

Area West Committee – 17th September 2008

9. 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 the activities and progress of the Economic Development service and highlight recently introduced changes since the last presentation to members in July 2007.

Recommendation

Members are recommended to note the contents of this report and asked to encourage Chard based businesses to engage with the opportunity for wireless IT connection.

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, together with continued support for existing South Somerset based businesses. Through investment programmes, the authority has purchased development land and supported businesses that look to relocate or grow in this area. Chard Business Park being an example in Area West.

More recently, we have recognised that Chard is a key market town with a number of economic issues which need dedicated Officer time to bring forward and deliver. This awareness has led to the appointment of Linda Pike as the Economic Development Officer located in Chard.

Report

Chard Business Park

There has been significant interest in the remaining plots of land owned by SSDC at the Chard Business Park over the past year. The sales of each of the five plots of land have all been to Chard based businesses including RG Spiller and Eagle Plant, who will be relocating from Millfield Trading Estate. If the intentions of all the purchasers are upheld, there will be in total 12 new business premises created on the Chard Business Park. There are two remaining plots, neither of which SSDC have an ownership involvement. This includes the large, visual Plot 1, which extends to 2.2 acres at the junction of Furnham Road and Thorndun Park Drive.

Planning Consultation Response

As part of the Development Control planning consultation process, the Economic Development service is invited to submit comments on applications that are considered to have an economic impact. Every request for information is responded to, with a target of 95% responses within the allotted time. In the past twelve months 88 applications in Area West have been received with 97% return rate.

Often a planning consultation response requires additional work to ensure all of the economic activity is fully understood and can be commented on robustly. The recent application for the variation of the sale of goods at a site in Crewkerne is an example of this additional input. To ensure where possible the ED service provides both comprehensive and consistent advice, a number of specific protocols have been written. Examples include protocols on the development of holiday lets, change of use for public houses and the marketing of premises to comply with the requirements of planning policies. In addition to these changes in the services response to planning consultation, Economic Development is a regular attendee at the recently introduced pre-application surgeries, where developers and potential applicants can discuss their proposals before submitting a detailed application.

Post Office Closures

Area West had two Post Offices identified in this current round of closures. Across the District, 13 Post Offices have been served notice to stop trading this summer, of which 9 are in Area East! The Economic Development team are providing support in various ways. Our Business Support Officer – Mike Bartlett has contacted each of the Post Offices and offered to visit with the intention of providing one to one business guidance and support. Interestingly, a number of these premises are integral to the family home and with the support and guidance of the Development Control Planners, a protocol has been devised which may prevent the marketing of the premises if a Change of Use is sought. The Post Office closure programme is an example of how the Area Development staff and ED are working collectively to try and reduce the impact on businesses affected.

Farm Diversification

Previously, our Agricultural Development Officer (ADO) – Paul Philpott was partly funded by a Rural Renaissance grant known as the Somerset Rural Business Support Service. There has been little grant support for farmers in the last two years. Thankfully, the programme known as the Rural Development Programme for England (ERDP) has been revitalised and is open again for applications. Contact through a newsletter has been made with farmers throughout the District informing them of this opportunity to apply for funding, together with an invitation to engage with the ADO for linkages to other services within the authority.

The Somerset Workspace Scheme has also been extended until March 2009. Farmers with redundant buildings which could be converted to other economic uses are encouraged to apply for funding which could be for as much as £70,000, although the maximum allocation will be for 25% of the total project costs.

The introduction of the Single Farm Payment will be complete by 2012. Whilst this date seems some way off, farmers are encouraged to register with the programme as soon as possible. Thankfully, it is only a small minority of farmers who have not registered, yet ironically, it is probably this sector, which will require the most support from the ADO.

Somerset Food Links (SFL) has entered into a transitionary period, due to the completion of many previous projects and end of funding opportunities. A joint Service Level Agreement has been compiled between all of the local authorities who are making a financial contribution to the organisation. Recognising that SFL are unable to provide the same level of support to food producers, the Agricultural Development Officer will, where required, work with SFL to ensure a continuity of support. There is a new funding opportunity later this year when the Big Lottery grants programme for food and drink producers is launched. SFL have every intention of applying for this fund. SFL recognise

that in the future they should be less dependent on external funding and should begin to move towards a programme of self-sufficiency.

Support for the Rural Business Community

Since the 1st April, the ADO has been part of SSDC's mainstream funding and no longer has shared responsibilities across the county. This has enabled us to review the activities of the ADO and through a revised action plan have introduced programmes of involvement with the wider rural business community. Unfortunately, the economic downturn is already having an impact on rural businesses, evidenced by the large number of applications received for the change of use of public houses, garages and as mentioned earlier Post Offices. The ADO will be contacting rural businesses and seeking their input, initially by questionnaire followed by a series of one to one interviews. This will help the Economic Development service understand better the problems facing the rural economy and should help us devise an action plan to provide effective support. This work is scheduled to be completed by October and may warrant a separate report to Area Committees. Farm shops will also feature in this study, as they are becoming an integral part of our rural based economy.

Business Ambassador Service

The Economic Development service predominately responds or reacts to enquires (e.g. planning consultation). During the past year we have attempted to become much more proactive in our approach to businesses. Two separate programmes have been devised, the Business Ambassador Service and the Account Manager Programme.

Development Control planners and ED often receive enquires about premises expansion or development which were acknowledged and responded to individually. We now have a protocol between the two services, which aims to ensure that the maximum level of integration is provided to assist the applicant. Where appropriate, a business enquirer who mentions that he is looking to expand or relocate is immediately offered the services of the DC planners to help with the process, before too much effort is put into drawing plans and submitting an application. Similarly, if DC planners receive an enquiry, they automatically forward them to ED for our input. I consider some of our best work is working with a business and where appropriate informing them of the unlikely approval of a pending application, thus saving them time, money and anxiety.

The Account Manager Programme is a more proactive approach to the 100 top employers across the District. The list of businesses of 50 or more employees is contacted annually and an identified staff member visits them with the aim of ensuring the appropriate level of local authority support is provided. The largest businesses in the District e.g. Yeovil Hospital, RNAS Yeovilton etc are assigned to the Corporate Director for Economic Vitality. The remainder of the businesses are sub-divided between Economic Development staff. When a visit is arranged, an invitation is extended to either the portfolio holder for Economic Development, Planning and Transport or the Chairman of the Local Strategic Partnership. This proactive approach has identified numerous issues which key businesses didn't recognise the role of SSDC to resolve. From 22 visits made by one ED staff member, 8 apprenticeships have been encouraged with onward signposting to Yeovil College.

Retail Study

In addition to the work in the wider rural communities already mentioned, it is the aim of the Economic Development Service to work with Area Development colleagues and 'map' the activity of our ten market towns. By identifying the types of business use and the number of vacant premises, we will be able to year on year assess the changing

demographics of each respective market town. Crewkerne has already been 'mapped'. Ilminster and Chard will be completed soon and the information will be communicated to members.

By understanding the variety of businesses in each market town, we will be able to look for trends of economic activity. Of particular interest are the number of empty shop units and the number of fast food takeaways which is a clear indication of the nighttime economy. This study will also include the public houses in each market town. Previous regional and countywide studies will be consulted and local trends will be determined compared to the regional and sub regional ones.

Chambers and Business Associations

The advantages to a business joining a Chamber of Trade or Business Association extends beyond the opportunity for collective lobbying in an attempt to remedy difficult situations. The power of business networking should never be underestimated, particularly in our market towns. We continue to encourage businesses to join their local Chamber. We have often found that whilst the businesses in a locality may be dissimilar, the problems encountered and possible solutions are often resolved best through the sharing of experiences. Transport, traffic, car parking, business rates are all issues which the ED service have involved themselves with, supporting businesses in market towns. Each of the market towns in Area West have chambers of trade or retail associations and in every one, the ED team have been proactive in working with members.

Connecting Chard

Through a grant provided by the Local Strategic Partnership (LSP) in July 2007, the primary aim of this project is to attract a commercial wireless broadband service that would give Chard businesses faster and better Internet connections. In addition, SSDC was to donate services such as land maps, antennae permission on council property, and information about potential wireless sites.

In an attempt to raise the awareness of this programme, a successful open meeting for interested parties and businesses in Chard was held in November 2007 – around 70 people attended. Although there was much verbal interest, only three Chard businesses/organisations have actually followed through with applications for grant funding.

Installation fell behind schedule mainly due to obtaining permissions for suitable antennae sites. The main site, owned by a participating business, was eventually made ready by the business in March 08 and was connected shortly afterwards. Crimchard Business Centre was connected in April 08 – this is interesting as the Centre operator is selling on the service to all its tenants. Chard Guildhall has just given permission to act as an antenna site and is currently being connected.

A local ICT support company, PC Doctor, is keen to provide local support to connected businesses, thus extending their own client base.

The main objective of the project has been achieved, but it is clear that for it to make the desired impact, more businesses should now be signed up.

Despite the well-attended open meeting, only four organisations have expressed interest to the point that they are prepared to pay for the service.

A joint effort – between SSDC's Economic Development Team and Connecting Somerset – will now need to be made to contact those businesses that were keen in November and also to contact other town centre businesses. Now that there is a clearly

demonstrable working service, the businesses originally interested may be persuaded to sign up.

In order to judge whether this makes a real difference to the competitiveness and stability of businesses in Chard, we need at least ten businesses actively using the service.

Members are asked to encourage businesses in Chard to learn more about the advantages of wireless IT access. The Economic Development service is prepared to work closely with the Area Development service to actively promote the opportunity of IT access more proactively.

Into Somerset

Local Authorities throughout Somerset have contributed towards a programme of Inward Investment activity known as Into Somerset. Currently managed by the Somerset Chamber of Commerce, they are developing an organisation, which will be far more proactive in the handling of inquiries from potential investors to the county. Scheduled to launch in the autumn 08, there is currently a tremendous level of activity which is attempting to identify the strengths, weaknesses, opportunities and threats of relocating to Somerset.

In preparation for the launch of Into Somerset, the Economic Development service has started to map the existing Industrial Estates and Business Parks across the District. It is our intention not only to verify the information provided by commercial property agents, but also to get a better understanding of the predominate class uses of individual Industrial Estates and specific detail on the sizes of individual units. This will enable us to be much better prepared to handle enquiries as they arise.

The early findings of the consultant's study, which incidentally has questioned business both within Somerset and outside to understand the perceptions of conducting business here compared to the reality has identified some interesting comments. The launch of Into Somerset will be a significant milestone in the collective approach of Authorities to raise the opportunities of Somerset as a place to do business.

Additional Car Park Provision in Ilminster and Crewkerne

The additional provision of car parking in both Ilminster and Crewkerne was identified in the Car Parking Strategy presented in April 2007.

Provision of additional long-term car parking space is seemingly easier to provide in Ilminster. The community building off Shudrick Lane, currently owned by Somerset County Council is to be demolished to allow the creation of 45 additional spaces. Whilst this is less than the predicted 120 spaces required by 2015, it will go part way towards alleviating the problems of car parking currently being experienced. This work is scheduled into the Property Services current delivery plan and should be completed by the end of this financial year, subject of course to the necessary planning approval.

In Crewkerne, the preferred land identified as suited to additional car parking is outside of development limits and requires permission to access over land in different ownership. This is proving to be a particularly difficult negotiating exercise, which has involved prospective developers and land agents. Progress is being made, albeit slowly.

IT Grant Support from the Local Strategic Partnership

In July 2007, £18,300, which was originally allocated to the Connecting Somerset Programme was subsequently re-allocated in August 2007 to the Economic Development Service to be distributed to small rural businesses before the end of March 2008.

A programme providing some financial help through the purchase of IT-related goods and services and evaluating the benefits once the programme was devised. Consultation with Area Development staff identified that the programme would focus on Martock, Ilminster and Bruton, together with local Post Offices and Stores across the district.

A total of 535 invitations were sent out to businesses during the autumn of 2007. 115 responded requesting an application form. 64 completed an application (12%). Applicants were asked to focus their application on the business benefits of the grant (What was going to be different) and each was followed up by a personal visit by The Business Support Officer. This visit helped review the needs, discussed the next steps in the process and allowed a face to be put to the Council, in particular the ED service, introduced other LA services such as Planning, Licensing and also other LSP partners such as Business Link and Yeovil College. Funds were strictly allocated on a first come basis and proved very popular, being over-subscribed from the start of 2008. All funds were fully spent by end February 2008. Later enquiries were sign-posted to other sources of help.

Generally the grant allowed 50% cost up to a maximum of £500. 39 businesses were helped including 3 Post Offices. The total project value was £39,927. Three months after the award, a further visit was arranged to discuss the business benefits of the grant. Some 82% stated an increase in efficiency and 27% said it had helped to take on more staff. All found the process easy. Other information collated included: 9% were Chamber members, 15% were using (or had used) Business Link and 91% were currently satisfied with their broadband speed.

In summary, the allocation of grant funding through this method has been considered an extremely good way of supporting businesses, whilst at the same time being in the position of better understanding other issues and responding to them.

A quote from an Area West grant recipient. *“This grant has enabled me to operate my business more efficiently and profitably. In the long-term, it will mean that I am able to stay located within the town centre”.*

Chard Key Site

With assistance of the Advisory Team for Large Applications (ATLAS) (who are sponsored by Communities and Local Government as part of the Planning Advisory Service) we are continuing in our endeavours to unlock Chard Key Site. Because of the sensitivity of negotiations Members will continue to be updated on progress in confidential sessions.

Chard Town Centre Redevelopment (ACI-Boden Mill Site)

Having acquired the ACI premises in March 2008, we are working to secure funding for the preparation of a Chard wide Urban Development Framework including a master plan for the town centre and a design brief for the ACI-Boden Mill development site. The project is being managed by Andrew Gillespie in accordance with South Somerset District Council's Project Management Methodology. The Project Board comprises Martin Wale, Peter Seib and Mark Pollock.

Area West Redundancies

Unfortunately, three businesses within Area West have announced partial or complete redundancy programmes. The Economic Development service has been involved in ensuring the best advice and support is available to the businesses and ultimately the affected staff. The details of support have been communicated to members separately to this report. One of the identified requirements has been the provision of a kiosk to access information on job vacancies. The project of installing a Job Centre kiosk into the District Council's Lace Mill building in Chard is almost complete and should be operational very soon.

Implications for Corporate Priorities

- Increase economic vitality and prosperity
 6. Raise the skill level of the local workforce to achieve a higher average relative wage across South Somerset by 10% by 2012
 7. Work in partnership with the public and private sector in delivery of the Yeovil Vision
 8. Work in partnership with the public and private sector in developing and delivery of the Market Towns Vision
 9. 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*
Area West report – July 2007
