
LEVELLING UP PARTNERSHIP PROCESS

1.0 INTRODUCTION

- 1.1 Officers presented a report to Council on 25th April 2024 which provided an update in terms of a provisional long list of projects that have been shared with the UK Government to help their understanding of some of the opportunities across Argyll and Bute.

[Levelling Up Partnership - Council - April 2024](#)

- 1.2 At the Council Meeting held on 25th April 2024, Elected Members requested that a report be brought to the Policy and Resources Committee on 9th May 2024, inviting Members to rate the priority of the projects.
- 1.3 Officers have also identified other possible sources of funding for the projects which may assist Members in prioritising those for Levelling Up Partnership funding.
- 1.4 It should be noted that the process to choose the final projects is different to any other process the Council have entered into with either the UK or Scottish Governments and the final decision on the successful projects is not at the discretion of the Council, this will lie with the Secretary of State.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Policy and Resources Committee:-
- a) Agree the prioritisation of the projects included in Table 1 or any other projects that Members consider should be added to the list for Levelling Up Partnership funding.

3.0 DETAIL

- 3.1 The process to choose the final projects for Levelling Up Partnership funding is different to any other process the Council have entered into with either the UK or Scottish Governments. It is envisaged that the long list of projects will be identified by May 2024 and the short list by 15th July 2024. Business Cases will then be undertaken by the UK Government (not the Council) with a final decision made in September 2024. There will be a degree of public consultation led by the UK Government but no details have yet been provided

on the detail of the process. It should be noted that the final decision on the successful projects is not at the discretion of the Council, this will lie with the Secretary of State.

- 3.2 In terms of the kind of projects that will be considered; it very much follows the Levelling Up Agenda, business, transport connectivity, community safety, skills and education, housing etc.
- 3.3 Council Officers have drawn up a provisional list of projects for consideration. Given recent decisions by the Council in the budget process and the challenges to deliver by set timescales, a RAG status was applied to each project by officers, together with estimated costs and additional comments as appropriate and this can be found in the report which was presented to Council on 25th April 2024.
- 3.4 These projects are thought to align with the principles of the Levelling Up Agenda as expressed by the UK Government but they are subject to public consultation, deliverability and evidence to inform the Business Case preparation. The UK Government will lead Business Case work with the Council providing a lot of the necessary information, policy documents and suggest stakeholders for them to speak to.
- 3.5 The UK Government Officials visited Argyll and Bute on 22nd April to start initial discussions with officers as part of a scoping exercise. It should be noted that UK Government representatives asked for a provisional long list of potential projects to help guide them where they should go to have a better understanding of the challenges and opportunities we have as a place. This long list, following consideration by Members, will need to ultimately conform with the overall principles of the Levelling Up Agenda from the UK Government and a detailed Business Case. It should be noted only 2 or 3 projects are likely to be supported by this funding route so it is important to manage community expectations on what this money can achieve and ultimately be used for.

Table 1 - Long List of Potential Projects

Project Title	What is it?	Likely Ask?	Status	Other funding sources
Helensburgh Colgrain Business Park	Contribution to the building out of this new business park linked to innovation associated with the expansion of HMNB Clyde at Colgrain. Contribution would relate to utilities and	£5m linked to £7m commitment through the RGD (Outline Business Case prepared)	Masterplan has been approved and Outline Planning Consent. Land ownership needs to be secured	Rural Growth Deal £7m identified in RGD programme subject to endorsement of FBC by Central Government. Potential to lobby Scottish Enterprise for

	access works plus workshop space			capital funding if we can demonstrate business growth. Approx 100k planning gain.
Rothesay Pavilion	To contribute to the budget gap to bring the pavilion back to productive use. This will enable funds to be redirected to other council priorities.	£5m linked to our RGD work. At Full Business Case stage albeit still a large number of challenges associated with it.	Able to be delivered quickly given stage of works and Business Case.	Current budget for stages 2 and 3 include £9m allocation via RGD subject to endorsement of FBC and £8.859m of Council funding. £2.7m of match funding being considered from external partners including HIE, NHLF, HES.
Oban Airport Aviation Business Park	To contribute to the building of phase 2 of the Oban Business park	£10m matching TIF funding; prudential borrowing and RGD unmanned vehicle hub as part of the RGD.	Land in control; Business Case work partly completed and detailed planning consent for two buildings.	TIF Funding Rural Growth Deal funding allocated for the proposed UAV Hub facility within the business park site. Subject to endorsement of FBC by Central Government.
Dunbeg Corridor	To contribute to the implementation to Dunbeg 4 focussed on new road works and roundabout that will help open up a new commercial area and housing for over 400 new homes plus	£10m to £13m; matched to TIF and Housing Infrastructure Fund to release a much larger capital investment.	Agreed Masterplan in place; detailed planning due in April and a number of key feasibility studies undertaken. Potentially creates business park and 460 new	TIF Funding / Housing Infrastructure Fund.

	community woodland.		homes. Could be funded via alternative route.	
Marine Training School and Seaweed Academy (Dunbeg)	Contribution to a new training facility for the marine economy at SAMs/Dunbeg	£3m to £5m linked to RGD and HIE funding; Operated by SAMs and Argyll – UHI.	Difficult to deliver within time scales; Part of RGD; Not in our control.	<p>£7.8M of Rural Growth Deal funding allocated to Marine Industry Training Centre subject to endorsement of FBC.</p> <p>£3.3m of Rural Growth Deal funding allocated to SAMS Seaweed and Shellfish Innovation and Development project. Funding gap anticipated and match funding will be necessary for preferred option.</p> <p>HIE – Capital funding being considered by HIE as match for the RGD projects above. Values not yet determined.</p>
Dunoon Regeneration	Funding for the regeneration of Dunoon one of Scotland's most economically fragile towns. Linked to phase one of the Dunoon project.	£12m	Scheme previously rejected by UK Government; lack of match funding identified and overall costs not fully determined	
Affordable Housing For Key Workers	Adding scale to our work associated with	£5m adds to RGD and other works we are taking	Difficult to demonstrate overall impact	£3m allocated in Rural Growth Deal for key worker

	the Housing Emergency to build affordable housing for key workers on a number of sites across Argyll and Bute.	forward on Islay and Tobermory.	of this; However could be considered scaling up impact of RGD and work underway in Tobermory and Islay	housing on Islay and Mull subject to FBC endorsement. £700k secured from Island's Programme to construct enabling infrastructure in Tobermory as part of wider RGD funded project. Strategic Housing Fund.
Campbeltown Pier Extension	To enable an extension of Campbeltown Pier to serve the needs of the off-shore wind industry.	£10m in discussions with off shore renewables firms to see how this pier can be used for their operations and using other buildings in Campbeltown.	This project is at a concept stage and would be challenging to deliver in the timescales demanded	
Jura/Islay Ferry	New low carbon ferry to serve between Islay and Jura increasing capacity.	£10m ask matched with prudential borrowing and private sector contribution; possible Scottish Government funding.	Difficult to deliver in the timescale; match funding not secured	Scottish Government. Private Investment. Borrowing.
Islay Roads Scheme	Investment in the Islay Road Network to accommodate whisky expansion	£10 to £15m ask to significantly upgrade freight capacity of Islay road network	Difficult to demonstrate economic benefits; no match funding identified or detailed costings	Lobby UK Government for contribution from distilleries.
Former Royal Hotel Rothesay (Bute)	Refurbish former prominent building into 13 new homes and commercial space on ground floor.	£5m capital to fully restore building	Difficult to deliver in timescale; Not in council ownership.	Strategic Housing Fund if affordable housing. Historic Environment

				Scotland – potential to secure funding to undertake repairs to external fabric of building with a focus on protecting the built heritage.
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4.0 CONCLUSION

- 4.1 Discussions have started on the Levelling Up Partnership at an officer level following the Council's award of funding during the Autumn Statement. A provisional long list of projects has been shared with the UK Government as a starting point for initial discussions and this list is being refined through this process. Other projects may also emerge as the process is implemented.
- 4.2 It should be noted that the UK Government will lead on the Business Cases and the final project(s) are to be selected by September, by the Secretary of State. As further details emerge of the Levelling Up Partnership process members will be informed and it is intended to update members at the next Environment, Development and Infrastructure Committee.

5.0 IMPLICATIONS

- 5.1 Policy - The Single Outcome Agreement (SOA) and Economic Development Strategy and Action Plan support the sustainable growth of our economy.
- 5.2 Financial – None arising from this report although it concerns a £20m capital potential investment.
- 5.3 Legal – None arising from this report.
- 5.4 HR - None arising from this report.
- 5.5 Fairer Scotland Duty:
- 5.5.1 Equalities - The report explains a process that can help support the economy of our areas generating employment opportunities.
- 5.5.2 Socio- Economic Duty – There is a risk is we do not make progress with the projects contained within this report our economy will be under increasing pressure from national and global policies and changes in the economy.
- 5.5.3 Islands – Projects have been identified on our islands for member consideration.

- 5.6 Climate Change – The UK Government will want to see how any project will help deliver net zero.
- 5.7 Risk – Our rural economy is fragile and failing to deliver this external investment would be a considerable concern.
- 5.8 Customer Service – Improvements to transport connectivity, electricity charging, freight.
- 5.9 Rights of the Child (UNCRC) – No implications arising from this report.

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