Report No 96/04

ANGUS COUNCIL

INFRASECURITY SERVICES COMMITTEE 22 JANUARY 2004

SUBJECT: TAYSIDE RURAL DEVELOPMENT FACILITATOR PROJECT (TRDFP)

REPORT BY THE CHIEF EXECUTIVE

Abstract: This report updates the Committee on the progress of the Tayside Rural Development Facilitator Project (TRDFP) and how it is contributing towards the delivery of initiatives in rural Angus.

1 RECOMMENDATION

1.1 It is recommended that the Committee note the progress and outcomes to date of the Tayside Rural Development Facilitator Project in Angus.

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 also referred to the following articles, which record to date expenditure from the Tayside Rural Development Facilitators Project.

   a) Article 12 of the minute of the Policy and Resources Committee of 10 September 2002, which records that the Committee approved the expenditure of £1,745 towards the set up costs for the Angus Glens Walking Festival;

   b) Article 9 of the Economic Development Committee of 10 April 2003 which records that the Committee noted the action taken so far to pursue the development of the Angus Glens Walking Festival and approved expenditure from the TRDFP;

   c) Article 12 of the Economic Development Committee of 10 April 2003 which records that the Committee agreed to authorise expenditure of up to £1,156 to assist towards the costs of employing a part-time co-ordinator for the Angus Angling Initiative;
d) Article 13 of the Economic Development Committee of 10 April 2003 which
records that the Committee agreed to authorise the expenditure of up to £1,000
to assist towards the costs of a second Scottish Woodfair in Angus;

e) Article 14 of the Economic Development Committee of 10 April 2003 which
records that the Committee agreed to contribute up to £5,000 towards the cost of
retaining a consultant to develop the craft sector in Angus;

f) Article 20 of the Infrastructure Services Committee of 28 August 2003 which
records that the Committee note the successful outcome of the Angus Glens
Walking Festival in May 2003; and

g) Article 6 of the Infrastructure Services Committee of 27 November 2003 which
records that the Committee approved the expenditure of up to £4,500 towards
the costs of purchasing and securing land currently used by the Glen Lethnot
community.

3 BACKGROUND

3.1 In February 2002, Angus Council made an application to ESEP to secure a European
grant to fund two full-time posts of Rural Development Facilitators (one in Angus, the
other in Perth & Kinross) as well as to contribute to their administration costs and
travel expenses. The grant also contributed to a small "projects" fund over the life of
the Project (July 2002 to December 2005) to finance the delivery and implementation
of community economic development initiatives in rural Tayside.

3.2 In early August 2002, the East of Scotland Programme Management Committee
endorsed the approval of the Rural Development Facilitators Project
(EST/ERDF/02/32/0002). The grant offer letter was signed and returned to ESEP by
Angus Council at the end of August 2002. The match funding for the European grant
is provided by Angus Council and Perth & Kinross Council (the two local authorities)
and by Scottish Enterprise Tayside (the local enterprise company) until end March
2003 only.

3.3 The objective of the TRDFP is to promote rural economic development by assisting
groups of small businesses working together in specific geographic Community
Economic Development (CED) areas of Angus and Perth and Kinross (PKC).
Assistance takes the form of facilitating the development of group initiatives and
micro-financing to take these initiatives forward to realisation.

3.4 With effect from 1 July 2002, the 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. Expenditure incurred
by the local authorities is claimed back from ESEP on a quarterly basis.

3.5 The European Regional Development Fund (ERDF) set targets for measuring
achievement, centred on numbers of businesses assisted, jobs created and
increased turnover within the designated CED areas of rural Tayside. Progress on
these targets is reported to ESEP at the end of each claim period.
4 PROJECT GOVERNANCE

4.1 The TRDFP is governed by two bodies: The Project Supervision Group (PSVG) made up of the funding partners and the Project Steering Group (PSG), made up of wider organisational and community representatives. The two Rural Development Facilitators sit on both Groups.

4.2 The Project Supervision Group meets every three months to ensure that the outputs are on target according to the original projections. In addition to monitoring the overall project progress, the Group meet to review projects. Although there is no fixed maximum grant, any grant in excess of £10,000 must be passed to the Project Supervision Group for final decision. Project partners may otherwise decide on the level of funding for individual projects.

4.3 The Project Steering Group (PSG) meets to decide the overall direction, assessment and priorities for the activities. The PSG meet at least once a year to review priority areas and projects flowing therefrom for future action.

5 TAYSIDE RURAL DEVELOPMENT FACILITATOR PROJECT (TRDFP)

5.1 At end December 2003, the Tayside Rural Development Facilitator Project had been running for eighteen months with two years remaining. At the end of 16 months' operation (claim 5), the project was under-spent. The agreed targets predicted an expenditure of just under £11,000 per month; actual average expenditure is about £8,500. This is mainly due to the under-spend on the individual "projects" budget.

5.2 Following a meeting with ESEP in September 2003 the TRDFP terms of reference were revised. The 3 categories of beneficiaries were ambiguous and difficult to distinguish. The distinction operationally was too rigid: not only could a group of businesses also be the community in some CED areas, but the level of support offered (percentage contribution by the beneficiaries) was not practical.

5.3 Projects are now funded from the project budget at the discretion of the project funding partners on the following basis:

- Project partnerships consisting of community groups only up to a maximum of 100%
- Project partnerships consisting of community organisations and companies up to a maximum of 75%
- Project partnerships consisting predominantly of companies only up to a maximum of 50%

6 PROJECTS

6.1 A table summarising the individual projects assisted is appended to this report (Appendix 1).

7 FINANCIAL IMPLICATIONS

7.1 There are no further financial implications arising from this report.
7.2 The staffing, travel and administration costs have already been provided for in the Economic Development Budgets for 2003/4; 2004/5; 2005/6.

7.3 An annual net allowance of approximately £28,000 has also been made for project costs.

8 HUMAN RIGHTS IMPLICATIONS

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

9 CONSULTATION

9.1 The Director of Finance, Director of Law & Administration and the Personnel Services Manager have been consulted in the preparation of this report.

10 CONCLUSION

10.1 The contribution from the Council demonstrates its willingness to support the rural community of Angus and to enable the rural communities of Tayside to realise their community economic development goals in a sustainable manner. The contribution also enhances and strengthens the sporadic community economic development activities. This will lead to a co-ordinated approach and established network and structure for future sustainable development as well as positively addressing the harnessing of human resources and skills, currently under-utilised in the rural areas of Angus.

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

19 December 2003

A B Watson
Chief Executive