

ARGYLL AND BUTE COUNCIL'S ECONOMIC STRATEGY REFRESH: 2024-2034

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to provide the Environment, Development and Infrastructure Committee with a refreshed Argyll and Bute Council Economic Strategy, covering the period 2024-2034, as outlined in **Appendix 1**.
- 1.2 This refreshed economic strategy is both ambitious and forward looking, with a place-based and business/person-centred approach, to secure a fair, inclusive, and prosperous future for the area, more resilient to external factors including the rapid advances in digital technology and increasing impacts of climate change.
- 1.3 The document unites purpose, with a focus on partnership and collaboration as the cornerstones of delivery. Informed through consultation and by available economic and population data, the drivers of economic growth will be across four strategic key pillars: **people, place, planet** and **prosperity**.
- 1.4 The associated action plan will be prepared for consideration by the committee members at the meeting on 20th June 2024.
- 1.5 It is recommended that members of the Environment, Development and Infrastructure Committee:
- Provide commentary on the refreshed Economic Strategy as outlined in **Appendix 1**.
 - Endorse the refreshed Economic Strategy, with an associated Action Plan to be considered at the next committee meeting in June 2024.

ARGYLL AND BUTE COUNCIL'S ECONOMIC STRATEGY REFRESH: 2024-2034

2.0 INTRODUCTION

- 2.1 The success of the Argyll and Bute economy is fundamental to our future quality of life. The pace of change has been accelerating globally and nationally which has required Argyll and Bute Council to refresh its economic strategy.
- 2.2 The refreshed Argyll and Bute economic strategy is ambitious for our area. Continued focus is required on the medium to longer-term economic and social recovery agenda for Argyll and Bute in response to the economic shocks of recent years. In particular, the pandemic, EU Exit and the cost of living, including the cost of doing business, crises.
- 2.3 The document unites purpose, with a focus on partnership and collaboration as the cornerstones of delivery. Informed through consultation and by available economic and population data, the drivers of economic growth will be across four strategic key pillars: **people, place, planet** and **prosperity**.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that members of the Environment, Development and Infrastructure Committee:
- Provide commentary on the refreshed economic strategy as outlined in **Appendix 1**.
 - Endorse the refreshed economic strategy, with an associated action plan to be considered at the next committee meeting in June 2024.

4.0 DETAIL

- 4.1 The need for collaboration and the interplay between economy, environment and community has never been stronger. Argyll and Bute is particularly well placed to benefit from the potential of the area's natural capital resources and the role it can play in providing green jobs and achieving net zero across key industries.

- 4.2 The refreshed economic strategy has been prepared with a strong focus on collaboration and a joined-up approach, working closely with the Community Development Team who are currently revising the Local Outcome Improvement Plan (LOIP) on behalf of the Argyll and Bute Community Planning Partnership, partner agencies and stakeholders across Argyll and Bute and externally.
- 4.3 A core focus of the strategy is for Argyll and Bute to be a wellbeing economy through embedding a Community Wealth Building approach. The outcome is to increase the flow of wealth and opportunity for the benefit of the people who live and work in the area through improving our places and local access to economic opportunity, including community ownership, reducing inequalities, tackling poverty through providing higher value, well-paid, jobs and supporting employers to take forward the Fair Work First principles.

5.0 CONCLUSION

- 5.1 The Argyll and Bute economy is undergoing significant changes, presenting both distinct short and longer-term opportunities and challenges to overcome. The existing economic strategy has been updated post the COVID-19 pandemic in the context of economic recovery, but due to the rapidly changing global economy, with the added implications of EU Exit and the cost of living crisis, a renewed focus is now required to acknowledge the issues that are with us, celebrate our key strengths as an area and embrace the opportunities of our rural, natural resource based economy.

6.0 IMPLICATIONS

- 6.1 Policy - current Argyll and Bute Economic Strategy, LOIP and National Strategy for Economic Transformation refresh (NSET – 10 year duration).
- 6.2 Financial – resources will be required to deliver the strategic intent and will be considered under the action plan discussions in June 2024.
- 6.3 Legal - all appropriate legal implications have been taken into consideration
- 6.4 HR – none.
- 6.5 Fairer Scotland Duty - the Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in April 2018. The duty places a legal responsibility on particular public bodies in Scotland, such as Argyll and Bute Council, to pay due regard to (actively consider) how they can reduce inequalities of outcome, caused by socio-economic disadvantage, when making strategic decisions and how this has been implemented
 - 6.5.1 Equalities - all activities have complied with all Equal Opportunities/Fairer Scotland Duty policies and obligations
 - 6.5.2 Socio-economic Duty - all strategic pillars, priorities and project activities will comply with the council's socio-economic duty

- 6.5.3 Islands - a refreshed economic strategy will include priorities and actions that will be delivered across the whole of Argyll and Bute including the island communities.
- 6.6 Climate Change - strategic priorities and activities will address the net zero transition agenda.
- 6.7 Risk - buy-in by key partner agencies and stakeholders to the medium to longer-term strategic priorities could be challenging due to the uncertainty around future funding streams; many budgets still decided on an annual basis.
- 6.8 Customer Service – none.
- 6.9 The Rights of the Child (UNCRC) – none.

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Councillor Alastair Redman

14th February 2024

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APPENDICES

Appendix 1: Economic Strategy Refresh

APPENDIX 1: DRAFT ECONOMIC STRATEGY REFRESH

Argyll and Bute Council Economic Strategy Refresh, 2024-2034

1.0 Strategic Vision

Creating a place-based and people-centred economy that delivers shared prosperity and sustainable business growth through innovation and collaboration.

- 1.1 The success of the Argyll and Bute economy is fundamental to our future quality of life. The pace of change has been accelerating globally and nationally which has required Argyll and Bute Council to refresh its economic strategy.
- 1.2 The strategy is both ambitious and forward looking, with a place-based and business/person centred approach, to secure a fair, inclusive, and prosperous future for the area, more resilient to external factors including the rapid advances in digital technology and increasing impacts of climate change.
- 1.3 The issues identified above will be achieved through the core focus of Argyll and Bute being a wellbeing economy through embedding a Community Wealth Building approach. The outcome is to increase the flow of wealth and opportunity for the benefit of the people who live and work in the area through improving our places and local access to economic opportunity, including community ownership, reducing inequalities, tackling poverty through providing higher value, well-paid, jobs and supporting employers to take forward the Fair Work First principles.
- 1.4 The Argyll and Bute economy is undergoing significant changes, presenting both distinct short and longer-term opportunities and challenges to overcome. The existing economic strategy has been updated post the COVID-19 pandemic in the context of economic recovery, but due to the rapidly changing global economy, with the added implications of EU Exit and the cost of living crisis, a renewed focus is now required to acknowledge the issues that are with us, celebrate our key strengths as an area and embrace the opportunities of our rural, natural resource based economy.
- 1.5 Our ambitious economic strategy for Argyll and Bute (2024 – 2034) unites purpose, with a focus on partnership and collaboration as the cornerstones of delivery. Informed through consultation and by available economic and population data, the drivers of economic growth will be across four strategic key pillars: **PEOPLE**, **PLACE**, **PLANET** and **PROSPERITY**.
 - **PEOPLE**: Addressing the continuing decline in our economically active population, improving workforce skills and attracting key workers, promoting equal access to education opportunity, and supporting job opportunities in emerging and new industries.
 - **PLACE**: Investing in our towns, rural and remote rural communities, including our islands and peninsulas, to attract new people and businesses, pursuing external funding opportunities, investing in critical economic infrastructure such as housing, land for business development, reuse of land and buildings for

community benefit, digital connectivity and transport (principally roads, ports and ferries).

- **PLANET:** Delivering net zero and improving our biodiversity by supporting the sustainable growth of clean energy production (i.e. hydro, solar, wind and biomass), woodland, peat and marine habitat restoration, encouraging green industries to develop in our area, nature-based solutions and community ownership.
- **PROSPERITY:** Creating higher wage opportunities, seizing opportunities in the net-zero economy, improving productivity and innovation through increasing business efficiency including the use of digital technology, empowering communities through ownership and wealth creation, sustaining public services, promoting the blue and green economies, enabling the sustainable growth of key sectors such as food and drink together with revitalising the tourism and hospitality sectors and supporting the growth of the creative industries .

1.6 Argyll and Bute is predominantly a resource-based economy taking advantage of our abundant natural resources to create a resilient, prosperous and wellbeing economy with empowered communities at its heart.

2.0 Argyll and Bute Geographical Context

2.1 Argyll and Bute is the second largest council area in Scotland and is home to a rich and varied natural landscape and coastline comprising a significant expanse of Scotland's mainland, as well as the southern group of the Inner Hebridean Islands, currently consisting of 23 inhabited islands.



2.2 Our varied and complex geography has contributed to creating vast disparities in terms of access to essential services both public and private, employment opportunity, business efficiency and-economic outcomes. Most notably between the region's main population centres, our rural and island communities owing to the often isolated nature of the area and reliance on ferries.

3.0 Baseline Analysis

3.1 Presented below is the summarised baseline analysis for the four strategic pillars of **PEOPLE**, **PLACE**, **PLANET** and **PROSPERITY**.

Argyll and Bute Facts: People

PEOPLE

86,220



*NRS 2021, estimates



By sector, the top five employment forecasts for 2026 (by people) are:

- Tourism **3,300**
- Construction **2,400**
- Food and drink **1,900**
- Social Care **1,900**
- Health Care **1,800**



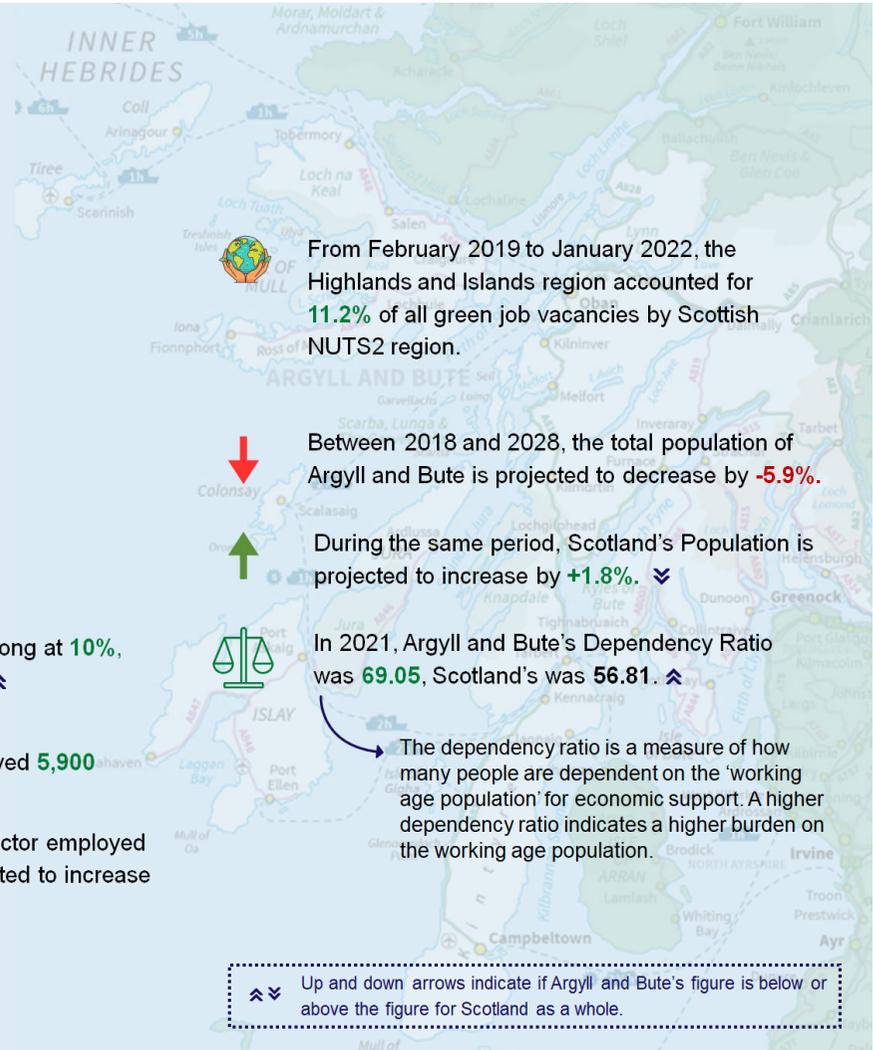
Self Employment is particularly strong at **10%**, compared to **7.6%** for Scotland.



In 2019, the marine sector employed **5,900** people.

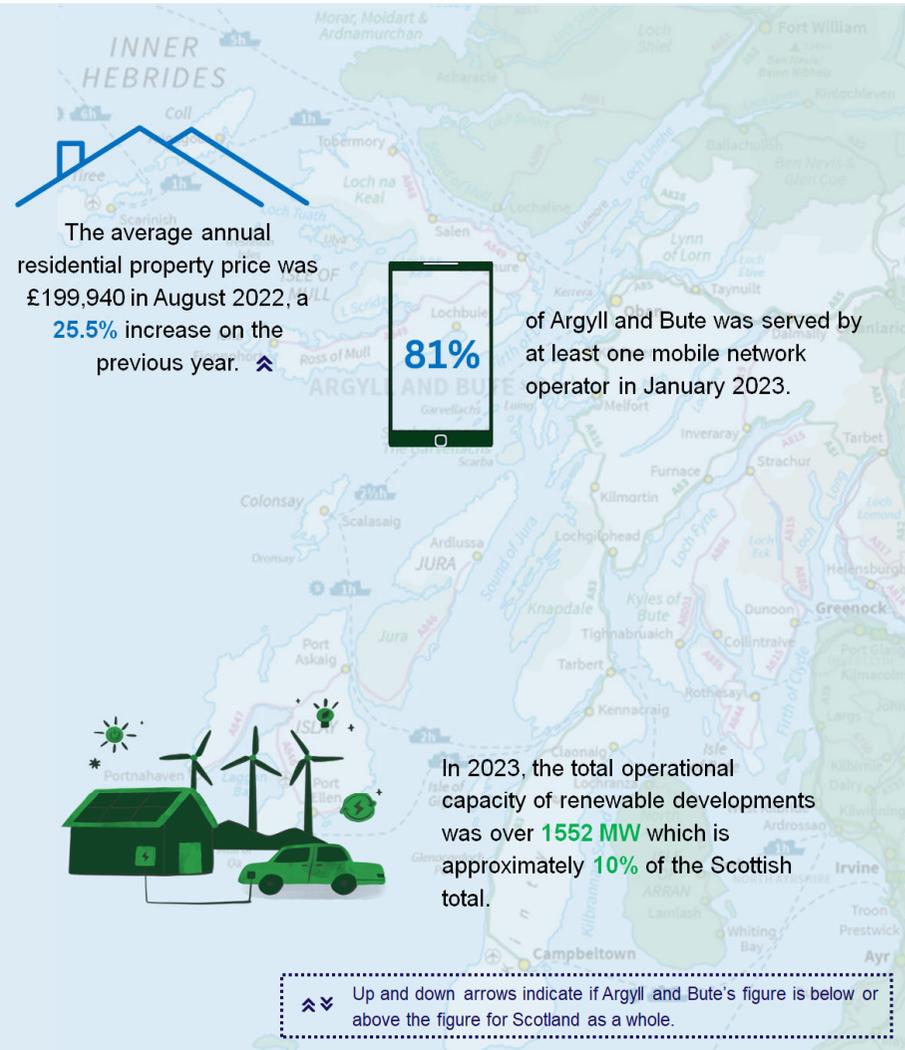


In 2023, the creative industries sector employed **600** people, by 2033 this is projected to increase to **700** people.



Argyll and Bute Facts: Place

- **£21.3m** invested in regeneration projects from 2017-23.
- UKSPF Communities and Place funding of **£1.2m** allocated.
- **£1.2m** invested in tourism-related infrastructure in 2022.
- **£517k** of staycation funding used in litter limiting and information activities from 2021-2023.



Argyll and Bute Facts: Planet



Argyll and Bute's total territorial greenhouse gas emissions decreased by **9.05%** from 2018-2020, Scotland's decreased by **12.7%**. 



Between 2018 and 2021, total household waste generated (tonnes) has increased by **2.23%**, Scotland's increased by **3.2%**. 



Between 2018 and 2021, household recycling has increased by **6.25%**, Scotland decreased by **0.77%**. 



Argyll and Bute Facts: Prosperity

In 2022, the gross weekly pay for full-time workers was **£588.4** in Argyll and Bute, for Scotland it was **£641.3**. ↘



Tourism directly contributed over **£400m** in 2022, with over **2.4m** visitors.



In 2021, the food and drink sector directly contributed **£49.28m**.



In 2019, the marine sector GVA was **£154m**, turning over **£363m**. In 2020, Argyll and Bute accounted for 5% of Scotland's total marine sector GVA.



In 2021 turnover for Arts, Leisure and Recreation was **£41.7m**



From 2018/19 to 22/23:

- **599** start-up businesses have been supported
- **1634** existing businesses have been supported



Ratings of personal well-being 2021-22 (out of 10).

- Anxiety: **2.7/10**
- Happiness: **7.7/10**
- Life Satisfaction: **7.6/10**
- Worthwhile: **7.9/10**



In 2023, in terms of total GVA, the top five sectors in Argyll and Bute were, food and drink (**11.6%**), tourism (**8.1%**), construction (**6.1%**), energy (**5.7%**) and social care (**3.9%**).

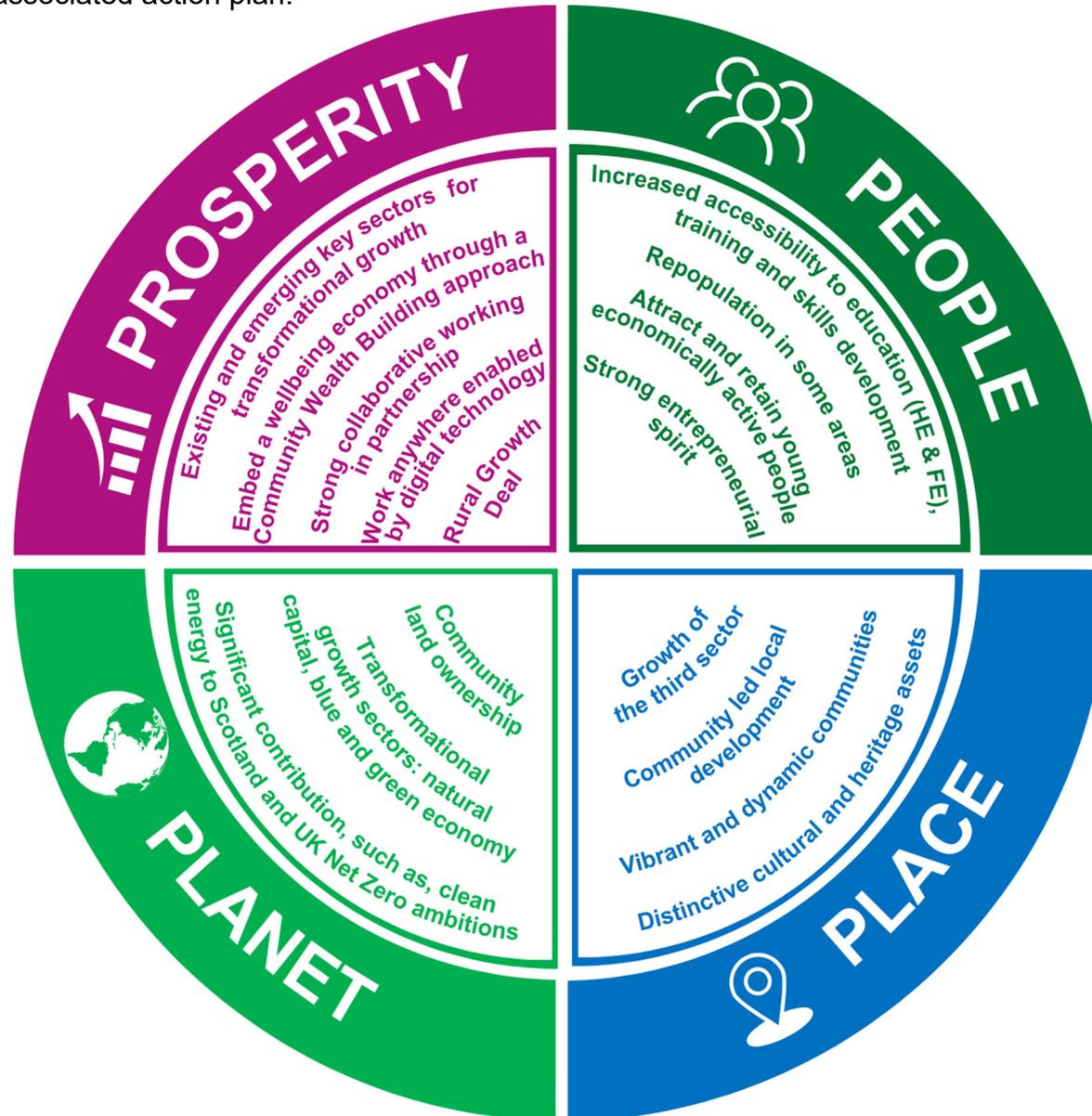
The average GVA per job (£) in 2023 was **£41,900**, Scotland's GVA was **£52,600**.

Argyll and Bute's GVA per job (£) for 2023-26 is to increase by **1.0%**, this is set to grow to **1.1%** between 2026-33.

↗ ↘ Up and down arrows indicate if Argyll and Bute's figure is below or above the figure for Scotland as a whole.

4.0 Opportunities

4.1 Key messages from the evidence base have fed into a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. The SWOT analysis will be included in a separate baseline report to support this document. The diagram below outlines the **opportunities** for Argyll and Bute and drives the focus of this ambitious refreshed economic strategy and the ongoing preparation of an associated action plan.



5.0 PEOPLE



5.1 People are Argyll and Bute's most important asset in driving forward the local economy and opportunities for future growth. However, our region has a relatively tight labour market arising from consistently higher levels of participation and low unemployment, with critical skills gaps in public services and key business sectors, such as hospitality and construction. A situation that has been exacerbated in recent years by a declining working-age population, limited in migration and higher levels of economic inactivity particularly in the over fifties.

5.2 Over the next decade the following opportunities and challenges will require concerted action from the council working in collaboration with strategic partners from the public, private and third sectors. This includes sharing of data insights across partners.

5.3 Opportunities:

- **Retention and attraction of young people:** to attract and retain young people to the area will require extensive collaboration and continued targeted interventions and ongoing support.
- **Self-employment:** there is recognition that Argyll and Bute has a high level of self-employment and the majority of businesses that employ 0 to 4 employees are often family owned and operated. There is a requirement to support this strong entrepreneurial approach of local people which can act as a catalyst to strengthen local supply chains, embed a circular economy at a local level and tackle market failure.
- **Skills development:** there is a need for a continued focus on improving people's work skills, through upskilling and reskilling given the world of work is changing at an ever-increasing pace. There is a constant need to keep up to date with the demands of the future economy that will be driven increasingly by the blue, green and digital agendas. STEM (Science, Technology, Engineering and Maths) education will feature highly here and there is need to be creative by helping companies adapt quickly to change and take full advantage of the many new opportunities that will present themselves in the future.
- **Access to further and higher education and training:** increase opportunities for parity of participation across all parts of Argyll and Bute for all ages and stages, including school curriculum, access to modern apprenticeships, further and higher education, and workforce training and development to ensure that no one is left behind.
- **Resettlement programmes:** diversifying communities and bringing new skills.

5.4 Challenges:

- **Increase in the economically active population:** there is a requirement to increase the economically active population across the whole of Argyll and Bute so that local businesses, or potential investors, can access the people they need to sustain or grow their business. External factors, such as leaving the EU has limited the flow of new workers through in migration seeking employment in the area. It is recognised that the availability and cost of housing is a key barrier to people coming to Argyll and Bute. This is being addressed through the council declared a Housing Emergency in June 2023 (not just for in-migrants) and is taking forward a housing action plan as a matter of urgency.
- **Unemployment and Underemployment:** across most of Argyll and Bute unemployment rates remain lower than the national average. That said, a large number of people of working age are underemployed in either part time, or lower paid jobs, or a combination of both.

5.5 To address the opportunities and challenges under **PEOPLE** the refreshed economic strategy action plan needs to deliver clear SMART actions as follows:

- Increase the economically active population by investing in skills development (upskilling and reskilling) and training for those actively seeking work or interested in a change of career in the new and emerging occupations aligned to sectors such as space, the blue and green economy including the use of our natural capital for low carbon and clean energy options.
- Work with partners to enable equal access to education (academic and vocational) including work skills development opportunities for all, especially in emerging industries with significant growth potential.
- Focus on STEM education to prepare for an increasingly, digitally driven and green economy, delivered through the Rural Growth Deal STEM Hubs, Marine Industry Training Centre and Clyde Engineering Cluster proposals and monitored through the key performance indicators outlined in their Full Business Cases.
- Promote increased adaptability and skills development for both existing and new staff among local businesses to better capitalise on changing economic opportunities.

"I am learning every day and now getting the chance to use the skills I have learnt from college and helping experienced trades people. I also have a few quid to be able to go out and socialise with my friends which I couldn't really afford before."

Employability Team
Making Connections

"Just to let you know I passed my HGV driving test this afternoon!! It still feels like a dream. I'm still in shock. Just wanted to say thanks so much for what you did. I couldn't have done this without you."

Employability Team
Making Connections

6.0 PLACE



6.1 Argyll and Bute has distinct, vibrant and dynamic town centres with a strong and distinct cultural heritage coupled with an outstanding natural and built environment. To build on these strengths our places continue to need further investment to adapt to the demands of a rapidly changing economy. The future success of our main towns and key settlements is critical for retaining and attracting people. They need to offer the services, functions and spaces people expect to see, albeit with a recognition that most of our communities are not of a scale that can offer everything. Further active travel investment in walking and safe cycling routes is one key factor in the development of a wellbeing economy. In addition, critical transport and digital infrastructure have been identified by our businesses and communities (island and mainland) as crucial economic enablers.

6.2 Opportunities:

- **Vibrant and dynamic communities:** building on the success of our Love Local Card our towns, places and communities need further development in their vibrancy and attractiveness to encourage private sector investment and to build on the success of securing external funding. External funding is critical to the future success of our town centres, rural and island communities by securing investment to enable key issues to be addressed, including improvements to critical economic infrastructure, transport (including public transport networks) and digital connectivity, the public and built fabric, addressing and harnessing the opportunities with derelict and under-utilised buildings, delivering local living opportunities, having sufficient fit for purpose housing choices and sufficient land to start and sustain new business start-ups.
- **Community Led Local Development:** focusing on local delivery of projects and interventions for communities across Argyll and Bute. Where communities are well placed to embed Community Wealth Building and a wellbeing economy, such as encouraging active travel, and a community first approach.
- **Growth of the third sector:** such partners have a key role of retaining and recycling wealth back into communities.
- **Distinctive cultural and heritage assets:** enhancing and safeguarding the strong culture and heritage that underpins communities coupled with a high quality built environment.

6.3 Challenges:

- **Competition for investment:** competition to attract and secure external funding is high and increasing with a continued west to east shift nationally. The availability of match funding that is either required, or desirable, to secure external finance is also in short supply.
- **Fragile communities:** the COVID-19 pandemic had a significant impact on social connections, local economies and the capacity of community support organisations.

6.4 To address the opportunities and challenges under **PLACE** the refreshed economic strategy action plan needs to deliver clear SMART actions as follows:

- The correct tools and support are required to build back socio-economic connectedness, support a sense of belonging, post the COVID-19 pandemic. This will be done through recognising the strengths of community resilience across Argyll and Bute.
- Work with strategic partners to support communities in the development and facilitation of transformational regeneration projects including community ownership of assets and wealth creation.
- Secure future investment from cross sector partners and external funding streams into our towns, rural and island communities to enhance and improve the built fabric for residents and to attract businesses, investors and visitors and support shop local.
- An increasing focus on areas of opportunity, particularly, but not exclusively, in Dunoon, Rothesay, and Campbeltown, by fostering community partnerships, identifying key place-based actions and co-ordinating investment to achieve wellbeing outcomes.



“This is to congratulate the council, and its partners, on the highly successful delivery of a key part of Lochgilphead’s regeneration. The sheer quality and improvement already achieved is of a high order and will endure ...investment in the Front Green – where I walked this morning – adds to the streetscape improvement of the town.”

We are encouraging people to live in Argyll and Bute by delivering homes and infrastructure for the future, promoting local living and helping to shape thriving, sustainable, communities.

7.0 PLANET



7.1 Delivering net zero and mitigating the impacts of climate change is key to Argyll and Bute's society and future prosperity. The area is playing a significant role in achieving this through the increasing production of clean energy, the expansion of our forests, and the restoration of our native woodlands, peatlands and marine habitats.

7.2 The council has a number of different strategies to help mitigate climate change. At the heart of all these strategies and plans are the people who live here and make a sustainable living from our abundant natural resources. There is a compelling need however to strengthen the link with our natural environment and the retention of more of the wealth we generate locally within our local communities and at the same time increase our actions to mitigate against the growing impacts of climate change and improve our biodiversity as a place. In short, Argyll and Bute is well placed to make a significant contribution to both Scotland and the UK's Net Zero ambitions.

7.3 Opportunities:

- **Clean energy:** supporting the increase of clean energy through onshore and offshore wind, grid enhancement, pumped storage hydro and other forms of renewable energy such as solar, tidal and biomass where appropriate. In the next decade there is the potential to increase clean energy production from just over one gigawatt to five gigawatts bringing with it a large number of temporary construction jobs and ultimately service jobs in the energy sector. This will require considerable investment in our grid infrastructure making it smarter to deal with the local production of energy and using it locally as well as exporting it. Being mindful of our landscape and communities, and delivering local living opportunities through strategic housing investment, will also be key going forward and promoting our area as a place where new industries and supply chains can be established through a Community Wealth Building approach to make use of this enormous clean energy potential.
- **Low carbon:** there is also a need to improve our infrastructure to offer low carbon options for people including active travel routes, improved digital connectivity, UAV technology, improved insulated housing and premises, green hydrogen production, and EV charging points.
- **Community land ownership:** this is an important aspect as our forests expand, become more diverse and where investment in our natural habitats will improve our biodiversity and at the same time generate local job opportunities in managing the land and sustainable tourism.

- **Investment in new green industries:** success will be demonstrated by the investment of new industries to our area attracted by green energy availability, but this will require additional investment in key areas of infrastructure such as grid, digital connectivity and data links. Importantly the creation of new and emerging industries including space, data centres and high intensity agriculture/aquaculture.
- **Nature based solutions:** these will need to become the norm for our area helping us to deal with increasing climate change impacts and improving our biodiversity. Projects must provide multiple benefits for the place we live in and importantly create livelihoods for the people who want to live and work in Argyll and Bute.
- **Marine/Blue economy:** the marine environment can also play a critical role through the development of existing and emerging industries such as seaweed farming, marine research and marine tourism.

7.4 Challenges:

- **Doing nothing:** if no action is taken to address the ongoing and current impacts of climate change, this will continue to create existential threats and challenges for Argyll and Bute’s natural assets and capital.
- **Unlocking private sector resources:** more needs to be done to prevent further decline in our carbon outputs through unlocking the resources of the private sector to reduce our use of fossil fuels and improve our biodiversity.

7.5 This refreshed economic strategy needs to be supported by SMART actions for our **PLANET** that:

- Lead efforts to achieve net zero through increased clean energy production, forestry expansion, and marine habitat restoration.
- Embrace clean energy opportunities and work with partners and utilities to secure investment in grid infrastructure that provide better local outcomes.
- Develop low-carbon infrastructure to enable alternatives to private transport including active travel, better digital connectivity, and sustainable housing.
- Foster nature-based solutions for increased climate change resilience and biodiversity enhancement.
- Support sustainable industries like seaweed farming, marine research and green energy.



Home insulation at no cost through a non-means tested grant from Argyll and Bute Council Home Energy Efficiency Team funded by the Scottish Government’s Energy Efficient Scotland - Area Based Scheme.

- Unlock the potential of the marine/blue economy by opening controlled sites for broader use.



The Aros waterfront development is a long-term, multi-phase project with an overarching objective to create a hub for community well-being, outdoor activities, and educational opportunities, as well as opportunities for new enterprises and sustainable outdoor tourism experiences. The initial phase of works has focused on making safe and bringing back into use the existing pier as well as providing a pontoon and slipway.

8.0 PROSPERITY



8.1 Argyll and Bute has particular economic strengths and opportunities to take advantage of in the next decade. Further advancements in automation, real-time data technologies and artificial intelligence will provide opportunities for enterprises and public services to diversify and develop new commercial models that embrace change - a key enabler to improve local prosperity and productivity. Increased productivity can mean people have a significant boost to their household income helping them to cope with higher inflation and the cost-of-living crisis. The drive to net zero and climate adaptation can bring with it new opportunities for green jobs through taking a circular economy approach. Inspiring our young people to take full advantage of new innovative opportunities in the green and blue economies is an action that is vital for the area's future, coupled with reskilling existing staff. Creating opportunities for better wages and higher industrial outputs will help local people increase their income potential and quality of life indicators.

8.2 Opportunities:

- **Existing sectors:** there is a requirement to maximise the value of our existing well-established sectors such as tourism; food and drink including aquaculture; together with our creative industries with examples below aligned to hospitality, whisky/spirits and culture:
 - **Tourism and hospitality:** Tourism and the hospitality industry remains a key sector for Argyll and Bute, with a number of outstanding and award-winning businesses and products. A strong rebound has been witnessed, given that this was one of the hardest hit sectors during the pandemic, with a focus on realising its former growth ambitions. The sector continues to innovate and respond to the changing demands of its customers by adapting and introducing new products. This includes opportunities for low carbon development that makes use of our natural assets such as leisure walking and cycling. Argyll and Bute Council recognises the importance of the tourist sector to the economy, but also understands the pressures the industry is facing from the cost-of-living crisis, infrastructure deficiencies, and government legislative changes,
 - **Whisky/spirits:** Argyll and Bute produces world class products including whisky. Two distinct whisky regions are contained in our area, Islay and Campbeltown. This sector has experienced remarkable growth in recent years, and this looks set to continue as the demand for this world class product escalates. Our challenge is to ensure that this growth continues in a sustainable way that maximises supply chain benefits through the Community Wealth Building agenda.
 - **Culture:** Creative industries and our Gaelic heritage could be an economic driver for the region given its popularity with tourists including

bilingual events, visitor centre information and branding within the business or product name.

- **Transformational growth sectors:** there is a requirement to maximise the value of other existing sectors that have economic growth and regional transformational potential such as energy transition (marine, green hydrogen, offshore wind), life sciences and the emerging space sector.
- **Business growth:** many of the area's micro to small and medium sized businesses have potential to grow, supported by appropriate business support, infrastructure and land for business development.
- **Community Wealth Building and empowerment:** there is a requirement to start to embed Community Wealth Building as the key mechanism to deliver a wellbeing economy, economic development, growth and prosperity across all communities across Argyll and Bute. Not every part of Argyll and Bute will be able to create additional employment opportunities through the activities of the private and third sectors. Public services are under increasing pressure to sustain themselves and communities will inevitably have to do more to provide the types of services they need. This needs to be done in a way that can generate income for a community and add to the many successful examples of this approach across Argyll and Bute. The Community Wealth Building approach will provide a strong framework for collaboration and partnership working to be made across with the public, private and third sectors.

8.3 Challenges:

- **Transport connectivity:** lifeline routes and transport assets in need of substantial investment to secure future safe access particularly in light of increased climate change impacts.
- **Inability to access to the coast:** Argyll and Bute looks well placed to access the marine environment, but many sites are controlled by single users, are at capacity, or are no longer usable for modern requirements. To realise the full potential of the blue economy this will need to change, otherwise opportunities will pass us by.
- **Household income:** remains below the average of Scotland. This situation is worsening, exacerbated by the cost-of-living crisis, and local wages not keeping pace with inflation. Through the Fair Work First framework/principles, raising and adopting the real living wage will be a key aspect, as will improving people's skills to improve their job prospects and potential to progress their careers in industries that can offer higher wages. Higher wages also pose issues for business survivability.

8.4 This refreshed strategic needs to be supported by actions for **PROSPERITY** that:

- Capitalise on net-zero opportunities for green jobs and improve living standards.
- Focus on productivity improvements through digital technology.
- Empower the public, private and third sectors to provide services, participate in shared management of civic spaces and generate income.
- Revitalise our key sectors such as the tourism and hospitality industry, through addressing industry challenges including transport connectivity.

“Starting your own business, especially in a rural area, can be daunting. The support of Business Gateway has been vital to success.”



Argyll Yacht Rigger



“The site is being operated by MICT, a social enterprise, generating a sustainable income for the trust in addition to enabling private sector investment through the creation and expansion of businesses.” Mull and Iona Community Trust on the development of Nonhebel Industrial Park

- Leverage natural and cultural assets to drive sustainable business growth and overall economic growth.

9.0 CROSS-CUTTING THEMES

9.1 Achieving a wellbeing economy.

Achieving a wellbeing economy is a key priority of the council and our partners. A healthy population is fundamental to a thriving economy. The purpose of economic growth should be to benefit the people who are part of that economy, and a wellbeing economy is one that structures the economy in a way that delivers wider wellbeing benefit. This requires collaboration across local authority services, business and the third sector to invest in preventative measures that improve people's wellbeing. The wellbeing outcomes we are seeking to achieve are set out in the Local Outcome Improvement Plan and align with the Place and Wellbeing Outcomes.

This strategy has been informed by consideration of the Place and Wellbeing Outcomes (themed by Movement, Spaces, Resources, Civic and Stewardship); a consistent and comprehensive focus for where place impacts on the wellbeing of people and planet. A Place and Wellbeing Assessment of the strategy using the Outcomes as a framework considered how to maximise the positive impact on wellbeing and highlighted the need for strategic alignment of plans which impact on a place, co-ordination of investment in strategic infrastructure and the importance of partnership working to delivery.

9.2 Partnership and collaborative working

Reaching our full economic potential lies beyond the resources of the council on its own. Working in partnership is increasingly important across all sectors to pool resources and expertise in realising economic opportunity, co-ordinating a holistic approach to planning places and addressing barriers to economic growth. The council will work with other enterprise agencies such as Highlands and Islands Enterprise and Scottish Enterprise to align plans and to operate as a cohesive regional team where possible. Stronger and more collaborative partnership working, focused on a place-based person-centred approach, will help to ensure suitable opportunities for individuals of all ages and capabilities through tackling socio-economic disadvantage, inequalities and removing multiple barriers to securing sustainable employment and appropriate housing. Working with large scale employers in the statutory and private sector will support delivering on wellbeing outcomes for connectivity and housing in particular.

9.3 Public sector sustainability

Public sector sustainability is of key importance to ensure that appropriate services continue to be delivered to the dispersed urban, rural, remote rural and island communities across the whole of Argyll and Bute. Through partnership working ongoing consideration needs to be given to added value investment, improvements that could be made to public services and the generation of income to enhance limited budgets across the council.

9.4 Maximising external funding opportunities

Our financial resources are limited and the availability of match funding for our council is a major issue. That said, the council will continue to build on its strong track record of attracting external funding to Argyll and Bute and realising economic opportunities and addressing identified barriers to economic growth and resilience.

9.5 Economic intelligence and data gathering

Our area has particular economic needs and opportunities. If this is to be efficiently addressed at both a local and national level, we will have to have sufficient data in place to convince potential strategic partners and investors to be part of our future economic prosperity. Partnership working to map, identify and share relevant data will be required.

9.6 Governance and accountability

There is a need to ensure that we comply with the latest Scottish and UK Government legislation and the requirements of external funding partners and programmes to realise opportunities with a focus on good governance and strong financial accountability to demonstrate best value.

9.7 Monitoring our progress.

The council and with input from our strategic partners will monitor the progress of the refreshed Argyll and Bute Economic Strategy through the outcome based SMART Action Plan and the associated updated Argyll and Bute Outcome Improvement Plan indicators. Where the strategy is delivered through separate plans or strategies e.g. The Strategic Housing Strategy the existing monitoring arrangements will remain in place and not be duplicated. The Economic Strategy has been prepared to capture critical regional issues and themes that will be considered in the preparation and delivery of an Economic Strategy for the Highlands and Islands Regional Economic Partnership.