

RURAL GROWTH DEAL

Progress Update January 2023 – (Update No 4)

Welcome to our update

Welcome to the fourth edition of Argyll and Bute Council's Rural Growth Deal (RGD) quarterly update. Our £70 million Rural Growth Deal is about turning economic potential into a successful future for Argyll and Bute. It is about investing in initiatives that will turn the area's fantastic natural resources and business innovation into a thriving local economy.

Progress to date

February 2021 – Heads of Terms agreed with Scottish and UK Governments

October 2021 – recruitment of Programme Management Office complete.

January 2022 – Stantec appointed as consultants to progress project business cases and Levelling Up Fund Bids

August 2022 – Levelling Up Bids submitted and programme of business case work developed with Stantec and Government.

November 2022 – first draft outline business cases produced by Stantec.

Programme Management Office Update:

Financial Profile – a draft financial profile has been submitted to Government and initial feedback provided which the PMO are reviewing.

Governance Plan – submitted to Government for review and approval.

Communications Protocol – submitted to Government for review and approval.

Civil Servants from the UK Government's Cities and Local Growth Unit visited the European Marine Science Park and Oban Airport in November to discuss projects which had received funding from the Community Renewal Fund. Growth Deal projects were also discussed including the proposed UAV Hub, Marine Industry Training Centre, STEM Hubs and SAMS Seaweed Seaweed and Shellfish Industry R&D Centre;

Individual project updates

- **Marine Aquaculture Programme:**
 - Consists of 3 projects:
 - UHI Argyll College Marine Industry Training Centre (MITC);
 - SAMS International Seaweed and Shellfish Industry R&D Centre;
 - Stirling University Machrihanish Innovation Campus.
 - UHI Argyll College have submitted a draft OBC for the MITC project to the Council for comments.
 - SAMS are working with EKOS to develop the business case for the International Seaweed and Shellfish Industry R&D Centre. It is hoped that an initial draft of this will be available in the New Year.
 - Stirling University have undertaken site visits to the existing MERL facility at Machrihanish and are now developing options and an outline business case. It is hoped that there will be a draft business case available in early 2023.
 - A Blue Economy workshop between HIE, Argyll and Bute Council, North Ayrshire Council and University of Stirling was held on the 2nd of December. There are a number of clear synergies between the various deal programmes and further work will be

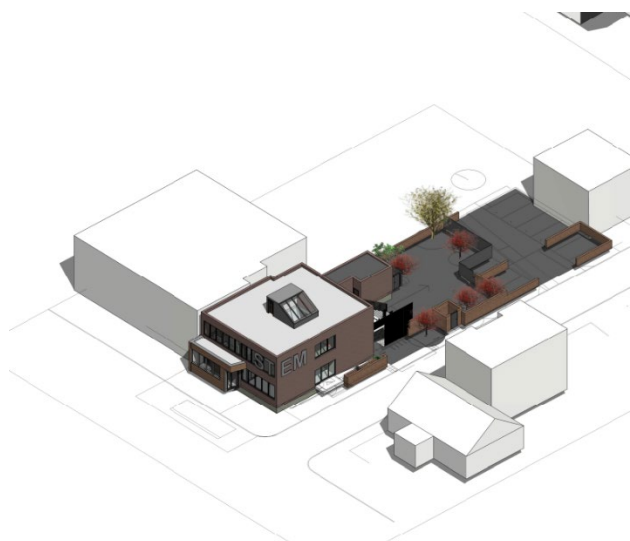
undertaken to maximise benefits of this work and ensure coordination of marine economy work.

- **Creating a World Class Visitor Destination:**
 - Priority locations have been identified:
 - Dunoon
 - Rothesay
 - Helensburgh
 - Ardrishaig/Crinan Canal Corridor
 - Campbeltown – Kintyre Seasports
 - Unfortunately the Council were unsuccessful in securing funding for Rothesay and Dunoon via the UK Government's Levelling Up Fund. Projects will now be designed according to budgets available via the RGD.
 - Stantec are developing a Programme Level Outline Business Case which will encompass the projects at Dunoon, Rothesay, Helensburgh and the Ardrishaig/Crinan Canal Corridor. This approach has been developed due to the synergies of these projects and the similar outcomes/impacts they hope to deliver. Each project will develop a standalone FBC once the Programme Level OBC has been agreed. Kintyre Seasports will develop its own standalone OBC due to the different timescales and different purpose of this facility.
 - Stantec are progressing stakeholder engagement workshops, with a workshop for internal stakeholders held in December. Further workshops for each priority location will take place in early 2023. This will include engagement with local elected members, external stakeholders and community groups.
 - The OBC for Kintyre Seasports is well developed. Discussions have been taking place with the Council's Procurement Team to develop the approach to procuring and project management of the construction of the facility. Discussions are ongoing with Crown Estates Scotland regarding the Boat Based Tourism fund, which could provide a key source of match funding.

- **Islay Low Carbon Economy:**
 - Natural Power consultancy have now delivered a draft Options Report and the Stakeholder Group have provided initial feedback.
 - It is likely that the Project will focus on the delivery of domestic home energy efficiency measures, with a focus on renewables and reducing fuel poverty.
 - The Scottish Government's Carbon Neutral Islands Team have engaged with the Stakeholder Group and will attend all future meetings. There are clear

synergies with the 2 projects and efforts will be made to work together to ensure best outcomes for the Islay Community.

- A stakeholder consultation event will be arranged on Islay in early 2023.
- **Rural Skills Accelerator Programme:**
 - The RSAP has three component parts:
 - STEM Hubs (physical, outreach & mobile)
 - Argyll College UHI built environment in Dunoon
 - Business Skills
 - Dunoon STEM Hub – planning permission and building warrant applications have been submitted. It is anticipated to tender for works in February 2023.
 - STEM Hub second location – site visit to the Ocean Explorer Centre at SAMS Dunbeg took place in October. There is an opportunity to expand the current facility into a STEM Hub facility and SAMS are currently considering what could be possible at this location. This could also provide linkages to other RGD projects such as the MITC / UAV Hub.
 - UHI Argyll College – discussions have been taking place with the College regarding options for a facility in Dunoon, including co-location with other facilities.
 - Draft business cases have been submitted by Stantec for feedback from the Stakeholder Groups, and Stantec continue to work on feedback and economic modelling. It is hoped to submit these business cases to Government in early 2023.



- **Housing to Attract Economic Growth:**
 - Second Stage site investigation works have been commissioned for the site at Tobermory, Isle of Mull. Discussions are ongoing to identify best options for development of site, including Key Worker Accommodation, to be funded by the Rural Growth Deal and the potential for other housing providers to partner on this.
 - First Stage site investigation works for identified site at Bowmore, Islay indicated the likelihood of significant site development abnormal costs. As a result it has been decided to explore alternative potential development sites within Bowmore to identify opportunities which might offer better value and easier deliverability. Two alternative sites have been identified in Bowmore.
 - Stantec have submitted an Interim Report which will lead to a first draft OBC in early 2023.
- **Clyde Engineering and Innovation Cluster:**
 - Stantec successfully held a Stakeholder Workshop at HMNB Clyde with Scottish Enterprise, the MOD and Base industrial partners to assess the demand for the site. This workshop has provided more clarity on demand and uses for the CEIC site at Colgrain. It is likely that the development will be delivered over 2 phases, with a Hub building designed to accommodate the initial requirements of base industrial partners, the MOD and Royal Navy being Phase 1. This will open up the site for further phases of development by the MOD when required.
 - The Estates & Property Team continue to hold negotiations with the landowner at Colgrain and hope to progress site investigation works in the coming weeks.
 - Stantec have been progressing the OBC and have identified concept design requirements. This work will progress over coming months.
- **West Coast Aviation, UAV, Robotics and Compliance Hub:**
 - Planning Permission has been granted for Drone Hub site at Oban Airport.
 - Stantec have progressed the Outline Business Case, with Interim Reports being submitted for feedback to Project Leads.
 - This project has secured £250k of funding from the UK Government Pioneer Fund to progress further proof of concept trials focusing on the safe operation of unmanned aircraft alongside general aviation.

Priorities for the next quarter

Stakeholder engagement – working with project leads, Stantec and relevant stakeholders, to undertake further engagement activity to develop project options as part of the business case process.

Submission of OBCs – Submit initial drafts of OBC's for some projects to Government for feedback.

Full Deal Documentation – the following documentation will be drafted and submitted to Government for approval:

- Implementation Plan;
- Governance Plan;
- Financial Plan;
- Communications Plan;
- Full Deal Agreement.

For further information, please contact the following staff:

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