



Updated framework for assessing the wider economic impact of the Landfill Communities Fund (LCF)

March 2018

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Introduction

1. In June 2015 ENTRUST published a framework to help EBs provide more targeted and focused financial information such that they would be able to better evaluate the wider economic value that the Landfill Communities Fund (LCF) delivers to the economy. ENTRUST recognises that the development and use of a framework is complex and relies on use of a number of caveats and assumptions (set out in the Appendix) however we believe that it is important that decision makers are able to quantify the value of the LCF.
2. Following a review of ENTRUST's provision of information a decision was taken to review the 2015 framework for assessing the wider economic impact of the LCF. While changes have been made as part of the review the central aim of the framework remains the same, to provide the building blocks to help to quantify the economic value of the LCF through a range of methods. The individual building blocks, and changes to them are summarised as follows;
 - Area 1 uses LCF project expenditure to estimate the value of the LCF alongside wider project expenditure. This area has not been changed.
 - Area 2 uses published indices to estimate the wider economic value of the LCF, these indices have been reviewed and updated on the basis of more recently published data.
 - Area 3 provides information on key performance statistics, these now include statistics required on the updated project completion form.
 - Area 4 considers the wider social and environmental benefits the LCF can deliver to communities. This area has been amended to be more specific to project type.
 - Inclusion of a new area, area 5, based on the use of project case studies to highlight the benefits, in practice, of individual projects.
3. The following sections of this report each explain the use of the updated building blocks, these blocks can be used separately or collectively.
4. The information gathered as part of an assessment exercise may need to be considered alongside other survey evaluations, impact statements and further data from project completion forms. However, we continue to believe that the approach outlined in this document provides EBs with a common framework with which to illustrate the wider economic impact of the LCF.
5. In applying the framework to organisational projects, we also believe it would be appropriate to select the relevant indices and statements for individual projects delivered by the organisation.
6. ENTRUST would welcome any feedback on the framework for assessing the wider economic impact of the LCF.

Framework for analysis

7. The framework incorporates five different areas to quantify the value the LCF delivers to local communities (see Appendix B for guidance on how to calculate these values for an organisation).

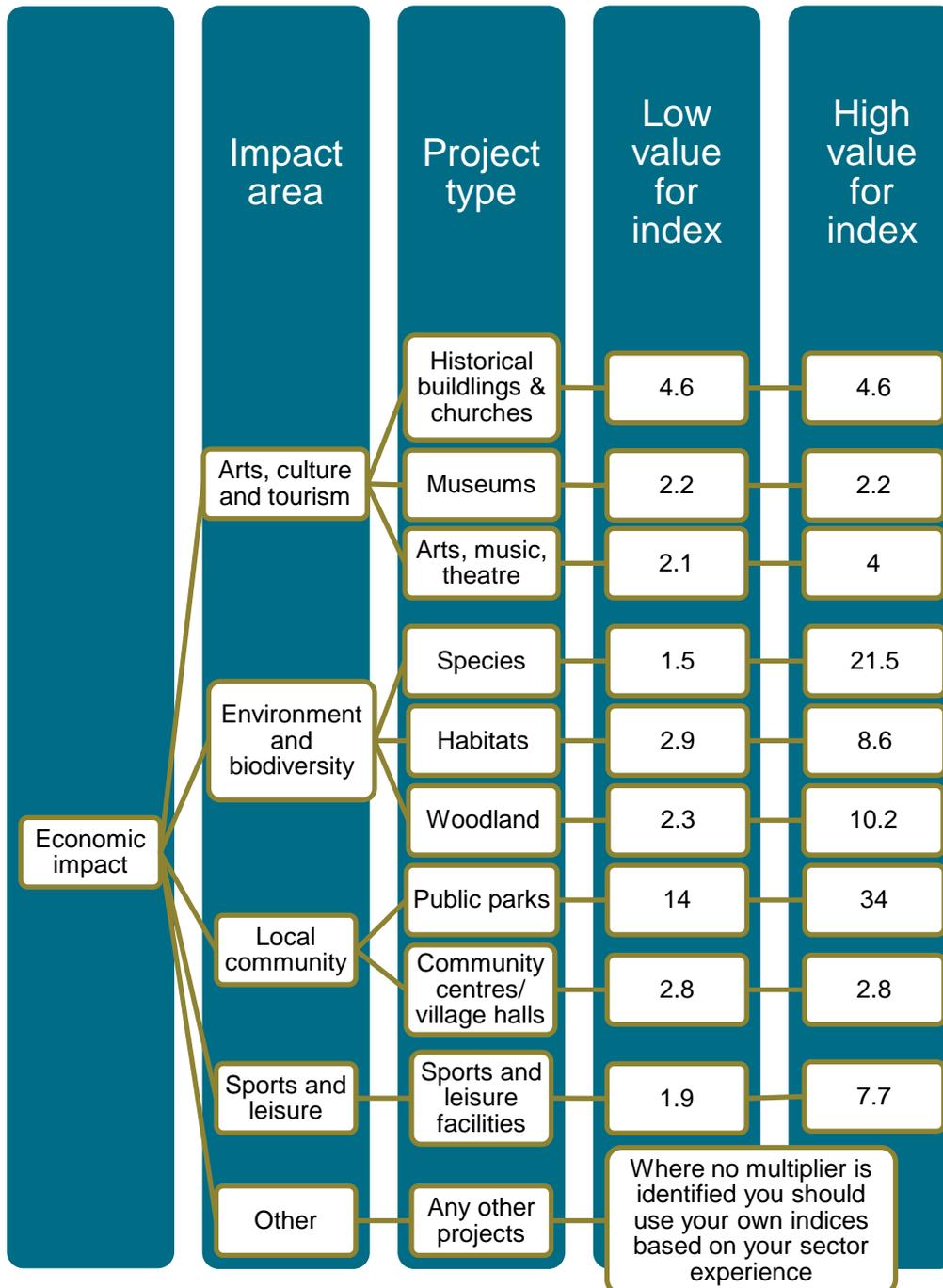
Area one

8. LCF funding for a project is often part of a larger project or scheme and that for every £1 of LCF monies contributed to a project a further £XX of monies are provided by other sources. This means that the LCF is part of a much larger investment in local community projects and that both the impact of LCF funds and indeed funds from other organisations can benefit local communities to a greater degree than the sum of their parts:

Each £1 of LCF project spend is supported by
£XXX additional total project spend

Area two

9. The second area multiplies the value of LCF project spends by relevant industry multipliers. We have identified five 'Impact Areas' – arts, culture and tourism, environment and biodiversity, local community, sports and leisure, and other projects. We have then sourced relevant industry multipliers which estimate that for every £1 spent the value is £X. All assumptions and caveats to these are listed at Appendix A and sources are shown in Appendix C. The aim of the multiplier matrix is to use industry calculations to show that the value of the LCF is, as above, greater than the pure contribution. Some of the multipliers below have been updated following a review of the data and statistics currently available.

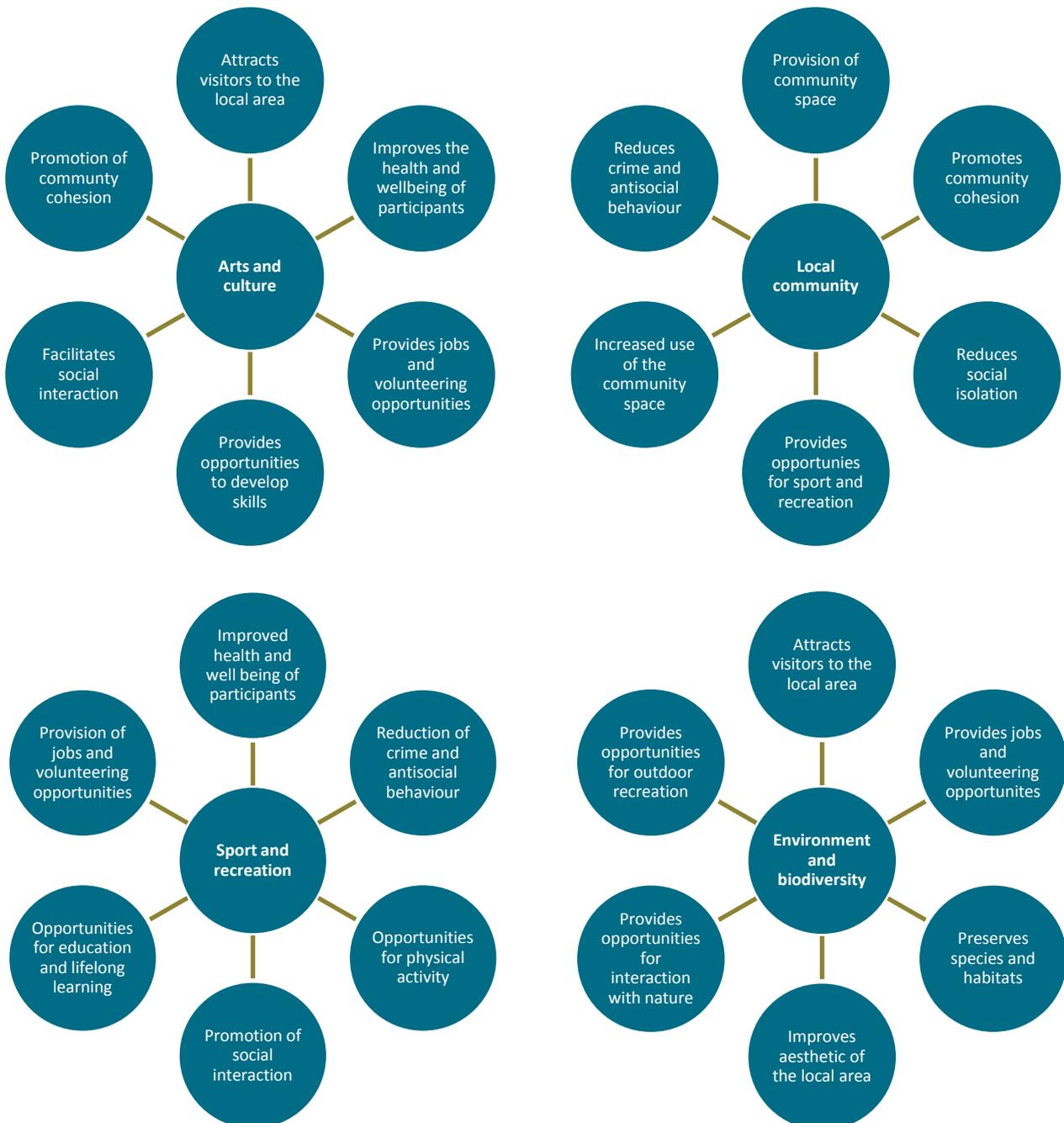


Area three

10. This considers the wider key performance statistics and supporting statements to further highlight the breadth and depth of the impact of the LCF. We have included examples of these key performance statistics, from the amount of income generated per year by projects to details of the number of species protected, trees planted, communities supported etc. Following review of the framework this area has been updated to include statistics now requested on the project completion form (form 9). In addition to these examples, it is likely that your organisation will have a number of your own and you should seek to use the examples we have given as a starting point rather than as an exhaustive list, but you should choose the most relevant ones for the types of projects delivered by your organisation.
11. The following performance statistics and statements are for you and your organisation to quantify as relevant to the projects you have delivered:
- XX number of volunteers participated across all LCF projects funded by your EB over the last three years.
 - £XX amount of income generated per year by completed projects
 - £XX reduction of utility costs achieved per year by completed projects
 - XX number of jobs created
 - XX number of projects completed by your EB over the last three years.
 - XX number of people benefited from LCF projects funded by your EB over the last three years.
 - XX number of species were protected/conserved by LCF projects funded by your EB over the last three years.
 - XX number of sporting facilities were built/improved by LCF projects funded by your EB over the last three years.
 - XX number of community halls/centres were built/improved by LCF projects funded by your EB over the last three years.
 - XX number of bridleway or public footpaths were created/improved by LCF projects funded by your EB over the last three years.
 - XX number of cycle paths were built/improved by LCF projects funded by your EB over the last three years.
 - XX number of communities were supported by LCF projects funded by your EB over the last three years.
 - XX number of trees were planted by LCF projects funded by your EB over the last three years.
 - XX number of habitats were protected by LCF projects funded by your EB over the last three years.
 - XX number of playgrounds and skate parks were built/improved by LCF projects funded by your EB over the last three years.
 - Projects funded by your EB over the last three years provided XX training opportunities.
- 12 We have based these indicators on information collected by ENTRUST following project completion and previously collected data, which have been highlighted in Government targets or policy initiatives and reports. Organisations could include any other statements they consider demonstrate the wider economic value of the LCF.

Area four

- 13 Area four involves the use a number of qualitative statements that detail the substantial benefits that arise from LCF supported projects, over and above the pure economic impact. For example, a project to repair the roof on a village hall may have a value of £100,000 but it will also have a qualitative impact, for example, by ensuring that the local community has somewhere to congregate which can help to reduce feelings of isolation (elderly residents, new mothers etc) and create strong community ties.
- 14 Benefits can be highlighted using the following project type specific diagrams which have a central circle giving the project type and surrounding circles to show the benefits of completed project. These diagrams are examples and not prescriptive you should choose those most relevant to the projects delivered and tailor them your organisations activities for example by including your own examples of the benefits delivered by projects. Alternatively, if more suitable, you could use one diagram to represent all LCF projects. You may also want to include definitions as to how you feel your EB has achieved these statements.



Area five

- 15 Use of case studies can help to highlight the benefits of your projects. Examples of case studies can be found on ENTRUSTs website at www.entrust.org.uk/case-studies/ and may include:
- A background/introduction;
 - The amount of LCF funding received for the project;
 - Project objectives;
 - Project details;
 - Outcomes;
 - Photos of the project before, during and post completion; and
 - Testimonials of those who have benefited from the project
- 16 If you would like to submit your project to ENTRUST for use as a case study on our website please complete the case study briefing form (available via the above link to our website) providing as much information about the project as possible, photos from the project and a copy of your logo and return to our Communications Manager via email: communications@entrust.org.uk

Caveats and assumptions behind the framework

The framework relies on using existing economic multipliers and indices. This approach allows us to estimate a value for the LCF without incurring the costs of a bespoke economic study. However, this necessitates a number of caveats and assumptions to be applied. These include the following:

- Any figures arising are an estimate and cannot be stated as fact;
- Whilst we have carefully chosen multipliers for the relevant 'impact area' e.g. sport and leisure, these are best fit only and do not specifically relate to LCF projects;
- To provide a prudent estimate of the value of the LCF, and for ease of calculation we have rounded these multipliers to the nearest decimal place;
- Several of the multipliers selected already include additional funding or matched funding as well as volunteers hours. Therefore figures calculated in area one, area two or through volunteering hours in area three should not be combined;
- For the Environment and Biodiversity multipliers it is important to note that the figures given represent all habitats and species and therefore may not be applicable to individual projects conserving particular habitats or species. For individual projects it would be better to consult the original report for which a link is provided in Appendix C.
- Several of the multipliers relate to specific geographical areas (please see Appendix C for details), where this is the case we recommend that, unless your project is located within said area, that the lower value for the index be used.
- We recognise that projects could fit into multiple impact areas, for example a community garden at a local parish hall could fit into both local communities and in biodiversity. In this instance we recommend the EB should select the one area that the project best fits. Projects should not be included more than once; and
- Where no multiplier is identified, then you should use your own indices based on your sector experience. Although this exercise is primarily concerned with Objects D, DA and E there are some projects – especially Object A, alongside some, more complicated, D, DA and E projects that don't fit into any of the impact areas. In this instance, if you do not have your own indices, rather than leave out these projects we have included a category of 'other', where they can be included with a multiplier of 1.

Estimating a value of the LCF

The following tables provide guidance to help organisations calculate and estimate the wider economic value the LCF delivers to the economy. Please complete any blue cells (areas one, two and three) by providing your project spend or data for your EB in each case. The green cells (areas one and two) can then be calculated from the values you have entered using your data.

Area one: Project spend	Total LCF project spend by EB (across last three years) A	Total project value (excl LCF spend) by EB (across last three years) B	Sum = B/A
Guidance	Include the total monetary value of all projects funded by your EB across the last three years	Include the total project funding from other sources for all projects supported across the last three years (exclude the LCF component)	Calculate the ratio of LCF spend to total other funding contributed
Example	£987,654	£5,123,456	£5,123,456 divided by £987,654 equates to £1 of LCF funds supported £5 extra project funding

Area two

		Total LCF spend by EB (by project area)	Index multiplier		Total estimated economic impact	
		S	M		= S x M	
Guidance		Across the last three years include the total monetary value of projects according to the project area – if you are unsure which area to allocate a project to refer back to the framework which shows project types indicated against an impact area.	These index multipliers are previously published. You can find details on them in the subsequent caveats, assumptions and sources section.		Take the total project spend in the blue column and multiply it by the index multiplier to generate a total estimated impact of the LCF funding by area.	
Arts, Culture and Tourism projects	Historical buildings and churches	£30,000	4.6		£138,000	
	Museums		2.2		£66,000	
	Arts, music, theatre		2.1	4	£63,000	£120,000
Biodiversity projects	BAP species	£60,000	1.5	21.5	£90,000	£1,290,000
	BAP habitats		2.9	8.6	£174,000	£516,000
	Woodlands		2.3	10.2	£138,000	£612,000
Local community projects	Parks	£40,000	14	34	£560,000	£1,360,000
	Community centres		2.8		£112,000	
Sport and Leisure projects		£50,000	1.9	7.7	£95,000	£385,000
Other projects		£100,000	£x.xx <small>See Note</small>		£100,000	
Total LCF spend		£280,000	Total LCF multiplier spend		Between £1,536,000 and £4,699,000	

Note: Where no multiplier is identified, then you should use your own indices based on your sector experience.

Sources

We have identified five 'Impact Areas' – arts, culture and tourism, environment and biodiversity, local community, sports and leisure, and other projects. We have then sourced relevant industry multipliers which estimate that for every £1 spent the value is £X. All assumptions and caveats to these are listed at Appendix A. The sources and links are detailed in the following table. Each multiplier has a slightly different rationale, but they may include the value of volunteers, or the value of match funding, or the economic value of construction and suppliers.

Impact Area	Source of Index	Details of Index
Arts, culture and tourism	<p>Value Added: the economic, social and environmental benefits from creating incentives for the repair, maintenance and use of historic buildings</p> <p>A report for The Prince's Regeneration Trust 2007</p> <p>A source added following the 2018 review of the framework</p>	<p>“for every £10,000 invested in heritage projects an additional £46,000 of additional investment is leveraged”</p> <p>http://www.ihbc.org.uk/recent_papers/docs/PRT_ValueAdded.pdf</p>
	<p>A report for Arts Council England prepared by TBR in partnership with Pomegranate LLP and Scott Dickinson & Partners Ltd</p> <p>The Economic Impact of Museums in England February 2015</p> <p>A source added following the 2018 review of the framework</p>	<p>“given output generated by the museum sector in England in 2012-13 is estimated at £1.45bn (see Table 4, page 14), the ratio of public sector grant to output is estimated at £1:£2.20”</p> <p>http://www.artscouncil.org.uk/sites/default/files/download-file/Economic_Impact_of_Museums_in_England_report.pdf</p>
	<p>Report for Arts Council England by Cebr</p> <p>Contribution of the arts and culture industry to the national economy: An update of our analysis of the macroeconomic contribution of the arts and culture industry to the national economy July 2015</p> <p>A source updated following the 2018 review of the framework</p>	<p>“We estimate that for every £1 of GVA generated by the arts and culture industry, an additional £1.06 of GVA is generated in the wider economy though indirect and induced multiplier impacts”</p> <p>http://www.artscouncil.org.uk/sites/default/files/download-file/Arts_culture_contribution_to_economy_report_July_2015.pdf</p>
	<p>Local Government Association (LGA)</p> <p>Driving growth through local government investment in the arts</p> <p>March 2013</p> <p>A source retained from the original 2015 framework</p>	<p>“Research from Arts Development UK reveals that for every £1 spent by local authorities on the arts, leverage from grant aid and partnership working brings up to £4 of additional funding.”</p> <p>http://www.local.gov.uk/media-releases/-/journal_content/56/10180/3904567/NEWS</p> <p>http://www.local.gov.uk/c/document_library/</p>

Impact Area	Source of Index	Details of Index
Environment / biodiversity	<p>Report to Defra Economic Valuation of the Benefits of Ecosystem Services delivered by the UK Biodiversity Action Plan August 2011</p> <p>A source added following the 2018 review of the framework</p>	<p>“Across all BAP habitats investigated in this research, the current £469m per annum spend on the UK BAP habitats delivers £1,366m per annum in terms of benefits from ecosystem services (Table 34). This gives an average benefit-cost ratio of 2.91 and a net benefit of £897m per annum (Table 34)”</p> <p>“the BCR for sSAPs under the <i>Current spend</i> scenario is 21.52, with a net benefit of £447m per annum ”</p> <p>“the potential benefits associated with wSAP actions range from £525m to £529m (depending on the habitats included), while the costs range from £347m to £365m (Table 35). This gives a benefit-cost ratio of between 1.54 and 1.45, and net benefits of between £179m and £163m”</p> <p>http://users.aber.ac.uk/mec/Publications/Reports/Value%20UK%20BAP%20FINAL%20published%20report%20v2.pdf</p>
	<p>Joint Nature Conservation Committee Fifth National Report to the United Nations Convention on Biological Diversity: United Kingdom April 2014</p> <p>A source retained from the original 2015 framework</p>	<p>“A recent study (GHK Consulting Ltd 2011) has estimated that the ecosystem services generated by Sites of Special Scientific Interest (SSSIs) in England and Wales in 2011 were worth £956 million per year, and that if all SSSIs were in favourable condition this value would increase by a further £769 million per year. The estimated cost of providing the existing £956 million per year of benefits is £111 million per year, so it suggests there are substantial net benefits to society of protecting our best nature conservation sites and improving their condition.”</p> <p>This equates to every £1 received generating activity worth £8.60.</p> <p>https://www.cbd.int/doc/world/gb/gb-nr-05-en.pdf</p>

	<p>Regeneris Consulting</p> <p>The Economic Contribution of The Mersey Forest's Objective One-Funded Investments</p> <p>October 2009</p> <p>A source added following the 2018 review of the framework</p>	<p>“Every £1 invested in the Programme will it is estimated generate over the lifetime of the investment:</p> <ul style="list-style-type: none"> • £2.30 in increased GVA and £3.00 in increased GVA and social cost savings • £10.20 in increased GVA, social cost savings and other non-market well being benefits.” <p>http://www.merseyforest.org.uk/files/Economic%20Contribution%20of%20The%20Mersey%20Forest%27s%20Objective%20One-Funded%20Investments.pdf</p>
Impact Area	Source of Index	Details of Index
Local community	<p>Natural capital accounts for public green space in London</p> <p>Report prepared for Greater London Authority, National Trust and Heritage Lottery Fund</p> <p>A source added following the 2018 review of the framework</p>	<p>“Under the lower scenario, where the most conservative assumptions are made about the population benefiting from</p> <p>parks, the benefit to cost ratio of park expenditure reduces to 14. In contrast, under more optimistic assumptions about the</p> <p>benefits from parks, this ratio increases to 34”</p> <p>Report available for download from:</p> <p>https://www.london.gov.uk/what-we-do/environment/parks-green-spaces-and-biodiversity/green-infrastructure/natural-capital?source=vanityurl</p>

	<p>LEK Consulting</p> <p>Construction in the UK Economy – the benefits of investment October 2009</p> <p>A source retained from the original 2015 framework</p>	<p>The majority of local community projects will be using the construction industry and therefore this seems the most relevant multiplier for this impact area.</p> <p>“£1 spent on construction output generates a total of £2.84 in total economic activity (i.e. GDP increase)”</p> <p>http://www.nasc.org.uk/NASC/files/ea/eabc21b4-91d3-4e44-8f0f-ab27a7a0a4b1.pdf</p> <p>This indicator is widely quoted and used in the construction industry:</p> <p>http://www.ukcg.org.uk/lobbying/creating-britains-future/making-the-economic-case-for-construction/ and http://www.ukcg.org.uk/media/useful-facts/</p> <p>http://www.cbi.org.uk/media/1547179/bridging_the_gap_-_backing_the_construction_sector_to_generate_jobs.pdf</p> <p>http://www.fmb.org.uk/about/fmb-structure-and-regions/devolved-countries/northernireland/building-for-success/</p>
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Impact Area	Source of Index	Details of Index
Sport and leisure	<p>Sheffield Hallam University, Sport Industry Research Centre</p> <p>Social Return on Investment in Sport: A participation wide model for England</p> <p>April 2016</p> <p>A source added following the 2018 review of the framework</p>	<p>“New research shows that for every £1 invested in sport in England, benefits worth £1.91 are generated for society”</p> <p>http://www.connectsport.co.uk/social-issues/research-proves-economic-value-of-sport</p>
	<p>Sport England</p> <p>Economic Value of Sport in England</p> <p>July 2013</p> <p>http://www.sportengland.org/media/177230/economic-value-of-sport.pdf</p> <p>A source retained from the original 2015 framework</p>	<p>“£7.73 is the estimated return on investment for every £1 spent on sports for at-risk youth through, for example, reducing crime and anti social behaviour.”</p> <p>https://public.sportengland.org/Shared%20Documents/Map%20Library/LA%20mini%20sport%20profiles%20-%20Oct%202014/Doncaster_Mini_LSP_Oct_2014.PDF</p>
Other	No index identified	Identify and source a relevant index where no multiplier is identified, you should use your own indices based on your sector experience