

ANGUS COUNCIL

POLICY & RESOURCES COMMITTEE

6 FEBRUARY 2001

SUBJECT: COMMUNITY ECONOMIC DEVELOPMENT IN ANGUS – A STRATEGY FOR ACTION**REPORT BY THE CHIEF EXECUTIVE**

Abstract: This report brings forward proposals in pursuit of the remit to the Economic Development Unit of the Chief Executive's Department given by the Member/Officer Group report on Community Development. These proposals are tied in with the Community Planning process and the need for a strategic framework for Community Economic Development (CED) to draw down European Objective 2 funds in support of CED measures. The report recommends that the Committee, note the findings of the study by EKOS Limited into "Angus Community Economic Development" and homologate the decision to appoint consultants to prepare CED delivery plans within Angus.

1 RECOMMENDATION

1.1 It is recommended that the Committee:

- a. notes the findings of the study by EKOS Limited into Community Economic Development (CED) in Angus as summarised in this report;
- b. homologate the decision of the Chief Executive, in consultation with the Conveners of Policy & Resources and Economic Development, to appoint consultants to prepare Community Economic Development Plans for the Arbroath and former Rural Stirling/Upland Tayside 5b area (RS/UT5b) within Angus, jointly in partnership with Scottish Enterprise Tayside, Angus College, Scottish Homes, AAVO and the Cairngorm Partnership;
- c. agree to the submission of the necessary ERDF application seeking part funding for this study by 23 February 2001; and
- d. agree to meet the Council's contribution towards this study from the Economic Development Revenue Budget within the current financial year.

2 BACKGROUND

2.1 The Policy & Resources Committee of 9 February 1999 approved Report 166/99 which, among other recommendations as set out in the Member/Officer Group report on Community Development, agreed proposals for local economic development as indicated below.

"(ii) Local Economic Development

There is a requirement to undertake an audit of local economic activity in Angus;

There is a need to identify opportunities for linking activities set out in the above with mainstream economic development work;

There is a need to develop plans and strategies (with targets) for taking forward the issues set out in the local economic development section of the Member/Officer Report on Community Development. Leader funding opportunities should be investigated.

The Economic Development Unit of the Chief Executive's Department should be instructed to take the lead in ensuring that this work is undertaken."

- 2.2 In pursuit of these recommendations consultants EKOS Limited were appointed, (Article 9 of the Minute of the Economic Development Committee meeting of 15 April 1999 refers). This study took over a year to be concluded with the final report being received in October 2000. To some extent it is considered that the findings of the report have been overtaken by development in relation to the Community Plan and the East of Scotland Objective 2 Single Programming Document.
- 2.3 Linked with the need to develop plans and strategies and to seek external funding opportunities (see 2.1 (c) above), the Final Draft of the East of Scotland Objective 2 Single Programming Document was submitted to the European Commission on 28 October 2000. A total of £150,000,000 is available over a seven year period through the Programme's three priorities, namely Strategic Economic Development; Strategic Locations and Sectors and Community Economic Development. Delivery plans are required for the last two of these three priorities for qualifying locations.
- 2.4 Approved delivery plans are a pre-requisite to access monies under the priority. The preparation of these plans for the CED priority must demonstrate community consultation. The development of the plans, including this consultation process and staffing costs are eligible for funding under the "Community Engagement and Capacity Building" measure of the Objective 2 plan. The qualifying CED areas in Angus cover the former RS/UT5b area and parts of Arbroath, approximately tying in with the previous LBI area.
- 2.5 Applications under the Objective 2 East of Scotland Plan are due by 23 February and to be successful it will have to be demonstrated that delivery plans are either in place or will be in place before consideration of these applications by the Advisory Groups, (probably in April 2001) and the PMC in June. The second round of applications will be due on 22 June 2001.

3 SUMMARY OF THE EKOS STUDY

- 3.1 The Community Economic Development study undertaken by EKOS Ltd was commissioned in pursuit of the recommendations of the Member/Officer Group outlined in paragraph 2.1 above.

- 3.2 The study considered current practice in CED throughout the UK highlighting examples of community workspace, Local Exchange Trading Schemes (LETS), Community Business (e.g. the former Tayside Community Business), Development Trusts, Credit Unions and Intermediate Labour Markets. Experience of Community Enterprise in Scotland was varied, it had undoubtedly been successful in creating jobs in disadvantaged communities but there was concern over the long-term sustainability of these jobs given restrictive local markets and levels of job displacement. The Joseph Rowntree Foundation argues that community enterprises need to target markets beyond their immediate locality, to areas less constrained by poverty and disadvantage. The report includes a brief summary of the Angus economy focusing on population/labour force, unemployment, employment, business base, new firm formation and qualification of the labour force.
- 3.3 The consultants undertook consultations on CED activity in Angus with the Business Shop Angus, AAVO, Arbroath Social Inclusion Partnership, Angus Local Rural Partnership, Princes Scottish Youth Business Trust and Scottish Enterprise Tayside, as well as a number of departments within Angus Council and through a survey with Community Councils and local business organisations. The findings indicated that there was very limited CED activity within Angus although considerable associated community development activity such as that undertaken by Angus Council's Community Education Team had potential economic benefit. The study suggested that co-ordination of activities between Council department/sections in particular Economic Development, Community Education, Recreation Services, Cultural Services and possibly Housing, could be improved and that the Community Planning process could provide an avenue for more joined-up work. The Council has considerable expertise in Community engagement but the focus is not generally specifically towards economic benefit. A survey of further findings of the study is appended to this report (Appendix 1).
- 3.4 Following consideration of the Draft Final Report a workshop was held with participants from all of the organisations that had contributed to the study. Amongst the action points agreed were:
- the need for an overarching community based local economic development strategy;
 - improved intra Council departmental co-operation on CED; and
 - the development of CED as a subset of the economic development element of the Community Plan and a partnership bid for resources with an associated action plan.
- 3.5 The partnership appointment of consultants to prepare CED Development Plans for Angus will meet most of these objectives. Due to the geographic focus of the CED coverage within the Objective 2 Plan however, the study will focus on the two qualifying areas and will draw on the EKOS study and the Community Planning process to set this within the overall Angus context.

4 EAST OF SCOTLAND OBJECTIVE 2 CED DEVELOPMENT PLANS

- 4.1 There are various agencies involved in engaging with the communities in Angus and the Objective 2, CED development plan process will further foster horizontal alignment of their strategies under the umbrella of a common agenda.
- 4.2 The main agencies with a direct CED interest in Angus are the Council, Angus College, SET, AAVO, Angus & Dundee Tourist Board, Scottish Natural Heritage, the Cairngorms Partnership, Angus Rural Partnership and Scottish Homes. They have close working arrangements with parts of the communities in Angus and would be well placed to take CED forward jointly with the communities. Of these, Angus Council, Angus College, SET, Scottish Homes and the Cairngorms Partnership have currently agreed to work in partnership towards the development of strategies.
- 4.3 To maintain a balanced approach regarding the CED delivery plans it was agreed between these partners that rather than one partner drafting the strategies, a consultant be employed to collate and compile existing strategies; organise and host community consultation meetings, to formulate CED delivery plans for the rural Angus and central Arbroath areas and to set out an implementation mechanism and evaluation arrangements for the first three years of the Programming period.
- 4.4 Given the extremely tight timescale in terms of production of these delivery plans it was also agreed that the consultants would need to be engaged well in advance of the 23 February application deadline. On this basis the Chief Executive, in consultation with the Conveners of Policy & Resources and Economic Development, agreed to seek bids from a select list of consultants on the basis of the attached brief (see Appendix 2) and to appoint on a partnership basis but with the Council contracting with the consultant.

5 FINANCIAL IMPLICATIONS

- 5.1 The East of Scotland Objective 2 Programme will provide part funding towards the development of local area studies and development plans. The estimated cost for the preparation of the CED delivery plans is £12,000 + VAT and expenses. Assuming an intervention rate of 50% and an agreed equal distribution of match funding contribution, Angus Council, SET, Angus College, Scottish Homes and the Cairngorms Partnership will have to contribute around £1,000 - £1,500 each, plus expenses. In the unlikely event that the European funding bid should fail, the partners have agreed to double their contributions. The Angus Council contribution towards this study, which will be of corporate benefit, can be met from the Economic Development Revenue Budget for 2000/2001. There may be further financial implications associated with partnership development of CED activity e.g. the resource implications identified in the EKOS study. The consultants are required to consider these implications as part of the study and to make recommendations to the partners. Any identified potential implications for the Council will be reported to Committee in time for submission of an application for ERDF support in the second round i.e. by 22 June 2001.

6 HUMAN RIGHTS IMPLICATIONS

- 6.1 There are no Human Rights implications arising from this report.

7 CONSULTATION

- 7.1 The Directors of Finance, Law and Administration, Planning & Transport, Education, Cultural Services, Recreation Services, Housing, Personnel and Social Work have been consulted in the preparation of this report.

8 CONCLUSION

- 8.1 In order to access EU funds under Priorities 3.1 – 3.3 of the East of Scotland Objective 2 (2000/6) Plan, CED strategies covering the CED areas of Angus are an essential prerequisite. The employment of a consultant working up these delivery plans guided by the aforementioned partners and the wider community will provide an adequate stepping stone for aligning the ES2 CED ambitions with the strategies and ideas on the ground.

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.

DV/NP/MR

10 January 2001

A B Watson
Chief Executive

FURTHER FINDINGS OF THE EKOS LTD "COMMUNITY BASED LOCAL ECONOMIC DEVELOPMENT STUDY"

Three different local authority approaches to CED were considered, in Aberdeenshire, Dumfries & Galloway and Fife.

Aberdeenshire employs two animateurs who cover North and West Grampian to co-ordinate CED activity, the aims of which are:

- To empower local communities, enabling them to plan and implement development in their communities and ensure ownership of the development;
- To assist communities in accessing and applying for grants;
- Provide the framework for community networking; and
- Ensure the establishment and continuation of community business.

Funding for the project is provided on a partnership basis with ERDF support. The total cost between 1994 and 1999 was £500,000 and an annual cost to the Council of £32,000.

Dumfries & Galloway Community Resources Department has responsibility for some of the more widely used services of the Council including libraries, museums, leisure centres, swimming pools, town and village halls, youth and community centres and parks. Service delivery is divided into three areas of responsibility, libraries/art & museums, economic & community development and leisure and sport. CED in Dumfries & Galloway is highly integrated both within the overall Economic Development function and more widely within the community resources service. Specific CED activities were not costed being so intrinsically linked with the overall economic and community development budget.

Fife Council undertake CED through a Local Economic Development (LED) Team within the Economic Development Service. The LED seeks to:

- Influence service providers to change activities to better fit the economic needs of communities and individuals;
- Get community based organisations involved in economic development activities; and
- To get disadvantaged people back to work.

The Fife LED team equated to 27 full time equivalent posts with access to £876,000 in 1998/99 from mixed sources i.e. Council (62%), ESF (10%), ERDF (11%), PESCA (2%), Urban Programme (8%) and Regeneration Programme (8%).

The report considered three options in terms of **Angus** Council engaging in increased Community Economic Development activity, none of which were mutually exclusive. These options are:

- Community Capacity Building

A pro-active partnership approach towards stimulation of CED activity within communities, building on the strengths of the Angus population.

The study anticipates costs associated with additional staff resources to work with communities in developing capacity and funding support for community initiatives.

- Integration Between Council Departments

Requires recognition by all Council departments of the potential contribution their activities make to economic development and a pro-active approach to optimising these benefits. This could be either from a department structure basis such as adopted by Dumfries & Galloway or through a service delivery model working within existing structures such as the Angus Ahead Initiative. Closer links in terms of delivery would be required between; Community Education, Recreation Services, Cultural Services, Economic Development and possibly Housing.

The study assumed the need for a full-time post at a senior level to co-ordinate this delivery mechanism.

- Community Economic Development Within Community Planning

An expansion of the approach advocated for integration between Council departments to engage other organisations with a community economic impact. The report anticipated that this approach would require a potential additional supporting post.

EAST OF SCOTLAND OBJECTIVE 2 PROGRAMME 2000/6

CED DEVELOPMENT PLANS FOR ANGUS - CONSULTANTS BRIEF

1 INTRODUCTION

- 1.1. The reform of the Structural Funds has led to a revamped Structural Funds landscape in Scotland resulting in the reduction to three Objectives, and a redrawing of the Structural Funds map covering Scotland. One of the main principles of the reform is to target the overall reduced Structural Funds resources at the most needy areas. For this purpose areas have been designated as fully eligible or transitional areas under the East of Scotland Objective 2 Plan (ES2). Furthermore, for business development ERDF support is guided by the 'Dundee/Coastal Angus Strategic Locations and Sectors Development Plan' towards Arbroath.
- 1.2. CED funding also needs to be targeted through so-called 'CED Development Plans' towards the designated CED areas in rural Angus (the former RS/UT5b area), and Arbroath (former LBI area) (see map). CED strategies are a pre-requisite to access ES2 funding and should be developed together by the agencies and communities involved in CED activities. It is intended that the CED strategies will provide localised frameworks guiding Objective 2 funding distribution in line with the ES2 SPD while addressing local needs. Part-funding is available from the ES2 Programme to develop the community engagement and capacity building process.
- 1.3. Angus Council recently received the final report by EKOS Economic consultants of their study into CED activities in Angus. The study concentrated on appraising current practice in community engagement and identifying an outline strategy for Angus Council. As such it does not reach far enough to meet the CED Development Plan requirements of the ES 2 Plan, however, the findings will form a useful starting point to develop the CED strategy required for Structural Funds purposes in Angus. Scottish Enterprise Tayside has also let a consultancy contract to assess levels of Socio Economic Development activity in Tayside and how SET can best engage in this process. There is also a study under way entitled 'Harnessing Natural Heritage value in the Angus Glens' which should be used as a point of reference.
- 1.4. Just before the end of last year the Angus Community Plan was launched. The wide ranging scope of the community plan will provide the framework within which the ES2 CED Development Plan(s) need(s) to be developed to maximise the potential impact of CED funding in Angus over the 2000 - 2006 period.

2 OBJECTIVES

- 2.1 To provide an overview and analysis of the current CED type strategies, policies and activities of all partner organisations engaged in CED in Angus, including an appraisal of community engagement. This work requires to look at CED as understood by the partners and ESEP
- 2.2 To develop a CED framework for Angus with more detailed CED strategies for the rural Angus and Arbroath CED areas. This framework should provide a local context enabling ES2 Advisory Group members to better assess projects.
- 2.3 To propose options for CED to align CED community engagement and capacity building working within the framework established by community planning ES2 Plan. This should utilise existing arrangements wherever possible and avoid duplication of efforts.
- 2.4 To consider the resource implications of potential projects for the funding partners for the duration of the Structural Funds period (list of partners attached). This should include sectoral themes, scope for anticipated action. The starting point should be the partners current project ideas.
- 2.5 To explore partnership delivery arrangements, including the impact on staffing resources and CED management structures with a view to get beyond the community gatekeepers.

3 OUTPUTS

- 3.1 The brief requires consultants to produce:
 - a) a collation and analysis of CED type strategies and activities in Angus;
 - b) within the context of the Community Planning framework for Angus and the Objective 2 Plan CED Measures develop individual detailed strategy documents guiding funding towards the two CED areas;
 - c) to suggest a delivery model and implementation arrangements including staff and fiscal resources required by the partners;
 - d) to develop a monitoring and evaluation framework for the CED development plans for Angus
 - e) to put forward recommendations on how best to engage the community in CED, including a long-term post 2006 perspective;
 - f) executive summaries including key issues on CED needs/problems in area produced capable of being produced as a stand alone leaflet; which can be used as part of the Community consultation process;
 - g) the development of an interim report after five weeks;

- h) to provide electronic and 15 hard copies of Development Plan(s) for each CED area in Angus.

4 REPORTING ARRANGEMENTS

- 4.1 Consultants will report to the Angus CED partnership via L Badenhop, Angus Council who in turn will disseminate the information to the partners

5 MEETINGS

- 5.1 several meetings are required as follows:
- Presentation of proposals for carrying out the brief preferably by the people doing the actual work
 - Initial briefing of appointed consultants
 - Interim progress report presentation
 - Draft final report presentation
 - Final presentation to the partners and communities (based on the two Angus CED areas)

6 PUBLICITY AND MEDIA

- 6.1 Any approaches from the press/media about the CED Development Plans should be referred to Moira Naulty, Media Relations/Press Officer for Angus Council (tel: 01307 473021) and all press releases/statements must be cleared by the partners.

7 TIMESCALE

- 7.1 Timing is crucial as the CED strategy is required for project assessment in late March/early April 2001; a detailed timetable is attached.

8 PROPOSALS FOR UNDERTAKING THE STUDY

- 8.1 Consultants are required to submit proposals including community engagement methodology.
- 8.2 By 2 February 2001 to L Badenhop, European Services Manager, Angus Council in both hard copy and electronic format.

9 COSTS

- 9.1 Submissions should provide a detailed breakdown of the proposed fee, on a fixed price basis, the full cost of meeting the brief and providing detail on:
- daily rates for individuals
 - envisaged expenses with a breakdown of budget ceiling costs for the report
 - VAT to be shown separately.

9.2 The overall costs of the study should not exceed £12,000.

EAST OF SCOTLAND OBJECTIVE 2 PROGRAMME 2000/6

CED DEVELOPMENT PLANS FOR ANGUS –PARTNERS

- Angus Council (Funding Partner)
- AAVO
- SET (Funding Partner)
- Cairngorms Partnership (Funding Partner - tbc)
- Angus College (Funding Partner)
- Scottish Homes (Funding Partner) - particular interest will be in the potential to involve Registered Social Landlords in CED activity through a variety of means including the use of their 'Wider Role' funding
- Angus & Dundee Tourist Board
- SNH
- ESEP
- Tayside Police
- Health Board

CED STUDY TIMESCALE: SUGGESTED SCHEDULE

	Date
1. Agree Study Brief/Select list of consultants and confirm partnership funding.	19 January
2. Send brief to select list.	22 January
3. Bids to be received by	2 February
4. Presentation by preferred 2-3 consultants (week commencing)	7 February @ SET (Wednesday)
5. Appointment and briefing of consultant with partners (week commencing).	12 February (date to be agreed)
6. Interim Report and presentation	13 March @ SET @ 10.00 a.m.
7. Final Draft Report	16 April
8. Final submission and presentation to partners (Board members/Councillors)	1 May @ SET @ 10.00 a.m.– 12.30 p.m.
9. Community presentations x 2	By 16 May

