

RURAL GROWTH DEAL

Progress Update December 2023 – (Update No 7)

Welcome to our update

Welcome to the seventh 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

March 2023 – first OBC submitted for feedback from Government

November 2023 – Rothesay Pavilion FBC submitted for Government review.

Programme Management Office Update:

Financial Profile – drafting of the Financial Profile continues and the PMO are regularly discussing with Government and Project Leads.

Governance Plan – has now been approved by Government.

Full Deal Signing – the PMO and Internal Board have started discussions with Government on agreeing a date for Full Deal signing, in recognition of the progress made on Business Cases and Project Development. It is currently anticipated that Full Deal signing will take place in February/March 2024.

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 continue to review the MITC OBC. There has also been work undertaken to identify the preferred site for the MITC.
 - The Outline Business Case for the SAMS International Seaweed and Shellfish Industry R&D Centre has been submitted to Government and first stage feedback received. SAMS are now reviewing the feedback and developing the second stage OBC.
 - The University of Stirling have completed the OBC for the MERL facility at Machrihanish and it is now being reviewed by the Internal Board prior to submission to Government. It is hoped that the OBC can be submitted to Government prior to the Christmas break.

- **Creating a World Class Visitor Destination**
 - The PMO continues to work closely with Kintyre Seaports to progress their project. Stantec are nearing completion on the second iteration of the OBC and it is hoped to submit this to Government prior to the Christmas break.
 - The Regeneration Capital Grant Fund application that was submitted for Kintyre Seaports requesting funding of £700k, was unfortunately unsuccessful. Discussions remain ongoing with Crown Estates Scotland regarding a potential funding contribution from their Boat Based Tourism Fund and potential for revenue support.
 - The Full Business Case for Rothesay Pavilion was submitted to Government for appraisal on 15th November 2023.

- **Islay Low Carbon Economy:**

- Stantec have now completed the OBC and it will be submitted to Government for approval in December.
- The Project will focus on the delivery of domestic home energy efficiency and heat decarbonisation measures including potential pilots in conservation areas and heritage properties.
- It is proposed that this project will be delivered in the second half of the RGD Programme, currently starting in 2028/29. Decarbonisation is a fast moving area and it is planned to keep the project open to considering other opportunities beyond domestic retrofit to ensure that transformational projects can be delivered on Islay. The RGD PMO will continue to discuss this project with Government and the Islay Community.

- **Rural Skills Accelerator Programme:**

The Rural Skills Accelerator Programme (RSAP) has three component parts:

- STEM Hubs (physical, outreach and mobile);
- Business Skills; and
- UHI Argyll built environment in Dunoon.

The Programme Level Outline Business Case for the RSAP has been completed and will shortly be submitted to Government for feedback.

The progress of these RSAP elements is as follows:

- **STEM Hubs:** The tender for the construction works for Dunoon Community STEM Hub has progressed to Stage 2, with tender costs shortly to be confirmed. The second STEM Hub will be located at the Scottish Association for Marine Science (SAMS) at Dunbeg, Oban. Projects Leads for both STEM Hubs have been meeting to ensure that synergies can be developed between both Hubs at an early stage.
- **Business Skills:** it has been agreed that the Business Skills element will be led by Highlands and Islands Enterprise (HIE). The focus of this programme is proposed to be on 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.
- **UHI Argyll:** UHI Argyll have now been through an options appraisal process and have concluded that the current best option is to redevelop the college's West Bay campus in Dunoon. This will provide new communal learning spaces; flexible classrooms; spaces for one-to-one discussions and individual study, complemented by the opportunity for remote learning. This will enable the delivery of a more attractive learning environment, improve the energy efficiency of the building and increase capacity.

- **Housing to Attract Economic Growth:**

- A successful bid was made to the Scottish Government's Islands Programme. Funding of up to £700k has been awarded for enabling infrastructure at the Rockfield Road site in Tobermory. This will include roads and servicing of the site and submission of a detailed planning application. Stantec are progressing work on site layout, infrastructure and design. A Planning Application for the site was submitted on 24th November.
- Argyll and Bute Council are now a designated Rural Housing Body, with this status coming into force on 29th November 2023. This status will allow Argyll

and Bute Council to use Rural Housing Burdens in the development of housing in the Rural Growth Deal.

- Discussions around the preferred site for development in Bowmore remain ongoing.
- The Outline Business Cases for both Mull and Islay are nearing completion.
- ***Clyde Engineering and Innovation Cluster:***
 - The OBC for the CEIC was submitted Government on the 18th of July and feedback was received in October. Stantec and partners are now working to address the feedback raised.
 - Stage 1 site investigations at the Colgrain site concluded in September 2023. Positively, there were no major obstacles identified and Stage 2 investigations are currently being scoped. This work will include scoping for “Core Infrastructure and Utilities”. This work will give more definite costings on funding required to develop the site.
- ***West Coast Aviation, UAV, Robotics and Compliance Hub:***
 - The second iteration of the OBC for the UAV Hub is nearing completion.
 - Further proof of concept trials are in progress, supported by a £250k grant secured from the UK Government’s Regulators Pioneer Fund.

Priorities for the next quarter

Submission of OBCs – continue submission of OBCs and work on Government feedback.

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

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

Full Deal Signing – work with Government to confirm a date for Full Deal signing.

For further information, please contact the following staff:

Jonathan Welch – Rural Growth Deal Programme Manager - jonathan.welch@argyll-bute.gov.uk

Aileen Semple – Rural Growth Deal Project Officer – aileen.semple@argyll-bute.gov.uk