

TOWARDS SUSTAINABLE PROSPERITY

*An Economic Development Strategy
for Angus*

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1 INTRODUCTION

The Angus Economic Development Partnership (AEDP) consists of a wide range of public and private sector representative agencies which individually and collectively have an interest in the economic prosperity of Angus. The partnership with its associated Angus Social Economy Partnership, is one of five thematic groups which support the Community Planning Partnership in Angus, the others being, The Environment Forum, the Healthy Safe and Caring Communities Partnership, the Lifelong Learning Partnership and the Angus Rural Partnership

In 2002 the AEDP commissioned EKOS Limited to prepare an Economic Development Strategy for Angus to cover the period from 2003 to 2008. While much of this strategy is still relevant, the partnership has refreshed its priorities to take cognisance of the changing strengths and weaknesses of Angus and of the new commercial threats and opportunities, especially those concerned with reducing detrimental human impact on the environment.

The overarching principle associated with this strategy is:

To move Angus towards achieving sustainable prosperity.

It is accepted that achieving sustainable prosperity will require fundamental changes in approach which can only be achieved over the long-term. In taking this strategy forward, AEDP will seek a realistic balance between the needs of local industry and the environmental aspirations of the wider community. For example, there are major commercial benefits to be gained for the local tourism industry and commercial sectors in terms of promoting the environmental quality and amenity of Angus as a place to live, to visit and in which to invest. There are also potential benefits to be gained by opportunities for companies involved in developing new solutions for the sustainability agenda (e.g. energy from waste, recycling etc) as well as for local companies seeking cost efficiencies by applying sustainable criteria in their own production operations. To support this shift, every effort will be made to optimise government and EU funding where this will assist local companies to make operational and commercial investment decisions geared towards the sustainable agenda.

To achieve the Community Planning Vision that:

Angus will be a place where a first class quality of life for all can be enjoyed, in vibrant towns and pleasant villages set in attractive and productive countryside

will require an understanding of the complex interactions between social, environmental and economic actions and their impacts as well as prolonged and concerted action on the part of those who can influence change. Therefore, while the action plan associated with this strategy may alter over the years as our understanding of these interactions and impacts grow, achievement of “sustainable prosperity” should be at the heart of all economic, social and environmental policy measures for as long as it takes.

2 GLOBAL AND LOCAL CONTEXT

CHANGING ECONOMIC ENVIRONMENT

Society is now becoming more aware of its impact on the planet and this has had a significant impact on economic policy in the European Union and the UK, since 1990.

It took from the first steps of homosapien to around 1865 for the estimated world human population to grow to one billion. It took a further 100 years for this to increase to three billion and only 35 years for this to double to six billion. Consumption in the developed world far exceeds the planets capacity to supply (measured by eco footprint). This has been sustained because much of the world population has lived in relative poverty and consumes far less. However the rapid rate of economic growth in highly populated countries such as China and India and the lifestyle changes that such growth brings will either displace growth elsewhere or will significantly raise the population of the world which over-consumes. The policy of economic growth linked to ever-increasing consumption of finite resources cannot be sustained. In future, successful economies will be those that succeed in reducing consumption of non-renewables whilst maintaining economic growth and achieving a high quality of life.

The world economy is fuelled by the availability of 'cheap' energy but there is increasing recognition that:

- Hydro-carbon production has reached its peak.
- The environmental costs of burning hydro-carbons are high, fuelling global warming and resource-depletion.
- Stability of energy supply cannot be guaranteed and energy prices are volatile.
- Investment in alternative energies and in 'greening' hydro-carbons is growing rapidly but not currently at a rate that is likely to enable UK government targets to be met timeously.

The rapid rate of economic growth in China, India, Brazil and other developing countries will increasingly pressurise the supply chain, particularly of non-renewable commodities. This has resulted in shortages and/or escalating cost of steel, energy and water. This, together with growing governmental and social pressures for improved environmental efficiency, will increase the emphasis upon:

- Recycling, particularly of non-renewables.
- Reductions in waste generation e.g. improved stock controls.
- Energy efficiencies e.g. energy from waste.
- Renewable supply alternatives e.g. plant based industrial products as alternatives to oil based plastics.
- Reducing the supply chain to buy local where practicable in the context of carbon counting or food miles.

These economic pressures effectively reinforce the environmental and social pressures for sustainable development described in the UK shared framework for sustainable development "one future – different paths" as:

"to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations."

Moving towards this goal will require a huge shift away from the emphasis on consumerism and will:

- Require innovative solutions.
- Present significant new business opportunities.
- Need a **joined up** approach which does not consider economics in isolation of environmental and social impacts and
- Emphasises accounting for whole life costs rather than short-term financial expedient.

ECONOMIC DEVELOPMENT POLICY BACKGROUND - The European Union's Lisbon Strategy sets the scene for economic policy, envisaging Europe as:

"The most dynamic and competitive knowledge based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion and respect for the environment."

In Scotland, Scottish Government has stated that its purpose is :-

"To focus Government and public Services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth".

The Government has adopted five Strategic Objectives aimed at achieving this purpose:-

1. **Wealthier and Fairer.** Enable businesses and people to increase their wealth and more people to share fairly in that wealth.
2. **Healthier.** Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care.
3. **Safer and Stronger.** Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
4. **Smarter.** Expand opportunities for Scots to succeed from nurture through lifelong learning ensuring higher and more widely shared achievements.
5. **Greener.** Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

The Scottish Government Economic Strategy identifies five strategic priorities internationally recognised as being critical to economic growth, these are :-

- Learning Skills and Well-being ;
- Supportive Business Environment ;
- Infrastructure Development and Place ;
- Effective Government ;and
- Equity.

One of the key partners in delivering this strategy is Scottish Enterprise which operates within the strategic context set by "A Smart Successful Scotland" (SSS). This in turn highlights the priorities of the Enterprise Network as:

1. Growing Business (innovative companies growing in scale)
2. Global Connections (world class locations connected to the global economy)
3. Skills and Learning (developing skills to make use of human capital)

SSS recognises that a partnership approach is required towards achievement. Local Authorities are identified as key players in all aspects of local economic development with responsibility to “invest heavily in infrastructure, education and place development, as well as providing direct support services to businesses”.

Scottish Enterprise (SE) published its Operating Plan for 2006 – 2009, which proposes a new approach to achievement of SSS. This identified six national priority industries, aligned to global market opportunities i.e. life sciences, energy, electronic markets, financial services, tourism and food and drink, which will provide a focus for SE activities, together with two priority technology areas (enabling technologies and advanced engineering) and regional priority industries.

The SE support for these priority industries will be delivered through what is being described as a “Metropolitan” approach, which recognises the importance of scale and size in delivering economic growth and concentrates on harnessing the assets of a city and its surrounding area to:

- Drive growth in Scotland
- Develop an internationally competitive critical mass containing sufficient quality and choice for businesses and individuals.
- Provide a framework to ensure future investment decisions maximise the competitiveness of the whole area of Scotland, removing unproductive competition between neighbouring locations.

The focus of Scottish Enterprise work is on growing the economy but the Operating Plan recognised that sustainability is a Scottish Government priority and that there are growth opportunities associated with renewable energy the “green jobs strategy” and overlaps between industry and environmental imperatives.

SUSTAINABLE POLICY BACKGROUND - The theme of sustainable development adopted in the Lisbon strategy was further strengthened by the Gothenburg Agenda, which required European Union member states to draw up national sustainable development strategies, made sustainable transport a priority, adopted a new chemicals policy (REACH) and set a target of 2010 to halt deterioration of the EU’s biodiversity.

Within the UK, a shared framework for sustainable development identifies four priorities; sustainable consumption and production, climate change, national resource protection and sustainable communities. There was recognition that the devolved administrations would create their own solutions to the shared challenge of sustainable development within an overarching framework of five principles. These are:

1. Living within environmental limits
2. Ensuring a strong, healthy and just society
3. Achieving a sustainable energy supply
4. Promoting good governance
5. Using sound science responsibly

REFORM OF THE PUBLIC SECTOR

The efficient government agenda emphasises the need for the public sector to break down its 'silo' mentality which creates artificial barriers through specialism and protectionism, clouding common purpose, often leading to internal and external conflicts which defy a 'common sense' approach and which create more 'red tape'. Achievement of improved public sector efficiencies will be aided by:

- Creating a common goal which embraces all activity of the public sector, economic, environmental and social e.g. the ethos of sustainability.
- Improved common understanding of the impacts of public actions/inactions in terms of sustainability and
- Popular support for this approach.

LOCAL POLICY BACKGROUND

The Angus Community Planning Partnership has agreed that the main aim for the Angus economy is:

"To encourage the development of a prosperous and sustainable economy which supports rewarding job opportunities in viable businesses and pays due regard to maintaining the quality of the environment and culture".

A **Prosperous and Sustainable Economy** is seen as one of four key interrelating themes. The other themes are; **Lifelong Learning** (or supporting people to maximise their potential), **Healthy, Safe and Caring Communities** and the **Environment**.

The Angus Community Planning Partnership has identified six key areas of focus for concentrated efforts and these should influence the immediate work of the Angus Economic Development Partnership i.e.:-

- demographics
- sustainability
- new business growth
- young people
- alcohol
- community engagement

At first glance the links between these areas of focus (with the obvious exception of New Business Growth) and efforts to achieve the economic aim may not be immediately apparent. It is the view of the Angus Economic Development Partnership that the economy cannot be viewed in isolation. For example, the work of the Healthy Safe and Caring Communities, Drugs and Alcohol Action Team could have a profound impact on manufacturing productivity through improving workforce health and reducing absenteeism.

Identifying such links, integrating provision of public services; and breaking down the silo mentality which is prevalent within the public sector, is central to plans to transform public services and will therefore be at the heart of this Economic Development Strategy.

3 ABOUT ANGUS

Angus, with a population of around 109,000 covers a diverse geographic area of 2,200 square kilometres. Approximately half of this land mass is upland, rising from the Grampian foothills into a mountain area reaching maximum height at Glas Maol (3504 feet). This area is dissected by “the Glens of Angus” the northern tips of which encroach into the Cairngorms National Park making Angus the southern gateway to this park. This upland area has a very sparse population concentrated within the Glens which, with the exception of Glen Isla, have no through roads. The economy of the Glens is largely land based, although a number of businesses have grown to accommodate tourism, particularly in Glen Isla. The Forestry Commission car park at the head of Glen Doll caters for around 70,000 visitors per annum accessing the mountain footpath networks which cross the Grampians to Braemar and Ballater and enter the Ceanlochan National Nature Reserve, famous for its alpine flora and fauna.

To the south and east of the Grampian foothills lies the fertile Strathmore valley which runs from Laurencekirk (Aberdeenshire) in the north to south of Perth (Perth & Kinross). Within Angus, the towns of Kirriemuir, Forfar and Brechin developed as market towns to serve agriculture but also developed as manufacturing centres and in the case of Forfar, as an administrative centre.

The Strathmore valley is divided from coastal Angus by the Sidlaw Hills. The coastal strip from Monifieth up to Easthaven, contains 40% of the grade one agricultural land in Scotland. The Angus coastline is extremely varied accommodating cliffs, coves and some first class beaches as well as some of the best shore and sea fishing in the country. The towns of Monifieth, Carnoustie, Arbroath and Montrose lie on the coast. Immediately to the south of Angus lies Dundee, Scotland’s fourth largest city and Aberdeen, Perth, St Andrews and Stirling all lie within an hour’s drive of the area.

DEMOGRAPHICS AND THE ANGUS ECONOMY

The bulk of the population of Angus (78,500), live within the seven burghs of Arbroath, Forfar, Montrose, Carnoustie, Monifieth, Brechin and Kirriemuir. Arbroath, at around 23,000 is the largest, with Kirriemuir at just under 6,000 population being the smallest. Each of the burghs has distinctive strengths and weaknesses but also a degree of economic, social and cultural interdependence. There is some movement of labour between these towns and to a greater extent, both north to the city of Aberdeen and south to Dundee. Dundee acts as a significant employment, retail; cultural and recreational centre for all of the towns but Aberdeen also serves a similar role, particularly for Montrose and Brechin.

The main demographic and economic issues facing Angus are highlighted below but a more detailed analysis is contained in the accompanying document, “Angus Economic Digest”.

DEMOGRAPHICS

The population trend in Angus is towards a slow decline. However, in keeping with Scotland, recent estimates point to a marginal population increase and therefore projections need to be treated with caution. Characteristics of this population are:

- A population density of 0.5 persons/hectare (neither remote rural, nor urban).
- An ageing population (number of 60+ age group projected to rise by 8,000 by 2018)
- A projected decrease in working age population predominantly through out migration.

Since 2003 however, Angus has seen a marked increase in the number of overseas nationals applying for a National Insurance number, the highest increase in percentage terms of all local authority areas in Scotland. Anecdotal evidence suggests that there are considerably larger numbers than registration figures suggest. Many of these migrants are in their 20's and many are settling more permanently in the area.

ECONOMIC ACTIVITY

Angus has a marginally higher percentage rate of economically active people than Scotland. However the recent trend has been towards a closing of this gap. The Government's current focus on employability has led to a national decrease in the number of people claiming workless benefits but the decrease in Angus has been slower than the Scottish average. More recently, unemployment rates in Angus have fluctuated marginally around the Scottish average, particularly on a seasonal basis. There are pockets of high unemployment, particularly in Arbroath, Montrose and Brechin and also of long-term unemployment. The unemployment to vacancy ratio in Angus is considerably higher than the Scottish average.

EMPLOYMENT

Angus has a high dependence on public sector jobs and retains a sizeable manufacturing employment sector. While growth in service jobs has been significant, it has not followed Scottish trends, with very little growth in the finance and business sector. As might be expected for a rural area, Angus continues to have higher than average employment levels in the primary sector, particularly agriculture. CAP reforms are anticipated to have negative impact on agricultural and related incomes in Angus. Despite significant growth in the number of people employed in tourism over the last five years, it is estimated that Angus only achieves around 13% of the tourism income that comes into Tayside. Given VisitScotland's target of 50% growth in tourism by 2015 there must be scope for additional tourism growth in Angus.

EARNINGS

Average earnings in Angus, particularly workforce based, are significantly below the Scottish and UK average. However, the gap, in relation to residence based wage rates, has been closing, which suggests that higher earners live in Angus but work elsewhere. The relatively high number of part-time jobs in Angus has a bearing on this low earnings position.

WORKFORCE

Overall, Angus has a lower percentage of people with no qualifications than Scotland and a very low percentage of school leavers that have no qualification. The percentage of young people leaving school and entering higher and further education is approximately 50% higher than the national average. There is a strong tradition towards further rather than higher education. This must at least in part be due to the nature of employment available in Angus. Only 7% of employees in Angus are educated to degree level (compared with 13% in Scotland), while 18.8% of the Angus working age population are educated to degree level, therefore many of the more highly educated people from Angus need to look for work outwith the area.

INFRASTRUCTURE

Road communications within Angus are good, particularly along the A90 trunk road which cuts through the centre of Angus linking the cities of Aberdeen and Dundee. The A92 between Dundee and Arbroath is now duelled and this in turn is bringing additional investment to the area. Some of the cross-country routes between the burghs of Angus require minor re-alignment, particularly the A935 between Montrose and Brechin (which is important in providing a link between Montrose Harbour and the Trunk Road) and the A92 between Arbroath and Montrose. The road links to the heads of the Angus Glens have limited carrying capacity and only the Glen Isla road accommodates through traffic.

The main east coast rail link runs along the coastal corridor in Angus and provides good passenger services between the main coastal Angus towns both north towards Aberdeen and south with direct service links to Edinburgh, Glasgow and London. A section of line between Usan and Montrose in Angus, is only single track and is a major constraint to increasing traffic on the east coast line.

Dundee airport offers direct daily flights to London City with links to Edinburgh, Amsterdam and Southampton. Just over one hour drive will also access both Aberdeen and Edinburgh airports, with Glasgow airport within two hours drive time.

Angus is reasonably served with ICT capacity. All of the telephone exchanges in Angus are either ADSL or broadband enabled. Most mobile networks also have near full coverage although there are still some blank spots, particularly in the Glens. Distance from an exchange is a constraint to Broadband/ADSL access and speed for some of the more remote households/businesses.

Utilities capacity in electricity, gas, water and sewerage is generally available throughout Angus although in a few areas development is constrained by network capacity limitations, particularly in relation to foul sewerage but increasingly also in relation to electricity.

4 ISSUES AND POLICY IMPLICATIONS

Angus was at risk of being marginalised from EU, UK and Scottish government economic policy. Angus was regarded as neither remote rural nor urban and therefore fell between two of the main planks of focus for structural fund support. The Metropolitan Regions approach promoted by Scottish Enterprise is also likely to concentrate its resource on the cities and on projects of national or regional significance. Issues of depopulation, an ageing population, high employment in declining sectors and relatively low numbers of new start businesses, point to a need for structural reform of the economy but based on current and historical indicators of need, it is unlikely that Angus will qualify for significant external support to achieve such change.

Between 2007 and 2013 a new programme of European Union Structural Funds applies and the funding available from this source within the UK is significantly reduced. This reduced level of funding is targeted either at urban areas of concentrated deprivation or at remote rural areas. As a result of concerted lobbying effort Angus is included within the rural areas qualifying for European Regional Development fund support. . There may be increased scope for transnational initiatives through other programmes such as the North Sea Programme Interreg funding. Such transnational programmes require significant staff time commitment due to their nature.

There is a clear need to optimise all available external funding. However, given the likely reductions in levels of external funding, there is a need to co-ordinate public and private investment in an effort to:

- *Utilise the natural geophysical, biological and environmental strengths of the area without adverse impact;*
- *Support individuals to achieve their full potential and enable them to contribute, socially, environmentally and economically;*
- *Support healthy, safe and caring communities thereby reducing drain on the economy; and*
- *Encourage a prosperous and sustainable economy which supports rewarding job opportunities in viable businesses.*

The following are identified as significant issues which will require to be addressed if this approach is to have an impact on moving the economy of Angus towards a more sustainable prosperity.

All of the following facts suggest a mismatch between the jobs available locally and the local labour market.

ISSUES

- There is a high level of indigenous out migration, particularly within the 16-29 years age group.
- Despite relatively high recent in-migration, unemployment rates have changed very little.
- There is high in-migration of overseas nationals, many in the 16-29 age group.
- There are more unemployed per job vacancy than the average for Scotland.
- There are more economically inactive who would like to work than the average for Scotland.
- Workplace wage rates in Angus are considerably lower than the residence based wage rate, both of which are below the average for Scotland.
- Fewer Angus employees have degrees than the rest of Scotland, while almost 1:5 of the working age population in Angus are educated to degree level.

A better fit between workforce skills and the jobs available in Angus will reduce the need for out-migration particularly in younger age groups. There is a need to widen the employment base and to increase the number of higher value jobs in Angus.

The projected increase in the population over 65 and reduction in the working age population will place considerable strain on social/health services and may discourage investment in jobs. The impact of a continuing influx of overseas nationals may help to counter increasing skills shortages but could lead to other issues in terms of their growing expectations for increased wage rates etc. There will also be increasing risk of conflict with the indigenous population and pressures on public services.

There is a need for better information about the growing migrant population and an improved understanding of the factors leading towards out migration of indigenous working age population.

The barriers to moving from economic inactivity to employment are many fold. Having a significant proportion of the working age population inactive is wasteful where many will be in a position to make valuable work contributions if these barriers are removed.

Public sector resources need to be better co-ordinated and targeted to address the developmental needs of the indigenous population of economically inactive in Angus to enable them to better compete for employment. The creation of the Fairer Scotland Fund and associated removal of ring fenced government funding should help this.

The economically inactive population in Angus has not been moving towards employment as quickly as in Scotland. Entry level jobs in key sectors such as food processing, tourism, agriculture and construction are largely being filled by overseas nationals as employers find them to be more productive and reliable. However, if in-migration continues, there is no guarantee that the high calibre of migrant will be maintained.

There needs to be recognition that just as business markets are increasingly global, so too will the solution to workforce issues become increasingly global. The public sector can play an extremely important support role to local business by adopting a positive policy stance; by welcoming overseas nationals to fill roles which the indigenous population are failing to fill and by helping them to settle in the area with the minimum of disruption.

The relative narrowness of the employment base in Angus and it's higher than average dependence on public sector, manufacturing and primary sector jobs means that the economy of the area is at risk. The employment trends for both manufacturing and the primary sector is for continued decline and while the public sector has grown significantly, government policy has been to reduce the number of public employees. Angus is well placed to benefit from the Scottish Enterprise focus on energy, tourism and food and drink as priority industries, aligned to global market opportunities. Angus lends itself to accommodating a variety of sustainable energy alternatives with bio fuels in particular offering diversification opportunities from agricultural production. Unlike the A9 corridor or Royal Deeside, Angus is not a high profile tourism destination. However, as a microcosm of Scotland offering Upland National Park; productive countryside; attractive coastal scenery; towns with a strong cultural history; and significant activity based opportunities, Angus has scope to improve its share of tourism income. The same applies to food and drink. The Angus share of employment in this sector is significantly below that of the neighbouring authorities of Perth & Kinross and Aberdeenshire but as one of the most agriculturally productive areas of Scotland there is opportunity to add value and to take advantage in growth trends associated with buying local produce and healthier diets.

Efforts to widen the employment base should initially be focussed on energy, tourism and the food and drink sectors.

Economic policy must recognise the diverse communities which together make up Angus. The Economic, social and environmental issues facing the Glens of Angus are very different from those facing the burghs, the Sidlaws or the coast. In fact, the issues in each of the burghs also differ and the approach for example for Forfar, will not necessarily be appropriate for Kirriemuir. This diversity which characterises the county inevitably puts strains on public sector resource allocation particularly since public expectations have risen through the Citizens Charter and the Community Planning process.

Through Angus Council's Economic Development Unit, the AEDP needs to engage with the various local Community Planning Partnerships to identify how this strategy can be tailored to meet the specific needs of that community.

The fact that there is no "main" settlement in Angus; that the area is neither urban nor remote rural in nature; and that while concentrations of deprivation exist they are relatively small in population, all make it difficult to attract external resources given current EU, National and Non Elected Public Bodies (NEPB's) priorities.

Co-ordinated cross boundary and transnational effort will be required if Angus is to maximise benefit from external experience and support in keeping with the evolving European Structural Fund framework and in line with the McCabe report "Transforming our Future".

The dispersed nature of the population in Angus, makes it difficult to maintain effective services and infrastructure such as water supply and treatment, gas, electricity and ICT networks. When existing supply thresholds rise or fall it can be difficult to justify new or continuing investment. Economies of scale are not as achievable as they are in more urban environments.

Innovative sustainable solutions to infrastructure capacity constraints should be investigated and encouraged.

Public transport networks both within and outwith Angus are good but again the dispersed population means that transport between certain centres of population can be quite convoluted and time consuming. This increases dependence on private transport and can act as a constraint to labour mobility.

Innovative and sustainable solutions to public transport constraints need to be pursued including Green Travel Plans for areas of concentrated employment as well as home working and other remote workplace solutions. Such local solutions will be set within the regional strategic context established through TACTRAN.

There are significant pressures on the "Public Purse". Citizens expect and demand high standards of service provision but preferably at no additional costs. The Governments (EU, UK and Scotland) expect and demand "Best Value" (asking for cost savings) whilst adding new legislative or regulative burden. As a result, financial, short-term expediency is often adopted as a means of resolving a problem or achieving compliance.

Consideration of economic, social and environmental impacts of actions and adopting the most sustainable approach will:

- *require more investment in research;*
- *need additional initial resource but should achieve better long-term value; and*
- *will need to be more focussed on achieving key objectives rather than reacting to demands or opportunities*

It is already apparent that supply and demand forces are impacting on costs associated with non-renewables, as in the dramatic rise in cost of hydrocarbons and steel. Businesses that move towards renewable or recyclable supply chains will be less susceptible to price hikes associated with diminishing supply, although they may face higher initial costs. In addition, growing international political pressures towards the principle of “polluter pays” through carbon levies, land tax etc. will increase and businesses that have reduced their eco footprint in advance of regulation will reap competitive benefit. There are also huge opportunities for new or diversified businesses associated with the “Green” agenda. As well as the obvious areas of recycling, renewable energies and energy efficiencies, there are opportunities in new technologies, the green service sector, the social economy and sustainable construction. It is therefore likely that economies pursuing sustainable principles early, will achieve competitive advantage.

The business community in Angus should be encouraged and supported to adopt sustainable principles and technologies.

Angus based businesses in key industrial sectors are competing in global markets. In order to compete these companies have to be highly efficient; to constantly innovate; to invest in research and technology and to look for new market opportunities. Many of these companies offer rewarding job opportunities and their demise would further erode the local employment market.

Public sector support for such business needs to be effectively co-ordinated to achieve greatest impact.

Market research undertaken in 1998 suggested that awareness of the area of Angus was very limited (diminishing rapidly by distance from the area) but that specific locations/products were recognised e.g. Arbroath Smokies, Carnoustie Country Golf and Glamis Castle. Carnoustie Country, the Angus Ahead Initiative and associated Tartan Day Celebrations were initiated to raise the profile of Angus locally, nationally and internationally and while having significant impacts further evaluation is required to establish the full significance of these impacts.

Adoption of a theme of sustainability and investing in promoting Angus for “Green” business should add value to these promotional initiatives.

The loss of Assisted Area status in Arbroath in 2000 heralded the withdrawal of state support to encourage new business investment in Angus (other than what is available through Scottish Enterprise and the Business Gateway). Angus is not generally perceived as an investment location by the private sector either in terms of bespoke provision or in terms of speculative investment. However, the successful retention of Glaxo SmithKline in Montrose and that company’s commitment to major new investment in that facility as well as investments by Vetco Gray also in its Montrose facility, both demonstrate that leading world class companies can and do operate successfully out of

Angus. In both cases the work ethic and high skill of the labour force has been cited as hugely important in the companies' investment decisions as has the relationship they have developed with the local public sector agencies. The dualling of the A92 is also seen to be a factor in recent investment decisions which are beneficial for Arbroath.

Angus can compete as an investment location. The public sector needs to demonstrate a supportive approach to sustainable new business and to utilise testimonials from existing businesses to promote the area more effectively.

Angus has many natural assets resulting from its varied geography from highlands through highly productive agricultural land to a varied coastline. There are many potentially competing interests in these assets which, if properly managed, can both protect the asset whilst also enabling an economic return. Examples of the types of assets referred to and the conflict that can arise are:

- Moorland and habitat management and sheep farming.
- Game hunting and countryside access.
- River angling and agricultural nitrate run-off.

It is important to protect assets for future generations but also to maximise their economic potential. For example effective management of river systems elsewhere in the UK have been found to enhance their economic value.

More research is required in understanding the complex nature of natural assets such as river systems and in developing management plans which protect and enhance these assets through recognition of the sometimes complementary, sometimes competing demands. The work of the Cairngorms National Park authority and research by academia such as the McAuley Institute will be important contributions to this knowledge base.

The Social Economy is not well developed in Angus. Volunteering and the Social Economy offer alternative business employment models that encourage a social ethos, greater community engagement and are not for profit. The social economy sector presents significant opportunity for jobs growth, particularly for the currently economically inactive.

Assisting Social Entrepreneurship is an increasingly high priority for the Scottish Government and is also a priority for this strategy. The partnership will continue to support efforts to stimulate both the voluntary and social economy sectors.

Whilst Angus has a relatively high level of self-employment this is largely due to employment in agriculture and construction. There is a low rate of new-start businesses in Angus in keeping with many rural areas.

A more entrepreneurial attitude needs to be fostered particularly amongst the young. The "green" revolution presents huge opportunities for new business models.

5 SUPPORTING A SUSTAINABLE ECONOMY IN ANGUS

Why a Sustainable Approach? - There is considerable consensus on the fundamental principles that support human well-being:-

- Economic security and less poverty.
- The ability to develop individual potential
- Good health and safe societies.
- Strong and caring communities and
- A clean and healthy environment.

Clearly economic security is a prerequisite to achievement of well-being but where economic “growth” is sought in isolation from the other principles it appears to undermine them. Activities that degrade quality of life such as crime, pollution, ill health, waste and even natural disasters all contribute to growth as measured by Gross Domestic Product (GDP). Increased consumption and debt also feed “growth” irrespective of whether they are desirable from a social, environmental or health perspective. A sustainable approach to economic prosperity places greater emphasis on desirable growth that contributes positively towards human well-being.

Angus is well placed to take advantage of this “sustainability” revolution:

- It has a diverse geography encompassing, highlands, fertile valleys and coastal plains and an extensive and varied coastline.
- There is scope to contribute to renewable energies at both community and regional levels in hydro, wind, biomass, ethylene, methane, bio-diesel, wave, hydrogen, and possibly tidal.
- The Angus Glens provides the southern access into the Cairngorms National Park a potentially significant economic driver for the area.
- There is significant scope for added value from the primary sector industries in relation to food production, industrial crops, wood production, wood products and aquaculture.
- The tourism and leisure activity sectors in Angus have significant growth potential.
- Angus has a strong cultural heritage, a backbone of sporting achievement and a tradition of the arts.
- The traditional strength in Angus engineering and the ability of companies to innovate for and adapt to new market opportunities.
- An excellent track record in recycling within both the public and private sectors.
- Seven universities, (Dundee, Abertay, Robert Gordon, Aberdeen, St Andrews, Stirling and UHI) are easily accessible from Angus, as are two land based research institutes. (SCRI and McCauley).
- Angus College provides a dispersed local resource base to provide “Lifelong Learning for all ages.

The first Angus Community Plan laid the foundation for a sustainable approach to economic development within Angus by identifying sustainability as one of its overarching principles and through adopting, the economy, the environment, healthy, safer and caring communities and lifelong learning as its four key priorities. These priorities reflect across the activities of all of the partners in the Angus Economic Development Partnership (AEDP) as well as those of the other Community Planning Partnerships. They also reflect the principles of a “sustainable” approach i.e. taking cognisance of economic, social and environmental impacts, and therefore present an excellent framework for partnership activity. It is proposed to base the objectives of this strategy around these four key priorities.

This strategy therefore recognises the roles which the environment, healthy safe and caring communities and lifelong learning partnerships have in relation to achieving a sustainable economy in the same way that the AEDP contributes to their objectives. Effective delivery of this strategy requires all agencies/departments, to recognise how their activities impact outside of their own specialism and for cross cutting delivery mechanisms to be developed.

6 STRATEGIC OBJECTIVES

The overarching principle associated with this strategy is:

“To move Angus towards achieving sustainable prosperity”.

Each of the four Community Planning Themes of The Economy, The Environment, Healthy, Safe and Caring Communities and Lifelong Learning have been adopted as the framework for the strategic objectives adopted in this strategy and outlined in the paragraphs below.

The Economy - The current Angus Economic Development Strategy 2003 – 2008 identifies seven priorities, five of which appropriately fall within the economy section. These are largely still appropriate and in keeping with national and regional policy objectives, although the emphasis has been altered to reflect the sustainability theme of this current strategy.

- Support the competitiveness of Angus businesses, particularly through adoption of sustainable principles and technologies.
- Build on the potential strengths of Angus in key economic sectors and encourage efficiency synergies in key locations.
- Encourage growth in jobs to widen employment opportunities within Angus.
- Enhance physical infrastructure which supports economic activity with due regard to the environment.
- Increase awareness and perceptions of Angus locally, nationally and internationally.
- Encourage research and technological developments relating to sustainable best practice.

The Environment - The following are seen as the key priorities associated with the environment in terms of meeting the above economic aim:

- To identify, harness and manage environmental/biological assets in Angus for economic gain without detriment to these assets.
- Support sustainable energy and energy efficiency initiatives.
- Promote the environmental excellence of Angus as a locational advantage for investment and attraction of visitors.

Healthy Safe and Caring Communities - The following are seen as the key priorities associated with healthy safe and caring communities in terms of meeting the above economic aim:

- Support economically inactive people to overcome barriers to employment.
- Support growth of the social economy and social enterprise.
- Recognise the value of voluntary and unpaid work.
- Encourage businesses to contribute to community activity.
- Support health initiatives which will improve the workforce.
- Assist fellow EU and international workers to contribute to Angus, economically, socially and culturally.

Lifelong Learning

- Encourage an entrepreneurial culture.
- Support in-work workforce development.
- Support community learning in providing literacy, numeracy and other key work and capacity building skills.
- Work with education, careers, training agencies Angus College and the business community to improve communications and co-operation.
- Support skills development particularly through working with further and higher education establishments.
- Monitor changing labour needs, alternative working patterns, trends in employment law and promote opportunities to business.

7 DELIVERY OF THE STRATEGIC OBJECTIVES

The delivery of the strategic objectives will require a co-ordinated effort across all of the agencies engaged with the Angus Economic Development Partnership, the Community Planning partners, Angus businesses and community representatives and activists. The role of delivery will lie with different partners for different objectives. Early focus over the period 2007 – 2010 should be directed, where applicable, to impact on the main areas of concern identified by the Community Planning Partnership namely:

Demographics - The impact of an ageing population and a decreasing population of economically active people, particularly on service delivery.

Sustainability - Ensuring that decisions take cognisance of social and environmental as well as economic impacts and that action does not compromise the quality of life for future generations.

New Business Growth - Create an environment where sustainable business opportunities are developed and enhanced.

Young People - Young people are engaged in the design of public services to meet their needs. Less young people need to leave Angus for employment.

Alcohol - Individuals and communities are healthy and safe. From an economic development perspective the aim is to reduce hours of work lost due to alcohol/drug abuse, to improve productivity and individuals' employment prospects.

Community Engagement - Communities participate in and support economic activity.

A detailed action plan associated with the delivery of the strategic objectives identified in Chapter 6 will be prepared in consultation with delivery partners. This action plan will be aligned with the appropriate agency service plans and resource implications will be identified. The action plan will also identify SMART outcomes. Development of this action plan will be informed by the following principles.

The Economy

1. Support the competitiveness of Angus businesses, particularly through adoption of sustainable principles and technologies.

The Scottish Government and its economic development agency, Scottish Enterprise, is keen to ensure that the nature and standards of business support from the public sector throughout Scotland are consistent. This does not however preclude local addenda to these standards in recognition of local circumstance. The AEDP will work with the local business support agencies to add value to the standard business support packages by giving an even greater level of support to encourage businesses to adopt sustainable principles and technologies e.g. recycling, waste reduction, energy efficiencies, renewable energy and supply alternatives and adoption of improved technologies. Support will also focus on identifying new markets for local businesses and on supporting the transfer of technologies to lever out the commercial advantage for local businesses

2. Build on the potential strengths of Angus in key economic sectors and encourage efficiency synergies in key locations.

The AEDP will facilitate private sector led sectoral initiatives aimed at improving the efficiency and competitiveness of companies within that sector e.g. through symbiosis. The same approach will be adopted for areas of concentrated employment such as business parks to identify opportunities for joint energy efficiency measures, green travel plans etc.

3. Encourage growth in jobs to widen employment opportunities in Angus.

Early focus will be given to stimulation of jobs in “green tourism”, food and drink, energy (particularly renewables), the care sector and the social economy. Opportunities also exist in forestry, waste management and recycling and sustainable construction. Traditionally jobs in some of these sectors are low skilled and attract poor wages. The emphasis of the AEDP will be to grow higher value elements e.g. activity specialists in tourism, food technicians and specialist therapists in the care sector. Research will be undertaken into sectors to identify commercial opportunities.

4. Enhance physical infrastructure which supports economic activity with due regard to the environment.

Availability of serviced land and property should not act as a constraint to employment based investment. Emphasis will be placed on encouraging investment by the private sector but where there is evidence of market failure the local authority and other partners may be justified in intervening to ensure supply. All new investment or refurbishment will adopt environmental best practice wherever practical. The partnership will continue to lobby for improvements in transport and communications infrastructure, to repair and upgrade road access, and to encourage innovative transport and communication solutions to constraints.

5. Increase awareness and perceptions of Angus locally, nationally and internationally.

The impact of existing initiatives such as Angus Ahead, Carnoustie Country, Tartan Day and the Angus Portal will be continually monitored with a view to improving impacts and performance. The partnership will seek to maximise promotional opportunities (e.g. the Open Golf Tournament in Carnoustie in 2007) as well as other regional, national and world class events (e.g. the national Shore Angling Championship) and will encourage such events to be hosted in Angus. The partnership will also encourage the co-ordination of local events such as Arbroath Seafest and Brechin Arts festival, to maximise their economic value to the area. Market research and evaluation will be undertaken to assist in monitoring impacts.

6. Encourage research and technological developments.

The partnership will seek to develop or improve relationships with nearby universities and research institutes with particular emphasis on the commercial opportunities to be derived from sustainability and will encourage local businesses to take advantage of these links. It will also assist existing businesses and new starts to access appropriate research and technological advice especially through partnership projects using external funding where this is available.

The Environment

1. To identify and harness natural assets in Angus for Economic gain without detriment to these assets.

The varied landscapes, natural assets and biodiversity in Angus already contribute significantly to the economy of the area and there are clearly opportunities to enhance these contributions. However these assets have to be managed to ensure that exploitation does not threaten their long term sustainability, particularly bearing in mind the often competing interests which exist. The partnership will encourage and support the development of fully researched and widely consulted management plans for key natural assets within Angus such as the River South Esk.

2. Support sustainable energy and energy efficiency initiatives.

Rising energy costs are likely to accelerate the demand for sustainable energy alternatives and availability of local energy supply is likely to become an increasingly important locational factor for business and residents. The partnership will develop policy positions in support of initiatives increasing sustainable energy resources in the area. Local, community based solutions to energy needs will be encouraged.

3. Promote the environmental excellence of Angus as a locational advantage for investment and attraction of visitors.

Angus will be promoted as a “green business friendly area” (businesses concerned with reducing the eco footprint of human activity).

Healthy Safe and Caring Communities

1. Support economically inactive people to overcome barriers to employment.

A significant proportion of the Angus working age population are currently economically inactive. Many of these people have the willingness and capacity to work but require extra support such as more adaptable working practice or a progression towards work through training or volunteering. The partnership will support employability initiatives such as Working for Families and will develop an employability framework within Angus to assist people to move out of economic inactivity.

2. Support growth of the social economy and social enterprise

Voluntary and not for profit organisations in Angus provide important services, particularly for the most vulnerable in society. Many of these organisations are dependent on grant support for survival but some have capacity to deliver their services on a more commercial basis to bid for service provision on behalf of the public sector in particular and to provide more secure employment opportunities. The Angus Social Economy Partnership (a sub-group of the Angus Economic Development Partnership) will seek to identify such agencies and to support them in the transition.

3. Recognise the value of voluntary and unpaid work.

A healthy society depends on the willingness of individuals to give up their time in support of others. The important role that these people play in supporting the economy of an area is not generally recognised but the individuals and organisations which they support help to develop skills essential to the work environment and raise the self help capacity of communities. Through their activities voluntary and unpaid workers reduce the caring/support burden on the public sector. The AEDP will promote citizen participation in voluntary social, environmental and economic activity.

4. Encourage businesses to contribute to community activity.

Increasingly businesses are recognising that they have a role to play in the communities within which they operate, not only in providing employment but also in supporting social and environmental initiatives which contribute to the improvement of these communities. The partnership will support the activities of Scottish Business in the Community and Enterprise Angus in stimulating business participation in community activity and in recognising and learning from best practice in the area.

5. Support health initiatives which will improve the workforce.

Improving the general health and fitness of the population reduces the burden of care support, increases employment continuity and also therefore productivity. The partnership will promote initiatives such as those led by the Drug & Alcohol Action Team, as well as health at work initiatives.

6. Assist fellow EU and international workers to contribute to Angus socially, economically and culturally.

Given the projected decline in the working age population of Angus by 2024, migrant workers may play an extremely important role in retaining an appropriate workforce level to sustain Angus businesses. There are however risks associated with such workers being accommodated in overcrowded conditions, being unable to access public support structures and entrenching within their own communities. The partnership will undertake research to understand the scale of migration, to understand the issues faced and to develop a support action plan.

Lifelong Learning

1. Encourage entrepreneurial culture.

While Angus has a relatively high level of self-employment this is largely due to primary sector activity and the churn of new businesses is generally low (common for rural areas). The Angus Economic Development Partnership will support Enterprise Angus, the Business Gateway and other initiatives aimed at stimulating an enterprise culture within Angus particularly focussed on sustainable business ideas.

2. Support in-work workforce development.

The most successful businesses continually invest in improving the capacity of their workforce to contribute and adapt. The partnership will support such investment where possible within its means.

3. Support community learning in providing literacy, numeracy and other key work and capacity building skills.

The partnership will encourage community economic development and lifelong learning initiatives which build the capacity of communities towards increasing independence from grant and public sector support.

4. Work with Education, Skills Development Scotland, training agencies and the business community to improve communication.

While the infrastructure exists within the public sector to achieve effective inter and intra agency communication, it has proved very difficult to engage business participation, particularly in Enterprise Angus and Scottish Business in the Community activity. The various partner agencies will use their contacts within the business community to increase business participation in such activity.

5. Support skills development particularly through working with further and higher education establishments.

A partnership between Angus Council Education Department and Angus College has seen the development of vocational skills as part of the schools curriculum being piloted at two schools in Angus. Access to vocational opportunities will help pupils towards employability.

6. Monitor changing labour needs, alternative working patterns, trends in employment and promote opportunities to business.

The public sector has an important role in keeping track of trends, analysing data and disseminating information to help the business community to plan for the future.

