

AGENDA ITEM NO 5

Report No 444/09

ANGUS COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE

2 JUNE 2009

SUBJECT: ANGUS RURAL ENTERPRISE GRANT SCHEME

REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

Abstract: This report notes the success of the Angus Rural Enterprise Grant Scheme 2007-2009 and seek authority to continue assistance to rural projects not otherwise supported by other funding schemes by granting approval for a further contribution of £10,000.

1 RECOMMENDATION

- 1.1 It is recommended that the Committee:
- a) note the past success of the Angus Rural Enterprise Grant Scheme (AREGs)
 - b) note the recent changes in financial support to the Scottish rural economy
 - c) approve a further contribution of £10,000 from Angus Council to rural projects not otherwise supported by other funding schemes
 - d) authorise the Head of Economic Development to review the eligibility criteria of the Angus Rural Enterprise Grant Scheme and implement changes as outlined in this report
 - e) to reduce the upper grant limit to £2,500 and to grant authority to the Head of Economic Development to approve grants of up to £2,500 without further reference to Committee
 - f) note that a further report with recommendations to proceed with AREGs may be submitted to a future Committee cycle for the following financial year.

2 INTRODUCTION

- 2.1 The Committee is referred to Article 25 of the minute of meeting of the Infrastructure Services Committee of 8 March 2007 which records that the Committee agreed:-

(i) to authorise the Head of Economic Development to establish a small Angus rural grants scheme based on the Tayside Rural Development Facilitators Project (TRDFP);

(ii) to grant financial exemption as permitted in Financial Regulations 16.3.2(b) and to permit Marcus Thomson of Contract Marketers Scotland Ltd to deliver capacity building training; and

(iii) to commit a maximum of £30,000 split over financial years 2007/2008 and 2008/2009 from the Economic Development Revenue Budget to finance both of the above.

3 BACKGROUND

- 3.1 The Angus Rural Enterprise Grant scheme (AREGs), a two-year fund, opened in April 2007 to support the development of small rural business and community groups. Grants were available to new and existing rural business and rural community groups to cover up to 100% of project costs from a minimum of £110 to a maximum of £5,000 (see appendix 1).
- 3.2 The scheme, covering the whole of Angus, was a competitive and discretionary small grant fund targeted at groups, not at individuals or single companies, and at activities that benefited rural Angus and aimed to encourage sustainable economic growth and stimulate community involvement. Groups (e.g. forerunner of Outdoor Angus Group) did not have to be constituted.
- 3.3 The scheme was successful in that a total of 13 grants were awarded to 11 Angus small business and community groups totalling £28,441. The scheme was a funder of last resort and although a further six inquiries were received, these were deemed ineligible as either conflicting with state aid legislation or eligible under alternative grant schemes such as LEADER or the Angus Council Community Grant Scheme (ACCGS).
- 3.4 The Angus Rural Enterprise Grant scheme closed as scheduled on 31 March 2009 and the final number of jobs created or safeguarded and income generated is still to be estimated and finalised. AREGs also funded initiatives that increased the number of visitors to the county.

4 CURRENT POSITION

- 4.1 The Angus Rural Enterprise Grant scheme was based on the terms and conditions of the former European-funded Tayside Rural Facilitators Development Project to provide seed-corn support for rural business and community groups seeking to stimulate increased economic activity. The fund was a grant of last resort to support worthy initiatives that could not attract grant from other sources. The continued need for AREGs has been reviewed in light of the number of new rural grant sources that have been established in 2008/09.
- 4.2 It has been reported to Committee (415/08 Article 23 of the Minute of the Infrastructure Services Committee of 22nd April refers) that there is now a single instrument for rural development policy to improve the competitiveness of agriculture and forestry, the environment and rural land management, as well as to improve the quality of life and diversification of the rural economy. The Scottish Rural Development Programme (SRDP) 2007-2013 also funds approaches to rural development through LEADER, which was mainstreamed into the SRDP for 2007-2013 instead of being a stand-alone programme.
- 4.3 It was also reported to Committee (1162/08 Article 32 of the minute of the Infrastructure Services Committee of 25 November 2008 refers) that rural Angus can attract financial support not only through the Rural Tayside LEADER programme but also through the Cairngorms LEADER programme, where applicable. Businesses in the local tourism industry are supported in integrated product development and

marketing by Angus Council's participation in an ERDF (European Regional Development Fund) rural tourism project (416/08 Article 24 of the minute of the Infrastructure Services Committee of 22nd April 2008 and Article 12 of the meeting of Angus Council of 15 May 2008 both refer).

- 4.4 LEADER, however, only grants up to 50% of eligible project costs and, one of the eligibility criteria is that the business groups must be constituted. Businesses in rural Angus are often micro- enterprises and are either unable to source the total match funding required for LEADER or are still in the process of becoming a fully constituted group.
- 4.5 The ERDF project is only applicable to the targeted sectors of rural tourism and associated initiatives and the SRDP reported, at end April 2009, that £125 million of the £500 million available under Rural Priorities had been committed, leaving limited headroom in Business Development, Agri-Environment, Rural Enterprise and Rural Community budgets to commit to proposals in 2009. Community projects are eligible for support through a range of grant schemes, the most relevant of which the Angus Council Community Grant Scheme (ACCGS).
- 4.6 It appears that there still remains a gap in support for emerging rural business groups in Angus. The ensuing shortfall could be met through the continuation of the Angus Rural Enterprise Grant scheme.

5 PROPOSAL

- 5.1 The constitution of business groups is being actively encouraged throughout Scotland. It is proposed to extend the Angus Rural Enterprise Grant scheme to encourage and finance projects within rural Angus, not otherwise supported. It is proposed that the future support could take the form of financing:
1. the organisation and holding of conferences;
 2. the identification and implementation of feasibility studies;
 3. the development of new initiatives;
 4. the provision of match funding to existing grant schemes.
- 5.2 It is proposed that a further £10,000 be contributed to the AREG scheme in 2009/10 to support rural projects not otherwise supported. It is further proposed that the Head of Economic Development review the eligibility and the application criteria to prevent duplication with other schemes and to align it more with the new Economic Development Strategy which focuses on the priority areas of sustainable energy, food and drink and tourism. Future grants through such a scheme would enable the development of projects proposed through other rural initiatives such as the River South Esk Catchment Management Plan (SECMP), through LEADER and through East of Scotland area schemes (e.g. geo-parks, walking trails).
- 5.3 Given the reduced level of resources available it is proposed that the upper grant limit be reduced from the current level of £5,000 to £2,500, and that the Head of Economic Development be granted authority to approve applications up to this limit without further reference to Committee... A report on the outcomes relating to the Angus Rural Enterprise Grant scheme will however be presented to this Committee on a yearly basis.

6 FINANCIAL IMPLICATIONS

- 6.1 The proposed £10,000 contribution to the Angus Rural Enterprise Grant scheme can be met from the Economic Development Third Party Payments Revenue Budget in 2009-2010. These grants will enable the development and further uptake of Angus projects within the Rural Tayside LEADER programme and the ERDF project to "Unlock the Economic Potential of rural areas in Perthshire and Angus".

7 HUMAN RIGHTS IMPLICATIONS

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

8 EQUALITIES IMPLICATIONS

The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An [equalities impact assessment](#) is not required.

9 SINGLE OUTCOME AGREEMENT

- 9.1 This report contributes to the following local outcome(s) contained within the Single Outcome Agreement for Angus.
Outcome 1
Sustainable business growth is achieved.

10 CONSULTATION

- 10.1 The Chief Executive, Director of Corporate Services, Head of Law & Administration and Head of Finance have been consulted in the preparation of this report.

11 CONCLUSION

- 11.1 The Angus Rural Enterprise Grant scheme has made a significant contribution to the development of small rural business and community projects in Angus for the previous two financial years. It is believed that the continuation of the scheme through the injection of £10,000 will further stimulate economic growth in the rural community and demonstrate Angus Council's support for the Scottish Government in its aim of ensuring that the Scottish rural community in the 21st century sustains a dynamic and competitive industry and will assist in achieving the Scottish Government's overarching purpose of sustainable economic growth.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

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.

ECDEV/DV/PD/FM
28 May 2009

Appendix 1

Number	Name	Applications			Grant			Availability
		<u>Date</u>	<u>Amount (£)</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount (£)</u>	<u>Percentage</u>	<u>Approved</u>
2007/2008	Angus Council 284/07							15,000.00
1	Assoc of Blairgowrie Craftworkers	20/06/07	600.00	Trade Fair	20/11/07	240.00	50.00%	14,760.00
2	Murton Trust	05/10/07	3,870.00	2 Hides plus Expenses	24/10/07	3,870.00	100.00%	10,890.00
3	Peel Farm Courtyard Group	18/10/07	602.00	Exhibition	24/10/07	301.00	50.00%	10,589.00
4	The Glenesk Trust	16/01/08	1,320.00	Road Signs for The Retreat	24/01/08	1,320.00	100.00%	9,269.00
5	Angus Glens Website Group	13/02/08	4,900.00	IT Training	19/03/08	2,800.00	100.00%	6,469.00
6	Angus College	18/02/08	5,000.00	National Art Competition	19/03/08	750.00	50.00%	5,719.00
7	Outdoor Angus	17/02/08	5,000.00	Publicity	19/03/08	1,270.00	100.00%	4,449.00
8	Outdoor Angus	17/02/08	5,000.00	Action Plan	31/03/08	3,730.00	100.00%	719.00
2008/2009	Angus Council 284/07							15,000.00
6	Angus College	18/02/08	5,000.00	National Art Competition	19/03/08	750.00	50.00%	14,250.00
9	BIG Idea Group, Glenesk	07/05/08	110.00	Database Listing	07/05/08	110.00	100.00%	14,140.00
10	Peel Farm Courtyard Group	17/11/08	465.00	Exhibition	28/11/08	465.00	50.00%	13,675.00
11	Eassie Community Hub	16/12/08	5,000.00	Architects' Fees	28/01/09	5,000.00	100.00%	8,675.00
12	BIG Idea Glenesk	18/02/09	2,835.00	Leaflets	06/03/09	2,835.00	100.00%	5,840.00
13	Broadband Sub-Group	10/03/09	5,000.00	Technical Study	19/03/09	5,000.00	100.00%	840.00
	Applications							
	The Glenesk Trust	17/02/09	231.00	Training				Referred to ACCGS
	Murton Trust	18/02/09	1,130.00	Show Farm				Referred to ACCGS
	Inquiries							
	Brechin Arts Festival	27/02/08	5,000.00	Part time Administrators				
	SAC Forfar	13/02/08	9,775.00	Sheep Training				
	Angus Crafts Association	06/02/09	5,000.00	Publicity				LEADER
	Angus Mountain Bike Trails Assoc.	06/02/09	5,000.00	Publicity				LEADER

