

Rural Resettlement Fund

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to outline the options for delivery of the one-off Rural Resettlement Fund (RRF) of £500,000 announced in the Argyll and Bute Council budget 2016/17.
- 1.2 The May Policy and Resources Committee agreed that the main focus of the RRF should be to incentivise new residents and/or businesses to relocate to Argyll and Bute and that officers produce a range of options, including all administration arrangements, for member approval at August Policy and Resources Committee.
- 1.3 Officers have proposed a range of uses for the RRF monies, targeting four key audiences with suggested types of support;
- 1) Micro and SMEs relocating to Argyll and Bute;
 - 2) Economically active young people relocating, returning or staying in Argyll and Bute to take up jobs; and
 - 3) Economically active young families relocating to Argyll and Bute to take up a job.
- 1.4 The current economic climate and the levels of change and uncertainty expected for the next few years are likely to impact business confidence and growth. Therefore it is recommended that the RRF is pitched as broadly as possible to achieve the best possible impact in terms of encouraging new residents and businesses to relocate to Argyll and Bute.
- 1.5 The fund will be administered via staff within the Economic Development and Strategic Transportation Service (EDST) existing structures. This approach aligns the administrative responsibility for the new fund with the support already being given across the teams and shares the workload.
- 1.6 Members of the committee are asked to:
- Agree the RRF includes all the types of support listed in **Table 1**;
 - Agree the fund operates on a first come first served basis;
 - Agree £10,000 of the fund be allocated to marketing;
 - Agree that the RRF will be administered within EDST using existing structures; and
 - Agree that officers proceed with the development and delivery of the RRF.

Rural Resettlement Fund

2.0 INTRODUCTION

- 2.1 Argyll and Bute is one of four council areas in the last census that recorded a falling population in a number of areas particularly amongst economically active people of working age. The Argyll and Bute Council 2016-17 Budget included an announcement of a one-off £500,000 Rural Resettlement Fund (RRF) to help incentivise new residents and/or businesses to relocate to Argyll and Bute and help grow our population.
- 2.2 The May Policy and Resources Committee agreed that the main focus of the RRF should be to incentivise new residents and/or businesses to relocate to Argyll and Bute and that officers produce a range of options, including all administration arrangements, for member approval at August Policy and Resources Committee.
- 2.3 Officers have completed initial scoping work for the RRF, to ensure that it complements but does not duplicate the £3 million Lochgilphead and Tarbert Regeneration Fund and the £1 million Inward Investment Fund.
- 2.4 RRF will differentiate from this other funding by focusing on attracting and retaining economically active individuals and smaller businesses.
- 2.5 After initial investigation, officers have proposed a range of uses for the RRF monies and are developing plans for administration of the fund using existing EDST staff and structures.
- 2.6 A similar initiative, Rural Resettlement Ireland, has been running for the last 21 years and has directly helped well over 700 urban based families to relocate to the west of Ireland (source 2009 data).

3.0 RECOMMENDATIONS

Members of the committee are asked to:

- Agree the RRF includes all the types of support listed in **Table 1**;
- Agree the fund operates on a first come first served basis;
- Agree £10,000 of the fund be allocated to marketing;
- Agree that the RRF will be administered within EDST using existing structures; and
- Agree that officers proceed with the development and delivery of the RRF.

4.0 DETAIL

- 4.1 Initial scoping work suggests that the RRF could provide a wide range of support to businesses and individuals to encourage them to locate in Argyll and Bute. Each of the suggestions in **Table 1** below has been scored in terms of its expected ease of administration i.e. a score of 1 represents delivery using established administrative processes; 2 presents delivery with some additional degree of administration and 3 represents a score of which would require a significant degree of additional administration and management.

Table 1: Uses of Rural Resettlement Fund					
Target audience	Level of support	Type of support	Example	Delivery rating	Administration process
1. Micro and SMEs relocating to Argyll and Bute (including social enterprises). Recipients to be aged 18+ (no upper limit).	£10,000 payable to any relocating business, combined across all types of support	1.1 Capital expenditure grant	Grant payable towards capital expenditure items for the new business.	1	Lump sum paid on receipt of evidence to show business based in Argyll and Bute (e.g. payment of business rates).
		1.2 Relocation package	Lump sum to cover removal and set-up costs	1	Lump sum paid on receipt of evidence to show business based in Argyll and Bute (e.g. payment of business rates).
2. Economically active young people relocating, returning or staying in Argyll and Bute to take up a job or Modern Apprenticeship. Recipients to be aged 18+ (no upper limit).	£5,000 payable to any individual.	2.1 Rent subsidy	Lump sum of £5,000.	2	Lump sum paid on receipt of evidence to show individual has moved to Argyll and Bute (e.g. new address and/or job offer).
3. Economically active young families relocating to Argyll and Bute to take up a job. Recipients to be aged 18+ (no upper limit).	£5,000 payable to any family, combined across all types of support.	3.1 Relocation package	Lump sum to cover removal and set-up costs.	1	Lump sum paid on receipt of evidence that family has relocated to Argyll and Bute (e.g. new address and/or job offer).
		3.2 Grant payable to offset part of Council Tax bill.	Lump sum payment.	2	Lump sum paid direct to the beneficiaries Council Tax account to offset their bill.

- 4.2 The current economic climate and the levels of change and uncertainty expected for the next few years are likely to impact business confidence and growth. Therefore it is recommended that the RRF is pitched as broadly as possible to achieve the best possible impact in terms of encouraging new residents and businesses to relocate to Argyll and Bute.
- 4.3 Accordingly, it is proposed that all types of support shown in **Table 1** are eligible.
- 4.4 Due to the one off nature of the fund, it is proposed that the RRF operates on a first come first served basis. This demanded use of the resources gives the fund more flexibility than prescribing allocations by activity or audience.
- 4.5 Once the types of support are agreed, detailed operational plans for delivery will be developed. Proposed principles include:
- Evidence that the business/individual/family has relocated to the area would be required, via proof of previous address and proof of new address or job offer;
 - Support to individuals taking up jobs in the public sector will be excluded where the employer offers a relocation package;
 - Businesses, individuals and families must apply in advance for any support;
 - As per other EDST administered grants, any expenditure incurred before written approval is given will be ineligible and payments to recipients will be made retrospectively, on receipt of acceptable evidence that the business, individual or family has moved to Argyll and Bute;
 - Any grant used towards Council Tax would not require the Revenues department to lose income, as the Fund would cover the cost via payment direct to the Revenues department; and
 - To ensure businesses/individuals/families remain in the area, 25% of the agreed lump sum/flat rate payment will be held back and paid out after one year of living and working in Argyll and Bute.

- 4.6 The RRF will be administered within EDST using existing structures. This approach aligns the administrative responsibility for the new fund with the support already being given across the teams and shares the workload. More details are outlined in **Table A1, Appendix A**.
- 4.7 RRF needs to link closely with the wider work underway to promote Argyll and Bute as a compelling place to live, work and invest. Much of the RRF financial support can be fully aligned with the planned marketing campaign and information provision. For instance, creating a welcoming and informative web presence, promoting major capital investment, raising awareness, information packs and recruitment of young people to the area.
- 4.8 In order to market the fund effectively – including targeting those outwith Argyll and Bute – a proportion of the fund will need to be allocated to marketing. It is recommended that £10,000 be ring-fenced for this purpose.
- 4.9 Once the uses of the fund and the approach to its administration have been agreed, officers will develop supporting documentation and processes to deliver this. This will include the approval and claim process.
- 4.10 The ambition is to launch RRF in the autumn, aligned to Argyll Enterprise Week 31st October to 4th November 2016.
- 4.11 Once launched, the Executive Director for Development and Infrastructure will report to the Policy and Resources Committee regularly on the operation and performance of the fund as part of the updates on the Rural Regeneration Initiative Funds.

5.0 CONCLUSION

- 5.1 The £500k Rural Resettlement Fund will help incentivise new residents and/or businesses to relocate to Argyll and Bute and help grow our population.
- 5.2 Officers have completed initial scoping work for the RRF, to ensure that it complements but does not duplicate the other funding available from the Inward Investment Fund and Tarbert and Lochgilphead Regeneration Fund.
- 5.3 Officers have proposed a range of uses for the RRF monies.
- 5.4 Agreement is sought on the proposal to allow officers to work up a detailed plan for launch and the administration of the fund.

6.0 IMPLICATIONS

6.1	Policy	The proposed fund will offer the opportunity to support the objectives and long term outcomes of the Single Outcome Agreement together with the Local Development Plan Action Plan, Local Development Plan and the area-based and overarching Economic Development Action Plans.
6.2	Financial	An allocation of £500k was identified in the 2016/17 budget. No additional funds are sought.
6.3	Legal	None at this time. All fund documentation will be shared with the Council's Legal Team, before launch.
6.4	HR	Staff within the EDST Service will administer the fund on behalf of the Council.
6.5	Equalities	The dissemination of the RRF will comply with all Equal Opportunities policies and obligations. Applicants to the fund must be over 18 years with no upper age limit.
6.6	Risk	The efficient delivery of this fund will be critical to its success in assisting population growth in Argyll and Bute.
6.7	Customer Service	None at this time.

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Appendix A

Table A1: Administration of RRF using existing resources across EDST		
Proposed RRF support	Economic Development capacity	Rationale
Financial support to micro businesses & SMEs.	Business Gateway team.	Already providing advisory support to this client group and due to administer other business support grants (Local Growth Accelerator Programme) and help support Argyll and the Islands LEADER Small Business Support Scheme.
Financial support to social enterprises.	Social Enterprise team.	Already providing advisory support to this client group.
Financial support to individuals.	Economic Growth team.	Already engaged with skills pipeline, compelling and key sector support.
Council Tax/Business rates subsidies.	Economic Development teams (above) would need to work with Customer Services.	Customer Services already administering Council Tax and Business Rates.