

annex:

helping rural business to succeed – sources of funding and advice

This Annex aims to guide those already running and those starting up a business in a rural area through the many sources of available advice. It focuses initially on key organisations within the public sector:

Small Business Service

The new **Small Business Service (SBS)** was set up by DTI this year to focus Government's support for small businesses. Its business support strategy is built on a detailed understanding of small business needs, particularly those of start-ups, micro-businesses (0-9 employees) and the self employed, which are particularly significant in rural areas.

Its business support strategy is being built on the **Information and Advisory Service** which, when fully operational in April 2001, will provide existing and prospective business people with wide-ranging, independent and impartial advice on matters such as finance, marketing, and regulation. It will particularly benefit those in remote locations through advice accessible by Internet and telephone.

The SBS has now contracted with a **new network of 45 Business Links**, business-led organisations which, starting in April 2001, will tailor their services to the needs of all groups in their areas. All rural communities will have access to high-quality support services provided through their new local Business Link. Until then, the existing Business Links remain in place. These are run by partnerships which include DTI, Chambers of Commerce, Training and Enterprise Councils, local authorities, enterprise agencies, local businesses and others.

www.sbs.gov.uk
www.businessadviceonline.org

Department of Trade and Industry

DTI promotes enterprise, innovation and increased productivity across the economy as a whole. It encourages successful business start-ups through the SBS and through initiatives such as the National Campaign for Enterprise, which will help to change attitudes to entrepreneurship, develop entrepreneurial skills and encourage the growth of successful businesses. It implements a regional policy which is aimed at improving the economic performance of all regions (working with other Government Departments and Regional Development Agencies), focusing support for business on the best opportunities for sustainable investment and employment and supporting effective use of EU structural funds. It is also involved through UK Online for Business in helping small businesses connect to the digital marketplace. DTI also works to develop a fair and effective legal and regulatory framework, by ensuring that it encourages enterprise and avoids unnecessary burdens on business, while providing a fair deal for consumers.

www.dti.gov.uk

Learning and Skills Councils

From April 2001 the national and local Learning and Skills Councils (LSCs) comes into being to streamline the delivery of post-16 education and training. The national LSC will involve all the national training organisations, including LANTRA, the land-based sector organisation. Funding for local LSCs covering rural areas will recognise the additional needs that may arise, eg for on-line learning.

LSCs must ensure that the strategic needs of local employers are met and that rural learners have full access to good-quality post-16 learning opportunities.

These functions are currently carried out by Training and Enterprise Councils (TECs), operating at county level, are responsible for the delivery of training and business support under the direction of a board including representatives from local industry. The

Consortium of Rural Training and Enterprise Councils (CORT) brings together all TECs with substantial rural interests.

www.tec.co.uk
www.cort.org.uk
www.lantra.co.uk

European Structural Funds

have been and will continue to be a major source of funds for rural areas. During the 1994/99 programming period English Objective 5b areas (rural areas in need of development and structural adjustment) received around £364 million.

The Structural Funds comprise:

- European Regional Development Fund (ERDF);
- European Social Fund (ESF);
- guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF);
- Financial Instrument for Fisheries Guidance (FIG).

These funds make grants towards the costs of a variety of measures including regional and local infrastructure, training, business support and diversification of farming and other economic activity in rural and coastal areas facing difficulty.

For 2000–2006, Structural Funds support for rural areas will come through Objective 1 (areas most in need) and through the rural strand of Objective 2 (industrial, rural, urban and fisheries areas in structural difficulty). The Objective 1 and 2 allocations for England are respectively just under and just over £2bn. Cornwall has been classified as an Objective 1 area, and will be receiving some £310m from Structural Funds between 2000 and 2006. The proportion of total Objective 2 funding made available to rural areas will differ between English regions, but it is expected to total nearly £300m.

Many fishing communities make a substantial contribution to the economy of coastal rural areas, but the sea fishing industry has to meet the challenges arising from reduced fish stocks and changes in the way fish is marketed. FIG will provide support totalling £11 million over the period 2001-03.

All rural areas are now able to seek funding from the LEADER+ programme, a European Community Initiative specifically aimed at smaller rural communities. LEADER+ aims to complement the mainstream structural programmes by promoting innovative schemes conceived and implemented by active partnerships operating at the local level. The aim is to encourage and help rural communities to think about the longer-term potential of their area, and encourage the implementation of integrated, high-quality, original strategies for sustainable development. For 2000-2006 the English LEADER+ programme will receive around £35 million.

www.europa.eu.int

see also Government Offices for the Regions below

Food From Britain (FFB)

FFB, supported by MAFF, works to help the regional and speciality food sector. Work includes:

- funding regional food groups (for example, 'A Taste of the West', 'North West Fine Foods') who provide trade development services for their producer members;
 - developing an e-commerce site to enable speciality businesses to trade over the internet.
- www.foodfrombritain.com

Ministry of Agriculture, Fisheries and Food

MAFF currently implements a variety of common agriculture policy (CAP), ERDP and other schemes through nine Regional Service Centres. Plans are currently being made for a radical change in the ways CAP schemes in particular are delivered and MAFF is also planning to join the Government Offices for the Regions (see below) next year. Full details of the new arrangements will be made available in due course.

www.maff.gov.uk

Government Offices for the Regions

The 9 GOs bring together the regional activities of DETR, DfEE and DTI and provide a focus for a coherent approach to competitiveness and regeneration. They distribute and manage a number of major public expenditure regimes, including EU regional funds.

NE www.go-ne.gov.uk
NW www.go-nw.gov.uk
Y&TH www.goyh.gov.uk
WM www.go-wm.gov.uk
EM www.go-em.gov.uk
E of E www.go-east.gov.uk
SW www.gosw.gov.uk
SE www.go-se.gov.uk
LON www.open.gov.uk/glondon

Regional Development Agencies

RDAs were established in 1999 to help further economic growth and prosperity and to improve the quality of life in urban and rural communities. They offer a range of support measures to rural businesses, including the Rural Development Programme, the Redundant Building Grant Scheme and other initiatives covering business start-up, expanding or relocating from overseas.

www.onenortheast.co.uk
www.nwda.co.uk
www.yorkshire-forward.com
www.advantage-westmidlands.co.uk
www.emda.co.uk
www.eeda.org.uk
www.southwestengland.co.uk
www.seeda.co.uk

Countryside Agency

The Countryside Agency is the statutory body charged with conserving and enhancing the countryside and promoting social equity and economic opportunity for people who live there. It specifically runs two schemes to improve the performance of village shops and village pubs.

www.countryside.gov.uk

English Nature

English Nature is the statutory body that champions the conservation and enhancement of the wildlife and natural features of England. It advises on nature conservation and regulates activities affecting designated sites in England, enables others to manage land for nature conservation, through grants, projects and information, and advocates biodiversity for all as a key test of sustainable development.

www.english-nature.org.uk

Local Authorities

Many local authorities provide dedicated economic development services. www.open.gov.uk/index/orgindex provides an index of all local authority websites.

Local Enterprise Agencies

England's 150 LEAs are companies set up in partnership between the private sector and local authorities, with some support from central government. Their key purpose is to promote economic regeneration through supporting small firms. Work at a national level is undertaken by the National Federation of Enterprise Agencies (NFEA)

www.nfea.com

There are many other non-governmental organisations active in helping business in rural areas. The following is necessarily a selected list of those operating most widely in rural England:

National Farmers Union

The NFU's central objective is to promote successful and socially responsible agriculture and horticulture, while ensuring the long-term viability of rural communities by providing advice and support to growers.

www.nfu.org.uk

Country Landowners' Association

The CLA provides advice to its members, owners of agricultural and other countryside land and other rural businesses.

www.cla.org.uk

National Rural Enterprise Centre

NREC, a division of the Royal Agricultural Society of England, promotes a living and working countryside by helping communities improve their local economies. It is particularly interested in how ICT can help rural businesses and communities.

www.ruralnet.org.uk

Rural Business Network

RBN is a joint venture between ADAS, the CLA and the NFU. It is an on-line business service designed to help all areas of rural and farming industries.

www.rbnet.co.uk

Partners In The Countryside

PITC operates at a national and local level to accelerate the regeneration of rural Britain by promoting self-help in rural communities.

www.pitc.org.uk (in preparation)

Development Trust Association

The DTA is the national body for development trusts and community enterprise, encouraging and advising on the creation of new development trusts.

www.dta.org.uk

British Chambers of Commerce

Through a national network of Approved Chambers of Commerce the BCC represents local businesses in all sectors of the economy, of all sizes.

www.britishchambers.org.uk

Federation of Small Businesses

FSB is a membership organisation working to promote the interests of the self-employed and small business sector.

www.fsb.org.uk

Association of Convenience Stores

ACS is the trade association for convenience and small store retailing.

www.acs.org.uk

Business in the Community

an association of some 400 major companies, aims to inspire business to increase the quality and extent of their contribution to social and economic regeneration by making corporate social responsibility an essential part of business excellence.

www.bitc.org.uk