

# Reaseheath College

## An Initial Economic Impact Assessment

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## Executive Summary

Reaseheath College makes a significant and growing contribution to the local and national economy. The currently measurable direct and indirect economic impact of its operation amounted to at least £61.77m in the academic year 2010/11. Furthermore, the economic activity of the College sustained 717 jobs elsewhere in the economy, in addition to its own staff of 696.

The economic contribution of Reaseheath College is founded on an excellent and growing reputation as a provider of Further Education and increasingly also Higher Education, very close co-operation with an increasing number of employers in several sectors, its close involvement in and support for rural communities, and very gratifying statutory inspection results.

The main contributing factors to the economic impact **Kressel** have discovered are the direct expenditure on staff, goods and services and the indirect effects induced by this expenditure; the effects of the education provided on the earnings of its FE and HE graduates and on the national wealth as measured through Gross Value Added (GVA); and the expenditure by the HE students themselves. In the absence of reliable data and models to measure training-related expenditure of FE students, we cannot quantify its amount for the purposes of this economic impact assessment.

Factors we have observed but were unable to measure at this time are the effects of Train to Gain and Full Cost courses on the earnings of the participants and sponsoring companies. Likewise, there is a significant and growing amount of work with farmers and food producers at regional, national and international level that either cannot be quantified yet or falls outside the reporting period. We are, therefore, convinced that the actual economic impact of Reaseheath College is significantly higher than the headline figure quoted above.

## Introduction

### Purpose and Background

This report outlines the economic impact of Reaseheath College. It does so by evaluating and enumerating the economic effects of its activities as an employer, purchaser of goods, educator of students and company staff, and as a specialist adviser to farming and other land-based businesses. In addition, it weighs up the impacts that stem from the activities of its students and staff.

The study utilises econometric data from a variety of sources to produce a detailed picture utilising both employment mechanisms and also value added methodologies.

The report has been produced by **Kressel** at the request of Reaseheath College. **Kressel** is a specialist regeneration practice with particular expertise in the fields of economic development as well as physical and social regeneration.

In preparing the report, **Kressel** has drawn upon the resources and support of Reaseheath College to obtain staff and financial information and also reports concerning the Enterprise Delivery Hub and other business support activities.

The information and advice within this report has been produced with all reasonable care in respect of accuracy and correctness, using nationally recognised sources of statistics and advice from the organisation which commissioned the document.

### Methodology

The report is divided into four different chapters that deal with different aspects of the economic impact Reaseheath College generates, followed by a final summary:

The first chapter describes Reaseheath College as an institution, its purpose and specific role, rankings, and wider reputation. These points are 'soft indicators' that cannot be measured in monetary terms with any degree of accuracy. They are nonetheless of great importance for the ability of the College to attract students as well as external customers and collaborators. Put differently, they determine the outside perception and attractiveness of the College and, with it, its potential to create an economic impact.

The second chapter quantifies the direct and secondary economic impacts Reaseheath College has as a major employer and as a purchaser of goods and services. It uses a well-established model to estimate the secondary effect on the local and national economy that is induced by these activities.

The third chapter quantifies the economic benefit to companies and other employers from working with the College and employing its graduates. Reaseheath College has only limited data available in respect of its engagement with companies in the past. Yet, even so, the available data paint an exciting picture of the economic benefits that accrue to the wider economy from its activities. They allow a very conservative, at least partial assessment of the monetary value of its impact on the economy that flows from the production and spread of skills and knowledge. They also form a baseline for possible further exploration of this aspect in future years.

The fourth chapter quantifies the contribution to the local economy that is derived from the very presence of students at Reaseheath College, their purchasing power and demand for goods, services and leisure pursuits.

Finally, the fifth chapter brings together the figures and findings of the previous chapters to give an aggregate figure of the total economic impact of Reaseheath College in all its parts and also looks at some exciting prospects for the future.

Calculation of the economic impact is based on figures for the academic year 2010/11, as these represent the most recent robust and audited figures. Where appropriate to demonstrate a certain 'direction of travel', it will also use figures from different years. These will, however, only be used for illustrative purposes.

## Chapter 1 - The College in Context

Reaseheath College is one of the leading land-based colleges in the United Kingdom. Based in rural South Cheshire near the market town of Nantwich, it primarily serves the rural communities in Cheshire and Warrington, as well as parts of Derbyshire, Shropshire and Staffordshire. Whenever possible, it also builds links across the Welsh border.

Reaseheath College has continuously expanded in recent years and continues to grow, with increasing student numbers, a variety of new, state-of-the-art facilities and a growing number of company clients for training contracts. Consequently, the figures contained in this report represent a mere snapshot on an accelerated journey of growth.

### Reaseheath College Students

Reaseheath College teaches almost 7,500 students<sup>1</sup>, of whom 98% are British. 58% of the students come from Cheshire & Warrington, 17% from Staffordshire, Shropshire or Derbyshire, 13% from the rest of Northwest England, with 12% from the rest of the UK.

Approximately 30% of the students follow LSC-funded Further Education courses; 10.6% are enrolled in Higher Education courses. The remainder participate in employer-led provision (i.e. Train to Gain and apprenticeships - 17.2%), Adult & Community or full-cost courses (37.2%), or schools programmes (5%).

Table 1: Reaseheath College student breakdown 2010/11 (actual student numbers)<sup>2</sup>

Student Category	Number	Percentage
Further Education (LSC-funded)	2,252	30%
Higher Education	792	10.6%
Schools Programme	372	5%
Train to Gain	503	6.7%
Apprenticeships	788	10.5%
Adult & Community Learning	1,390	18.5%
Full Cost Courses	1,400	18.7%
<b>Total</b>	<b>7,497</b>	<b>100%</b>

<sup>1</sup> Source: Reaseheath College Annual Report 2010/11, p.6. These figures provide an illustrative snapshot within an on-going upward movement with rapid expansion of all sectors.

<sup>2</sup> Source: Reaseheath College Annual Report 2010/11, p.6

## Reaseheath College Staff

Reaseheath College employs approximately 700 members of staff<sup>3</sup>, who need to meet exacting standards in their provision. All Higher Education courses are validated either by Harper Adams University College or by the University of Chester and are delivered to their specifications by highly qualified staff. Likewise, the Further Education provision was deemed to be either good or outstanding by Ofsted in their 2010 inspection of the College. Amongst other factors, this is another reflection of the quality of the teaching staff, who deliver these courses.

## Reputation

Reaseheath College enjoys a good reputation, thanks to the quality of its provision, facilities, external activities and positive engagement with employers. These efforts manifest themselves in growing enrolment figures, the great demand for the use of College facilities by companies, consistently good or better inspection results, prizes won by College students, an increasing number of co-operation initiatives with industry and excellent employment prospects for graduates.

### ***Ofsted Assessment 2010***

Ofsted rated Reaseheath College as 'Good' in its most recent inspection in 2010. Certain aspects of the provision, management, environment and support for students were rated as 'Outstanding'. Most notably, the provision in engineering received this grade, a reflection of the quality of training and the esteem in which it is held by employers<sup>4</sup>.

### ***Quality Assurance Agency for Higher Education (QAA) 2010 audit***

The Quality Assurance Agency for Higher Education (QAA) 2010 audit commended Reaseheath College for its good practice in managing the quality of learning opportunities and the awards it offers, as well as the accuracy and completeness of the information it provides<sup>5</sup>.

### ***Participation in Shows and Events***

Reaseheath College participates in a wide range of shows and rural events, thus giving its students valuable additional experience while enhancing its reputation as an institution that supports the rural communities. Notable examples of successful participation in such events include, *inter alia*, prizes won at RHS Tatton, the Cheshire Show and the Royal Welsh Show.

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<sup>3</sup> Source: Reaseheath College

<sup>4</sup> Source: [www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/130623](http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/130623)

<sup>5</sup> Source: [www.qaa.ac.uk](http://www.qaa.ac.uk)

***Graduate Employability***

Graduate employability of students from Reaseheath College is very high. 95% of all students who completed their degree in agriculture and related subjects in 2011 found either employment or continued their education. This figure is the highest for any institution in Great Britain offering degree courses in these subjects. Likewise, graduates in the Further Education and employer-related sectors have an employment rate of almost 100%. This excellent rate is testament to the quality of education and training student receive at Reaseheath and the value attributed to it by prospective employers.

## Chapter 2 - Impact of Reaseheath College as an Employer and Purchaser

Reaseheath is a major employer and purchaser of goods and services, which has steadily grown in recent years. These activities have a significant direct and even bigger secondary impact on the local and national economy.

### Direct Economic Impact

The direct economic impact of the College comprises the value of its payroll and the payments for goods and services. The direct value of these elements in 2010/11 amounted to a combined total of £21.039m. It is made up as follows:

#### *Employment*

Reaseheath College is a significant and growing employer in the local area. In 2010/11, the College employed 696 people with a total staff cost of £12.567m. The large majority of the employees have their main residence within close proximity to the campus: 405 staff members live within a 10-mile radius of the campus and a further 199 at a distance of between 10 and 25. Together, these groups represent 86.8% of all staff, accounting for £11,302m (i.e. 89.9%) of the total staff cost. Consequently, a large share of their income is spent within or close to Reaseheath College and its catchment area, leading to significant secondary effects in the local economy.

Table 2: Reaseheath Staff Costs 2007/08 - 2010/11<sup>6</sup>

Academic Year	Staff Costs (£m)
2007/08	8.720
2008/09	9.930
2009/10	11.234
2010/11	12.567

<sup>6</sup> Source: Reaseheath College Annual Reports March 2009, February 2010, 2010 and 2011.

### **Supply Chain**

Reaseheath College is a significant and growing purchaser of goods and services. During 2010/11, it made payments of nearly £8.5m to suppliers and vendors. Where possible and feasible, it will procure locally, thus maximising local employment and other secondary effects.

Table 3: Reaseheath Procurement Costs<sup>7</sup>

<b>Academic Year</b>	<b>Procurement Costs (£m)</b>
2007/08	5.723
2008/09	6.382
2009/10	7.309
2010/11	8.472

### **Secondary Economic Impact**

The nature of the activities undertaken by universities and other HE institutions generates larger secondary impacts (indirect and induced) than exist within most other sectors. The reason for this phenomenon is that the knowledge-based element of their operation does not require significant imports of goods and services as operating inputs. Therefore, costs are concentrated in local wages with relatively low import leakages.

Universities UK has developed a so-called 'type II' input-output model to calculate the secondary economic impact of universities, which has been accepted by the Government. Given the very similar nature of the HE and FE operations at Reaseheath College to that of an 'ordinary' university, and in the absence of a comparable model for FE, we have concluded that this model can be applied to estimate the whole secondary economic impact attributable to the FE as well as HE provision at the College.

By utilising the 'type II' input-output model adopted by Universities UK, we are able to estimate that for every £1 spent by Reaseheath College an additional £1.38 is spent in the UK economy<sup>8</sup>. For the £21.039m generated in direct economic impact (discussed above) in the academic year 2010/11, the College, therefore, generated an additional £29.034m in secondary economic impact in the economy.

<sup>7</sup> Source: Reaseheath College Annual Reports March 2009, February 2010, 2010 and 2011.

<sup>8</sup> Input-output model is a quantitative econometric technique that represents the interdependencies between branches of a national economy or between branches of different, even competing economies. This report utilises the multipliers calculated by Universities UK and accepted by the UK Government. U. Kelly et al. (2008) *The impact of universities on the UK economy: Fourth Report*, p.14.

Table 4: Direct and Secondary Economic Impact, 2007/08 - 2010/11<sup>9</sup>

Academic Year	Direct Economic Impact (£m)	Secondary Economic Impact (£m)	Total Economic Impact (£m)
2007/08	14.443	19.931	34.374
2008/09	16.312	22.511	38.823
2009/10	18.543	25.589	44.132
2010/11	21.039	29.034	50.073

The same model also allows calculation of the employment effect generated by an institution. According to the model, for every job in a HE institution, another 1.03 jobs are created and sustained elsewhere in the wider economy<sup>10</sup>. When applied to Reaseheath College (again assuming equal employment effects in the FE and the HE part of the College), this means that its employment of 696 staff generates employment for another 717 persons elsewhere in the economy.

Table 5: Direct and Indirect Employment Impact, 2008/09 - 2010/11<sup>11</sup>

Academic Year	Direct Employment	Indirect Employment	Total Employment Impact (Whole Economy)
2007/08	<i>No figures available</i>		
2008/09	490	505	995
2009/10	<i>No figures available</i>		
2010/11	696	717	1,413

9 Source: Reaseheath College Annual Reports March 2009, February 2010, 2010 and 2011.

10 Kelly et al., *The impact of universities*, p.15.

11 Source: Reaseheath College Annual Reports March 2009, February 2010, 2010 and 2011.

## Chapter 3 - Economic Benefits to Companies and Other Employers

Reaseheath College interacts with the whole public and private economy in a number of ways. Its particular role in doing so is to educate its students and to disseminate and introduce knowledge and skills that are relevant to the wider economy. The College consequently adds a sizeable amount of value to the economy, contributing to its competitiveness, productivity, efficiency and profitability. The contribution has three separate aspects:

- Training and education
- Knowledge Transfer
- Cultural activities

It is important to note that only a limited part of these aspects can be quantified in this report and that, therefore, the actual overall economic impact is likely to be significantly higher.

### Training and Education

The primary purpose of Reaseheath College is to educate and train individuals. The training and education ranges from Higher Education to schools programmes and also covers Further Education, apprenticeships and Train to Gain, as well as Adult & Community Learning and Full-cost Courses. Particular strengths of the College lie in providing education and hands-on training in land-based subjects and in delivering bespoke training on behalf of several major employers in the food and dairy, land management, engineering and motor vehicle sectors. These activities have a direct influence on the skills level, innovative capacity, competitiveness and profitability of the regional and national economy.

#### *Higher Education*

Reaseheath College offers a range of degree courses in a variety of subjects that are either land-based or related to motor engineering or food technology. Depending on the subject, they are validated either by Harper Adams University College or by the University of Chester. In the following paragraphs, we will analyse in more detail the economic impact of the HE provision by Reaseheath College.

In 2011, 206 Higher Education students graduated from Reaseheath College. Of these students, 130 gained a degree validated by Harper Adams University College - 22 a first degree and 108

another undergraduate qualification. A further 76 degrees were awarded to students by the University of Chester - 15 BSc Honours degrees and 61 other undergraduate qualifications. According to the National Students Survey, 87.5% of the students with a first degree obtained employment within six months of graduating from Reaseheath and 100% of students leaving with another undergraduate qualification<sup>12</sup>. Indeed, 95% of graduates from Reaseheath College in agriculture and related subjects found employment or entered further study. This level of outcome is the best in Great Britain for any land-based college, a very clear indication of the quality of education on offer and the value attached to it by prospective employers.

The reported average salary of Reaseheath graduates in work was £20,492 p.a.<sup>13</sup>. This figure is above the national mean salary of £20,000 for graduates who left university in Summer 2011 and even further above the median salary of £19,000 recorded for university graduates at the same time.

When calculating the salary uplift a new graduate might achieve, one could consider comparing their salary to that of a person working full-time on the minimum wage applicable in summer 2011, who would have earned £12,334 p.a.<sup>14</sup>; by comparison, someone working full-time in an elementary occupation would potentially have earned £16,744 according to the national average published by the ONS<sup>15</sup>. Whilst assuming that graduates, who have not found employment adequate to their level of education might earn slightly above the national minimum wage, it is unlikely that their starting salaries in an elementary occupation would match the national average for those occupations. Instead, it might be safer to assume that their earnings would be quite closely related to those of former students of other universities in the sub-region. According to figures from the University of Chester, graduates of that institution, who did not immediately find adequate employment upon leaving in the period 2008-10, earned £13,189 p.a. on average<sup>16</sup>. Even allowing for generous pay inflation to an assumed £13,500 for graduates in Cheshire, who have not found adequate employment, the salary uplift for successful graduates of Reaseheath College, therefore, would still amount to almost £7,000 p.a. When applying this figure to the 201 successful graduates from the College in 2011, who quickly found adequate employment, the overall salary uplift amounts to £1,405,392.

It is worth noting that the increase in GVA, and therefore the actual economic impact, attributable to the graduates leaving Reaseheath College is even bigger than their mere increase in salary. Employers in the North West of England typically pay their employees 61% of the GVA they generate<sup>17</sup>. When applying this percentage to the annual cumulative salary uplift of £1,405m, we

12 Source: Harper Adams University College, Evaluation of Careers Destinations - 2010/11, May 2012

13 Source: Harper Adams University College, Evaluation of Careers Destinations - 2010/11, May 2012

14 Basis of calculation: £5.93 per hour x 40 hours/week x 52 weeks/year.

15 Based on £322 per week x 52 weeks/year, taken from Table EARN06: Gross weekly earnings by occupation Source: www.ons.gov.uk,

16 Source: Kressel Regeneration, University of Chester, An Initial Economic Impact Assessment, 2012, p. 14.

17 SQW Consulting, The economic impact and potential of higher education institutions in the North West, A report

can estimate a total annual economic impact of at least £2.304m as a result of graduates taking up graduate-level employment in the first six months after leaving the College.

### ***Further Education***

Besides HE, general FE provision as well as employer-led learning (i.e. apprenticeships and Train to Gain) are equally important in supplying a skilled workforce to the economy. During 2010/11, 1,275 FE students graduated from Reaseheath College and 124 apprentices. Based on the figures for net lifetime earnings increases of individuals at levels 1, 2 and 3, we are able to estimate that the FE graduates, who left Reaseheath in 2011, will achieve an additional annual net income of £1.301m. When recalculated to gross figures, it shows that they will achieve an additional annual gross income of £1.6m compared to the earnings they would have commanded with their previous, lower qualifications<sup>18</sup>.

As explained above in the context of the salary uplift achieved by HE graduates, employers in the North West of England typically pay their employees 61% of the GVA they generate<sup>19</sup>. When applying this percentage figure to the annual cumulative gross salary uplift of £1.6m for FE graduates, we can estimate a total annual economic impact of £2.623m as a result of the FE training for people, who graduated from Reaseheath College in 2011.

### **Knowledge Transfer**

Reaseheath College has an active Knowledge Transfer and business support programme that is particularly aimed at businesses in the farming and livestock, dairy and food production sectors. The specific current offers and facilities for companies and individuals in the sector are as follows:

#### ***Enterprise Delivery Hub***

The Enterprise Delivery Hub was originally a business support programme for rural businesses that was 100% grant-funded by the NWDA. Upon expiry of the external funding, Reaseheath College decided to continue the provision and brand it as part of its own in-house support offer for companies. The Enterprise Delivery Hub acts as a focal point for the delivery of targeted and

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to the Northwest Development Agency, 2009, p. 32.

18 Source: BIS Research Paper No. 83, Returns to Intermediate and Low Level Qualifications, September 2011.

Tables 80 and 81 give ranges of individual lifetime rates of return of vocational qualification attainment for men and women. These ranges allow us to calculate an annual average for the graduates, based on the types of qualification they achieved, their gender and an assumption that they will continue to be gainfully employed for 40 years after graduating.

19 SQW, Economic Impact, p. 17.

relevant training, hands-on demonstrations or individual bespoke support interventions. It is, however, impossible to attribute a direct economic impact to the scheme at present.

### ***The Dairy Lean Programme***

The Dairy Lean Programme seeks to optimise the profitability of dairy farms by developing and implementing KPIs for each aspect of their operation. Full implementation of the Dairy Lean Programme is expected to take up to three years on each participating farm. However, after 18 months the initial pilot farm already shows an improvement of 21% in yield per litre of milk produced, with reduced input costs and an improvement in overall production. This improvement in yield may potentially even rise to 75%. Based on the increase of 21% in yield per litre of milk, the expected annual profit for 2011/12 was increased by £22,373 compared to the baseline figure, an increase of 32.1% over the previous year. A further 10 farms are currently undergoing the same process prior to a planned wider roll-out; no results are available for these farms as yet.

### ***The RDPE North West Livestock Programme***

Reaseheath College is one of the delivery partners in this knowledge transfer programme for livestock farms that covers the whole North West of England. The programme aims to spread awareness and best practice in animal husbandry among livestock farmers. An interim evaluation published in 2012 confirms that it is largely successful in attaining those targets; it does not, however, identify any direct or quantifiable economic impact.

### ***Demonstration and Training Plants***

Reaseheath College has a number of specialised, state-of-the-art plants that are used to train students and external parties in a fully functioning and hands-on environment and that also offer commercial R&D and training facilities for companies. The facilities include: -

- The Eden International Dairy Academy, which focuses on the dairy sector;
- The Food Innovation Centre that allows the manufacture of all foods, including dairy products, butchery, bakery and confectionery;
- A fast-exit milking parlour;
- An RSPCA-approved high-welfare pig unit;
- An anaerobic digester.

Together, these facilities form a very comprehensive package for the development and testing of cutting-edge techniques and products. They are underpinned by an extensive offer of seminars, practical demonstrations and training opportunities for individuals in the agricultural and food sectors. The offer allows participants to update themselves with the latest trends and research findings and gain practical experience before implementing any new approaches in their own settings. Eminent examples of their use and versatility include the development of a new product to reduce and replace the amount of salt used in cheese, and the training of 10 dairy and livestock experts from Pakistan in advanced dairy management. The latter project might even lead to further international follow-on work, thus strengthening UK exports.

All of these offers have a very clear economic impact and benefit for all participants. Whilst the outcomes have not been sufficiently documented in every case to be quantified as part of the present report, their cumulative strengthening of the wider economy must not be overlooked.

### **Staff Cultural Activities**

Reaseheath College contributes significantly to social, community and cultural activities within its locality. Regular attendance and exhibition by staff and students of the College at rural shows and events, as well as the organisation of and participation in voluntary activities demonstrate the strong commitment to supporting rural communities and their economic and social well-being. In this context, 136 hours of voluntary work by Reaseheath staff could be documented for the purposes of this report. At the prevailing National Minimum Wage of £5.93 (from October 2010) during that academic year, this equates to a monetary value of £806. We believe, however, that the majority of such activities has not been documented and that, therefore, the actual figure is significantly higher.

## Chapter 4 - Student-related Economic Impact

### Student Expenditure

Student expenditure falls into two broad categories: Accommodation-related expenditure (i.e. usually rent for flats or small houses) and other expenditure excluding rent. The calculations in this chapter are based solely on the number of full-time equivalent HE students (799), in the absence of suitable information about the FE students. This approach is governed by the assumption that younger FE students and apprentices usually still live at home, whereas part-time or older students have often already established themselves to a degree that makes it virtually impossible to distinguish their 'ordinary' expenditure from study-related spend.

Only 20 of the HE students of Reaseheath College appear to rent their living quarters in the private sector, i.e. accommodation that is not situated on the campus and does not belong to the College estate. According to the National Union of Students, the average expenditure of students residing outside of London for privately rented living accommodation amounts to £4,004 per student and year. Based on this average, the 20 Reaseheath College students renting accommodation from the private sector contribute some £80k of annual rent payments to the local economy.

Non-rental expenditure by HE students at Reaseheath College amounts to a further £6.575m per annum. Table 6 (below) is based on NUS data. It provides a breakdown of the broad categories of expenditure and the corresponding amounts that make up this figure.

Table 6: Student Expenditure excluding rent

	Average Expenditure per Student	Full-time Equivalent HE Students	Total Expenditure
Books, equipment etc.	£978	799	£781,422
Travel	£2,041	799	£1,630,759
Food	£1,788	799	£1,428,612
Household goods	£289	799	£230,911
Insurance	£40	799	£31,960
Personal items	£1,896	799	£1,514,904
Leisure	£1,197	799	£956,403
<b>Total</b>	<b>£8,229</b>	<b>799</b>	<b>£6,574,971</b>

## Visitor Economy

Reaseheath College holds regular open days. In 2011, it also organised its first own HE graduation that took place in Nantwich. Events of this kind generate significant numbers of visitors to the locality. Their economic impact can be measured as follows:

In 2010/11, 1,085 attended Open Days, bringing, on average, 2 guests with them. Therefore, a total number of 3,255 individuals visited Reaseheath that year due to College Open Days.

The first-ever HE graduation ceremony held by Reaseheath College at the end of the 2010/11 academic year was attended by 130 students, who brought some 390 guests with them (i.e. an average of 3 guests per student). Therefore, approximately 520 individuals in total visited Nantwich to attend the graduation event.

Based on the distance travelled, all Open Day and Graduation Day visitors are assumed to be day visitors. In order to calculate the economic impact of these visitors on the local economy, we have utilised NWDA Tourism Volume and Value estimates, which assume that an average day visitor in the North West spends £31 per trip. The actual local economic impact of the visits depends on the share of that money that is spent in the surrounding area instead of on the campus.

Due to the relatively remote location of the campus, the Open Day visitors are likely to spend a sizeable part of their money at the College itself and another, slightly larger part elsewhere in the vicinity, as they may also spend time in the local surroundings to explore them or take a meal. It has been assumed, therefore, that the average Open Day visitor spends 40% of their spend (£12.40) at the College and the remainder (£18.60) in the local economy. This equates to a total spend of £60,543 in the local economy during the academic year 2010/11.

By contrast, Graduation Day visitors are unlikely to visit the Campus for any significant time on this occasion. Based on the assumption that they will spend all their money in the local economy as a consequence, we calculate an economic impact of £16,120 for the surrounding area, particularly the town of Nantwich.

In total, therefore, Reaseheath College generates £76,663 for the local economy per annum due to the day visits its events give rise to.

## Student Volunteering

Reaseheath College students continuously get involved in voluntary activities to benefit their surrounding communities. Activities of this kind in 2010/11 include:

- Raising of £16,500 for the North West Air Ambulance
- Raising of £3,000 in a charity auction
- Improvements to the outdoor classrooms at Willaston Primary School, Nantwich
- Planting of 300 trees for Climate Week 2011
- Re-planting the Cenotaph in Crewe
- Creation of wildlife habitats, landscaping and creation of visitor trails, paths and viewing hides

Activities falling into the last bullet point involved 165 students, who worked a total of 2,660 hours. Assuming that one-half of the participating students fell into the 18-20 age bracket and the other half were older, the total combined value of their work at the prevailing National Minimum Wage rates from October 2010 equated to £13,888. Added to the funds of £19,500 that students raised for charitable causes, the total value of their contribution through voluntary activity in 2010/11 was £33,388.

## Chapter 5 - Overall Economic Impact

Reaseheath College is a major factor in the local and national economy. The calculations set out and explained individually in previous chapters demonstrate that the College contributes a rapidly growing amount to the UK economy, which amounted to £61.766m in 2010/11. We expect the figures for the academic year 2011/12 to be even higher. The following table summarises our findings in detail:

Table 7: Reaseheath College Overall Economic Impact 2010/11

Category	Description	Annual Total Impact
Direct Economic Impact	Payroll	£12,567,000
	Supply Chain	£8,472,000
Secondary Economic Impact	Indirect / Induced Impact	£29,033,820
Economic Benefits to Companies and Other Employers	Education and Training (FE)	£2,622,942
	Education and Training (HE)	£2,303,921
	Knowledge Transfer	Not quantifiable in accounting period <sup>20</sup>
	Staff Cultural Activities	£806
Student-related Economic Impact	Student Expenditure - Accommodation (HE only)	£80,080
	Student Expenditure - Non-accommodation (HE only)	£6,574,971
	Visitor Economy	£76,663
	Student Volunteering	£33,388
<b>Total</b>		<b>£61,765,591</b>

<sup>20</sup> The measured economic benefit of the Dairy Lean programme relates to a later period (i.e. 2011/12 instead of 2010/11) and cannot be included in this calculation.

Reaseheath College also creates very considerable additional economic impact through its Knowledge Transfer activities. These offers create tangible and potentially quantifiable economic benefits for participating companies and, by implication, for the wider economy. In particular, the Dairy Lean project is beginning to demonstrate increases in profits for participating dairy farms and will measurably improve their economic viability whilst also making them less reliant on externally purchased, expensive feedstock.

The new training and demonstration facilities on the campus will have a similar effect for farms and food production companies that avail themselves of their offer. The RDPE North West Livestock Programme, the Enterprise Delivery Hub and the rapidly expanding general offer in the fields of food technology and food engineering are important transmission mechanisms for this purpose.

The international work with Nestlé brings all the knowledge and facilities together in a very competitive export proposition. It has the potential to boost the UK economy further through significant knowledge exports whilst also feeding international best practice back into British agriculture and food production. Building on the very successful work in this field in Pakistan, the College and Nestlé are now looking to increase the knowledge transfer and exports from Reaseheath in the fields of land-based technology and food technology even more, by taking them into China.

In the field of food technology, Reaseheath College is currently also at the beginning of what promises to become a similar co-operation with Kraft Foods. If this arrangement succeeds, it will allow the College to diversify its base of highly reputable co-operation partners, bringing yet further opportunities in the UK and internationally.

Finally, Reaseheath College has recently negotiated and implemented an arrangement under which all HE students, whose courses are validated by Harper Adams University College, are directly funded instead of via the University College. As a result of this achievement, Reaseheath College now gets better student data, can manage the students better, use better retention and success strategies and receives more funding per student that can be invested directly into the quality of the courses delivered. The expected outcome of this direct funding agreement is a further increase in the quality of education, resulting employability and earning prospects of students, and consequently the overall economic impact of the College.