#### **ARGYLL AND BUTE COUNCIL**

## POLICY AND RESOURCES COMMITTEE

## DEVELOPMENT AND ECONOMIC GROWTH

**12<sup>th</sup> October 2023** 

#### **RURAL GROWTH DEAL – UPDATE PAPER**

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the Rural Growth Deal (RGD) Programme and in particular progress towards signing of the Full Deal Agreement, which represents the next key milestone in the RGD process.
- 1.2 In order to reach signing of the Full Deal agreement, it will be necessary to prepare a series of Treasury Five Case Outline Business Cases for projects within the RGD programme and the consultancy Stantec have been appointed to assist with this process.
- 1.3 The RGD Programme Management Office (PMO) are aiming to sign the Full Deal Agreement in early 2024 however, this is subject to having outline business cases submitted and in some cases approved by Government.
- 1.4 To date the Council have submitted 4 outline business cases to Government with a further 7 nearing draft completion. We have received feedback from Government policy leads on 3 OBC's and are currently amending these documents to address comments received. It should be noted that business cases can require multiple iterations prior to approval by Government and this process can take several months.
- 1.5 RGD business cases and project development work is funded in advance of Full Deal signing at risk to the Council and key delivery partners. To date, this work has predominantly been funded via the Council's Inward Investment Fund although match funding has also been secured from HIE and Scottish Enterprise.
- 1.6 The Policy and Resources Committee have previously approved the release of 3 tranches of funding totalling £450k from the Inward Investment Fund with authority delegated to the Internal Programme Board to authorise spend to support Rural Growth Deal project development work. At the time of writing this report, total approved spend on RGD project development work stands at £367,616.
- 1.7 Where possible, the RGD PMO will seek to recoup project development costs from RGD funding allocations however, it will not be possible to submit any claims for funding until the Full Deal Agreement has been signed. It will be necessary to progress project development work such as detailed design on a number of projects in advance of Full Deal signing to ensure that Full Business

- cases can be developed for projects to be delivered in the early stages of the programme.
- 1.8 Costs associated with the development of full business cases will require to be met by the Council and strategic partners however, these costs will be included as part of the overall match funding for the deal.
- 1.9 The P&R Committee are asked to approve a further £150,000 of funding from the Inward Investment Fund to support the development of RGD full business cases and associated project work for projects to be delivered in the early years of the RGD programme.
- 1.10 Where possible, the RGD PMO will continue to seek external match funding to support project development costs. To date, the Council and key funding partners have secured over £15m of match funding that will directly support projects within the RGD programme. As such, we are confident of exceeding the £20m match funding commitment set out in the Heads of Terms Agreement.

#### **RECOMMENDATIONS:**

- Approval is sought from the Policy and Resources Committee for a
  further drawdown of funding from the Inward Investment Fund (up to
  £150k). Similar to previous arrangements, funds will only be drawn down
  subject to the Chief Executive and two Executive Directors of the Council
  being satisfied that the monies are for the purpose of delivering the Rural
  Growth Deal. Any further funding required in excess of the approved
  value will require further approval from the Policy and Resources
  Committee.
- Note the process and anticipated timescales for signing the Full Deal Agreement with the Scottish and UK Governments.

#### **ARGYLL AND BUTE COUNCIL**

# POLICY AND RESOURCES COMMITTEE

## DEVELOPMENT AND ECONOMIC GROWTH

**12<sup>th</sup> October 2023** 

#### **RURAL GROWTH DEAL – UPDATE PAPER**

#### 2.0 INTRODUCTION

- 2.1 This report provides an update on the Rural Growth Deal (RGD) Programme and in particular progress towards signing of the Full Deal Agreement, which represents the next key milestone in the RGD process. The RGD will deliver £50m of investment from the Scottish and UK Governments for projects that are a driver for inclusive and transformational economic growth across the region. The Council and key delivery partners will also provide up to £20m of match funding throughout the 10-year deal programme.
- 2.2 The Council, UK and Scottish Governments agreed the 'Heads of Terms' for the RGD on the 11th February 2021. The Heads of Terms Agreement sets out the general areas for investment and the Full Deal Agreement will build upon this in more detail. In order to reach signing of the Full Deal agreement, it will be necessary to prepare a series of Treasury Five Case Outline and Full Business Cases (OBC's / FBC's) for projects within the RGD programme.
- 2.3 The RGD Programme Management Office (PMO) have procured the services of the consultancy Stantec to assist with the development of business cases for the RGD programme. To date, 4 OBC's have been submitted to Government with a further 7 nearing completion. The Council have received initial feedback from Government Policy Leads on 3 OBC's and are currently working on revised drafts. An outline programme for the submission of RGD business cases is included in *Table 1* of this report.
- 2.4 It is currently anticipated that the Full Deal Agreement will be signed early in 2024 however; this is reliant on the time taken for business cases to be reviewed and approved by Government. It should be noted that business cases can require multiple iterations prior to approval by Government and this process can take several months. The Council and key partners are aiming to sign the Full Deal Agreement in advance of the next UK general election as this would result in delays to the process.
- 2.5 To date, costs associated with business case and project development works have largely been funded from the Council's Inward Investment Fund. Match funding has also been secured from a number of key partners such as HIE and Scottish Enterprise. The Policy and Resources Committee have previously approved the release of 3 tranches of funding totalling £450k from the Inward Investment Fund with authority delegated to the Internal

- Programme Board to authorise spend to support Rural Growth Deal project development work. At the time of writing this report, total approved spend on RGD project development work stands at £367,616.00.
- 2.6 Where possible, the RGD PMO will seek to recoup capital costs from RGD funding allocations however, it will not be possible to submit any claims for funding until the Full Deal Agreement has been signed and full business cases for projects approved. Costs associated with the development of project full business cases will require to be met by the Council and strategic partners at risk in advance of funding being approved by Central Government.
- 2.7 It is essential that full business cases are developed quickly for projects in the earlier part of the RGD programme to reduce the risk of underspend in the earlier years of the deal. There is limited flexibility from Government around re-profiling of RGD funds and this would be reliant on underspend from other deals.
- 2.8 The P&R Committee are therefore asked to approve a further £150k of funding from the Inward Investment Fund to support the development of RGD full business cases and associated pre-construction works e.g. planning, detailed design and consultancy support. This funding will enable work to be accelerated in advance of Full Deal Signing and ensure that projects are ready to be delivered in the earlier years of the RGD programme.
- 2.9 The RGD PMO will continue to seek external match funding to support project development costs and meet funding gaps. To date, the Council and key funding partners have secured over £15m of match funding that will directly support projects within the RGD programme. Given the significant funding secured to date, throughout the lifetime of the programme it is considered likely that RGD partners will exceed the £20m match funding commitment set out in the Heads of Terms Agreement.

#### 3.0 RECOMMENDATIONS

- Approval is sought from the Policy and Resources Committee for a
  further drawdown of funding from the Inward Investment Fund (up to
  £150k). Similar to previous arrangements, funds will only be drawn down
  subject to the Chief Executive and two Executive Directors of the Council
  being satisfied that the monies are for the purpose of delivering the Rural
  Growth Deal. Any further funding required in excess of the approved
  value will require further approval from the Policy and Resources
  Committee.
- Note the process and anticipated timescales for signing the Full Deal Agreement with the Scottish and UK Governments.

#### 4.0 DETAIL

4.1 The Council agreed the 'Heads of Terms' for the RGD on the 11th February 2021 and are currently working towards signing the Full Deal Agreement. The

- RGD PMO and key stakeholders are working with the consultancy Stantec to develop projects and progress a series of Treasury Five business cases (OBC's and FBC's).
- 4.2 Upon signing the Full Deal Agreement, the Council will enter year 1 of a 10-year programme of delivery for the RGD. As such, projects in the earlier part of the programme will require to be more advanced by Full Deal signing than those in the middle / later stages. OBC's for projects in the earlier stages of the RGD programme will require Government approval in order to sign the Full Deal Agreement and full business cases will be necessary in advance of any draw down of funds.
- 4.3 At present, the following 7 key investment themes and 14 interdependent projects are included as part of the emerging RGD programme;-
  - RGD 1: Tourism Creating a World Class Visitor Destination;
    - Kintyre Sea Sports;
    - Rothesay Pavilion;
  - RGD 2: Creating a Low Carbon Economy;
  - RGD 3: Rural Skills Accelerator Programme (RSAP);
    - Dunoon STEM Hub;
    - SAMS STEM Hub;
    - Business Skills Support;
    - UHI Argyll Estate Enhancements Dunoon;
  - RGD 4: Housing to Attract Economic Growth;
    - Tobermory worker accommodation;
    - Islay housing pilot
  - RGD 5: Clyde Engineering and Innovation Cluster (CEIC);
  - RGD 6: West Coast UAV Logistics and Training Hub;
  - RGD 7: Marine Aquaculture Programme;
    - Marine Industry Training Centre;
    - SAMS Seaweed and Shellfish R&D Centre;
    - Stirling University Machrihanish Innovation Campus.
- 4.4 The RGD PMO have been working with Stantec and key delivery partners to progress this business cases required to sign the Full Deal Agreement. To date, 4 OBC's have been submitted to Government with a further 7 nearing completion. The Council have received initial feedback from Government Policy Leads on 3 OBC's and are currently working on revised drafts. An outline programme for the submission of RGD business cases is included in *Table 4.1 below*-

**Table 4.1 Business Case Tracker** 

Project Ref	Project	Stage	Target month for submission to Government
RGD1	Rothesay Pavilion	Stantec are drafting a Full Business Case, as agreed	September 2023

		with both Governments. Work is progressing well and on target.	
RGD1	Kintyre Sea Sports	Feedback on first draft OBC received 31st May. Stantec and KSS are working to address feedback. Aim to submit second iteration in late September.	September 2023
RGD2	Low Carbon Economy - Islay	Stantec are drafting OBC. Aim to submit in late August/early September	August 2023
RGD3	Rural Skills Accelerator Programme OBC	Stantec continue to draft OBC. OBC has been delayed due to delays in confirming preferred options.	October 2023
RGD4	Housing – Isle of Mull	Agreed with Government to delay OBC submission, to allow a more developed OBC to be submitted once Stantec progress design and costing work, which is being taken forward as part of Islands Programme funding award.	October 2023
RGD4	Housing – Isle of Islay	Agreed with Government to submit in October 2023 to allow confirmation of preferred site.	October 2023
RGD5	Clyde Engineering & Innovation Centre	Submitted to Government on 18 <sup>th</sup> July 2023. Currently awaiting feedback.	Submitted July 2023
RGD6	West Coast UAV	Submitted to Government on 21 <sup>st</sup> June 2023 with feedback now received. Stantec revising economic case and further amendments to be made with input from project team.	October 2023 (revised OBC)

RGD 7 MAP	Marine Aquaculture Programme – Marine Industry Training Centre	Feedback on first draft OBC received 31st May. UHI Argyll currently working to address feedback and hope to submit next iteration in August 2023	August 2023
RGD 7 MAP	Marine Aquaculture Programme – SAMS International Seaweed & Shellfish Industry R&D Centre	HIE advising that further work is required on Economic Case. PMO expect to receive in September 2023.	September 2023
RGD 7 MAP	Marine Aquaculture Programme – Marine Environmental Research Laboratory	PMO hope to receive OBC in late September 2023.	October 2023

4.5 Deputy Directors from Central Government met with Council staff and project leads at SAMS on the 1<sup>st</sup> June 2023 to discuss progress towards signing of the Full Deal Agreement. Government indicated that they are content with the progress being made across the deal programme and encouraged the Council aim to sign the Full Deal in advance of the next UK General Election as this would result in delays to the process.

## 5.0 Rural Growth Deal Budgets and Change

- 5.1 The quantum figure for City Region and Growth Deals is fixed as part of the Heads of Terms agreement and Central Government have advised that there will be no additional funding throughout the lifetime of the deal. As such, Argyll and Bute Council will receive a maximum of £50m from Central Government over the 10-year RGD programme.
- 5.2 There is limited capacity within deal programmes to account for construction price inflation and it will be necessary to secure external match funding to meet any funding gaps on projects. The programme will continue to be reviewed frequently by the Programme Board to ensure that projects remain affordable throughout the lifetime of the deal and protocols are in place should changes be necessary to the programme.
- 5.3 The Council and key delivery partners also require to consider operational costs and potential impacts on revenue budgets. The RGD is predominantly capital

- funding with very limited revenue available to meet future operational costs (maximum of £2.5m across deal programme).
- 5.4 Table 5.1 below, sets out further detail on the emerging split of funding across the RGD programme.

Table 5:1 - Proposed RGD funding Split

Project Name		Funding Committed	UK Government	Scottish Government	
Tourism	Rothesay Pavilion	£9m	£4.5m	£4.5m	
	KSS	£2m	-	£2m	
Creating a low carbon economy		£3m	£1.5m	£1.5m	
Rural Skills Accelerator Programme					
Dunoon STEM Hub		£2.5m	-	£2.5m	
SAMS STEM Hub		£2.5m	-	£2.5m	
Business Skills		£0.5m	-	£0.5m	
Built Environment Argyll College UHI		£1.5m	-	£1.5m	
Housing		£3m	-	£3m	
CEIC		£7m	£7m	-	
UAV Logistics & Training Hub		£4m	£4m	-	
Marine Aquaculture Programme					
Machrihanish Innovation Campus		£3.84m	£3.84m	-	
SAMS International Seaweed and Shellfish Industry R&D Centre		£3.33m	£2.33m	£1m	
Marine Industry Training Centre		£7.83m	£1.83m	£6m	
Total Funding		£50m	£25m	£25m	

#### 6.0 RGD PROJECT UPDATES

#### 6.1 Tourism - Creating a World Class Visitor Destination

- 6.1.1 Following the decision by the Programme Board in May to re-profile funding within the Tourism / Place programme to focus on completion of the Rothesay Pavilion project, the RGD PMO and members of the Internal Programme Board met with Government on the 30th June 2023 to seek an agreement in principal to support this proposal. The UK and Scottish Government have subsequently confirmed that they are content to give agreement in principal to re-profiling funding within the Tourism programme as follows:-
  - £9m Rothesay Pavilion;
  - £2m Kintyre Sea Sports.
- 6.1.2 It should be noted that this is an "in principal" commitment and these projects still require full business cases to be approved prior to RGD funding being drawn down. This will however, reduce risk to the Council of progressing further

- phases of the Pavilion contract and it is anticipated that the full business case for this project will be submitted to Central Government in September 2023.
- 6.1.3 The P&R Committee endorsed the decision to include Rothesay Pavilion within the RGD programme on the 10th August 2023. Government are content that this demonstrates a clear commitment by the Council to continue to work with key partners to secure the funding necessary to complete this project.
- 6.1.4 The RGD PMO have received feedback from the Scottish and UK Government on the first draft OBC for the Kintyre Sea Sports project. Stantec and the project leads are currently working on a revised draft taking account of the comments received by Government policy leads. The Council have also submitted a stage 1 RCGF funding bid for this project for funding totalling £700k. If successful, this will provide significant match funding for the project and a decision is expected from the Scottish Government in September 2023. If the stage 1 bid is approved, a more detailed stage 2 funding bid will be submitted later in the year.

### 6.2 Creating a Low Carbon Economy

- 6.2.1 The emerging project proposals for this theme focus on the delivery of domestic home energy efficiency and heat decarbonisation measures including potential pilots in conservation areas and heritage properties. The focus on domestic properties follows advice from the local Distribution Network Operator regarding grid constraints on Islay. This makes it very challenging to deliver projects of scale without the requirement to balance electricity generation and demand.
- 6.2.2 Stantec and project stakeholders continue to work on the investment priorities and OBC for this project. It is anticipated that a draft OBC will be submitted to Government in September 2023. In advance of this, a meeting was held with Stantec and Government Economists to raise awareness of the project and the economic modelling approaches that Stantec have used in the development of the OBC.
- 6.2.3 A series of meetings have been held to identify partners and potential match funders for the project. The funding landscape for net-zero projects is particularly complex and it will be important to ensure that the RGD provides additionality without duplicating existing schemes. To date, the Council has been engaging with stakeholders including Historic Environment Scotland, BEST, Energy Systems Catapult and Home Energy Scotland.
- 6.2.4 It is likely that this project will be delivered later in the Rural Growth Deal programme as significant work is still required to finalise investment priorities and develop future delivery models. The Council are also working closely with key industries on Islay to investigate where RGD investment could support a more transformational infrastructure project in light of the distilling sectors commitments to decarbonise and the potential for significant offshore wind developments in the area.

#### 6.3 Rural Skills Accelerator Programme (RSAP)

- 6.3.1 The Rural Skills Accelerator Programme (RSAP) is being progressed as a programme level OBC including three component parts as follows:
  - STEM Hubs (physical, outreach & mobile)
  - Argyll College UHI built environment
  - Business Skills
- 6.3.2 The STEM Hubs will include a mix of physical hubs, mobile and outreach activities and the overarching focus of this project is to provide a platform for a transformational step change in local STEM education aligned to emerging job opportunities.
- 6.3.3 Due to receipt of match funding, work has advanced to take forward the repurposing of the council owned Hill Street building, to create a Dunoon Community STEM Hub in the south of Argyll. With planning permission and a building warrant in place, the Stage 1 construction works tender for the Dunoon facility was published on 11th May 2023. The tender has now progressed to Stage 2, with a tender award likely to be made in September 2023 (subject to affordability).
- 6.3.4 The second STEM Hub will be located within the European Marine Science Park at Dunstaffnage and will be operated by SAMS. This Hub will include a particular focus on marine STEM education however, it is vital that this facility complements the wider STEM programmes being delivered by the Council.
- 6.3.5 The RGD will also provide an opportunity to ensure that regional STEM activities are delivered in a more coordinated manner given that programmes are currently being delivered by UHI Argyll, SAMS, the Council and private sector stakeholders.
- 6.3.6 It has been agreed that the Business Skills element will be led by HIE and the focus of this programme will be developing business leadership skills. This will align with and complement the UK Shared Prosperity Fund Investment Plan business support programme being delivered by the Business Gateway Team until the end of March 2025.
- 6.3.7 UHI Argyll continue to develop options for their estate enhancements in Dunoon. A HubNorth facilitated workshop was held in June to explore site options for this project. At present, it is likely this will focus on UHI Argyll's current facility at West Bay, Dunoon.

### 6.4 Housing to Support Economic Growth

6.4.1 This project is focused on housing pilots on the islands of Mull and Islay and will aim to support wider work being undertaken to address our housing emergency. Match funding of up to £700k has been awarded from the Scottish Government's Islands Programme to fund enabling infrastructure works at the Council owned Rockfeild Road site in Tobermory. This will include roads, key utilities and the submission of a detailed planning application for the wider site. Stantec are progressing work on a site layout,

- infrastructure and design. The enabling infrastructure work is programmed for completion by October 2024.
- 6.4.2 It is anticipated that the OBC for the Tobermory housing project will be submitted to Government in October to allow sufficient time to incorporate some of the work being delivered by the Islands Programme funding.
- 6.4.3 Discussions continue with Islay Estates and ACHA in terms of developing housing at Bowmore. The intention is for the Rural Growth Deal to assist with infrastructure works that will enable the delivery of local housing. The Council intend to secure 4 plots from Islay Estates and deliver 4 houses for sale with a Rural Burden attached ensuring that the houses are occupied as principal homes.
- 6.4.4 In addition, Kilarrow House in Bowmore that is owned by the Council is subject to an options appraisal for future use as it has been deemed surplus to requirements. If the option chosen is to demolish the building then this site could be used to deliver the Rural Growth Deal housing project on Islay.
- 6.4.5 The Council are working with Stantec to draft an OBC for the Islay housing project and it is anticipated this will also be submitted to Government in October 2023.
- 6.4.6 The Scottish Government confirmed on 27th June that the intention is to recommend to Scottish Ministers that they make an Order designating Argyll and Bute Council as a Rural Housing Body. Further consultation will take place with businesses on Mull and Islay before the final recommendation is made.

#### 6.5.0 Clyde Engineering and Innovation Cluster

- 6.5.1 This project is the main UK Government funded project in the RGD programme and will focus on providing commercial accommodation within Helensburgh to maximise local benefit from the Royal Navy's £1.3bn Maritime Change Programme.
- 6.5.2 The preferred site is located at lona Stables, Colgrain and has Planning Permission in Principal for the creation of 60,000 sq. ft. (5,574 sqm) of high-quality office development, a public house/restaurant with car parking and external landscaping. The site at Colgrain is privately owned however, the Council are working with the landowner and agents to progress land negotiations.
- 6.5.3 The OBC for the CEIC was submitted to Government on the 18th of July 2023 for first stage feedback. Concept design work has been progressed by Stantec, and initial costings have been reported. It is likely that the preferred option (floor area of 3,000sqm) will have a funding gap of circa £3m £5m depending on when the project is delivered. Project leads have been working with Scottish Enterprise to identify potential sources of match funding for this project.

- 6.5.4 Site investigations at Colgrain commenced in early April 2023 and Stantec are preparing reports on the findings. This will inform future detailed design and price estimation work required for the full business case.
- 6.5.5 The Council continue to work in partnership with the MOD, Royal Navy and key industrial partners as part of the design process. Where possible, we will ensure that this project is programmed to meet the needs of contractors being relocated to the area or away from the base.

### 6.6.0 West Coast UAV Logistics and Training Hub

- 6.6.1 This project aims to create a permanent base at Oban Airport to fly and maintain drones, as well as train pilots, educate and inspire children, and develop further uses for drones. The draft OBC for this project was submitted to Government in May 2023 with feedback received in August. The Council are currently working with consultants Stantec to revise the OBC taking account of comments received from Government policy leads.
- 6.6.2 Further proof of concept trials will be funded using a £250k grant secured from the UK Government's Regulators Pioneer Fund. Trials are starting in September and these will focus on the regulation of drones operating beyond visual line of site within controlled airspace. Oban Airport is ideally situated to enable such trials given its proximity to clear airspace. These trials could have national significance for the safe integration of drones in controlled airspace.
- 6.6.3 The Council continue to work with private sector stakeholder Skyports to deliver local drone trials in Argyll and Bute. SAMS are also a key stakeholder who are keen to develop local testing capabilities for drones and robotics and are supportive of the UAV Hub proposals.

## 6.7.0 Marine Aquaculture Programme (MAP)

- 6.7.1 The MAP is being led by HIE and consists of the following 3 projects:-
  - UHI Argyll College Marine Industry Training Centre (MITC);
  - SAMS International Seaweed and Shellfish Industry R&D Centre:
  - Stirling University Machrihanish Innovation Campus.
- 6.7.2 These projects are at varying stages of development. The OBC for MITC was submitted to Central Government for first stage feedback on 4th April. HIE / UHI Argyll are currently revising the OBC taking account of feedback received by Government Policy Leads.
- 6.7.3 SAMS are working with EKOS to develop the business case for the International Seaweed and Shellfish Industry R&D Centre. The PMO expect to receive a draft OBC in September 2023.
- 6.7.4 Stirling University are also working with EKOS to develop their OBC for a new or refurbished facility at Machrihanish. It is anticipated that a draft OBC for this project will be submitted to Government in October 2023. This project will also complement marine aquaculture projects being delivered as part of the Stirling and Clackmannanshire Growth Deal.

#### 7.0 FULL DEAL DOCUMENTATION

- 7.1 As part of the Full Deal process, the RGD PMO will require to draft the following documents:-
  - Full Deal Agreement;
  - Implementation Plan;
  - Governance Plan:
  - Financial Plan;
  - Communications Plan
- 7.2 There may also be the requirement for projects to include some or all of the following:-
  - Equality Impact Assessments;
  - Fairer Scotland Impact Assessments;
  - Environmental Impact Assessments (if required);
  - Islands Impact Assessments (if required)
  - Carbon Management Plans.

#### 8.0 CONCLUSION

- 8.1 The RGD PMO are working towards signing of the Full Deal Agreement, which represents the next key milestone in the RGD process. Project leads have been working with Stantec to prepare a series of outline business cases that require to be submitted to Government in advance of deal signing. To date the Council have submitted 4 outline business cases with a further 7 nearing draft completion.
- 8.2 It is currently anticipated that the Full Deal Agreement will be signed early in 2024 however; this is reliant on the time taken for business cases to be reviewed and approved by Government. It should be noted that business cases can require multiple iterations prior to approval by Government and this process can take several months.
- 8.3 The RGD PMO continue to work with key stakeholders and Stantec to develop RGD projects and the suite of documents required for Full Deal Signing.
- 8.4 The Policy and Resources Committee have previously approved the release of 3 tranches of funding totalling £450k from the Inward Investment Fund with authority delegated to the Internal Programme Board to authorise spend to support Rural Growth Deal business case and project development work. At the time of writing this report, total approved spend on RGD development work stands at £367,616.
- 8.5 Following signing of the Full Deal Agreement, it will be necessary to draft full business cases for the approval of Central Government prior to the drawdown of RGD funding. This will require further project development work such as detailed design, planning and consultancy support to inform full business cases.

8.6 The Policy and Resources Committee are asked to approve a further £150,000.00 draw down from the Inward Investment Fund to support the development of full business following signing of the Full Deal Agreement. This is necessary to ensure draw down of RGD funds in the earlier stages of the programme.

#### 9.0 IMPLICATIONS

- 9.1 Policy The RGD is consistent with the Council's Economic Strategy.
- 9.2 Financial The RGD requires financial and staff resources from the Council.
- 9.3 Legal The RGD may require input from Legal Services as part of the Full Deal Signing.
- 9.4 HR None at present.
- 9.5 Fairer Scotland Duty: Required as part of OBC process.
  - 9.5.1 Equalities protected characteristics Equality Impact Assessments are required for all RGD projects.
  - 9.5.2 Socio-economic Duty The Rural Growth Deal will follow Scottish Government guidance on Inclusive growth including measures to address socio-economic disadvantage
  - 9.5.3 Islands Islands impact assessments required as part of OBC process where necessary.
- 9.6 Climate Change Carbon Management Plans are required for all RGD business cases.
- 9.7 Risk Spend incurred in advance of approval of FBCs will be at risk to lead partner.
- 9.8 Customer Service None at present.

# Kirsty Flanagan Executive Director with responsibility for Development and Economic Growth

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