

Taunton Deane Borough Council

Executive - 4 March 2009

Report of the Economic Development Manager

Into Somerset - the Somerset Inward Investment Initiative

(This matter is the responsibility of Executive Councillor Jefferson Horsley)

- 1.1 Members will recall that Councillor Horsley updated the Full Council Meeting on 17 February 2009 on the situation with Into Somerset.
 - 1.2 Attached is the report that will be taken to Somerset County Council's Executive and to District Executives over the next few weeks. Taunton Deane's position is described at paragraph 3.4.
 - 1.3 It has been agreed with partners that Taunton Deane will not be a founding member of the Local Authority Controlled Limited Company that has been established to employ the Investment Manager.
 - 1.4 However, Taunton Deane remains fully committed to the need to market Somerset as a 'place to do business' and to encourage inward investment activity. As such, it is proposed that the Council will support the initiative with previously agreed funding from the Local Authority Business Growth Incentives Scheme (LABGI) grant to the sum of £20,000 per annum in each of the financial years 2009/2010 and 2010/2011, whilst exercising control of the expenditure of these funds through a Service Level Agreement.
- 2. Recommendation**
- 2.1 It is recommended that Members agree to the continued support of the Into Somerset initiative through a Service Level Agreement.

Contact Officer : Phil Sharratt 01823 356534 or
p.sharratt@tauntondeane.gov.uk

Somerset County Council

Executive Board
4 March 2009

Item No. [Item No.]

Into Somerset, the Somerset inward investment initiative

Executive Portfolio Holder: Alvin Horsfall

Division and Local Member: All

Corporate Director: Miriam Maddison

Lead Officer: Paul Hickson

Author: Stephanie Berry

Contact Details: 01823 356766 SXBerry@somerset.gov.uk

1. Summary/link to the Corporate Plan

- 1.1.** This report updates the Executive Board about the steps SCC is taking with its district council and local private sector partners to formalise the structure of an inward investment company, Into Somerset, which will attract greater inward investment into the county. The genesis of this initiative has taken lengthy planning. Partners agreed to the initiative in principle in 2006/07. More recent work has included a rigorous options analysis and risk assessment. The Executive Board is asked, on the balance of evidence of the overall options analysis, to adopt the company option, endorse the revised business plan and delegate the detailed legal and financial decisions to officers in consultation with the relevant Portfolio Holders.
- 1.2.** A joint delivery vehicle for inward investment across Somerset is a high profile outcome for Priority 7, a more productive and competitive Somerset economy, of the Somerset Local Area Agreement (LAA) 2008 - 2011 and contributes to the targets NI151, NI166 and NI171. It is also a priority action under Aim 3 of SCC's Annual Plan 2008, ensuring economic wellbeing as part of Priority 5 supporting the development of Somerset's economy.

2. Recommendations

- 2.1.** Adoption of the preferred option of a Local Authority Controlled Company limited by guarantee for delivery of inward investment for Somerset
- 2.2.** Endorsement of the Into Somerset business plan
- 2.3.** Delegation of detailed decisions on the Inter Authority Agreement and Memorandum and Articles of Association for the company to the finance and legal teams in consultation with the Portfolio Holder for Economic Development and Portfolio Holder for Strategic Resources and Finance.

3. Background

- 3.1.** In the development of the Somerset Community Strategy and Economic Strategy, a performance gap in Somerset's economy was identified in the lack of high value business investment. Initial work by the six local authorities in Somerset reviewed the options for closing the gap and of practice elsewhere, resulting in a business case for an initiative for joint promotion of Somerset as a business location and a consistent approach to stimulating and responding to inward investment enquiries. The local authority partners took decisions in principle during 2006/2007 to take this initiative forward and for initial funding for 3 years from 2007/08.

The Somerset County Council Executive Board made its resolution at its meeting on 20th December 2006. At the meeting the Executive

1. Resolved to endorse the business case for a Somerset inward investment agency as outlined in Appendix A to the report.
2. Approved an annual SCC contribution for three years of £125,000, drawn for the Local Authority Business Growth Incentive (LABGI) allocation.
3. Agreed the appointment of the portfolio holder for economic development as SCC's representative on the agency's board.

- 3.2.** The first year financial contributions were made by local authorities in 2007/08. Initial delivery in 2008/09 has been achieved firstly by the formation of the shadow board comprising the six local authority representatives, the IBM Director of Marketing UK and Ireland and Honor Chapman as an experienced and influential chair. The delivery of the inward investment business plan for the first year (March 2008 to March 2009) of Into Somerset is proceeding through a Service Level Agreement with the Somerset Chamber of Commerce and Industry. The first year financial contributions of the partners and the delivery costs of Into Somerset are being handled through an external project account in SCC.

The headline outputs delivered and outcomes achieved for the initial year of the business plan to date have been:

- Market research identifying target geographical areas, demographic groups and key sectors
- Perceptions study identifying the unique strengths of Somerset as a business location and key messages for marketing campaigns
- Development of the Somerset brand for a business market
- Development and launch of web site www.intosomerset.com
- Initial marketing and promotions plan and materials
- Comprehensive marketing plan for 2009 - 2012
- Briefing to local businesses at local events and Somerset in Business conference
- Secured private sector contributions in terms of secondment, pro bono support and ambassadorial roles
- Enquiry handling protocol developed, agreed and implemented
- Improved joint working with SWRDA, UKTI and PERA in promoting Somerset for foreign direct investment and joint ventures

3.3. The advantages of a joint delivery vehicle have been recognised through the process of the initial delivery arrangement and the partnership of local authorities working together. There are two challenges in taking this forward. The process of reviewing the options and risks rigorously has proven to be a more complicated process than originally envisaged and the original business plan has required reconfiguration.

3.4. The options considered were:

- An informal shared service
- A local authorities controlled company limited by guarantee with suitably skilled dedicated staff directly recruited or procured through contract with appropriate organisation
- Direct contract with a third party agency
- A local authority partnership

All six local authorities in Somerset have been involved in the rigorous process of the options analysis and risk assessment (Appendix 1). The conclusion at officer level in the majority of local authorities is the preferred option of a local authorities controlled company limited by guarantee. This conclusion has been accompanied by a business plan for the remaining confirmed funding period 2009 – 2011 (Appendix 2).

In summary, the main benefits of this model, as detailed in the options analysis, are the active participation of the private sector in taking this forward. This includes the added value of professional expertise and ambassadorial roles as well as potential for financial contributions leading to reduced reliance on public sector funds. The main risk is the insecurity of funding beyond 2011 and the possible subsequent closure of the company.

3.5. Taunton Deane Borough Council, whilst supportive of the initiative and committed to funding the 2 year delivery plan, does not want to be represented on the company's board of directors at the current time and will secure its governance of the initiative through a Service Level Agreement with the company.

3.6. All Local Authority partners have adopted a core report to present to their Executive Boards for agreement to take the Somerset wide initiative forward.

4. Consultations undertaken

4.1. Somerset Strategic Partnership – SSP has provided the overarching governance of the process and through the Economic Leaders Group has been consulted on a regular basis by reports to quarterly meetings since the start of the process in 2006. The SSP and ELG approved the original business case for a company limited by guarantee as the most appropriate delivery model and continue to support this option.

Local Authority engagement - The six local authorities have been engaged in the process on a formal basis since June 2007 with representation by economic development officers on the working group and portfolio holders for economic development forming the shadow board. During 2008 greater engagement and consultation was achieved through the input of the Economic Regeneration directors and the legal and financial teams in developing the Inter Authority Agreement and Memorandum and Articles of Association for the company. Through this engagement it has been possible to identify the concerns of each authority and address them through the options analysis and risk assessment.

SWRDA – SWRDA was originally represented on the working group but latterly has been consulted on best practice and collaboration on foreign direct investment through the SWRDA Inward Investment Manager

4.2. Private sector – Wide engagement and consultation through the Somerset in Business conference in 2007 and 2008, briefings on the market research in August 2008 and regular consultation through private sector representatives on the Economic Leaders Group. The private sector is fully supportive of the preferred option of a company and there are offers of in kind contributions and ambassadorial roles from the business community.

5. Implications

5.1. The implications for SCC for Into Somerset to come under the Local Authorities Regulated Companies Regime relate to its obligations, together with its partner local authorities, to ensure that Into Somerset Limited complies with the restrictions under the Local Authorities Regulated Companies regime laid out in the Local Authorities (Companies) Order 1995 which include the requirements:

- Information required on business letters, notices and other documents referring to the fact that it is a regulated company
- Restrictions on remuneration and expenses permitted for directors who are also councillors
- Restrictions on appointing people disqualified from acting as a councillor to the board
- Requirements relating to the provision of information about the company to the relevant local authority's auditors
- Requirements relating to the provision of information to councillors
- If a controlled company, restrictions on who can be appointed as auditor
- If a controlled company, requirements to make public minutes of meetings

In addition SCC is required to show Into Somerset accounts in the local authority annual accounts and to declare contingent liabilities in the annual accounts

5.2.

6. Background papers

- 6.1.** Review of Into Somerset Delivery Options – 3 February 2009 (Appendix 1)
Into Somerset Business Plan 2009 -2011 – 3 February 2009 (Appendix 2)
Draft Somerset Sustainable Community Strategy 2008 – 2026, December 2008
Somerset Economic Strategy – Somerset Strategic Partnership 2005
Somerset Local Area Agreement 2008 - 2011
The Local Authorities (Companies) Order 1995

6.2.

Note For sight of individual background papers please contact the report author

Appendix A

INTO SOMERSET LTD BUSINESS PLAN

2009 – 2011

CONTENTS

	Section	Page
1.	Introduction	2
2.	Outputs of Delivery Plan 2008 -09	4
3.	Vision and Mission	6
4.	Strategic Objectives	6
5.	Marketing Plan	
5.1.	Objectives	6
5.2.	Strategy	7
5.3.	Marketing Approach	7
5.4.	Action Plan	7
5.5.	Industry Led Approach	9
5.6.	Key Milestones and Deliverables	10
5.7.	Appendices	12
6.	Human Resources Plan	13
7.	Operations Plan	15
8.	Financial Plan	17
9.	Performance monitoring and evaluation	22

1. Introduction

The overall strategic aim of the Somerset Economic Strategy adopted by the Somerset Strategic Partnership in 2005 is 'to achieve by 2015 a dynamic, high value and leading edge economy for Somerset and the wider South West region'. One of the strategic drivers of action is innovation and dynamism – transforming Somerset from a relatively low productivity and low value economy to a high value, knowledge driven county where innovation and creativity are valued and nurtured by the workforce and business community.

Strategic objective 2 of the Somerset Economic Strategy is 'to maximise the long term investment attractiveness and dynamism of Somerset's economy'. This objective is to be achieved through the strategic actions of:

- Creating a positive image of Somerset and its economy
- Strategic marketing of Somerset as a location for sustainable inward investment
- Targeted sectoral approach to inward investment linked to opportunities in different parts of Somerset
- Ensuring high quality advice, information and 'after care' services for potential and actual inward investors.

Following the signing of the first Local Area Agreement for Somerset in March 2006 the Economic Leaders Group has steered a process to bring about a collaborative approach to an inward investment agency which would deliver the strategic actions and the outcome measures for the LAA of improving the perceptions of Somerset as a business location and increasing growth in key small business sectors. These outcomes have been carried forward to the new Local Area Agreement for 2008 – 2011.

The Place Marketing Company presented the business plan for an inward investment agency for Somerset to the Somerset Strategic Partnership and Local Authorities in February 2007. The business case proposes the formation of a stand alone agency in the form of a company limited by guarantee with a board of directors to a maximum of 15 to include the funding partners with a private sector recruited chair. The prospective funding partners at the time of the report included SCC, the five district councils, Somerset Strategic Partnership and the South West Regional Development Agency.

During 2007 funding for three years for an inward investment company was agreed in principle by the six local authority partners, the district councils contributing proportionally to population levels. SWRDA indicated it could not be a funding partner or be included in the board of directors.

The first year financial contributions were made by local authorities in 2007/08. In the short term, the inward investment business plan for the first year (March

2008 to March 2009) of Into Somerset was delivered through a Service Level Agreement with the Somerset Chamber of Commerce and Industry. The first year financial contributions of the partners and the delivery costs of Into Somerset are being handled through an external project account in SCC.

Planning for the longer term has seen the formation of the shadow board for the company in July 2007 comprising the six local authority representatives and the recruitment of an independent Chair in August 2007. In September 2008 the IBM Director of Marketing UK and Ireland joined the shadow board. The draft Memorandum and Articles of Association of the company propose a board of 13 with a representative of each of the six local authority funding partners, an independent chair and 6 private sector representatives with equal voting rights for each member.

A 'shelf' company (i.e. an incorporated company with no activity) has been purchased by SCC from Companies House to provide a vehicle to admit the private sector directors and the local authority partners on finalisation of the Inter Authority Agreement. Into Somerset Limited was formed on 7 October 2008.

In the process of agreeing an Inter Authority Agreement and the Memorandum and Articles of Association for the company (Into Somerset Ltd) the SCC legal team identified that Into Somerset would fall under the local authorities regulated regime because:

- a) More than half the turnover for Into Somerset is being received from the partner local authorities
- b) The partner authorities will hold more than 20% of the total voting rights
- c) More than 20% of the directors of Into Somerset will be associated with the partner local authorities
- d) More than 20% of the total voting rights as a meeting of directors will be held by partner local authorities
- e) The local authorities by virtue of their financial contribution have a 'dominant influence' over Into Somerset

Under the regime the Into Somerset accounts will need to be consolidated into the respective local authority accounts.

To avoid the company coming under the regime would require either a reduction in the number of local authority representatives on the board to less than 20% or an increase in size of the board to 31 members. These options were considered unacceptable and unrealistic.

A **controlled company** has additional restrictions on:

- Who can be appointed as a company auditor
- Requirements to make public the minutes of meetings
- Partner authorities are under an obligation to ensure that Into Somerset complies with the statutory requirements of a controlled company

2. Outputs of delivery plan 2008 -2009

	Delivery action	Outputs
1	Set up	
1.1.	Develop Delivery Plan. Organise visit to Think London	Delivery Plan agreed with Into Somerset board before 31 March 2008. Think London visit in June 2008
1.2.	Set up Into Somerset 'office'	Dedicated telephone line and IT equipment available 27 November 2008
2	Gathering Intelligence	
2.1.	Compile up to date intelligence information on skills, sites and premises, communications infrastructure, business support services and lifestyle. Collate 'soft' information held in-house	Information collated for web site - live on 27 November 2008
2.2.	Collate baseline information on targeted key sectors in Somerset and other potential growth sectors	On going activity with input from local authority officers
2.3.	Conduct market research into the external market	Market research identified the target key sectors for Into Somerset and proposed key messages for sector campaigns based on a thorough perceptions study. Completed 25th July 2008
3	Marketing and Promotion	
3.1.	Draft an initial marketing and communications plan	Initial plan developed into brief sent out to tender. ADPR contracted to deliver PR and communications. A detailed marketing plan has been prepared following the Somerset in Business Conference on 27 November 2008
3.2.	Developing the brand	Branding developed by Halo Media and agreed with Into Somerset board June 2008
3.3.	Create marketing materials	Into Somerset brochure and USB pen created for Somerset in Business Conference 27 November 2008
3.4.	Develop and deliver sector campaigns	Sector campaigns are under development for delivery in 2009 - 2011
3.5.	Build a web site	Web site http://www.intosomerset.com live on 27 November 2008

3.6.	Regional and national events	To be part of the sector campaigns
3.7.	Local, regional and national PR	PR for the Somerset in Business Conference 27 November 2008
4	Targeting and working with local businesses	
4.1.	Organise agreed appropriate promotional events	Briefing events on the results of the market research during August 2008. Briefing on Into Somerset at Somerset in Business Conference 27 November 2008
4.2.	Develop an effective communications method with the private sector	Use of Chamber of Commerce network for communications
4.3.	Convene one to one visits with local businesses	One to one visits and presentations to business groups by Chamber of Commerce. One to one visits to key sector businesses.
4.4.	Explore and secure future funding such as secondments or other in kind contributions as well as advertising space on promotional resources	In kind contributions and secondments currently being explored in follow up to Somerset in Business Conference on 27 November.
4.5.	Develop strategic networking links between Into Somerset, the tourism industry and other key sectors	Local authorities requested this was postponed until Into Somerset established
5	Investment handling	
5.1.	Enquiry handling and follow up protocols	Enquiry handling and follow up protocols agreed by officer group July 2008
5.2.	SWRDA generated enquiry handling protocols	Developing protocols with new Inward Investment Manager for SWRDA.

3. Vision and Mission

Vision

By 2011 Into Somerset will be the key vehicle for attracting high value business investment into the county of Somerset making a major contribution to the business competitiveness targets and outcomes of the Somerset Local Area Agreement and the objectives of the Somerset Economic Strategy.

Mission

The mission of Into Somerset is to improve significantly Somerset's approach to and performance from inward investment. This will be achieved through raising awareness of the suitability of Somerset as a business location, working in partnership with Project Taunton, Yeovil Vision, Bridgwater Challenge and the market towns visions, targeted marketing to sectors of greatest value to the Somerset economy; and through a competitive and business credible enquiry handling and investment supporting mechanism and approach within the county.

4. Strategic objectives

To increase the number of committed company investments in Somerset

By 2011 achieve a significant increase the number of directly supported, committed company investments in Somerset from an estimated baseline of 7 per year between 2004 and 2006.

5. Marketing Plan for "Into Somerset" for 2009 / 2010 and beyond

5.1. Objectives:

1. Improve perception of Somerset as a place to do business amongst the target audience. Formal quantitative measurement of this perception shift is not felt to be achievable within current budgets, so a balanced range of qualitative feedback will need to be gathered to assess progress against this objective over time.
2. Stimulate and respond to 80 enquiries per annum in 2009/10 from businesses interested in relocating to or expanding into Somerset. Growing to 120 enquiries in 2010/11 and 150 enquiries each year thereafter.
3. Achieve 10 new VAT registered businesses set up in Somerset per year from 2010 onwards within each industry targeted. (Align this objective to the government objectives on regional start-ups.)

5.2. Strategy:

Address the significant 'perception gaps', as identified by the market research, to position Somerset as the *differentiated* ideal place to do business in the UK. This differentiation is based on the unique combination of Somerset being Connected, Creative, Entrepreneurial, Independent, Prestigious, Traditional, Knowledgeable, Welcoming and offering a New and great Lifestyle.

Target three distinct groups of 'prospects' based on their position and needs

- (1) Existing businesses looking to relocate their main office (from within the UK or outside of the UK) to Somerset. **"Relocators"**
- (2) Existing businesses who are looking to expand their geographic presence, by opening a new office / location (could be a new sales office, or could be to house an existing function, such as design/engineering/production) in Somerset. **"Expanders"**
- (3) Potential high value/high growth start-up/spin out companies who are looking for the ideal base / environment from which to form and grow their new enterprise. **"Start-ups"**

5.3. Marketing Approach:

To close the perception gap with the target market through creatively delivering a mix of messages based around the 10 Somerset attributes.

To execute a mix of cross-industry and industry specific activities using both an offline campaign which is heavily PR focused and an online campaign that uses a PR like approach to connect with and deliver the desired messages to our target audience.

5.4. Action Plan:

Offline Campaign

Regular PR activity through channels such as business journals, management magazines, blue chip trade press, lifestyle publications etc. This approach should address both the cross industry and industry specific channels.

Offline PR will also take into account the ambassadorial roles of individual businesses, networking within the business community here, joint activity with the project teams delivering the visions for the growth towns, Taunton, Yeovil and Bridgwater and the market towns and liaison with the Public Sector, especially Ellen Stallens' department at SWRDA. The idea of using specific individuals / personalities who have committed to act as 'Somerset Ambassadors' could be a great way to galvanize opinion outside of Somerset.

Online Campaign

Executing an online campaign alongside the offline work will give strength and extend the reach of our messages. Good quality copywriting, video case studies, third party endorsements and supposedly unrelated voices (viral techniques) would all contribute to this web marketing approach.

The following set of activities are the kind of mix that we should consider:

- Business Forums - we need to reach out to companies of all sizes through at least 5 of the larger business forums; providing links to Into Somerset within the knowledge base and starting chatter about the county and the initiative.
- YouTube - nothing helps video content get going like YouTube. Video testimonials and featurettes can be seeded across the network quickly and cheaply, with comments and ratings on each one and links back into the online community, in tandem with their presence on the Into Somerset site. Thought needs to be given to meta-tagging the videos for maximum effect.
- Blogosphere - a simple, persona-led blog using some of the leading Somerset ambassadors can build interest and provide us with a vehicle to market Somerset as a business location through the eyes of a third party endorser. Blogs contribute a great deal to search engine optimisation and are seen by many (perhaps incorrectly) as a source of opinion untainted by corporate motives.
- Business Directories – create reciprocal links with businesses that are already here or recently relocated to add Into Somerset information and links within their own directory pages, because more business in the county benefits everyone.
- Wikipedia - the benefits of doing business in Somerset can be explicitly stated in Wikipedia on an Into Somerset page (with links from Into Somerset and Visit Somerset) and as many Somerset companies as we can find on the site.
- Facebook / LinkedIn - there are increasing numbers of special interest groups in these social networking sites. Into Somerset could benefit from its own, which we use (after building an initial list of friends) to reach our target market. Once these people have accepted a 'Friend Request', they are going to see the brand again and again (with regular content management). Once the friend list reaches a certain threshold, Friends become Fans.

5.5. Complementary actions to enable an industry led approach for selected target industries:

- Study the market research and with key partners select the one or two industries and the functions within those industries, which are most likely to add value to the local economy, be robust despite the turbulent economic environment ahead of us and aid the change in perception of Somerset that is required. In terms of those relocating or expanding the functions which may be of most value to Somerset in terms of developing the knowledge economy are likely to be research, innovation, development and design and as well as being expansion of private industry could well include sections of the public sector.

Focus the first year's actions on these sectors.

- For each industry identify key case studies / role models / ambassadors who are already thriving in Somerset
- Identify a headline ambassador and spokespeople for each industry.
- Identify key gathering places (on-line and off-line) for professionals and decision makers in each industry
 - Major events / conferences
 - On-line discussion forums
 - Trade Associations / Governing Bodies / Trade Press etc
- Build up knowledge of existing networks, contacts, supply chains etc for each industry... (Likely starting with the case studies, role models and ambassadors)
- Proactively target a small number of companies who this gathering industry intelligence suggests are open to considering a relocation or investment in Somerset
- Stimulate a dialogue within those networks on why Somerset could be a great place to relocate to for people and businesses in that industry
- Consider supporting communications activities to get message across to target audience e.g. event attendance, press releases, advertorials in target publications

From the market research the indication is that the priority sectors for Into Somerset to focus its pro-active operations on initially should be:

Advanced Engineering – High value, fairly distinct to target and communicate with, have useful connections with bigger organisations, budgets and investment, strategically very significant for Somerset

Energy & Environment – High value, subject to major investment by government and business, strong international links, connection with existing investment plans, synergy we think with some of the advanced engineering skills already in Somerset. Overall a smaller more select community that could be seen as one with Advanced Engineering for into Somerset purposes.

Individuals with potential high value business start up – Probably based in London and SE, bring significant investment, skills, connections, plenty of good case studies already in Somerset to build a strong message.

5.6. Key Milestones / Deliverables

Foundational Actions from Jan to March 2009

- Finalise delivery format for key personnel
- Brief all currently registered “Somerset Ambassadors” and enable them to begin the task of spreading the message to our target audience. (Full Ambassadors enablement plan being developed by ADPR & Rupert Cox)
- Identify key ambassadors / personalities to leverage on-line and off-line in early 2009
- Update Into Somerset web site to provide greater depth, richness and interactivity to the content – so it provides quality support to the Ambassadors
- Prioritise the subset of industries to focus on in 2009 and continue the research into these to build up knowledge, contacts and networks.
- Recruit and brief PR and on-line agencies
 - Define target media, forums, discussion groups, events
 - Set up special interest groups on Facebook / LinkedIn
 - Build the Into Somerset Wikipedia entry
 - Formally link the Into Somerset website to relevant business directories & business forums

Milestones Achieved by end June 2009

- 10 significant pieces of PR coverage achieved in target publications
- Online community of 500 friends of Somerset identified
- 3 videos loaded onto YouTube and leveraged across the friends of Somerset and associated communities of interest
- 3 events attended to position Into Somerset to targeted industry groups / decision makers
- 10 enquiries received from businesses considering relocating or expanding into Somerset

Milestones Achieved by end September 2009

- 6 further significant pieces of PR coverage achieved in target publications
- Online community of 1000 friends of Somerset identified
- 2 new videos loaded onto YouTube and leveraged across the friends of Somerset and associated communities of interest
- 3 events attended to position Into Somerset to targeted industry groups / decision makers

- 20 new enquiries (now 30 in total) received from businesses considering relocating or expanding into Somerset

Milestones Achieved by end December 2009

- 8 further significant pieces of PR coverage achieved in target publications
- Online community of 1500 friends of Somerset identified
- 2 new videos loaded onto YouTube and leveraged across the friends of Somerset and associated communities of interest
- 3 events attended to position Into Somerset to targeted industry groups / decision makers
- 25 new enquiries (now 55 in total) received from businesses considering relocating or expanding into Somerset

Milestones Achieved by the end of 2009 / 2010 fiscal year

- 30 pieces of significant PR coverage achieved in target publications
- Online community of 2000 friends of Somerset identified
- 10 videos loaded onto YouTube each highlighting one of the great assets of doing business in Somerset
- 12 events attended to position Into Somerset to targeted industry groups / decision makers
- 25 new enquiries (now 80 in total) received from businesses considering relocating or expanding into Somerset
- 10 businesses in the process of relocating or expanding into Somerset

Milestones Achieved by the end of 2010 / 2011 fiscal year

- Online community of 3500 friends of Somerset identified
- 200 enquiries received since inception from businesses considering relocating or expanding into Somerset
- 20 businesses have relocated or expanded into Somerset with new offices set up in the County

Milestones Achieved by the end of 2011 / 2012 fiscal year

- Online community of 5000 friends of Somerset identified
- 350 enquiries received from businesses considering relocating or expanding into Somerset
- 35 businesses have relocated or expanded into Somerset with new offices set up in the County

5.7. Appendices

Additional Tactical ideas to be considered as part of the Marketing Execution

- Identify key partners, communities / networks who would be motivated to promote Somerset as a great place to do business
 - Project Taunton, Yeovil Vision, Bridgwater Challenge, market town vision groups
 - All MP's and political leaders from Somerset
 - Business leaders (current and past) who have first or second homes in Somerset
 - Estate Agencies who have both Commercial & Residential offerings in Somerset and offices outside of Somerset who could help to promote Somerset to those considering a relocation
 - Relocation Agencies targeting city dwellers who are considering a move to the country
- Work with these groups to see how the Into Somerset message can be worked into their own business model in a complementary way
- Stimulate dialogue amongst peripheral groups on the subject of Somerset as a place to do business
 - Run a competition amongst Schools or Colleges who have media and technology courses to produce the best viral video on the subject of "Why my Mum and Dad love living and working in Somerset?" Maybe IBM offer a prize of a behind the scenes tour of the IBM Technology Centre at the Wimbledon Tennis Championships or Honda F1 Racing
 - Run a competition amongst new media companies already based in and around Somerset to create the best viral video on the subject of "Living and working in Somerset"... need to find a compelling prize...(any work we can offer to them as a result of winning this prize?)
- Effectively harness the Somerset Visitor Centre in Sedgemoor Services to connect with passing business people.
- Guerilla advertising at other places along the M5 – field-side advertising etc.
- Have a presence at Glastonbury Festival other major Somerset tourism sites (Exmoor, Clarks Village etc) to make the attendees aware of relocation potential
- Consider national / international media coverage – finding Somerset friendly media players and getting them to prepare specific programmes / films / documentaries about Somerset or about Somerset people and businesses.

- Consider piggybacking on some of the South West Development Agency programmes – leveraging incentives they may have which Into Somerset could promote and harvest.
- Consider partnering with key banks who support a regional/ethical investment approach – eg Cooperative Bank. Using access to banks and access to ‘easier’ funding decisions as a hook to drive up interest.

6. Human Resources Plan

To deliver these objectives over the next 3 years will require a significant investment in skilled personnel as set out below.

The most cost effective way of providing the core service is through a 2-yr Service Level Agreement procured by Into Somerset Ltd with an existing Somerset based organisation with its own premises or access to suitable premises provided as an in kind contribution by one of the partners.

- **Chief Executive/Project Manager of Into Somerset** (50% part-time, contracted) - **The Leader**
 - Support the Board in preparing and delivering the strategic plans of Into Somerset
 - The single point of contact between Into Somerset Ltd and the delivery activities of the project.
 - Responsible for the delivery of the agreed targets and reporting to the Board.
 - Responsibility for budget monitoring and reporting, and for organising auditing of accounts by approved auditor
 - In conjunction with the Chair of Into Somerset, be “the face” of the project to partners, the business community and potential investors
 - With the Chair secure private sector funding and sponsorship of Into Somerset
 - Engage and instruct suitable sub-contractors (with agreement of the Chair)
 - Chair regular progress meetings of the Into Somerset team including on-line and off-line marketers and sector researchers etc
 - Ensure compliance with the requirements of being a Local Authority Controlled Company
- **Business Development Manager** (full time) - **The Closer**
 - Working with local authority partners and project teams delivering the visions for Taunton, Yeovil, Bridgwater and the market towns visions, facilitate investment in Somerset from inward or indigenous enquiries by providing advice, support and information.
 - Undertake business investment-related research

- Be responsible for the agreed enquiry handling processes
 - Work closely with Into Somerset's Ambassadors to share intelligence and create a two-way flow of referrals.
 - Through client contact and feedback from colleagues, identify issues that hinder the growth of Somerset companies and communicate these to the Board via the Chief Executive
 - Take a lead role in representing Into Somerset at external events.
 - Maintain accurate and up to date records of Somerset companies
 - Maintain accurate and up to date records of external companies that the project has engaged with
- **Administrative support to Into Somerset (full time) - The Supporter**
 - Full office administrative support
 - Administrative support to the Board and Officer's meetings
 - Lead role in organising any events Into Somerset wishes to hold
 - Arrange for Into Somerset to be represented at suitable external events
 - Perform basic web editing
 - Manage the accounts of Into Somerset

Also required to fulfil the marketing activity are the following roles:

- **Sector Research (contractor).** Working in conjunction with and in support of the business development manager - **The Digger**
 - Specific named work to enhance existing research to unearth target companies in the key sectors
 - Undertake further research as required to bolster the Somerset "offer"
- **Web maintenance and development (contractor or secondment from SCC) - The Techie**
 - Search Engine Optimisation
 - Graphics
 - Gradual evolution of the website functions
 - Advise "local" web editors (see admin support above and PR)
- **PR & marketing role (contractors) - The Messenger**
 - Develop and deliver an over-arching marketing strategy
 - Effective PR campaigns linked to events, Ambassadors, case studies, relevant publications etc
 - Support copy for the website
 - Viral awareness and promotion
- **Company Secretary role** – not mandatory (could be the Chief Executive, admin support or one of the private sector directors)

- Ensure compliance with Companies House requirements, e.g. submission of annual accounts

7. Operations Plan

Company formation

- Finalisation of each local authority's decision making processes to enable admission of each into the company Into Somerset Ltd
- Finalisation and signing of Inter Authority Agreement
- Finalisation of Memorandum and Articles of Association
- Registration of directors with Companies House
- Recruitment of private sector directors - open advertisement and transparent recruitment process
- Notify HMRC Into Somerset active company
- Schedule board meetings
- Ensure compliance with requirements of Local Authority Controlled Company

Company start up

- Procurement of Chief Executive role/project management of Into Somerset Ltd delivery
- Investment/Business Development Manager recruitment
- Admin post recruitment
- Set up Into Somerset bank account
- Appoint accountant and auditor
- Transfer Into Somerset funds to company account
- Develop company policies and procedures e.g. Health & Safety, Equalities, Procurement
- Organise formal launch of Into Somerset

Procurement of Chief Executive/project management of Into Somerset

It has been agreed by partners that the procurement of the Chief Executive role to lead the Into Somerset team and manage the project, and the recruitment of the Business Development Manager and Administration role, needs to be a transparent process. This needs to be balanced with the need to continue with the momentum and work of the first year of the delivery plan.

The suggested process therefore is:

- Extend the current Service Level Agreement with the Somerset Chamber of Commerce and Industry for a further 3 months interim period from 1 April 2009 to cover the period of the procurement process and enable continuity of activity

- Finalise the Service Level Agreement between the local authorities and Into Somerset Ltd ensuring local authority broad requirements are built into the agreement
- Use the SLA as the basis for a tender document to be advertised on local authority partner web sites and sent to an agreed list of suitable organisations as an invitation to tender

8. Financial Plan

Version showing full costings

ITEM	2007/08	2008/09	2009/10	2010/11
EXPENDITURE				
Management and delivery through SLA with Somerset Chamber		£40,000.00		
CEO activity - 50% FTE Procured through SLA			£25,000.00	£26,500.00
Investment Manager - Full Time Assuming £40,000 salary + employer NI and 10% pension contribution			£48,720.00	£51,156.00
Office administration - Full Time Assuming £18,000 salary + employer NI and 10% pension contribution			£21,924.00	£23,020.00
Sub-total		£40,000.00	£95,644.00	£100,676.00
Operational budget				
Telecoms		£1,300.00	£1,000.00	£1,000.00
IT maintenance			£1,000.00	£1,000.00
Office supplies		£1,000.00	£1,000.00	£1,000.00
Postage		£1,000.00	£1,500.00	£1,500.00
Travel, subsistence, hospitality		£6,000.00	£6,000.00	£6,000.00
Office/premises		£1,300.00	£3,000.00	£3,000.00
Utilities			£0.00	£0.00
Employers & public liability insurance		£250.00	£1,000.00	£1,050.00
Contents insurance			£0.00	£0.00
Professional indemnity			£1,000.00	£1,050.00
Accountancy and payroll fees			£1,000.00	£1,000.00
Audit fees			£7,000.00	£7,350.00
Recruitment costs			£5,000.00	
Legal fees	In 2008/09 covered by LAA PPG		£1,000.00	£1,000.00
HR advice			£1,500.00	£1,000.00
Contingency for VAT, corporation tax			£2,500.00	£4,000.00
Sub-total		£10,850.00	£33,500.00	£29,950.00

Delivery plan

Sector research	£10,000.00		
Market research into target markets	£43,830.00	£35,000.00	£36,750.00
Brand development	£5,000.00		
Marketing materials	£20,000.00	£10,000.00	£10,500.00
Website development + maintenance	£15,000.00	£20,000.00	£21,000.00
Marketing, PR, Ad' campaigns	£36,350.00	£40,000.00	£42,000.00
Attendance/Exhibit at events	£4,820.00	£30,000.00	£31,500.00
Somerset-based events	£15,000.00	£20,000.00	£21,000.00

Sub-total **£150,000.00** **£155,000.00** **£162,750.00**

Contingency for redundancies			£20,620.00
Contingency for liquidation			£3,000.00

GRAND TOTAL **£200,850.00** **£284,144.00** **£316,996.00**

CARRIED FORWARD **£227,500.00** **£276,650.00** **£279,506.00**

INCOME**Payment in advance**

Somerset Strategic Partnership	£30,000.00	£30,000.00	£30,000.00
Somerset County Council	£125,000.00	£125,000.00	£125,000.00
SSDC	£15,000.00	£30,000.00	£30,000.00
TDBC	£10,000.00	£20,000.00	£20,000.00
SDC	£10,000.00	£20,000.00	£20,000.00
MDC	£10,000.00	£20,000.00	£20,000.00
WSC	£2,500.00	£5,000.00	£5,000.00
Business Link Somerset	£25,000.00		
Web site income			£10,000.00
Private sector sponsorship			£27,000.00
Likely to be 'in kind' contributions to the staffing or operational expenditure			£30,000.00

TOTAL **£227,500.00** **£250,000.00** **£287,000.00** **£42,000.00**

INCOME + CARRIED FORWARD **£477,500.00** **£563,650.00** **£321,506.00**

FORWARD BALANCE **£227,500.00** **£276,650.00** **£279,506.00** **£4,510.00**

Version showing cost reductions and allocation of private sector contributions

ITEM	2007/08	2008/09	2009/10	2010/11
EXPENDITURE				
Management and delivery through SLA with Somerset Chamber		£40,000.00		
CEO activity - 50% FTE Procured through SLA			£25,000.00	£26,500.00
Investment Manager - Full Time Assuming £40,000 salary + employer NI and 10% pension contribution			£48,720.00	£51,156.00
Office administration - Full Time Assuming £18,000 salary + employer NI and 10% pension contribution			£21,924.00	£23,020.00
Sub-total		£40,000.00	£95,644.00	£100,676.00
Operational budget				
Telecoms		£1,300.00	£1,000.00	£1,000.00
IT maintenance			£1,000.00	£1,000.00
Office supplies		£1,000.00	£1,000.00	£1,000.00
Postage		£1,000.00	£1,500.00	£1,500.00
Travel, subsistence, hospitality		£6,000.00	£6,000.00	£6,000.00
Office/premises		£1,300.00	£3,000.00	£3,000.00
Utilities			£0.00	£0.00
Employers & public liability insurance		£250.00	£1,000.00	£1,050.00
Contents insurance			£0.00	£0.00
Professional indemnity			£1,000.00	£1,050.00
Accountancy and payroll fees				
Audit fees			£7,000.00	£7,350.00
Recruitment costs			£5,000.00	
Legal fees		In 2008/09 covered by LAA PPG		
HR advice			£1,500.00	£1,000.00
Contingency for VAT, corporation tax			£2,500.00	£4,000.00
Sub-total		£10,850.00	£31,500.00	£27,950.00

Delivery plan

Sector research	£10,000.00		
Market research into target markets	£43,830.00	£35,000.00	£36,750.00
Brand development	£5,000.00		
Marketing materials	£20,000.00	£10,000.00	£10,500.00
Website development + maintenance	£15,000.00	£15,000.00	£15,000.00
Marketing, PR, Ad' campaigns	£36,350.00	£25,000.00	£26,000.00
Attendance/Exhibit at events	£4,820.00	£30,000.00	£31,500.00
Somerset-based events	£15,000.00	£15,000.00	£15,000.00

Sub-total **£150,000.00** **£130,000.00** **£134,750.00**

Contingency for redundancies			£20,620.00
Contingency for liquidation			£3,000.00

GRAND TOTAL **£200,850.00** **£257,144.00** **£286,996.00**

CARRIED FORWARD **£227,500.00** **£276,650.00** **£279,506.00**

INCOME**Payment in advance**

Somerset Strategic Partnership	£30,000.00	£30,000.00	£30,000.00
Somerset County Council	£125,000.00	£125,000.00	£125,000.00
SSDC	£15,000.00	£30,000.00	£30,000.00
TDBC	£10,000.00	£20,000.00	£20,000.00
SDC	£10,000.00	£20,000.00	£20,000.00
MDC	£10,000.00	£20,000.00	£20,000.00
WSDC	£2,500.00	£5,000.00	£5,000.00
Business Link Somerset	£25,000.00		
Web site income			£10,000.00

TOTAL **£227,500.00** **£250,000.00** **£260,000.00** **£12,000.00**

INCOME + CARRIED FORWARD **£477,500.00** **£536,650.00** **£291,506.00**

BALANCE **£227,500.00** **£276,650.00** **£279,506.00** **£4,510.00**

PRIVATE SECTOR CONTRIBUTIONS

Website development	IBM secondment - confirmed	5,000.00	6,000.00
Marketing	IBM secondment - confirmed	15,000.00	16,000.00
Legal	Foot Anstey - tbc formallly	1,000.00	1,000.00
Accountancy and payroll	Tbc	1,000.00	1,000.00
Somerset based events	Tbc	5,000.00	6,000.00
TOTAL		27,000.00	30,000.00

9. Performance monitoring and evaluation

Performance monitoring will be based on realistic milestones and indicators of easily accessed data:

Performance monitoring for 2009/10

- UK enquiry handling protocol, as agreed by officers in July 2008, fully implemented and achieving desired results
- Stimulate and respond to 80 enquiries per annum in 2009/10 from businesses interested in relocating to or expanding into Somerset.
- Agreed protocols with other inward investment teams e.g. Project Taunton, Yeovil Vision
- Protocol for handling UKTI enquiries via SWRDA to focus on key sectors
- Ensuring FDI visits to Somerset
- Joint venture enquiry protocol focussed on key sectors

Performance monitoring 2010 onwards

- Stimulate and respond to 120 enquiries in 2010/11 and 150 enquiries each year thereafter.
- Achieve 10 new VAT registered businesses set up in Somerset per year from 2010 onwards within each industry targeted. (Aligned to LAA targets)
- Achieve X new jobs created within Somerset from companies investing in Somerset.

Periodic evaluation of Into Somerset

Periodic, medium term evaluation of Into Somerset would involve the utilisation of more difficult to access impact measures which would require specific research against previously set baseline data:

- Improved perception of Somerset as a place to do business amongst the target audience (repeat of perceptions study in market research of 2008).
- New GVA contribution to the Somerset economy from investing companies
- GVA per FTE employee generated by investing companies
- Number of level 4 + qualifications as % workforce in investing companies (contribution to the Knowledge Economy)
- Average wage level for employees within investing companies