

**SOCIO-ECONOMIC
REPORT ON
RHAGLEN TIR ERYRI**

Final report for

Snowdonia National Park Authority

Submitted by

Agra CEAS Consulting Ltd

Telephone: *44 (0)1233 812181

Fax: *44 (0)1233 813309

E-mail: info@ceasc.com

www.ceasc.com

Job No2375/BDB/July 2008

Contents

1. INTRODUCTION	1
1.1. APPROACH TO THE EVALUATION.....	1
1.1.1. <i>Selection of interviewees</i>	2
1.2. SCHEME BACKGROUND	6
1.2.1. <i>Scheme objectives</i>	7
1.2.2. <i>Scheme structure</i>	7
1.3. SCHEME CONTEXT	8
1.4. SURVEY RESPONDENT BACKGROUND	9
1.4.1. <i>Description of interviewees</i>	9
1.4.2. <i>Agricultural activities and farm size</i>	9
1.4.3. <i>Ownership status</i>	9
1.4.4. <i>Operation of diversified activities using farm resources</i>	9
1.4.5. <i>Balance between on-farm, diversified and off-farm activities</i>	9
2. THE IMPACT OF RHAGLEN TIR ERYRI ON PARTICIPATING FARMS	11
2.1. FARM INCOMES	11
2.2. TRADITIONAL WORKING PRACTICES/HUSBANDRY	14
2.3. ON-FARM EMPLOYMENT	18
2.4. INVESTMENT PATTERNS	20
3. THE IMPACT OF RHAGLEN TIR ERYRI OFF-FARM	21
3.1. EMPLOYMENT	21
3.1.1. <i>Off-farm employment</i>	21
3.1.2. <i>Contracting community</i>	21
3.2. WIDER RURAL ECONOMY AND COMMUNITY	23
4. THE WIDER IMPACT OF RHAGLEN TIR ERYRI	25
4.1. CAPACITY BUILDING FOR COMMON LAND.....	25
4.2. SUSTAINABLE TOURISM	27
4.3. CULTURAL HERITAGE/WELSH LANGUAGE.....	29
4.4. PROMOTING SUSTAINABLE MANAGEMENT OF NATURA 2000 SITES	32
4.5. PARTICIPATION IN OTHER AGRI-ENVIRONMENT SCHEMES	36
5. SCHEME DELIVERY	39
5.1. EFFECTIVENESS OF THE DELIVERY MODEL.....	39
5.2. SCHEME IMPLEMENTATION	39
5.2.1. <i>Targeting</i>	39
5.2.2. <i>Grant rates and standards</i>	40
5.2.3. <i>Use of budgets</i>	43
5.2.4. <i>Auditing/monitoring</i>	43
5.3. SCHEME EFFECTIVENESS	44
5.3.1. <i>Publicity of the scheme</i>	44
5.3.2. <i>The application/tender process</i>	45

5.3.3. *Scheme management*..... 45

5.3.4. *Advantages and disadvantages of the scheme* 46

5.3.5. *Comparison with other schemes* 47

5.4. RHAGLEN TIR ERYRI OUTPUTS..... 49

6. CONCLUSIONS **51**

6.1. IMPACT ON FARM INCOME..... 51

6.2. IMPACT ON TRADITIONAL WORKING PRACTICES/HUSBANDRY 51

6.3. IMPACT ON LABOUR ON FARMS..... 51

6.4. IMPACT ON INVESTMENT PATTERNS 52

6.5. IMPACT ON LABOUR OFF FARM 52

6.6. IMPACT ON THE WIDER RURAL ECONOMY AND COMMUNITY 52

6.7. IMPACT ON COMMON LAND 52

6.8. IMPACT ON TOURISM..... 53

6.9. IMPACT ON CULTURAL HERITAGE/WELSH LANGUAGE 53

6.10. IMPACT ON NATURA 2000 SITES 53

6.11. PARTICIPATION IN OTHER AGRI-ENVIRONMENT SCHEMES 53

6.12. EFFECTIVENESS OF THE DELIVERY MODEL..... 54

6.13. IMPACT OF SCHEME DELIVERY 54

6.14. SCHEME EFFECTIVENESS 55

I. Introduction

Rhaglen Tir Eryri¹ (RTE) is operated jointly within the Snowdonia National Park by the Snowdonia National Park Authority (SNPA) and the Countryside Council for Wales (CCW). The scheme is funded by the EU's EAGGF Objective 1 structural fund with match funding provided by SNPA and CCW. The scheme began in September 2003 and is due to complete in December 2008 and follows on from an Objective 5b programme (5b Gogledd Eryri) which was completed in December 2001.

The SNPA and CCW requested tenders to carry out a socio-economic assessment of RTE in accordance with conditions on Objective 1 funding. Agra CEAS Consulting were subsequently awarded the contract to carry this out. This document presents our final report on the research.

This report begins by setting out our approach to this evaluation. This is followed by a brief background to Rhaglen Tir Eryri, including objectives, structure and context. The survey respondents are then profiled.

Chapter 2 reports on the impact of the scheme on participating farms in terms of income, working practices and on-farm employment. Chapter 3 considers the impact of the scheme off-farm on employment and on the wider rural economy and community. Chapter 4 assesses the wider impact of the scheme in terms of capacity building for common land, tourism, cultural heritage, Welsh language, promoting sustainable management of NATURA 2000 sites and relationship to other agri-environment schemes. Scheme delivery is considered in Chapter 5 where the effectiveness of the delivery model, scheme implementation, scheme effectiveness and progress against *ex-ante* targets are assessed. Finally, Chapter 6 offers conclusions.

I.1. Approach to the evaluation

This contract was carried out between January 2008 and March 2008 using a mixture of interviews (with beneficiaries, Project Officers, Advisory Panel members and key stakeholders), desk research, and analysis of information held on applicants and other relevant evidence, such as the minutes of Advisory Panel and Executive Group meetings. Ten representative projects were profiled as case studies.

In line with common practice, a socio-economic evaluation should consider the impact of the scheme on farm income, employment and management practices. Beyond the farm gate the impact on off-farm employment and the wider economic and social impacts on the community should be considered. The terms of reference add other specific areas which need to be examined.

The interviews with beneficiaries and Project Officers were designed to consider specifically the on-farm impact of RTE, whilst interviews with Advisory Panel members and other key stakeholders were designed primarily to consider the scheme's wider impacts. Case studies were chosen in

¹ Snowdonia Land Programme.

conjunction with the Project Officers, based on an initial list drawn up following an analysis of spending and the beneficiary interviews. The case studies were compiled following an analysis of available data, discussions with the beneficiary (in most cases) and discussions with the relevant Project Officer. It was anticipated that the scheme database would be available for use in the evaluation, although in practice this was not the case. The approach taken reflects difficulties in accessing the database, the relatively short time horizon and the modest budget available (in keeping with the overall size of the scheme and the principle of proportionality).

1.1.1. Selection of interviewees

Thirty interviews were carried out with beneficiaries of Rhaglen Tir Eryri. Interviewees were selected from the nine budget categories on the basis of the likely impact on a number of areas of interest to the study and on budget allocation (original budget allocation rather than the extended budget allocation was used because the extended budget was not available to us at the time, see sub-section 1.2.2). A matrix was constructed to facilitate the selection of interviewees (see Table 1.1).

Table 1.1: Provisional scoring of funding areas against likely impacts and budget

	Areas of likely impact							Score	Original Budget	Percentage
	Farm incomes	On farm employment	On farm practices	Off farm employment	Contractors	Cultural heritage	Tourism			
Landscape	*	**	***		*	**	*	10	£1,105,496	30.9%
Biodiversity	*	**	**		*	*		7	£88,000	2.5%
Buildings	*	**		*	**	**	*	9	£490,000	13.7%
Access	*	*	*		*	*	**	7	£242,000	6.8%
Landscape/Bio	*	**	**		*	**	*	9	£46,000	1.3%
Heritage	*	*		*	**	***	**	10	£184,000	5.1%
Forestry	*	*	*		*	*	*	6	£88,000	2.5%
SAC capital	*	*			*	*	*	5	£465,000	13.0%
SAC management	***	**	***	*	*	*	**	13	£874,000	24.4%
									£3,582,496	100.0%

On the basis of the scores produced using this matrix and the funding available it was agreed that the number of beneficiary interviews set out in Table 1.2 should be carried out.

Table 1.2: Beneficiaries selected for interview

	Agreements	Total funds covered	Proportion of total original budget
• Landscape:	5	£54,136.23	4.9%
• Biodiversity:	1	£7,295.00	8.3%
• Buildings:	5	£128,914.06	26.3%
• Access:	3	£121,730.00	50.3%
• Landscape/biodiversity:	1	£7,190.00	15.6%
• Heritage:	5	£83,857.62	45.6%
• Forestry:	2	£14,240.31	16.2%
• SAC capital:	3	£89,639.17	19.3%
• SAC management:	5	£348,964.16	39.9%
TOTAL	30	£855,982.97	23.9%

A request was made to the National Park Authority for lists of all agreements within each funding category. Beneficiaries were selected according to the size of grant received in order to ensure that the greatest coverage of funds was achieved. In some cases, especially under the landscape category, beneficiaries had received multiple grants over a number of years. Where this was the case the grants were treated as one.

Some beneficiaries had received multiple grants within different budget categories. Where this was the case, interviewees were asked about all the grants they had received under the scheme. This boosted the number of grants and proportion of total budget covered within funding categories as shown in Table 1.3.

Table 1.3: Sample boosting through multiple grants

	Agreements	Total funds covered	Proportion of total original budget
• Landscape:	11	£74,288.88	6.7%
• Biodiversity:	4	£18,004.55	20.5%
• Buildings:	3	£128,914.06	26.3%
• Access:	4	£121,730.00	50.3%
• Landscape/biodiversity:	1	£7,190.00	15.6%
• Heritage:	5	£83,857.62	45.6%
• Forestry:	7	£15,917.31	18.1%
• SAC capital:	5	£115,906.01	24.9%
• SAC management:	5	£348,964.16	39.9%
TOTAL	43	£914,772.59	25.5%

In total some £914,773 was covered by the interview process, 26% of the total original funding to be disbursed (25% of actual, extended funding).

The research was carried out by Dr Dylan Bradley for Agra CEAS Consulting with the support of Professor Berkeley Hill, Emeritus Professor of Policy Analysis at Imperial College.

1.2. Scheme background

Rhaglen Tir Eryri is designed to deliver improvements to the natural environment within the Snowdonia National Park boundary. The European Grant Application form sets out the aim of RTE as being:

“to provide practical opportunities for land managers and stakeholders to be involved in the delivery of biodiversity, landscape, heritage and access opportunities in a manner which reflect the local circumstances and the objectives of various National, European and International environmental designations”.

Improvements will be achieved through providing assistance to landowners to:

“meet and undertake the objectives and purposes of various environmental land based strategies and designations which are within the project area”. Source: RTE European Grant Application form.

The Snowdonia National Park (SNP) contains numerous environmental designations of relevance, many of which overlap, as set out below in Table 1.4.

Table 1.4: Environmental designations within Snowdonia National Park (01/11/2002)

Designation	Numbers	Area (hectares)
National Park	1	217,100
Sites of Specific Scientific Interest (SSSI)	101	60,917
SAC	12	47,820
SPA	3	4,713
NNR	22	5,730
RAMSAR	3	977

RTE was designed to build on the existing working relationship between SNPA and CCW and land managers within the SNP. RTE was planned to provide additionality to Tir Gofal, the Assembly Government’s all Wales agri-environment scheme, and to encourage land managers to consider joining national agri-environmental management schemes.

The scheme is delivered jointly by CCW and the Snowdonia National Park Authority. An Executive Group comprising staff from both organisations is responsible for the implementation of the programme with advice from an Advisory Panel made up of the following organisations:

- Environment Agency;
- CADW;

- Country Land and Business Association;
- Farmers' Union of Wales;
- Forestry Commission;
- Meirionnydd Young Farmers' Club;
- National Farmers' Union;
- National Trust;
- Ramblers' Association; and,
- Royal Society for the Protection of Birds.

The programme is delivered by one Senior Project Officer supported by three other Project Officers and technical support staff.

1.2.1. Scheme objectives

The European grant application form sets out the over-arching objective of RTE as being “to establish improved working and understanding both of land managers and the conservation agencies operating within the project area in order to improve the delivery of the desired biodiversity, landscape, heritage and access objectives”. To achieve this the following main sub-objectives are set out:

- to provide additionality in environmental terms to national schemes – e.g. Tir Gofal, Woodland Grant Scheme, Farming Connect;
- to provide site specific management actions;
- facilitate greater co-operation for the sustainable use of common land;
- to develop the delivery of the Eryri Biodiversity action plan;
- to promote the “leisure networks” principle within a targeted area;
- to provide better understanding between “stakeholders”;
- to develop land management regimes that enable farmers to react in an environmentally positive manner to CAP reforms (decoupling);
- to provide employment opportunities in the natural environment;
- to promote codes for the protection of water, air and soils;
- to interpret management of sites;
- to safeguard features which are relevant to the heritage of the area; and,
- to manage water resources.

1.2.2. Scheme structure

Rhaglen Tir Eryri supports initiatives in a number of different areas and the (extended) project budget of £4.17 million (77.1% of the total budget of £5.41 million) is distributed between these areas as set out in Table 1.5. (The remainder of the budget was allocated to the programme's operational framework (non-project spend).)

Table 1.5: RTE extended budget allocation for projects

	Financial allocation	Percentage of total allocation
Landscape (boundary features, traditional stone sheep folds, etc.)	£1,303,496	31.3%
Biodiversity (projects on non-designated sites, habitat creation and/or management)	£120,581	2.9%
Buildings (restoration/preservation of traditional buildings)	£533,500	12.8%
Access (improvements, styles, gates, etc.)	£313,500	7.5%
Landscape/Biodiversity (projects with elements of both)	£46,000	1.1%
Heritage (restoration of listed buildings, heritage assets such as milestones, historic sheep folds, etc.)	£201,000	4.8%
Forestry (management including rhododendron control)	£233,000	5.6%
SAC capital (rhododendron control, bat roosts, habitat restoration, etc.)	£671,000	16.1%
SAC management (on-going agreements or a five year period ²)	£745,419	17.9%
TOTAL	£4,167,496	100.0%

Source: terms of reference and Agra CEAS calculations.

The largest project allocation was in relation to landscape initiatives (31.3% of total project spend), with SAC management grants accounting for a further 17.9% of the total project budget, SAC capital grants some 16.1% and some 12.8% on building restoration.

1.3. Scheme context

Rhaglen Tir Eryri is funded under Objective 1 and as such forms part of a suite of measures available in the Wales Objective 1 region. However, RTE operates solely within the Snowdonia National Park, is targeted on landowners and is designed to address the specific issues in this area. Landowners within the National Park also have rural development measures available to them, most notably Tir Mynydd, the Less Favoured Area scheme, Tir Gofal and most recently Tir Cynnal.

The intention of RTE is to help fund initiatives at the local level which are too precisely targeted to be eligible for funding under national schemes, in other words, the programme helps to fill gaps in scheme coverage at the local level. Some people are put off entering Tir Gofal because it is a whole-farm scheme, but are happy to enter elements of their land into Tir Eryri (although they would not be accepted into the scheme if there were environmental concerns with the wider business). In this respect the programme can act as a stepping stone by getting people used to participating in land management schemes. Another example of the programme's ability to fill gaps relates to the setting up of associations to manage common land.

² CCW has agreed to continue payments after the closure of the scheme.

1.4. Survey respondent background

The following sub-sections set out a brief description of the beneficiaries surveyed.

1.4.1. Description of interviewees

Given the nature of Rhaglen Tir Eryri, the majority (23) of the beneficiaries interviewed were farmers. Some of these classed themselves as full-time, but there was also a range of part-time activity where farmers carried out diversified activities, or had other sources of off-farm income. Of the remainder, four were contractors carrying out building work and/or stone walling, two operated other businesses and one was a private household without a business attached.

1.4.2. Agricultural activities and farm size

Typically the farms produce sheep and beef on a mix of grassland, rough grazing and access to common land. The average farm size was 187 hectares (ranging from 31 hectares to 666 hectares and with a median of 100 hectares) comprising an average of 73 hectares improved grassland (median 46 hectares), 98 hectares rough grazing (median 60 hectares), 15 hectares of woodland (median 0 hectares) and with access to an additional 61 hectares of common land (median 20). The number of breeding ewes kept ranged from 40 to 6,000 with an average of 868 (median 400), while cattle numbers ranged from 0 to 460 with an average of 44 (median 12). The fact that the median values are consistently below the mean values shows that most farms are relatively small, but there are a few very large farms in the sample.

1.4.3. Ownership status

Four farms were tenanted with the remaining nineteen owner-occupied, although many of these had a proportion of rented land, in one case more than half the total area.

1.4.4. Operation of diversified activities using farm resources

Nine of the beneficiaries operated diversified activities, usually tourist accommodation (either self-catering holiday lets, bed and breakfast or caravan/campsites), but also in one case as a location for other business units. Two respondents offered sheep dog training.

1.4.5. Balance between on-farm, diversified and off-farm activities

Of the 11 farmers (out of 23) that had some off-farm income (mostly derived from employment or self-employment, but occasionally from investments and/or pensions), only one felt that most of the household income came from the farm enterprise. Ten respondents noted that income derived from outside the farm was the most important component of household income. Of the five respondents with income from diversified activities on-farm, four commented that these were the source of most of their household income. One respondent felt that income was evenly split between the farm and diversified activities. (The balance of 12 respondents were entirely dependent on the farm for their earned income.) However, most respondents explained that 2007 had been an especially bad year financially for farmers in Wales and it may be the case that in more typical years income from the farm business would be more significant.

In terms of time, amongst those 11 respondents not working full-time on the farm, three reported that the farm accounted for the majority of their working time. Four respondents felt that they spent half their time working on the farm and half off-farm. It should be noted, however, that in many cases part-time farmers are working full-time in off-farm employment and carry out farm work in the mornings, evenings and at weekends. Where respondents claim to be working half time on the farm this is often more than half a standard working week of 35-40 hours. Two respondents spent most of their time on on-farm diversified activities and two spent most time on off-farm employment

2. The impact of Rhaglen Tir Eryri on participating farms

2.1. Farm incomes

The rationale behind payments for **management agreements** is that they are income neutral with the payments compensating for the loss of income through reduced stocking densities. However, because standardised figures are used in the calculation of payments it is possible that there are cases of over and under-compensation for individual farmers. A stakeholder pointed out that recent low sheep prices coupled with relatively high costs has meant that in many cases there has in fact been a positive impact on farm income. Other stakeholders explained that the income security offered by the five year payments is a positive element of the scheme. It was also noted by a stakeholder, although not directly by any survey respondents, that reducing stocking density can result in an improvement in livestock condition which can result in higher prices, at least per head if not in total given the stocking reductions.

Six of the surveyed beneficiaries held management agreements and two of these commented that their participation had made no difference to either farm costs, revenue or profit. Of the remaining 4 respondents, 3 noted that farm costs were higher, mainly as a result of increased winter fodder costs. Two of these respondents felt that farm revenue was also higher and that on balance, farm profit was about the same as it had been prior to signing the management agreement. The remaining respondent with higher costs explained that farm revenue had fallen, as had farm profit. This respondent explained that the management agreement had not provided full compensation for the changes made. Finally, one respondent claimed that while farm costs had decreased, farm revenue and farm profit had increased as a result of participation.

It should be noted that respondents found it difficult to think about the impact of the management agreement on farm costs, revenue and profit because of other, more general impacts on farm finances, most notably the poor market for lambs in 2007. Without a more thorough investigation of farm finances for a larger sample it is not really possible to come to a definitive view on the impact of RTE management agreements on farm finances. However, farmers are economically rational and it can therefore be assumed that they would not have entered into a management agreement if they had not expected the impact to be neutral or positive on farm finances or the agreement to carry some other net benefit (perhaps in terms of quantity and/or quality of labour or simply ease of management).

Four of the respondents said that their RTE payments are very important to their total farm business revenue, one said they were essential and one noted that they were quite important.

A stakeholder explained that many farms have become part-time following participation in land management schemes. This has allowed the farmer to offer contracting services or to seek other employment off-farm. Whilst the impact of RTE on this phenomenon is thought to be minor compared to the impact from Tir Gofal (due to the relative scale), it is nevertheless apparent.

Household income, as distinct from farm income has therefore increased in some cases as a result of the management aspect of the scheme.

The situation with regard to **capital investments** is somewhat different. Where the farmer provides labour the grant effectively becomes income (often at a higher rate than the farmer can usually earn). However, where contractor labour is used this is not the case, and where the farmer contributes private funds to the investment³ a decrease in farm income can be expected in the short-term. However, one stakeholder pointed out that supported capital investments can act as support to farm income if the farmer would have had to make the investment in the absence of support.

Of the 25 capital investments covered by our survey, respondents indicated that 14 had had no impact on farm profits in the short-term, 19 in the medium-term and 18 in the long-term. Five respondents noted negative impacts on farm profits in the short-term as a result of costs associated with the investments. There were no anticipated negative impacts on farm profit in the medium or long-term.

Two respondents explained that there had been a positive impact on farm profit in the short-term as a result of capital investments because the work had been done by themselves. However, these respondents anticipated no impact on farm profit beyond the short-term.

One respondent commented that the investment undertaken had had a negative impact on farm profit in the short-term due to the contribution made by the respondent and in the medium-term the impact was expected to be neutral. However, in the longer-term the respondent expected the investment to contribute positively to farm profit as the plan is for the investment to be open to the public under an access agreement within Tir Gofal (see the case study in Box 2.1). Another respondent agreed that the impact in the short-term would be negative due to his contribution, but expected it to be positive in the medium and longer-term because the dry stone walls built would provide shelter for his Welsh breeding rams which would therefore be in better condition and would attract a better price.

³ The maximum support for capital investments is 70% and grant rates are calculated accordingly. However, in practice many farmers appear not to have contributed private funds (see Section 5.2.2).

Box 2.1: Case study on support for forestry

Funding category:	Forestry.
Project cost:	The total cost of this project was £5,115, 70% of which was covered by the grant meaning that every £1 of public money was matched by an additional £0.43 of private funds.
Timescale:	The project started in February 2004 and was completed in April 2004. Approximately 20 days labour were required for this project.
Outcome:	<p>The outcome from this partnership project with the Forestry Commission has been a newly created species rich deciduous woodland on 18 hectares on an area which had previously had a comparatively species poor conifer woodland. Rhaglen Tir Eryri contributed funds for stock-proof fencing and some dry stone walling around the woodland to prevent inappropriate grazing of the area.</p> <p>It is the longer-term intention of the landowner to open the woodland to horse riders and to the local primary school as an educational resource.</p>
How this was achieved:	The outcome was achieved by the installation of a stock-proof fence and the restoration of dry stone walls around the deciduous woodland.
Key benefits:	This investment has provided a comparatively species-rich habitat and will ultimately provide a free learning environment for local school children. It has also enhanced the landscape by returning native woodland species and the repair of some dry stone walls. Finally, access will allow local people and tourists to appreciate the investment.

Although only two respondents made the point, it is likely that dry stone walls result in some positive impact on farm profit as a result of providing protection for lambs which can result in a greater survival rate. Two respondents also noted that there has been a positive impact on profits because a stock-proof boundary removes the need to round up stray sheep. In one case the respondent was commenting on the impact in terms of additional labour requirement, whereas in the other the respondent was considering profit per time spent working, i.e. the same profit could be achieved with the input of less labour.

Finally, one survey respondent did note that although, in his opinion, a stock-proof boundary had had no impact on farm profit, it had reduced the risk of having to pay for veterinarian treatment for animals which may have contracted scab and other diseases through mixing with infected sheep.

Stakeholders commented on the fact that the capital element of the scheme has both created demand for contracting work, especially in relation to boundary features, and has also, in many cases, reduced labour requirements on-farm. It is often the sons of farming families who carry out this work and as such the capital element of the scheme can have a positive impact on household income (although one stakeholder explained that payment for such work is often “in-kind” and is returned in some way at some point).

Although the **management element** of the Rhaglen Tir Eryri scheme is designed to be income neutral, it is likely that for many farmers it has helped to maintain farm incomes in the face of low lamb prices. There are unlikely to be many cases where farm income has been reduced because the scheme is voluntary and farmers would not join if they did not expect the impact to be at least neutral. The **capital element** of the scheme is likely to have provided some farmers with an additional source of income in the short-term, but for most it will have resulted in a (relatively minor) negative impact in the short-term as a result of the need to add private funds. Capital investments are generally unlikely to have any direct impact on income in the medium and longer-term, although there may be indirect impacts from, for example, improved livestock condition. Household income may also have increased in some cases where management agreements have allowed farmers, or their sons, to carry out contracting work or to seek other off-farm employment opportunities.

2.2. Traditional working practices/husbandry

Eighteen survey respondents noted that the supported capital investment they made had altered their farming practice (one of these respondents ran a non-agricultural business, the operation of which altered following the investment). The category of investments made a difference to responses with all those receiving grants for landscape works (typically boundary features, especially dry stone walling) reporting a difference to their farm operation. The main differences cited were the stock-proof nature of the boundary which simplifies gathering sheep and results in less time spent returning strays and the provision of shelter which results in better condition for the sheep and can increase the survival chance for lambs. Similar comments were also made by others carrying out boundary work under different funding categories.

Recipients of grants for landscape works also appreciate better boundary definition. One respondent noted the importance of stock-proof boundaries in relation to disease. He explained that some of his neighbours do not dip their sheep and there is therefore a risk to his sheep if they are able to mingle. Another pointed out that pasture management was simpler as a result of stock-proof boundaries in that certain areas could be left ungrazed when necessary (see the case study in Box 2.2). A few respondents explained that prior to proper repair it was necessary to patch boundaries to make them stock-proof and that this could be time consuming. Many respondents noted that their farms were more tidy as a result of the investment and in many cases this had been commented on by passers by suggesting an appreciation of the public good nature of repaired boundary features. Two respondents highlighted the biodiversity/habitat benefits that resulted from hedging work.

Box 2.2: Case study on boundary features

Funding category:	Landscape
Project cost:	The total cost of this project was £15,843, 70% of which was covered by the grant meaning that every £1 of public money was matched by an additional £0.43 of private funds.
Timescale:	This project required 3 separate contracts as a result of its scale. The first started in May 2005 and the last was completed in December 2007, although the work was not carried out on a full-time basis. Approximately 237 full-time days labour were required to complete this project.
Outcome:	The holding had been taken on from a farmer who had not maintained the farm in a favourable condition. As a result, some boundaries were not stock-proof and others were missing completely. Habitats were also degraded. The investment has re-established missing boundaries by building stone walls and has repaired existing stone walls to make them stock-proof. In total some 710 metres of stone wall have been either repaired or rebuilt. This has reduced the time required to find and return strayed stock and has generally eased the management of the farm. The new and repaired boundaries have also enhanced the landscape.
How this was achieved:	This was achieved through establishment and repair of stone wall boundary features.
Key benefits:	The principle benefit has been the easing of the management of the holding in terms of keeping sheep where they are supposed to be and also by making it possible to rotate grazing more easily. The investment is also highly visible from the road and the landscape has therefore been enhanced. Finally, habitats have been improved through the exclusion of stock at certain times of the year.

Both recipients of grants for biodiversity investments commented on changes to their farm operation. In one case the benefit related to the creation of a stock-proof boundary around an area of SSSI which previously had required the removal of a neighbour's sheep from time to time. The other biodiversity beneficiary reported that although the work had made the farm more tidy, fencing off a river habitat for fresh water mussels had prevented access to water for cattle which creates extra work in providing alternative water when conditions are dry (see the case study in Box 2.3).

Box 2.3: Case study on a biodiversity project

Funding category:	Biodiversity.
Project cost:	The total cost of this project was £7,295, all of which was covered by the grant.
Timescale:	The project started on April 2006 and completed in February 2007, although was not worked on full-time. Approximately 30 days labour were required for this project.
Outcome:	<p>The outcome from this project was the protection of a habitat for freshwater mussels which had previously been endangered due to the activity of cattle in the water and previous dredging of the water course. This also forms part of a wider project with the Environment Agency Wales and the Countryside Council for Wales where adult mussels are removed to breed in captivity which allows the restocking of freshwater habitats with juvenile stage mussels, thus helping to preserve the species in multiple locations.</p> <p>There have been some minor negative consequences in that the cattle now require watering points in the field which has a slightly negative impact on the landscape. There is a potential issue farm management issue when water resources are running short and to mitigate this, gates were added to allow the cattle access to the river when absolutely necessary.</p>
How this was achieved:	The habitat was protected by building a fence to prevent cattle gaining access to the water and churning up mud which forces the mussels to close their gills which also prevents feeding. The mussels also require clean gravel beds to breed.
Key benefits:	This investment has provided protection and restocking opportunities for a native species which was in sharp decline both in this river and across Wales. The labour and material used were provided locally which helped to maintain income opportunities in the local community.

The respondent operating a non-agricultural business received a grant under the heritage budget line. The work undertaken provided significant additional storage space for materials and, as a result, for displaying products. This has allowed six other businesses to display their products in the shop and so the benefit extends beyond the recipients themselves.

A recipient of support under the building budget line explained that as well as providing additional dry storage space for hay, the restored building also provided shelter during lambing and in bad weather. Another recipient of support for traditional buildings also commented on the additional dry storage area and went on to explain that the extra housing for cattle would allow an expansion of the herd which would otherwise not have been possible due to the need for winter housing.

Twenty five respondents felt that the capital investment that they were associated with had promoted traditional working practices. The reason given for this was primarily to do with the techniques associated with the investment such as dry stone walling or hedging skills, or skills associated with traditional building techniques⁴ (including, for example, the use of wooden pegs for tile work, traditional iron work and the use of lime plaster), rather than any changes to farming

⁴ Many of which were mandated by the terms of the grant.

practice that might have been induced. Respondents also noted the use of traditional and/or local materials including local stone and indigenous timber.

One respondent commented that the restoration of a pig sty allowed the keeping of pigs which would have been fairly common in the past, but is not today. Other respondents noted that restoring buildings allowed them to be used for traditional activities such as the storing of hay and in this sense the investments had promoted traditional working practices. The condition of support for one beneficiary was that the trees planted were of local provenance. The respondent felt that this sort of condition would encourage local businesses to develop their sales of local tree stock and through this traditional varieties of fruit would remain available. Finally, one respondent who carried out the work associated with a dry stone walling grant himself explained that the funding had prevented him from having to seek off-farm employment and therefore had promoted a traditional, full-time, agricultural way of life.

It should be stressed that survey respondents saw the greatest advantage of RTE in terms of the promotion of traditional skills as helping to maintain dry stone walling skills and to facilitate the passing on of these skills to another generation. The contribution that all grant schemes have made in relation to maintaining dry stone walling skills was frequently mentioned. Many respondents felt that there had been a danger that these skills would be lost because farmers could not afford to maintain their walls without support.

In terms of management agreements, the changes to management practice essentially relate to the prescriptions being followed, although one respondent pointed out that he had not kept sheep on the mountain over winter before his agreement implying that no additional benefit would have resulted from his participation in the scheme. However, he did reduce total sheep numbers by 50, thus easing grazing pressure. This respondent had access to shared grazing and would have been able to reintroduced sheep to the mountain over winter while other graziers under agreement removed theirs. It was therefore considered both equitable and necessary to offer the same terms to all. One respondent had to stop keeping cattle on lowland in order to make room for sheep being taken off the mountain in winter, although he was planning to do this in any case.

Survey respondents offered other views on the impact of the management agreement. One respondent explained that the restriction on winter grazing put pressure on his improved pasture land and incurred an additional feed cost for longer than would otherwise be the case. More time is also required to manage the sheep when they are on the lowland. Another respondent who has agreed to restrict grazing on the mountain over winter commented that the management agreement did not entirely cover the costs of transportation to Anglesey or the cost of rent per sheep once there. However, this respondent went on to explain that his sheep are in better condition as a result of the changes made and that the landscape/grazing quality has also improved. Most (80%) of the members of this graziers association are expected to retain the new management pattern when the grant ceases. Another respondent acknowledged that his sheep are in better condition, especially at the back end as a result of reducing stocking densities and less time on the mountain,

although there are fears that this will not be a lasting impact because the grass is getting too long and the number of ticks has increased as a result of the change to grazing patterns.

None of the respondents claimed that they would have made any major changes to their management practices without the management agreement, although it was noted by one that decoupling has changed the economics of sheep farming and it may have been economically rational to reduce stocking density in any case.

Beneficiaries with **management agreements** typically altered their farming practice through reductions in stocking density and also through restricted mountain grazing over winter. However, given recent decoupling it is unclear to what extent restrictions in stocking density may have occurred in any case, although survey respondents claimed that they would not have made significant changes without support. Although there is a risk of deadweight, farmer response to decoupling is uncertain and the scheme is likely to have promoted more appropriate grazing patterns.

Beneficiaries with support for **capital investments** under the landscape budget line have clearly benefited from the creation/repair of stock-proof boundaries which save time spent gathering sheep, create shelter and simplify management in terms of rotating grazing. Beneficiaries receiving support under the building budget line reported benefits in terms of dry storage in more useful locations and benefits in terms of shelter for livestock. The scheme has also helped to maintain the use of traditional skills, especially in relation to dry stone walling, but also in relation to traditional building techniques.

2.3. On-farm employment

Twelve of the twenty-three survey respondents work full-time on the farm with the remaining eleven working part-time from a minimum of 10% to a maximum of 90% of their total working time⁵. Taken all together, on average the sample work 74% of their time on the farm enterprise; the average for just those working part-time is 45%. In nine cases the spouse also works on the farm and in five instances the spouse is the only other person working on the farm. In three cases the spouse works full-time on the farm. Children work on five farms contributing between 7.5% and 100% of their time. Other family members work on five farms, employees on two farms and in one case the farm is a partnership with eight full partners.

There is no general pattern in terms of who works on the farm and how much of their time they contribute. There are cases where a full-time main farmer is the only worker on the farm and also examples where full-time farmers are joined by other workers. There are also examples of part-time farmers who contribute the only labour to the farm enterprise. Essentially, labour requirements are related to scale. Correlating total farm area with workforce shows a strong positive relationship where some 65% of the variation in labour is explained by farm size. The addition of common land

⁵ In many cases total working time exceeds a standard working week of 40 hours considerably.

makes this relationship even stronger, with 71% of the variation in labour force explained by farm size.

With respect to **capital investments**, respondents were roughly evenly split between those suggesting that they had reduced their labour requirements in the short, medium and long-term and those commenting that there had been no impact. Four respondents suggested that labour requirements had increased in the short-term because of their input into the investment. One respondent believed that the capital investment will result in higher labour demand in the medium and long-term because the investment made requires managing.

Respondents who anticipated a reduction in labour demand as a result of the capital investment generally did so because management has been simplified either through the creation of stock-proof boundaries or because repaired buildings allow for storage where it is needed and/or all in one place. Where reductions in labour demand were noted, they were typically considered to be marginal and in some cases the reduction in labour requirement was considered a net result with some extra labour requirements offset by some savings.

Survey respondents with **management agreements** were asked to comment on their impact on farm labour use. Four respondents said that there was now more work, with one explaining that this was because there was a greater need for shepherding as the sheep lose the ability to heft⁶ when removed from the mountain for long periods over winter. One respondent estimated the additional labour requirement for winter feeding to be one day a fortnight over winter (around an hour a day), another at two hours a day over winter and another at three hours a day for one month over winter. In all cases this extra work is undertaken by either the respondent and/or family members, there is no use of additional paid labour.

One respondent noted that there is now considerably less work involved in winter feeding as a result of the management agreement as the grant pays for winter grazing in Anglesey and another explained that the level of labour required is about the same because, although the sheep spend winter in Anglesey, it is still necessary to check them regularly. In theory there is a potential to utilise resources released in this way on other gainful activity, although the extent to which this actually occurs will depend on the opportunities available to the farmer and the skills and training they have. Whilst no examples of this potential socio-economic impact were brought to our attention by respondents to the survey, some stakeholders noted that this can in fact take place, although others thought it unlikely due to the piecemeal nature of any time made available. One stakeholder explained that the management agreements often entail a greater demand for on-farm labour.

⁶ The ability to learn and remember the boundaries of their territory.

The impact of RTE in terms of labour demand on-farm appears to be mixed. There is some evidence that beneficiaries with **management agreements** have seen their workload increase slightly as a result of the greater need to carry out winter feeding and the increased shepherding requirement. On the other hand, others and some stakeholders feel that demand for labour will have decreased. On balance it appears that there has been little overall impact. The situation with regard to **capital investments** is clearer. There is a tendency for labour demand to have increased in the short-term, especially where farmers have supplied their own labour to projects. However, in the medium and longer-term it is likely that investments in boundary features, for example, will result in reductions in labour demand.

2.4. Investment patterns

Stakeholders explained that most farms in the National park would benefit from significant levels of investment, but that it is not always financially possible for farmers to make this investment. One stakeholder noted that farmers were particularly keen to use the scheme for boundary work. In the absence of the scheme farmers would repair external boundaries to keep them stock-proof to the extent that they could afford to do this. Internal boundaries would probably not be repaired which reduces the ability to manage grazing because it is harder to exclude stock from certain areas. Another stakeholder pointed out that the increased viability of farms as a result of support sometimes provides a more secure financial framework for farmers to make further investment. It was also considered likely by stakeholders that the scheme helps to bring some investments forward in time.

More than half of survey respondents (15 from 28) would not have made the capital investment without support. Five would have used different (cheaper and less traditional) materials, six would have carried out the investment on a smaller scale, three would have carried out the investment later and only one would have carried it out in exactly the same way. This suggests that the scheme has had a significant impact on the level, timing and quality of investment made on participating farms.

It appears that there has been considerable additionality in that it is unlikely that investments would have been made on the same scale or at the same point in time without the funds provided under RTE. The extent to which investments would have taken place if grant rates had been different is covered in Section 5.2.2.1.

3. The impact of Rhaglen Tir Eryri off-farm

3.1. Employment

3.1.1. Off-farm employment

Where not exclusively occupied on the farm, survey respondents carry out a range of other jobs; some are related to agriculture, such as sheep dog training (two respondents) and stone walling/fencing and other countryside contracting. Others are relatively unrelated including an auctioneers clerk, stone mason, waste recycling, ecological contracting work and employment at the Forestry Commission (two respondents). Spouses with off-farm jobs include teachers, health workers and a local government worker. The spouse of one respondent works part-time on her parents' farm as well as that of her partner.

Stakeholder views on the impact of RTE on off-farm employment for farming families is mixed. One felt that the scheme does not alter on-farm labour requirements sufficiently to create additional off-farm employment opportunities, although efficiency is improved. The capital element of the scheme does create demand for contractor labour which is often supplied by farming families, a point also made by another stakeholder. Other stakeholders disagreed, and commented that the scheme has allowed members of farming families to obtain off-farm jobs as a result of the additional income and reduced on-farm labour demand. Finally, one stakeholder explained that the scheme was particularly useful in an employment sense in that local employment opportunities have been created which has reduced the need for the children of farming families to move away from the area in search of work.

Two survey respondents who had carried out work as contractors explained that they had employed sub-contractors for various elements of work funded under RTE and that the impact of the support had not been limited to their own business.

Again the impact on labour off-farm is mixed with some stakeholders feeling that the impact on labour demand on-farm is insufficient to have any consequential impact on the ability of farmers and their families to seek off-farm employment opportunities. However, the **capital element** of the scheme has clearly created employment opportunities for the contracting sector and many people employed in this sector are from farming families.

3.1.2. Contracting community

CCW's *The Green Economy* explains that investing in the environment creates jobs in a variety of ways, mainly because much of the work created is labour intensive⁷. Stakeholders were unanimous in their view that RTE has had a significant impact on the specialist contracting community, although they noted that the impact was of a smaller-scale than that deriving from Tir Gofal. In some cases stakeholders felt that the scheme had been instrumental in keeping some contracting businesses

⁷ This report also notes that this work is typically undertaken by local people, uses local materials and helps to enhance the environment with consequential positive impacts in terms of quality of life, tourism and the ability to attract large employers to rural areas.

going; in others the scheme has allowed for an increase in the standard of living. Two stakeholders reported that specialist stone workers had been offered work on the London Olympic sites, but had turned the work down because they felt there were sufficient opportunities in north Wales⁸. Some contractors have been able to increase their workforce as a result of the scheme and where this has been the case there has also been a transfer of specialist skills, which is considered important. One stakeholder explained that contractors from outside the area were also carrying out contracting work in Snowdonia and this suggests that demand for contracting work, some of which has been created by RTE, exceeds local supply.

Where survey respondents were the recipient of the grant (as opposed to being a contractor) they were asked who carried out the work associated with the investment. Of the 28 investments discussed, 22 involved contractors (four of these also involved labour from the grant recipient, another family member and/or employees). Eight investments were carried out by the grant recipient (three of which also involved other input). The majority of the work was therefore carried out by contractors. The only category of grant where this pattern did not hold was forestry, which was carried out by the grant recipient in all five cases, although there was also input from a contractor in two of these cases. This widespread use of contractors suggests that money from RTE filters into the wider rural community and therefore plays a role beyond the farm gate.

Respondents were asked to estimate the amount of work created in undertaking the capital investment. Some respondents provided this in person-days, others noted that, for example, three people worked on a project for two months. Where this was the case, conversions to person-days were made assuming 22 working days a month. It should also be borne in mind that beneficiaries receiving relatively large amounts of support under RTE were selected for interview and the findings here are therefore not typical of the amount of employment created or maintained by the scheme.

In total respondents claimed that 4,123 days of work had been created by the capital investments that they had made over the lifetime of the scheme. This equates to 18.74 years of work for one person, or work for 18.74 people for one year, based on 220 working days in a year. The average work created was 125 days. Section 5.4 suggests that the scheme as a whole has delivered 19.99 full-time equivalent jobs per year.

It is clear that RTE has contributed to the demand for specialist labour supplied by contractors and has therefore helped to maintain local employment opportunities. Evidence from the survey and from monitoring data held by the implementing authorities it is likely that the scheme has resulted in work equivalent to approximately 20 full-time jobs in each year of the scheme.

⁸ Advisory Panel meeting minutes from June, 2005 report on a shortage of stone work contractors restricting the uptake of some projects on common land. Minutes from the February, 2006 meeting note a similar shortage of suitable forestry contractors.

3.2. Wider rural economy and community

Stakeholders felt that RTE will not have had a significant impact on the wider economy and community because the money channelled through the scheme is fairly small on the Snowdonia scale at £1 million annually at the scheme's peak, especially in comparison to the Single Farm Payment (£20 million annually), the Rural Development Plan (£10 million annually) and livestock sales. Also, Midmore (2008)⁹ found that, contrary to the views of many commentators, the multiplier effect in relation to the agricultural sector in Welsh National Parks is actually rather weak. That said, it is accepted that money channelled to farmers does filter through to the rest of the economy to some extent through the purchase of materials and services (see also Section 3.1.2 above). Stakeholders pointed out that although some agricultural suppliers will have benefited from the scheme through higher volumes of sales, the extent to which agricultural suppliers would be aware of the role of the scheme in sales was expected to be small.

One stakeholder felt that there might have been a small negative impact on the veterinary sector, although another stakeholder explained that if there had been an impact on this sector it would not have been significant.

Several stakeholders felt that the biggest impact of RTE on the wider rural economy and community relates to its role in allowing people to remain in the local area, whether this is through increasing the viability of farms or through the provision of additional income. Stakeholders explained that the farming community makes up a greater proportion of the wider rural community in Snowdonia than is the case elsewhere in Wales and one stakeholder pointed out that most of the large businesses in the towns are agricultural (i.e. are linked directly with farming and forestry activity). However, another noted that tourism and other enterprises are at least as important as agriculture in Snowdonia, although agriculture is thought to be an important contributor to the tourist appeal of the area. Additional benefits of keeping local families in Snowdonia are the contribution this makes to holding the age profile of villages down, maintaining the provision of local schooling and the use of the Welsh language. The replacement of local families with incoming retirees has the opposite effect in all cases. One stakeholder pointed out the benefits to the wider rural community stemming from heritage and access projects carried out under RTE.

However, it is certainly the case that, whatever the overall impact of RTE on the wider rural economy and community, this is likely to be disproportionate at the very local scale where the agricultural economy/community can be particularly important.

⁹ Midmore, P. (2008) Landscape conservation and economic interdependence: a case study of Welsh National Parks and the regional economy. Paper presented at the Agricultural Economics Society Conference. Cirencester, March 30-April 1, 2008. Rest of Wales is exclusive of all 3 Welsh National Parks.

The rationale for an impact here is that the agricultural community is a key component of the wider rural community and economy (although this is not universally accepted, see, for example, Midmore, 2008). Support targeted on farmers therefore filters through to the wider economy through the supply of materials and services. The most notable impact is likely to have resulted from the creation of demand for labour. However, the impact should be placed in context; RTE provides a relatively small amount of funding in comparison to the Single Farm Payment, the Rural Development Plan, or livestock sales and its impact will be proportional. That said, the scheme has created local employment opportunities and this may have helped to sustain rural families who may otherwise have had to seek employment further afield. This in turn may have had a negative impact in terms of the age profile of rural communities, the ability to retain local schools and on the use of the Welsh language.

4. The wider impact of Rhaglen Tir Eryri

4.1. Capacity building for common land

The European grant application document notes that there is no tradition of formal agreements for the management of commons in Snowdonia (11% of agricultural area) and also that Snowdonia is a notable area where positive management of commons is not achieved. This is partly because of the difficulties in reaching agreement with groups of people which makes participation in Tir Gofal difficult¹⁰. As a result, (especially) the commons of Aber/Llanfairfechan and Llanllechid where large areas where the land were not being managed to the desired conservation objectives of a NATURA 2000 site. RTE offers support for capacity building in relation to common land in the form of assistance in formalising commoners into associations which are then able to sign management agreements.

The fact that it has been possible to sign a management agreement with Aber/Llanfairfechan common represents a significant step forward in bringing almost 3,000 hectares into agreement (see the case study in Box 4.1). It is also hoped that the Llanllechid common (2,500 hectares) will be brought into agreement by the close of the scheme. This will be especially important because there have been historic problems on this common with overgrazing.

¹⁰ The Advisory Panel meeting notes of January, 2004 suggest that common land is not actually eligible for Tir Gofal.

Box 4.1: Case study on a management agreement with a common

Funding category:	SAC management
Project cost:	The annual cost of this 5 year agreement is £98,020.
Timescale:	On-going for 5 years from October 2005.
Outcome:	The outcome from this project is the sustainable management of 2,803 hectares of SSSI and SAC designated common land. This will maintain habitats and species which are protected under EU legislation. The agreement also safeguards traditional agricultural management of the land for the 5 year period of the agreement. There is also a significant impact on the local community who graze the land in common.
How this was achieved:	This agreement was achieved by providing support to the 22 active graziers to formulate a legal constitution with which a management agreement could then be signed on behalf of the individual graziers. Under the agreement, those with access to the common keep stock off the mountain between the 24 th October and the 1 st April and regulate summer grazing levels to provide appropriate stocking density to maintain and enhance the ecologically fragile habitat. The agreement also provides funds for winter grazing away from the common and for two community shepherds who police the mountain throughout the year to ensure compliance with the agreement. These shepherds also carry out basic monitoring of grazing height and stocking density.
Key benefits:	Under this agreement a large area of designated habitat was brought into management to achieve favourable condition. This is unlikely to have been possible on the common without the formation of a legal entity. This project also safeguards the system of common grazing and allows a platform for business decisions for the duration of the contract. It also helps younger people to enter the business by underpinning what are currently low margins for this type of farming.

The introduction of the Commons Act (2006) does have provisions for the setting up of Commons Councils, although they are not mandatory. However, under the Act, the form which the Council constitutions must take is fairly prescribed and as such would not be tailored to the particular needs of individual commons. Whilst it is considered likely that the Aber/Llanfairfechan common would have used the Commons Act to form a council and constitution, with suitable institutional support, it is considered unlikely that the Llanllechid common would have done so; this is because not all the graziers were in agreement over the general direction of future management of the common. It was also considered imperative to act sooner rather than later in order to avoid further damage to the commons through inappropriate management, the creation of unlawful access, the deterioration of sheep-folds, etc. and the loss of interest in the mountain ponies as a result of the introduction of passports which added cost to uneconomic animals¹¹.

It is important to consider the recent decoupling of support from agricultural production in connection with common land. The economic context has now altered and the incentive to graze sheep may have been reduced. However, the way in which farmers will respond to this change is not

¹¹ Support for mixed species grazing regimes has provided a rationale for maintaining the pony populations.

yet clear. On the one hand economically rational stocking densities may be reduced, leading to more appropriate grazing pressure, but, on the other hand, the result might be under-grazing. With this uncertainty in mind, CCW considered it important to bring land into agreement for a period of five years while the response to decoupling becomes apparent. Whilst it may turn out that the scheme has provided funds to farmers to reduce stocking density which they would have done in any case, it is clear that there was a risk that inappropriate management of one sort or another would have continued on the commons.

One stakeholder pointed out that it is always difficult to bring commons into agri-environment agreement and that a lot of work is required by Project Officers to help graziers move towards agreement. The scheme has provided a mechanism for this necessary support and has therefore been very important in this context. Two stakeholders felt that the scheme's impact on common land has been its single greatest achievement and one noted that it would be extremely beneficial if the approach taken could be replicated elsewhere in Wales.

The signing of a **management agreement** with the Aber/Llanfairfechan common brought almost 3,000 hectares into agreement. Should the Llanllechid common also sign an agreement before the end of the scheme as is thought likely, the appropriate management of a further 2,500 hectares will be safeguarded. The role of RTE in terms of bringing graziers together and forming Commons Councils has been fundamental. Some stakeholders consider the progress with common land made under RTE to be its most significant achievement.

4.2. Sustainable tourism

The role of RTE in providing access and in restoring heritage sites is likely to have a direct impact on tourism. The scheme complements the Upland Paths Objective 1 project by focusing on smaller-scale and typically lowland opportunities. One stakeholder explained that tourist pressure on existing rights of way is growing and that repairs are necessary. The creation or linking together of other rights of way can also relieve the pressure on existing routes. The creation of different types of walking experiences can also be expected to promote tourism, for example, the leisure network linking the Precipice Walk with Llanfachreth village and Glasdir forest (see the case study in Box 4.2). This route is accessible by less able walkers and offers a different experience to the usual high level access around Snowdon. The location of this walk, in an area not generally known for its tourism potential, might also help to spread the benefits from tourism more widely across the region.

Box 4.2: Case study on the creation of a leisure network

Funding category:	Access.
Project cost:	The total cost of this project was £35,628, all of which was covered by the grant.
Timescale:	The project started in December 2005 and was completed in February 2007, although was not worked on full-time. Approximately 163 full-time days labour were required for this project.
Outcome:	The outcome was a circular route with improved access for less able walkers of 12.23 km linking a Victorian leisure walk (Precipice Walk), Llanfachreth village and Glasdir forest. This provides a leisure facility for local people and also draws tourists away from hotspots such as Snowdon and Cader Idris. It also provides a different walking experience from the high level access elsewhere.
How this was achieved:	This project involved negotiation with the Nannau Estate over the creation of permissive access and with the Forestry Commission Wales in order to carry out work on their landholding. The main body of work was drainage and surfacing on a permissive route and the creation of steps through Glasdir Forest to link to the Precipice Walk. Most of the rest of the work involved waymarking. Some of the work involved access for less able walkers at the Saith Groesffordd car park and on the Precipice Walk itself.
Key benefits:	This project provides a different type of walking experience, accessible to less adventurous walkers in an area with relatively few tourist opportunities. The labour was provided by local contractors and the National Park Estates Team. Materials were procured from local agricultural supplies and a local quarry.

The impact of RTE on tourism stems partly from the role agriculture and the farmed landscape plays in creating tourist appeal (CCW's report The Green Economy sets out the importance of the countryside in terms of attracting visitors to Wales). Central to this is the sense of place created by dry stone walls and traditional farm buildings, which the scheme helps to maintain. One stakeholder noted that supported features are critical components of the perception of place. Habitat and landscape itself add to this sense of place. There are vast areas of semi-improved grassland/heathland in Snowdonia which is both an appealing landscape to walk in and very accessible to large numbers of potential tourists in comparison to similar landscapes, in, for example, Scotland. One stakeholder explained that the economic character of the landscape is central to its tourist appeal and it is therefore important to maintain agriculture.

While many farmers provide tourist accommodation, the bulk of this in terms of number of tourist places is likely to be camping/caravan sites rather than on-farm bed and breakfast/self-catering accommodation, neither of which are directly supported under the RTE scheme. One stakeholder noted that those farms with tourist accommodation who are also RTE beneficiaries might receive a knock-on benefit in terms of increased bookings if the farm looks more appealing as a result of work carried out. However, this stakeholder also pointed out that RTE beneficiaries may be generally more market-orientated in any case and teasing out an impact from the scheme would not really be possible.

RTE is likely to have had a direct positive impact on tourism under the access budget line through creating/linking rights of way. Indirectly the scheme has had an impact through helping to create/maintain a sense of place through support for vernacular buildings, important heritage sites and traditional boundary features such as slate fencing and dry stone walls.

4.3. Cultural heritage/Welsh language

Stakeholders commented that the most important impact of RTE on cultural heritage is its role in the maintenance of a sense of place. This is achieved through both support for the wider rural community and support for vernacular buildings and traditional boundary features (dry stone walls, slate fencing, etc.). The support of traditional land management practices is considered important in this regard, most notably support for the traditional management of commons, a system dating from the 12th century. The scheme has also indirectly supported the maintenance of cattle in the uplands through grazing management agreements which support mixed grazing. Upland cattle have significant cultural value as these predate the introduction of sheep and goats and were once the mainstay of the agricultural economy. The proliferation of field barns with hay storage in lofts, a defining feature of the landscape, results from the historic presence of cattle.

The RTE scheme is, according to one stakeholder, one of the only means of support for most of the traditional agricultural buildings that contribute to the cultural environment and is a valuable contributor, alongside Tir Gofal, to culturally important boundary features and ancient monuments (see the case study in Box 4.3). The part-farm nature of the scheme is seen as an advantage here in that support can be focused on those features in greatest need. For example, a farmer with an ancient monument may not be able or willing to enter Tir Gofal, but can access RTE specifically to gain support for this feature. This means that RTE can offer benefits to cultural heritage beyond land eligible for Tir Gofal.

Box 4.3: Case study on Tomen-y-mur, Roman Fort

Funding category:	Heritage
Project cost:	The total cost of this project was £17,800 and was funded entirely by the grant.
Timescale:	The project was started in April 2007 and was completed in July 2007. The work required approximately 125 days labour.
Outcome:	The reconstruction of part of the rampart wall of this Roman Fort has provided an interpretational tool explaining how the site would have looked during Roman occupation and how the site had been used through the ages. This also provides a cultural benefit.
How this was achieved:	This was achieved through consolidation of an 18 th century farmstead and the recreation of a rampart wall with stones dressed in the Roman fashion. There is also a copy of an original inscribed stone (currently in the British Museum) dating from the Roman period.
Key benefits:	This open access tourist attraction now has added interpretation value and provides an excellent educational resource for local school children. Many features of this good example of a Roman hill fort have been preserved for future generations. The general improvement of the site has also yielded a landscape benefit. Finally, the work was carried out by local contractors.

The use of the Welsh language is considered by many to be an important component of cultural heritage. Stakeholders feel that the agricultural sector makes a significant contribution to the continued use of Welsh because a higher proportion of the agricultural community uses Welsh as a first language and the agricultural community is an important part of the wider rural community. Support for the farming sector which helps to maintain the agricultural population is therefore considered to be important in this context. The fact that the scheme supports local employment for agricultural and contracting families is also considered important in relation to the maintenance of the Welsh language because Welsh speakers are not diluted in the rural community as the number of young families leaving the area to find employment is reduced.

Survey respondents were invited to comment on the impact of the capital investment that they made, or were associated with, in terms of cultural heritage, landscape and the built environment. With respect to cultural heritage, respondents involved with boundary features noted the important impact that, dry stone walls in particular, have. Respondents who had received support for heritage projects and for building restoration noted the contribution to cultural heritage made by their buildings. In some cases this impact is related to the use of the building, for example, for hay storage or pig sties, which maintains a link with traditional ways of life. In other cases there are historical associations which make the particular building of interest, for example, a Quaker meeting house which is adjacent to a burial ground visited by many tourists in search of the graves of ancestors (see the case study in Box 4.4). Other examples include a restored copper mill of historical interest and the restoration of a building which forms part of the original Plas Tan-y-Bwlch estate which was designed by the noted Victorian architect John Douglas.

Box 4.4: Case study on a building project

Funding category:	Buildings
Project cost:	The total cost of this project was £47,630, 50% of which was covered by the grant. Every £1 of grant contribution therefore generated an additional £1 of private funds.
Timescale:	The project began in October 2005 and was completed in July 2006. The work took approximately 265 days to complete.
Outcome:	The outcome of this project has been the maintenance of a traditional barn in agricultural use. This provides a management resource for the farm. It also preserves the original character and use of a traditional building which falls within the curtilage of a Grade II listed building of historic interest as it was once a Quaker meeting house and has a Quaker burial ground within its boundary. This building would otherwise have been suitable for conversion to a non-agricultural use such as accommodation.
How this was achieved:	The project required the removal of a non-traditional brick-built dairy building, partial re-roofing and replacement of a number of A-frame roof supports and purlins with traditional oak. The front elevation roof slope was re-covered with the original slates and the rear elevation with new Welsh slates. The slates were torched underneath with natural hydraulic lime mixed with animal hair.
Key benefits:	The preservation and continued agricultural use of a traditional barn which complements the Grade II listed property to which it belongs. The Quaker burial site is a well visited site on the Dollgellau Quaker's Trail and as a result, the barn is highly visible and enhances the character of the landscape. The opportunity to use traditional building skills and material was important in maintaining the ability of local contractors to carry out this sort of traditional craft skills. The architect and contractors were local businesses.

Some respondents involved with grants under the access category noted that maintaining rights of way in usable conditions was of cultural importance. A related cultural benefit is the making safe of certain heritage sites which are accessible to the public, thus allowing access to their environs.

Many respondents commented on the impact of dry stone walls on the landscape. It was pointed out that the Snowdonia landscape is, in many parts, an economic one with the presence of dry stone walls showing that the landscape is farmed and managed and is man-made rather than entirely natural. It was also pointed out that a properly maintained dry stone wall is a much more appealing landscape feature than either a poorly maintained one or a wire fence. Some beneficiaries of grants for building restoration and for heritage projects commented on the visibility of the buildings within the landscape and how restoration had therefore improved the landscape.

Two recipients of support within the forestry category noted that the removal of conifer stands provides a landscape benefit in that conifers are not indigenous species and are considered by many to be an unattractive landscape feature. Another forestry beneficiary explained that the planting of hardwood stands provided a landscape benefit in that hardwoods are part of the natural vegetation in Snowdonia.

A supplier of countryside goods explained that there are landscape benefits from using appropriate wooden fittings, such as gates, stiles and bridges rather than cheaper, but visually less appropriate materials. The mandating of such materials under the terms of RTE therefore provide a landscape benefit.

One beneficiary who had carried out an investment to protect a water habitat commented that there had been a negative impact on the landscape because the fence posts and wire fence used are quite visible, as are water points for cattle no longer able to gain access to the river¹².

Respondents overwhelmingly felt that their capital investments took place in a rural setting and therefore had no impact on the built environment. This finding is partly a result of the beneficiaries interviewed and an impact might have been found had buildings and heritage projects in different settings been selected. However, one respondent did comment that the building restored under the heritage category had originally formed part of a small settlement, elements of which remained and in this context the restoration had provided a positive impact on the built environment.

RTE has had a positive impact on cultural heritage through support for traditional buildings, heritage projects and boundary features. Bringing common land into agreement and supporting mixed grazing in the uplands also underpins cultural heritage through support for traditional land management practices. The part-farm nature of the scheme is considered especially useful in relation to cultural heritage because farmers are able to use the scheme to repair buildings and boundary features without committing themselves to lengthy land management agreements.

A relatively high proportion of the agricultural community use Welsh as a first language. The scheme's role in maintaining this community will therefore have positive impacts on the use of Welsh in the community as a whole. The main impact arises from the local employment opportunities which mean local families do not need to seek employment outside the area. This maintains a core of Welsh speakers which is necessary to sustain the everyday use of the language.

4.4. Promoting sustainable management of NATURA 2000 sites

The NATURA 2000 network includes two types of designated areas: Special Areas of Conservation (SAC) and Special Protection Areas (SPA). SACs are designated under the EC Habitats Directive¹³ and SPAs are classified under the EC Wild Birds Directive¹⁴. There are some 85 SACs and 17 SPAs in Wales¹⁵ (14.0% and 6.7% of the UK total respectively). SACs (including marine sites) cover 589,890 hectares (23.6% of the UK total) while SPAs account for 123,007 hectares (7.8% of the UK total). The National Park contains 12 SACs covering 47,820 hectares and 3 SPAs covering 4,714

¹² It should be noted that the intention here was to safeguard a water habitat and not to enhance the landscape.

¹³ Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora.

¹⁴ Council Directive 79/409/EEC on the conservation of wild birds.

¹⁵ There are a further two cross-border sites. Including these in the Wales figures increases the percentage of Welsh SPAs in the UK total to 7.5% of the number and 10.1% of the area.

hectares. Some 22.4% of the National Park total area is designated as SAC and 2.2% is designated as SPA. This compares to 6.1% of Wales designated as (non-marine) SAC and 3.9% of Wales designated as (non-marine) SPA.

All NATURA 2000 sites in the National Park are wholly within, or are a part of, Sites of Special Scientific Interest (SSSI). On a local level RTE provides a focus for the delivery of these sites into favourable condition through speeding up the implementation of conservation actions on the ground, in particular the management of grazing on commons, the removal of invasive exotic species (mainly rhododendron, see the case study in Box 4.5) and managing access, especially dealing with erosion problems. It is often the case that relatively small problems cause a relatively large area to be found in unfavourable condition. By addressing these problems, RTE can deliver significant areas into favourable management for little outlay.

Box 4.5: Case study on rhododendron control

Funding category:	SAC capital
Project cost:	The total cost of this project was £40,050, approximately 75% of which was covered by the grant. Every £1 of grant contribution therefore generated an additional £0.33 of private funds
Timescale:	The project began in March 2006 and was completed in April 2008. The work took approximately 250 days to complete.
Outcome:	This project removed a seed source for rhododendron infestation in neighbouring designated sites. It has also directly improved the nature conservation value of the land where the clearance took place. Finally, the investment provided an economic benefit to the farmer by providing a larger utilisable grazing area which is also eligible for Single Farm Payment.
How this was achieved:	The rhododendrons were removed using a variety of methods including cutting, burning, chipping, stump treatments, stem injecting and spraying.
Key benefits:	This project has directly improved the habitat and landscape of the area cleared and has removed the seed source for infestations on neighbouring designated sites. It also provided economic benefits for the farm by increasing the area of grazing land.

CCW aims to secure suitable management of these areas under so-called Section 15 and Section 16 agreements, although funding for these is not significant with an annual budget of £1,500,000 throughout Wales. One of the main benefits that targeting NATURA 2000 sites through RTE brings is the additional European funding through Objective 1 which effectively doubles the funds available. The other main benefit is the additional staff time and expertise which can be concentrated on this issue. This benefit is further enhanced by the partnership between CCW and the National Park Authority where the Park officers have been able to use their good contacts with the farming community to promote agreements.

Some stakeholders commented that Tir Gofal has not been as focused on NATURA 2000 sites as it might have been, although one noted that this is now changing with the current prioritisation of SSSIs in the current application window. The main problem here has been the whole-farm nature of Tir Gofal. Whilst this is a very valid approach in many cases, where farmers have some areas of SAC/SPA and large areas that are not designated it is often not economically viable for them to enter the whole farm into agreement, even if they would welcome support in maintaining the designated area (see the case studies in Box 4.6 and Box 4.7).

Box 4.6: Case study on a management agreement

Funding category:	SAC management
Project cost:	The annual cost of this 5 year agreement is £39,425.
Timescale:	On-going from March 2005 for 5 years.
Outcome:	The outcome of this project was the entering into sustainable management of 502 hectares of SAC designated land spread across 2 farms and 3 families. This land was unlikely to have been entered into a whole-farm Tir Gofal agreement because this would have entailed entering other, non-designated land which was not considered to be a viable business proposition.
How this was achieved:	Under the management agreement, sheep are kept off the mountain between 24 th October and 1 st April and stocking density is regulated during the summer. Funds are provided to cover the cost of overwintering and year round shepherding on the mountain to ensure compliance with the agreement and, given that this is an open mountain, to keep off neighbouring sheep.
Key benefits:	Under this agreement a large area of designated habitat was brought into management to achieve favourable condition. This is unlikely to have been possible under Tir Gofal because of the whole-farm nature of the scheme. The 5 year nature of the agreement provides a platform from which other business decisions can be made. It also provides a first experience of agri-environment schemes which may ultimately result in future participation.

Box 4.7: Case study on conifer clearance to maintain a blanket bog

Funding category:	SAC capital
Project cost:	The total cost of this project was £56,065, all of which was covered by the grant.
Timescale:	The project was started in March 2006 and was completed in January 2007. The work took approximately 725 days to complete.
Outcome:	The outcome from this investment was the maintenance and enhancement of 9 hectares of SSSI and SAC designated blanket bog which is also designated as an SPA. The landscape was enhanced by the removal of non-native conifer species. Hunting grounds for rare bird species including hen harrier, merlin and short-eared owl have also been expanded. This area was used by black grouse, a UK BAP species, and they tend to favour sites with some conifers. For this reason small stands, thinned to 10% of previous density were maintained to continue to provide this habitat.
How this was achieved:	This was achieved through the felling and removal of conifers using chainsaws rather than forestry machinery in order to protect the habitat.
Key benefits:	The key benefit of this investment has been the maintenance and enhancement of a designated blanket bog. Some thinned out conifers remain to provide a habitat for black grouse. It has also improved the landscape by removing non-native conifers and has expanded hunting grounds for a number of birds of prey. The work was carried out by local contractors.

Farmers are also often reluctant to enter improved land into agreement because they feel that the hard work in carrying out the improvements, sometimes over generations, would be lost. The RTE scheme can, with its part-farm approach, target only those areas of interest on a farm which makes entering a management agreement more likely to be economically viable (see the case study)¹⁶.

RTE provides a focus for the delivery of NATURA 2000 sites within the National Park into favourable condition. One of the main advantages of using RTE to do this, rather than the Section 15 and Section 16 agreements used elsewhere in Wales, is the fact that the Objective 1 funds effectively double the available budget. Another advantage is that the scheme allows for additional staff time and expertise to be focused on the issue and that this staff time includes the expertise of the National Park Authority. RTE, with its part-farm approach, offers an advantage over Tir Gofal in terms of targeting NATURA 2000 sites because landowners can enter management agreements on designated land without having to also enter other, more productive land. As a result of this, some relatively large areas of designated land have been brought into agreement that almost certainly would otherwise not have been.

¹⁶ Agreements would not be entered into if there were environmental concerns with the wider business.

4.5. Participation in other agri-environment schemes

Twenty-two of the 23 farmer participants received Less Favoured Area payments under Tir Mynydd with all but one having Severely Disadvantaged Area (SDA) status (two respondents had some land classified as SDA and some as Disadvantaged Area)¹⁷.

Six respondents had agreements under Tir Gofal, two under Tir Cymen and ten under Tir Cynnal. Five respondents were in the process of applying to Tir Gofal and were waiting for Project Officers to visit the farm. One of these had been told not to expect a visit until 2009 and another, who is coming out of a Tir Cymen agreement, had been told he will have to wait for 12 to 18 months for his application to be processed. This respondent believed he will have to enter Tir Cynnal instead. A number of respondents had thought seriously about participating in Tir Gofal, but had not proceeded or had not been accepted for a variety of reasons as set out below:

- Concerns over stocking density restrictions which would limit the stock that could be placed on mountain grazing in the summer as an overflow when lowland grass runs short.
- Insufficient points for habitats and not prepared to cut stocking density to the levels required for economic reasons.
- Insufficient compensation for the reductions in stocking density at the time of application in 2003 (this respondent noted that he had considered entering Tir Gofal again in 2005, but had not received a response).
- Not considered to be cost effective.
- Considered to be too restrictive in terms of input use and a perception that the scheme does not suit free fell farming.

Other respondents had not thought about entering Tir Gofal in any depth, although some of these were able to offer reasons for not giving further consideration to participation. These included:

- concerns over the stocking density restrictions, both in terms of absolute numbers and also the impact on the ability to move stock around as necessary;
- worry about possible problems resulting from under grazing;
- lack of suitable habitats;
- effort required to apply and gain acceptance;
- a feeling that the business is financially viable without participation (which suggests that this respondent at least viewed the scheme as a form of support more than a means to protect certain habitats);
- unwillingness to reverse improvements made to grassland in recent years and reluctance to increase the prevalence of ticks which had proved a concern for neighbours who participate; and,
- a perception that the scheme is too prescriptive and that it is too easy to be found in non-compliance with the rules.

¹⁷ The remaining 8 respondents did not operate agricultural businesses.

As intended, most RTE beneficiaries are not involved with Tir Gofal, whilst almost half are participants in Tir Cynnal. This fits with the RTE objective to provide additionality in environmental terms to national schemes both in terms of generally avoiding Tir Gofal participants and in terms of adding benefit beyond basic cross-compliance to those in Tir Cynnal. The reasons given for RTE beneficiaries not joining Tir Gofal include concerns over the management of farms with both upland and lowland grazing which shows that the local, targeted nature of Rhaglen Tir Eryri is successful in attracting beneficiaries who would otherwise be unlikely to join an agri-environment scheme.

5. Scheme delivery

5.1. Effectiveness of the delivery model

The fact that the scheme is delivered jointly is considered by stakeholders to be a major advantage with both partners bringing their respective skills to bear. The involvement of CCW is considered to have been essential in targeting NATURA 2000 sites while the relationship that National Park staff have with farmers in Snowdonia has been widely credited with getting farmers to sign up to the scheme. Stakeholders noted that some farmers are suspicious of CCW, given its remit which can be perceived as sometimes working against farmers' economic interests, and the Project Officers have been able to ease communications in such cases. The importance of having Project Officers who are involved with the scheme on a full-time basis was also considered to be important. This has allowed them to concentrate fully on the programme and to be very responsive to beneficiaries.

Whilst the delivery mechanism itself was widely praised, all stakeholders pointed out that the quality and enthusiasm of the Project Officers was an essential factor in the successful delivery of the scheme. One stakeholder felt that it has been the Project Officers and their willingness to go out and talk to farmers rather than the delivery mechanism *per se* which has been responsible for the high quality delivery. Another stakeholder explained that with different Project Officers the implementation of the programme may not have run so smoothly.

Some survey respondents said that in their opinion the Project Officers were the main advantage of the programme. One commented that the ability of the Project Officers to recognise good work was a major advantage and a key point of difference between RTE and other grant schemes implementing similar projects.

Stakeholders also commented favourably on the use of the Advisory Panel. The composition of this Panel ensured that the views of relevant interest groups have been fully taken on board in the implementation of the scheme. It has also ensured that these groups feel a degree of ownership of the scheme which has facilitated implementation.

5.2. Scheme implementation

5.2.1. Targeting

The targeting of management agreements is clearly on NATURA 2000 sites, i.e. SAC and SPA designations. The Advisory Panel minutes from October, 2000⁴ explain that all holdings with no current agri-environment scheme had been visited by Project Officers in an attempt to raise awareness amongst the main target group. Scheme design also shows evidence of targeting. Whilst mechanisms to provide support for listed buildings and archaeological works already existed, traditional buildings were identified as a gap in coverage and were given a budget line as a result.

Minutes from the first Advisory Panel meeting (November, 2003) demonstrate that it was considered important to adopt selection criteria to provide a similar degree of focus for the delivery of the capital element of the scheme. The use of such criteria were also used in cases where scheme resources were insufficient to meet demand. Finally, the advantages of a clear and transparent project selection system were recognised.

Proposed capital investments were filtered to ensure that support under other grant schemes such as Tir Gofal or the Woodland Grant Scheme could not be sought and that there were no concerns over the farms' cross-compliance status. A scoring matrix was then used to determine which capital works would be supported. Proposed investments were scored high (3 points), medium (2 points) or low (1 point) in terms of their landscape value, stock/habitat management, biodiversity value, archaeology/heritage value and public access. Only projects scoring in excess of 8 points were given further consideration. This approach ensured that inappropriate investments were not supported and a mechanism was provided to target funds where the impact was considered to be greatest.

The use of this matrix approach resulted in around 15% of applications for capital works being filtered out, although in many cases subsequent site visits identified other opportunities for support on-farm.

A different approach was used in the targeting of support for building restoration. The register of at risk buildings contains a scoring according to need and the owners of buildings with the highest scores were approached to see if they would like to make use of the grant. For various reasons, not all did.

5.2.2. Grant rates and standards

Payment rates were set in agreement with the Advisory Panel and capital grants match those available under Tir Gofal to avoid distortions. Using Tir Gofal rates allowed the rationale used to justify these payments to be reused and hence reduced the running costs of RTE. Management grants, however, tend to be slightly lower than those available under Tir Gofal with the intention that people would then be more likely to consider joining Tir Gofal in preference to RTE.

Standard costs were used for certain capital works, such as dry stone walling. The Advisory Panel meeting minutes from January, 2004 note that the grant would only support up to 70% of the cost of capital works and on this basis a grant rate of £18/m² was set for dry stone walling, implying a true cost of £25.71/m². This suggests that the intention was that each £1 of public money would be matched by £0.43 of private money. In practice, however, many farmers appear to have actually paid contractors £18/m² for dry stone walling (see Section 5.3.4). There was a clear perception amongst farmers and the contracting community who took part in the survey that the grant rate was intended to cover the cost of the work, despite the award letter explicitly mentioning that the grant was a contribution to total cost.

A supplement of £4/m² was paid for walling work carried out in remote locations to reflect the time and effort taken to access these sites. This supplement was paid on several SAC capital contracts undertaken on mountains with difficult access and poor conditions. A supplement was also paid for removing old fencing in remote locations where it was necessary to take cutting equipment to the site. In total some 1.5 km of traditional boundary (1.6% of the total) has attracted a supplement as a result of the remote location.

In contrast to the standard cost approach, it was decided that grants for building work would have to be based on actual costs. Under the scheme, between 50% and 70% of building cost can be supported with the actual grant rate decided with reference to the economic use to which the restored building could be put by the farmer. For example, a restored hay barn would typically be funded at a lower grant rate than a restored pig sty. In this sense there was recognition that capital investment in buildings brings both public and private benefits. However, interviews with beneficiaries suggested that the fact the grant rate was variable, and the reasons for individual awards, were not necessarily communicated.

The fact that grant rates were generally less than 100% implies a degree of leverage in that the spending of public money induces the spending of some private money as well. The European grant application document suggests that private expenditure should be based on an average private contribution of 20%. In practice an additional £878,706 is estimated to have been contributed by the end of the scheme to the budgeted project spend of £4,167,496, an average private contribution of 21.1%.

An annual maximum payment for boundary features was established at £3,000, the same ceiling as used under the previous Objective 5b Gogledd Eryri scheme. The intention of this was to ensure that support was not concentrated on a few individuals. In practice, however, some individuals received grants in multiple years, especially where the repair of long mountain boundaries were supported. This was possible in part because some of those requesting funding were eligible for support under other schemes, primarily Tir Gofal, and were therefore not supported under RTE¹⁸. It was decided not to impose a ceiling for other capital works because this might have hampered the effective delivery of the scheme.

The first Advisory Panel meeting also discussed the standards of capital work and concluded that quality assurance of both workmanship and materials would be vital in order to safeguard the investments made. Part of the quality assurance framework established involved the monitoring of all projects prior to the release of funds. Where work quality was in doubt, payments were to be withheld. In practice, this occurred six times and remedial work was undertaken to correct the situation.

¹⁸ Tir gofal has a ceiling of £10,000 for capital grants and as a result there were some instances where additional support to Tir Gofal beneficiaries was offered under RTE.

5.2.2.1. Beneficiary view on payment rates

Respondents' views on payment rates under the Rhaglen Tir Eryri programme were elicited by asking what they would have done had rates been 20% higher or lower. Only 7 respondents felt able to comment on what they would have done had rates for **capital grants** been higher and 6 of these said that they would have wanted to undertake more works. The remaining respondent suggested that he had done all he wanted to do in any case.

One respondent commented that he would have been prepared to do more under his **management agreement** had there been more funding available, although the only other respondent to comment on higher rates for management agreements noted that the current payment rates covered cost and were therefore sufficient.

Responses to lower payment rates for capital grants were more interesting, with six respondents suggesting that they would have carried out the work anyway if grant rates were less (for example, £15 per m² for dry stone walling, thus increasing private contribution). However, seven respondents said that they would not (or in one case might not) have carried out the capital works if funding had been lower and one explained that he would have cut back on other investments in order to afford the building renovation undertaken. This mixed result suggests that individual financial situations are important in the decision to carry out work and that there is an element of deadweight in that some capital works could have been carried out more cheaply.

Two respondents carrying out building work on heritage projects and one carrying out a biodiversity investment pointed out that they could not have afforded their own contribution if the grant rate had been lower. It may be the case that the more the project has public good characteristics (biodiversity, building restoration using traditional techniques and materials), the less likely beneficiaries are to commit substantial private funds. On the other hand, where there is some private benefit (stock-proof boundaries, provision of shelter, clearly marked boundaries) there is a greater likelihood of private funds being committed. This fits with economic theory and expectations and is underlined by the comment in the October, 2004 Advisory Panel meeting minutes that numerous biodiversity projects had not been undertaken due to an increase in fencing costs and a perceived lack of private benefit. An increased payment rate was introduced to ensure that these biodiversity projects went ahead.

Of those respondents holding management agreements, one noted that he would probably have signed up if payment rates were lower because the changes he had to make were fairly insignificant. Another indicated that he would also have probably accepted less money. On the other hand, two respondents indicated that they would probably not have signed a management agreement if the funding offered was less. In one case the beneficiary indicated that he had had to argue over the fee in order to raise it to a sufficient level to make participation economically viable.

5.2.3. Use of budgets

As at 31 March, 2008, the implementing team were confident that the budget would be fully utilised by the end of the scheme in June, 2008. The original budget was adjusted because spending on management agreements was not as high as expected due in part to difficulties in reaching agreement in some cases; some £196,000 was reallocated from SAC management to SAC capital. The lead in time for management agreements was also under-estimated, partly because of the learning curve for staff not used to dealing with the issues involved. Objective I funds have to be spent in arrears and by the end of the programme and there was therefore a concern that some budget would remain unallocated if not reassigned. That said, most of the management agreements that CCW was particularly keen to sign have been (or will be) completed and CCW feels that more benefit has been delivered under the SAC capital budget head than was anticipated *ex-ante*. It will be necessary for CCW to contribute some £300,000 and the SNPA between £10,000 and £100,000 after the conclusion of the scheme in order to meet outstanding management agreement commitments.

The minutes from Advisory Panel meetings show that there were instances where budgets were not completely utilised in certain years. Where this was the case the funds were front loaded to the remaining years of the scheme in order to prevent their loss. Part of this temporary under-spend related to slow utilisation of the heritage and access budgets. The traditional building budget, on the other hand, was allocated in its entirety in the first year of the scheme in order to ensure that contract holders had sufficient time to plan and complete the works.

Additional funds were effectively added to RTE through the Eryri Landscape and Features scheme which had a total budget of £1.8 million. This retrospective scheme was devised to utilise unspent Objective I funding. Completed works that met the criteria for support under this scheme were funded from it allowing the RTE funds that would otherwise have had to be used to be reallocated. Some £324,756 additional funds became available for RTE as a result.

The implementing authorities have managed the budget proactively, both within and between budget lines, to ensure full disbursement.

5.2.4. Auditing/monitoring

Each management agreement undergoes compliance monitoring on an annual basis and some are assessed twice a year. This typically involves a Project Officer being present whilst sheep are removed from a mountain for the winter, at which time they can also be counted. There is also a self-policing policy under which graziers on commons report on their activities by way of ensuring compliance.

An interview with CCW revealed that RTE management agreements are grouped with all other Section 15 and Section 16 agreements, 10% of which are audited annually in terms of ecological performance. However, the distribution in the sample of these various agreements is unclear, meaning that it is not known whether 10% of RTE management agreements have been audited

annually. CCW were, however, able to confirm that all agreements monitored over the period of the scheme were found to be satisfactory.

5.3. Scheme effectiveness

5.3.1. Publicity of the scheme

Survey respondents were asked to explain how they first heard about Rhaglen Tir Eryri. One third (ten respondents) were first made aware of the RTE programme by Project Officers who came to visit the farm. A further eight heard about the scheme through word of mouth, typically through discussions with other farmers and contractors. Four respondents saw articles on the scheme in the press, two were made aware of the programme at the county show and two contractors became aware of the scheme when submitting tenders for pieces of work. One respondent each became aware of the programme from an architect, the National Trust (the land owner in this case) and a farmer wanting a quote for dry stone walling work. Finally, one respondent claimed to have been unaware that the heritage project he was contracted for was funded through the scheme until contacted as part of this evaluation. He noted that this would be common for contractors who are often unaware of the source of funds.

The above highlights the importance of the Project Officers in raising awareness of the scheme, but, while this in itself is positive, it also draws attention to what one stakeholder described as the “least successful” aspect of the scheme, namely publicity. According to this stakeholder there has been a lack of press releases and a lack of justification for the spending of public money¹⁹, a problem the scheme shares with other Objective I projects.

Minutes from the first Advisory Panel meeting in November 2003 show that the importance of publicity was recognised early on. However, subsequent minutes show that a planned article in “Gwlad” did not materialise (as the result of an editorial decision). Planned segments on the television programmes “Ffermio” on S4C and “Countryfile” on BBC1 do not appear to have taken place. The Advisory Panel minutes of February 2006 note that “internal problems” had prevented the desired flow of information into the press, but that these had been overcome. The Advisory Panel meeting minutes of January 2007 commented that publicity remained poor.

It is accepted that many of the issues surrounding publicity have been outside the control of the implementing bodies and it is clear that attempts to generate publicity had been made. Nonetheless, it is unfortunate that the benefits of the programme have not been communicated more widely. However, it should be noted that plaques publicising EU funding have been erected on completed works, so there is at least lasting publicity on site.

¹⁹ There was no suggestion that the spending of public money had not been appropriate or beneficial, simply that this had not been communicated to the general public.

5.3.2. The application/tender process

Survey respondents were asked to comment on the application process (or tender process where relevant). Some respondents with multiple grants chose to provide answers for these different projects where their experience was different and as a result there were 31 responses. The overwhelming view was that the application process was easy (17 respondents) or very easy (eight respondents). Some four respondents felt that the process was neither easy nor complicated and two reported that they had found the process complicated. In one of these cases the difficulty was caused by discussions over an acceptable stocking density under a management agreement. The other respondent claiming that the application process was complicated had experience of both a landscape and a building agreement. Whilst the application process for the landscape grant was considered very easy, the building application was complicated. This suggests that, at least in this case, applications for building grants have been relatively difficult for potential applicants, as might be expected given their greater complexity. Finally, one respondent noted that although the application process itself was very easy, forming a constitution for the grazing association, a necessary prerequisite, was complicated.

5.3.3. Scheme management

Respondents were asked to comment on the management of the RTE programme in terms of its efficiency as it affected them, including the making of payments. Thirteen respondents found programme implementation to be very efficient with a further 12 saying that it was efficient. One respondent commented that the programme was neither efficient nor inefficient in terms of implementation and two cited inefficiencies. Of these, one respondent claimed to have waited eight months for payment for work carried out and the other experienced some communication problems with letters and the payment cheque being sent to the site where work was carried out rather than the address of the beneficiary. This respondent explained, however, that once the problem had been pointed out, the Project Officer had been very helpful in resolving it.

One beneficiary within the building budget line pointed out that there had been some delays as a result of protracted discussions over building materials leading the beneficiary to feel that the Project Officer did not want to take responsibility for the final decision over which materials to be used. Another respondent in the heritage category commented on the worry caused by delays in project approval, and hence the release of funds which were needed to pay the contractor. This respondent also mentioned stresses caused by the conflict between the desire to use traditional methods/materials and the practicalities of actually undertaking the work.

A contractor explained that the National Park withholds between 3% and 5% of the value of a contract for one year to cover the need for any remedial work. While this in itself is seen as being reasonable, the respondent pointed out that this creates additional work in that records of this need to be kept and another invoice has to be submitted.

These minor complaints were clearly the exceptions to what was widely considered to be effective implementation and management. It was, according to the implementing authorities, the intention to provide a customer oriented service and this appears to have been achieved.

5.3.4. Advantages and disadvantages of the scheme

Survey respondents were asked to state the main advantage of the RTE programme. A range of answers were provided and these can be classified into a number of different types of response as set out below:

- Allows work to be carried out in an appropriate way that would not otherwise be affordable.
- Allows the preservation of historic/traditional buildings, features and skills for future generations.
- Results in tidier farms and landscapes, both of which are good for tourism.
- Flexibility allows beneficiaries to make improvements on an item by item basis without entering long-term, wide ranging agreements.
- Maintains local employment and spreads money throughout the community.
- Provides assistance for those who are unable to enter Tir Gofal.
- Has brought some mountains back into the grazing conditions they were in a century ago with consequential biodiversity benefits.
- Promoted the use and enjoyment of the countryside through access improvements.

When asked to comment on the main disadvantages of RTE, respondents tended to focus on scheme implementation details that had affected them directly rather than the larger scale issues that they focused on in terms of advantages. However, 12 respondents could cite no disadvantages. The disadvantages that were cited included:

- The tender process tends to depress prices for contracting work and this results in work of a lower quality standard²⁰. This respondent claimed that in his opinion, some walls had been rebuilt to a lower standard than they were originally. He also felt that this approach does not create sustainable employment.
- The grant rates for dry stone walling were considered to be too low by some respondents. One explained that at £18/m² around 5 metres a day had to be constructed to make a “fair” wage whereas a rate of 3 to 4 metres a day was considered a more realistic rate to ensure good quality. Another respondent explained that the grant rate under other schemes had been as high as £25/m² in the past and that this was more appropriate. However, as explained in Section 5.2, the grant rate is supposed to make up 70% of the total cost of dry stone walling, implying a market rate of £25.71/m². This does not appear to have been widely communicated to beneficiaries or the contracting community, although a few contractors did believe that farmers should add to the grant. One respondent suggested that a flat rate grant for dry stone walling

²⁰ Another respondent explained that there is no obligation to accept the lowest tender and that this mitigates against this problem.

was a problem because it does not distinguish according to quality. This respondent felt that better quality work should attract a higher grant²¹.

- Another respondent felt that it was builders rather than farmers who make money from the scheme because they increase prices when they know that a grant is involved (the earlier comment from a contractor that they are often unaware of the source of funds should be borne in mind here).
- The apparently arbitrary decision over grant rate for heritage work was cited by two respondents as being a problem with the programme. One of these respondents felt that others had been granted a greater proportion of cost and he was unaware of the reasons for the grant rate he received in comparison. The other was unsure of the rationale behind the grant rate he received.
- One respondent felt that the programme was not publicised as well as it might have been.
- The requirement to maintain restored buildings in agricultural use for a period of 5 years.
- The annual limit of £3,000 was considered by one respondent to be insufficient for large-scale public good projects.
- One contractor explained that under the scheme a lot of work tends to need to be undertaken at the same time and that there is a rush to complete work before March and September deadlines. The March deadline is especially problematic for outdoor work given the typical weather conditions in the period running up to the deadline. An interview with the SNPA explained that deadlines were necessary in order to ensure that spending was undertaken in the correct budget years to avoid the potential loss of funds.

5.3.5. Comparison with other schemes

It should be noted that there is no direct comparator scheme. The most obvious scheme with which to compare RTE is Tir Gofal, which is a whole-farm scheme available across Wales. However, RTE is targeted specifically on designated sites, or land close to designated sites, and as such is seeking a different kind of impact. The schemes are complementary rather than being in competition. That said, stakeholders agreed that the main advantage that RTE has had over Tir Gofal is the fact that it is a part-farm scheme which can be targeted more flexibly. This has allowed land to be brought into agreement that would otherwise not have been. In this sense the scheme has proved very successful at targeting gaps in coverage under Tir Gofal, especially in those cases where farmers have a mix of improved and semi-improved/unimproved land and in relation to commons.

The fact that farmers can choose to use the scheme for capital investment without entering a management agreement is considered useful because it provides support for a wider group of farmers. Generally, the greater flexibility that the scheme offers is considered by stakeholders to be a strength. Many stakeholders also consider the management prescriptions to be less onerous, or better tailored to the individual site, than those under Tir Gofal; as a result the scheme is attractive to some farmers who would not consider entering Tir Gofal.

²¹ It should be noted that a certification process had been considered to ensure quality work. However, this was not implemented due to concerns over the loss of earning potential while certification took place.

Ideally it would be possible to present quantitative data to allow comparison between RTE and Tir Gofal. However, this information is not available (partly because most CCW information on RTE agreements is grouped together with other Section 15 and Section 16 agreements and cannot be separated out) and in any case the schemes are too different for such a comparison to be meaningful.

Survey respondents were asked to compare their experience of RTE with other, similar, schemes. Not all were able to do this and, of those who were, some had more direct experience of alternative schemes than others. The most frequent comparator was between RTE and Tir Gofal. Seven respondents are participants in both schemes lending greater validity to their views which are set out below:

- One respondent noted that the capital elements of the two schemes are very similar, although it was felt that the payment rates should be matched.
- Another respondent felt that RTE was more able to be targeted at local problems which would otherwise not be addressed under Tir Gofal.
- The greater flexibility of RTE was appreciated by many respondents in that work could be planned on an annual rather than a ten year basis and in that prescriptions were less rigid and more able to be adapted to local circumstances as necessary.
- The ten year agreements under Tir Gofal were cited as an advantage from the contractor point of view because if their quality of work is good it is likely that they will be hired for further work throughout the period of agreement.
- One respondent explained that under RTE it was possible for the Project Officer to approve the quality of the work undertaken by a contractor prior to payments. In contrast, under Tir Gofal the beneficiary has to pay the contractor prior to approval of the works and would therefore be responsible for ensuring the quality of the work. This issue was also raised by a contractor who made the point that RTE Project Officers visit work promptly and authorise payment whereas it can be months before work is approved under Tir Gofal which can leave the farmer in an awkward position.
- The focus of Tir Gofal is much more agricultural than that of RTE, under which it is possible to create more wildlife benefit. There are, according to this stakeholder, examples where Tir Gofal can actually induce negative changes, especially in relation to butterflies. There is also a view that many farmers do not have to make any significant changes to the way in which they farm to meet the terms of their Tir Gofal agreements and there is thus an element of deadweight.
- Staffing issues were raised by a number of respondents who commented very positively on the RTE Project Officers, but noted that staff turnover under Tir Gofal seemed high and that the Tir Gofal Project Officers were not as accessible as those under RTE.

Nine respondents had thought seriously about participation in Tir Gofal and some of these were going through the application process at the time of interview. Comments made by this group include the following:

- There is a feeling that Tir Gofal is too inflexible in comparison to RTE and that some farmers are being penalised for what are trivial matters²². Disagreements under RTE have all been resolved satisfactorily.
- Two respondents said that payment rates for walling were higher under Tir Gofal than under RTE and that this might prompt contractors to increase their rates.
- The item-by-item approach under RTE, as opposed to Tir Gofal's whole-farm approach, was considered to be better by one respondent because there is less scope for trade-offs between the objectives of scheme managers and the objectives of beneficiaries.
- One respondent whose Tir Gofal application had failed to gain sufficient points explained that for many farmers without certain habitats the only way to gain entrance to Tir Gofal is to cut livestock numbers to the point where it is no longer economically viable. It is felt that a relatively small number of relatively large beneficiaries account for most of the Tir Gofal funds (a point also raised by another respondent). This has the effect of driving prices for winter grazing on Anglesey up. This respondent also commented on the relative simplicity of the paperwork associated with RTE compared to that for Tir Gofal and concluded that RTE is a very good option for those unable to gain entry to Tir Gofal.
- The administration and Project Officer input under RTE were compared favourably to that under Tir Gofal by two respondents.
- One respondent explained that decoupling had altered the economics of sheep production and that it was now economically rational to reduce sheep numbers. However, under Tir Gofal a number of farmers are being paid to do this which implies a degree of deadweight.

Those respondents with no direct experience of Tir Gofal explained that they felt that the whole-farm nature of Tir Gofal and the ten year agreement period were disadvantages because they reduced flexibility. Two commented that Tir Gofal is too prescriptive compared to RTE.

5.4. Rhaglen Tir Eryri outputs

The first part of Objective 4 of the terms of reference is to confirm the outputs delivered through Rhaglen Tir Eryri against the targets set out in the application for EU funding submitted through the Welsh European Funding Office. These targets consist of outputs, namely to carry out 36 land management projects and six access projects, and outcomes which are set out, along with achievements, in Table 5.1 (these outputs include those generated during the programme extension).

²² Without examples it is not possible to conclude that these are indeed trivial matters.

Table 5.1: WEFO targets and achievements

	Target	Achievement to 30/06/08	Expected final achievement
• Managed access (km):	76.50	78.00	86.95
• Land under sustainable management (ha):	4,090	4,100	Could be considerably more if Llanllechid common enters agreement
• Traditional boundaries (km):	86	90	98.58
• Jobs created ²³ :			
• Project Officers (annual full-time equivalents):	4.5	4.5	4.5
• Contract labour (annual full-time equivalents):	24.0	25.5 ²⁴	Will be higher as a result of expected work before scheme conclusion

The Table shows that in most cases targets were exceeded, most notably with regard to land under sustainable management where the current achievement is 20% higher than target and may be considerably greater by the close of the scheme. The only area where the target has not yet been met is in terms of the creation/maintenance of contract labour, although once the outstanding investments have been made the gap between target and achievement will have closed to some degree.

From interviews with beneficiaries it is clear that the vast majority of work resulting from the scheme has helped to maintain existing jobs rather than create new ones. Most of the contractors and builders interviewed suggested that they had plenty of other sources of work and that they had not been reliant on work created by the scheme. This suggests that there may have been some displacement in that supported investments might have been undertaken rather than unsupported ones funded entirely privately, although it is not possible to assess this here. However, it is clear from interviews with beneficiaries that in most cases investments would not have been made without support and the work created can therefore be seen as additional.

²³ Although the target states “job created” we understand that this target has been interpreted as “jobs created/maintained”.

²⁴ The impact of the scheme on other labour (usually contract, but sometimes carried out by the beneficiary) is calculated according to the size and nature of the investment carried out. For example, it is assumed that the only cost involved in dry stone walling is labour, whereas for fencing it is assumed that half the cost is absorbed by labour with the other half accounted for by materials. The resulting total labour cost is then divided by £7.50 to provide an indicative total number of hours worked. Total hours worked is then divided by 2,200 to convert into full-time equivalent jobs created/maintained over the period of the grant. This calculation results in some 94.98 full-time equivalent jobs over the period of the scheme, approximately 20 full-time jobs annually.

6. Conclusions

6.1. Impact on farm income

Although the **management element** of the Rhaglen Tir Eryri scheme is designed to be income neutral, it is likely that for many farmers it has helped to maintain farm incomes in the face of low lamb prices. There are unlikely to be many cases where farm income has been reduced, because the scheme is voluntary and farmers would not join if they did not expect the impact to be at least neutral. The **capital element** of the scheme is likely to have provided some farmers with an additional source of income in the short-term, but for most it will have resulted in a (relatively minor) negative impact on disposable income in the short-term as a result of the need to add private funds. Capital investments funded by RTE are generally unlikely to have any direct impact on income in the medium and longer-term, although there may be indirect impacts from, for example, improved livestock condition. Household income may also have increased in some cases where management agreements have allowed farmers, or their sons, to carry out contracting work or to seek other off-farm employment opportunities.

6.2. Impact on traditional working practices/husbandry

Beneficiaries with **management agreements** typically altered their farming practice through reductions in stocking density and also through restricted mountain grazing over winter. However, given recent decoupling it is unclear to what extent restrictions in stocking density may have occurred in the absence of the scheme, although survey respondents claimed that they would not have made significant changes without support. Although there is a risk of deadweight, farmer response to decoupling is uncertain and the scheme is likely to have promoted more appropriate grazing patterns. Given the uncertainty over the impact of decoupling it is recommended that a future scheme focuses more explicitly on appropriate grazing levels rather than necessarily reducing stocking densities.

Participants with support for **capital investments** under the landscape budget line have clearly benefited from the creation/repair of stock-proof boundaries which save time spent gathering sheep, create shelter and simplify management in terms of rotating grazing. Participants receiving support under the building budget line reported advantages in terms of dry storage in more useful locations and benefits in terms of shelter for livestock. The scheme has also helped to maintain the use of traditional skills, especially in relation to dry stone walling, but also in relation to traditional building techniques.

6.3. Impact on labour on farms

The impact of RTE in terms of labour demand on-farm appears to be mixed. There is some evidence that beneficiaries with **management agreements** have seen their workload increase slightly as a result of the greater need to carry out winter feeding and the increased shepherding requirement. On the other hand, others and some stakeholders feel that demand for labour will have decreased. On balance it appears that there has been little overall net impact. The situation with regard to

capital investments is clearer. There is a tendency for labour demand to have increased in the short-term, especially where farmers have supplied their own labour to projects. However, in the medium and longer-term it is likely that investments in boundary features, for example, will result in reductions in labour demand.

6.4. Impact on investment patterns

It appears that there has been considerable additionality in that it is unlikely that investments would have been made on the same scale or at the same point in time without the funds provided under RTE.

6.5. Impact on labour off farm

Again the impact on labour off-farm is mixed with some stakeholders feeling that the impact on labour demand on-farm is insufficient to have any consequential impact on the ability of farmers and their families to seek off-farm employment opportunities. However, the **capital element** of the scheme has clearly created employment opportunities for the contracting sector and many people employed in this sector are from farming families. It is clear that RTE has contributed to the demand for specialist labour supplied by contractors and has therefore helped to maintain local employment opportunities. It might be expected that increased demand could result in higher prices, but there appears to be no evidence for this. Evidence from the survey and from monitoring data held by the implementing authorities it is likely that the scheme has resulted in work equivalent to approximately 20 full-time jobs in each year of the scheme.

6.6. Impact on the wider rural economy and community

The rationale for an impact here is that the agricultural community is seen as a key component of the wider rural community and economy (although this is not universally accepted, see, for example, Midmore, 2008). Support targeted on farmers therefore is expected to filter through to the wider economy through the supply of materials and services. The most notable impact is likely to have resulted from the creation of demand for labour. However, the impact should be placed in context; RTE provides a relatively small amount of funding in comparison to the Single Farm Payment, the Rural Development Plan, or livestock sales and its impact will be relatively minor. That said, the scheme has created local employment opportunities and this may have helped to sustain rural families who may otherwise have had to seek employment further afield. The scheme may therefore have had a positive impact in terms of the age profile of rural communities, the ability to retain local schools and on the use of the Welsh language (see also Section 6.9).

6.7. Impact on common land

The signing of a **management agreement** with the Aber/Llanfairfechan common brought almost 3,000 hectares into agreement. Should the Llanllechid common also sign an agreement before the end of the scheme (as is thought likely), the appropriate management of a further 2,500 hectares will be safeguarded. The role of RTE in terms of bringing graziers together and forming Commons Councils has been fundamental. Some stakeholders consider the progress with common land made under RTE to be its most significant achievement.

6.8. Impact on tourism

RTE is likely to have had a direct positive impact on tourism under the access budget line through creating/linking rights of way. Indirectly the scheme has had an impact through helping to create/maintain a sense of place through support for vernacular buildings, important heritage sites and traditional boundary features such as slate fencing and dry stone walls.

6.9. Impact on cultural heritage/Welsh language

RTE has had a positive impact on cultural heritage through support for traditional buildings, heritage projects and boundary features. Bringing common land into agreement and supporting mixed grazing in the uplands also underpins cultural heritage through support for traditional land management practices. The part-farm nature of the scheme is considered especially useful in relation to cultural heritage because farmers are able to use the scheme to repair buildings and boundary features without committing themselves to lengthy land management agreements.

A relatively high proportion of the agricultural community use Welsh as a first language. The scheme's role in maintaining this community will therefore have positive impacts on the use of Welsh in the community as a whole. The main impact arises from the local employment opportunities which mean local families do not need to seek employment outside the area. This maintains a core of Welsh speakers which is necessary to sustain the everyday use of the language. Finally, Welsh was the main delivery language of the scheme and this in itself promulgates its use as a working language.

6.10. Impact on NATURA 2000 sites

RTE provides a focus for the delivery of NATURA 2000 sites within the National Park into favourable condition. One of the main advantages of using RTE to do this, rather than the Section 15 and Section 16 agreements used elsewhere in Wales, is the fact that the Objective 1 funds effectively double the available budget. Another advantage is that the scheme allows for additional staff time and expertise to be focused on the issue and that this staff time includes the expertise of the National Park Authority. RTE, with its part-farm approach, offers an advantage over Tir Gofal in terms of targeting NATURA 2000 sites because landowners can enter management agreements on designated land without having to also enter other, more productive land. As a result of this, some relatively large areas of designated land have been brought into agreement that almost certainly would otherwise not have been.

6.11. Participation in other agri-environment schemes

As intended, most RTE beneficiaries are not involved with Tir Gofal, whilst almost half are participants in Tir Cynnal. This fits with the RTE objective to provide additionality in environmental terms to national schemes both in terms of generally avoiding Tir Gofal participants and in terms of adding benefit beyond basic cross-compliance to those in Tir Cynnal. The reasons given for RTE beneficiaries not joining Tir Gofal include concerns over the management of farms with both upland and lowland grazing which shows that the local, targeted nature of Rhaglen Tir Eryri is successful in attracting beneficiaries who would otherwise be unlikely to join an agri-environment scheme.

6.12. Effectiveness of the delivery model

The joint delivery between CCW and the SNPA is considered to have been a major advantage of the scheme with both partners bringing their respective skills to bear. CCW allows the effective targeting of NATURA 2000 sites whilst the SNPA has been widely credited with persuading farmers to sign up to agreements. The creation of an Advisory Panel comprising a number of relevant stakeholders ensured that the community of agricultural and environmental organisations were able to input their ideas and views and share ownership of the scheme. Finally, the quality of the Project Officers is considered by many to have played a significant role in the successful delivery of the scheme, although clearly had the Project Officers been poor this could have seriously hampered delivery.

6.13. Impact of scheme delivery

The main focus of the scheme has been NATURA 2000 sites and as such it is very targeted towards important habitats. The **capital element** of the scheme has also been targeted towards support for the most appropriate investments through the use of a scoring matrix to ensure that funds were used to maximum effect. Support under the building budget line was also targeted using the register of at risk buildings.

Payment rates were set following the input of the Advisory Panel and therefore reflect a wide range of views and are considered appropriate by those organisations with an interest in the Park, its farmers and environment. The fact that rates for management agreements have been slightly below those offered under Tir Gofal reflects a desire to provide an incentive for farmers to use the larger scheme. The setting of capital support rates equal to those under Tir Gofal removes the possibility of perceived inequity.

The most contentious standard payment appears to have been that for dry stone walling. The fact that the standard cost payable represents 70% of the total cost of dry stone walling seems to have been inadequately communicated to beneficiaries and the contracting community. Communication of the rationale for grant rate under the building budget line also appears to have been poor, although taking potential economic use into consideration seems appropriate when private benefits are likely following the use of public money. The decision to grant a supplement for works carried out in remote, inaccessible locations has been useful and has no doubt resulted in the repair/creation of appropriate boundary features where this might otherwise not have been possible either under Tir Gofal or under private investment.

The grant generated leveraged private spending amounting to £878,706 due to the fact that grant rates were typically less than 100%. This is equivalent to an additional 21.1% and compares favourably with the anticipated leveraged spend of £777,750, although much of this results from extensions to the scheme. The original expectation was for a private contribution rate of 20%.

The survey suggests that there is a degree of deadweight in that many beneficiaries suggested that they would have undertaken **capital investments** even if the funding available had been lower. It

may be the case that farmers are more willing and able to carry out investments with some private benefit, such as the restoration of economically useful buildings or the creation/repair of boundary features than might have been imagined. This suggests that in any future scheme it might be appropriate to treat investments with greater public good benefit and less private benefit differently from those with greater private benefit. One way of achieving this might be to invite bids for support for investments with those with a greater element of private investment favoured.

There was also the suggestion of deadweight in relation to **management agreements** and again this should be considered more fully in any follow up scheme. Here it might be appropriate to consider the degree of change that entering a management agreement would induce with preferential support given where greater benefit is likely. However, this approach would have to address the issue of moral hazard where the system might favour those who, for example, manipulate stocking density prior to seeking agreement over those farming in a more environmentally appropriate manner in the first place. It should be noted that the risk of deadweight arising as a result of policy change during the course of a five year scheme is less significant than the risk arising during a ten year scheme²⁵.

All management agreements are monitored for compliance at least once a year and a self policing system is in place for some agreements. There appears to be little risk of serious cases of non-compliance remaining undetected.

6.14. Scheme effectiveness

The importance of publicity was recognised early on in the lifetime of the scheme and some early problems in terms of preparing material were overcome. However, publicity has been a weakness with a number of planned initiatives failing to take place, although in some cases this was out of the control of the implementing team. This is not likely to have had any impact on scheme delivery and the efforts of the Project Officers in communicating the opportunities under RTE to farmers should be recognised. It is recommended that publicity be given a higher priority in any future scheme both to raise awareness of the availability of funds and to justify the spending of public money to taxpayers.

Beneficiaries typically found the application process very straightforward, although the process involved in applying for building grants, for example, was considered more complicated than applications under other budget lines. Beneficiaries were also very satisfied with the management of the scheme as it affected them. When asked to identify scheme advantages, beneficiaries pointed to a number of issues including the provision of public goods and the ability of the scheme to support local employment. The flexibility of the scheme was also widely appreciated. In terms of disadvantages, beneficiaries focused more on their own experiences which suggests that beneficiaries do not perceive any major systemic disadvantages. There was, however, a degree of confusion over the grant rate for dry stone walling and whether this was meant to be represent the total cost of

²⁵ It is recognised that the use of break clauses and suitable changes in payment rates will mitigate this risk.

walling. There were similar communications problems in relation to the award of grant for building work. Any future scheme should ensure clearer communication, especially in relation to grant rates.

Although there is no direct comparator scheme to RTE, beneficiaries and stakeholders often compared elements of the scheme to Tir Gofal. The main point of difference commented on between the two schemes was the part-farm nature of RTE compared to the whole-farm nature of Tir Gofal. The part-farm approach of RTE was widely thought to bring a number of benefits including the ability to bring designated land into management where this would have been unlikely under a whole-farm approach. In doing this RTE has been able to successfully target gaps in coverage under Tir Gofal. The greater flexibility of RTE was also frequently mentioned, both in terms of the ability for farmers to seek support for capital investment without entering a management agreement and the fact that RTE can be better tailored to local conditions than can Tir Gofal as a national scheme.

Finally, RTE has exceeded its *ex-ante* targets in terms of creating managed access (87.0 km compared to a target of 76.5 km), bringing land under sustainable management (4,923 hectares compared to 4,090 hectares) and creating/maintaining traditional boundaries (98.6 km compared to 86.0 km). The only target not met has been the creation/maintenance of employment, although the shortfall may not be significant by the time the scheme has finished (20 annual full-time equivalents compared to 24).