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Evaluation of Axes 3 & 4 of the Rural Development Plan for Wales 2007-2013

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List of abbreviations

RDP	Rural Development Plan
LEADER	A French acronym for 'links between actions for the development of the rural economy'
LAGs	Local Action Groups
LDS	Local Development Strategy
GVA	Gross Value Added
SOC	Standard Occupational Classification
ICT	Information & Computer Technology
PAFs	Project Amendment Forms
CMEF	Common Monitoring and Evaluation Framework

Contents

Executive summary	i
1. Introduction	1
2. The Aims and Objectives of Axes 3 and 4 and their Implementation in Wales	2
3. Methodology	9
4. Analysis of the Programme Monitoring Data	12
5. Outcomes of Economic Development & Diversification Projects and Activities .	27
6. Outcomes of the ‘Quality of Life’ Group of Measures and Activities	32
7. Outcomes of ‘People Development’ Activities	35
8. The Management and Delivery of Axes 3 and 4 in Wales	34
9. Lessons Learnt at an European Union Level	53
10. Conclusions and Recommendations	59
Appendix 1: List of Partnerships and Local Action Groups.....	68
Appendix 2: List of projects sampled, number of interviews and response rate	69

Executive summary

This is the final report for an evaluation of Axes 3 and 4 (LEADER) of the Rural Development Programme in Wales 2007-2013 (hereafter referred to as the RDP) undertaken by Wavehill, CLES and the Rural Development Company from May to September 2013. The evaluation was commissioned by the Welsh European Funding Office (WEFO) of the Welsh Government.

Priority has been given in this study to assessing the contribution to the two key impact indicators; new jobs created and/or existing jobs saved and economic growth. It is however important to note that generating a direct economic benefit was not the primary objective of a number of Axes 3 and 4 activities which are primarily focused on providing a basis for economic activity in a rural location. The argument is that the economic benefit is generated subsequently via activities that build upon (or happen because of) the interventions being discussed here. This evaluation has not however been able to assess in any detail whether that has or will be the case. This may therefore be an area for further research.

Where there is evidence of economic benefit it has been generally generated by projects funded by measures most focused on economic development issues. The impact is generally seen on a micro level rather than on a macro level; individual businesses may have generated substantial benefits but the impact in the economy as a whole is not substantial. The impact also varies substantially from area to area although that is not unexpected. The programme is being delivered on a locally led and local authority area basis meaning that activities vary substantially from area to area depending on the priorities of the Partnership in that area. The level of investment also varies substantially from area to area which will also, influence the extent of the impact that can be seen.

The *very wide* range of projects and activities funded needs to be considered when discussing the outcomes of Axes 3 and 4. The range of activities is partly due to the range of measures implemented within the programme, but even within measures, there is a very wide range of activity. Whether this is beneficial depends on what those designing Axes 3 and 4 implementation in Wales aimed to achieve. If the objective was to allow a wide range of very specific (local) issues to be identified and addressed by the programme - projects and activities that would not have been

funded by the Structural Funds – then this has been achieved. The appropriateness of the approach is however less clear in terms of achieving a substantial and focused impact within the economy (jobs and growth) in rural areas.

Recommendation 1: There should be greater clarity about the purpose of the Axis 3 and 4 programme / the need to be addressed. The programme (including its monitoring system) should then be designed around achieving that specific objective. This discussion should include a review of the method or process being used to deliver the programme (specifically the role of the LEADER approach) and the outcomes which it is foreseen *the method* can achieve.

Recommendation 2: Depending on the decision made in relation to Recommendation 1, there should be a far greater emphasis on the Local Development Strategy (LDS) as the document which coordinates activities at a local level in the future with a view to promoting a clearer, more integrated and more strategic approach at a local level. *Please refer to Recommendation 12*

Much of the discussion about the administration of Axes 3 and 4 has focused on the complexity involved. In many ways, these issues have overshadowed the programme to the extent that that this is the first issue stakeholders refer to when asked to talk about their experience of Axes 3 and 4 in Wales.

Looking first at the *structure*, we have concluded that there is potential for both ‘vertical’ and ‘horizontal’ integration. *Vertical* integration would involve merging some of the functions of the Welsh Government with that of the Lead Bodies to reduce the administrative layers within the structure; for example, the double appraisal of projects. *Horizontal* integration would involve merging or rationalising some of the activities that are currently being undertaken separately in 18 areas across Wales. This could potentially include the Partnerships themselves (depending on their role in any future programme) but could include some Lead Body functions such as project support, financial processing and reporting activities.

It is important to note that we would separate the Axis 4 (LEADER) LAGs from some of the horizontal integration discussed above as the focus of their activity should be on assessing the development needs and potential on a *small* area-based level. There is a risk that creating LAGs that cover larger areas could lose the focus on

small areas and locally-led development. We see no reason however why several LAGs could not be facilitated by the same Lead Body or 'delivery support' team.

One of the key features of the approach in Wales is the 'side-by-side' implementation of the two axes. The logic is clear as is the opportunities it created for 'mainstreaming' the LEADER approach and creating the opportunity to move ideas successfully piloted under Axis 4 into Axis 3. On a practical level however, what is probably better described as the 'semi-integrated' approach being used has proven to be challenging and complicated to administer and there is little evidence that the anticipated advantages have been realised. Our conclusion is that the semi-integrated approach has had a negative impact in diluting the LEADER approach to the extent that it has not been consistently fully implemented across Wales during the current programme period.

Recommendation 3: As part of the development of plans for the next programme period, the potential to merge some of the functions of the Welsh Government (as the Managing Authority) with those of the Lead Bodies to reduce the administrative layers within the structure should be considered.

Recommendation 4: The potential for merging and/or coordinating some of the common administrative or back office activities that are currently being duplicated in 18 areas across Wales should be explored. This should not be taken to imply the creation of LEADER LAGs that cover larger geographic areas than in the current programme.

Recommendation 5: The current Partnership-LAG structure should not be replicated in the future. The local structure should be a simpler, streamlined structure which requires a single LAG in each area. By definition, this would mean fully encompassing the LEADER approach for all activities delivered by this element of the RDP as originally envisaged in the 'mainstreaming' of the method.

Recommendation 6: Subject to the above, the new LAGs should be empowered to undertake their role fully. This should include making decisions on how the funding that is available to them is utilised based on the *strategy* that they have devised working within set parameters.

There was much discussion about the 'LEADER approach' during the course of this research. Our conclusion is that the extent to which LEADER is actually being implemented within the current programme in Wales is 'patchy'. There are many reasons for this including the experience that those involved in some areas have of the approach and, as discussed above, the dilution caused by the partial integration with Axis 3.

Recommendation 7: There should be a focus in future programmes on implementing *all* aspects of the LEADER approach in Wales. This should include providing more guidance and support to Lead Bodies on the LEADER approach than has been available during the current programme with the Wales Rural Network potentially having a key role in this process.

Competition *at a project level* is the mechanism that the Welsh Government has used to allocate the funding that is available between the local authority areas but there are a number of alternative ways to allocate funding which could be considered. Whilst acknowledging that developing and agreeing such a system will be challenging, providing areas with an indicative budget allocation will take competition out of the process and our view, together with that of the vast majority of interviewees, is that this will improve any future programme.

Recommendation 8: Alternative methods for allocating funding to areas participating in the next RDP programme should be explored in order to avoid competition between those areas on a 'project by project' basis and at the project application stage and in order to promote greater cooperation and sharing of ideas. The consideration of alternative methods should include the potential for placing a greater emphasis on the LDS as the mechanism for allocating funding to projects with greater delegation to the LAG for the subsequent selection and approval of projects.

Although it is apparent that many administrative 'issues' have not been fully overcome, there is a generally held view that things improved substantially as the programmes progressed. Many of the administrative problems that have troubled Axes 3 and 4 can also be traced back to a lack of resource and/or structure being in place at the beginning of the programme period. Avoiding such a scenario by having

that knowledge and experience available at the beginning of the next programme period would be hugely advantageous.

Recommendation 9: Steps should be taken to ensure that the improved capacity developed amongst key staff during the current programme is, wherever possible, maintained in the transition to the next programme period. The structure for the next RDP programme is unclear at the current time; however we recommend that the administrative structures and staffing for the next programme is established as early as possible to facilitate Partnerships' development of LDSs and projects. This would also enable key parts of the current structure to be maintained thereby providing some continuity.

Another feature of the approach to Axes 3 and 4 in Wales for the current programme period is the split into two business plans. The logic for this approach is again clear. However, our conclusion is that the disadvantages outweigh any advantages. Most notably, the loss of momentum part way through the programme period has been challenging as has the short timescales which were available to deliver Business Plan 1 projects as a result of the split.

Recommendation 10: Alternatives to the 'business plan' approach should be considered for the next programme period. As per Recommendation 8, this should include the potential to allocate funding on a LDS basis (covering the whole of the programme period) with progress reviews being undertaken at key points during the programme period. The potential to ring-fence a proportion of the funding available to fund 'new' projects over the lifetime of the programme should also be considered (potentially funded by any under-spend from other projects).

One of the aspects of the programmes that was particularly criticised by stakeholders was the performance framework being used to monitor projects. It is important to note that improvements have been made as the programmes have progressed. However, important lessons need to be learnt as we progress into the next programme. Most notably, the system needs to be more streamlined, easier to administer and, perhaps most importantly, better understood by those collecting the data.

Recommendation 11: A more streamlined performance framework should be introduced for the next programme which has a greater focus on monitoring the results of activities / projects rather than outcomes. Alongside this, there should be a more coordinated plan at both the programme and local levels for monitoring & evaluating which includes better integration of evaluation activities being undertaken at a local and national level. As part of this plan, there should be a greater focus on communicating the purpose and benefits of monitoring & evaluation and the approach being used to stakeholders throughout the programme.

The core of many of the issues discussed in this report is desire to generate the benefits of a 'grass-roots' / 'bottom-up' and 'joined-up' local approach to rural development with the need for centralised 'control' in order to ensure added-value and maintain strategic coherence. Based on the feedback from stakeholders it is questionable whether the current programme has been able to achieve this balance. The primary reason for this seems to be a lack of resources to be able to effectively 'service' the structure from the centre (i.e. Welsh Government); it is too large and cumbersome to deal with and the complexity of the delivery system. Alternative methods therefore need to be considered.

One potential alternative is to split any future programme into separate 'stand-alone' scheme based measures or sectors (e.g. a business support programme) and to deliver those schemes on a regional or even a national level. In some instances, there will be a compelling argument in favour of this, especially, if it cannot be shown that local needs or circumstances are such that a regional or national approach is not appropriate. The risk is that the benefits of the locally-led and integrated approach championed by LEADER, is lost.

We would argue that this does not need to be an argument about regional or national schemes versus local schemes; there is no reason why it is not possible to implement an approach that has the benefits of both; a national or regional project which is administered 'centrally' but delivered locally and coordinated with the LDS. Simplify the project by undertaking the administrative functions centrally whilst maintaining a locally led deliver focus. Such an approach will not be appropriate in all circumstances; but it's an approach that needs to be considered especially for where the need is similar in a number of different areas.

This discussion also needs to consider the way in which ‘gaps’ or opportunities identified by local partnerships or LAGs are being addressed. The tendency within the current programme is to seek to address any perceived gap by developing a new project or scheme. However, it is conceivable that there may be circumstances which a new project or scheme may not be the best way in which to address these gaps. For example, introducing a change or new element to an existing scheme or programme may be more effective in addressing the need. The concerns that have been expressed about the ‘added-value’ of Axes 3 and 4 projects by ‘central’ stakeholders need to be acknowledged and, as part of that, there is a need for a greater consideration of the potential for what may be described as ‘rural-proofing’ existing or mainstream mechanisms and adapting them to meet gaps or opportunities that have been identified rather than introducing new schemes or projects.

Recommendation 12: Future Axes 3 & 4 programmes should seek to develop a model based on a networked ‘development approach’ which focuses on reinforcing the implementation of the LEADER approach and on maximising the benefits of both a top-down and bottom-up approach. This, as per previous recommendations, should include a focus on developing Local Development Strategies which are focused on implementing a ‘*strategy*’ (rather than individual projects) which draws together (and integrates on a local level) local, regional and nationally led projects and activities in order to maximise their benefit to the local area.

1. Introduction

This evaluation assessed the perceived difference made by Axes 3 and 4 of the Rural Development Plan for Wales 2007-2013 (the RDP) as well as its added value and wider outcomes. The objective was to provide recommendations on the need for further interventions of this nature, and if so, the design and delivery of such interventions. It also sought to establish if the delivery mechanisms currently adopted are the most effective methods for achieving Axes 3 & 4 aims.

Priority has been given in this study to assessing the contribution to the two key impact indicators; new jobs created and/or existing jobs saved and economic growth. It is however important to note that generating a direct economic benefit was not the primary objective of a number of Axes 3 and 4 activities which are focused on achieving 'quality of life' benefits and providing a basis for economic activities in a rural location. The argument is that the economic benefit is generated subsequently via activities that build upon (or happen because of) the interventions being discussed here. This evaluation has not however been able to assess in any detail whether that has or will be the case. This may therefore be an area for further research.

A separate appendix report has been produced which includes additional detailed and technical information which has been excluded from this main report.

2. The Aims and Objectives of Axes 3 and 4 and their Implementation in Wales

This section introduces Axes 3 and 4 of the RDP in Wales with a particular focus on the aims and objectives of the programmes.

Key points

- European Commission rural development policy for 2007 to 2013 is focused on three themes and four 'axes'.
- The objective for Axis 3 is to increase economic performance and income levels and improve quality of life in rural areas.
- EU Regulations require that some of the funding must support projects based on using the LEADER approach which has been programmed as Axis 4
- LEADER is a method to achieve rural development policy objectives through bottom-up implementation rather than the traditional top-down approach.
- In Wales, Axes 3 and 4 have been delivered side-by-side with a view to, amongst other things, promoting cross Axis working and provide a direct route for moving successful pilot and innovative LEADER activity onto the next stage (i.e. Axis 3 funding)
- They are delivered on a Local Authority area basis and led by local partnerships in those areas, of which there are 18.
- These partnerships are a requirement of the Welsh Government, *not* of the European Commission who specify the need for a Local Action Group (LAG) to deliver Axis 4 activities utilising the LEADER approach.
- Each partnership and LAG is supported by a Lead Body which in most instances is the Local Authority for the area.
- The Welsh Government has various roles in the administration and delivery of Axes 3 and 4 including maintaining a relationship with the Lead Bodies, appraisal of project applications and financial management of the programme.
- The programme has been split into two business plan periods during which projects are implemented.

2.1. The Rural Development Plan for Wales 2007-2013

The RDP is one of the mechanisms by which the Welsh Government is delivering European co-funded activities which support the countryside and rural communities¹. The RDP secures EU funding from the European Agricultural Fund for Rural Development with Wales managing a budget of approximately £795 million over the lifetime of the programme with approximately £195 million (25 per cent) coming from Europe. There are four key areas that the plan will improve:

- Axis 1: The competitiveness of agriculture and forestry (14 per cent of the budget)
- Axis 2: Our environment and countryside (70 per cent of the budget)
- Axis 3: Quality of life in rural areas and diversification of the rural economy (10 per cent of the budget)
- Axis 4: The LEADER approach: locally based approaches to rural development (6 per cent of the budget)

The Welsh Government is managing and implementing Axis 1 and Axis 2 activities nationally. Axis 3 and Axis 4 are implemented on the basis of Local Authority areas although activities are restricted to rural wards within the Local Authority areas.

2.2. Axis 3: Quality of life in rural areas and diversification of the rural economy

The Welsh Government's RDP strategy document describes the objectives for Axis 3 as being to increase economic performance, income levels and improve quality of life, by:

- Providing a broader range of better-paid employment opportunities.
- Helping to raise economic activity rates.
- Enhancing or providing additional mainstream services for the rural economy.
- Providing openings for future economic development, including tourism and craft activities.
- Improving the physical environment of villages and conserving the rural heritage.

¹ Further information about the Rural Development Plan for Wales can be found here: <http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment/?lang=en>

- Addressing social exclusion by improving access to a range of services and developing better links between remote and more densely populated areas.

2.3. Axis 4: LEADER

The European Commission requires that a proportion of RDP funding is used to support projects based on experience with the LEADER Community Initiatives (i.e. Axis 4). LEADER is an approach to achieve the objectives of the EU's rural development policy through bottom-up implementation rather than the traditional top-down approach. It includes seven key features:

- Area based local development strategies;
- Bottom-up elaboration and implementation of strategies (Local Development Strategies);
- Local public-private partnerships (Local Action Groups);
- Integrated and multi-sectoral actions;
- Innovation;
- Cooperation; and
- Networking.

There have been LEADER groups active in Wales since 1991². A key difference for the 2007-2013 period is that LEADER is part of the main Rural Development Programme rather than a stand-alone programme as it has been previously. The following are set out by the European Commission as 'core requirements' that must apply where the LEADER approach is being used:

- It should be **area-based** involving well-identified sub-regional territories;
- It should involve local **public-private partnerships** (i.e. Local Action Groups), which should each comprise at least half non-public sector members;
- It is a **'bottom-up' approach** with decision-making powers for LAGs. They will identify their areas' needs and then select the projects to be supported; and
- The **Local Development Strategy** (LDS) formulated by a LAG must be representative of a broad cross-section of the local economy.

When introducing the activities to be supported as part of Axis 4 in Wales, the Welsh Government's RDP strategy says that Axis 4 would prioritise 'new' processes, 'new'

² The first LEADER period started in 1991 as a 'Community initiative' and was followed by LEADER II (1994–99) and LEADER+ (2000–06).

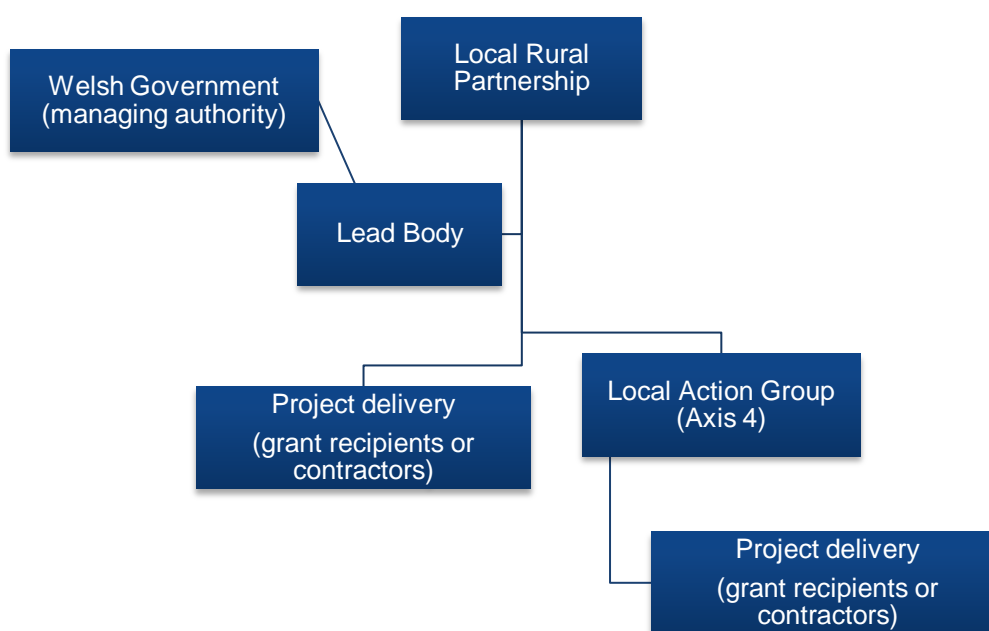
products and ‘new’ approaches where ‘new’ can be linked to the approach, the concept, the geographic area or the sector concerned.

2.4. The structure and process for implementing Axes 3 and 4 in Wales

One of the key features of the delivery of Axes 3 and 4 in Wales is that the programmes have, to a large extent, been combined. The decision was described in the RDP strategy document as a commitment to both the LEADER approach and cross Axis working. The intention was to allow the innovative, cross-sectoral, integrated LEADER approach to feed directly into the activities delivered under Axis 3 and provide a direct route for moving successful LEADER activity onto the next stage.

The following graphic summarises the structure that is in place in Wales to administer the programme, each part of which is subsequently introduced:

Figure 2.1: Graphic of the typical implementation structure



2.4.1. Local Partnerships

One of the ways in which Axes 3 and 4 activities have been integrated is via the partnerships’ role which combines both axes. The role of the Partnership, of which there are 18 in Wales (listed in at the back of this report), is primarily to develop and

review a LDS to target available Axis resources to local areas of need and opportunity and to subsequently monitor progress.

Partnerships were required to be comprehensive and representative of local needs and priorities and based on proportionate representation from the four sectors: private, public, community and voluntary.

It is important to underline the fact that the partnerships are a requirement of the Welsh Government, *not* of the European Commission who specify the need for a LAG to deliver Axis 4 activities utilising the LEADER approach including the LDS. The partnerships in Wales have however taken on part of the role set out for LAGs by the European Commission, namely the development of the LDS and project selection.

2.4.2. Local Action Groups (LAGs)

The LAGs (listed in at the back of this report) are responsible for the implementation of Axis 4 activities although they could be chosen as delivery organisation for some, or all of the activities under Axis 3, as has been the case in a number of areas. The emphasis within the Scheme Guidance is on the role of the LAG as ‘implementers’ of activities, rather than the broader role that the European Commission describes for LAGs as those broader roles have been taken by the Partnerships.

2.4.3. Lead Bodies

Each Partnership and LAG is supported by a Lead Body. In most areas, the Local Authority for the area is the Lead Body for both the Partnership and the LAG. In four areas, the functions of Lead Body for the Axis 4 LAG is carried out by the organisations set up to deliver previous LEADER programmes in those parts of Wales³. The primary role of the Lead Body is to oversee the delivery of the LDS on behalf of the Partnership / LAG including progress on individual projects. They also undertake other functions including providing support to projects and, for Axis 4 in some instances, delivering projects on behalf of the LAG.

³ Menter Môn (Anglesey), Cadwyn Clwyd (Denbighshire and Flintshire), PLANED (Pembrokeshire).

2.4.4. The Welsh Government

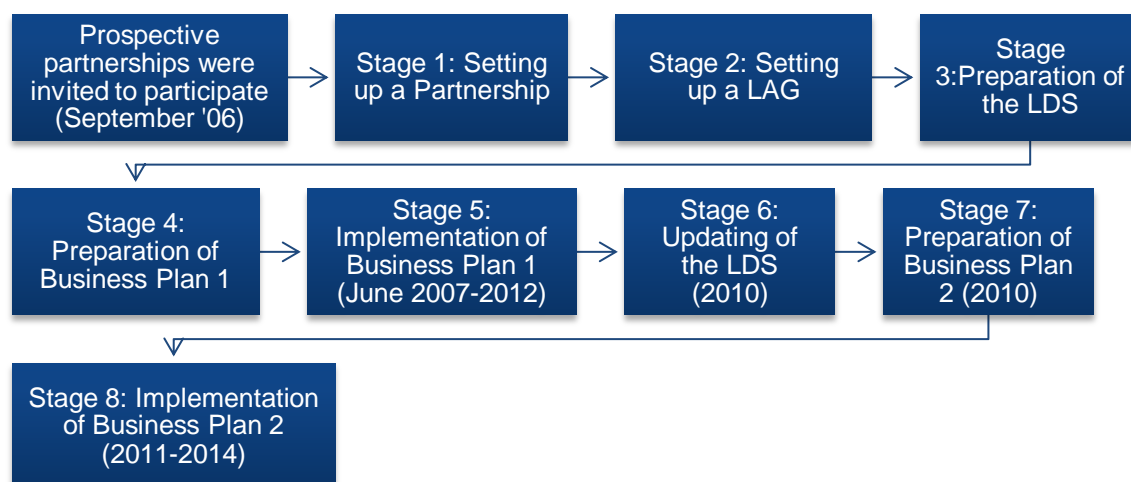
The Welsh Government has a number of different roles in the administration and delivery of Axes 3 and 4 in Wales. The *Rural Programmes Team* facilitates the implementation of Axes 3 and 4 of the RDP. That role includes providing support and guidance to the Lead Bodies, appraising project application submissions and the financial administration of the programme as well as the subsequent monitoring of the programmes. The *Wales Rural Network* (facilitated by a Welsh Government team) is responsible for promoting the exchange of expertise between everyone involved in the RDP in Wales, not just Axes 3 and 4. Along with hosting events, conferences and visits, the Network also shares information between partners through the web-site and by producing bulletins and publications⁴.

2.5. The Axes 3 and 4 'process' in Wales

The graphic below summarises the key stages in the process for the implementation of Axes 3 and 4 in Wales. All 18 Partnerships that submitted a LDS were awarded 'status' and invited to submit a business plan with a series of projects to be implemented between June 2007 and February 2011, although the deadline for a number of projects has subsequently been extended; this period is known as Business Plan 1. During 2010, Partnerships were invited to submit a second business plan (Business Plan 2) to include projects that would run for the period 1 March 2011 to 31 December 2014.

⁴ Further information on the activities of the Network is available here: <http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/ruraldevelopment/walesruralnetwork/?lang=en>

Figure 2.2: Stages in the Axes 3 and 4 'process' in Wales



3. Methodology

This chapter briefly sets out the methods used to undertake the evaluation.

3.1. Key stages in the methodology

Stage 1 included an inception report for the evaluation steering group which set out the work-plan for the evaluation.

The objective of **Stage 2** was to identify, collect and sort monitoring data. There were scoping interviews with Lead Body and LAG teams to identify and collect additional data they possessed including evaluation work previously undertaken.

The primary fieldwork undertaken during **Stage 3** included:

- Telephone interviews with a range of project stakeholders including:
 - Welsh Government staff (seven interviews and one group discussion)
 - Lead Body and Local Action Group staff (25 interviews)
 - Sector specialists – those working in fields where Axes 3 and 4 had been active (e.g. tourism and business support) (eight interviews)
 - Programme Monitoring Committee members (five interviews)
- A telephone survey of project managers (83 interviews covering 129 projects⁵) (a response rate of 66 per cent)
- A telephone survey of Local Partnership and LAG members (136 interviews) (a response rate of 35 per cent)
- A telephone survey of project beneficiaries: (1,156 interviews in total):
 - 500 interviews with beneficiaries of 30 economic development projects (a response rate of 19 per cent) (Measures 311, 312 and 313)
 - 500 beneficiaries of five training projects (a response rate of 33 per cent) (measures 331)
 - 156 beneficiaries of 18 quality of life projects (a response rate of 36 per cent) (measures 321, 322 and 323)

⁵ This reflects the fact that in a number of instances those being interviewed were responsible for a number of projects.

3.2. Sampling approach and response rates

The surveys of project managers and Local Partnership and LAG members were undertaken on a census basis, using all the contacts supplied by the Lead Bodies for the survey. The response rate for the project manager survey was 66 per cent (129 of the 211 projects for which contacts were provided being interviewed). The response rate for the Partnership / LAG member survey was 35 per cent (136 of the 252 contacts provided were interviewed).

For the survey of project beneficiaries, a sample of projects was selected with a view of gaining a sample of beneficiaries which reflected the range of activities undertaken, taking the following factors into account:

- Obtaining a geographic spread of projects;
- Evaluation activities and analysis that is already available / currently ongoing (to not over-burden end-beneficiaries); and
- Minimising the burden on individual areas to provide contact information.

For Axis 4, a geographic approach was used, selecting six of the 18 LAGs funded and asking them to provide contact details for end-beneficiaries across all projects / activities. This was to reflect the integrated approach being promoted as part of LEADER and the change in approach for Business Plan 2 which required LAGs to submit just one Axis 4 project rather than a number of stand-alone projects as they did for Business Plan 1.

The Lead Bodies responsible for the projects / LAGs were contacted and asked to provide beneficiary contact details. Unfortunately, in a number of instances, this was not possible due to the way in which contacts had been recorded or due to what the Lead Body perceived to be constraints relating to data protection.

Where contacts could be provided, ideally, the samples would have been selected at random from a complete list of those who participated in the project. However, in a number of instances that was not possible due to the way in which contact details for participants was collected and maintained. In those circumstances, the delivery organisations and / or lead body were asked to provide as many contacts as possible to the evaluation team from which our sample was subsequently selected at random. We have no reason to believe that the data provided by for the projects was

'selective' in any way. That the samples were not completely random needs to be taken into account when the findings of the surveys discussed within this report are being considered.

3.3. Approach during the analysis

In order to make the analysis manageable and meaningful, for much of the discussion in this report, we have grouped Axes 3 and 4 measures and activities as follows:

- Economic development and diversification activities (including measures 311: farm diversification, 312: micro-businesses and 313: tourism)
- 'Quality of life' group of measures and activities (including measures 321: basic services, 322: village renewal and 323: rural heritage)
- People development (including measure 331: training)

3.4. Desk research

A number of evaluations commissioned by Lead Bodies on behalf of the local partnership have been reviewed as part of the method for this evaluation. This generated a wealth of valuable information and case studies. A review of other relevant evaluation being undertaken in other Member States and other parts of the UK was also undertaken.

4. Analysis of the Programme Monitoring Data

This chapter presents the findings of an analysis of the monitoring data in relation to the implementation of Axes 3 and 4, focusing on job creation and economic growth.

Key points

- For Axis 3, total expenditure in Business Plan 1 was £48.5m, ranging from £5.9m in Pembrokeshire to £182,000 in Swansea. Total commitments in Business Plan 2 are £78.6m, ranging from £9.3m in Carmarthenshire to £536,300 in Torfaen.
- For Axis 4, total expenditure in Business Plan 1 was £17.7m, ranging from £2.3m in Denbighshire to £136,700 in Swansea. Total commitments in Business Plan 2 are £24.5m, ranging £2.4m in Denbighshire to £97,400 in Neath Port Talbot
- A very wide range of projects and activities have been undertaken and this has influenced the nature of the results achieved at a programme level.
- 1,400 gross jobs had been created or safeguarded, up to December 2012 by Axis 3 projects. The distribution of these jobs is uneven across the areas involved, depending on the nature of projects delivered.
- Axis 4 projects have created 87 jobs up to December 2012, with 45 per cent of those being created on Anglesey. Thirty three existing jobs have been saved / safeguarded up to the same period and these jobs are concentrated in certain areas.
- Due to the scale involved, the ultimate impact on the economy is likely to be limited.
- There are many factors that impact on outputs and the extent to which targets are met, particularly the local and/or national/global economic contexts. Taking this into account, the realisation rates for both Axes 3 and 4 are low, even when compared with other programmes which, to an extent, calls into question the effectiveness of targeting and the factors that may have impacted on this.

4.1. The range of projects and activities funded

Both Axes 3 and 4 have supported a very wide range of projects and activities due, in part at least, to the range of measures within the programme. Even within measures, there is a very wide range of activity. This is apparent from the fact that

352 projects have been funded by this relatively small programme⁶, but also from the categorisation of projects activities undertaken for this evaluation, and discussed in the appendix report. The projects and activities undertaken also vary substantially from area to area. Care is therefore needed when assessing what Axes 3 and 4 have achieved; outcomes will vary substantially from area to area, along with the activities being undertaken. Further, looking at the activities being undertaken in one part of Wales will not provide a good indication of activities that are ongoing within the programme as a whole; this is especially the case for Axis 4.

It is also important to recognise that there is variance in the nature of the 'projects' that have been funded. In many instances it is probably more accurate to call some projects 'schemes' Schemes are larger scale and have a number of projects operating within them. For example, Measure 322 (village renewal) has funded a £1.3 million grant scheme in the Vale of Glamorgan (Inspire). The same measure has also funded a £66k project to improve small scale facilities in Holt, Wrexham. One of those is a project and the other is a scheme but they are both treated in the same way in terms of programme administration.

The change of approach for Business Plan 2 - when the number of applications submitted was restricted to one project per measure - also means that care is required when comparing Business Plan 1 and Business Plan 2. Many of the 'projects' in Business Plan 2 are in fact 'umbrella projects' which break down into a number of smaller projects. Simply comparing the number of projects approved by the Welsh Government in Business Plan 1 and Business Plan 2 can be somewhat misleading.

4.2. Axis 3

Total expenditure in Business Plan 1 was £48.5m, ranging from £5.9m in Pembrokeshire, to just £182,000 in Swansea. Total commitments in Business Plan 2 are higher at £78.6m, but a substantial range is again apparent; from £9.3m in Carmarthenshire to just £536,300 in Torfaen.

⁶ For comparison, as of 31 October 2013 the ESF and ERDF programme in Wales had supported 288 projects in Wales, an investment of £3.7bn (Source: <http://wefo.wales.gov.uk/?lang=en>)

4.2.1. Gross jobs created and safeguarded: impact on the labour market?

One of the key areas of focus for the RDP is the development of a stronger economy. The data that could determine gains in terms of Gross Value Added (GVA) is either missing or not sufficiently robust; however there is information on the number of jobs that have been created and safeguarded. It is worth noting at this stage however that conclusions on the sustainability and quality of jobs cannot be drawn on monitoring data alone – this is informed by the beneficiary business survey.

Table 4.1: Number of jobs created across all measures per area

Counties	Jobs created
Anglesey	25
Bridgend	1
Caerphilly	6
Carmarthenshire	73
Ceredigion	3
Conwy	14
Denbighshire	46
Flintshire	25
Gwynedd	139
Merthyr Tydfil	3
Monmouthshire	1
Neath Port Talbot	18
Pembrokeshire	119
Powys	16
Swansea	8
Torfaen	0
Vale of Glamorgan	4
Wrexham	189
<i>Wales</i>	<i>690</i>

Source: Programme monitoring data as at December 2012

Table 4.1 shows the breakdown of jobs created across both Business Plans split per area. Almost 700 jobs had been created as at December 2012, the latest data available at the time of writing this report. The highest contributions are from Gwynedd, Pembrokeshire, and Wrexham, which account for two-thirds of the total

(65 per cent). The distribution of jobs is uneven though across the local authority areas, and reflects both the funding allocated into the areas' projects, together with their scope and objectives. Areas with a major focus upon enterprise development and creation (such as measures 312 and 313) will have more emphasis upon creating jobs than community regeneration based measures (such as 322 and 323).

Whilst it may illustrate that the measures implemented can have a direct effect on labour markets and the local economy, there is also a need to consider geography, as whether an area is peripheral or not can also have an effect on economic activity.

The other indicator to consider is the quality of the jobs. Jobs created by SOC code⁷ for Business Plan 1 are presented in Table 4.2 below, together with the current occupational profile for the eligible areas, using ONS data. It allows comparison of the jobs developed by occupation against the current occupational profile across the eligible areas. In terms of total jobs created (the majority are within 312 but also across other measures), almost two-fifths (38 per cent) are within lower value jobs (elementary occupations, sales and customer service occupations, and process, plant and machine operatives). Around a quarter (26 per cent) are in higher level occupations (management and professional/technical roles) and these roles are likely to add value to the economy. Additionally, a fifth of the jobs created are within skilled trade occupations. There is a shortage of skilled trade jobs within the wider economy (only 12.6 per cent of the current occupational make up are skilled trade as shown in the table) – hence the focus of current policies towards vocational courses and apprenticeships – these intermediate level occupations are important in providing opportunities for a large tranche of the labour pool.

However, conclusions cannot be drawn on the sustainability and quality of jobs by these figures alone – this is why a survey of business beneficiaries was included in the methodology for this evaluation, to gain a more rounded picture of these businesses and the types of jobs being created. They provide a basic indication, but a more accurate picture would be gained by revisiting organisations and projects in

⁷ The Standard Occupational Classification (SOC) is a common classification of occupational information for the United Kingdom. Within the context of the classification jobs are classified in terms of their skill level and skill content. It is used for career information to labour market entrants, job matching by employment agencies and the development of government labour market policies.

future (beyond 2014), where the sustainability of the jobs created could be understood.

Over 700 jobs have been safeguarded (Table 4.3). Again there is substantial variation across the areas, and is more marked than the previous measure. Pembrokeshire represents a third of all jobs safeguarded, with relatively high concentrations also in Anglesey and Gwynedd. The sustainability of these jobs will rely on economic conditions but also partly on the quality of assistance received by the enterprises that have safeguarded the jobs.

Table 4.2: Jobs created by SOC code across all measures, Business Plan 1

	Proportion of jobs created by SOC code	Current occupational profile by eligible areas
Manager & Senior Officials	14	9
Professional Occupations	7	17
Associate Professionals & Technical occupations	6	12
Administrative & Secretarial Occupations	9	11
Skilled Trade Occupations	21	13
Personal Service Occupations	5	10
Sales & Customer Occupations	22	8
Process, Plant & Machine Operatives	6	7
Elementary Occupations	10	11
Other (Different SOC classification for Annex B1)	0.6	0

Source: Programme monitoring data and ONS Census Data, 2011

Table 4.3: Jobs safeguarded across all measures per area

Counties	Jobs safeguarded
Anglesey	95
Bridgend	1
Caerphilly	4
Carmarthenshire	30
Ceredigion	28
Conwy	13
Denbighshire	0
Flintshire	0
Gwynedd	119
Merthyr Tydfil	15
Monmouthshire	9
Neath Port Talbot	0
Pembrokeshire	233
Powys	86
Swansea	3
Torfaen	0
Vale of Glamorgan	0
Wrexham	68
<i>Wales</i>	<i>704</i>

Source: Programme monitoring data as at December 2012

4.2.2. Reviewing performance: target data and achievements for jobs created and safeguarded

There is sizeable variation across local authority areas in terms of whether the original targets for jobs created and safeguarded have been achieved, as shown in Tables 4.4 and 4.5 on pages 18 and 19 (note that this is based upon Business Plan 1 data which was available at the time of writing). At the programme level 67 per cent of the total jobs created target was achieved. Only Flintshire (achieving four times the target level), Gwynedd (two and half times the target level) and Wrexham (1.25 times the target level) exceeded the targets (although a very low target in Flintshire should be noted), with two areas not reporting any jobs created (Bridgend and Caerphilly). Those areas with the largest targets had particularly low conversion rates - Carmarthenshire (136 jobs and achieved 45), Pembrokeshire (148 jobs and achieved 67) and Anglesey (66 jobs and achieved 22).

It is a similar pattern when assessing the achievements of safeguarded jobs; 70 per cent of the programme target was achieved with a shortfall of 268 jobs. Only five of the local authority areas met or exceeded the target, these being Pembrokeshire, Wrexham, Anglesey and Ceredigion (with Pembrokeshire notable, with four times the initial target achieved). At the other end of the scale Denbighshire, Flintshire, Caerphilly and Bridgend (the first three which had the highest targets across the programme) have not achieved any or have only achieved a very small element of their targets. There is an important point here about relative performance where some areas have had a high target (i.e. a high strategic priority) and have underperformed substantially (this being the most common trend) whilst others with a lower target and lower strategic priority appear to have performed better. This, to an extent, calls into question the realism of targeting and the factors that may have impacted on this.

Target data based on jobs may well be understating the actual amount of jobs being created and safeguarded. There is a substantial amount of paperwork required which must show a range of evidence that a job has been created or safeguarded, which are additional to those that would have been created anyway. For a number of jobs the absolute evidence may not be available and are not reported. It is likely that the impact on the labour market within many localities is greater than reported, and may partly account for some under-achievement across the programme in meeting targets. There is some evidence in support of this within the fieldwork undertaken for this evaluation, as discussed later in the report although it is anecdotal and cannot be quantified. Lead Body staff also noted that there were instances where they were unable to 'claim' jobs that had been created after the project had been closed which, in this case due to the business plan process, was part-way through the programme period.

Another potential factor is the setting of the targets themselves at the beginning of the programme. They were agreed during 2007 which was shortly before the recession which impacted the economy in 2008-09. The ability to create and safeguard jobs has become increasingly difficult in a climate of tough trading conditions and limited access to finance. It is important that the targets and achievements are put into this context.

Table 4.4: Targets and achieved results, jobs created, Axis 3 Business Plan 1

Counties	Target	Achieved	Variance	% of total achieved
Anglesey	66	22	-44	33
Bridgend	33	0	-33	0.0
Caerphilly	16	0	-16	0.0
Carmarthenshire	137	62	-75	45
Ceredigion	19	5	-14	27
Conwy	10	7	-3	70
Denbighshire	51	27	-24	53
Flintshire	4	19	15	467
Gwynedd	41	99	58	242
Merthyr Tydfil	1	0	-1	0.0
Monmouthshire	-	-	-	-
Neath Port Talbot	-	-	-	-
Pembrokeshire	148	67	-81	45
Powys	50	14	-35	29
Swansea	-	-	-	-
Torfaen	-	-	-	-
Vale of Glamorgan	3	2	-1	67
Wrexham	108	135	27	125
<i>Wales</i>	<i>687</i>	<i>459</i>	<i>-227</i>	<i>67</i>

Source: Programme monitoring data as at December 2012

Table 4.5: Targets and achieved results, jobs safeguarded, Axis 3 Business Plan 1

Counties	Target	Achieved	Variance	% of total achieved
Anglesey	89	94	5	106
Bridgend	31	1	-30	3
Caerphilly	91	3	-88	3
Carmarthenshire	52	28	-23	55
Ceredigion	26	28	1	105
Conwy	31	11	-20	35
Denbighshire	92	0	-92	0
Flintshire	128	0	-128	0
Gwynedd	97	64	-33	66
Merthyr Tydfil	8	8	0	100
Monmouthshire	8	6	-2	71
Neath Port Talbot	-	-	-	-
Pembrokeshire	50	210	160	420
Powys	97	82	-14	85
Swansea	-	-	-	-
Torfaen	18	10	-8	56
Vale of Glamorgan	3	0	-3	0.0
Wrexham	60	68	8	113
<i>Wales</i>	<i>881</i>	<i>613</i>	<i>-267</i>	<i>69</i>

Source: Programme monitoring data as at December 2012

4.2.3. What difference will the programme's impacts have in the wider economy?

It is difficult to determine whether the programme activities will have a marked, long term impact on the evidence of the monitoring data alone. In terms of the core indicators, the actual number of jobs created and safeguarded will have had an impact, although this may be limited. In terms of jobs created, it constitutes 0.05 per cent of the total people in employment across the eligible ward areas (although this may increase with final reporting for Business Plan 2). Secondly, based upon the analysis on the occupations of the jobs created, despite diversification of economic activity, the nature of employment is still likely to be lower value with lower wages, which is a characteristic of the Welsh economy (resident weekly earnings are an average of £477 compared to the UK average of £517).

In some areas, as shown in the review of Measure 312 to be found in the Appendix report, the number of new enterprises has added to the existing business stock within the local authority area - over 3 per cent in Pembrokeshire for instance, and in total the number of new businesses (450) was equivalent to around 0.8 per cent of the total across the local authority areas. This may have a positive effect upon generating greater local economic impact, but could also result in displacement effects and an increasingly crowded marketplace. Where schemes are targeted at niche and emerging markets then this reduces such effects.

It should also be noted that the emphasis for the programme has been on micro-businesses, and these are the most vulnerable types of business in terms of medium and long term survival rates. Over 6,000 businesses ceased trading in 2011 within the local authority areas compared with 6,370 business starts – a net position of just +370) which highlights the challenges of new business development.

It is important to look beyond the statistics and consider how the programme has succeeded in changing behaviours and helped people, businesses and organisations understand the importance of different markets and of diversification for a successful economy. In this way it can be a catalyst for changing approaches towards the development of a stronger Welsh economy, with long term benefits that cannot be measured in the confines of the programme.

4.3. Axis 4

It is important to note here that Axis 4 / LEADER is focused on engagement with businesses at a 'pre-commercial' stage and on creating the conditions to enable economic activity to take place. To truly understand the effect of LEADER activities, it therefore needs to be measured over the longer term. The data upon which the analysis is based is not long term, having been captured during the lifetime of the project. The focus is therefore, perhaps unfairly, on the immediate impact of activities.

The following discussion also makes reference to Axis 3 Measures, as the key outputs and results reported by Axis 4 projects are recorded against Axis 3 indicators, and in a few instances against indicators for Axis 1 and 2 measures.

4.3.1. Gross Jobs created and safeguarded

Table 4.6 shows the breakdown of jobs created across Business Plans 1 and 2, in Axis 4 split per area. Eighty-seven jobs had been created as to December 2012. The highest contributions are from Anglesey (representing 45 per cent of the total), Neath Port Talbot, and The Vale of Glamorgan. The distribution of jobs is focused therefore on just a few local authority areas (six in total), and reflects both the funding allocated into their projects, together with the scope and objectives of these. Twelve of the local authority areas had not experienced the creation of any new jobs up to this point, which highlights more of a focus upon quality of life objectives as opposed to job generation, in many places.

Table 4.6: Number of jobs created across all measures per area

Counties	Gross number of jobs created
Anglesey	44
Bridgend	0
Caerphilly	0
Carmarthenshire	0
Ceredigion	0
Conwy	0
Denbighshire	0
Flintshire	0
Gwynedd	0
Merthyr Tydfil	3
Monmouthshire	0
Neath Port Talbot	19
Pembrokeshire	0
Powys	2
Swansea	0
Torfaen	7
Vale of Glamorgan	12
Wrexham	0
<i>Wales</i>	<i>87</i>

Source: Programme monitoring data as at December 2012

Jobs created by SOC code for Axis 4 in Business Plan 1 are presented in Table 4.7. There is a sizeable focus upon higher level jobs with half being created in managerial positions although, because of the small numbers involved in Axis 4, this only amounts to around over 40 jobs in total. The ‘pilot’ nature of Axis 4 projects needs to also be taken into account.

In relation to jobs safeguarded, impact is limited here with only 33 jobs having been safeguarded. These are concentrated in Anglesey, Neath Port Talbot, Torfaen and Powys.

Table 4.7: Jobs created by SOC code across all measures, Business Plan 1

	Proportion of jobs created by SOC code	Current occupational profile by eligible areas
Manager & Senior Officials	50	9
Professional Occupations	7	17
Associate Professionals & Technical occupations	6	12
Administrative & Secretarial Occupations	6	11
Skilled Trade Occupations	13	12
Personal Service Occupations	2	10
Sales & Customer Occupations	3	8
Process, Plant & Machine Operatives	0.0	7
Elementary Occupations	14	11
Other (Different SOC classification for Annex B1)	0.0	0.0

Source: Programme monitoring data as at December 2012 and ONS Census Data, 2011

Table 4.8: Jobs safeguarded across all measures per area

Counties	Jobs safeguarded
Anglesey	7
Bridgend	0
Caerphilly	0
Carmarthenshire	0
Ceredigion	1
Conwy	1
Denbighshire	0
Flintshire	0
Gwynedd	0
Merthyr Tydfil	1
Monmouthshire	0
Neath Port Talbot	10
Pembrokeshire	0
Powys	4
Swansea	0
Torfaen	10
Vale of Glamorgan	0
Wrexham	0
<i>Wales</i>	<i>34</i>

Source: Programme monitoring data as at December 2012

4.3.2. Reviewing performance: target data and achievements for jobs created and safeguarded

Target data on jobs created and safeguarded is available and this is shown in Tables 4.9 and 4.10, on pages 24 and 25 for Business Plan 1. For both there is sizeable variation across the local authority areas. The ratio of jobs created and safeguarded was low, as at the programme level, 23 per cent of the total jobs created target was achieved. No local authority areas achieved their targets (with the exception of Powys which had a target of just two jobs). A number of areas did not report any jobs created. A similar pattern emerges in assessing the achievements of safeguarded jobs. Only 18 per cent of the programme target was achieved with a variance of -251 jobs. No area met or exceeded its targeting, with Anglesey the highest performer with 77 per cent of the target achieved. Several areas did not safeguard any jobs.

Table 4.9: Targets and achieved results, jobs created, Axis 4 Business Plan 1

Counties	Target	Achieved	Variance	% of total achieved
Anglesey	94	48	-46	51
Bridgend	8	0	-8	0.0
Caerphilly	6	0	-6	0.0
Carmarthenshire	18	0	-18	0.0
Ceredigion	0	0	0	-
Conwy	57	0	-57	0.0
Denbighshire	0	0	0	-
Flintshire	0	0	0	-
Gwynedd	10	0	-10	0.0
Merthyr Tydfil	6	3	-3	50
Monmouthshire	3	0	-3	0.0
Neath Port Talbot	17	0	-17	0.0
Pembrokeshire	1	0	-1	0.0
Powys	2	2	0	100
Swansea	38	0	-38	0.0
Torfaen	22	7	-15	32
Vale of Glamorgan	21	12	-9	57
Wrexham	8	0	-8	0.0
<i>Wales</i>	<i>311</i>	<i>72</i>	<i>-239</i>	<i>23</i>

Source: Programme monitoring data as at December 2012

Table 4.10: Targets and achieved results, jobs safeguarded, Axis 4 Business Plan 1

Counties	Target	Achieved	Variance	% of total achieved
Anglesey	35	27	-8	77
Bridgend	7	0	-7	0.0
Caerphilly	4	0	-4	0.0
Carmarthenshire	9	0	-9	0.0
Ceredigion	3	0	-3	0.0
Conwy	93	6	-87	6.5
Denbighshire	0	0	0	-
Flintshire	0	0	0	-
Gwynedd	24	0	-24	0.0
Merthyr Tydfil	6	1	-5	18
Monmouthshire	2	0	-2	0.0
Neath Port Talbot	25	10	-15	40
Pembrokeshire	2	0	-2	0.0
Powys	18	0	-18	0.0
Swansea	52	0	-52	0.0
Torfaen	18	10	-8	56
Vale of Glamorgan	0	0	0	-
Wrexham	7	0	-7	0.0
<i>Wales</i>	305	54	-251	18

Source: Programme monitoring data as at December 2012

5. Outcomes of Economic Development & Diversification Projects and Activities

This chapter discusses the outcomes of economic diversification projects funded by Axis 3 and Axis 4 (measures 311, 312 and 313), based upon interviews undertaken with 500 project beneficiaries. These beneficiaries were from a sample of 30 projects which reflect the range of activities and projects funded by Axes 3 and 4 (please refer to the appendix at the end of this report).

Key points

- The majority of respondents had not received support from other sources in the last five years, suggesting that RDP activities are supporting a cohort that do not access other support mechanisms.
- Respondents were generally very positive about the benefits of the support received, identifying a range of benefits including being more likely to succeed in business.
- A minority of responses suggest that the benefit of the support had been *very* substantial for businesses, including starting new businesses and creating jobs.
- That the beneficiaries are micro-businesses may limit the potential impact of the programme on the local economy. In a rural economy context however, micro-businesses have a critical role and the impact of their 'development' should therefore not be underestimated.

5.1. The support respondents had received and the type of businesses supported

The majority of respondents (69 per cent) received financial support in the form of a grant. Many stakeholders identified this as being an important aspect of RDP business support projects; the ability to use grants to engage with local businesses.

Interviewees were asked whether they had accessed business support from other sources during the last five years; 55 per cent had not done so. This is a positive indication of the additionality of the support provided. There is further evidence of the pro-active nature of the support, in that only 9 per cent of respondents had come into contact with the project by responding to an advert for the support provided and 16 per cent of respondents were approached by project staff. In 28 per cent of cases, respondents had heard about the support available via 'word-of-mouth' and 27 per

cent were advised to use the projects by a third party, both indicating the integration of the support into the local area.

5.2. The benefits identified by beneficiaries

Most of the beneficiaries were active businesses (416), and the vast majority of those (90 per cent) believed that they had benefited from the support received in some way, with only 3 per cent saying that they had definitely not benefited. A wide range of benefits were identified, the most common of which was that they had received funding (16 per cent).

To explore whether or not the benefits identified were the result of the support provided, respondents were asked to assess how likely it was that the benefit would have happened anyway. The majority (58 per cent) of those who had identified a benefit did not believe that it would have happened anyway, which provides a positive indication that the benefit is attributable to the support provided. Overall, 38 per cent of reported that it was likely that the benefit would have happened anyway. However, their comments when they were asked to explain their answers suggest some benefits; *“We would have bought the test equipment ourselves but it would have taken much longer”* and *“It would have taken me a long time to get the business up and running to what it is now.”* In a very small number of cases (4 per cent), the interviewee said that the benefit of the support was so substantial, that the business would not have been trading. This indicates the extent to which some have benefited from the support provided, although this is a minority.

The discussion above is based on the interviewee’s responses when asked to describe the benefit of the support they had received, without prompting from the interviewer. That question was followed up with closed questions which explored whether certain benefits were apparent to the respondents. A positive impact was identified in terms of the confidence of respondents in the future of their business and/ or their job security, recognised by 71 per cent as a benefit of the support provided. More than half of respondents also recognised the following benefits:

- Being more likely to succeed in business (81 per cent);
- The business being more likely to grow (increase in turnover or the numbers employed) (77 per cent);

- An increase in their confidence that they can succeed in business *in the local area* (76 per cent); and
- The business being more likely to grow *quicker* (74 per cent).

Sixty-seven per cent (76/114) of respondents who had received support relating to starting a new business said that the support had been *very important* in starting their business; 57 per cent were either certain or likely to have *not* started their business without the support or advice. These are very positive responses.

Forty-five per cent (28/62) of those respondents who said that their business would have started without the support they received, said their business had grown *much* sooner or quicker due to the support; even if the benefit was not critical to starting the business, there were still benefits. When the nature of the benefit was further explored, the response was most positive about the ‘tools’ and ‘skills’ necessary to start a business. There was also, again, a positive response about helping to build the ‘confidence’ needed to start a business.

5.3. Economic impact

A number of questions were asked about employment within each trading business, to understand the type of businesses worked with and impact on the local economy. Whilst not all respondents were able to or willing to answer these questions, the evidence that was collected provides useful insight. The main finding was that the businesses were *very* small although this is not surprising, given the focus on supporting micro-enterprises. The data also suggest that salary levels within the businesses were generally relatively low. Two hundred and forty two respondents answered a broad question on the wage levels within their business and, of those, 53 per cent believe they have on average the same wage as others locally which, in rural areas, tends to be low.

The fact that the beneficiaries are micro-businesses (and a relatively small proportion of the total number of micro-businesses in each area) will limit the potential economic impact of the programme at a macro level. In a rural economy

context however, micro-businesses have a critical role and the impact of their 'development' at a local level should therefore not be underestimated⁸.

Respondents were also asked whether the number of people they employ had changed over the last two years. Of those who answered the question (408):

- 71 per cent said that the number remains the same over the last two years;
- 25 per cent said it has increased; and
- 2 per cent said it has decreased.

This suggests that there has generally been stability within the cohort over the last two years, despite the recession. And, one in four businesses had grown in the last two years, which is positive. The number of jobs involved was small, as would be expected, given the micro scale of the businesses. Yet, the impact of growth at this scale within a small rural economy should not be underestimated, especially at a micro-economic level, as discussed above.

In terms of whether these jobs can be attributed to the support provided, the vast majority of respondents reported that the jobs would have been created anyway. However, 23 per cent (23/102) said that it was *not* likely, and 5 per cent said jobs *definitely* would not have been created without the support. This is an indication of the substantial impact of the support provided in some cases, as illustrated by the case studies to be found in the Appendix report.

The survey findings in relation to turnover and profit are similar to those for employment. The turnover of the businesses was relatively low, on average, in the region of £120,000 for the current year. But, respondents reported a growth in their turnover since 2012 (from a mean of ~£90,000 in 2012 to ~£120,000 in 2013 and anticipated ~£145,000 in 2014). Looking at attribution, 62 per cent (253/408) said that the support had a positive impact on their turnover, although little detail was provided in terms of how much of the growth could be attributed to the support. Fifty

⁸ Micro-businesses account for 94% of all businesses in the nine predominantly rural local authority areas of Wales (Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Powys, Ceredigion, Pembrokeshire, Carmarthenshire and Monmouthshire). This compares to 90% in the urban local authority areas (Cardiff, Newport and Swansea). In employment terms, 45% of those working for businesses in the predominantly rural local authority areas are working for micro-enterprises compared to 23% in the urban areas. Year: 2013. Source: Inter-Departmental Business Register (IDBR)

nine per cent (240/405) believe that the support they received had a positive impact on the profitability of the business.

It is necessary to estimate displacement to understand the net impact of a programme on the economy. If a supported business is growing at the expense of another one in the local area, the net impact of the scheme will be nil. To explore this, the businesses were asked to state where the main market for their product or service was, and where their competitors were mainly located. Whilst the number who responded to these questions varied (410 and 387), the biggest group for both was in the local category; 43 per cent said that their market was mainly local and 55 per cent said that their competitors were mainly local.

This is unsurprising given the nature of many of the supported businesses and the sectors within which they are working. However, it suggests that there is potentially some displacement, unless the support being provided introduces new services or products or attracts new customers. The micro-scale of the businesses needs to be taken into account as this will limit the extent of the displacement.

Of perhaps more relevance is that 34 per cent of respondents said that their market was across the UK and/or international and 20 per cent said that their competitors were within those categories. The numbers here are small, but it suggests that a proportion of the businesses supported have potential to add-value to the local economy with less of a risk of displacement.

6. Outcomes of the ‘Quality of Life’ Group of Measures and Activities

This chapter summarises the evidence gathered about the achievements of projects funded by the ‘quality of life’ activities, drawing upon the interviews with those supported by relevant projects (156 interviews), as well as interviews with project delivery staff (60 interviews).

Key points

- Beneficiaries of funding from Axes 3 or 4 projects had not generally sought any alternative support. This suggests that RDP activities have provided support to organisations not accessing other support mechanisms.
- The vast majority of beneficiaries interviewed were positive on whether they thought the local area/community benefitted as a result of the project in their area.
- Although it should be noted that this was not the primary objective of these projects, the link to economic benefit (specifically jobs saved and created) was less clear.

6.1. Beneficiaries of Axes 3 and 4 projects

One hundred and fifty six interviews were undertaken with beneficiaries of ‘quality of life’ focused projects (listed at the end of this report). This included representatives of community level activities that had been funded by Axis 3 or 4 projects (for example the redevelopment of a community service) (122) and a small number of interviews with users of services that have been supported (34).

When asked whether they thought the local area and community benefitted as a result of the project undertaken, 91 per cent (142) of respondents were positive. The benefit most frequently identified were the introduction of new or better facilities (22 per cent), the bringing together of the community (20 per cent) and an increased usage of existing facilities (13 per cent). The following quotes are included as examples:

- *“We provided facilities for the benefit of the community so that local people can learn more about the heritage of the local area.”*

- *“It enhances the local area as it is such a large monument it gave some life to the local area.”*
- *“Now we have a new village hall that has the necessary facilities for community activities, and is safe to use.”*
- *“It meant that people of the local area could congregate as a community and also celebrate their lives and history as a part of the community.”*

Looking at attribution, only 8 per cent (12) thought that the benefit would have happened anyway, regardless of whether the support had been provided. But, even in those cases, comments illustrate that respondents thought the effect may have been less or taken longer in the absence of the support. This provides some confidence in the attribution of the benefit identified to the support provided. The source of the evidence (i.e. beneficiaries of funding and users of the facilities/services) must however be taken into account.

Respondents were asked to identify benefits generated by the project from a list provided by the interviewer. The list below shows the percentage of respondents who identified each of the benefits in their community (n=156):

- Improved the quality or range of services available to local people, or their access to services (58 per cent)
- Improved the attractiveness of the local area in terms of how it looks (54 per cent)
- Benefitted local tourism (40 per cent)
- Supported the development or improved the local voluntary or community sector (39 per cent)
- Improved local people’s awareness of local culture and heritage (35 per cent)
- Supported local businesses (23 per cent)
- Created new jobs or saved / safeguarded existing jobs (12 per cent)

Only 5 per cent of respondents did not identify any of the above benefits as being apparent as a result of their project.

The ‘economic’ benefit of activities – specifically jobs created and saved - was least obvious to respondents which reflects the nature of the projects being supported. This is indicative of the fact that the *direct* economic impact of this group of projects is less clear. When considering this, it is important to note that generating a direct

economic benefit was not the primary objective of these interventions, which are primarily focused on providing a basis for economic activities in a rural location. The argument is that the economic benefit is generated subsequently via activities that build upon (or happen because of) the interventions being discussed here. This evaluation has not, however, been able to assess whether that has or will be the case with the Axes 3 and 4 projects funded. This may therefore be an area for further research.

6.2. Perceptions of project managers

The survey of project managers provided an opportunity to supplement the evidence discussed above by asking questions about their perception of the benefits being generated by their projects.

Respondents were asked to rate on a scale of 0 (not at all achieved) to 10 (significantly achieved) whether a series of benefits had been generated by their project. The benefits which scored the highest (i.e. was most apparent to respondents) on average were:

- Increased participation in local community / voluntary activities (7.1 out of 10)
- Improvements in the quality and access to local amenities and services (6.9)
- Increase in the number of people using local amenities and services (6.8)

7. Outcomes of ‘People Development’ Activities

This chapter discusses the achievements of the ‘people development’ projects funded by Axes 3 and 4. In total, 500 beneficiaries of training projects funded by Measure 331 and Axis 4 were interviewed, drawn from a sample of five projects, although the vast majority of interviews were from two projects: Conwy rural community learning and enterprise skills (223, 45 per cent of interviews) and Denbighshire rural community development learning (261, 52 per cent of interviews). There is also an emphasis within both Axes 3 and 4 (although greater within Axes 4) on a locally led delivery process which engages local stakeholders in the decision making process. Accordingly, the interviews with 144 Partnership and LAG members explored how they perceived they had benefited from being involved with Axes 3 and 4, if at all.

Key points

- The most common reasons for undertaking courses was ‘to learn something new for personal interest’ (51 per cent) which indicates the ‘personal’ focus of the training provided.
- The majority of respondents said that they had benefitted from the course, identifying a wide range of different benefits, depending on the training. The link between many of the identified benefits and ‘economic development’ is, however, unclear.
- Over 90 per cent of the 144 Partnership and LAG members interviewed said that they had benefited from being members. Benefits identified included the opportunity to network and work on a cross-sector basis and an increasing awareness of what was going on in their area.

7.1. The beneficiaries and their reasons for undertaking the training

Fifty-one per cent of respondents reported that they undertook the course to ‘learn something new for personal interest’, 18 per cent ‘to develop a broader range of skills and / or knowledge’, and another 18 per cent ‘to develop more specialist skills and or knowledge’. Thirteen per cent said that an employer requested or required them to do it, and just 3 per cent to improve pay, promotion or other prospects at work. This is the first indication that the emphasis within the sampled projects was on personal and *social* development rather than economic development.

Respondents were asked about their status at the time of the interview. Fifty percent of respondents were retired and therefore economically inactive. The others were:

- Employees (25 per cent);
- Self-employed / owned a business (12 per cent);
- Not in or looking for paid work (4 per cent);
- In full time education / training (3 per cent); and
- Unemployed and looking for work (3 per cent).

To explore any changes in the circumstances of participants after the training, respondents were also asked what they were doing *before* they went on the course and there had been very little change.

Just over a third (36 per cent) of respondents said that they had achieved a qualification as a result of the training that they participated in, with 6 per cent achieving units or credits towards a qualification. This is an indication of the informal nature of the training courses being undertaken. Measure 331 is not required to specifically or directly address economic development issues; it can be used to help deliver *any* Axis 3 measures, including those more focused on quality of life. But, together with the emphasis on personal development previously identified, this raises questions about the potential of the training element as seen in the current programme to deliver economic benefits. This is consistent with the findings of local level evaluations in both Conwy⁹ and Pembrokeshire¹⁰.

7.2. Benefit as identified by respondents

Eighty-nine per cent of respondents reported that they had benefitted from the courses they undertook, which is positive. The most common types of benefits identified were:

- IT skills (24 per cent);
- Updating / widening of their knowledge (15 per cent);
- Beneficial to work / the workplace (11 per cent); and
- Developing new skills (10 per cent).

⁹ Wavehill, (2013) *Independent evaluation of Conwy Rural Development Plan: Business Plan 1*. A report for the Conwy Rural Partnership

¹⁰ Wavehill, (2012) *Evaluation of the Pembrokeshire Advance Rural Development Plan: Axis 3 (Business Plan 1)*. A report for Pembrokeshire Advance

There were references in the comments made to work-related benefits, which suggest a link to 'economic activity' in some instances, but these were a minority.

Following these open questions, a number of closed questions were asked, in order to explore whether respondents identified any of a number of specific benefits. The benefit identified by the highest percentage of respondents was that they had become more confident about their abilities generally (78 per cent). In contrast, the benefit identified by the lowest percentage of respondents was setting up a business or becoming self-employed (6 per cent). The benefits identified by more than 50 per cent of respondents were:

- Being more satisfied with the local area as a place to live and/or work (61 per cent);
- Being more confident that they can achieve their potential or what they want to achieve in the local area (65 per cent);
- Feeling better about themselves generally (60 per cent);
- Being more enthusiastic about learning / training generally (60 per cent); and
- Making new friends (52 per cent).

All respondents were asked if they felt they had gained or improved their skills from a list of specific skills, after undertaking the course. In only one instance did over half of respondents identify a skill developed, as shown in the list below:

- Communication skills' (53 per cent)
- IT skills (44 per cent)
- Problem solving skills (40 per cent)
- Organisational skills (38 per cent)
- Team working skills (38 per cent)
- Job-specific skills relating to a specific occupation (30 per cent)
- Literacy skills (17 per cent)
- Numeracy skills (13 per cent)
- Leadership and / or strategic management skills (13 per cent)
- Language skills (11 per cent)
- CV writing or interview skills (2 per cent)
- Job search skills (2 per cent)

7.3. Benefit to partnership and LAG members

One hundred and forty-four Partnership and LAG members were asked whether they had benefited, due to their membership, the vast majority of respondents confirmed they had done so; 88 per cent of partnership members, 89 per cent of LAG members

and 94 per cent of respondents who were members of both, suggesting that there may be some additional benefit of being joint members.

In terms of what that benefit was, the most common things identified were the benefit of being involved in the programme, increasing awareness of local activities and cross-sector working / networking.

Forty-four respondents (30 per cent) reported an unanticipated negative impact on them as LAG/Partnership members; the most frequently cited responses were that it was time consuming (34 per cent), 20 per cent (9) cited the amount of paperwork, 16 per cent (7) the bureaucracy involved and 11 per cent (5) the jargon.

8. The Management and Delivery of Axes 3 and 4 in Wales

This chapter discusses the findings of the evaluation in respects of the management and delivery of Axes 3 and 4 in Wales.

Key points

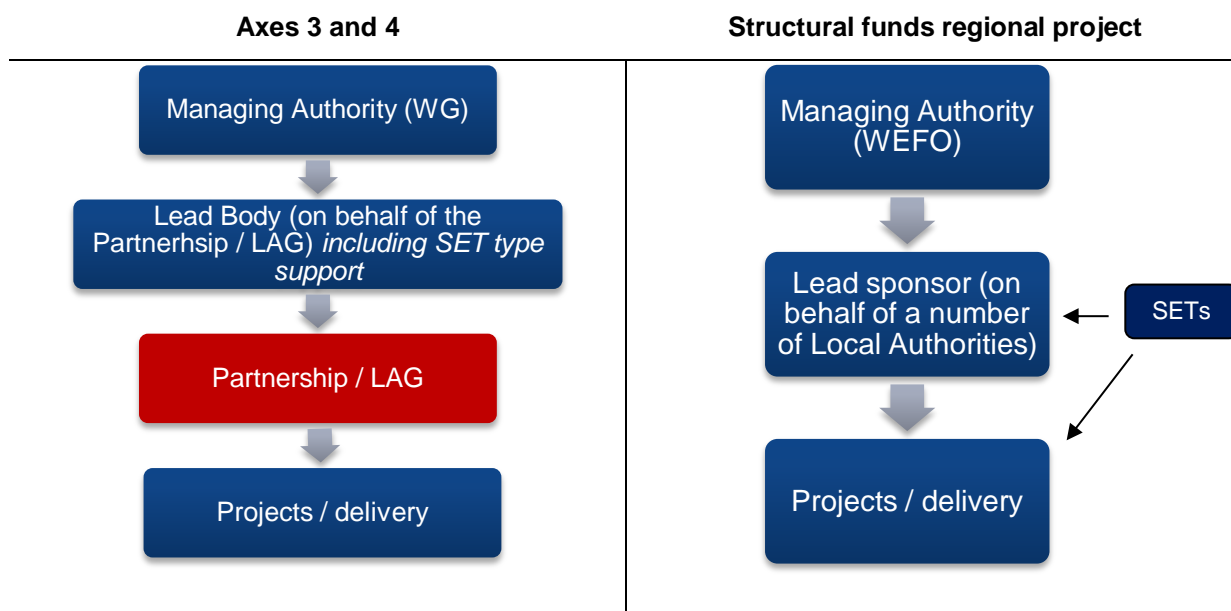
- Poor communication was linked to a number of problems relating to ‘bureaucracy’ within the administration structure and process.
- There is a concern that there is duplication (or at least too much overlap) between the roles of the Lead Body and the Welsh Government
- The different roles of the Partnership and the LAG have not been clear in some areas, leading to some overlap in activities.
- The LDS has not been as important as it should have been.
- The competition for funding between areas is detrimental to the delivery of Axes 3 and 4, especially in terms of cooperation between the areas.
- Splitting the programmes into two business plan periods and delivering Axes 3 and 4 side by side were seen as good ideas in theory, but challenging to implement in practice.
- Lead Bodies have a vital and positive role within the implementation of Axes 3 and 4 which goes far beyond providing a basic ‘administration’ function.
- The extent to which the LEADER approach has been implemented varies from area to area, as does the understanding of the approach.
- There are examples of very similar projects being delivered in a number of areas and clear potential for more cooperation *if* the structure allowed for that.
- The strong view of local stakeholders generally was that both Axes 3 and 4 projects fitted with and added value in their areas. However, ‘sector specialists’ / national stakeholders tended to disagree and expressed concerns about duplication.

8.1. Layers within the structure / the hierarchy

The structure in place to manage and deliver Axes 3 and 4 in Wales includes a number of different layers including the Welsh Government, Lead Bodies, Partnerships, LAGs and finally, projects. As shown in Figure 8.1, when compared to Structural Funds, Axes 3 and 4 includes the additional ‘local layer’ of Partnerships and LAGs. In addition, Axis 3 and 4 are focused on funding multiple projects (i.e. a

strategy) rather than stand-alone projects, although the extent to which this has happened is debatable.

Figure 8.1: Comparison of the ‘model’ for Axes 3 and 4 with the structure for Structural Funds in Wales



*SET: Specialist European Teams (SETs)¹¹

The need for good communication between the different layers was a constant theme during discussions about the effectiveness of the administration of Axes 3 and 4; poor communication was highlighted as being linked to a number of the problems relating to ‘bureaucracy’ within the system.

To be both effective and efficient, each ‘layer’ also needs to have a clear and distinct role. There was concern amongst those involved in the management of the programmes at both a local and national level that there is duplication (or at least too much overlap) between the roles of the Lead Body and that of the Welsh Government, in a number of respects, including the appraisal / approval of projects. The structure for Axes 3 and 4 is also replicated 18 times across Wales (i.e. in each Local Authority area). The efficiency of this was questioned during interviews with some stakeholders who queried the need to undertake all administrative functions at a local authority level, for example, the need to undertake financial administrative activities.

¹¹ More information about the SETs is available here: <http://wefo.wales.gov.uk/publications/sets/?lang=en>

8.2. The need for both Partnerships *and* LAGs

One of the consequences of linking Axes 3 and 4 is that areas are required to have both Partnerships *and* LAGs. The 2011 *Evaluation of the Partnerships with Axes 3 and 4* report¹² found that there was no standard model in Wales, as the structure in each area is influenced by what existed there previously. Three types of structures exist (although there is a blurring of the lines between Types 1 and 2), and this complicates the administration of the programme:

- **Type 1:** the LAG is a formal ‘sub-group’ of the main partnership which has been given the responsibility for Axis 4 or, in one case, *all* projects.
- **Type 2:** the LAG has been set up as a ‘stand-alone group’ but its project staff are employed and managed by the Local Authority.
- **Type 3:** the LAG is a stand-alone organisation. In each instance, it is a company limited by guarantee, with its own board of directors.

A degree of tension is apparent between the desire to integrate Axis 3 and 4 activities and (in some areas) the need to accommodate existing structures (i.e. LAGs) as a legacy of the previous LEADER programmes. In some areas, this has led to a degree of overlap and it could be argued that two ‘LAGs’ are active; one for Axis 3 and one for Axis 4. Whilst some have argued that this is beneficial, as it allows members to be focused on a small group of projects, the efficiency of having two similar groups is questionable. The requirement to set up (or maintain) two separate entities has also been complicated to administer; particularly in the ‘new’ areas.

When referring to LAGs we refer to the group of local stakeholders who are members of the LAG rather than the organisations steered by the LAGs (including Menter Môn, Cadwyn Clwyd and PLANED). These organisations are often referred to as “LAGs” when they are not within the definitions of the programme. Whilst they may be steered by LAGs, they are organisations acting on behalf of the LAG.

¹² A copy of the report is available online here:
<http://wefo.wales.gov.uk/publications/publications/monitoringevaluation/programmeevaluations/6537698/?lang=en>

8.3. The role of the Local Development Strategy

The LDS has not been as important as it was envisaged in the Axes 3 and 4 process. Generally, Lead Bodies described the LDS as a ‘bidding document’ used to secure RDP status; its use as a document subsequently varies. In some areas it is used as part of the monitoring process; projects are asked to report back against progress based on aims and objectives and indicators taken from the LDS. Some areas have commissioned evaluations to assess the progress in achieving the ambitions set out in the LDS (e.g. Gwynedd¹³). In other areas, the document has not been used after its approval by the Welsh Government. The document also forms no part of the monitoring that is undertaken by the Welsh Government.

When asked to score on a scale of 0-10 how useful the LDS has been to them as a Partnership and/or LAG member (in terms of undertaking their role), the mean score given was a mid-range 6.6. The following are examples of the comments made by those who gave a score of 2 or below: *“It has been scarcely useful. It did not have any defined outcomes”* and *“It was written and has just sat there. No one has looked at it since. Certainly I haven't.”*

8.4. The process of identifying, developing and approving projects

The process for appraising and approving projects included the three stages as in the graphic 8.2 on page 37 (although there was also an expression of interest process which is not illustrated).

Figure 8.2: Stages in the project appraisal and approval process



Much of the research with Lead Body staff focused on the contradiction between being required to develop and submit a plan (in the form of an LDS *and* then a

¹³ Wavehill (2011) *Evaluation of Gwynedd's Local Development Strategy and the progress in its delivery through the Rural Development Plan projects*. A report for the Gwynedd Economic Partnership

'business plan') but the appraisal process then considering each project individually. As one interviewee put it; *"What's the point developing a strategy if they're then going to stop you from implementing a key part of it... it leaves you with a hole in your plan."* This was not an issue for Business Plan 1 when all applications submitted to WG were approved. However, when the process became competitive for Business Plan 2, this issue became problematic. In both cases however, it is the Welsh Government that is appraising as well as formally approving projects which limits the role of Partnerships and LAGs to one of identifying and selecting projects for consideration by the Welsh Government. As discussed in the following chapter, in other Member States, LAGs have a more substantial role and, in some instances, are formal intermediary bodies (both appraising and approving projects) or if not, then they (solely) appraise and select the projects to be supported and agree the amount of funding, with the managing authority then formally approving the commitment of funding.

Welsh Government staff conceded that both the LDS and the business plan were of little relevance to their assessment of project applications submitted for Business Plan 2; as they focused on appraising the projects on a 'stand-alone' basis. This questions the logic for a 'business plan' and undermines the strategic approach encouraged by the LDS.

8.4.1. Competition within the system

Part of the rationale for the Welsh Government appraisal and approval of projects is that it oversees the allocation of funding to local authority areas. Different processes were used by the Welsh Government to appraise and approve projects for each Business Plan period. With the exception of a few projects rejected due to eligibility, all projects submitted for Business Plan 1 were approved by the Welsh Government. For Business Plan 2 a competitive process was agreed (after consultation by the Welsh Government with the Partnerships and LAGs). An appraisal took place at the 'expression of interest' (EOI) stage; only projects scoring sufficiently submitted full scale project applications. This process was to avoid unnecessary development work on projects which could not be supported. Although all areas were aware of the budget available, the total value of the applications submitted exceeded this budget by around 100 per cent, meaning that it was highly competitive. This had a number

of effects. Whilst recognising that the competition took place at the EOI stage, a substantial amount of resource has been spent developing, and then appraising projects that have not been funded. Stakeholder interviews clearly point to a lack of cooperation and sharing of ideas due to the knowledge that they would be competing with the areas with whom they would be sharing their ideas. Whether it is fair to ask local partnerships who are delivering an RDP programme for the first time to compete for funding with experienced areas that have been active in similar programmes for over 10 years also needs to be considered.

The argument for competition is that it improves standards; projects are better because applicants are aware of the competition. The key is however *where* (or at what level) in the process that competition occurs. In the current process, the competition is at a local level (when projects are submitted or developed by the Partnership) and again when business plans are submitted to the Welsh Government. Research with stakeholders' shows that this second element of competition can be damaging in terms of restricting cooperation between areas and partners.

8.4.2. Changes introduced for Business Plan 2

For Business Plan 2, Lead Bodies were restricted to submitting one project per measure. It is important to note that this change was introduced by Welsh Government in consultation with the Lead Bodies. Indeed, the changes were generally well received at the time of planning but that on reflection, there were negative and positive consequences of both Business Plan 1 and Business Plan 2. The change was intended to reduce the administrative burden by limiting the number of projects being administered. This was achieved. However, in many instances, the change is that Lead Bodies have brought together what would previously have been individual projects into a group of associated projects submitted as 'umbrella projects'. Whilst the number of projects dealt with by the Welsh Government has reduced, the actual number of projects has not drastically changed from the Lead Body / Partnership / LAG perspective.

This is not to say that the Lead Bodies have not benefitted from the change in approach. Many of the staff were in favour of the greater flexibility of reporting against a group of projects. For example, targets were shared between several

projects and there was, to an extent, greater potential to move funds between projects. However, the change also added to the risk being borne by the Lead Body. The failure of one project within the 'umbrella project' could have a detrimental impact on several projects. The change in approach had an impact on the application process; for Lead Bodies, the rejection of one project by the Welsh Government meant that a set of projects did not happen. For example, there are no Axis 3 funded tourism projects in Pembrokeshire for Business Plan 2, although this sector is identified in the LDS as being key to the local economy.

This is an example of where it would have been useful to have differentiated between Axis 3 and Axis 4 in the approach being used. Many of the problems identified above are particularly applicable to Axis 3. For Axis 4, where the LEADER approach is being used, the 'single project' approach is more appropriate and is similar to the approach used in other member states where the 'strategy' is approved rather than individual projects.

8.4.3. Top down vs. bottom up approach

The approval process for Axes 3 and 4 projects sought to achieve the benefits of what many described as a 'bottom-up' approach with 'top-down' control. One of the concerns about a national programme or scheme that is delivered on a local level is that the projects supported will not be 'strategic', or that there will be duplication of activities undertaken on a national level. This is addressed by all projects being appraised centrally by the Welsh Government. From a Welsh Government perspective, this approach places a 'quality control' on projects, and controls the potential for duplication. From a Lead Body, Partnerships and LAG perspective, it represents a lack of 'trust' and undermines the strategic approach that they are asked to use to deliver Axes 3 and 4.

8.5. Splitting the programmes into two business planning periods

One of the primary reasons for splitting the programme period into two 'business-plan' periods was to provide Partnerships and LAGs with the opportunity to develop new project ideas and amend their activities at the mid-point of the programmes. It also provided an opportunity to draw any projects that were not performing as anticipated to a close. These are sensible objectives, given that Axis 4 was designed to pilot new and innovative approaches to rural development, and there was potential

to fund Axis 4 projects found to be successful with Axis 3 funding. The new areas and partnerships implementing Axes 3 and 4 also needed to be taken into account. Giving them the opportunity to review their activities at the mid-point was sensible. Stakeholders generally agreed with these reasons for having a ‘break’ within the programme period. However, with hindsight, there is agreement amongst those who participated in the evaluation that this was not the best way to achieve these aims.

Partnership and LAG members were asked what had been the advantages and disadvantages of splitting the programmes into two business planning periods, and their views are typical of all those interviewed.

Table 8.1: Advantages and disadvantages of splitting into two business planning periods as identified by Partnership and LAG members

Advantages (n=73)	Disadvantages (n=81)
<ul style="list-style-type: none"> • The ability to learn lessons and review activity to date (38%) • Increased understanding of the programme in advance of the second round (23%) • Flexibility (11%) • Time restrictions (as a positive motivation) (11%) • Results in smaller / more focused projects (7%) 	<ul style="list-style-type: none"> • Lack of continuity (31%) • Timescales for delivering projects are too short (31%) • Duplication (9%) • Ambiguity / lack of transparency from WG (8%) • Poor allocation / distribution of funding (6%) • The additional work that it entailed (6%)

Only shows responses >5%

Many of these are also prominent in the evaluation reports commissioned by a number of the Partnerships. Swansea provides an example of where the approach has been advantageous to the Partnership and LAG. This is the first time this programme has been delivered in the rural parts of Swansea. A very conservative approach was purposively taken for Business Plan 1. An evaluation of the programme in Swansea¹⁴ found that this allowed the Lead Body, the Partnership and the LAG opportunity to ‘grow into’ the implementation of Axes 3 and 4. When the opportunity to bid for Business Plan 2 came up, a much bigger and ambitious programme of activities was submitted to the Welsh Government.

The limited timescales for delivering projects would seem central to many of the disadvantages identified, squeezed further for Business Plan 1 by a delay to the start

¹⁴ Wavehill (2013) *Evaluation of the Swansea Rural Development Business Plan 1: 2008 to 2011*. A report to the Swansea Rural Development Partnership

of projects in many instances. This led to project delivery taking place in little more than a two year period. In our experience as evaluators, a slow start is not uncommon; projects needed time to recruit staff and set-up administrative systems. However, in this case the timescale for the delivery of the projects was already short providing little time to ‘catch-up’. This placed substantial pressure on projects and meant that there was limited time for projects to develop. The counter argument is that the timescale for the delivery of Business Plan 1 projects was made clear to the Partnerships and Lead Body. As one interviewee put it: “*Axis 3 projects were always supposed to be almost off the shelf... ready to go*”. Discussions with Lead Body staff suggest that this is not practical at a delivery level.

Loss of continuity during the ‘break’ between business plans is an important point. All projects were closed, even if they were performing very well. And, where a ‘continuation’ project was approved for Business Plan 2 (this occurred in a number of instances) there was still a slow-down in their delivery, due to uncertainty about whether the follow-up would be approved.

8.6. Managing and delivering Axis 3 and Axis 4 ‘side by side’

There was substantial discussion on the ‘side by side’ management and delivery of Axes 3 & 4 with all stakeholders. The views expressed can be summarised in a sentence; well-intended, but challenging in practice. The table below shows the advantages and disadvantages most commonly identified by Partnership and LAG members and are typical of those noted by stakeholders generally.

Table 8.2: the advantages and disadvantages of managing and delivering Axes 3 and 4 side by side

Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows linkages and networking to develop (23%) • Projects can ‘grow’ / transfer from Axis 4 to Axis 3 • It provides a good overview of what activity is ongoing / a holistic approach (15%) • They complement each other (10%) • Avoids duplications (7%) • They have worked well together (5%) 	<ul style="list-style-type: none"> • Confusing (35%) • The additional work needed in order to run them side by side (15%) • Too bureaucratic (11%) • Dilution of innovation and risk taking (5%)

N=93 (51 respondents said they did not know, none or gave a no response. The table only shows responses >5%)

8.7. Levels of experience amongst those involved

Initial interviews with key stakeholders identified concerns about the experience of managing and delivering programmes and projects of a similar nature to Axes 3 and 4. Interviews with Lead Body staff found that the situation varied across Wales. In some instances, Lead Body staff were relatively inexperienced, whilst others had substantial experience. Generally, there is substantial experience within Wales of managing and delivering the type of projects funded by Axes 3 and 4, including the implementation of the LEADER approach. There is an opportunity to utilise this knowledge and experience and, via the cooperative element of Axis 4 and the activities of the Wales Rural Network, there have been opportunities within the current programme to maximise these benefits.

Stakeholder interviews provided examples of both formal and informal cooperation amongst areas, but these have not been utilised to their full potential. Reasons for this included competition within the process and workload, including pressure to deliver projects and the level of bureaucracy. This may add further weight to the argument that the structure may need to allow greater sharing of knowledge and experience with a more regional and integrated approach.

One way in which some areas have brought in expertise to manage and deliver projects is by procuring specialist delivery organisations. There are numerous examples in both Axes 3 and 4 of Lead Bodies procuring the delivery of projects, usually from the third or public sector, on behalf of the Partnership or the LAG. One of the organisations that have been procured in Gwynedd to deliver projects is Annog Cyf¹⁵, the trading arm of Menter Môn, the organisation delivering the LEADER programme in Anglesey since the LEADER II programme. Annog have been procured to deliver several Axes 3 and 4 projects during both Business Plan 1 and 2. One of the advantages of their engagement is that it has allowed Gwynedd to draw upon the extensive knowledge and experience of Menter Môn.

An evaluation of Axes 3 and 4 in Gwynedd concluded that this was of considerable benefit to the implementation of the programme in that area. However, disadvantages of this approach were also noted. Firstly, for Axis 4 activities, there is

¹⁵ More information about Menter Môn and Annog is available here: <http://www.mentermon.com/index.php>

a risk that the LAG becomes distant from their projects because they are 'handed over' to contracted deliverers. The second is that procurement can have a detrimental impact on cooperation and networking between various projects which are being delivered largely in isolation of each other.

8.8. The role of the Lead Bodies

The Lead Body has an important role in implementing Axes 3 and 4. The costs associated with funding Lead Bodies are often quoted as being for "administration" of the programme on a local level, but their role goes far beyond this.

To explore the effectiveness of the advice provided, project managers participating in the survey were asked a number of questions relating to the support they received from the Lead Body (Axis 3 or 4). Ninety-one per cent (110/121) described the support as mainly 'advice' and 'signposting' and 98 per cent said they had benefited from this support (127/129) which is very positive. When asked to explain how they had benefited, 37 per cent (48/127) said they 'felt supported'. Thirteen per cent (17/127) said the project benefited when making claims, and 13 per cent (16/127) felt the advice helped with project administration.

Ensuring that advice and guidance is available when needed is very important, as discussed in an evaluation of the implementation of Business Plan 1 in Conwy¹⁶. This found that projects perceived a lack of support available during this period which had a negative impact on delivery. Lead Bodies can only provide support if they are in a position to do that, and it would seem that at critical times during Business Plan 1, that was not the case in Conwy. The evaluation concluded that there were three reasons for this. Firstly, Lead Body staff were not in place at the time projects were approved. The Lead Body team was being set up *at the same time* as the projects were being set up. The second reason was a perceived lack of clear guidance to the Lead Body from the Welsh Government, which meant there was a lack of clear guidance for projects. And thirdly, the volume of projects approved in Conwy for Business Plan 1 made the process of setting them up and providing support onerous. This is an example of the consequences of what could be described as a 'lack of capacity' at the beginning of a programme period.

¹⁶ Wavehill, (2013) *Independent evaluation of Conwy Rural Development Plan: Business Plan 1*. A report for the Conwy Rural Partnership

8.9. Implementing the LEADER approach

Discussions with stakeholders found a general concern about the levels of awareness of the LEADER approach, both at a practitioner level, and amongst ‘arms-length’ stakeholders. Both Axes 3 and 4 were generally considered to be “difficult to understand”, but particularly Axis 4.

Partnership and LAG members who participated in the survey were asked how they would describe the purpose and objectives of the Axis 3 and Axis 4 programmes. A wide range of comments were made which is a reflection of broad nature of the programmes, and that members may be focused on different elements. The most frequently cited responses for Axis 3 were to improve the quality of life in rural areas (19 per cent, 28/144), for economic/rural regeneration (15 per cent, 21/144); and to promote rural tourism (13 per cent, 19/144), all of which are accurate. The percentages who identified the same elements are relatively low, suggesting that there is not a consistent ‘description’ of the programme aims amongst Partnership and LAG members.

The most frequently cited responses for objectives of Axis 4 were that it was a means for community involvement, consultation or development (30 per cent, 43/144) that it facilitates innovation and risk taking (28 per cent, 41/144) and that it takes a grass roots approach (20 per cent, 29/144). These are important elements of the LEADER approach, however, the relatively low percentage of respondents who identified the same element suggest that there is a lack of consistency in terms of the understanding of LEADER, although the percentages are higher than for Axis 3. It also suggests that only some elements of the LEADER approach are well understood.

Discussions suggested that there is a clearer understanding of LEADER, in its broader sense, amongst Lead Body and managing authority staff than amongst LAG and Partnership members generally. It was noticeable that the emphasis on the ‘innovation’ element of LEADER increases when discussing the approach with more ‘strategic’ stakeholders. Senior Welsh Government staff and Programme Monitoring Committee members invariably mentioned the fact that LEADER provides an opportunity to be ‘innovative’ and ‘test new approaches’ to rural development. Generally, LAG members emphasised the ‘grass-roots’ nature of the approach.

There was disagreement amongst those interviewed on how successful the programme had been in terms of promoting new and innovative approaches. The explanation lies in the definition or interpretation of 'innovation'. At a local level, where the emphasis is on developing and delivering 'bottom-up' projects, the focus is usually on trying things that have not been done in the local area before. But, at a more strategic level, the interpretation is more ambitious and there is generally more criticism of Axis 4 in that sense.

The findings highlight that the integrated nature of LEADER is one of the challenges of its implementation. The combination of small area schemes developed using a grassroots approach *along with* a focus on public-private partnerships, innovation, cooperation, networking and a multi-sector approach is probably unique to LEADER. Some of these elements have been implemented more extensively than others. Primarily due to the different levels of knowledge and experience of LEADER in different parts of Wales, the approach has not been consistent.

One of the reasons for this may be that very little guidance and/or training on the LEADER approach has been perceived as being available or used by Lead Body staff and LAGs in Wales. A great deal of guidance on LEADER exists¹⁷; however, feedback from stakeholders suggested that very little of that guidance has been utilised across Wales. Some areas have developed their own training or guidance for both Partnerships and LAGs (in line with Welsh Government expectations for Business Plan 2); but it is inconsistent.

8.10. Commonality between projects and cooperation

Within some measures, there is substantial commonality between projects being delivered in the different areas. Almost all areas have projects providing support for micro-businesses, even if those projects are delivered by Axis 3 in some areas and Axis 4 in others. Some of the projects being delivered are also very similar. The best examples are two Measure 311 Business Plan 1 projects - one each in neighbouring Conwy and Denbighshire – both providing funding for a part time officer to assist in

¹⁷ For example, the European Network for Rural Development has produced a 'LEADER tool-kit' which is available here: http://enrd.ec.europa.eu/leader/leader/leader-tool-kit/the-leader-approach/en/the-leader-approach_en.cfm

the running of Clwyd Federation of Young Farmers' Clubs. The efficiency of this is questionable.

Axis 4 includes provision for cooperative projects and 18 of these have been funded; although this is far less than the 102 area specific projects funded and, as previously discussed, the competitive nature of the programme does not encourage cooperation. There is however no such provision within Axis 3 which is delivered on a local authority area basis. The potential for regional projects is not there, although it should be noted that a national project was introduced in 2010; the Welsh Government delivered Broadband Support Scheme.

There are also clear differences between what is being delivered in different areas and this was a concern to some stakeholders, especially those with a central or Wales-wide remit. This was sometimes referred to as leading to a '*post-code lottery*' whereby businesses or farmers in one area could access support that was not available in another area; although they may face the same challenges and issues. This is an inevitable result of the locally led approach being used for Axis 3; areas will have different priorities and choose to provide support in different ways. But, this is 'challenging' to those who are seeking to develop a consistent approach to addressing problems that exist across Wales. There is also an argument that it is inefficient to develop up to 18 projects to provide which is essentially the same or very similar; unless it is evidenced that local circumstances are so different that a unique approach is justified.

8.11. The administration process

The 'administrative burden' was a common theme during discussions with all stakeholders and it has frustrated Partnership / LAG members, Lead Body staff, project managers and beneficiaries alike. There must be a certain level of bureaucracy within any project or programme to ensure that it operates within defined parameters. However, bureaucracy should be kept to a minimum wherever possible, and the feedback from stakeholders is that this has not been the case for Axes 3 and 4. The prominence given to administrative issues during interviews with stakeholders suggests that the whole programme has been overshadowed by those issues.

Managing administration has been a massive problem for Axis 3 and 4 in Wales, and the feedback from Lead Body staff is that it has dominated much of their time, often at the expense of other activities to support the projects. The following have been identified as key reasons for this:

- Key administrative procedures were not in place when projects were being set up for delivery in the local authority areas;
- Key members of staff within the Lead Bodies and Welsh Government were not in place early enough; and
- The administrative 'workload' that would be generated was underestimated (at both a local and Welsh Government level) leading to a system which quickly became overloaded.

The number of 'project amendment forms' (known as PAFs) submitted to the Welsh Government by Lead Bodies provides an indication of the level of administration involved; 900 over a three year period. At one point there was a backlog of in the region of 250 PAFs waiting to be processed by the Welsh Government. One of the main reasons for this was that a back-log of PAFs built up during the Welsh Government's processing of applications for Business Plan 2 because there were inadequate resources to undertake both tasks simultaneously.

The programme has not fully overcome these issues. However, there is a generally held view that the administrative systems had improved substantially as the programmes progressed and there would seem to be two main reasons for this. Firstly, better and clearer procedures have been put in place. For example, there is now a more streamlined approach for applying for and approving changes to projects. Secondly, staff administering the programme have become more experienced and better able to manage its administration. There has been substantial development within the 'administrative team' for Axis 3 and 4, both at a Lead Body and Welsh Government level.

The time taken by the Welsh Government in responding to queries submitted by the Lead Bodies was a constant theme in discussions with Lead Body staff and the survey of Partnership and LAG members. Their view was that was to the detriment of projects' delivery. A wide range of queries and questions are submitted to the

Welsh Government by the Lead Bodies. Feedback from Welsh Government staff suggests that a substantial amount of their time is spent addressing questions which, from their perspective, are straight forward. Lead Bodies' attitude tends to be (although not in all cases), where there is any doubt, the Welsh Government should be asked the question in writing; the risk of making an error is such that *everything* should be checked. The result of this is that the system becomes clogged-up and slow. This also leads to the more important questions and queries becoming 'stuck' in the system.

8.12. The monitoring system

Monitoring is not just about providing data for evaluation. It provides accountability for the investment and is a key part of the administration of any programme or scheme. For the RDP, the monitoring system is based on the European Commission's Common Monitoring and Evaluation Framework (CMEF)¹⁸ which specifies a set of indicators that must be recorded and reported to them. In Wales, this was used as a basis for a 'Performance Framework' document which, in addition to the CMEF indicators, includes a number of Welsh specific indicators designed to capture additional information which was of relevance to Wales.

The feedback from both Welsh Government and Lead Body staff is that the monitoring system is too complicated and requires too much information to be collected. One of the causes of this complexity is the additional indicators added to the CMEF by the Welsh Government with the rationale being that they were needed to fully capture the outputs and results generated. Amongst the indicators that have been added for this purpose are, for Measure 312, the number of micro-enterprises advised or assisted (the CMEF only requires the number of enterprises financially supported) and the number of micro-enterprises created and number of jobs safeguarded (the CMEF only requires the gross number of jobs created and increase in non-agricultural gross value added to be recorded). Such additions are sensible as they were partly designed to create more commonality with the monitoring of the Structural Funds Programmes. However, most would agree that the adding of

¹⁸ Further information is available here: <http://ec.europa.eu/agriculture/rurdev/eval/>

additional indicators went too far, particularly when, part way through the Business Plan 1 period more indicators were added, including:

- Number of markets *potentially* accessed;
- Number of enterprises potentially created;
- Gross number of jobs potentially created; and
- Gross number of *potential* visitors to a supported project.

Whilst there is a clear need to develop a monitoring framework that is as comprehensive as possible, the usefulness of some of these indicators is questionable. The framework has become so large and unwieldy that its usefulness has been reduced. There has been a failure to distinguish between what is necessary to know, and what it would be *nice* to know, and this distinction is important.

Our analysis of the monitoring data found that the data was characterised by what appeared to be in several cases, a number of anomalies. This was particularly with the 'results' data, where at times very high figures for one or two areas would skew the data for the whole programme area, and was not comparable with other areas. This questions the validity and robustness of some of the reporting and suggests that there may have been a lack of clarity and inconsistent interpretation in some of the monitoring criteria. It also calls into question the appropriateness of some of the 'output' measures. There were too many of these to derive a meaningful analysis.

Poor quality or insufficient monitoring data is a regular theme in many of the 'local' evaluation reports. An evaluation of Business Plan 1 Axis 3 activities in Pembrokeshire¹⁹ found that there were substantial gaps in the monitoring data available for some projects from an evaluators' perspective. In some instances, there was no information on the result generated. This was sometimes because the targets set had not been achieved, but also because no alternative data had been collected when that became apparent, meaning that there was limited data available upon which to judge projects' achievements. This situation is however, not unique to Pembrokeshire; the issue has been identified in a number of reports reviewed as part of the research for this evaluation.

¹⁹ Wavehill, (2012) *Evaluation of the Pembrokeshire Advance Rural Development Plan: Axis 3 (Business Plan 1)*. A report for Pembrokeshire Advance

Monitoring for the purposes of evaluation was not high enough up the agenda either at a project level or at a Partnership / LAG level; the focus was on expenditure and delivery. To an extent, this is understandable, especially in circumstances where timescales to deliver projects are short. However, it means that there is limited data available upon which to judge whether or not a project or the programme as a whole has been a success.

A project delivery perspective on issues such as monitoring is important. A reasonably positive mean score of 7.4 was given when project managers were asked to rate on a scale of 0 (not effective at all) to 10 (very effective) how *effective* they thought the system was for monitoring the progress being made and the achievements of their project. When respondents were asked to rate on a scale of 0 (Not efficient at all) to 10 (very efficient) how *efficient* they thought the system for monitoring the process being made and the achievements of their project the mean score given was a lower 7.0.

8.13. Strategic fit and added-value

‘Added-value’ means that a funded project or activity addresses a clear need and which is not addressed by other activities. However, it also takes into account the role, process, scope and volume of the activity undertaken or funded by a project. Whether or not a project fits with and complements other activities, strategies and policy is also important. The strong view of local stakeholders generally was that both Axes 3 and 4 projects fitted with and added value in their areas because of the system and structure used at a local level to identify and assess projects. However, generally, the ‘sector specialists’ / national stakeholders interviewed (for example, Welsh Government officials working in business support, tourism, community regeneration) had different views and were concerned by the duplication between Axes 3 & 4 activities and ‘mainstream’ support and strategy.

The key issue is how these ‘specialist stakeholders’ are engaged in the programme. Axes 3 & 4 has a broad nature, with funded activities ranging from providing support to micro-enterprises to the physical regeneration of villages. This differentiates the programme from many other Welsh Government programmes and schemes which

tend to be sector specific and managed by 'sector specialists'²⁰. For example, in Axis 1 of the RDP, generally, Welsh Government schemes are measure specific whereas Axis 3 covers seven different measures. The logic for this was to promote an integrated approach to local development. However, a weakness of this approach is that it can lead to more 'generalist' rather than 'specialist' interventions. The solution to this is to liaise with and draw-in the 'specialists' within the Welsh Government and other organisations; for example, those managing more specialist schemes to support farmers or provide business support. There are a number of problems within this, particularly the limited resource available to provide 'specialist' input.

The feedback from the specialists interviewed is that this process of engaging with them has been more successful for Business Plan 2 than it was for Business Plan 1. The specialist stakeholders were more comfortable with the projects being funded in Business Plan 2 than they were for Business Plan 1. This is another indication of how things have developed and improved over the life time of the current programme. However, the specialists' contact with Axes 3 & 4 had reduced substantially once projects were approved, leading to further concerns about what was happening once the projects were delivering.

²⁰ The Structure Funds programmes are also an exception to this although they are managed by WEFO using a different delivery model. Please refer to:
<http://wefo.wales.gov.uk/programmes/?lang=en>

9. Lessons Learnt at an European Union Level

This chapter provides an EU perspective on the issues discussed in this report, a number of which are apparent at a Commission level.

Key points

- The ‘mainstreaming’ of LEADER for the 2007-13 programme involved allowing Member States to decide to what extent LEADER should engage with the delivery of the RDP, and a number of different models have emerged across the EU as a result.
- Reviews at a Commission level have found that the way in which Member States have interpreted this ‘mainstreaming’ has had a substantial effect on the delivery of the LEADER approach.
- Experience from across the EU suggests that ‘mainstreaming’ has, in effect, reintroduced and reinforced the very types of costs and barriers which LEADER was originally designed to minimise. As a direct result, the Commission has acknowledged the need to reinforce and refresh the LEADER method and improve the development and delivery of local development strategies during the next programme period.

The background to how LEADER and Axis 3 have evolved is important in understanding their inclusion in the 2007 – 2013 RDPs and how they interact. Prior to 2007 the structure, programming and linkages between EU supported rural development instruments was very different. A short description of the origins of both Axis 3 and Axis 4 can therefore be found in the appendix report.

9.1. Approaches to programming in 2007-13

The ‘mainstreaming’ of LEADER for the 2007-13 programme allowed Member States to decide to what extent LEADER should engage with the delivery of the full rural RDP (i.e. Axes 1, 2 and 3) and a number of different approaches emerged, summarised by the typologies discussed below:

- I. Delivery of *any* Axis 3 Measures selected from the full range by the Axis 4 LAGs;
- II. Delivery of *all* selected Axis 3 Measure;
- III. Delivery of a *subset* of Axis 3 Measures programmed under the specific RDP.

- IV. The LDS addresses the objectives of Axis 3 but need not include direct reference to all the specific individual measures; and
- V. Further variations of these models involving the use of the other two axes which have been discounted here in the interests of simplicity and relevance.

In Wales, the approach is most similar to Model I with a single LDS for Axis 3 and 4 at local authority level but differs in relation to the involvement of two local groups, the area partnership and the LAG and the role of the business plan and LDS regarding delivery.

In "mainstreaming" the LEADER approach the Commission did not intend to limit its distinctive approach, innovative nature and flexibility. Rather 'mainstreaming' was intended to broaden the scope of LEADER to the whole rural development tool-kit. Under the Rural Development Regulation (RDR)²¹. The intention was that LEADER could fund projects fitting under the measures of the other three Axes but was not required to do so²². Where it did, the eligibility and other conditions attached to those measures did apply however.

In practice, the flexibility provided has tended to result in LAGs being required to deliver the individual Axis 3 measures. The European Network for Rural Development (ENRD) Thematic Working Group 4²³ found that few programmes have approved projects outside the scope of the standard rural development measures. One of the effect of this was that LAGs became involved in the direct delivery of Axis 3 measures to the detriment of the integrity of the 'bottom-up' LDS, a key part of the LEADER approach.

9.2. Approaches to delivery in 2007-13

Commission level reviews suggest that in practice, LEADER is being 'assimilated' by the mainstream during the current programme period, treated as if it were just

²¹ Article 64 Reg (EC) 1698/2005. This article only mentions the possibility of using the mainstream measures for the implementation of projects linked to local strategies. It does not refer to this as the only way to implement LEADER

²² Art. 63 of Reg. (EC) 1698/2005

²³ ENRD Thematic Working Groups and Focus Groups are established through the Rural Development and LEADER Subcommittees. These are facilitated by the ENRD on behalf of DG Agri and directly involve delivery stakeholders, MA, Paying Agency, LAGs, National Rural Networks etc in helping the EC to explore policy implementation and develop recommendations and guidance. Their duration, composition and working method varies by topic, all materials may be accessed on the ENRD website http://enrd.ec.europa.eu/leader/leader/en/leader-focus-group_en.cfm and http://enrd.ec.europa.eu/themes/thematic-initiatives/twg-faq/en/twg-faq_en.cfm.

another delivery scheme rather than the method being more widely applied across the mainstream²⁴. This raises the risk that the integrity of the LEADER approach and its added value is eroded or lost. Diverting the focus away from its distinct approach and the benefits that delivers has had a number of effects on what the LAGs deliver and how they do this. These include:

- Changing the focus and balance of LAGs' activity away from their LDS (e.g. some Austrian LAGs report spending 80 per cent of their time and budget on Axis 3 activities).
- EAFRD rules and operating practices are more constraining and burdensome than those applying to the Community Initiative, particularly where LEADER projects are delivered in conformity with RDP measures and requirements.
- Inconsistent approaches, with no universal division of responsibilities and accountability between the MA, Payments Agency (PA) and LAGs in the delivery systems.

ENRD LEADER Focus Group 1²⁵ considered the delivery systems employed in the different Member States and produced a typology of LEADER implementation models making a clear distinction between levels of autonomy:

1. *Decentralisation of project selection competence.* The "basic model" reflecting the minimum local competence requirements, where the LAG is responsible for implementing the local development strategy and generating, appraising and selecting projects (normally setting the level of support) which it then submits to the Managing Authority (MA), or another implementing body for the formal project approval and subsequent authorisation of claims. This model applies throughout most of Northern Europe.
2. *Decentralisation of project selection and payment competence.* Under this model the payment of claims is added to those of the first model. This model is much less common but applies in England²⁶.
3. *Decentralisation of project approval (local global grant).* Here the LAG is responsible for project appraisal, selection, formal approval and issuing the grant

²⁴ http://enrd.ec.europa.eu/enrd-static/leader/leader/en/leader-focus-group_en.html

²⁵ http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-1_en.cfm

²⁶ In England under Leader+ both of the first two models were possible.

letter to the beneficiary. The formal legal commitment towards the beneficiaries is made by the LAG (issuing the grant letter) which therefore needs to be a legally accountable body, or to designate such an accountable body, from within its membership (i.e. it is an 'intermediary' body). The Managing Authority however retains its responsibility on the efficiency and correctness of management²⁷.

Implementation experience shows that there are pros and cons in all these models, particularly in relation to the degree of empowerment, ownership and accountability within the LAGs on the one hand, and the relative levels of scrutiny and checking required of and by MA / PAs on the other. Programme authorities' involvement varies considerably, reflecting levels of experience, administrative know-how, capacity and trust between the different levels and roles in the multi-level governance chain. In this context, it is worth noting that a review by the European Court of Auditors (ECA) identified the undue influence of some local authorities and poor additionality in relation to their activities, as substantial implementation challenges²⁸.

Regardless of which model is employed, effective communication and links between the levels is essential, with clearly defined roles and responsibilities. Where this is weak, the administrative burden increases (for all concerned) and decision making is slowed down, multiple checks become common, some involving differing interpretations. LAGs' ability to act becomes compromised by the delivery system and their interaction with the system places heavy administrative burdens on the authorities²⁹.

Many Managing Authorities and LAGs report that these difficulties have been exacerbated through scrutiny by auditors who now approach LEADER from the stricter perspective of 'CAP compliance'. LEADER projects are being aligned with RDP measures (whether they apply or not) and there is a more negative view of innovation and risk. The implementation of the method is therefore becoming further compromised, as is the added value achieved.

²⁷ For example, in Ireland the LAGs are formally constituted and legally accountable entities, in Scotland LAGs nominate an accountable body within their membership which is responsible to the MA, a local authority in almost all cases.

²⁸ Available here: http://www.eca.europa.eu/Lists/ECADocuments/SR10_05/SR10_05_EN.PDF

²⁹ Further information is available here: http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4_en.cfm

9.3. EC priorities looking forwards

With a view to informing the recommendations made in the final chapter of this report, this section looks ahead to the next programme period (2014-20). It is important to note that the LEADER approach has been further extended as the basis for community-led local development in the European Structural and Investment (ESI) Funds for 2014-20, with the possibility for 'LEADER areas' to implement "multi-funded" strategies. The method is reinforced and codified under the *Rural Development Regulation* and the *Common Provisions Regulation*, the Local Development Strategy (LDS) content is specified, detailed guidance is under development and there is a strong focus on improved LDSs, their implementation and evaluation.

As discussed above, the work undertaken by the LEADER Subcommittee, its Focus Groups and the ENRD Thematic Working Groups (TWGs) identified a number of issues. Reflecting these concerns, the TWG produced a series of recommendations for LEADER implementation, principal amongst these were those relating to:

- Clarifying the division of responsibilities and LAG tasks;
- Improving delivery articulation and information flows;
- Improving capacity at all levels in the governance chain;
- Ensuring the adequacy of staff resources; and
- Improving and differentiating guidelines, eligibility and implementation rules for LEADER.

ENRD LEADER Focus Group 4³⁰ concentrated on the improvement of the development and implementation of LDSs. This found that:

- Adequate preparation time was vital for a full development process, involving local participation to be completed;
- A staged approach to LDS development and submission, involving strong feedback between the LAGs and Managing Authorities, should help to enable the development of high quality approaches.

³⁰ http://enrd.ec.europa.eu/leader/leader/focus-groups/en/focus-group-4_en.cfm

- Adequate LAG guidance is required to build delivery chain capability and improve standards and performance.
- The specification, preparation and selection of LDS should be improved including strengthening of the LDS intervention logic regarding the definition of needs, the link to the objectives, priorities and targets proposed and their alignment with other local and sectoral strategies and initiatives.
- Allocation of budgets to LAGs to deliver their LDS should be based on the evidence and analysis presented. It is important that financial planning enables LDS objectives to be actively pursued using the LEADER methods and then reviewing performance.
- The planning and structuring of monitoring and evaluation should be improved.

The focus group found that linking LDS design, implementation and monitoring and evaluation in an effective way is a priority in capitalising on the depth and breadth of LEADER experience in an organised and structured way. This will enable the implementing of the 'full' and 'renewed' LEADER method, particularly its bottom up, integrated, innovative and local needs focused basis, but in an improved, better structured, more accountable and well supported way.

An increased EU allocation for LAG management, administration and animation for the next programme is an explicit recognition at a Commission level of the more central role of the LDS and the need for LAGs focus their activity directly in pursuit of their LDS objectives. Project selection procedures and criteria need to be adapted to meet this end.

In summary, many of the issues discussed within this report in relation to Axis 3 and in particular Axis 4 in Wales are apparent at an EU level. Experience from across the EU suggests that 'mainstreaming' LEADER, as practiced in many Member States, has in effect reintroduced and reinforced the very types of issues which LEADER was originally designed to minimise. Reviews of at a Commission level have also found that the model employed has great bearing on the success of LEADER. Inappropriate models (e.g. those which introduce additional tiers of decision making or administration) can seriously compromise the responsiveness, relevance and appropriateness of the LEADER approach and dilute the added value.

10. Conclusions and Recommendations

10.1. Programme outcomes

This report focuses on assessing the impact of Axes 3 and 4 in Wales in terms of jobs and growth and there is a limit to which the research has been able to explore the economic impact of the activities which are focused on 'quality of life' issues. This contributes to the finding that the link between some of the activities undertaken and economic growth is unclear in a number of instances. For example, the direct economic benefit of some of the training and heritage projects is unclear, although those projects have generated a range of other benefits.

Where there is evidence of economic benefit it has generally been generated by projects funded by measures most focused on economic development issues. The impact is generally seen on a micro level rather than on a macro level; individual businesses may have generated substantial benefits but the impact on the economy as a whole is not substantial. The impact also varies substantially from area to area although that is not unexpected. The programme is being delivered on a locally led and local authority area basis, meaning that activities vary substantially from area to area, depending on the priorities of the Partnership in that area. The level of investment also varies substantially from area to area which will also, influence the extent of the impact that can be seen.

The *very wide* range of projects and activities funded needs to be considered when discussing the outcomes of Axes 3 and 4. The range of activities is partly due to the range of measures implemented within the programme, but even within measures, there is a very wide range of activity. Whether this is beneficial depends on what those designing Axes 3 and 4 implementation in Wales aimed to achieve. If the objective was to allow a wide range of very specific (local) issues to be identified and addressed by the programme - projects and activities that would not have been funded by the Structural Funds – then this has been achieved. The appropriateness of the approach is however less clear in terms of achieving a substantial and focused impact within the economy (jobs and growth) in rural areas.

Recommendation 1: There should be greater clarity about the purpose of the Axis 3 and 4 programme / the need to be addressed. The programme (including its monitoring system) should then be designed around achieving that specific objective. This discussion should include a review of the method or process being used to deliver the programme (specifically the role of the LEADER approach) and the outcomes which it is foreseen *the method* can achieve.

Recommendation 2: Depending on the decision made in relation to Recommendation 1, there should be a far greater emphasis on the LDS as the document which coordinates activities at a local level in the future with a view to promoting a clearer, more integrated and more strategic approach at a local level. *Please refer to Recommendation 12*

10.2. Management and delivery of the programmes

Much of the discussion about the administration of Axes 3 and 4 has focused on the complexity involved. In many ways, these issues have overshadowed the programmes.

Looking first at the *structure*, we have concluded that there is potential for both 'vertical' and 'horizontal' integration. *Vertical* integration would involve merging some of the functions of the Welsh Government with that of the Lead Bodies to reduce the administrative layers within the structure; for example, the double appraisal of projects. There will always be a role for 'the centre' in a scheme with a local element. But, the role of the centre depends on the level of responsibility given to the local structure. If it is the role of the local partnership or LAG (with the support of the Lead Body) to develop a strategy and a plan for implementing that strategy, they should be allowed (empowered) to do that. In such circumstances, the role of the centre can be restricted to one of ensuring 'compliance', or formally approving the allocation of funding to the 'projects' approved by the local partnership or LAG. *Horizontal* integration would involve merging or rationalising some of the activities that are currently being undertaken separately in 18 areas across Wales. This could potentially include the Partnerships themselves (depending on their role in any future programme) but could include some Lead Body functions such as project support, financial processing and reporting activities. Such integration would offer benefits in

terms of the efficiency of the structure and provide opportunity for greater integration and sharing of knowledge, experience and expertise across a number of areas.

It is important to note that we would separate the Axis 4 (LEADER) LAGs from some of the horizontal integration discussed above, as the focus of their activity should be on assessing the development needs and potential on a *small* area-based level. There is a risk that creating LAGs that cover larger areas could lose the focus on small areas and locally-led development. We see no reason, however, why several LAGs could not be facilitated by the same Lead Body or 'delivery support' team. This is already the case in Flintshire and Denbighshire where separate Axis 4 LAGs are supported by the same organisation, Cadwyn Clwyd. There is a compelling argument in favour of this model (both in terms of efficiency and sharing of knowledge and expertise) and the potential to utilise it in other parts of Wales as part of future programmes should be explored.

One of the key features of the approach in Wales is the 'side-by-side' implementation of the two axes. The logic is clear, as are the opportunities it created for 'mainstreaming' the LEADER approach, and creating the opportunity to move ideas successfully piloted under Axis 4 into Axis 3. On a practical level however, what probably better described as the 'semi-integrated' approach being used has proven to be challenging and complicated to administer and there is little evidence that the anticipated advantages have been realised. Our conclusion is that the semi-integrated approach has had a negative impact in diluting the LEADER approach to the extent that it has not been consistently fully implemented across Wales during the current programme period. On a positive note, 'rural development' and LEADER projects have been delivered in several parts of Wales for the first time during the current period and can potentially be built upon in the future.

The delivery of Axis 3 support through Axis 4 is relatively common throughout the EU; different approaches are employed, but generally in the context of a strong local strategy and framework. This strengthens complementarity. But, the approach has also led to concerns about the 'dilution' of the LEADER approach; concerns which are apparent in Wales.

Across the EU there is evidence of cooperation between areas for LDS supported activities under both Axes; regional and national approaches can also be

complemented. The duplication between projects in Wales could have been avoided through a coordinated approach to LDS implementation. Clarification and streamlining of the delivery system appears to be a priority with clear identification of roles and responsibilities based on an analysis of respective capabilities and resources and what is best done at what level.

LAGs do not need to *deliver* everything and delivery considerations appear to be assuming undue importance in Wales by comparison with what is achieved. Alternative delivery systems as employed in other Member States may be more effective in generating outcomes.

Recommendation 3: As part of the development of plans for the next programme period, the potential to merge some of the functions of the Welsh Government (as the Managing Authority) with those of the Lead Bodies to reduce the administrative layers within the structure should be considered.

Recommendation 4: The potential for merging and/or coordinating some of the common administrative or back office activities that are currently being duplicated in 18 areas across Wales should be explored. This should not be taken to imply the creation of LEADER LAGs that cover larger geographic areas than in the current programme.

Recommendation 5: The current Partnership-LAG structure should not be replicated in the future. The 'local' structure should be a simpler, streamlined structure which requires a single 'LAG' in each area. By definition, this would mean fully encompassing the LEADER approach for all activities delivered by this element of the RDP, as originally envisaged in the 'mainstreaming' of the method.

Recommendation 6: Subject to the above, the new LAGs should be empowered to undertake their role fully. This should include making decisions on how the funding that is available to them is utilised, based on the *strategy* that they have devised working within set parameters.

There was much discussion about the 'LEADER approach' during the course of this research. Our conclusion is that the extent to which LEADER is actually being implemented within the current programme in Wales is 'patchy'. There are many reasons for this including the experience that those involved in some areas have of

the approach and, as discussed above, the dilution caused by the partial integration with Axis 3. There is also the opportunity to provide more guidance and support to the Lead Bodies and the LAGs using the approach. There is substantial experience of the LEADER approach (*rather than LEADER projects*) in Wales, but limited use has been made of that and the wider experience, which is an opportunity missed.

Recommendation 7: There should be a focus in future programmes on implementing *all* aspects of the LEADER approach in Wales. This should include providing more guidance and support to Lead Bodies on the LEADER approach than has been available during the current programme with the Wales Rural Network potentially having a key role in this process.

Competition *at a project level* is the mechanism that the Welsh Government has used to allocate the funding that is available between the local authority areas, but there are a number of alternative ways to allocate funding which could be considered. Whilst acknowledging that developing and agreeing such a system will be challenging, providing areas with an indicative budget allocation will take competition out of the process and our view, together with that of the vast majority of interviewees, is that this will improve any future programme. This is not to suggest that it is necessary to take all competition out of the process; the key is where and when that competition takes place. For example, if funding was allocated at a LDS (rather than project by project) level, there could be a competitive process at that stage. The changes introduced for the Business Plan 2 period are moving in that direction, especially the change to 'one project' for Axis 4 which is, in many ways, a mini-LDS.

At an EU level, the allocation of funding is normally made at the start of the implementation process, ideally based on the demonstrated need and quality of the analysis and prioritisation *in the LDS*. The Business Plan and decision making processes in Wales effectively marginalise the LDS and its integrity; this fragments the local development approach and results in a lack of focus. This is at odds with both good practice and the policy direction at a European Commission level.

Recommendation 8: Alternative methods for allocating funding to areas participating in the next RDP programme should be explored in order to avoid competition between those areas on a 'project by project' basis and at the project

application stage and in order to promote greater cooperation and sharing of ideas. The consideration of alternative methods should include the potential for placing a greater emphasis on the LDS as the mechanism for allocating funding to projects, with greater delegation to the LAG for the subsequent selection and approval of projects.

Although it is apparent that many administrative 'issues' have not been fully overcome, there is a generally held view that things improved substantially as the programme progressed. Many of the administrative problems that have troubled Axes 3 and 4 can also be traced back to a lack of resource and/or structure being in place at the beginning of the programme period. Avoiding such a scenario by having that knowledge and experience available at the beginning of the next programme period would be hugely advantageous.

Recommendation 9: Steps should be taken to ensure that the improved capacity developed amongst key staff during the current programme is, wherever possible, maintained in the transition to the next programme period. The structure for the next RDP programme is unclear at the current time, we recommend that the administrative structures and staffing for the next programme is established as early as possible to facilitate Partnerships' development of LDSs and projects. This would also enable key parts of the current structure to be maintained thereby providing some continuity.

Another feature of the approach to Axes 3 and 4 in Wales for the current programme period is the split into two business plans. The logic for this approach is again clear. However, our conclusion is that the disadvantages outweigh any advantages. Most notably, the loss of momentum part way through the programme period has been challenging, as has the short timescales which were available to deliver Business Plan 1 projects as a result of the split. There are also alternative methods that will provide the further advantages without incurring these disadvantages. Constraining project applications into two Business Planning periods also seriously constrains bottom up access to the programme and its ability to adapt to meet evolving local needs. The approach results in competition between areas on a project by project basis and militates against strategic local approaches.

Recommendation 10: Alternatives to the ‘business plan’ approach should be considered for the next programme period. As per Recommendation 8, this should include the potential to allocate funding on a LDS basis (covering the whole of the programme period) with progress reviews being undertaken at key points during the programme period. The potential to ring-fence a proportion of the funding available to fund ‘new’ projects over the lifetime of the programme should also be considered (potentially funded by any under-spend from other projects).

One of the aspects of the programme that was particularly criticised by stakeholders was the performance framework being used to monitor projects. It is important to note that improvements have been made as the programme has progressed. However, important lessons need to be learnt as we progress into the next programme. Most notably, the system needs to be more streamlined, easier to administer and, perhaps most importantly, better understood by those collecting the data. A substantial amount of evaluation activities have been undertaken on a local level. That data has, however, been of limited value to this national evaluation due to the differences in the approach used.

Recommendation 11: A more streamlined performance framework should be introduced for the next programme, which has a greater focus on monitoring the results of activities / projects, rather than outcomes. Alongside this, there should be a more coordinated plan at both the programme and local levels for monitoring and evaluating which includes better integration of evaluation activities being undertaken at a local and national level. As part of this plan, there should be a greater focus on communicating the purpose and benefits of monitoring and evaluation and the approach being used to stakeholders throughout the programme.

The core of many of the issues discussed in this report is desire to generate the benefits of a ‘grass-roots’ / ‘bottom-up’ and ‘joined-up’ local approach to rural development with the need for centralised ‘control’ in order to ensure added-value and maintain strategic coherence. Based on the feedback from stakeholders it is questionable whether the current programme has been able to achieve this balance. The primary reason for this seems to be a lack of resource to be able to effectively ‘service’ the structure from the centre (i.e. Welsh Government); it is too large and

cumbersome to deal with and the complexity of the delivery system. Alternative methods need to be considered.

One potential alternative is to split any future programme into separate 'stand-alone' scheme based measures or sectors (e.g. a business support programme) and to deliver those schemes on a regional or even a national level. In some instances, there will be a compelling argument in favour of this, especially, if it cannot be shown that local needs or circumstances are such that a regional or national approach is not appropriate. The risk is that the benefits of the locally-led and integrated approach championed by LEADER, is lost.

We would argue that this does not need to be an argument about regional or national schemes versus local schemes; there is no reason why it is not possible to implement an approach that has the benefits of both; a national or regional project which is administered 'centrally' but delivered locally and coordinated with the LDS. Simplify the project by undertaking the administrative functions centrally but maintain a locally led deliver focus. Such an approach will not be appropriate in all circumstances; but it's an approach that needs to be considered especially for where the need is similar in a number of different areas.

This discussion also needs to consider the way in which 'gaps' or opportunities identified by local partnerships or LAGs are being addressed. The tendency within the current programme is to seek to address any perceived gap by developing a new project or scheme. However, it is conceivable that there may be circumstances which a new project or scheme may not be the best way in which to address these gaps. For example, introducing a change or new element to an existing scheme or programme may be more effective in addressing the need. The concerns that have been expressed about the 'added-value' of Axes 3 and 4 projects by 'central' stakeholders need to be acknowledged. As part of that, there is a need for a greater consideration of the potential for what may be described as 'rural-proofing' existing or mainstream mechanisms and adapting them to meet gaps or opportunities that have been identified rather than introducing new schemes or projects.

Essentially, the concept being described above is 'networked development'. Many³¹ have argued that evidence has shown that the classic 'top-down' model for rural development is ineffective and fails to recognise the considerable potential for growth in rural areas. However, whilst 'locally-led' development is important, it should also be recognised that 'bottom-up' development can potentially undermine or be undermined by national policies. The conclusion is that action at a micro-level is most effective when it follows a networked model, bringing together the local and the external (the bottom-up and the top-down).

Recommendation 12: Future 'Axes 3 & 4' programmes should seek to develop a model based on networked 'development' which focuses on reinforcing the implementation of the LEADER approach and on maximising the benefits of both a top-down and bottom-up approach. This, as per previous recommendations, should include a focus on developing Local Development Strategies which are focused on implementing a *strategy* (rather than individual projects) which draws together (and integrates on a local level) local, regional and nationally led projects and activities in order to maximise their benefit to the local area.

³¹ For example: Shucksmith M, 'Future Directions in Rural Development', Carnegie UK Trust, 2013 [http://www.carnegieuktrust.org.uk/getattachment/545a7523-4da8-4ff7-95e6-dd912abc6373/Future-Directions-in-Rural-Development-\(Full-Report\).aspx](http://www.carnegieuktrust.org.uk/getattachment/545a7523-4da8-4ff7-95e6-dd912abc6373/Future-Directions-in-Rural-Development-(Full-Report).aspx)

Appendix 1: List of Partnerships and Local Action Groups

Partnerships and LAGs to oversee Axes 3 and 4 were established in these areas:

- Anglesey
- Bridgend
- Caerphilly
- Carmarthenshire
- Ceredigion
- Conwy
- Denbighshire
- Flintshire
- Gwynedd
- Merthyr Tydfil
- Monmouthshire
- Neath Port Talbot
- Pembrokeshire
- Powys
- Swansea
- Torfaen
- Vale of Glamorgan
- Wrexham

Local Partnership and LAG contact details are available here:

<http://new.wales.gov.uk/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/ruraldevelopmentplan4wales2007/axes3and4/localcontacts/?lang=en>

Appendix 2: List of projects sampled, number of interviews and response rate

A full list of Axes 3 and 4 projects in Wales is available here:

<http://new.wales.gov.uk/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/ruraldevelopmentplan4wales2007/axes3and4/?lang=en>

Table A2.1: Economic development & diversification group of measures

No.	Measure	Project	No. of interviews	Response rate*
1	311	Rural Enterprise Enabling Fund: Farming Families – Gwynedd, Business Plan 1	6	46%
2	311	Supporting Farmers to Diversify – Carmarthenshire, Business Plan 2	5	33%
3	312	Outdoor Pursuits Enterprise – Anglesey. Business Plan 1	4	22%
4	312	Green Shoots – Bridgend. Business Plan 2	11	61%
5	312	Developing Rural Accommodation – Carmarthenshire. Business Plan 1	5	8%
6	312	Establishing new income streams – Ceredigion. Business Plan 2	23	47%
7	312	Conwy Rural Business Support – Conwy. Business Plan 2	26	16%
8	312	Support for Business Creation – Merthyr Tydfil. Business Plan 2	6	55%
9	312	Community Based Business Development for micro rural enterprises – Pembrokeshire. Business Plan 1	59	8%
10	312	Wrexham Rural Business Grant – Wrexham. Business Plan 1	77	23%
11	312	Budding Businesses – Caerphilly. Business Plan 1	8	53%
12	312	Enterprise Hub – Pembrokeshire. Business Plan 1	8	10%
13	312	Taste of Powys – Powys, Business Plan 1	4	44%
14	313	Accommodation Providers Grant Scheme – Neath Port-Talbot, Business Plan 1	4	80%
15	313	Copper Kingdom – Anglesey, Business Plan 1	4	22%
16	313	Strengthening the Tourism Appeal – Carmarthenshire	7	88%
17	313	Sustainable Tourism in the Lower Teifi Valley – Ceredigion	4	4%
18	313	Rural Events Grant Scheme – Conwy	3	43%

Table A2.1: Economic development & diversification group of measures [Cont]

No.	Measure	Project	No. of interviews	Response rate*
19	313	Green Tourism & Destination Denbighshire - Denbighshire	14	67%
20	313	Enabling & Promoting a diverse cohesive tourism offer – Gwynedd	16	41%
21	313	Sustainable Tourism Powys – Powys	50	17%
22	313	Community Welcome Scheme – Powys	13	57%
23	313	Tourism Matters – Vale of Glamorgan	18	82%
24	313	World Heritage Site Tourism – Wrexham	5	71%
25	313	Rural Tourism Development Fund – Bridgend	10	100%
26	Axis 4	Anglesey LEADER	19	58%
27	Axis 4	Caerphilly LEADER	11	31%
28	Axis 4	Ceredigion LEADER	20	71%
29	Axis 4	Conwy LEADER	27	42%
30	Axis 4	Torfaen LEADER	33	69%
<i>TOTAL</i>			<i>500</i>	<i>19%</i>

*Based on the number of interviews undertaken / number of contacts available

The interview numbers were reviewed on a regular basis with a view to ensuring that there was the best possible balance between the projects within the sample of interviewees.

Table A2.2: Quality of Life Group of measures

No	Measure	Project	No. of interviews	Response rate*
1	323	Discovering Carmarthenshire, Carmarthenshire	15	36%
2	323	Community Gateway, Neath Port-Talbot	5	56%
3	323	Conservation and Upgrading of Rural Heritage, Swansea	15	13%
4	323	Pride in our Heritage, Torfaen	3	60%
5	322	Solid Ground, Caerphilly	4	50%
6	322	Tregaron Uplands Rural Heritage Scheme, Ceredigion	6	60%
7	322	Denbighshire Rural Key Fund, Denbighshire	10	63%
8	322	Flintshire village enhancements, Flintshire	11	55%
9	322	Village Renewal Delegated Fund, Powys	5	42%
10	322	Village Regeneration, Anglesey	5	33%
11	321	Environmental Improvements to Borth Community Hall, Ceredigion	2	67%
12	321	Monmouthshire Active Communities Grant, Monmouthshire	2	50%
13	321	Improvement of Basic Services, Swansea	10	37%
14	321	Serving Communities Fund, Anglesey	7	64%
15	Axis 4	Pembrokeshire LEADER	21	95%
16	Axis 4	Ceredigion LEADER	13	57%
17	Axis 4	Ceredigion LEADER	2	50%
18	Axis 4	Conwy LEADER	20	71%
<i>TOTAL</i>			<i>156</i>	<i>42%</i>

Table A2.3: Training / people development measure

No.	Measure	Project	No. of interviews	Response rate*
1	Axis 4	Torfaen LEADER	6	50%
2	311	Adventa training and support package, Monmouthshire, Business Plan 2	4	57%
3	311	Improving skills, Carmarthenshire, Business Plan 2	6	8%
4	311	Conwy rural community learning and enterprise skills, Conwy, Business Plan 1	223	31%
5	311	Denbighshire rural community development learning, Denbighshire, Business Plan 1	261	37%
<i>TOTAL</i>			<i>500</i>	<i>33%</i>

