

COMMUNITY ECONOMIC DEVELOPMENT

1 Introduction

Aberdeenshire Council welcomes the Scottish Executive's stated intention to support community regeneration activity in ERDF Priority 3 of the 2007-2013 Structural Funds Programme. This move recognises the regeneration issues faced by rural areas and the importance of Community Economic Development (CED) activity in tackling such problems. This section sets out the type of activity which Aberdeenshire Council would like to see supported through the Structural Funds.

2 Principles

Aberdeenshire Council believes that the aims of CED activity supported through the Structural Funds should be:

- To assist and nurture rural economic development subject only to respecting the principles of sustainability
- To assist the release of enterprise potential within local communities
- To link the activities of Community Economic Development throughout regions – Community Planning, regional groups, rural partnerships and their federations
- To promote social and economic inclusion through community-based economic development

In large regeneration projects, Community Economic Development cannot be viewed as a marginal element added on only when the main physical and other components of a regeneration strategy are in place. Rather, it is increasingly central to achieving sustainable changes that will have lasting impacts on communities, which has been recognised by the Government and other agencies. Projects such as the Aberdeenshire Towns Partnership, Building Buchan – New Beginnings programme and Community Planning have all benefited from the groundwork carried out by the Council's Community Economic Development unit.

The initial results of CED work are the development of robust rural partnerships, which in turn support many smaller groups that local authorities and enterprise agencies would not be able to assist individually. Rural partnerships have helped communities to develop assets that have sustained and created employment and brought funding into rural areas.

3 Justification

These objectives have been targeted by Aberdeenshire Council for the past ten years, and have led to Aberdeenshire developing a number of very strong and mature rural partnerships – managed and led by local communities with the involvement of stakeholders such as Scottish Enterprise Grampian.

The policy context for this approach at European and National levels has reinforced the importance of Community Economic Development. The European Conference on Rural Development produced the ‘Cork Declaration’ and Local Agenda 21, which encourages member governments to place more emphasis on rural development using a cooperative approach and ‘community-based initiatives’. The new Scottish Rural Development Regulations also put a large emphasis on CED work to assist the changing rural economy.

4 **Additionality**

CED activity clearly demonstrates added value, given that relatively small interventions can lead to significant capacity-building in rural areas. As results can often take a number of years to be realised, support from traditional sources of funding and agencies is often difficult to secure. Structural Funds support would therefore enable activity which would not ordinarily be financed to take place. CED activity could also prove to be a lasting legacy of Structural Funds intervention, given that once partnerships are mature, their work can continue unsupported.

For instance, the Aberdeenshire Towns Partnership (ATP), which was set up in 1998 “to promote integrated sustainable development of Aberdeenshire’s principal towns”, has been very successful to date. A number of towns including Ellon, Inverurie and Stonehaven have left the ATP programme after 7 years of investment as they are now deemed to have the capacity to be independent of ATP intervention. Judging by the current vibrancy in these towns, they have clearly benefited from ATP intervention.

However, other towns such as Fraserburgh, Peterhead and Banff and Macduff are still in the capacity-building stage and benefit from the programme as their steady process of regeneration continues. Huntly entered ATP last year and now has an adopted strategy and 3 year action plan. Community participation has been excellent, and the town is now ready to embark on a series of initiatives to establish Huntly as a modern town with a rich history.

URBAN-RURAL DEFINITION

1 Introduction

Aberdeenshire Council recognises the challenge faced by the Scottish Executive in defining urbanity and rurality in the forthcoming Structural Funds Programme. Aberdeenshire Council also appreciates the importance of ensuring that the chosen definition enables the participation of needy rural areas, while excluding other small towns which are not rural in character. This section puts forward a number of indicators which Aberdeenshire Council would like to see taken into consideration in the final designation of eligible rural areas.

2 Principles

Aberdeenshire Council would suggest using the following criteria to define eligible rural areas:

i) **Core criteria:**

Eligible settlements would be required to meet all of the following criteria:

- 1) A population of under 20,000 people
- 2) Dependency on primary and/or secondary industries
- 3) Within an Objective 2 area in the 2000-2006 Programme
- 4) Beyond a set travel time from population centres of more than 20,000 people (c.30 mins) or a beneath a set population density.

ii) **Additional criteria:**

Eligible settlements would need to demonstrate a set number of the following criteria:

- 1) Interdependency with a rural hinterland which meets the SEERAD definition of accessible rural
- 2) An employment rate a set percentage lower than the Scottish average
- 3) An economy undergoing significant structural change
- 4) A set distance from a Convergence Programme area
- 5) Average wages a set percentage lower than the Scottish average

iii) **De Facto criteria:**

The eligible activities for ERDF Priority 3 will further restrict accessibility to the funds to non-rural areas. Project Assessment Groups should be given a key role in assessing the overall benefits that any project has on rural areas and on the rurality of applicant areas. A degree of flexibility should be built in to the programme to ensure that there is scope for all high-quality projects which benefit rural economies to be put forward.

3 Justification

Aberdeenshire Council believes that a two-stage 'filter' to define eligible areas would be useful, with basic core criteria providing a preliminary map, and additional criteria providing a degree of flexibility within which needy areas can put forward their case. The *de facto* criteria of the eligible activities of ERDF Priority 3 would further refine the definition.

i) Core Criteria:

- 1) A population barrier of less than 20,000 people should be sufficiently inclusive for all small towns with a predominantly-rural character.
- 2) The demonstration of dependency on primary and/or secondary industries would demonstrate both rurality and the need for structural funds intervention for economic diversification.
- 3) The eligibility criteria used to define Objective 2 areas for the 2000-2006 programme could be used to define areas of most need for interventions.
- 4) A set travel time from major population centres would ensure that more accessible areas and commuter towns would not be eligible for support under ERDF Priority 3. The population density criteria would ensure that rural hinterlands are not unnecessarily excluded.

ii) Additional Criteria:

- 1) Demonstrating interdependency with a rural hinterland would ensure that only areas which are rural in character can access rural development funding.
- 2) Low employment rates are a rural as well as an urban problem and should be supported in ERDF Priority 3.
- 3) Many rural economies are undergoing major economic changes. This criteria could ensure that rural areas facing such challenges could be given the opportunity to apply for ERDF support.
- 4) Areas which border Convergence areas are likely to face similar problems to the Convergence areas. In many cases, their problems are exacerbated by accelerated economic development in the neighbouring Convergence area.
- 5) Lower than average wages are a particular problem for rural areas, given the high number of seasonal and part-time workers and the lower wage rates prevailing in many rural employment sectors.

4 Additionality

The *de facto* criteria of ERDF Priority 3 eligible activities will not only further reduce the number of eligible areas, but will also ensure that project activities demonstrate additionality.