

Progress of Rural Resettlement Fund (RRF)**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of the report is to provide members with an update on the performance of the one-off Rural Resettlement Fund (RRF) of £500,000, announced in the Argyll and Bute Council budget 2016/2017, to examine current outputs so far and recommend a redirection of the remaining funds to support the vision and key themes of the emerging Rural Growth Deal.
- 1.2 The May 2016 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. The committee also agreed the outline conditions of the fund, including allocation £10,000 for marketing, giving officers the remit to proceed with the development and delivery of the fund.
- 1.3 RRF was formally launched on 31st October 2016 during Argyll Enterprise Week. The fund has been very successful in attracting new residents to Argyll and Bute with a number of positive case studies on how the fund has helped move families to our area. RRF has been less successful in attracting new businesses to Argyll and Bute and consequently there is a need to re-direct the funding to better support the growth of businesses and the vision and key themes of the Rural Growth Deal.
- 1.4 **Table 1** below provides an update on performance of the fund so far. It should be noted that the grant awarded figure presented below is less than that claimed. Claims can be submitted as required by the applicant; noting that 25% of any grant awarded is retained until after the applicant has remained in Argyll and Bute for over a year. Therefore, the monthly ledger figures will not necessarily reconcile with the claim figures which can be paid out on a daily basis. As of 12th April 2018 the total claims paid is £161,975.15.

RRF applications	Received	Approved	Withdrawn	Rejected	Pending	Grant Awarded
Personal relocation grant	95	61	9	14	11	£299,948.05
Self-employed	6	5	0	1	0	£25,000.00
Business	0	0	0	0	0	0

Total	101	66	9	15	11	£324,948.05
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Note: Data up to 12th April 2018

Table 2 below provides an update on the number of new residents that have relocated to Argyll and Bute:

Table 2: Summary of new residents in Argyll and Bute		
Number of adults	Number of children	Total number of new residents
111	66	157

Note: Data up to 12th April 2018

1.5 Members are asked to:

- Consider the outputs of the Rural Resettlement Fund (RFF) that has helped to attract 157 new residents to Argyll and Bute;
- To close the RFF to applications from new residents with immediate effect;
- To approve the re-direction of remaining funds to assist the growth of small and medium sized businesses that support the emerging vision and key themes of the Rural Growth Deal.

Progress of Rural Resettlement Fund (RRF)

2.0 INTRODUCTION

- 2.1 The purpose of the report is to provide members with an update on the performance of the one-off Rural Resettlement Fund (RRF) of £500,000, announced in the Argyll and Bute Council budget 2016/2017, to examine current outputs so far and recommend a redirection of the remaining funds to support the vision and key themes of the emerging Rural Growth deal.
- 2.2 The May 2016 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.
- 2.3 The August 2016 Policy and Resource Committee agreed:
- RRF will support micro and SMEs (including social enterprises) relocating their business to Argyll and Bute; economically active people and economically active families relocating to take up employment in Argyll and Bute;
 - RRF will operate on a first come first served basis;
 - £10,000 of the RRF will be allocated to marketing;
 - RRF will be administered within Economic Development and Strategic Transportation using existing structures; and
 - Officers will proceed with the development and delivery of RRF.
- 2.4 RRF was formally launched on 31st October 2016 during Argyll Enterprise Week 2016.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to:
- Consider the outputs of the Rural Resettlement Fund (RFF) that has helped to attract 157 new residents to Argyll and Bute;
 - To close the RFF to applications from new residents with immediate effect;
 - To approve the re-direction of remaining funds to assist the growth of small and medium sized businesses that support the emerging vision and key themes of the Rural Growth Deal.

4.0 DETAIL

- 4.1 **Table 1** below provides an update on performance of the fund so far. **Table 1** below provides an update on performance of the fund so far. It should be noted that the grant awarded figure presented below is less than that claimed. Claims can be submitted as required by the applicant; noting that 25% of any grant awarded is retained until after the applicant has remained in Argyll and Bute for over a year. Therefore, the monthly ledger figures will not necessarily reconcile with the claim figures which can be paid out on a daily basis. As of 12th April 2018 the total claims paid is £161,975.15.

Table 1: Summary of Rural Resettlement Fund applications						
RRF applications	Received	Approved	Withdrawn	Rejected	Pending	Grant Awarded
Personal relocation grant	95	61	9	14	11	£299,948.05
Self-employed	6	5	0	1	0	£25,000.00
Business	0	0	0	0	0	0
Total	101	66	9	15	11	£324,948.05

Note: Data up to 12th April 2018

- 4.2 **Table 2** below provides an update on the number of new residents that have relocated to Argyll and Bute:

Table 2: Summary of new residents in Argyll and Bute		
No. of adults	No. of children	Total number of new residents
111	46	157

Note: Data up to 12th April 2018

- 4.3 **Table 3** provides a breakdown of approvals and new residents per administrative area

Table 3: Breakdown of RRF approvals per administrative area					
	B&C	H&L	MAKI	OLI	Total
No. of approvals	19	5	19	23	66
No. of relocated residents	45	16	41	55	157
Value	£95,000	£25,000	£94,000	£110,948.05	£324,948.05

Note: Data up to 12th April 2018

- 4.4 Since the launch, officers have been working with partner organisations to promote the fund:
- Highlands and Islands Enterprise is continuously promoting the fund to account managed businesses who may be recruiting new staff;
 - Key local businesses known to be recruiting new staff are contacted directly;
 - Community planning partners were provided with information on the RRF;
 - All local estate agents were mailed with information about the fund and posters for their offices; and
 - RRF is promoted at events attended by EDST including university recruitment events.

- 4.5 The website was refreshed last year to feature case studies and photographs supplied by families who have moved here. A range of marketing techniques were then used to drive people to the website to raise awareness of the fund and promote Argyll as a great place to live and work. The S1 Jobs and Homes promotion that ran between July and September 2017 reached 19,170 individuals and resulted in 660 clicks through to the website. In November 2017, after the completion of the highly successful BBC series, the Country Council, an advertising feature was commissioned in The Herald to promote the RRF.
- 4.6 An Instagram promotion in March 2018, focused on UK key cities and job seekers with interests in outdoor activities and working primarily in healthcare, teaching, administration, reached over 20,000 people and resulted in 871 clicks through to the website. A Facebook promotion at the same time, to a similar audience, reached 20,695 and generated 928 clicks to the website. 38% of visits to the website have been generated by digital marketing.
- 4.7 In February 2018, an audit of the Rural Resettlement Fund was undertaken by the Council's Internal Audit team. The overall audit opinion was that the council can take a substantial level of assurance on delivery of the fund. This means that internal control, governance and the management of risk is sound. Internal Audit outlined two low risk recommendations for improvement which officers are currently addressing.
- 4.8 To date the dissemination of the fund has in the main only attracted individuals being in receipt of the personal relocation grant and five self-employment grants. The fund has attracted a high number of enquiries that has involved more staff resource than anticipated over and above current workloads. The fund has generated positive publicity for the council and provided a small increase in the population as noted in **Table 2** with a number of positive case studies generated on moving to Argyll and Bute.
- 4.9 Unfortunately, RRF has not attracted new businesses to Argyll and Bute other than five self-employed businesses. It is the professional opinion of Business Gateway and other Economic Growth staff that the current offer of £10k to move an established business into Argyll and Bute in order to meet the following criteria associated with the RRF is insufficient:
- An established business trading for at least two years with less than 250 employees;
 - Actively trading with an annual turnover in excess of £80,000 (trading at a profit);
 - Employing at least 1 Full Time Equivalent member of staff, in addition to business owner, paid at least the Scottish Living Wage;
 - Currently based outwith Argyll and Bute;
 - Relocating permanently to premises within the Argyll and Bute Council area;
 - Able to demonstrate sustainability and growth potential via a business plan;
 - Able to identify relocation costs you are seeking support for;
 - Business owners expected to become a resident in Argyll and Bute; and
 - Not yet committed to relocation or set-up costs.

- 4.10 That said, the RRF has met our aspirations through the fund helping to attract 157 new residents to Argyll and Bute linked to at least one member of the household having a local employment offer.
- 4.11 Given that the RRF has now committed circa £325k of the total £500k allocation in order to focus on supporting the aims and key themes of the Rural Growth Deal it is recommended that the fund be closed to new resident applicants with immediate effect and any remaining funds be re-directed to support the further develop of small and medium sized businesses that can help support the emerging vision and key themes of the Rural Growth Deal. Further information on the future distribution of the remaining funds in RRF will be brought to members for a future decision as the Rural Growth Deal is finalised. The RRF will continue to be monitored as per the conditions on any offer of grant are fulfilled.

5.0 CONCLUSION

- 5.1 The RRF was formally launched in October 2016 and has attracted 157 new residents to Argyll and Bute through the personal relocation grant and a strong interest in this element of the fund is continuing. Every Rural Resettlement Fund grant, on average, results in an additional 2.4 residents into Argyll and Bute. This element of the fund has been very successful with a number of positive case studies to support the use of funding that have been placed on our web site. Unfortunately, the take up of the self-employment relocation grant has been slow with only five successful applications and no larger businesses have relocated to Argyll and Bute on account of the grant. Ideally the RRF should be able to attract more businesses to relocate to Argyll and Bute but the level of grant did not appear to be attractive to businesses considering relocation to our region. Consequently, officers consider that the RRF be re-directed at this time to support small and medium sized businesses linked to the emerging key themes of the Argyll and Bute Rural Growth Deal such as in the key including the growth sectors such as tourism, food and drink, including aquaculture, renewables, marine science and engineering. Additional information on the distribution of the remaining funds of the RRF will be brought back to members for a future decision.

6.0 IMPLICATIONS

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| 6.1 | Policy | The fund offers the opportunity to support the objectives and long term outcomes of the Local Outcomes Improvement Plan together with the revised Corporate Plan, Local Development Plan and current strategic Economic Development Action Plan. |
| 6.2 | Financial | An allocation of £500k was identified in the 2016/2017 budget. No additional funds are being sought. |
| 6.3 | Legal | None at this time. All fund documentation was shared with the Council's Legal Team, prior to launch. Officers are aware of State Aid implications of providing grants to businesses and carry out the necessary checks. |
| 6.4 | HR | To date staff within EDST Service has administered the fund on behalf of the council. |
| 6.5 | Equalities | The dissemination of the RRF complies 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 continues to be critical to its success in assisting population growth In Argyll and Bute. |
| 6.7 | Customer Services | None. |

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11th May 2018

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