

Gloucestershire Rural Economic Strategy

Gap Analysis based on the Rural Economic Strategy for Gloucestershire 2007 – 2015

Status Report, September 2008

INTRODUCTION

This document contains information about projects in Gloucestershire contributing to the delivery of the Gloucestershire Rural Economic Strategy (GRES) since its development in 2004.

The purpose of the information is to provide a fuller picture of activity and to allow the Rural Economy Advisory Panel and other agencies to examine where further efforts could be targeted in order to successfully deliver on all aspects of the GRES.

Please note that this summary is based on information collected to date. The working document of data and the subsequent report are updated quarterly as new projects are identified and researched.

STRATEGIC OBJECTIVES

The four strategic objectives of the GRES are:

1. To sustain and support the growth of successful and competitive businesses in Rural Gloucestershire.
2. To increase economic inclusion in Rural Gloucestershire, particularly in the most deprived areas.
3. To strengthen rural communities in Gloucestershire.
4. To realise fully the economic potential of Gloucestershire's rural environment whilst protecting the exceptional quality of the countryside for future generations.

Further details of the above objectives and the related Key Strategic Actions can be found in Appendix 1.

KEY POINTS AND COMMENTARY

To date, **386 projects** have been identified and researched which are delivering the GRES. These 386 projects have a total investment value of **£141.5 million**.

11 of the 386 projects have an investment value of over £1.5 million each and together account for **£100.5 million (71%)** of the total funding. They include affordable housing build, development projects (such as the Littlecombe, Coleford, Hat Shop and canals developments) and agri-schemes. An analysis of these 11 projects is contained within **Section D** of this report.

The funding for the remaining **375** projects is **£41.0 million** and an analysis of these projects can be found in **Section A**. Among these 375 projects are **77** which have been allocated funding by the South West RDA's Rural Renaissance programme and **24** which have been allocated funding by the SWRDA Modernising Rural Delivery (MRD) programme – see **Sections B and C** respectively for further details.

The following commentary is based on the 375 projects with an individual investment value of under £1.5 million. Of the £41.0 million total funding relating to these projects, 33% comes from private or charitable sources while 30% comes from public funding sources such as the Lottery, Defra and LSC, and 19% from SWRDA.

The largest proportion of projects relate to Objective 1 of the Rural Economic Strategy for Gloucestershire. 50% of projects and 55% of funding relate to this objective, which aims “to sustain and support the growth of successful and competitive businesses in Gloucestershire”. Within this objective, the Key Strategic Action relating to ‘growing business sectors’ has considerably more projects and funding than the other Key Strategic Actions. ‘Growing business sectors’ is further subdivided into seven categories with the largest investments being in the leisure and tourism sector and in projects aiming to help all sectors grow (multi sector growth). In fact, these two areas alone account for 25% of the 375 projects researched to date.

The 42 Rural Gateway Projects funded by SWRDA (with an investment value of £189,000) are included within the Key Strategic Actions of Objective 1. These projects support approximately 300 agricultural and other businesses through a combination of service provision and direct grant allocation. The Rural Enterprise Scheme, which under the Rural Development Programme required equal match funding, has supported 37 projects in rural

Gloucestershire with an investment of £2.8 million (excluding match). Over 70% of the beneficiaries were private businesses and the projects are aligned largely to Objective 1 (approximately 70%) while the remainder are social enterprises with projects aligning to Objectives 2 or 3.

Objective 2, “Helping to improve local opportunities generally to increase economic inclusion”, accounts for 13% of projects and 11% of funding. (Affordable rural housing projects are not included in these percentages as they represent over £1.5 of investment and are considered separately in this report.)

Objective 3 aims “to strengthen rural communities in Gloucestershire”. 25% of tracked projects and 24% of funding relate to this objective. Capital build projects to improve community facilities are included in Key Strategic Action 3C: “helping villages, particularly isolated ones, to become more sustainable rural communities”.

Objective 4 aims “to realise fully the economic potential of Gloucestershire’s rural environment whilst protecting the exceptional quality of the countryside for future generations” and 12% of projects and 10% of funding relate to this objective.

54% of the projects benefit a single district, while 9% benefit two or three rural districts and 37% cover all four. Stroud district has the largest number of projects overall, while the Forest of Dean has the largest number of single-district projects and the largest proportion of funding (19% of the 375 projects benefit the Forest district alone and it benefits from 33% of the total funding). Tewkesbury borough has the lowest number of projects overall, as well as the lowest number of single district projects (7% of 375) and the smallest amount of funding (18%). 13% of the 375 projects benefit the Cotswold district alone and 16% the Stroud district alone; these districts each benefit from approximately a quarter of the total funding (23% Cotswold, 26% Stroud).

The SWRDA Rural Renaissance (RR) Programme has invested £3.2 million in 77 projects in rural Gloucestershire. When match funding is taken into account, the total investment value in these projects is £8.2 million. The largest proportion of match funding comes from private and charitable sources. 68% of projects supported by RR relate to Objective 1 and 21% to Objective 3. 21% of RR projects operate solely in the Cotswold district, 21% solely in the Stroud district, 17% solely in the Forest of Dean and 9% solely in Tewkesbury borough. 38% of the RR funding benefits the Cotswold district, while 22% benefits the Forest of Dean, 26% the Stroud district and 14% Tewkesbury borough.

The SWRDA Modernising Rural Delivery programme funds 24 projects in rural Gloucestershire. Ten of these operate solely in the Forest of Dean, which benefits from 59% of the MRD funding. Six operate solely in the Stroud district (18% of MRD funding), three solely in Tewkesbury borough (18% of MRD funding), three solely in the Cotswold district (5% of funding) and two across the four rural districts. 88% of MRD projects relate to Objectives 1 or 3.

The flooding suffered by rural and urban Gloucestershire in July 2007 led to support packages to develop a number of projects with the main sources of funding from SWRDA and Severn Trent. SWRDA supported rural projects relating to the Rural Economic Strategy to the value of £194,000, mainly in the areas of reinvigorating the tourism sector and supporting businesses affected by the flooding ('wet foot' businesses). Severn Trent Funding (£575,000 relating to the GRES) was used to support a variety of projects from improvements to flood affected footpaths and wildlife preservation to festivals, events and business support.

SECTION A

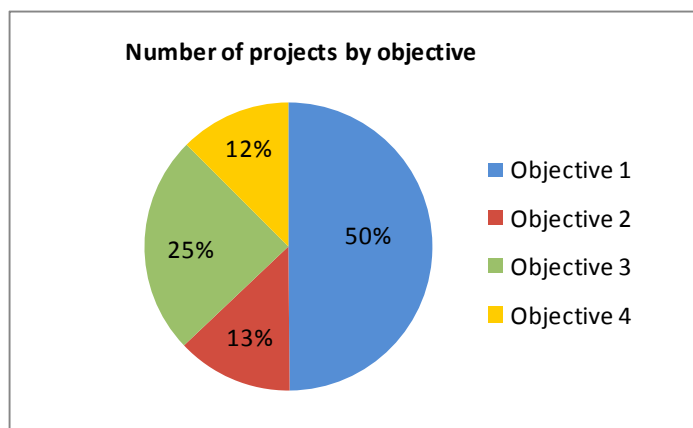
Analysis of projects with an individual investment value of up to £1.5 million

To date, **375** projects have been identified and researched in this category. Together they have an investment value of **£41 million**.

1. ANALYSIS BY OBJECTIVE

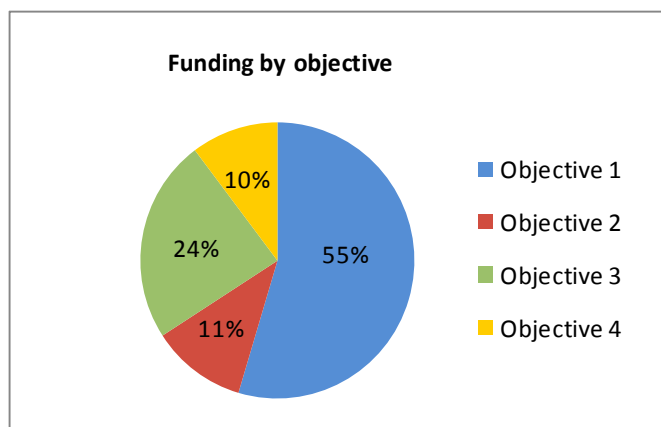
a) Number of projects by Objective

50% of the 375 projects contribute to the delivery of Objective 1: “To sustain and support the growth of successful and competitive businesses in Rural Gloucestershire”. A further 25% relate to Objective 3: “To strengthen rural communities in Gloucestershire”.



b) Funding by Objective

The allocation of funding is roughly in line with the proportions of projects (above), with 55% of funding contributing to the delivery of Objective 1 and 24% to Objective 3.

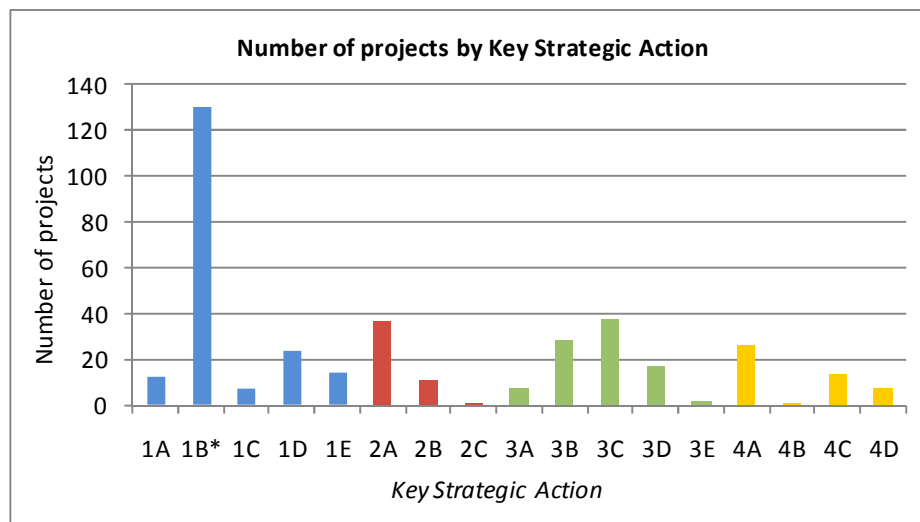


2. ANALYSIS BY KEY STRATEGIC ACTION

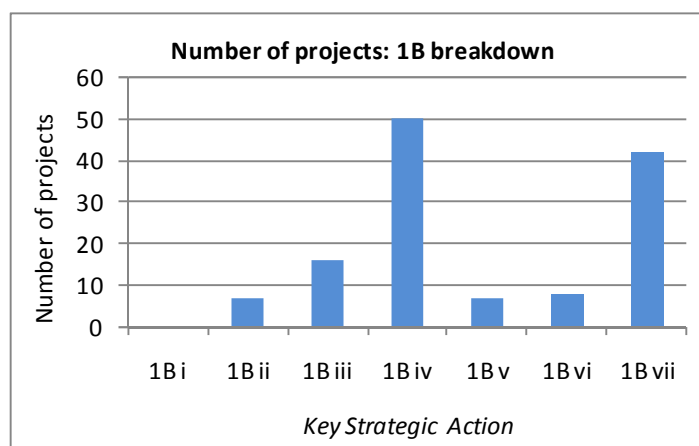
Each strategic objective comprises 3 to 5 sub-categories known as ‘Key Strategic Actions’, which are labelled alphabetically from 1A to 4D (see Appendix 1 for definitions).

a) Number of projects by Key Strategic Action

The first chart below shows the number of projects relating to each Key Strategic Action. There is at least one project in each category. KSA 1B accounts for 35% of all projects and relates to growing specific business sectors, micro businesses and the social economy.



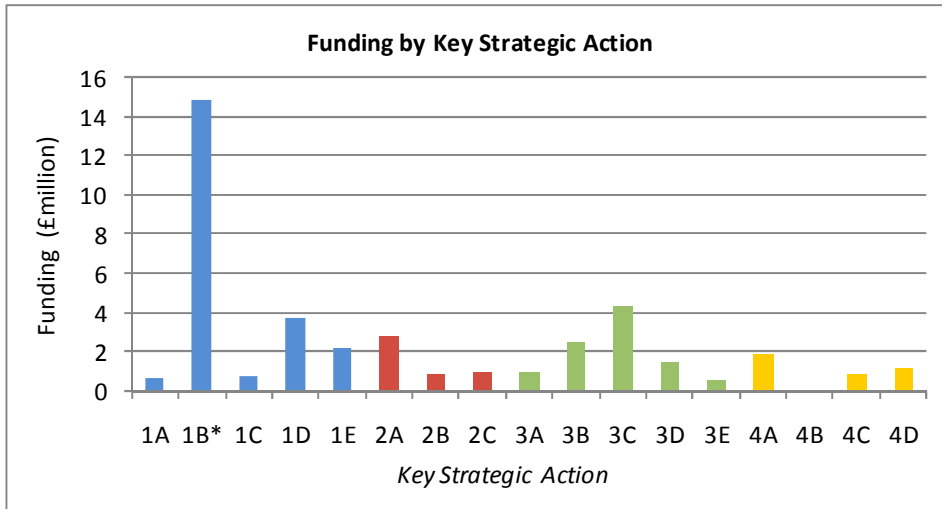
KSA 1B comprises 7 sub-categories, 1Bi to 1Bvii (see Appendix 1 for definitions). The largest number of projects are within 1Biv (growing the leisure and tourism sector) and 1Bvii (multi-sector growth*). Together, these two areas account for 71% of the 130 projects relating to growing the business sectors and 25% of all 375 projects researched to date. No projects have yet been identified which relate to sub-category 1Bi (growing the finance and business services sector).



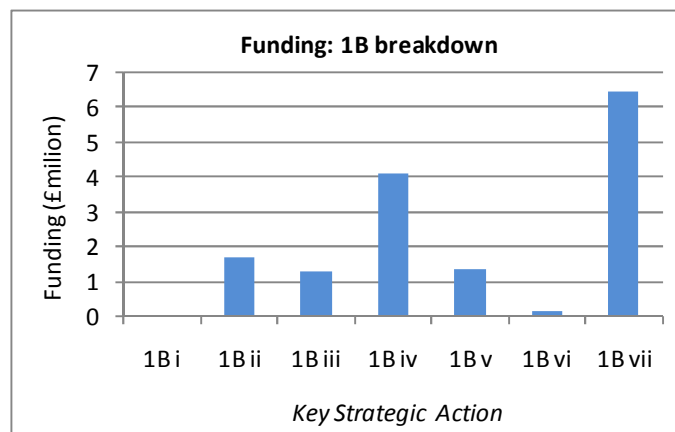
(*Please note that Multi sector growth does not appear as a sub category in the GRES: It is a category added by the researcher for convenience to enable information to be captured on projects which benefit more than one sector)

b) Funding by Key Strategic Action

The funding relating to each Key Strategic Action is shown below and it broadly reflects the apportioning of projects, with 36% of the funding related to growing business sectors (1B).



The breakdown of KSA 1B (growing business sectors) into sub categories shows that the largest proportion of funding is related to multi sector growth (1Bvii). Multi sector growth accounts for 43% of the funding allocated to KSA 1B and 32% of the projects in this category. 'Growing the Leisure and Tourism sector' (1Biv) accounts for a further 27% of the funding for KSA 1B and 38% of projects in this category. These two sectors combined account for 70% of the funding invested in growing business sectors and 26% of the £41 million total funding tracked to date.



3. ANALYSIS BY DISTRICT

a) Number of projects by district

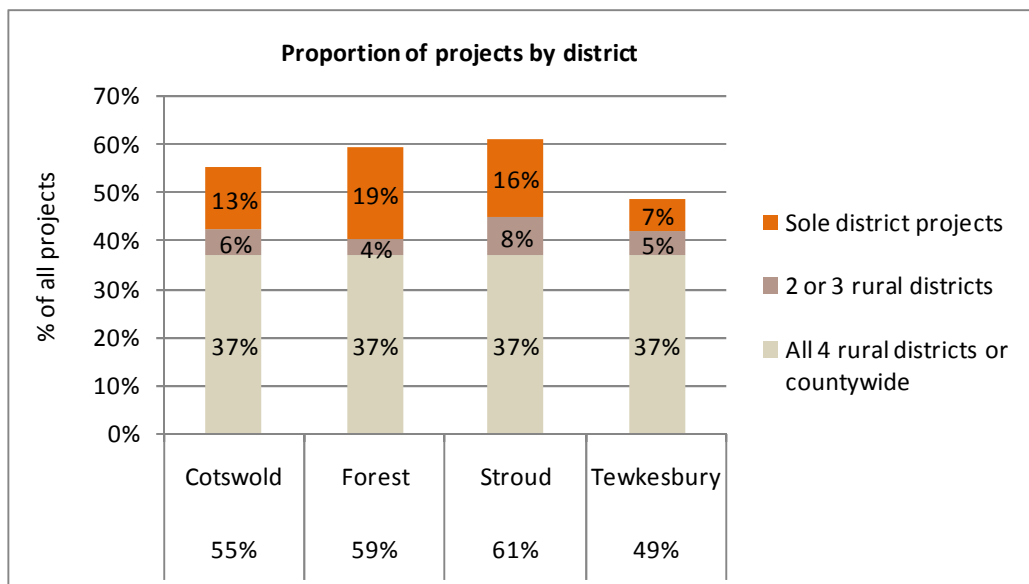
The GRES delivery area is throughout Gloucestershire's four rural districts, namely Cotswold, Forest of Dean, Stroud and Tewkesbury. 37% of the projects tracked to date are countywide projects covering all four districts while 9% operate in 2 or 3 districts and 54% operate solely in one district.

Each bar in the chart below shows the projects operating in a given district as a proportion of the total[†] number of projects tracked to date.

Each bar is divided into three to indicate the proportion of projects which:

- i) operate solely within that district
- ii) operate within that district and also in one or two other districts
- iii) operate in all four rural districts or countywide

19% of all projects in rural Gloucestershire benefit the Forest of Dean district alone, 16% Stroud, 13% Cotswold and 7% Tewkesbury.

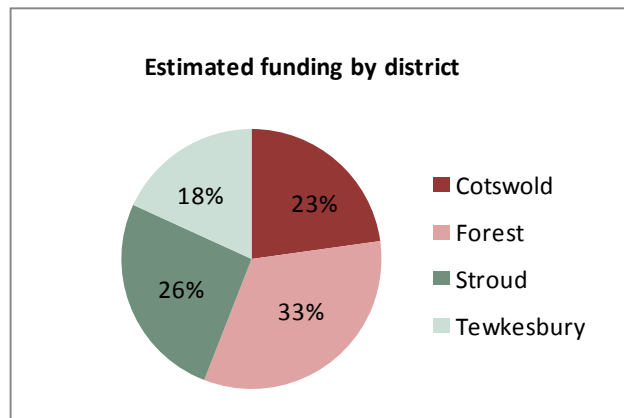


[†] Excluding 13 projects whose area of benefit is as yet unknown.

b) Funding by district

A breakdown of funding by district can be estimated if it is assumed that where a project benefits two or more rural districts, the funding for that project is divided equally between the beneficiary districts. (Obviously, for sole district projects, the whole of the funding is allocated to the district of benefit.)

Based on this assumption, a third of the total funding is allocated to the Forest of Dean district, approximately a quarter to each of the Cotswold and Stroud districts, and just under a fifth to Tewkesbury.

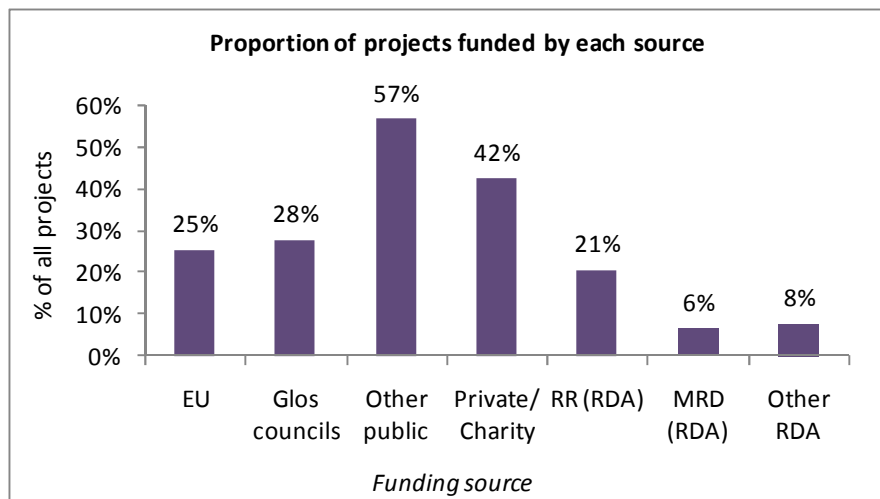


4. ANALYSIS BY FUNDER

a) Proportion of projects funded by each source

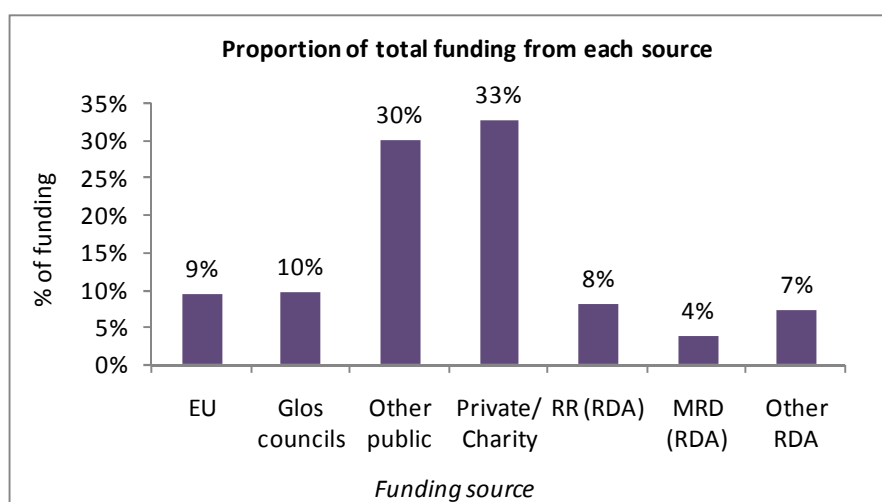
The first chart below shows the proportion of projects which are funded by each source (see Appendix 2 for definitions). For example, Gloucestershire councils provide funding for 28% of the 375 projects while other public sources provide funding for 57%.

(N.B. The majority of the 375 projects tracked to date are funded from more than one source so the percentages below add to more than 100.)



b) Proportion of funding from each source

The breakdown of the total funding (£41m) by source shows that 10% of the total funding comes from Gloucestershire councils and 30% from other public sources. Private or charitable sources provide 33% of the £41m funding tracked to date.



SECTION B

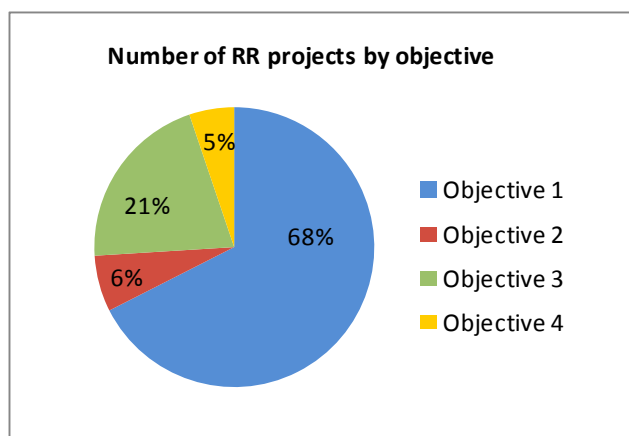
Analysis of SWRDA Rural Renaissance Projects

77 (21%) of the 375 projects in Section A have been awarded funding from the SWRDA Rural Renaissance programme. The financial contribution by RR to each project ranges from £5,000 to £250,000, with £3.2 million awarded in total by RR to these 77 projects.

1. ANALYSIS BY OBJECTIVE

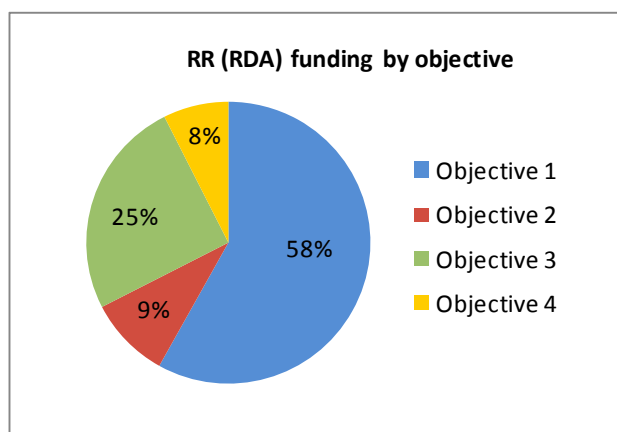
a) Number of RR projects by Objective

68% of the RR-funded projects relate to Objective 1 of the GRES and 21% to Objective 3.



b) RR (RDA) funding by Objective

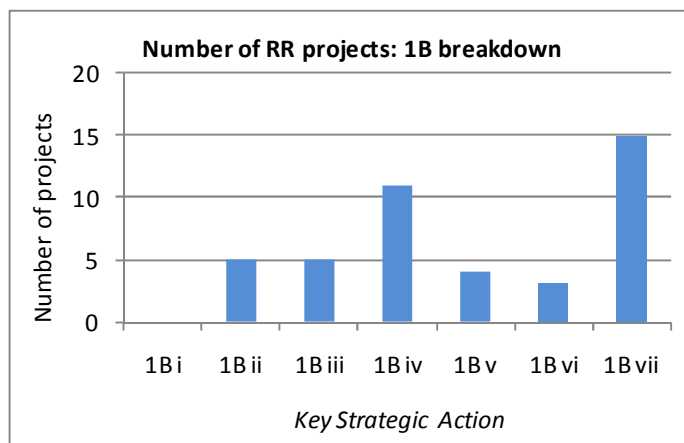
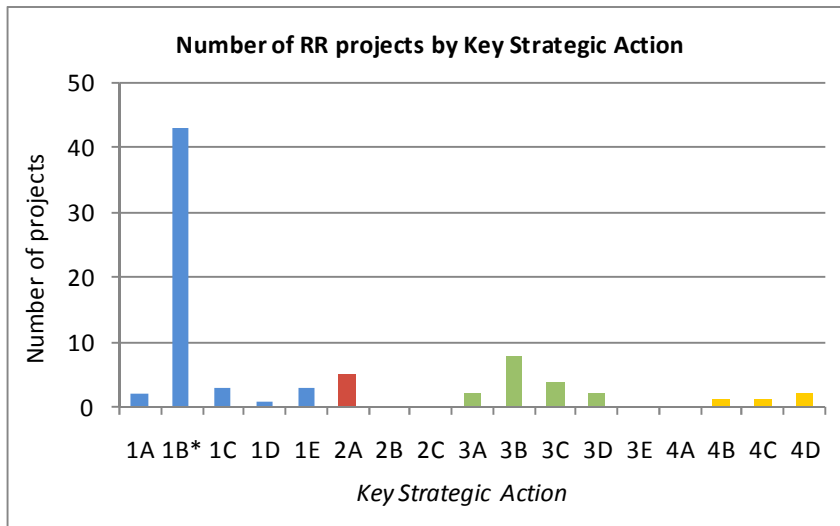
The pattern of RR funding is roughly in line with the proportion of projects with 58% relating to Objective 1 and 25% to Objective 3.



2. ANALYSIS BY KEY STRATEGIC ACTION

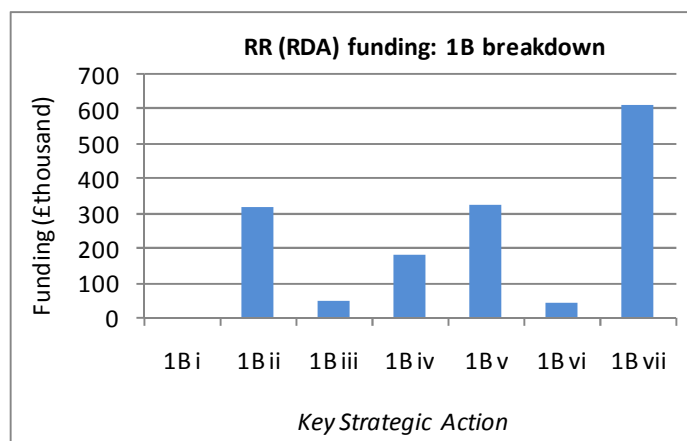
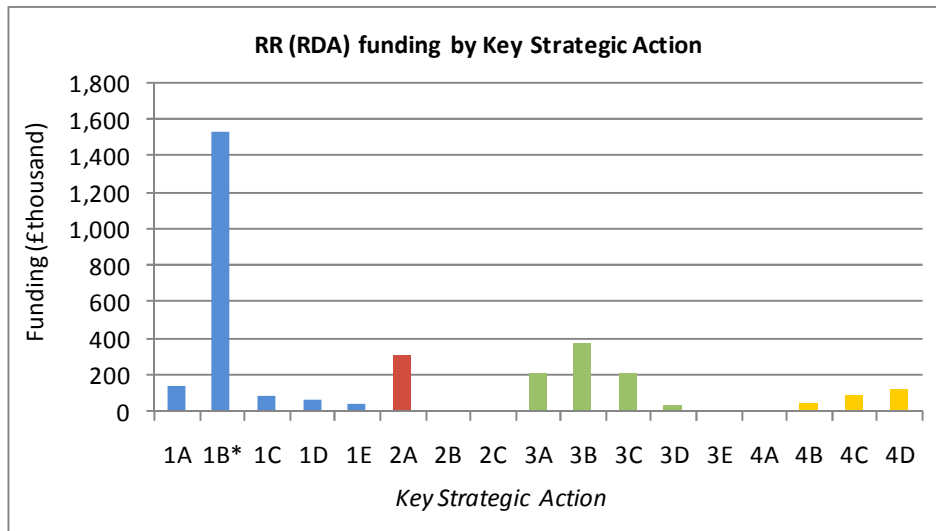
a) Number of RR projects by Key Strategic Action

The largest proportion of projects supported by the RR programme relate to KSA 1B (growing business sectors – which includes named sectors such as leisure and tourism as well as growing micro businesses and the social economy). Within this KSA the largest number of projects support the leisure and tourism sector and multi-sector growth



b) RR (RDA) funding by Key Strategic Action

The overall distribution of RR funding roughly follows that for the proportion of beneficiary projects, with KSA 1B (Growing business sectors) attracting the largest amount of funding from the RR programme.



3. ANALYSIS OF RR PROJECTS BY DISTRICT

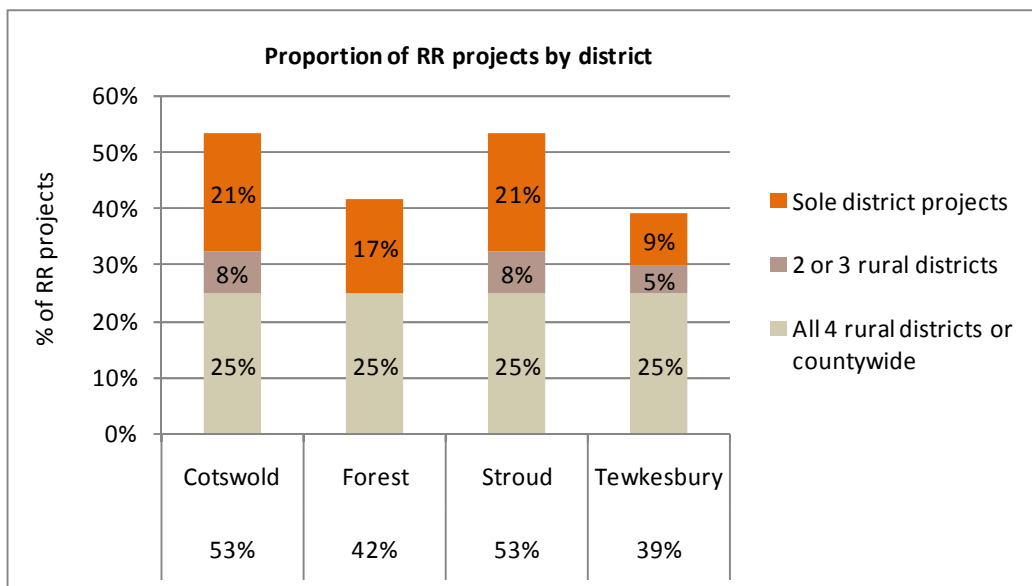
a) Number of RR projects by district

Each bar in the chart below shows the RR projects operating in a given district as a proportion of all 77 RR projects. For example, 53% of the RR projects operate in the Cotswold district.

Each bar is divided into three to indicate the proportion of projects which:

- i) operate solely within that district
- ii) operate within that district and also in one or two other districts
- iii) operate in all four rural districts or countywide

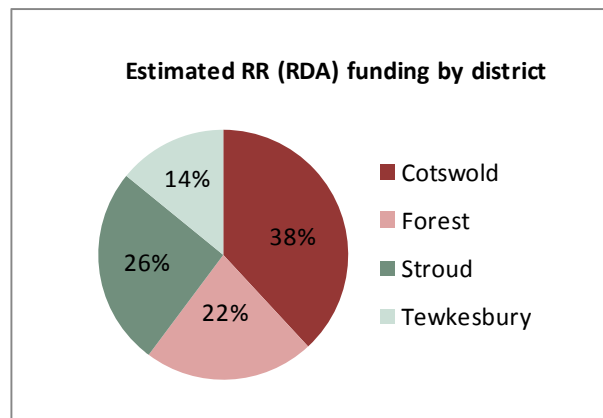
25% of RR funded projects benefit all four rural districts. The number projects operating solely in one district is highest for Cotswold and Stroud (21% in each district) and lowest for Tewkesbury (9%).



b) RR (RDA) funding by district

A breakdown of RR funding by district can be estimated if it is assumed that where a project benefits two or more rural districts, the funding for that project is divided equally between the beneficiary districts. (Obviously, for sole district projects, the whole of the funding is allocated to the district of benefit.)

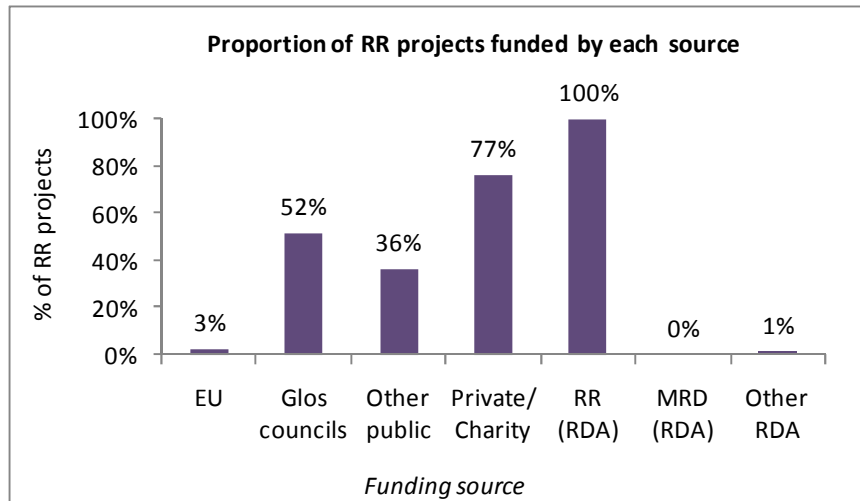
Based on this assumption, 38% of the total RR funding is allocated to the Cotswold district, 22% to the Forest of Dean district, 26% to the Stroud district, and 14% to Tewkesbury borough.



4. ANALYSIS BY FUNDER

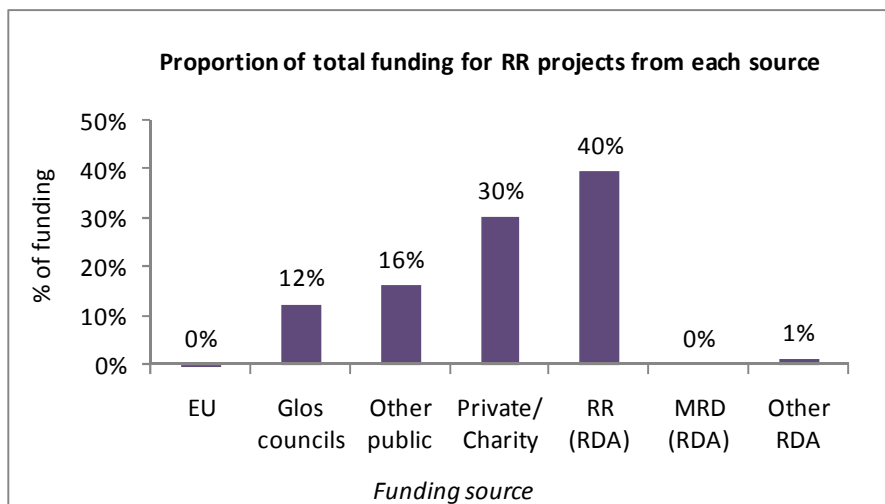
a) Proportion of RR projects funded by each source

The first chart below shows the proportion of the 77 RR projects which receive funding from each of the various sources. For example, Gloucestershire councils contribute funding to 52% of RR projects while 77% of the RR projects are supported by funding from private or charitable sources.



b) Proportion of funding from each source for RR projects

The total amount of funding assigned to the 77 RR projects is £8.2 million. £3.2 million (40%) of this comes from Rural Renaissance itself, with 60% from other sources.



SECTION C

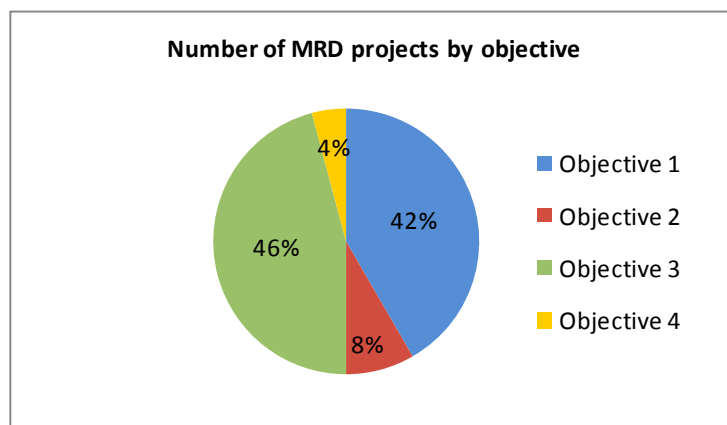
Analysis of Modernising Rural Delivery Projects

24 (6%) of the 375 projects outlined in Section A are funded through the SWRDA Modernising Rural Delivery (MRD) programme which is administered through the Gloucestershire RR scheme. The contribution from SWRDA to MRD projects ranges from £5,000 to £216,000 per project, with £1.5 million of the total £4.7 million SWRDA investment allocated to MRD projects.

1. ANALYSIS BY OBJECTIVE

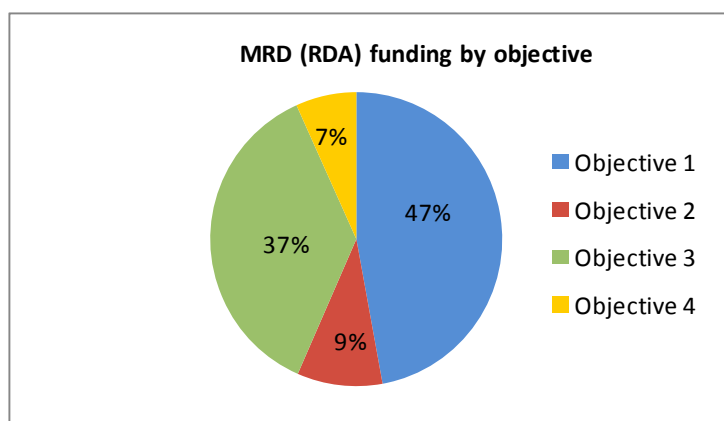
a) Number of MRD projects by Objective

88% of the MRD projects relate to Objectives 1 and 3.



b) MRD (RDA) funding by Objective

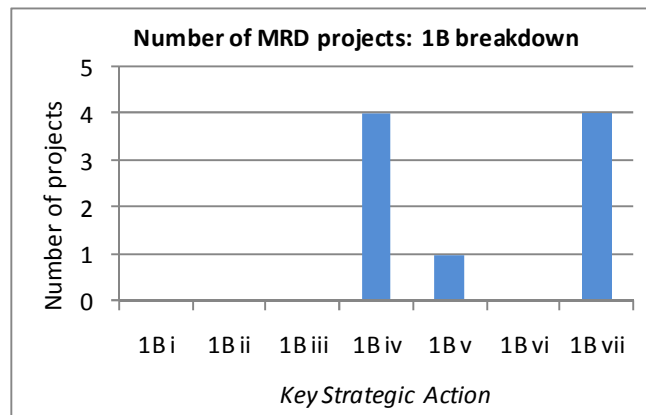
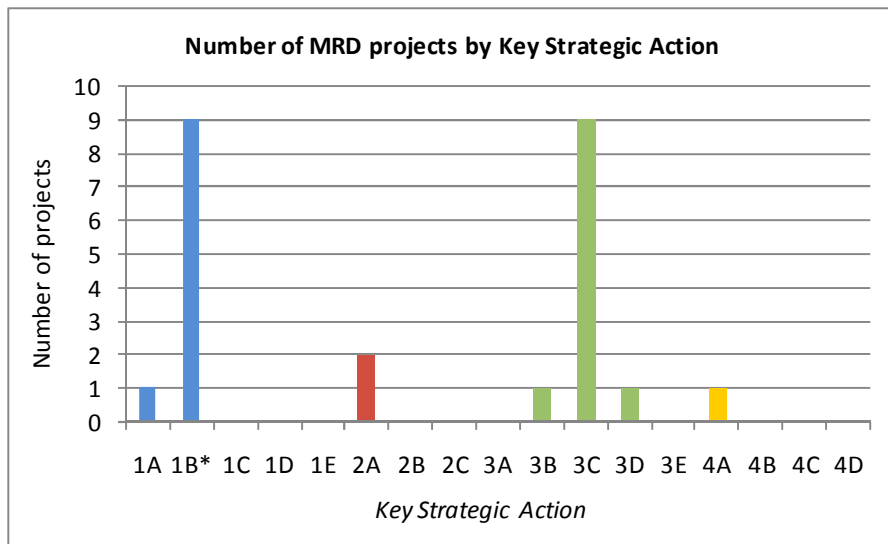
84% of the RDA funding allocated through the MRD programme relates to Objectives 1 and 3.



2. ANALYSIS OF MRD PROJECTS BY KEY STRATEGIC ACTION

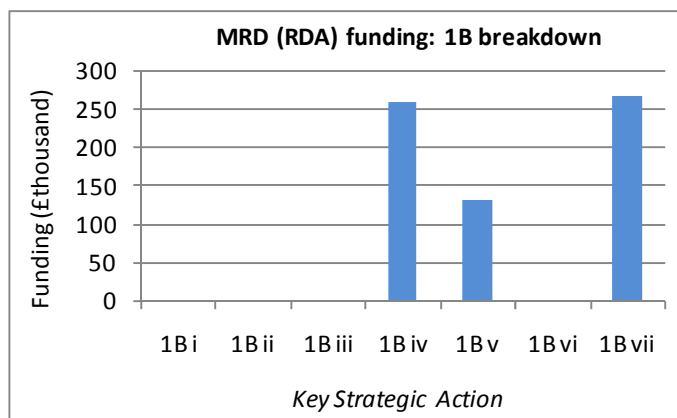
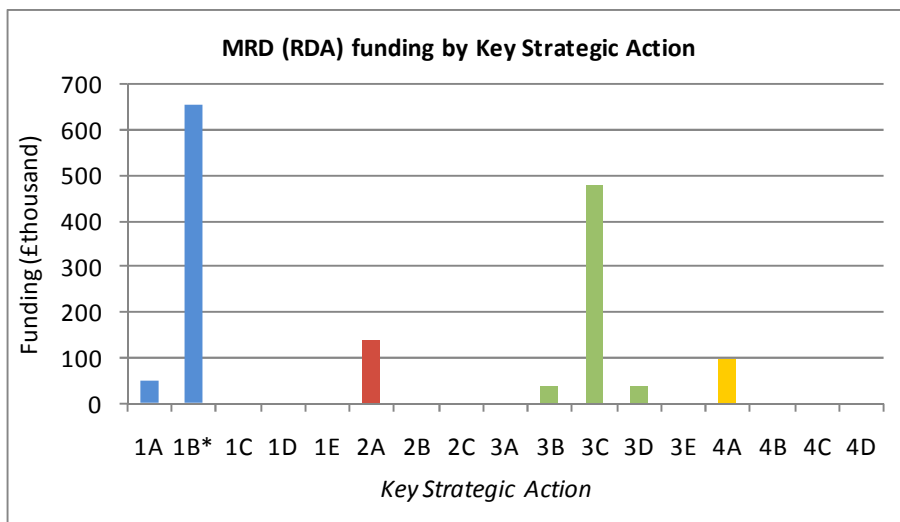
a) Number of MRD projects by Key Strategic Action

The KSAs most supported by MRD projects are 3C (Helping villages, particularly isolated ones, to become more sustainable rural communities) and 1B (Growing business sectors), with four of the 1B projects relating to the leisure and tourism sector and another four aiming to grow all sectors.



b) MRD (RDA) funding by Key Strategic Action

The allocation of funding by Key Strategic Action shows a similar pattern to the number of projects in each category.



3. ANALYSIS OF MRD PROJECTS BY DISTRICT

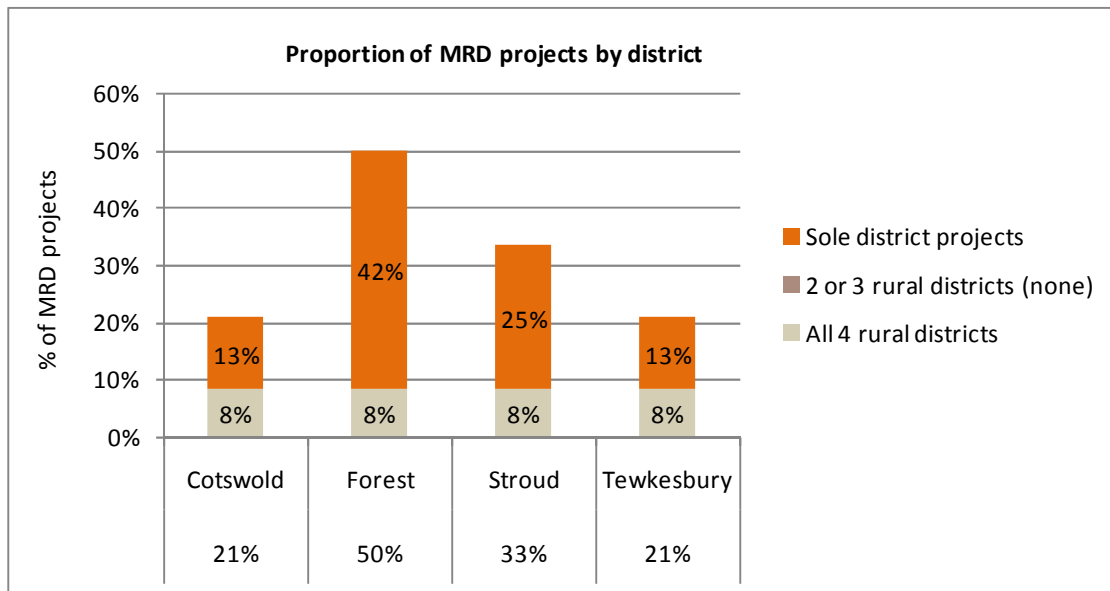
a) Number of MRD projects by district

Each bar in the chart below shows the MRD projects operating in a given district as a proportion of all 24 MRD projects.

Each bar is divided to indicate the proportion of projects which:

- i) operate solely within that district
- ii) operate within that district and also in one or two other districts
- iii) operate in all four rural districts or countywide

Half the MRD projects operate in the Forest of Dean, with most of these taking place in this district alone.



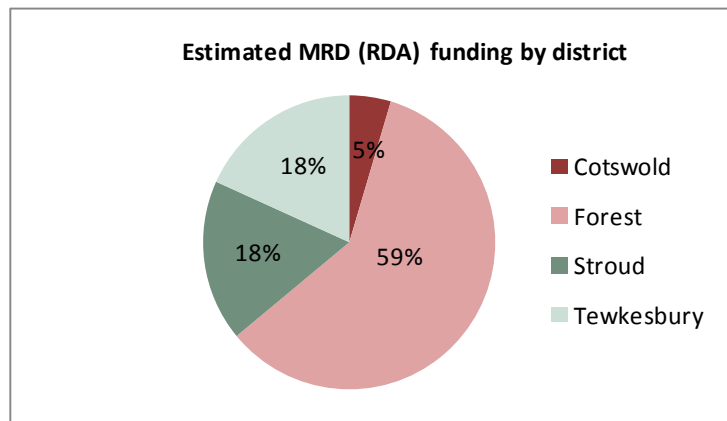
The actual numbers of projects are shown below for reference:

Sole district	
Cotswold	3
Forest of Dean	10
Stroud	6
Tewkesbury	3
Multi district	
2 or 3 rural districts	0
All four rural districts	2
Countywide	0

b) MRD (RDA) funding by district

A breakdown of MRD funding by district can be estimated if it is assumed that where a project benefits two or more rural districts, the funding for that project is divided equally between the beneficiary districts. (Obviously, for sole district projects, the whole of the funding is allocated to the district of benefit.)

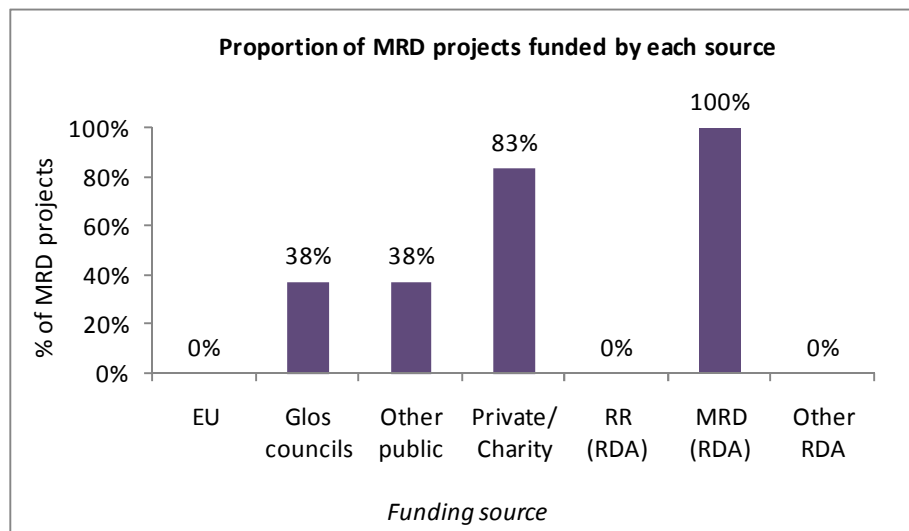
Based on these assumptions, 59% of the total MRD funding is allocated to the Forest of Dean, 18% to Stroud, 18% to Tewkesbury and 5% to the Cotswold district.



4. ANALYSIS BY FUNDER

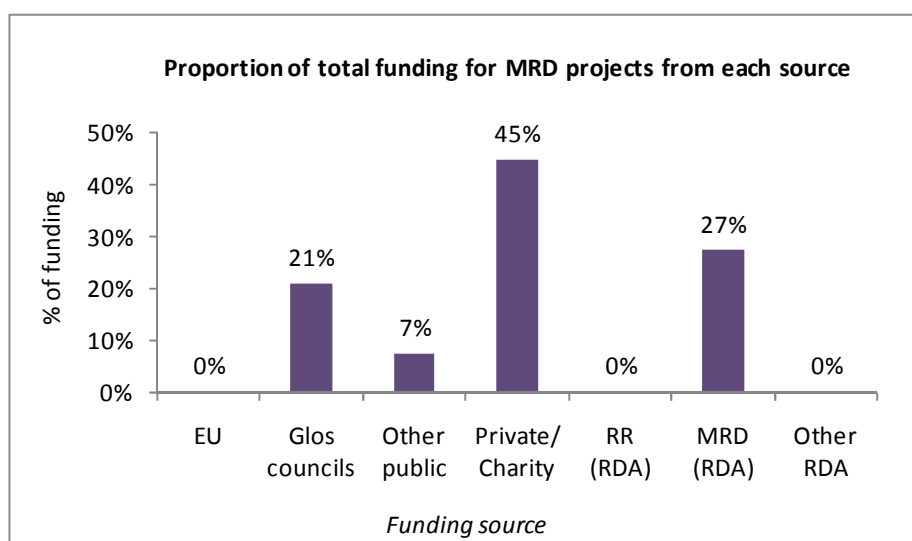
a) Proportion of MRD projects funded by each source

The first chart below shows the proportion of the MRD projects which receive funding from each of the various sources. For example, Gloucestershire councils contribute funding towards 38% of projects supported through the MRD programme. 83% of the 24 MRD projects receive support from private or charitable sources.



b) Proportion of funding from each source for MRD projects

The total amount of funding invested in the 24 MRD projects is £5.5 million. £1.5 million (27%) of this comes from the RDA, with 73% coming from other sources.



SECTION D

Analysis of projects with an individual investment value of over £1.5 million

Details of the 11 projects with individual investments of over £1.5m are summarised below.

Projects > £1.5 million	Objective / KSA	District	Funding (£million)
Cotswold Canals Project	4D	Stroud	£27.8
Affordable housing build (4 projects)	2B	4 rural	£21.9
Agri-environment schemes	4C	4 rural	£20.1
Littlecombe Development	3B	Stroud	£15.4
Environmental Stewardship scheme	4C	4 rural	£8.3
Securing the future for the Forest of Dean	3A	Forest	£2.6
Coleford Enterprise Centre	3B	Forest	£2.5
Tewkesbury Hat Shop project	3B	Tewkesbury	£1.9
Total			£100.5

The four affordable housing build projects relate to Objective 2B (helping improve local opportunities generally to increase economic inclusion) and each benefits one of the four rural districts (Cotswold, Forest of Dean, Stroud and Tewkesbury).

The remaining projects relate to Objectives 3A (building the capacity of rural communities), 3B (providing the vision, leadership and finance necessary to reinvigorate sustainable market towns), 4C (improving environmental skills) and 4D (exploiting the economic value of existing historic resources and the restoration of the cultural and heritage assets). Two of these operate solely within the Stroud district, two solely in the Forest of Dean and one solely in Tewkesbury, while the other two benefit all four rural districts.

The largest proportion of funding for projects over £1.5 million comes from 'other public' sources.

Funding source	Proportion of funding
EU	21%
Glos councils	3%
Other public	41%
Private/ Charity	24%
RDA (non RR/MRD)	10%

APPENDIX 1: OBJECTIVES AND KEY STRATEGIC ACTIONS

Objective 1: To sustain and support the growth of successful and competitive businesses in Rural Gloucestershire

- 1A The retention and expansion of a profitable manufacturing sector including using advanced engineering techniques and innovation
- 1B i Growing the finance and business services sector
- 1B ii Growing the creative industries sector
- 1B iii Growing the environmental technology sector
- 1B iv Growing the leisure and tourism sector
- 1B v Growing the number of competitive and profitable micro-businesses
- 1B vi Growing the social economy
- 1B vii Multi-sector growth*
- 1C Maintaining the exceptional built environment in rural Gloucestershire and taking advantage of the opportunity for construction work due to the regeneration of Gloucester
- 1D Maintaining a well skilled workforce
- 1E Maintaining a profitable agriculture sector in rural Gloucestershire at a time of major change in the industry

Objective 2: To increase economic inclusion in Rural Gloucestershire, particularly in the most deprived areas

- 2A Helping individuals overcome their disadvantage
- 2B Helping to improve local opportunities generally to increase economic inclusion
- 2C Increasing the use made of the skills and experience of the older members of the rural population to benefit the economy and community

Objective 3: To strengthen rural communities in Gloucestershire

- 3A Building the capacity of rural communities
- 3B Providing the vision, leadership and finance necessary to reinvigorate sustainable market towns
- 3C Helping villages, particularly isolated ones, to become more sustainable rural communities
- 3D Improving physical communications and access
- 3E Taking full advantage of the increasing opportunities for electronic communication

Objective 4: To realise fully the economic potential of Gloucestershire's rural environment whilst protecting the exceptional quality of the countryside for future generations

- 4A Protecting rural Gloucestershire's environment
- 4B Using Local Development Frameworks (LDFs) to meet the needs of the economy
- 4C Improving environmental skills
- 4D Exploiting the economic value of existing historic resources and the restoration of the cultural and heritage assets

*(*Please note that Multi sector growth does not appear as a sub category in the GRES: It is a category added by the researcher for convenience to enable information to be captured on projects which benefit more than one sector)*

APPENDIX 2: DEFINITIONS OF FUNDING SOURCES

EU

European Union.

Glos councils

Funding from county, district and parish/town councils.

Other public

Funding from other Glos. (or non Glos.) sources, including Defra, LSC, Higher Education Institutions, Business Link and Lottery.

Private/Charity

Funding from private businesses, charities or trusts, income generated and donations 'in kind'.

RR (RDA)

Rural Renaissance (South West Rural Development Agency).

MRD (RDA)

Modernising Rural Delivery (South West Rural Development Agency).

Other RDA

Other South West RDA funding.