

ITEM 9

RURAL AFFAIRS CONSULTATIVE ASSEMBLY

24 FEBRUARY 2000

E-COMMERCE IN VILLAGE SHOPS

Eight village stores have closed in Milton Keynes in the last five years, six of which were the sole trader in the village (Bucks Community Action Survey 1999).

The Economic Development Unit and BCA recognise the geographical gaps in provision of grocery stores in rural areas of Milton Keynes. The gaps, by their nature, mean residents must have access to transport or support if they wish to shop. This places many people at a severe disadvantage. The cost to shop is increased and, for some, beyond financial means.

Village stores, as places of employment, are very important. There are limited job opportunities in many areas. The loss of jobs in village stores may have long term detrimental affects on individuals and families involved.

It is clear that measures need to be taken to safe-guard the future of village stores in Milton Keynes. New ways of working, the provision of a wider range of products to meet the expanding demands of customers and greater flexibility to match shopping habits are required.

Milton Keynes Council has taken steps, through its Economic Development Unit, to assist village shops. The Unit currently participates in the Village Shops Development Scheme (VSDS). This is a national scheme administered throughout Milton Keynes and Buckinghamshire by Bucks Community Action (BCA) and is an initiative from the Countryside Agency.

The Countryside Agency provides a grant, matched by participating Local Authorities. This fund is then distributed to applicants meeting Countryside Agency criteria (available from BCA upon request) for improvements to village grocery stores. Applicants are required to match-fund the award.

Stores in Lavendon and Little Brickhill have so far been awarded grants.

The Economic Development Unit recently received information on a European Union funding programme 'Fifth Framework'. Fifth Framework funds research, development and support

for small and medium sized enterprises (SMEs) wishing to explore opportunities arising from e-commerce and electronic working.

Taking in to account; the need for access to groceries; the loss of village stores from Milton Keynes and the funding opportunities that have arisen, the Economic Development Unit and BCA have started to devise a project to address the issues.

VSDS would be used to place e-commerce facilities in village stores to enable them to link to communities without stores.

Computer facilities are required for participating villages without stores. It may be possible to take advantage of Fifth Framework plus other current Government, Milton Keynes Council and Parish Council initiatives. Initiatives such as University for Industry and libraries are looking for partners to provide computer-training venues such as village halls. Village schools may have computers. VSDS may be able to fund equipment for non-grocery stores, where there is not already a grocery store in the village, such as post offices or even public houses.

It is envisaged a central store acts as a centre for a network of villages without stores. Residents of those villages either have open access to a computer link or a regular session to access. Sessional access may be through communal meetings such as a social session (coffee afternoon etc.) in a village hall.

Village stores can display their catalogue of goods on the Internet and take orders. The village store may be able to take orders for items they do not stock but can access through the Internet, and then act as a delivery point. This will aid residents not at home because they are working; out for leisure activities and for attending appointments. A small charge for the service will provide a useful income.

Village stores could source cheaper, higher quality or efficient suppliers, thereby increasing their viability and offering a wider range of products to residents.

Orders need to be delivered. This adds a cost. The purchase of a vehicle may be required as well as additional running costs for the vehicle. However, it is hoped these costs may be offset by increased custom. Delivery charges may be necessary, however, if ordering and delivery was undertaken through a social meeting, all those participating can divide costs.

It is recognised that for some there is a fear of use of IT. It is therefore necessary to devise a range of support options. Options may include: training for residents in use of the Internet; volunteer co-ordinators in villages to access the village stores catalogue and make orders.

Officers from the Economic Development Unit recently joined the Milton Keynes Anti-Poverty Forum. A working group of the Forum is looking at access to information in rural areas. There are opportunities for mutually beneficial joint working. Computers in stores may be used as information points, whilst computers in the network of villages could be used for information; training; homework support and further commerce.

The opinion and support of the National Association of Village Shops is being sought. The Association has experience of stores successfully operating delivery services. The Association also has experience of Internet shopping. In a recent survey by the Association, published nationally, results showed that an Internet shopping and delivery service provided by stores in East Sussex performed better than comparable services of many large supermarkets.

It is essential that the proposed services do not displace existing services to villages and therefore a membership scheme should be considered.

The Assembly's views are encouraged. Officers would also be grateful if members passed on the contact details below to stores in their area.

Further information will be circulated through Milton Keynes Council and Parish Publications.

Contact: Darren Gray (Assistant Economic Development Officer) MK 253186