REPORT BY THE CHIEF EXECUTIVE

Abstract: This report asks the Committee for authority to enter into a minute of agreement with Perth & Kinross Council for the delivery of the Tayside Rural Development Facilitator Project (TRDFP).

1 RECOMMENDATION

1.1 It is recommended that the Committee authorise Angus Council to enter into a minute of agreement with Perth & Kinross Council for the delivery of the Tayside Rural Development Facilitator Project (TRDFP).

2 INTRODUCTION

2.1 The Committee is referred to Article 14 of the minute of Economic Development Committee of 25 April 2002 which records that the Committee agreed

   a) to authorise the post of Rural Development Facilitator; and

   b) to note that confirmation of funding for this post had already been received from Scottish Enterprise Tayside and that an application had been submitted for EU funding under the Eastern Scotland Objective 2 Programme.

2.2 The Committee is asked to note that the confirmation of the European funding for the post of Rural Development Facilitator was received in August 2002 under the East of Scotland European Partnership (ESEP) Objective 2 Programme, Priority 3 (Community Economic Development - CED) Measure 3 (Thematic Activity).

2.3 The Committee is referred to Article 25 of the minute of the Infrastructure Services Committee of 22 January 2004 which records that the Committee noted the progress and outcomes to date of the Tayside Rural Development Facilitator Project in Angus.

3 BACKGROUND

3.1 With effect from 1 July 2002, two Rural Development Facilitators have been employed on a full-time basis, under contract to the Economic Development Departments of Angus Council and Perth and Kinross Council.

3.2 Each local authority respectively incurs expenditure on the two Rural Development Facilitators on salaries, travel, administration expenses and individual project funds. The local authorities also record and oversee the budget monitoring required as a condition of the European funding.

3.3 Angus Council is the lead authority and throughout the project to date has, on behalf of the two local authorities, claimed back from ESEP the expenditure incurred and reported on progress against targets. Claims to date have been made by Angus Council on a quarterly basis, as from November 2002 - January 2004.

3.4 To date, claims for expenditure incurred by Perth & Kinross Council and received by Angus Council from ESEP have been subsequently reimbursed to Perth & Kinross
Council. It is proposed that ESEP should reimburse expenditure incurred by Perth & Kinross Council to them directly.

4  SERVICE DELIVERY AGREEMENT

4.1  Angus Council has been in discussion with Perth & Kinross Council about the delivery and conditions of grant funding of the TRDFP from the outset of the Project in July 2002. Angus Council is now in a position to enter into an agreement with Perth & Kinross Council.

4.2  Angus Council’s Director of Law and Administration has drafted an agreement between Angus Council and Perth & Kinross Council for the TRDFP. A copy of the draft agreement has been placed in the Members’ Lounge.

5  FINANCIAL IMPLICATIONS

5.1  The staffing, travel, and administration costs for the Angus Rural Development Facilitator have already been provided for in the Economic Development Budgets for 2002/3, 2003/4, 2004/5 2005/6. An annual net allowance of approximately £28,000 has also been made to meet Angus Council’s contributions towards the costs of individual projects.

5.2  However, Angus Council as Lead Partner in the Project has a potential legal responsibility in the event of any claim by ESEP of any debt, liability, breach of contract, act or omission being made by Perth & Kinross Council. The proposed Minute of Agreement will safeguard the interests of the Council and Perth and Kinross Council will indemnify Angus Council in respect of any losses suffered as a result of any such debt, liability, breach of contract, act or omission by Perth and Kinross Council.

6  HUMAN RIGHTS IMPLICATIONS

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

7  CONSULTATION

7.1  The Directors of Finance and Law & Administration and the Personnel Services Manager have been consulted in the preparation of this report.

8  CONCLUSION

8.1  The proposed Minute of Agreement safeguards the Council’s interest in acting as lead authority in administering the TRDFP on behalf of Angus Council and Perth and Kinross Council.

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/PD/MM
5 February 2004

A B Watson OBE
Chief Executive