**Apportioning Impacts**

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| --- |
| ***Apportioning impacts is allocating impact shares to different public sector funding bodies that are contributing to the costs of an intervention.*** |

**Why is it important?**

Appraisals and evaluations can sometimes be required to identify the shares of impacts that are attributable to different public sector funders who may be contributing towards the costs of an intervention. This is becoming increasingly common as partnership working grows so that many interventions now attract a cocktail of funding. This highlights the importance of having a standard apportioning approach as otherwise all funders may claim that they were responsible for the impacts arising from an intervention, resulting in double (or even greater) counting of impacts.

**When do we need to apportion impacts?**

Generally impacts will be apportioned after the net impacts of an intervention have been calculated as part of either the appraisal or evaluation process.

**How do you apportion impacts?**

For projects involving a number of **public sector** **funding partners** the required approach is to apportion impacts to the funders on the basis of the proportion of total project costs that they are meeting. For example, if one partner contributes 30% of the costs then it should “claim” 30% of the impacts. Given that these costs may be incurred by different partners over different time periods then costs should be expressed in constant prices to ensure that there is consistent treatment. Appendix 1 gives a worked example.

**Apportioning Impacts to interventions that are part of a wider support package.** There can often be a desire to apportion impacts to individual interventions that are part of a wider package of support. For example, account managed companies are often supported with a wide range of interventions, all of which are intended to help the company grow. Generally this should not be done. The evidence from a variety of evaluations has found that it tends to be the totality of support that drives impacts rather than individual interventions. Thus to apportion impacts to an intervention based, for example, on the proportion of total support funding it receives, may give misleading results.

**Need more help?**

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**APPENDIX 1 A Worked Example**

Table 1 shows the funding profile for an intervention involving 3 public sector partners: SE, Highlands and Islands Enterprise (HIE) and the European Regional Development Fund (ERDF). As can be seen different amounts of funding are allocated over different periods. All values are given in current prices.

**TABLE 1 Intervention Partners’ Funding Profile - Current Prices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Total** |
| SE Funding  | £800,000 | £500,000 | £100,000 | £100,000 | £1,500,000 |
| HIE Funding  | £500,000 | £500,000 | £500,000 |  | £1,500,000 |
| ERDF Funding  | £1,300,000 | £1,000,000 | £700,000 |  | £3,000,000 |
| Total Funding | £2,600,000 | £2,000,000 | £1,300,000 | £100,000 | £6,000,000 |
| GDP Deflator | 100 | 105 | 111 | 120 |  |

To apportion impacts the costs in each year need to be converted to comparable constant prices as shown in Table 2. This process is outlined in the Constant Prices (**ADD LINK)** section of the guidance. However, in essence it involves taking the appropriate year deflater and dividing this into the base year deflater (100) and then multiplying this by the relevant current price. For example, to express SE’s Year 2 current price contribution of £500,000 in constant prices is done by:-

(100/105) X £500,000 = £476,190

**TABLE 2** **Intervention Partners’ Funding Profile – Constant Prices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Total** |
| SE Funding  | £800,000 | £476,190 | £90,090 | £83,333 | £1,449,613  |
| HIE Funding  | £500,000 | £476,190 | £450,450 |  | £1,426,640 |
| ERDF Funding  | £1,300,000 | £952,381 | £630,631 |  | £2,883,012 |
| Total Funding | £2,600,000 | £1,904,761 | £1,171,171  | £83,333  | £5,759,265  |

The net GVA impact can then be apportioned to the partners according to the total share of the £5.759 million funding package they account for. This is based on the formula

Impact share = (Vi/TV) \* 100

Where:-

* Vi is the value of partner i’s contribution; and
* TV is the value of all contributions.

In the above example, SE’s share of any impacts is:-

 (£1.449/£5.759) x 100 = 25%.

Thus SE can “claim” 25% of any net impacts of the intervention as it is funding 25% of the costs.