

## ANGUS COUNCIL

ECONOMIC DEVELOPMENT COMMITTEE

29 MAY 1997

SUBJECT: CHALLENGE FUND: EDZELL REGENERATION PROGRAMME

REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT

**Abstract:** This Report outlines the current status of Edzell Regeneration Challenge Fund projects and recommends approval of actions and expenditure to progress the projects.

### 1 RECOMMENDATION

It is recommended that the Committee:

- a) note the status of Edzell Regeneration Challenge Fund projects and actions proposed to progress these;
- b) agree to authorise appropriate Officers to bring forward, on an urgent basis, detailed proposals for the acquisition of land in Brechin for the establishment of an industrial estate and the development of industrial units;
- c) agree to authorise appropriate Officers to enter into formal discussions with Angus Training Group to draw up a management agreement for the CNC initiative (which would be activated should the Council proceed with the equipment purchase) and to report back to Committee in due course;
- d) note that separate Reports deal with the Montrose Factory and Pictish Heritage Centre projects.

### 2 INTRODUCTION

- 2.1 Members will recall the report of Challenge Fund Bid progress presented at the Economic Development Committee of 17 April 1997 (Report 421/97, Article 7 refers). In approving the Report the Committee also agreed a short consultancy for development of a CNC training initiative.
- 2.2 This Report indicates further progress and seeks Committee approval for actions required to move the projects forward.

### 3 PROGRESS

#### Challenge Fund Process

- 3.1 Financial proformas covering each discrete project were submitted to the Scottish Office on 11 April and an Evaluation and Monitoring submission was lodged on 30 April 1997. The timetable for key milestones is attached as Appendix 1 to this

Report and a full copy of the documentation submitted has been placed in the Members Lounge.

- 3.2 The Council has since received a Section 94 Consent for 1997/98 of £1m (of the £3m for Angus Council projects) with the expectation that further consents will be triggered by fulfilment of key events indicated on the Timetable submission.

#### Projects

##### **Montrose Factory**

- 3.3 This project is progressing satisfactorily with a view to commencement of works in November 1997. A separate Report will be included in the Agenda of this Committee, dealing with arrangements for tendering.

##### **Brechin Land Acquisition/Units**

- 3.4 Discussions are currently being conducted with the land owners concerned and a detailed report will be submitted to the Council as soon as possible. This will deal with the identification and acquisition of the preferred site and with proposals for the provision of infrastructure and industrial units.

##### **CNC Initiative**

- 3.5 A short consultancy by P E Consulting was completed in April with the following outputs agreed by the study partners (Angus Council, Angus Training Group (ATG) and Scottish Enterprise Tayside)

ATG are willing to support this project in a number of ways, as outlined below;

- providing 250 training days a year, for three years, at no charge. The normal daily training cost is £150 - within the Angus area;
- actively recruit individuals who have been made redundant or displaced by the closure of the Edzell base;
- actively recruit trainees from ATG's 50 strong company membership;
- liaise with the Job Centre(s) to identify unemployed individuals to be recruited for training - Angus wide;
- provide the quality of training which will result in trainees achieving vocational qualifications, for example SVQ level 2: Performing Manufacturing Operations, where appropriate;
- actively recruit presently employed individuals to upgrade or/and provide new CNC related skills.

SET are willing to support this project in a number of ways, as outlined below:

##### *Training Employment Grant Scheme*

For those unemployed individuals living in the Arbroath postcode area, who are provided employment by a company, SET will pay 50-60% of their wages for the first six months. This scheme is administered by Angus Council Training Services.

#### New Recruits Training Programme

For those unemployed individuals living outwith the Arbroath postcode area, who are provided employment by a company, SET will pay £1300 for training, per individual, for the first six months. Again this scheme is administered by ACTS.

#### Training for Work

Angus Training Group (ATG) withdrew from the Training for Work Programme because they considered the funding level available from SET to be inadequate. SET are, however, willing to discuss with ATG possible improved funding in the context of the CNC equipment initiative under the Central Challenge Fund.

#### Skillseekers

Under the Skillseekers programme, SET normally provide funding to cover training costs for companies willing to take on an apprentice (to the value of £7,700 for a three and a half year apprenticeship period).

- 3.6 An ERDF application will be lodged by 23 May 1997 with approval hopefully by August 1997. ATG has indicated a six to ten month order period for the CNC equipment which, assuming ERDF approval is obtained in August, would allow purchase of the equipment prior to the end of the current financial year in line with the phasing of the Challenge Fund capital consents.
- 3.7 It would be appropriate, should the Council proceed with equipment purchase, to enter into a management agreement covering conditions for use and maintenance of this equipment by ATG and monitoring of training activity to be carried out. It should be noted that ATG has agreed to a contribution of £25,000 towards the capital purchase which covers the private sector match funding requirement for ERDF.

#### ***Pictish Heritage Centre***

- 3.8 This project submitted to the Scottish Office as proforma "Tourism Gateway & Orientation Centre" will have a strong Pictish Heritage theme and for product clarity would be branded as the Pictish Heritage Centre.
- 3.9 Informal discussions have been held with Scottish Enterprise Tayside (SET) and Dalhousie Estates regarding the concept, financial inputs and possible management arrangements for the Centre. There is enthusiasm and a significant measure of agreement for a joint venture between the partners however in order to move this project forward, urgent actions are required.
- 3.10 These are addressed in a separate joint Report by the Director of Planning, Transport & Economic Development and the Director of Cultural Services and will be included within the Agendas of this Committee and the Cultural Services Committee. The Report will cover progress to date, key milestones (including an ERDF submission) for utilisation of Challenge Fund finance, concept and design development, costs and options to be investigated for management and operations of the Centre in conjunction with Dalhousie Estates, and the formation of a Heritage Trust.

**4 FINANCIAL IMPLICATIONS**

- 4.1 Separate reports seeking Committee approvals for each capital project will be brought forward in line with the timetable of development over the 3 year period of the Central Challenge Fund process. Section 94 Consents will be triggered by key milestone events such as ERDF approval.

**5 CONSULTATION**

- 5.1 The Chief Executive, Directors of Law & Administration, Finance, Property Services, and Cultural Services have been consulted and are in agreement with the terms of this Report.

**6 CONCLUSION**

- 6.1 Angus Council was successful in obtaining £3m additional Sector 94 consent for the period to 2000. Urgent actions as outlined in this Report are required to ensure that the additional capital consent can be utilised.

**NOTE**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/SW/MR

Alex Anderson  
Director of Planning, Transport & Economic Development

12 May 1997

TIMETABLE

Projects	1997-98 Qtr 1	1997-98 Qtr 2	1997-98 Qtr 3	1997-98 Qtr 4	1998-99	1999-2000	2000-2001
Industrial Development Brent Avenue, Montrose	Design	Planning Approval July 1997	Commence Construction November 1997		Completion of Works June 1998	Payment Retention Period	
Brechin Land Acquisition			Outline Planning Approval	Site Purchase			
Industrial Development Brechin			Design & Planning Approval	ERDF Approval	Service Site & Commence Construction	Completion of Works	Payment Retention Period
CNC and Related Training Equipment Purchase			ERDF Approval	Equipment Purchase & Installation			
Tourism Visitor Centre			ERDF Approval		Commence Construction	Completion of Works	Payment Retention Period
Laurencekirk Site		Planning Permission Obtained	Start on Site	Completion of Works			
Laurencekirk Units		Planning Permission Obtained	Start on Site	Completion of Units			
Gourdon/Inverbervie Site		Planning Permission Obtained	Start on Site	Completion of Works			
Gourdon/Inverbervie Units					Planning Permission Obtained	1 April 1999 Start on Site. 31 March 2000 Units Completed	

