

Joint Area Committee - East - 8 July 2009

### 3. Conclusions of the Rural Renaissance Funding INFORMATION REPORT

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#### **Purpose of the Report**

To inform Committee of the conclusions of the Rural Renaissance Funding.

#### **Recommendation**

That members note the report.

#### **Background**

Somerset Rural Renaissance was an investment programme to help re-vitalise the rural economy in Somerset. Funds were provided by the South West of England Regional Development Agency (SWERDA) and allocated by the Somerset Rural Renaissance Partnership. This funding stream was in its final year and all programmes had to be completed by end of March 2009.

Two successful applications were made to Somerset Rural Renaissance from Area East:-

- Milborne Port Economic Development Template
- Business Mentoring Scheme

A third was referred to Somerset Market Towns Forum for further consideration, which was approved so long as work started before March 2009:-

- Bruton Regeneration Project

#### **Report Detail**

##### Milborne Port Economic Development Template

This Pilot project was to strengthen knowledge of how local economies work and to strengthen the Economic element of Community Planning. It was locally to help define the travel and skills issues for local employees. It aimed to assess the economic viability of the town and to produce a report after designing a methodology to be used in other rural settlements. This project sought to produce an Economic Development Action Plan for Milborne Port to 2025. It comprised one element of the Parish Plan – the others being Environment and Community. The village had been consulted for their Village Design Statement in 2003. A Retail Capacity study was carried out in 2005, followed by a Business Questionnaire. And the Parish Planning Group circulated a household survey “Help Shape the Future of Milborne Port” in Spring 2008. The funds were awarded in November and the main work was carried out between December 2008 and March 2009

The project drew on a wide range of available documentation such as previous consultations and the current ONS data. Primary research was carried out into the views of local businesses, and 4 local community groups. A focus group of 50 local people were randomly selected from the electoral register.

The travel-to-work data showed that Milborne Port was declining as a viable settlement and becoming a dormitory town to Sherborne, Yeovil, Dorchester and other major

settlements. There was only one job in Milborne Port for every three working people who live there. That made for a high carbon footprint and put the sustainability of the settlement in question.

Elizabeth Cox of the New Economics Foundation was invited to Milborne Port to turn the focus on local sustainability issues. She introduced a local multiplier tool (LM3) to improve the circulation of money by encouraging local purchasing of goods and services. The approach was adapted to take account of Data Protection issues and sensitivities of local groups, by applying it through an independent person who could maintain confidentiality. Most businesses were very cooperative, and gave confidential financial information to enable a discussion on how linkages in the local economy could be strengthened to achieve more local circulation of money.

Over the course of the study, the project manager interviewed more than 30 of the 80 known businesses in Milborne Port, using the New Economics Foundation LM3 tool to track where the income of local businesses was spent and re-spent. He found that there was already a good understanding that money spent on staff, supplies and services in the village circulates locally to the benefit of the village, but LM3 was an excellent way of tracking and measuring that flow. The approach demonstrated that the New Economics Foundation approach was valuable and could be integrated into a more structured economic and spatial development section of Town Plans

Four local community groups were consulted, and the wide range of their members' responses were not only fed into the economic report, but were also made available for the environmental and community sub groups too. Although there was a general acceptance of the need for more jobs within the village, there was no great appetite for a business park.

In the Milborne Port economy, household spending was very important. On average, no more than 10% of local household income was spent in the village. Many people wanted to do better, but said they could only do so if there were more retail opportunities in the village.

To secure more evidence the project manager led a focus group selected by random invitation of town residents. This tended to exclude pressure groups with individual agendas, but elicited residents' views on their aspirations for the economy of the town in 2025. All those views fed into the final report.

### Business Mentoring Scheme

This project was to pilot and develop Business Support from trained and accredited Business Mentors who would coach and support rural business owners with fewer than 10 employees within Area East of South Somerset. It was approved in November 2008 and ran until March 2009.

Mentoring was intended to build leadership and managerial excellence, financial strength and skills development in indigenous businesses

Outputs would include:

- Good financial plans, product development and marketing programmes to develop and sustain these small businesses which would be more productive and competitive.
- Develop skills and encourage links with skills trainers in FE and Private sector.
- Help supply chains to develop, which would encourage a stronger and more diverse local economy.

## Capacity Development

Twenty mentors were trained in a series of seminars run by a SFEDI accredited trainer. Five more were already fully qualified from UWE or other university courses. Five applicants were not accepted into the project for various reasons, including geographic location or competencies being too narrow. Ten of those trained proceeded to gain SFEDI accreditation (indicated by SWERDA and Business Link to be a requirement).

Costs associated with the training and accreditation element totalled £6,300

Fees and mileage claims totalled £4,700

Total = £11000.00

Contributions from Mentors towards accreditation £3,925

Rural Renaissance funding was £5,461

Fees from Companies was £200

Total = £9586.00

Net cost to SSDC = £1414.00

Details of the businesses signed up (type/ location etc.)

9 Business were from Bruton

7 Businesses were from Wincanton

4 Businesses were from Yeovilton/Ilchester Area.

## Current feedback

One Business was unhappy. Investigations confirmed that this client was unwilling to take sensible suggestions after realising mistakes he had made with a supplier. A new Mentor had been supplied.

6 Businesses were pleased with the considerable attention and help in critical issues.

2 Businesses withdrew after altering their plans.

11 Businesses were still in early stage work with Mentors.

## Operations

The recruitment and matching processes of mentoring went well and clients were offered a choice of no less than 3 mentors within 3 working days of enquiry. The workload for Officers was heavy, but came in waves of demand following marketing actions through PR and at business engagement meetings

The short duration of the project was a problem because momentum needed to be developed, and time was needed to assess effectiveness but the cooperation of the local Chamber of Commerce was exemplary. Marketing was inadequate. Direct approaches were made to only 160 businesses after which the main group of clients came forward. Since there were 1,350 VAT registered businesses in Area East, PR and Chamber actions needed supplementing. Officer contacts with businesses on RSI and other activities produced further clients. However no referrals came from Business Link.

## Conclusions

### Milborne Port Project

The report on the project included a draft Economic Action Plan that was to be exposed to public consultation with the other two elements, when they were available. It had aggregated information that was already available, and filled some gaps in primary research. An evidence-based response would then be available for responses to

Planning, Local Development Framework and other consultations whilst also giving considerable help for Community Plans and Grant bids.

The approach and template were now available for Community Planning in other locations.

#### Mentoring

The capacity building element worked well, but the poor results of marketing left few exemplars to use in PR. Evidence from Dorset's Dornen mentoring scheme had shown that county-wide over 400 businesses had been helped averaging 130 a year and that close cooperation between Economic Development Officers, Business Link and the Dornen Social enterprise had worked so well that capacity had now been exceeded. It was clear the current scale of operations in Area East needed to be much larger and run by a business organisation. Therefore cross-county and regional approaches were being explored.

#### Financial Implications :-

No additional implications at present.

#### Implications for Corporate Priorities:-

The proposed scheme conformed to 3 Corporate Plan objectives: -

- Increase economic vitality and prosperity
- Enhance the environment, address and adapt to climate change
- Ensure safe, sustainable and cohesive communities

#### Other Implications

The continued development of Business Support and Community Planning improves and harmonises partnership working between Local Groups, Town Council, District Council and County Council.

*Background Papers: none*