

11. Annual Review of the Economic Development Service

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Purpose of the Report

The purpose of this report is to inform members of recently introduced changes to the Economic Development service with an explanation of the additional support that is now being provided. The report also updates members on the progress of financially supported external programmes.

Recommendation

Members are recommended to note the contents of this report and asked to encourage businesses to engage with the enhanced service now being provided.

Background

Economic Development support for businesses in South Somerset has been an integral part of the service provided for many years. The encouragement of inward investment has always been at the forefront of the service's objectives. Through investment programmes, the authority has purchased development land and supported businesses who look to relocate or grow in this area.

Financial contributions are given to external organisations, which in turn are used to provide specialist support and expertise to businesses in South Somerset.

In January of this year, District Executive approved an expansion of the Economic Development Service to enable much stronger links with businesses to be established, particularly those who are seeking to engage with other services of the authority, e.g. Planning, Environmental Health etc. This expanded service is funded entirely by previously unused resources available due to difficulties attracting a Principal Economic Development Officer for Yeovil and the use of a Government grant. Known as the Local Authorities Business Grants Initiative (LABGI) this funding is used to support economic growth. This report is intended to inform members of the changes and additional support available to businesses in South Somerset.

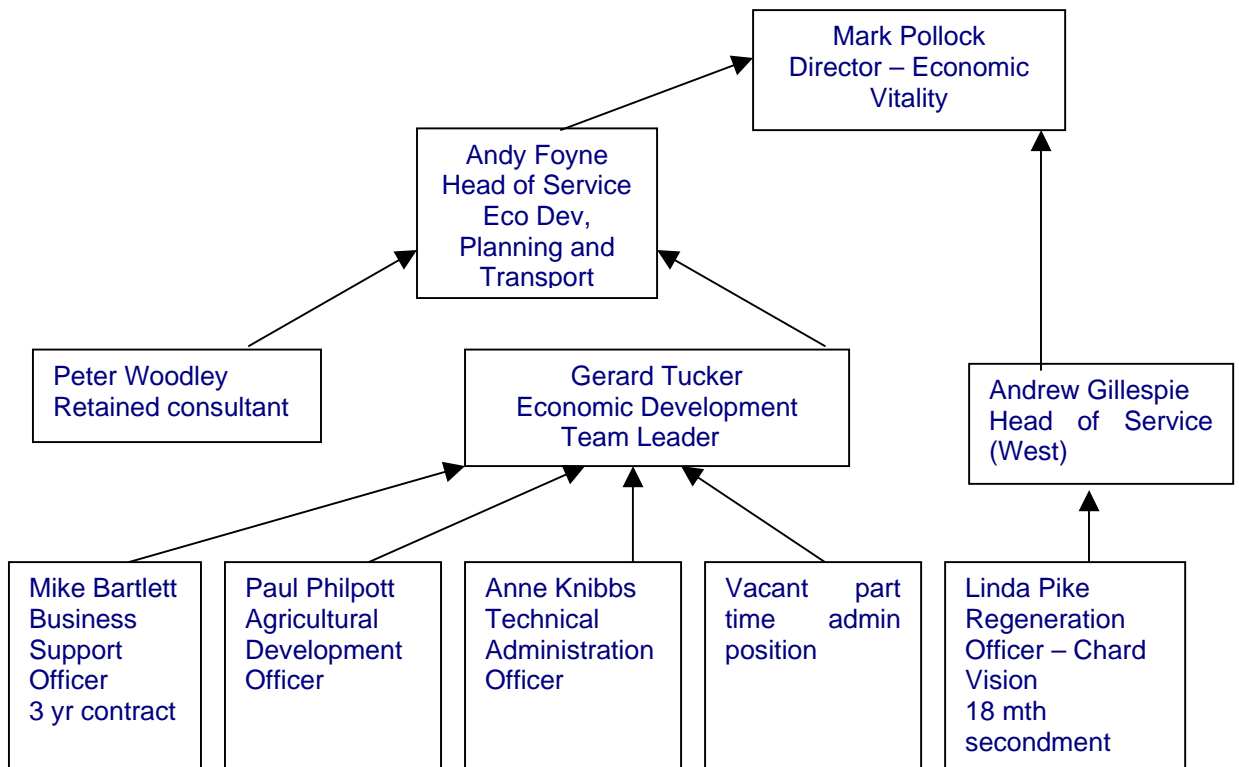
Report

The Economic Development Service has recently expanded to include two additional positions, a Business Support Officer and Economic Development Officer (Chard). Mike Bartlett joined the team as the Business Support Officer in early June. From a background of being a self-employed business consultant, Mike is well placed to recognise and deliver support for businesses, particularly the smaller rural ones. Working in partnership with our Development Control Planners, Mike is helping to deliver the new Business Ambassador Service which aims to provide 'joined up' support for people submitting or considering submitting planning applications. Where required, assistance can be given by connecting the enquirer with external organisations to the authority such as Business Link, Somerset Highways etc. Mike will be developing with the Economic Development Team Leader a more explicit strategy for business support, delivered as part of a partnership with relevant organisations.

Linda Pike will join our team in early September as the Economic Development Officer (Chard). Currently working in Lincolnshire in a similar role, Linda recognises that delivering the Chard Vision may have some challenges, yet is looking forward to tackling them head on. She has an enormous amount of experience, which will be very useful in helping to deliver projects identified in the Chard Vision. Whilst focussing on the Chard Vision, Linda will be supported by the central Economic Development Service.

The Business Ambassador Service will be extended to identify a member of staff responsible for forging links with business owners to assist them with enquiries on a range of SSDC services, also external organisations. It is likely that Gerard Tucker will be responsible for developing this service in Areas North and West (with the exception of Chard), Mike Bartlett in Areas South and East and Linda Pike will engage with Chard based businesses. Based four days a week in Chard, Linda will work within the Area West Development team for four days per week, and be based in the Economic Development Team for one day per week.

Structure of the Economic Development Team



Paul Philpott continues to be our Agricultural Development Officer, responding to district wide individual requests for support with diversification projects in the rural sector. More recently, the encouragement of farmers to work in co-operation with others is beginning to show signs of success. For example the Orchard Group has identified particular issues connected with the cider industry and set about identifying and delivering solutions. Paul has experience of working with Defra, which has proved invaluable when submitting grant application claims through their Rural Enterprise Scheme (RES), which has sadly now come to an end. Opportunities for farmers to develop buildings for small industrial type units still exists through the Rural Renaissance workplace programme. Applicants can receive up to 25% of the build renovation costs, yet the work has to be completed by March 2008.

The service continues to be ably supported by the skills and experience of Anne Knibbs our Technical Administration Officer.

Peter Woodley, the retained consultant is contracted to work within South Somerset for one day per week. Having access to someone who is used to negotiating complex deals has proved extremely useful in the past. Peter's employer, Atis Real will not have their contract extended after October 2007. The financial savings are being used to facilitate the expansion of the Economic Development Service.

Major schemes that the Economic Development Service are currently working on includes:

- The Yeovil Innovation Centre
- Introduction of Phase 3 – Lufton 2000
- Delivery of the Yeovil Vision
- Additional car park provision in market towns, principally in Crewkerne and Ilminster
- Implementation of the Business Ambassador Service
- ACI Boden site in Chard Town Centre
- Disposal of authority owned business development land
- Chard and Ilminster (Horlicks) key employment sites

Identifying suitable sites for car parking in principal market towns is proving interesting. I am pleased to report that there is willingness in both Crewkerne and Ilminster to find solutions and progress is being made.

Contributions are given annually to some external organisations to assist them to deliver their objectives. In return for our contribution, we expect to have an annual update on the progress of the organisation, particularly, how our contribution supported businesses and organisations in South Somerset.

Somerset Food Links has a Service Level Agreement with South Somerset District Council to the value of £12,000 per annum. For this, it is agreed that they will provide at least 15 businesses with up to two days one to one concentrated support for those involved in the food manufacturing and distribution sectors. In addition, our contribution will be used in part to help promote the extremely successful Food Fair at Montacute House in September. There is some flexibility with the provision of additional specialist advice as and when required. This could include supporting a trial of Producers or Farmers Markets in a community, helping establish a community shop or box scheme etc.

A workspace demand study has been commissioned, whilst it has fallen a little behind the original schedule, the recognition of its merit with many local authority departments has focussed the urgency to complete the study. A requirement under the Local Development Framework is to identify available workspace and the Economic Development Service will undertake a much more robust survey which will be particularly useful for Development Control Planners and many others.

Annually, the Economic Development Service contributes £10,000 towards a Business Start-up grants programme, which annually supports 200 businesses and £6,200 towards the Rural Business Chest. Both are administered by Business Link.

Rural Business Chest

From the total distribution of Rural Business Chest (RBC) grants, South Somerset businesses received 37% of the total number of grants available in the year 06/07. The RBC grant is not available for businesses in Taunton, Bridgwater or Yeovil.

23 businesses received a grant averaging a payment of £456. This equates to almost £10,500, which when the match funding element is added demonstrates that £39,340 was invested in South Somerset. The RBC grants were used mainly for the purchase of IT equipment, general equipment and marketing. SSDC's contribution, which has been committed for the next three years is coming from the LABGI funding received from Govt.

There are a few rules changes for applicants considering a grant.

- There is to be no further request for funding for two years after a successful claim
- Claims for funding to be made within four weeks of the grant letter being sent.
- Training can now be reclaimed through a RBC grant.

Business Start-up Grants

- There is to be no more one to one consultancy meetings between a business and the Business Start-up grants advisor based in Business Link. This is because most enquiries received are either for grants advice or help with cash-flow forecasting. It has been decided to organise workshops on these subjects in areas as required.
- The existing awareness programme is running well and is fully committed.
- A mentor is offered to businesses who wish to receive help with business planning. This amounts to 6 full days over an eighteen-month period if required.
- Awareness sessions are being offered in each district, SSDC's currently in Yeovil at the Girl Guides centre or Brympton Way.
N.B There is an opportunity to host these group sessions in market towns throughout the district if a free meeting room could be identified – you may wish to consider supporting businesses locally.
- Having attended an awareness course, if considered suitable, businesses are encouraged to attend a 3 day course which is run every six weeks on specialist subjects e.g. IT, Marketing, Employing People etc.
- A concern was raised about the number of people who book to attend a course, who then fail to turn up!
- Evening courses are currently being run over six evenings aimed at supporting women who are trying to get into business.
- A start up course for Polish migrants is currently being run in Yeovil. The level of commitment from 6 attendees is extremely high.
- Future ideas could include courses aimed at supporting lone parents who are considering starting a business and women on farms who will be taking the lead in a farm diversification project.

Somerset County Council Field Worker

Annually, the Economic Development Service gives £9,000 to support the work of the Somerset County Council Field Worker. Chris Langford, who is currently located in SSDC Area North has responsibilities within South Somerset for:

- Delivery of the Community Chest fund (see Area West summary below).

- Rural Renaissance funding which enables the development of sustainable projects that generate employment, improve access to services and realise the environment as an economic asset.
- Representing the Somerset area on the Blackdown Hills Leader+ steering group.

The Field Worker takes a county-wide role in:

- Food and farming related issues. This work includes involvement with the Agricultural Development Officers based within the districts.
- Co-ordinating the Somerset Land Economy Group, providing a voice for Somerset on matters affecting the rural economy and environment.

Somerset Community Chest successful grant applications – Area West year 06/07

- A grant total of £13,757 was awarded to 32 different groups in South Somerset towards projects totalling an impressive £72,481. In total 35 groups applied for funding. One application was declined as it was outside of the Community Chest criteria. Two applications were deferred, during this financial year, pending further information.
- The average grant awarded was in the region of £430

What the groups said.....

- ❖ **Somerset Portuguese Association** – Awarded £750 to stage a ‘Friendship Week’. *“We were very happy to receive the grant – it made a lot of difference and without it we wouldn’t have been able to put on a full week’s events. It was very successful and enabled us to share our Portuguese culture with Chard”.*
- ❖ **Ashill Village Hall** – Awarded £115 towards a new cooker. *“We are thrilled and very grateful to be awarded half the cost of a Baby Belling cooker for the Seniors Lunch Club”.*

Somerset Community Chest Grants awarded in Area West 2006/07

Meeting Date	Project Group	Project Details	Grant	Project Value
May	Ashill Village Hall	Cooker for Seniors Lunch Club	115	229
October	Jubilee Hall, Winsham	Purchasing furniture	560	1,243
November	Horton Victory Hall	Kitchen equipment	600	4,276
February	Donyatt Village Plan	Printer/photocopier to produce monthly newsletter	167	385
February	Somerset Portuguese Association, Chard	Presenting a Friendship Week	750	7,000
		Total	£2,192	£15,325

Total Somerset Community Chest Grants awarded to SSDC Areas:

North	£6,912
East	£4,330
South	£ 890
West	£2,192

Implications to Corporate Priorities

- Increase economic vitality and prosperity
 - Raise the skill level of the local workforce to achieve a higher average relative wage across South Somerset by 10% by 2012
 - Work in partnership with the public and private sector in delivery of the Yeovil Vision
 - Work in partnership with the public and private sector in developing and delivery of the Market Towns Vision
 - Identify and address the particular issues affecting rural areas

Financial Implications

There are no financial implications as a direct result of this report.

Background Papers: *District Executive report - January 2007*
