

Public Document Pack

Argyll and Bute Council Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
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31 March 2016

NOTICE OF MEETING

A meeting of the **ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 7 APRIL 2016** at **10:30 AM**, which you are requested to attend.

Douglas Hendry
Executive Director of Customer Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES** (Pages 1 - 6)
Environment, Development and Infrastructure Committee held on 14 January 2016
4. **DEVELOPMENT AND INFRASTRUCTURE SERVICES - PERFORMANCE REPORT FQ3 2015-16** (Pages 7 - 14)
Report by Executive Director – Development and Infrastructure Services
5. **ROADS ASSET MANAGEMENT** (Pages 15 - 132)
Report by Executive Director – Development and Infrastructure Services
- * 6. **PROCEDURE FOR ROAD SAFETY INSPECTIONS AND DEFECT CATEGORISATION** (Pages 133 - 162)
Report by Executive Director – Development and Infrastructure Services
- * 7. **NORTHERN ROADS COLLABORATION FORUM** (Pages 163 - 172)
Report by Executive Director – Development and Infrastructure Services
8. **DELISTING OF ROAD AT KILBOWIE**
Report by Executive Director – Development and Infrastructure Services (to follow)

9. **WASTE MANAGEMENT - WASTE STRATEGY** (Pages 173 - 200)
Report by Executive Director – Development and Infrastructure Services
10. **FLOOD RISK MANAGEMENT - LOCAL FLOOD RISK MANAGEMENT PLAN**
(Pages 201 - 230)
Report by Executive Director – Development and Infrastructure Services
11. **SUSTRANS COMMUNITY LINKS FUNDING BIDS 2016/17** (Pages 231 - 238)
Report by Executive Director – Development and Infrastructure Services
12. **BUSINESS GATEWAY LOCAL GROWTH ACCELERATOR - ERDF APPLICATION**
(Pages 239 - 248)
Report by Executive Director – Development and Infrastructure Services
13. **TIREE, ROTHESAY AND CRINAN CANAL CHARRETTE UPDATE** (Pages 249 - 256)
Report by Executive Director – Development and Infrastructure Services
14. **STRATEGIC INFRASTRUCTURE PLAN (SIP) UPDATE** (Pages 257 - 262)
Report by Executive Director – Development and Infrastructure Services
15. **MARKETING ARGYLL AND BUTE** (Pages 263 - 272)
Report by Executive Director – Development and Infrastructure Services
16. **ECONOMIC FORUM REPORT** (Pages 273 - 350)
Report by Executive Director – Development and Infrastructure Services
17. **ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION (EDST) UPDATE AND STRATEGIC PRIORITIES** (Pages 351 - 366)
Report by Executive Director – Development and Infrastructure Services
- * 18. **ENHANCED EMPLOYABILITY PIPELINE STRATEGIC INTERVENTION - EUROPEAN SOCIAL FUND** (Pages 367 - 380)
Report by Executive Director – Development and Infrastructure Services
19. **ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE WORK PLAN** (Pages 381 - 384)

Items marked with an “asterisk” are items, on the basis of information available at the time this Agenda is published, on which the Committee may not have delegated powers to act, and which may therefore require to be referred to the Council or another Committee, and that referral may depend on the decision reached at the meeting.

Environment, Development and Infrastructure Committee

Councillor John Armour	Councillor Anne Horn
Councillor David Kinniburgh	Councillor Alistair MacDougall
Councillor Robert Graham MacIntyre (Vice-Chair)	
Councillor Donald MacMillan	Councillor Bruce Marshall
Councillor John McAlpine	Councillor Alex McNaughton
Councillor Aileen Morton	Councillor Ellen Morton (Chair)
Councillor Elaine Robertson	Councillor Len Scoullar
Councillor Sandy Taylor	Councillor Richard Trail
Councillor Dick Walsh	

Contact: Hazel MacInnes Tel: 01546 604269

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**MINUTES of MEETING of ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE
COMMITTEE held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 14 JANUARY 2016**

Present: Councillor Ellen Morton (Chair)

Councillor John Armour	Councillor Aileen Morton
Councillor David Kinniburgh	Councillor Elaine Robertson
Councillor Alistair MacDougall	Councillor Len Scoullar
Councillor Robert G MacIntyre	Councillor Sandy Taylor
Councillor Donald MacMillan	Councillor Richard Trail
Councillor Bruce Marshall	Councillor Dick Walsh
Councillor Alex McNaughton	

Also Present: Councillor John MacAlpine Councillor Isobel Strong

Attending: Pippa Milne, Executive Director – Development and Infrastructure Services
Fergus Murray, Head of Economic Development and Strategic Transportation
Jim Smith, Head of Roads and Amenity Services
Angus Gilmour, Head of Planning and Regulatory Services
Ishabel Bremner, Economic Development Manager
Audrey Martin, Projects and Renewables Manager
Mark Steward, Marine and Coastal Development Manager
Moya Ingram, Strategic Transportation Manager
Patricia O'Neill, Central Governance Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Anne Horn.

2. DECLARATIONS OF INTEREST

There were none intimated.

3. MINUTES

The Minutes of the meeting of the Environment, Development and Infrastructure Committee held on 12 November 2015 were approved as a correct record.

Councillor Walsh and Councillor Scoullar joined the meeting at this point.

4. PRESENTATION BY FYNE FUTURES - ZERO WASTE BUTE

The Committee received an informative presentation from Reeni Kennedy-Boyle, General Manager of Fyne Futures.

Ms Kennedy-Boyle spoke about the vision for Zero Waste Bute, advising that they were working toward a target of zero waste, whilst creating jobs, and retaining value of waste. She showed the Committee a short video that had been made in 2014 to secure investment and advised that so far they had secured £317,000 to deliver their vision. Members were then given the opportunity to ask questions.

The Chair, on behalf of the Committee, thanked Ms Kennedy-Boyle for her informative presentation.

Councillor MacDougall joined the meeting at this point.

5. PLANNING PERFORMANCE UPDATE

A report updating the Committee on planning performance matters, and which drew attention to recent feedback received from the Scottish Government in relation to performance, was considered.

Decision

The Committee –

1. Noted the content of the report and the positive feedback received from the Scottish Government.
2. Recorded their congratulations to the Planning Department, on behalf of the Council, on their significant performance, the robustness of their planning policies and processes, and their success.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 20 October 2015, submitted)

*** 6. A82/A83 TRANSPORT SCOTLAND UPDATE**

A report which provided updates on the preferred option for the upgrading of the A82 between Tarbet and Invararnan, and on the A83 Rest and Be Thankful, was considered.

Decision

The Committee -

1. Noted the content of the report.
2. Agreed to recommend to Council that consideration is given to making additional representation to the Scottish Government on the A83.

(Reference: Report by Executive Director – Development and Infrastructure Services dated December 2015, submitted)

7. COMPELLING ARGYLL AND BUTE AND ITS ADMINISTRATIVE AREAS STUDY - PROGRESS UPDATE

A report providing the Committee with an update on the progress of the proposed actions and activities to be delivered as a result of the evidence base and recommendations presented in the 'Compelling Argyll and Bute and its Administrative Areas' research study was considered.

Decision

The Committee noted the content of the report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated January 2016, submitted)

8. SCOTTISH GOVERNMENT CONSULTATION: REVIEW OF NOMENCLATURE OF UNITS FOR TERRITORIAL STATISTICS (NUTS) BOUNDARIES

The Committee considered a report providing them with details of the current review of Nomenclature of Units for Territorial Statistics Boundaries which was currently out for consultation.

Decision

The Committee –

1. Agreed that the Executive Director, Development and Infrastructure, in consultation with the Policy Lead for Economic Development, submits a response to the Scottish Government consultation by the deadline of 15 January 2016.
2. Approved the draft response provided in the report.
3. Approved, outwith the consultation requirements, that consideration is given to the inclusion of the Helensburgh and Lomond part of Argyll and Bute into the current Highlands and Islands European funding area to create one single Argyll and Bute region going forward with regard to European funding issues post 2020 which would require further analysis by officers on the potential impact on funding from such a change. A separate paper would be brought to a future meeting.

(Reference: Report by Executive Director – Development and Infrastructure Services dated January 2016, submitted)

9. FUNDING FOR ONSHORE WIND

The Committee considered a report outlining changes proposed for renewables as well as an indication of the impacts within Argyll arising from the announcement by the Secretary of State for Energy and Climate Change that the Government would cease to operate the Renewable Obligation for onshore wind from 1 April 2016.

Decision

The Committee –

1. Noted the content of the report.
2. Noted the consultation responses as detailed Appendices 3 – 5 of the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 23 December 2015, submitted)

10. FILM IN ARGYLL AND BUTE

A report which provided an overview of the work of the Council in attracting inward investment into Argyll and Bute from the screen industries and the economic opportunities that this brings to the area including the opportunities to promote and market the area as well as the increased opportunity that this provides from a tourism perspective.

Decision

The Committee noted the content of the report and the accompanying presentation both of which provided an update on the service that the Council offer to the screen industries, the resulting enquiries that they receive, productions that are being filmed in Argyll and Bute, the economic benefit that results and the benefits that this brings in attracting tourism to the area.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 9 December 2015, submitted)

11. INITIAL CONSULTATION ON REGULATING ORDER APPLICATION FOR THE FIRTH OF CLYDE

On 15 October 2015 Marine Scotland received an application from the Sustainable Inshore Fisheries Trust for a Regulating Order to manage the fisheries for Prawns, King Scallops and Queen Scallops in the Firth of Clyde.

The Committee considered a report providing details on the background, proposed scope, objectives and measures, and initial views on the proposal. The report sought approval of these views as the Council's first stage response to Marine Scotland.

Decision

The Committee –

1. Noted the content of the report.
2. Agreed to the comments provided in section 6 of the submitted report forming an initial Council response to Marine Scotland.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 14 January 2016, submitted)

12. UPDATE ON MANAGEMENT OF MARINE PROTECTED AREAS AND SPECIAL AREAS OF CONSERVATION

The Committee considered an update report on the final decisions of the Scottish Government on management proposals for existing Marine Protected Areas and Special Areas of Conservation. This followed on from a report on the Management of Marine Protected Areas which had been considered by the Committee in November.

Decision

The Committee –

1. Noted the content of the report.
2. Agreed to the issues raised in paragraph 4.4 of the submitted report forming a short Council response to the new Loch Sunart to Sound of Jura Marine Conservation Order consultation.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 14 January 2016, submitted)

13. PROJECTS AND RENEWABLES - SOCIAL ENTERPRISE TEAM ANNUAL REPORT 2014-15

The Committee considered a report providing an overview of the achievements of the Social Enterprise Team over period April 2014 to March 2015.

Decision

The Committee noted the content of the report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 14 January 2016, submitted)

14. ARGYLL AND THE ISLES AIR SERVICES

The Committee considered a report providing an update on air services, including details of the operating costs of airports and air services, timetables, fare structure, marketing of the services, and passenger figures using the services. It highlighted results of a recent public consultation with island communities on air services. The report also provided brief detail of other types of air services operating at Oban airport and training offered by staff to generate additional income.

Decision

The Committee noted the value provided from the operation of the air services and endorsed the continuing marketing strategy.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 8 December 2015, submitted)

15. ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE WORK PLAN

The Committee considered the Environment, Development and Infrastructure Services Work Plan as at January 2016.

Decision

The Committee noted the Work Plan.

(Reference: Environment, Development and Infrastructure Services Work Plan as at January 2016, submitted)

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE SERVICES
COMMITTEE

DEVELOPMENT AND INFRASTRUCTURE SERVICES

7 April 2016

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PERFORMANCE REPORT FQ3 2015-16**

1.0 EXECUTIVE SUMMARY

- 1.1 The Council's Planning and Performance Management Framework sets out the process for presentation of the Council's quarterly performance reports.
- 1.2 This paper presents the Environmental, Development and Infrastructure (ED&I) Committee with the Development and Infrastructure Services departmental performance reports with associated scorecard performance in FQ3 2015-16 (Oct to Dec 2015).
- 1.3 It is recommended that the ED&I Committee reviews the scorecards as presented.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE SERVICES
COMMITTEE

DEVELOPMENT AND INFRASTRUCTURE SERVICES

7 April 2016

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PERFORMANCE REPORT FQ3 2015-16**

2.0 INTRODUCTION

- 2.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 2.2 This paper presents the ED&I Committee with the Development and Infrastructure Services departmental performance reports with associated scorecard for performance in FQ3 2015-16.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee reviews the scorecards as presented.

4.0 DETAIL

- 4.1 The performance scorecard for Development and Infrastructure Services was extracted from the Council's Pyramid performance management system and is comprised of key performance indicators incorporating the services that make up Development and Infrastructure Services.

5.0 IMPLICATIONS

- | | | |
|-----|------------------|--|
| 5.1 | Policy | None |
| 5.2 | Financial | Inherent |
| 5.3 | Legal | The Council has a duty to deliver best value under the Local Government in Scotland Act 2003 |
| 5.4 | HR | None |
| 5.5 | Equalities | None |
| 5.6 | Risk | Ensuring performance is effectively scrutinised by members |
| 5.7 | Customer Service | Inherent |

Pippa Milne, Executive Director – Development and Infrastructure Services

For further information contact: Lesley Sweetman, Performance and Business Manager

APPENDICES

Financial Quarter 3 Performance reports and scorecards – Development and Infrastructure Services

Key successes

1. Hermitage Park Project in Helensburgh has been successful in its stage two funding application to Heritage Lottery Fund (HLF) Parks for People of £2,333M. The project aims to create a sustainable park for residents and visitors to the area and a resource for the local community. The tender process for the main contractor begins in spring 2016, work on site commences in autumn 2016 and the project will complete by summer 2018.
2. Following the successful pilot service carrying in excess of 10,000 passengers, a commitment to operate a permanent summer ferry link between Ardrossan and Campbeltown has been given, fulfilling one of the key strategic Local Development Plan aims for Kintyre.
3. Helensburgh Shopfront Enhancement Initiative is making a positive contribution to the vitality of Helensburgh Town Centre following the completion of works to 12 premises with another 4 premises set to be revamped too. Financed from Section 75 funds, the Shopfront Enhancement Initiative will be reopened from 1st March to 30th June with a communications programme being set up to promote it.
4. The Scottish Partnership for Transport (SPT) awarded Argyll and Bute £425k for transport projects. Local projects benefiting included £200k for the Helensburgh and Lomond Cycle Way and £100K for bus stop infrastructure improvements.
5. Dunoon Wooden Pier initial phases, 1a and 1b were both completed within budget.
6. Meaningful progress is being made over significant allocated housing sites, including CALA Homes at Colgrain; Taylor Wimpey at the former Hermitage Academy site; Advant Homes in Cardross and link Housing in Dunbeg in Oban. The long term up to 15 years, these sites could provide in the region of 1000 new homes, with 400 to 500 of those new homes being delivered in the medium term, 5-10 years.
7. As the first Argyll and Bute service to be awarded the Customer Service Excellence in 2013, Building Standards received an exemplar report in December 2015 following their re-accreditation assessment, gaining full compliance and 'compliance plus' in 5 areas of assessment. The service also improved their performance in the Scottish Government's annual Building Standards Division (BSD) national customer satisfaction survey achieving 8.1 out of 10; representing an improvement of the 7.6 scored in 2014 and staying ahead of the average rating Scotland wide of 7.1.

8. Business Gateway reported the creation of 52 new jobs resulting from the 37 new business start-ups supported during this period. Start-up business one year survival rate in Argyll and Bute stands at 86%, above the local target and national benchmark of 77%.
9. Business advice and workshop support was also provided to 124 businesses against a target of 97 by Business Gateway. New workshops launched included 'getting your business noticed – PR on a budget'; 'better business websites'; 'pricing for profit'; 'developing your business skills'; and 'selling with confidence'.
10. Argyll Air Passenger figures increased significantly on the same quarter in the previous year with 1153 passengers carried, showing an increase of 48%. The increase is attributed to improved marketing which included 15,000 leaflets and 180 posters being distributed; a high quality online presence including social media; excellent customer service; and weather conditions which resulted in ferry cancellations that still allowed for flights to be made. Overall, air passenger travel is increasing with 4262 passengers carried in 2015, up 21% on 2014.
11. Following the successful rollout to Argyll and Bute schools, East Ayrshire Council has paid a joining fee and purchased resources to use iCycle. The income generated from this sale and any subsequent sales will contribute towards website enhancement necessary for curriculum changes.
12. Argyll and the Islands Fisheries Local Action Group (FLAG) received notification of European and Maritime Fisheries Fund award for £985k which will be shared with the Ayrshires through a joint FLAG approach. Based upon a set of priorities which will be agreed by Argyll and the Islands Local Development Strategy, applications will be accepted from projects in both Argyll and Bute and Ayrshire on a competitive basis to allow for larger strategic projects across the wider area.
13. Supported by the projects and renewables team, The Carraig Gheal Wind Farm Benefit Fund www.carraighealwindfarm.co.uk became operational in October 2015 and will provide index linked community benefit of £46k per annum to neighbouring communities.
14. 10 film productions were made during this period including a commercial which involved a cast and crew of 45 staying on Islay and Jura for 4 days. 21 new filming enquiries were also received during this period and some have already resulted in follow-up enquiries.

Key challenges

1. Addressing the challenges associated with recycling and waste treatment in the medium to longer term in view of the longer term financial risks and future landfill ban affecting this statutory service.
2. As part of the Scottish Ferry Services Plan (2013-2022) progress the transfer of responsibilities to Transport Scotland for ferry services on the routes Port Askaig to Feolin, Port Appin to Lismore Point, Cuan to Luing and Ellenabeich to Easdale.
3. The delay in ERDF funding for enhanced support, such as grants and specialist advice to businesses presents an ongoing challenge for Business Gateway supporting business growth.
4. Address service demand and core statutory priority challenges faced by Regulatory Services.
5. Convert robust managerial action on sickness absence into improved attendance performance.

Actions to address the challenges

1. Gain approval for the new Waste Strategy based upon a new 25 Year Waste Financial Model and continue to work with the community to improve and increase recycling performance. Meanwhile, discussions are positive and ongoing between the council, Shanks and community groups about potential changes to waste management that will be needed in response to the introduction of landfill bans in 2021.
2. Detailed operating costs compiled and passed to Transport Scotland to facilitate a decision over the future of ferry services on the routes Port Askaig to Feolin, Port Appin to Lismore Point, Cuan to Luing and Ellenabeich to Easdale.
3. Business Gateway is working to ensure that they minimise any delay implementing the new ERDF programme following its launch. Pending the launch and to engage growth businesses, new workshops have been rolled out.
4. Following some recent success filling vacant Environmental Health Officer posts, Regulatory Services resources are being targeted to address prioritised service demand.
5. Continued rigorous application of the council's Maximising Attendance Policy, ensuring that return to work interviews are completed, addressing any managerial or supervisory performance concerns and ensuring timely referral to occupational health to support employees back to work.

Making A&B a place people choose to live

SOA Outcome - People live active, healthier and independent lives	Success Measures	1	G
	On track	1	→
SOA Outcome - People live in safer and stronger communities	Success Measures	21	A
	On track	17	→
SOA Outcome - Children and young people have the best possible start	Success Measures		
	On track		

Making A&B a place people choose to learn

SOA Outcome - Education, skills and training maximises opportunities for all	Success Measures		
	On track		

Making A&B a place people choose to work

SOA Outcome - The economy is diverse and thriving	Success Measures	11	A
	On track	8	→
SOA Outcome - We have infrastructure that supports sustainable growth	Success Measures	22	A
	On track	21	

Making it happen

Supporting Outcome - Service Delivery Enablers	Success Measures		
	On track		



Making Argyll and Bute a place people choose to live, learn, work and do business

IMPROVEMENT					Status	Trend
Improvement Plan Outcomes DI	Total No	Off track	On track	Complete	A	→
CARP Development & Infrastructure	23	0	7	16	G	→
Customer Service DI	Number of consultations			1		
Customer Charter	Stage 1 complaints	93 %	G	↑		
Customer satisfaction 90 %	Stage 2 complaints	90 %	G	↑		
Development and Infrastructure Services Audit Recommendations	Overdue	Due in future	Future - off target			
	1 →	8 ↓	0 →			
DI Average Demand Risk	Score	8	Appetite	8		→
DI Average Supply Risk	Score	7	Appetite	7		→

Development and Infrastructure Scorecard 2015-16

FQ3 15/16

Click for Full Outcomes

P Priorities for 2015-17: Dev't & Infrastructure

RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence DI		2.54 Days	3.51 Days	R ↓
PRDs % complete		90 %	92 %	G
Financial		Budget	Forecast	
Finance Revenue totals DI		£K 32,021	£K 32,340	R ↑
Capital forecasts - current year DI		£K 15,746	£K 13,996	R ↓
Capital forecasts - total project DI		£K 96,936	£K 96,964	A ↓
Efficiency Savings DI	Actions on track Savings	Target	Actual	G →
		4	4	
Asset management red risks	7	On track	1	R →

Development and Infrastructure Scorecard
2015-16

FQ3 15/16

Click for
Full Scorecard

SOA Outcome - The economy is diverse and thriving				A
ET01 Sustainable economic growth in Argyll and Bute	Success Measures	7	A	
	On track	5	→	
PR01 Local economy improved by delivery of sustainable development	Success Measures	4	A	
	On track	3	↓	
SOA Outcome - We have infrastructure that supports sustainable growth				A
ET02 A&B better connected, safer & more attractive	Success Measures	8	G	
	On track	8	→	
RA01 Proportionate, safe and available infrastructure	Success Measures	4	G	
	On track	4	→	
RA02 Roads maintenance strategies ... contribute to economic growth ...	Success Measures	2	G	
	On track	2	→	
RA04 Capital projects improve the transport infrastructure	Success Measures	3	G	
	On track	3	→	
RA07 Marine Services - maintenance/management of piers/harbours/slips	Success Measures	1	G	
	On track	1		
PR05 Improved & enhanced access to natural environment & green networks	Success Measures	2	A	
	On track	1	↓	
PR07 Creation of well designed and sustainable places ...	Success Measures	2	G	
	On track	2	→	

SOA Outcome - People live in safer and stronger communities				A
ET03 Renewables ... developed ... for the benefit of communities	Success Measures	2	G	
	On track	2	→	
ET04 Harness the potential of the third sector ...	Success Measures	3	G	
	On track	3	→	
PR02 Empowered ... customers ... exercising their legal rights ...	Success Measures	2	A	
	On track	1	→	
PR03 Secure standards re public health & health protection ...	Success Measures	3	A	
	On track	2	↓	
PR04 Health, safety etc of people in & around buildings is protected ...	Success Measures	3	G	
	On track	3	→	
RA03 Reliable, safe and efficient vehicles fleet	Success Measures	2	G	
	On track	2	→	
RA05 High level of street cleanliness	Success Measures	1	G	
	On track	1	→	
RA06 Sustainable disposal of waste	Success Measures	2	G	
	On track	2	→	
PR06 ... an environment which is safe, promotes health & supports local economy	Success Measures	3	R	
	On track	1	↓	
SOA Outcome - People live active, healthier and independent lives				G
PR08 Protect health of our communities through effective partnership working	Success Measures	1	G	
	On track	1	→	

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7TH APRIL 2016**

ROADS ASSET MANAGEMENT

1.0 EXECUTIVE SUMMARY

- 1.1 The Annual Options and Status Report (ASOR) presents a summary of the Council's road assets as at April 2015. It provides information, based upon current available data, on the condition of the asset and future options which can be considered in terms of investment. The report sets out the current road and associated infrastructure condition and forecasts future condition based on different levels of investment.
- 1.2 The ASOR demonstrates that the investment in the Roads Reconstruction Programme over the last five years has provide an improvement to the overall Road Condition Index (RCI). Whilst the condition has only improved by a few percentage points, without the recent investment the road condition would have continued to deteriorate which would have resulted in a road network in an extremely poor condition. The programme of resurfacing, edge strengthening and surface dressing has ensured that the available money has been invested wisely and has had a positive impact on the overall road network.
- 1.3 Attached to this report is a draft programme for roads reconstruction for 2016/17. This programme has been designed using the RCI which is produced by a national road condition survey. This survey information is used by officers to determine a programme. In addition to the RCI data, information such as road traffic collisions, known development, activities such as timber harvesting and a skid condition (of the carriageways surface) which is measured by a separate survey are also considered together with information brought from Elected Members, community groups and stakeholders. This information is considered at officer level when appropriate engineering judgement is also applied to ensure that maximum benefit can be derived from the available investment.
- 1.4 Also appended to this report is an updated copy of the Roads Asset Management Plan (RAMP). This document sits alongside the ASOR in the suite of roads asset management documents. The RAMP sets out, in a broad overarching approach, the Council's proposal for managing the road asset over the next three year period. The document makes reference to service standards which are being developed and will be presented to a future meeting of the committee.
- 1.5 It is recommended that the Environment, Development and Infrastructure Committee:

- i. Notes the Annual Status and Options Report and the positive analytical feedback it provides with regard to the improvement to the Council' s Road Condition Index as a result of the ongoing investment in roads reconstruction works.
- ii. Notes the Draft 2016/17 Roads Reconstruction Programme
- iii. Notes the Roads Asset Management Plan

ROADS ASSET MANAGEMENT

2.0 SUMMARY

- 2.1 This report introduces the Annual Status and Options Report which makes an analytical assessment of the condition of the Council's road network and associated infrastructure as well as setting out projected conditions based on varying levels of investment.
- 2.2 The report also provides the proposed 2016/17 Roads Reconstruction Programme.
- 2.3 Finally, the report introduces the Roads Asset Management Plan, which is an overarching document which will be supported by service standards which are currently under development and will be presented to a future meeting.

3.0 RECOMMENDATIONS

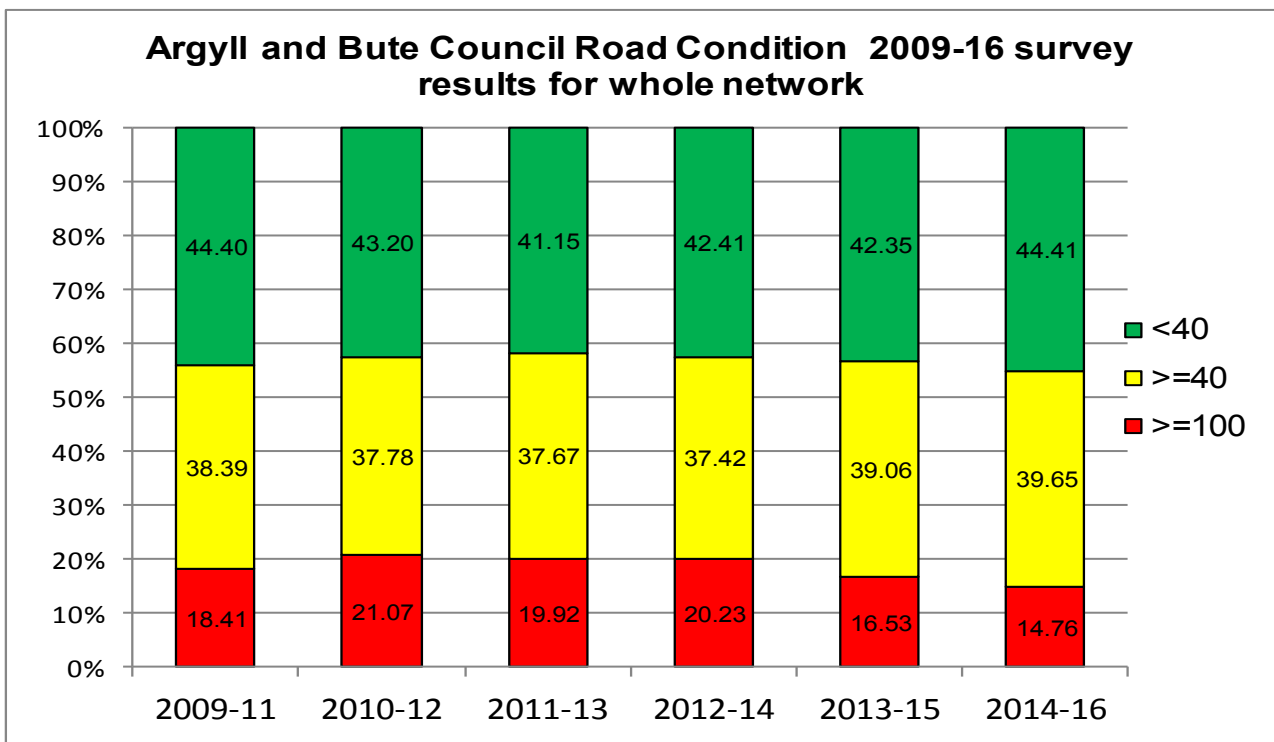
- 3.1 It is recommended that the Environment, Development and Infrastructure Committee:
- i. Notes the Annual Status and Options Report and the positive analytical feedback it provides with regard to the improvement to the Council's Road Condition Index as a result of the ongoing investment in roads reconstruction works.
 - i. Notes the Draft 2016/17 Roads Reconstruction Programme
 - ii. Notes the Roads Asset Management Plan

4.0 DETAILS

- 4.1 Following the decision by Council in February 2012 to approve a £21m investment programme for roads reconstruction over three years 2012-15 plus further additional capital funding. The subsequent capital reconstruction programme has delivered a welcome improvement to the road network in terms of the Road Condition Index (RCI) from an initial 57.6% to current 54.4%. This level of investment, at just above the estimated steady state figure has halted the deterioration of the surfacing, began to improve network condition and is a contributory factor in reducing the number of CAT 1 & 2 defects. The latest RCI survey results clearly reflect the

positive impact the investment has made whilst contributing to achieving the corporate goals and objectives.

- 4.2 The 2016-17 road reconstruction budget has been prioritised towards the use of cost effective treatments such as surface dressing to maximise network coverage. These treatments will target areas in the earlier stages of deterioration and help seal cracks and prevent water ingress (main cause of deterioration) so as to protect previous investment and to extend pavement life until such times as more robust treatments can be afforded. A draft summary of 2016-17 capital road construction schemes is included in Appendix 2 which shows £4.8m (including an additional £1.5m which was allocated as part of the budget).



The table above details the positive improvement in the Road Condition Index (RCI) following the significant capital investment. Without this investment, we would have had significant deterioration occur with the RCI having fallen significantly.

- 4.3 The RCI survey data is utilised along with other relevant available data such as SCRIM, Accident Statistics, Road Hierarchy, Inspection data and local engineering judgement to develop an initial list of suitable schemes for inclusion in the road reconstruction programme. The WDM pavement management system interrogates all the available data to identify and rank potential schemes. Once a draft list is compiled further analysis is carried out by local staff to establish scheme costs, treatment options Etc. and this is then matched to available funding. The selection process is under regular review and has been steadily improved over time. A recent internal audit of the process identified some improvements and work is being undertaken to address any areas of concern in line with developing a culture of continuous improvement.

4.4 The ASOR is a report that forms part of a suite of documents that are recommended by SCOTS for local authorities use. The documents have been developed in collaboration with all Scottish and Welsh authorities and aim to improve processes and continue the development and implementation of the wider use of recognised asset management techniques. When authorities have fully developed the use of these documents they will enable better value for money to be delivered and prudent stewardship of the road asset to be demonstrated.

4.5 Appendix 3 of this report is an updated copy of the Roads Asset Management Plan (RAMP). This document sits alongside the ASOR in the suite of roads asset management documents. The RAMP sets out, in a broad overarching approach, the Council's proposal for managing the road asset over the next three year period. The document makes reference to service standards which are being developed and will be presented to a future meeting of the committee. The RAMP follows the national RAMP model designed by SCOTS, which is being followed by the majority of authorities across Scotland. This document sets out a strategy for investment of revenue and capital funding.

5.0 CONCLUSION

5.1 This ASOR report has been developed in line with the SCOTS Asset Management Project and provides a useful resource that is aimed at providing relevant decision makers with information that will allow more informed choices to be made in respect of future investment options.

6.0 IMPLICATIONS

6.1	Policy	None known
6.2	Financial	Current investment levels do not support the delivery of a sustainable road network maintenance regime.
6.3	Legal	None known
6.4	HR	None known
6.5	Equalities	None known
6.6	Risk	Road network condition will deteriorate
6.7	Customer Services	None known

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February 2016

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APPENDICES

Appendix 1 – 2015/16 – Annual Status and Options Report (ASOR)

Appendix 2 – 2016/17 – Draft Roads Reconstruction Programme

Appendix 3 – Roads Asset Management Plan



Road Asset Management Plan:

**Argyll and Bute Council
Annual Status and Options Report:**

October 2015

Author	John MacCormick
Owner	Head of Roads & Amenity Services
Date	October 2015
Version	Draft 1.0



Document Information

Title	Road Asset Management Plan - Annual Status and Options Report
Author	John MacCormick
Description	The document enables authorities to report the current condition of their Road assets to management and Elected Members and to structure and present options for future investment based upon the predicted condition and level of performance possible for different budget levels.

Document History

Version	Status	Date	Author	Changes from Previous Version
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1 Executive Summary

Argyll and Bute has an abundance of natural assets, with scenic landscapes, coastlines, wildlife and a rich history there is something for everyone that makes it a great place to live, work and visit. The authority also has 25 inhabited islands, more than any other Scottish local authority which clearly shows connectivity for the transport of goods and people is absolutely vital to the area and is a key component to developing a thriving economic climate for our communities and delivering our corporate goals and objectives.

As Scotland's second largest local authority, our road network extends some 1400 miles and is the largest and most valuable asset in Argyll and Bute, with an estimated value of £2.2billion.

Modern society has become ever more reliant on our road infrastructure to deliver the everyday goods and services we need. It is therefore worth taking just a moment to reflect on the important role our road infrastructure actually plays in our daily lives. This is too often not realised until such times as our use of the road network is restricted in some way and we quickly voice our demands for urgent action to restore its use.

A significant number of our roads provide lifeline links to our communities where no alternative route or transport mode is readily available. This means that a single asset for example a bridge can play a critical part in serving a community's needs and requires adequate investment in a robust maintenance regime to protect these crucial assets from potential damage so as to ensure their continued use and service to the community.

The capital roads reconstruction programme has delivered a welcome improvement to the road network in terms of the Road Condition Index (RCI) over the previous three years from 57.6% to 54.4%. This level of investment, at just above the estimated steady state figure has halted the deterioration of the surfacing and is a contributory factor in reducing the number of CAT 1 & 2 defects. However with a Headline Maintenance Backlog figure of £187million there is still much to be done.

Current investment in road infrastructure equates to less than 0.8% of the Gross Replacement Cost (GRC). This level of investment does not provide a sustainable maintenance regime and will over time increase the number of restrictions having to be placed upon the road network. There is a recognised need for increased investment in road infrastructure assets albeit at a time when it can be least afforded.

Reduced funding for road maintenance in recent decades has made it difficult to deliver maintenance cost-effectively with too much reactive works in response to flooding and other events and not enough focus on preventative work which is less expensive in the long term. Infrastructure UK has reported that savings of 10-20% are associated with certainty of funding which allows long-term programmes of preventative work to be developed and this is the most efficient way of maintaining road infrastructure assets. While there will always be a need to perform some emergency and reactive activities there is a need to plan and prioritise maintenance tasks over the longer term or whole life of assets to get best value for money.

A good understanding of the state of the roads infrastructure is absolutely essential for planning cost-effective preventative maintenance. Knowing what assets you have, what condition they are in, how they



deteriorate and the cost of maintenance is important information for decision making on where and when to spend available monies. Using accepted asset management techniques to manage infrastructure assets builds up information and knowledge and uses a more evidence based approach so as to better anticipate, predict and prevent disrepair as well as providing more informed choices to relevant decision makers.

A commitment to using asset management to manage road infrastructure assets will allow the development of a revised Road Asset Management Plan (RAMP) that sets out the agreed condition standards that can be expected to be delivered over the plan period. This enables a longer term view to be considered such that programmes of work can be developed to ensure agreed condition standards can be achieved. Compliance with achieving these standards can then be reported on through this report so that prudent stewardship of infrastructure assets and best value can be demonstrated.

This report gives a detailed summary of the council's road assets (including structures such as bridges and walls, streetlights, street furniture and traffic lights) as of April 2015, and a range of future investment options.

The detail of this report is based on the current available data.

1.1 Options

The options presented for each asset group consider that funding will continue at its current level, give details of the indicative costs of maintaining our current standards and predict the effects of budget changes. Where possible the impact of each option is assessed in terms of the service for users, the future financial risks for the council and the condition of the assets and provides a number of scenarios based on levels of investment and treatment types.

This report is designed to help inform members' future investment decisions and highlights the significant risks to the integrity of the road network as well as the council's reputation and the long-term financial liabilities should we not continue to invest adequately in our roads infrastructure in the short to medium term.



1.2 Road Asset Status Summary

The current status of each asset group is:

Carriageways

- The latest Road Condition Index (RCI) results 54.4% (Oct 2015) shows a marked improvement on road surface condition reflecting the positive impact made from the £21m investment in the roads reconstruction programme approved by council in February 2012. Full details are provided within the report.
- Vegetation growth on road verges is a rising concern as it affects forward visibility and impacts on the safety of road users and drainage assets. A review of the current verge maintenance regime is needed to establish the appropriate condition standard that can be afforded to ensure the continued safety of road users.
- Good drainage of the road network is vital so as to protect it against damage from flooding and water penetration which accelerates deterioration. A recent sample survey highlighted that over 75% of rural drainage assets were in need of maintenance many of which were seriously affected by vegetation growth restricting water flow and preventing access for cleaning. The survey showed a clear need for investment and a programme of works to ensure drainage assets are functioning effectively. Full details are provided within the report.
- Current investment levels do not provide for a sustainable maintenance regime. Work is needed to establish affordable levels of service or condition standards for infrastructure assets. This will enable maintenance operations to be planned and prioritised sufficiently in advance to ensure compliance with agreed standards and make the most of available monies whilst spreading the workload over the whole year to reduce peak demands on limited resources.
- The Road Maintenance Strategy needs to be reviewed to reflect changes in investment levels and to determine future priorities. This combined with a revised Road Asset Management Plan should provide a longer term view and a clearer indication of the levels of service that can be afforded in future years.

Footways

- Footway maintenance is currently undertaken based on information from regular safety inspections (combined with carriageways) and in response to reported defects.
- There is no condition survey undertaken on the footway asset at present. This hinders the ability to determine maintenance priorities and future investment needs.
- Improved information is needed to allow the requirements of a sustainable maintenance regime to be ascertained.



Street Lighting

- Reducing the energy costs of street lighting remains a top priority and work is underway to populate a detailed energy model that will enable a number of choices to be considered. This involves evaluating a number of investment options to replace existing assets with new low energy units that will reduce overall energy consumption.
- A detailed inventory of assets has now been collected and this will assist in providing better information on which to base future maintenance priorities and goes some way to implementing an asset management approach to deliver best value.
- The street lighting asset is served by a significant amount of cable network that is owned and maintained by Scottish Power and in general is 5th Core. This network is considered a weakness in the street lighting infrastructure and ideally needs replaced with a modern equivalent to reduce outages and improve reliability. There may be scope to consider replacement options as part of the drive to reduce energy costs.

Structures

- The structures inventory includes 874 bridges which have passed the Construction and Use Regulations Bridge Assessment (44Tonnes), 21 bridges or approximately 2.3% of the overall assets have not passed the assessment. 11 Bridges have special monitoring regimes in place (Increased inspection frequency, surveying, Etc), are subject to weight restrictions (excluding acceptable weight restrictions e.g where a suitable alternative route exists) or subject to width restriction.
- Current investment levels do not present a sustainable maintenance regime and are likely to lead to increasing numbers of structures being subject to weight restrictions.
- Work is on-going to populate the SCOTS Valuation tool with the structures inventory. Completion of this task will allow the Depreciated Replacement Cost to be computed in order to comply with the Whole of Government Accounts reporting requirements. When fully populated the tool will also assist in developing forward works programmes and help support the business case for future investment needs.
- Known retaining walls will be added to the inventory with any uncharted walls and structures being added as and when found.
- Knowledge of coastal infrastructure is very limited and needs to be improved. It is estimated that there is approximately 214km of Council road within 25metres of the High Water mark and we currently have asset details of around 5% of this length. Surveying assets is time consuming and consideration is being given to the use of electronic survey methods which can be deployed on small boats to ascertain the extent and condition of coastal protection assets. This will allow a programme of prioritised maintenance to be developed to ensure the continued protection of the carriageway asset and to avoid more expensive reactive repairs as a result of severe weather events.
- Increased use of asset management techniques based on assessment of asset condition can improve the forward planning of asset maintenance and the potential use of cheaper treatments earlier in the deterioration cycle to preserve asset condition and reduce reactive maintenance costs.



Traffic Signals

- This is the smallest asset group with only 11 pedestrian crossings and 6 controlled junctions within Argyll.
- Maintenance has historically only been carried out in response to reported defects or system failure mainly by external contractors.
- New development may require additional controlled junctions or the refurbishment of existing systems to meet the demands of increased traffic flows etc. Any additional expenditure from such projects will, in general, be sought from developer contributions to assist with the future maintenance liabilities.

Street Furniture

Street furniture inventory data is limited and is only collected as and when available resources permit. There is no condition assessment undertaken on Street furniture assets and maintenance is generally only undertaken in response to reported defects or from information obtained from regular safety Inspections.



2 Introduction

This report presents a summary of the council's Road assets as at April 2015. It

- Describes the current condition of the asset.
- Details within the confines of available data the service that the asset and a range of budgets are able to provide.
- Presents the options available for the future.

The report provides information that will enable choices to be made about future levels of investment in the highway asset.

2.1 Options

The report presents where current data allows, the following options as a minimum for each asset group:

- o A continuance of current funding levels.
- o The predicted cost of maintaining current standards.
- o Predicted effect of specified budget changes.

Options are presented separately for carriageways, footways, street lighting, structures, traffic management systems and street furniture based on current levels of data. The number of options will be extended as data becomes available. The groupings match those used in the CIPFA Transport Asset Code for financial reporting.

2.2 Long Term Forecasts

As highway assets deteriorate slowly it is not possible to determine the impact of a level of investment by looking at the next couple of years. The report therefore includes where available data permits forecasts covering a 20 year period to ensure that decisions can be taken with an understanding of their long term implications.

2.3 Impacts

The report includes, where possible, an assessment of the impacts associated with the options presented.

2.4 Limitations

In some instances the level of detail that it is appropriate to present, for both the options and their impacts, is hindered by an absence of data. A number of proposed improvements to the asset data held by the council are required in order to improve the accuracy of the predictions included in future versions of this report.

The following sections present the options for each asset type.



3 Carriageways

3.1 The Asset

The council's carriageway asset as at 1st April 2015 totals 2282km and is detailed in Table 3.1 below. This represents a reduction on previous years as the A83 Kennecraig to Campbeltown road (52km) has been trunked on the 4th August 2014 and maintenance responsibility for this road now lies with Transport Scotland. The reduction in asset length will have an effect on the Grant Aided Expenditure which the authority receives annually from the Scottish Government.

Class	Urban (km)	Rural (km)	Totals by Class (Km)
A	82.386	422.904	505.3
B	43.552	569.956	613.5
C	41.717	392.548	434.3
U	273.264	456.300	729.6
Total By Urban/Rural	440.9	1841.7	2282.6

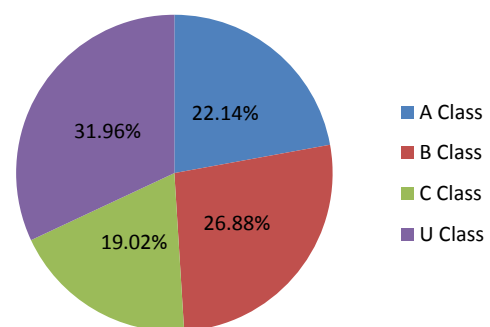
Data source – Public List of Roads

The road network can be classified in many different ways depending on individual circumstances.

The National Classification of Roads is the method used to report the results of the annual Road Condition survey (RCI). Table 3.1 above details the lengths within each Classification A, B, C or U with corresponding percentage split shown in chart opposite and table below.

A Class	B Class	C Class	U Class
22.14%	26.88%	19.02%	31.96%

Road Length by Class (Km)

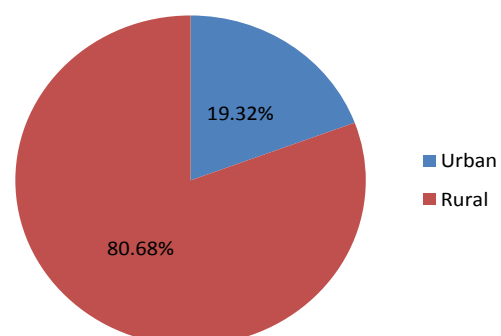


Argyll and Bute Council road network as detailed in table 3.1 above shows the environmental split between rural and urban routes within each of the National Classification categories.

The percentage split between Urban/Rural is shown in chart opposite and table below.

Rural	Urban
1841.7 km	440.9 Km
80.68%	19.32%

Road Length by Urban/Rural (Km)



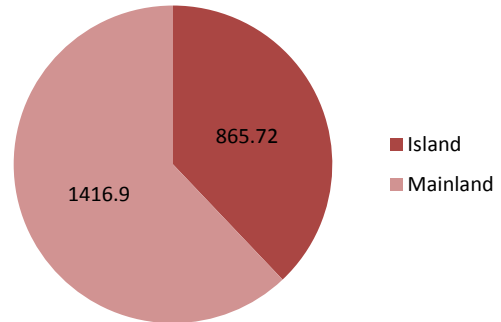


There is **865 Km** or 38% of Argyll and Bute Council carriageway assets located on islands.

This is a significant portion of the network and incurs increased costs in delivering essential maintenance tasks particularly with regard to resurfacing works where materials have to be sourced from mainland suppliers and rely heavily on the availability of suitable ferry services.

Mainland	Island
1416.9 Km	865.72 Km
62.07%	37.93%

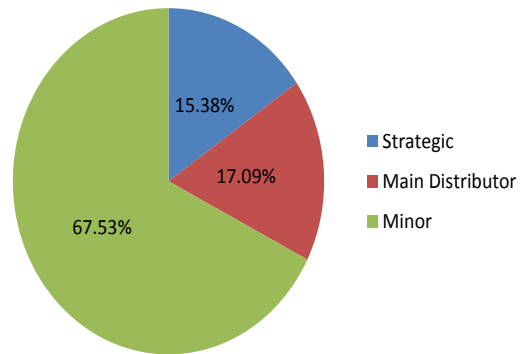
Road Length by Mainland / Island (Km)



A Roads Maintenance Hierarchy is used for the allocation of roads into groups containing roads with similar functions and risks in order that similar types of road can be managed and maintained in a consistent manner.

Strategic	Main Distributor	Minor
351 Km	390 Km	1541 Km
15.38%	17.09%	67.53%

Road Length by Maintenance Hierarchy (Km)

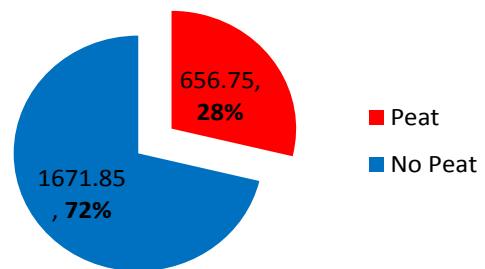


The existing maintenance hierarchy is currently under review.

Table 3.1a below details the roads on founded on peat within Argyll and Bute.

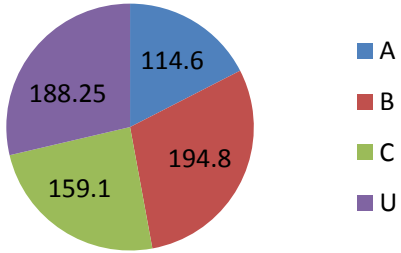
There are 657 Km or 28% of Argyll and Bute carriageway assets that are constructed on peat. This incurs increased maintenance costs in addressing regular defects to sustain the passage of vehicles and requires restrictions on the weight of vehicles using the route. These restrictions can have an impact on businesses and employment within the area.

Length of Roads on Peat (Km , % Total network)



Number of Lanes	A Roads	B Roads	C Roads	U Roads	Total Length
Single Track	38.8	189.7	158.4	186.3	573.2
Two Lane	75.8	5.1	0.7	1.95	83.55
Totals	114.6	194.8	159.1	188.2	656.7

Length of Roads on Peat by Road Classification (Km)



- A
- B
- C
- U

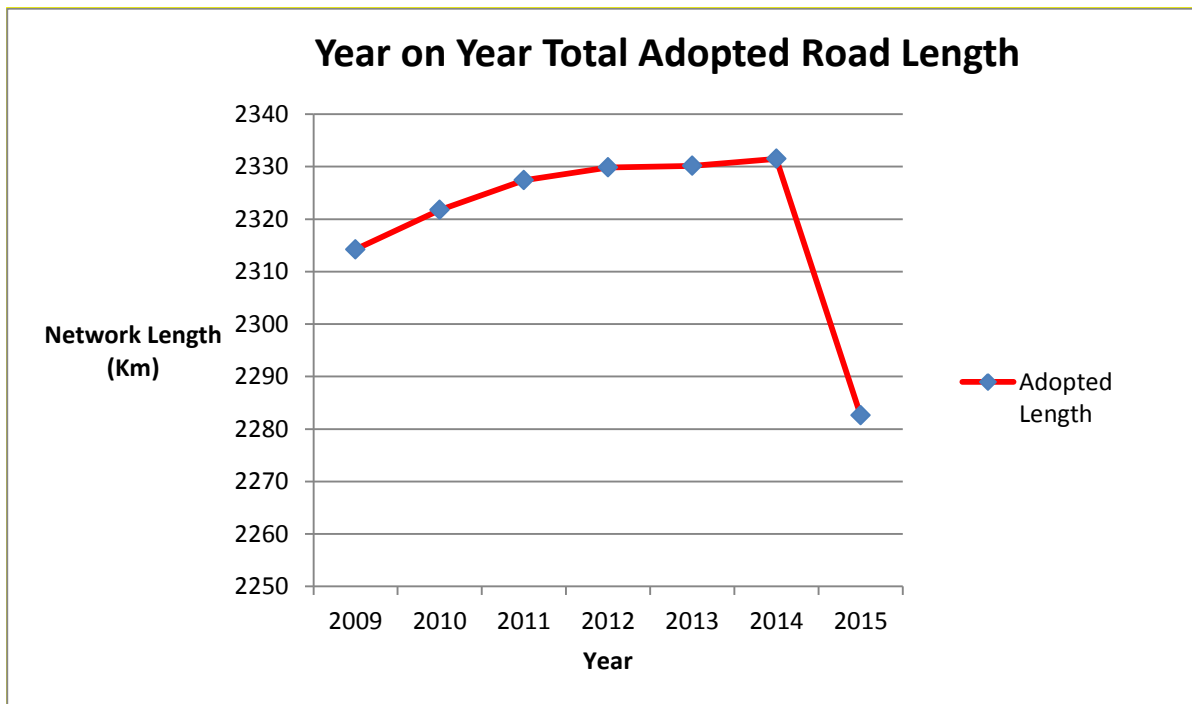
3.2 Asset Growth

The length of carriageway maintained by the council has reduced as a result of the A83 Kennecraig to Campbeltown (52km) being trunked. However new road adoptions are being added mainly as a result of urban developments which although they may not initially require significant maintenance will incur additional costs in relation to increased energy use on routes containing street lighting.

Table 3.2 below details the change in asset length between 2009–2015

	Route Type		Growth Statistics (2009-15)		2009		2015	
	Environment	Class	Length (Km)	% Percentage	length (Km)	% of network	length (Km)	% of network
	THE ASSET	RURAL	A	-53.35	-2.31%	476.251	20.63%	422.904
B			-0.55	-0.02%	570.503	24.71%	569.956	24.69%
C			1.21	0.05%	391.341	16.95%	392.548	17.00%
U			2.34	0.10%	453.956	19.66%	456.3	19.76%
Total			-50.34	-2.18%	1892.051	81.95%	1841.717	79.77%
URBAN		A	1.63	0.07%	80.759	3.50%	82.386	3.57%
		B	2.75	0.12%	40.799	1.77%	43.552	1.89%
		C	2.05	0.09%	39.663	1.72%	41.717	1.81%
		U	12.29	0.53%	260.977	11.30%	273.264	11.84%
		Total	18.72	0.81%	422.198	18.29%	440.919	19.10%
TOTAL NETWORK (KM)			-31.62	-1.37%	2314.25		2282.64	

The Chart below illustrates the change in public adopted road length over the period 2009-2015



3.3 Asset Value

The council's carriageway asset was valued at 1st April 2015 in accordance with the CIPFA Transport Asset Code for Whole of Government Accounts (WGA) and is detailed within Table 3.3 below.

Table 3.3 Carriageway Asset Valuation: April 2015			
Classification	Gross Replacement Cost (GRC)	Depreciated Replacement Cost (DRC)	Annualised Depreciation (AD)
Total	£2,190,824,315	£1,910,048,383	£19,934,831
Data source – WGA valuation spreadsheet 2015			

3.4 Annualised Depreciation and Useful Life of Treatments

The Annualised Depreciation (AD) is the aggregated cost of all capital replacement/treatments needed to maintain/restore the assets service potential over the lifecycle, spread over the estimated number of years of the cycle. In other words it is the estimated value of the annual level of investment needed in capital resurfacing treatments.

The calculation of the AD has been established by the CIPFA Transport Asset Code and provides a consistent methodology for local authorities to value their assets in compliance with Whole of Government Accounts (WGA) requirements. The method assumes that the top 100mm of each pavement will be replaced on average every 21 years.



The CIPFA Transport Asset Code uses a value of 21 years useful life for surface treatments which may be considered more appropriate to roads with higher volumes of traffic than Argyll and Bute. The method was therefore re calculated using various values for the useful life and the results are detailed in Table 3.4 below.

Estimated Useful Life of Treatments (Years)	– Annual Depreciation (AD)	Estimated Useful Life of Treatments – (Years)	– Annual Depreciation (AD)
25	£16,745,258	65	£6,440,484
30	£13,954,382	70	£5,980,449
35	£11,960,898	75	£5,581,753
40	£10,465,786	80	£5,232,893
45	£9,302,921	85	£4,925,076
50	£8,372,629	90	£4,651,461
55	£7,611,481	95	£4,406,647
60	£6,977,191	100	£4,186,314

Data source – WGA valuation spreadsheet 2015

In theory the AD represents the average annual investment required in renewal of the carriageway surfacing (100mm) over a given time period. The AD and Steady State however are not the same as both are based on two different calculation processes. AD figure is based on CIPFA Transport Asset Code replacing surfaces every 21 years whereas Steady State is for a much reduced treatment regime aimed at maintaining existing road condition at minimal expense.

3.5 Maintenance Backlog

The Scottish Road Machine Condition Survey (SRMCS) is used annually to determine a Road Condition Indicator (RCI) value for each local authority road network. From these results a financial model was developed to determine the budget required to remove the Headline Backlog. The headline backlog is the cost of achieving in one year a network free from any sections in an amber or red condition using the latest survey data. The figure has been recalculated using data collected in 2013 and 2014 for the classified roads and from 2011 to 2014 for the unclassified roads. The unit costs used in the February 2015 backlog report were increased by a factor of 1.65% from those used in 2013. The increase in unit costs was derived from the Department for Business Innovation and Skills Construction Resource Cost Indices. The previous 2011 headline backlog figure (£162,377,018) has been re-calculated using 2010 condition data, 2012 carriageway areas, and 2012 treatment rates and adjusted for inflation to allow the current and previous backlog figures to be compared. The results for Argyll and Bute Headline Backlog are detailed in Table 3.5 below:



Headline Backlog			
	2011 (Revised)	2013	2015
Argyll and Bute	£222,670,161 (£162,377,018)	£209,911,106	£187,295,000
Comment – 2011 figure in brackets has been re-calculated using 2010 condition data, 2012 areas and treatment rates then adjusted for inflation to allow results to be compared.			
Data source – SCOTS Backlog Modelling Report February 2015			

Although treating all the amber and red condition road sections in one year is not a practical maintenance option the headline backlog is a useful figure for comparing one year with another and gauging the scale of investment needed to bring the road asset to good condition. However because of the lower traffic volumes it is considered that the figure for Argyll and Bute is overstated although it meets Audit Scotlands requirement to calculate a figure using a commonly accepted methodology.

3.6 Investment

To provide context for the funding need predictions (options) historical investment levels in carriageways are given below.

3.6.1 Historical Investment

Historical investment in the carriageway asset is detailed in Table 3.7.1 below:

Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Capital Spend	£3.16m	£7.02m	£4.64m	£8.11m	£9.05m	£8.26m	£7.42m
Revenue	£2.32m	£3.13m	£6.02m	£4.80m	£4.23m	£3.96m	£4.93m
Total Spend	£5.48m	£10.15m	£10.66m	£12.91m	£13.28m	£12.22m	£12.36m
Data source – Finance end of year accounts (WGA)							

The average capital investment on planned maintenance and surface treatments over the last 7 years at approximately £6.8m pa equates to 34.1% of the estimated annualised depreciation (based on CIPFA Transport Asset Code). However, recent investment levels have delivered a steady state/marginal improvement in RCI which aligns with the SCOTS cost projection tool predictions of £6.35 - £8m estimated investment required for steady state condition across all RCI condition bands



3.6.2 Last Year's Investment

During 2014-15 the investment in the carriageway asset was as shown in Table 3.7.2 below:

Category of Maintenance Work	Revenue Spend (£)	Capital Spend (£)	Total Spend	Percentage of Total Spend
Planned Maintenance	£2,653,479	£7,425,511	£10,078,990	89%
Reactive Maintenance	£685,935		£685,935	6%
Routine Maintenance	£527,042		£527,042	5%
Total	£3,866,456		£11,291,697	100%

Data source – R10 Road Maintenance / APSE Return / WGA

In 2014-15 £11.3m was invested in maintenance of the carriageway asset. This represents 56.6% of the estimated annual depreciation of £19,934,831 (CIPFA Transport Asset Code). Our delivery strategy aims to minimise reactive work.

These are initial estimates based on activity spend and will be refined in future years as more data is captured.

3.7 Output

Output from investment during 2014-15 is detailed within Table 3.8 below;

Category		Output
Capital	£7.42m	
Capital schemes (planned maintenance)		<ul style="list-style-type: none"> - Resurface 7.87 Km (45011 Sqm) Helensburgh & Lomond - Resurface 13.0 Km (46300 Sqm) Bute & Cowal - Resurface 10.3* Km (26187 Sqm) Mid Argyll & Kintyre (*estimate) - Resurface 6.26 Km (28079 Sqm) Oban & Lorn - Total 37.44* Km (145577 Sqm) (*estimated) - Note – A number of schemes include edge strengthening works.
Capital surface dressing		<ul style="list-style-type: none"> - Surface Dressing 14.45 Km (79475 Sqm) Bute & Cowal - Surface Dressing 24.4* Km (75141Sqm) Mid Argyll & Kintyre - Surface Dressing 80.31 Km (252334 Sqm) Oban & Lorn - Total 119.16* Km (366950Sqm) (* estimated)
Revenue	£4.11m	
		<ul style="list-style-type: none"> - Potholing - £620k - Boundary fences/walls - £13k - Sweeping & Cleaning - £4k - Emergency Incidents - £258k - Summer Standby - £63k - Cattle grids - £26k - Traffic signs – £67k - Vehicle safety fences - £3k



	<ul style="list-style-type: none"> - Jet Patcher - £471k - Culverts - £306k - Ditches - £389k - Grass cutting - £201k - Scrub/Tree Maintenance - £177k - Road Markings - £172k - Gully Emptying - £283k
	<ul style="list-style-type: none"> - Patching - £869k
<p>Data source – R10 Road Maintenance, Road Operations Manager Note – Works costs includes all associated scheme works ie. Traffic management, road markings, accommodation works, drainage, landscape works, ironwork, site supervision etc.</p> <p>Note – All measurements and costs are indicative only and should not be used for any other purpose. The values are derived from current available data at the time of this report and subject to verification. Work is currently on going to link the WDM system with the council's TOTAL financial system. One of the outcomes from this will be true unit costs for each scheme carried out.</p>	

3.8 Carriageway Surfacing Renewal

3.8.1 Carriageway Surface Dressing

The frequency of surface dressing treatments is detailed in Table 3.9.1 below:

Year	Length Treated (Km)	Percentage of Network Length	Network Renewal Rate (Years)
2007/08	69.87	2.9%	33
2008/09	79.99	3.4%	29
2009/10	42.5	1.8%	55
2010/11	39.08	1.7%	60
2011/12	77.8	3.3%	30
2012/13	96.24	4.1%	24
2013/14	43.72	1.9%	53
2014/15	119.16	5.2%	19

Based on previous 8 years treatments, on average, investment levels allow for surface dressing treatments once every **38** Years. Desired interval is 10 – 15 years.

Data source – Road Operations Manager

3.8.2 Carriageway Resurfacing

The frequency of resurfacing treatments is detailed in Table 3.9.2 below:



Year	Length Treated (Km)	Percentage of Network Length	Network Renewal Rate (Years)
2007/08	28.4	1.2%	82
2008/09	24.81	1%	94
2009/10	47.43	2%	49
2010/11	58.78	2.5%	40
2011/12	64	2.7%	36
2012/13	42.8*	1.8% *	54*
2013/14	45	1.9%	52
2014/15	37.44	1.6%	61

Based on previous 8 years treatments, on average investment levels allow for renewal of carriageway surfacing once every **65** Years. Desired interval is 25 – 40 years.

* Note - values need to be verified.

Data source – Road Operations Manager

3.9 Condition

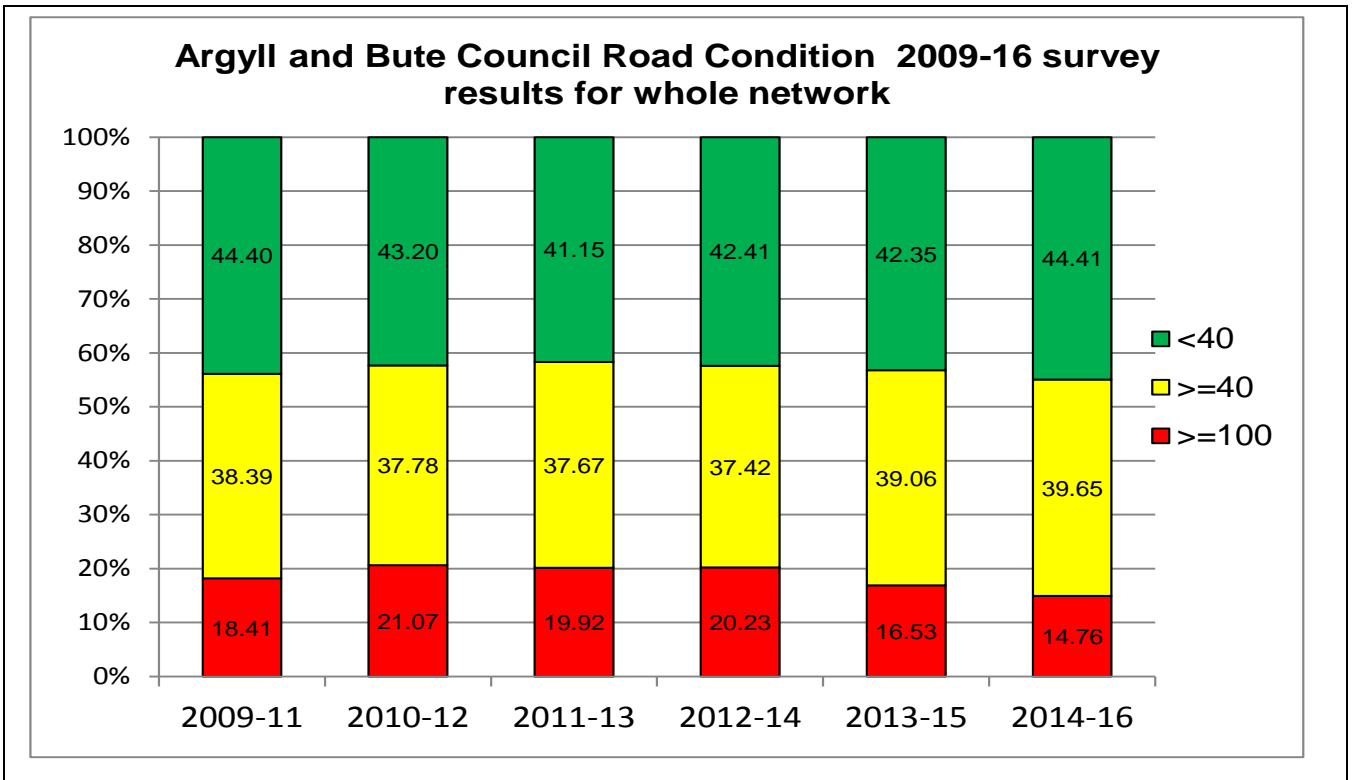
The Scottish Road Maintenance Condition Survey (SRMCS) is the main method of condition assessment of the road network. The survey method is undertaken throughout Scotland to a nationally accepted standard. Red condition represents lengths of road in need of maintenance/resurfacing etc, amber represents road lengths in need of investigation for potential maintenance i.e. some but not all of these road lengths will warrant treatment in the short term.

Road Condition Survey results for Argyll and Bute from 2009 – 2016 are shown below;

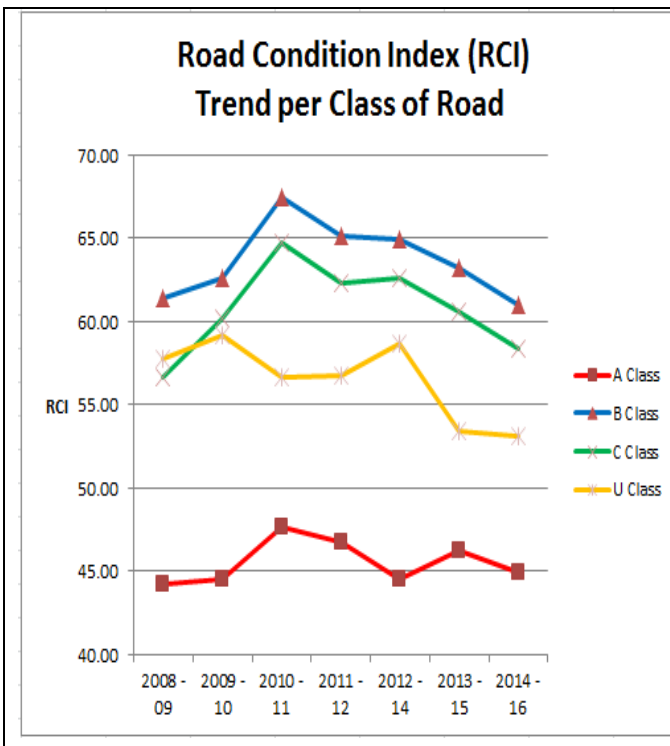
The data represented is collected using a nationally accepted specification. The survey results for A, B, C and U roads are based upon machine surveys.

Not all off the road network is surveyed each year. The survey is carried out on 100% of A Class (in one direction only), 50% B Class, 25% C Class and 10% U Class. The annual results are reported based on an average of 2 years results.

Additional survey works were also undertaken in 2010-12 and 2013-15 to provide full network coverage and direct comparison of condition against roads reconstruction investment. This has provided confirmation of the improvement achieved through investment and delivery of the roads reconstruction programme.



3.9.1 Condition Trend



The historical trend in condition across each class of road is shown and can be summarised as follows:

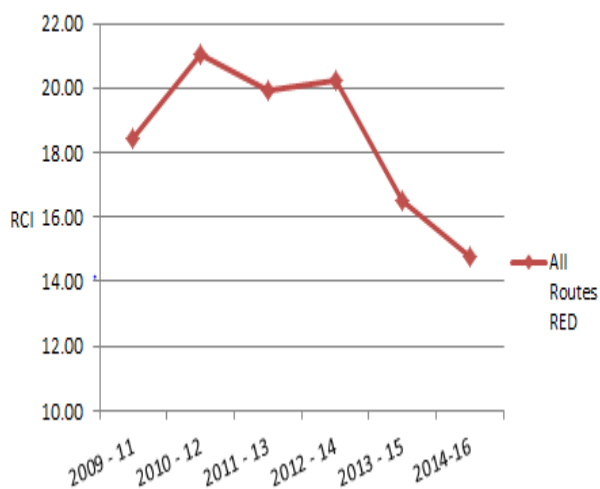
- A Class roads show the best RCI condition in line with current funding priorities.
- B & C Class roads are showing a similar improvement trend although they are the poorest condition Classes.
- U Class roads show marginal improvement or steady state condition

In general terms recent investment has made a substantial contribution to improving the whole network.

2014-16 RCI results by Road Class				
All	A Class	B Class	C Class	U Class
54.4	44.9	61.0	58.4	53.1



All Routes Red RCI



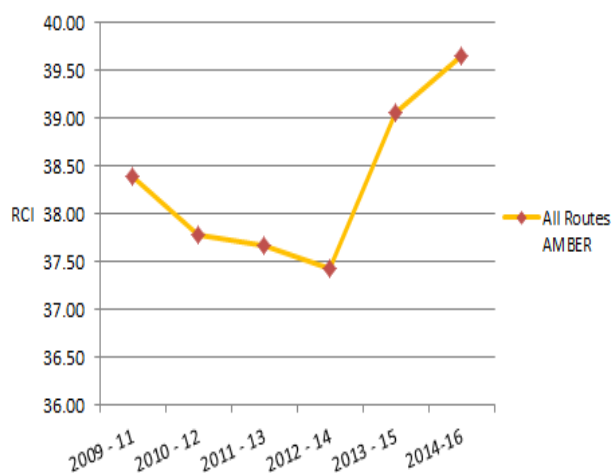
The historical trend in condition for all routes in red condition band can be summarised as follows:

The all routes red condition RCI has been improving reflecting recent investment levels in line with the estimated SCOTS Steady State figure (£6.35 - £8.0m/pa) in the roads reconstruction programme.

All Routes Red RCI

2010-12	2011-13	2012-14	2013-15	2014-15
21.07	19.92	20.23	16.53	14.76

All Routes Amber RCI

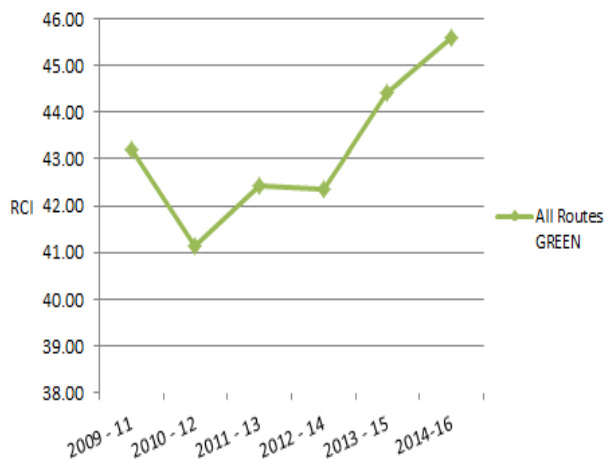


The all routes amber condition RCI has shown an initial improvement year on year however the latest results show an increasing trend which may be indicative of asset renewal treatments not being on a par with the rate of asset deterioration. This will need further analysis beyond the scope of this report.

All Routes Amber RCI

2010-12	2011-13	2012-14	2013-15	2014-15
37.78	37.67	37.42	39.06	39.65

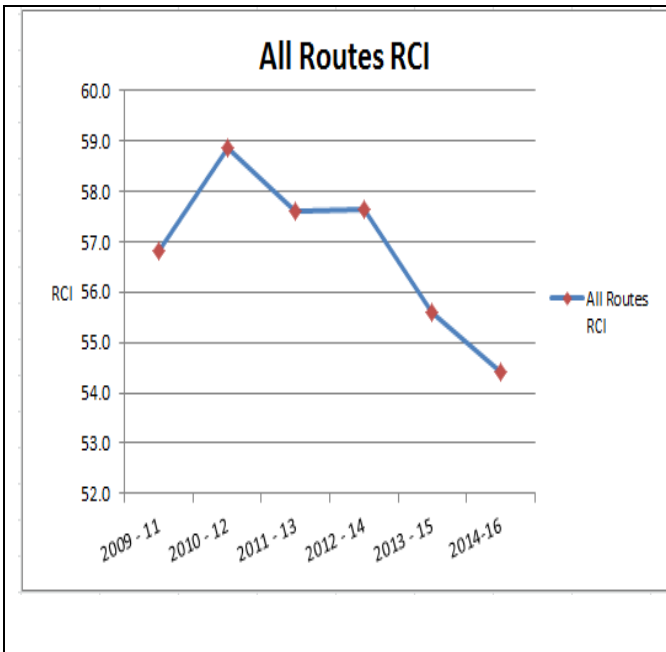
All Routes Green RCI



The all routes green condition RCI has shown steady improvement which can be attributed to the recent investment and delivery of the roads reconstruction programme. Reduced investment may affect this trend and efforts need to be concentrated on activities that minimise the rate of asset deterioration and preserve asset condition until higher investment levels can be afforded.

All Routes Green RCI

2010-12	2011-13	2012-14	2013-15	2014-15
41.15	42.41	42.35	44.4	45.6



The RCI results across all routes has shown steady and marked improvement over the last five years reflecting recent investment in roads reconstruction.

There is however some way to go to equal the Scottish average 36.7 (2012-14) RCI value. Investment levels are being reduced therefore it is important to protect the significant improvement already made through enhanced focus on preventative maintenance activities to minimise the rate of asset deterioration.

All Routes RCI				
2010-12	2011-13	2012-14	2013-15	2014-15
58.9	57.6	57.7	55.6	54.4

The RCI condition results by Road Class are shown in Table 3.9.1 below;

RCI =	Class A		Class B		Class C		Class U		Whole Network	
	Length (Km)	%	Length (Km)	%	Length (Km)	%	Length (Km)	%	Length (Km)	%
>=100	46.3	9.17	107.0	17.44	72.9	16.78	110.3	15.19	336.5	14.76
>=40	180.4	35.72	267.1	43.52	180.8	41.61	275.5	37.94	903.8	39.65
<40	278.3	55.11	239.7	39.04	180.8	41.61	340.4	46.87	1039.1	45.58

Note – Road lengths used are from survey data.
Data source – SRMCS results

The RCI condition results by Rural / Urban are shown in Table 3.9.2 below;

RCI =	Urban		Rural		Whole Network	
	Length (Km)	%	Length (Km)	%	Length (Km)	%
>=100	19.2	4.34	317.4	17.27	336.5	14.76
>=40	140.3	31.75	763.6	41.55	903.8	39.65
<40	282.4	63.91	756.7	41.18	1039.1	45.58

Note – Road lengths used are from survey data.
Data source – SRMCS results



The annual network surveys were extended for the 2010-12 and 2013-15 results to provide as far as practicable two full network surveys which could be used to provide a direct comparison of road condition results following investment in the roads reconstruction programme approved by council in February 2012. The results provide confirmation that investment targeted through the Road Asset Management and Maintenance Strategy and delivered via the roads reconstruction programme has provided improvements averaging 3.29% RCI across each road class as detailed in table 3.9.3 below;

Table 3.9.3

	2010-12 Survey				2013-15 Survey				
Road Classification	Road Condition Index				Road Condition Index				Difference
	Red	Amber	Green	RCI	Red	Amber	Green	RCI	RCI
A	13.48	34.18	52.34	47.66	11.11	35.12	53.77	46.23	1.43%
B	26.22	41.2	32.58	67.42	20.65	42.53	36.82	63.18	4.24%
C	23.72	41.05	35.23	64.77	19.79	40.81	39.4	60.6	4.17%
U	20.98	35.7	43.32	56.68	15.27	38.11	46.62	53.38	3.30%

Note - RCI condition has improved on average by 3.29% within each road class as a result of the investment and delivery of the road reconstruction programme approved by council in February 2012

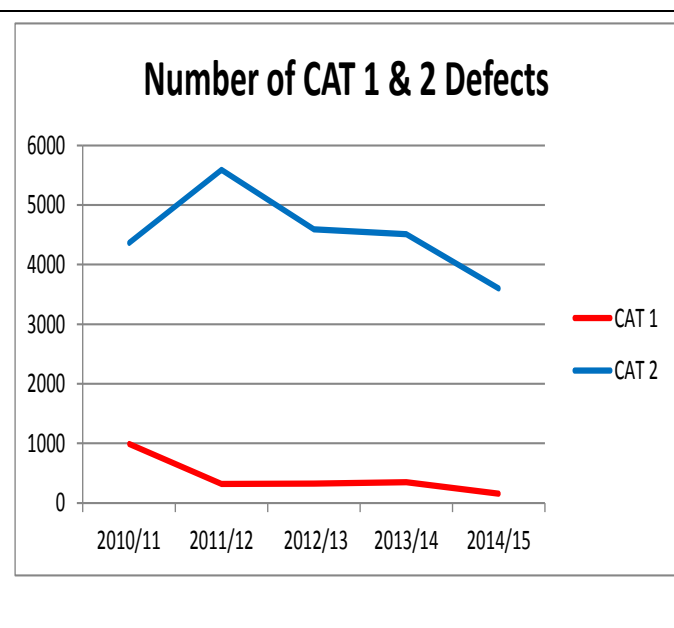
3.10 Reactive Repairs

The figures above are based upon a set of defects that can be measured by a machine survey (SCANNER) and not necessarily all the defects that may exist on a section of road. A full picture of the condition of the carriageway asset also needs to take into account the amount of reactive repair that is undertaken e.g. pothole repairs, patching and other small scale maintenance works. Table 3.10 below details the number of Cat 1 defects reported to APSE/SCOTS since 2010/11.



	2010/11	2011/12	2012/13	2013/14	2014/15
CAT 1E	15	37	124	89	32
CAT 1	974	280	203	261	124
Total CAT 1	989	317	327	350	156
CAT 2	3700	4366	5591	4591	3601

Data source – APSE, WDM



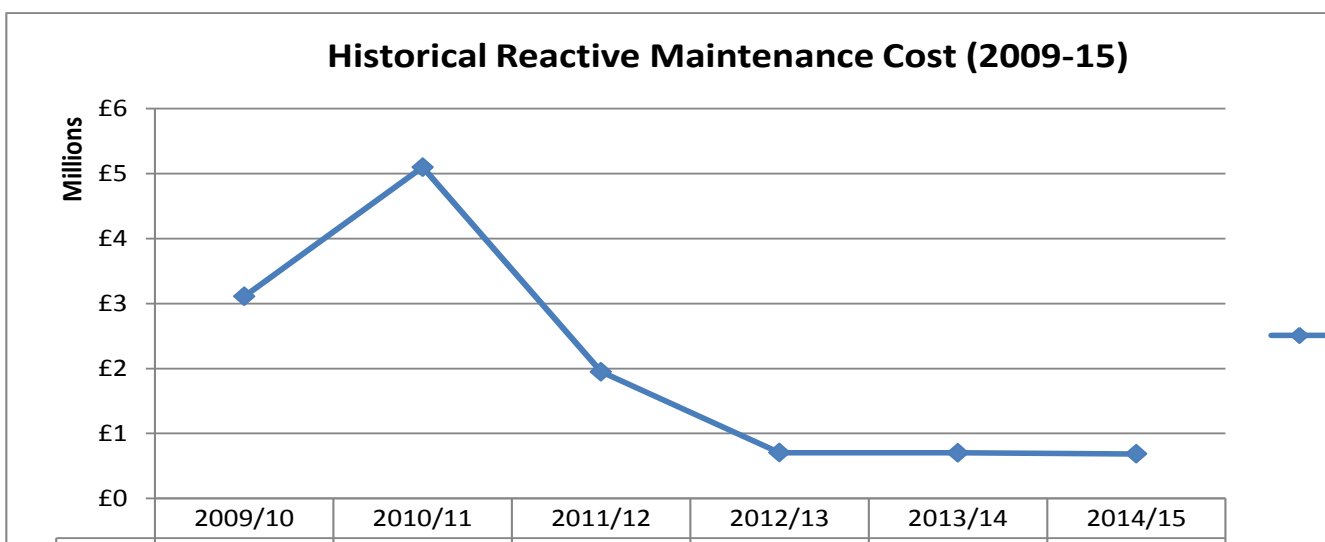
Carriageway defects have reduced since 2011 which can be associated with the recent investment in the roads reconstruction programme.

3.10.1 Reactive Maintenance cost

Table 3.10.1 below details the cost of reactive maintenance as reported to APSE/SCOTS.

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
£3,109,151	£5,097,228	£1,950,272	£704,199	£701,999	£685,935

Comment – Figures reported to APSE



Reactive Maintenance costs have been significantly reduced and may be attributed to the recent investment in the roads reconstruction programme however they remain an area of concern and require close monitoring.



3.11 Performance in completing repairs

Relevant performance indicators relating to the carriageway are detailed within Table 3.11 below;

Table 3.11 SCOTS RAMP Core performance					
Performance Indicator	2010-11	2011-12	2012-13	2013-14	Comments
% of Cat 1 defects made safe within response times.	84 %	100%		90%	
% of safety inspections completed on time	61%	64%		n/a	
Total number of Cat 1 defects	972	317	327	350	
Total number of 3rd party claims	182	199	95	314	
Average response time to completion of non-planned salting treatment (Hours)	2.25	2.25	2.25	2.25	
% of occasions that target response times for pre salting specified in Winter Maintenance Plan were met	86 %	N/A	100%	100%	
% of network salted regularly	52%	52%	52%	52%	
% of carriageway network that should be considered for maintenance treatment (RCI)	56.8%	58.85%	57.6%	55.6%	
Data source – Road Operations manager, WDM					

3.12 Investment Options

The investment options for carriageways focus on the options available for planned maintenance in capital funded surfacing treatments only using the SCOTS cost projection tool.

3.12.1 Reactive Maintenance

The impact of changes in condition resulting from differing levels of planned maintenance should be felt in the level of reactive maintenance required. The data held on reactive repairs is however not sufficiently robust to enable a relationship to be derived between measured condition and the extent of defects and subsequent reactive repairs. It is however logical to assume that if the carriageway asset is in a more deteriorated state as evidenced from measured condition then a higher level of minor defects and required reactive repairs will occur. This risk has been expressed qualitatively in this report.



3.12.2 Winter Maintenance

The winter maintenance service is generally provided between 1st November and mid to end of April although these dates may be varied slightly to accommodate unexpected weather patterns. The service is delivered in accordance with the Winter Maintenance Policy within the requirements of the Drivers` Hours Regulations and Working Time Directive. The service plays a vital role in ensuring communities and businesses can function normally during periods of adverse weather conditions.

Budgets for the provision of winter services are difficult to plan considering our unpredictable climate and are therefore generally based on an “average winter” or 58 planned treatment runs.

Service resilience is the greatest concern as year on year budget reductions take effect. Gritter numbers have been reduced to a level where there are now only two spare vehicles available for the whole of Argyll. Minor breakdowns therefore can have a significant effect on service delivery and compliance with agreed target levels of service. The ability to sustain service delivery during widespread severe weather events is also compromised by Driver Hours Regulations coupled with reduced LGV driver numbers. Put simply there is an inadequate number of drivers and second men to sustain continuous operations on a widespread adverse weather event. Additional resources provided in these conditions are likely to result in an overspend of the core budget.

Details of performance indicators for winter maintenance as reported to APSE over the previous five years are detailed in Table 3.12.2 below;

Performance Indicator	2010-11	2011-12	2012-13	2013-14	2014-15
Km of total carriageway network treated on receipt of an adverse weather forecast	1205	1205	1205	1205	1199
Km travelled to achieve the above treatment. (i.e. include non-treated lengths)	2491	2491	2491	2491	2471
Route efficiency	48.37%	48.37%	48.37%	48.37%	48.52%
Number of precautionary treatment routes	31	31	31	31	31
Number of gritters available	33	33	33	33	33
Total number of planned treatment runs	108	59	106	65	82
Actual number of days on which any non-planned winter maintenance function was carried out during year	27	6	17	0	0
Total aggregate annual treatment mileage travelled by all gritting vehicles on all planned routes	83439	72875	80261	50688	99746
Total tonnage of salt used on carriageways	19727	10431	17777	9962	19104
Total Winter actual spend carriageways (All inclusive - Administration, Salt Storage , Vehicle maintenance, Fuel, Labour, Training, Weather stations, Communication systems, Vehicle tracking, Gritter hire, Weather forecasting etc)	£3,402,695	£1,670,677	£2,534,435	£2,034,463	£2,450,175
Average Cost per Planned treatment run (all inclusive)	£31,506.44	£28,316.56	£23,909.76	£31,299	£29,880
Average cost per mile of planned treatment (all inclusive)	£40.78	£22.93	£31.58	£40.14	£24.56

3.13 Road Maintenance Cycle

In highway maintenance, the most important balance is that between planned, preventative and reactive repairs. If preventative maintenance on any asset is less than adequate, this can initiate a “vicious cycle” where reactive repairs soak up an ever increasing proportion of available preventative maintenance budgets. The resulting deterioration in road condition and increase in reactive repairs have an impact on all road users and therefore on the economy generally in terms of increased vehicle running costs, increased journey times and decreased journey reliability. Figure 3.13a below illustrates the vicious cycle inadequate maintenance.

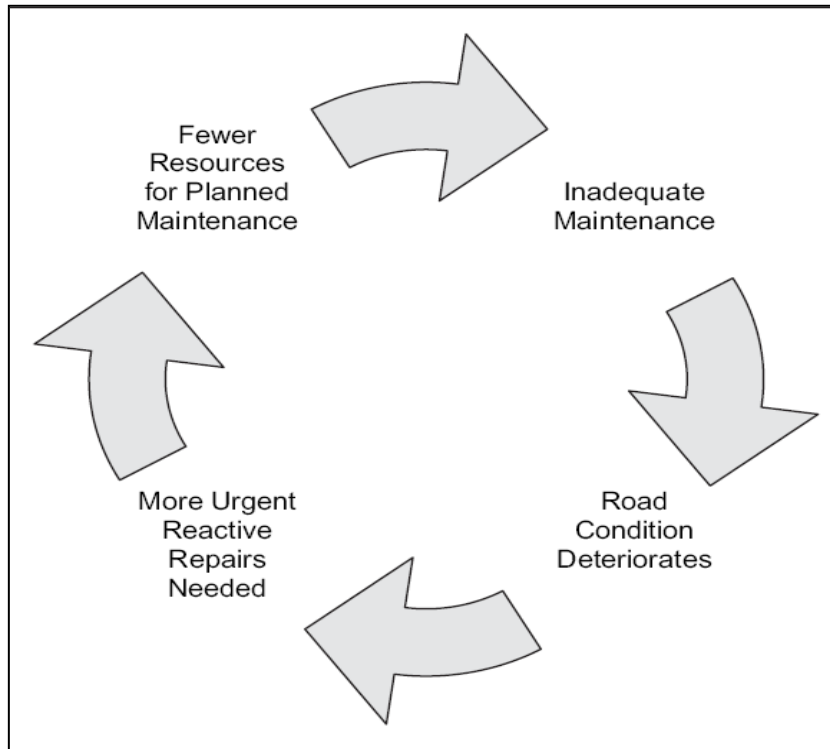


Figure 3.13a The Vicious Cycle of Inadequate Maintenance

Once commenced this vicious cycle can be a very difficult to break and requires a change in approach. There will always be a time when prompt action is required to attend to a particular issue. However it should not become normal practice for maintenance tasks to be postponed until such times as prompt action is required at the expense of planned works currently being undertaken.

The effects of undertaking inadequate preventative maintenance activities and the vicious cycle described above can perhaps be best illustrated in the photograph below which was taken on a road in Argyll in September 2015.



Figure 3.13b Photo Showing Consequences of Inadequate Preventative Maintenance

The photo above clearly demonstrates the sequence of events that has led to the premature failure of the carriageway surfacing at this locus. It also provides visible evidence of how the various elements of the whole road asset play perhaps an indirect but nevertheless integral part and vital contribution to preserving the longevity and condition of the road. Investing adequately and appropriately in preventative maintenance activities will reduce demand for expensive surfacing repairs and generate long term savings.

The sequence of events can be described as follows;

- **Recent single swathe grass cut** - Insufficient width of cut to prevent vegetation growth restricting forward visibility and affecting road drainage.
- **Right hand side drainage ditch not functioning** - Growth of bushes and vegetation restricts water flow in ditch.
- **Surface water on road** – Restricted water flow in ditch results in water flowing across road surface causing potential flooding and winter hazard.
- **Road surface on left hand side is deforming** – Restricted water flow in ditch over time allows water ingress and weakens the road structure.
- **Road surface cracking** – Weakened structure allows surface to flex and crack as vehicles pass over. When combined with surface water, vehicles effectively pump more surface water into the cracks accelerating the deterioration process.
- **Drainage outlet left hand side** – Not functioning to remove surface water overflow from ditch which creates ponding and intensifies the road surface deterioration process.



The road surface condition either side of the locus appears sound and fit for purpose however the consequential cycle of inadequate preventative maintenance activities is avoidable surface deterioration which demands an otherwise unnecessary surface repair operation to be undertaken promptly to minimise further expense.

This illustration clearly demonstrates the potential savings in terms of reduced demand for surface defect repairs that can be gained from ensuring sufficient investment is made in preventative maintenance activities such as grass cutting, scrub cutting and drainage cleaning. After all, the repair operation will require these activities to be carried out anyway to be successful.

The forward planning of works is essential to realise the best outcome and minimise cost. This can be achieved through the development of agreed levels of service for core maintenance activities and requires data on inventory, funding and the desired frequency of service for each activity. This data allows the ability to determine the annual quantity of works that can be afforded, therefore permitting forward works programmes to be developed and schedules of work issued.

Monitoring of these activities will provide performance data that can help to improve service delivery and demonstrate prudent stewardship of assets. There may be limited data available for example on inventory data, however initially estimated values can be used to develop annual programmes and as works progress inventory can be collected and updated. Over time and with the collection of increased condition and maintenance data there will be greater scope to prioritise and target works programmes in line with asset needs, corporate goals and objectives.

3.14 Road Drainage Condition Survey

Functioning drainage is a prerequisite of good pavement management. Without adequate drainage, or with drainage facilities that are blocked or broken, water will get into the pavement and over time weaken it and accelerate its deterioration. This simple principle is well known to road maintenance practitioners.

The SCOTS Asset Management Project recognises the importance of good drainage to protect road infrastructure and has developed a good practice guide to assess the condition of existing drainage systems. This simple condition index which can be used by existing Road Inspectors provides a valuable tool in determining where available drainage investment should be prioritised.

This method deals only with how existing drainage infrastructure is, or is not, operating. It does not take into account wider flood risk or the capacity of the receiving storm water /sewer system.






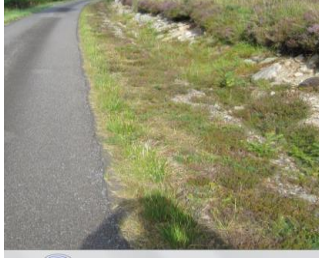


3.14.1 Drainage Condition Index

The SCOTS project has developed a draft drainage condition index for use by local authorities. The table below outlines the principle of the index in determining a suitable condition rating for existing drainage assets.



DRAINAGE CONDITION INDEX (Rural drainage)			
Condition Rating	Action	Drainage Rating	Description
Very Poor	Drainage needs improvement as soon as possible	Red	Drainage very poor or not functioning properly - Poor ditch shape, obstructions to flow, heavy vegetation growth, possible water seepage to road affecting road structure and surface. Should be considered for priority maintenance.
Poor	Drainage needs improvement shortly	Amber	Drainage poor or not fully functioning – sections of poor ditch shape, or some obstructions to water flow, areas of vegetation growth generally not affecting road structure or surface at present but should be considered for maintenance shortly.
Fair	Maintain existing cyclic cleaning regime	Blue	Existing drainage is functioning adequately with only minor or isolated sections restricting water flow or grass growth to sides. Generally drainage considered for maintenance only as part of normal cyclic regime.
Good	No action required	Green	Continuance of routine cleaning etc. required.

It is perhaps more useful to visualise the index using photographs to grasp the principle of allocating sections of drainage to a particular rating. It will be found however that when undertaking the survey several factors may need to be considered to make a judgement on the allocated rating.

DRAINAGE CONDITION INDEX (Rural drainage)				
Condition Rating	Action	Drainage Rating	Description	
Very Poor	Drainage needs improvement as soon as possible	Red		
Poor	Drainage needs improvement shortly	Amber		
Fair	Maintain existing cyclic cleaning regime	Blue		
Good	No action required	Green		

The index is currently being evaluated by SCOTS members.

3.14.2 Sample Survey

The SCOTS drainage assessment tool was utilised to undertake a sample survey on a selection of rural routes within Oban Lorn & Isles to provide data on the condition of existing drainage assets and to evaluate the tool



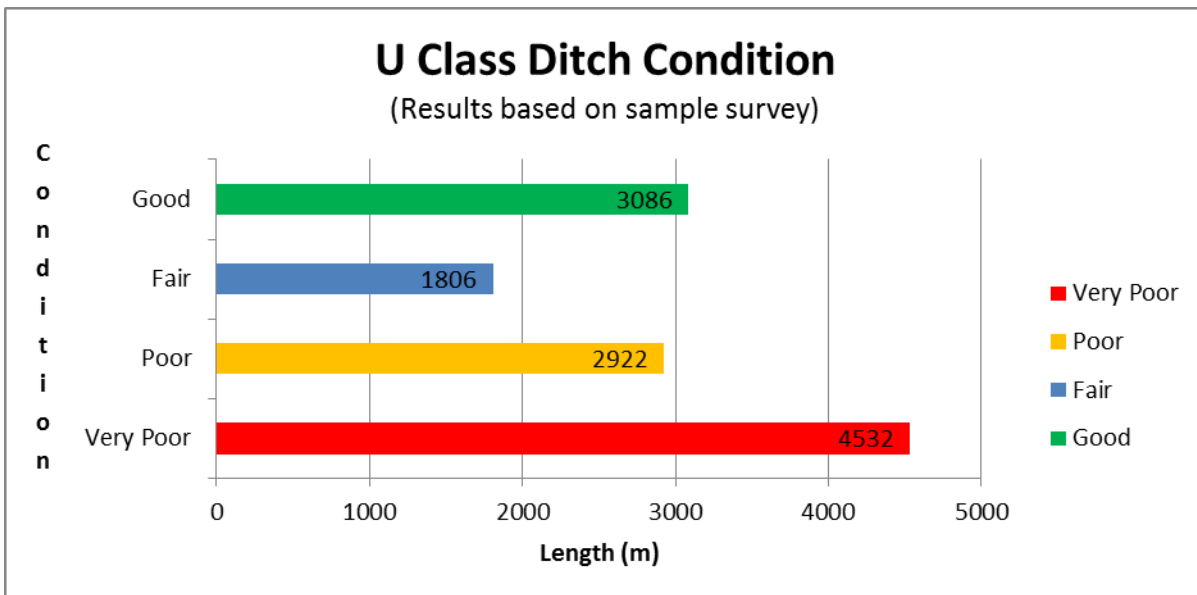
for potential wider use through normal inspection cycle. The survey is based on a visual inspection via a driven survey.

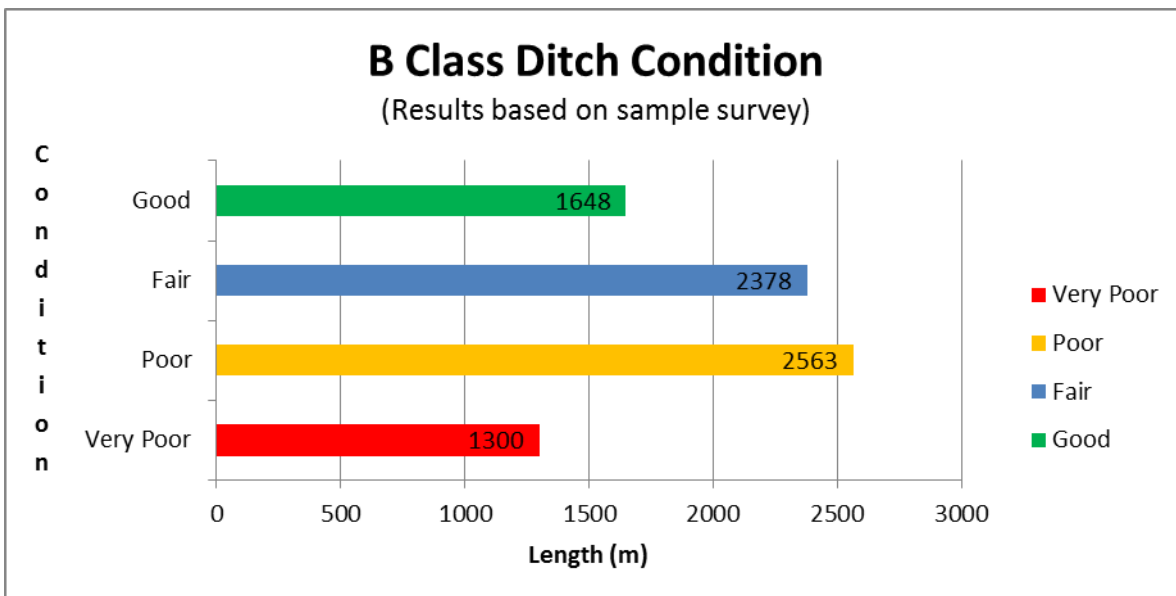
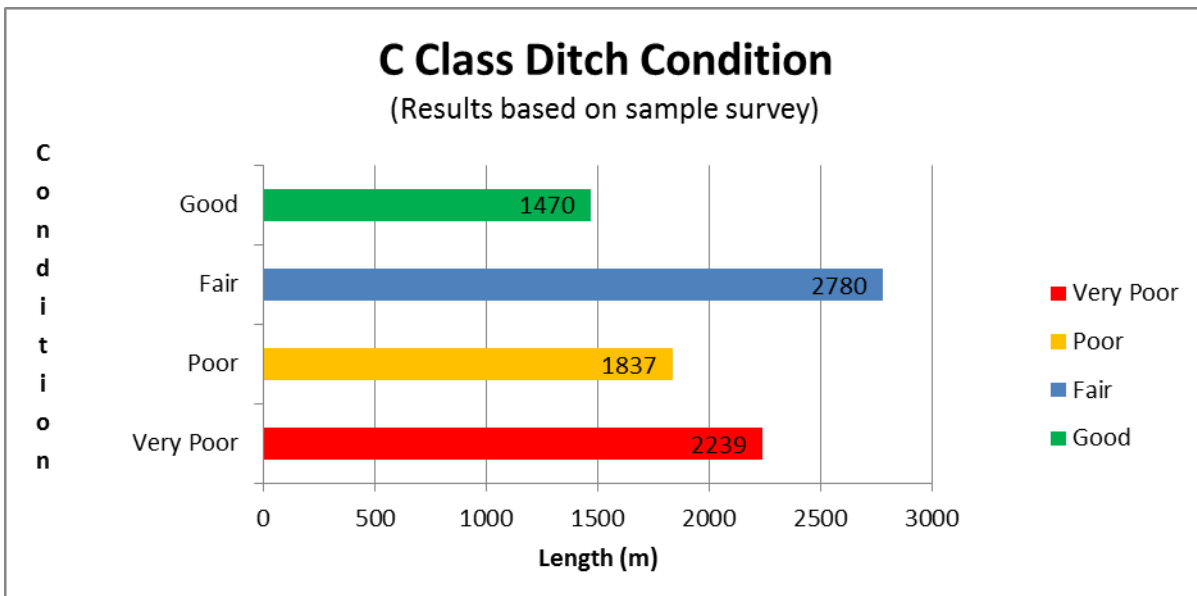
The survey was undertaken on routes within each of the national classification of roads (A,B,C & U) in order to provide a comparison with the SRMCS Road Condition survey results. The routes surveyed are detailed in the table below.

Route	Description	Route Length (km)	Identified Ditch length (Km)	Percentage ditch to Route length	Comments
U 29	Kilmelford - Barnaline	16.18	12.35	76%	Survey complete whole route
C 32	Glencruitten - Taynuilt	17.15	8.32	49%	Survey complete 95% route (exclude urban sections)
B845	Baracaldine - Bonawe	11.07	7.88	71%	Survey complete whole route
A816	Oban - Kilninver	11.96km			Unable to survey due to extensive scrub – Visually estimated condition

3.14.3 Survey Results

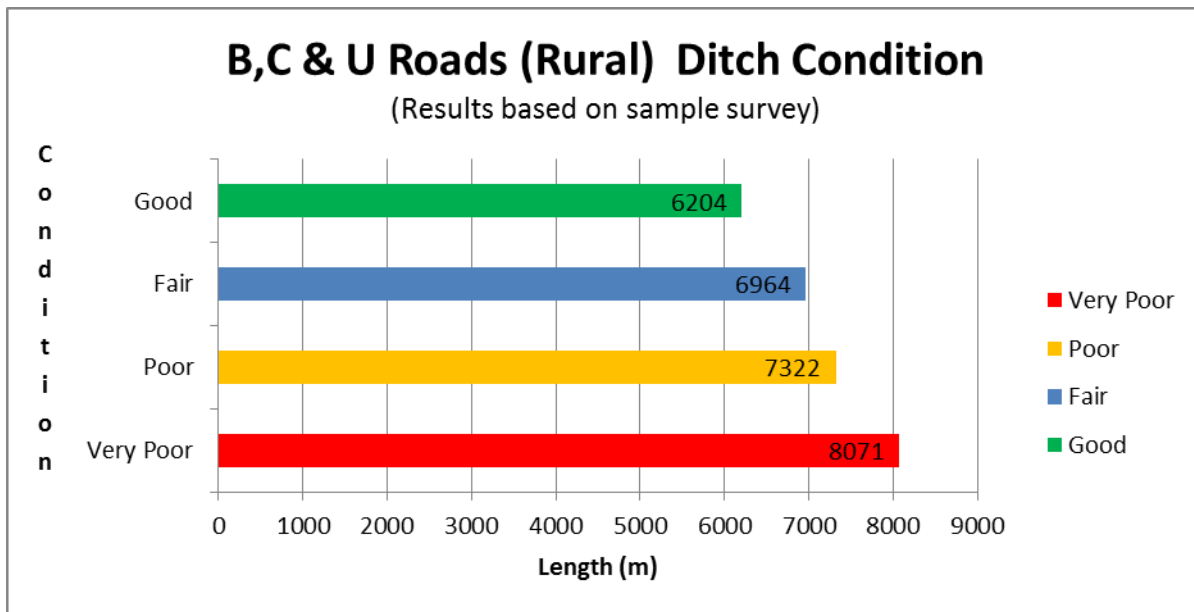
The results from the survey were analysed and are illustrated on the charts below;





The A Class survey was unable to be completed due to extensive scrub and vegetation making visual identification of drainage assets during driven survey very difficult.

The results of each survey were then summarised to provide an overall condition for all roads surveyed (B, C & U) as detailed in chart below;



Using the same principle as the Road Condition Index (RCI) the percentage of ditch within the red and amber condition bands was combined to provide a Drainage Condition Index (DCI) ranking. An additional consideration is that drainage in condition band BLUE will also be in need of normal cyclic maintenance and therefore the percentage ditching based on maintenance need was calculated as the RED + AMBER + BLUE to provide an indication of the level of maintenance works required.

The results are shown in Table below:

Road Class	Drainage Condition Index (DCI) Red + Amber	Drainage Maintenance Needed (Red + Amber + Blue)
U class	60.38%	75%
C Class	48.96%	82%
B Class	48.97%	79%
All Roads B,C & U Class	53.90%	78%

It is interesting to note that when the ditch survey results are compared to the latest RCI results (54.4%) it would appear to indicate a relationship between the condition of roadside drainage and the RCI of the carriageway.

3.14.4 Headline Backlog Figure

The SCOTS project has previously calculated a Headline Backlog figure for carriageway defects to provide an indication of the scale of asset deterioration and investment need. The following tables show the Headline Backlog figure calculated for drainage assets using the results obtained from the sample survey.

The drainage inventory was calculated from sample survey results. Where no survey results were available an estimated quantity was used.



Class	Rural (km)	% Ditch over Rd length	Est. ditch length (km)	Comment
A	422.904	80.00%	338.3232	Estimated
B	569.956	70.94%	404.33	Based on sample survey results
C	392.548	48.55%	190.58	
U	456.3	76.30%	348.16	
	1841.7		1281.39	

Condition results for each road classification were used to determine the estimated total length of ditch within each condition band and combined with estimated service cost for each as detailed in table below.

Carriageway Ditching Maintenance Backlog									
(A Class condition estimated as 15% Good 15% Fair, 30% Poor, 30% Very Poor)									
Ditch Condition	Road Classification				Total Length (Km)	Service Cost (£/Lin.m)	Estimated Cost	Comments	
	A Class (Est Condition)	B Class	C Class	U Class					
Good	50.7	84.9	34.3	87	256.9	£2.50	£642,250	Cost does not include for Scrub Clearance	
Fair	50.7	121.3	62.9	48.7	283.6	£3.00	£850,800		
Poor	101.5	133.4	41.9	83.6	360.4	£3.75	£1,351,500		
Very Poor	101.5	64.7	51.5	128.8	346.5	£4.50	£1,559,250		
Estimated Total Cost							£4,403,800		

The use of the drainage condition index has provided valuable insight to the condition of drainage assets and provides a useful tool that can be utilised on a more widespread basis to assess the condition of the whole network as well as being able to be adapted for use on any asset.

The results of the survey have clearly shown a desperate need for investment in restoring drainage to a functioning condition so that ample protection can be afforded to the carriageway asset from unnecessary and avoidable damage.

The visual survey also showed a clear and present need to review the current verge maintenance regime which would appear to be wholly inadequate in terms of allowing vegetation growth to overwhelm drainage assets such that they cannot perform their intended function.

The sample survey would indicate that until such times as adequate attention can be afforded to maintaining drainage assets in a good and functioning condition then it is most likely that improvement in terms of Road Condition Index (RCI) is limited because poor drainage is accelerating the deterioration of the carriageway asset above the level of asset renewal that current or future investment levels can afford.

3.14.5 Structural Patching



Roads deteriorate over time and require constant regular maintenance to slow the rate of deterioration, extend service life, delay the need for corrective treatments and therefore reduce the whole life cost of sustaining asset condition.

One treatment option available is structural patching which can be used to treat localised areas of defective surfacing to restore asset condition, reduce the need for potential reactive maintenance and prolong service life of the asset.

Undertaking structural patching can be more expensive (per Sqm) than resurfacing the carriageway but less area needs to be treated therefore reducing the overall cost. Patching will also target specific areas of road that are in the red RCI condition band only whereas resurfacing a section of road may be cheaper (per Sqm) but may incur treatment of a combination of red, amber and green condition bands. There is a balance that has to be struck between when to patch or resurface which is best determined by experienced road maintenance practitioners. Generally the decision will be based around a cost/benefit analysis of each treatment option. Structural patching is a useful treatment in targeting 100% red condition band areas and maximising impact on RCI.

Currently patching is funded generally from the revenue maintenance budget with only a small percentage of structural maintenance having been funded through capital. Consideration should be given to funding these works from Capital budgets where works can be shown to significantly increase the life of the asset.. This would provide more scope for revenue funding to be utilised for increased preventative maintenance that will preserve asset condition and help avoid entering the vicious cycle of inadequate maintenance with the resultant increase in costs and deterioration of the asset.

3.14.6 Waste Reduction - Use of Innovative Materials & Processes

Road maintenance can be costly and we must constantly seek out ways and means of minimising expense. Waste reduction coupled with a government desire to reduce carbon emissions requires us to look closely at our maintenance operations to identify any potential savings and reduce waste.

One newly developed product called RoadCem is currently being considered for potential use on public roads particularly for use on islands where bituminous material supply is dependent on mainland suppliers and suitable ferry services.

RoadCem enables the binding of nearly all kinds of materials to form a suitable road, making use of in situ materials such as clay, sand and peat. This principle makes the supply or disposal of materials unnecessary.

RoadCem claims to be;

- Cost-effective
- Shorter construction time
- Use of in situ materials
- Use of secondary materials
- Durability and quality
- Used worldwide in extreme areas

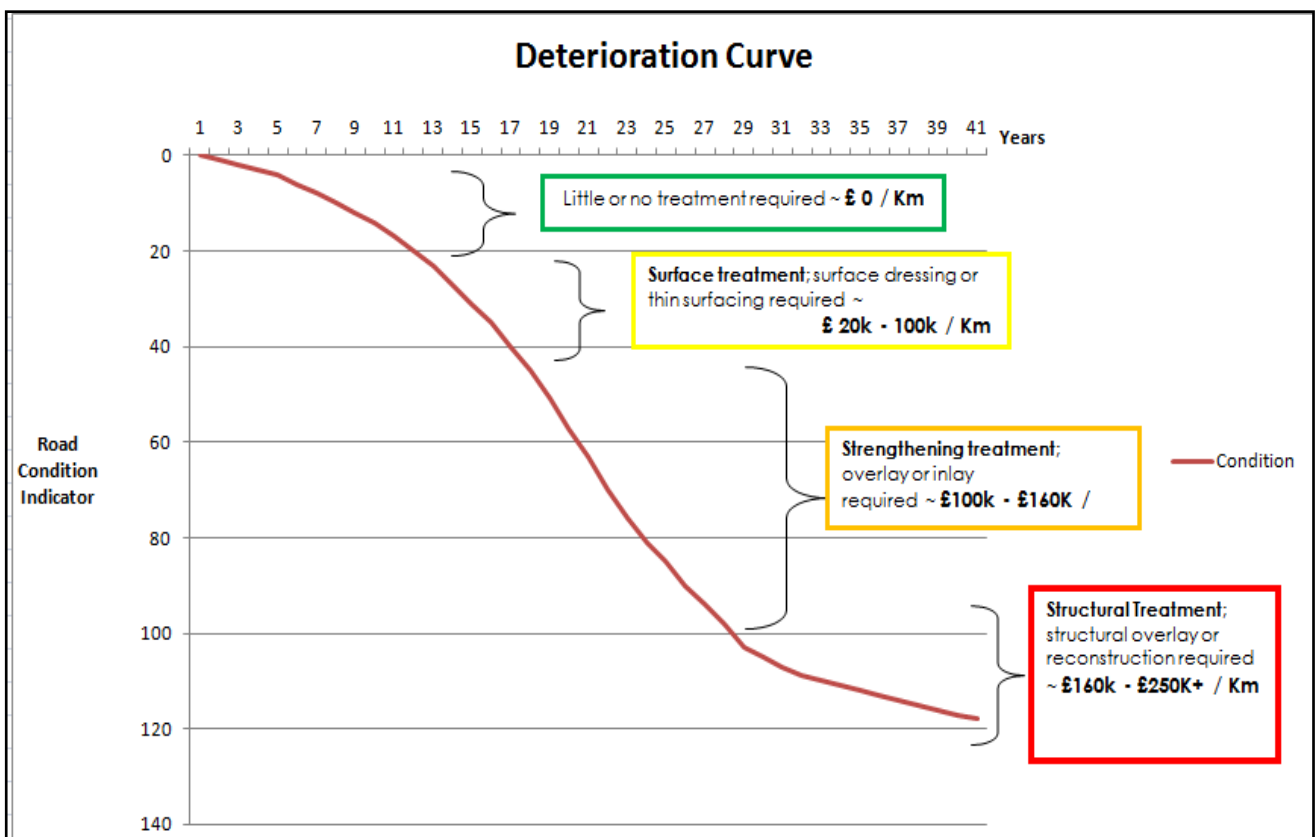
The RoadCem product has been successfully used worldwide for the stabilisation of earthworks, road building and hydraulic engineering projects and is currently being considered for a trial in conjunction with the timber industry. This will allow the product to be evaluated for its suitability for use on the public road network as well

as considering its potential to reduce future road maintenance costs. A suitable demonstration site is being sought to enable the process to be monitored for suitability and cost effectiveness.

3.15 Planned Maintenance Projections

The following projections have been prepared using a spreadsheet projection model provided by SCOTS. The spreadsheet uses deterioration profiles from the guidance document Technical Note 46 – Part 1 Financial Information to support Asset Management – Guidance notes for UKPMS Developers for 2010/11. This document provides a deterioration curve which is used to calculate the change in condition over time. The profile has been amended to reflect a more realistic reflection of deterioration based upon the actual levels of deterioration being recorded in recent survey results.

The curve below illustrates the way in which carriageways deteriorate over time along with potential treatments and estimated costs to restore network condition.



Initially carriageway pavements deteriorate very little as illustrated by the flatness of the curve in the first years. During this period little or no treatment is required.

1. Initial deterioration then occurs in the surface layers. During this period the surface can be restored using a surface dressing or a thin surfacing (Surface Treatment 25 – 60mm). These treatments are comparatively cheap. This period of deterioration therefore offers an opportunity for cost effective preventative maintenance via the use of these treatments as a strategy to prevent more deep seated and expensive treatments being necessary to extend service life.
2. If a preventative treatment is not applied deterioration continues and increases causing deeper distresses in the pavement. Pavements in this middle level of deterioration become unsuitable for preventative



maintenance treatments such as surface dressing. Such treatments could be applied but would have a very limited life, much shorter than their normal expected life. Pavements in the middle levels of deterioration are usually restored using resurfacing treatments of inlays or overlays (Strengthening Treatment 60 – 100mm) .

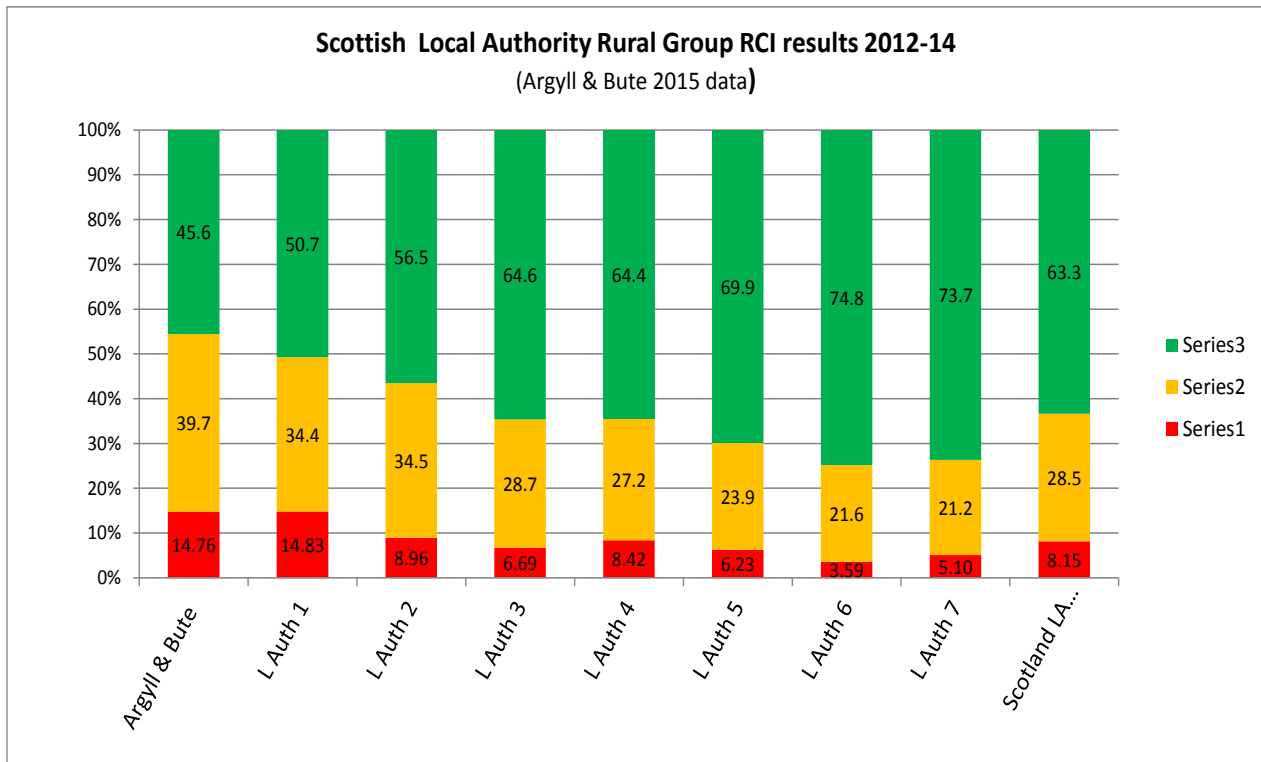
3. If a resurfacing treatment is not applied at this middle level and further deterioration occurs, structural damage to the pavement can occur requiring more extensive treatments to be required comprising of deep overlays or inlays (Structural Treatment > 100mm) or in some circumstances reconstruction.

Deterioration curves following this pattern of deterioration have been used on the cost projection models in this report.

3.15.1 Investment Options Compared To Other Local Authorities.

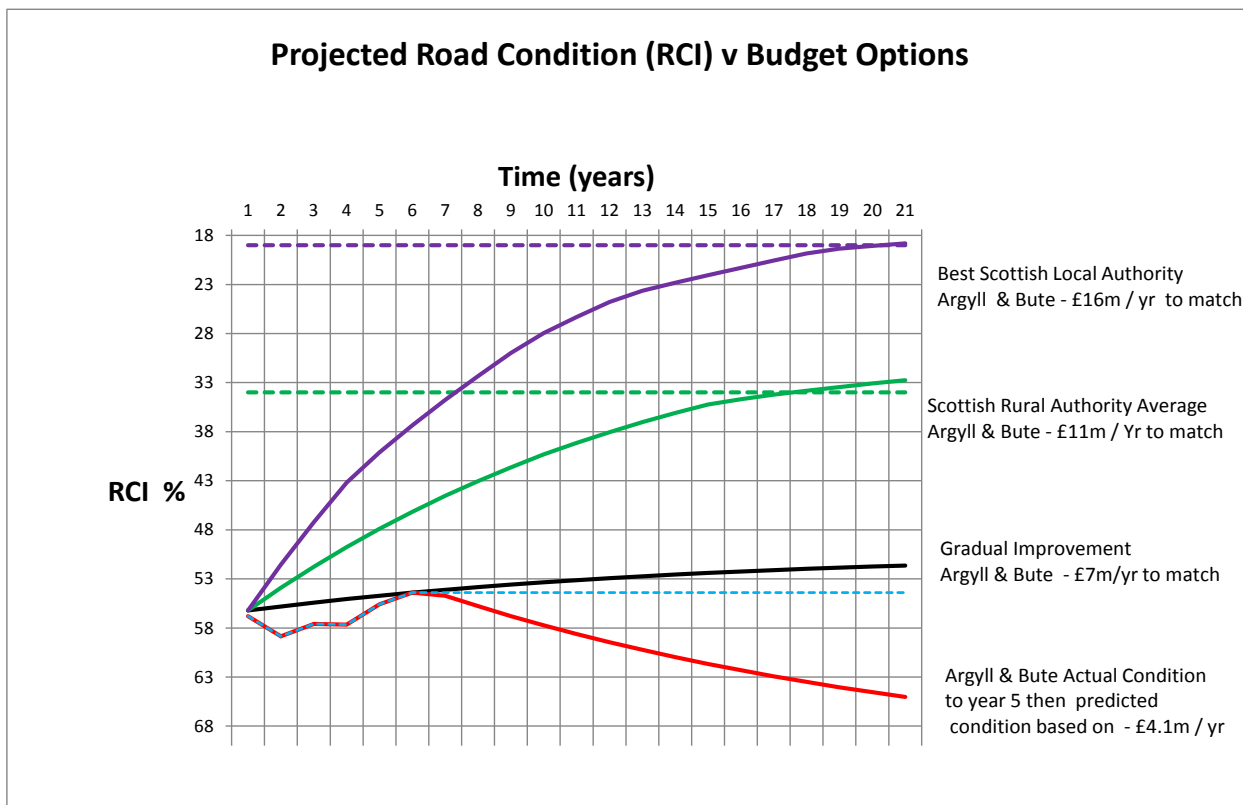
The 2012-14 RCI results for all 32 Scottish Local Authorities were obtained to determine investment options against desired goals and objectives. Each authority is placed within one of five groups – Island, Rural, Semi-Rural, Urban or City to facilitate comparisons of data between authorities with similar characteristics. The recent investment in roads reconstruction has produced a year on year visible improvement in the actual road condition. **With the lag between surfacing works, the condition surveys and the RCI results, future RCI results are expected to improve and reflect the noticeable improvement to carriageway condition on the ground.** The RCI results for Scottish Rural Group Authorities (Argyll & Bute, Borders, Angus, Aberdeenshire, Moray, Dumfries & Galloway & Highland) are detailed in Table 3.15.5a and graphically below;

Ranking Position	Rural Scottish Authority	Network Condition			
		Red	Amber	Green	RCI
32 nd	Argyll & Bute (2014-16 results)	14.76	39.65	45.6	54.4
31 th	Local Authority 1	14.83	34.4	50.7	49.3
22 nd	Local Authority 2	8.96	34.5	56.5	43.5
16 th	Local Authority 3	6.69	28.7	64.6	35.4
19 th	Local Authority 4	8.42	27.2	64.4	35.6
14 th	Local Authority 5	6.23	23.9	69.9	30.1
3 rd	Local Authority 6	3.59	21.6	74.8	25.2
9 th	Local Authority 7	5.10	21.2	73.7	26.3
19 th	Scotland LA Average	8.15	28.5	63.3	36.7



The recent £21m investment approved by council in February 2012 for the roads reconstruction programme has seen a noticeable improvement in road condition. This improvement has been confirmed via a full network condition survey carried out in late summer 2014.

The SCOTS cost projection model as described in the following sections (3.15.6 – 3.15.13) was used to project road condition RCI results for several different budget options over a 20 year period and the results were compared with other Scottish Local Authorities RCI results. The following graph indicates the predicted funding levels required to meet desired targets within a given timescale based on the SCOTS cost projection tool calculations for carriageway resurfacing works only. It also shows the actual condition for Argyll and Bute network with condition projected based on £4.1m per year in surfacing treatments only.



3.15.2 Cost Projection Modelling for Carriageway Resurfacing Treatments

The SCOTS financial modelling tool has been revised and updated as part of a continuous improvement process. This has been achieved through the submission of robust and detailed historical carriageway data from a number of authorities which has permitted comparisons to be made between the modelling tool predictions and the actual condition over time to be evaluated. The exercise showed that the original modelling tool predicted a slightly greater deterioration rate than was actually the case and has therefore been updated to take account of the evaluation findings. The tool will be regularly reviewed over time as more data becomes available and will continue to improve.

The revised modelling tool has been used to assess future carriageway condition in relation to carriageway treatments and costs and presents a range of investment options for consideration.

Estimated costs of treatments have been used for each class of road to calculate the amount of works that can be undertaken for each of the budget options. The works that can be afforded and their predicted effect on condition are deducted from the deteriorated condition to predict future condition in each year.

The estimated unit rates and surface treatments entered to the modelling tool are shown in Table 3.15.6 below.



Treatment Type	Description of Treatment	Unit Rate (£/sqm)
Surface Dressing	Pre-Patch & Premium SD	£5.00
Thin / Micro surface	25mm Thin surfacing	£12.50
Thin Overlay	40mm Overlay	£15.40
Moderate Overlay	60mm Overlay	£28.44
Structural Overlay	100mm Overlay	£46.61
Thin Inlay	40mm Inlay	£18.50
Moderate Inlay	60mm Inlay	£30.00
Structural Inlay	100mm Inlay	£48.00
Fully Reconstructed	1.5m wide Flex-Edge Strength/Deep Patching	£104.27
Data source – Estimated average rates derived from mixed sources		

The spreadsheet produces predictions of future condition based upon average deterioration rates and the cost of treatment. Both of these inputs may vary in the future.

Steady State

The spreadsheet also computes a steady state calculation which is based upon prevention is better than cure approach. The calculation estimates the amount of surface treatment and resurfacing required to prevent condition bands of Amber 1 and 2 getting any bigger or moving to a red condition. This means that a regime of much lesser treatment much less frequently than every 21 years (CIPFA Annual Depreciation Calculation) is used. This is felt to be more realistic. In reality of course some "red" condition roads would be treated BUT roads are not in a single red, amber or green condition they are a combination along the length, also for many authorities strengthening treatment is often a similar treatment to resurfacing and the price difference between treating a road after it has become red rather than prior to it entering red is nominal. As such as a crude estimate of steady state it is a simple calculation the logic of which can be explained. It may be on the optimistic side but until more data is collected and reviewed this cannot be accurately assessed.

The results should be read in that context.

Investment Options presented.

The SCOTS cost projection tool has been used to present four different investment options based on the current available capital funding of £4.0m. These options illustrate the affect that different maintenance strategies can have on road condition based on the same level of funding. The maintenance strategies available within the SCOTS cost projection tool are user defined based on prioritising available funding towards Strengthening, Resurfacing or Surface Treatments.



The options considered are as follows;

Option 1 – considers continuation of current funding across all treatments (Treats Red, Amber 1 & 2 condition bands).

Option 2 – considers reducing strengthening and increasing funding of surface treatments (Treats Red, Amber 1 & 2 condition bands).

Option 3 – considers funding 80% surface and 20% surfacing treatments (Treats Amber 1 & 2 condition bands only).

Option 4 - considers funding strengthening and resurfacing treatments only (Treats Red & Amber 1 condition bands).

The model uses the allocated funding for each road class to treat the RCI condition bands as follows;

- Funding for surface treatments is used to treat amber 2 condition band.
- Funding for resurfacing treatments is used to treat amber 1 condition band.
- Funding for strengthening treatments is used to treat red condition band.



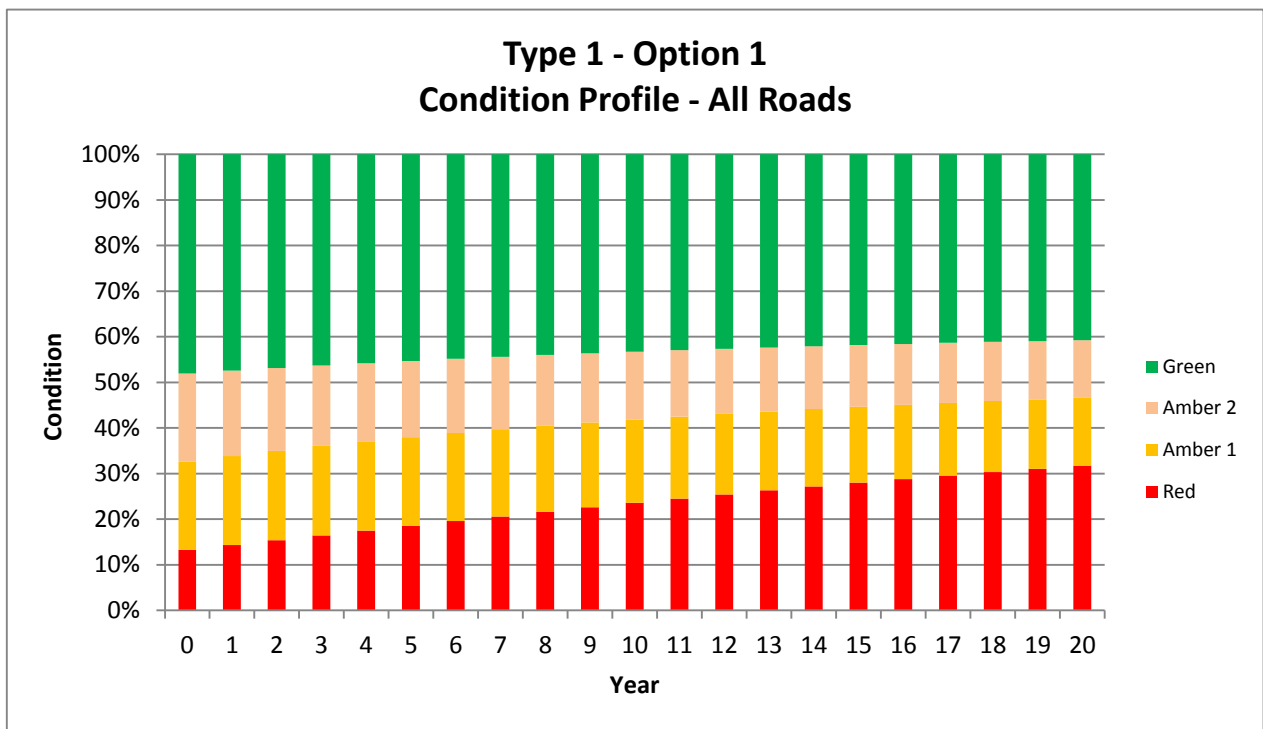
3.16 Option 1 – Continuation of Current Funding £4.0m across all treatments

		Option 1		Continuation of Current Funding	
Year 1 Budget: Type 1 - Option 1		£4,139,000			
Category	U-R	Strengthening Treatment	Resurfacing Treatment	Surface Treatment	
Principal (A) Roads (cat 2)	Urban	£51,738	£320,425	£0	
	Rural	£310,425	£620,850	£517,375	
Classified (B) Roads (cat 3a)	Urban	£51,738	£103,475	£0	
	Rural	£103,475	£310,425	£258,688	
Classified (C) Roads (cat 3b)	Urban	£51,738	£73,475	£0	
	Rural	£103,475	£310,425	£362,163	
Unclassified Roads (cat 4a & 4b)	Urban	£51,738	£103,475	£0	
	Rural	£51,738	£123,475	£258,688	
Treatment Totals		£776,063	£1,966,025	£1,396,913	

Continuation of current funding at £4.1m is lower than the predicted steady state budget (Preventative) of £8.1m and is delivered across all treatments. Model treats all condition bands.

The SCOTS model predicts that this level of funding will result in continued asset deterioration with increased reactive maintenance costs and a potential increase in insurance claims.

The predicted RCI at the end of 20 years would be 59.27%. This represents a **7.32%** deterioration on current condition 51.95% (Based on network area).
£1,396,913

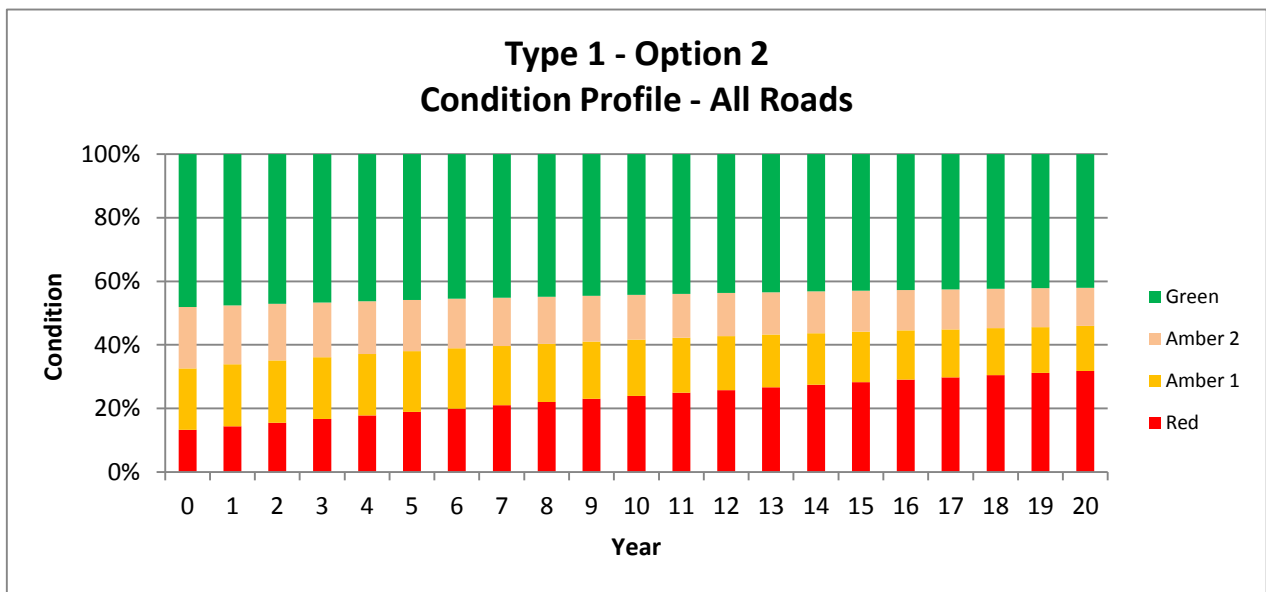


This option demonstrates the effect of under investment which will allow the current road condition to deteriorate significantly, propagating increased potholes and reactive maintenance costs whilst escalating the risk of insurance claims for damage. This option illustrates that current funding levels will also undermine the recent £21m investment in roads reconstruction over the previous three years and will impact on the progress already made in arresting deterioration of the road network. Options 2,3 & 4 show how the RCI results can be affected by prioritising available funding towards different treatments.



3.17 Option 2 – Continuation of Current Funding £4.1m with increased surface treatments

		Option 2			Increase Preventative
Year 1 Budget: Type 1 - Option 1		£4,139,000			
Category	U-R	Strengthening Treatment	Resurfacing Treatment	Surface Treatment	
Principal (A) Roads (cat 2)	Urban	£103,475	£413,900	£0	Continuation of current funding at £4.1m is lower than the predicted steady state budget (Preventative) of £8.1m. Available funding is prioritised towards increased surface treatments and reduced strengthening.(Model treats more amber less red condition) The SCOTS model predicts that this level of funding will result in continued asset deterioration with only a marginal improvement on option 1 RCI at end of 20 years. The predicted RCI at the end of 20 years would be 59.60% This represents a 7.32% deterioration on current condition 51.95% (Based on network area).
	Rural	£258,688	£724,325	£827,800	
Classified (B) Roads (cat 3a)	Urban	£0	£155,213	£0	
	Rural	£103,475	£206,950	£310,425	
Classified (C) Roads (cat 3b)	Urban	£0	£103,475	£0	
	Rural	£0	£103,475	£258,688	
Unclassified Roads (cat 4a & 4b)	Urban	£0	£206,950	£0	
	Rural	£0	£103,475	£258,688	
Treatment Totals		£465,638	£2,017,763	£1,655,600	



This option shows a slight improvement on RCI over 20 years compared with Option 1 however funding is lower than steady state and deterioration of the asset will continue with increased demand for reactive maintenance.



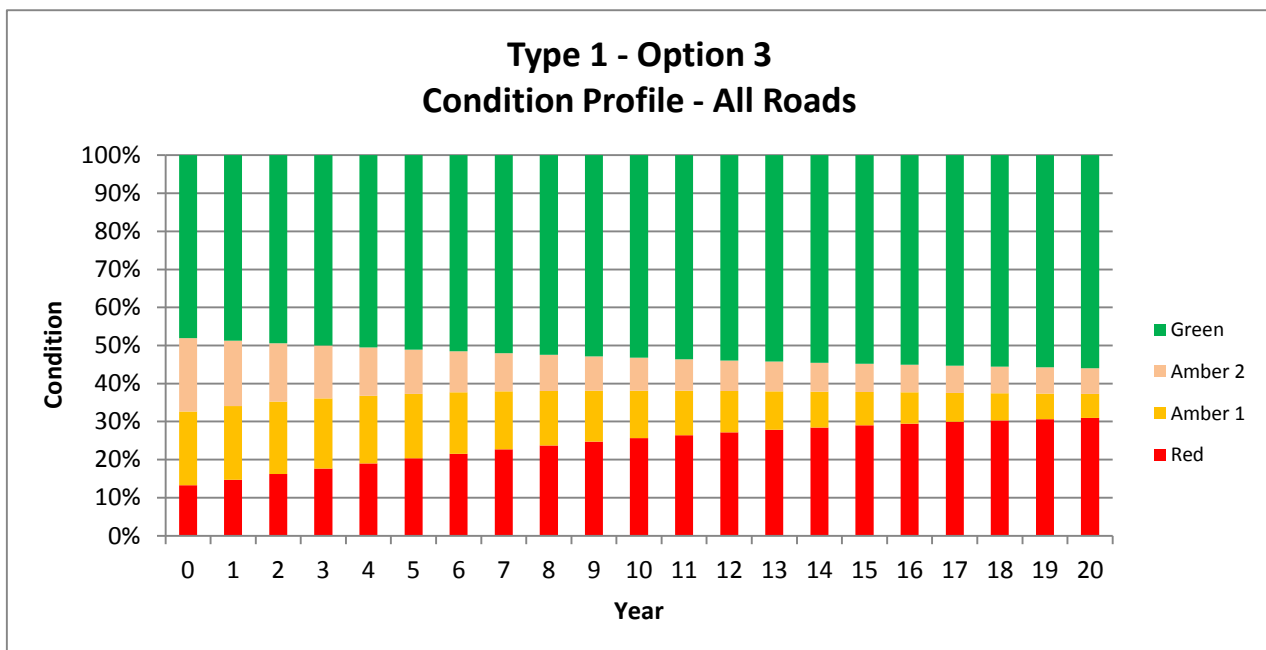
3.18 Option 3 – Continuation of Current Funding £4.1m with 80% surface and 20% resurfacing treatments

		Option 3	80/20 Preventative	
Year 1 Budget:				
Type 1 - Option 1		£4,139,000		
Category	U-R	Strengthening Treatment	Resurfacing Treatment	Surface Treatment
Principal (A) Roads (cat 2)	Urban	£0	£103,475	£463,900
	Rural	£0	£362,163	£1,228,650
Classified (B) Roads (cat 3a)	Urban	£0	£31,043	£174,170
	Rural	£0	£124,170	£456,680
Classified (C) Roads (cat 3b)	Urban	£0	£20,695	£82,780
	Rural	£0	£72,433	£339,730
Unclassified Roads (cat 4a & 4b)	Urban	£0	£41,390	£265,560
	Rural	£0	£72,433	£299,730
Treatment Totals		£0	£827,800	£3,311,200

Continuation of current funding at £4.1m is lower than the predicted steady state budget (Preventative) of £8.1m. Available funding is prioritised 80% on surface and 20% resurfacing treatments with no strengthening treatments. Model treats amber 1 & 2 condition bands only.

The SCOTS model predicts that this level of funding will result in an improved RCI over the 20 year period although the length of road within red condition band will increase significantly

The predicted RCI at the end of 20 years would be 44.05%. This represents a **7.90%** improvement on current condition 51.95% (Based on network area).



This option demonstrates the effect of prioritising funding towards more preventative treatments and treating only the amber condition bands (80% amber 2 and 20% amber 1). The model predicts an improvement in the overall RCI however roads within the red condition band would remain untreated and will continue to deteriorate necessitating increased reactive maintenance.

This option shows the best option to improve RCI however the natural tendency is to prioritise treatments towards roads in the worst condition.



3.19 Option 4 – Continuation of Current Funding £4.1m with increased strengthening and resurfacing treatments and no surface treatments.

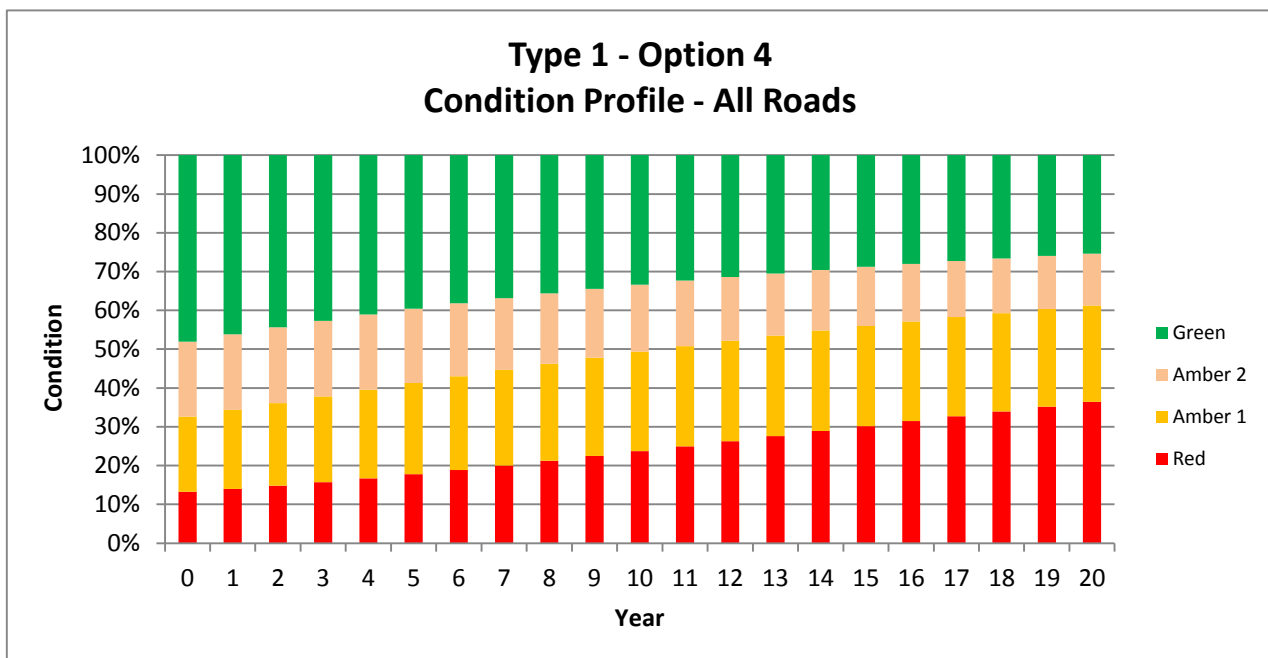
		Option 4		
		Increased Strengthening		
Year 1 Budget: Type 1 - Option 1		£4,000,000		
Category	U-R	Strengthening Treatment	Resurfacing Treatment	Surface Treatment
Principal (A) Roads (cat 2)	Urban	£155,213	£413,900	£0
	Rural	£569,113	£827,800	£0
Classified (B) Roads (cat 3a)	Urban	£51,738	£155,213	£0
	Rural	£206,950	£465,638	£0
Classified (C) Roads (cat 3b)	Urban	£51,738	£73,475	£0
	Rural	£206,950	£423,900	£0
Unclassified Roads (cat 4a & 4b)	Urban	£51,738	£206,950	£0
	Rural	£51,738	£226,950	£0
Treatment Totals		£1,345,175	£2,793,825	

Continuation of current funding at £4.1m is lower than the predicted steady state budget (Preventative) of £8.1m. Available funding is prioritised towards resurfacing and strengthening treatments only. The model treats red and amber 1 condition bands only.

The SCOTS model predicts option 4 as having the greatest deterioration and the worst RCI over 20 years.

The predicted RCI at the end of 20 years would be 74.64%. This represents a **22.69%** deterioration on current condition 51.95% (Based on network area).

£0



This option demonstrates the effect of prioritising funding towards roads in the poorest condition and clearly shows this will give the worst outcome for available funding. This is because prioritising funding towards routes in the poorest condition requires more expensive treatments and therefore less area can be attended. Meanwhile roads in good condition that could be maintained using much cheaper treatments are left unattended and continue to deteriorate more rapidly, necessitating the use of more expensive treatments to restore asset condition later in the deterioration cycle.



The SCOTS cost projection tool has been developed to provide predictions of future asset condition to assist decision makers making more informed choices. The model predictions are based around current available asset data from many local authorities and will be continually updated to ensure that model predictions match as closely as possible with actual road condition. There are other modelling tools available that use different criteria to predict future asset condition however it is felt that the SCOTS model because it has been developed in conjunction with Scottish local authorities actual data provides the most accurate predictions.

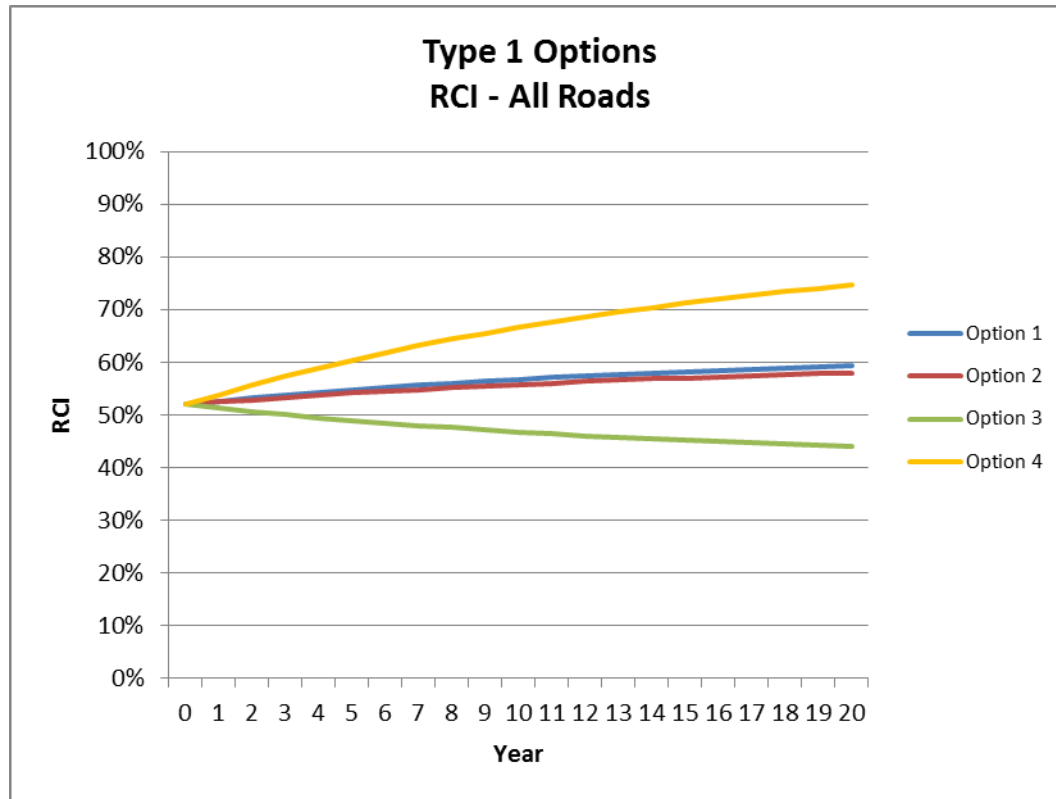
A key issue to note is that the latest SCOTS model predicts that an estimated steady state figure of £8.1m is required to maintain current road surface condition RCI. This has increased from previous model (£6.35m) due to an increase in treatment rates. Considering the models accuracy the recent £21m investment in roads reconstruction averaging £7.0m each year has arrested deterioration and provided a steady state RCI for two consecutive years. This would suggest that the SCOTS model predictions between £6.35 & £8.1m are quite reliable.

The latest SCOTS model provides the opportunity to compare four different maintenance scenarios based on the same funding. The four options presented provide an indication of how different treatment strategies can affect the RCI over time. Table 3.21 below details the predicted RCI results for all options over a twenty year period based on available funding of £4.1m. It should be noted that the year 0 RCI (51.95%) is different than reported RCI condition of 54.4%. This is because the reported RCI is based on network length whereas the SCOTS cost projection tool uses network area to calculate RCI.

All Roads RCI (Type1)				
Year	Option 1	Option 2	Option 3	Option 4
0	51.95%	51.95%	51.95%	51.95%
1	52.58%	52.44%	51.27%	53.86%
2	53.16%	52.90%	50.63%	55.65%
3	53.71%	53.33%	50.03%	57.34%
4	54.23%	53.74%	49.47%	58.92%
5	54.71%	54.13%	48.94%	60.41%
6	55.16%	54.50%	48.45%	61.81%
7	55.59%	54.85%	47.99%	63.13%
8	55.99%	55.18%	47.56%	64.37%
9	56.36%	55.49%	47.15%	65.54%
10	56.72%	55.78%	46.77%	66.63%
11	57.05%	56.06%	46.41%	67.67%
12	57.36%	56.33%	46.08%	68.64%
13	57.65%	56.58%	45.76%	69.55%
14	57.93%	56.81%	45.47%	70.42%
15	58.19%	57.04%	45.19%	71.23%
16	58.43%	57.25%	44.94%	71.99%
17	58.66%	57.45%	44.69%	72.71%
18	58.87%	57.64%	44.47%	73.39%
19	59.08%	57.82%	44.25%	74.03%
20	59.27%	58.00%	44.05%	74.64%
RCI Difference Years 0-20	-7.32%	-6.05%	+7.90%	-22.69%



The four options are presented graphically in terms of RCI for all roads below.



The model shows options one and two as having similar outcomes with both showing a continuing deterioration of the network in line with funding being less than the estimated steady state figure.

The model clearly shows option three as being the best. This option prioritises funding towards the use of cheaper treatments earlier in the deterioration cycle, therefore retarding deterioration and preserving roads already in reasonable condition whilst delaying the need for expensive corrective maintenance treatments. This option does not however provide any funding for roads in poorer condition or in the red condition band and these routes will continue to require reactive maintenance.

Option four demonstrates that prioritising funding towards roads in the poorest condition will deliver the worst outcome in terms of RCI. This option is provided because the natural tendency is for funding to be directed towards treating the worst condition sections of road. The model illustrates that this does not necessarily make the best use of available funding.

Populating the model provides useful comparisons between different funding options in order to derive the best value for money in terms of improving the RCI. It is obvious from the model that prioritising funding towards treatments earlier in the deterioration cycle will deliver the best opportunity of providing a sustainable asset for minimum expense.

The model also validates the opinion of road maintenance practitioners that maintenance strategies and available funding should be directed towards slowing down the rate of deterioration through increased preventative maintenance aimed at preserving or extending the service life of assets. This in turn will facilitate the opportunity to make the most of available investment in roads maintenance



and will deliver the best outcome in terms of improving road condition and contributing to the economic health and well-being of Argyll and Bute.

A key issue to note is that all of the options presented predict that the percentage network within the red condition band is likely to increase significantly over the next 20 years based on current investment levels. Details are provided in table below.

All Roads Red% (Type1)				
Year	Option 1	Option 2	Option 3	Option 4
0	13.29%	13.29%	13.29%	13.29%
1	14.32%	14.40%	14.74%	14.03%
2	15.37%	15.52%	16.20%	14.85%
3	16.42%	16.64%	17.62%	15.75%
4	17.48%	17.76%	19.00%	16.72%
5	18.53%	18.86%	20.31%	17.77%
6	19.57%	19.94%	21.54%	18.87%
7	20.60%	20.99%	22.69%	20.02%
8	21.62%	22.02%	23.76%	21.22%
9	22.61%	23.01%	24.74%	22.45%
10	23.58%	23.97%	25.63%	23.71%
11	24.52%	24.90%	26.45%	24.99%
12	25.44%	25.80%	27.19%	26.29%
13	26.33%	26.66%	27.86%	27.58%
14	27.19%	27.49%	28.46%	28.88%
15	28.01%	28.29%	29.00%	30.17%
16	28.81%	29.05%	29.48%	31.46%
17	29.58%	29.78%	29.92%	32.73%
18	30.32%	30.49%	30.31%	33.98%
19	31.03%	31.16%	30.66%	35.21%
20	31.71%	31.81%	30.97%	36.42%

The SCOTS model predicts that for all options the area of road within the red condition band is likely to more than double over the next twenty years. This is as a direct result of current investment levels being around half the estimated steady state figure of £8.1m. This will intensify the demand year on year for reactive treatments to the point where lack of available funding will lead to sections of the network having to be restricted in use or considered unsafe and closed to traffic.

3.20 Impacts

Currently insufficient data is available to determine the relationship between measured condition and the amount of reactive repair on the network. It is however logical to expect that a network in a more deteriorated condition will create an increased need for reactive repair. Recent atypically harsh winters have illustrated that the network is not resilient. Deterioration of condition as predicted in most of the options above can be expected to exacerbate this vulnerability.



3.21 New Roads and Streetworks Act and Scottish Roadworks Register

All Roads Authorities have a statutory obligation to co-ordinate, monitor and inspect the works of others in the roads community. This requires the council to manage and co-ordinate their works, the works of external contractors and public utility companies in accordance with the New Roads and Streetworks Act 1991.

The aim is to minimise disruption and delay to road users and to improve the quality and longevity of reinstatement works within the highway boundary. Section 118 (1) of the New Roads and Street Works Act 1991 states that the Roads Authority has a duty to use its best endeavours to co-ordinate the execution of works of all kinds in the roads under its responsibility;

- In the interest of safety
- To minimise the inconvenience to persons using the road (having regard, in particular to the needs of the disabled) and,
- To protect the structure and integrity of the road including any apparatus within it.

3.21.1 Utility Company Activity

Actual start notices of intended works are detailed within table 3.22.1 below;

Utility Company	Bute	Cowal	Helensburgh	Kintyre	Mid Argyll	Lorn	Mull	Islay	Totals
Scottish Water	15	131	82	35	88	75	17	18	461
BT	81	152	169	109	61	329	69	57	1027
SGN	10	61	56	28	0	13	0	0	168
S&S - Scottish Power	11	30	69	22	17	9	0	0	158
Totals 2014-15	117	374	376	194	166	426	86	75	1814
Totals from previous year 2013-14	34	126	271	100	88	108	29	37	793

Data source – NRSWA Co-ordinator

3.21.2 Utility Inspections

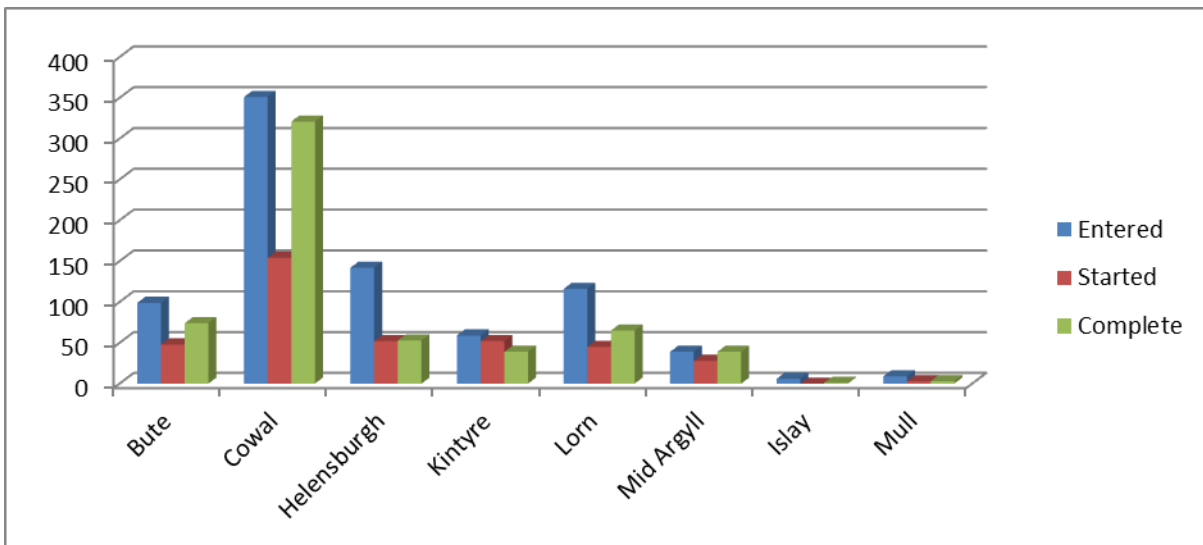
In accordance with the New Roads and Streetworks Act 1990 the council carries out several types of inspection to ensure compliance with the Act and to monitor the quality of reinstatements undertaken by utility companies. Table 3.22.2 below details the type and number of inspections carried out during 2014-15.



Table 3.22.2 Inspections									
Inspection Type	Bute	Cowal	Helensburgh	Kintyre	Mid Argyll	Lorn	Mull	Islay	Totals
Sample									
A - Works in Progress	13	73	27	3	9	3	0	0	128
B – Within 6 Months	17	60	52	12	9	26	1	0	177
C – Prior to end of Guarantee	12	52	65	5	15	19	1	0	169
Defects									474
DAR – Defective Apparatus reported		11	1	3		8		1	374 (2013-14)
DAT – Defective apparatus 3 rd party report	4	36		5		2			
D/A2 – Defect follow up report	38	134	2	29		18			
D/2 – Defect follow up inspection	4	21	36	8	1				
D/3 – Defect completion inspection	4	5	5	7	1	1			
T/A – Target sample A inspection	2	16	8	1					
TPR – Third party report all categories	1	1	1	3		3			
RTN – Routine inspection all categories	2	9		7	1		1		
Totals 2014-15	97	418	197	83	36	80	3	1	
Totals from previous year 2013-14	63	312	207	76	47	38	2	3	
Data source - NRSWA Co-ordinator									

3.21.3 Register of Council Works

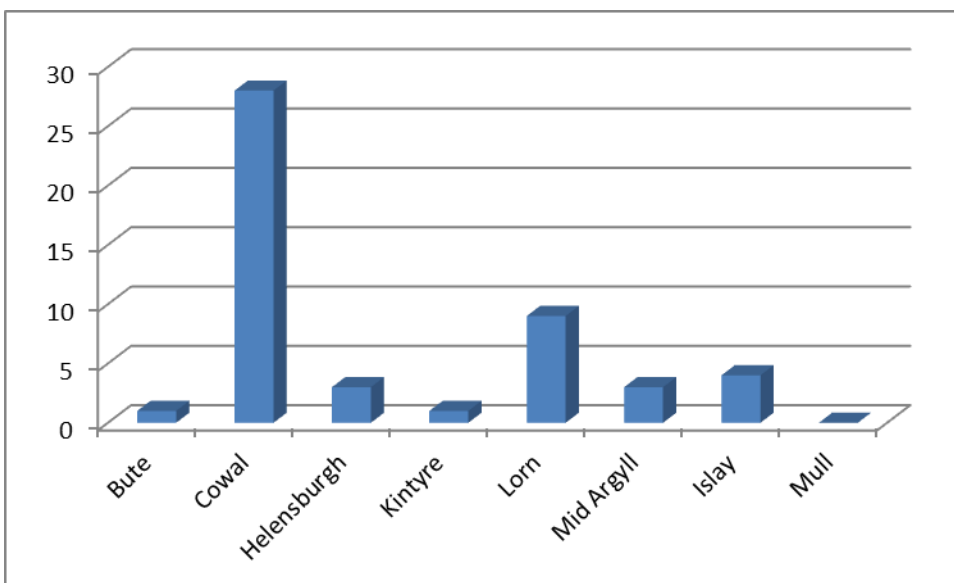
It is also a requirement for the council to enter some works (Type that require advance notification) on the Scottish Roadworks Register. The graph below illustrates the noticing activity for works being undertaken by the council.



There may be some variation between the number of notices entered, started and completed on the register. Reasons for this include; Weather, Budgetary constraints, works rescheduled or perhaps works have been cancelled.

3.21.4 Road Opening permits, Skips, Scaffolds and Parades

The Roads Authority is also responsible for logging permissions and permits on the Scottish Roadworks Register – Skips, Scaffolds Road Opening Permits and Parades. The graph below shows the level of such activity for 2014-15 within each council area.



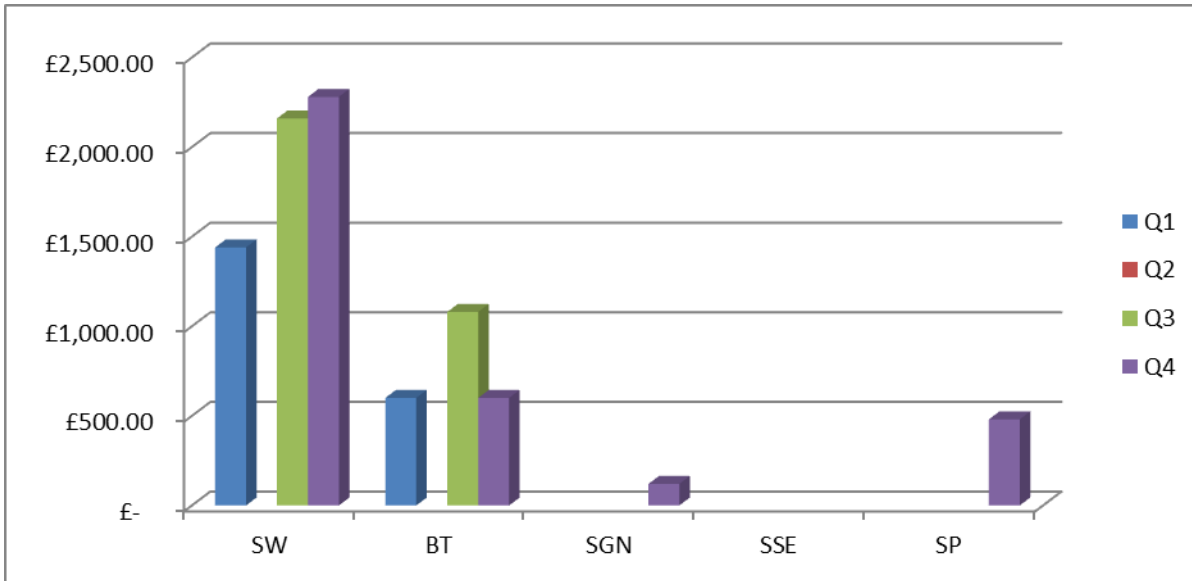
3.21.5 Inspection Fees and Penalties for Non Compliance



The council in exercising its duty to co-ordinate, monitor and inspect utility works can recoup some of the associated management costs through an agreed system of inspection fees, fixed penalty notices and an associated fine for any breach of legislation regards the Scottish Roadworks Register.

Roads Authorities are not currently served with fixed penalty notices but can currently be fined up to £50,000 (potential increase to £200k) by the Commissioner for poor performance.

The graph below shows the costs recouped from each utility company in fines for Fixed Penalty Notices during 2014-15.



The income generated from the chargeable inspections and fees contributes to funding service provision.

3.21.6 Utility Coring Results

Results from the national coring exercise demonstrate an overall improvement in the quality of utility reinstatements undertaken within Argyll and Bute Council between 2006 – 2014. This in part can be attributed to the council having a dedicated team of Inspectors focusing solely on utility works. This developed a good working relationship with contracting companies and ensured quality reinstatements were being delivered. The coring results are detailed within Table 3.22.6 below;

Year	2006	2008	2010	2012	2014
British Telecom (BT)	50	0	0	0	0
SGN	37.5	33.33	0	0	0
Scottish Power (SP)	16.67	37.5	0	0	0
Scottish & Southern Electricity (SSE)	36.36	33.3	0	0	0
Scottish Water (SW)	58.33	0	7.69	5	7.2
THUS	44.44				
Data source - NRSWA Co-ordinator					

3.22 Loss

Options for changes to 3rd party claims/loss costs have not been explored as part of this carriageway annual assessment. Table 3.18 below details the historical claims data reported to APSE.

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of claims received	103	182	199	95	144	55
Number of claims settled	21	17	35	16	19	16
Value of settled claims	£2318.41	£8132.74	£9,308	£6,151.18	£4,629.40	£3,926.68
Number of Non-Repudiated 3 rd party claims settled in previous 3 years	43	50	73	68	70	51

3.23 Operating Costs

Options for changes to operating costs have not been explored as part of this annual assessment. However as more data is captured on maintenance activities, overheads and other fixed costs will need to be assessed to identify any potential saving in the provision of a best value service.

3.24 Improvement Actions

The following actions are recommended to improve the accuracy of carriageway asset data in future versions of this report

- Inventory collection to fully populate database.
- Improved record keeping of all maintenance works including capital reconstruction within WDM particularly physical quantities so that this can be related to costs so as to demonstrate value.



- Currently carriageway condition is reported via the Road Condition Index (RCI) which relates only to surface condition. Good drainage of the carriageway is also vital to prolonging service life and minimising whole life costs and consideration should be given to establishing a condition index and regular survey of drainage assets to establish necessary investment needs and works programmes.
- Consideration should be given to a review of current verge maintenance standards and to increase preventative maintenance activities in general to protect road asset and generate longer term savings.

3.25 Option Summary

A summary of the aforementioned investment options is detailed below.

Carriageways					
No.	Options		Predicted Condition (RCI)		Comment
	Description	Annual Funding	Year 1 2015	Year 20 2035	
1	Continuation of current funding. Capital treatments spread across Amber 1, 2 and Red RCI condition bands	Capital £4.1m Revenue £ 4.2m **	54.4% (51.95%)*	61.72% (59.27%)*	Carriageway condition is predicted to deteriorate undermining the previous £21m investment in roads reconstruction projects.
2	Continuation of current funding Capital prioritised towards treatment of all RCI condition bands but with increased priority on amber 2 condition and less on red condition.	Capital £4.1m Revenue £4.2m **	54.4% (51.95%)*	60.45% (58.00%)*	Carriageway condition predicted to deteriorate at a marginally slower rate than option 1.
3	Continuation of current funding with Capital prioritised towards treatment of amber RCI condition bands only. available funding split 80% amber 2 RCI condition and 20% amber 2 RCI condition.	Capital £4.0m Revenue £4.2m **	54.4% (51.95%)*	46.50% (44.05%)*	Carriageway condition predicted to improve in terms of RCI through investment in cheaper treatments earlier in the deterioration cycle. However this option does not provide funding for routes in the poorest condition which will incur increasing costs for reactive maintenance.



4	Continuation of current funding with capital prioritised towards treatment of Red and Amber 1 condition bands (worst condition routes)	Capital £4.1m	54.4% (51.95%)*	77.09% (74.64%)*	Carriageway condition is predicted to deteriorate significantly. This option demonstrates the need to prioritise investments towards more preventative maintenance earlier in the deterioration cycle.
		Revenue £4.2m**			
5	Steady State	Capital Est £8.0m	54.4% (51.95%)*	54.4% (51.95%)*	SCOTS Estimated steady state calculation required to maintain current condition across all RCI condition bands, Red, Amber 1 & 2
		Revenue £4.2m**			
6	Continuation of current funding as per option 3 with the addition of Structural Patching funded from Capital investment.	Capital £4.1m	This option offers a potential mechanism to increase funding for essential preventative maintenance within Revenue budget to extend service life of assets and uses Capital funding for structural patching to tackle the increasing reactive maintenance costs on worst condition roads.		
		Capital £1.3m			
		Revenue £4.3m			
<p>RCI = Road Condition Index = percentage of the asset in need of maintenance (combined red + amber condition bands)</p> <p>**Note – Revenue budget figures are estimated and may be subject to change.</p> <p>*Note – RCI values from SCOTS cost projection tool calculation which are based on road surface area.</p>					



4 Footways & Footpaths

4.1 The Asset

The council's footways (path adjacent to carriageway) asset totals 420km. The quantities of footway are based on current available inventory data stored within the pavement management system WDM. These quantities will be reviewed and updated as more inventory data is collected.

Footway Hierarchy	Length (m)	Area (sqm)
Higher Amenity Footways	41,977	117,536
Other Footways	377,796	755,592
Total	419,773	873,128
Quantities based on current WDM inventory data.		

The council's Footpath (path remote from carriageway) asset is detailed within the Public List of Roads and totals 9.2Km as in Table 4.1b below;

Quantity	Length (m)	Area (sqm)
All Footpaths	9,195	11,034
Total	9,195	11,034
Data Source - Public List of Roads Note – Area is estimated based on average width of 1.2m		

4.2 Asset Value

The council's footways assets were valued in accordance with the CIPFA Transport Asset Code and are detailed in Table 4.2 below;

Classification	Gross Replacement Cost (GRC)	Depreciated Replacement Cost (DRC)	Annualised Depreciation (AD)	Accumulated Depreciation
Footways	£63,268,159	£45,644,857	£800,780	£17,623,302
Footpaths	£781,538	£557,050	£9,900	£224,488
Total	£64,049,697	£46,221,907	£810,680	£17,847,790
Data source – WGA valuation spreadsheet 2015				



4.3 Maintenance Backlog

There is insufficient data available to calculate the footway asset maintenance backlog.

4.4 Investment

4.4.1 Historical Investment

Historical investment in footways has been as shown in Table 4.4.1 below;

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Footways (Revenue)	£138,791	£215,907	£186,990	£61,675	£226,263	£187,066	
Footways (Capital)	£25,056	Nil	£144,057	£0 *	£271,265	£81,609	
Cycleways (Capital)	Nil	Nil	£552,449**	£0 *	£93,954		
* Note - Value needs confirmation ** Note – Value may include works on non-adopted cycleways Data source – Finance end of year accounts							

4.4.2 Last Year's investment

During 2014-15 the investment in the footway asset was as detailed in Table 4.4.2 below;

Cost of All Maintenance Work on Footway	Spend (£)	Percentage of Total F/way Spend
Cost of Planned Maintenance	£470,258	97%
Cost of Reactive Maintenance	£13,291	3%
Cost of Routine Maintenance	£nil	0%
Total	£483,549	100 %
Data Source – WGA / APSE returns		
Note - Planned maintenance may include works externally funded on non- adopted cycleways.		

4.5 Output

Output from investment during 2014-15 is detailed in Table 4.5 below. The Table will be populated as more data becomes available.



Category		Output
Capital	£316k	
Capital schemes (planned maintenance)	£316k	Various schemes throughout Argyll
Revenue	£168k	
	£56k	- Weed Spraying - £56k
	£112k	- Footways/Kerbs & Cycleway Patching - £112k
Data source – Road Operations Manager, R10 Maintenance.		









4.6 Condition

There is currently no footway condition survey undertaken therefore a detailed analysis of the asset condition cannot be undertaken.

4.6.1 Condition Index

Asset condition data is a valuable tool which can be used to predict and report on future funding needs. It also provides information on whether current investment levels are adequate to ensure the asset is fit for purpose and meets user requirements or whether it is deteriorating or improving. There is an obvious need to assess the condition of the footway asset in order that investment needs can be determined and planned maintenance programmed. The SCOTS forum has been developing a cost effective method of implementing the assessment of footway condition using existing road inspectors and a simple condition index which is based on the Footway Network Survey (FNS) methodology.

The condition index provides a four level indicator as detailed in Table 4.6.1 below.

Condition Level	Description	Examples	Comment	
1	As New	Brand New footway, recently resurfaced or good sound condition with no defects.		
2	Aesthetically Impaired	Sound footways with patching, Modular footways with sound bituminous patches. Modular footways with elements of different colour/age/material.		
3	Functionally Impaired	Cracked but level flags/blocks. Minor surface deterioration/fretting/cracking		
4	Structurally Unsound	Cracked uneven slabs Major fretting and potholing Poor shape , potential trip hazards etc		

Implementing the use of the footway condition index will require some in-house training to develop a consistent approach delivering reliable results that can be used to determine future investment need.

There is also potential for this simple condition index to be applied to practically any asset including ditches, safety barriers, cattle grids Etc. with the advantage that it may be carried out through the course of existing inspection schedules.

4.7 Reactive Repairs

Table 4.4.2 above shows that £13,291 (3% of total cost) was spent on reactive maintenance in 2014/15.

4.8 Options: Planned Maintenance

There is currently insufficient data available to project future condition and maintenance costs. The only option presented is an estimated steady state budget based on current available data.

4.8.1 Steady State

The following steady state projection is based upon estimated asset length (moderate confidence), estimated average width and estimated unit rate for the replacement of surfacing materials along with Engineers estimate for expected service life (60years) of surfaces. The basis of the calculation is detailed within Table 4.8.1a below, illustrated graphically and tabulated for various expected service life scenarios in Table 4.8.1b. These calculations will be updated in future versions of this report as more detailed data on the footway asset becomes available.

Table 4.8.1 Estimated Steady State Budget					
Asset Inventory (estimated)					
Asset Length		Average Width		Total Area	
429	Km	2.06	m	883740	Sqm
Unit Rate for surfacing		Expected Service Life		Annual Surfacing Quantity	
£15.00	Sqm	60	Years	14729	Sqm
Estimated Steady State Budget				Annual Surfacing length	
£220,935				7.15	Km

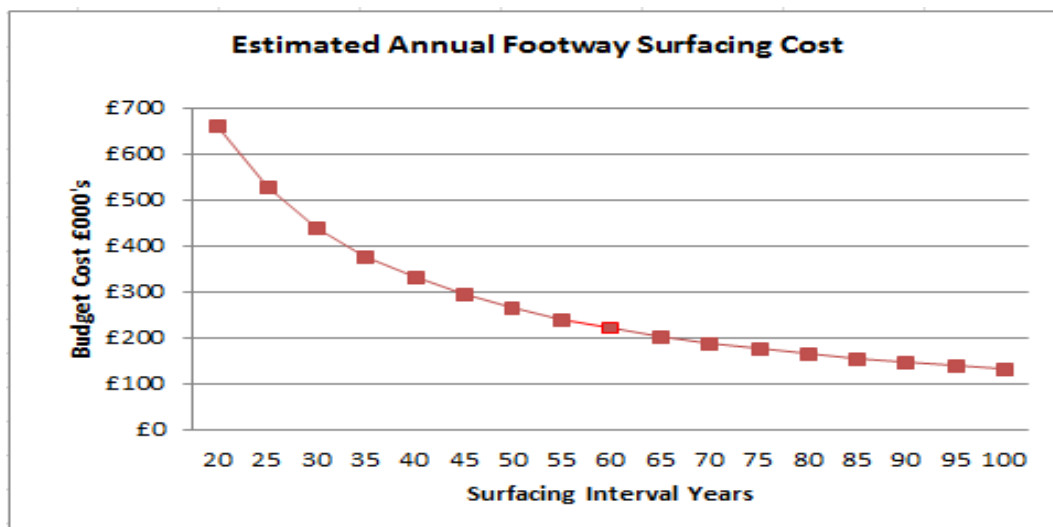


Table 4.8.1b Expected Service Life versus Estimated Annual Budget			
Expected Service Life	Annual Budget Required	Expected Service Life	Estimated Annual Budget
20	£662,805	65	£203,940
25	£530,244	70	£189,373
30	£441,870	75	£176,748
35	£378,746	80	£165,701
40	£331,403	85	£155,954
45	£294,580	90	£147,290
50	£265,122	95	£139,538
55	£241,020	100	£132,561
60	£220,935		

Note - values based on Table 4.8.1a data.



4.9 Improvement Actions

There is merit in collecting additional data on the footway asset to permit more detailed reporting on the assets future maintenance requirements. The actions required to project future investment needs include;

- The extent of the asset should be determined through a programme of detailed inventory collection.
- A suitable condition index used to assess and quantify maintenance needs.
- The existing maintenance hierarchy reviewed to align with the functionality and use of the asset.
- Capturing maintenance cost data to allow accurate financial modelling.

More detailed investment options can be developed as this data becomes available.

4.10 Option Summary

Footways					
No.	Options		Predicted Condition (FCI)		Comment
			Year1 2015	Year 20 2035	
	Description	Annual Funding			
1	Assumed Steady State (Based on criteria within – Table 4.8.1a)	Capital £221k Revenue N/A	N/A	N/A	Estimated by officers to be required to replace surfacing on average every 60 years
2	Current Funding	Capital £0k Revenue £96k	N/A	N/A	Current Capital funding does not provide any investment in surface renewal.
<p>FCI = Footway Condition Index = the percentage of footway in a deteriorated condition (functional and structural deterioration added together)</p> <p>Footway condition surveys are not currently undertaken.</p> <p>Comment – Steady state figure is based on estimated values and therefore may be subject to change as more detailed data becomes available.</p>					



5 Street Lighting

5.1 The Asset

The council's street lighting assets are detailed within Table 5.1 below:

Table 5.1 Street Lighting Asset Inventory					
Street Lighting Columns by Material Type					
Material Type					Total
Non Galvanised Steel					2959
Galvanised Steel					9657
Concrete					45
Aluminium					1087
Fibreglass					6
Cast Iron					
Wood Poles					183
Wall Brackets					
Total					13937
Street Lighting Lamp Assets					
Lamp Type	UMSUG Assessed Circuit Wattage (W)				Total
	0-50W	50-100W	100W-150W	150W+	
SON (High Pressure Sodium vapour)		10596	2847	100	13543
SOX (Low pressure Sodium Vapour)	7	133	6		146
HQI (High Intensity discharge ?)		3			3
MCF	422				422
TUN	65		4		69
PLS	45				45
LED	137	66			203
TOTAL					14431
Street Lighting Cable Assets					
Location					Total (m)
Carriageway (based on 10% asset length)					41811
Footway (based on 50% asset length)					209055
Verge (based on 40% asset length)					167244
Total (based on estimated 30 Lin m per S/L column)					418.11 Km
Asset growth		Over the last 5 years the street lighting asset has grown by (Data not currently available % & Qty) lighting columns primarily due to estate adoptions.			

5.2 Asset Value

The Council's street lighting asset was valued in accordance with the CIPFA Transport Infrastructure Asset Code and a summary of the results detailed in Table 5.2.1 below;



Street Lighting Assets	Gross Replacement Cost (GRC)	Depreciated Replacement Cost (DRC)	Accumulated Consumption (AC)	Annualised Depreciation (AD)
Columns	£43,367,583	£23,522,721	£19,844,861	£1,061,674
Luminaires	£2,163,300	£1,034,040	£1,129,260	£108,165
Illuminated Signs	£212,000	£103,980	£108,020	£8,480
Illuminated Bollards	£13,800	£6,852	£6,948	£552
Total	£45,756,683	£24,667,593	£21,089,089	£1,178,871

AD is the average amount by which the asset will depreciate in one year if there is no investment in renewal of the asset. It is based upon replacement of components at the end of Expected Service Life (ESL).

A detailed valuation of the street lighting column asset is shown in Table 5.2.2 below;

Street Lighting Column Assets	Gross Replacement Cost	Depreciated Replacement Cost	Annualised Depreciation Cost	Total Depreciation
Non Galvanised Steel	£4,287,087	£171,483	£171,483	£4,115,604
Galvanised Steel	£13,839,419	£7,811,640	£461,314	£6,027,779
Concrete	£35,494	£1,183	£1,183	£34,311
Aluminium (pre 2000)	£860,200	£354,991	£21,505	£505,209
Aluminium (post 2000)	£0	£0	£0	£0
Stainless Steel	£13,440	£12,864	£192	£576
Cast Iron	£0	£0	£0	£0
Cable Assets				
Cable under Carriageway	£2,845,920	£1,778,700	£47,432	£1,067,220
Cable under Footway	£12,722,760	£7,951,725	£212,046	£4,771,035
Cable under Verge	£8,624,000	£5,390,000	£143,733	£3,234,000
Other Street Lighting Assets				
Wall Bracket	£0	£0	£0	£0
Wooden Pole	£139,263	£50,135	£2,785	£89,128
High Mast Column	£0	£0	£0	£0
Control Cabinet	£0	£0	£0	£0
Total	£43,367,583	£23,522,721	£1,061,674	£19,844,862

Unit rates used to compile valuation are shown in Table 5.2.3 below;



Column Material	Height (m)	Supply	Renewal Rate	Basis	Comment
Galvanised Steel	5	Private Supply	£761.00	Average Rate	Unit rates are based on average cost of replacement – All new Columns being galvanised steel.
		DNO Supply	£1,311.00	Average Rate	
	6	Private Supply	£794.00	Average Rate	
		DNO Supply	£1,344.00	Average Rate	
	8	Private Supply	£1,069.00	Average Rate	
		DNO Supply	£1,619.00	Average Rate	
	10	Private Supply	£1,250.00	Average Rate	
		DNO Supply	£1,800.00	Average Rate	
All Luminaires	All units		£200/ each	Estimated average	
Cable	Carriageway	All	£66.00	Average Rate	
	Footway	All	£59.00	Average Rate	
	Verge	All	£50.00	Average Rate	
Wall Bracket	inc. surface cabling / supply	Private Supply	£400.00	Estimated	
		DNO Supply	£400.00	Estimated	

5.3 Condition

The condition of lighting assets is normally judged on the age of the asset and whether it has exceeded its design life. Detailed condition data for the council street lighting asset is hindered by the absence of records relating to installation dates for each asset type. It is intended to undertake a condition survey of lighting assets and on completion of same details can be reported in future versions of this report.

Table 5.3 below details the average expected service lives (ESL) of street lighting components.

Column Type	ESL (Years)
Non Galvanised Steel	20
Galvanised Steel	40
Concrete	30
Aluminium	40
Stainless Steel	70
Cast Iron	100
Other (Wall Mounted Equipment)	25



5.4 Structural Condition

There is currently no programme of structural testing carried out on lighting columns other than a visual inspection.

5.5 Lanterns /Equipment Age and Obsolescence

Luminaires and other equipment have a finite life. They can require replacement either as a result of reaching the end of their service life or as a result of becoming obsolete/in need of replacement with more modern equipment. Luminaires and other equipment are routinely replaced discretely from the columns they are fixed to. The current lamp inventory is shown in Table 5.1 above.

5.6 Age Profile

The age profile of the lighting asset is generally unknown with many of the asset components considered to be beyond their ESL. Data on the age of components exists only for recent works within last ten years approx. therefore confidence in the age profile is low.

In addition to columns and lamps a length of street lighting cable is owned by the council as shown/estimated in Table 4.1 above. The cable infrastructure is considered by officers to be well past its design life with reactive repairs to 5th core failures increasing. The 5th core cable network is owned and maintained by Scottish and Southern Electricity(SSE) and this can lead to lengthy delays in returning sections of street lighting to working order whilst SSE undertake repair. It can also entail the need for Argyll and Bute Council to install new cabling along a whole street or section, often at short notice to rectify lighting system 5th core failures.

5.7 Asset Growth

There is insufficient data available at present to determine growth statistics.

5.8 Energy Use and Cost

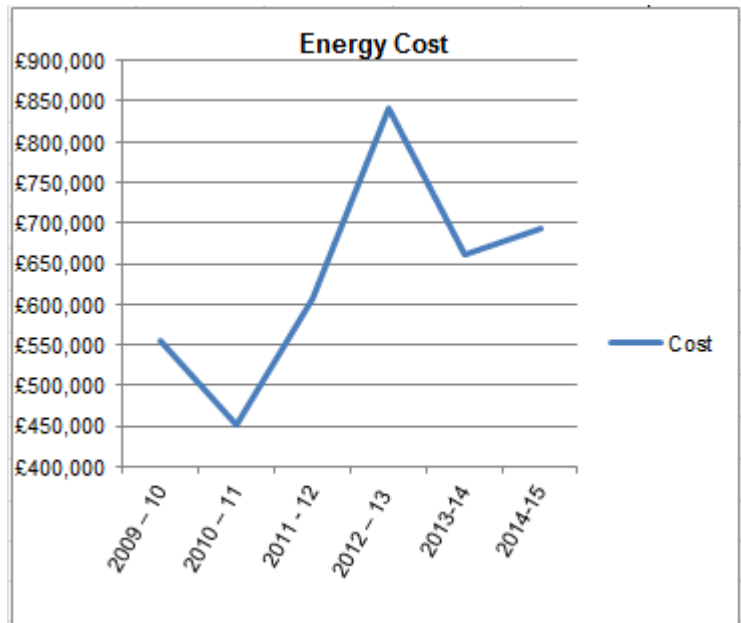
Increasing energy costs are a significant challenge requiring increased investment in low energy components to offset costs. This coupled with a desire to reduce carbon adds greater pressure to invest wisely in asset renewal/replacement.

The cost of energy is calculated based on the total wattage of street lamps and other illuminated signs, actual charge per unit and estimated annualised burning hours.

Table 5.8 below details historical energy costs.



Year	Cost
2009 – 10	£553,971
2010 – 11	£450,379
2011 - 12	£607,005
2012 – 13	£841,333
2013 - 14	£661,513
2014 – 15	£692,994
Data Source – Finance	



Energy costs in financial year 2014-15 are on a par with previous year but still present a significant challenge and need to be closely monitored to ensure they are kept to a minimum and that available investment is targeted towards reducing annual expenditure.

5.9 Performance

Basic safety is delivered via a regime of visual inspection, electrical testing and reactive repair. Statistics illustrating current performance in meeting standards for reactive repair and testing as defined by our maintenance agreement, electrical wiring regulations and the recommendations of the Institute of Lighting Professionals are shown in table 5.9 below;

Indicator	2010-11 results	2011-12 results	2012 – 13 Results	Comments
Number/Percentage of Street lights with a valid electrical certificate	2500/18.5 %		9,400	2500/13465 columns
Number of street lighting faults	1999		2800	
Number of Dark lamps reported	1449	1701	2317	
Percentage of dark lamps restored to working condition within 5 days	76%	93%	91.89	



Number of 5th core cable failures requiring replacement.	52	98	114	Likely to increase each year due to poor cable circuitry condition which is far exceeding its design life expectancy
Average time to repair lamps	N/A	N/A	2.48 days	No data

5.10 Benchmarking

A benchmarking questionnaire was sent to 14 different councils across England, Scotland and Wales in December 2012 with three councils returning information as detailed in Table 5.10 below;

Table 5.10 Benchmarking				
	Argyll and Bute Council	Highland Council	Devon County Council	Scottish Borders
Number of lighting units	14813	51,283	76549	
Spending street lighting (Capital and Revenue) 2011/12	Revenue: £375,000.00 Capital: £530,000.00	Revenue - £1,044,000 Capital- £500K	Revenue: £4,634,100.00 Capital: £300,000.00	Revenue: £716,298.00 Capital: £350,000.00
Actual charge per unit (electricity supplier) 2011/12	£ 12p/kwH	12P/Kwhr	£ 9p/kwH for first six months and £ 10.5p/kwH for remainder.	8.8p/kwH
Age profile of lighting columns	30% over 40 years 20% 30 - 40 years 10% 20 - 30 years 40% under 20 years	4% 16% 20% 60%	35% over 30 years 4% 25 - 30 years 7% 20 – 25 years 54% under 20 years	7% over 40 years 1.5% 30 - 40 years 43.5% 20 - 30 years 48% under 20 years
Street lighting – the % of all street lighting repairs completed within 7 days	95% (check pyramid)	94%	2011/12: 99.36% (5 day response)	NO DATA
Traffic light repairs – the % of all traffic light repairs completed within 48 hours	100%	100%	Our standard is 4 hour response – we achieve 87%. So we probably achieve 100% in 48 hours	NOT RECORDED



5.11 Investment in Lighting

5.11.1 Historical investment

Historical investment in lighting has been as shown in the table 5.11.1 below:

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Capital	£585,647	£740,616	£729,376	£532,925	£551,264	£562,800
Revenue	£619,130	£623,624	£815,379	£375,416	£356,724	£387,984

5.11.2 Last Year's investment

During 2014-15 the investment in the street lighting asset was as shown in table 5.11.2 below;

Cost of All Maintenance Work on Street Lighting	Spend (£)	Percentage of Total Spend
Planned Maintenance (Capital)	£562800	59%
Reactive Repairs (Revenue)	£306609	32%
Routine Maintenance (Revenue)	£81375	9%
Total	£950784	100%
Data source – Finance, Street lighting.		
* Values include for works on Traffic Signal Asset.		

5.12 Output from Investment

The output from investment in during 2014-15 is detailed in Table 5.12 below;

Category		Output
Capital	£552k	<ul style="list-style-type: none"> - Mid Argyll, Kintyre & Islands (£64k) - Oban, Lorn & Isles (£83k) - Bute & Cowal (£172k) - Lomond (£233k)
Revenue	£357k	
Reactive Repairs	£284k	<ul style="list-style-type: none"> - Mid Argyll, Kintyre & Islands (£69k) - Oban, Lorn & Isles (£39k) - Bute & Cowal (£98k) - Lomond (£78k)
Routine maintenance	£73k	<ul style="list-style-type: none"> - Mid Argyll, Kintyre & Islands (£21k) - Oban, Lorn & Isles (£19k) - Bute & Cowal (£19k) - Lomond (14k)
Total Investment	£909k	Capital + Revenue
Data source – Finance, Street lighting Costs include for all works (cabling, columns, lanterns, trench reinstatement, site supervision etc) Note – All measurements and costs are indicative only and should not be used for any other purpose. They are based on data available at time of this report and subject to verification.		

5.13 Investment Options

An updated inventory survey has been completed. This will allow a detailed business case to be produced detailing investment opportunities and options.

5.14 Predicted Future Funding Need

Future funding needs can be predicted more accurately as more information on asset inventory, condition, and maintenance costs becomes available. This is a recognised benefit of implementing and practicing an accepted asset management approach.

5.15 Maintenance/Cost Impacts

The impact on reactive maintenance costs attributed to more columns exceeding their expected service life cannot be quantified at this time. Further work needs to be undertaken to understand the relationship between street lighting asset (column) age/condition and corresponding reactive maintenance costs if these impacts are to be understood better.

5.16 Improvement Actions

The following actions are recommended to improve the accuracy of future versions of this report;

- Inventory collection to fully populate WDM database.



- Provide IT link between WDM and TOTAL to enable true unit costs to be produced.
- Improved record keeping of all maintenance works including capital replacement within WDM.
- There is merit in attempting to establish a more accurate age profile of the street lighting asset in order to facilitate using the SCOTS cost projection and energy modelling tools to predict future investment needs. This exercise would attribute an installation date based on available records or officer opinion and would allow more comprehensive reporting of the asset condition and investment needs.

5.17 Option Summary

Street Lighting					
No.	Options		Predicted Condition (SLCI)		Comment
			Yr1 2015	Year 20 2035	
	Funding	Annual Funding			
1	Assumed Steady State	Capital £1.18m	N/A	N/A	Capital Investment based on Annual Depreciation Table 5.2.1. Street Lighting Valuation.
		Revenue £500k*			
2	Current Funding	Capital £292k			
		Revenue £352k			
<p>*Note – Value is estimated Comment – There is currently insufficient data to provide future predictions of funding need and investment options.</p>					



6 Structures

6.1 The Asset

The structures listed within this report relate only to structures owned and maintained by the Council which form an integral part of the carriageway asset. It does not include;

- Structures not owned or maintained by Argyll and Bute Council.
- Structures located on the Trunk road network which are maintained by Transport Scotland.
- Structures located on private roads or maintained by others
- Buildings or property

6.2 Inventory

The authority's structures asset is detailed in Table 6.2 below:

Type of Structure	Description	Number of Structures
Bridge	Road over Road	5
	Road over Rail	7
	Road over River single span	774
	Road over River two or more spans	94
	Footbridge	15 (see note 3)
	Total Number of Bridge Structures	895
Retaining Walls		Approx. length 130 Km or 1556 No.
Culverts		369 [see Note 2]
Other Structures		See Note 1

Notes; 1. There are other owners of structures on the network, e.g. Network Rail for which some financial liability may rest with the council. There are also a number of coastal structures.

2. Culverts of span 0.9m – 1.5m total span only. However, the database is not complete. Culverts of lesser spans are not currently recorded.
3. Some footbridges are located remotely from the road asset on unadopted footpaths. These structures may have ownership/maintenance liability to be resolved.



6.3 Growth

Inventory data is being collected as available resources permit although there is not expected to be much change year on year. Trunking of A83 Kennecraig to Campbeltown has resulted in a small reduction in the structures inventory.

6.4 Asset Value

The Councils structures assets were valued at April 2015 as detailed within Table 6.4 below;

Classification	Gross Replacement Cost (GRC)	Depreciated Replacement Cost (DRC)	Annualised Depreciation (AD)
Total	£560,561,334	N/A	N/A

The Depreciated Replacement Cost (DRC) has not been calculated due to insufficient data

The Annualised Depreciation (AD) calculation has not been calculated as the methodology is still under development and review by CSS Wales.

6.5 Inspection

The inspection regime applied to the structures stock is as illustrated below:

Performance Indicator	APSE Ref.	No.
Number of general inspections scheduled to be undertaken.	SNGIS	305
Number of general inspections undertaken on time.	SNGIU	303
The frequency of general inspections (in years)	SFGIS	2

6.6 Structural Condition: Failed Assessment/Strength

A number of structures on the network have failed structural assessment (40T). These are potentially in need of strengthening works and are detailed in Table 6.6a below;

Performance Indicator	APSE Ref.	No.
Number of council owned / maintained bridges that failed assessment	BSBFA	21
Number of privately owned bridges within council's road network that failed assessment (passed 3t assessment)	BSPFA	N/A
Number of council owned / maintained bridges subject to monitoring/special inspection regimes	BSBSI	11



For some of the structures included in the statistics above a continuance of the special monitoring/special inspection regime is acceptable in the short term as shown in Table 6.6b below;

Type of Restriction	APSE Ref.	No.
Council owned / maintained weight restricted bridges (excluding acceptable weight restriction)	NBWRB	11
Council owned / maintained height / width restricted bridges	NBHWR	1 [See Note]
Note - Ownership uncertain – to be determined		

6.7 Current Structural Condition

6.7.1 Bridge Stock Indicator

The bridge condition indicator scores for the structures stock computed using inspection results up to and including 2014/15 are detailed in Table 6.7.1

Bridge Stock Indicator	2010/11	2011/12	2012/13	2014/15
BSC _{ave}	N/A	92	90.75	90.12
BSC _{crit}	N/A	N/A	85.65	85.70

- BSC_{ave}: The bridge stock condition indicator (ave) is the numerical value of a bridge stock evaluated as an average of the bridge condition indicator values weighted by the deck area of each bridge.
- BSC_{crit}: The bridge stock indicator (crit) is the numerical value of the critical condition index for the bridge stock evaluated using the BSC_{crit} values for each bridge.

6.8 Output from Investment

The output from investment in during 2014-15 is detailed in Table 6.8 below;



Category		Output
Capital	£338k	<ul style="list-style-type: none"> - A83 Beachmeanach ~ Bridge Replacement - U44 Soroba Lane ~ Bridge Replacement and new footbridge - A817 Ballevoulin ~ Bridge Waterproofing/resurfacing - U25 Kilbride Bridge ~ propping. - Preliminary design work
Revenue	£176k	<ul style="list-style-type: none"> - Bridge and Retaining Wall Assessment £39,000; - Bridge Maintenance Works £163,500 - Bridge Inspections £54,000 - Abnormal Load Routing £8,000 - Management of Structures £6,500 - Planned inspections and works £176,000
Reactive Repairs		<ul style="list-style-type: none"> - Emergency inspections and works £370,000.
Total Investment	£514k	Capital + Revenue
Data source – Design Services		

6.9 Abnormal Loads

Before a large or heavy load can travel on the road, we need to check that there are no problems with the route it proposes to take. These checks include;

- Route proposed
- Date of journey
- Vehicle sizes
- Vehicle weight and axle configuration

The number of enquires relating to abnormal load notifications is detailed in Table 6.9.1 below;

Description	2012-13	2013-14	2014-15
Number of enquires relating to abnormal loads	391		504
Number of enquiries dealt with within identified response time	391		504

6.10 Specific Issues with Structures Stock

There is currently insufficient data available at time of this report to detail any specific issues with structures stock.



6.11 Options

Structures					
No.	Options		Predicted Condition (STCI)		Comment
			Yr1 2015	Year 20 2035	
	Description	Annual Funding			
1	Current Funding 2014-15	Capital £318k Revenue £212k	N/A	N/A	
2	Assumed Steady State	Planned/Capital £1.0m*	N/A	N/A	Estimated by officers to be required to maintain stock in a reasonable condition
		Revenue £500k*			
<p>*Note – Figures are estimated and may be subject to change</p> <p>Comment – Cost projection tools are currently not sufficiently sophisticated to enable prediction of future condition and funding need based on present structures data.</p>					



7 Traffic Signals

7.1 The Asset

The council's Traffic Signal assets are made up of:

- 6 number of junctions
- 13 number pedestrian crossings

These are detailed in Table 7.1 below;

Location	Pedestrian Crossing	Controlled Junction	Poles	Signal Heads
Oban, Lorn & Isles	3	1	15	24
Helensburgh & Lomond	6	4	51	97
Cowal & Bute	0	1	8	16
Mid Argyll, Kintyre & Islay	2	0	6	14
Totals	11	6	80	151
Comment – Data is based on current available data				

7.2 Asset Value

Estimated replacement rates for the traffic signals asset are shown in Table 7.2.1 below;

Traffic Signal (Junction) Subtypes	Estimated Replacement Cost (Equipment)	Estimated Replacement Cost (Civils)
Minor Junction		
Medium Junction	£18,000	£15,000
Major Junction		
Complex Junction		
Traffic Signal (Pedestrian Crossing) Subtypes		
Single Carriageway	£15,000	£8,000
Double Carriageway		



The Traffic Signals asset was valued using estimated rates from Table 7.2.1 in March 2015 and is detailed in Table 7.2.2 below;

Traffic Signal Types	Quantity	Gross Replacement Cost (GRC)	Depreciated Replacement Cost (DRC)	Accumulated Consumption (AC)	Annualised Depreciation (AD)
Junctions	6	£198,000	£80,750	£117,250	£10,500
Pedestrian Crossings	11	£253,000	£123,050	£129,950	£12,650
Total	17	£451,000	£203,800	£247,200	£23,150

Annualised Depreciation (AD) is the average amount by which the asset will depreciate in one year if there is no investment in renewal of the asset.

7.3 Equipment Condition / Age

The average expected service lives (ESL) for traffic signal assets are detailed in table 7.3 below;

Signal Type	Equipment	Civil Component
Junction	18	20
Pedestrian Crossing	20	20

7.4 Asset Growth

There is insufficient data available to present asset growth figures although it is generally expected to remain more or less constant unless new development requires changes to be made.

7.5 Routine and Reactive Repairs

Basic safety is delivered via a regime of visual inspection, electrical testing and reactive repair. The inspection regime, defect definition and response times used are defined in SCC Traffic Signal Maintenance Contract and meet DfT guidance.

7.6 Maintenance Backlog

The maintenance backlog has not been computed.



7.7 Investment in Traffic Signals

7.7.1 Historical investment

Historical investment in traffic signals has been as shown in Table 7.7.1 below:

Budget Head	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Capital							
Revenue	Nil	£12,000	£26,607	£25,417	£32,640	£147,797	£272,173
Data source – WGA / APSE returns							

7.8 Previous Years Investment

During 2014-15 investment in the Traffic Signal asset was as shown in Table 7.8 below;

Cost of all Maintenance Work	Spend	Percentage of Total Spend
Planned Maintenance	£272,173	100%
Reactive Maintenance		
Routine Maintenance		
Total	£272,173	100%
Data Source – WGA/APSE returns		
* Note - Value to be confirmed		

7.9 Output From Investment

Category		Output
Capital	£259,125	
Capital schemes (planned maintenance)	£259,125	Replacement Traffic Signals, Road Accident Reduction Plan (RARP) Schemes, Traffic islands and calming features.
Revenue	£13,068	
Planned maintenance	£13,068	
Data source – WGA		



7.10 Traffic Signal Equipment Age

In general the majority of the traffic signal asset is reaching or has exceeded its Expected Service life (ESL). Each junction has been subject to various upgrades over many years and are now a conglomerate of components of varying ages with any renewals/upgrades often having being funded by new development.

7.11 Predicted Future Funding Need

Data will be collected to predict future funding need and will be used to enhance the information detailed in Table 7.2.2.

7.12 Maintenance/Cost Impacts

The impact on reactive maintenance costs attributed to more traffic signal equipment exceeding their expected service life cannot be quantified at this time. Further work will be undertaken to understand the relationship between traffic signal asset age/condition and corresponding reactive maintenance costs if these impacts are to be understood better.

7.13 Improvement Actions

The following actions are recommended to improve the accuracy of future versions of this report;

- Inventory collection to fully populate WDM database.
- Improved record keeping of maintenance works within WDM.

7.14 Options

Traffic Signals					
No.	Options		Predicted (TSCI)	Condition	Comment
	Description	Annual Funding	Year1 2015	Year 20 2035	
1	Assumed Steady State	Capital £23.5k	N/A	N/A	Capital investment based Annual Depreciation Table 7.2.2 Asset Valuation
2	Current Funding	Capital £89k Revenue £21k			Capital investment for traffic Safety measures (Signing, Lines, Anti-Skid surfacing etc) not necessarily Traffic Signals
TSCI – Traffic Signal Condition Indicator					
Comment – Funding is currently controlled via Street Lighting and Traffic and Development					



8 Street Furniture

8.1 The Asset

The Street Furniture assets included in this report are;

Level 1 : Asset Type	Level 2: Asset Group	Components
Street Furniture	<ul style="list-style-type: none"> - Traffic Signs - Safety Fences - Pedestrian Barriers - Bollards - Bus Shelters - Grit Bins - Cattle Grids - Verge Marker Posts - Weather Stations 	Sign Poles, Clips, Base Plates, Foundations, other fixings.

The following Street Furniture assets are not included:

- Refuse Bins
- Seating
- Gates
- Public Utility Apparatus
- Street furniture not owned or maintained by Argyll and Bute Council
- Street Furniture located on Trunk Roads

8.2 Quantities

The quantities of Street Furniture asset included are based on current inventory records which are not fully complete and are being updated as new data becomes available.



Street Furniture Assets	Quantity of Assets	Unit
Traffic Signs (non-illuminated)	4,989	Number
Safety Fences	59,643	Length (m)
Pedestrian Barriers	2,841	Length (m)
Bollards	271	Number
Bus Shelters	123	
Grit Bins	584	Number
Cattle Grids	162	Number
Verge Marker Posts	2322	Number
Weather Stations	15	Number
Total	70950	

8.3 Asset Growth

There is currently insufficient data available to present growth statistics for the asset.

8.4 Asset Value

The asset valuation is based on existing inventory data, estimated renewal rates and service lives. It should therefore be considered as an estimated value only.

Street Furniture Assets	Gross Replacement Cost	Depreciated Replacement Cost	Annualised Depreciation Cost	Total Depreciation
Traffic Signs (non-illuminated)	£1,247,250.00	£623,737.50	£62,362.50	£623,512.50
Safety Fences	£5,964,300.00	£2,982,165.00	£298,215.00	£2,982,135.00
Pedestrian Barriers	£284,100.00	£139,214.00	£11,364.00	£144,886.00
Street Name Plates	£0.00	£0.00	£0.00	£0.00
Bins	£0.00	£0.00	£0.00	£0.00
Bollards	£54,200.00	£26,568.00	£2,168.00	£27,632.00
Bus Shelters	£447,966.00	£224,529.30	£22,398.30	£223,436.70
Grit Bins	£116,800.00	£60,386.67	£7,786.67	£56,413.33
Cattle Grids	£1,620,000.00	£794,800.00	£64,800.00	£825,200.00
Gates	£0.00	£0.00	£0.00	£0.00
Trees	£0.00	£0.00	£0.00	£0.00
Seating	£0.00	£0.00	£0.00	£0.00
Verge Marker Posts	£69,660.00	£35,994.00	£4,644.00	£33,666.00
Weather Stations	£172,500.00	£89,125.00	£8,625.00	£83,375.00
Total	£9,976,776.00	£4,976,519.47	£482,363.47	£5,000,256.53

Data Source – WGA

8.5 Output from Investment

Previous year's investment in Street Furniture is detailed in Table 8.5 below;



Category		Output
Capital	£ 0K	
Capital schemes (planned maintenance)		
Revenue	£97k	
	£97k	<ul style="list-style-type: none"> - Cattlegrids - £25,644 - Traffic Signs - £67,345 - Safety Fences - £3,373 - Street Name Plates - £1,162
Total Investment	£97k	
Data source – R10 Road Maintenance, Road Operations Manager		

8.6 Condition

At present there is no condition surveys undertaken for street furniture assets. Assets are generally repaired in response to reported defects or safety inspections with renewals at end of service life. Table 8.6 below details the estimated expected service lives of street furniture assets used to calculate Whole of Government Accounts (WGA).

Street Furniture Assets	Useful Life	Basis
Traffic Signs (non-illuminated)	20	Local Engineer Estimate
Safety Fences	40	Local Engineer Estimate
Pedestrian Barriers	40	Local Engineer Estimate
Street Name Plates	0	0
Bins	0	0
Bollards	30	Local Engineer Estimate
Bus Shelters	0	0
Grit Bins	20	Local Engineer Estimate
Cattle Grids	25	Local Engineer Estimate
Gates	0	0
Trees	0	0
Seating	0	0
Verge Marker Posts	15	Local Engineer Estimate
Weather Stations	0	0

8.7 Previous Years Investment

During 2014-15 the investment in the street furniture asset was as shown in Table 8.7 below;



Table 8.7 Previous Years Investment 2014/15

Category of Maintenance Work	Revenue Spend (£)	Capital Spend (£)	Total Spend (£)	Percentage of Total Spend
Planned Maintenance	£90,510		£90,510	93%
Reactive Maintenance	£7,186		£7,186	7%
Routine Maintenance	£nil		£nil	0%
Total	£97,696		£97,696	100%

Data source – R10 Road Maintenance / APSE Return / WGA

In 2014-2015 there was £90,510 investment in planned maintenance/renewal of street furniture assets. This represents 18.7% of the estimated annual depreciation of £482,363 (CIPFA Transport Asset Code).

8.8 Predicted Future Funding Need

There is currently insufficient data available to predict future funding need other than Annual Depreciation as calculated for Whole of Government Accounts (WGA) as detailed in Table 8.4 above.

8.9 Improvement Actions

The following actions are recommended to improve the accuracy of street furniture asset data in future versions of this report.

- Inventory collection to fully populate database.
- Condition data to assess investment needs.

8.10 Options

Street Furniture					
No.	Options		Predicted (SFCI)	Condition	Comment
	Description	Annual Funding	Year1 2015	Year 20 2035	
1	Assumed Steady State	Capital £482k Revenue not known	N/A	N/A	Capital investment based Annual Depreciation Table 8.4 Asset Valuation
2	Current Funding 2015/16	Capital £0k Revenue £5k			Capital investment for Traffic management (RARP)

SFCI – Street Furniture Condition Indicator



Road Asset Management Plan:

Annual Status and Investment Options Report October 2015

Bute

CR Additional proposals A886 Overlays

Scheme Code	Scheme Ranking	Location Description	RCI 2014	Hierarchy	Overall Ranking Score	Scheme Length (m)	Treatment Type	Budget	Comments
1033	2	A886 Kames Bay to Rhubodach - Shalunt Cottage to A844 Kames Castle	666.33	250	916.33	4,800	Double Surface Dressing	£ 90,000	Surface texture problem, patching and surface dressing work to be done. Link to 1030, 1032, 1031
1030	4	A886 Kames Bay to Rhubodach	472.59	250	722.59		P.S.D.P	£ 10,000	Link to 1033, 1032, 1031
1032	10	A886 Kames Bay to Rhubodach	372.56	250	622.56				Link to 1033, 1030, 1031
1031	18	A886 Kames Bay to Rhubodach	234.87	250	484.87				Link to 1033, 1032, 1030
		A886 Kames Bay to Rhubodach				3,500	Double Surface Dressing	£ 68,000	Previous Overlays - Ferry > Shalunt (16500sq.m)
								£ 168,000	

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Road Asset Management Plan 2
Argyll and Bute Council
April 2016- 19

Author	John MacCormick
Owner	Head of Roads & Amenity Services
Date	March 2016
Version	Draft for Approval (V1.0)

Document Information

Title	Argyll and Bute Council Road Asset Management Plan
Author	John MacCormick
Description	This document aligns with SCOTS recommendations.

Document History

Version	Status	Date	Author	Changes from Previous Version
1.0	Draft	April 2016	J.MacCormick	Not applicable

Document Control

Version	Status	Date	Authorised for Issue by Departmental Management Team
1.0	Draft	April 2016	

Foreword

This plan sets out the council's plans for the management of the road asset over the next 3 years and beyond. It has been produced in accordance with national guidance and recommended good practices.

It is widely recognised that the application of modern asset management practices can enable improved value for money. In these challenging times it is essential that the council embraces these methods and strives to ensure that every penny spent is invested as wisely as possible. This plan forms an important part of the council's commitment to apply good asset management practices to maintain its road asset.

Connectivity is essential for economic growth and intensifies the demand that modern society places upon our road assets to reliably deliver vital goods and services to all our communities. It is therefore essential that an appropriate level of investment is put into the road network to sustain it in a condition that meets user needs and quality of life expectations. Safe, well maintained transport links are vital to the economic wellbeing of Argyll. They play a significant part in everyday life and the prosperity of our communities.

Previous harsh winters have shown that our roads are susceptible to damage when bad weather occurs and steps need to be taken to ensure that sufficient preventative maintenance is undertaken to improve the resilience of the road network and enhance the user experience whilst travelling throughout Argyll.

Increasing traffic volumes, stricter environmental constraints and a more aggressive climate means that ensuring the sustainability of our existing road infrastructure has become a significant challenge. Today's road managers have the complex task of maintaining, preserving and upgrading road assets to satisfy existing and future transportation needs within ever tighter budgets. It therefore becomes necessary to develop a proactive asset management approach that takes a more long term view of infrastructure maintenance requirements. Adopting this approach will allow improved evaluation of asset maintenance needs and the ability to better predict outcomes from a range of investment options. It will provide valuable information on what can be expected to be delivered for available monies and provide relevant decision makers with more informed choices on where available investment can contribute most to achieving corporate goals and objectives.

Document Control & Council Approval

Version Number/Date	Approved by Council
V 1.0	Approved by Council Committee (Environment, Development and Infrastructure) – date to be confirmed.
Next Update Due	Annual review of Plan to reflect changes in budgets or service standards

Responsibility for the Plan

The responsibility for the delivery of and updating of this plan are shown below

Council Officer	Responsible for
Head of Service	Review and update of RAMP

1. Introduction

Overview

The Road Asset Management Plan (RAMP) records the council's plans for the maintenance of the road asset for the period 2016 - 2019. The "road asset" comprises of Carriageways, Footways, Structures, Street lighting, Traffic Management Systems and Street furniture.

The RAMP will record the service standards that the council is aiming to deliver for each asset group. It will also detail the various maintenance strategies being adopted to achieve these standards along with associated budgets allocated to enable the delivery of desired outcomes and will also identify any risks that may prevent the plan being realised.

The RAMP will be produced as part of a suite of documents as recommended by The Society of Chief Officers of Transport Scotland (SCOTS). These documents which are currently being considered for development include;

- **Asset Management Policy Statement** – Formally confirms the council's commitment to applying asset management systems to manage road assets. *Status – Draft completed.*
- **Data Management Plan** – Records how the council manages relevant asset data. *Status – Being developed.*
- **Asset Valuation Report** – Details the results of the latest asset valuation to comply with CIPFA Transport Asset Code and Whole of Government Accounts (WGA). *Status – Developed and in use.*
- **Road Maintenance Manual** – Records the methods used and how and when the authority inspects, assesses condition, categorises and prioritises repairs, procures and manages works, treatment selection, records maintenance works data etc. *Status – under development for consideration at August EDI Committee.*
- **Annual Status and Options Report** – Summarises the status of each asset group in terms of its condition, compliance with meeting agreed standards and provides performance and other relevant data to inform the decision making process. *Status – Developed and in use.*
- **Annual Works Programme** – A programme of planned activities for Capital and Revenue Budgets. *Status – Capital programme developed, Revenue to be developed.*

Purpose

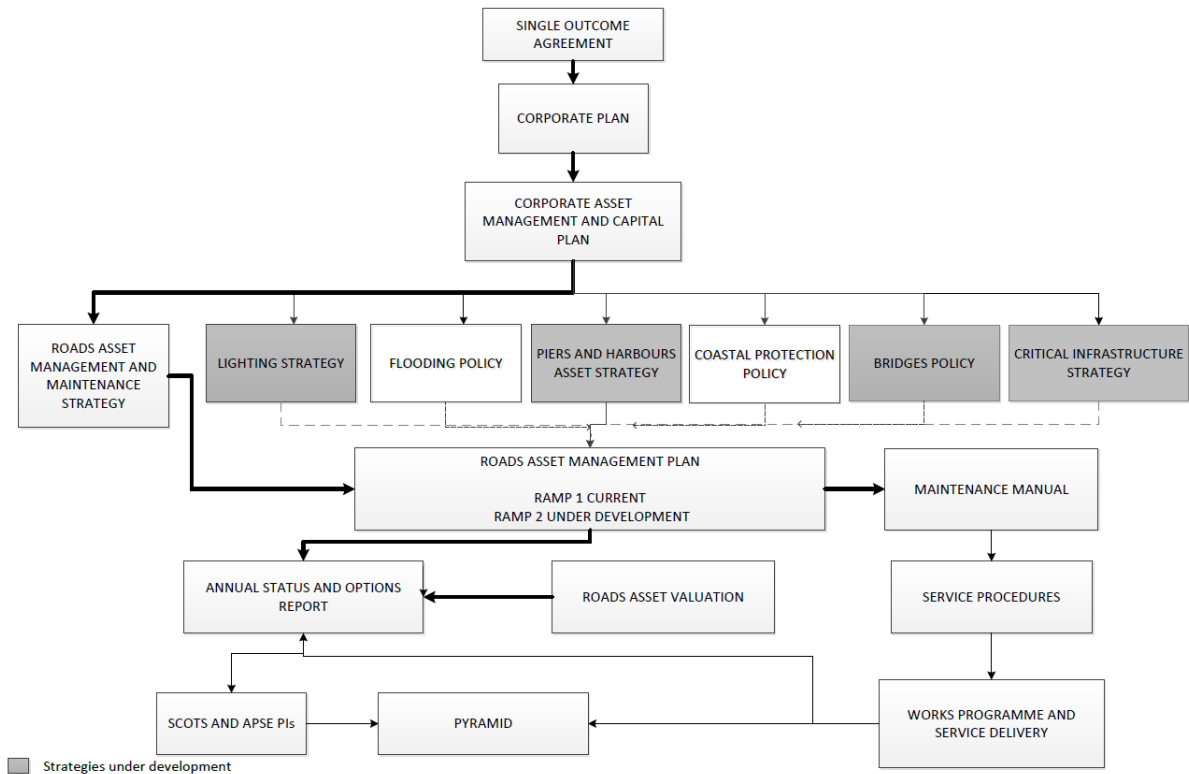
The purpose of the RAMP is to

- Formalise strategies for investment in each road asset group.
- Define service standards customers can expect to be delivered over the plan term.
- Tabulate the budgets allocated to each asset group to achieve the agreed service standards.

The plan aims to improve how the road asset is managed to enable better value and prudent stewardship of the road asset to be demonstrated.

RAMP and Other Plans

The RAMP relates to other council plans as illustrated below:



Targets and strategies contained in the RAMP are used to develop annual works programmes once the council's annual budget for roads has been agreed.

2. Road Assets

Road Assets

The council's road assets covered by this plan are:

- Carriageways 2282 km
- Footways 420 km (estimated)
- Structures 895 Road Bridges
- Street Lighting 13937 Lighting Columns
- Traffic Management Systems 11 Signalised Junctions and Pedestrian Crossings.

- Street Furniture Safety fences, bollards, Traffic Signs, Grit bins etc (inventory to be established)

Assets Not Covered

The following infrastructure is not included in this RAMP:

- Roads, Footways, Footpaths and Car Parks not maintained by the Council e.g. Trunk roads, schools and parks.
- Privately owned bridges carrying public roads e.g. Network Rail, British Waterways.
- Roads, footways or cycleways that are not adopted under the Roads (Scotland) Act 1984 as Public Roads including over 80 km of private road over which there is a public right of passage.
- Drainage attenuation ponds or water related infrastructure that does not form part of the adopted public road network.
- Car Parks
- Land
- Public Rights of Way/Open spaces
- Street furniture belonging to Public Utility Companies
- Public CCTV systems

Inventory Data

This plan is based upon current available inventory data for road assets, i.e. carriageway, footway, structures, street lighting, traffic signals and street furniture. For some minor road assets inventory data is not currently held, however, an attempt has been made to incorporate these assets within this plan using locally derived estimates.

Improvements to inventory data will be updated on a continual basis. Generally inventory records will be updated on completion of any improvement maintenance activities.

3. Customer Expectations

Information relating to road user opinion would be very useful to help inform strategies and future investment plans such that they can be directed towards addressing, where possible, the issues raised.

The council operates a customer contact centre for the reporting of road faults and there is perhaps scope to capture more information from these reports that will assist gauging customer opinion and satisfaction with the services being provided or where investment preferences may be prioritised.

Customer satisfaction surveys provide a useful tool to obtain data that can assist the decision making process and the council should explore the possibilities of using them. There may be some merit in developing a suitable web based satisfaction survey tool specific to roads within the council website.

4. Demands

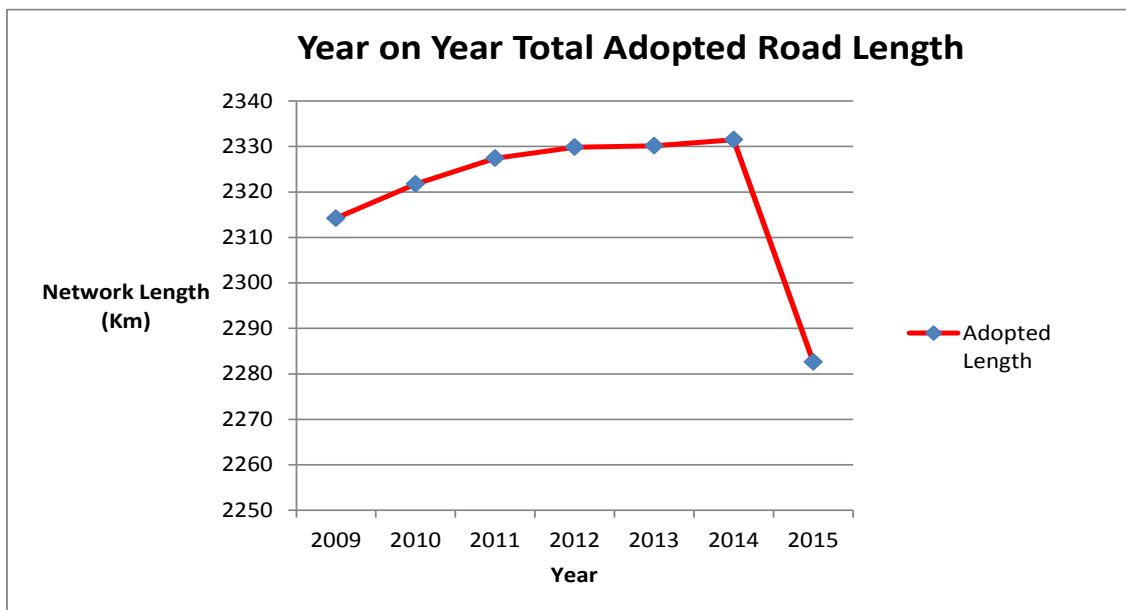
Asset Growth

The length of public adopted carriageway maintained by the council generally increases each year mainly as a result of urban developments. The exception recently being a result of the A83 KenneCraig to Campbeltown (52km) being trunked. The table below details the change in asset length between 2009–2015.

Table 3.2 Asset Growth

THE ASSET	Route Type		Growth Statistics (2009-15)		2009		2015	
	Environment	Class	Length (Km)	% Percentage	length (Km)	% of network	length (Km)	% of network
	RURAL	A		-53.35	-2.31%	476.251	20.63%	422.904
B			-0.55	-0.02%	570.503	24.71%	569.956	24.69%
C			1.21	0.05%	391.341	16.95%	392.548	17.00%
U			2.34	0.10%	453.956	19.66%	456.3	19.76%
Total			-50.34	-2.18%	1892.051	81.95%	1841.717	79.77%
URBAN	A		1.63	0.07%	80.759	3.50%	82.386	3.57%
	B		2.75	0.12%	40.799	1.77%	43.552	1.89%
	C		2.05	0.09%	39.663	1.72%	41.717	1.81%
	U		12.29	0.53%	260.977	11.30%	273.264	11.84%
	Total		18.72	0.81%	422.198	18.29%	440.919	19.10%
TOTAL NETWORK (KM)			-31.62	-1.37%	2314.25		2282.64	

The Chart below illustrates the change in public adopted road length over the period 2009-2015



New assets create the need for maintenance, management and associated funding in future years as these additional assets age. This is particularly relevant to street lighting as energy costs increase immediately exacerbating the effect of rising energy prices.

Traffic Growth and Composition

Traffic count data shows that traffic volumes in Argyll and Bute are relatively low. Data on Large Goods Vehicles (LGV) is limited but the available figures suggest significant growth between 2005 and 2010. New traffic counters have been installed to obtain more detailed data on numbers and composition of vehicles on the network. The numbers of LGVs are low compared to some other areas but the impact on lightly constructed roads can be large.

The upsurge in demand for renewable energy has increased the level of activity on some minor routes, particularly during the construction phase of projects which can lead to significant damage and increased deterioration of the network within that locus.

Timber traffic also places greater demands on some routes although this is well managed through good liaison with the Argyll Timber Transport Group (ATTG) which has culminated in the development of designated timber routes and various timber management plans to minimise any potential damage to the public road network. Working together with this group has also enabled a number of road improvements to be carried out throughout Argyll.

Environmental Conditions

Pressure is also being placed upon the asset as a result of environmental conditions including:

Longer periods of inclement weather increase the risk of localised flooding and landslide which can cause significant damage to road infrastructure.

Harsh winters: previous unseasonably harsh winters have caused significant damage to road surfaces in the form of a mass of defects resulting from freeze/thaw action.

Flooding: In 2012, there was one unpredictable and very localised occasion that destroyed three bridges and closed parts of the road network for several days.

These pressures quickly expose any weakness in our road network and can cause substantial damage to valuable assets which increases demand for prompt attention to repair such damage and incurs great expense. It is therefore very important that sufficient priority is given to undertaking adequate preventative maintenance measures to improve the resilience of our network so as to minimise the effect of such severe weather events on our communities, businesses and budgets.

5. Asset Management Practice

The pressure on public finance has never been greater and it is therefore very important that we make the best use of available monies to deliver better value services to our communities. Argyll and Bute Council has been participating in the Society of Chief Transportation Officers Scotland (SCOTS) asset management project which aims to develop in partnership with other Scottish and Welsh authorities a range of recommended practices for authorities to use that will enable them to make better use of available resources to deliver and demonstrate best value services.

Knowing what you've got? What condition it is in? What does it cost to maintain? These are three key elements needed to enable good asset management to be implemented and benefits realised.

Asset Inventory

Collection of inventory data is vital to establish knowledge of the extent of each asset to be maintained. The council has invested in a pavement management system called WDM which provides a facility to record inventory and produce reports for analysis. It is crucial that processes are put in place to capture inventory data as part of routine every day activities so that the WDM database is kept up to date and current.


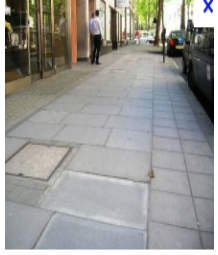







Reliable inventory data offers valuable information on which to establish necessary programmes of maintenance, budget and resource requirements as well as providing important information to relevant decision makers on future investment needs.

Asset Condition

At present asset condition is recorded for only a very limited number of assets namely carriageway surface condition, bridge condition and street lighting to satisfy national performance reporting requirements. However the road asset comprises many different elements and most of these do not have condition regularly assessed other than through faults being reported via the contact centre or as part of the normal safety inspection regime .

Collecting condition data would facilitate the ability to prioritise investment and align it more on asset needs rather than historical spend. This in turn would provide strong supporting data to substantiate business case development for future investment and allow available monies to be prioritised towards those areas that would contribute the most to meeting user needs and achieving the council corporate goals and objectives.

The SCOTS asset management project has developed a simple condition index that can be used to provide a visual assessment of condition on any asset. The index uses a four level assessment technique that is designed to be used by existing staff with minimal training. The project has developed a number of these indexes with associated training manuals for use by authorities. A sample of an illustrative footway index is provided below;

Illustrative Footway Condition Index			
Condition Level	Description	Examples	Comment
1	As New	Brand New footway, recently resurfaced or good sound condition with no defects.	 
2	Aesthetically Impaired	Sound footways with patching, Modular footways with sound bituminous patches. Modular footways with elements of different colour/age/material. Faded bituminous materials	 
3	Functionally Impaired	Cracked but level flags/blocks. Minor surface deterioration/fretting/ cracking	  
4	Structurally Unsound	Cracked uneven slabs Major fretting and potholing Poor shape , potential trip hazards etc	 

Implementing the use of such indexes by existing staff would over time provide valuable information on asset maintenance needs and treatment options to be considered for future investment.

Maintenance Cost

Another vital aspect of good asset management is the ability to understand accurately the cost of maintaining an asset in such a condition as will allow it to perform its intended function. Such information can only be obtained by ensuring adequate attention is given to recording accurately the costs against the asset in terms of the physical quantities and type of work undertaken. Capturing this data facilitates detailed drill down of maintenance costs for each asset and can quickly identify areas of concern so that prompt action can be taken to address any issues found and therefore keep things on track. Possessing accurate and reliable data on maintenance costs is an essential tool for managers to make more informed choices in the decision making process particularly within the current financial climate.

All maintenance activities will be categorised in line with the need for local authorities to meet with HM Treasury requirements for Whole of Government Account (WGA).

6. Service Standards

A fundamental part of the road asset management plan is establishing appropriate service standards for core maintenance activities. This will be the levels of service that our communities can expect to be delivered over the plan period. The key difference to previous plan being that compliance in delivering the agreed service standard will be monitored and reported on via the Annual Status and Options Report. Monitoring performance across each administrative area will help drive service improvements and demonstrate the delivery of better value for money.

Defining appropriate service standards is a key function of good asset management and facilitates better planning of necessary maintenance works to make best use of available resources and help reduce peak demands on limited resources.

Establishing target levels of service is reasonably straight forward and requires some basic information

- Activity to be targeted – For example , Gully cleaning, Ditch Cleaning, Patching Etc.
- Asset inventory – This is advantageous but can be estimated should none exist.
- Target level of service – This is the desired frequency of service that the activity will be undertaken for example Clean ditch every 5 years.
- Maintenance cost – This is the cost for a single service event per unit of measure. This can be initially estimated and refined thorough monitoring the activity.
- Activity Budget – This is the funding allocated to that activity code.

By using the available data target levels of service can be established so that a physical quantity of works, based on a standard unit of measure can be determined for each core maintenance activity

budget. This information can then be used to develop annual programmes of work to deliver the desired levels of service.

Appropriate levels of service can be attributed to each road maintenance hierarchy so that service intervals can be aligned with the functionality and use of that route hierarchy.

Once target service levels are agreed then compliance with achieving agreed levels of service can be monitored and reported on across each administrative area and this will act as a driver for continued service improvements. Agreed or new target levels of service will be added to future versions of this plan or at the next planned review.

Applying target levels of service will enable annual programmes of work to be developed that allow longer term planning and the ability to accurately assign sufficient resources to achieving the desired level of service. Monitoring delivery of service against these targets will help reduce expensive reactive maintenance and ensure that adequate preventative maintenance is undertaken to extend the service life of assets and improve the resilience of the network to severe weather events.

Regular review of target levels of service will be required so that any changes to maintenance costs or available budgets can be reflected in the level of service that users can expect to be delivered. When fully developed agreed levels of service will enable the implications of changes to future investment levels to be presented in the Annual Status and Options Report so that relevant decision makers can make more informed choices.

7. PERFORMANCE INDICATORS

Performance indicator data is already collected for the annual SCOTS /APSE performance return. These indicators are collected across Scottish and Welsh authorities and can be used for comparison or benchmarking purposes. The council also operates a system called Pyramid which enables local indicators to be developed for use by the authority.

Performance indicators can provide useful information however at present limited use is made of them to assist with driving forward potential service improvements. Development and monitoring of new target levels of service as previously described in section 6 will require processes to be put in place that enables data to be captured and evaluated regularly, quickly and efficiently. These processes wherever possible should be automated so as to minimise staff time.

Careful thought is needed before establishing a performance indicator firstly to ensure that it will actually be useful and actually drive the desired behaviour and secondly so that staff time is not wasted collecting data just for the sake of it.

As part of this plan it would be beneficial to examine existing performance indicators to evaluate how well they serve our needs and to critically review them so that moving forward only those indicators that are deemed useful and that drive the desired behaviour are populated. As part of the review consideration should also be given to how the data for each indicator is collected and how this can be automated as much as possible.

8. Financial Summary

Asset Valuation

As at April 2015 the Road asset is valued as follows:

Asset Type	Gross Replacement Cost £000	Depreciated Replacement Cost £000	Annualised Depreciation Charge £000
Carriageway	£2,190,824	£1,910,048	£19,935
Footway	£64,050	£46,202	£811
Structures	£560,561	£0	£0
Street Lighting	£45,757	£24,668	£1,179
Street Furniture	£9,977	£4,977	£482
Traffic Management Systems	£451	£204	£23
Land	£233,280		
Total	£3,104,900	£1,986,098	£22,430

The valuation figures above illustrate the massive financial value of the road asset. The current method of valuation of these assets requires the council to report asset value on the basis of historical cost. This will be replaced by figures calculated on the basis of a depreciated replacement cost in future.

In theory the annualised depreciation represents the average investment required in planned maintenance (renewal of the asset) to maintain the asset in its current condition.

Historical Expenditure

Historical expenditure invested in maintenance works on the road asset is shown in the table below;

Asset	Works	Historical Expenditure £				
		10/11	11/12	12/13	13/14	14/15
Carriageways	Capital	£4.64m	£8.11m	£9.05m	£8.26m	£7.42m
	Revenue	£6.02m	£4.80m	£4.23m	£3.96m	£4.93m
Footways	Capital	£144k	£0 *	£271k	£82k	
	Revenue	£187k	£62k	£226k	£187k	
Street Lighting	Energy Costs	£450k	£607k	£841k	£662k	£693k
	Capital	£741k	£729k	£533k	£551k	£563k
	Revenue	£624k	£815k	£375k	£357k	£388k
Traffic Signals	Energy Costs	Not applicable as included in Street Lighting energy cost				
	Capital					
	Revenue	£27k	£25k	£33k	£148k	£272k
Totals:						

Planned Funding

The funding for essential road maintenance services has been steadily reduced over recent decades apart from the occasional injection of additional investment being targeted towards addressing a particular issue. Whilst these additional funds are very welcome and make a substantial difference in the short term there needs to be more focus on planning future maintenance needs over the longer term. The ability to ascertain certainty of funding over a longer term enables road maintenance activities to be delivered much more cost effectively and therefore can provide some much needed savings in already stretched maintenance budgets.

To have confidence in the level of investment available over at least three future years permits longer term programmes of less expensive preventative works to be planned sufficiently well in advance to make the most effective use of available resources and so that potential economies of scale can be realised from the supply chain.

Efforts should be made wherever possible to ascertain future investment level such that would enable more longer term plans to be developed and help reduce the whole life cost of sustaining our vital road asset infrastructure to a minimum.

Funding beyond year 3 below is an estimate included solely to allow the prediction of long term asset condition. In the absence of data it will be assumed that a level of funding similar to current funding

levels (the average of the last 3 years) will be provided. Any changes to these funding predictions in the future will require an update of this RAMP and the target levels of service that can be afforded.

Asset	Works	Funding £k			Long Term Funding Assumed £k
		16/17	17/18	18/19	Y1-Y20 pa
Carriageways and Footways	Revenue	£3.97m			
	Capital	£4.75m			
Street Lighting	Revenue				
	Capital	£4.6m*			
Totals:					

- £4.6m represents the total capital investment required to deliver the energy efficiency scheme which has been approved by Council and has an estimated delivery programme of two years commencing April 2016.

9. Asset Investment Strategies

Individual asset groups may develop more specific and more detailed strategies beyond the scope of this plan. The table below provides a broad outline of the strategies being used to maintain the respective asset groups over the plan period.

Carriageways

Category	Description	Basis of Strategy
Reactive Repair	Repair of defect to current intervention standards and response times.	It is intended to facilitate an increase in the number of defects repaired on a permanent right first time basis and reduce the number of temporary repairs requiring repeat visits.
Planned Maintenance Preventative	A programme of planned maintenance activities to meet with agreed service	To ensure an adequate level of identified preventative maintenance is undertaken annually to improve resilience of the carriageway to adverse weather events, reduce the rate of deterioration, protect investment, increase the

	standards.	service life of treatments and lower whole of life costs.
Planned Maintenance Corrective	A programme of prioritised capital funded treatments	The strategy consists of investing in a programme of planned surfacing treatments that are targeted towards specific sections of the network based on several factors such as network condition, traffic, value, lifecycle cost etc. that will contribute to improving network condition and communities quality of life expectations.

The road network is recognised as being in the poorest condition in Scotland (Scottish Road Machine Condition Survey results). However, the investment over the last five years has resulted in a decline in the deterioration with the Road Condition Index (RCI) improving. Without this investment, the road condition would have deteriorated to a very poor condition. The strategies will aim to prioritise the application of treatments earlier in the deterioration cycle and apply low cost preventative treatments (such as surface dressing) where possible before they deteriorate to a condition where more expensive treatments are necessary. However there will be a high demand over the foreseeable future to restore parts of the network which have already deteriorated beyond the scope of low cost preventative treatments and therefore corrective treatments will need to be prioritised to gain maximum benefit and value from available budgets.

Footways

Category	Description	Basis of Strategy
Reactive Repair	Repair of defect to current intervention standards and response times.	The strategy is intended to facilitate an increase in the number of defects repaired on a permanent right first time basis and reduce the number of temporary repairs requiring repeat visits.
Planned Maintenance Preventative	A programme of planned maintenance activities to meet with agreed service standards.	Current investment levels limit the ability to undertake widespread treatments and therefore treatments are prioritised within the confines of available funding to those areas that are in the worst condition or are likely to reduce the need for reactive treatments.
Planned Maintenance Corrective	A programme of prioritised capital funded treatments	Corrective treatments will be proportionate to the level of capital investment and will be targeted towards those areas that are likely to reduce demands for reactive treatments

The level of investment is available to be insufficient to prevent some deterioration of condition occurring however the level of deterioration shall be minimised through the use of the proposed appropriate preventative maintenance investment.

Street Lighting

Category	Description	Basis of Strategy
Reactive Repair	Repair of defect to current intervention standards and response times.	Response to reported defects due to our wide geographical area will be prioritised in terms of making the most effective use of available resources to carry out necessary repairs or outages.
Planned Maintenance Preventative	A programme of planned maintenance activities to meet with agreed service standards.	Planned maintenance is undertaken to ensure compliance with electrical safety regulations. Approved investment in replacement LED lighting units will help reduce demand for reactive works.
Planned Maintenance Corrective	Programme of Capital funded Asset renewals	Street lighting assets are generally replaced based on the age profile of assets. Limited data exists for installation dates and therefore assets are currently replaced based on an assessment of condition by engineering staff within the limits of available funding.
Invest to save		The council has recently approved significant investment for replacement of lamps with new low energy LED Lanterns. The details are yet to be decided, however, this will include installation of new equipment that will reduce energy consumption and annual energy costs.

The recently approved LED lighting scheme will result in all luminaires being replaced and a minimum number of columns also being replaced. This will bring apposite change to the overall asset condition as well as significantly reducing the amount of energy consumed.

Structures

Category	Description	Basis of Strategy
Routine and Reactive Repair	Repair of defect to current intervention standards and response times.	The strategy requires the deployment of a bridge repair team to carry out emergency works and other non-emergency repairs.
Strengthening (council structures)	Strengthening of bridges currently assessed as being weak.	The strategy involves planning necessary strengthening works in line with asset condition and available budgets.
Bridge renewal	Replacement or refurbishment	The strategy provides treatments based on the level of capital funding available.
Other Specific		

Traffic Signals

Category	Description	Basis of Strategy
Routine and Reactive Repair	Repair of defect to current intervention standards and response times.	The strategy requires the use of external specialised contractors to undertake necessary repairs.
Refurbishment of Traffic Signals and Pedestrian Crossings	Refurbishment of junctions/crossings that have deteriorated or the equipment has become obsolete/unreliable	The strategy allows for renewal / refurbishment of at least one junction/crossing on average every 2-3 years based on expected service life of 20 years.

Street Furniture

Category	Description	Basis of Strategy
Routine and reactive Repair	Repair of defect to current intervention standards and response times	Response to reported defects due to our wide geographical area will be prioritised in terms of making the most effective use of available resources to carry out necessary repairs.
Replacement of assets	Renewal of assets that have deteriorated beyond	Assets are replaced generally only when they are no longer able to fulfil intended function or in response to being damaged. Efforts will be made to recover damage costs from third parties where possible.

10. Programme of Works

Programmes of work will be established for both capital and revenue funded maintenance budgets. These programmes should be developed to take a longer term view of necessary maintenance activities by creating at least a three to five year rolling programme of works in line with predicted future investment levels.

For capital funded works an annual programme is currently issued detailing a list of identified schemes to be delivered over the coming financial year.

For revenue funded works an annual programme of works should be developed that will ensure the target levels of service can be delivered within each respective administrative area. As initial target levels of service become more settled then programmes can be developed over a longer term of at least three years. Revenue activities are moving towards unit costs which will enable programmes to detail what can be delivered rather than how much money is available.

11. Risks to the Plan

The risks that could prevent achievement of this plan are outlined below;

Plan Assumption	Risk	Action If Risk Occurs
The plan is based upon winters being normal	Adverse weather will create higher levels of defects and deterioration than have been allowed for.	Budgets and predictions will be revised and this plan updated if abnormally harsh winters occur.
Available budgets have been assumed as shown in section 7	External pressures mean that funding available for roads is reduced	Target service standards will be revised to affordable levels
Construction inflation will remain at level similar to the last 5 years.	Construction inflation will increase the cost of works (particularly oil costs as they affect the cost of road surfacing materials)	Target service standards will be revised to affordable levels.
Resources are available to deliver the target service standards	Pressures on resources mean that staff are not allocated to service improvement tasks such that the predicted benefits cannot be fully achieved	Plan will be revised and reported.



12. Plan Review

This plan has been developed in line with the SCOTS recommended practices and will be reviewed and updated as necessary to take account of any relevant changes. In any case the plan will be reviewed at least once each year.

References

- 1) Road asset Management & Maintenance Strategy
- 2) Annual Status and Options Report

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7TH APRIL 2016**

PROCEDURE FOR ROAD SAFETY INSPECTIONS AND DEFECT CATEGORISATION

1.0 EXECUTIVE SUMMARY

- 1.1 The Roads (Scotland) Act 1984, states that "...a local roads authority shall manage and maintain all such roads in their area that are for the time being entered in a list (in this act referred to as "the list of public roads") prepared and kept by them under this section.."
- 1.2 The "Well-maintained Highways" the Code of Practice for Highway Maintenance Management has specific recommendations regarding inspections of all road elements. This procedure specifically relates to safety inspections.
- 1.3 The establishment of an effective regime of safety inspections is a crucial component of road maintenance.
- 1.4 This guidance document has been developed in collaboration with the Roads Authorities of Argyll & Bute, Dumfries and Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire South Ayrshire, South Lanarkshire and West Dunbartonshire Councils.
- 1.5 The Roads Working Group comprising of Senior Officers from the above Councils identified that as Local Authorities are currently faced with delivering services within an environment of increasing fiscal austerity, the need to agree a common approach and minimum standard following the principles of the Well Maintained Highways Code of Practice.
- 1.6 This will also assist relevant Councils to attribute resources to inspect and maintain additional roads assets not contained within their list of Public Roads.
- 1.7 This approach was adopted to provide a consistent methodology to the management of the road network that will focus on delivering a proactive programme of permanent repairs to improve the condition and safety of the road network. It is intended that the implementation of this new policy/procedure will also allow performance to be monitored and reviewed, implementing any necessary improvements recognised through its use.
- 1.8 The consistent approach will also assist local authorities when defending any public liability claims that may be intimated against them.

- 1.9 It is recommended that the Environment, Development and Infrastructure Committee recommend to the Policy and Resources Committee that the Procedure for Roads Safety and Defect Categorisation is adopted by the Council.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

PROCEDURE FOR ROAD SAFETY INSPECTIONS AND DEFECT CATEGORISATION

2.0 INTRODUCTION

2.1 The West of Scotland Roads Working Group, which is an officer group working through SCOTS and currently chaired and facilitated by Argyll and Bute Council, have produced a revised roads inspection document. This document coupled with revised methods of working, using ICT and capturing 'live' inspections into the WDM asset system will make the inspection process more effective and efficient. Furthermore, the procedure document will ensure a consistent approach across the West of Scotland. Other Scottish Authorities are also considering adopting the procedure.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Environment, Development and Infrastructure Committee recommend to the Policy and Resources Committee that the Procedure for Roads Safety and Defect Categorisation is adopted by the Council.

4.0 DETAILS

4.1 The current inspection procedure is based on "Well-maintained Highways". This revised document provides an adopted approach to roads inspecting. This revision also provides an improved link into the increased use of ICT, through recording inspections directly onto ICT devices making the inspection process more efficient and also more effective.

4.2 This guidance document has been developed in collaboration with the Roads Authorities of Argyll & Bute, Dumfries and Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire South Ayrshire, South Lanarkshire and West Dunbartonshire Councils.

4.3 The Roads Working Group comprising of Senior Officers from the above Councils identified that as Local Authorities are currently faced with delivering services within an environment of increasing fiscal austerity, the need to agree a common

approach and minimum standard following the principles of the Well Maintained Highways Code of Practice.

- 4.4 Through Governance and Law, the Council's insurers have reviewed the procedure and are happy that this document is adopted by the Council as the Council's inspection procedure.
- 4.5 The revised inspection procedure will also assist relevant Councils to attribute resources to inspect and maintain additional roads assets not contained within their list of Public Roads. The revisions to the inspection regime increase the frequency of inspection to some categories and also introduce additional inspections to some rural footways which haven't previously been inspected. Overall there will be an additional amount of staff time to fulfil the inspection requirements in terms of on-site inspections. However, by recording inspection directly into the system and by utilising administrative support that is currently assigned to the area teams, the revised inspection regime is deliverable with existing staffing resource.
- 4.6 This approach was adopted to provide a consistent methodology to the management of the road network that will focus on delivering a proactive programme of permanent repairs to improve the condition and safety of the road network. It is intended that the implementation of this new policy/procedure will also allow performance to be monitored and reviewed, implementing any necessary improvements recognised through its use.
- 4.7 The consistent approach will also assist local authorities when defending any public liability claims that may be intimated against them.

5.0 CONCLUSION

- 5.1 The West of Scotland Roads Working Group, which is an officer group working through SCOTS and currently chaired and facilitated by Argyll and Bute Council, have produced a revised roads inspection document. This document coupled with revised methods of working, using ICT and capturing 'live' inspections into the WDM asset system will make the inspection process more effective and efficient. Furthermore, the procedure document will ensure a consistent approach across the West of Scotland. Other Scottish Authorities are also considering adopting the procedure.

6.0 IMPLICATIONS

- | | | |
|-----|-----------|---|
| 6.1 | Policy | This will form a policy for inspections |
| 6.2 | Financial | From existing budget |
| 6.3 | Legal | In line with Roads Scotland Act 1984 |
| 6.4 | HR | None known |

6.5	Equalities	Helps to ensure a safe road network
6.6	Risk	Helps to ensure a safe road network
6.7	Customer Services	None known

Executive Director of Development and Infrastructure, Pippa Milne
Policy Lead Councillor Ellen Morton
March 2016

For further information contact: Jim Smith, Head of Roads and Amenity Services

APPENDICES

Appendix 1 – Procedure for Road Safety Inspections and Defect Categorisation

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Argyll and Bute Council

**PROCEDURE FOR
ROAD SAFETY INSPECTIONS AND
DEFECT CATEGORISATION**

Effective from 1 April 2016

PROCEDURE FOR ROAD SAFETY INSPECTIONS AND DEFECT CATEGORISATION

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1. INTRODUCTION

The Roads (Scotland) Act 1984, states that "...a local roads authority shall manage and maintain all such roads in their area that are for the time being entered in a list (in this act referred to as "the list of public roads") prepared and kept by them under this section.."

The "Well-maintained Highways" the Code of Practice for Highway Maintenance Management has specific recommendations regarding inspections of all road elements. This procedure specifically relates to safety inspections.

The establishment of an effective regime of safety inspections is a crucial component of road maintenance.

This guidance document has been developed in collaboration with the Roads Authorities of Argyll & Bute, Dumfries and Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow City Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire South Ayrshire, South Lanarkshire and West Dunbartonshire Councils.

The Roads Working Group comprising of Senior Officers from the above Councils identified that as Local Authorities are currently faced with delivering services within an environment of increasing fiscal austerity, the need to agree a common approach and minimum standard following the principles of the Well Maintained Highways Code of Practice.

This will also assist relevant Councils to attribute resources to inspect and maintain additional roads assets not contained within their list of Public Roads.

This approach was adopted to provide a consistent methodology to the management of the road network that will focus on delivering a proactive programme of permanent repairs to improve the condition and safety of the road network. It is intended that the implementation of this new policy/procedure will also allow performance to be monitored and reviewed, implementing any necessary improvements recognised through its use.

The consistent approach will also assist local authorities when defending any public liability claims that may be intimated against them.

2. SAFETY INSPECTIONS

Safety inspections identify those defects likely to create a danger or serious inconvenience to users of the road network or the wider community, and therefore requiring immediate or urgent attention.

Safety inspections are normally undertaken by an inspector in a slow moving vehicle. In heavily used urban areas, particularly when inspecting footways, walked inspections will be required.

During safety inspections, all observed defects that provide any foreseeable degree of risk to users will be recorded. The degree of deficiency in the road elements will be crucial in determining the nature and speed of response. Judgement will always need to take account of particular circumstances. For example the degree of risk from a pothole depends upon not only its depth but also its surface area and location within the road network.

Items for Inspection

The following are examples of the types of defect which when identified should be assessed and an instruction for repair issued with an appropriate response time specified. The list identified below is not exhaustive.

Carriageway

Carriageway defects such as: -

- 1 Potholes
- 2 Level differences in running surface
- 3 Edge deterioration of the running surface and other local defects.
- 4 Excessive standing water and water discharging onto and or flowing across the road.
- 5 Blocked gullies and obstructed drainage channels or grips which could lead to ponding or flooding.
- 6 Debris and/or spillages
- 7 Missing cats eyes
- 8 Missing or damaged covers

Footway, footpath & cycleway

Footway defects such as: -

- 1 Potholes and other local defects
- 2 Excessive standing water and water discharging onto and or flowing across the foot/cycleway
- 3 Dangerous rocking slabs
- 4 Large cracks or gaps between flags
- 5 Missing or damaged covers
- 6 Debris and or spillage's likely to be a hazard

Street Furniture Defects

- 1 Damaged safety fencing
- 2 Damaged parapet
- 3 Damaged handrail
- 4 Damaged road structures
- 5 Damaged street furniture
- 6 Damaged boundary fence where animals or children could gain access

Traffic Signs

- 1 Missing, damaged or faded regulatory or warning sign
- 2 Major sign plate or structural failure
- 3 Electrically or otherwise unsafe apparatus
- 4 Damage which may cause a dangerous obstruction to road traffic or other road users

Road Lighting

- 1 Damaged Column
- 2 Exposed, live electrical equipment

Road Markings

- 1 Badly worn Stop, Give Way or double continuous white line

Other Safety Defects

- 1 Overhead wires in dangerous condition
- 2 Sight-lines obstructed by trees and other vegetation,
- 3 Trees in a dangerous condition
- 4 Landslips where debris has encroached or is likely to encroach the road
- 5 Rocks or rock faces constituting a hazard to road users

3. FREQUENCY OF INSPECTION

Based on the “Well-maintained Highways” the Code of Practice for Highway Maintenance Management, the carriageway and footway hierarchy for inspections and the recommended frequencies for inspections are set out in the following tables.

Table 1 - Carriageway Hierarchy

Urban and residential carriageway inspections may be carried out either on foot or from a vehicle, with rural carriageway inspections being carried out from a vehicle.

Carriageway Category	Hierarchy Description	Type of Road General Description	Description
1	Motorway	N/A	N/A
2	Strategic Route	Principal A Roads between Primary Destinations	Routes for fast moving long distance traffic with little frontage access or pedestrian traffic. Speed limits generally in excess of 40mph with few junctions.
3a	Main Distributor	Major Urban Network & Inter-Primary Links. Short to medium distance traffic.	Routes between strategic routes and linking urban centres to the strategic network with limited frontage access. In urban areas speed limits are usually 40mph or less.
3b	Secondary Distributor	Classified Roads (B & C Class) and unclassified urban bus routes carrying local traffic with frontage access and frequent junctions.	In rural areas these roads link the larger villages and HGV generators to the Strategic and Main Distributor Network. In built up areas these roads have 30mph speed limits and high pedestrian activity.
4a	Link Road	Roads linking between the Main & Secondary Distributor Network with frontage access and frequent junctions.	In rural areas these roads link the smaller villages to the distributor roads. They are of varying width and not always suitable of carrying two-way traffic. In urban roads they are residential or industrial inter connecting roads with 30mph speed limit.

4b	Local Access Road	Roads serving limited numbers of properties carrying only access traffic.	In rural areas these roads serve small settlements and provide access to individual properties and land. They are often single lane and unsuitable for HGV. In residential areas they are residential loop roads or cul-de-sacs.
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Table 2 - Footway Hierarchy

Footway inspections may be carried out either on foot or from a vehicle.

Category	Category Name	Description
1(a)	Prestige Walking Zones	Very busy areas of town centres with high public space and Street scene contribution.
1	Primary Walking Routes	Busy urban shopping and business areas and main pedestrian routes.
2	Secondary Walking Routes	Medium usage routes through local areas feeding into primary routes, local shopping centres etc.
3	Link Footways / Footpaths	Linking local access footways through urban areas and busy rural footways.
4	Local Access Footways / Footpaths	Footways associated with low usage, short estate roads to the main routes and cul-de-sacs.

Table 3 - Safety Inspection Frequency

Feature	Description	Category	Frequency
Roads	Strategic Routes	2	Up to 12 pa (Min 10)
	Main Distributor	3(a)	Up to 12 pa (Min 10)
	Secondary Distributor	3(b)	Up to 12 pa (Min 10)
	Link Road	4(a)	4 pa
	Local Access	4(b)	Annually
	All other locations (Carparks)		Annually
Footways	Prestige Walking Zones	1(a)	Up to 12 pa (Min 10)
	Primary Walking Routes	1	Up to 12 pa (Min 10)
	Secondary Walking Routes	2	4 pa
	Link Footway	3	2 pa
	Local Access Footways	4	Annually

Cycle Route	Part of Carriageway Remote from Carriageway Cycle Trails		As for road Twice per year (1 per year)
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Additional inspections may be necessary in response to user or community concerns, as a result of incidents or extreme weather conditions, or in the light of monitoring information.

It is accepted by Argyll and Bute Council that other factors may preclude some inspections being carried out on road hierarchy category 2, 3(a), 3(b) and footway category 1(a) and 1, as a result of other influencing factors, in this case the target of 1 per month will reduce to a minimum of 10 per year.

4. INTERVENTION LEVELS AND RESPONSE TIMES FOR DEFECTS

Category 1: Represent a high risk to road users and should be corrected or made safe at the time of inspection, if reasonably practicable. In this context, making safe may constitute displaying warning signs, coning off to protect the public from the defect. If it is not possible to correct or make safe the defect at the time of inspection, emergency repairs to make safe should be carried out within 36 hours. Where practicable, safety defects of this category should not be left unattended until a temporary or permanent repair has been carried.

Category 2: Repair within 7 Calendar Days allowing a more proactive approach to be adopted for those defects that represent a medium risk to road users or because there is a risk of short-term structural deterioration.

Category 3: Repair within 30 working days. Those defects that require attention because they represent a low risk to road users allowing defects of this nature to be included onto longer planned programmes of work.

Category 4: Monitor and Review condition based on an assessment of the risk of deterioration at next inspection.

Defect Risk Assessment

Inspectors undertaking safety inspections or responding to reported incidents require to use judgement in determining response times to observed or reported defects. The Well Maintained Highways Code of Practice recommends that roads authorities adopted a system of defect risk assessment for determining the response times to road defects.

The risks identified through this process have to be evaluated in terms of their significance, which means assessing the likely impact should the risk occur and the probability of it actually happening. The impact is quantified by assessing the extent of damage likely to be caused should the risk become an incident. As the impact is likely to increase with increasing speeds the volume of traffic and category of road are important considerations in the assessment. The probability is quantified by assessing the likelihood of users, passing by or over the defect, encountering the risk. As the probability is likely to increase with increasing vehicular or pedestrian flow, the network hierarchy and defect location are consequently important considerations in the assessment.

Response times for which a defect should be repaired or made safe will depend upon: -

1. The depth, surface area or other extent of the defect.
Depth or
2. The volume, characteristics and speed of traffic.
3. The location of the defect relative to road features such as junctions and bends.
4. The location of the defect relative to the positioning of users, especially vulnerable users, such as in traffic lanes or wheel tracks.
5. The nature and extent of interaction with other defects.
6. Forecast weather conditions, especially potential for freezing of surface water.

All defects identified therefore require to be evaluated in terms of their significance. That means assessing the likely impact should the risk occur and the probability of it actually happening. Having identified a particular risk, the Risk Matrix below will be used to determine the defect category and response time.

Probability → Impact ↓	Very Low (1)	Low (2)	Medium (3)	High (4)
Negligible (1)	1	1	2	3
Low (2)	2	4	6	8
Noticeable (3)	3	6	9	12

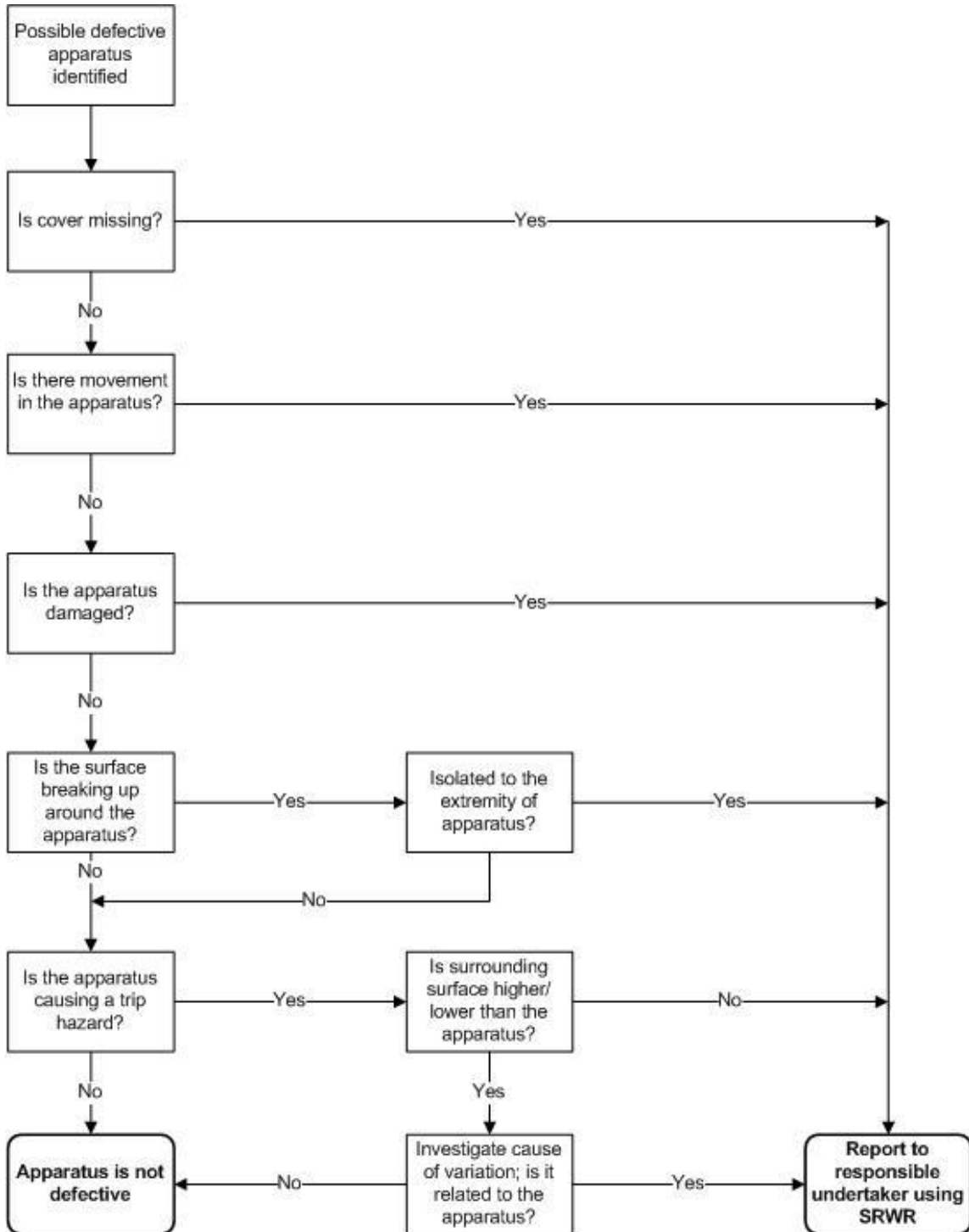
High (4)	4	8	12	16
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Response Category	Cat 4 (Monitor)	Cat 3 (30 Days)	Cat 2 (7 Days)	Cat 1 (4 Hours)
Risk Value	(1 - 4)	(5 - 8)	(9 - 12)	(16)

It may not be possible, particularly at certain times of year, to meet target response times, due to pressure on resources. This could, but not exclusively, be due to the high number of defects that can arise in a short period of time, after periods of adverse weather, such as prolonged spells of heavy rain or snow, or freeze / thaw conditions. Prolonged periods of adverse weather may also prevent remedial measures being carried out.

Records of all safety inspections and works instructions issued following inspections shall be recorded within a Routine Maintenance Management System.

Figure 1: Initial Procedure for Defective Apparatus



5. DEFECTS THAT ARE NOT THE RESPONSIBILITY OF THE COUNCIL

5.1 During an inspection, defects may be identified which are not the responsibility of the Council to repair. The Council does however have a duty of care to the users of the road. Therefore the defect must be

recorded and the party responsible for the repair must be made aware of the defect. If the defect is identified as a Category 1 defect, it should be made safe either by signing and coning or by a temporary repair.

Statutory Undertakers' Defective Apparatus

- 5.2 Where defective apparatus belonging to undertakers is identified, the defect must be recorded and the utility contacted in accordance with the New Roads & Street Works Act 1991 – Code of Practice for Inspections. The initial procedure is summarised in Figure 1 below.

Defects that are the responsibility of other Third Parties

- 5.3 Where the defect is the responsibility of another party who is not a Statutory Undertaker, for example an adjacent landowner, the defect should be recorded and the landowner contacted with a request to carry out the necessary remedial works within an appropriate period of time. A number of scenarios may arise from an inspection, which are covered by provisions contained within the Roads (Scotland) Act 1984, for which it may be appropriate to inform the party responsible for the defect / hazard of their responsibilities under the Act.
- 5.4 Some selected examples of the above are;
- a. Prevention of danger to road users from nearby vegetation and fences etc. or from retaining walls being inadequate (Section 91)
 - b. Deposit of mud from vehicles on road (Section 95)
 - c. Control of flow of water etc. onto roads (Section 99)
- 5.5 A number of these provisions within the Act allow the roads authority to carry out remedial works to address the defect/hazard either immediately or after a suitable period of notice, and further may give powers to recover any expenses reasonably incurred in doing so.
- 5.6 Any decision to undertake such remedial work should not be done without the agreement of a suitably responsible person, and in the first instance constructive discussion with the responsible party, in order to resolve the issue, is the preferred option.

6. HEALTH AND SAFETY

General

- 6.1 In general road inspections are carried out from a slow moving vehicle or on foot. However, it would seem logical that cycle routes be inspected by cycle. The vehicle should be driven at an appropriate speed to allow any defects to be identified and recorded.

Health and Safety

- 6.2 Inspections are to be conducted in accordance with the Council's procedures for the health, safety and welfare of its employees and others.

AS A MINIMUM:

- a. Inspector to wear appropriate PPE (Hi-Vis tabard/jacket and trousers as a minimum).
 - b. All vehicles used to carry out inspections should have double beacons and be appropriately marked – Inspector and Driver to wear Hi-Vis PPE.
- 6.3 All surveys should make use of two-way communications (i.e. radio or mobile telephone). Driven safety inspections should be undertaken by two people **Note** the Council's Lone Working Procedures should be followed when an inspector is undertaking a safety inspection on his/her own.
- 6.4 Should it be necessary to stop the vehicle it shall be parked off the live carriageway wherever possible. If this cannot be achieved then there must be clear visibility in both directions and the roof mounted beacon must be switched on. Traffic must not be forced across any continuous solid white centre line. If this cannot be achieved, advanced temporary traffic signing must be installed

Making Safe

- 6.5 If a defect is considered to be a serious hazard to road users, full traffic management should be called for and the safety inspection vehicle should remain at the hazard until it is in place.

Equipment

- 6.6 All inspection vehicles should carry a minimum of six 750mm traffic cones. The cones should be kept clean and should be inspected quarterly and

replaced as necessary. A record of these inspections must be kept within the vehicle.

- 6.7 In addition to any other equipment they consider necessary, Inspectors should also carry a digital camera to record defects and, if available, a GPS enabled system to accurately record the location of defects.

Documents

- 6.8 The safety inspection team should also carry a copy of:
- a. this guide;
 - b. New Roads & Street Works Act 1991 – Code of Practice for Inspections;
 - c. “Safety at Street Works and Road Works, A Code of Practice”.

**APPENDIX A:
DEFECT AND PRIORITY TABLES**

Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Carriageway Defects					
Pothole	<40mm	4	4	3	3
	>40mm < 100mm	4	3	2	2
	>100mm	4	3	2	1
Failed patch or defective trench	Yes	4	4	3	3
Missing ironwork cover	Yes	4	3	2	1
Badly cracked or damaged ironwork	Yes	4	4	3	3
Cracking around ironwork frame	Yes	4	4	3	3
Crowning/ Depression	>40mm level difference	4	3	2	2
Rutting	>20mm	4	4	3	3
Missing / defective skid resistant surfacing	Yes	4	4	3	3
Debris/ Spillage	Yes	4	3	2	1
Edge Deterioration	>40mm <100mm	4	3	2	2
	>100mm	4	3	2	1
Displaced metal stud	Yes	4	3	2	1
Missing studs/ reflectors	<20% missing	4	4	4	4
	>20% missing	4	4	3	3
Missing or worn lines/ markings	Stop/Give Way	4	3	2	2
	Double white line	4	3	2	2
	Other	4	4	4	4
Defect and Priority Table 1: Carriageway Defects					

Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Kerb Defects					
Loose, missing or damaged kerbs	Yes	4	3	2	2
Dislodged kerb	50mm horizontally, 25mm vertically	4	3	2	2

Defect and Priority Table 2: Kerb Defects					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Shared Surfaces/Footway/Path, Cycleway/Path and Car Park Defects					
Pothole	>25mm <50mm	4	3	2	2
	>50mm	4	3	2	1
Failed patch or defective trench	Failed	4	4	3	3
Missing ironwork cover	Yes	4	3	2	1
Badly cracked or damaged ironwork	Yes	4	3	2	2
Cracking around ironwork frame	Yes	4	4	4	4
Crack, gap or trip	>10mm <25mm	4	4	3	3
	>25mm trip	4	3	2	1
Rocking slabs	>10mm <25mm vertical movement	4	4	3	3
	>25mm vertical movement	4	3	2	1
Crowning/ Depression	>25mm <50mm	4	4	3	3
	>50mm	4	3	2	1
Debris/ Spillage	Danger to pedestrian	4	3	2	1
	Unauthorised obstruction	4	4	3	3
Defect and Priority Table 3: Other Paved Area Defects					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Debris/ Spillage (and Obstructions)					
Litter problem	Danger to pedestrian or road user	4	3	2	2
Fly tipping	Danger to pedestrian or road user	4	4	3	3
Other debris/ spillage	Danger to pedestrian or road user	4	4	3	3
Obstruction (signage/trees/bushes/hedges etc.)	Danger to pedestrian or road user	4	3	3	2

Defect and Priority Table 4: Debris/ Spillage (and Obstructions)					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Signs, Signals and Lighting Defects					
Light(s) out	>3 Lights out	4	3	2	1
	<3 Lights out	4	4	4	4
Damaged signal or light fitting or damaged column	Likely to fall	4	3	2	1
	Not dangerous	4	4	4	4
Exposed wires	Yes	4	3	2	1
Missing/ loose cover	Yes	4	3	2	1
Lighting obscured by vegetation	Yes	4	4	3	3
Unauthorised sign	Danger to pedestrian or road user	4	4	3	3
	Other	4	4	4	4
Missing/ damaged sign face	Regulatory/ Warning signs	4	3	2	2
	Other Signs	4	4	4	4
Obscured or dirty sign	Regulatory/ Warning signs	4	3	2	2
	Other Signs	4	4	4	4
Defect and Priority Table 5: Signs, Signals and Lighting Defects					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Safety Fence/ Barrier Defect					
Safety fence/ barrier or guardrail damaged or loose	Immediate danger to pedestrian or other road user	4	3	2	1
	Other	4	4	4	4
Defect and Priority Table 6: Safety Fence/ Barrier Defect					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Tree/ Hedge Defects					
Loose branch	Immediate hazard	4	3	2	1
	Unlikely to fall onto road	4	4	4	4
Overhanging branch	Yes	4	4	4	3
Sight-lines obscured	Yes	4	3	2	2
Other tree/ hedge defect	Danger to pedestrian or road user	4	3	2	2
	Other	4	4	3	3

Defect and Priority Table 7: Tree/ Hedge Defects					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Drainage Defects & Standing/ Running Water					
Blocked drain, gully or grip	Danger to pedestrian or road user	4	3	2	2
	Other	4	4	4	4
Missing gully frame	Yes	4	3	2	1
Broken gully frame/ cover	Danger to pedestrian or road user	4	3	2	1
	Other	4	4	3	3
Water discharging onto road or Trash screen/ grid blocked	Danger to pedestrian or road user or flooding to property	4	3	2	1
	Primary salting route in winter	4	3	2	2
	Other	4	4	4	4
Defect and Priority Table 8: Drainage Defects & Standing/ Running Water					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Structures Defects					
Parapet damaged	Yes	4	3	2	2
Bridge defect - other	Danger to pedestrian or road user	4	3	2	1
	Other	4	4	3	3
Retaining wall problem	Yes	4	3	2	2
Earthworks/ embankment defect	Yes	4	3	2	2

Defect and Priority Table 9: Structures Defects					
Description	Investigatory Level	Defect Category			
		Very Low	Low	Medium	High
Utility Defects					
Signing/ guarding	Not to code of Practice requirements	4	3	2	1
Reinstatement	Not to code of Practice requirements	4	3	2	1
Overhead wires, poles etc. in poor condition	Yes	4	3	2	1
Utility ironwork	Missing	4	3	2	1
	Badly cracked or damaged	4	3	2	2
	Cracking round frame	4	4	3	3
Other utility defect	Danger to pedestrian or road user	4	3	2	1
	Other	4	4	3	3
Defect and Priority Table 10: Utility Defects					

APPENDIX B: Carrying out Safety Inspections

1. Inspector notifies the Local Area Team of Schedule and Dates of when Inspections are to be carried out – This Exchange of information takes place at the Regular Program Meeting.
2. Inspector accesses WDM and issues the scheduled Inspection to the Panasonic Toughbook using the installed Vic II OR Vic III software.
3. Inspector opens Inspection on the Toughbook – Inputs required data (Inspector Details, Weather, Driver Details etc.) - selects GPS mode for recording faults / defects and is ready to commence with the Inspection.
4. Method of Inspection

Rank – Category of Road
1 Strategic Roads / Bi Monthly Inspections - 2 Men & Vehicle – Driven
2 Main Distributors / Quarterly Inspections - 2 Men & Vehicle – Driven
2a Main Distributors / Urban Quarterly - 2 Men & Vehicle – Driven -
Footways / Walked
3 Minor Roads / Annually - 2 Men & Vehicle – Driven
3a Minor Roads (Urban) / Annually - 2 Men & Vehicle – Driven
5. Vehicle should have double beacons and be appropriately marked – Inspector and Driver to wear Hi-Vis PPE.
6. Inspector or the Toughbook Operator identifies the defect or fault – Plots, Categorises and Logs Details including accurate estimates / measures for the required works.
7. Inspector Photographs defects from a middle view aspect (one that may show some geographical aspect as well as detail of the fault / defect) using the Toughbook's built in camera. The Photographs will then automatically be embedded / attached to the Works Instruction for the recorded defect.
8. When Inspection Route is completed Inspector returns to office and uploads to Inspection and recorded faults to WDM.

9. Each fault / Defect requires data input regards required start dates and the Bill of Quantities.

10. Minor Works Risk assessment to be compiled – 1 Document can cover multiple works Instructions or Job Tickets (Those that can be readily grouped – The Same Task on the same route). The Document must list the works instruction numbers to which it refers.

11. Works Instructions and the relevant Minor Works Risk Assessments are then issued to the Superintendent in person, via depot printers or at the regular program meetings. (Dependent on the Category of Defects and the timescale for action / repair).

APPENDIX B: Carrying out Footway Inspections

1. Inspector notifies the Local Area Team of Schedule and Dates of when Inspections are to be carried out – This Exchange of information takes place at the Regular Program Meeting.
2. Inspector accesses WDM and issues the scheduled Inspection to the Panasonic Toughbook using the installed Vic II OR Vic III software.
3. Inspector opens Inspection on the Toughbook – Inputs required data (Inspector Details, Weather etc.) - selects GPS mode for recording faults / defects and is ready to commence with the Inspection.

4. Method of Inspection

Rank – Category of Footway

1(a) Prestige Walking Zones	1 man – walked
1 Primary Walking Routes	1 man - walked
2 Secondary Walking Routes	1 man - walked
3 Link Footway	1 man - walked
4 Local Access Footways	1 man - walked

5. Inspector to wear appropriate PPE (Hi-Vis tabard/jacket and trousers as a minimum).
6. Inspector identifies the defect or fault – Plots, Categorises and Logs Details including accurate estimates / measures for the required works.
7. Inspector Photographs defects from a middle view aspect (one that may show some geographical aspect as well as detail of the fault / defect) using the Toughbook's built in camera. The Photographs will then automatically be embedded / attached to the Works Instruction for the recorded defect.

8. When Inspection Route is completed Inspector returns to office and uploads to Inspection and recorded faults to WDM.
9. Each fault / Defect requires data input regards required start dates and the Bill of Quantities.
10. Roads Operations Pre-Construction Checklist to be compiled – 1 Document can cover multiple works Instructions or Job Tickets (Those that can be readily grouped – The Same Task on the same route). The Document must list the works instruction numbers to which it refers.
11. Works Instructions and the relevant Roads Operations Pre-Construction Checklist are then issued to the Superintendent in person, via depot printers or at the regular program meetings. (Dependent on the Category of Defects and the timescale for action / repair).

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7 APRIL 2016**

NORTHERN ROADS COLLABORATION FORUM

1.0 EXECUTIVE SUMMARY

- 1.1 The National Roads Maintenance review in 2012 made 30 recommendations. 1 – 29 were generally operational management matters relating to good procurement, working practice etc. Argyll and Bute, like the majority of local authorities were already applying or at the very least working towards 1 – 29 in the delivery of the roads service. The 30th recommendation (option 30 as it has become known) considered a single roads authority for the whole of Scotland. Option 30, through COSLA, was put to Council Leaders who expressed concern regarding a dilution of local accountability should Option 30 be progressed. It was agreed that rather than progress with a single roads authority the existing 32 local authorities should deliver efficiencies through greater collaboration.
- 1.2 There were a number of good examples of collaboration in place in a number of areas prior to the review, through SCOTS and local arrangements. However, a number of work streams from SCOTS have been enhanced through the Roads Collaboration Programme, facilitated by the Improvement Service. Argyll and Bute have been involved with both the former south west and northern collaborative groups. The south west group has been superseded by the City Deal group. This group is being co-ordinated by Glasgow City Council. To date we are not aware of any firm proposals coming out of the City Deal group, further updates will be provided as information is available. Argyll and Bute continue to be actively involved with the northern group. Argyll and Bute have also been working with colleagues to the south of our area who have been gathering data relating to budgets, workforce and challenges.
- 1.3 Subject to views from Members, Council approval will be sought to support the creation of the Northern Roads Collaboration Forum as a precursor to a future Joint Committee and to nominate the Chair and Vice-chair of this the Environment, Development and Infrastructure Committee as members of the said forum.
- 1.4 It is recommended that Members agree to this report being presented to Council with the following recommendations:
- i. note expectations that roads authorities will ‘take forward the design and delivery of a package of shared service initiatives’ (Option 30 report);

- ii. agree to participate in the Northern Roads Collaboration Forum and recommend to Council to nominate the Chair and Vice-chair of this Committee to represent the Council on the Forum;
- iii. note that a meeting of the Forum took place in early March for Lead Members and supporting officers.
- iv. note that the Forum is considered a precursor to forming a Joint Committee to support formal sharing/collaboration across roads services; and note that any proposal to form a Joint Committee will be submitted to a future meeting of Council.
- v. note that the council have also been working with colleagues to the south of Argyll and Bute who have been gathering data relating to budgets, workforce and challenges and will continue with these discussions.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

NORTHERN ROADS COLLABORATION FORUM

2.0 INTRODUCTION

2.1 This report outlines work currently being taken within the Scottish public roads sector to explore and develop opportunities for greater collaboration between roads authorities and highlights how this is being taken forward in the north of Scotland.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members agree to this report being presented to P&R with the following recommendations:
- i. note expectations that roads authorities will 'take forward the design and delivery of a package of shared service initiatives' (Option 30 report);
 - ii. agree to participate in the Northern Roads Collaboration Forum and recommend to Council to nominate the Chair and Vice-chair of this Committee to represent the Council on the Forum;
 - iii. note that a meeting of the Forum took place in early March for Lead Members and supporting officers.
 - iv. note that the Forum is considered a precursor to forming a Joint Committee to support formal sharing/collaboration across roads services; and note that any proposal to form a Joint Committee will be submitted to a future meeting of Council.
 - v. note that the council have also been working with colleagues to the south of Argyll and Bute who have been gathering data relating to budgets, workforce and challenges and will continue with these discussions.

4.0 DETAILS

- 4.1 The briefing sheet at Appendix 1 sets out why a national Roads Collaboration Programme was initiated, lists the aims of that programme and how that has been taken forward in the north of Scotland group.
- 4.2 Over time many roads authorities have introduced a range of local and national collaborative and shared service/capacity initiatives, recognising the value of working with others to improve resilience and to reduce costs. Much of this work has been informal, but it does illustrate a positive culture of co-operation, and good starting point for more formal arrangements.
- 4.3 As the briefing indicates, there is an increasing expectation of sharing and collaboration to deliver efficiencies within the Scottish roads sector. However, shared services arrangements need to comply with EU procurement rules.
- 4.4 An ageing workforce is a recognised concern within road services. This, coupled with a reduced workforce 'pool' of specialised skills, and difficulties in succession planning, means that it is necessary to address workforce planning strategies now to provide a resilient workforce in the future. There is a need to look at opportunities to pool resources, up-skill staff, encourage new people to work in this service area, and increase local employment opportunities at all levels as part of future collaborative work.
- 4.5 The ability of local authorities to work together is considered essential, to deliver long term efficiencies whilst providing resilience in this key frontline service for Scotland's communities.

THE NORTH GOVERNANCE FIRST GROUP

- 4.6 The Governance First concept advocates that going forward, sharing should be seen as the default position and not one which must be demonstrated as being preferable to the status quo in lengthy business cases developed over a number of years.
- 4.7 The North Governance First officers group have been meeting for the past 9 months, exploring options to share or collaborate in areas of the roads service where optimum benefits could be anticipated. They have also been considering options for more formal governance that would allow the participating authorities to benefit from collaboration under a legally secure and accountable body.
- 4.8 Considerable sharing is already underway within some of the participating authorities and Transport Scotland, with a variety of ad-hoc and some formal agreements in place. Argyll and Bute Council are involved in:
 - Maintenance of traffic signals
 - Road Safety Audits
 - Weather forecasting service
 - Training

- Testing
- Professional services and advice
- Cross boundary maintenance works
- West of Scotland Roads Inspection Manual

The points raised above have provided benefit in reducing the procurement processes (13 authorities benefit from a single contract for weather forecasting bringing economies of scale and reduced back office requirement). The roads inspection manual ensures that a cluster of authorities will adopt the same standards and procedures. This will help to provide a consistent approach across the area when dealing with third party claims etc. Discussions are ongoing regarding rolling the manual out across the rest of Scotland.

4.9 Officers have identified the following initial areas of roads services where the most effective short-term benefits from new or increased collaboration are anticipated :

- | | |
|--------------------------------|------------------------------|
| ○ Asset Management | ○ Road and bridge design |
| ○ Parking administration | ○ Weather Forecasting |
| ○ Joint Procurement | ○ Traffic Signal Maintenance |
| ○ Flood Risk Management | ○ Road Safety |
| ○ Development control guidance | ○ Street Lighting |
| ○ Harbours | ○ Training and development |
| ○ Health and Safety | |

4.10 Local authorities would have flexibility in terms of which initiatives they wish to participate in.

PROPOSED GOVERNANCE MODEL

4.11 Under the current informal arrangements, should additional collaborative initiatives be developed, strictly each would require a stand-alone legal agreement depending on the sharing in question.

4.12 This could be avoided under a formal governance structure, where new projects could be regulated through simpler documentation, given that the overarching legal framework would already be in place.

4.13 Officers have carried out an initial options appraisal of available governance models, supported by the Roads Collaboration Programme team, including external legal guidance. The process followed has been endorsed by the Society of Local Authority Lawyers & Administrators in Scotland (SOLAR).

Model 1 – Co-operation through joint committee

4.14 This model is based on the strand of European law which permits public authorities to enter into arrangements for collaboration and co-operation without those arrangements having to be the subject of a procurement process.

Model 2 – A more formal Joint Board

- 4.15 This model is based on the principles of EU procurement law. A model involving the use of a jointly controlled corporate body would represent a viable model for collaboration and joint service delivery in the context of roads authorities.
- 4.16 It was agreed that both model 1 and model 2 were viable options and should both be explored in greater detail taking into account the various options that could be developed within each model.
- 4.17 Outwith the status quo ('do nothing') option, there were five possible options considered within the two models outlined:
- Joint committee
 - Joint board
 - Company limited by guarantee
 - Company limited by shares
 - Limited liability partnership
- 4.18 The North Governance First officers group concluded that, at some stage, a Joint Committee would probably be the most suitable (this would provide the ability for authorities to formally share resources across areas without any commitment to any specified amount of activity) option for this wide geographic area. However, officers recommend, as a first stage, the formation of Northern Roads Collaboration Forum comprising of up to two Elected Members from each participating authority, to meet quarterly for up to one year. The Forum would at that stage consider formally forming a Joint Committee to support the sharing of a range of services/activities. A report would be brought to this Committee at the appropriate time to consider this Council's ongoing involvement.
- 4.19 Pursuing the model above would not preclude any other joint working with say Transport Scotland, or authorities to the south. Officers have also been working with colleagues to south of Argyll and Bute who have been gathering data relating to budgets, workforce and challenges. Should Members decide to pursue the Northern Collaboration as detailed in this report this would not preclude further collaboration with authorities to the south providing the terms of reference with the southern authorities were not exclusive to that southern group.
- 4.20 There were a number of good examples of collaboration in place in a number of areas prior to the review, through SCOTS and local arrangements. However, a number of work streams from SCOTS have been enhanced through the Roads Collaboration Programme, facilitated by the Improvement Service. Argyll and Bute have been involved with both the former south west and northern collaborative groups. The south west group has been superseded by the City Deal group. This group is being co-ordinated by Glasgow City Council. To date we are not aware of any firm proposals coming out of the City Deal group, further updates will be provided as information is available. Argyll and Bute continue to be actively been involved with the northern group.

5.0 CONCLUSION

5.1 Appropriate sharing and collaboration brings benefits to the parties involved, through efficiencies and by sharing resources. Current informal arrangements risk not being compliant with EU procurement rules. Legal advice is that the least option to remove this risk is to form a joint committee with partnering authorities. This ‘governance first’ arrangement would promote sharing as a default position, supported by a high level business case for each proposal. The Northern Roads Collaboration Forum is proposed as the next step in moving to formal sharing arrangements.

6.0 IMPLICATIONS

- | | | |
|-----|------------|--|
| 6.1 | Policy | <p>If a Joint Committee is to be formed at some stage, a Lead Authority will be needed and there will be an agreement amongst the participants.</p> <p>It is anticipated that partner authorities will not be obliged to enter into any sharing/collaboration. Each collaborative activity will be subject to a high level business case assessment prior to seeking approval from Elected Members.</p> <p>Policy decisions will remain with individual participating authorities.</p> |
| 6.2 | Financial | <p>If a Joint Committee is to be formed at some stage, a Lead Authority will be needed and there and there may be some limited financial contribution required from partners to that.</p> <p>Each collaborative activity will be subject to a high level business case assessment prior to seeking approval from Elected Members</p> |
| 6.3 | Legal | <p>None</p> |
| 6.4 | HR | <p>There are no immediate staffing implications arising. Future sharing implies staff working for/in partner authorities.</p> |
| 6.5 | Equalities | <p>There are no equality implications arising from these proposals.</p> |
| 6.6 | Risk | <p>These proposals are designed to eliminate risk of sharing/collaborating which does not conform to EU</p> |

procurement rules.

6.7 Customer Services None

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead Councillor Ellen Morton

January 2016

For further information contact: Jim Smith, Head of Roads and Amenity Services
Tel: 01546 604324

APPENDICES

Appendix 1 – Briefing: Proposals for a Northern Roads Collaboration Forum

Briefing: Proposals for a Northern Roads Collaboration Forum1. Purpose

1.1. To brief Members on; the evolution of proposals for a Northern Roads Collaboration Forum.

2. Background

2.1. In November 2004, Audit Scotland produced a report on 'Maintaining Scotland's roads' with follow up reports in February 2011 and May 2013. It is understood that Audit Scotland plan to review progress against the recommendations of this series of reports in autumn 2015.

2.2. The National Road Maintenance Review was completed in July 2012. Phase 3 of the review included the follow up 'Option 30' report, the purpose of which was: Consideration of optimal delivery structures for roads management and maintenance. The report recommended: *Creating a central resource, overseen by Scottish Ministers and COSLA, to take forward the design and delivery of a package of shared service initiatives.*

2.3. In their 2013 report, Audit Scotland's recommendations included that: *councils, the Convention of Scottish Local Authorities (COSLA) and SCOTS should continue to work with partners on the Roads Maintenance Strategic Action Group to produce a strategy for developing the best service and structural models to deliver roads maintenance.*

2.4. The Roads Collaboration Programme (RCP) Board was established in January 2014 and has representation from Transport Scotland, the Society of Chief Officers of Transportation in Scotland (SCOTS), Society of Local Authority Chief Executives (SOLACE) and the Improvement Service (IS).

2.5. The Programme has the following aims:

- To support the design and delivery of existing roads authority initiatives to share services/capacity within Roads Services
- To develop existing shared initiatives further, considering the potential to widen the scope of what could be shared, widen partnerships, remove/manage barriers to change, escalating the business case design stage to drive forward a faster pace of change
- To identify new opportunities for collaboration between the 33 roads authorities and develop these
- To encourage and support communication across authority boundaries
- To encourage the consistent use of roads-related data, maximising the potential to use the data to drive improvement
- To support local authorities and their partners to establish sound governance arrangements for collaborative initiatives that meet all EU procurement guidelines

3. Northern Roads Collaboration

- 3.1. All Scottish roads authorities have been meeting, in different groupings and on a voluntary basis, to take forward the Roads Collaboration Programme.
- 3.2. The North of Scotland group covers, Aberdeen City, Aberdeenshire, Angus Argyll and Bute, Comhairle nan Eilean Siar, Highland, Moray, Orkney and Shetland.
- 3.3. Governance First is based on the concept of 'Sharing by Default'; meaning local authorities should approach collaboration and/or the creation of a shared service by addressing the governance requirements as the first fundamental step. Whilst a 'Governance First' concept is being promoted there has been informal sharing across various of the partner authorities for many years and other opportunities have been identified.
- 3.4. Legal advice is that the minimum governance requirement necessary to meet all EU procurement guidelines is the setting up of a joint committee of those authorities wishing to enable sharing. Individual authorities within the partnership would not be obliged to participate in every sharing arrangement.

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
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WASTE MANAGEMENT – WASTE STRATEGY

1.0 EXECUTIVE SUMMARY

- 1.1 Argyll and Bute Council is both waste collection and waste disposal authority. Waste collection is carried out by council staff with assistance from third sector groups for recycled materials.
- 1.2 Waste disposal is dealt with by 3 separate models across the council. These are:
- Island sites which are operated directly by the council.
 - A 25 year PPP contract covering the mainland other than Helensburgh and Lomond – this runs until 2026.
 - Helensburgh and Lomond where collected waste is disposed of at third party sites outside Argyll and Bute.
- 1.3 Waste to landfill is environmentally unsound and legislation and guidelines have been put in place to reduce material to landfill. One of the measures introduced nationally is a landfill tax which currently costs the council £82.60 per tonne. National guidance is expected with regards to the ban on biodegradable waste going to landfill from 2021.
- 1.4 The annual council budget for waste management is some £11,727,934 for 2015/16.
- 1.5 At its October 2012 meeting council approved a waste strategy which included progressing a contract variation allowing co-mingled materials for recycling to be collected and general waste collections moving to 2 weekly. This provided an improved and increased recycled material collection facility to be provided to the residents of mainland Mid Argyll, Oban/Lorn and Cowal. This has been delivered. It was agreed as part of the Council's budget in February 2016 that general waste collections would move to a 3 weekly cycle during 2016/17. By restricting the capacity for waste that is sent to landfill it is hoped that further changes in behaviour can be encouraged, further increasing recycling.
- 1.6 The landfill sites operated by the council and those returning to the council in 2026 will have an ongoing maintenance requirement. This will include monitoring for leachate and gas, restoration works and environmental compliance as well as general health and safety.

- 1.7 A revised waste strategy is required to deal with the known requirements over the coming years and also to shape service delivery over the next 25 year period and beyond. Whilst the current delivery model is working and can be contained within budget over the next 2 financial years this is not a sustainable position in the longer term. This has been demonstrated by the 25 year waste model detailed in the report. Doing nothing is not an option, by 2028/29 the financial model indicates that the council would be at an adverse budget position of £3,912,094 increasing to £9,286,413 by 2039/40 should we continue as is. The profile of the service within the current financial year projects a favourable variance of £134K. It was agreed as part of the Council's budget in February 2016 that this favourable variance would be earmarked for waste management providing the funding to cover otherwise adverse positions in 2016/17 and 2017/18 of £45K and £88K, thereby removing the deficit within these years. This provides time to develop an alternative waste strategy to mitigate future financial pressures.
- 1.8 From an environmental position the council should be pursuing options that divert waste from landfill. The emerging waste strategy should consider additional diversion from landfill. There is a range of options available including energy from waste, gasification, additional recycling etc.
- 1.9 It is recommended that Environment, Development and Infrastructure Committee:
- Notes the report,
 - Endorses work being progressed towards a long term waste strategy,
 - Notes recruitment of a project manager to lead on the provision of a new waste strategy.
 - Notes that a further report will be brought to a future meeting regarding the Waste Charter

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DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

WASTE MANAGEMENT – WASTE STRATEGY

2.0 INTRODUCTION

- 2.1 This report sets out the current position relating to waste collection and disposal. The report considers the financial, contractual and legislative implications regarding waste and seeks to put in place a long term waste strategy.
- 2.2 This report will have budget implications and consideration will need to be given to the financial requirements as part of the budget process.

3.0 RECOMMENDATIONS

- 3.1 That Environment, Development and Infrastructure Committee:
- Notes the report,
 - Endorses work being progressed towards a long term waste strategy,
 - Notes recruitment of a project manager to lead on the provision of a new waste strategy.
 - Notes that a further report will be brought to a future meeting regarding the Waste Charter.

4.0 DETAILS

4.1 Waste Model – Existing Disposal Arrangements

- 4.1.1 Waste disposal is dealt with by 3 separate models across the council. These are:
- Island sites which are operated directly by the council.
 - A 25 year PPP contract covering the mainland other than Helensburgh and Lomond – this runs until 2026.
 - Helensburgh and Lomond where collected waste is disposed of at third party sites outside Argyll and Bute.
- 4.1.2 Appendix 1 details the operations of the three waste management areas within Argyll and Bute and includes a plan detailing the 3 areas.

4.2 Council Strategy (2012)

- 4.2.1 The Waste Strategy approved by the Council in October 2012 was mainly as a result of the Waste (Scotland) Regulations 2012 which were introduced in May of that year. The Strategy was required to detail the implications of the Regulations and how the Council intended to comply including legal requirements by 2014 on collecting a range of recycling materials from households and offering various recycling collections to commercial premises who would have a local duty to recycle as would all public bodies.
- 4.2.2 In the main, the Council collections on Mull, Islay and Tiree complied as household and commercial recycling collection services were available for paper, card, plastic and cans (plastic/cans in separate bags). Mull and Tiree also had glass collections from households with Islay relying on bottle banks.
- 4.2.3 Helensburgh and Lomond was also seen as compliant with the 2014 requirements as this area also had recycling collections in place for paper, card, plastic, cans plus a separate glass collection. A food waste recycling collection was also in place in the Helensburgh area which was a requirement in the 2012 Regulations due to it being classed as an urban area (food waste exemptions applied in rural areas).
- 4.2.4 Kintyre and Bute household collections were already compliant due to the collections in place via Kintyre Recycling Ltd and Fyne Futures respectively for paper/card and plastic/cans uplifts. The Strategy indicated the intention to continue utilising the groups in these areas for the recycling collections with the Council carrying out the residual waste uplifts. Under this model third sector groups will carry out household collections of materials for recycling in partnership with the Council.
- 4.2.5 The main areas where compliance at the time would require significant collection changes was in the Mid Argyll, Oban/Lorn and Cowal areas within the PPP Contract. In these areas only paper/card blue bin collections from households were available. With the requirements from 2014 to also collect plastic and cans, the most efficient way deemed of achieving this at the time and as approved by the 2011 Waste Review, was to add plastic and cans into the blue bins while moving to an alternate weekly service with residual waste to ensure recycling uptake. This would also ensure collection savings as required from the budget and the 2011 Waste Review. Authority was given to negotiate with Shanks regarding a formal PPP contract change to allow for this.
- 4.2.6 The Contract Variation process with Shanks turned out to be complex and lengthy with several committee reports being presented to Members on progress and the Scottish Government were also informed. The PPP Variation was subsequently agreed in 2014 which allowed the change in collections to be implemented (albeit later than originally envisaged) during autumn 2014 for Mid Argyll, Oban/Lorn and spring 2015 for Cowal.

4.2.7 The change in collections have been generally successful. The schemes have resulted in an approximate 16% increase in recycling and a 13% reduction of residual general waste in the PPP area.

4.3 Financial Model

4.3.1 A financial model covering a 25 year period, 2015-16 to 2039-40 has been developed for waste management.

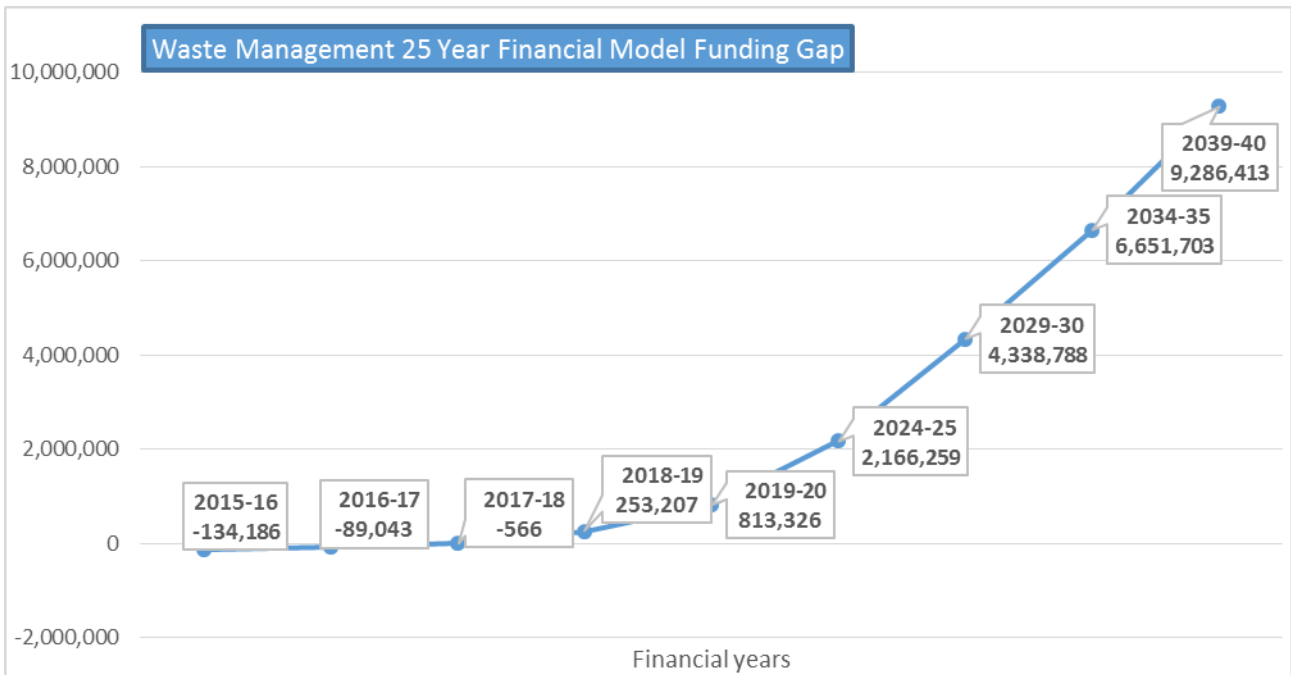
4.3.2 The model incorporates the PPP contract with Shanks which ends on 3 September 2026.

4.3.3 The main factors that influence the model are:-

- profile of contract variation repayment from Shanks.
- contractual Payments to Shanks which is index linked @ 0.85 of RPIx.
- landfill tax
- Capping/restoration and aftercare of island sites
- Waste volume based on proposed 2015-16 tonnage levels, future changes in volume not factored into model
- Sale of recyclates based on 2014-15 prices, future price changes not reflected in model
- Inflation only applied to employee costs, electricity, non-domestic rates, landfill tax and Shanks payments per budget outlook
- Budget reduction in waste model following the end of the Shanks contract

4.3.4 As part of the year end process for 2014-15 there was an accounting requirement to provide for the costs of decommissioning landfill sites within the value of the asset in the Council's annual accounts. The result of this requirement was that £1,477K was added to the value of the landfill sites and treated as capital expenditure. The revenue consequence is that the Council requires to fund the cost of this expenditure over 10 years at an annual cost of £227k per annum.

4.3.5 If the Council does nothing and continues the service delivery on the current basis the overall forecasted position for the 25 years will be a cumulative deficit at the end of the period amounting to £9.286m, as displayed in the graph below. Appendix 2 has the individual yearly position.



4.3.6 The profile of the service within financial year 2015-16 within the waste model is projecting a favourable variance of £134K. This favourable variance was earmarked at the February 2016 budget meeting of Council, for waste management to provide funding to cover the adverse positions in 2016/17 and 2017/18 of £45K and £88K, thereby removing the deficit within these years. This would provide time to develop an alternative waste strategy prior to an adverse financial position developing.

4.3.7 The model does not reflect the changes introduced by Service Choices which will reduce the capacity available for general waste by moving general waste bin collections from a two weekly cycle to a three weekly cycle. Whilst the three weekly collections will reduce the financial demands on the service, the significant costs are associated with landfill, contracts etc. The financial model will be updated once three weekly collections have settled in and any changes in waste volumes will be reflected.

4.3.8 Included in the financial model is provision for a project manager to lead on the provision of a revised waste strategy. This post is anticipated to be required for a time limited period of two years.

4.4 Shanks Contract Requirements

Waste PPP

4.4.1 The Council has a PPP contract with Shanks Argyll and Bute Limited. The Council is obligated to deliver waste generated in the contract area to Shanks who require to process this in terms of the output specification in the contract. In addition they require to operate and maintain certain of the waste facility sites owned by the Council. In return the Council is obligated to pay to Shanks a Unitary Charge for this Service.

4.4.2 The Council has to date made 2 material variations to the contract. The first of these was in relation to retention of island sites, extracting revenue sums from the Unitary Charge payment in the contract. The second variation was in respect of the introduction of co-mingled waste collection to enable the Council to meet its requirements in terms of the zero waste regulations.

4.4.3 It should be noted that the process of variations is not a flexible process which allows the Council to easily add or subtract to the obligations of the contract. The process can be dictated by the funders to the project and their view of the risk involved in any particular variation.

Project Term and Handback

4.4.4 The contract subsists until 4 September 2026. After that date, if no other arrangement is entered in to, the Council will become responsible for the maintenance and operation of the sites currently operated and maintained by Shanks and the processing of waste at those sites. Prior to the expiry of the contract there are detailed requirements for the handback of the facilities to ensure that these are in a condition consistent with the output specification in the contract. The handback arrangements ensure that the facilities revert back to the Council in an appropriate condition with the transfer of relevant waste management licences, permits, maintenance, operation and training manuals for the operation and function of the facility.

Options Post 2026

4.4.5 Once the Waste PPP contract has completed, the Council has options in relation to how it wishes to operate its waste facilities and the processing of waste that is currently undertaken by Shanks.

4.4.6 These options will depend on how the service wishes to deliver waste services at that time but may include:

- Direct Council operation of the waste facilities;
- Further contracting with 3rd party for operation of waste facilities through private finance;
- Contract with 3rd party for operation of the waste facilities with Council funding;
- Reduction of capacity or use of current waste facilities dependent on waste strategy at that time.

4.4.7 As the Council approaches the end of the contract period and engages in the handback process with Shanks it would be prudent to undertake a more detailed option appraisal at that time to determine the most effective and efficient method of utilising the facilities currently operated by Shanks.

4.5 Legislation and Guidelines

4.5.1 There is significant legislation and guidance relating to waste management dating back to the Refuse Disposal Amenity Act 1978 and the Environmental Protection

Act 1990. The most recent major piece of waste legislation is the Waste (Scotland) Regulations 2012 which followed on from the Scottish Government's Zero Waste Plan which was published in 2010.

4.5.2 The Scottish Government's Zero Waste Plan includes the following key targets:

- 50% recycling/composting from households in 2013
- 60% recycling/composting from households in 2020
- 70% recycling/composting from households in 2025 and no more than 5% of all waste to go to landfill

4.5.3 The Waste (Scotland) 2012 Regulations focus on delivering the following main objectives:

- Local Authority recycling services to domestic properties and businesses;
- The separate collection of recyclables;
- Food waste collections to domestic properties and businesses;
- High quality recyclates producing closed loop recycling;
- Restrictions on inputs to Energy from Waste Facilities (EfW); and
- Landfill bans.

4.5.4 The 2012 Regulations include duties such as:

- Councils must provide and promote separate collection(s) of glass ,paper, card, metals, plastics and food waste from domestic properties from January 2014 (Exemptions exist for food waste in rural areas);
- A separate collection of these recyclables must also be offered by Councils to businesses and other non-domestic properties from January 2014;
- Businesses to present metal, plastic ,glass ,paper and card for separate collection from January 2014;
- Food businesses (except in rural areas) which produce over 50 kg of food waste per week to present food waste for separate collection from January 2014;
- Food businesses (except in rural areas) which produce over 5 kg of food waste per week to present that food waste for separate collection from January 2016;
- A restriction on inputs to Energy from Waste;
- A ban on biodegradable municipal waste to landfill from January 2021.

4.5.5 In the summer of 2015, The Scottish Government produced 'Making things last: Consultation on Creating a More Circular Economy in Scotland'. The consultation had many intentions including a proposal to "review the rural exemption for food waste in the Waste (Scotland) Regulations 2012 in partnership with local government as part of the process to support the proposed Household Recycling Charter, as well as businesses and the waste management sector."

4.5.6 The Scottish Government has a strong desire that food waste collections should be available to households throughout Scotland although COSLA is strongly

highlighting the potential cost implications if this requirement is extended to rural areas. Further guidance from the Scottish Government/SEPA on how the 2021 landfill ban on biodegradable waste will be implemented is awaited. This further guidance would help to determine whether food waste collections will ultimately be required by 2021. Currently there are no rural exemptions with regards to the 2021 landfill ban.

4.6 Household Recycling Charter

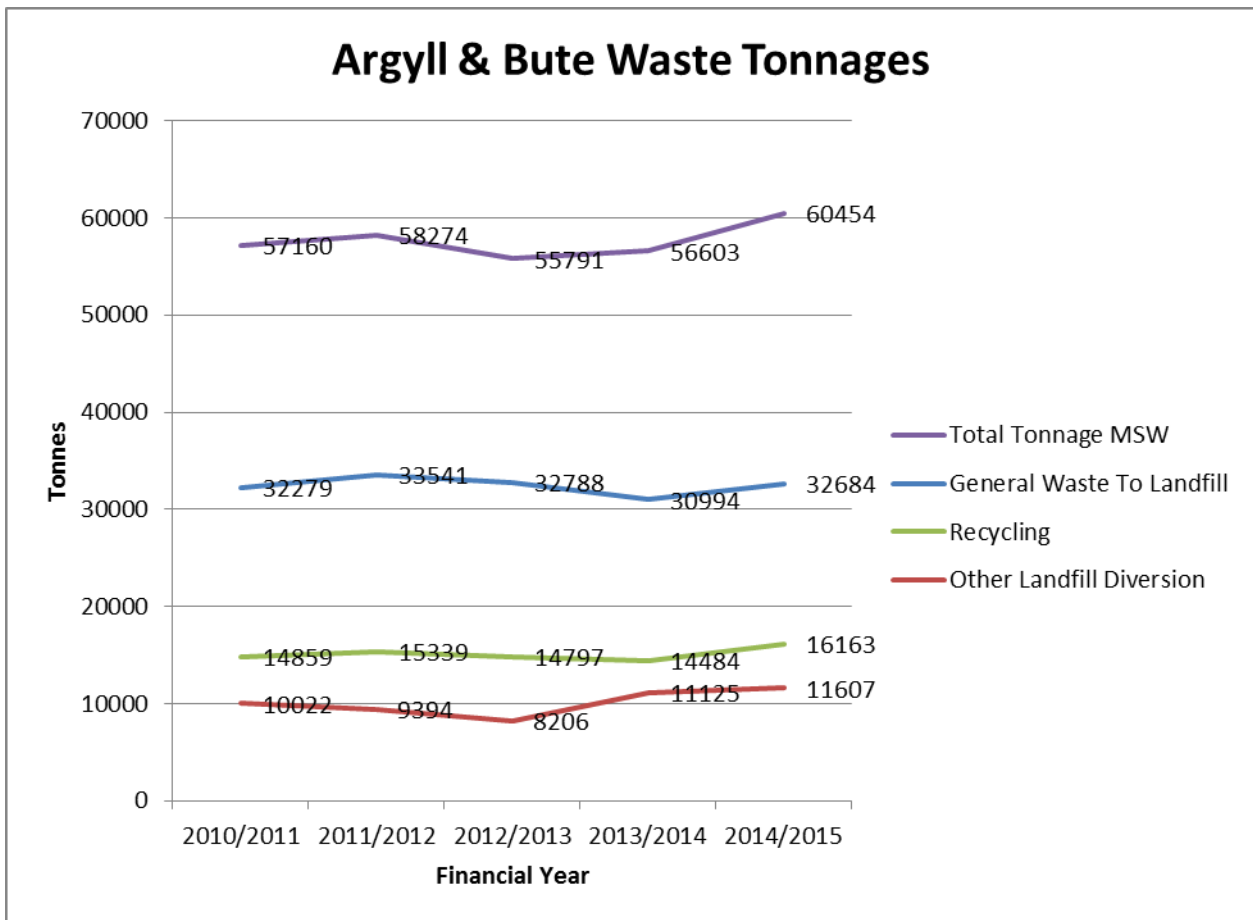
- 4.6.1 During 2015, COSLA, Scottish Government, SOLACE and Zero Waste Scotland have been working on producing a Household Recycling Charter with an associated Code of Practice.
- 4.6.2 The background for the Household Recycling Charter goes back to 2014 when the Scottish Government/COSLA Zero Waste Taskforce was convened in order to identify recommendations with the aim of transformation of the management of public sector waste into an effective feedstock for the circular economy by encouraging high community participation in recycling, supporting the emergence of new industries and maximising cost benefit to local authorities.
- 4.6.3 One of the Taskforce's key recommendations was that local authorities be empowered and enabled to move towards more consistent recycling collection systems, thus creating a high volume stream of high quality materials to stimulate reprocessing and remanufacturing industries within Scotland whilst also allowing for clearer communications to householders and opportunities for national approaches.
- 4.6.4 The purpose of the Charter and associated Code of Practice is to articulate this consistent approach to the collection of household waste material streams across Scotland. The Charter sets out the high-level principles and is supported by the Code of Practice which details the specific approaches to material segregation and collection dependant on household type and collection area. Further detail relating to the Household Recycling Charter and a draft of the Charter is included in Appendix 3.
- 4.6.7 The Scottish Government have indicated to COSLA that there may be funding available to Local Authorities signing the Charter should there be a funding shortfall when compared to existing budgets. It is not clear if the potential funding would be limited only to initial implementation costs e.g. for new/additional containers and vehicles or it would extend to any additional ongoing revenue costs. Indicative modelling for Argyll and Bute to collect food waste across the area adds an additional cost of approximately £1M to waste collection.
- 4.6.8 The Charter and Code of Practice was considered at the COSLA Development, Economy and Sustainability Executive Group on 20th November and at COSLA Leaders meeting on 27th November.
- 4.6.9 The charter advocates that kerbside boxes are used. Anecdotal feedback from residents in Argyll and Bute suggests that bins are preferable to boxes given our weather and wildlife. It is proposed that no immediate action is taken regarding the waste charter. It is proposed that take up with the charter is monitored and a further

report brought to the Environment, Development and infrastructure Committee detailing National take up and considering Argyll and Bute Council’s position.

4.7 Amount of Waste and Recycled Material Collected and Disposal

4.7.1 The tables in Appendix 4 show the Municipal Solid Waste (MSW) tonnages for Argyll and Bute including breakdowns of the 3 main areas in relation to waste ie. Shanks (ie. most of mainland Argyll and Bute), Helensburgh/Lomond and Islands (i.e. Mull, Islay, Colonsay, Coll and Tiree).

4.7.2 As can be seen from the tables, the Council is diverting from landfill 46% of its waste but is recycling only 27%, which falls short of the national recycling targets. Within the 3 areas the Shanks Area has the highest overall level of landfill diversion at 48.9% with Helensburgh and Lomond having the highest recycling rate at 38.9%. Virtually all of the highest performing councils in Scotland, who are achieving over 50% recycling, have kerbside garden waste collections in place where green garden waste is collected from households and subsequently composted to a high quality compost standard i.e. PAS100. With the geography and rural nature of Argyll and Bute it is not considered that green garden waste collections would be affordable.

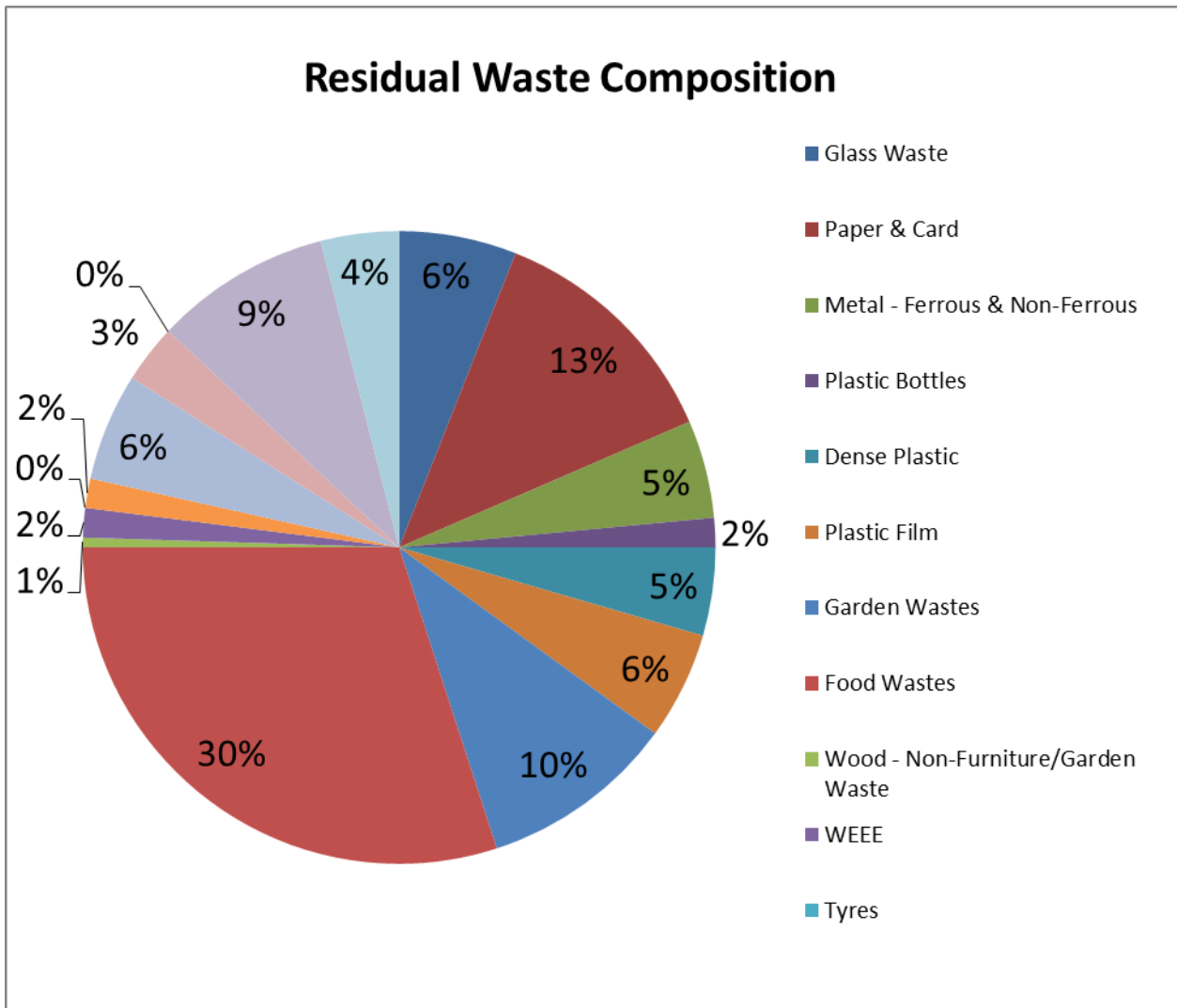


Note Appendix 4 – summary of municipal waste (MSW) tonnage provides the above figures in tabulated format.

- 4.7.3 Argyll and Bute does not carry out any kerbside garden waste collections. There is no requirement to do so under the 2012 Waste Regulations and it will be left to Councils discretion if signing up to the Household Recycling Charter.
- 4.7.4 There is currently provision at the main Recycling and Civic Amenity Sites for depositing green waste for onward composting and/or landfill diversion. Currently only the green waste from Helensburgh goes for PAS 100 compost. Green waste deposited at Shanks sites goes for onward composting but not to PAS 100 Standard and therefore it counts as landfill diversion but not recycling. Requiring Shanks to process garden waste to PAS100 Standard would add additional costs to the Contract although it would improve the Councils recycling rate by around 5%.
- 4.7.5 Rolling out kerbside garden waste collections in Argyll and Bute would add at least a further 5 percentage points (assuming it was composted to PAS100 Standard) to the recycling rate. Food waste collections throughout would also add a further 5 percentage points plus kerbside glass collection an additional 3 percentage points. Introducing these collections could increase the Council's recycling rate to around 39% however they would have significant cost implications and has previously stated are not considered to be cost effective. Given the current treatment arrangements for waste it is also arguable that there would be limited environmental benefit.
- 4.7.6 The Zero Waste Plan recycling targets referred to earlier in 4.3 are not currently mandatory although the Scottish Government have mooted that they may be minded to make these targets statutory in future if they come to the view that Councils are not sufficiently prioritising working towards achievement of them.
- 4.7.7 The current recycling and residual general waste collections in the 3 areas are summarised in Appendix 5.

4.8 Waste Composition

- 4.8.1 In late 2014, the Council (using mainly grant funding from Zero Waste Scotland) appointed Albion Environmental to carry out a waste composition analysis of it's general waste (residual) in both the Shanks and Islands areas (the grant funding did not extend to cover 3 areas). An analysis was carried out in Dunoon over a 2 week period and on Islay over a 1 week period.



	Waste Stream	Dunoon	Islay	Combined
1	Glass Waste	7%	5%	6%
2	Paper & Card	14%	11%	13%
3	Metal - Ferrous & Non-Ferrous	5%	5%	5%
4	Plastic Bottles	2%	1%	2%
5	Dense Plastic	5%	4%	5%
6	Plastic Film	5%	6%	6%
7	Garden Wastes	15%	5%	10%
8	Food Wastes	28%	32%	30%
9	Wood - Non-Furniture/Garden Waste	1%	0%	1%
10	WEEE	2%	1%	2%
11	Tyres	0%	0%	0%
12	Miscellaneous Combustible	2%	1%	2%
13	Textiles & Footwear	4%	7%	6%
14	Miscellaneous Non-Combustible	1%	5%	3%
15	Hazardous Wastes	0%	0%	0%
16	Healthcare Waste	9%	9%	9%

17	Fines	1%	7%	4%
		101%	99%	100%

4.8.2 The main conclusions included were are follows:

Dunoon (PPP Area)

- The contents of the green residual waste bin could potentially be reduced by 49% if all recycling options were utilised.
- Food waste accounted for 28% of the green residual waste bin.
- Changing green bin collections from weekly to fortnightly could provide a significant reduction in the amount of materials disposed (this change was made in Cowal during spring 2015).

Islay (Islands Area)

- The contents of the green waste residual waste could be potentially reduced by 36% if all recycling options were utilised through residents composting.
- Food waste accounted for 32% of the green residual waste bin.
- Efforts could be made to increase public awareness about what materials could be diverted from the green bin to the blue bin and recycling sacks. Results indicate that there is the potential to double the materials in the recycling sack and in the blue bin by almost 20%.

4.8.3 The Code of Practice associated with the Household Recycling Charter indicates that Councils should consider waste composition analysis on a minimum basis every 3 years or prior to any major service change. It should be noted that the analysis carried out in 2014 cost around £25k and would not have been affordable without the grant funding from Zero Waste Scotland.

4.9 Commercial Collections

4.9.1 Under the Environmental Protection Act 1990, Local Authorities have a legal duty to provide (if asked) a waste collection service to commercial premises for which a charge can be made. This legal duty was extended in the 2012 Waste Regulations to include from January 2014, recycling collections provision for paper, card, plastic, cans and glass to commercial premises (again if asked for and a charge could be made). Food waste collection provision was also a requirement in some areas where household provision was required i.e. Helensburgh. Commercial premises would have a legal duty from 2014 to recycle these materials (if not already doing so). Food waste recycling by food serving or producing premises (in urban areas) was also a legal duty from 2014 or January 2016 depending on the approximate amounts of food waste produce.

4.9.2 For the Councils commercial recycling services, similar to household provision in 2012, Helensburgh and Lomond and several of the islands were already compliant but there were gaps in respect of most of the PPP area mainly regarding plastic and cans. Agreement was reached with Kintyre Recycling for them to provide commercial recycling provision for paper, card, plastic and cans in Kintyre and with

Fyne Futures on Bute for a commercial plastic and cans service. The anticipated agreement for co-mingled recycling (i.e. paper, card, plastic and cans in blue bin) with Shanks for the Mid Argyll, Oban/Lorn and Cowal areas did take longer than expected due to the delays in agreeing a PPP Contract Variation with Shanks . Once the co-mingled recycling schemes were introduced in autumn 2014 and spring 2015, this allowed commercials in these areas to have a similar recycling service to households. Commercials throughout mainland Argyll and Bute could also use the existing commercial glass collection service provided via Greenlight Environmental.

- 4.9.3 To ensure collection efficiencies, most of the commercial blue bin recycling uplifts are carried out on same runs as the household runs. This also applies in much of rural areas of Argyll and Bute with regards to commercial residual general waste uplifts being done along with household uplifts. There are some mainly commercial only runs in the more populated areas e.g. Helensburgh, Oban and Dunoon.
- 4.9.4 The Council has over 2,000 commercial customers. The income received from commercial collections in 14/15 was £1,747,743 which equates to around 14.9% of the overall waste budget.
- 4.9.5 There has, however, been a drop off over the past year or so in the commercial income received compared to budget expectation. This could be due to a number of factors including:
- Competition from private waste contractors.
 - As commercials recycle more (as per the regulations) they have less general waste. Recycling charges are less than for general waste as no landfill tax element applied.
 - Commercials are improving waste minimisation measures.
 - 'Leakage' of commercial waste into household system.
 - Economic issues e.g. if say a business downsizes.
- 4.9.6 Some Scottish Councils have their commercial services separate from household collections although most rural councils have combined collection runs to ensure collection efficiencies. However, depending on whether the Council signs up to the Household Recycling Charter and the impact of implementing the Service Choices option, any subsequent changes to household collections could potentially have a significant bearing on the commercial services provision which would require closer examination.

4.10 Next Steps

- 4.10.1 Doing nothing is not an option as this would lead to none compliance with emerging government guidelines and also result in significant financial pressures as detailed in the financial section of this report.
- 4.10.2 The 2012 Strategy has served its purpose and needs to be refreshed, particularly given the emerging changes to waste disposal requirements highlighted in this report. It is proposed that work commences to produce a new strategy which deals with not only changes to legislation and guidance but also takes into consideration

the remainder of the SHANKS contract and any provision to replace this arrangement.

4.10.3 The strategy is a significant piece of work that will require a dedicated project manager for an estimated 2 year period. The cost of this is assumed within the overall waste model.

5.0 CONCLUSION

5.1 This report sets out the current position relating to waste collection and disposal. The report considers the financial, contractual and legislative implications regarding waste and seeks to put in place a long term waste strategy.

5.2 This report introduces a 25 year financial model, highlights the budget implications of doing nothing and proposes that a detailed waste strategy is produced detailing how waste is managed over the remainder of the Shanks contract and beyond.

6.0 IMPLICATIONS

6.1	Policy	Existing Strategy was agreed in October 2012
6.2	Financial	The report introduces a 25 year financial model and raises financial pressures in future years if no action is taken to amend the waste strategy.
6.3	Legal	Various – detailed in the report
6.4	HR	None identified
6.5	Equalities	Waste collection has equality implications – these to be dealt with as part of any emerging strategy.
6.6	Risk	Financial risks have been identified in the report
6.7	Customer Services	Various contractual and legal obligations.

Executive Director of Development and Infrastructure
Policy Lead Ellen Morton

February 2016

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APPENDICES

Appendix 1 – Argyll and Bute Waste Management Operational Areas including plan.

Appendix 2 – Annual Financial Forecast

Appendix 3 – Charter for Household Recycling in Scotland

Appendix 4 – Summary of Municipal Solid Waste (MSW) Tonnages

Appendix 5 – Area Summary

Appendix 6 – Compost Process Diagram

Appendix 1 – Argyll and Bute – Waste Management Operational Areas

1.0 Island Sites

- 1.1 The Council currently operates three Pollution Prevention Control (PPC) Permitted Island Waste Facilities which are at Glengorm on Mull, Gartbreck on Islay and Gott Bay on Tiree. These sites are regulated by the Scottish Environment Protection Agency (SEPA) under strict permit conditions for site operation, on-going maintenance and aftercare. Attached in Appendix 2 is the Island Sites Landfill Asset Management Plan which highlights the on-going requirements and costs to continue landfill site development and aftercare in line with Permit conditions, guidance and legislation.
- 1.2 Each site has a specific PPC Permit which is issued by SEPA. The Permits detail conditions that the Council must achieve to operate the site and comply with all relevant legislation for the acceptance, treatment and disposal of waste. These conditions cover waste disposal operations, monitoring requirements, construction requirements for new landfill cells, capping of cells plus cell closure and aftercare requirements.
- 1.3 The current landfill cells have remaining capacity up to 2020, thereafter a ban comes into force (under Waste Scotland Regulations 2012) which prevents the landfilling of biodegradable municipal wastes. Combined the island sites currently landfill approximately 3,500 tonnes of waste which contains biodegradable materials. By the end of 2020 when the landfill ban comes into force, the Council will require a waste transfer shed each at Glengorm on Mull and Gartbreck on Islay to allow the transfer of non-recycled municipal waste for compliant disposal.
- 1.4 The combined sites also deal with approximately 1,000 tonnes per annum of recycling materials which are sorted and baled by the Council and/or Third Sector Partner (ie. Re-JIG on Islay) and then sent for onward recycling/re-use.
- 1.5 The Council also operates Recycling and Civic Amenity Sites (on closed landfill sites) on the islands of Coll and Colonsay.

2.0 Public Private Partnership (PPP) Area

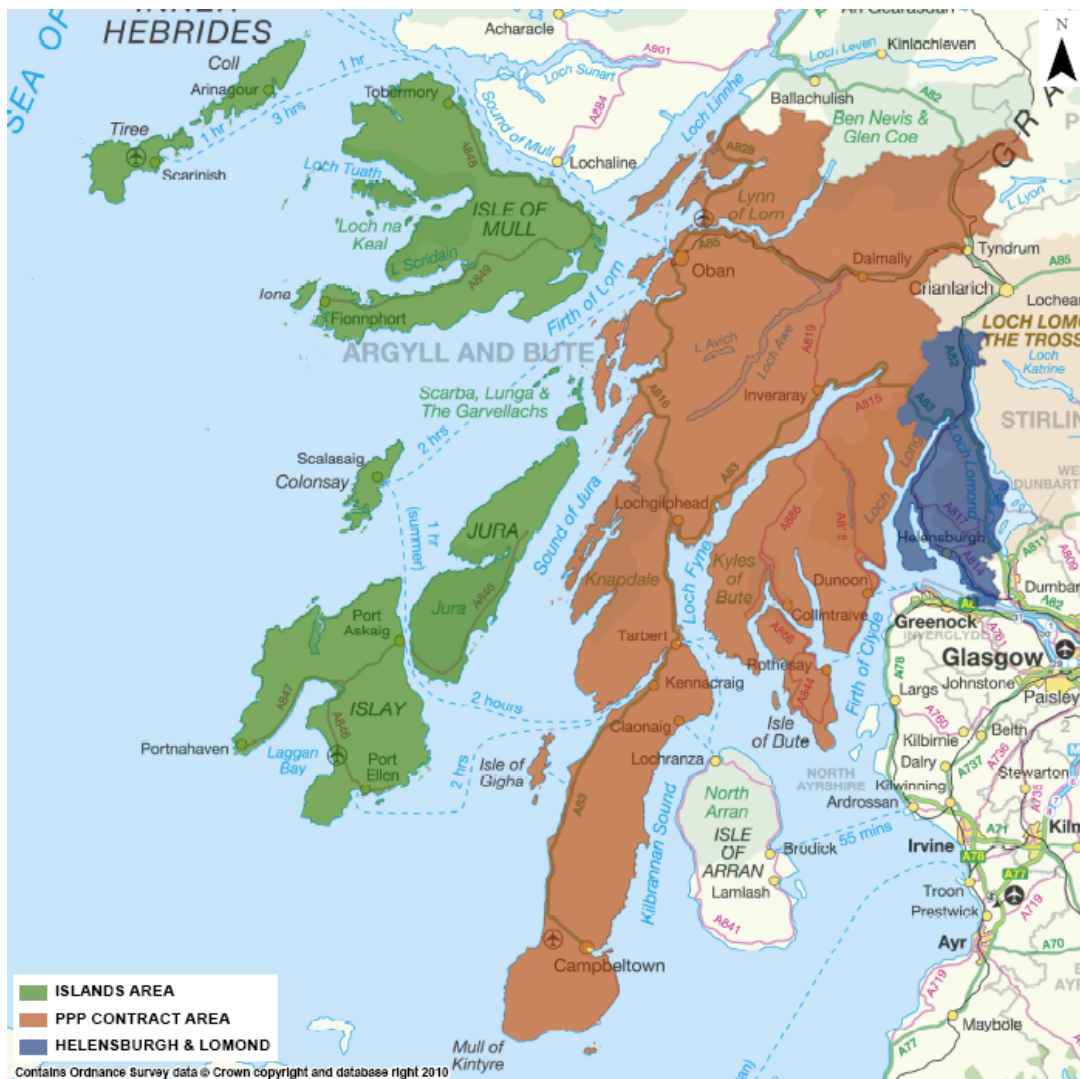
- 2.1 The Council is currently over half way through a 25 year Waste Management PPP with Shanks which runs until 2026. The PPP includes most of the mainland area (except Helensburgh and Lomond) and the Island of Bute. The PPP includes for Shanks initial site upgrades with new waste infrastructure plus on-going operation and maintenance of the various waste facilities which include Lingerton (Lochgilphead), Dalinlongart (Dunoon), Moleigh (Oban), Westlands (Rothesay) and the Roding (Campbeltown).
- 2.2 Shanks have PPC Permits and Waste Management Licences for the various sites which includes 3 Mechanical Biological Treatment (MBT) Plants, 4 Landfill Sites (2 are open and 2 are closed), 3 Transfer Sheds and 5 Recycling and Civic Amenity Sites. This is shown in Appendix 3. Recycling materials handled by Shanks are bulked up on sites and sent for onward sorting and recycling.

2.3 In addition within the PPP area for the Council, Third Sector Partners Kintyre Recycling and Fyne Futures collect, sort and bale recycling in Campbeltown and Rothesay respectively plus Greenlight Environmental (based in Alexandria) collect glass.

3.0 Helensburgh and Lomond

3.1 The waste from the Helensburgh and Lomond area is currently taken mainly to three main sites out-with the area as follows :

- General mixed waste is sent to a Barr Environmental Waste Treatment and Landfill Site at Auchencarroch, Alexandria.
- Most recyclates are sorted by Greenlight Environmental who are based in Alexandria.
- Food Waste collected is processed through an Anaerobic Digestion Plant in Cumbernauld which produces a biogas for energy and a compost digestate.



Appendix 2 – Annual Financial Forecast

2015-16 to 2027-28

Waste Model v Waste Annual Budget													
Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Waste Model	11,593,747	11,754,784	11,902,053	12,212,697	12,678,368	11,722,266	12,770,622	13,110,905	13,347,022	13,480,098	13,666,292	12,869,300	12,466,402
Annual Budget	11,727,934	11,709,640	11,813,576	11,958,924	12,118,249	12,280,295	12,445,117	12,612,742	12,783,226	12,956,600	13,132,904	12,476,204	12,062,328
Variance	-134,186	45,144	88,477	253,773	560,119	-558,029	325,505	498,163	563,796	523,498	533,388	393,096	404,074
	Favourable	Adverse	Adverse	Adverse	Adverse	Favourable	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse
Accumulative	-134,186	-89,043	-566	253,207	813,326	255,298	580,802	1,078,966	1,642,762	2,166,259	2,699,648	3,092,743	3,496,818
	Favourable	Favourable	Favourable	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse

2028-29 to 2039-40

Waste Model v Waste													
Year	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	Total
Waste Model	12,625,935	12,787,877	12,952,244	13,119,073	13,288,383	13,460,196	13,634,538	13,811,439	13,990,917	14,172,998	14,357,706	14,545,059	326,320,921
Annual Budget	12,210,658	12,361,183	12,513,905	12,668,850	12,826,040	12,985,493	13,147,231	13,311,269	13,477,625	13,646,324	13,817,381	13,990,810	317,034,507
Variance	415,277	426,694	438,339	450,223	462,343	474,703	487,307	500,170	513,292	526,674	540,325	554,249	9,286,413
	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse
Accumulative	3,912,094	4,338,788	4,777,127	5,227,350	5,689,694	6,164,396	6,651,703	7,151,872	7,665,164	8,191,838	8,732,164	9,286,413	
	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	Adverse	

Appendix 3 – Charter for Household Recycling in Scotland

The associated Code of Practice contains 48 pages including a number essential and desirable requirements in respect of a number of facets including collections, recycling materials accepted, policies, customer service, workforce development and communications with citizens.

If signing up to the Charter and Code of Practice, some of the main details in respect of collections which would likely have significant financial pressures and require changes to service include:

- Paper/card must be kept separate from plastic/cans – This has the potential for cost pressures in some areas where co-mingled recycling collections exist e.g. Helensburgh and Lomond, Mid Argyll, Oban/Lorn and Cowal. Additional and/or changes to containers and collections would likely be required in these areas plus a further or amended PPP Contract Variation may also be needed.
- Glass collections - There is an expectation that glass collections will be provided to most households. While there are currently some household collections in place e.g. most of Helensburgh and Lomond plus islands of Mull and Tiree, the rest of Argyll and Bute relies on using the nearest recycling point with bottle banks. The Code of Practice appears to indicate that recycling points will be acceptable for glass but only if sites are available with sufficient glass capacity ie. 10ltrs per week for each property in community, are within 1km in urban areas from residents and that glass yields collected from recycling points should be comparable to kerbside schemes. It is unlikely that the current recycling points provision provided for glass would meet the criteria and therefore either a large increase in the number and size of bottle bank sites would have to be installed or kerbside glass collections would have to be provided. Both of these options would likely have cost implications and probable practical issues if a large increase in number and size of bring sites was required, if kerbside uplift could not be provided.
- Food waste collections – There is a desire that food waste collections should also be provided to areas out-with the current regulatory requirement for urban areas as per the 2012 Regulations. Currently the Council provides food waste collections only in the Helensburgh and Lomond area (it is a legal requirement in Helensburgh). Modelling for a full Argyll and Bute area wide food waste collection provision indicates potential additional costs of approximately £1 million per year. The Code of Practice indicates that consideration should be given that food waste should be collected weekly at the same time as other recyclates in multi-compartment vehicles as this is viewed as potentially overall the most effective collection for food waste and recycling to meet a number of the aims of the Charter. This type of collection has not yet been costed by the Council, however, if any such change occurred, this would likely result in a move towards kerbside boxes (instead of bins), different vehicle fleet required for recycling collections and would likely impact on commercial recycling services available. The Code of Practice states that where food waste collections are not provided, the Council should provide advice on home composting, mini home digesters including visits to properties to advise on appropriate units which can be used. This would have staffing resource implications. While food waste collections are currently only a legal requirement in urban areas. The Scottish Government under its recent Circular Economy Consultation is proposing to increase the requirement to some areas where currently exemptions apply and COSLA have strongly pointed up the potential cost implications for rural authorities. In addition, it should also be noted there is

the ban on biodegradable waste going to landfill from 2021 and currently no rural exemptions are in place for this.

Charter for Household Recycling in Scotland

This charter is a declaration of our organisation’s intent to provide services that deliver local and national benefits, encouraging high-levels of citizen participation in waste prevention, recycling and reuse.

We, as leaders in local government and the main providers of services to households, acknowledge that significant progress has been made in achieving greater value from recycling and reusing household waste over the past 10 years. We also acknowledge that further progress is required to achieve better national and local outcomes.

We welcome the opportunity to make a commitment to our future waste, recycling and reuse services that will build on the progress achieved to date to ensure that waste is considered a resource and our services support sustainable employment and investment within the Scottish economy.

We recognise the opportunities of a more circular economy and better resource management to support sustainable employment and investment in the economy for the benefit of Scotland and its local communities.

We commit:

- To improve our household waste and recycling services to maximise the capture of, and improve the quality of, resources from the waste stream, recognising the variations in household types and geography to endeavour that our services meet the needs of all our citizens.
- To encourage our citizens to participate in our recycling and reuse services to ensure that they are fully utilised.
- To operate our services so that our staff are safe, competent and treated fairly with the skills required to deliver effective and efficient resource management on behalf of our communities.
- To develop, agree, implement and review a Code of Practice that enshrines the current best practice to deliver cost effective and high-performing recycling services and tell all of our citizens and community partners about both this charter and the code of practice.

Signatories

..... Council Leader

..... Chief Executive

Scottish Ministers welcome this declaration and will work in partnership with the signatories and their representatives to support the delivery of these commitments.

.....

Cabinet Secretary for Rural Affairs, Food and Environment

To achieve this, we will do the following:

Designing our services

1. We will design our household collection services to **take account of the Code of Practice (CoP)** for the variety of housing types and geography in our community. In doing so, over time, **we will establish common collection systems, as appropriate**, for paper, card, glass, plastics, metals, food and other commonly recycled materials deemed feasible (e.g. textiles, small WEEE, nappies) across Scotland.
2. We will ensure that **all citizens have access to services** for recycling to include paper, card, glass, plastics, metals and food. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are provided with adequate volumes of containers in line with the Code of Practice (CoP).
3. We will ensure that our household collections give **consistent definition of materials** (paper, card, glass, plastics, metals and food) that can be competently recycled in line with the Code of Practice (CoP). Thus, we will eradicate discrepancies on what can and cannot be recycled in different localities across Scotland.
4. We will **reduce the capacity provided for waste that cannot be recycled** to give the appropriate motivation to our citizens to recycle. Thus, we will ensure that all citizens, whether at the kerbside or within their local community, are limited to non-recyclable (i.e. black bag/general waste/residual waste) waste volumes in line with the established Code of Practice (CoP).

Deliver consistent policies

5. We will ensure that our local policies, in line with the Code of Practice (CoP), encourage citizens to recycle by **reducing the collection of waste that cannot be recycled** (i.e. excess waste/side waste).
6. We will ensure that our local policies **provide citizens with sufficient capacity for their waste**, recognising that some households will produce more waste than others, in line with the Code of Practice (CoP).
7. We will ensure that our local policies **direct our collection crews to not collect containers for waste that cannot be recycled that clearly contain recyclable materials** (including paper, card, glass, plastics, metals and food) in line with the Code of Practice (CoP).
8. Where citizens have not followed our collection advice and policies, we will ensure our **policies for communicating and taking corrective action are delivered consistently** in line with the Code of Practice (CoP).
9. We will ensure that policies for **bulky or excess waste encourage citizens to recycle and reuse, where this is practicable to do so**.

Operating our services

10. We will **collect household waste when we have said we will** and ensure materials are managed appropriately upon collection.
11. We will manage materials so that the **highest possible quality is attained and we seek to accumulate value** by working with partners to encourage inward investment for our economy.
12. We will **record complaints and alleged missed collections** and ensure that we respond to these in line with the Code of Practice (CoP).
13. We will **listen to special requests or challenges** that citizens are having in relation to household waste collections and ensure that we respond to these in line with the Code of Practice (CoP).

14. We will deliver services so that they **take account of current policies with regards to environmental crime, litter and flytipping** in line with the Code of Practice (CoP).
15. We will deliver services so that our **staff and citizens are not endangered or at risk from harm** in line with the Code of Practice (CoP).

Communicating our services

16. We will **clearly explain to all citizens** what services we provide by providing information on a regular basis. This will take recognition of different housing types, collection routes and service availability and be as specific to each property as necessary, in line with the Code of Practice (CoP).
17. We will **deliver service information directly** to citizens periodically in line with established Code of Practice (CoP).
18. Where we need to **change our services for any reason, we will communicate with citizens directly.**
19. We will **provide clear instructions to citizens on what can and cannot be recycled**, giving clear explanations where materials cannot be competently recycled.
20. We will communicate with citizens when they have not understood our services to **improve awareness and reduce contamination of recyclable materials.**
21. We will **record accurate information** on the amount of waste collected and the destinations, as far as practicable, of these materials in order to give confidence to citizens that it is being properly managed.

Citizens

To aid with the delivery of this charter and the Code of Practice, we expect our citizens to participate in the recycling, re-use and non-recyclable waste services that we deliver, using them in accordance with the policies communicated to them, and hence assisting in improving both the quality and the quantity of materials provided for recycling.

Partners

In committing to this charter we request that our partners in national and local government, the resource management industry, retailers, manufacturers, packagers, the third sector and others provide leadership and support in helping us deliver this commitment.

This charter is a clear statement of local government's intent to encourage high-levels of citizen participation in waste prevention, recycling and reuse. All of our partners will have a part to play in utilising the influence they have on our citizens to compliment this intent.

Furthermore, our partners are requested to assist the development of the Code of Practice by providing expertise, information and evidence wherever possible.

Appendix 4 – Summary of Municipal Solid Waste (MSW) Tonnages

ARGYLL AND BUTE	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	32,279	33,541	32,788	30,994	32,684
Landfill Diversion (Compost Like output)	8,530	8,026	6,998	8,910	8,724
Green Waste*	3,059	3,022	3,074	3,877	4,812
Food Waste	693	662	636	578	606
Recycling	12,599	13,023	12,295	12,244	13,628
Total Tonnage MSW	57,160	58,274	55,791	56,603	60,454
Recycling Rate	26.00%	26.30%	26.50%	25.60%	26.70%
Other Landfill Diversion Rate	17.50%	16.10%	14.70%	19.70%	19.20%
Combined Recycling & Landfill Diversion Rate	43.50%	42.40%	41.20%	45.20%	45.90%

SHANKS AREA	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	20,088	20,444	20,119	18,550	19,084
Landfill Diversion (Compost Like Output)	8,530	8,026	6,998	8,910	7,683
Green Waste*	1,186	1,249	1,070	2,106	2,801
Recycling	8,028	8,203	7,778	7,173	7,751
Total Tonnage MSW	37,832	37,922	35,965	36,739	37,319
Recycling Rate	21.20%	21.60%	21.60%	19.50%	20.80%
Other Landfill Diversion Rate	25.70%	24.50%	22.40%	30.00%	28.10%
Combined Recycling & Landfill Diversion Rate	46.90%	46.10%	44.10%	49.50%	48.90%

HELENSBURGH & LOMOND	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	8,746	9,781	9,487	9,435	10,283
Landfill Diversion (Compost Like Output)	0	0	0	0	1,041
Green Waste*	1,567	1,654	1,866	1,662	1,929
Food Waste	693	662	636	578	606
Recycling	3,332	3,591	3,265	3,857	4,665
Total Tonnage MSW	14,338	15,688	15,254	15,532	18,524
Recycling Rate	39.00%	37.70%	37.80%	39.30%	38.90%
Other Landfill Diversion Rate	0.00%	0.00%	0.00%	0.00%	5.60%
Combined Recycling & Landfill Diversion Rate	39.00%	37.70%	37.80%	39.30%	44.50%

ISLANDS	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
General Waste To Landfill	3,445	3,316	3,182	3,009	3,317
Green Waste*	306	119	138	109	82
Recycling	1,239	1,229	1,252	1,214	1,212
Total Tonnage MSW	4,990	4,664	4,572	4,332	4,611
Recycling Rate	24.80%	26.40%	27.40%	28.00%	26.30%
Other Landfill Diversion Rate	6.10%	2.60%	3.00%	2.50%	1.80%
Combined Recycling & Landfill Diversion Rate	31.00%	28.90%	30.40%	30.50%	28.10%

* As green waste from Helensburgh and Lomond is composted to PAS 100 Standard, it is the only garden waste material which is counted as 'recycling'. Non PAS 100 composting (Shanks Area and Islands) is included in 'Other landfill diversion rate' figures. Non PAS 100 compost was counted by SEPA as recycling up until 2013.

Appendix 5 – Area Summary

The current recycling and residual general waste collections in the 3 areas can be summarised as follows (collections carried out directly by the Council unless stated otherwise):

Shanks Area

- Mid Argyll, Oban/Lorn and Cowal - Fortnightly blue bin for co-mingled recycling mix of paper, card, plastic and cans. Bring sites with bottle banks for glass which are serviced by Greenlight Environmental. Fortnightly green bin for residual general waste.
- Kintyre -Fortnightly 2 bags recycling service (1 bag for paper/card and 1 bag for plastic/cans) provided by Kintyre Recycling Ltd (KRL).Bring sites for glass which are serviced by Greenlight Environmental. Weekly green bin for residual general waste. Gigha is serviced monthly by KRL with bring site provision for paper, card, plastic and cans. Weekly green bin for residual general waste.
- Bute - Fortnightly bin and bag recycling service (blue bin for paper/card plus bag for plastic/cans) provided by Fyne Futures (FF). Bring sites for glass which are serviced by Greenlight .Weekly green bin for residual waste.
- Appendix 5 details the composting process deployed by Shanks at the plants in Oban, Lochgilphead and Dunoon.

Helensburgh and Lomond

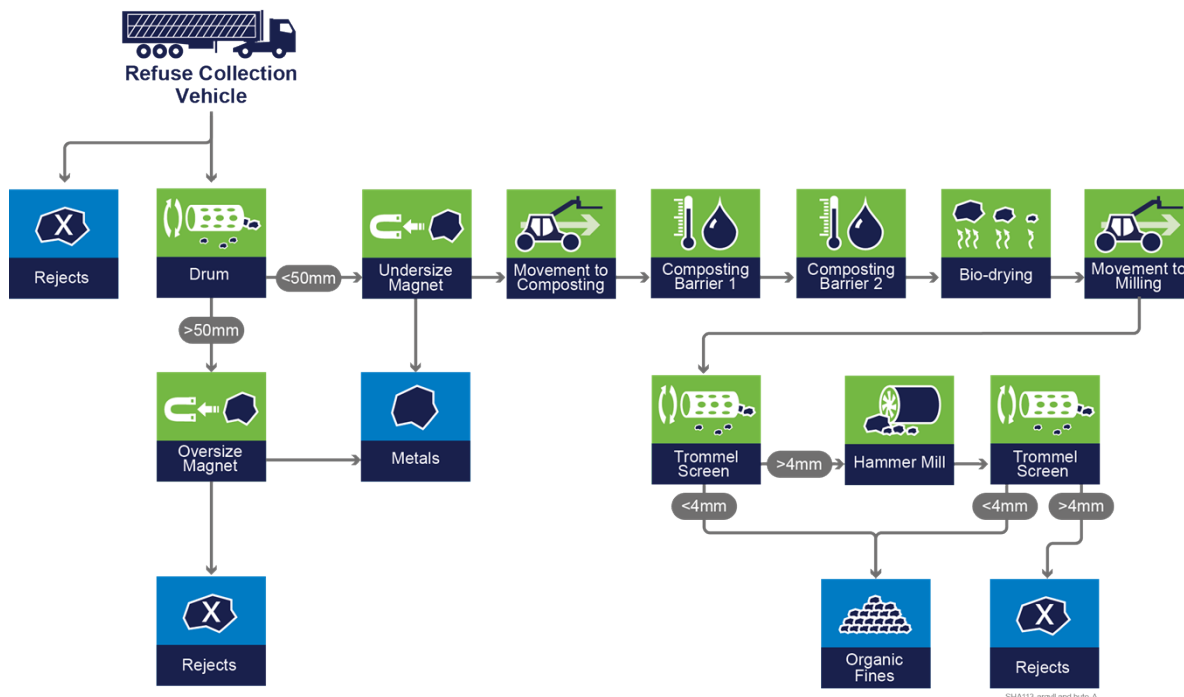
- Fortnightly blue bin for co-mingled recycling mix of paper, card, plastic and cans.
- Weekly food waste collection in 23ltr caddy.
- 4 weekly grey bin for glass (covers most but not all of Helensburgh and Lomond)
- Fortnightly green bin for residual general waste.

Islands

- Islay and Jura - Fortnightly blue bin for paper/card including separate bag for plastic/cans (which are sorted by Re-JIG). Bring sites with bottle banks for glass. Fortnightly green bin for residual general waste.
- Mull, Iona and Tiree - Fortnightly blue bin for paper/card including separate bags plastic/cans, 4 weekly grey for glass. Fortnightly green bin for residual general waste.
- Coll and Colonsay - Bring site provision for paper, card, plastic, cans and glass (Coll recycling group service plastic and can banks on Coll). Fortnightly green bin for general waste in winter with weekly collection in summer.

Appendix 6 – Compost Process Diagram

Illustrative process deployed at the Shanks PPP sites to divert general waste from Landfill. Recovered metals are recycled, Organic Fines are used as landfill site cover material and rejects are landfilled.



Compost outputs:

Rejects are landfilled

Metals are recycled

Organic fines also known as CLO are used in restoration and classed as diverted from landfill.

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ARGYLL AND BUTE COUNCIL**Environment, Development and Infrastructure****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7 April 2016**

Flood Risk Management – Local Flood Risk Management Plan

1.0 EXECUTIVE SUMMARY

- 1.1 The Flood Risk Management (Scotland) Act 2009 placed duties on SEPA, Scottish Water, the National Park authorities, Forestry Commission and Local Authorities as Responsible Authorities to reduce flood risk across the country.
- 1.2 The Flood Risk Management Strategies were published by the Scottish Environment Protection Agency in December 2015 and are to be supported by Local Flood Risk Management Plans (LFRMP) for each of the 14 Local Plan Districts (LPD) in Scotland. Argyll & Bute Council are members of two Local Plan Districts:- Clyde & Loch Lomond with Glasgow City Council as Lead Local Authority (LLA), and Highland/Argyll with Highland Council as Lead Local Authority. It is for each LLA to publish the LFRMP for the particular LPD.
- 1.3 At its June 2015 meeting, Argyll and Bute Council approved that the Prioritised List of Actions represented the Council's preferred order for dealing with flood risk, subject to any funding being available. The list has now been included in the national Flood Risk Management Strategies and the actions to deliver the Strategies (the LFRMP for areas in Argyll and Bute) are listed in Appendix 2.
- 1.4 The Act requires the LFRMPs to be published by each LLA by 23 June 2016. The two LPDs the Council is a member of are finalising the formal LFRMPs and each LLA (Glasgow City and Highland Council) requires to sign off the Plan. The latest (but not final) version of the Clyde and Loch Lomond LFRMP will be considered by its Joint Committee (which includes one member from Argyll and Bute) at their meeting on 22 March. It is currently expected that the Highland area plan will be available late April at the earliest, and it is requested that delegated authority is given to the Executive Director in consultation with the Policy Lead and the Two Member representatives on the Local Plan District groups to approve the LFRMPs.
- 1.5 The purpose of the report is to update the committee on progress and to seek their endorsement of the summary of actions to be taken forward in the Local Flood Risk Management Plans by the Council, noting the status of the funding arrangements. To assist with Member representation being available at the LPDs, it is requested that each of the Argyll and Bute councillors appointed can substitute for each other as required.

RECOMMENDATION

1.6 It is recommended that:-

- 1 The Committee approves the summary of actions and programme forming the basis of the Local Flood Risk Management Plans within Argyll and Bute listed in this report in Appendix 2, subject to appropriate funding being in place from the Scottish Government and the Council.
- 2 The Committee delegate authority to the Executive Director of Development and Infrastructure, in consultation with the Policy Lead and the Two Member representatives on the Local Plan District groups to approve the LFRMPs when they are available.
- 3 The Committee agrees that the Elected Members appointed to the LPDs can substitute for each other when necessary.

Flood Risk Management – Local Flood Risk Management Plan

2.0 INTRODUCTION

2.1 The Flood Risk Management (Scotland) Act 2009 placed duties on SEPA, Scottish Water, the National Park authorities, Forestry Commission and Local Authorities as Responsible Authorities to work together to reduce flood risk across the country. In December 2015 SEPA, as the supervising authority published the Flood Risk Management Strategies. The strategies have been approved by Scottish Ministers.

2.2 Supporting the Strategies will be Local Flood Risk Management Plans (LFRMPs). Argyll and Bute Council are partially responsible for producing two LFRMPs:-

- Highland and Argyll LFRMP
- Clyde and Loch Lomond LFRMP

The Strategies will cover three 6 year cycles of the Local Flood Risk Management Plan with the first cycle starting in June 2016.

2.3 The Strategies have identified Objectives to tackle flooding in Scotland. They have also identified Actions to deliver the Objectives. The Actions will be delivered by the Responsible Authorities through the Local Flood Risk Management Plans, in a 6 yearly cycle.

2.4 The purpose of the report is to update the committee on progress and to seek their endorsement of the summary of actions to be taken forward by the Council in the Local Flood Risk Management Plans noting the status of the funding arrangements.

2.5 The Act requires the LFRMPs to be published by each LLA by 23 June 2016. The two LPDs the Council is a member of are finalising the formal LFRMPs and each LLA (Glasgow City and Highland) requires to sign off the Plan. The latest (but not final) version of the Clyde and Loch Lomond LFRMP will be considered by its Joint Committee (which includes one member from Argyll and Bute) at their meeting on 22 March. However it is currently expected that the Plan with Highland will be available late April at the earliest, and it is requested that delegated authority is given to the Chair of the Committee together with the Elected Members of the LPDs to approve the LFRMPs.

- 2.6 To assist with Member representation being available at the LPDs, it is requested that each of the Argyll and Bute councillors appointed can substitute for each other as required.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that:-

- 1 The Committee approves the summary of actions and programme forming the basis of the Local Flood Risk Management Plans within Argyll and Bute listed in this report in Appendix 2, subject to appropriate funding being in place from the Scottish Government and the Council.
- 2 The Committee delegate authority to the Executive Director of Development and Infrastructure, in consultation with the Policy Lead and the two Member representatives on the Local Plan District groups to approve the LFRMPs when they are available.
- 3 The Committee agrees that the Elected Members appointed to the LPDs can substitute for each other when necessary.

4.0 DETAILS

- 4.1 The Flood Risk Management (Scotland) Act 2009 placed duties on SEPA, Scottish Water, the National Park authorities, Forestry Commission and Local Authorities as Responsible Authorities to work together to reduce flood risk across the country. Scotland has been split into 14 Local Plan Districts (LPDs), based on catchment boundaries, for the purpose of managing flood risk. Each of these LPDs has a Flood Risk Management Strategy. In December 2015 SEPA, as the supervising authority, published Flood Risk Management Strategies. These strategies have now been approved by Scottish Ministers.
- 4.2 The Flood Risk Management Strategies set out the short to long term ambition for flood risk management in Scotland. They state the objectives, as agreed with the responsible authorities, for tackling flooding in high risk areas particularly Potentially Vulnerable Areas. Actions that will then deliver these Objectives are described in the strategies. The Objectives and Actions are based on the best evidence available on the causes and consequences of flooding. Through a risk-based and plan-led approach, it is intended that flood management will improve for individuals, communities and businesses at risk in Scotland.
- 4.3 The Actions are prioritised in the Local Flood Risk Management Plans (LFRMPs). The LFRMPs support the strategies for each of the 14 Local Plan Districts (LPD) in Scotland. Argyll & Bute Council are members of two Local Plan Districts:-
- Clyde & Loch Lomond with Glasgow City Council as Lead Local Authority (LLA),
 - Highland/Argyll with Highland Council as Lead Local Authority.

The Strategies will cover three 6 year cycles of the Local Flood Risk Management Plan with the first cycle starting in June 2016. It is for each LLA to publish the LFRMP for the particular LPD.

- 4.4 At its June 2015 meeting, Argyll and Bute Council approved the Prioritised List of Actions to be included in the Strategies. These now represent the Council's preferred order for dealing with flood risk, subject to funding being available. As the Prioritised list has now been incorporated into the national Flood Risk Management Strategies, the Actions to deliver the Objectives are now being incorporated into the two LFRMPs covering the Argyll and Bute Council Area. A summary of these Actions is listed in Appendix 2.
- 4.5 The LFRMPs consist of a Supplementary Part and an Implementation Part:-
- The Supplementary Part consists of the Objectives, Actions and other information, such as maps, relevant to the LFRMP.
 - The Implementation Part addresses how the Actions are to be implemented including a detailed timetable for completion, how the Actions are to be funded, and who is responsible for implementing them. An estimate for the cost of implementation is listed in Appendix 2.
- 4.6 Argyll & Bute Council is represented at each Local Plan District by an Elected Member and officers. To assist the Council to have representation at the LPD meetings, it is recommended that the appointed Members may substitute for each other when necessary.
- 4.7 The summary of Actions within the Council area that will be included in the Local Flood Risk Management Plans of the Council's two Local Plan Districts that will encompass Argyll and Bute are given in Appendix 2. The funding assumptions are:-

Revenue – set aside by the Council as part of SOA (continuation of existing funding stream – exact amount to be confirmed, but anticipated to be £300-350k per year)

Capital from Scottish Government at a similar level to the Revenue to assist with studies and scheme preparation (new funding to assist with delivery of actions in the LFRMP with the exception of flood protection schemes / works - see below)

Scottish Government capital funding meeting 80% of the individual scheme costs (expected to be largely costs incurred following the promotion of a formal Flood Scheme through the Act).

Council Capital funding to meet the 20% not covered by the 80% above.

National funding is being discussed by Scottish Government and COSLA and it is expected that this will be announced in March.

5.0 CONCLUSION

5.1 The work undertaken by SEPA, the local authorities and the other Responsible Authorities has been a structured approach to identifying flood hazards and risks in Scotland. This has led to the production of the Flood Risk Management Strategy and is to be supported by 14 Local Flood Risk Management Plans. The Lead Local Authorities for the two Local Plan Districts that the Council is a member of will publish a Local Flood Risk Management Plan that will detail the actions necessary to deliver the strategy. National and Council Funding is yet to be clarified.

6.0 IMPLICATIONS

6.1	Policy	None
6.2	Financial	Projects identified will need to be incorporated within future capital programmes.
6.3	Legal	Complies with the Flood Risk Management (Scotland) Act 2009
6.4	HR	None.
6.5	Equalities	Na
6.6	Risk	The funding details have yet to be announced and therefore the full implications for the Council cannot yet be quantified..
6.7	Customer Services	NA

Executive Director of Development and Infrastructure, Pippa Milne

Policy Lead Cllr Ellen Morton

16 February 2016

For further information contact: Arthur McCulloch 01546 604632

APPENDICES

Appendix 1 – Link to SEPA Flood Risk Management Strategies for Highland and Argyll, noting that Clyde and Loch Lomond can be accessed from this link

<http://apps.sepa.org.uk/FRMStrategies/highlands-argyll.html>

Appendix 2 - Estimated cost and programme of Actions in Argyll & Bute that form the Local Flood Risk Management Plan [in preparation of Implementation 2016 rev 1.xlsx](#)

Appendix 3 - [Maps of the twelve Potentially Vulnerable Areas in Argyll and Bute within the Highland and Argyll Local Plan District.](#)

Appendix 4 – [Maps of the four Potentially Vulnerable Areas with Argyll and Bute in the Clyde and Loch Lomond Local Plan District.](#)

Estimated costs for FRM Actions and Duties 1st Cycle 2015-21																		
PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs	Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle 1			
(PVA 01/30)	Isle of Mull, Craignure	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £900 per year cycle £900			Revenue		300		300		300	900			
(PVA 01/29)	Ross of Mull	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £900 per year cycle £900			Revenue		300		300		300	900			
(PVA 01/31)	Oban	Reduce risk in Oban from coastal flooding Reduce flood risk in Oban from the Black Lynn Burn Objective ID: 103101, 103102.	Flood Protection Study (Including NFM Study) (1031010005)	A study is recommended to assess flood risk from the Black Lynn Burn, including tidal element and coastal flooding in Oban. The study should focus on direct defences, flood storage, runoff control, sediment management, increasing storage on the existing lochs (Loch Gleann a Bhearraidh and Luachrach Loch), property level protection and individual property relocation for residual risk. Other actions may also be considered to get the most sustainable flood risk management options.	£25,000 to £50,000 £37,500	SWMP	Flood protection works could reduce the impact of the flooding of 2975 residential and 260 non-residential properties which are currently at medium likelihood of flooding. Benefits of £45,630,060 could potentially be achieved over 100 year design life of a flood scheme.	Revenue	5,000	20,000	12,500				37,500			

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
														1		
(PVA 01/31)	Oban	Reduce risk from surface water flooding in Oban (103106)	SURFACE WATER PLAN/STUDY (1031060018)	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives		£45,000	Scottish Water will carry out an assessment of flood risk within the highest risk sewer catchments to improve knowledge and understanding of surface water flood risk.		Revenue	5,000	15,000	25,000				45,000
(PVA 01/31)	Oban	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £2000 per year cycle	£12,000			Revenue		4,000		4,000		4,000	12,000
(PVA 01/32)	Loch Feochan	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £1000 per year cycle	£6,000			Revenue		2,000		2,000		2,000	6,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
																1
(PVA 01/33)	Taynuilt	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £1000 over 6 year cycle	£1,000			Revenue		300		300		400	1,000
(PVA 01/34)	Loch Awe	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £12000 over 6 year cycle	£12,000			Revenue	2,000	2,000	2,000	2,000	2,000	2,000	12,000
(PVA 01/35)	Craignish	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £6000 over 6 year cycle	£6,000			Revenue		2,000		2,000		2,000	6,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
														1		
(PVA 01/36)	Kilmartin	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £6000 over 6 year cycle	£6,000			Revenue		2,000		2,000		2,000	6,000
(PVA 01/37)	Inveraray	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £3000 over 6 year cycle	£3,000			Revenue	1,000		1,000		1,000		3,000
(PVA 01/38)	Lochgilphead	Reduce flood risk in Lochgilphead from the Badden Burn Objective ID: 103801.	FLOOD PROTECTION STUDY (1038010005)	A hydraulic study is required to investigate river and coastal flooding in Lochgilphead. The flood risk in the Lochgilphead area is complex due to the interaction of different sources, which are not thought to be currently represented accurately in the baseline flood modelling. A better understanding of the interaction of the Badden Burn with the Crinan Canal and the tide is needed before the feasibility of actions can be appraised in greater detail. Due to the frequency history of flooding that results in annual road closures and significant disruption to travel, this study will be progressed in cycle 1.	£25,000 to £50,000	£37,500	Flood Study C2 Action 1038010005 Scottish water to review assessment of flood risk in sewer catchment between 2016-21 Action 1000020019		Revenue	2,500	10,000	25,000				37,500

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
														1		
(PVA 01/38)	Lochgilphead	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £3000 per year	£18,000	Flood Study C2 Action 1038010005 Scottish water to review assessment of flood risk in sewer catchment between 2016-21 Action 1000020019		Revenue	3,000	3,000	3,000	3,000	3,000	3,000	18,000
(PVA 01/39)	Tarbert	Reduce risk in Tarbert from coastal flooding Objective ID: 103901.	FLOOD PROTECTION STUDY (1039010005)	A study is recommended to further investigate the feasibility of aflood protection scheme for coastal flooding in Tarbert, focusing on direct defences, coastal revetments and consideration of property level protection for residual risk. Other actions may also be considered to develop the most sustainable range of options. The study should look to confirm the length and size of defences needed, and the business case for flood protection works. The flood mapping for Tarbert should be refined as part of the study as it is currently thought to underestimate the flood risk.	£25,000 to £50,000	£37,500		Flood protection works could reduce the impact of the flooding of 12 residential and 23 non-residential properties which are currently at medium likelihood of flooding. Benefits of £4,662,663 could potentially be achieved over 100 year design life of a flood scheme.	Revenue	5,000	20,000	12,500				37,500
(PVA 01/39)	Tarbert	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £2000 per year	£12,000			Revenue	2,000	2,000	2,000	2,000	2,000	2,000	12,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle 1
(PVA 01/40)	Campbeltown	Reduce flood risk in Campbeltown from river flooding (104001)	FLOOD PROTECTION SCHEME/WORKS (1040010006)	A flood protection scheme is to be developed for Campbeltown to reduce flood risk from small watercourses. Feasibility studies indicate that the scheme should include temporary storage of flood water on two burns plus a relief culvert in the town to a standard of 1 in 200 years. There have been a number of floods in Campbeltown in recent years including incidence of sewer flooding which the scheme should contribute to reducing. The detailed design should also include consideration of runoff reduction (woodland planting).	Estimate for A&B Staff Design Supervision Costs £1000000	£1,000,000	SURFACE WATER PLAN/STUDY (1040050018)- Reduce risk from surface water flooding in Campbeltown (104005)	The proposed flood protection works could achieve damages avoided of £18 million. The benefit-cost ratio of the proposed works is estimated to be 3.49	Capital	50,000	150,000	400,000	2,000,000	6,430,000	250,000	9,280,000
(PVA 01/40)	Campbeltown	Reduce risk from surface water flooding in Campbeltown (104005)	SURFACE WATER PLAN/STUDY (1040050018)	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives.	Estimate £50,000	£50,000	Scottish Water will review the assessment of flood risk within the highest risk sewer catchments to improve knowledge and understanding of surface water flood risk STRATEGIC MAPPING AND MODELLING (1000020019)		Revenue	5,000	20,000	25,000				50,000
(PVA 01/40)	Campbeltown	Reduce overall flood risk (100002)	MAINTENANCE (1000020007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £3000 per year	£18,000			Revenue	3,000	3,000	3,000	3,000	3,000	3,000	18,000
(PVA 11/01)	Loch Lomond and Vale of Leven	Reduce the risk of flooding from the River Leven and Firth of Clyde to residential properties, non-residential properties and community facilities in Vale of Leven and Dumbarton (11075)	NATURAL FLOOD MANAGEMENT STUDY (110750003)	It is recommended that a natural flood management study should be undertaken by Loch Lomond and The Trossachs National Park in partnership with West Dunbartonshire Council, Argyll and Bute Council and Stirling Council to further investigate in detail the potential benefit for runoff control in areas surrounding Loch Lomond. This study will focus on reducing runoff to the small burns that feed into Loch Lomond, which can impact some communities and transport routes.	Assume £20000 part funding	£20,000		The economic impact of natural flood management actions is difficult to define. However, these actions can reduce flood risk for high likelihood events. In this location, it has been estimated that 250 residential and non-residential properties could potentially benefit from natural flood management actions.	Revenue				10,000	10,000		20,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle 1
(PVA 11/01)	Loch Lomond and Vale of Leven	Reduce overall flood risk (11132)	MAINTENANCE (111320007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £15000 over 6 year cycle	£15,000	CARDROSS FLOOD PROTECTION STUDY (110750005) Cycle 2 STRATEGIC MAPPING AND MODELLING (111320019) Scottish Water will review the assessment of flood risk within the highest risk sewer catchments to improve knowledge and understanding of surface water flood risk. Cycle 1		Revenue	5,000		5,000		5,000		15,000
(PVA 11/02)	Helensburgh	Reduce the economic damages and risk to people from surface water flooding in Kilcreggan (11084)	FLOOD PROTECTION SCHEME/WORKS (110840005)	Argyll and Bute Council have completed a study of surface water flooding in Kilcreggan, which identified frequent surface water flooding due to runoff from the surrounding area. It is recommended that mitigation options are further refined to produce an economic appraisal of benefits from flood protection works. The preparation work should also examine the use of property level protection as a single action and in combination with other actions and the potential benefits of natural flood management for runoff control. This work is linked to the surface water management plan. The work has not been prioritised as further investigation is required to develop the work that will be carried out and to establish the benefits of the work. Any works would be expected to be in cycle 2.	Scheme 700000plus 20% design etc = 840000 A&B contribution 20%	£168,000		The economic impacts will be established during the study, however frequent flooding to roads has been experienced.	Capital		20,000	20,000	20,000	20,000	20,000	100,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle 1	
(PVA 11/02)	Helensburgh	Reduce the economic damages and risk to people from surface water flooding in Kilcreggan (11084)	SURFACE WATER PLAN/STUDY (110840018)	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives.	Assume £25000	£25,000	STRATEGIC MAPPING AND MODELLING (111320019) Scottish Water will review the assessment of flood risk within the highest risk sewer catchments to improve knowledge and understanding of surface water flood risk.		Revenue	5,000	10,000	10,000					25,000
(PVA 11/02)	Helensburgh	Reduce the risk of coastal flooding to residential properties and non-residential properties in Helensburgh (11003)	FLOOD PROTECTION STUDY (110030005)	A study is recommended to further investigate the feasibility of new and or enhanced sections of defences along the seafront of Helensburgh. This study should look to complement and enhance the proposed development along the seafront including a new swimming pool and raised car park in Helensburgh. The study should also consider the potential for natural flood management actions to help reduce coastal flooding and the maintenance of defences. Other actions may also be considered to select the most sustainable combination of actions	SEPA Estimate £30,000 - £70,000	£50,000		The flood protection study should consider how to reduce flooding to 26 residential properties and 13 non-residential properties. The potential damages avoided are estimated to be up to £1.2 million. A reduction of flooding in the area could have a positive economic benefit to the local economy	Revenue	5,000	20,000	25,000					50,000
(PVA 11/02)	Helensburgh	Reduce overall flood risk (11132)	MAINTENANCE (111320007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Asset owners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £15000 over 6 year cycle	£15,000			Revenue		5,000		5,000		5,000		15,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
														1		
(PVA 11/06)	Isle of Bute	Reduce the risk of combined flooding to residential properties and non-residential properties in Rothesay (11004)	MAINTAIN FLOOD PROTECTION SCHEME (110040017)	Rothesay Flood Protection Scheme was constructed in 2004 and consists of approximately 910m of seawall from Argyle Street, along the Esplanade to East Princes Street. This scheme provides protection to the area up to a 100 year flood. These defences will be maintained, and will continue to manage flooding according to the design standard at the time of construction. Levels of flood risk are likely to increase over time as a consequence of climate change.	Assume £3000 over 6 year cycle	£3,000			Revenue		1,000		1,000		1,000	3,000
(PVA 11/06)	Isle of Bute	Reduce overall flood risk (11132)	MAINTENANCE (111320007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Assetowners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk	Assume £15000 over 6 year cycle	£15,000	FLOOD PROTECTION STUDY (110040005) cycle 2 A study is recommended to further investigate the feasibility of a flood protection scheme in Rothesay		Revenue		5,000		5,000		5,000	15,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle	
														1			
(PVA 11/07)	Dunoon	Reduce the economic damages and risk to people from surface water flooding in Dunoon (11083)	SURFACE WATER PLAN/STUDY (110830018)	The area must be covered by a surface water management plan or plans that set objectives for the management of surface water flood risk and identify the most sustainable actions to achieve the objectives	Assume £50000	£50,000	FLOOD PROTECTION STUDY (110060005) Cycle 2 A study is recommended to further investigate the feasibility of increasing the level of protection in Dunoon, focusing on extending and enhancing the Milton Burn Flood Protection Scheme and property level protection for the residual risk. The study should also look at the potential for Natural Flood Management actions such as land management and runoff control near the town to reduce the impact flooding in the town. There is also a surface water management plan being developed for the area which will look at surface run off and mitigation measures. These two studies should complement each other to develop the most sustainable combination of actions.		Revenue	5,000	20,000	25,000					50,000
(PVA 11/07)	Dunoon	Accept that current and future significant flood risks in the Kilbride Road and Crochan Road area are being managed appropriately (11005)	MAINTAIN FLOOD PROTECTION SCHEME (110050017)	Continue to maintain the existing defences in Dunoon	Assume £3000 over 6 year cycle	£3,000			Revenue		1,000		1,000		1,000		3,000

PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle
																1
(PVA 11/07)	Dunoon	Reduce the risk of Milton Burn flooding to residential properties in Dunoon (11006)	MAINTAIN FLOOD PROTECTION SCHEME (110050017)	The Milton Burn Flood Protection Scheme was completed in 2012 which consists of a 1.4m bypass pipe, flood wall improvements and the raising of a pedestrian bridge. This scheme reduces the impact of flooding in Dunoon and provides a standard of protection to a 1 in 100 year flood plus climate change in the St Mun's area. These defences will be maintained, and will continue to manage flooding according to the design standard at the time of construction. Unless actions are put in place to enhance the standard of protection, levels of flood risk are likely to increase over time as a consequence of climate change.	Assume £3000 over 6 year cycle	£3,000			Revenue		1,000		1,000		1,000	3,000
(PVA 11/07)	Dunoon	Reduce overall flood risk (11132)	MAINTENANCE (111320007)	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Asset owners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk.	Assume £12000 over 6 year cycle	£12,000			Revenue	2,000	2,000	2,000	2,000	2,000	2,000	12,000
N/A	Areas outwith PVA's	REDUCE OVERALL FLOOD RISK Clyde and Loch Lomond 11132 Highland and Argyll 100002	MAINTENANCE Clyde and Loch Lomond 111320007 Highland and Argyll 1000020007	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Asset owners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk.	Assume £30000 annually for assessment, inspection and mapping of bodies of water outside PVA's and over 6 year cycle	£180,000			Revenue	30,000	30,000	30,000	30,000	30,000	30,000	180,000

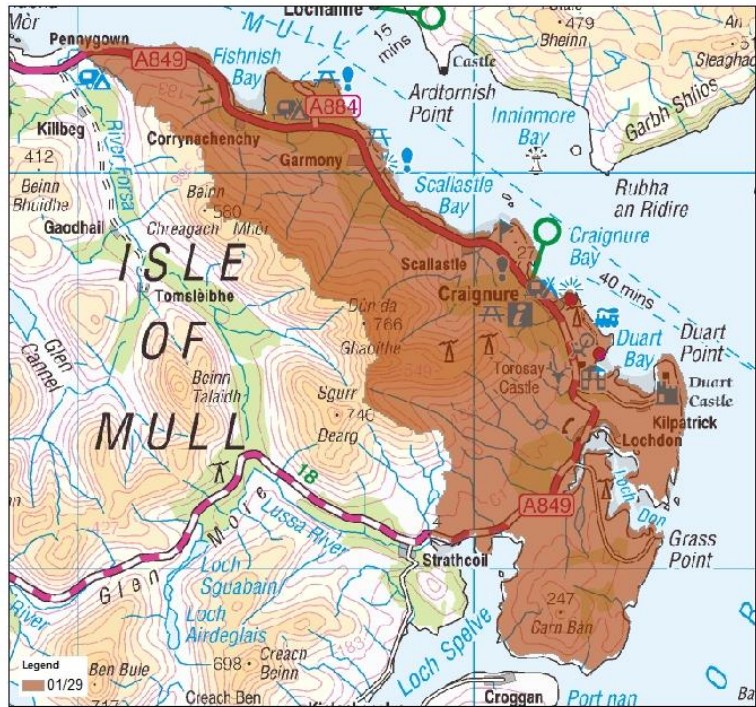
PVA	Location	Objective	Selected Action	Description / next Step	Estimated costs		Related actions	Economic Benefits	Expected funding source	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total Cycle 1	
N/A	Areas outwith PVA's	REDUCE OVERALL FLOOD RISK Clyde and Loch Lomond 11132 Highland and Argyll 100002	MAINTENANCE Clyde and Loch Lomond 111320007 Highland and Argyll 1000020007	Local authorities have a duty to assess watercourses and carry out clearance and repair works where such works would substantially reduce flood risk. They produce schedules of clearance and repair works and make these available for public inspection. Scottish Water undertake inspection and repair on the public sewer network. Asset owners and riparian landowners are responsible for the maintenance and management of their own assets including those which help to reduce flood risk.	Assume £100000 annually for clearance, repair and reactive works over 6 year cycle	£600,000	Roads Ops budget?		Revenue	100,000	100,000	100,000	100,000	100,000	100,000	600,000	
		REDUCE OVERALL FLOOD RISK Clyde and Loch Lomond 11132 Highland and Argyll 100002	AWARENESS RAISING Clyde and Loch Lomond 111320013 Highland and Argyll 1000020013	From 2016 SEPA will engage with the community through local participation in national initiatives, including partnership working with Neighbourhood Watch Scotland. In addition, SEPA will engage with local authorities and community resilience groups where possible. Local authorities will be undertaking additional awareness raising activities. Further details will be set out in the Local FRM Plan.	Assume £12000 over 6 year cycle	£12,000	Scottish Flood Forum services ?		Revenue	2,000	2,000	2,000	2,000	2,000	2,000	12,000	
N/a	A&BC	Reduce flooding by forward planning		Ensure flood risk assessments are appropriate for each planning application	Assume £20,000 per year	£120,000			Revenue	20,000	20,000	20,000	20,000	20,000	20,000	120,000	
						£2,462,300			Revenue	207,500	322,900	330,000	197,900	180,000	188,000	1,426,300	
									Capital	50,000	170,000	420,000	2,020,000	6,450,000	270,000	9,380,000	
									Totals	257,500	492,900	750,000	2,217,900	6,630,000	458,000	10,806,300	
				Annual Revenue Cost over 6 year cycle =		£410,383											
									Assumed Scottish Government Capital grant	80%	40,000	136,000	336,000	1,616,000	5,160,000	216,000	7,504,000
									Argyll & Bute Capital internal allocation required	20%	10,000	34,000	84,000	404,000	1,290,000	54,000	1,876,000
									Argyll and Bute Revenue		207,500	322,900	330,000	197,900	188,000	1,426,300	
									Argyll & Bute Capital		10,000	34,000	84,000	404,000	1,290,000	54,000	1,876,000
									Total Argyll and Bute		217,500	356,900	414,000	601,900	1,470,000	242,000	3,302,300
									As at 16 March 2016, none of the above funding has been confirmed.								
									All of the figures above are estimates and are subject to change as the programme progresses.								

Local Authority	PVA	Selected Action	Location	Objective	Next Step	Study Cost Range Average	Related actions	Economic Benefits	PVD Damages	Non-Monetised Score	Ranking (evidence based)	Ranking (local preference)			Reason	Proposed delivery cycle
Argyll & Bute	(PVA 11/07)	Flood Protection Study (110060005)	Dunoon	Reduce the risk of Milton Burn flooding to residential properties in Dunoon. Objective ID: 11006.	There is potential to extend the Milton Burn Flood Prevention Scheme to achieve a standard of protection of 1 in 100 year event plus climate change for a greater area of Dunoon, and this should be investigated further by a flood protection study. SUDs should be assessed in any future flood study undertaken in the area. This study may also consider the NFM and PLP actions.	£30,000 - £50,000		There are 31 residential and 3 non-residential properties at risk in a 200 year event, with a PVD of £3,278,162. This action may also protect an electricity substation but this has not been included in the PVD figure.	£3,278,162	6	103	23	3	5	Local Knowledge and Flood History	C2
Argyll & Bute	(PVA 11/02)	Flood Protection Study (110020005)	Garelochhead	Reduce the risk of coastal flooding to residential properties and non residential properties in Garelochhead. Objective ID: 11002.	A flood protection study should be carried out to investigate further the lower reaches of the McAuley Burn and to enhance the existing retaining wall in Garelochhead against coastal flooding. This study may also consider property level protection and other complimentary actions.	£30,000 - £50,000		There are 12 residential and 5 non-residential properties at risk in a 200 year coastal event, with a PVD of £1,305,333.	£1,305,333	2	133	27	5	6	Local Knowledge and Flood History	C2
Argyll & Bute	(PVA 11/06)	Flood Protection Study (Including NFM Study) (110040005)	Rothesay	Reduce the risk of combined flooding to residential properties and non residential properties in Rothesay.	A flood protection study should be carried out to further investigate the potential to use Kirk Dam for storage. This study should also consider natural flood management, property level protection and other complimentary actions.	£30,000 - £70,000		There are 161 residential and 112 non-residential properties at risk in a 200 year river event, with a PVD of £628,378.	£628,378	4	143	29	6	9	Local Knowledge and Flood History	C2
Argyll & Bute	(PVA 01/40)	Flood Protection Study (1040020005)	Campbeltown	Reduce risk in Campbeltown from coastal flooding Objective ID: 104002.	A study is recommended to further investigate the feasibility of a flood protection scheme for the coastal frontage of Campbeltown, focusing on direct defences. The study should look to confirm the existing defence levels of structures and the promenade to identify where structures need to be raised and where gaps in the defences need to be filled (i.e. at the piers). Other actions may also be considered to develop the most sustainable range of options.	<£25,000		Flood protection works could reduce the impact of the flooding of 96 residential and 178 non-residential properties which are currently at medium likelihood of flooding. Benefits of £1,131,975 could potentially be achieved over 100 year design life of a flood scheme. There is potential for disruption to the operational areas of the harbour which	£1,131,975	4	143	17	6	7	Local Knowledge and Flood History	C2
Argyll & Bute	(PVA 11/01)	Flood Protection Study (110010005)	Cardross	Reduce the risk of river / surface water flooding to residential properties and community facilities in Cardross. Objective ID: 11001.	A flood protection study should be carried out to investigate further the construction of storage areas upstream of the Moore's Bridge and to assess the drainage in Cardross. This study may also consider property level protection and other complimentary actions.	£20,000 - £30,000		There are 10 residential and 1 non-residential properties at risk in a 100 year fluvial event with a PVD of £602,388.	£602,388	4	157	31	9	8	Local Knowledge and Flood History	C2

	Objective ID	Action ID	PVA	Location	Source	Next Step			Status	SFR Position	SFR Priority							
	103301	1033010016	Jan-33	Taynuilt		The baseline flood modelling is thought to be overestimating the flood risk in Taynuilt as there is not a known history of flooding in the community. Due to this low level of confidence in the baseline modelling improvements are required to confirm the extent of flooding. Due to the interaction between the River				Collaborative	C							
						Nant and tidal flows from Loch Etive this action should be carried out in combination with the improved understanding action for objective 103302: reduce flood risk in Taynuilt from Loch Etive.				Working								
	103302	1033020016	Jan-33	Taynuilt		The baseline flood modelling is thought to be overestimating the Nant and tidal flows from Loch Etive this action should be carried				Collaborative	C							
										Working								
1.04E+09	103701	Argyll and Bute	Jan-37	Inveraray	Coastal	Improve			Not started	Further Inf	A (see comment for coastal)							

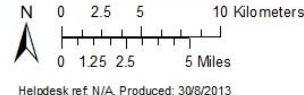
Appendix 3 - Maps of the twelve Potentially Vulnerable Areas in Argyll and Bute within the Highland and Argyll Local Plan District.

PVA ID 01/29 Isle of Mull-Craignure Potentially Vulnerable Area



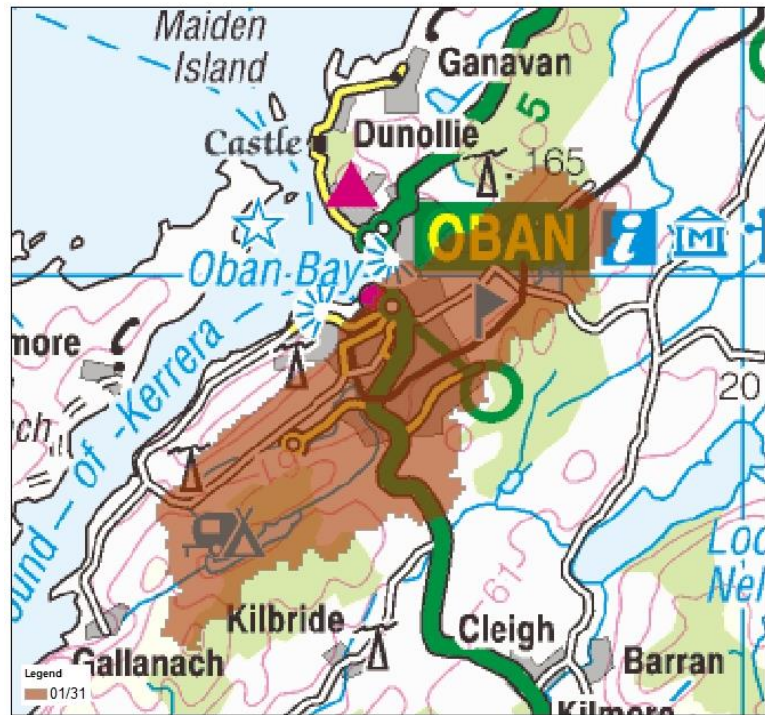
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PVA ID 01/30 Ross of Mull Potentially Vulnerable Area



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PVA ID 01/31 Oban Potentially Vulnerable Area

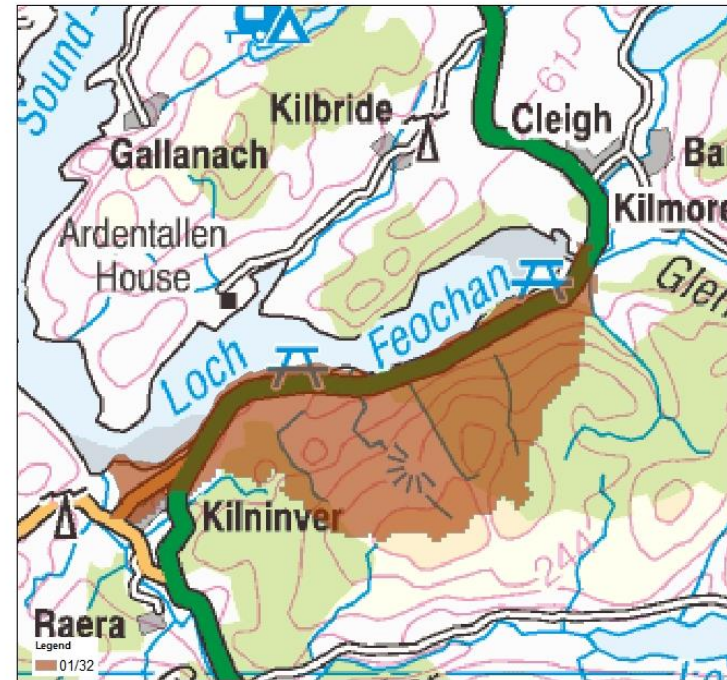


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Helpdesk ref. N/A. Produced: 30/8/2013

PVA ID 01/32 Loch Feochan Potentially Vulnerable Area

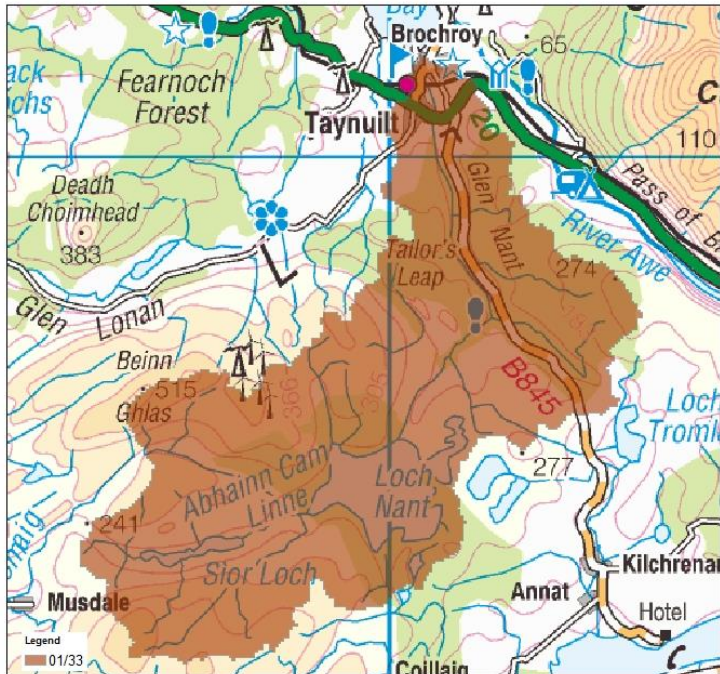


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SEPA
Scottish Environment Protection Agency

Helpdesk ref. N/A. Produced: 30/8/2013

PVA ID 01/33 Taynuilt Potentially Vulnerable Area



Legend
01/33

N 0 1 2 4 Kilometers
0 0.375 0.75 1.5 Miles

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Scottish Environment Protection Agency

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PVA ID 01/34 Loch Awe Potentially Vulnerable Area



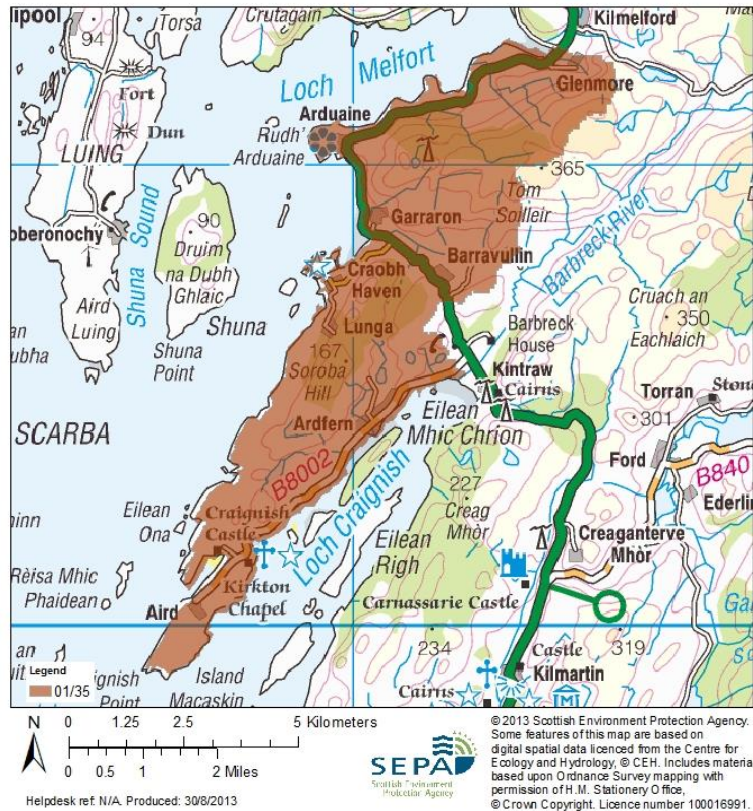
Legend
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N 0 4 8 16 Kilometers
0 1.5 3 6 Miles

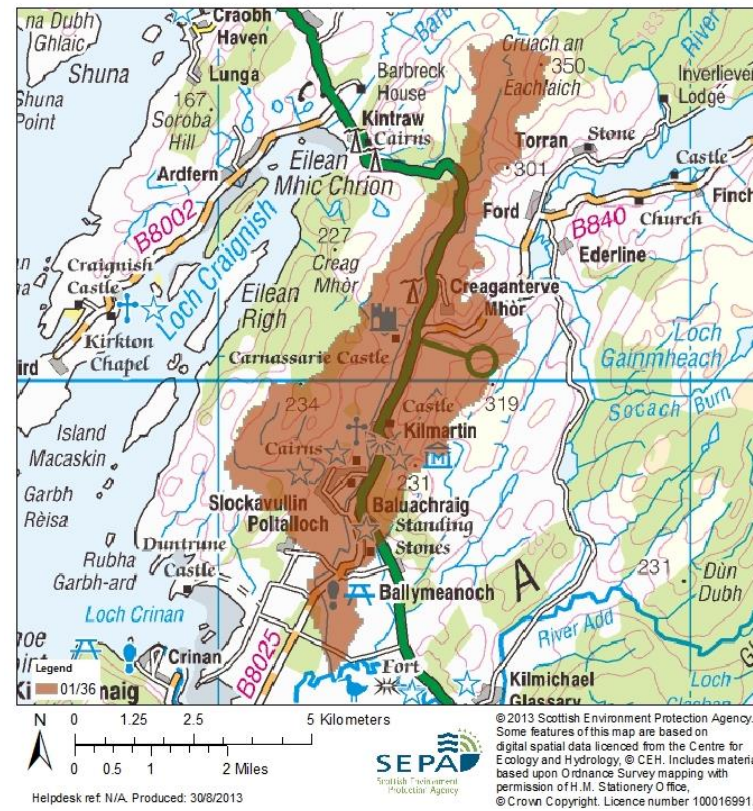
SEPA
Scottish Environment Protection Agency

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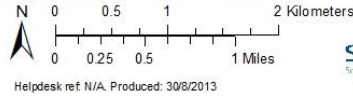
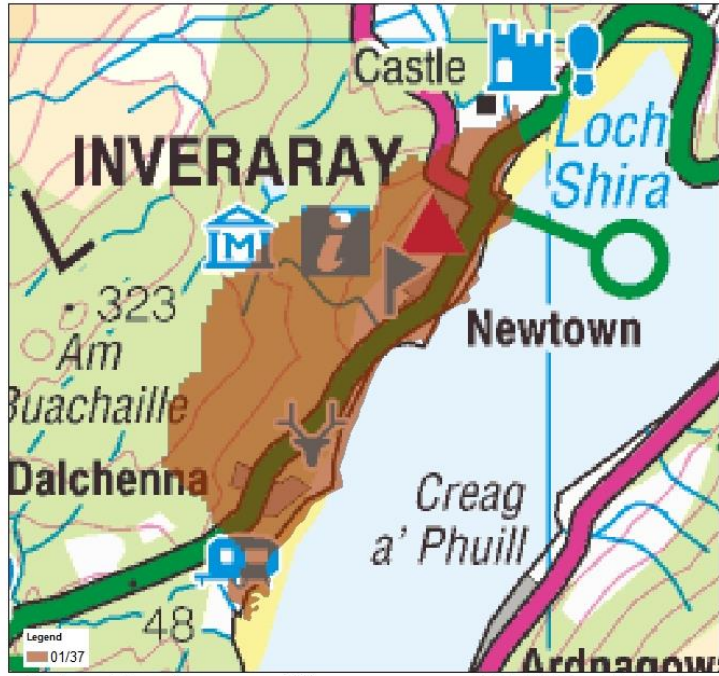
PVA ID 01/35 Craignish Potentially Vulnerable Area



PVA ID 01/36 Kilmartin Potentially Vulnerable Area



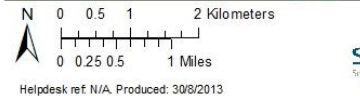
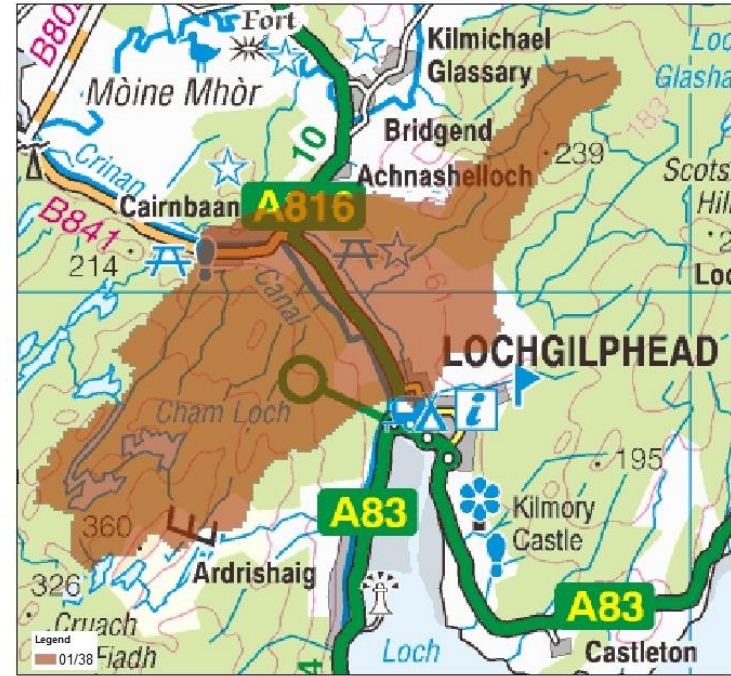
PVA ID 01/37 Inveraray Potentially Vulnerable Area



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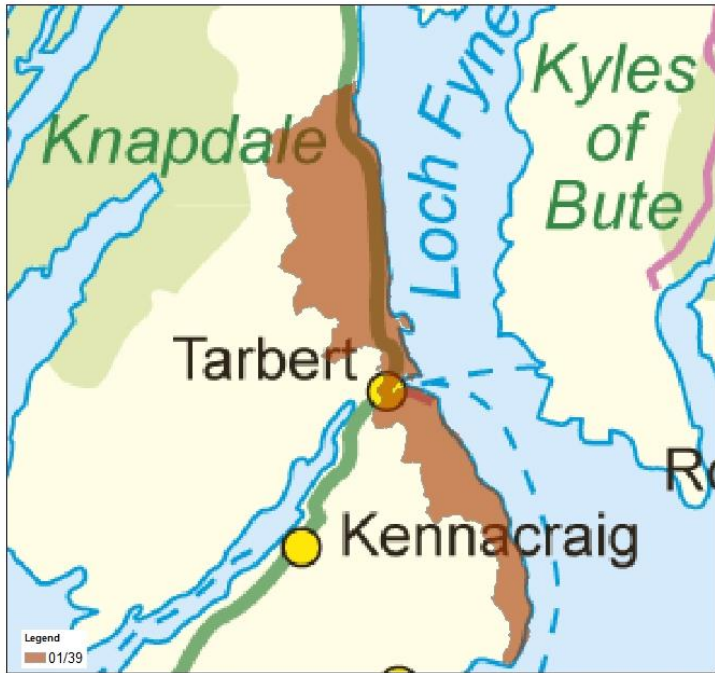
PVA ID 01/38 Lochgilphead Potentially Vulnerable Area



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Helpdesk ref. N/A. Produced: 30/8/2013

PVA ID 01/39 Tarbert Potentially Vulnerable Area



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PVA ID 01/40 Campbeltown Potentially Vulnerable Area



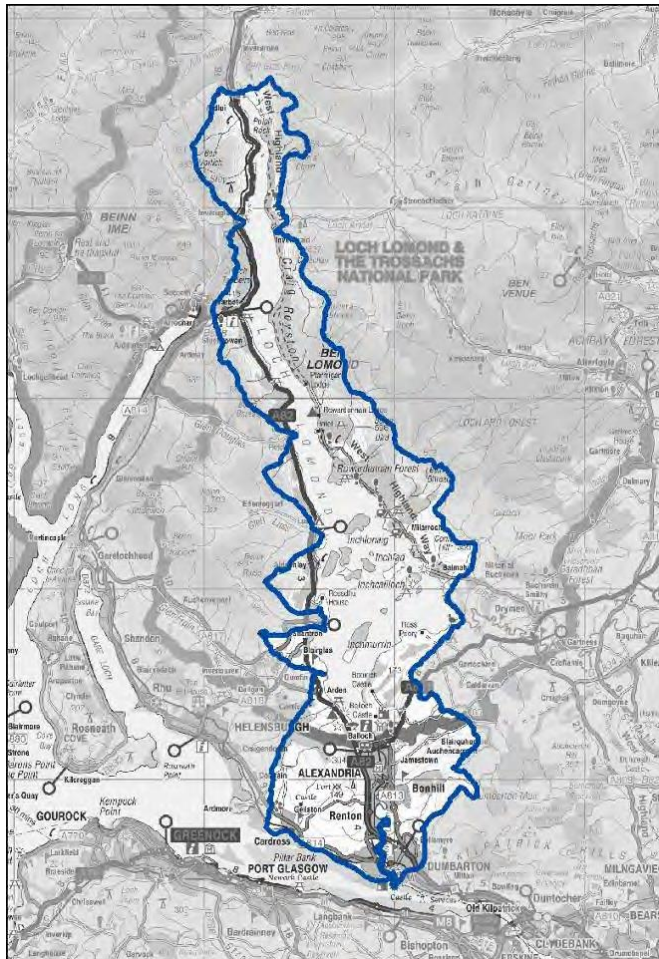
N 0 1.25 2.5 5 Kilometers
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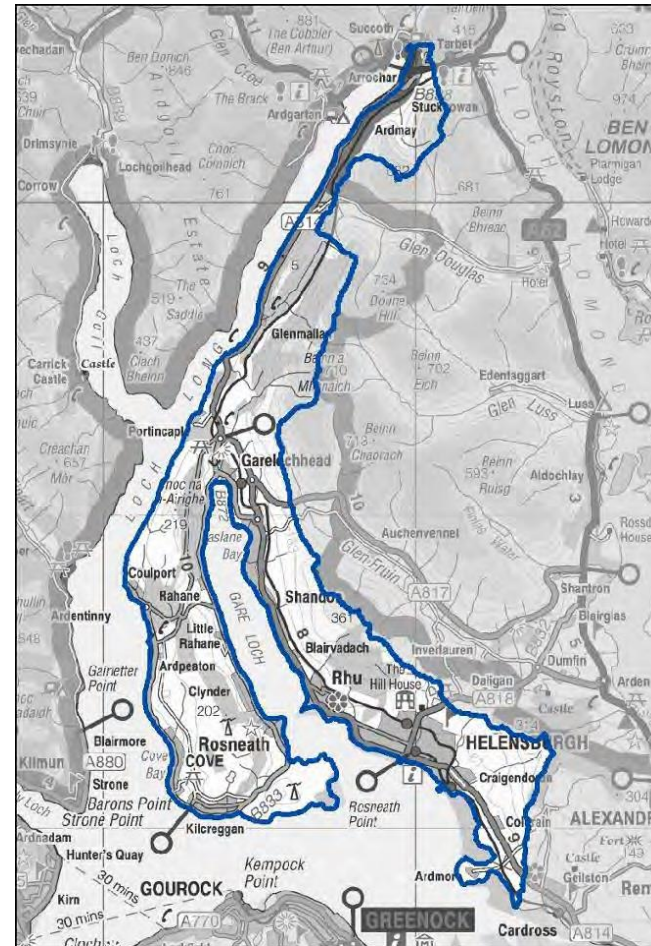
Appendix 4 maps of Potentially Vulnerable areas in the Clyde and Loch Lomond Local Plan District

PVA ID 11/01 Loch Lomond Potentially Vulnerable Area

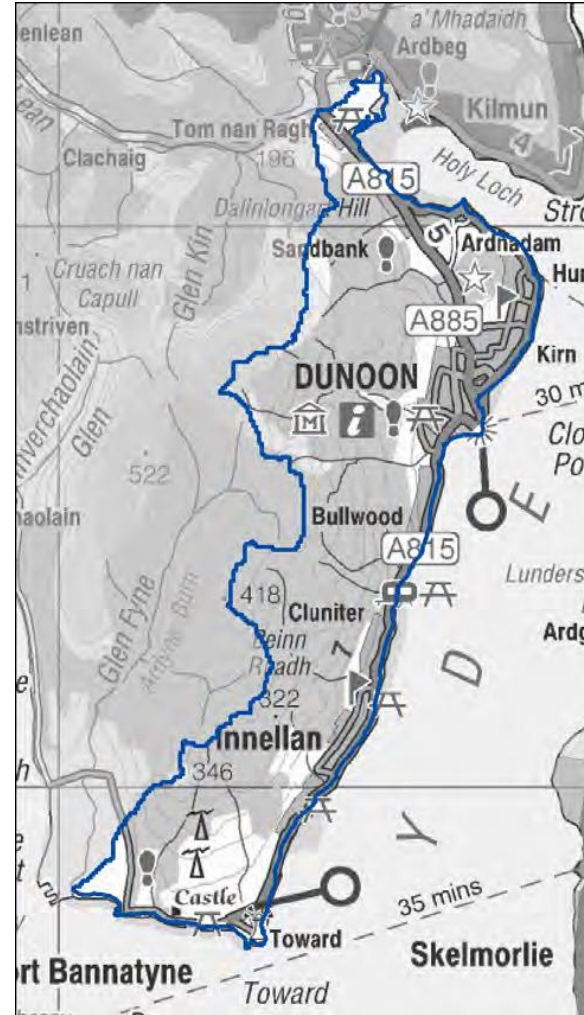
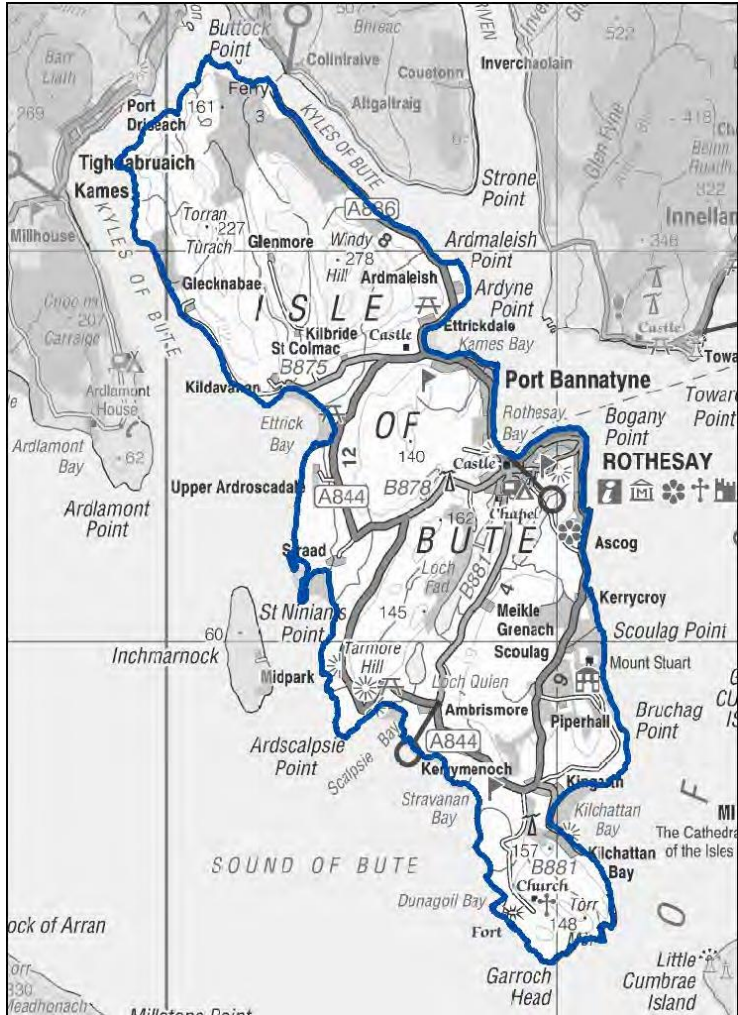


PVA ID 11/06 Isle of Bute Potentially Vulnerable Area

PVA ID 11/02 Helensburgh and Arrochar Potentially Vulnerable Area



PVA ID 11/07 Dunoon and Toward Potentially Vulnerable Area



ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

SUSTRANS COMMUNITY LINKS FUNDING BIDS 2016/17

1.0 EXECUTIVE SUMMARY

- 1.1 Funding bids totaling £470,000 have been submitted to the Sustrans 2016/17 Community Links Programme by the Strategic Transportation Team. The deadline for bid submissions was Tuesday 16th February 2016. Sustrans will provide funding for up to 50% of the total cost of infrastructure that encourages increased levels of active travel, in particular walking and cycling.
- 1.2 Funding bids are prepared by the Strategic Transportation Team who consult with other Council departments including Roads Services to identify potential projects and submit bids. Ultimately it is Sustrans who decide which projects are awarded funding as the Community Links Programme is always oversubscribed therefore not all projects will be successful.
- 1.3 Following consultation with relevant Council teams funding bids for the following projects have been submitted to the 2016/17 Community Links Programme:-
- Hermitage Park Walking and Cycling Links - £300,000;
 - Helensburgh and Lomond Cycleway - £100,000;
 - Letterdail (Cairnbaan) Footway Community Link - £50,000;
 - Cycle Counter Upgrades - £20,000.
- 1.4 Where possible, projects that are awarded funding will be designed and constructed in-house by Argyll and Bute Council providing work for local Roads Services and Design teams. Sustrans will be undertaking site visits to Argyll on the 22nd March at which time Officers from Strategic Transportation will be able to promote the above projects to try and secure the maximum level of funding possible into Argyll. Following this a funding decision is expected by Sustrans on the 15th April 2016.
- 1.5 Argyll and Bute Council have a proven track record of working with Sustrans, local communities and funding partners to deliver new or upgraded infrastructure that encourages increased levels of walking and cycling. Such projects are good examples of partnership work which enables capital projects to be delivered in Argyll that bring both economic and wider health and community benefits.

- 1.6 In 2015/16 the Council secured in excess of £300,000 of funding from Sustrans to progress 4 footway projects. These include the final phase of the South Islay Distilleries Path which is a 5km remote cycle path connecting the villages of Port Ellen with Ardbeg in the south of the island. This project was managed by the Islay Community Access Group (ICAG) with support from Argyll and Bute Council and it was delivered following efforts to secure in excess of £700k of public and private sector funding.
- 1.7 Much of the investment in this path went back into the local community with a local contractor undertaking the construction work and building materials sourced locally where feasible. The path has proved extremely popular and was recently featured in an article in the Telegraph regarding the top 10 destinations in the Highlands and Islands to visit. Argyll and Bute Council have also nominated this project for a Scottish Transport Award and are awaiting confirmation if this has been shortlisted.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

Sustrans Community Links Funding Bids 2016/17

2.0 INTRODUCTION

- 2.1 Funding bids totaling £470,000 have been submitted to the Sustrans 2016/17 Community Links Programme by the Strategic Transportation Team.
- 2.2 Sustrans Community Links Programme is grant funding for the creation of infrastructure that enables more people to walk and cycle for everyday journeys. The programme is funded through Transport Scotland's Sustainable Transport Team and is a key component in the delivery of the vision set out in the Cycling Action Plan for Scotland (CAPS) that "By 2020, 10% of everyday journeys taken in Scotland will be by bike."
- 2.3 The Strategic Transportation Team have worked closely with other Council departments and local stakeholders to identify potential projects and prepare funding bids.
- 2.4 Sustrans will only fund up to 50% of total project costs and, as such, it is essential that sufficient match funding is identified prior to bids being submitted.

3.0 RECOMMENDATIONS

- 3.1. This report is for noting.

4.0 DETAIL

- 4.1 Based on work undertaken to date, availability of match funding and consultation with Council Officers and local stakeholders, funding bids for the following projects have been submitted to the Sustrans 2016/17 Community Links Programme:-
- **Hermitage Park Walking and Cycling Links - £300,000** – Project to upgrade the path network within Hermitage Park as part of the wider regeneration project which has secured Heritage Lottery Funding. The existing paths within the park are in very poor condition and are not suitable

to encourage increased levels of walking and cycling. The proposed project will provide a network of 2.5m wide, surfaced, shared use footpaths through the park with associated street lighting and upgraded drainage. This will greatly improve opportunities for promoting active travel in Helensburgh given the parks proximity to the Town Centre, local schools, public transport hubs and existing cycle routes along the A818 and A814 corridors. Match funding for this project is considered to be the Heritage Lottery funding secured for the wider regeneration of Hermitage Park.

- **Letterdaill Footway Community Link- £50,000** – project to complete missing link in local footway network between Letterdaill and Crinan Canal towpath at Lock 8. This project will be designed and constructed by Roads Services using available verge space. This project will address a significant gap in the local footway network and will when completed will serve approximately 80 residential properties. Total project cost estimated at £100k and it is anticipated that Scottish Government Cycling Walking Safer Streets (CWSS) funding will be used as 50% match.
- **Helensburgh and Lomond Cycleway - £100,000** – this project will deliver a missing section of cycleway at Ardardan (subject to securing land and funding required). A funding application has also been submitted to SPT's 2016/17 Capital Programme to provide 50% match funding and the total project cost is anticipated to be £200,000. Land negotiations are being currently progressed by Argyll and Bute Council's Estates team.
- **Cycle Counter Upgrade - £20,000** – Project to upgrade Argyll and Bute Council's network of walking and cycling counters to a system which enables data to be collected remotely. The existing counters require site visits to be undertaken to collect data and replace batteries. Given the geographic spread of counters it is difficult and costly for the Council to monitor these manually and the new system will enable data to be collected remotely using General Packet Radio Service data. Total project cost £40,000 and 50% match funding will be provided via Scottish Government Smarter Choices Smarter Places (SCSP) funding.
- **Fionnphort Village Hall Community Link – TBC** – The Council are supporting the Mull and Iona Community Trust (MICT) in securing funding to develop a path link between the village of Fionnphort and Creich Hall. MICT are the project lead and intend to apply for LEADER funding for 50% of project costs. This follows on from design work and land negotiations undertaken in 2015/16 and subject to securing adequate funding it is intended that this will be a phased project over a number of financial years. The design and land negotiations are not currently advanced enough to enable a funding application to be submitted to this round of Community Links however, there might be the opportunity to submit an application later in the financial year if funding becomes available and, as such, we continue to assist MICT with this and have advised Sustrans of our support for the project (anticipated cost for phase 1 based on design work to date £107,500).

- 4.2 Applications for capital grant funding are generally only made for projects that are either located on land owned by the Council or where land negotiations are at an advanced stage as in the past funding has had to be returned due to issues securing third party land. In addition, we try to ensure that new or upgraded infrastructure is, where possible, included within existing maintenance regime areas, such as adopted roads as there is no grant funding available for maintenance and paths will quickly deteriorate when routine maintenance is not being undertaken.
- 4.3 In addition to the above, the Scottish Government have recently confirmed that they propose allocating up to £80,500 of Smarter Choices Smarter Places (SCSP) funding to Argyll and Bute Council in 2016/17. This is revenue funding to encourage behavior change and it cannot be used to fund capital projects however it can be used to fund work such as feasibility studies, design work, signage and mapping projects.
- 4.4 The Council are also awaiting confirmation from the Scottish Government of their 2016/17 Cycling Walking Safer Streets (CWSS) grant funding allocation and we anticipate this being in line with previous years (£90k - £130k). CWSS funding can be used for capital works and it is intended to use a proportion of this funding to match Sustrans Community Links funding bids (e.g. Letterdaill footway).
- 4.5 It is unlikely that all the funding bids submitted will be successful as the Community Links Programme is generally oversubscribed however, the Strategic Transportation Team will be undertaking site visits with Sustrans Community Links Officers on the 22nd March to promote our proposed projects and attempt to lever the maximum funding possible into Argyll.
- 4.6 A funding decision is expected by Sustrans on the 15th April 2015 and all successful projects will require to be completed by 31st March 2016 to be eligible for grant funding.
- 4.7 Argyll and Bute Council have a proven track record of working with Sustrans, local communities and funding partners to deliver new or upgraded infrastructure that encourages increased levels of walking and cycling. Such projects are good examples of partnership work which enables capital projects to be delivered in Argyll that bring both economic and wider health and community benefits.
- 4.8 In 2015/16 the Council secured in excess of £300,000 of funding from Sustrans to progress 4 footway projects. These include the final phase of the South Islay Distilleries Path which is a 5km remote cycle path connecting the villages of Port Ellen with Ardbeg in the south of the island. This project was managed by the Islay Community Access Group (ICAG) with support from Argyll and Bute Council and it was delivered following efforts to secure in excess of £700k of public and private sector funding.
- 4.9 Much of the investment in this path went back into the local community with a local contractor undertaking the construction work and building materials

sourced locally where feasible. The path has proved extremely popular and was recently featured in an article in the Telegraph regarding the top 10 destinations in the Highlands and Islands to visit. Argyll and Bute Council have also nominated this project for a Scottish Transport Award and are awaiting confirmation if this has been shortlisted.

4.10 In addition to the Islay Distilleries Path project, the following funding was also awarded to Argyll and Bute Council from Sustrans 2015/16 Community Links Programme;-

- **Helensburgh & Lomond Cycleway - £25,000.** Awarded to match fund £175,000 contribution from SPT's Capital Programme. This was to progress a section of the cycleway connecting Station Road and Ferry Road in Cardross.
- **A815 Sandhaven to Inverreck Footway - £220,000.** Project to construct a footway linking Sandhaven and Inverreck and remove a gap in the footway network.
- **Fionnphort Village Hall Link - £20,000.** This project was originally awarded funding to construct a path linking the village hall to Fionnphort however, the funding was downturned due to land negotiations. The £20k has enabled feasibility work and land negotiations to be progressed.
- **Islay Distilleries Path Phase 4 Surfacing - £60,000 –** Final phase of the project, involved installing an innovative slurry seal surface to the path which links Port Ellen and Ardbeg.

5.0 CONCLUSION

5.1 Funding bids totaling £470,000 have been submitted to the Sustrans 2016/17 Community Links Programme by the Strategic Transportation Team. Projects have been identified following consultation with other Council Departments and external stakeholders.

5.2 A funding decision is expected by Sustrans on the 15th April 2015 and all successful projects will require to be completed by 31st March 2016.

6.0 IMPLICATIONS

- | | | |
|-----|-----------|--|
| 6.1 | Policy | Projects are consistent with local and national transportation policy to encourage increased levels of active travel. |
| 6.2 | Financial | Projects will be 100% funded by external grants and there is the opportunity for works to be undertaken by Argyll and Bute Council's Roads and Design Services providing work for local teams. |

- | | | |
|-----|-------------------|---|
| 6.3 | Legal | Land searches and negotiations with third party land owners may be required. |
| 6.4 | HR | None |
| 6.5 | Equalities | All projects require to be DDA compliant. |
| 6.6 | Risk | Completing projects within budget and funding deadlines and securing any third party land required. |
| 6.7 | Customer Services | None |

Pippa Milne, Executive Director of Development and Infrastructure Services

Alistair MacDougall, Policy Lead Transportation

14th March 2016

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ARGYLL AND BUTE COUNCIL**Environment Development and Infrastructure
Committee****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7th April 2016**

Business Gateway Local Growth Accelerator Programme – ERDF Application

1.0 EXECUTIVE SUMMARY

- 1.1 The new Structural Funds programme 2014-20 gives the Council the opportunity to leverage European Regional Development Fund (ERDF) monies to increase the scale and scope of support to local businesses with growth potential, via Business Gateway.
- 1.2 In March 2015 Argyll and Bute Council submitted a Strategic Intervention application, outlining the strategic rationale, costs, outputs and activities proposed.
- 1.3 The Strategic Intervention was approved by the Scottish Government on 14th October 2015. This gave approval to submit an Operation Application.
- 1.4 The Operation Application was submitted on 2nd November 2015 and outlined the operation activities to support the programme approved in the Strategic Intervention. It detailed a £544,200 programme for 2015-2018 known as the Business Gateway Local Growth Accelerator Programme (BG LGAP) and requested £272,100 of ERDF funding. The proposed programme included specialist advice, growth grants, graduate placements, growth workshops, regional specific entrepreneurial support and key sector support.
- 1.5 The £272,100 match funding contribution required from the Council can be wholly met by existing Business Gateway and Economic Development budgets. This is because existing Business Gateway activity supporting growth companies can be considered as match funding.
- 1.6 The Scottish Government advised that they expected to make a decision on Operation Applications before the end of December 2015. In January 2016 we were advised that this had been extended to the end of March 2016.
- 1.7 The launch of BG LGAP is wholly dependent on the timing of approval by the Scottish Government. If approved by 1st April 2016, BG LGAP activity could be 'soft launched' in May 2016 to businesses already engaged with Business Gateway, followed by a full launch in June 2016.

1.8 It is recommended that members of the Environment Development and Infrastructure Committee:

- note the scope of the proposed support to businesses;
- note the scale of the programme;
- note that no additional Council funding is required; and
- approve the proposed launch approach, noting that timescales are dependent on Scottish Government approval timescales.

Business Gateway Local Growth Accelerator Programme – ERDF Application

2.0 INTRODUCTION

- 2.1 The new Structural Funds programme 2014-20 gives the Council the opportunity to leverage European Regional Development Fund (ERDF) monies to increase the scale and scope of support to local businesses with growth potential, via Business Gateway.
- 2.2 Unlike previous programmes which operated as a competitive bid process, for this programme period the Managing Authority (Scottish Government) for the Scottish programme identified Lead Partners to deliver strategic interventions under each theme of the Structural Funds programme.
- 2.3 Argyll and Bute Council is one of the Lead Partners agreed for the ERDF Competitiveness theme 03: Enhancing the competitiveness of small and medium sized enterprises.
- 2.4 In March 2015 Argyll and Bute Council submitted a Strategic Intervention application, outlining the strategic rationale, costs, outputs and activities proposed.
- 2.5 The Strategic Intervention was approved by the Scottish Government on 14th October 2015 and the Council was invited to submit a more detailed Operation Application by 2nd November 2015.
- 2.6 The Operation Application was submitted to deadline, and outlined the operation activities to support the programme approved in the Strategic Intervention. It detailed a £544,200 programme for 2015-2018 known as the Business Gateway Local Growth Accelerator Programme (BG LGAP) and requested £272,100 of ERDF funding.
- 2.7 The key activities within the Operation Application include specialist advice, growth grants, graduate placements, growth workshops, regional specific entrepreneurial support and key sector support.
- 2.8 The Scottish Government advised that they expected to make a decision on Operation Applications before the end of December 2015. In January 2016 we were advised that this had been extended to the end of March 2016.

- 2.9 If approved by 1st April 2016, BG LGAP activity could be ‘soft launched’ in May 2016 to businesses already engaged with Business Gateway, followed by a full launch in June 2016. These timescales are wholly dependent on the Scottish Government approval timescale.
- 2.10 If the approval timescales moves further back, the launch of the programme will be further delayed. Any additional delay is likely to have an impact on the activity and outputs that can be achieved within a shorter project timeframe. The Scottish Government is aware of the impact of further delays.
- 2.11 The latest advice we have is that a decision will be made in March 2016. A verbal update will be available for Members at the EDI Committee meeting.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that members of the Environment Development and Infrastructure Committee:
- note the scope of the proposed support to businesses;
 - note the scale of the programme;
 - note that no additional Council funding is required; and
 - approve the proposed launch approach, noting that timescales are dependent on Scottish Government approval timescales.

4.0 DETAIL

Rationale

- 4.1 Argyll and Bute Council’s BG LGAP fits under the Scottish Government’s “Enhancing the competitiveness of small and medium sized enterprises” thematic objective for the European Structural and Investment Funds Programme 2014–2020.
- 4.2 At a wider European level BG LGAP aligns with the Europe 2020 Strategy that aims to guide Europe’s economy out of the global recession by creating jobs, encouraging “green” economic growth and creating an inclusive society. The application proposes activities which will help build capacity and skills in businesses across the region, creating employment and supporting economic growth.
- 4.3 The proposed support directly addresses some of the issues identified in the Operational Programme in terms of building a strong mid-sized business base better suited to increasing employment and diversity in the economy. The core Business Gateway programme delivers generic business development support. However, there is significant scope to provide additional services to small companies with potential and with a desire to grow, thereby strengthening the pipeline of growing businesses.
- 4.4 The operation specified within the BG LGAP application – growth grants, graduate placements to support growth projects, growth workshops, specialist advice, key sector support and regional specific support - all directly support enhancing the competitiveness of small and medium sized enterprises, and are the activities specified in the approved strategic intervention.

- 4.5 BG LGAP also aligns to Outcome 1 of the Council's Single Outcome Agreement (SOA) - the economy is diverse and thriving - and contributes directly to outcomes ET01 in the Economic Development and Strategic Transportation (EDST) Service Plan and to the Economic Development Action Plan, 2013-18 by providing additional support to new and existing businesses.
- 4.6 A gap was identified in support available to clients in the early stage growth pipeline, including:
- One-to-one and one-to-many support to clients who do not meet the core Business Gateway growth thresholds but who exhibit some growth ambition; and
 - Additional added value services to strengthen and deepen the support available to growing companies, before they can access support from the enterprise agencies (Highlands and Islands Enterprise (HIE) and Scottish Enterprise, (SE)).

Proposed activity

- 4.7 BG LGAP will provide early stage support to address these gaps and strengthen the pipeline of growth businesses in the area. It is additional to core Business Gateway activity and includes:
- **Specialist Advice** – a half day to three days advice to help with specific issues relating to business growth such as marketing, HR, growth strategy.
 - **Growth Grants** - 50% of growth project costs paid up to £5,000.
 - **Graduate placements** – grant of up to 50% of graduate wage for a placement of up to 12 months to support a growth project, up to £12,000.
 - **Growth Workshops** – a half day to one day workshops on a range of topics to support growth. Some workshops will cover new growth topics, and others will provide greater reach of existing workshops into fragile or rural areas.
 - **Regional specific entrepreneurial support** - information and support to encourage and facilitate entrepreneurs to locate their business in Argyll and Bute.
 - **Key sector support** - support to key sectors and their supply chain to encourage collaboration, moving into new markets, networking and supply chain development.

Outputs and added value

- 4.8 BG LGAP will assist 236 unique businesses. This early stage support will assist the creation of 88 FTE jobs and will strengthen the pipeline of growing companies with potential to move into and through the Business Gateway Growth Advisory Service.
- 4.9 The range of services available complements the provision of the Business Gateway core contract and will drive-up the number of SMEs with sustainable growth potential being supported from the point of start up through the growth pipeline towards HIE/SE account managed status.

4.10 The proposal significantly scales up existing activity and introduces new activities, providing more support to a greater number of SMEs to assist growth. The operation proposed in this application will result in the additional outcomes detailed in **Table 1** below.

Table 1: Outputs and Added Value	
Support	Output
Specialist Advice	42 businesses assisted with one to one advice - <i>without ERDF only 21 could be assisted</i>
Growth Grant	44 businesses supported with grant funding - <i>wholly additional, this support would not be provided without ERDF</i>
Graduate Placement Grant	12 businesses supported with six to twelve month graduate placements - <i>wholly additional, this support would not be provided without ERDF</i>
Growth Workshops	780 attendees at 130 workshops, with 260 businesses assisted - <i>without ERDF 65 workshops would be delivered and 130 business assisted</i>
Regional specific support	39 businesses assisted with advice, information or events - <i>wholly additional, this support would not be provided without ERDF</i>
Key Sector Support	81 businesses assisted with advice, information or events - <i>wholly additional, this support would not be provided without ERDF</i>

Cost

4.11 The programme costs have been established through known activity costs (learning from previous ERDF programmes), tender activity (Framework Agreement for suppliers) and best practice learning for new activities (HIE and Highland Council shared their Graduate Placement programme learning). The costings outlined in **Table 2** below have been reviewed by Strategic Finance.

Table 2: Financial Information	
Total operation cost	£544,200
Total match funding	£272,100
Total ERDF grant requested	£272,100
Intervention rate	50%

4.12 Although the Scottish Government confirmed that activity can be claimed retrospectively from March 2015, this would be at the Council's own risk. It was therefore deemed prudent to defer commencing most activity until the Operation Application is approved.

4.13 However, workshop activity forming part of BG LGAP operations commenced in October 2015, as Business Gateway needed to provide support to businesses and could no longer defer all activity. Between October 2015 and March 2016, workshops will account for circa £20,000 of programme spend, which will be claimed in retrospect after approval.

- 4.14 The impact of this phased launch approach is the spend profile is weighted into 2016-18, with limited spend in 2015. See **Table 3** below. This minimises the risk to the Council of any activity delivered before approval being deemed ineligible.

Table 3: Expenditure Profile	
Year	Expenditure
2015	£10,200
2016	£156,930
2017	£188,110
2018	£188,960
Total	£544,200

Match funding

- 4.15 Match funding provided by Argyll and Bute Council must be 'clean' i.e. contains no sources of EU funding.
- 4.16 The majority of the match will be provided from the Council budget allocated for the delivery of Business Gateway growth support, with the remainder from the Council's Economic Development departmental budget. This has been agreed with Strategic Finance and no additional Council funding is required. See **Table 4**.

Table 4: Source of Council Match Funding						
Budget	2014	2015	2016	2017	2018	Total
Business Gateway	£25,000	£40,950	£43,950	£43,950	£43,950	£197,800
Economic Development	£20,000	£13,500	£13,500	£13,500	£13,800	£64,300
TOTAL	£45,000	£54,450	£57,450	£57,450	£57,750	£272,100

- 4.17 The Scottish Government has confirmed that using Business Gateway budget allocated for growth support is acceptable as match, but the ERDF support must be achieving additional targets. This can be seen in **Table 1**.

Management and reporting

- 4.18 The Council has many years of experience in working with EU funding programmes and has used this to harmonise Council systems with the requirements of the EU funding.
- 4.19 BG LGAP will be managed by the Council's Development and Infrastructure Service, specifically the Economic Development Service, which is responsible for the management of the existing core Business Gateway Service and the European Team. The operations will be delivered by the Council's in-house Business Gateway team, which has been delivering the Business Gateway service since 2009.
- 4.20 The European team will support the Business Gateway delivery team with specialist advice and guidance on meeting the ERDF requirements and delivering a compliant programme.

Legal and regulatory

- 4.21 Any procurement of suppliers to deliver elements of the operations will be undertaken in accordance with the Council's Procurement Strategy and The Public Contracts (Scotland) Regulations 2012.
- 4.22 Activities within the operation constituting State Aid include growth grants, graduate placements, specialist advisor support and regional or sectoral specific support, since these activities are selective. De minimis provisions will be used to cover specialist advisor support, regional specific events and advice, key sector events and advice, where the full costs will be met by the programme. Growth grants and graduate placements, which offer 50% of cost, will also use de minimis provision, except where a General Block Exemption Regulation (GBER) can be used.
- 4.23 Previously an Equality Impact Assessment (EIA) was completed to ensure all Business Gateway operations have no adverse impact on the individuals assisted. Post approval of BG LGAP, a new EIA will be completed to confirm that the new operation also has no adverse impact on protected characteristic groups; race, gender, disability, age, religion or belief, sexual orientation, marriage and civil partnership, gender reassignment, pregnancy and maternity.

Marketing

- 4.24 Marketing of BG LGAP will only commence once the Operation Application has been approved.
- 4.25 There will be three key phases to communicating the programme:
- a 'soft launch' to growth businesses currently engaged with Business Gateway;
 - a full launch, targeting growth businesses not yet engaged with Business Gateway; and
 - ongoing tactical promotion of operation elements to appropriate businesses to ensure programme targets are met.
- 4.26 All marketing activity will follow the ERDF publicity requirements.
- 4.27 A range of media will be used including local press, ezines, websites, social media, direct mail and direct adviser contact. Intermediaries will also be targeted – accountants, solicitors, banks, BIDs groups, Chambers of Commerce, etc.

5.0 CONCLUSION

- 5.1 The BG LGAP programme presents an opportunity for the Council to lever in £272,100 of ERDF funding for a new programme providing enhanced support to local businesses with growth potential.
- 5.2 This is a positive initiative to help strengthen the local economy, for which no additional Council funding is required.

5.3 Scottish Government approval of the Operation Application submitted on 2nd November 2015 for BG LGAP is required before the programme can be fully launched. A decision is expected by the end of March 2016.

5.4 A phased launch of the programme will commence after approval has been given.

6.0 IMPLICATIONS

- 6.1 Policy Business Gateway provision aligns to the Council's SOA, the EDST Service Plan and the Economic Development Action Plan, 2013-18.
- 6.2 Financial No additional Council funding is required for this initiative which, if approved, will leverage £272,100 of European funding for the Council.
- 6.3 Legal Procurement of suppliers to support BG LDAP activity will be undertaken in accordance with the Council's Procurement Strategy and The Public Contracts (Scotland) Regulations 2012.
- Activities within the operation constituting State Aid have been identified and will use de minimis provision except where a General Block Exemption Regulation (GBER) can be used.
- 6.4 HR Business Gateway support is delivered by an in-house Council team, with external contractors procured as appropriate.
- 6.5 Equalities Business Gateway has no adverse impact on key equality groups and the support can positively help disadvantaged individuals move into self-employment. An updated EIA will be completed to include the BG LGAP activities.
- 6.6 Risk There is limited risk for the Council as the team has the skills and resources needed to deliver the project. If the Council does not spend the match funding committed to the operation, no ERDF funding will be due. The monitoring processes in place will manage this risk, to ensure activities are delivered to plan.

6.7 Customer Service

Increasing the scale and scope of support to businesses is expected to have a positive impact on customer service. Business Gateway customer satisfaction levels are routinely independently monitored and reported on the Council's scorecard.

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead, Cllr Aileen Morton.

For further information contact:

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Kate Fraser, Senior Development Officer, Business Gateway, tel: 01546 604550.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

TREE, ROTHESAY AND CRINAN CANAL CHARRETTE UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks to update Members on the delivery mechanism and timescale for three charrettes, which are currently being delivered across Argyll and Bute. The charrette projects, which have secured funding from Scottish Government cover the areas of: Isle of Tiree, Rothesay town centre and the Crinan Canal corridor, including Lochgilphead and Ardrishaig.
- 1.2 A charrette is an intensive master planning session where the community and designers collaborate to create a vision for an area. A series of discussions and workshops are held over a dedicated timeframe to generate ideas. These are subsequently distilled down into deliverable outcomes set out within an action plan. Each charrette results in a body of work which seeks to inform policy making, the future development of the areas and inform the review of the Local Development Plan (LDP).
- 1.3 This report follows a paper considered and approved by the Planning Protective Services and Licensing Committee on 24th June 2015, which outlines three tranches of proposed charrettes within the context of the LDP Community Plans, and a subsequent report to SMT on 22nd December 2015 which outlined the scope and methodology behind each charrette, and sought the support of colleagues council-wide in relation to attending and inputting into the process.
- 1.4 As each charrette has been instigated and taken forward by different lead partners and communities, each is noticeably different, especially in relation to the principal area of focus and emerging themes, which in turn makes the approach to delivery for each quite different from the others.
- 1.5 The purpose of this report is therefore to provide an update on each charrette and the next steps.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH APRIL 2016

TREE, ROTHESAY AND CRINAN CANAL CHARRETTE UPDATE

2.0 RECOMMENDATIONS

- 2.1 That Members note the content of this report and the timelines for the delivery of each charrette.

3.0 INTRODUCTION

- 3.1 This report seeks to update Members on the delivery mechanism and timescale for three charrettes which are currently being delivered across Argyll and Bute. The charrette projects, which secured funding from Scottish Government cover the areas of: Isle of Tiree, Rothesay town centre and the Crinan Canal corridor, including Lochgilphead and Ardrishaig.
- 3.2 A charrette is an intensive master planning session where the community and designers collaborate to create a vision for an area. A series of discussions and workshops are held over a dedicated timeframe to generate ideas. These are subsequently distilled down into deliverable outcomes set out within an action plan. Each charrette results in a body of work which seeks to inform policy making, the future development of the areas and inform the review of the Local Development Plan (LDP).
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- 3.4 As each charrette has been instigated and taken forward by different lead partners and communities, each is noticeably different, especially in relation to

the principal area of focus and emerging themes, which in turn makes the approach to delivery for each quite different from the others.

- 3.5 The purpose of this report is therefore to provide an update on each charrette and the next steps.

4.0 DETAIL

Background

- 4.1 This report follows a paper considered and approved by the Planning Protective Services and Licensing Committee (PPSL) on 24th June 2015. The report identified five communities which would benefit from a coordinated approach, such as a charrette, in supporting and informing the Areas for Action (AFA) within the Local Development Plan (LDP). The AFAs reflect the aligned priorities and commitments of the Council and other key agencies. The five proposed communities/areas, subject to securing the relevant funding, were highlighted to be delivered over three tranches. These were, as follows: 1) Tiree and the Crinan Canal corridor; 2) Dunoon; and 3) Helensburgh and Oban. The proposed Helensburgh and Oban charrettes were identified as potentially being programmed within a third tranche in order that the timescales would fit with, and enable the outcomes to better feed into, the LDP review. In addition, as Oban is subject to substantial public realm works and related consultation activity as part of the Council's capital regeneration programme, it was felt that a potential charrette would be best placed to follow on after these works were complete. Work will therefore progress towards securing charrette funding for the aforementioned towns when future funding becomes available.
- 4.2 In addition to the charrettes identified within the PPSL report, a Rothesay charrette was also taken forward by the Rothesay Alliance for Action. This was part of the SURF work that has been ongoing over the past 12 months. This was therefore taken forward independently of the Council, although officer resource has since been applied to support this process. This will ensure that the Council is part of both the work of the Alliance and the charrette itself, and ensure that links are made with the Rothesay Townscape Heritage (TH) development phase.
- 4.3 Tiree, Rothesay and Crinan Canal charrettes are supported by the Scottish Government and partnership funding. Argyll and Bute received 20% of the Scottish Government's 2015-16 Charrette Mainstreaming Programme Fund. Each has a different area of focus and location-specific themes. Each charrette is subject to an intense and immersive period of design and planning activity, and each seeks to fully engage with the community in order to generate ideas and actions that will serve to enhance the respective area.
- 4.4 The Tiree charrette seeks to strengthen the socio-economic conditions of the Island, and is being taken forward by Tiree Community Development Trust. The Rothesay charrette seeks to improve the town centre, and is being led by the Rothesay Alliance for Action, which comprises a network of individuals

from the community, and from public and private sectors working towards a shared vision to remake Rothesay and build a better Bute. The Crinan Canal charrette will focus on the Ardrishaig/Lochgilphead canal corridor and is being taken forward jointly by Scottish Canals and Argyll and Bute Council, working closely with the local communities of Ardrishaig and Lochgilphead.

- 4.5 The purpose of the charrette process is to work closely with partners in order to determine a clear vision for each area, with deliverable outcomes that will serve to improve the areas, and support the outcomes of the Single Outcome Agreement (SOA), Economic Development Plan (EDAP), LDP and LDP Community Plans.

Charrette Detail

- 4.6 This report seeks to provide an update on each charrette and as such will provide detail on each in turn below.

Isle of Tiree Charrette

- 4.7 Ironside Farrar has been commissioned to deliver the Tiree charrette and hosted a first round of community consultation between 11th and 13th February. This generated survey responses from over one hundred people. The design team has met with the Heads of Service for Economic Development, Planning and Regulatory Services, Education and Community and Culture. In addition, the consultants have engaged with the factor for Argyll Estates and with the Health and Social Care Partnership. The Tiree charrette has been purposefully split into two stages in order to fully utilise the feedback from the consultation responses to inform the focus of the second round of charrette events. The second part was held in March, and included a youth event on 9th and public drop in sessions on 11th and 12th which focussed on distinct topic areas guided by the earlier consultation. These included employment and enterprise activities, housing, support services and community infrastructure. Ironside Farrar are currently assessing the information obtained from the events.

Crinan Canal Charrette

- 4.8 The Council agreed, through a Memorandum of Understanding, to work with Scottish Canals to bid for charrette funding to look at the Crinan Canal corridor between Lochgilphead and Ardrishaig. The design team, Oliver Chapman Associates, have recently been appointed to deliver the Crinan Canal charrette. It is expected that the charrette will be held between 27th and 30th April. Work is progressing to prepare for the charrette, with a meeting planned with Community Council representatives on 30th March.

Rothesay Charette

4.9 The Rothesay charrette was delivered by Ice Cream Architecture and was held between 24th and 27th February. The sessions covered a range of topics under the following headings: redefining, re-enterprising, reactivating, rebuilding, and reconnecting. A session which looked specifically at distilling the information down into ten deliverable outcomes was held on the final day, and will form the basis of the action plan which will be developed early April.

4.10 The principal outcomes for further analysis and development are as follows:

- 1 Activating spaces through events and activities programming, particularly relative to Guildford Square and Montague Street Gardens;
- 2 Extend weekend/evening opening hours, specifically in relation to the shops and swimming pool;
- 3 Raising the profile of Bute, through enhanced digital marketing and branding, particularly in relation to local food and craft produce;
- 4 Enhanced way finding and connectivity;
- 5 Creation of an historic quarter;
- 6 Improvement of the physical built environment, through the proposed Rothesay TH, specifically Victoria Street;
- 7 Collaborative working, through a formalised Alliance for Action governance structure, and potential collaborative directory, the Bute Book;
- 8 Pop up shops, with a creative focus;
- 9 Support for young people through assessing the potential to utilise the Discovery Centre restaurant as a youth space;
- 10 Assessment of the potential to use the empty floor above the job centre, in order to fulfil some of the demand for easy access small business units and arts start-up space.

4.11 Through Scotland's Independent Regeneration Network (SURF), and with 100% funding from HIE, a part time Alliance for Action development officer post has been recruited for a six-month period, with the remit of progressing and testing the above actions.

Next Steps

4.12 A set of finalised documents for all three charrettes will be available on conclusion of the process and may have the following uses:

- They may identify projects which the community wish to test and progress, and identify which organisation would be responsible for progressing them.
- They can be used to persuade funders of the appropriateness of projects and to demonstrate community buy in.
- They may be adopted by the Local Authority as non-statutory planning guidance or design guides for the subject area, and will be used to inform the next Local Development Plan.
- The finished result is produced more efficiently, and more cost-effectively, because of the collaborative and immersive process.

5.0 CONCLUSION

5.1 With engagement from all the relevant partners, including the Council, the three charrettes will seek to assist with the delivery of the SOA, EDAP and LDP community plans, and will ensure that the communities of each location have the opportunity to be fully involved and have the ability to participate in the shaping, and development of their areas for the future.

6.0 IMPLICATIONS

- 6.1 Policy – There is an opportunity for the potential to connect the outcomes of the charrettes to the LDP community plans. The charrette process also links to the outcomes of the SOA and EDAP.
- 6.2 Financial – None
- 6.3 Legal – None
- 6.4 HR – None
- 6.5 Equalities – None
- 6.6 Risk – None
- 6.7 Customer Service – None

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead, Councillor Aileen Morton

29 February 2016

For further information contact:

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7th APRIL 2016**

Strategic Infrastructure Plan (SIP) Update

1.0 EXECUTIVE SUMMARY

This report provides a briefing on the Strategic Infrastructure Plan (SIP) to be developed for Argyll and Bute. It will take an integrated approach to delivering strategic development opportunities identified through the Local Development Plan and Economic Development Action Plan that can help deliver a step change in economic activity in the area. The scope and purpose of the SIP is described along with proposed consultation and proposed timetable.

Argyll and Bute Council and Community Planning Partners have developed a series of strategic plans which aim to set out the vision, priorities and objectives for Argyll and Bute over the next ten years. In essence the SIP will be a distillation of these plans, creating a succinct and easily read single document which can be used to highlight and advocate the important opportunities and challenges within Argyll and Bute.

All relevant existing plans will be audited to see where goals are likely to be achieved by currently planned or identified infrastructure projects led by either Argyll and Bute Council or other stakeholder partners. Gaps will also be identified where projects need to be further developed to better meet the key goals as identified in the Economic Development Action Plan and Local Development Plan, which both align with the Single Outcome Agreement.

Developing the proposed Argyll and Bute Strategic Infrastructure Plan (SIP) will allow Argyll and Bute Council and partners to place renewed focus on what aspects of these strategies and key sites should be prioritised for delivery. It will direct joint working, identifying the strategic actions required, to help deliver a step change in economic activity within Argyll and Bute.

The SIP will also form the foundation for an economic case for additional funding being directed towards Argyll and Bute. The SIP will also promote the key locations and opportunities for developers and inward investment, and would be used to support the inclusion of significant projects in the next National Planning Framework.

Strategic Infrastructure Plan (SIP) Update

2.0 INTRODUCTION

2.1 This report provides a briefing on the Strategic Infrastructure Plan (SIP) to be developed for Argyll and Bute. The scope and purpose of the SIP is described along with proposed consultation and proposed timetable.

3.0 RECOMMENDATIONS

3.1 It is recommended that Members note this briefing paper on the Argyll and Bute Strategic Infrastructure Plan (SIP).

4.0 DETAILS

Scope and Purpose

4.1 Argyll and Bute Council and Community Planning Partners have developed a series of strategic plans which aim to set out the vision, priorities and objectives for Argyll and Bute over the next ten years.

- Argyll and Bute Community Plan and Single Outcome Agreement (SOA) 2013-2023
- The Strategic and Area Economic Development Action Plans (EDAP)
- Local Development Plan, Adopted March 2015
- Renewable Energy Action Plan (REAP)

4.2 The Strategic Infrastructure Plan will clearly identify and prioritise infrastructure and development projects which will support the delivery of key economic goals for Argyll and Bute and will identify ways in which these priority projects could be funded. It will also identify the strategic infrastructure requirements of the key sites; provide costings where known or the need for them where not, and identify the partners required to enable delivery. The strategic sites identified in the Local Development Plan have the capacity to deliver a step change in economic activity within Argyll and Bute. In essence the SIP will be a distillation of these plans, creating a succinct and easily read single document which can be used to highlight and advocate the important opportunities and challenges within Argyll and Bute.

4.3 The SIP will identify all types of infrastructure priorities. These will include priorities for traditional infrastructure (e.g improvements to transport facilities and telecommunication/digital networks), social infrastructure (e.g improvements for

social housing, health facilities, educational establishments) and elements of promotional activity that increases the profile of Argyll and Bute to potential investors, visitors and residents.

It will also take an integrated approach to delivering the key sites. In addition strategic development opportunities were identified through the Local Development Plan process that can help deliver a step change in economic activity in the area. These are in effect the key sites, and a co-ordinated approach from a range of partners is required to tackle a range of infrastructure issues and deliver on their potential contribution to the Argyll and Bute economy.

- 4.4 The SIP will also form the foundation for an economic case for additional funding being directed towards Argyll and Bute. The SIP will be key in attracting capital investment for infrastructure. The SIP will also promote the key development opportunities to developers and can be used to support the inclusion of significant projects in the next National Planning Framework.

Consultation

- 4.5 As this document is essential a synthesis of existing plans, the focus for consultation will be on agreeing which elements of which documents need to be included, what problems need to be overcome to deliver them, and how to present them to best effect in terms of making an attractive and persuasive offer / argument.
- 4.6 Following initial consultation between Economic Development, Planning and other relevant services of the Council, and thorough analysis of the relevant documents, a draft identification of key infrastructure projects and development areas will be drawn up. This will be presented to Members for agreement and also the Community Planning Partnership Management Committee.

The second stage will be to develop the details of how these projects will be delivered, identifying key external partners where appropriate. This might include Regional Transport Partners, HIE/SE, Scottish Water, Transport Scotland, SEPA, community partners and statutory consultees identified by the Planning Service. The focus at this stage will be to identify and discuss key delivery issues so that they can be highlighted in the document, not what are appropriate projects and sites as this has already been determined through the work of the Local Development Plan and other studies. Much of this information will already be known but there will be a need to prioritise critical projects that will help to grow our population and the local economy.

- 4.7 The final format and content of the SIP will be approved by Members and hopefully agreed by Argyll and Bute Community Planning Partnership. Having agreement from partners and as much cost information as possible included, will greatly improve the chances of the document assisting delivery.

Proposed Timetable

4.8 The following timescale is proposed for developing the SIP

Stage 1

March – June 2016

Analysing existing documents, identifying key projects and sites, and agreeing this list with Members

Stage 2

May- September 2016

Identifying with partners the key issues to be addressed in delivering the projects and sites, potential solutions, costs, and organisational responsibilities.

Stage 3

May-September 2016

Where possible identifying funding Options

Stage 4

Oct – November 2016

Finalising the SIP and presenting to Members and Community Planning Partners

Stage 5

Dec 16 – Feb 2017

Arranging for professional quality printing of the document, appropriate dissemination, and creation of a sister web document and updateable website.

5.0 CONCLUSION

5.1 Argyll and Bute Council and Community Planning Partners have developed a series of strategic plans which aim to set out the vision, priorities and objectives for Argyll and Bute over the next ten years.

Developing the proposed Argyll and Bute Strategic Infrastructure Plan (SIP) will allow Argyll and Bute Council and partners to place renewed focus on what aspects of these strategies should be prioritised for delivery.

The SIP will form the foundation for a rural regeneration initiative. The SIP will also promote the key development opportunities to developers and can be used to support the inclusion of significant projects in the next National Planning Framework.

6.0 IMPLICATIONS

6.1	Policy	The SIP is aligned to the Community Plan and Single Outcome 2 and the Local Development Plan.
6.2	Financial	The priority infrastructure projects identified will have financial costs associated with them.
6.3	Legal	The priority infrastructure projects identified may have legal implications associated with them.
6.4	HR	Resourcing of Strategic Infrastructure Plan required.
6.5	Equalities	The Strategic Infrastructure Plan will be subject to an Equalities Impact Assessment.
6.6	Risk	There is a risk if the Strategic Infrastructure Plan is not developed the economic aspirations of Argyll and Bute may not be realised and inward capital investment will not be attracted.
6.7	Customer Services	None

Executive Director of Development and Infrastructure Pippa Milne
Policy Lead Alisdair MacDougall/Aileen Morton

(*Note: Cross policy work will be required)
22 February 2016

For further information contact: Fergus Murray, Head of Economic Development and Strategic Transportation, Tel:- 01546604293 Fergus.Murray@argyll-bute.gov.uk

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

MARKETING ARGYLL AND BUTE

1.0 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide committee with a proposal for a marketing strategy which works alongside other economic development measures to encourage individuals and businesses to live, work and invest in Argyll and Bute, with a view to reversing the decline in population.
- 1.2 The objective of the marketing strategy is to establish Argyll and Bute as a destination for families, individuals and businesses to relocate, live, work and grow together with their local communities. To do that we will have to demonstrate that Argyll and Bute can meet the needs of our target audiences by offering what it is they value.
- 1.3 This will involve creating compelling messages about Argyll and Bute, aimed at our target audiences, and delivered through a variety of media, including digital, print, face-to-face and PR. The strategy will be to highlight the plus points about the area and tackle the challenges by demonstrating the measures being taken to address them.
- 1.5 The new Promotions and Marketing Officer took up post on 18 January 2016 and has since been working to meet meeting key colleagues, partners and undertaking desk research to put together a draft marketing plan
- 1.6 This paper recommends that the Committee notes the contents of the report.
- 1.7 That the Committee provides amendments if required and then approves, in principle, the draft marketing plan so work can begin on apportioning timescales and budget to the key tasks, which are outlined in **Appendix 2**.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

MARKETING ARGYLL AND BUTE

2.0 INTRODUCTION

- 2.1 Argyll and Bute is one of only four local authority areas in the 2011 census to show a decrease in population. Of those four, it is the only area currently excluded from investment through the national three island or City Deal support initiatives. Future population projections suggest a reduction in total population of 7.2% from 2010 to 2035.
- 2.2 In addition, the demographic balance is changing with the number of residents under 65 in decline or static, but the number aged over 65 on the increase. These changes create a number of challenges to service delivery requirements for CPP partners, the availability of people to join the overall workforce in Argyll and Bute, a smaller pool of people creating wealth and how to enhance the economic or community contribution made by people.
- 2.3 Argyll and Bute Council recognized the need to halt and reverse the depopulation of the area and undertook a number of proactive measures to securing employment and prosperity for the area by attracting more people to Argyll and Bute.
- 2.4 The *Compelling Argyll and Bute and its Administrative Areas* study was commissioned in 2015 to engage with a range of stakeholders to understand the issues facing them in living, working and, in some cases causing them to leave, Argyll and Bute.
- 2.5 An Argyll and Bute Economic Forum was established following the economic summit in Dunoon, that brought together members of the area's key business sectors, leading agencies, as well as local and national government representatives. The chairman of this forum reported on key opportunities, from a business perspective, in early 2016.
- 2.6 The Council has implemented and commissioned a multi-million pound investment in economic development initiatives to encourage people to live, work, visit and invest in Argyll and Bute.

- 2.7 In 2015, the Council invested in new posts within economic development, including a promotions and marketing officer to promote Argyll and Bute as a place to live, work and invest. The officer took up post on 18 January 2016 and has since been working to develop a marketing plan that can take move forward with the desired outcomes.

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the contents of the report.
- 3.2 That the Committee provides amendments if required and then approves in principle the draft marketing plan so work can begin on apportioning timescales and budget to the key tasks, which are outlined in the **Appendix 2**.

4.0 DETAIL

- 4.1 Marketing should help deliver the over-arching goals of the organisation. It is about developing the strategy which encourages the customer to like or be inspired by the brand eg: 'Don't sell me insurance. Sell me peace of mind and a great future for my family and me. Don't sell me a house. Sell me comfort, contentment, a good investment, and pride of ownership (and a piece of the American Dream).' Michael LeBoeuf.
- 4.2 The goal of the marketing strategy is to establish Argyll and Bute as a destination for families, working age individuals and businesses to relocate, live, work and grow together with their local communities. To do that we will have to demonstrate that Argyll and Bute can meet the needs of our target audiences by offering what it is they value. Messages for target audiences can be found in **Appendix 1**.
- 4.3 A range of communication channels will be used to get these messages across including, but not limited to:
- 4.4 **Web/social media** – currently Argyll and Bute has low-level recognition with search engines, compared with 'Highlands', 'Scotland', 'Loch Lomond' or 'Hebrides'/. We must work with partners to increase its relevance and profile.
- 4.5 **Film and photography** – develop a library of photography from existing (partner) and newly commissioned work that reflects life and work in Argyll and Bute. These can be used in print and digital communications.
- 4.6 **Print/advertising** – this should be kept to a minimum but should be of high-quality for use with high-level pitches and inward investment opportunities.

- 4.7 **Press and PR** – this will continue to be delivered through the Council's communication's team, with the Marketing and Promotions Officer providing leads for good news stories that can be pitched to the media.
- 4.8 **Events and face to face** – appropriate events and expos will be identified.
- 4.9 **Endorsements/Case studies** – these will come from private sector, other agencies, individuals etc. for use in a variety of media including news releases, website, social media etc. This will also include working with partners to ensure a collaborative approach and sharing of good practice.

5.0 CONCLUSION

- 5.1 With the amount of financial investment being taken forward by the Council and its partners past and future, its abundant heritage and culture coupled with its natural resources, Argyll and Bute has much to offer. There are also good schools and strong, safe communities. There is a clear programme of action to deliver improved connectivity, improve transport infrastructure and deliver increasing numbers of affordable homes. What is required is a narrative and mechanism to share this story. In creating this compelling story for Argyll and Bute, the strategy will be to highlight the plus points and tackle the challenges by clearly demonstrating the measures being taken to address them.
- 5.2 This work cannot be done solely by Argyll and Bute Council, as is there is not the resource available to do so. We will need to tap into delivery mechanisms as set out in the Single Outcome Agreement and Economic Development Action Plan. However, the function of the Promotions and Marketing Officer will be to work closely with representatives from partner organisations to promote a collegiate approach to strategy development, ensuring best use of resources and allowing everyone to speak with one voice in praise of Argyll and Bute, avoiding duplication and ensuring a wider spread of a shared brand and vision. It should also be remembered that the Marketing and Promotions officer will also need to respond to emerging opportunities.
- 5.2 It will therefore be important to establish some principles. That the role of Promotions and Marketing Officer focuses on promoting council investment and initiatives. That there is fit with others - the role of the Promotions and Marketing Officer can support and sign-post to other agencies with an interest in encouraging others to locate or invest in Argyll and Bute e.g. University of Highlands and Islands,, Highlands and Islands Enterprise, Scottish Enterprise, private sector, Argyll and the Isles Tourism Co-operative Ltd etc.
- 5.3 Finally, that the role can enable others, by helping to produce tool kits, provide advice and support for groups to get them involved or enhance their skill sets.

6.0 IMPLICATIONS

- | | | |
|-----|------------------|---|
| 6.1 | Policy | None |
| 6.2 | Financial | Marketing will be provided from within the budget agreed when new team established. |
| 6.3 | Legal | None |
| 6.4 | HR | None |
| 6.5 | Equalities | None |
| 6.6 | Risk | The key risk is that there will be a high expectation of a limited resource. This can be mitigated by ensuring that the action plan is agreed and followed. Any other opportunities will be evaluated on a 'value added' basis. |
| 6.7 | Customer Service | None |

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead Aileen Morton

8th March 2016

For further information contact: Julie Millar, Promotions and Marketing Officer,
01546 604390

APPENDICES

- Appendix 1 Audiences and key messages
- Appendix 2 Marketing action plan

Appendix 1 – Audiences and key messages

In developing a compelling story for Argyll and Bute there will be multiple messages to tap into the values of the variety of audiences we need to address. The table below gives an example of how it might look:

Target audiences		Key messaging
Internal	Local community <ul style="list-style-type: none"> • families • young people • workers • community groups • Third sector • Council staff 	<ul style="list-style-type: none"> • Argyll and Bute has a lot to offer • There are jobs, houses and educational opportunities on your doorstep • This is a lifestyle worth valuing • We can work together to make things even better
	Local business	<ul style="list-style-type: none"> • There is room to grow and develop your business • We have a workforce with the skills and motivation looking to join your business • We have support in place to advise you on how to grow your business • Infrastructure is improving all the time
	Stakeholders <ul style="list-style-type: none"> • Government • Enterprise agencies • Funding agencies – Europe, public and private 	<ul style="list-style-type: none"> • This is an area with vision and commitment • We want to be noticed • Our communities are fighting back to prosperity • We will not rest until Argyll and Bute gets the recognition it deserves
External	Potential residents <ul style="list-style-type: none"> • Families • Young people • Workers 	<ul style="list-style-type: none"> • Excellent quality of life – good schools, it's safe, able to Ski in winter and surf in summer • Employers need people with good qualifications • Housing is relatively cheap. The average house price in Argyll, according to Right Move is £149,933. In Highlands and Islands it is £158,147 and in South Ayrshire it is £155,000 • Infrastructure is getting better all the time • Our town centres are improving • There are more and more educational and entrepreneurial

		opportunities for young people
	<p>Potential new businesses</p> <ul style="list-style-type: none"> • Start ups • Micro-businesses • Inward investment 	<ul style="list-style-type: none"> • There is huge potential for new business starts in Argyll and Bute • We are investing in the future of our communities – you can be part of that • We have a committed and enthusiastic workforce • We specialise in a number of areas – marine sciences, renewable energy, tourism and food and drink • We are investing in infrastructure solutions – a chance to be in at the beginning
	<p>Visitors</p> <ul style="list-style-type: none"> • Returning visitors • New visitors • All ages 	<ul style="list-style-type: none"> • Plenty to see and do – land and sea • Rich in culture and heritage • Able to Ski in winter and surf in summer • Family friendly activities, developing cycle paths and off-road cycling activities • Wide range of quality accommodation offers • Lots of ways to travel – road, train, cycle, plane, ferry etc

Appendix 2 – Marketing action plan

Marketing action plan 2016-17

Task	Evidence of need	Outputs	Outcomes	Evaluation
1. One voice: work with partners from organisations with an interest in ensuring Argyll and Bute has a consistent message to attract people to visit, live, work and invest in the area.	Compelling Argyll and Bute Study Theme 7 Compelling Argyll & Bute –EDAP SOA	Core group of partners working to promote Argyll and Bute Key messages agreed Joint promotional activity	Increase profile of area by having a more consistent marketing message and shared vision.	Higher recognition on internet searches More traffic to websites More enquiries to council and partners
2. Imagery: Develop digital picture library for use with promotional activity both online and in print. The pictures should be dynamic and active, covering business and day-to-day living.	Compelling Argyll and Bute Study Theme 7 Compelling Argyll & Bute –EDAP SOA	Project team to agree list of required photos Investigate availability of photos from other sources: within council, HIE etc Photographers commissioned Subjects identified Shoot planned and delivered Photos catalogued	Better quality photography for use by ABC and partner agencies More vibrant pictures in digital and print to appeal audiences. Short promotional videos and podcasts	More click through to website from social media More follow-up from business enquiries More use of ABC photos in partner and external print and digital media
3. Promotion: promote success of Major Capital Regeneration Projects,	Compelling Argyll and Bute Study	Produce information on key selling points of	Better quality	Inward investment

<p>including resources to assist in levering in additional resources/investment.</p> <ul style="list-style-type: none"> Marketing Lorn Arc (TIF), including raising profile of Oban Airport and supporting bid for air links to the Central belt. Opportunities presented through Year of Architecture – Rothesay Pavilion Campbeltown THI and CARs success Dunoon Pier and Queens Hall – venue marketing 	<p>Theme 7/8</p> <p>Compelling Argyll & Bute –EDAP</p> <p>Connected A&B – EDAP</p> <p>SOA</p>	<p>each of the key towns including: investments made; social benefits; business opportunities; support available;</p> <p>Develop print versions for each locality, including templates for additional updatable local information;</p> <p>Plan and deliver at least one marketing campaign per town.</p>	<p>marketing materials.</p> <p>More effective tools for encouraging private businesses to invest.</p> <p>Clear information on the local area and levels of investment.</p>	<p>opportunity secured</p> <p>Better local awareness of levels of investments</p>
<p>4. Awareness: Develop/support high-level awareness raising campaigns for two key projects e.g. supporting MACC with Spaceport initiative, promote Oban as university town.</p>	<p>Compelling Argyll and Bute Study Theme 7</p> <p>Connected A&B - EDAP</p> <p>Compelling Argyll & Bute –EDAP</p> <p>SOA</p>	<p>Plans in place for campaign delivery.</p>	<p>Better local awareness of activity around bid.</p> <p>Better elected member awareness of activity.</p> <p>Better decision-maker awareness of potential of site.</p>	<p>Recognition/success of bid.</p>
<p>5. Recruitment: promote Argyll as a place to stay or relocate for education, entrepreneurship or employment.</p> <ul style="list-style-type: none"> Develop case studies of young business people Market to graduates of key 	<p>Compelling Argyll and Bute Study Theme 7</p> <p>Connected A&B - EDAP</p>	<p>Identify suitable case studies and write up or video.</p> <p>Identify suitable courses/universities/graduate fairs and find</p>	<p>Have suite of case studies for use in print and web</p> <p>Attend one event to promote Argyll and Bute to graduates</p>	<p>Database of people interested in working in</p>

<p>industries – renewables, marine, forestry</p> <ul style="list-style-type: none"> • Work with partners on recruitment strategy for key workers 	<p>Compelling Argyll & Bute –EDAP</p> <p>SOA</p>	<p>partners who may wish to share attendance</p> <p>Develop advertising campaigns with key partners</p>	<p>looking for work.</p> <p>Pilot two advertising campaigns with partner agencies.</p>	<p>A&B</p> <p>Evaluation of campaigns shows increase of applicants</p>
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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7 APRIL 2016**

ECONOMIC FORUM REPORT

1.0 EXECUTIVE SUMMARY

- 1.1. The Argyll and Bute Economic Forum was established in March 2015 following the economic summit in October 2014. The Forum is chaired by Nick Ferguson CBE who is the current chair of Sky Plc and resident of Argyll. Nicholas Ferguson was asked by the Council on behalf of Argyll and Bute Community Planning Partnership to chair the Forum look from a business perspective into the challenges and opportunities facing the Argyll and Bute economy and our demographic challenges.
- 1.2. The Forum consists of senior representatives of the Argyll business sector, the Council, HIE, Scottish Enterprise, Cal Mac, SAMS and the Scottish Government and meets on a quarterly basis with a number of sub groups established looking at areas of interest such as the tourist industry or skills.
- 1.3. On the 23rd of February 2016 Nick Ferguson published his report on the work of the Forum and what he considers from a business perspective to be main areas of priority that need to be taken forward or addressed by a range of different partners. The report contains a number of key recommendations to support economic growth and address barriers to achieving this growth. The report is available on the council's website and a number of press articles concerning the findings of the report have been published in the local and national media. The full report can be found at <http://www.argyll-bute.gov.uk/economic-forum-report> and is included as Appendix 2.
- 1.4. The work of the Forum continues with Nicholas Ferguson kindly agreeing to remain as Chair. Meeting twice a year the Forum intends to monitor progress with the implementation of the report's recommendations that will be taken forward by a wide range of stakeholders from the public and private sectors.

1.5 RECOMMENDATIONS

- 1.6 Members are asked to note the content of this Report together with the main findings of the Argyll and Bute Economic Forum Report that was published on the 23rd of February 2016 which is attached as Appendix 2.

- 1.7 Members are asked to agree that the work of the Economic Forum contributes to the delivery of Council strategic objectives and is of great value towards the delivery of our overall objective that Argyll and Bute's Economic Success is Built on a Growing Population.

- 1.8 It is recommended that this Committee records their thanks to all members of the forum for their endeavors with particular thanks to Nicholas Ferguson CBE for leading on the development of the invaluable report.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

ECONOMIC FORUM REPORT

2.0 INTRODUCTION

- 2.1 This report concerns the findings of the Argyll and Bute Economic Forum Report by Mr. Nick Ferguson CBE the Chair of the Forum and asks for a number of key recommendations and next steps to be noted by Members. The full Report was published on the 23rd of February and can be found at <http://www.argyll-bute.gov.uk/economic-forum-report> Overall the Report is positive about the future of the Argyll and Bute economy, the work that is already being undertaken and the opportunities that are available to help address our demographic challenges. More needs to be done and the report identifies key areas of strength and opportunity in the economy and work that needs to be done to address barriers to growth.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to note the content of this Report together with the main findings of the Argyll and Bute Economic Forum Report that was published on the 23rd of February 2016 which is attached as appendix 2.
- 3.2 Members are asked to agree that the work of the Economic Forum contributes to the delivery of strategic objectives and is of great value towards the delivery of our overall objective that Argyll and Bute's Economic Success is Built on a Growing Population.
- 3.3 It is recommended that this Committee records their thanks to all members of the Forum for their endeavors with particular thanks to Nicholas Ferguson CBE for leading on the development of the invaluable report.

4.0 DETAILS

4.1 Members will recall that a key outcome of the Economic Summit in October 2014 was the announcement for the Argyll and Bute Community Planning Partnership to establish an economic forum to advise on driving forward economic progress in the region. The Council took the lead role in establishing the group and was fortunate to secure the services of Nicholas Ferguson CBE, Chairman of Sky plc to chair the forum. A resident of Argyll and Bute, Nicholas agreed to lead essentially a private sector led review to advise how best to grow our economy and was joined on the forum by the following;

- Alistair Barge Managing Director, Gigha Halibut
- Cathy Craig Commercial Director, ScotRail
- John Forteith Head of Business Development, Bidvest Foodservice Scotland

- Neil Francis Director, Scottish Enterprise
- Iain Jurgensen General Manager, Portavadie
- Jane MacLeod Company Secretary, M&K Macleod Ltd and Secretary of Mid Argyll Chamber of Commerce

- Jocelyn McConnachie Commercial Director, CalMac Ferries Ltd
- Sally Loudon Chief Executive, Argyll and Bute Council
- Cllr Aileen Morton Policy Lead for Sustainable Economic Growth, Argyll and Bute Council

- Alex Paterson Chief Executive, Highlands and Islands Enterprise

- Dr Tracey Shimmield Managing Director, SAMS Research Services Ltd

- Gordon Wales Director of Financial Management and Location Director for Argyll and Bute, Scottish Government

- Neil Wells Managing Director, Lochs and Glens Holidays

4.2 At the inaugural meeting on the 17 March 2015, three sub groups were established to focus on tourism, food and drink including aquaculture and youth and education. At the time, the Chair publicly stated the following;

“Jobs bring people and prosperity. To create jobs we need to focus on Argyll and Bute’s best opportunities– where employment is already growing, where investment is being made, and where there is advantage in comparison to other areas.

Tourism and food production are two key opportunities for further development in Argyll and Bute.

To take up jobs, we need people of working age. Our third priority focus will therefore be on how to make Argyll and Bute a destination of choice for our young people. A key part of this will be to consider how best to raise awareness among

young people of the career options that exist here in Argyll, and to explore options for more closely linking education, training and local business opportunities.”

The next steps for the Forum will be to consider obstacles to progress in each area, and consider what if any additional research is required to support understanding of solutions that will deliver results.

Argyll and Bute has so much potential for economic growth. Prosperity is there to be created.”

- 4.3 The full Forum met a further three times in 2015 and during the summer, the Chair met directly with representatives from key sectors to discuss further the barriers to growth and the opportunities to overcome them.
- 4.4 The chair of the Forum released a report on the 23 February setting out his findings on the current state of the Argyll and Bute economy, the latest position on our demographic challenges and recommendations towards achieving our overall objective that our economic success is built on a growing population.
- 4.5 It can be considered that the recommendations from the report are broadly complimentary with the strategic objectives of both the Community Planning Partnership and the Council and provide valuable and clear insights from the private sector towards the delivery of our strategic objectives.
- 4.6 It is recommended that the Committee records their thanks to all members of the Forum for their endeavors with particular thanks to Nicholas Ferguson CBE for leading on the development of the report for the benefit of the people and businesses of Argyll and Bute. The forum has agreed to meet twice in 2016 for the purposes of monitoring activity related to the recommendations within the report. The private sector members of the forum gave freely of their time.
- 4.7 Thereafter this covering report summarises the key messages, findings and recommendations of the report from the forum which is attached as Appendix 2. Appendix 1 sets out the key recommendations as understood by Council officers.
- 4.8 The report identifies that the main opportunity to deliver private sector employment is in the tourism and food production, including aquaculture. These sectors have demonstrated strong employment growth in the past and significant capital investment even in times of recession. Other sectors that show potential to create additional jobs include IT Services, Marine Sciences and academic research. In terms of education and training there is a need to have adequate post school and training facilities in order to retain and attract young people to Argyll and Bute.
- 4.9 The report then highlights that there is also need to address the barriers to growth that were identified through the work of the Forum drawing on a range of evidence that was presented by individual members of the Forum, advisors to the Forum and an examination of available data from a wide range of stakeholders. The principle barriers relate to digital connectivity particularly mobile connectivity which is increasingly the key to business growth in rural areas, affordable housing and transport connectivity. The report then examines four of Argyll and Bute's main towns Campbeltown, Rothesay, Helensburgh and Dunoon that have experienced

either economic pressures or population decline, or both. Whilst it was recognised that Oban is not without its own challenges, Oban was considered an area with a thriving population and economy when compared to the other towns in Argyll and Bute

- 4.10 A key feature of the report is the identification of a number of recommendations to facilitate growth in the key business section. In terms of tourism there is a need for a coordinated marketing campaign that focuses on Argyll as a key holiday destination and branding relating to some of our key assets such as walking and our cultural heritage. The need to raise the quality of the tourism product and focus on the needs of the customer as a priority. A key element of this will be improving a range of cultural attractions including the likes of Kilmartin Museum and Mount Stuart.
- 4.11 In terms of food production a number of recommendations have been included in the report including the streamlining of the aquaculture planning process, the creation of a meat cutting plant in Argyll to help reduce operator costs and building on the links between tourism and food and drink industry. Another recommendation relates to the pursuit of a wood pellet plant in Argyll.
- 4.12 The report's recommendations relating to Youth and Education concern the need to maintain high education standards and improving the link between schools and business. The need to extend the young enterprise deal to more schools and for private businesses to create more modern apprenticeships. The concept of Oban as a University Town is endorsed by the report and the need to regularly communicate with young people on the job and learning opportunities that are available in Argyll.
- 4.13 Other opportunities examined in report concern the construction sector and small businesses. The report recommends the need to improve business access to finance, the need to encourage business forums and introduce a comprehensive mentoring programme taking advantage of the business knowledge in Argyll. The report also calls for the public sector to help small companies access public contracts.
- 4.14 A number of recommendations were included to help address the barriers to growth that were identified in the report. In terms of mobile digital connectivity the report recommends changes to the UK Electronic Communications Code to help reduce mast costs and also explore allowing higher masts to be constructed in Argyll. In terms of affordable housing the work of the Scottish Government, the council and its housing partners is acknowledged but there still remains a need to provide more housing in areas that can best deliver economic growth. Recommendations relating to transport connectivity concern the need to find a permanent solution for the Rest and Be Thankful landslip issue together with other strategic road improvements to improve connectivity across Argyll. Continued improvements to the summer ferry timetables and improving air links between Oban to Edinburgh and Glasgow are also recommendations of the report.
- 4.15 Turning to the 4 Main Towns included within the report the main recommendations relate to the need to develop better day visitor and short term offerings in Dunoon and ensuring Rothesay develops a strong vision for its future.

- 4.16 In the final section of the report, the Chair sets out a shared vision that Argyll and Bute can clearly succeed and grow and considers that the region is well positioned with strong competitive advantages which requires a joined up approach to realise our potential.
- 4.17 Following the publication on the Report on the 23rd of February Mr Ferguson undertook a series of interviews with media outlets that resulted in a number of positive articles on its key findings. The work of the Economic Forum continues with Nick Ferguson CBE remaining as Chair. The Forum will however only meet twice a year to ensure the monitoring of the delivery of the key recommendations by a range of public and private sector stakeholders.

5.0 CONCLUSION

5.1 The Argyll and Bute Economic Forum is a private sector led partnership that includes senior representatives from a number of private businesses, the council, HIE, Scottish Enterprise, SAMS, Cal Mac and the Scottish Government. In February Nicholas Ferguson CBE published a Report that identified the demographic challenges facing Argyll and Bute together with identifying the main business sectors with the greatest potential to improve our economy. The report also highlighted the need to deliver sustainable employment opportunities and improve education and training facilities with a number of recommendations to help facilitate economic growth and address barriers such as poor digital and transport connectivity. The work of the Forum will continue and next steps will be to ensure a range of stakeholders are put in place to take forward the main recommendations of the report as appropriate.

6.0 IMPLICATIONS

- | | | |
|-----|-------------------|---|
| 6.1 | Policy | The report from the economic forum should be viewed as wholly aligned and therefore complimentary to the strategic policies of the Council and the CPP. |
| 6.2 | Financial | The report does not request specific expenditure from the Council and does touch previous, existing and planned spending activity. |
| 6.3 | Legal | None |
| 6.4 | HR | None |
| 6.5 | Equalities | None |
| 6.6 | Risk | None |
| 6.7 | Customer Services | None |

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead Aileen Morton

15/03/2016

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Appendices

Appendix 1 – Recommendations from Economic Forum Report February 2016

Appendix 2 – Economic Forum Report

Appendix 1 Recommendations from Economic Forum Report February 2016

Tourism and Hospitality	
No	Recommendation
1	Marketing; coordinated marketing activity
2	Seasonality; increase off season uptake
3	Marine Tourism; improved marine leisure infrastructure.
4	Major Cultural Attractions; develop a World Heritage Site in Argyll.
5	Music Festivals and Events; supporting events to develop cultural offer.
6	Other Facilities; further development of the following; <ul style="list-style-type: none"> a) Marked walking paths and information maps b) Cycle and mountain biking tracks c) Kayaking facilities
7	Ferries; a) booking system and timetable to accommodate growth in visitors from RET, and b) consideration to lower freight costs in economically fragile

Aquaculture	
No	Recommendation
1	Increased dialogue with key decision makers
2	Streamlining consenting process for sites
3	Encouraging the widening of the species
4	Enabling greater local processing to help add value to the local product
5	Enabling greater collaboration with the academic sector to promote centres of excellence for aquaculture technology and product improvement.

Food and Drink	
No	Recommendation
1	Promote the 'Argyll' umbrella brand
2	Development of high value niche sectors with focus on quality as opposed quantity where appropriate
3	Development of a meat cutting and processing plant in mainland Argyll
4	Sea food; expand local processing
5	Increased basic accreditation for food products to increase access to markets
6	Public sector maximise efforts to award contracts to local producers within the rules and regulations of the EU Procurement Directive.

Youth and Education	
No	Recommendation
	SCHOOLS
1	Develop a coherent structure for engagement between the business community and each secondary school
2	Local employers offer more summer jobs to local students
3	Increase young enterprise schemes in schools
4	Increased apprenticeships
	FURTHER and HIGHER EDUCATION
5	Increased funding for UHI Argyll College to allow expansion of training to meet demand needs in both geographies and subjects.
6	Expansion of UHI Argyll College offer of undergraduate courses
7	Developing Oban as a University Town
8	Development and marketing of jobs portal for Argyll

Other	
No	Recommendation
1	Forestry/ Biomass; establish a wood pellet company in Argyll for biomass
2	Purchasing; public sector maximise efforts to award contracts to local contractors within the rules and regulations of the EU Procurement Directive.
3	Small Business; increase provision of growth funding for local businesses.
4	Small Business; establish a volunteer business mentoring scheme
5	Small Business; establish a single point of contact for discussions between business and local and central government in Argyll.
6	Assistance for small business to expedite planning applications which have employment and/or economic benefits to the area.

Barriers	
No	Recommendation
1	Mobile connectivity; improved mobile phone connectivity in Argyll
2	Housing; maintain public sector investment in affordable housing
3	Housing; private sector investment in housing for first time buyers.
4	Transport; a permanent solution to the Rest and Be Thankful
5	Transport; upgrade Lochgilphead to Oban A816 and Dunoon to Portavadie A8003
6	Transport; develop new flights between Oban/ Campbeltown/ Islay/ Tiree and Glasgow/Edinburgh
7	Fixed link between the Isle of Bute and the mainland

Towns	
No	Recommendation
1	Campbeltown; consideration of an Enterprise zone in Machrihanish
2	Dunoon; development of Ardyne as a fish processing centre
3	Dunoon; enhanced tourism facilities for visitors
4	Dunoon; provision of economic development officer support
5	Rothesay; improved appearance of town centre



ARGYLL AND BUTE ECONOMIC FORUM REPORT

February 2016

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GLOSSARY

AITC	Argyll and the Isles Tourism Co-operative Ltd
AISTPSG	Argyll and the Isles Tourism Partnership Steering Group
BIDS	Business Improvement Districts Scotland
BRC	British Retail Consortium
CALMAC	Caledonian MacBrayne (CalMac Ferries Ltd)
CFA	Clyde Fishermen's Association
CPP	Community Planning Partnership
EKOS	Economic and Social Development
HIAL	Highlands and Islands Airports Limited
HIE	Highlands and Islands Enterprise
HI TRANS	The Highlands and Islands Transport Partnership
MACC	Machrihanish Airbase Community Company
MPAS	Marine Protected Areas
NOMIS	National Online Manpower Information System
RET	Road Equivalent Tariff
SALSA	Safe and Local Supplier Approval
SAMS	Scottish Association of Marine Science
SE	Scottish Enterprise
SEPA	Scottish Environment Protection Agency
SPT	Strathclyde Partnership for Transport (SPT)
SUSTRANS	Sustainable Transport (British Cycling Organization)
THI	Townscape Heritage Initiative
UHI	University of the Highlands and Islands
WSLF	West of Scotland Loan Fund Limited

SUMMARY AND RECOMMENDATIONS

The 2011 census showed a continuation of population decline in Argyll. At the beginning of 2015 I was asked by the Argyll and Bute Community Planning Partnership to Chair a new Economic Forum which would look at this problem, specifically from a business perspective. The Forum members are business leaders, a senior Council member, the Council's Chief Executive, and representatives of the Scottish Government, HIE, Scottish Enterprise, SAMs and CalMac. During the course of the year, numerous meetings were held with interested individuals and groups throughout Argyll, existing reports and data were reviewed, and all the principal towns were visited. This section summarises our findings and our principal recommendations.



A SHARED VISION

Argyll and Bute can clearly succeed and grow. We are well positioned, with strong advantages in two of the world's fastest growing industry sectors, namely tourism, and food and drink production, particularly aquaculture. The development of the digital infrastructure is a big potential boost to many other industries. We have a strong entrepreneurial tradition and many great small businesses. We have good education and one of the finest environments in which to live. But as in any business, if we are to achieve our potential, we need a joined up approach from all of us, with all working to the same objective: business people, Councillors, Council officers, MSPs, journalists, editors, school teachers, parents, agencies such as HIE, Scottish Enterprise and the Scottish and UK Governments. With strong and positive support from all of these, Argyll and Bute can thrive: and we will see again a growth in our economy and population, and a rise in the number of working age people.

DEMOGRAPHIC DATA

Examination of the data showed that Argyll is losing younger people while gaining older. Specifically we need to attract more of the 20-44 working age group to stay, and to come and live in Argyll. The key to this is the provision of sustainable jobs.

Encouragingly, the data showed that while public sector employment had fallen in the 10 years to 2011, private sector employment rose by 6%. In addition, there were strong regional variations with some regions, including many islands such as Coll, Iona and Mull, showing strong population growth. In all these places jobs had also increased.



Based on our reviews and discussions with both the private and public sector, we focused on two key areas for employment growth, namely tourism and food production, including aquaculture. Both of these are fast growing industries worldwide in which we have clear comparative advantages. Both have shown high levels of growth, investment, and new employment in Argyll in recent years; and we have concentrated on these two industries because of their potential employment impact. However, we also expect to see strong growth in many other areas such as IT services, marine science, academic research and teaching, to name but a few.

We looked closely at the important opportunities in the field of education, covering Schools, Further Education and Higher Education. In each case we recommended actions which would enhance Argyll's growth.

We considered the key barriers to Argyll's growth, which are mobile connectivity, affordable housing, and transport links; and what should be done to remove or reduce those barriers.

Finally, we considered the position of four towns in Argyll and Bute with particular problems of declining population.

TOURISM

Tourism is Argyll's largest private sector employer with some 25% of all private sector jobs. It is also growing fast, with some 30% of new employment, and very substantial capital investment. The tourism industry is growing rapidly worldwide (6% p.a. visitor growth in Scotland) and we have clear comparative advantages. It is a key sector for Argyll and Bute to develop sustainable employment. Our recommendations for improving our opportunities for growth are as follows:



1. MARKETING AND PROMOTION

Argyll's recognition, while growing, is well below its potential. A marketing programme led by AITC supported by the Council and key agencies should be launched. The focus should be on holidays and not just accommodation. The programme and branding should be based on the known preferences of our visitors, namely:

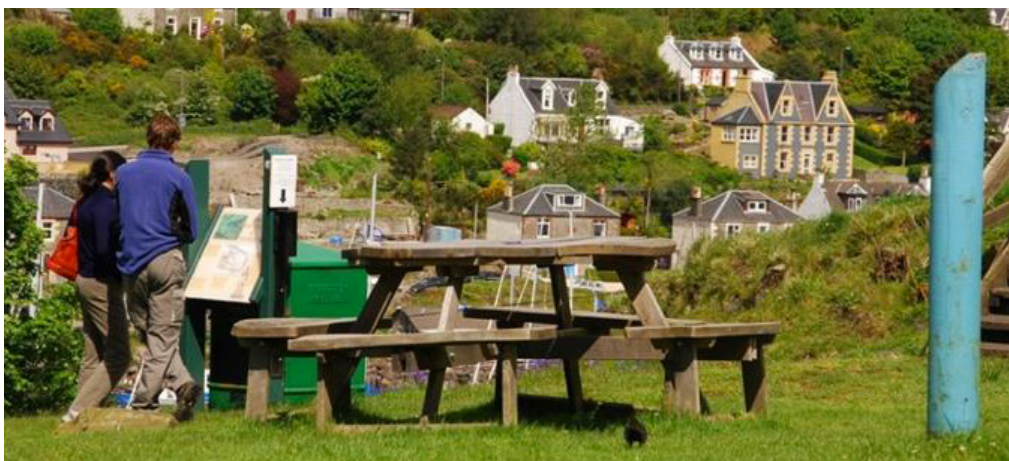
- Landscape.
- Walking.
- Visiting historic sites.
- Trying local food and drink.
- The focus should be on both high season and off-season marketing.

In addition, AITC is developing a sensible focus on young people and adventure tourism.

2. OPERATIONS

To meet these visitor preferences, we need:

- A much more proactive approach to meeting visitors' needs, providing a full range of visitor services, anticipating those visitor needs, and treating them as we would like to be treated ourselves. We need to raise the bar.



- Conservation, maintenance and improvement of our landscape and natural environment.
- Better marked paths, and clear and simple maps of all paths and beaches, widely available

We also need to enhance our cultural assets. Specifically:

- The expansion of Kilmartin Museum should be supported.
- The process of seeking World Heritage Status for Kilmartin Glen should be started now.
- Mount Stuart’s efforts to greatly increase their visitor numbers on Bute should be supported.
- Off-season events and festivals, and all our Highland cultural assets should be encouraged and supported by the Council, by other agencies and by private companies.
- The link between tourism and food needs to be stressed, as with the “Taste of Place” initiative.



There is a specific need to support the fast growing marine tourism sector. To do this we recommend:

- Support by HIE and the Council for more moorings and pontoons.
- Expansion of Campbeltown, Tobermory and Tarbert Marinas.
- Establishment of a new berthing and step ashore facility at Oban North Pier.

Given the importance of the tourist sector, we recommend that AITC, the Council, HIE and Visit Scotland work together to draw up appropriate plans to deliver the improvements we need.

FOOD AND DRINK PRODUCTION

Within this broad industry, the growth sectors for Argyll are food and drink processing including aquaculture. Again, this is a growth industry (6% p.a. in real terms worldwide) in which we have clear advantages.

Our key recommendations for aquaculture are:

- While maintaining our environmental controls, the planning process urgently needs to be streamlined to match that of Norway. Three separate applications looked at in series rather than simultaneously does not match Norway’s “one stop shopping”. Important investment and jobs are being lost as a result.
- The Council and HIE should stay close to senior executives in the aquaculture companies.
- Diversification of product – particularly more shellfish – should be encouraged.



In the food processing sector, we have a large number of small companies, and we are very supportive of two key collaborative groups, Food from Argyll, and Argyll Hill Lamb.

Our specific recommendations include the following:

- Processors should consider a greater focus on Food Service, rather than the multiples, where volumes are high but margins are low.
- The potential link with tourism is equally valuable to the Food and Drink industry and should be exploited.
- A meat cutting operation is needed in Argyll to reduce our “commodity” exports.

AGRICULTURE, FISHERIES AND FORESTRY

We also looked at the issue of sustaining our traditional agriculture, forestry and fishery sectors. While now a small portion of total employment (4%), these sectors have obvious rural and local importance. We saw one particular opportunity for employment growth, namely in forestry: the establishment of a wood pellet plant could materially increase employment in the forestry sector, through changing the profitability of relatively labour intensive thinning. Specifically our recommendation is:

- The Council, Forestry Commission and HIE should pursue the possibility of establishing a wood pellet plant in Argyll.



YOUTH AND EDUCATION

There are clear signs that more young people want to stay in Argyll and Bute for training, Further Education and Higher Education. Student numbers at UHI/Argyll College and at SAMS (the Scottish Association of Marine Sciences) have risen dramatically over the last 10 years. Our specific recommendations are:

1. SCHOOLS

- To encourage working age people to make their home here, all schools should be brought up to the highest standards of education.
- The exposure of school students to local business is inadequate. This leads to a lack of knowledge of the opportunities in Argyll and Bute, which does not help to retain our young people. Regular visits by local business people to schools should be organised by school heads; as well as regular employment fairs. Local companies need to play an active role in this.
- The Young Enterprise Scotland Scheme has been successful, and it has clear application in Argyll and Bute, with our high proportion of self-employed. It is currently only in four secondary schools, and needs to be taken up by the others.
- Many companies in Argyll and Bute now offer apprenticeships. These need to be widened, particularly in mechanics, electrical, painting, plumbing, agriculture and forestry.



2. FURTHER EDUCATION AND HIGHER EDUCATION

If we can allow more students to study in Argyll, more will stay. Demand for Further and Higher Education is clearly growing; over the last 6 years the number of fulltime Argyll College UHI students has tripled to 450.



Our recommendations are:

- We need more courses geared to employers' needs and to our sectoral opportunities. The Scottish Funding Council, UHI Argyll College, HIE, Scottish Enterprise, the Council and our MSPs should give every assistance in assuring that they are delivered appropriately and in securing the additional funding needed. In addition the Scottish Funding Council should reconsider its distribution policy which does not cater for the particular issues of Argyll and Bute.
- SAMS is an educational gem in the heart of Argyll, bringing in many foreign as well as UK students. It needs the fullest support from UHI and HIE.
- We fully support the Council's vision of Oban as a university town. In particular, we should encourage the immediate development of town centre student accommodation.
- In order to stay in touch with the students who go to study outside Argyll, we propose a regular email newsletter to all of these, with news of activities and job opportunities in Argyll.

OTHER AREAS OF OPPORTUNITY

1. CONSTRUCTION.

Construction is an important and growing employer in Argyll. After tourism, it is the second largest source of new private sector employment. One of the biggest investors is the Council where 36% of Council construction expenditure goes to local firms. It is essential that all public sector and agencies and local businesses seek to increase their proportion wherever possible within the rules of public sector procurement.



2. SMALL BUSINESSES.

Argyll's private sector is dominated by small businesses, many showing good growth. They need every possible encouragement.

Specifically:

- The Scottish Government, together with our MSPs, and the Council through its Business Gateway should seek to solve the urgent problem of lack of funding for smaller companies in Argyll.
- We admire and encourage the business advice offered by Business Gateway, run by the Council and by HIE and Scottish Enterprise to account managed businesses. We propose starting, as a private sector initiative, a volunteer strategic advisory group to supplement their work, made up of retired experienced business people in Argyll, focusing on helping Argyll businesses to scale up.
- We encourage small business leaders to form informal groups – forums – to regularly explore their business issues together. Two brains are usually better than one.
- The public sector should bend over backwards to help small businesses with contracts, from catering to repairs, from decorating to transport.

THE BARRIERS

There are a number of important barriers to achieving our goal. If they are not removed quickly, then the opportunities will simply not be achieved. It is essential they are dealt with.

The key three are:

- Mobile and broadband connectivity.
- Affordable housing.
- Transport links.



1. MOBILE CONNECTIVITY

Argyll and Bute has moved ahead in internet coverage. Largely through the excellent HIE and Scottish Government sponsored initiative, by the end of 2016, 83% of premises will have access to a new fibre internet connection, although there is clearly still more to do to improve coverage and broadband speeds.

Mobile connectivity remains dangerously low, with minimal 4G coverage. Given that smartphones are now ubiquitous, (40 million in the UK alone), this is a major hindrance in tourism, fish farming, nursing to name just three important examples. It needs to be put right urgently and we have been lobbying the Scottish and UK Governments hard. We applaud the recent appointment of the CEO of HIE to tackle this issue.

Our key recommendations are:

- Change the UK Electronic Communications Code to make mobile phone mast payments to site owners move into line with other infrastructure, thus greatly reducing the cost of running the mobile service in Argyll.
- Allow higher mast heights than the current 20 metres; our topography demands it.

2. AFFORDABLE HOUSING

The lack of affordable housing was cited as a barrier by many we talked to. On this, we are encouraged that through the Council's Strategic Housing Fund, Housing Associations and Scottish Government funding clear advances are being made, with some 500 new units and 500 recovered empty houses returned back into use since 2011. This effort needs to be continued. It is clear that there is a focus on the issue but we need to make sure that the housing is built in places where it is needed and in sufficient volume to enable the growth we want to see.

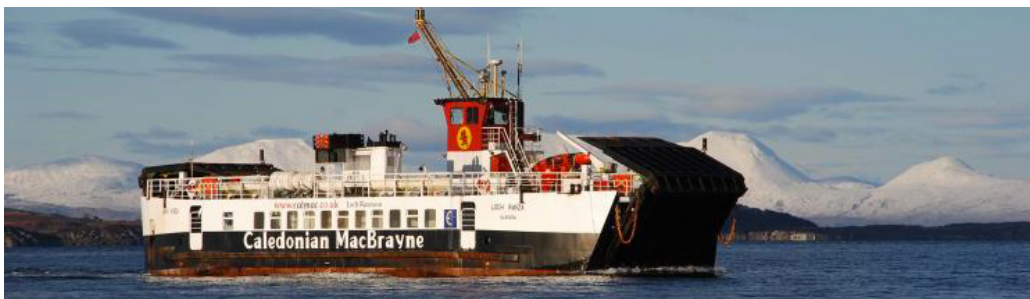
3. TRANSPORT LINKS

Argyll and Bute is predominantly linked by roads and ferries. We welcome the improvement seen in recent years but much remains to be done. Specifically:



ROADS

- The critical A83 problem needs solving. Despite £10 million spent on protection against landslides, the Rest and be Thankful was again closed after Christmas 2015. A permanent solution is needed. Argyll must be accessible at all times.
- We endorse the anticipated recommendations from the current HIE commissioned study to upgrade the A816 Lochgilphead/Oban road and the A8003 Dunoon/Portavadie road.



FERRIES

- AITC and CalMac should liaise on improving summer timings, capacity and booking facilities for tourists.



AIR

- We endorse the development of Oban as a regional airport. We encourage the Council to consider an Edinburgh as well as a Glasgow link, given tourist travel patterns, and to ensure regular links to our islands.



FIXED LINKS

- To help Bute and Rothesay flourish again, we recommend that a tunnel or bridge at Colintraive should be given serious consideration.

FOUR TOWNS

The census showed marked population decline in three of our large towns, Helensburgh, Campbeltown and Rothesay; and static population in Dunoon. We visited each of these.



- HELENSBURGH. Following a big improvement in the look of the town led by the Council, new businesses are starting, and a big expansion in house building is underway. It is very likely that the town has turned a corner.



- DUNOON. Dunoon has the advantage and disadvantage of being very near the Central Belt. There are good signs of IT businesses developing with the fast internet connection now in place; and some other major local employment initiatives. There is a clear opportunity for greater short-term and day visitor offerings.



- CAMPBELTOWN. The town has suffered greatly from industrial job losses over the years, but there is a strong entrepreneurial spirit and a series of new investments in the town and in new businesses, which are encouraging.



- ROTHESAY. Rothesay is a beautiful town on a beautiful island. What it needs is a strong vision of what it could be. We have offered one; and we are very glad that the people of Bute themselves are now working on their own vision, “Building a Better Bute”. Bute has great assets. With a proper vision, well implemented, they too can turn the corner.

I. INTRODUCTION

In the ten years to 2011, Argyll and Bute saw an overall 3.4% decline in its population, continuing a long-term trend. In the same period the population of Scotland increased by 5%.

In March 2015 I was asked by Argyll and Bute Council to chair a new Economic Forum, consisting of business leaders, Council employees and members, and representatives of Government bodies, to look at this problem. I was asked specifically to look at it with a business perspective, and to make recommendations on how we could get back on a positive track.

The data showed that Argyll and Bute had seen a fall in working age population, and a rise in the over 60s. If this trend were to continue, it would lead to a self-perpetuating downward spiral. With less young people there would be less children, making schools less viable, itself making it even harder to retain and attract working age population. Local Government revenues would decline, as would local services, making it harder to attract people, including retirees, and the spiral would continue. So the objective is to retain and attract working age people.

From our discussions it was clear that the key solutions lay in two areas:

1. Sustainable employment
2. Education and Training

With respect to the first, if there are attractive jobs, people will stay in or come to Argyll. On the second, if there are adequate post-school educational and training facilities, young people will also be attracted to stay or come to Argyll. So our principal focus has been on the opportunities in these two areas.

However, in helping Argyll to grow, identifying and encouraging opportunities is only one side of the coin: we also sought to identify the barriers to growth that existed in Argyll; and to seek ways of dismantling or reducing those barriers.

Finally, it was very clear from the demographic data that there are particular problems of population declines in three of our large towns, namely Campbeltown, Helensburgh and Rothesay, and of stagnation in Dunoon. Each of these were considered individually.

II. DEMOGRAPHIC DATA

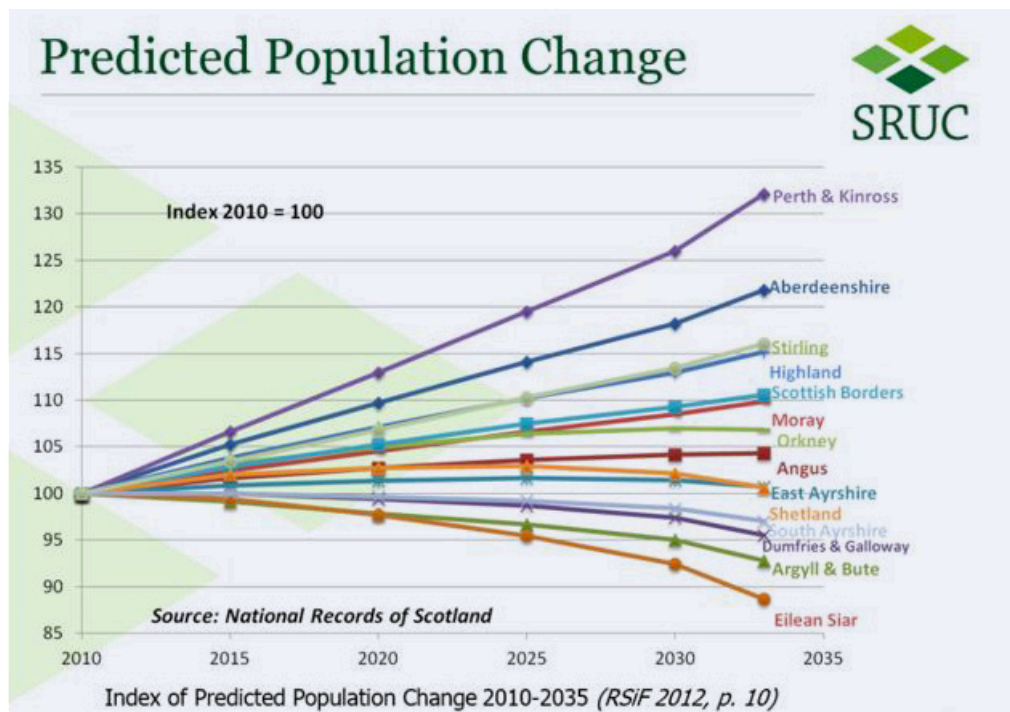
Collective data always needs disaggregating if we are to learn anything useful. This was certainly the case for Argyll and Bute. So while looking at the overall data, we also looked at age group data, regional and town variations, and at employment data.

A. AGGREGATE POPULATION CHANGES

YEAR	POPULATION	% CHANGE
1991	92,025	
2001	91,306	-0.78%
2011	88,200	-3.4%

Source: <https://www.argyll-bute.gov.uk/understanding-argyll-and-bute#population>
https://www.argyll-bute.gov.uk/moderngov/documents/s97566/Islands%20Task%20Force_Argyll%20and%20Bute_islands%20information_23032015.pdf

Argyll and Bute’s population has actually been declining since the 1960s. The key point here is that the downward trend, which appeared to be stabilising up to 2001, had accelerated. This has led to the National Records Office to predicting a continuing decline over the next 20 years.



B. AGE GROUP DATA

AGE GROUP	% POPULATION CHANGE (2001-2011)
0-14	- 16.1%
15-44	- 10%
45-64	+ 9.9%
65+	+ 16.7%

Source: HIE Argyll and the Islands Area Profile May 2014

There are several important facts which become clear from this and other census data:

1. 14.9% of our population is in the 16-29 range. This compares with 18.3% in Scotland as a whole.
2. The over 60s make up 31.4% of our population. The Scottish comparable is 24%.
3. Migration data shows that key outward migration is in the 16-29 age group. For 30-44, it is roughly flat; and for 45 upwards there is net inward migration.
4. The fall in 0-15 year olds was seen throughout Scotland: only two of Scotland's 33 council areas showed an increase, one of which was Highlands. But the fall in Argyll and Bute, at 16.6%, was the greatest, and compared with an average fall of 6.5% in Scotland as a whole.
5. Argyll and Bute was one of only 5 of the 33 Scottish council areas seeing a fall in the 15-64 group, "the working group", indeed, at 5.2% the greatest fall against an average growth of 5% for Scotland as a whole.
6. Our key loss of "working population" is in the 25-44 age group (see table below). We had stability in the 15-24 group, and an increase in the 44+ group.

In summary, the critical challenge is first, to retain more of the 25-44 age group; second, to attract more of the same group to return or migrate to Argyll and Bute. And the key to that is sustainable, attractive jobs.

AGE BREAKDOWN IN 2001 AND 2011 POPULATION IN %		0-14	15-24	25-44	45-64	65+
Argyll and the Islands	2001	17.4	9.0	24.9	28.3	20.4
	2011	14.6	9.9	20.6	31.1	23.8
Highlands and Islands	2001	18.3	10.3	27.4	26.7	17.2
	2011	16.3	10.8	23.7	29.7	19.4
Scotland	2001	17.9	12.5	29.2	24.5	15.9
	2011	16.1	13.1	26.5	27.5	16.8

Source: Census 2001 and 2011

HIE Argyll and the Islands Area Profile May 2014

C. REGIONAL AND TOWN DATA

While the aggregate population change figures for Argyll and Bute are negative, there are big variations by region, as shown on the attached chart.

TOWN/AREA	POPULATION	% POP. CHANGES 2001-11
OBAN	9,974	+5.6%
MULL	2,800	+4.99%
LOCHGILPHEAD	3,825	+3.2%
DUNOON	9,960	+1.6%
CAMPBELTOWN	6,423	-4.9%
HELENSBURGH	13,660	-6.6%
ROTHESAY	4,637	-9.2%

Sources: Figures taken from HIE Settlement Profiles 2014, Wikipedia and <https://www.argyll-bute.gov.uk/info/statistics/quick-facts-and-figures-about-argyll-and-bute>

1. It should be noted that 45% of Argyll and Bute's population lives in areas that are classed as "rural remote" and 7% in "rural accessible". So the big towns contain only half the population.
2. In "rural remote" areas, including our island communities, the data is highly variable. For example, Tiree saw a big fall of population of 15.4% to 653, whereas its neighbor, Coll, saw an increase of 19% to 195, and Iona of 42% to 177.
3. All of the areas that have shown growth in population have seen a growth in jobs over the same period.
4. With the increased jobs and population comes an increase in trade for existing businesses, and the general "wealth effect" which implies further growth. A key task is to find ways of creating more jobs throughout Argyll and Bute, including in those declining areas.

D. EMPLOYMENT DATA

Importantly, during the 2009-2013 period, while total employment fell by 4% from 38,861 to 35,485, the fall was concentrated in public sector jobs, which declined by 18%, from 15,138 to 12,420. Private sector jobs in Argyll actually went up from 21,723 to 23,065, an increase of 6%. This is a source of optimism for the future. According to the NOMIS report dated 30 June 2015, the biggest increases were in "accommodation and food services" (+28%); "arts, entertainment, recreation and other services" (+28%); and "professional, scientific and technical" (+24%). The biggest falls were in "public administration and defence" (-36%) and "retail" (-19%). The fall in public administration and defence was so big that it probably had something to do with changes at Faslane, on which we have been unable to obtain greater data. Examining the best ways in which private sector employment can continue to grow is the focus of this report.

III. OPPORTUNITIES FOR INCREASED EMPLOYMENT

We approached this as if Argyll and Bute were a business, and we asked three questions:

1. What are the parts of the business that are growing, attracting sustained investment, and which could grow further, producing larger numbers of high quality jobs?
2. What could be done to encourage and accelerate that growth?
3. What are the barriers to that growth which need to be removed or reduced?

GROWTH AREAS

We identified two clear areas in which Argyll and Bute has large and growing employment; which have been attracting substantial investment, and in which we have, not surprisingly, comparative advantage. These are Tourism and Hospitality, and Food and Drink Production, particularly Aquaculture.

We also identified a further area where Argyll and Bute beats the averages, and that is the number and growth of small businesses, usually family owned.

We should stress here that we have focused only on the major areas for increased employment. There are many other sectors which could see employment increases, but of a lesser scale, ranging from textiles to jewellery, from renewable energy to charities. For example, plans for two new Islay distilleries have recently been announced. However, individually none of these are of a current or potential employment scale which warranted a full investigation by the Forum.

Importantly, it is also clear that the completion of the HIE and Scottish and UK Government funded digital infrastructure has the potential not only to help Argyll's existing businesses to grow, but also for new businesses to be launched and to come in. We would hope to see tech based, defence, aerospace, marine and life sciences, renewable energy and creative industry clusters emerge in certain areas such as HMNB Clyde, Sandbank, Ardyne, Barcaldine, Machrihanish, Rothesay and Oban, around existing businesses. The development of Oban as a university town – discussed below – would further enhance this. The potential for back office businesses will also be greatly improved: a new 100 person customer service centre opened in Dunoon last year. Given the growing proportion of customer service conducted live on-line, this would not be possible without the fibre infrastructure.

A. TOURISM AND HOSPITALITY

15% of all jobs in Argyll and Bute are tourism-related, or approximately 25% of all private sector jobs. And they are growing: in recent years, of the young people entering employment and training, 30.3% went into this sector, more than twice as many as the next highest sector (Construction: 13.5%).

Simultaneously, considerable investment has gone into new buildings or upgrading of hotels, marinas, golf courses, restaurants, music festivals, walking paths and other tourism-related facilities. The Economic Development Service at Argyll and Bute Council estimate in excess of £300 million capital investment from both public and predominately private sources has been invested in tourism over a 10 year period from 2005. Much of this has been inward investment. Projects include the Ardgartan Hotel, Portavadie, the Jura Hotel, Visitor Centre improvements on Islay and at Cruachan, the Ugadale Hotel, the Loch Lomond Arms Hotel, the Commodore Hotel Helensburgh, Helensburgh Chord, the Eriskay House Hotel, Machrie, Duck Bay, the Royal Hotel Campbeltown, the George Hotel, Campbeltown Marina, Tarbert Marina improvements, and Tobermory Harbour improvements.

In addition, there is £150 million of projects that have full planning consent but are yet to be built, including Saul More Farm Golf Course, Oban, Ben Arthur marina and hotel complex, Arrochar, the Tom Laith development, Oban, Natural Retreats at Loch Fyne, NVA St Peters Helensburgh, and new projects that are in the planning or pre-planning pipeline such as the Premier Inn in Oban, Kilmartin Museum and the proposed visitor centre at the top of the Rest and Be Thankful.

All of this has both supported and created an increase in visitor numbers. Prior to 2014, numbers were only available from Visit Scotland for Argyll and the Isles, Stirling and the Forth Valley. We now have emerging data for just Argyll and the Isles for 2014:

TOTAL TRIPS	1,067,000	
VISITOR SPEND	£270 MILLION	
VISITORS FROM:	NUMBERS	SPEND
SCOTLAND	551,000	£100 MILLION
REST OF UK	351,000	£124 MILLION

Source: Visit Scotland

One further piece of evidence of increased demand is online searches for accommodation in Argyll and Bute, which showed a 54% increase on Visit

Scotland website between 2013/14 and 2014/15. This is not a surprise but it is encouraging. Tourism is a huge worldwide industry and is growing fast. In Scotland it is growing at 6% p.a. in visitor numbers. These are high growth rates, and an industry in which Argyll has strong advantages. In future it is important that VisitScotland and local partners discuss together how they can maintain good tourism data for Argyll and Bute on which decisions can be made. Currently, data collection is much better in Edinburgh for example. This can lead to a distorted allocation of resources.

Argyll and Bute’s Tourism facilities consist of many small to medium size operations. Their ability to grow purely on their own is limited. So a degree of cooperation is needed to maximise growth. AITC – the Argyll and the Isles Tourism Cooperative – is successfully filling that need. Member run, it has gained increasing energy and focus, and is clearly marking out the areas for improvement to continue Argyll and Bute on the growth track.

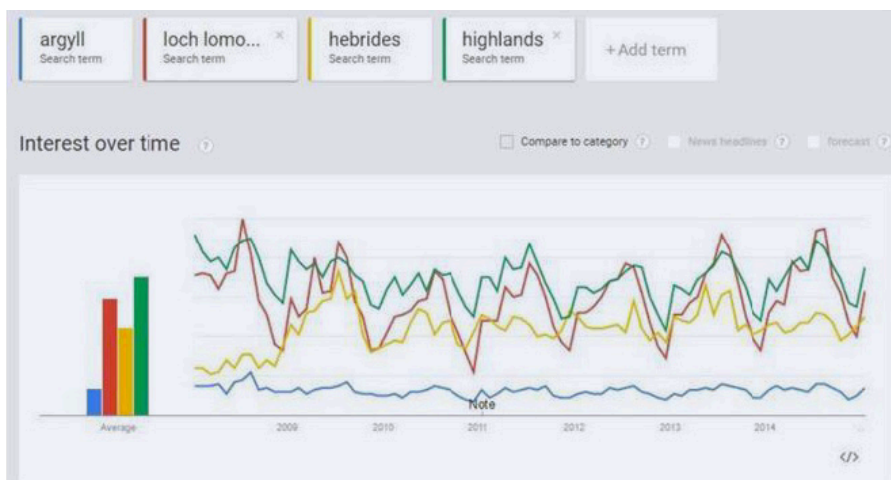
To help tourism to grow as a vital industry for Argyll and Bute, what needs to be done? We identified six key areas which are set out below.

Given the importance of this sector, we recommend that Argyll and the Isles Tourism Partnership Steering Group (AITSPG), continue to work together to draw up appropriate plans to deliver the improvements we need.

1. MARKETING

First, the Argyll brand is too little recognised. This is shown in the table below showing Google-related search hits:

BRAND PERFORMANCE



Source: The Lane Agency

It is perfectly possible to change this, but the AITC will need support for its marketing budget from a combination of its members, Argyll and Bute Council, HIE and Visit Scotland.

Secondly, it is clear that marketing should focus on holidays – including all the attractions and facilities of Argyll – and not just accommodation. There is an old marketing lesson here: when a customer buys a drill, he actually wants a hole. What our customers are looking for are holidays, short or long.

Marketing and branding go together. Both must focus very clearly on the products we provide, and those must be what the customer wants. From visitor surveys we know what the customer wants from Argyll and Bute:

ACTIVITIES BY VISITORS TO ARGYLL AND THE ISLES	
SIGHTSEEING AND LANDSCAPE	56%
TRYING LOCAL FOOD	54%
SHORT WALK, STROLL	49%
VISITING A BEACH	43%
LONG WALK, HIKE, RAMBLE	40%
VISITING A HISTORIC HOUSE OR SITE	38%
SHOPPING	38%
CENTRE BASED WALKING	35%

Source: Visit Scotland Visitor Survey 2011

So this tells us the key focus areas for our branding: scenery, food, walks and cultural sites. It also stresses five things from an operational point of view:

1. We need to do everything we can to preserve our landscape.
2. We need to stress the link between good local food and drink, and tourism.
3. We need very good marked walking paths; good access to beaches; and first rate maps for all walks and beaches.
4. We need to continue to enhance our cultural assets.
5. We need to maximise other activities as well – fishing, kayaking, sailing, mountain biking are all activities in which we have comparative advantage. AITC are focusing on the market for young and day visitors, in both high and low seasons, and activities such as these are essential components of their offering.

Tourist businesses in Argyll also need to think more creatively about their own individual marketing, including websites and brochures, focusing on holidays and activities, not simply accommodation. To give just a single example, while our dominant source of visitors remains the UK and Europe, at least one of the hotels in Argyll now has a Chinese version of each website and brochure. A good idea: 50% of the visitors to the Ben Nevis Gondola last Easter were Chinese. In the last 10 years the number of Chinese earning \$35,000 – the threshold for tourist activity – has risen from 6 million to 27 million. It will go on rising; and Chinese visitors are now the fastest growing sector of the UK tourist market.

Finally – and this is key – we need to raise the bar of our tourism efforts materially. In many ways our tourism industry has been reactive rather than proactive: tourism is often treated as something that just happens. Being proactive means thinking ahead to provide the services that tourists needs.

For example, an angling club or golf club which welcomes visitors should offer fishing or golf equipment for rent. A kayaking firm should have not just kayaks, but clothing to rent and guides to guide. Windsurfing conditions are ideal in Tiree and other islands – but wind surfboards and wetsuits – and instructors – need to be available for rent. There are numerous walking paths in Argyll now – but only one walking guide service on the web.

When a tourist arrives at Oban station, there should be people to welcome them enthusiastically and tell them about the options. We need to up our game, to raise the bar – materially. And that means being much more proactive, with the golden theme of a good business – treating our visitors as we would like to be treated ourselves.

2. SEASONALITY

It is clear from both data and our meeting with the industry that seasonality is changing: more people are taking second and third holidays, and short breaks.

VISITOR NUMBERS (000)	JAN-MAR	APR-JUN	JUL-SEPT	OCT-DEC
SCOTLAND	2,153	3,387	4,010	2,541
	18%	28%	33%	21%
ARGYLL AND THE ISLES, LOMOND AND FORTH VALLEY	268	399	388	257
	20%	30%	30%	20%

The data here includes the Forth Valley. While the summer season/ off-season split is clear, it is only a 60/40 split and more can be done in Argyll to increase the off-season uptake, particularly in the Scottish and UK market. This should form part of the marketing strategy. In addition, encouragement should be given to the creation of smaller off-season festivals and events. The Oban and Dunoon BID team (Business Improvement Districts) should focus some of their income in this way.

The AITC is focusing on what more can be done to improve the attraction to young people and adventure visitors, especially those who come for shorter periods. This will also help the seasonality issue. It does mean that provision of mountain biking, kayaking, rib tours, wildlife tours needs to be of the highest quality.

3. MARINE TOURISM

Marine Tourism is one of our fastest growing areas, as shown in part by the chart below. It has also been identified as a key sector by the Scottish Government in the recent Marine Tourism Strategy. This needs further encouragement – in particular, each seaside community needs to consider how it can enhance its attraction to marine visitors by increasing local moorings, landing pontoons and other facilities. The Council, and its partners such as the Scottish Government and HIE, should also give immediate attention to four marina facilities, and to opening up Loch Fyne to sailors:

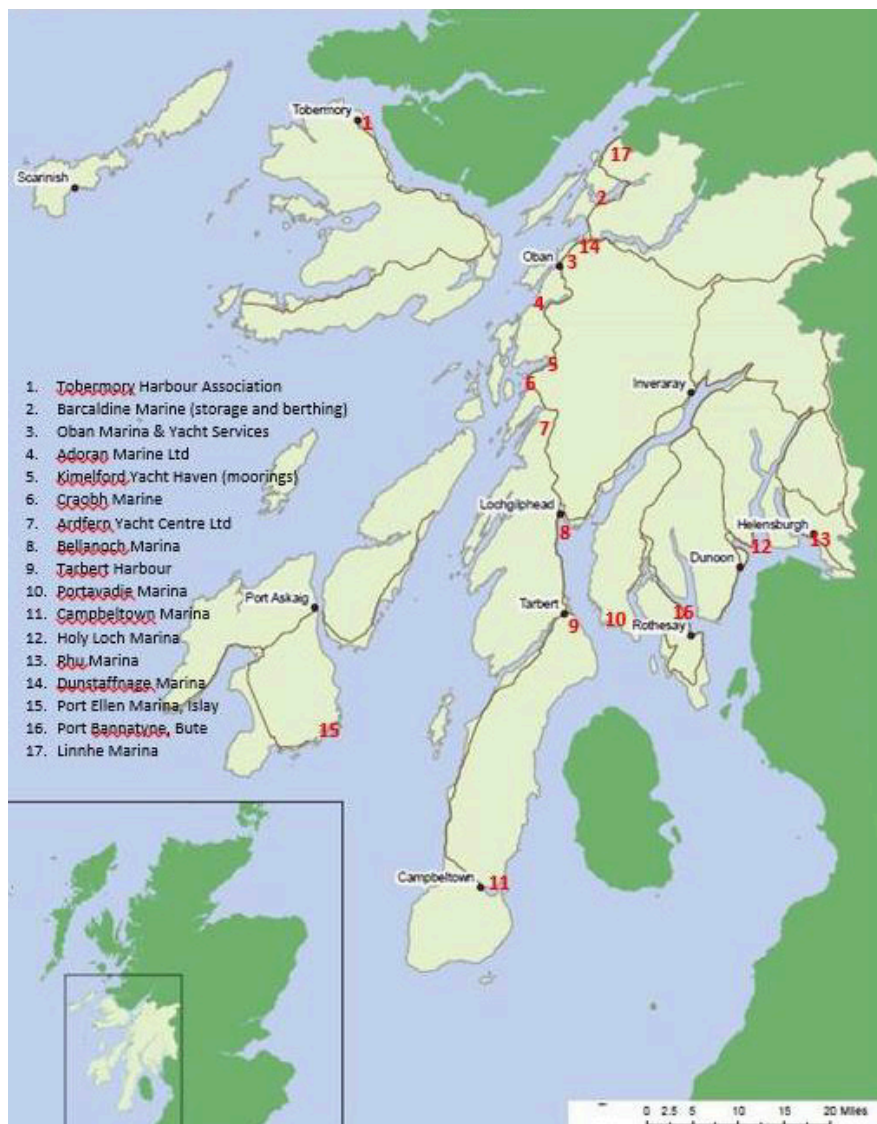
- a) **CAMPBELTOWN.** As we will discuss below, Campbeltown needs support. The marina facility has been expanded, but it is too small and apparently cannot be expanded further. This seems surprising, and we would suggest a reexamination.
- b) **OBAN.** Oban is one town which is a core and regular yachting destination without a shore-based marina facility on the mainland. Every yachtsman we have talked to would like to see one in Oban Bay (the Kerrera Marina is accessible only by ferry), and if we are going to respond to customer needs, the Council, HIE and its partners should construct a new berthing facility and step ashore facility as soon as possible.
- c) **TOBERMORY AND TARBERT.** Both of these have very good marina facilities, but they need to be expanded to cater for current and future demand.
- d) **LOCH FYNE.** Loch Fyne is a large and beautiful loch which could be made more attractive to visiting yachtsmen, particularly those berthed in the excellent facilities of Portavadie and Tarbert. Loch Fyne needs more pontoons similar to that built by the community in Strachur, and more moorings. Several years ago HIE put in moorings at several places in Loch Fyne but, other than those at Otter Ferry, many appear not to have been maintained. HIE and the Council

should consider increasing moorings in Loch Fyne from Tarbert/ Portavadie up to Cairndow.

- e) **INVERARAY PIER** is in private ownership and for health and safety reasons closed to the public. Public agencies, the local community and adjacent private businesses need to work with the private owner of the Pier to facilitate demolition of part of the Pier and the construction of new berthing facilities to provide yachtsmen with access to Inveraray.
- f) The **CRINAN CANAL** is a key artery for yachtsmen (it is used by nearly 2,000 boats each year) and it is essential that it is kept in good repair, and with steadily enhanced facilities.

There is also potential for increasing our currently very small share of the growing cruise market, particularly in Oban and Campbeltown, and at Iona and Bute.

MAP OF MARINAS IN ARGYLL AND BUTE



4. MAJOR CULTURAL ATTRACTIONS

There are many small museums, historic sites and other attractions in Argyll, but five principal ones are:

- Kilmartin Glen and Museum
- Mount Stuart on Bute Rothesay Castle
- Iona Abbey
- Inveraray Castle

SITE	2014 VISITOR NUMBERS
KILMARTIN MUSEUM	15,000
MOUNT STUART	20,000
ROTHESAY CASTLE	9,000
IONA ABBEY	59,000
INVERARAY CASTLE	100,000
STIRLING CASTLE	400,000
LOCH LOMOND SHORES	1,140,000

i. KILMARTIN GLEN

Kilmartin Glen holds the largest collection of Neolithic monuments in the world. The museum is excellent but too small. A much needed expansion is planned, and funding of £3.1million has been obtained from the Heritage Lottery Fund, on the back of a generous donation of £450,000 from Argyll and Bute Council.

We should go further. While there are other possible sites, Kilmartin is the one in Argyll and Bute which could obtain World Heritage status. This would provide a major attraction to tourism growth in Mid Argyll, with clear spin off to local facilities, and incentives to expand those facilities. Plans to apply for World Heritage status – which will take a number of years to achieve – should commence now.

ii. MOUNT STUART AND ROTHESAY CASTLE

Mount Stuart, the seat of the Marquis of Bute, contains one of the finest art collections in Scotland. It is a key asset for Bute and Argyll and should be seen as one of the key visitor attractions in Scotland. In recent years considerable work has gone into improvements. However, as shown above, it has only 20,000 visitors each year. It is clear from our discussion with the new leadership that renewed energy is going into a variety of initiatives to increase this number materially. Mount Stuart, along with the virtually unspoilt 12th century Rothesay Castle, are the principal tourist attractions on Bute and their enhancement will be particularly important to the future of Bute, as we discuss below.

iii. INVERARAY CASTLE

The numbers speak for themselves. The location on the A83 is clearly important, but the castle and wider estate and the village of Inveraray with its attractions is a key asset for Argyll.

iv. IONA ABBEY

Iona – a beautiful island itself – contains one of Argyll’s principle attractions – the Abbey founded by St. Columba. In the last 20 years, it has been imaginatively repaired and restored and now attracts 60,000 visitors each year (out of a total of over 100,000 visiting the island), despite its remoteness off the south western tip of Mull. As a result, the island’s population is growing, as it is on Mull, and it serves as an example of what can be achieved. Iona Abbey needs to be marketed as part of a Celtic Trail which could attract very many tourists not only to Ireland but also to Scotland.

v. FACILITIES AND ACCESS

It is very important that local businesses, landowners and public agencies work together to provide appropriate visitor facilities at all our key tourist attractions. To give just one example, Kilchurn Castle, on the eastern end of Loch Awe, is one of Scotland’s best known castles and the most photographed sites in Argyll and Bute. But there is nowhere by the A819 to safely park cars or buses.

5. MUSIC, FESTIVALS AND EVENTS

Part of the heart of a community is music, and it is also an important attraction to visitors. The increase in music festivals in Argyll and Bute has been noted, inspired in part by the growth of Celtic rock bands. Tìree Music Festival, for example, produced consecutive sell-outs at the increased capacities of 1,000 (2011), 1,250 (2012), 1,500 (2013), 1,600 (2014) and 1,700 (2015).

Throughout the year Argyll plays host to a range of events and festivals such as:

- The Cowal Highland Gathering
- Tarbert Music Festival
- CowalFest - Cowal Walking and Arts Festival
- The Mull of Kintyre Music Festival
- The Islay and Bute Jazz festivals
- The Seafood Festival in Tarbert
- The Mull Rally
- The Tìree Wave Classic
- The Tìree Music Festival
- The Luss Highland Gathering

And there are of course numerous other Highland Games in Argyll, featuring pipers, bands, dancers and athletes. These are not only core attractions for our visitors, but are also very important in giving a sense of belonging to our young people. Piping, accordion playing and dancing do not happen without very good teachers, and organisers. We need to give them every support, and to celebrate all our cultural assets.

The Council has played an important role in helping to sponsor, facilitate or support most of these. It should continue to do so where it can, and private sponsorship is essential to take advantage of these opportunities. Further establishing Argyll as a cultural target for visitors is an important way to provide greater growth to this very important industry.

6. OTHER FACILITIES

While considerable work has gone into providing improved holiday facilities, more needs to be done. Key areas which we identified which need further development are:

- Marked walking paths, including long distance paths – and maps for visitors.
- Cycle tracks.
- Mountain bike tracks.
- Kayaking facilities.

Many of them could be developed further through community initiatives working in partnership with private businesses and estates, community owned land and key agencies such as the Council, Sustrans, Forestry Commission SPT and Hi TRANS. Argyll and Bute is principally an “outdoors” holiday destination. If we are going to win more tourists we need to build – and market – the best of our outdoors facilities.

One example, now being investigated by the AITC is the use of “iBeacons”, which can link to a smart phone at a distance of up to 7 metres, giving site information on walking paths, through fixed data points. But good widely available maps of walks and beaches are essential.

Finally, as I have pointed out above, we need to be much more proactive and to raise the bar in all our tourism activities. Equipment needs to be available for rent, guides available to guide, enthusiastic young Argyllers to welcome visitors.

7. FERRIES

The Argyll and Bute Ferry services largely provided by Cal Mac have become increasingly busy in recent years. This success has sometimes led to capacity issues and the age of the fleet and our changing climate has placed demands on this lifeline service. In the past fares have been criticised as being too high. In response to this the Scottish Government has introduced RET (Road Equivalent Tariff) which on average increases vehicular traffic by 35% and passenger numbers by circa 10%.

Unfortunately additional ferry space and ferry journeys are still in the process of being provided. Thought urgently needs to be given as to how the increased demand from tourists can be met: often when a tourist, or local, is trying to book a ferry it can be fully booked at peak times on some popular routes. The CalMac booking system requires improvement and a fresh look at ferry timetables is also needed. CalMac have assured us that they are doing this.

The issue of freight charges, another issue of major importance to island communities, is currently being considered by the Scottish Government and Transport Scotland. Lower freight costs would greatly help these economically fragile communities to prosper.

B. FOOD PRODUCTION

With abundant hill land, fertile lowlands and relatively sheltered seas, Argyll and Bute has traditionally been an agricultural and fishing county. Sadly, mechanisation and global competition have led to a major decline in employment in these two areas, which now provide only 4% of our jobs – although still bigger than the Scottish average of 2%. The head of the Clyde Fishermen’s Association (CFA) cites a 70% decline in employment over the last 20 years.

While both of these primary products remain very important to communities throughout Argyll and need to be sustained – we comment on each below – nobody in either industry has indicated the likelihood of employment growth in the future, which is the focus of this report. However, there is considerable growth potential in two areas, aquaculture (both fin fish and shellfish); and food processing and products. Both of these have seen major increases in investment and employment over the last 15 years and have the potential for more.

1. AQUACULTURE

The following data gives an idea of the current scope of aquaculture:

- Direct Employment: 595 (489 finfish, 109 shellfish) plus processing jobs (full and part time)
- Capital Investment: £25m, 2009-2012; £5m in 2012.
- Salaries: £12m (£10m finfish, £2m shellfish)
- Total Growth Value Added: Est. £31m, plus processing and retail

Source: Argyll case study in Marine Scotland: An Assessment of the Benefits to Scotland of Aquaculture, April 2014

Despite fluctuations in this global industry (currency issues, loss of markets due to international sanctions) in the medium term growth is projected to continue. All four major salmon companies have operations in Argyll and Bute. The Scottish industry as a whole is planning to increase production from 160,000 tonnes to 210,000 tonnes p.a., with a capital expenditure of £100 million across Scotland. This is not a surprise. Annual world fish consumption went up from 18.7kg per capita in 2011 to 20kg in 2015; and Salmon’s share of that consumption has risen from 44% to 51%. As a result, aquaculture worldwide is showing volume growth of 6% p.a., a very high rate. Clearly, a key target for Argyll is to secure as much of that expenditure as possible.

Automation has played a role in aquaculture too, with considerable increases in productivity. While this has led to a slowdown in the rate of employment expansion, it has led to an increase in attractive, better paid jobs. At the same time, the production volume increases have led to increased jobs in associated areas, particularly transport and supplies. There are now some 600 jobs in aquaculture directly, with an estimated

four times that number in associated services. Indeed, a recent survey by EKOS consultants (which informed the Community Planning Partnership (CPP) for the Compelling Skills report) found that the aquaculture sector was one of the most likely to recruit more staff in the next three years. Argyll's objective must be to maximize our share of future aquaculture investment.

Five things are key to that:

- i. Staying close to the key decision makers.
- ii. Streamlining the planning application and consent process.
- iii. Encouraging the widening of species produced.
- iv. Enabling greater local processing to help add value to the local product.
- v. Enabling greater collaboration with the academic sector to ensure Argyll grows as a centre of excellence for aquaculture technology and product improvement.

i. STAYING CLOSE TO THE DECISION MAKERS.

Within Argyll and Bute, the Council and HIE need to stay very close to the top executives of the four major aquaculture companies, understanding their needs and responding to them. It should be made clear to them that we are very keen to have their investment, and will do all we can to make fish farming in Argyll more profitable than anywhere else.

ii. STREAMLINING THE PLANNING APPLICATION AND CONSENT PROCESS.

This change was cited as critical by the aquaculture companies. Currently, a company seeking a new fish farming site needs to prepare three different applications (which all differ, although having similar data requirements) for Argyll and Bute Council, SEPA and Marine Scotland; and crucially, they are dealt with only one after another.

In Norway, they have “one stop shopping”, with a single application form and simultaneous review. This leads to an application process period three times faster than in Scotland, and largely as a result, aquaculture investment and productions in Norway have been growing faster than in Scotland, despite the fact that it is more profitable in Scotland.

This lacks common sense. We clearly need regulation and important environmental controls; but we should not hamper inward investment and job creations through an unnecessarily long process. I am pleased to report that a working group on this issue has now proposed a single application form; and simultaneous evaluation by the three agencies. This should be implemented swiftly; and should apply equally to site expansions.

iii. WIDENING OF SPECIES

	# OF COMPANIES	TONNES	£ MILLION
SALMON	4	30,000	120
TROUT	2	3,000	9
HALIBUT	1	70	0.75
OYSTER	5/10	4M UNITS	1.4
MUSSELS	2	800	0.9

It would be good if diversification could be further encouraged. In particular, shellfish production could expand considerably: our oyster production at 4 million units compares with France at 60 million units, with a similar coastline length.

The recent acquisition by Loch Fyne Oysters of an oyster hatchery in Cumbria, the funding of a mussel hatchery in Shetland, and the establishment of a scallop hatchery in Ross and Cromarty help address the current constraints and provide an opportunity for Argyll entrepreneurs to expand this sector. There is also a potential for scallop ranching, and possibly lobster ranching. Halibut is a new and growing product, based on the production facilities in Gigha.

iv. PROCESSING

Processing can be a big employer for the aquaculture industry. Loch Fyne Oysters now employs 120 people in processing at Cairndow. The Scottish Salmon Company is planning a major new processing plant at Ardyne, near Dunoon, that has full planning consent for phase 1 and an approved masterplan from the Council. At the same time, the scallop and nephrops (prawn) catch for the fishing industry is today processed almost entirely outside Argyll, or shipped directly abroad. The possibility of some of that catch also being processed at Ardyne, or another suitable site in Argyll and Bute should be investigated.

v. COLLABORATION WITH THE ACADEMIC SECTOR

Building on current work with private sector companies and Universities, including the University of the Highland and Islands, SAMS at Dunstaffnage has the potential to be a centre of excellence for the aquaculture industry in terms of new species, new technologies and new product development. Indeed, SAMS already plays an important role in the development of future food products, including those based on seaweed and algae.

Within aquaculture there is an opportunity to develop Marine Biotechnology, sometimes known as Blue Technology, which involves the use of marine macro and micro algae in the development of new products such as nutraceutical and pharma applications, bioremediation and biofuels. HIE are developing a business case for the creation of a pilot

biorefinery to be situated at the European Marine Science Park. There is an opportunity, with the right investment, for Argyll and Bute to become the national and international leader in marine biotechnology.

2. FOOD AND DRINK PROCESSING AND PRODUCTS

Argyll and Bute have a number of excellent food and drink producers with products including cheese, whisky, seafood, meat, beer, preserves and puddings. The Scottish Government Annual Business Survey 2013 identified 47 businesses, with turnover of £268 million, an increase of 60% over the previous 5 years.

Employment was estimated at 800, and growing. All of the figures are probably underestimates. Many of these companies are small employers. The largest, Loch Fyne Oysters and the Campbeltown Creamery employ 120 and 80 (including farmers) people respectively, (and the latter has very specific issues which are discussed below); and the whisky companies, with the exception of Springbank (currently 70+ employees), each employ relatively few people.

Loch Fyne Oysters is large enough to play an important role in processing and distribution, including for smaller local suppliers, such as oyster farmers. The size of the remainder has encouraged sensible cooperation. This has manifested itself in a producer-owned cooperative, “Food From Argyll”, which is making good progress in expanding the knowledge of and market for these wonderful products.

As an illustration of the breadth of Argyll’s products, the list of members is shown below:

SEAFOOD AND SMOKERIES

Argyll Smokery, Dunoon
Caledonian Oysters, Loch Creran
Gigha Halibut, Gigha
Inverawe Smokehouse, Inverawe
Kames Fish, Kilmelford
Loch Fyne Oysters, Clachan
MacMillan Foods, Campbeltown
The Ethical Shellfish Company, Isle of Mull

MEAT AND GAME

Argyll Hill Lamb
The Real Mackay Stovie Company, Inveraray
Winston Churchill Venison, Dunoon

PUDDING AND SWEETS

Bumble, Tarbert
Caramiche Chocolates, Dunoon
Chrystals Shortbread, Helensburgh
Island Bakery, Isle of Mull

DRINKS

Fyne Ales, Glen Fyne
Home Ground Coffee, Cardross

CHEESE AND PRESERVES

Fyne Preserves, Loch Fyne
Henshelwoods, Isle of Bute
Isle of Mull Cheese, Tobermory
Kings Cross Herbs
MacMillan Foods, Campbeltown

In addition to Food from Argyll, Bidvest has been showcasing foods from Scotland with Argyll producers playing an increasing role. Food From Argyll needs to expand with the support of public agencies and the Scottish Government. In particular, the development of food and drink festivals in Argyll and Bute, linked to tourism, show real promise: Bowfest at Inveraray Castle, for example, attracts 5,000 visitors, who also enjoy local crafts and music.

Below are a number of suggestions to enhance food production activities, as a result of the work of the Economic Forum.

- i. There is great potential to drive the Argyll umbrella brand, and we strongly endorse the work of Food from Argyll and Argyll Hill Lamb.
- ii. Many food producers target the multiples (Tesco etc). While this can produce high volume, it almost always produces low profit margins. Targeting the food service sector (which focuses on restaurants and smaller outlets) can take longer, but it shows stronger brand loyalty and higher margins. There is an important link here with tourism: local provenance is sought after and providing local products for our growing visitor numbers can achieve premium margins.
- iii. A meat cutting and processing plant is needed in Argyll to convert the “commodity product” – carcasses into what the customer wants – select cuts or near finished dishes.
- iv. The Sea Food sector is heavily focused on exports; the food service sector offers an opportunity for expanding local processing.
- v. Public agency support is essential to help small local food producers to obtain SALSA or BRC equivalent certification, as very small producers struggle with this requirement for distribution, and the Council provides this. It is also important that potential food

production entrepreneurs are helped to understand that health and environmental requirements are not a serious barrier to entry.

- vi. The Council should continue to maximise its efforts to give preference to local producers in its own food tendering process.

We have spent little time here on the drinks sector, as the potential for greatly increased employment appears to be limited. Argyll produces the best whisky in the world, from 14 distilleries (with two more planned). Whisky is a major asset to tourism and indeed a key attraction for Islay and Campbeltown. In Loch Fyne Ales we have a fast growing, prize-winning brewery, also catering for visitors. The link between tourism and food applies equally to the drink sector.

3. AGRICULTURE, FISHERIES AND FORESTRY

With a focus on job creation, aquaculture, and food and drink production are key assets. However, three areas of primary production, which are very important to Argyll, and which need sustaining, are agriculture, fisheries and forestry, with combined employment of 900.

Output in primary industries in all Scottish regions has declined over recent years. However, the primary industries' economic contribution to the Argyll and Bute economy is proportionately higher than all other regions bar Orkney, Shetland, Borders and Dumfries and Galloway.

i. AGRICULTURE

Argyll is essentially a livestock region. Sheep, beef and livestock numbers dropped significantly during 2003- 11, partly due to the reduction in “headage” payments under the CAP. Numbers have increased somewhat since 2011, when output was £56 million – very similar to 2003.

A combination of falling or stagnant product prices, mechanisation and rising input costs have put intense pressure on farmers; as have recent major delays in payments of the Single Farm Payment by the Scottish Government, reportedly as a result of a faulty new computer system.

As a result, employment has fallen; the farming population is ageing; there have been moves to consolidate farms and farmers have sought to diversify their activities. Farmers are an important reservoir of individual entrepreneurs involved in both identified areas for growth - food production and tourism.

Downward pressures on the level of subsidies, prices and overall income will require the farmers to make further use of their own entrepreneurship to survive. However, in this very important sector, there are some positive factors. While it is unlikely that agriculture will provide increased employment, it is possible that existing employment can be sustained as a result of:

1. Increased stock numbers, improved productivity.
2. Changes in technology.
3. Diversification and adding value.
4. More training at UHI Argyll College.
5. Marketing cooperatives.

These last three are particularly important.

Diversification has primarily been into tourism-related accommodation, renewable energy and food production.

Farm holidays are growing in popularity internationally.

Training at Argyll College in agriculture and land-based activities is growing. One specific area which was regularly cited to us was the need for more butchers in Argyll.

The key new marketing cooperative is “Argyll Hill Lamb”. This is already achieving premium prices for finished lamb, and more farmers should be encouraged to join. With sufficient numbers, a cutting plant could be established (both Oban and Cairndow have been mentioned as possible sites). At the moment, much of Argyll’s lamb is sent to Wales for cutting, and then sold as Welsh lamb! This makes no sense. The Argyll Hill Lamb team deserves full support from the farming community.

ii. FISHING

The Argyll fishing industry employment has reduced considerably by 70% over the last 20 years, and the catch is now based almost solely on prawns (nephrops) and, to a lesser extent, scallops. However, it has stabilised in recent years, and given its importance in remote locations such as Kintyre and Knapdale, it is important that it is sustained. One particular risk to the industry is its heavy reliance on a single species.

There are few immediate signs of increased employment. One possible positive indicator is a recent recommendation that the prawn quota be increased by 41%, which could lead to increased fishing intensity, and higher employment ashore.

A key current concern of the Clyde fisherman is the proposals for Marine Protection Areas (MPAs) in the Clyde, and other environment proposals, aimed in part at recovery of fish stocks. Clearly a balance has to be achieved amongst all these objectives – maintaining fishing employment, protecting the environment, and improving the much declined fish stocks.

iii. FORESTRY

Like Agriculture and Fishing, employment in Forestry has fallen over the last 30 years, due to mechanisation, poor financial results at the Forestry Commission, reduction of new planting/restocking and a fall in the profitability of thinning (the process of thinning a commercial forest at stages during its growth ahead of full harvesting). The sector will remain important, with Argyll and Bute producing approximately 15% of Scottish timber, and we are unlikely to see further employment falls. Indeed, there have been some recent increases with more forests reaching maturity.

Given the large scale requirements for modern timber mills, it is highly unlikely that a new plant will be built in Argyll and this was confirmed by the Argyll and Bute Forest and Woodland Strategy. The big mills at Fort William, Troon and Lockerbie can absorb Argyll's output.

However, the advent of biomass heating has changed the position. While there have been numerous private conversions to biomass heating, institutional heating has made a big change too. Argyll and Bute Council have moved many of their buildings and most schools to biomass heating. Currently, the pellets for these plants come from Girvan and Wales, while woodchips are now produced locally. Biomass, being a high volume, low value product should ideally be processed as near source as possible. The Girvan pellet producer, Land Energy, has expressed preliminary interest in setting up a plant in Argyll.

There could be immediate employment benefits from such a plant. However, there could also be important secondary benefits. Timber thinning is more complex and labour intensive than clear felling; and a pelletisation plant would give an outlet for thinned timber, creating a more valuable final crop at the same time. The secondary employment effect could be large.

Given this strong possibility, the opportunity, which embraces the need for further training and developing new systems, should be pursued by the Council, the Forestry Commission and its partners, including HIE. Discussions with the private sector indicate that given the right support they are ready for the challenge.

C. YOUNG PEOPLE AND EDUCATION

This is the third area where there is important potential for growth. In so many ways, Argyll and Bute is a wonderful place to live. We have beautiful scenery, varied outside activities and a peaceful and safe environment. In Argyll you can even live longer: Dr Richard Mitchell, an epidemiologist at the University of Glasgow, has published a study which shows that people who live near open green spaces live longer and have less diseases, results collaborated by recent studies in the Netherlands, Canada and Japan. But good education facilities are key to retaining and attracting working age people.

1. SCHOOLS

Overall, the quality of Argyll and Bute's schools is high. Nevertheless, the quality does vary from school to school and it is essential that standards across the board continue to improve. In particular, concerns have been raised with us on the breadth of curriculum, particularly at Higher and Advanced Higher levels in some STEM subjects (science, technology, engineering and mathematics).

However, what became clear from the work of the Economic Forum is that there is too little engagement by schools with employers. This is very important to both our ability to retain and attract young people, and to the schools themselves.

A number of schools have strong and effective relationships with local employers, which help to deliver programmes of work experience placements, careers events and general inputs to the school curriculum. However it is too rare, and is largely based on school staff local knowledge, contacts and personal arrangements. There is clearly a role for the business community in assisting with this.

Overall Argyll has good performance in young people leaving school and obtaining positive destinations (93.1% in 2015), but clearly we need more jobs and studying opportunities.

If young people in the later stages of their school careers have not had exposure to employment opportunities, then they won't know what they are. From the point of view of the schools, if we continue to lose working age people, there will be less children to teach, and the schools themselves and their teaching jobs will be at risk. So it is in everybody's interest that this should change.

In particular, there are many high quality careers opening up in tourism, aquaculture, food production, IT Services, marine science, academic research and teaching, to name but a few – and our young need to be aware of these.

There are several ways this can be done:

1. The business community and each secondary school should develop a coherent structure for engagement, including a regular series of visits from employers in their area to speak about the opportunities in their firms or industries; and additionally hold an annual employment fair.
2. Local employers should offer more summer jobs to students from local schools, possibly enabled through the Chamber of Commerce, and the Business Improvement District teams.
3. Schools should work actively with Young Enterprise Scotland and other educational enterprise schemes.

Many Primary and Secondary Schools in Argyll and Bute run enterprise schemes but currently only Helensburgh, Oban, Dunoon and Lochgilphead participate in additional enterprise activity, such as Young Enterprise Scotland. Argyll and Bute has a high percentage of the self-employed, and additional enterprise schemes provide school children with experience of setting up a business; this activity is claimed to be the ultimate business experience for S5 and S6 pupils. Working through the Developing the Young Workforce action plan could help in strengthening this across all 10 secondary schools.

Pupils who participate develop a wide range of skills throughout a year-long entrepreneurial experience, come up with an idea and manufacture and sell their product. In the Young Enterprise Scotland scheme, every young person taking part has the opportunity to sit a Young Enterprise exam which is run in partnership with the University of Strathclyde Business School – an excellent addition to a pupil's CV. At the end of the year the young companies submit a Business Report, are judged on their Trade Stands at a local final event and deliver a Business Presentation to an audience.

Many young people have reported that such activity is ranked by them as a most significant educational experience enabling them to develop life-skills such as team work, self-motivation, decision making skills and confidence in their abilities. In this context, after Young Enterprise, participants need to be made aware of all available employment opportunities.

In addition, it would be beneficial to introduce a broader range of work experience placements and the development of a greater number of internships that would provide ongoing experience and mentoring support for young people and that may lead to longer term post school employment, and improved means for schools to communicate with the business sector.

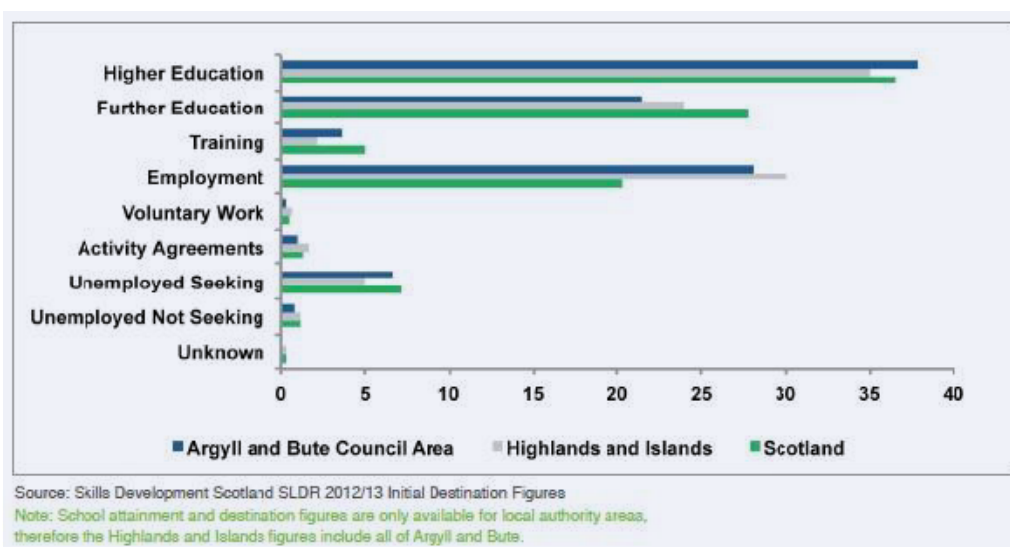
Rather than viewing work experience as one week placements and only at the end of the senior phase, businesses should be encouraged to offer on-going placements and mentoring for young people throughout their secondary school career. This would support young people to gain practical employment skills, introduce them to a specific industry and potentially help them to gain employment on leaving school. These relationships should not be restricted to young people at risk but also for students pursuing an academic career.

4. The recent Woods Commission Report set out the national strategy to increase the rate of youth employment, which encouraged more employers to offer work experience opportunities and to recruit young people direct from education. The Argyll and Bute Regional Group is currently being established with representation from key businesses, the two Chambers of Commerce (Lochgilphead and Helensburgh), and the BID Groups in Oban and Dunoon. Local companies should strive to offer more apprenticeships. Some areas are already very good. Construction, Mechanics, Electrical, Painting, Plumbing, Agriculture and Forestry are areas which could grow. Skills Development Scotland is working with the Council, HIE, Argyll College and the private sector to promote Modern Apprenticeships and this is to be encouraged.

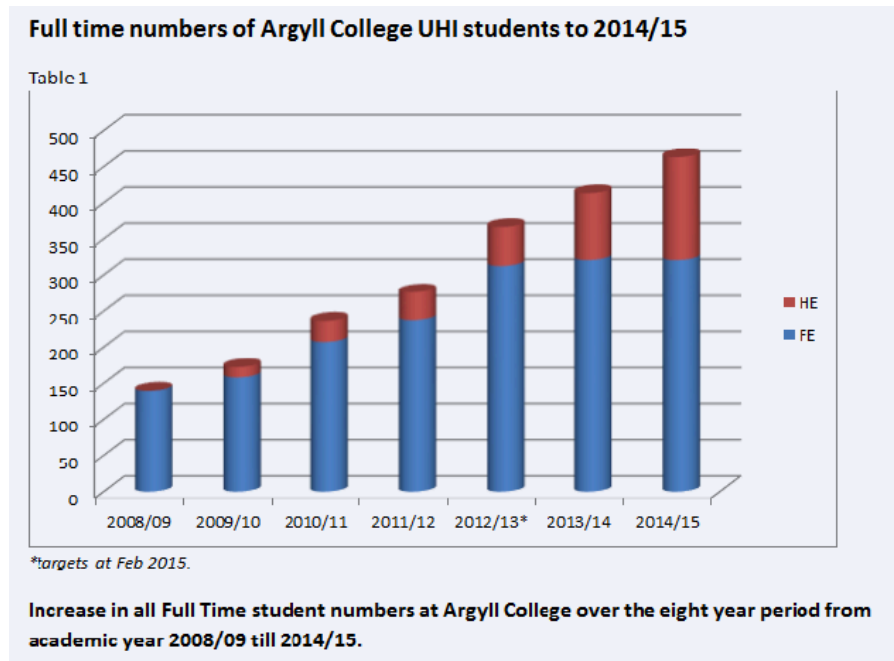
2. FURTHER EDUCATION

Argyll and Bute has traditionally had a higher than average number of people entering higher education and a lower number entering further education and skills training.

SCHOOL LEAVERS' DESTINATIONS % 2012/13



This pattern has been changing throughout the country, and equally in Argyll, as shown in the graph below. This also shows a tripling of full time students at Argyll College over 6 years.



This is very important for Argyll and Bute: we want to retain more young people in Argyll; they need to develop more skills; and 86% of businesses in Argyll reported (in the EKOS study) that they have difficulty finding young people with the right skills, particularly in certain areas: E.g. Tradesmen (electricians, plumbers), chefs and butchers. Agricultural education should also be delivered by Argyll College given the high level of farming activity in Argyll and Bute and the number of students who require to attend College in other parts of Scotland.

Argyll College has done a very good job in many areas, including building trade skills at Lochgilphead. The College is, however, under-funded and requires improved accommodation as well as increased teaching space, particularly in Oban where it has aspirations to increase Courses. It also has ambitions to increase its operations in Argyll and Bute’s islands, particularly Coll and Tiree, as well as opening a Helensburgh site. And it is clear from the graph above that demand and supply is growing.

The challenge is to expand the areas and sources of quality training to further match the business needs of employers and the sectoral opportunities; and continually to make school students aware of the opportunities. We need greater delivery. To support this, more funding will be needed and The Scottish Funding Council, HIE, the Council and our MSPs should give every assistance in securing this. In addition the

Scottish Funding Council should reconsider its distribution policy which does not cater for the particular issues of Argyll and Bute. If we can get this right, we will retain more young people, and also attract more employers seeking skilled employees.

One footnote here: with our many islands and sea passages it is not a surprise that one of our larger employers is CalMac, with 182 of its c1000 seafarers based in Argyll and Bute. (There are also around 100 port staff). While 26% of all non-maritime training was carried out in Argyll & Bute in 2015, 3% of its highly specialised, compulsory safety and other maritime training was carried out in the area. CalMac has worked hard with Scottish based training providers in recent years to increase the amount of specialised maritime training which takes place in Scotland to 60%, so there is therefore an opportunity for CalMac, Argyll College and the Scottish Government (which owns CalMac) to work together to secure a larger share of this activity for Argyll & Bute.

3. HIGHER EDUCATION

Going away to university is a long tradition, and for many people it is the right thing to do. For students from Argyll and Bute the principal destination are the Universities in Glasgow and the wider central belt. However, there is a discernible change emerging. First, some students are simply finding that university is less satisfying than they expected; second, and more important, the cost of living away from home at university is high and is increasing.

The development of the University of the Highlands and Islands (UHI) is beginning to change that, and Argyll is no exception, as the graph above shows. Expanding Argyll College's undergraduate offering should be a priority; and thought should be given to focusing on areas in which we have a comparative advantage. Areas which seem to make sense, and which have been cited to the Economic Forum, include Aquaculture, Agriculture, Engineering, Maritime Skills, Archaeology (working with Kilmartin Museum), Rural Enterprise, Digital Services and Renewable Energy.

In this context, we would stress the importance of SAMS, the Scottish Association for Marine Science. This is an educational gem in the heart of Argyll, a leading centre for study and research in Marine Science, attracting MAs and PhDs from all over the world – many of whom stay on in Argyll post qualification. SAMS has shown meaningful growth:

ACADEMIC YEAR	UNDERGRAD. REGISTR.	NEW POSTGRAD. REGISTR.
2000-01	10	
2001-02	11	
2002-03	20	
2003-04	16	
2004-05	15	
2005-06	15	3
2006-07	16	1
2007-08	27	4
2008-09	27	3
2009-10	35	5
2010-11	47	10
2011-12	59	8
2012-13	73	5
2013-14	74	5
2014-15	85	10
2015-16	90	9

Source: SAMS

4. OBAN AS A UNIVERSITY TOWN

SAMS’ location next to Oban, and the growth of Argyll College in Oban, has led to the Council’s and HIE’s concept of developing Oban as a university town. We would strongly endorse this idea, which is the subject of a detailed report commissioned by HIE, in partnership with the council and UHI/Argyll College.

To do that, one critical component that has been identified in the report will be the development of purpose-built student accommodation in central Oban. With interest rates as low as they are, and investors searching for income yield, this is the best time ever seen to secure non-recourse financing for student accommodation. It is being developed all over Britain today. We strongly recommend that the public agencies and the Scottish Government make this an urgent priority, while these conditions remain.

The development of Oban as a University Town would have an effect beyond the growth in local student and teacher numbers, and the ability to retain more people in Argyll. It would encourage more people to come and study here, and many will stay on to develop careers and start families. These include European students coming to SAMS. It will also have spin-off effects, particularly in the creative sectors, as other University Towns have shown.

If we do these things, more young people will stay, and more will come. A recent HIE study “Our Next Generation” showed that 80% of young people in the Highlands are proud to be associated with their community, a 6% increase since 2009. We would be moving with the momentum.

5. JOBS POST FURTHER EDUCATION AND HIGHER EDUCATION

It is obvious that as we continue to build the FE and HE offering in Argyll and Bute, attracting as many national and international students as possible to Argyll, there must be strong links with local employers to ensure that the maximum number of careers can be started here.

However, in one final, less obvious idea that needs to be explored here, addressing the issue of attracting those students who have gone away to study, to return to work in Argyll and Bute.

When students leave school they should be asked if they are willing to receive future information on opportunities in Argyll; and if so to give their email addresses. Regular newsletters or e-zines could be sent to the growing student body on events in Argyll, including festivals; on summer job opportunities; and on full-time job opportunities. It would be simple to administer (a part-time job) and operate at the touch of a key. It would be the simplest form of direct marketing to those whom we would like to have back.

Many employers, including the Council and HIE, have difficulty in recruiting people to jobs in Argyll. The Council, in particular, appears to have difficulty in recruiting teachers. Thought should be given to wider marketing of employment opportunities in Argyll, particularly with a view to pointing out to potential employees that there may well be jobs available in Argyll for their partners. An Argyll based equivalent of S1 Jobs could be promoted by HIE.

D. OTHER AREAS OF OPPORTUNITY

As we stated at the beginning, the Forum saw Tourism, Food Production and Youth and Education as the key areas of growth opportunity for Argyll and Bute. There are two other areas of opportunity which we would like to highlight, namely construction and small businesses, before moving on to describe the barriers to Argyll's growth, and what can be done to dismantle them.

1. CONSTRUCTION

The construction industry is an important and growing employer in Argyll and Bute. After tourism, it is the second largest industry for new employment in the private sector. Over the years many advances have been made in training facilities, investment and skills, enabling local companies to take on bigger and more complicated jobs, and to offer enhanced career opportunities. All this we applaud.

In addition, local construction companies are working imaginatively to produce affordable houses, and affordable work units which we need in Argyll, and which we discuss further below. And these companies provide essential services to the growing number of older members of our community.

Given this, it is essential they are given every possible opportunity to grow. One of the biggest investors in construction projects in Argyll is the Council. In 2013/14, their tendered capital expenditure programme was £11 million. Of that Council expenditure, £4million or 36% went to local firms, who bid for 50% of the business.

The Council has actively sought to increase the number of local firms successfully securing contracts within the rules and regulations of the EU Procurement Directive within which the public sector must comply. This has been achieved in partnership with the Council's Business Gateway team via training, encouraging companies to sign up to the Scottish procurement framework and inviting companies to meet the buyer workshops on specific forthcoming large planned expenditure e.g. the CHORD capital regeneration programme. To date the Council has been successful in increasing the number of local companies securing contracts.

It is essential that all public sector agencies and local businesses seek to increase this proportion, and ensure that wherever possible contracts are given locally. This is a clear and direct contribution they can make.

2. SMALL BUSINESSES

The Argyll and Bute private sector is dominated by small businesses. Argyll and Bute has nearly twice the percentages of self-employed compared to Scotland as a whole (7,600 self-employed). The majority of business can be classed as ‘micro-businesses’ i.e. employing fewer than nine employees. There are around 400 businesses with over 10 employees in Argyll and Bute but only 35 employing over 50.

Small businesses require small, economical business units to operate from and an increased number of such units require to be provided in all towns of Argyll and Bute. Good progress is being made on this.

There are also some clear signs of growth. For example, the John Noble Trust, which provides interest-free loans and grants to small businesses in Argyll, has seen a 54% increase in applications over the last year. The new digital infrastructure should give additional impetus to this.

By definition, this is a sector of entrepreneurs, and they need to be given every help to grow. The majority of them operate in the key growth sectors we have highlighted earlier. The “scaling up” of a number of these smaller businesses is a real opportunity for Argyll. From conversations with 38 such entrepreneurs at a two-day seminar in the spring of 2015, three basic needs emerged:

i. FUNDING FOR GROWTH

At the moment bank funding is not available for Argyll’s key business sectors such as tourism at an affordable rate. Two of the few sources of funding (besides own resources, family and friends) are The John Noble Trust and The Kilfinan Trust, both of which make small interest-free loans, and occasional grants.

The Council used to make grants but no longer does. European co-financed loans have been made through the West of Scotland Loan Fund (WSLF). However, this has now been merged into Business Loan Scotland (BLS) taking it even further from Argyll and Bute. Argyll and Bute Council have been advised that BLS has now ceased making interest bearing loans of £25,000 or less, other than to limited companies. DSL Business Finance can occasionally provide small loans. There is some possibility of an SME (small and medium enterprises) Holding Fund from European Regional Development Funds, but not for another 12 months.

To a businessman, this sounds like a bureaucratic solution leading to precisely the wrong outcome. We would strongly encourage the Council and its agency partners, together with our MSPs, to find a creative solution. It is much needed.

ii. ADVICE FOR GROWTH

For larger “account managed” businesses, advice comes from HIE and SE and is highly rated. For smaller business, advice is offered in Argyll by Business Gateway, run by the Council. They have advised over 800 new startups and 2500 existing businesses since 2009. They are a dedicated team, and reports back are also generally very positive. The nature of the advice they give is generally more at the business plan level than at the strategic level.

There is a possible complement to this, which needs exploring, with a particular focus on helping companies to scale up. Argyll and Bute have a large population of retired people coming from other parts of the country. Many of them are former business executives and business leaders. It would be relatively simple to set up a volunteer business mentoring group in Argyll – and a number of those retired business executives have told us they are willing to join. This is a private sector initiative, which should be started in the summer of 2016.

Finally, running a small business can be lonely. Very few of these smaller companies have Boards. Mentoring helps. But we would encourage smaller businesses in Argyll to set up their own informal networks; forums of a few like minded people, for regular discussion on mutual problems and issues; for occasional mutual solutions; and for simple encouragement and good cheer. Two brains are usually better than one.

iii. SINGLE POINT OF CONTACT

One problem for Argyll businesses is that there is no single point of contact for discussion with local or central Government, as there would be, for example, in Glasgow. We have two Chambers of Commerce and two BIDS Areas. The Federation of Small Businesses have shown renewed interest in becoming involved in Argyll. These five groups should get together to seek a solution.

iv. PUBLIC SECTOR CONTRACTS

Finally, given the importance of small businesses to employment in Argyll, the public sector should continue as much as possible to help companies with contracts, from catering to repairs, from decorating to transport.

Secondly, planning permissions for smaller businesses need to be given a greater priority. Small businesses have small staffs, and the planners should ensure to give them every assistance in expediting their plans, including pre application advice and ‘fast tracking’ of applications which have employment and/or economic benefits to the area.

IV. THE BARRIERS

From the above it is clear that there are a number of key opportunities to put Argyll and Bute onto a growth track, and to arrest the problem of declining population. However, there are some clear barriers to those opportunities which have been apparent from our discussions with many sectors of the community throughout Argyll. We would stress that if those barriers are not removed, then the opportunities will be impossible to achieve.

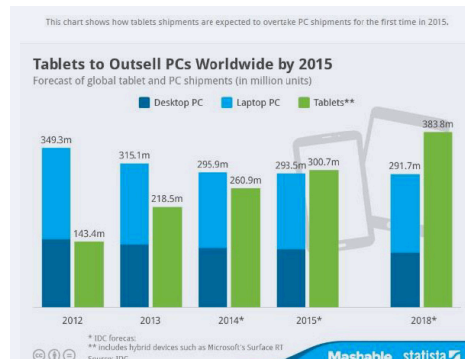
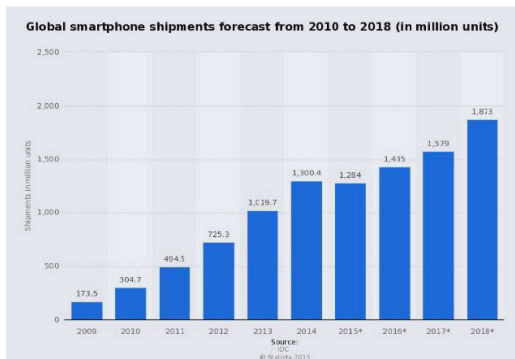
The key barriers are:

- Mobile and Broadband connectivity
- Affordable housing
- Transport links

The importance of tackling these issues now is backed up by the recent EKOS research study: “We would stress the absolute priority that the key infrastructure issues are fully addressed, particularly around broadband/mobile; housing and transport.”

A. MOBILE AND BROADBAND CONNECTIVITY

There is no need to explain the importance of broadband connectivity in today’s world. Without it, it will soon be impossible to operate any business or service. The critical importance of mobile has until recently been less understood. There are now over 40 million smartphones in the UK alone, over 3 billion worldwide. The graphs below show global sales projections for both smartphones and tablets. With the rapid take up of smart phones (which need mobile communication links to broadband lines to operate), providing fast and reliable mobile connections is now essential. This need was raised continuously to us throughout the year, and it is the single biggest barrier to Argyll’s development.



Below we give three illustrations of this.

The first concerns tourism, Argyll's principal industry, which comes with big growth potential. Modern tourists travel without a laptop now: they carry a smart phone. Assume they are in Cowal, heading for the Tarbert-Portavadie ferry. They search on their smart phone for CalMac ferry timetables: no signal. They get to Portavadie and want to know the restaurants in Tarbert: no signal. They get to Tarbet and want to go on Airbnb to find a room: no signal. And finally they want to email their office or home when they find a room: no signal. It simply won't work: a thriving tourism industry is dependent on good mobile communications.

Equally dependent are those who provide goods and services for tourists. Most visitors carry credit cards or Apple Pay and little cash. At a recent food festival in Argyll, over £5,000 of sales were lost because the card readers could not pick up a mobile signal. This is a major constraint on our small businesses.

The second example is from the aquaculture sector, another key growth sector for Argyll and Bute. The CEO of Marine Harvest told us that this was the single biggest barrier to running his business properly: with workers scattered at different sites and in different vehicles throughout the day, good mobile communications are essential to an efficient operation.

The third example is nursing services. Argyll and Bute consist of widely scattered communities and the district nurses play an essential role. We were informed that NHS Scotland now requires district nurses to communicate with GPs and patient medical records through tablets or smartphones. In Argyll this is simply impossible.

In the chart below we show the current coverage by the mobile company EE with the greatest coverage in Argyll, as published by the communications regulator Ofcom.

As the map below shows, 4G coverage in Argyll is a virtual white space, with the exception of spin off from Gourrock around Dunoon; and the 4G signal from the single new mast on Coll erected in 2015 by Scottish Futures Trust. To be clear, Argyll and Bute needs ubiquitous 4G coverage. The fact that UK trials of 5G are now taking place merely emphasises how deprived we are.



4G Data Key	
	In green areas you are likely to have sufficient signal to use 4G data services reliably
	In white areas you are unlikely have sufficient signal to use 4G data services reliably.

How has this come about? While the need for wide internet coverage has been seen for some years, the rapid rise of smart phones has surprised many players. As late as the last 4G spectrum licences, the UK Government saw mobiles as something of a luxury, allowing the mobile operators to trade off higher spectrum payments for lower (95%) coverage obligations. It is inconceivable that any Government would allow less than 100% electricity coverage: not so with mobile phones. The Scottish Government had developed an internet strategy early, and, as shown below, through HIE's good work, internet coverage in Argyll and Bute will cover 83% of premises (85% in Lomond and Helensburgh) by the end of 2016. There are also a number of local initiatives (e.g. GigaPlus Argyll) to fill in some of the gaps. However, the Scottish Government needs a comprehensive mobile strategy.

What can now be done about this? The positive news is that the internet buildout in Argyll enables better mobile coverage: the mobile companies pass the signals to and from masts through the internet (the "backhaul"). It is clear that without an obligation for universal coverage, the Scottish Government will have to play a big role. The internet network in Argyll would not have been built without Government assistance through HIE. The Coll mast is Government funded (through Scottish Futures Trust) with revenue funding provided by the Council, as are the various Community Broadband efforts. We are pleased to report that the Scottish Government has now asked the CEO of HIE, himself a member of our Argyll and Bute Economic Forum, to come up with solutions.

There are three key moving parts here. First, access to mast sites (including public buildings). Second, planning issues. Third, business rates for mobile assets. All three are on the HIE CEO's agenda.

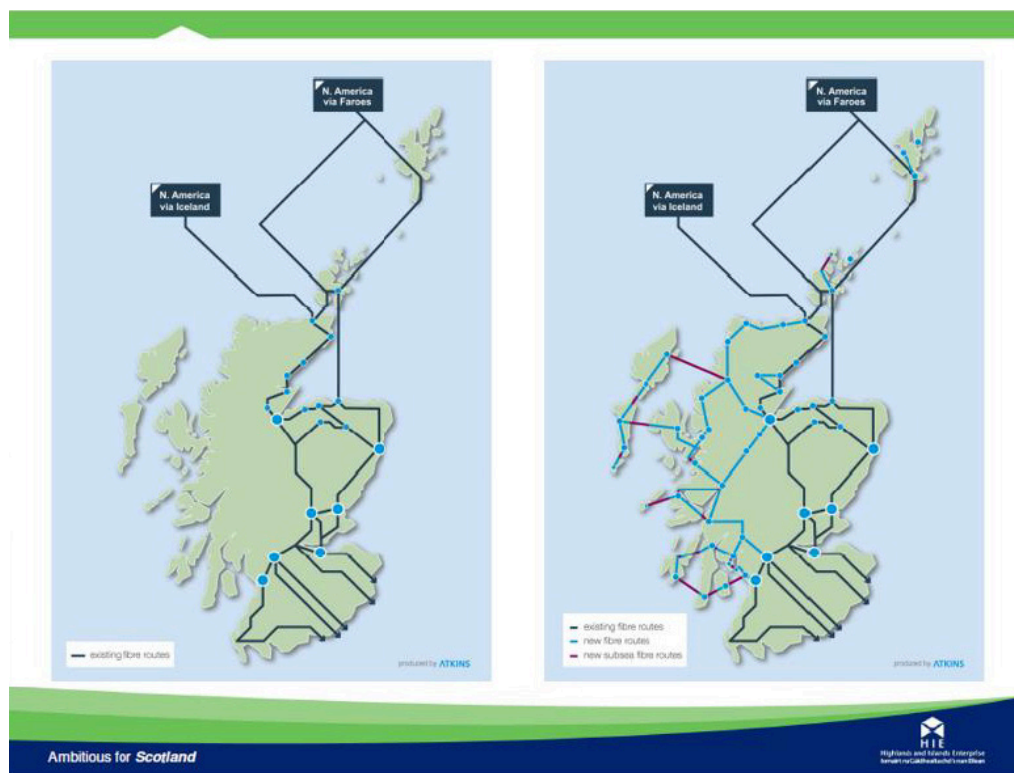
No site for a mast in Argyll has been refused planning permission. However, the permitted development rights for the height of masts is often restricted to 20 metres. Given our topography, many need to be higher.

One key barrier which we see is the cost of mast sites. At the moment, it is an open negotiation between a landlord and the mobile company. The landowners can refuse permission and charges are as high as £6,000/£7,000 p.a. for mast sites. This is a totally different – and high multiple of the charge to the landowner for electricity poles or water pipes. The UK Government has been considering changes to the Electronic Communications Code (EEC), which legislates on this subject, for 5 years now. The Law Commission has recommended changes to bring mobile phone masts more in line with other infrastructure. We have been

lobbying and continue to lobby the relevant ministers to move this along: 5 years consideration is enough.

We have spent considerable time on this single issue of mobile connectivity in both Edinburgh and London. We will continue to do so, with strong and helpful support from our MSPs and MP. If we cannot solve this problem the opportunities we have set out will wither.

The map on the left below shows the existing fibre network across the Highlands and Islands prior to 2013. The map on the right shows the additional networks that have been created as a result of a £146m investment project announced in 2013, led by HIE and delivered by Openreach.



B. AFFORDABLE HOUSING

Many of the people we have talked to, in a wide variety of sectors, cited affordable housing as a barrier to development, particularly for lower paid staff. A 2015 survey by Argyll and Bute Council stressed the importance of this.

We have had presentations to the Forum from the relevant Council officials and have visited a number of housing developers and contractors, as well as affordable housing developments. It is clear that the Council continues to take this issue seriously, and we would hope that the very good progress over the last few years continues as set out in the Strategic Housing Investment Plan 2015 – 2020.

Since 2011, the Council has invested £7.58m supporting a £30.45m grant funding from the Scottish Government resulting in 502 new units spread across areas of need in Argyll and Bute. In addition, through the Empty Homes Initiative, since 2013, the Council has brought over 500 empty homes back into use. Assistance from the private sector for new stock to encourage first time buyers would clearly be very beneficial.

AFFORDABLE HOUSING COMPLETIONS 2011-15



Affordable Units built during the last four years

Source: Meeting the Need and Demand for Affordable Housing in Argyll and Bute, by Donald MacVicar, Head of Community and Culture Economic Forum Presentation, 18 November 2015

We gained a sense of progress in this area. However, there remains insufficient affordable housing in some growth areas; and more will be needed to accommodate our desired population growth.

We would encourage the Council and the local housing associations through the strategic housing forum to continue this progress, and to make use of all available Government finance schemes, as well as taking advantage of the current very low levels of interest. There is also a great opportunity for Argyll to take advantage of the Scottish Government’s commitment to increase the provision of affordable housing throughout Scotland which was announced in the recent Budget.

C. TRANSPORT LINKS

While transport links were less often mentioned as a barrier, Argyll's geography makes this a regular topic. We cover this under five headings:

1. ROADS

Argyll and Bute is essentially linked by roads and ferries. A recent HIE commissioned study into transport connectivity, which is still not complete, has considered the road infrastructure, (as well as fixed links and other transport modes). It is expected to recommend various upgrades. These are in addition to the vital work to upgrade the main road entries into Argyll, the A82 and A83. If we are to achieve more off-season tourism, it is essential that Argyll and Bute is viewed as having open access in all weather conditions. The A83 problem, with an increasing number of closures from landslides, needs to be fixed once and for all. It is Argyll's front door. The Scottish Government has so far spent £10 million on tackling the problem – only to have the Rest and Be Thankful closed again at Christmas 2015. A permanent solution is absolutely required.

The expected upgrades recommended include the A816 Lochgilphead/Oban road: essential if we are to seize the opportunities offered by Kilmartin Glen; and the A8003 Dunoon/Portavadie road, which could help markedly in under-performing Cowal and the Kintyre peninsular. The HIE recommendations should be a priority for the Council and the Scottish Government.

2. FERRIES

On the whole, the ferry services are viewed as a success story in Argyll and Bute with increasing passenger and vehicle numbers over recent years. That said, there are challenges including capacity, booking facilities, reliability, the age of the fleet, and the pier infrastructure. The town centre passenger ferry link between Dunoon and Gourock however is also a concern for the people of Dunoon.

The RET (Road Equivalent Tariff) will help reduce costs for many islanders; but these are still high for Island-based producers. They need revisiting by the Scottish Government and Transport Scotland is now reviewing this issue. Timetables have improved, but regular local consultation by CalMac on ferry timings is essential. The ferries still often do not meet summer tourist needs in neither timings nor capacity, and the AITC and CalMac – who already liaise quite closely – should make this a priority. The reliability and safety record is good. The development of safe, fast cabin-ribs has opened up new routes to the islands, and on other routes (e.g. Campbeltown/Gourock). These should be encouraged, and assisted by the Council, where needed.

3. TRAINS

The key link is the Oban/Glasgow line. Helensburgh/Glasgow has regular reliable services, which are essential to Helensburgh's continuing development. The Oban schedule has recently increased to six trains per day and has proved very successful. Given that Oban is likely to continue to be at the core of Argyll's economic growth, and given the long lead times in any rail upgrade, attention should be given now to how this service might be further enhanced and expanded. One particular suggestion is that all trains should now have power points, and Wi-Fi. Finally, if Oban is to grow it needs to be connected not just to Scotland but the world. Thought should be given to reinstating a night sleeper service to London; or at least improving the connections with the Fort William service.

4. AIR

The Council has clear ambitions to develop Oban airport as a travel hub, with flights from and to Glasgow, and to those islands with airports. Bids are now being sought for the Glasgow-Oban link. Clearly we would encourage this. However, we have also stressed to the Council the importance of considering an Edinburgh link. For foreign tourists in particular, Edinburgh is very frequently a tourist destination: In 2014, 1,588,000 overseas tourists visited Edinburgh, (source: Visit Britain). Many of them then head up the East coast. An air link to Oban (and possibly to Machrihanish, operated by HIAL, or Islay and Tiree again operated by HIAL) could capture more of this market for Argyll, and this needs further study.

5. FIXED LINKS

The question of greater fixed links across the Clyde estuary, and possible East/West across Argyll, to further open up Argyll to the central belt, is currently being studied by HIE. Any such development would doubtless help to a greater or lesser extent. However, none of them are likely to be rapid, and we have focused on the areas which could be dealt with quite rapidly, and which could have more immediate effects on the issue of declining population. The one exception, as discussed below in the section on Rothesay, would be a tunnel or bridge at Colintrave, which could support that island's development. We realise that this is controversial and not everybody on Bute agrees. Tourists are wary of being "stuck" in difficult weather conditions, and a number of Bute citizens would like to see the link.

Nevertheless, the case for fixed links is well made, not just for Dunoon and Cowal, but as an alternative to the A83. We would endorse the suggestion that there should now be a Public Consultation on the Fixed Link options.

V. FOUR TOWNS

During our work it became clear that there were four towns in Argyll which deserved particular attention, as a result of a major decline in population, or of stagnation.

	% POPULATION CHANGE 2001-2011
CAMPBELTOWN	-4.9%
DUNOON	+1.6%
HELENSBURGH	-6.6%
ROTHESAY	-9.2%

In each of these towns we found people working hard for improvements in their communities. Each of them had different issues and opportunities, which we explore below.

1. CAMPBELTOWN

Situated near the Mull of Kintyre, Campbeltown's key issue is distance. It is 138 miles by road from Glasgow and, 2 hrs 10 minutes by ferry (to Ardrossan) and train. It has suffered over the years from a major decline or closures in four key industries, namely fishing, shipbuilding, manufacturing (Jaeger) and MOD activities at Machrihanish. At the same time it has certain advantages: a wonderful natural harbour, some of the best grazing land in Argyll, a well built and attractive town, two international standard golf courses, and an airport with one of the longest runways in Europe.

The key issue here, as elsewhere, is jobs. Commendable efforts have been going in to improve the town assets to attract more residents. The Council has done a great deal to make the town more attractive, and there is now a range of new affordable housing. An American investor group has improved two key hotels to international standards, and a new golf course has been created. Campbeltown has two major employers, a wind tower manufacturing firm, Wind Towers Scotland (WTS), jointly owned by SSE and HIE employing 135 people, and a creamery directly employing 35 people, which is also of obvious importance to the local dairy farmers. Aquaculture is now a growing feature in the local area but more jobs are needed.

An additional issue is the risk faced by those two major employers. There have been changes in Government policy on the subsidies for on-shore wind turbines, and the creamery has had well publicised financial problems and is currently in part being subsidised by the Government.

Machrihanish has been bought by the Machrihanish Airbase Community Company (MACC) and is now home to some 44 tenants, while continuing to supply airport facilities. MACC has hopes for two major developments, namely the planned NIRI onshore fish farming business that has recently

commenced construction, and the new UK Spaceport project. The Council has formed a consortium with MACC, and are actively supporting both of these with assistance from HIE.

The one additional suggestion made to us was the possibility of Machrihanish becoming an Enterprise zone, which would encompass Business Rates relief, 100% enhanced capital allowance, simplified planning, superfast broadband and possible public funding. This should be investigated as a matter of priority.

The other possibility is to grow the many existing small businesses. In this, additional company financing, and the mentoring scheme proposed above would be of help. Campbeltown clearly has continuing issues as outlined above. But there is also a strong can-do tradition in the town which will turn out to be its greatest asset.

2. DUNOON

Dunoon has not actually had a population decline, but in each survey area we have seen it falls below average. In the recent HIE study on the attitudes of the young people it was one of the lowest scoring as a place young people would like to return to.

One of its key advantages is also one of its key problems: its proximity to the Glasgow hinterland – indeed it is highly visible across the Clyde. This makes it relatively easy to access (for example, Western Ferries carried over 600,000 vehicles last year) compared to the more distant parts of Argyll. At the same time it is very near the magnet of the central belt for young people.

However, Dunoon has partial 4G coverage (albeit from masts across the Clyde), and newly installed fibre internet. It has a number of small but growing tech and other businesses, a recently expanded customer services centre, an iconic pier that the Council has completely refurbished, a decent industrial park at Sandbank, and a wonderfully restored Burgh Hall acting as a focus of creative energy at its centre. All this will doubtless see further growth.

There are four additional things which could make a difference. First, the potential Ardyne fish processing centre, discussed above. Second, a move to provide some enhanced facilities for day trip visitors from across the water. A particular idea given to us was decent mountain bike trails through the local forests. There will be others – zip lines, were also mentioned – and all these should be positively explored.

The third suggestion concerns the Council Economic Development Office in Dunoon. Currently the officer in place is focused on project development. There is a need for an officer to focus on the wider regeneration of the area: we noted the clear energy supplied by these individuals in Campbeltown and Helensburgh.

Finally, the Public Consultation should take place on the question of the Fixed Link, discussed above. This could make an important difference to Dunoon and Cowal.

3. HELENSBURGH

Helensburgh has unique attributes in Argyll. It is a long established commuter town for Glasgow, with a fast, direct service. It contains the famous Faslane Royal Naval Submarine Base, employing more than 6,500, the largest single employer in Argyll, and one of the largest in Scotland. And until 1996, it was part of West Dunbartonshire.

Between 2001 and 2011, Helensburgh's population fell 6.6% from 14,626 to 13,660. This still seems odd to many researchers and analysts, and may well have had something to do with temporary shifts in employment at Faslane. Nevertheless, it is certainly true that over the last 20 years the town had deteriorated and, until recently, had a distinctly worn look.

In the last few years this has changed markedly, and the Council deserves praise for what has been done. The centre of the town has been transformed, creating a crossroads with an elegant central square. Pavements have been restored, shop fronts have been renewed, bicycle tracks and walkways installed along the seafront.

There is a major plan to restore the beautiful but rundown Hermitage Park which has now received a grant of over £2.3m from the Heritage Lottery Fund, an Arts Centre has been developed by a local entrepreneur, a new submarine museum is being built, and a beautiful new Council Civic Centre and wedding venue has just opened. Helensburgh is also home to Hill House, one of Charles Rennie Mackintosh's iconic buildings, and nearby Cardross is expecting major investment in the former St Peter Seminary building, one of Scotland's most important modern buildings. The result of all this is a clear lift in the town with a number of new businesses opening up.

There are currently 24 housing units under construction in Helensburgh, with a further 86 confirmed in the programme to 2018. Planning permission for 300 new homes is now being sought, and additional sites are currently being investigated. Faslane has been selected as the base for all UK submarine activity; and - a clear sign of rising prosperity - in the

last 18 months three new restaurants have opened, with more planned, and all are apparently thriving.

All this bodes well for the future. Recent building and entrepreneurial momentum such as this convinces me that Helensburgh will no longer be on the decline list very soon.

4. ROTHESAY

Rothesay is fundamentally a beautiful town. It has fine buildings, many of them listed, set around a bay, and with an unspoilt 12th century castle at its centre. Bute is a lovely island, the nearest to Glasgow. There is a history of enterprise (and several good small businesses), good farming land, wonderful beaches, and a spectacular asset in Mount Stuart and its fine art collection. And yet it continues to decline, with a fall in population of 9.2% between 2001 and 2011. So finding solutions is not easy. My own reflection is that Bute needs a new vision, and it is very encouraging that the Bute's own Alliance for Action is working towards that end.

For what it is worth, the one that keeps coming back to me is that Rothesay could be to Glasgow what Bath is to London. From a very poor start many years ago, Bath has become a regular and popular destination for London visitors (and to those from further afield), attracted by its architecture. As a result, houses have steadily been refurbished over the last 30 years, there are plenty of good restaurants, and now plentiful jobs, as more people have settled there. A long term target as an upmarket visitor destination and weekend home base could just be the right one for Rothesay and Bute, leading to an increased permanent population.

If that is the right vision – and that or any other will need a consensus from all those involved on Bute – what are the first steps which need to be undertaken?

They are possibly the following:

1. Tidy up the town, as has been happening in Helensburgh and Campbeltown. A good start has been made on the front, with the implementation of the THI, work planned for the pavilion and the square, but more can be done. Grants or prizes could be given for those who do up their shop fronts. There are also too many shops for Rothesay's current population. Some of them should be given permission to convert to residential: there are few more negative sights than empty or boarded up shops.
2. A key to this vision would be much greater engagement with Mount Stuart. Fortunately the Marquess of Bute – who owns the great majority of the island – is willing to put more money into developments on the island, and has appointed a first class Chief

Executive at Mount Stuart who is willing and able to do it. The Mount Stuart Collection is outstanding, and much of it is not displayed. We understand that a number of options are being discussed to broaden the reach of Mount Stuart.

3. The next step would be to find a developer(s) willing to take on some of the elegant, but run-down, buildings and turn them into upmarket flats, duplexes or houses. And to set up a least one further good restaurant.
4. Finally, marketing would be needed to attract people. First time buyers will be few and price will be key. To encourage that, a series of different initiatives would be required. For example, a festival of food and drink at Mount Stuart, music festivals – all aimed at Glasgow and Central Belt inhabitants. And to do this the marketing style would have to be changed. Calling Mount Stuart “the hidden gem” on the “secret island” on Argyll’s “secret coast” is not a positive message. It reminds one of operas billed as “very rarely seen”: the reason they are very rarely seen is that they contain no good tunes. Bute is full of good tunes, and will need to boast about them.

All good businesses are built from a strong vision. That is what Bute needs. I don't know whether the one I have sketched out is the right one, that is for the people of Bute to decide. In this context, I am delighted that individuals on Bute, backed by HIE and the Council, have now formed an Alliance for Action that aims to “Build a Better Bute”. The partnership approach to regeneration involves public agencies, private trusts, local businesses and most importantly local residents. The Alliance will focus initially on improving the town centre and the wider economy. I wish them every success in producing the right vision for Bute.

VI. A SHARED VISION

For any business to succeed, there has to be a clear understanding throughout the organisation of the objectives, the plan and each person's role in it. In this report, we have tried to set out the objective of growing sustainable jobs around tourism, food and drink production, and education and training. And we have covered the most critical barriers to our growth and what needs to be done to remove them. This final section is about sharing that vision.

As in a business, if we are to achieve our potential, we have to have a joined-up approach from all of us. For example, at Council level it is important that as much public agency money as possible is spent on local firms, rather than on those from outside Argyll. It is crucial that planning and other regulatory services are open for business and support economic growth. It is important that heads of schools understand that their contribution is not just to educate our children so that they can go away to university, but that they have a key role in helping the young to understand the opportunities here. And it is essential that all of us who live in and love Argyll support that growth.

To give just one example, we found – and surveys have found – that many people in Argyll think that there is no career future in tourism jobs, despite it being our largest and fastest growing industry, and, worse, tell their children that. Any Swiss, Austrian or Italian person would find that incredible. For example, at Portavadie, there are now 85 full-time employees, of whom 12 are departmental managers. Portavadie is also now hosting an Executive Certificate in Rural Tourism Management in conjunction with AITC. With the existing and potential growth in tourism there will be many ways for careers to progress. The aquaculture sector already has high quality, well paid jobs, as clearly do the Further and Higher Education sectors.

Finally, we need strong and consistent positive support from all our leaders – business people, MSPs, Councillors, agency leaders, newspaper editors, journalists and others. To make this happen, to reverse our historic population decline, there has to be a positive will from all of us to make it happen. And if there is? Then I don't have the slightest doubt we can succeed, and see the rising population, the growth in the number of working families, and the increased prosperity we all want.

Nicholas Ferguson, CBE
Kilfinan, Argyll
February 2016

PHOTO CREDITS

Photography was kindly supplied by Argyll and Bute Council, Digital Scotland, Forestry Commission Scotland, Raymond Hosie Photography, Richard Hunt-Smith (Bowfest 2014 Loch Fyne Food Fair) , Scottish Association of Marine Sciences, Argyll and the Isles Tourism Cooperative Ltd (AITC), MacLeod Construction Ltd, UHI Argyll College, the Highlands and Islands Enterprise/HIE (with thanks to Stuart Nimmo/HIE Dunoon, Tim Winterburn/People Digital and Gary Doak Photography/Lochfyne Oysters), Calmac and Visit Scotland.

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

**ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION (EDST)
UPDATE AND STRATEGIC PRIORITIES**

1.0 EXECUTIVE SUMMARY

1.1 The Economic Development and Strategic Transportation (EDST) Service of the council has been working with a wide range of partners to take forward a range of strategic and area specific priorities that have delivered a number of key outcomes.

1.1.1 The report provides an overview of the strategic and local content the service is working that includes detailing the priorities of our partners. The report then gives an update of the restructuring of the EDST service and seeks comments on the headline strategic and area priorities of the team.

1.1.2 Finally the report draws attention to the emerging Argyll, Lomond and the Islands Rural Regeneration Initiative that will be used to inform discussions with the UK and Scottish Governments on ways they could possibly assist in addressing our unique economic issues facing our region and unlocking the full potential of the Argyll and Bute economy.

1.2 RECOMMENDATIONS

That members note the content of the report and provide comments on the identified headline strategic and area priorities of the EDST Service.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 APRIL 2016

**ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION (EDST)
UPDATE AND STRATEGIC PRIORITIES**

2.0 INTRODUCTION

2.1 The purpose of this report is fourfold. It sets out and reaffirms the strategic context within which the EDST service operates; it provides the Environment, Development and Infrastructure Committee (EDI) with the latest position on the restructure of the Economic Development and Strategic Transportation Service (EDST); it seeks comments on the identified headline strategic and area priorities of the EDST Service developed to best deliver the council's main priority to achieve economic growth through a growing Argyll and Bute population. Finally the report draws attention to the emerging Rural Funding Initiative that will be used to inform the UK and Scottish Governments on ways they could possibly assist in addressing our unique economic issues facing our region and unlocking the full potential of the Argyll and Bute economy for the benefit of our residents.

3.0 RECOMMENDATIONS

3.1 That members note the content of the report and provide comments on the identified headline strategic and area priorities of the EDST Service

4.0 BACKGROUND

4.1 The EDST service remains focused in the delivery of the key outcomes pertinent to the economy that have been identified in the Single Outcome agreement (SOA) and its emerging delivery plans that has at its top priority "Argyll and Bute's Economic Success is built on a Growing population". In June of 2015 the Council committed to the restructure of the EDST Service that added additional capacity to the EDST Service to enable more work to be undertaken with partners, identify economic opportunities and attract additional external funding

into the area together with facilitating the work of the Argyll and Bute Economic Forum.

- 4.2 Over the last financial year the EDST service has secured a significant level of external funding from a range of sources including Europe, HLF, Historic Environment Scotland, HIE etc. and also completed a range of capital projects in places such as Helensburgh, Campbeltown, Rothesay, Dunoon and Oban. The service has also been focused on gathering the necessary evidence to support the service priorities and also demonstrate the need for continued investment to unlock the full potential of the Argyll and Bute economy. A number of reports have been commissioned and completed and the work of the Economic Forum has also been facilitated by EDST. A key aspect of this work was to reaffirm the compelling areas of opportunity and also to gain a better understanding of the specific economic needs of the different geographical areas.
- 4.3 The rationale for what is delivered, both as a Council service and in partnership with other agencies, is clear. We need a strong, shared vision and a plan that will deliver transformational change, make a real difference to Argyll and Bute's economy and bring a series of improvements to our communities.
- 4.4 The Economic Development Action Plan states that a planned and selective approach to intervention which can meet the identified economic challenges of the area. It is an approach to driving economic and employment growth that seeks to take forward the following priorities:
- Is focused around private sector led employment growth;
 - Promotes and builds on the compelling strengths of Argyll and Bute and seeks to improve our competitiveness taking full advantage of our natural and cultural assets;
 - Seeks to address the headline evidenced economic issues and barriers to economic and population growth; and
 - Takes guidance from current Government policy, alongside lessons learned and best practice from other areas.

5.0 STRATEGIC CONTEXT

- 5.1 The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which private businesses, the third sector and the public sector work collectively and in collaboration to create better conditions for economic growth and employment generation.
- 5.2 At the national level the activities of the EDST Service and its partners reflect the priorities of the Scottish Government Economic Strategy and a number of other relevant strategies including Scotland's Regeneration Strategy that focuses on

tackling deprivation, low education attainment, and improving the environment, and the Council's Single Outcome Agreement.

- 5.3 At a local level the EDST service work with a range of local partners with the following priorities identified in Appendix A of this report.
- 5.4 The EDST Service continues to implement the actions identified in the current Single Outcome Agreement (SOA) and its emerging delivery plans with specific reference to Outcomes 1, 2 and 3. These outcomes are followed through in both the Strategic Economic Development Action Plan (EDAP) and the four Area Economic Development Action Plans that are subject to continued review given the rapidly changing situation facing the local economy that is in itself subject to a wide range of external influences.

6.0 CURRENT STATUS OF THE ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION SERVICE

- 6.1 The staff complement within the Council's EDST Service is currently 73 with a significant number of these posts paid through external funders such as HLF and LEADER. This number is subject to fluctuation depending on the success of securing external funding. The remit of the service includes the delivery of capital projects, area regeneration including heritage led projects, European and external funding, social enterprise support, strategic transport activity including the operation of council owned airports, business support and economic growth activities focusing on key economic sectors, Business Gateway activities, community empowerment, employability and skills development, infrastructure development including digital and promotion and marketing. EDST staff also represents the council on a range of external bodies and partnerships to highlight the issues and economic opportunities facing our region.
- 6.2 In June 2015 the council approved the restructuring of the EDST service that saw the addition of seven additional posts and one upgraded post. Please see the attached staffing structure (Appendix B). The majority of these posts have now been recruited.
- 6.3 The three economic growth officer (one senior and 2 officer level posts) posts now in place under the Economic Growth manager Ishabel Bremner. These posts are focusing on improving the linkage with skills for work and the education of our young people together with supporting the growth of our main sectors including tourism and food and drink sectors. A key part of their roles will be to support and coordinate activity with a range of partner organisations, raising the profile of our key sectors such as tourism and food and drink through the organisation of events and attendance of trade shows, help identify opportunities for growth and address specific barriers to sector growth working with other officers of the council, the private industry and other community planning

partners. The new officers will also be responsible for taking forward key aspects of the strategic and area based EDAPS and creating specific outcome targets for each of our key sectors. Ishabel Bremner is the line manager for these posts and her title has changed to Economic Growth Manager. This team has also changed through additional recruitment for the European team with an additional 5 posts funded through European funding and the reduction of employability to 6 posts from 12 following a separate council decision to downsize the team for the forthcoming financial year.

- 6.4 The Promotions and Marketing post was filled in January and work has been progressing on the preparation of a marketing plan, subject to a separate report on the EDI agenda, and building relationships with a range of key partners to improve Argyll and Bute's image as a place to live, invest, work and visit. The Promotions and Marketing post reports directly to the Head of Service for EDST. The marketing plan contains the main tasks to be taken forward by the Promotions and Marketing post and this will be subject to a separate approval process. Key tasks as currently envisaged will be to create a better digital presence including better use of social media, developing a more recognizable brand for Argyll and Bute as a region and identifying positive case studies of successful local businesses and individuals living in Argyll. There is also a dedicated promotions and marketing budget that will enable the implementation of the marketing plan working in partnership with other key stakeholders such as AITC, Cal Mac, HIE and the private sector.
- 6.5 The Strategic Transportation and Infrastructure section reporting to Moya Ingram the Strategic Transportation and Infrastructure Manager had an additional two posts with the Digital Liaison post now filled to assist with the delivery of digital connectivity including mobile and broadband and encouraging local businesses to make best use of the new technology to expand their businesses and reach a wider market. There has been a delay in appointing the Strategic Transportation Policy Officer as we have been unable to fill the post. The post which will ultimately focus on the delivery of the Strategic Infrastructure Plan is currently back out to advert with a likely start date in May.
- 6.6 The Transformation Projects and Regeneration Section reporting to Audrey Martin has appointed an additional Senior Development Officer to take forward future area regeneration activity focusing on an East and a West team. This post will serve the needs of the West team that will cover Helensburgh and Lomond and Bute and Cowal with an existing Senior Development Officer post supervising the East team that covers MAKI and Lorn. The upgraded post has been temporarily filled and will be permanently filled following the recruitment of staff to take forward the Hermitage Park project that is now fully funded through HLF and a range of other funders. A further report will be produced for Members on taking forward the concept of TEAMTOWNS concept where EDST officers work with other council officers, community planning partners staff members and members of the local community. A paper on the detail of TEAMTOWNS

concept will be brought to members in due course. An early example of this is the Alliance for Bute that aims to take forward specific projects for the island. In addition, following the award of stage 1 funding an additional staff member will also be recruited to take forward the stage 2 bid for the Rothesay TH subject to member approval at Council in May.

- 6.7 The EDST Service also has a Capital Projects Team currently managed by Helen Ford. This team was unchanged by the restructure approval however the membership of this team changes depending on projects that are being delivered. See Appendix B for latest position.

7.0 EDST STRATEGIC AND ECONOMIC PRIORITIES 2016/17

7.1 STRATEGIC ECONOMIC PRIORITIES

- 7.1.1 The main drivers for strategic economic priorities are through the key outcomes of the Single Outcome Agreement (SOA) that are relevant to the growth of the economy and its delivery plans that have recently been revised, the strategic Economic Development Action Plan (EDAP), the main findings of the Compelling Argyll and Bute and its Administrative Areas study and account will be taken of elements pertinent to the council of the newly released Economic Forum Report authored by Nick Ferguson CBE as chair of the Forum.

- 7.1.2 The main areas of focus concern the rebalancing of the economy from public to the private sector including further diversification of the economy in our key sectors including tourism, defense industries, marine sciences, renewables and food and drink together with the creation of additional higher value jobs. To do this there is a need to:-

- create a business environment that allows for greater ambition in the private sector;
- create more entrepreneurs to come forward particularly in the younger age groups;
- address barriers to growth that include improving our region's connectivity including:
 - transport, digital, grid, bringing forward new business land, improving skills for work; improving our further education offer;
 - improving our built and natural environment;
 - bringing forward affordable housing in areas where there is potential for additional growth.

EDST will also be looking to:-

- maximize external funding to help address these barriers,
- support business growth; and

- address critical infrastructure issues.

As part of this it is intended to come forward with a request for UK and Scottish Government funding as part of a rural deal that seeks to support and compliment the council's programme of capital investment that is being rolled out throughout Argyll and Bute. Another area of focus will be to improve our image as a place to live, invest, visit and work. This will be done through a new marketing plan and re branding exercise that seeks to draw attention to the many economic opportunities our region has to offer including a huge variety of high quality events and festivals.

7.2 LOCAL ECONOMIC PRIORITIES

HELENSBURGH AND LOMOND

- 7.2.1 In Helensburgh and Lomond the benefits of the Council's investment is beginning to show clear dividends with increased demand to fill empty commercial space in the town centre, considerable interest by the private sector house builders in building hundreds of new houses on brownfield and greenfield sites together with significant events such as Hinterland at St Peters. EDST is now looking to continue public investment in Helensburgh by taking forward the Helensburgh Waterfront and the Hermitage Park projects. Other projects to be taken forward are the creation of a new park and ride area on the site of the former gasometer that has secured SPT funding, the completion of the submarine museum, the completion of St Peters, Cardross as a key cultural and tourist destination, investment in Hill House as an attraction of international significance, unlocking Helensburgh's potential as a centre of innovation and the completion of the Dumbarton to Helensburgh cycle way where funding permits that links to the John Muir Way, the Three Lochs Way and the Argyll Paddle Trail.
- 7.2.2 Another critical project for the future of the area is the establishment of HMNB on the Clyde as the UK centre for submarine specialisation. This multi-billion pound investment has the potential to bring a considerable number of new jobs and residents to the area and EDST will be working with other council services to maximise benefits for Helensburgh and the wider Lomond area.
- 7.2.3 EDST is boosting its place making activity in the Helensburgh and Lomond area and is looking to work with partners such as the Loch Lomond and Trossachs National Park and Scottish Enterprise to bring forward investment in the Loch Lomond villages and at other rural locations. In addition, there is also a need to assist the growth and diversification of the Rosneath Peninsula economy building on the success of the Cove Park Development and looking to further diversify the economy and improve the area's connectivity.

BUTE AND COWAL

- 7.2.4 Despite a number of successful business expansions such as Portavadie and Cairndow and recent capital investments in the area through the likes of Rothesay THI, Dunoon Pier and Mount Stuart Estate there is a need for continued intervention in the Bute and Cowal economy. EDST will be looking to complete the CHORD projects identified for the Pavillion on Bute and the Queens Hall Dunoon. The recent announcement of a stage 1 pass for a second Rothesay TH is a welcome boost for Bute and this will complement the work of the Bute Alliance for Action. EDST will also be exploring ways to work with the Loch Lomond and Trossachs National Park to improve economic benefits from the park to the Cowal area.
- 7.2.5 Options will be explored on taking forward phase 2 of the Dunoon Pier and a possible CARs bid for Dunoon Town Centre. EDST will also continue to assist SURF in expanding the Alliance for Action concept to Dunoon and assist where possible with the further development of Sandbank Industrial Estate, Ardyne as a Centre of Excellence for Aquaculture and Castle Toward for mixed business and residential use.
- 7.2.6 EDST will also assist local communities to take forward community led development in rural areas of Bute and Cowal particularly where it seeks to boost levels of population and add to economic activity. Connectivity to the Central Belt will be a key issue for the area including the possibility of fixed links and improved ferry services. EDST will also be working with HIE to improve the marketing of the Sandbank Industrial Estate.

MID ARGYLL, KINTYRE AND ISLAY

- 7.2.7 The completion of CHORD projects in Campbeltown combined with a range of private sector investments and now community led regeneration projects has made a significant boost to the economy of the Kintyre Peninsular. That said, challenges always remain such as the future of the Dairy Industry in Kintyre (and also Bute) so the need to add to and continue to diversify the local economy is constant. EDST will look to continue this process including working on the bid for the UK Spaceport at Machrihanish, a potentially transformational project, and further investment in renewables, tourism and the aquaculture sectors.
- 7.2.8 Place making will also continue in Campbeltown through CARS 2 and Inveraray CARs that should see considerable activity take place in 2016 complementing the continued expansion of the village through the addition of commercial activity and affordable housing working with Argyll Estates. EDST will also take forward the Lochgilphead and Tarbert Regeneration Project that will be examined in closer detail in further reports that will be presented to members in due course and support the stage 2 funding bids for the expansion of Kilmartin Museum. In addition, the expansion of Kilmory Industrial Estate will be pursued working with

the private sector and HIE and the option for Enterprise Zone status for the MACC base at Machrihanish.

- 7.2.9 EDST will also look to further diversify and grow the island economies of Islay, Colonsay, Gigha and Jura with considerable private sector interest in improving tourism infrastructure, expanding the whisky industry, renewables including tidal and expanding aquaculture sector.

OBAN LORN AND THE ISLES

- 7.2.10 Work continues on the completion of the Oban CHORD projects with completion of phase 2 public realm works before the start of the summer. EDST will continue to implement the final project associated with CHORD on the North Pier to include a new berthing and step ashore/ maritime reception facility that is due to be opened in 2017. In addition EDST will be taking forward the Lorn Arc investments with projects identified at North Pier, Oban South, Oban Airport and the Dunbeg Corridor. Another key project will be assisting the development of Oban as a University Town building on the success of SAMs and an expanding Argyll College. As in other parts of Argyll the need to grow and diversify the economy in Lorn is paramount and as such EDST will be assisting a range of industry sectors to bring forward investments such as new tourist and industrial facilities together with supporting the potential longer term expansion of Cruachan that could prove a significant development for the wider Lorn area over the next decade.

- 7.2.11 EDST will also be working to assist the economic growth of our island communities in Lorn. With the introduction of RET for Mull, Iona and Lismore this could bring a significant economic boost that has the potential to stimulate business growth. A particular area of focus in 2016 will be Tiree that has experienced a significant loss in population over the last decade. EDST is assisting with economic studies and a charrette for Tiree that is intended to identify the key priorities that need to be worked on to address the reasons why the population is in decline.

7.3 Argyll, Lomond and the Islands Rural Regeneration Initiative

- 7.3.1 The Council announced as part of the budget process a number of new funds to assist in the future economic growth of Argyll and Bute and help address our population challenges. The criteria for these funds are currently being developed and will be subject to Member discussion and approval.

8.0 CONCLUSION

8.1 This report sets out and reaffirms the strategic context within which the EDST service operates. It provides the Environment, Development and Infrastructure Committee (EDI) with the latest position on the restructure of the Economic Development and Strategic Transportation Service (EDST) and seeks comments on the identified headline strategic and area priorities of the EDST Service developed to best deliver the council's main priority to achieve economic growth through a growing Argyll and Bute population. The report also draws attention to the emerging Argyll, Lomond and the Islands Rural Regeneration Initiative that is being taken forward by the council.

9.0 IMPLICATIONS

- | | | |
|-----|-------------------|--|
| 9.1 | Policy | The EDST service operates within the policy framework of the council. |
| 9.2 | Financial | None directly arising from this report. |
| 9.3 | Legal | None at this time. |
| 9.4 | HR | Recruitment is in line with council approvals and job evaluation processes. |
| 9.5 | Equalities | None at this time. |
| 9.6 | Risk | The EDST service is working to address one of the main risks facing the council which is the need to address economic growth through a growing population. |
| 9.7 | Customer Services | None at this time. |

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead Aileen Morton

14 March 2016

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Appendix A – Priorities
Appendix B – Structure Chart

APPENDIX A

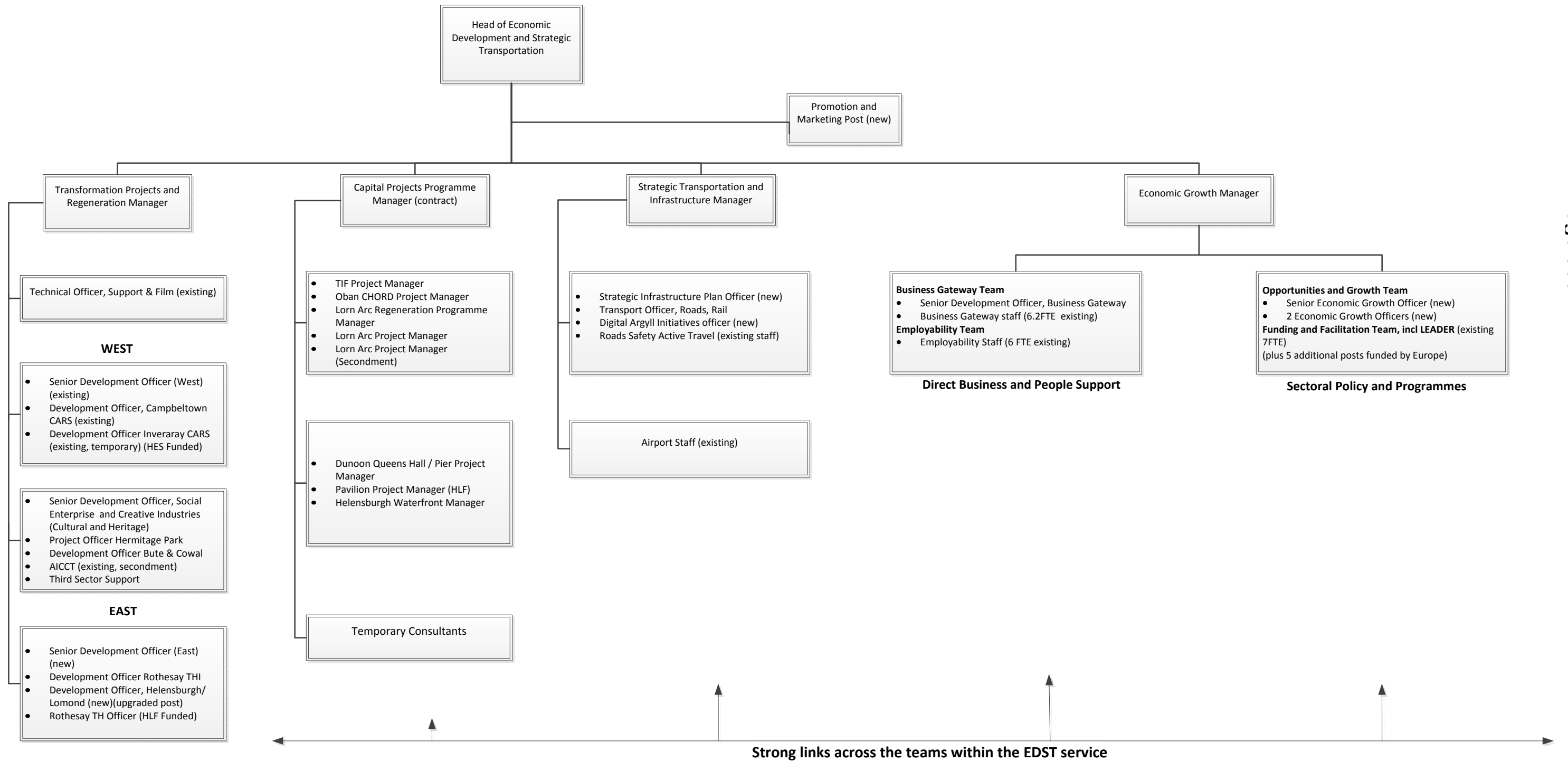
LEAD AUTHORITY	REMIT	PRIORITIES
Argyll and Bute Council	The Council is the lead authority for the delivery of local economic development. The Council provides a range of interventions designed to support our business base; to stimulate inward investment and attract external funding; to make our area more attractive for visitors and our residents to live in; and to ensure that local people have the right skills and training to access job opportunities that are created.	<ul style="list-style-type: none"> • Infrastructure improvement; • Improved connectivity • Employability; • Business support; • Attracting inward investment; and • Area regeneration and capital investment
Business Gateway	Business Gateway is a Council service, operated by council staff to provide support and guidance to new and existing businesses to enable them to grow and prosper.	<ul style="list-style-type: none"> • Support to existing businesses and new start-ups focusing on smaller growth companies.
Scottish Enterprise	Covering the majority of the Helensburgh and Lomond Area focused on delivery at a national level through its business plan	<ul style="list-style-type: none"> • Creative industries; • Renewables; • Life sciences; • Defense Industries • Food and drink; • Tourism; and • Finance. <ul style="list-style-type: none"> • The provision of a range of business products including financial support, advice and guidance to companies with

		significant growth potential and an anticipated increase in turnover over three years of £1m.
Highland and Islands Enterprise	HIE covers the parts of Argyll and Bute not covered by SE with a focus on supporting larger growth companies but also having a social remit to support local communities.	Supporting high growth sectors and larger companies with potential for substantial growth. Assisting fragile communities and land reform
Skills Development Scotland	Skills Development Scotland was established by the Scottish Government to deliver the aspirations it set out in its Opportunities for All Strategy; specifically targeting those 16 to 19 year olds not in employment, education or training.	The delivery of National Training Programmes through contractual arrangements with regional and sub-regional organisations: <ul style="list-style-type: none"> • Modern Apprenticeships; • Get Ready for Work; • Training for Work; and • Lifeskills.
Scottish Development International	A joint venture between the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise, Scottish Development International is a national agency remitted to promote Scotland to potential investors and to export markets.	<ul style="list-style-type: none"> • Improved skills and qualifications for unemployed and employed individuals to ensure they move closer to the labour.
Argyll College/UHI/West of Scotland College	A key priority of the Scottish Government Argyll currently lacks a significant university presence in the region; looking to develop Oban	<ul style="list-style-type: none"> • Improved skills and qualifications for unemployed and employed individuals to ensure they move closer to the labour

	as a university town in response.	market and help sustain future employment.
Argyll and Bute Economic Forum	A private lead partnership with the public sector that provides strategic direction to support the growth of the Argyll and Bute economy.	<ul style="list-style-type: none"> • Tourism • Food and Drink including aquaculture • Skills for work • Area regeneration • Digital Connectivity • Transport connectivity
The Third Sector	Argyll has a wide range of third sector operators involved in a variety of economic related activities.	<ul style="list-style-type: none"> • Empowering local communities to address local economic; and social issues; supporting the growth of social enterprises.
Chamber of Commerce and BIDS groups	A number of private sector membership bodies that represent specific geographical areas of Argyll and Bute.	<ul style="list-style-type: none"> • Networking; • Lobbying; and • Sharing of best practice
Argyll and Bute Islands Taskforce	A Council Forum that represents the interests of Argyll's island communities and the issues they face.	<ul style="list-style-type: none"> • Networking; • Lobbying; and • Sharing of best practice

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APPENDIX B
EDST Structure Chart



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ARGYLL AND BUTE COUNCIL

Environment, Development & Infrastructure
CommitteeDEVELOPMENT AND
INFRASTRUCTURE SERVICES7th April 2016**Enhanced Employability Pipeline Strategic Intervention – European Social Fund****1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this paper is to provide the Environment, Development & Infrastructure (EDI) Committee with an overview of the proposed Enhanced Employability Pipeline strategic intervention application to the European Social Fund (ESF), 2014 to 2020. Argyll and Bute Council has an indicative allocation of £3.66 million of ESF monies from the Scottish Government to develop and deliver a managed Enhanced Employability Pipeline. In order to access this money, the Council will be required to identify £3.66 million of match funding (from internal and external sources) giving a total budget of £7.32 million for the pipeline delivery.
- 1.2 The pipeline is quite distinct from the Department for Work and Pension's business model for initiatives such as the Work Programme. As the pipeline is a new approach for Argyll and Bute and to minimise the financial risk to Argyll and Bute Council, the Scottish Government has agreed that we can deliver over the first three stages of the pipeline only for an initial two-year period i.e. to the end of March 2018 when there will be a mid-term review of the European Social Fund pipeline activity. Thus we are anticipating a total budget (including match funding of just under £1.5 million) of just under £3.0 million.
- 1.3 This match funding (including a 40% flat rate¹) of £1,499,699 is broken down as follows and detailed in **Table A** in the paper:
- **£142,884** of staffing costs required from Economic Development & Strategic Transportation (EDST) Service. At present £61,602 of the General Reserves money secured to support the contractual obligations of the Employability Team over the financial years 2016/17 and 2017/18 can be considered as matched funding for the pipeline. However, £81,282 of match funding is still required. £35,000 of this can come from discretionary EDST funding that would otherwise have been spent on other activities. The remaining £46,282 (the total required for two years i.e. £23,141 per annum) may be able to be paid from the General Reserves funding approved by the Council, given that Employability Team redundancy costs are expected to be lower than anticipated. However, this is not certain at this time;
 - **£78,222** will be match funded by Adult Learning and Literacy enabling that service to lever in an additional £78,222 to support ESF pipeline activity and delivery; and
 - **£1,278,593** of match will come from partners who can bring their match as part of a competitive procurement process to delivery specific pipeline activity.

¹ Flat rate: costs incurred by Argyll and Bute Council for in-house delivery and project management only and comprises actual salary costs plus 40% to cover additional costs such as travel.

In short, if £46,282 of additional match funding can be secured by Argyll and Bute Council this would result in a total investment of just under £3 million for Argyll and Bute by the end of March 2018.

- 1.4 Subject to the outcome of the mid-term review and the availability of match funding, there will be an option for Argyll and Bute Council to continue to host the delivery of the pipeline until the end of the financial year 2019/20.
- 1.5 Given the current and future changes in the national employability policy landscape, such as a significant 42% reduction in the Employability Fund places (pre-employment training where the delivery is managed by Skills Development Scotland) across Argyll and Bute for 2016/17, coupled with uncertainty over the Welfare to Work framework to be delivered in Scotland from 1st April 2018 (after the initial one year transition period from 1st April 2017 as announced by the Scottish Government on 22nd March 2016) activity that can be funded through Europe can significantly enhance the offer to vulnerable residents.
- 1.6 This strategic intervention will deliver support to participants deemed to be furthest removed from the labour market, with multiple barriers to employment. It is intended to offer a wide array of support mechanisms (internal and external to Argyll and Bute Council) throughout a participant's journey to sustainable employment by providing a range of measures supporting individuals through the delivery stages one to three of the pipeline over an initial two-year period..
- 1.7 It is proposed that the Argyll and Bute Enhanced Employability Pipeline will be managed by Argyll and Bute Council. However, if members decide not to host this pipeline activity the indicative allocation for the area of £3.66 million (we propose to utilise £1.5 million of this funding up to end of March 2018) will go back into a central pot and be redistributed to local authorities that intend to participate.
- 1.8 This report will provide a detailed review of pipeline activity until the end of 2017/18 with regard to:
 - beneficiary eligibility and anticipated number of participants;
 - pipeline stages (e.g. stages one to three at present);
 - drawdown of ESF grant funding from the Scottish Government;
 - staffing requirements;
 - match funding; and
 - proposed targets.
- 1.9 The recommendations for EDI Committee members are as follows:
 - To note the content of this report.
 - To review the detailed approach for the Argyll and Bute Enhanced Employability Pipeline and provide comments as appropriate.
 - To provide a decision on the two options presented in section 6 of this paper. If the second option is preferred, in order to lever in an initial total investment of circa £3 million to the area, a non-legally binding stage one application (Strategic Intervention) will be submitted to the Scottish Government. A second stage application (Operation Application) will need to provide the detail on pipeline delivery and associated match funding. A report will be submitted Policy and Resources Committee in May 2016 seeking approval of the match funding required from Argyll and Bute Council and the submission of the Operation Application (which will have legal implications) by end of June 2016 deadline.

Enhanced Employability Pipeline Strategic Intervention – European Social Fund

2. INTRODUCTION

- 2.1 The purpose of this paper is to provide the Environment, Development and Infrastructure Committee with an overview of the proposed Enhanced Employability Pipeline strategic intervention application to the European Social Fund (ESF), 2014 to 2020.
- 2.2 Argyll and Bute Council has an indicative allocation of £3.66 million of ESF monies from the Scottish Government, when matched at 50%, represents a total budget of £7.32 million for pipeline delivery. However, at this time, the Council has identified £1.5 million of match funding giving a total budget of £3.0 million.
- 2.3 The pipeline is distinct from the Department for Work and Pension's business model for initiatives such as the Work Programme. Some of the money secured to support the contractual obligations of the Employability Team over the financial years 2016/17 and 2017/18 can be considered as matched funding for the pipeline thereby leveraging additional external funding.
- 2.4 Given the current and future changes in the national employability policy landscape, such as a significant 42% reduction in the Employability Fund places (pre-employment training where the delivery is managed by Skills Development Scotland) across Argyll and Bute for 2016/17, coupled with uncertainty over the Welfare to Work framework to be delivered in Scotland from 1st April 2018 (after the initial one year transition period from 1st April 2017 as announced by the Scottish Government on 22nd March 2016) activity that can be funded through Europe can significantly enhance the offer to vulnerable residents.
- 2.5 This report will provide a detailed review of pipeline activity until the end of 2017/18 with regard to:
- beneficiary eligibility and anticipated number of participants;
 - pipeline stages (e.g. stages one to three at present);
 - drawdown of ESF grant funding from the Scottish Government;
 - staffing requirements;
 - match funding; and
 - proposed targets.

3.0 RECOMMENDATIONS

- 3.1 The recommendations for EDI Committee members are as follows:
- To note the content of this report.
 - To review the detailed approach for the Argyll and Bute Enhanced Employability Pipeline and provide comments as appropriate.
 - To provide a decision on the two options presented in section 6 of this paper. If the second option is preferred, in order to lever in an initial total investment of circa £3 million to the area, a non-legally binding stage one application (Strategic Intervention) will be submitted to the Scottish Government. A second stage application (Operation Application) will need to provide the detail on pipeline delivery and associated match funding. A report will be submitted Policy and Resources Committee in May 2016 seeking approval of the match funding required from Argyll and Bute Council and the submission of the Operation Application (which will have legal implications) by end of June 2016 deadline.

4.0 BACKGROUND

- 4.1 The Scottish Government is responsible for the overall delivery of the 2014-2020 ESF programme within Scotland. As part of this, each Local Authority has been allocated an indicative sum of ESF funding to develop and deliver an Enhanced Employability Pipeline.
- 4.2 The pipeline must target vulnerable individuals across Argyll and Bute with multiple barriers including long term unemployed, lone parents, people with disabilities, young people, older people and ethnic minority groups.
- 4.3 This pipeline can also address those in receipt of in-work benefits by supporting those with low skills and on low wages to upskill, to enable them to improve their career prospects.
- 4.4 Argyll and Bute Council has an indicative allocation of £3.66 million of ESF monies from the Scottish Government, when matched at 50%, represents a total budget of £7.32 million for pipeline delivery. However, at this time, the Council has identified £1.5 million of match funding giving a total budget of £3.0 million for delivery of the first three stages of the pipeline only for an initial two-year period.
- 4.5 As the pipeline is a new approach for Argyll and Bute and to minimise the financial risk to Argyll and Bute Council, the Scottish Government has agreed that we can deliver pipeline stages one to three for an initial two years i.e. to the end of March 2018 when there will be a mid-term review of the ESF pipeline activity. This equates to a total budget of just under £3.0 million. Subject to the outcome of the mid-term review and the availability of further match funding, there will be an option for Argyll and Bute Council to continue to host the delivery of the pipeline until the end of the financial year 2019/20.
- 4.6 In order to access this money for two years in the first instance, the Council will be required to identify circa £1.5 million of match funding (from internal and external sources, see **Table A**) giving a total budget of just under £3.0 million for pipeline delivery. It is proposed that some of the money secured to support the contractual obligations of the Employability Team over the financial years 2016/17 and 2017/18 will be used as matched funding for the pipeline.

5.0 DETAILS

Eligibility

- 5.1 Eligibility requirements have been formulated by the Scottish Government based on the European Directorate's interpretation of the relevant European regulations. Participants have to be able to demonstrate that they have multiple employability barriers as detailed in ESF beneficiary guidance: <http://www.gov.scot/Resource/0048/00487276.pdf>.
- 5.2 The anticipated number of participants on the ESF pipeline (where a participant may access more than one intervention within the first three stages of the pipeline thus optimising the impact of that support) until the end of 2017/18 is just under 540 based on detailed analysis of JobCentre Plus claimants, economic inactivity levels, recipients of other benefits, evidence on customer volumes from other local authorities who have previously delivered pipeline activity and the Scottish Government's anticipated cost per participant ranging between £2,000 and £6,000; depending on the intensity of support required under each particular stage of the pipeline and individual needs. This is detailed in **Table B** below.

Pipeline Stages

- 5.3 The pipeline stages have been defined by the Scottish Government:

- Stage 1: Referral Engagement Activity;
- Stage 2: Barrier Removal;
- Stage 3: Vocational Activity;
- Stage 4: Employers Support, Engagement and Job Matching; and
- Stage 5: In-work Support/Aftercare and Skills Development.

As detailed above, this strategic intervention will focus on stages one to three. This is outlined in more detail by anticipated participants in **Table B** below.

- 5.4 Participants will be referred through a variety of organisations. Early discussions have raised the possibility of referrals coming from the following partner organisations: Jobcentre Plus (JCP). Skills Development Scotland (SDS), the National Health Service (NHS) and local third sector organisations.
- 5.5 After joining the pipeline, participants will be assessed and can either progress through the pipeline stages two or three.

Drawdown of ESF Grant from the Scottish Government

- 5.6 ESF funding will be drawn down using a combination of methods:

- Flat rate: this can be claimed for costs incurred by Argyll and Bute Council for in-house delivery and project management only and comprises actual salary costs plus 40% to cover additional costs such as travel. It should be noted that the flat rate payment requires to be paid by the Council irrespective of participants and volumes; and
- Actual costs: these relate to procured costs and grant schemes.

- 5.7 This paper concerns the Council's first stage application (Strategic Intervention). The second stage application (Operation Application) will provide further detail of how delivery will be structured. It should be noted that the first stage application is not legally binding. It is at the 'Operation Application' where we will enter into a formal delivery agreement with the Scottish Government.
- 5.8 From recent discussions with the Scottish Government pipeline contact it is understood that payments will be based on phased activity within pipeline stages. This progressive payment model based on milestones achieved across the pipeline is **not** comparable with the current Department for Work and Pensions (DWP) business models associated with initiatives such as the Work Programme.
- 5.9 Payment points, milestones and outcomes will be uploaded onto the Scottish Government European Union Management Information System (EUMIS). This will trigger payments.
- 5.10 Every approved pipeline is required to collect participant data on a bespoke Management Information System (MIS). The Economic Development Service is currently working with the Council's IT department to develop an appropriate system which could be utilised by other Economic Development projects (e.g. the Hanlon Case Management and Projects System currently used by the majority of other Local Authorities to monitor pipeline activity). Costs that may be incurred by service in order to adopt this system will also need to be clarified, but it is anticipated that this will be covered by the flat rate payment as detailed in paragraph 5.6 above.

Pipeline Staffing Requirements

- 5.11 In order to deliver the pipeline compliantly and to ensure that the monies received are kept within Argyll and Bute and no fines incurred for non-compliance, there is a requirement to create discrete posts. It is recommended that a Pipeline Operations Officer (LGE11, as per internal job evaluation process), two Case Workers and one administrative staff member (yet to be submitted for job evaluation) are required as a minimum. It is important to note that this pipeline activity is distinct from the mandatory DWP welfare to work programmes currently delivered by the Council's Employability Team and the necessary requirement to reduce the current staffing complement. The team required to manage and assist in the compliance operational delivery of pipeline activity must solely work on this pipeline as 50% of the staffing costs will come from ESF.
- 5.12 A description of each of the proposed posts follows:
- **Pipeline Operations Officer:** to manage the Enhanced Employability Pipeline by ensuring efficient and effective delivery in line with the approved Enhanced Employability Pipeline strategic intervention and operations application, taking into account performance triggers, budget and appropriate partnership working. This post will have line management responsibility for the two Case Workers and Administrator. The postholder will establish effective operations management systems, monitoring systems and the bespoke management information system (with input for the Council's IT service).

- **Case Worker:** to provide evidence of eligibility, construct an agreed action plan and refer participants to appropriate pipeline stages and activity. The Case Worker will maintain systems for the storage and dissemination of participant achievement and progression across the pipeline. In addition, they will steer, support and monitor participants through the stages of the pipeline, including employer engagement.
- **Administrator:** to assist the Pipeline Operations Officer and Case Workers by ensuring efficient and effective administration and financial control procedures are provided to support the pipeline's operation and compliance requirements.

In addition to the above, to ensure compliance with European funding requirements a member of the European Team will assist with claims and project monitoring.

- 5.13 For ease of reference a staff organisational summary chart is outlined in **Appendix 1**.

Match Funding

- 5.14 The total allocation of ESF for the Argyll and Bute Enhanced Employability Pipeline is £3.66 million covering the period 2014-2020. However, it has agreed with the Scottish Government that we can deliver over the first three stages of the pipeline only for an initial two-year period i.e. to the end of March 2018 when there will be a mid-term review of the pipeline activity. Match funding (including the required 40% flat rate) up until the end of 2017/18 is outlined in **Table A** below

- 5.15 Match funding (including a 40% flat rate²) of £1,499,699 is broken down as follows and detailed in **Table A** in the paper:

- **£142,884** of staffing costs required from Economic Development & Strategic Transportation (EDST) Service. At present £61,602 of the General Reserves money secured to support the contractual obligations of the Employability Team over the financial years 2016/17 and 2017/18 can be considered as matched funding for the pipeline. However, £81,282 of match funding is still required. £35,000 of this can come from discretionary EDST funding that would otherwise have been spent on other activities. The remaining **£46,282** (the total required for two years i.e. £23,141 per annum) may be able to be paid from the General Reserves funding approved by the Council, given that Employability Team redundancy costs are expected to be lower than anticipated. However, this is not certain at this time;
- **£78,222** will be match funded by Adult Learning and Literacy enabling that service to lever in an additional £78,222 to support ESF pipeline activity and delivery; and
- **£1,278,593** of match will come from partners who can bring their match as part of a competitive procurement process to delivery specific pipeline activity.

- 5.16 In short, if £46,282 of additional match funding can be secured by Argyll and Bute Council this would result in a total investment of just under £3 million for Argyll and Bute by the end of March 2018.

² Flat rate: costs incurred by Argyll and Bute Council for in-house delivery and project management only and comprises actual salary costs plus 40% to cover additional costs such as travel.

- 5.17 For procured activity, clean match funding (not already matched by ESF) has to be identified, such as the national Employability Fund managed by Skills Development Scotland. Therefore delivery agents can use their own match, also detailed in **Table A** (overleaf). Initial expressions of interest have been received by external providers who would wish to be part of the competitive procurement activity for pipeline delivery.
- 5.18 The Scottish Government has advised that for such procurement activity advice should be sought from the Council's own procurement service (there is very limited guidance on this from the Scottish Government). The Council's Procurement Team has already been consulted on this issue and Internal Audit will also be kept informed to ensure the delivery of the necessary compliance requirements and adherence to best practice.

Table A: Indicative Project Delivery Costs and Match Funding Requirements 2016-2018*							
Maximising Delivery of Internal and External Pipeline Activity							
Item £	2016** (2016/17 Q3)	2017 (2016/17 Q4 and 2017/18 Q1-3)	2018 (2017/18 Q4)	Total 2016- 2018	ESF	Council	External
Pipeline Operations Officer 1 x LGE11*** (job evaluation concluded)	20,533	61,607	15,556	97,696	48,848	48,848	
Administrator 1 x LGE7*** (subject to job evaluation)	12,191	36,589	9,239	58,019	29,010	29,010	
Caseworker 2 x LGE8*** (subject to job evaluation)	26,422	82,444	21,186	130,052	65,026	65,026	
Economic Development In-house – Direct Costs (Pipeline Management)	59,146	180,640	45,981	285,767	142,884	142,884	
In-house delivery – Adult Learning and Literacy***	25,866	103,780	26,797	156,443	78,222	78,222	
Total Cost of Procured Activity with Match Funding	212,072	1,905,848	439,265	2,557,185	1,278,593		1,278,593
Total Costs	297,084	2,190,268	512,043	2,999,395	1,499,698	221,105	1,278,593

Notes:

* Activity estimated to cease at the end of March 2018, with an option to continue delivery post 2018 mid-term review (separate paper to go to EDI Committee). It is a European Social Fund requirement that the strategic intervention application has to be presented in calendar years.

** Assumed to commence in October 2016.

*** Includes 40% flat rate plus assumed 1% annual increase. Figures subject to rounding.

Table B: Participants and Activity for Enhanced Employability Pipeline Stages 1, 2 and 3							
		2016 (2016/17 Q3)		2017 (2016/17 Q4 and 2017/18 Q1-3)		2018 (2017/18 Q4)	
Stage 1	Delivery	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops
Receive referral from JCP, SDS, NHS, Self-referral (Total no. of beneficiaries)	In-house	100		350		88	
Eligibility checks conducted to ensure participants have multiple barriers	In-house	100		350		88	
Eligibility checks to ensure participants are eligible for programme	In-house	100		350		88	
Diagnostic tool to ascertain best route way for participants	In-house	100		350		88	
Activity plan devised	In-house	100		350		88	
Refer to appropriate organisation	In-house	100		350		88	
Further appointment made for review to gain feedback and further referral	In-house	100		350		88	

Table B: Participants and Activity for Enhanced Employability Pipeline Stages 1, 2 and 3 (continued)							
		2016 (2016/17 Q3)		2017 (2016/17 Q4 and 2017/18 Q1-3)		2018 (2017/18 Q4)	
Stage 2	Delivery	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops
Financial Advice and support workshops (10 participants per course)	Procured	10	1	140	14	10	1
Steps to excellence workshop (10 participants per course)	Procured	10	1	140	14	10	1
ESOL (10 participants per course)	Procured		0	20	2		0
Confidence building workshop (8 participants per w/s)	Procured	8	1	120	15	8	1
Intensive mentoring activities, including outdoor	Procured	0		12		0	
Intensive job search, digital training ,work preparation (16-25 years)	Procured	10		40		10	
Intensive job search, digital training ,work preparation (25+ years)	Procured	70		240		70	
Branching Out - condition management (disabilities), outdoor activities, practical courses	Procured	10	1	120	12	10	1
		2016 (2016/17 Q3)		2017 (2016/17 Q4 and 2017/18 Q1-3)		2018 (2017/18 Q4)	
Stage 3	Delivery	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops	Training Participants	Courses/ Workshops
Train volunteers to deliver ESOL (from original intake)	Procured	2		2		1	
Work experience (no payment)	Procured	0		16		4	
Short work based testers (1 or 2 days - no payment)	Procured	3		60		15	
Intensive mentoring support, inc. outdoor activities	Procured	0		12		0	
Intensive job search, digital training ,work preparation (16-25 years - on-going from Stage 2)	Procured	5		40		10	
Provide work related eligible qualifications/certificates (e.g. First Aid, H&S, Construction Skills Certification Scheme)	Procured	15		100		25	
Intensive job search, digital training ,work preparation (25+ years - on-going from Stage 2)	Procured	35		240		70	
Provide work related eligible qualifications/certificates (e.g. SCQF Level 3 qualifications)	In-house delivery	10		50			
Sector Based academies e.g. care sector (10 participants per course)	Procured			20	2	10	1

Note: It is a European Social Fund requirement that the strategic intervention application has to be presented in calendar years.

- 5.19 A number of local authority **Stage 1** strategic intervention pipeline applications have been approved. No local authority has yet had approval for a **Stage 2** 'operation' application. The cost per participant ranges between £2,000 and £6,000 depending on a number of factors such as:
- * the cost of delivery in rural versus urban areas;
 - * economies of scale;
 - * the density of target groups; and
 - * proximity and availability of training providers.
- 5.20 It is estimated that the cost per participant for Argyll and Bute pipeline will be nearer £6,000. The Scottish Government has anticipated that the delivery of the pipeline across dispersed remote, rural and island communities, such as Argyll and Bute, will be at the higher end of the cost per participant scale and this is reflected in the ESF indicative award allocation.

Proposed Targets

- 5.21 The programme aims to secure a total of just under 540 participants across stages one to three as outlined in **Table B** above. Subject to the mid-term review and the availability of match funding, activity and targets will be presented for stages 4 and 5 of the pipeline.

Summary

- 5.22 With reference to the scale and intensity of the proposed pipeline stages one to three, Argyll and Bute Council has the opportunity to bring in additional investment to Argyll and Bute as a whole to achieve positive impacts for vulnerable residents. These impacts will be long term for both the participants and the wider community, such as:
- improved wealth and quality of life for participants;
 - breaking cycles of worklessness and deprivation;
 - increased availability of skilled staff;
 - improved health of participants through engagement, health interventions and the positive impact of moving into training;
 - providing a flexible base for activity and future growth, thus strengthening the economy; and
 - improving the overall sustainability across areas, thus ensuring Argyll and Bute is an attractive place to live, work, study and invest, including the reduction of public finances for support through benefits.

6.0 CONCLUSIONS

6.1 The EDI Committee is presented with two options as outlined in **Table C** below.

Table C: Options for Consideration			
	Delivery	Risk	Mitigation of Risk
Option 1	Do nothing	<p>Lose indicative European investment of £1.5 million to Argyll and Bute for Stages 1, 2 and 3 of the Enhanced Employability Pipeline delivery out of a total indicative allocation of £3.66 million.</p> <p>A gap will be left in Argyll and Bute for provision and support to groups of disadvantaged people with multiple barriers.</p>	None.
Option 2 submission of the stage one application (Strategic Intervention) which is effectively an expression of interest and is not legally binding.	Deliver Stages 1 to 3 of the Enhanced Employability Pipeline for a period of two financial years.	<p>No external provider(s) bid for contracts to delivery discrete stages of the pipeline.</p> <p>Winning contractor(s) fails to deliver.</p> <p>Unable to secure appropriate Council match funding</p> <p>Flat rate payments of 40% will be incurred by Argyll and Bute Council irrespective of participants and volumes.</p>	<p>Expressions of interest have already been received from very experienced providers with good track records of delivery, e.g. pipeline activity approach utilised for Employability Fund delivery.</p> <p>Adult Learning and Literacy has identified match funding for delivery staff to provide in-house delivery of additional SCQF Level 3 qualifications. EDST requires an additional <u>£46,282</u> that is subject to Committee approval.</p> <p>If appropriate participant volumes are not achieved for course delivery, there is the option not to run the training.</p>

6.2 This paper outlines the proposed approach to the implementation and delivery of the Argyll and Bute Enhanced Employability Pipeline. It will deliver support to participants deemed to be furthest removed from the labour market and have multiple barriers to employment. It is intended to offer a wide array of support mechanisms throughout a participant's journey to sustainable employment by providing a range of measures supporting individuals through the delivery of stages one to three of the pipeline over an initial two-year period.

6.3 The target beneficiary number of just under 540 is predicated on the ability to fully match fund the pipeline (50% intervention rate) until the end of March 2018, prior to the Scottish Government's mid-term review early in 2018.

7.0 IMPLICATIONS

- 7.1 Policy The strategic intervention fits and contributes to Outcome 3: *Education, skills and training maximises opportunities for all of the Argyll and Bute Community Planning Partnership’s Single Outcome, with a particular focus on the short term outcome 3.2: to ensure education and skills training opportunities are aligned to economic development opportunities both within Argyll and Bute and nationally.* To maximise European funding investment is a key objective within the Argyll and Bute Economic Development Action Plan (EDAP), 2013-2018 and the four area-based EDAPs
- 7.2 Financial Argyll and Bute Council as Lead Partner for this ESF Argyll and Bute Enhanced Employability Pipeline strategic intervention will be responsible for administering the funds compliantly within European rules and regulations. To lever in the proposed £1.5 million of ESF over the next two financial years, £1.5 million is required in match funding from internal and external sources. A shortfall of £46,282 of match funding has been identified. Non-compliance of European funding rules may result in fines.
- 7.3 Legal All legal implications with regard to proposed Argyll and Bute Council actions will be taken into consideration.
- 7.4 HR A total of four additional full-time staff will be required to deliver the Argyll and Bute Enhanced Employability Pipeline strategic intervention.
- 7.5 Equalities The Argyll and Bute Enhanced Employability Pipeline activities will comply with all Equal Opportunities policies and obligations.
- 7.6 Risk Council officers will ensure that Argyll and Bute Council’s risks with regard to this strategic intervention are proportionate and reasonable to its role as a Lead Partner organisation (as detailed in **Table C**), in close liaison with the Council’s Legal Services and Internal Audit.
- 7.7 Customer Services None.

Pippa Milne, Executive Director of Development and Infrastructure

Policy Lead Aileen Morton

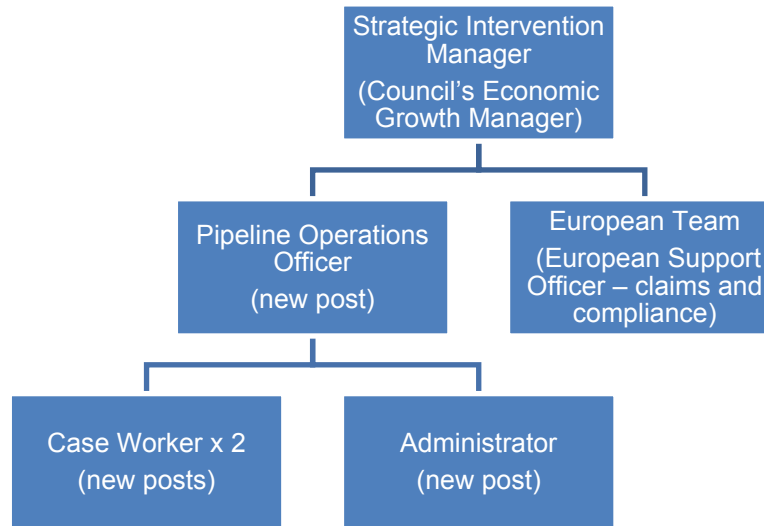
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Appendix 1: Argyll and Bute Enhanced Employability Pipeline Organisational Staffing Chart.



Environment, Development and Infrastructure Committee Work Plan 2016/17

APRIL 2016: This is an outline plan to facilitate forward planning of reports to the EDI Committee.					
7 April 2016	Title	Service		Date Due	
	Development and Infrastructure Services Performance Report FQ3	Directorate	Quarterly	15 March 2016	
	Roads Asset Management	Roads and Amenity		15 March 2016	
	Procedure for Road Safety Inspections and Defect Categorisation	Roads & Amenity Services			
	Northern Roads Collaboration	Roads & Amenity Services		15 March 2016	Email from J Smith
	Delisting of Road at Kilbowie	Roads & Amenity Services		15 March 2016	
	Waste Management – Waste Strategy	Roads & Amenity Services		15 March 2016	Moved from 14 January Agenda
	Flood Risk Management – Local Flood Risk Management Plan	Roads & Amenity Services		15 March 2016	
	Sustrans Community Links Funding Bids 2016/17	Roads & Amenity Services		15 March 2016	
	Business Gateway Local Growth Accelerator – ERDF Application	Kate Fraser		15 March 2016	
	Tiree, Rothesay and Crinan Canal Charrette Update	Lorna Pearce		15 March 2016	
	Strategic Infrastructure Plan (SIP) Update	Economic Development		15 March 2016	
	Marketing Argyll and Bute	Economic Development		15 March 2016	
	Economic Forum Report	Economic Development		15 March 2016	

Environment, Development and Infrastructure Committee Work Plan 2016/17

	Economic Development and Strategic Transportation Update and Strategic Priorities	Economic Development		15 March 2016	
	Enhanced Employability Pipeline Strategic Intervention – European Social Fund	Economic Development		15 March 2016	
11 August 2016					
	Development and Infrastructure Services Performance Report FQ4				
	Bereavement Services – Suite of Policy Documents	Roads and Amenity			Noted at meeting on 13 April 2015 that a Policy would be brought forward early 2016 in response to concerns over fallen headstones raised by the MAKI Area Cttee Taken off pre-agenda for 7 April and moved to next meeting
Future Items					
	Renewable Energy Action Plan	Economic Development & Strategic Transportation	First quarter of 2016		REAP requires to be refreshed this year.
	CARS Update /C 'town and Dunoon	Economic Development			Agreed an update would come to a future EDI
	Invasive Weeds Policy	Roads & Amenity Services			
	Litter Policy	Roads & Amenity Services			
	Update on Ferries Review	Economic Development & Strategic			Requested at Development Day

Environment, Development and Infrastructure Committee Work Plan 2016/17

		Transportation		
	Scottish Government Consultation: Review of Nomenclature of Units for Territorial Statistics (NUTS) Boundaries	Economic Development & Strategic Transportation (Ishabel Bremner)		EDI 14 January 2016 agreed separate paper to be brought to future committee in respect of the inclusion of Helensburgh and Lomond in the current Highlands and Islands European Funding Area.
	Road Speed Policy	Roads & Amenity Services		Moved from 7 April agenda by Jim Smith

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