

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE

REPORT ON: EUROPEAN REGIONAL DEVELOPMENT FUND - DUNDEE PROGRAMME - PROPOSAL TO INCLUDE STOBSWELL AS A COMMUNITY ECONOMIC DEVELOPMENT AREA

REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT

REPORT NO: 391-2003

1. PURPOSE OF REPORT

- 1.1 To advise the Committee on the development of a proposal to develop a Dundee Programme within the European Regional Development Fund, East of Scotland Programme and seek approval for the inclusion of the Stobswell area as a "Community Economic Development" area.

2. RECOMMENDATIONS

- 2.1 That the Committee approves the principle of the proposal to include Stobswell as a Community Economic Development area within the Dundee Programme.
- 2.2 Remit the Director of Economic Development to enter into correspondence with the East of Scotland European Partnership in order to secure Community Economic Development status for Stobswell.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications for the City Council associated with this report.
- 3.2 Nevertheless, the implementation of a regeneration programme in Stobswell will have significant financial implications. The full details of these, together with potential funding sources, will be further explored as the implementation of the regeneration of Stobswell is developed. These matters will be subject to further reports to members, which will set out the potential implications for capital and revenue budgets.
- 3.3 The inclusion of Stobswell as a Community Economic Development area within the Dundee Programme will enable the Council and the wider Partnership to access ERDF support for the regeneration of the Stobswell area.
- 3.4 Match funding has to be identified, as ERDF will only cover a portion of total project costs.
- 3.5 It is essential, if the Dundee Programme proposal, and within this the Stobswell proposal is successful, that ERDF is ring fenced for eligible activity within the area in order to comply with legal commitments to the Scottish Executive and the European Commission.

4. LOCAL AGENDA 21 IMPLICATIONS

4.1 The recommendations within the report support a number of Local Agenda 21 themes.

- Local needs are met locally.
- Access to the skills, knowledge and information needed to enable everyone to play a full part in society.
- Diversity and local distinctiveness are valued and protected.
- Settlements are 'human' in scale and form.

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The regeneration of Stobswell will incorporate social inclusion considerations including access to economic opportunity and community safety.

6. BACKGROUND

6.1 The European Regional Development Fund

6.1.1 The European Regional Development Fund (ERDF) Objective 2 Programme covers the East of Scotland and is worth a total of approximately £150 million over the period 2000 - 2006.

6.1.2 During July 2002 the Dundee Partnership gave approval for the development of a proposal for a Dundee Programme, under the East of Scotland European Partnership Objective 2 Programme.

6.2 Rationale for the Programme

- The City would have effectively ring-fenced funding which is otherwise subject to competitive bidding.
- It could increase the level of funding.
- It will provide a tangible project for the Dundee Partnership, in its wider sense, to collaborate and promote partnership working.
- It will assist in promoting a strategic approach within the Partnership.
- It will help to support the delivery of some actions which flow from the Community Plan.
- In developing a programme, projects and match-funding may be identified which may otherwise have been missed.

6.3 Structure for the Programme

6.3.1 The programme will contain three measures: -

- Strategic Economic Development.
- Strategic Sectors and Locations.
- Community Economic Development.

6.4 CED Areas in Dundee

6.4.1 There is a 30% population ceiling of Dundee which limits coverage of the CED measure.

6.4.2 Community Economic Development activity is currently limited to 6 "eligible" areas - Ardler, Charleston, Hilltown, Douglas, Mid Craigie and Fintry. Eligible areas have access to stable resources through to the end of the Programme in 2006. In addition, there are a number of "Transition" areas which have access to a diminishing level of resources through to the end of 2005.

6.4.3 Securing "eligible" CED status for Stobswell will enable access to the largest level of ERDF support over the longest period possible.

6.5 Eligible CED Activity

6.5.1 The range of activity which the Programme will support is wide ranging and includes:-

- Physical regeneration, small scale environmental works and image enhancement where this is demonstrated to be part of an agreed community strategy and integrated programme of regeneration.
- Capacity Building activities.
- The conversion, adaptation or construction of small industrial/commercial units or workspace accommodation.
- The development of the social and economic infrastructure.

6.6 Opportunity for Reassessing CED Areas

6.6.1 The current CED areas were designated on the basis of deprivation indices derived from the 1991 Census and based on 1991 ward boundaries. This is outdated and has been superseded by more up to date statistical information such as the 2001 census and Scottish Indices of Deprivation 2003.

6.6.2 The Mid Term Review of the East of Scotland Programme also sets a context in which the East of Scotland Programme is receptive to the concept of updating the geographical coverage of eligible CED areas in response to deprivation information and opportunity for investment.

6.6.3 The Mid Term Review of the East of Scotland European programme coupled with the availability of more current data create favourable conditions which are more supportive of the inclusion of new Community Economic Development areas than has been the case in the past.

6.7 Changing Geographical Concentrations - Stobswell

- 6.7.1 The Dundee Programme recognises, in line with other Partnership analysis such as "Living Dundee" that concentration of social exclusion moves as people migrate from area to area.
- 6.7.2 The decline of the Stobswell area has been marked over the past 5 years and is now considered a priority area by the Dundee Partnership. The partnership has agreed that it is imperative that action is taken to stop and reverse this decline. It is incumbent upon the Dundee Programme to recognise the level of need in the Stobswell neighbourhood.

6.8 Investment Opportunities

- 6.8.1 In response to the increased need in Stobswell the Dundee Partnership has made a commitment to invest and secure additional resources to tackle the issues in the locality. Designation of Stobswell as a CED area will enable ERDF to contribute and add value to the planned investment in the area and funding made available through the Cities Review, and the Vacant and Derelict Land Fund.

6.9 Innovation

- 6.9.1 The mixed tenure of the Stobswell area results in a different set of issues than those experienced in peripheral estates where the housing stock is owned, typically, by one landlord, often, the local authority.
- 6.9.2 The different set of issues in Stobswell requires development of a new and innovative approach. Not only will the development of an innovative programme assist the regeneration of Stobswell, it will also assist the East of Scotland Programme, and other, future programmes, refine their interventions in a way that is responsive to different sets of conditions

6.10 Process for Gaining CED Status

- 6.10.1 A number of actions are proposed in the event that CED status for Stobswell is secured:
- Development of a neighbourhood programme or local regeneration programme for Stobswell, which integrates Physical, Economic and Community Development activities and demonstrates a holistic approach.
 - Activities and delivery mechanisms should be specified (as far as possible). Where this is not possible, indicative proposals, costs and outcomes should be developed.
 - A Management Structure will be required to deliver Stobswell regeneration Plan. The Stobswell Plan should articulate what this will be and how it will be established.
 - Consideration should be given to the role that Registered Social Landlords and private landlords should have in the process.

7. CONSULTATIONS

- 7.1 The Chief Executive, Director of Planning and Transportation, Director of Support Services, Director of Corporate Planning, Director of Finance and the Director of Neighbourhood Resources and Development have been consulted and are in agreement with the contents of this report.

8. BACKGROUND PAPERS

- 8.1 No papers were relied upon in the preparation of this report.

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DATE: 2ND JUNE 2003