RDPE award at this stage.
Salaries and Wage Costs over Time

The increases in employment as detailed above yielded a substantial increase in salaries – whereas employment increased by 10% between project start and two years after completion, salaries and wage costs increased by 31% to £97.3m. Employees of beneficiaries supported under Axis 1 account for 66% of these costs, and these businesses also reported greater increases than businesses supported under Axis 3.

As Figure 3.4 shows, rural businesses other than farm/forestry holdings had the highest average salary costs two year after completion (at the n+2 stage) (£113,458) – this was significantly higher than forestry holdings and intermediaries.
3.4.5 Market Demand

There was a general consensus that market demand for product/services was growing – 62% reported this – and this was stronger among Axis 3 businesses than Axis 1.

Those reporting a decrease largely pointed to demand for livestock/milk as the reason for the decrease, which was particularly an issue for businesses in the South West and Yorkshire and Humber regions, who each accounted for a disproportionately high share of all businesses reporting a decline. It should be noted that several businesses did report an increase in demand for livestock/milk.

3.5 Results and Impacts as Perceived by Survey Respondents

Most respondents directly benefitted through the support, particularly in terms of increasing and sustaining sales and employment. The RDPE awards supported:

- 377 beneficiaries (63% of all interviewees) increased sales (Axis 1: 213; Axis 3:163);
- 81 beneficiaries (14% of all interviewees) sustained their sales (Axis 1: 31; Axis 3:50);
- 220 beneficiaries (37% of all respondents) increased employment (Axis 1: 115; Axis 3: 104); and
- 197 beneficiaries (33% of respondents) sustained employment levels (Axis 1: 92; Axis 3: 105).

Figures 3.5 and 3.6 set out the overall breakdown of those who experienced benefits of any kind. The majority of respondents (473, 78%) experienced both economic and wider impacts, with a further 20% experiencing wider impacts only – just six respondents experienced no benefits of any kind.
Figure 3.6: Types of Benefits Experienced

Table 3.4 provides further information, broken down by Axis. A similar proportion of respondents across each Axis reported that they had experienced largely similar types of benefits – e.g. 81% of Axis 1 beneficiaries enjoyed benefits of both types, compared to 75% of Axis 3 beneficiaries. Only one Axis 1 beneficiary experienced no impacts, and no respondents under this Measure enjoyed only economic impacts.

Table 3.4: Benefits Experienced, by Axis

<table>
<thead>
<tr>
<th></th>
<th>Axis 1</th>
<th>Axis 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wider Impacts only</td>
<td>63</td>
<td>58</td>
<td>121</td>
</tr>
<tr>
<td>Economic Impacts only</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Both Wider &amp; Economic Impacts</td>
<td>271</td>
<td>202</td>
<td>473</td>
</tr>
<tr>
<td>No impacts</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>335</td>
<td>268</td>
<td>603</td>
</tr>
</tbody>
</table>

The impacts enjoyed were largely even across both Axis 1 and Axis 3, however, there were some differences between Measures – those supported under Measure 123 and 311 enjoyed a large number of impacts for both sales and employment (they also received on average much larger grants), whilst those supported under Measures 121 and 312 accounted for higher proportions of those experiencing no benefits (this group received on average much smaller RDPE grants).
The increased employment totals 1,226, with an average employment increase of 3.2 per beneficiary who reported increased employment. Those jobs created under Axis 1 accounted for 63% of the total amount of increased employment. At the same time there was a tendency to employ more part time, seasonal, and casual workers rather than full time staff.

Farm holdings accounted for 74% of all respondents with sustained sales and 72% of those sustaining employment – this despite accounting for 58% of all respondents, thereby displaying a disproportionately high share of sustained sales and employment. Businesses other than farm/forestry holdings were the most likely to report increased employment, accounting for 49%. These businesses did, however, also account for a disproportionately high number of those experiencing no benefits (39%), yet they account for just 28% of all respondents.

Most of the increased employment was created around ‘off-farm’ activity (66%), and of the increased number of employees, more were male than female (55% to 45%).

3.6 Deadweight Analysis

Deadweight considers (in this case) the benefits that would still have occurred if public sector support was not provided i.e. the counterfactual.

3.6.1 Employment Benefits

Of those who experienced employment benefits, the survey results suggest that 37% of all respondents would not have experienced these in the absence of RDPE support (Axis 1, 24% and Axis 3, 54% would not have experienced any employment benefits).

Axis 3 respondents generally attributed the majority of impacts to the support (only 9% said they would have generated all or the majority of employment benefits in the absence of support).

Axis 1 beneficiaries participating in the survey, just under one-quarter (24%) of respondents indicated that they would not have experienced any specific economic benefits (employment or sales) in the absence of support, however, 29% would have experienced the majority of effects in the absence of support – Figure 3.7.
Those survey respondents who indicated that all employment benefits would have happened anyway were asked to indicate how much earlier they had been achieved as a result of engaging with the support. Responses ranged from six months to seven years, and the median responses was 12 months.

### 3.6.2 Sales Benefits

The proportion of those attributing sales benefits experienced to the RDPE support was typically greater, with 41% of all beneficiaries indicating that no benefits would have happened in the absence of support – 53% of Axis 3 beneficiaries reported this, compared to 31% of Axis 1 respondents. One-quarter of Axis 1 respondents reported that the majority of benefits would have happened anyway, considerably higher than the 7% of Axis 3 respondents who suggested this.

Only 8% of all beneficiaries suggested all sales impacts would have occurred anyway, being slightly higher for Axis 1 respondents than Axis 3 (10% compared to 6%) – Figure 3.8.
In those cases where sales benefits occurred earlier, responses ranged from six months to five years earlier, with a median response of 12 months.

### 3.6.3 Wider Business Impacts

For a small number of businesses (16 – 3%), the RDPE funded activity meant that they had cancelled or postponed a planned activity. This was typically due to the RDPE project tying up resources which could not then have been used elsewhere. This indicates that the RDPE had only little substitution effects at beneficiary level, i.e. RDPE outputs were additional and did only replace other outputs from being created in 16 cases. A number of responses are listed below:

- I put off spending money on cow mats;
- a lot of capital goes into applying and implementing the funding therefore the business had less capital to spend on other projects;
- we put off other activity on the farm holding (3 responses);
- investment in solar energy was delayed;
- we were going to get new sawmill machinery but the finances wouldn't prevail, the project was put on the back burner whilst we concentrated on the RDPE funded one;
• turned down agricultural service work to do forestry related projects;

• normal day to day admin duties had to be postponed;

• may have invested more in orchard planting, we delayed this; and

• delayed some of the ecological activities, working with universities.

The support had a significantly positive effect across a number of economic factors, particularly in relation to quality standards, quality of output, and introduction of new technologies, with 85%, 84%, and 85% of respondents reporting a positive change in these terms.

The support also led to a positive change across a range of wider indicators, with almost all (96%) reporting that they had enjoyed a positive impact in terms of the sustainability of their business, and 90% experiencing a similar impact on the competitiveness of their business.

It should be noted that for both economic and wider impacts, a number of respondents reported that the support had created no change. Whilst not as bad as a negative change, this could be considered something of a negative outcome – i.e. if the support has had no impact, then perhaps business time and resources, as well as RDPE funding could have been better utilised elsewhere? As shown in Section 3.5.10 in further detail, there were six respondents who reported neither sales, employment nor wider impacts.

3.6.4 Impact on Animal Health/Animal Welfare

For just over one-third of businesses (36%), their RDPE supported project involved an animal health or animal welfare issue – these projects were almost entirely (99%) supported under Axis 1, and the majority of projects related to both animal health and animal welfare issues.

The most common types of projects were:

• animal health:
  o project helped reduce occurrence of illness/infection among animals (43%)
  o beneficiaries able to monitor animal health more efficiently (32%)
  o projects helped prevention of common injuries (31%); and
animal welfare:
  o helped reduced occurrences of illness/infection (30%)
  o increased ability to monitor health more efficiently (27%)
  o increased prevention of common injuries occurring (27%).

3.6.5 Environmental Factors

The RDPE funding had a largely positive impact on business performance in an environmental sense – similar in scale to business impacts experienced (see above). This was particularly true in terms of improving sustainable land management (82%) and reducing greenhouse gas emissions (70% reported a positive change). These two impacts had a higher rate of identification among Axis 1 businesses than Axis 3 businesses (55% compared to 31% for sustainable land management, and 46% compared to 29% for reduced greenhouse gas emissions).

There were eight respondents that reported negative environmental impacts due to RDPE investment, who received funding under Measures 121 (4), 125 (2) and 312 (2). These were mainly farm holdings (5), two rural businesses, and one forestry holding. From the type of project they were implementing (weighing crates for sheep, production of wood products, and water irrigation systems) it is not entirely clear how the negative impact came about.

3.6.6 Further Analysis of Respondents Not Experiencing Sales or Employment Impacts

Although one-fifth (127) of respondents indicated that they had no impacts in terms of sustaining or creating new sales or employment from RDPE support, the vast majority of them reported less quantifiable, but positive impacts in terms of a range of business factors. Half of this group estimated that their markets were growing or growing strongly. The majority of this group are farm holdings and forestry holdings (60 and 10 respondents respectively) and 49 rural businesses.

Figure 3.9 shows that 96 of the 127 felt that their business was now more sustainable than before the RDPE award and that this was due to the grant award. The improvement of their competitiveness and in the quality of their operations and outputs was also noted by the vast majority of respondents; nevertheless they felt that these positive changes did not lead to increased sales or employment in any way.
In total there were only six respondents who indicated that the RDPE award had had absolutely no impact, either in a business or environmental aspect. Five of those were rural businesses (child minder, heating engineer, tourism operator, and two ‘rural micro businesses’) funded under Measures 312 and 313. The remaining one was a farm holding with livestock funded under FFIS in Measure 121.

3.6.7 New and Innovative Processes

Two-thirds of businesses indicated that they had developed either a new technique, product, or service as a result of the RDPE investment, broken down as follows:

- new techniques – 174 (30%) (Axis 1: 133; Axis 3: 41);  
- new products – 153 (27%) (Axis 1: 60; Axis 3: 92); and  
- new services – 121 (21%) (Axis 1: 33; Axis 3: 88).
Businesses often developed a combination of at least one of these types of features. Businesses supported under Axis 3 were more likely to develop new products or services than Axis 1 beneficiaries, who were more likely to adopt new techniques. This difference between Axes was largely driven by businesses supported under Measures 121 and 311.

Table 3.5 (over) outlines information on the new products, services and techniques developed. Common benefits were around product/service diversification and better practices, typically leading to increased turnover and reduced operating costs.
Table 3.5: Information on New Products, Services and Techniques Developed

<table>
<thead>
<tr>
<th>New Products developed</th>
<th>New Services developed</th>
<th>New Techniques developed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td><strong>Description</strong></td>
<td><strong>Effect on business</strong></td>
</tr>
<tr>
<td>• Number of respondents who developed products: 153</td>
<td>• new types of food/drink (31%)</td>
<td>• increased profit/turnover (21%)</td>
</tr>
<tr>
<td>• Range of responses: 1 to 50 products</td>
<td>• new retail products (17%)</td>
<td>• reduced operating costs (14%)</td>
</tr>
<tr>
<td>• Mean: 3.4 per business</td>
<td>• energy efficiency products (13%)</td>
<td>• diversified products they offer (10%)</td>
</tr>
<tr>
<td></td>
<td>• new technology products for operational use (12%)</td>
<td>• generally positive impact (9%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Number of respondents who developed services: 121</td>
<td>• other agricultural services (25%)</td>
<td>• increased profit/turnover (28%)</td>
</tr>
<tr>
<td>• Range of responses: 1 to 23 services</td>
<td>• tourist infrastructure (18%)</td>
<td>• generally positive impact (26%)</td>
</tr>
<tr>
<td>• Mean: 1.6 per business</td>
<td>• food and drink (13%)</td>
<td>• diversified they services they provide (12%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Number of respondents who developed techniques: 174</td>
<td>• better handling/treatment of livestock (32%)</td>
<td>• implemented more efficient staff procedures (53%)</td>
</tr>
<tr>
<td>• Range of responses: 1 to 20 techniques</td>
<td>• better agricultural practices (30%)</td>
<td>• reduced operating costs (44%)</td>
</tr>
<tr>
<td>• Mean: 1.4 per business</td>
<td>• better healthcare of livestock (15%)</td>
<td>• implemented safer procedures of working with animals (15%)</td>
</tr>
</tbody>
</table>

Further, there is a clear link between those who had experienced no business impacts and those indicating that developing new products, services, or techniques was not relevant, with 51% who experienced no benefits stating this.

Fewer respondents indicated that they had developed any innovative features, with 74% indicating that innovative features were not relevant. Of those who did, the most popular features were innovative techniques (9%), and innovative products and innovative processes (8% each). Those supported under Axis 3 typically had a higher level of identification with each innovative feature than Axis 1 businesses – again this was largely driven by those supported under Measure 311 (‘diversification into non-agricultural activities’).
Table 3.6 sets out overview details of the innovative features developed, with these benefits largely allowing for operating costs to be reduced, and increased business efficiency.

Table 3.6: Information on Innovative Processes, Services or Products

<table>
<thead>
<tr>
<th>Innovative products developed</th>
<th>Innovative services developed</th>
<th>Innovative techniques developed</th>
<th>Innovative procedures developed</th>
<th>Innovative delivery developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of respondents who developed products: 46</td>
<td>No. of respondents who developed services: 39</td>
<td>No. of respondents who developed techniques: 49</td>
<td>No. of respondents who developed procedures: 44</td>
<td>No. of respondents who developed delivery: 8</td>
</tr>
<tr>
<td>Range: 1 to 10</td>
<td>Range: 1 to 4</td>
<td>Range: 1 to 3</td>
<td>Range: 1 to 5</td>
<td>Range: 1</td>
</tr>
<tr>
<td>Mean: 2.2 per business</td>
<td>Mean: 1.1</td>
<td>Mean: 1.3</td>
<td>Mean: 1.2</td>
<td>Mean: 1</td>
</tr>
</tbody>
</table>

Effect on business

- reduced operating costs (28%)
- increased turnover/ profit (17%)
- positive impact (18%)
- able to diversify services (13%)
- entered new markets (13%)
- increased efficiency of business (29%)
- reduced operational costs (16%)
- better use of waste (18%)
- more efficient business (16%)
- increased environmental impact (40%)
- increased efficiency (40%)

3.6.8 Costs/Time Taken for Implementation

The majority of respondents indicated that their staff had spent some time across all areas of applying for and implementing the RDPE award - particularly at the reporting and claiming stage, where 93% of all businesses reported staff activity. Businesses under Axis 3 reported that their staff were more active across all stages than Axis 1 businesses, with all Axis 3 businesses reporting that their staff were involved at the reporting and claiming stage.

A smaller number of businesses made use of external advisors/consultants to assist with the RDPE process, ranging from 10% at the reporting/claiming stage, to 31% during the application.

For both hours of staff input and spend on external consultants, the majority of resources were concentrated at the implementation stage. On average, 84 days of respondent staff time were used across all three stages (applying, implementation and reporting/claiming), with the majority (69%) used at the implementation stage.
Similarly, an average project used £21,660 on external consultants, with 56% spent at the implementation stage.

Table 3.7 provides a full overview of the resources committed at this stage.

Table 3.7: Values of Days Spent by Staff/Time by Consultants on RDPE Project

<table>
<thead>
<tr>
<th></th>
<th>Applying for funding</th>
<th>Implementation</th>
<th>Reporting / claiming</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff</strong></td>
<td>Range: 0.125 to 365 days</td>
<td>Range: 0.5 to 1,095 days</td>
<td>Range: 0.04 to 800 days</td>
</tr>
<tr>
<td></td>
<td>Mean: 17.6 days</td>
<td>Mean: 61.5 days</td>
<td>Mean: 5.1 days</td>
</tr>
<tr>
<td></td>
<td>Median: 5 days</td>
<td>Median: 10 days</td>
<td>Median: 1.5 days</td>
</tr>
<tr>
<td><strong>External consultants</strong></td>
<td>Range: £45 to £73,152</td>
<td>Range: £50 to £150,000</td>
<td>Range: £45 to £15,000</td>
</tr>
<tr>
<td></td>
<td>Mean: £3,900</td>
<td>Mean: £16,500</td>
<td>Mean: £1,260</td>
</tr>
<tr>
<td></td>
<td>Median: £1,000</td>
<td>Median: £5,000</td>
<td>Median: £500</td>
</tr>
</tbody>
</table>

N.B. Values provided in months have been counted as units of 30 days. Where ranges were provided, the mid-point was calculated and used as the value for each entry. The cut-off values for outliers were 90 days and £18,000, respectively.

3.6.9 RDPE Contribution to the Promotion of Gender Equality

A majority of respondents (65%, 364) felt that questions relating to gender promotion were not relevant to their project. Further, of those who did respond, 103 (53%) indicated that the RDPE project had made no change on the promotion of gender equality.

A majority of Axis 1 businesses (53%) did indicate that the project had a positive impact on the promotion of gender equality, however in overall terms, it could be considered that RDPE support had a limited impact in this regard.

It should be noted that it is likely that many of the RDPE schemes might not have indicated clearly enough that the promotion of gender equality was a cross-cutting objective of the Programme. Therefore, a large number of respondents could not identify any relevance of their funding award towards gender equality. At times, respondents were even annoyed to have been asked this question.
3.6.10 Measure 313 Specific Question

At the time of the study, a total of 703 beneficiaries had completed their project under Measure 313 ‘encouragement of tourism activities’, of which 50 participated in the survey. In addition to the tourism investments funded under Measure 313, additional tourism related activities were supported through many community-based projects under Measures 321, 322, and 323 as some of the case studies in Appendix E demonstrate.

Those survey respondents who had received support through Measure 313 were asked an additional number of questions relating specifically to tourism developments (i.e. increases in day visitors and overnight visitors). Of the 50 surveyed beneficiaries, 41 respondents answered these additional questions (82%).

The findings indicate that the majority of visitors attracted to the funded projects are day visitors (62% in the year of project start, rising to 69% in the two years after completion). The overall number of visitors is expected to increase by 23% (303,603 visitors) by two years after project completion, taking the total to 1,647,888 visitors in total.

However, the findings indicate that tourism businesses were largely unfamiliar with monitoring visitor numbers and, in most cases, did not know how their new activity/business improvement contributed towards increasing the number of overnight visitors. Also, many respondents were hesitant or unable to quantify the relevant indicators. In this context, it should be noted that Defra is considering issuing advice that will emphasise the need for monitoring, including the establishment of a baseline, and clarifying key terms regarding performance measurement.

3.6.11 Additional Comments

A number of respondents (88, 15%) provided additional comments. These included:

- the support package was good (28% of those who provided additional comments);
- Defra staff were very helpful and supportive (11%);

7 It is expected that this figure will increase over the next months in line with further project completing.
8 These figures should be put in context to the relevant data collected and monitored by Defra, which currently estimate that the additional overnight stays created through all Measure 313 funded activity will account for 1.2m overnight stays and 5.7m day visits. As the study sample only represents 6% of all completed projects, no robust grossing up can be undertaken.
3.7 Economic Impact Assessment

Appendix F presents the detailed method and findings from the Economic Impact Assessment (EIA) undertaken to assess the benefits and impacts generated through the RDPE support Programme across a range of Measures, as highlighted below:

<table>
<thead>
<tr>
<th>Axis 1 Measures:</th>
<th>Axis 3 Measures:</th>
</tr>
</thead>
<tbody>
<tr>
<td>121</td>
<td>122</td>
</tr>
<tr>
<td>123</td>
<td>124</td>
</tr>
<tr>
<td>125</td>
<td>311</td>
</tr>
<tr>
<td>312</td>
<td>313</td>
</tr>
</tbody>
</table>

Please note that for Measure 124 only three beneficiaries were surveyed. However, there are a number of missing values required to feed into the EIA, therefore, there are no results or impacts reported against this Measure.

The approach to assessing the result and impacts indicators (economic impacts) is based on CMEF guidance and is summarised in Working Paper 1 in Appendix A.

The gross to net calculations have been undertaken as further detailed in Appendix F:

Assessing Additionality

The gross impacts of an intervention (i.e. what has changed over the reported time period) do not capture the true extent of its impact on the economy, it is therefore important to consider the net impact (i.e. what has changed as a direct result of the intervention, and the wider effect on the economy).

Converting gross to net impact is the process of adjusting the gross impacts from an intervention to net impacts by allowing for deadweight, displacement, leakage, and multiplier effects.

---

9 CMEF guidance is available at: http://ec.europa.eu/agriculture/rurdev/eval/index_en.htm
The process for moving from gross impact to net impacts is defined by the CMEF as follows:

**Figure 3.11: Moving from Gross to Net Impacts**

**Deadweight** refers to the benefits and costs of an intervention that would still have occurred if public sector support was not provided.

**Displacement** is the negative effects on non-beneficiaries which arise because an intervention has generated positive outcomes for beneficiaries. This occurs due to increased competition in the markets in which beneficiaries participate.

**Leakage** is the proportion of gross impacts that accrue outside the target region i.e. England.

**Multiplier effects** refer to the impacts associated with additional purchases of inputs from suppliers based in the target area (supplier linkages) and additional consumption expenditure on goods and services of those employed via direct and supplier linkage effects (income multipliers).

**Tables 3.8 and 3.9** (over) presents the key findings of the EIA. It should be noted that only the findings at Programme and Axis level are presented due to their more robust representational value for the gross population of the RDPE. It should also be noted that for some survey respondents the time period \( (n+2) \), i.e. two years following project completion, is in the future. These respondents were requested to estimate their relevant financial business figures, hence the title of some of the columns refers to ‘has/will be’.
Table 3.8: Grossed Up Net Result Indicators at Programme and Axis 1 and Axis 3 Level

<table>
<thead>
<tr>
<th>At Programme level</th>
<th>Axis 1</th>
<th>Axis 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result Indicators: Increase in GVA (agricultural/non-agricultural)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the period from project start date to N+2, the RDPE is estimated to generate an increase in gross GVA of €892m (+36%). In the two year period since project completion, the Programme has supported an increase in gross GVA of c. €448m (+15%).</td>
<td>Between the period project completion and N+2, beneficiaries supported through Axis 1 have increased their GVA by €242m (+10%) – the majority of this increase has been generated by beneficiaries supported through Measure 121. Measure 125 appears to have had a negative impact on supported beneficiaries – resulting in decreased levels of GVA.</td>
<td>Since project completion and N+2, beneficiaries supported through Axis 3 have increased their GVA by €203m (+30%), with Measure 311 making the largest contribution.</td>
</tr>
<tr>
<td><strong>Result Indicators: Jobs Created</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the period between the project start and N+2 years there has/will be an increase in gross FTE employment of 16,750 jobs. This represents growth of c. 25% (based on the change in survey data).</td>
<td>Gross FTE employment within Axis 1 supported beneficiaries has/will increase by 4,800 jobs (+9%) over the period between the project completion and N+2 years. This has been driven in the main by Measure 123 and 121.</td>
<td>Gross employment growth across Axis 3 was less pronounced in terms of absolute numbers over the project completion to N+2 years period, with change in employment estimated at 3,700 jobs (+15%). Measure 312 accounted for a large proportion of this growth.</td>
</tr>
<tr>
<td><strong>Result Indicators: Gross Employment Created or Sustained under Axis 3</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n/a</td>
<td>n/a</td>
<td>Across Axis 3, the support has helped to create/safeguard 11,400 new FTE jobs (+34%) that can be directly attributed to the RDPE. Almost 100% of the jobs created under Axis 3 have been attributed directly to the support (survey data shows that 446 jobs are attributed directly) = very high additionality</td>
</tr>
<tr>
<td><strong>Result Indicators: Change in the Number of Tourists</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n/a</td>
<td>n/a</td>
<td>Please note that due to the small sample size that answered this question (18 responses) and considerable variance between individual beneficiary responses we have not grossed up these results and have presented the baseline sample data only.</td>
</tr>
</tbody>
</table>
### Table 3.9: Grossed Up net impact indicators at Programme and Axis 1 and Axis 3 level

<table>
<thead>
<tr>
<th>At Programme level</th>
<th>Axis 1</th>
<th>Axis 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Indicator: Net Economic Growth</td>
<td>Measure 123 and 121 are estimated to make the greatest absolute contribution to this increase in net GVA. Over the period project completion to n+2 the increase in net GVA is €302m to €309m (+8%)</td>
<td>Over the period project completion to N+2 the net GVA increase across Axis 3 are €186m, representing growth of +36%</td>
</tr>
</tbody>
</table>

| Impact Indicator: Net Employment Creation | Over the period project completion and end dates N+2 years, the RDPE Programme is estimated to create 9,600 to 9,950 new net FTE jobs (+11%). The vast majority of employment impacts are delivered by beneficiaries supported through Axis 1 (c.75% of all net employment impacts), this contrasts with 63% of all economic growth impacts | Over the period project completion and end dates N+2 years, the RDPE Programme is estimated to create 2,900 new net FTE jobs (+11%). |

| Impact Indicator: Labour Productivity<sup>10</sup> | Whist the baseline labour productivity (GVA per FTE) for Axis 1 businesses is greater than the Programme average (€70,500 per FTE), there has only been a negligible increase in labour productivity up to the period n (<0.5%). However, if we consider the period from project start to n+2, labour productivity is expected to increase to c. €74,500 per FTE (+5% - 6%). | There have been notable productivity gains across businesses supported through this Axis. The baseline average GVA per FTE is reported as c. €23,500 per FTE. This is unsurprising as many tourism related jobs tend to be lower value. However, the additional activity generates a notable increase to the average levels of labour productivity. The additional activity created between project start and project end date (n) generates GVA per FTE returns of c. €33,000 (+41%). If we consider the additional activity created up to the period project end +2 (n+2) the average GVA per FTE is reported as c. €39,500 |

<sup>10</sup> Please note ‘productivity’ is defined as labour productivity according to the model provided by the CMEF guidelines. Further detail can be accessed in Appendix A – Working Paper 1 which presents the relevant definition and calculations used.
3.8 Counterfactual Analysis

In addition to exploring the additionality through self-assessment, the additionality was also assessed through a counterfactual exercise. This exercise observed the differences in performance across beneficiary (supported) and non-beneficiary (unsupported) businesses. The study used the Farm Business Survey to source non-beneficiaries and was, therefore, restricted to comparing the findings from farm holdings only. The study applied the Propensity Score Matching (PSM), which is a staged approach in which statistically-based matching techniques are first applied to enable closer matching of “supported” and “unsupported” cases: the better this match across supported and unsupported businesses then the greater the likelihood that any observed differences in performance are due to support rather than to other business characteristics.

Table 3.10 shows that generally the results of the counterfactual analysis are supportive of a positive effect from RDPE support. For two time periods investigated, “2010 to 2012” and “2011 to 2013” the data

Table 3.10: Comparison of Means

<table>
<thead>
<tr>
<th></th>
<th>Paired</th>
<th>±5%</th>
<th>±10%</th>
<th>±15%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GVA change 2009 – 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average change supported</td>
<td>£19,500</td>
<td>£1,747</td>
<td>£1,747</td>
<td>£1,747</td>
</tr>
<tr>
<td>Average change unsupported</td>
<td>£23,394</td>
<td>£22,240</td>
<td>£15,402</td>
<td>£16,249</td>
</tr>
<tr>
<td>Difference in averages</td>
<td>£3,894</td>
<td>£20,493</td>
<td>£13,655</td>
<td>£14,502</td>
</tr>
<tr>
<td>t statistic</td>
<td>1.37</td>
<td>1.07</td>
<td>1.11</td>
<td>0.99</td>
</tr>
<tr>
<td><strong>GVA change 2010 – 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supported average</td>
<td>£51,745</td>
<td>£39,590</td>
<td>£42,293</td>
<td>£37,801</td>
</tr>
<tr>
<td>Non-supported average</td>
<td>-£202,127</td>
<td>-£147,479</td>
<td>-£151,899</td>
<td>-£151,354</td>
</tr>
<tr>
<td>Difference in means</td>
<td>£253,872</td>
<td>£187,069</td>
<td>£194,192</td>
<td>£189,155</td>
</tr>
<tr>
<td>t statistic</td>
<td>2.26*</td>
<td>1.32</td>
<td>1.44</td>
<td>1.43</td>
</tr>
<tr>
<td><strong>GVA change 2011 – 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supported average</td>
<td>£14,625</td>
<td>£14,625</td>
<td>£14,625</td>
<td>£29,609</td>
</tr>
<tr>
<td>Non-supported average</td>
<td>-£41,461</td>
<td>-£21,859</td>
<td>-£21,241</td>
<td>-£21,187</td>
</tr>
<tr>
<td>Difference in means</td>
<td>£56,086</td>
<td>£336,484</td>
<td>£35,866</td>
<td>£50,796</td>
</tr>
<tr>
<td>t statistic</td>
<td>0.42</td>
<td>0.04</td>
<td>0.12</td>
<td>0.29</td>
</tr>
</tbody>
</table>

*Significant at the 95% confidence level
Looking first at the matched samples for 2009 to 2011, it is immediately apparent that the results are counterintuitive: supported businesses experienced a smaller average increase in GVA when compared with the unsupported group and this difference persists regardless of the matching approach employed.

It is also apparent that the t statistic does not allow rejection of the hypothesis that the means are equivalent: in other words there is no statistically significant difference between the average changes for supported and unsupported businesses.

For the period 2010 to 2012, the difference in difference is as expected, with the supported group consistently exhibiting a great GVA change regardless of the matching procedure. In addition, the differences are relatively large. However, the hypotheses of equal means can only be rejected for the pairwise matching at the 95% confidence level.

For the period 2011-2013 the data again indicate a positive effect from support on GVA performance although in all cases the t test rejects the null of equal means.

Appendix G reports the results of the application of the PMS approach in detail. It should be noted that the results must be caveated however, by the fact that in only one case was the difference between the two groups significant at normal levels of statistical confidence.

It is important also to bear in mind some of the weaknesses of the analysis which would need to be addressed in any future exercise. Primary amongst these is the need to integrate data collection with the Counterfactual Impact Assessment (CIA) approach adopted. The results gained from this study might have been improved if:

- there were more observations available for supported businesses; and
- a wider range of characteristic information was collected that improves the performance of the propensity score function and the accuracy of matching based on this function.

Some of the data issues could also be resolved were RDPE monitoring systems designed more appropriately. For example, the application of CIA in future would be facilitated by requiring project sponsors to collect baseline (year n) and post support (n+2) performance and other characteristic information for beneficiary businesses.
However, there are a number of points in the analysis where the investigator has a degree of choice as to what procedures to implement; this applies in particular to the choice of propensity score function and matching routine. Given the sensitivity of results to different choices of function and matching routine, it is advisable that the sensitivity of results in assessed by examining the implications of alternative approaches.
4. Survey Findings of Training Beneficiaries

4.1 Introduction

An online survey was distributed by Defra via Project Managers, who disseminated the invitation to participate in the survey further to individuals that have accessed training support under Measure 111 or Measure 331 of the RDPE 2007-13.

A total of 105 responses were received, predominantly from participants of training initiatives delivered under Measure 111 (88).

The key findings of the survey are outlined below, whilst the full survey write up can be found in Appendix D.

Chapter Summary

Following the description of the characteristics of all training beneficiaries supported by the RDPE, Chapter 4 presents the key findings of the online survey.

The majority of respondents benefited from increased skills levels, and felt that they now had an improved ability to do their work better and with more confidence.

80% of survey respondents felt that the support was very important to them personally. A further positive aspect of the delivered training was that beneficiaries are still applying all (or most) of what they had learned at their course, and that they estimated that the positive impacts will last for more than five years. Most felt that their organisation benefited from their improved skills including the introduction of new and innovative ideas generated through the training course.

Training beneficiaries were less likely to disclose any financial details about themselves and were much less aware of how the improved skills levels and improved quality of work had impacted on the profitability or productivity of their organisations. Only 16 of 105 were prepared to indicate if their income had increased or not as a result of their training.
4.2 Programme Context

The RDPE 2007-2014 incorporated two Measures designed to support training projects.

4.2.1 Measure 111

Training funded by Measure 111 had the aim of supporting vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in the agricultural, food and forestry sectors. Through this type of activity the intention was to increase the educational level of farmers and forestry holders to increase their labour productivity\(^{11}\) and help them to maintain or increase the competitiveness of their farm and forestry holdings.

Training support in Measure 111 focused on five key topics:

- Business Management, Leadership and ICT Skills for Agriculture, Horticulture & Forestry;
- Knowledge Transfer, Innovation and Technical Skills for Agriculture, Horticulture & Forestry;
- Agricultural Animal Health and Welfare;
- Marketing and Supply Chain Efficiency for Agriculture, Horticulture & Forestry; and
- Resource Use Efficiency in Agriculture, Horticulture and Forestry, Traditional Rural Skills and Rural Tourism.

By February 2015, a total of 191,220 beneficiary completed training that was funded under Measure 111 representing 197,801 training days. On average\(^{12}\) each beneficiary received one training day.

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\(^{11}\) Please note ‘productivity’ is defined according to the model provided by the CMEF guidelines. Further detail can be accessed in Appendix A – Working Paper 1 which presents the relevant definition and calculations used.

\(^{12}\) Please note throughout the report when we use the word ‘average’ we refer to the Mean of the relevant aspect.
4.2.2 Measure 331

This Measure was specifically designed to support economic actors operating in the fields covered by Axis 3 (including diversification into non-agricultural activities, development of micro-businesses, tourism developments, etc.) with relevant training and information to adapt the existing skills set and acquire new skills.

Measure 331 training focused on ICT skills, coaching and mentoring in business skills, traditional rural skills; and training that related to diversification away from agriculture.

By February 2015, a total of 22,417 beneficiaries were supported by Measure 331 representing 32,016 training days. The average length of training seemed to have been longer than that delivered under Measure 111, with each beneficiary receiving 1.4 training days on average under Measure 331.

4.2.3 Characteristics of RDPE Training Beneficiaries

In total there have been 212,982 beneficiaries participating in the two RDPE training Measures (Defra records are slightly different, probably depending on still ongoing monitoring reports being received as projects complete). At the end of February 2015, data indicated that 90% of all beneficiaries received training under Measure 111.

Figure 4.1: Number of Beneficiaries by Training Measure and in Total (Feb 2015)

In terms of gender, Figure 4.2 shows that with 43% female participation, only Measure 331 comes into the vicinity of a balanced distribution between genders. Female participation in Measure 111 (and therefore at RDPE level overall), is low at 22% (RDPE level 24%).
The total Farm Labour Force in 2010 was 418,670, comprising 299,720 males (71.6%) and 118,950 females (28.4%)\(^{13}\). This suggests that there are a disproportionately high number of males undertaking training through Defra under both Measure 111, and overall.

The comparison to the gender profile of our survey respondents would indicate that women were more likely to participate in surveys, with a higher overall percentage (42%).

Table 4.1 indicates that a much higher percentage of young people receive training under Measure 331 than under Measure 111 with 27% and 13% respectively (15% of the survey respondents were younger than 25%). The relative low take up of training under Measure 111 could be due to the fact that the farming population is generally considered older than the average rural population\(^{14}\).

### Table 4.1: RDPE Training Beneficiaries by Age Groups (Feb 2015)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Measure 111</th>
<th>Measure 331</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos.</td>
<td>%</td>
<td>Nos.</td>
</tr>
<tr>
<td>Under 25</td>
<td>25,106</td>
<td>13%</td>
<td>5,924</td>
</tr>
<tr>
<td>25 - 40</td>
<td>68,750</td>
<td>36%</td>
<td>15,837</td>
</tr>
<tr>
<td>Over 40</td>
<td>97,365</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>191,221</td>
<td>100%</td>
<td>21,761</td>
</tr>
</tbody>
</table>


Also in terms of sector origin, the information of the training beneficiaries is reported differently by both RDPE Measures, whereby Measure 331 data differentiates only in ‘farming’ and ‘other’. However, Table 4.2 shows that the farming sector was by far the most dominant sector of training beneficiaries in both Measures.

**Table 4.2: RDPE Training Beneficiaries by Sector (Feb 2015)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Measure 111</th>
<th></th>
<th>Measure 331</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos.</td>
<td>%</td>
<td>Nos.</td>
<td>%</td>
<td>Nos.</td>
<td>%</td>
</tr>
<tr>
<td>Farming</td>
<td>181,590</td>
<td>95%</td>
<td>5,018</td>
<td>23%</td>
<td>186,608</td>
<td>88%</td>
</tr>
<tr>
<td>Forestry</td>
<td>6,681</td>
<td>3%</td>
<td>6,681</td>
<td>3%</td>
<td>6,681</td>
<td>3%</td>
</tr>
<tr>
<td>Food industry</td>
<td>2,950</td>
<td>2%</td>
<td>2,950</td>
<td>1%</td>
<td>2,950</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>16,743</td>
<td>77%</td>
<td>16,743</td>
<td>8%</td>
<td>16,743</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>191,221</td>
<td>100%</td>
<td>21,761</td>
<td>100%</td>
<td>212,982</td>
<td>100%</td>
</tr>
</tbody>
</table>

The sector profile of the survey respondents was much more diverse than the distribution of the total population, with only 24% identifying their sector as farming.

### 4.3 Online Survey

#### 4.3.1 Response Rate

As mentioned earlier, the online survey was disseminated by Defra via the Project Manager contacts to reach the actual beneficiaries of the delivered training courses. Only completed projects were contacted and a number of issues were encountered, including the closure of a number of training providers, Project Managers having moved on, and/or project files with the contact details of trainees being already archived. After a number of reminders, a total of 105 responses were received: 88 relating to Measure 111, and 17 who received training under Measure 331.

Against the total population of RDPE trainees (212,982), the number of 105 responses represents a statistically robust response rate at a Confidence Level of 95% and a Confidence Interval of +/- 9.56 across the two RDPE Measures. Having said this, the sample has not been proportionately weighted according to type of training. The findings should therefore be assessed with caution.

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15 We have used the following sample size calculator tool to determine the Confidence Interval [http://www.surveysystem.com/sscalc.htm](http://www.surveysystem.com/sscalc.htm).
4.3.2 Respondent Profile

The respondent profile of the survey respondents shows a higher percentage of men participated in the survey (58%), particularly for training courses delivered under Measure 331. The majority of respondents were aged 45 or older (again this was especially true for Measure 331), educated to a university degree level, and in employment. When it came to household income, one third of respondents chose not to disclose this information. Of those who did, Measure 111 training involved a range of household incomes (from £10,000 to £100,000) whilst Measure 331 were less varied (£10,000-£40,000 with one outlier of £71-80,000).

Forestry, Farming, and Other Rural Business were the most common sectors in which Measure 111 respondents operated, whereas Measure 331 represented Other Rural Businesses, Construction, and Historical Research.

4.3.3 Training Accessed

Group training was by far the most accessed training setting and the more informal types of training (seminars, information sessions, and workshops) proved to be the most popular (52%). This was followed by non-vocational and vocational training (circa one third each).

One to one support was only accessed by 12 Measure 111 respondents.

As for the training content, one third of respondents learnt forestry skills (this was only accessed by Measure 111 participants), which addressed topics such as woodland management, chainsaw training courses, and wicker basket making.

Measure 331 accessed training focused on four main areas: sustainable management of natural resources; energy efficiencies; research skills; and new ICT.

Uptake of the courses tended to be gender specific with basket making mainly undertaken by females, and woodland management and chainsaw training by men.

As for Measure 331, two courses were discussed: the retrofitting of buildings for energy efficiency (consisting primarily of private businesses and male participants); and training for historic volunteers.
Overall, respondents were generally positive about aspects of the support such as location of training, timing of course, length of course, and relevance of content to needs.

4.3.4 Results Achieved

All respondents, bar one, completed their respective training courses.

Five respondents received a formal NVQ qualification (all having participated in a forestry course). One fifth received a formal training certificate whilst a further fifth were presented with a certificate for participation. The majority of respondents that had received some form of certificate had participated in a vocational training (and more specifically were developing their forestry skills).

Over half of respondents came away from the training without a certificate, most likely due to them attending more informal training events such as seminars, workshops or demonstration projects.

For those that completed the training, all reportedly still make use of what they had learnt. Interestingly, there was no direct correlation between the formats of course delivery and the extent to which respondents still make use of their learning (i.e., vocational courses did not necessarily mean that individuals would make more use of their new found skills and understanding than if they attended a seminar).

4.3.5 Outcomes Achieved

Overall, the majority of respondents were benefitting from increased skills levels, the ability to do their work better and had increased their confidence.

A total of 16 were even able to increase their income as a result of the training (ranging from a low of £60 to a high of £10,000, with an average increase of £2,500). In most cases, increased income was directly connected with an increase in their Quality of Life (QoL).

Interestingly, all that had experienced an increase had participated in Measure 111 training and more specifically: technical issues (forestry or farming skills); marketing and promotional skills, woodwork skills, tourism skills, or a combination of the above.
The majority of respondents believed the training to have been very important/important for themselves as an individual, as well as for their organisation. However greater importance was placed on the training for themselves (circa 80% compared with circa 60%).

Respondents felt that their organisations benefitted from the improved quality of work or service available, the introduction of new innovative ideas, and the increased diversification of new services.

Measure 331 respondents were very positive in terms of how long they believed the effects would last – around half anticipated them to last more than one year (i.e. between one and five years), with roughly the same again believing the effects to last more than five years.

Estimates for Measure 111 were more varied but still positive with again half anticipating the effects to last for more than five years.

Additionality was found to be good; half would not have achieved the same outcomes if the support had not been available. A quarter anticipated achieving the same outcomes but were unsure as to how they would reach them. The remainder would have either learnt the skills themselves, attended another training provider, or were unsure.

4.3.6 Strengths and Suggested Improvements

As detailed throughout, respondents were generally pleased with the support accessed. The main strengths identified were:

- the format for delivery (21 responses) was relevant, comprehensive, practical and hands on; and
- the course lead to the development of new skills (19 responses).

Several areas for improvements were suggested, the most cited being:

- more could be done i.e. more in-depth information, longer courses, more hands on experience (10 responses); these comments were specific to Measure 111 training courses.
4.3.7 Additional Comment

Overall, a positive experience was reported. The respondents felt that the training had positively increased their skills, ability to do their work and confidence in their ability. The skills learnt were reported to be useful and long lasting, with the majority of respondents expecting to experience positive effects for at least one year; half expect to make use of their new knowledge over the longer term (i.e., more than five years).

Respondents placed importance on the training for themselves as well as their organisation or group. Through the development of the new skills and understanding, organisations are benefitting from an improved quality of services, innovative idea creation and diversification of services.

In terms of knowledge, the vast majority of trainees felt that the training had increased their skills and that this enabled them to do their work better than before. Survey findings further indicate that 45% of trainees felt that their training had improved the quality of their work and services. 27% believed that they improved their efficiency in delivering their work, but only a minority believed that this had an impact on their profitability or productivity (19% and 16% respectively).
5. Community Based Research Findings and Social Return on Investment

5.1 Introduction

In Axis 3 of the RDPE there are a number of Measures targeted at benefiting the rural population in general, either through improving basic service provision (Measure 321), village renewal (Measure 322), or conservation of rural heritage (Measure 323).

This Chapter presents the analysis of the findings from the research undertaken with 32 community-based projects across the RDPE territory. The research includes a total of 32 interviews with Project Managers and 23 workshops with an average of six stakeholders per workshop. A total of 153 individuals contributed to the research.

Appendix E contains a case study write up for each of the participating projects highlighting their individual achievements and impacts.

Chapter Summary

Chapter 5 commences with a brief analysis of some of the characteristics and distribution pattern of all community-based projects supported by the RDPE, showing that geographically Yorkshire and Humber, South West England, West Midlands, and South East England are the areas with most community-based projects funded.

The majority of the case studies (28) were projects delivered under a LEADER Programme, the remaining four case studies were projects implemented through direct access to Measure 321.

Chapter 5 also includes the assessment of the social impact of the case studies. For the purpose of the analysis, the case studies were thematically grouped into eight sub-groups to enable a more bespoke use of financial proxies. The financial proxies were closely aligned with the CCRI study to present a continuum and alignment of Defra commissioned research regarding RDPE 2007-2013.
A summary of key cross-cutting observations includes:

- substantial impact on the capacities of the organisations and beneficiaries in terms of building confidence, generating new ideas for the future development of their rural communities, and an enhanced understanding of the integrated approach;

- most projects experienced a considerable expansion of new project services, new activities, and new ideas for further growth towards self-sufficiency, improved income generation, including the social enterprise route;

- in many cases small-scale RDPE investments had the capacity to create high impacts and increased the up-take of services and activities leading to a much improved social inclusion and activity levels of rural residents;

- basic improvements such as accessibility to venues, and toilets had significant impacts on enabling elderly, disabled people to participate in rural life as well as providing improved equality (changing blocks in sports centres);

- increased levels of activities and improved inclusion of wider groups of residents had very positive impacts on improving pride in the local area, and self-esteem;

- working in partnership enabled projects to create new relationships and practice the integrated approach in most cases to substantial benefit for increased efficiency in service provision; and

- although a small number, but those who had grasped the connection between community development and economic development (jobs, training) demonstrated considerable economic impact.

The relevance and impact of the integrated LEADER approach cannot be underestimated. However, most supported community groups still have only a limited awareness of how their activities impact on the wider rural community and local economy. An area which requires urgent action in terms of capacity building and future RDPE efforts.

The SROI concluded that overall the 32 case studies resulted in a ratio of £5.85:1, whereby by far the highest impacts were created by the two broadband projects.
5.1.1 CMEF Context

The RDPE impact indicators are of an economic and environmental nature linking directly to Axis 1 and Axis 2 project interventions. Some Measures of Axis 3 can also directly link to the economic impact indicators of business growth and employment (311 – Diversification into non-agricultural activities; 312 – Support for the creation and development of micro-enterprises; and 313 – Encouragement of tourism activities). However, in the case of Measures 321 – Basic Services; 322 – Village renewal and development; and 323 – Conservation and upgrading of Rural Heritage, this link is much more indirect and more difficult to assess. This is also reflected in their focus and target groups: ‘individuals’ and the ‘rural population’ in general.

In terms of impact, these Measures are primarily designed to help improve the QoL in the Programme area.

- there is a range of Common Evaluation Questions exploring the qualitative impact of the Programme: these are identified in the Working Paper and have been included in the draft questionnaires (Working Paper 5); and

- one of the most applied Common Evaluation Question across the Measures is the question regarding the improvement of the QoL.

5.2 Overall Programme Distribution of Projects

By October 2014, a total of 1,948 projects were supported by the three community-based Measures under Axis 3. Table 5.1 lists the distribution of the projects across the Measure 321, 322, and 323 and by their geographical distribution. Just over half of all projects were funded by Measure 321 (Basic Services).

Table: 5.1: RDPE 2007-13 Number of Live and Completed Projects and Awards of Measures 321, 322 and 323 (Oct 2014)

<table>
<thead>
<tr>
<th>Measure Description</th>
<th>Total</th>
<th>NW</th>
<th>NE</th>
<th>YH</th>
<th>WM</th>
<th>EM</th>
<th>E</th>
<th>SE</th>
<th>SW</th>
</tr>
</thead>
<tbody>
<tr>
<td>321 - Basic Services for the economy and rural population</td>
<td>1,005</td>
<td>82</td>
<td>111</td>
<td>177</td>
<td>137</td>
<td>10</td>
<td>28</td>
<td>146</td>
<td>314</td>
</tr>
<tr>
<td>322 - Village renewal and development</td>
<td>468</td>
<td>0</td>
<td>0</td>
<td>166</td>
<td>91</td>
<td>0</td>
<td>0</td>
<td>103</td>
<td>108</td>
</tr>
<tr>
<td>323 - Conservation and upgrading of the rural heritage</td>
<td>475</td>
<td>18</td>
<td>4</td>
<td>228</td>
<td>76</td>
<td>26</td>
<td>2</td>
<td>47</td>
<td>74</td>
</tr>
<tr>
<td>Total</td>
<td>1,948</td>
<td>100</td>
<td>115</td>
<td>571</td>
<td>304</td>
<td>36</td>
<td>30</td>
<td>296</td>
<td>496</td>
</tr>
</tbody>
</table>
Figure 5.1 illustrates the distribution and shows that the majority of community-based projects were funded in Yorkshire and Humber (571 projects) and the South West (496). The West Midlands and the South East benefited from around 300 projects each. The East Midlands and Eastern Region only had a very small number of projects.

**Figure 5.1: RDPE 2007-13 Community-Based Projects in Measures 321, 322, 323 (Oct 2014)**

Table 5.2 shows the total and average project costs and awards by Measure.

**Table: 5.2: Total and Average Project Costs and Awards by Measure (Oct 2014)**

<table>
<thead>
<tr>
<th>Measure Description</th>
<th>Total Project Costs</th>
<th>Average Total Project Costs</th>
<th>Awards</th>
<th>Average Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>321 - Basic Services for the economy and rural population</td>
<td>£69,852,756</td>
<td>£69,782</td>
<td>£38,433,710</td>
<td>£38,280</td>
</tr>
<tr>
<td>322 - Village renewal and development</td>
<td>£19,543,556</td>
<td>£42,764</td>
<td>£10,059,490</td>
<td>£21,540</td>
</tr>
<tr>
<td>323 - Conservation and upgrading of the rural heritage</td>
<td>£29,667,088</td>
<td>£66,968</td>
<td>£15,725,486</td>
<td>£33,176</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£119,063,400</strong></td>
<td><strong>£61,120</strong></td>
<td><strong>£64,218,686</strong></td>
<td><strong>£32,966</strong></td>
</tr>
</tbody>
</table>
Table 5.2 and Figure 5.2 illustrate that the RDPE awarded a total of £64.2m EAGGF to community-based projects. The average of the total costs of a project across the three Measures was £61,120.

Whilst Measure 321 (Basic Services) supported the largest projects with an average of £38,280 award, projects funded under Measure 322 (Village Renewal) were considerably smaller in total costs and award than the other two Measures.

It should be noted though that it is most likely that the allocation of projects to particular Measures in terms of their typology was applied differently across the Government Office regions at the time.

Although the Defra dataset provides a differentiation by project type within each Measure, Table 5.3 shows that in most cases the typology was primarily driven by the title of the respective Measure – therefore less insightful as to what kind of projects were actually supported. However, it shows that there was overlap between the three Measures to a small extent, i.e. basic service projects were also allocated to Measure 322 and 323 and vice versa. A more refined application of allocating the typology could have provide more detailed information.
Table 5.3: RDPE 2007-13 Number of Community-Based Projects by Project Type (Oct 2014)

<table>
<thead>
<tr>
<th>Project Type</th>
<th>321 - Basic Services for the economy and rural population</th>
<th>322 - Village renewal and development</th>
<th>323 - Conservation and upgrading of the rural heritage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Services</td>
<td>736</td>
<td>71</td>
<td>18</td>
<td>825</td>
</tr>
<tr>
<td>Village Renewal</td>
<td>59</td>
<td>364</td>
<td>19</td>
<td>442</td>
</tr>
<tr>
<td>Conserving+Upgrading facilities</td>
<td>17</td>
<td>15</td>
<td>374</td>
<td>406</td>
</tr>
<tr>
<td>Tourism</td>
<td>15</td>
<td>3</td>
<td>30</td>
<td>48</td>
</tr>
<tr>
<td>Rural Micro Business</td>
<td>23</td>
<td>4</td>
<td>4</td>
<td>31</td>
</tr>
<tr>
<td>Education Facilities</td>
<td>24</td>
<td>0</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>26</td>
<td>2</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>Recreation</td>
<td>17</td>
<td>6</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Rural Broadband</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Training</td>
<td>10</td>
<td>0</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Food and Drink</td>
<td>10</td>
<td>0</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Retailing</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Other Services</td>
<td>9</td>
<td>0</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Sporting Activities</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Creative and Arts</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Traditional Trades</td>
<td>1</td>
<td>0</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Cooperation Project</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Care Facilities</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Workshops</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Diversification into non-food activities</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Forestry</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,005</strong></td>
<td><strong>468</strong></td>
<td><strong>475</strong></td>
<td><strong>1,948</strong></td>
</tr>
</tbody>
</table>
5.3 Research Method

The agreed research method for Measures 321, 322, 323 of the RDPE Axis 3 community-based interventions was based on the selection of a random sample of projects as in-depth case studies. The primary research was conducted via one-to-one Project Manager interviews and group-based stakeholder/beneficiary workshops.

5.3.1 Sampling and Delivery

Following an information letter disseminated by Defra and based on a Defra dataset of completed projects, a random sample of projects was selected as case studies. The target of ten case studies per Measure was exceeded by two primarily due to the interest expressed by the Project Managers in contributing to the study. Project Managers were directly involved in helping to organise the venue and participants for the workshop.

The fieldwork material was agreed with the client beforehand and included a Programme Manager questionnaire and a community workshop pro-forma involving a mix of interactive workshop methods, group debate, and individual work.

The workshop format sought to capture the perceptions of the participants of a number of general rural development issues experienced in their rural area, as well as their project-specific experience focusing on the activities and impacts that their respective RDPE funded initiative has achieved. The workshops further tried to encourage participants to think about the value of the benefits that have been created by the project; a number of hypothetical questions were asked in this context for each participant to answer via a short questionnaire on their own.

5.3.2 Approach to SROI

The assessment of the Social Return on Investment (SROI) was based on the perceptions of the stakeholders gathered in two-hour workshops for most of the case studies. During the workshops the participants were requested to identify project outcomes across the six areas of the CMEF QoL objectives (including economic, social, environmental, cultural, infrastructure and services, and capacity building).
In addition, the stakeholder groups jointly agreed on the key groups/types of impact of the project and were encouraged to quantify the impacts (this was often very difficult partly due to missing baselines, lack of monitoring data, and lack of knowledge of the subject area). Furthermore, stakeholders were asked to answer a small number of hypothetical questions to help monetarise the impact of their project (again, the hypothetical considerations were extremely difficult for the vast majority of workshop participants).

Despite facilitation and guidance provided by the workshop facilitator, the range, quality, and accuracy of the identified impacts varied across the projects, depending on the ability of the participating stakeholders to appreciate the impact of their project across a range of topics. For example, it is still challenging for many community-groups and stakeholders from non-economic subject areas to consider their projects to have a wider impact on employment or income generation (i.e. that more activities in a village hall have an employment/income generating impact on the providers/coaches of the activities, create increased income levels in hall rentals, on cleaning personal, or catering services, etc).

The fieldwork showed that there is little monitoring activity regarding outcomes and impacts practiced. The understanding and appreciation of the wider impacts of stakeholders’ projects is at times growing, but most often still in its infancy and combined with a weak understanding of the relevance of a project to other sectors.

Although there is some growing awareness and culture of monitoring and applying an integrated approach to project implementation, future Programmes should further strengthen capacity building in this respect, possibly through hands-on, practical workshops aimed at increasing awareness and know-how in identifying outcomes, measuring and monitoring performance.

In order to create a link and to build on the learning achieved by previous studies, we have utilised the financial proxies that were developed by the RDPE-CCRI study. We have added financial performance indicators and proxies and adjusted some of the CCRI proxies where we felt it was relevant.

The SROI was calculated for each individual case study and then summarised and averaged across the number of case studies by theme and type of projects (for example, village halls, community halls – extensions, refurbishments, new builds).
It is hoped that this thematic grouping will enhance the understanding of the type of impacts achieved by RDPE interventions. Having said this, in some groups the range of SROI between individual projects is considerable, therefore we have identified those issues in the SROI sections where relevant.

An Adapted SROI Approach

Through the in-depth Project Manager interviews and stakeholder/beneficiary workshops our adapted SROI approach included the following steps:

- assessment of the recent changes in the socio-economic environment of the project area;
- description of the project, the aims and objectives, intervention rationales and overall achievements that were anticipated at the outset;
- identification and quantification of the results and outcomes that the stakeholders and beneficiaries felt the project had generated;
- debate of any delivery issues as well as key success factors of project implementation;
- perceptions on the additionality/deadweight, displacement and attribution of the outcomes and impacts generated;16
- hypothetical considerations as to the monetary value of the positive effects created by the project. This included questions relating to the proportionate value of the benefits vis-à-vis project costs, ‘Willingness to pay’ assumptions and ‘comparable travel’ methods considerations. A discussion of appropriate financial proxies/comparable benefits achieved through other activities was also undertaken when and where possible;
- all research findings were gathered and summarised on an individual case study basis (as presented in Appendix X); and
- the 32 case studies were grouped by type of activity – and an SROI calculation was undertaken on a group-basis with the ambition to ascertain proxies that could potentially be applied across the total population of projects funded by RDPE in future.

16 For a detailed explanation of these terms please see Appendix A, Working Paper 6.
5.4 Distribution of the Case Study Sample

The distribution of the 32 case studies across the three Measures was fairly even, with eleven projects captured under Measure 321 and Measure 323 each, and ten case studies representing Measure 322. Two of the Measure 321 projects were Rural Broadband projects, one relatively small one (£54,100) and one large project (£600,000).

Figure 5.3 show how the 32 case studies were distributed by Measure and geography:

![Number of Case Studies by Measure and Geography](image)

In comparison to the overall distribution of Measure 321, 322, and 323 projects, the case studies roughly followed a similar distribution, although the North West and West Midlands regions were slightly over represented in the case study sample.

Regarding total project size, the average size of the case studies was £131,345 ranging from £16,050 to £1,081,950 (whereby the £1m project is by far the largest project and can be considered as an ‘outlier’). The average intervention rate was 71% and the average EAFRD award of £92,546 ranged from £3,717 to £1m (see above, the £1m award can be considered an ‘outlier’). Table 5.4 shows the total and average project costs and awards by Measure:
Table 5.4: Case Studies - Total and Average Project Costs and Awards by Measure

<table>
<thead>
<tr>
<th>Measure</th>
<th>Total Project costs (£,000)</th>
<th>Average Project Costs (£,000)</th>
<th>Awards (£,000)</th>
<th>Average Awards (£,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>321 - Basic Services for the economy and rural population</td>
<td>£1,481</td>
<td>£135</td>
<td>£809</td>
<td>£74</td>
</tr>
<tr>
<td>322 - Village renewal and development</td>
<td>£673</td>
<td>£67</td>
<td>£424</td>
<td>£42</td>
</tr>
<tr>
<td>323 - Conservation and upgrading of the rural heritage</td>
<td>£967</td>
<td>£88</td>
<td>£646</td>
<td>£59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£3,121</strong></td>
<td><strong>£101</strong></td>
<td><strong>£1,880</strong></td>
<td><strong>£61</strong></td>
</tr>
</tbody>
</table>

Note: excluding one £1m outlier in Measure 321

Where Table 5.4 shows the equivalent values for the total project population of the three Measures, Table 5.5 (below) indicates that the case studies represent a larger project size group than the total average; in terms of awards, the case studies were on average double the size than the average of the total population.

Table 5.5: Average Project Costs and Awards for the Total RDPE Population and 31 Case Studies

<table>
<thead>
<tr>
<th>Measure</th>
<th>Average Total Project Costs (£,000)</th>
<th>Number of Case Studies (31)</th>
<th>Average Awards (£,000)</th>
<th>Number of Case Studies (31)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total number of projects in RDPE (1,948)</td>
<td>Number of Case Studies (31)</td>
<td>Total number of projects in RDPE (1,948)</td>
<td>Number of Case Studies (31)</td>
</tr>
<tr>
<td>321 - Basic Services for the economy and rural population</td>
<td>£70</td>
<td>£135</td>
<td>£38</td>
<td>£74</td>
</tr>
<tr>
<td>322 - Village renewal and development</td>
<td>£43</td>
<td>£67</td>
<td>£22</td>
<td>£42</td>
</tr>
<tr>
<td>323 - Conservation and upgrading of the rural heritage</td>
<td>£67</td>
<td>£88</td>
<td>£33</td>
<td>£59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£61</strong></td>
<td><strong>£101</strong></td>
<td><strong>£33</strong></td>
<td><strong>£61</strong></td>
</tr>
</tbody>
</table>

Note: excluding one £1m outlier in Measure 321
5.4.1 Case Study Groups

The selection of case study projects was undertaken randomly on the basis of datasheets provided by Defra. A certain degree of control was exercised to ensure that there was a fairly even distribution of case studies across the three RDPE Axis 3 Measures.

To enable a more meaningful analysis and approximation of monetary impact values (proxies), we have arranged the 32 case studies into the following thematic groups. see Table 5.6, over.
Table 5.6: Axis 3 - Case Study Groups and Individual Projects

<table>
<thead>
<tr>
<th>Thematic Groups</th>
<th>Case Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Community and Village Halls</td>
<td>1. Badges Scout Hall (n)</td>
</tr>
<tr>
<td>(new build, extended, renovated)</td>
<td>2. HOPE Centre (e/n)</td>
</tr>
<tr>
<td></td>
<td>3. Read CC and Bowling Club (n)</td>
</tr>
<tr>
<td></td>
<td>4. Thurgoland Village Welfare (e)</td>
</tr>
<tr>
<td></td>
<td>5. William Scott Hall (e)</td>
</tr>
<tr>
<td></td>
<td>6. Goodleigh Village Hall (e)</td>
</tr>
<tr>
<td></td>
<td>7. Hartshill Community Hall (r)</td>
</tr>
<tr>
<td></td>
<td>8. Hastoe Village Hall Restoration (r)</td>
</tr>
<tr>
<td></td>
<td>9. Appledore Village Hall (r)</td>
</tr>
<tr>
<td></td>
<td>10. Etchingham Station (r)</td>
</tr>
<tr>
<td></td>
<td>11. Denby Dale Hub Re-Energisation (r)</td>
</tr>
<tr>
<td>2. Natural Assets Improvements</td>
<td>12. Ride the Wolds Phase 2</td>
</tr>
<tr>
<td></td>
<td>13. Parish Ponds Project</td>
</tr>
<tr>
<td></td>
<td>14. Meres &amp; Mosses Wildlife Trust</td>
</tr>
<tr>
<td></td>
<td>15. Natural Connections in Somerset</td>
</tr>
<tr>
<td></td>
<td>16. Herefordshire Parklands</td>
</tr>
<tr>
<td>3. Special Target Group Projects</td>
<td>17. Tickwood Forest Schools</td>
</tr>
<tr>
<td></td>
<td>18. Thorney Island Wheelyboat Project</td>
</tr>
<tr>
<td></td>
<td>19. Shropshire Hills Farming</td>
</tr>
<tr>
<td></td>
<td>20. Rural Support Network East</td>
</tr>
<tr>
<td>4. Physical and infrastructure improvement</td>
<td>21. Project Dunster</td>
</tr>
<tr>
<td></td>
<td>22. Wallingfen Way</td>
</tr>
<tr>
<td></td>
<td>23. Audlem Canalside Regeneration</td>
</tr>
<tr>
<td>5. Access to Services and Advice</td>
<td>24. Eden Credit Union</td>
</tr>
<tr>
<td></td>
<td>25. Democracy First</td>
</tr>
<tr>
<td></td>
<td>26. Improving Access to Service (CAB)</td>
</tr>
<tr>
<td>6. Cultural and Heritage Improvements</td>
<td>27. Brougham Hall (Lord Chancellor’s Den)</td>
</tr>
<tr>
<td></td>
<td>28. Hussey Tower</td>
</tr>
<tr>
<td></td>
<td>29. Borrowdale Story Project</td>
</tr>
<tr>
<td>7. Broadband</td>
<td>30. Fibremoor Phase 2</td>
</tr>
<tr>
<td></td>
<td>31. Cawston Broadband Project</td>
</tr>
<tr>
<td>8. Transport</td>
<td>32. Heritage Connections</td>
</tr>
</tbody>
</table>

Observation: although transport is an important issue in rural development, the number of projects dealing with transport are usually very small.
5.4.2 Cross-Cutting Observations

There are a number of observations which are applicable across the range of case studies researched; these are summarised below, with particular examples of good practice identified in blue font (all case studies are presented in detail in Appendix E).

Projects have impacted very substantially on the capacities of the organisations and the beneficiaries in building confidence, stimulating ideas for further development and enhanced the understanding of the integrated approach in a very practical and ‘real’ way, i.e. partner organisations of different sectors are working together, the understanding that target groups/communities need a cohesive, joined up approach (Mere & Mosses, Borrowdale Story Project, Hereford Parklands, Thurgoland Village Welfare, Parish Ponds Project). Wallingfen Way is a good example where three communities joined together to implement a number of things with a big focus on community pride and reclaiming from its industrial past.

Many project groups were full of ideas for future projects, and commented that this has been caused by the successful implementation of the RDPE project. A number of projects experienced considerable expansion of services and new project ideas much in line with the integrated approach to local development as well as the social enterprise agenda (Tickwood Farm, HOPE, Etchingham Station, Appledore, Eden Credit Union, and Improving Access to Services).

Often relatively small sized investments created high impact and led to much increased up-take of activities and greater diversity of the recreational offer (Ride the Wolds). In many places this led to a much more inclusive approach with a wider range of residents participating in rural life (Heritage Connections). This included small improvements to the energy efficiency of buildings (leading to warmer and comfortable spaces), and more suitable, accessible and flexible venues or nature/outdoor spaces. Increased use was also achieved through all-weather usability, and savings were made through more energy efficient heating systems, new windows, and doors. (Hartshill, Goodleigh, Audlem Canalside).

Improvements through the upgrading of disabled access routes, toilets, etc. were also considered to have a high impact in combating the increasing risk of social isolation in view of an aging population.
The mere improvement from a pebbled to a flat pedestrian surface area made access possible for many people – even leading to tangible economic impact for local shops and a marked reduction in pedestrian falls (Project Dunster, Thurgoland Village Welfare).

These basic improvements also often had considerable impact on making venues and spaces more accessible across the gender groups and for disabled people. For example, a new changing and toilet block enabled the sports club to accommodate female teams and disabled people (Read Cricket Club, WM Scott Hall).

In terms of village halls investments, in addition to an increased number and take-up of activities, a number of organisations were successful in improving their income generation from hiring the halls to more and a wider range of activity promoters/coaches/groups. Income generation from private hire for events was also part of the increased spread of new sources of income achieved. The increased income levels contribute to an increased sustainability of the halls (Hastoe Village Hall, Appledore).

In a number of case studies, the interest in creating a new/higher quality venue for staging events for the wider community was also important (impacting positively on wider group engagement and social inclusion). When realised, this was accompanied by much improved local pride and community esteem to host these larger events, particularly in connection with sports/recreational activities, where regional meetings/events could be hosted in the new/refurbished venue (Badges, Denby Dale).

The Programme facilitated the support of a number of key target groups recognising the unique challenges some residents face in maintaining a reasonable Quality of Life either due to changes in their rural communities over the years (Shropshire Hills Farming), or their relative isolation due to their particular circumstances (Tickwood Forest, Wheelyboat, Rural Support Network East, Denby Dale). In all cases physical and mental health concerns were the key drivers for RDPE project applications, and the respective case studies demonstrate the substantial impact that these projects had on improving the Quality of Life of their target groups.

In terms of quantification, however, only a few community groups monitor the precise usage of their activities, halls, up-take rates, utilisation rates, etc. – and therefore still seem to be quite a distance away from a business/social-enterprise approach (having said this, only a minority stated to have the social-enterprise route as their aim, and usually these were the ones who were more able to report on accounts and figures).
Further important impact was reported by many; the specific requirements of RDPE funding had widened their accessibility to other groups and residents, and they had become more inclusive, sharing space with a wider range of groups, etc. (this would not have been considered without the required compliance with EAFRD rules) (Badges).

The relevance and impact of the LEADER approach cannot be underestimated. Working in partnership has, in many cases, led to new partnerships being forged between community groups, stakeholder groups and sector organisations, enhancing the inclusiveness and application of an integrated approach of the partner organisations (Wheelyboat, Mere & Mosses, and Shropshire Hills Farming).

The largest village hall project (HOPE) had the most significant impacts on job creation and employability improvements, leading to substantial improvements of the Quality of Life of its beneficiaries; as the centre expanded substantially (and with a key focus on applying an integrated approach to its support services whilst simultaneously applying a client-centred approach) social support has been linked with training and employment creation very successfully. A number of village halls have started to consider their actions and include training of volunteers, trainees, and report impact in them finding full time employment.

In terms of understanding how project activity impacts on the wider rural community, many community groups still have a limited awareness of how their activities impact on the wider community sectors.

For example, many workshop participants identified increased level of activities and social inclusion, but they rarely connected this to an improvement of anybody’s employment situation (e.g. the paid coaches and facilitators, local shops, etc.). Only rarely was the connection made that the increased level of activity will have a positive impact on the local economy, via increased catering orders, cleaners, maintenance, security etc. (Natural Connections in Somerset, Etchingham Station, Hastoe Village Hall).

Any improvement to the environment is usually only considered in a ‘green’ sense, hardly ever in a ‘built environment’ sense.

Groups commented on how useful it would be to have more capacity building of local community groups, i.e. learning how to become more self-sufficient, including the wish for more guidance and support in learning how to monitor better to inform their own project management.
In a number of projects such as broadband projects and cultural and heritage improvements the beneficiaries were the general public. Here, monitoring and research of impacts was difficult, particularly if no baselines were set at the beginning of the project and where there is no direct and cost effective way of monitoring up-take and usage. Having said that, it is reasonable to expect that the improvement of broadband speeds - particularly if promoted well and widely across the community, potentially complemented by training courses and public sector service provision - will have noticeable impacts on the Quality of Life of rural residents (Fibremoor, Cawston, Hussey Tower).

5.5 Perceived Changes in the Quality of Life in Rural Areas

Workshop participants (153 across all 32 case studies) were asked to indicate how their rural area has changed over the last years (usually a period of the last three to four years were considered). The participants had a choice of answering ‘positive’, ‘negative’ or ‘no change’. Later on in the workshop (and after the discussion of what had been achieved by the RDPE funded project) the participants were asked to what extent the change in the Quality of Life (QoL) in the rural area indicated at the outset of the workshop was due to the support that had been received from the RDPE. A percentage value was agreed for this by the workshop group. The findings are presented in the figures below with a heading note indicating the perceived contribution of RDPE funding towards positive change.

Figure 5.4: Economic Change, RDPE contribution - 23%

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive change</th>
<th>No change</th>
<th>Negative change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of life in an economic sense</td>
<td>2</td>
<td>28.5</td>
<td>32</td>
</tr>
<tr>
<td>Economic sustainability of the area</td>
<td>22</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td>Number of new enterprises</td>
<td>26</td>
<td>26</td>
<td>41</td>
</tr>
<tr>
<td>Training opportunities for young people</td>
<td>4</td>
<td>22</td>
<td>31</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>2</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Number of businesses</td>
<td>3</td>
<td>23</td>
<td>38</td>
</tr>
</tbody>
</table>
Figure 5.5: Infrastructure and Local Services Change, RDPE contribution - 37%

General quality of life regarding infrastructure and local services
Local access to ICT and broadband speeds
Number of recreational activities on offer
Number of public sector services
Number of shops, banks, post office
Frequency of public or community transport
Access to public or community transport

- Positive change
- No change
- Negative change

Figure 5.6: Social Change, RDPE contribution - 51%

General quality of life regarding the social well-being in the community
Any social issues (problems with certain groups, crime, etc.)
Ability of rural residents to interact with each other
Residents staying in the rural community for the foreseeable future
Number of social activities, get togethers, events

- Positive change
- No change
- Negative change

Figure 5.7: Environmental Change, RDPE contribution - 30%

Environmental quality of life in general
Sustainable management of high nature value sites (Natura 2000 and others)
Environmental awareness of the rural population regarding energy efficiency, etc.
Quality of environmental amenities, parks, commons, etc.
Attractiveness of the rural area (built as well as natural environment)

- Positive change
- No change
- Negative change
The above Figures show clearly that most negative change was experienced in the area of infrastructure and local services, particularly shops, banks and post office services and transport (Figure 5.5).

The only positive change was perceived in terms of recreational activities and local access to ICT, and RDPE projects were 37% responsible for this positive development.

The views on how the QoL in an economic sense has changed over the years were mixed, with half of the workshop participants indicating that there was no change (Figure 5.4). Across all areas of economic topics, there were around a fifth of participants with a negative experience, with the exception being the creation of new enterprises, where only very few people indicated negative change.
Approximately one third of participants expressed positive change in most economic areas and it was believed that RDPE projects contributed to this positive change up to 23% (the smallest contribution rate across the various QoL areas).

Most positive change has been experienced in a cultural sense of QoL represented by topics such as availability of cultural amenities/activities and an increasing strength of local identity and pride in the rural area (Figure 5.9). It was believed that RDPE projects were responsible for 42% of this positive change.

The largest impact of RDPE projects (51%) was experienced in the social themes of QoL (Figure 5.6). Here (particularly in social well-being) social interaction and activities were areas where the majority of workshop participants experienced positive change in their rural areas over recent years. This was slightly less regarding social issues (i.e. crime rates) and depopulation.

In terms of the environment, much positive change has been witnessed in the rural areas over recent years (Figure 5.7), whereby 30% of this change was due to RDPE initiatives. The sustainable management of high nature value sites was not relevant or unknown to many.

The most positive change over recent years was experienced in the capacity of community groups/organisations and their skills and abilities to deliver services; three-quarters of participants indicated positive change (Figure 5.8). This was followed by increased capacities in local decision making. The perception was that RDPE projects were responsible for 42% of this positive change.

### 5.6 Time and Resources Needed to Participate in RDPE

Project Managers of the case studies were asked to identify the time and costs that were required to apply, implement, and report their RDPE project over and above the time and costs that were covered by the RDPE project costs/award. The study further enquired if they commissioned external expertise to assist them in these tasks.

Figure 5.10 shows that of the 27 responses received, the vast majority (20) delivered all the tasks by themselves/their own staff resources. In the case where Project Managers did seek external help for the tasks, this was always in addition to using their own staff resources.
Depending on the task, 8% (reporting) to 22% (implementing) of the community-based projects used external expertise to help them through the RDPE process. Whereas most external expertise in the case of business support projects was utilised for the applying for funding (see Section 3.5.13), for community-based projects, external expertise was most often employed to support the implementation process.

There was no occasion in which a community-based project sub-contracted any of the three tasks completely to an external expert.

On average, staff required 18 days to fill in the RDPE application form (at times this increased to 90 days – particularly when there was capital projects, including architects work). Additional time (which was not built-in to the project costs and therefore had to be carried by the organisation itself) required for implementing the projects was considerable, with 76 days spent on average. However, there are a small number of projects where this task was very long and it might be more useful to consider the median here, which was 31.5 days (half of the projects needed longer, and the other half of the projects needed a shorter timeframe).

In terms of reporting and claiming, some projects were supported by their councils, particularly with regard to the financial management of the project. The average of each project regarding reporting and claiming was 16 days (a median of 9 days) and comments were often received that this was an arduous process due to the amount of audits to serve (internal and external to the organisation).
Table 5.7: Time and Resources Required to Apply and Implement for RDPE Funding

<table>
<thead>
<tr>
<th></th>
<th>Applying for Funding</th>
<th>Implementing Project</th>
<th>Reporting and Claiming</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Range: 2-90 days</td>
<td>Range: 2-640 days</td>
<td>Range: 1-72 days</td>
</tr>
<tr>
<td></td>
<td>Total: 474 days</td>
<td>Total: 1,674 days</td>
<td>Total: 351 days</td>
</tr>
<tr>
<td></td>
<td>Mean: 18 days</td>
<td>Mean: 76 days</td>
<td>Mean: 16 days</td>
</tr>
<tr>
<td></td>
<td>Median: 15 days</td>
<td>Median: 31.5 days</td>
<td>Median: 9 days</td>
</tr>
<tr>
<td><strong>External Expertise</strong></td>
<td>£275</td>
<td>£720 (only one project reporting)</td>
<td>(no project reporting)</td>
</tr>
<tr>
<td></td>
<td>£1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£10,000 (including architect fees)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N=27 projects

5.7 SROI Assessment across all Case Study findings

5.7.1 Key procedures

We have applied a standard SROI calculation method whereby the deadweight\(^{17}\), displacement\(^{18}\) and multipliers were used as appropriate and on the basis of what stakeholder consultations identified.

The following steps were taken:

- Project Manager and stakeholder consultations, identifying jointly:
  - identification of project achievements;
  - quantification of the achievements;
  - estimation of the number of people benefiting from the achievements;
  - attribution and deadweight estimations;
  - hypothetical questions about comparative costs;
  - grouping of similar projects;

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\(^{17}\) Deadweight is a measure of the amount of outcome that would have happened even if the funding/project would not have taken place. It is expressed as a percentage (i.e. 80% of the activity/outputs would have been achieved anyway even without RDPE support) and ascertained by asking the beneficiaries and stakeholders for their relevant estimates. For a detailed explanation of these terms please see Appendix A, Working Paper 6

\(^{18}\) Displacement is a component of impact assessment estimating how much of the outcome of an initiative has displaced other outcomes (it does not apply to all investment cases but should be explored), for example is the opening of a new tourism attraction actually prolonging the stay of visitors by adding another activity to their visit in this area, or is the new attraction only taking away visitors from another existing attraction. For a detailed explanation of these terms please see Appendix A, Working Paper 6
- reviewing identified impacts and aligning them with the outcome performance indicators identified by the CCRI study, adjusting wording and proxies, and adding new relevant indicators;
- applying attribution via project costs, awards, and intervention rates;
- applying deadweight findings in view of six QoL indicator categories (economic, environmental, social, capacity, culture/heritage, infrastructure/services);
- calculating net impact;
- GVA- Discounted and persistence of two years (according to CMEF for the years n to (n+2) with n being the year of project completion; and
- calculating the ratio of Social Return on Investment.

5.7.2 Identification of Performance Indicators and Financial Proxies

As agreed at the outset of the study, the case study research and subsequent SROI assessment was designed to build on the performance indicators and financial proxies identified by the previous study conducted by CCRI in 2013. Therefore, the detailed findings from each case study workshop were align to the identified project achievements where possible. To match the primary research findings better with relevant performance indicators, a number of indicators required to be added or reworded. Generally this had the effect of creating more wider/inclusive indicators applicable to a wider range of projects.

Following the indicator alignment, we also reviewed the financial proxies suggested by the CCRI study and adjusted where necessary to fit our study findings more appropriately. At times we have created new financial proxies on the basis of the study findings. In the case of economic achievements (i.e. jobs created and additional visitors attracted) we have used standard Economic Impact Assessment multipliers and GVA output figures instead of financial proxies.

Table 5.8 presents the revised list of outcome performance indicators and financial proxies that have informed the SROI calculations of our study.
Table 5.8: Outcome Performance Indicators and Financial Proxies Facilitating the SROI Approach

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Financial proxy</th>
<th>Unit</th>
<th>Value (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater use of community buildings, public spaces, and natural spaces leading to improved social capital, community ties and civic engagement</td>
<td>Average annual spend on culture, recreation and leisure activities per person</td>
<td>Number of persons using the community building/public space/natural resource</td>
<td>£297</td>
</tr>
<tr>
<td>Increased use and improved physical health through use of improved/new recreational infrastructure and sports activities</td>
<td>Average personal spend on sports/leisure</td>
<td>Increased number of people using the new sports facilities/activities. Per person</td>
<td>£106</td>
</tr>
<tr>
<td>Improved health/mental well-being through accessing cultural and recreational facilities leading to improved social inclusion</td>
<td>Average cost of a community health visit</td>
<td>Increased number of people participating in activities £ per annum (based on a £34 per visit and 4 visits per year)</td>
<td>£136</td>
</tr>
<tr>
<td>Improved QoL and welfare for rural dwellers; increased attractiveness of rural areas through improved local infrastructure and services</td>
<td>Reduced transport costs based on £5 weekly public transport journey</td>
<td>Number of people benefiting from improved services. £ per person per annum</td>
<td>£260</td>
</tr>
<tr>
<td>Increased value and quality of historic buildings and natural habitats through restoration and conservation</td>
<td>Membership fee to National Trust per annum</td>
<td>Number of people regularly and directly benefiting from improvements</td>
<td>£60</td>
</tr>
<tr>
<td>Improved awareness of the countryside through increased access and on-site education</td>
<td>Membership fee to National Trust per annum</td>
<td>Number of people/visitors with increased awareness</td>
<td>£60</td>
</tr>
<tr>
<td>Number of people participating in training and work placements</td>
<td>Earnings differential of moving to a level 2 NVQ qualification</td>
<td>Number of trainees</td>
<td>£1,456</td>
</tr>
<tr>
<td>Increased levels of confidence, self-esteem, pride through participating in the project</td>
<td>Participation in an outdoors survival course</td>
<td>Number of people with increased confidence and self-esteem</td>
<td>£289</td>
</tr>
<tr>
<td>Increase in entrepreneurial attitude and innovative approaches in rural areas (including social innovation)</td>
<td>Earnings differential realised by completing an HND/HNC qualification</td>
<td>Number of organisations reporting increased entrepreneurial attitude</td>
<td>£1,950</td>
</tr>
<tr>
<td>Number of new enterprises created (micro, social, etc.) and growth/job creation of new enterprises supported</td>
<td>Turnover of a micro-business and return on investing in innovation.</td>
<td>Number of micro-business created, number of jobs created</td>
<td>£35,420</td>
</tr>
<tr>
<td>Number of people attending new community-wide events</td>
<td>Ticket for a local music festival</td>
<td>Number of attendees/beneficiaries</td>
<td>£24</td>
</tr>
<tr>
<td>Increased numbers of visitors</td>
<td>Spend per tourist trip</td>
<td>Number of visitors</td>
<td>£54</td>
</tr>
<tr>
<td>Improved viability of business/organisation through increased scale, range of activities on offer, and/or capacity (where increased income was not measureable)</td>
<td>Value of increased and safeguarded sales for agriculture and forestry through LEADER (source: CCRI study)</td>
<td>per business/organisation reporting improved viability</td>
<td>£1,243</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Increase in income for the beneficiary organisation (through diversification, increased activity and/or improvement of current service provision);</td>
<td>Increased income between n and n+2</td>
<td>per beneficiary per year</td>
<td>Direct value</td>
</tr>
<tr>
<td>Improved business/organisation performance through improved use and know-how of ICT</td>
<td>Costs of a private sector ICT consultant</td>
<td>Number of organisations reporting improvement</td>
<td>£1,000</td>
</tr>
<tr>
<td>Improved business/organisation performance through resource and energy efficiency and/or adoption of renewable energy</td>
<td>Utility bill savings through increased resource efficiency</td>
<td>Per organisation per annum</td>
<td>Direct value</td>
</tr>
<tr>
<td>New direct employment from increased levels of service provision</td>
<td>UK Average Wage</td>
<td>Number of new jobs created</td>
<td>£25,428</td>
</tr>
<tr>
<td>Increased number of volunteers</td>
<td>1/4 UK Minimum Wage</td>
<td>Number of Volunteers</td>
<td>£3,049</td>
</tr>
<tr>
<td>Increase in income for the local economy as a consequence of the increased activity levels of the beneficiary organisation</td>
<td>Mean increase in turnover of £1099 through diversification * a multiplier of 1.37 (source: CCRI study)</td>
<td>per beneficiary organisation</td>
<td>£1,505</td>
</tr>
<tr>
<td>Money raised for Charity/income generated for good causes</td>
<td>N/a</td>
<td>£ raised for charity</td>
<td>Direct value</td>
</tr>
<tr>
<td>Increased use of public/community transport</td>
<td>Reduced private transport costs based on a £10 weekly journey</td>
<td>Number of people changing transport mode. £ per person per annum</td>
<td>£520</td>
</tr>
<tr>
<td>Increased collaboration between service providers (private, public, third sector) leading to improved service delivery and more effective promotion of services (i.e. through clusters/networks)</td>
<td>dIT estimation of business time savings</td>
<td>Number of organisations reporting increased collaboration and improved service delivery</td>
<td>£1,456</td>
</tr>
<tr>
<td>Improved capacity for local solutions to local problems; increased capacity for implementation of local strategies; increased skills of local leaders</td>
<td>Cost of leadership management training course</td>
<td>Number of organisations reporting increased capacities and skills in implementing local strategies; per organisation</td>
<td>£780</td>
</tr>
<tr>
<td>Increase in income for the beneficiary organisation (through diversification, increased activity and/or improvement of current service provision);</td>
<td>Increased income between n and n+2</td>
<td>per beneficiary per year</td>
<td>Direct value</td>
</tr>
</tbody>
</table>
We believe that the identified (and now refined) list of performance indicators and financial proxies could be an appropriate starting point for the new Programme. Nevertheless, detailed guidance and advice should be produced to instruct Project Managers in how to apply and measure the indicators. It is important that Project Managers should be trained in these matters at the outset of their projects so that an awareness of the baseline and an interest in measuring their progress can be ascertained.

5.8 Social Return on Investment

We believe that our calculations are based on a thorough approach informed by the experience of the project stakeholders. We have applied conservative estimates in our allocations of proxies, whereby we have usually only allocated one or maximum two benefits to the same beneficiary.

The findings and the calculated Social Return on Investment (SROI) should only be understood as representing the effectiveness of the 32 case studies and should not be grossed-up (or interpreted as a robust representation) to represent the total community-based project population of the RDPE.

It should further be noted that CCRI and the study designed and progressed this model of indicators and financial proxies to serve as a tool for the new Programme. While we believe that this could be of substantial benefit to demonstrate qualitative achievement better throughout the Programme, it will not be a sufficient replacement to assess the SROI at the project level. A project-individual SROI should be the basis for such an assessment through which more and further detailed project-specific impacts could be recognised. A very detailed list of performance indicators and projects would, however, not be suitable at a Programme-wide level. It is, therefore, likely that a project-specific SROI assessment would identify a higher SROI value for some of the case studies.

In this context, the SROI results of this study can be regarded as conservative. They are limited to those impacts that are likely to be experienced by a range of similar projects funded by the RDPE Programme. In addition, the SROI value is only calculated over a two-year period: n to (n+2) as required by the CMEF regulations. Similarly as in the case of the Economic Impact Assessment, in other circumstances the return on investment would be calculated over the whole Programme period – in which case the currently identified value would be at least double to that identified here.
Figure 5.11 shows the performance indicators against which the case studies have reported their achievements and the monetary equivalent value of net impact calculated by the SROI method. It illustrates clearly the overwhelming impact that the projects experienced in gaining an entrepreneurial attitude, and the extent to which project investment impacted on much increased levels of recreational activities. Further areas of significantly high impact include the increased number of volunteers and increased social capital, and strengthening of civic engagement.

**Figure 5.11: Estimated Net Social Impact of Case Studies in £**
The SROI has been calculated for each case study and in the context of the eight thematic headings shown in Table 5.8.

Table 5.9: SROI Values by Type of Case Studies (Eight Thematic Groups) and for the Case Studies Overall

<table>
<thead>
<tr>
<th>Total Case Study Findings by Type of Project</th>
<th>SROI based on Total Project Costs</th>
<th>SROI based on size of RDPE award only (intervention rate applied)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community and Village Halls</td>
<td>£6,000,000</td>
<td>£3,250,000</td>
</tr>
<tr>
<td>Natural Assets Improvements</td>
<td>£11,000,000</td>
<td>£4,250,000</td>
</tr>
<tr>
<td>Special Target Groups</td>
<td>£1,475,000</td>
<td>£400,000</td>
</tr>
<tr>
<td>Physical and Infrastructure Improvements</td>
<td>£625,000</td>
<td>£200,000</td>
</tr>
<tr>
<td>Access to Services and Advice</td>
<td>£650,000</td>
<td>£625,000</td>
</tr>
<tr>
<td>Cultural and Heritage Improvements</td>
<td>£750,000</td>
<td>£200,000</td>
</tr>
<tr>
<td>Broadband</td>
<td>£8,600,000</td>
<td>£4,975,000</td>
</tr>
<tr>
<td>Transport</td>
<td>£550,000</td>
<td>£400,000</td>
</tr>
<tr>
<td>Overall</td>
<td>£29,600,000</td>
<td>£14,250,000</td>
</tr>
</tbody>
</table>

Net Impact = Gross impact minus deadweight
Table 5.9 indicates that there are significant variation between the thematic groups, i.e. broadband and natural assets and services and advice are relatively high in comparison to others. Much of the variation can be explained by the difficulties to measure impact and the wide-spread unavailability of baselines.

Projects that provide direct services tend to have bigger and/or easier to measure and/or estimate usage and up-take, other projects such as those targeted at improving the attractiveness of rural areas (cultural and heritage improvements) some projects did not produce much impact, and others estimated that it would take longer for positive impacts to emerge. The quantification of impacts of general infrastructure improvements is often difficult as stakeholders were unsure how many people are actually affected by the improvements.

An important factor of low SROI rates was deadweight. For example, where social impact was generally very high in themes such as ‘Special Target Groups’, in two of the projects stakeholders felt that the initiatives would have happened anyway even without the RDPE intervention, and in the other two projects in that group deadweight was on average assumed at 50%. In contrast, projects relating to Access and Services very high additionality was stated by the stakeholders leading to higher SROI values. Also, these kind of projects often have records of their participants/beneficiaries and could therefore more easily quantify their impacts.
6. Conclusions and Recommendations

6.1 Introduction

This chapter presents the conclusions and recommendations of the study, broken down by a number of sub-headings and representing the various study objectives. Recommendations are presented in blue boxes.

6.2 Economic and Social Impact

In total the study consulted with 851 individuals who received RDPE funding over the course of the Programme implementation period. The majority of study respondents (603) received funding under RDPE Measures targeted at supporting business development (including farms and forestry holdings and other rural businesses). In addition, 143 beneficiaries were involved in the implementation of community-based projects and a further 105 of the study respondents participated in training initiatives.

To assess the economic as well as the social impact of a Programme requires the identification and quantification of a set of relevant performance indicators as experienced and reported by the beneficiaries. As demonstrated in detail in the report earlier, a certain reluctance or inability to disclose financial and/or quantifiable information was apparent in all three beneficiary groups (business, community, as well as training). This has reduced the statistical robustness of some of the impact findings for the Programme and did not allow us to provide robust data at the level of Measures and/or Schemes.

The inability to quantify and/or provide financial figures was mostly due to a lack of awareness and appreciation of the relevance of quantifiable outcome data in view of the projects that were implemented, i.e. people didn’t know that these outcomes were of interest to Defra or that they should have looked out for certain effects or take baseline measurements. The same limitation can also be observed when considering the integrated and wider impact that supported projects might have had on the economy, the environment, or the social aspects of rural community Quality of Life. For example, questions regarding the possible impact of their projects on gender equalities were also largely met with the statement ‘not relevant’.
Recommendation 1

To improve the awareness of RDPE Project Managers and beneficiaries that the RDPE requires evaluation and monitoring in a wider economic and social sense than the immediate CMEF indicators suggest, it is recommended to produce relevant guidance and tool kits to increase awareness, capacities and know-how in how to measure and monitor a set of pre-defined outcome performance indicators. This will not only be of benefit to the projects themselves – regarding the assessment of progress – but also improve the available baseline information and evidence for any forthcoming evaluation exercise.

Apart from the challenges in quantifying the effects of their projects, the feedback of the qualitative outcomes received from 861 respondents indicates that the overall impact of the Programme has been high for the majority of beneficiaries.

Impact from Business-Support

The reported positive impact of the Programme on a range of aspects regarding business performance can be considered as very good. Apart from six beneficiaries (i.e. 1% of all respondents) everyone (99%) who received RDPE funding reported one or more positive impacts on their business, farm or forestry holding. The vast majority of beneficiaries (96%) believe that the sustainability of their business was now better because of RDPE funding: this includes higher levels of competitiveness indicated by 90% of beneficiaries. 85% also reported positive change in areas such as quality standards, quality of the product, improved production techniques and benefits derived from the introduction of new technology and/or innovation.

Over three quarters of all respondents (77%) were able to sustain or increase their sales, with slightly smaller numbers being able to convert this increase into sustaining and/or increasing employment.

However, when the economic impact is assessed on the basis of the business financial data provided by the beneficiaries and calculated on the Economic Impact Assessment model, the economic benefits achieved in terms of jobs created and respective unit costs are relatively high. This is further heightened by the fact that the observation period of generated impact only relates to two years as prescribed by the CMEF.
Table 6.1: Impacts Created through Business Support Projects at Programme Level, (n to n+2)

<table>
<thead>
<tr>
<th></th>
<th>Programme level</th>
<th>Axis 1</th>
<th>Axis 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Additional GVA (in PPS millions):</td>
<td>374 – 386</td>
<td>233 -245</td>
<td>143</td>
</tr>
<tr>
<td>Net Additional GVA (€m)</td>
<td>€486 - €501</td>
<td>€302 - €319</td>
<td>€186</td>
</tr>
<tr>
<td>New net FTE Jobs created</td>
<td>9,600 – 9,950</td>
<td>6,850 – 7,250</td>
<td>2,900</td>
</tr>
<tr>
<td>Labour Productivity increased (project start to n+2)</td>
<td>€4,400 - €4,700</td>
<td>€3,200 - €3,700</td>
<td>€6,500</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>£1.72 :1 - £1.78 :1</td>
<td>£1.82:1 - £1.92 :1</td>
<td>£1.59:1</td>
</tr>
<tr>
<td>Unit Costs per net Job (total project costs)</td>
<td>£69,000 - £71,500</td>
<td>£55,600 - £58,700</td>
<td>£98,150</td>
</tr>
<tr>
<td>Unit Costs per net Job (RDPE award)</td>
<td>£27,500 - £28,500</td>
<td>£20,500 - £21,750</td>
<td>£43,100</td>
</tr>
</tbody>
</table>

It was noticeable that Axis 1 respondents required a longer lead-in time than Axis 3 beneficiaries to create a positive increase in labour productivity. This can be observed when the timeframe includes the start of the project date (not just n, the completion date). However, as per CMEF the required reporting time frame is ‘n to (n+2)’ as reported above.

**Recommendation 2**

To improve the reliability and completeness of financial data sets for business-type beneficiaries, it is recommended to **consider additional collection methods** than those based on evaluation studies only. Here, a collection point at application stage and completion report stage would represent appropriate times where relevant business data could be collected. While evaluation studies would still be required to assess aspects such as deadweight, displacement and wider economic impacts, particularly also regarding the time period of (n+2), the questionnaires would be much reduced, the reliability of the data improved, and the process would be less arduous for the participants.

The CMEF requirement of measuring change and impact at n+2 is considered reasonable, as many investments including those relating to tourism development require around two years to materialise.

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19 Please note ‘productivity’ is defined according to the model provided by the CMEF guidelines. Further detail can be accessed in Appendix A – Working Paper 1 which presents the relevant definition and calculations used.
Additionality Considerations

Looking at those respondents who stated that their project had an impact on employment and turnover, 38% and 33% respectively stated that these impacts were fully additional, i.e. would not have happened without RDPE funding. However, when comparing the same responses between the two Axes, it shows that much more beneficiaries (54% regarding employment and 53% for turnover impacts) of Axis 3 projects thought that the funding was fully additional.

**Figure 6.1: Deadweight and Additionality of the Employment and Turnover Impacts of RDPE Funding**

![Chart showing additionality and deadweight for employment creation and turnover increases for Programme, Axis 1, and Axis 3.]

Regarding the deadweight, i.e. where respondents with positive employment and turnover impacts stated that over half or all of the positive impacts would have happened anyway disregarding of the funding, Axis 1 respondents show the much higher values than Axis 3 beneficiaries.

**Figure 6.2** shows the same scenario broken down by the three business types demonstrating that full additionality of the achieved employment and turnover impacts was more common than high rates of deadweight amongst all groups. However, farm holdings tended to show a much lower rate in additionality for their employment impacts, i.e. 29% of their positive employment impacts would have happened even without RDPE funding.
Figure 6.2: Deadweight and Additionality of the employment and turnover impacts of RDPE funding, by type of business

Recommendation 3

Although the RDPE showed high levels of satisfaction with the vast majority stating that the sustainability of their business/organisation has been improved, a quarter of those with impacts in sales and turnovers would have created those anyway. It is therefore recommended to address this issue, either through stricter appraisal procedures or by making available a wider range of financial investment mechanisms, such as loan funding.

Impact from Community-Based Project Support

The impact from community-based project interventions was researched via a case study approach informing the SROI calculations. Whilst the 32 case studies provide a detailed insight into the funded project activities and effects that have been achieved in a number of Quality of Life areas, the small number of projects included does not allow for a robust statistical representation at Programme level of the researched Measures (321, 322, 323). In addition, the case studies represented larger projects when compared with the average total project costs and awards of the other 1,916 community-based projects supported by the Programme as a whole. The findings, therefore, can only provide evidence at the level of the study and the project themselves.
The reported outcomes from community-based project activity indicate clearly the extent to which the Programme has impacted significantly on improved activity levels, social inclusion, and an increased social capital in the respective rural communities. The area of highest impact was that of increased entrepreneurial attitude, testified by many Project Managers indicating the substantial impact the RDPE funded project had on confidence levels for further project activity and – foremost – idea generation. In this context, the positive impact of transnational project activity was also mentioned.

Regarding the ambition to foster an integrated rural development approach, it is unfortunate that the transition from increased social engagement and activity levels does not yet seem to affect more strongly the economic sphere of the rural communities for enhanced sustainability effects.

On the basis of the primary research, there is a perception held by many that ‘community development’ is quite separate from ‘economic and business development’ and that the one does not have anything to do with the other. This is unfortunate and indicates that the integrated development approach is still evolving (although this is demonstrated very well by a good number of projects where considerable progress has been made in cross-sector engagement, and linking-up of initiatives thereby creating enhanced partnerships and collaboration across a number of subject areas).

However, only a few projects showed that community–based projects can also have an economic impact through the creation of jobs, training opportunities, as well as increased financial sustainability of organisations through improved and/or increased service provision. Indirect employment benefits, i.e. those who facilitate the increased number of activities or the local economy in general, were rarely on the radar of beneficiaries (largely due to a lack of appreciation that community projects can actually have an economic impact on the local community).

For example, the net number of visitors attracted through project activity across the projects is 9,350, yet the awareness and knowledge as to how this affected local trade, overnights, etc. was almost completely unknown. It can therefore be assumed that job creation remained under-reported by the study.

Additionality/deadweight\textsuperscript{20} assumptions also had a strong impact on the value of the SROI value, which reduced some of the values in thematic groups significantly.

\textsuperscript{20} For a detailed explanation of these terms please see Appendix A, Working Paper 6
**Recommendation 4**

Although the increased level of entrepreneurial attitude bodes well for a further increase in project activities and engagement levels, it is recommended that the new RDPE allocates resources towards awareness raising and capacity building initiatives (tool kits, training sessions, etc.) to **increase the understanding of integrated rural development** so that closer links and synergies can be created and appreciated between social, environmental and economically focused projects.

Due to the most likely under-reporting of employment impacts, it is less meaningful to report unit costs against net FTE jobs created (in the case of the case studies this is only 22). However, if we consider to add an equivalent of a quarter of all the net number of volunteers positions created by the projects (507 volunteers = FTE 126.5 jobs), a fairer comparison could be made in terms of unit costs per job created by investments undertaken in business support measures.

By Community-based Projects at study level only:

- Net FTE jobs created: 22 (plus 507 volunteer positions representing 0.25 FTE each)
- Social Return on Investment: £5.85:1
- Unit Costs per net job (including volunteers) by total project costs: £28,252
- Unit Costs per net job (including volunteers) by RDPE awards: £19,961

**Impact from Training Support**

The findings from the online survey with beneficiaries of training projects showed that satisfaction levels were very high in all areas of concern with 98% of all respondents indicating that their skills levels had increased due to RDPE investment.

Again, respondents were less likely to disclose any financial details about themselves and were much less aware of how the improved skills levels and improved quality of work had impacted on the profitability or productivity of their organisations. However, 80% felt that the support was very important to them personally.

A further positive aspect of the delivered training was that beneficiaries stated that they are still applying all (or most) of what they had learned at their course and that the positive impacts will last for more than five years.
The additionality of the training was considered at a reasonable level with 65% of respondents stating that they would not have achieved the same positive outcome without RDPE support.

Although a reasonable response rate was achieved by the survey at Programme level, the diverse nature of training delivered should have premeditated a weighted sample approach. This was, however, not possible due to the unavailability of beneficiary contact data (beneficiary contact details are held at project level and are not shared with the Managing Authority).

**Recommendation 5**

To improve the accessibility of the contact details of training beneficiaries, relevant records should be shared with the Managing Authority. At the same time, short ‘before and after’ questionnaires could be undertaken and electronically stored by all training initiatives for improved feedback. The questionnaire could include a request for contact details for future evaluation activity to be undertaken with the consent of the beneficiary.

### 6.3 Performance by Measure

The achieved response rates for the business, community as well as training Measures allowed for a reasonable robustness at Programme and Axis levels. However, they have been too small in most RDPE Measures to conclude any viable comparative statements (i.e. the findings of the small samples do not represent the total population of their respective RDPE Measures).

Response rates for Measures 121, and 311 have been at a Confidence Interval value of +/- 10% which is still regarded as ‘just acceptable’ to be considered a fairly robust representation of the total population of projects receiving support from the respective RDPE Measure. It should be noted that the number of responses received for the relevant financial data had been much lower than for responses regarding more qualitative questions in the questionnaire. In total there were only 360 respondents who were able to disclose the relevant financial business data. This had a detrimental effect for analysis at the level of RDPE Measures, which has become largely unreliable.
In terms of the key impact indicators, we can see the following differences between the Measures concerning the period of n to (n+2):

- net additional GVA (in PPS millions) at 10% displacement (in brackets at 5% displacement):
  - Measure 121: 191 (202)
  - Measure 311: 21 (21);

- grossed-up, net change in FTE employment at 10% displacement (and unit costs by RDPE award):
  - Measure 121: 2,900 (£25,263 per net FTE job created)
  - Measure 311: 850 (£52,203 per net FTE job created);

- change in labour productivity (at 10% displacement):
  - Measure 121: project start (€82,404 GVA per FTE)
  - N (€78,838 GVA per FTE), N+2 (€83,920 GVA per FTE)
  - Measure 311: project start (-€1,627 GVA per FTE)
  - N (€31,837 GVA per FTE), N+2 (€36,783 GVA per FTE); and

- Return on Investment at 10% displacement (in brackets at 5% displacement):
  - Measure 121: £4.88:1 (£5.16:1)
  - Measure 311: £0.59:1 (£0.59:1).

Based on the data presented above, we can see that Measure 121 has generated both employment and productivity growth within supported beneficiaries. In addition, the unit cost data shows that, in comparison, Measure 121 delivers a ‘better’ return for the project costs.

### 6.4 Beneficiary Costs

Regarding the costs to beneficiaries in applying for and implementing RDPE funding, the primary research findings indicate that considerable efforts and resources needed to be utilised throughout the Programme and across business as well as community-based projects alike.
**Business Support Beneficiaries:**

The majority of respondents indicated that their staff had spent some time across all areas of applying for and implementing the RDPE award, particularly at the reporting and claiming stage, where 93% of all businesses reported staff activity. Businesses under Axis 3 reported that their staff were more active across all stages than Axis 1 businesses.

A smaller number of businesses made use of external advisors/consultants to assist with the RDPE process, ranging from 10% of all respondents at the reporting/claiming stage, to 31% during the application.

The total resources that were needed to support the implementation of the projects came to 35,295 days of respondents' staff time distributed across the stages of applying, implementing, and reporting. The majority (24,275, 69%) of resources were used to support project implementation. Similarly, a total of £1,613,166 was spent on external consultants, with 56% at the implementation stage (£909,196).

**Community-based Projects**

Depending on the task, between 8% and 22% of the community-based projects used external expertise to help them through the RDPE process at reporting and implementing stage respectively. Whereas most external expertise in the case of business support projects was utilised for applying for funding, community-based projects tended to use external expertise more often to support the implementation process.

There was no occasion in which a community-based project sub-contracted any of the three tasks completely to an external expert.

On average, staff required 18 days to fill in the RDPE application form (at times this increased to 90 days – particularly when there was capital projects including architects work). Additional time (which was not built-in to the project costs and therefore had to be carried by the organisation itself) required for implementing the projects was considerable with an average of 76 days spent. However, there are a small number of projects where this task was very long and it might be more useful to consider the median here which was 31.5 days (half of the projects needed longer, and the other half of the projects needed a shorter timeframe).
Regarding the reporting and claiming, some projects were supported by their local councils particularly with regard to the financial management of projects. The average of each project spent on reporting and claiming was 16 days (a median of 9 days) and comments were often received that this was an arduous process mainly due to the substantial amount of audits requested to serve internal and external procedures.

6.5 Beneficiary Characteristics

The study identified three major business types and the primary research involved the following across Axis 1 and Axis 3: 362 farm holdings, 39 forestry holdings and 170 other rural businesses. All types of businesses were happy to respond to general, more qualitative questions about the impact of RDPE funding on their organisation, but only 360 could provide the full set of detailed financial data to conduct the impact assessment.

However, general questions about how the RDPE projects have impacted on sales and employment have been provided and indicate that the majority of supported farms (227; 63%) have been able to increase sales. An additional 60 (17%) farms were able to sustain sales. In terms of employment, while 127 (35%) could increase their employment, more (141; 39%) were able to sustain their employment levels because of the grant funding.

The impact of RDPE investment on ‘other rural businesses’ was higher than this experienced by farm holdings, with 125 (74%) of rural businesses increasing their sales and 20 (12%) able to sustain sales because of RDPE interventions. In terms of employment, more businesses (83; 49%) were able to create jobs than sustain employment levels with 48 (28%) stating this impact.

The majority (24; 62%) of forestry holdings participating in the survey reported an increase in sales due to their RDPE project, with nine holdings (23%) able to increase their employment and a further seven (18%) able to sustain their existing employment levels.
Table 6.2: Percentage of Survey Respondents Stating Positive Impacts of RDPE Investment by Business Type

<table>
<thead>
<tr>
<th>Business types</th>
<th>Increased sales</th>
<th>Sustained sales</th>
<th>Increased employment</th>
<th>Sustained employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm holdings (362)</td>
<td>63%</td>
<td>17%</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Forestry holdings (39)</td>
<td>62%</td>
<td>0%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Rural businesses (170)</td>
<td>74%</td>
<td>12%</td>
<td>49%</td>
<td>28%</td>
</tr>
</tbody>
</table>

A number of impacts were accrued by all business types, with a majority of respondents for all business types reporting positive change across each indicator. The largest impact for each business type was in terms of quality standards, with the quality of products/outputs also typically resulting in a number of impacts.

No respondent of any business type reported a negative change for any Measure.

In terms of wider impacts, again, across all business types, a majority of businesses reported positive impacts. There was generally continuity among business types as to the types of benefits enjoyed – business sustainability and business competitiveness were the most and second most common impacts respectively, across all types.

In comparing the responses of the three groups of different types of businesses in terms of experienced impact, only a small number of areas of difference can be observed across the three types of businesses.

In comparison to farm holdings and rural businesses, forestry holdings experienced proportionately more positive impact on an improvement of quality standards; more farm holdings experienced a positive impact on new technologies and innovation than in both other groups, although where diversification was concerned, the forestry holdings experienced slightly more positive impact (with farm holdings reporting this as their second lowest impact overall).

In terms of environmental impacts, proportionately more forestry holdings experienced positive impacts in increasing biodiversity and in improving sustainable land management than farm holdings and rural businesses, whilst more farm holdings reported positive change in water and air quality due to RDPE investment than the other two groups.
6.6 Performance by Scheme

Beneficiaries across all three project schemes generally enjoyed similar levels and types of economic impacts, with quality standards among the most commonly enjoyed across each of the three schemes.

A greater share of those supported under the England Woodland Grant scheme had enjoyed a positive change in the efficiency and processing/marketing of their products – this was the most commonly experienced impact under this scheme.

Whereas introduction of new technologies/innovation was a common impact of both FFIS and REG projects, a majority of England Woodland Grant Scheme beneficiaries identified no change on this aspect.

No beneficiaries under any of these schemes reported a negative change, except two beneficiaries under the REG one in terms of employment and one regarding sales.

Paying in mind that the three response rates in the three schemes are substantially different, whereby only FFIS represents a reasonable amount of responses to draw any conclusions.

Table 6.3: Percentage of survey respondents stating positive impacts of RDPE investment by Scheme

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Increased sales</th>
<th>Sustained sales</th>
<th>Increased employment</th>
<th>Sustained employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFIS (130)</td>
<td>51%</td>
<td>13%</td>
<td>23%</td>
<td>32%</td>
</tr>
<tr>
<td>REG (28)</td>
<td>64%</td>
<td>4%</td>
<td>75%</td>
<td>4%</td>
</tr>
<tr>
<td>Woodland Grant Scheme (30)</td>
<td>67%</td>
<td>3%</td>
<td>20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Proportionately more beneficiaries of the Woodland Grant Scheme and REG seem to have had a positive experience across the range of economic impact indicators, but because of the small sample size this cannot be assumed for the total population of beneficiaries funded by these schemes.

Areas where FFIS had least impact for most beneficiaries included diversification and access to markets. However, the vast majority of FFIS beneficiaries felt that the award made their business more sustainable, and contributed to new technologies.
There was a larger degree of uniformity among beneficiaries in terms of wider impacts they had experienced. Business sustainability was the most commonly identified impact across each of the three schemes, with all REG projects reporting a positive change in this respect.

A greater proportion of FFIS projects felt that there is an increased likelihood of family members staying in the local area – however, a majority of beneficiaries from the other two schemes also stated this.

Responses were typically mixed around ‘access to markets and other marketing options’ – a majority of REG projects indicated a positive change, whilst a majority of FFIS respondents indicated no change – responses were evenly split among Woodland Grant Scheme respondents.

Only one respondent indicated a negative change - this was an FFIS beneficiary, who indicated that there had been a negative change in terms of their human potential and skill levels.

6.7 Opportunities for Additional Support

On the basis of the study experience, one of the most crucial areas where additional support is required in RDPE concerns the ability of project promoters and beneficiaries to understand better how to measure and monitor progress and achievement of their projects. As indicated above and in Recommendation 1, this will not only be of benefit to future evaluations and impact assessments, but will also enable beneficiaries to gain an increased understanding of rural integrated development and the prime objectives of the RDPE programme. Here the importance as to how the RDPE is promoted, how application forms are designed and how advice and technical support is provided should crucially reinforce the aims and objectives of the Programme.

A further area, where additional clarification, awareness raising, and capacity building might be required relates to the differentiation of important terminology, such as ‘new’ and ‘innovative’ processes, services and/or techniques. If the differentiation between the two terms remains relevant, clear guidance and definitions should be produced. In addition, beneficiaries should understand well what the particular Scheme or RDPE Measure they are being funded under is looking to achieve.
**Recommendation 6**

Provide guidance, technical support and capacity building for project managers regarding key RDPE objectives and performance indicators, including well defined terminology so that essential drivers and aims are understood and appreciated. This includes clarification of key programme objectives such as productivity, competitiveness, self-sufficiency, and integrated rural development.

### 6.8 Benchmarking Study Findings

Benchmarking the findings of the current study with other RDP evaluations is difficult as most ex-post evaluations have not been commissioned yet. In addition, mid-term evaluations usually do not cover impact assessment, but should include preliminary GVA result indicator findings. However, even with regards to the GVA indicator, evaluations that have followed the prescribed CMEF model are rare as extensive data collection is required.

EKOS has conducted a complete CMEF-based GVA assessment recently for Measure 311 of the Welsh RDP. In addition, during the ongoing evaluation of the Scottish RDP, the GVA result indicator was calculated by using a more streamlined calculation method. As we have tested a number of GVA calculation methods concurrently with the CMEF model, we can provide the comparison on this basis.

The recent assessment of the GVA results and impact indicators for the Scottish RDP shows that – although not fully comparable – the English RDP is performing well.

A further challenge is that the CMEF model prescribes a very short observation period of $n$ to $(n+2)$ equating to only two years. This is a relatively short period of time given that some impacts, particularly job creation, require longer time scales to emerge. For example, if the impacts of the current study were to be calculated over a longer period of time (such as the Programme period from 2007-2014) the ROI would be double in value.

Further, comparisons with other European Funds such as ERDF are inappropriate as their respective programmes usually have a distinct focus on growth/high growth sectors (thereby in themselves destined for higher and faster impact generation). The ERDF programmes also have different rationales for their interventions, again, often with a much clearer focus on promoting job creation and GVA growth.
In terms of the Social Return on Investment, the current study built on the proxy values used by a previous CCRI study\(^\text{21}\). It should be noted, that the SROI approach was exclusively used for projects that have been implemented by community-based groups/organisations, mostly LEADER projects, in three Axis 3 measures. RDPE investment in businesses were covered by the business survey which had a more distinct focus on GVA and job creation through the Economic Impact Assessment.

With regard to the financial proxies used in the SROI calculations, the current study has scaled down and adjusted a number of the CCRI proxies on the basis of the fieldwork findings. In addition, the calculations and assumptions for monetisation have been conservative, so that an over-statement of impacts was avoided. However, in comparison with the CCRI study findings, the overall SROI ratio at Axis 3 level of the current study is higher (5.85:1) than that the estimated SROI ratio by CCRI (2.16:1). This could have a number of reasons:

- firstly, the 32 case studies participating in the current study tended to be larger than the mean of the total project population suggests;
- secondly, the type of projects researched produced different levels of SROI ratios, whereby broadband projects for example returned by far the highest SROI ratio. The selection of projects involved in both studies might have been different in type; and
- most importantly, it should be noted that the CCRI study included only a very small sample size of 43 beneficiaries sourced from only four geographic locations of the Programme area across Axis 1 and Axis 3 projects. The margin of error of the CCRI study must therefore have been very high (no specific reference of this is made in the report, although it is noted clearly that the small sample size limits the reliability of the findings considerably). In comparison, the current study involved a total of 861 beneficiaries across Axis 1 and Axis 3 projects (153 for Axis 3 SROI research).

For the above reasons, a comparison between the CCRI study findings and the equivalent findings of the current study is considered unviable Due to the larger sample size, the findings of the current study can be regarded as more reliable than those of the CCRI study at the Programme as well as at Axis level.

\(^{21}\) CCRI: An assessment of the Social Return on Investment of Axes 1 and 3 of the RDPE, for Defra, 2013
At the same time, the current study is considered to be based on a small sample size demonstrating the challenges of this type of research where large numbers of survey participation are required to develop more reliable findings and to enable meaningful benchmarking exercises to be undertaken.

6.9 Additional Recommendations

Additional Recommendations which have been presented in previous reports (Primary Research Completion Report) of this study:

1. Consideration should be taken to introduce a Unique Beneficiary Number in the new RDPE programme so that individual businesses receiving multiple awards can be easily identified and addressed.

2. If possible, future survey invitations to beneficiaries should be sent out by hard copy letter. A letter delivered by post might be considered ‘higher value’ and therefore attributed with greater weight and importance to be recognised and recalled when researchers contact. Despite the higher costs involved, it could prove much more effective in raising awareness and recollection of being asked to participate in the research.

3. Ensure that the researcher in charge of setting up and conduction the telephone interview is in control necessary actions like resending invitation letters, so that this task can be executed more efficiently. It also has the benefit a closer relationship being built with the beneficiary, thereby buying in commitment and higher levels of willingness to participate in survey activity.

4. It is recommended to appreciate that the beneficiary database is a highly valuable asset for Defra and to invest in its regular updating and maintenance.

5. Provide alternative ways of participating in a survey, such as online or postal for self-filling in. At the same time, however, the length of online and hard-copy questionnaires should be relatively short.

6. Consideration should be given to raise awareness of the fact that beneficiaries of European/national public sector funding have a responsibility to report on the effects and impacts that the funding had on their business. This could already be stated at the application stage, or in the award letter, so that researchers could quote these requirements more readily.
7. Collect financial information via application and reporting stages. Surveys are still necessary for collecting qualitative data, as well as information on attribution, deadweight, and displacement; yet, by not including financial data economic impact surveys could be kept shorter and more manageable.

8. Apply a simpler formula to ascertain a proxy GVA value, such as by ‘jobs created’. This would reduce the number of other financial information required.

9. Keep survey questionnaires as short and straightforward as possible to help clarity and understanding. Be clear at the outset how relevant and necessary each question is for the overall analysis and purpose of the study.

10. At times, specific areas of interest could be explored in detail via bespoke research study, or via case study research.
Appendices

(see extra documents)

Appendix A – Working Papers and Scoping Report;

Appendix B – Study Issues Papers;

Appendix C – Business Telephone Survey;

Appendix D – Online Survey with Training Beneficiaries;

Appendix E – Community-Based Case Studies;

Appendix F – Business Survey Findings by Scheme and Business Type; and

Appendix G – Counterfactual Assessment.