



Employment & Economy

The rural economy is diverse and dynamic but requires connectivity, focused investment and infrastructure development to realise its full potential

Speaking up for
rural communities

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Introduction

The rural economy is diverse and dynamic with a mix of large businesses, SMEs and social enterprises. In order to increase opportunity for start-ups, sustain current employment rates and increase interest in social enterprise projects, investment in dedicated rural business support is required

Overview

Small and medium-sized enterprises (SMEs) are the predominant employers in rural England employing more than 2m people. However, notwithstanding the pressures exerted by the recession, there are other factors that impact on the performance of SMEs in rural areas, such as access to training, broadband speeds, suitable premises and general business support.

ACRE Network members have been providing as much support as they can for SMEs during the recession. Some members have provided advice and also offered office space and business services. Some provide access to infrastructure (e.g. broadband). In some localities, our members have helped rural businesses to become more efficient and effective by providing training, including the use of social media; energy-saving methods; business growth and resilience has increased where these interventions have taken place.

Social enterprises (businesses for social purposes) trade to tackle social problems, improve the life of communities or individuals and combat environmental problems. Social enterprise is making an increasing contribution to the UK economy with the median annual turnover growing from £175,000 in 2009 to £240,000 in 2013, according to a 2013

Defra survey. The ACRE Network of rural community councils (RCCs) has a longstanding legacy of involvement in social enterprise development by rural communities and groups and provides a number of support and advice services. With the current cuts in funding still to realise their full impact, investment in business advice and training has never been more important.



Some ACRE members have engaged with Local Enterprise Partnerships (LEPs) in the development of their Strategic Economic Plans (SEPs) and also their European Strategic Investment Fund (ESIF). Where RCCs are involved directly within LEP mechanisms, then rural priorities do appear within SEP and/or ESIF strategies. This is crucial to guiding investment into rural areas to support employment and stimulate economic activity.

Working within an operational context, set partly by LEPs, are LEADER Local Action Groups (LAGs). More than 90 of these groups currently exist, each preparing strategies and bids to secure EU and other funds to support six-year rural development programmes from 2015. Several RCCs indicate that their work, or partnerships they are involved in, have helped ensure that LEADER is 'hard wired' in to some European Strategic Investment Fund strategies being developed by LEPs.

Small and medium-sized enterprises employ more than 2m people in rural England



Issue: Rural social enterprise needs support and guidance to be successful

Rural people are coming forward and developing social enterprise businesses to tackle the issues that are relevant to their communities. Support is vital to their success and sustained activity

Solution: Ensure support is delivered by experts who understand the rural context

Action with Communities in Rural Kent (ACRK) has a strong jobs and growth focus to its work. During 2013/14 ACRK undertook work to create or sustain 216 jobs directly and a further 693 indirectly. It worked with 218 enterprises — both for profit businesses and social enterprises, ranging from village shops to community-owned buildings.

The jobs and growth work of ACRK is focused on provision of guidance, training, technical support and networking opportunities — and includes help to create appropriate governing structures for local enterprise as well as aid in finding investment. Some of this activity comes through operation of a European Social Fund Community Grants



programme (subcontracted from another ACRE Network member, Surrey Community Action, and a specific rural retailers support programme

co-financed principally by Kent County Council. However, general community and enterprise development also supports a flexible range of entrepreneurship.

One example is work undertaken with a wood processing enterprise called Growth Rings, based currently on

Romney Marsh. Growth Rings has evolved into a Community Interest Company with help from ACRK, and since secured Job Centre Plus investment to underpin a new programme of activity with young people.

Issue: Rural businesses require dedicated, on-the-ground support

Rural businesses operate in a different context to those in urban areas. Support needs to be tailored to this context, and delivered by 'on-the-ground' organisations

Solution: Invest in infrastructure organisations to provide support and training to SMEs

Community First in Herefordshire and Worcestershire's **Outreach Business Coach** has provided one to one pre-start, start-up and post-start support to social and community enterprises. This has included business planning, funding and finance advice specifically in relation to the Department for Environment, Food and Rural Affairs' Community

Buildings Loan Fund, community share offers and crowdfunding.

The work has also included business rates appeals and support with staffing and employment issues. Business support was given to 18 organisations that were looking to attract social investment finance.

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Solution: Invest in infrastructure organisations to provide support and training to SMEs

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The **Right to Bid** was used to secure assets for communities and advice was provided that helped to create 4 new jobs and secure 10 existing jobs through increasing income from trading activity.

This has involved establishing a social enterprise Personal Assistant service in five rural regions of the UK, including Derbyshire and Leicestershire,

Northamptonshire, Oxfordshire and Warwickshire.

Additional in-depth support has been provided to three organisations in Herefordshire and Worcestershire, in relation to Social Return on Investment in order to capture, record and analyse the added value from the delivery of paid for services. This enables communities or groups to demonstrate impact for funders and commissioners to secure investment in their enterprise.

Issue: Rural issues (and solutions) need to be embedded within LEP strategies

With a considerable amount of economic development funding being channelled through Local Enterprise Partnerships (LEPs), it has never been more important to ensure rural priorities are included in economic planning and delivery

Solution: Better engagement with RCCs and other rural stakeholders on how to deliver rural priorities

ACRE Network member Tees Valley Rural Community Council (TVRCC) has been involved in its Rural and Farming Network (RFN) and developed a close relationship with its Local Enterprise Partnership (LEP) **Tees Valley Unlimited**.

It is from this engagement, which has lasted more than two years, that TVRCC was encouraged to develop a Rural Economic Strategy. Officers from the LEP were fully engaged in the consultation process as the strategy was developed.

As a consequence, the LEP consulted with the members of the RFN regarding the European Agricultural Fund for Rural Development (EAFRD) funding bid and used evidence from the Rural Economic Strategy for their European Structural Investment Fund (ESIF) submission.

With regard to the ESIF, the LEP does not want

to have a separate rural allocation, arguing that if all programmes are equally open to all potential businesses then rural should be equally served. They have allocated the EAFRD funding towards rural business hubs and this was the single most



significant area for TVRCC in taking forward a range of ideas which support small business and provide greater impact. Within the rural cross-cutting theme, priorities included were; rural growth, rural SME support, skills development, community transport, environmental protection and tourism.

Building on this established relationship, TVRCC anticipates the LEP will engage with the Social Inclusion Group to help develop and deliver the outcomes. This demonstrates good practice in a LEP understanding rural issues and seeking to maximise the possibilities of investment in rural initiatives.