



Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry

Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604435
DX 599700 LOCHGILPHEAD
28 February 2019

NOTICE OF MEETING

A meeting of the **ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 7 MARCH 2019** 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 3 - 6)
Environment, Development and Infrastructure Committee held on 6 December 2018
- 4. DEVELOPMENT AND INFRASTRUCTURE SERVICES PERFORMANCE REPORT**
FQ3 (OCTOBER TO DECEMBER 2018) (Pages 7 - 22)
Report by Executive Director – Development and Infrastructure Services
- 5. UPDATE REPORT ON FLOOD RISK IN OBAN** (Pages 23 - 28)
Report by Executive Director – Development and Infrastructure Services
- 6. DRAFT WASTE STRATEGY** (Pages 29 - 68)
Report by Executive Director – Development and Infrastructure Services
- 7. FESTIVE LIGHTING** (Pages 69 - 76)
Report by Executive Director – Development and Infrastructure Services
- 8. ROADS CAPITAL RECONSTRUCTION PROGRAMME 2019/20** (Pages 77 - 88)
Report by Executive Director – Development and Infrastructure Services
- 9. SHARED PROSPERITY FUND: ARGYLL AND BUTE REGIONAL POLICY**

POSITION (Pages 89 - 98)

Report by Executive Director – Development and Infrastructure Services

- * **10. DRAFT ARGYLL AND BUTE ECONOMIC STRATEGY AND ASSOCIATED ACTION PLAN** (Pages 99 - 142)
Report by Executive Director – Development and Infrastructure Services
- * **11. BUSINESS GATEWAY LOCAL GROWTH ACCELERATOR PROGRAMME PHASE TWO** (Pages 143 - 150)
Report by Executive Director – Development and Infrastructure Services

REPORTS FOR NOTING

- 12. ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE WORKPLAN - MARCH 2019** (Pages 151 - 152)

EXEMPT REPORT FOR DECISION

- E1 13. JOINT PROCUREMENT PROPOSALS FOR DISPOSAL OF HELENSBURGH WASTE** (Pages 153 - 172)
Report by Executive Director – Development and Infrastructure Services

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.

The Committee will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an “E” on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

E1 Paragraph 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

Environment, Development and Infrastructure Committee

| | |
|--------------------------------------|-------------------------------|
| Councillor John Armour | Councillor Gordon Blair |
| Councillor Bobby Good | Councillor Donald Kelly |
| Councillor David Kinniburgh | Councillor Donald MacMillan |
| Councillor Roderick McCuish (Chair) | Councillor Sir Jamie McGrigor |
| Councillor Jean Moffat | Councillor Aileen Morton |
| Councillor Ellen Morton (Vice-Chair) | Councillor Gary Mulvaney |
| Councillor Alastair Redman | Councillor Alan Reid |
| Councillor Andrew Vennard | Councillor Jim Findlay |

Contact: Hazel MacInnes Tel: 01546 604269

**MINUTES of MEETING of ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE
COMMITTEE held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 6 DECEMBER 2018**

Present: Councillor Roderick McCuish (Chair)

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| Councillor John Armour | Councillor Ellen Morton |
| Councillor Gordon Blair | Councillor Alastair Redman |
| Councillor Donald MacMillan | Councillor Alan Reid |
| Councillor Aileen Morton | Councillor Jim Findlay |

Also Present: Councillor Elaine Robertson Councillor Sandy Taylor

Attending: Pippa Milne, Executive Director – Development and Infrastructure
Jim Smith, Head of Roads and Amenity Services
Iain MacInnes, Digital Liaison Officer
Patricia O’Neill, Central Governance Manager

1. APOLOGIES FOR ABSENCE

There were apologies for absence intimated on behalf of Councillors Bobby Good, Donald Kelly, David Kinniburgh, Sir Jamie McGrigor, Gary Mulvaney and Andrew Vennard.

2. DECLARATIONS OF INTEREST

There were none intimated.

3. MINUTES

The Minutes of the meeting of the Environment, Development and Infrastructure Committee held on 6 September 2018 were approved as a correct record.

4. OFCOM - IMPROVING DIGITAL CONNECTIVITY

The Digital Liaison Officer gave a brief presentation on behalf of Ofcom and advised that Ofcom would be providing a private development session for all Councillors at the conclusion of the Committee.

5. DEVELOPMENT AND INFRASTRUCTURE SERVICES - PERFORMANCE REPORT FQ2 2018-19

The Environment, Development and Infrastructure Committee gave consideration to the Development and Infrastructure Services departmental performance report with associated scorecard for performance in FQ2 2018/19.

Decision

The Environment, Development and Infrastructure Committee noted the Development and Infrastructure Services departmental performance report with associated scorecard for performance in FQ2 2018/19.

(Reference: Report by Executive Director – Development and Infrastructure Services dated December 2018, submitted)

6. DRAFT SERVICE PLANS 2019-2022 FOR 2019/20 BUDGET ALLOCATION

The Draft Service Plans 2019-2022 for the 2019/20 budget allocation were given consideration by the Committee. Service Plans set out the Business Outcomes that each Service will work to deliver over the period of the Plan.

Decision

The Environment, Development and Infrastructure Committee –

1. Approved the Draft Service Plans 2019-2022 for the 2019/20 budget allocation.
2. Noted that the budget allocation would be proposed at the Policy and Resources Committee on 14 February 2019 for final approval by the Council on 21 February 2019.

(Reference: Report by Executive Director – Development and Infrastructure Services dated December 2018, submitted)

7. ANNUAL STATUS AND OPTIONS REPORT

The Committee gave consideration to the Annual Status and Options report which made 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.

Decision

The Environment, Development and Infrastructure Committee –

1. Endorsed the Annual Status and Options Report and the positive analytical feedback that it provided with regard to the improvement of the Council's Road Condition Index as a result of the ongoing investment in roads reconstruction works.
2. Noted that the Annual Status and Options Report informs key elements of the Development and Infrastructure Asset Management Plan that in turn informs the budget setting process.

(Reference: Report by Executive Director – Development and Infrastructure Services dated December 2018, submitted)

8. PUBLIC CONVENIENCES

The Committee gave consideration to a report which provided an update on the work to date to explore alternative, sustainable options for the public convenience estate; and which gave options to look at the asset group in more detail.

Decision

The Environment, Development and Infrastructure Committee agreed –

1. The principle of charging at the high footfall facilities, with a further report on cash-operated entry systems to come forward in the new year.
2. That franchise options can only be reasonably explored once charging is in place at the high footfall facilities.
3. That honesty boxes should be installed at the medium footfall facilities for a trial period of one year ahead of a further review.
4. That the facilities identified as low use, along with those that are currently closed and those which are subject to third party management arrangements, be actively promoted for community ownership for a period of one year ahead of a further review.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 21 November 2018, submitted)

9. CAMPBELTOWN FLOOD PROTECTION SCHEME

The Committee gave consideration to a report that informed them on the outcome of the appraisal of flood risk management options for properties at risk of flooding in Campbeltown as part of the Campbeltown Flood Prevention Scheme project. The report drew particular attention to the future financial investment by the Council for the project to proceed.

Decision

The Environment, Development and Infrastructure Committee –

1. Noted that the modelling of flood protection options has been completed, with clear recommendations for solutions eligible for Scottish Government funding to be taken forward to the next stage of investigation, design and planning approvals.
2. Requested that the Council, as part of the budget process, allocate the project £127k of capital and consider the potential need for additional funding in 20/21 through to 22/23.
3. Acknowledged the final scheme would be subject to approval of Outline Business and Full Business cases, which are expected to be submitted late 2019 prior to tender and late 2020 prior to tender award respectively and if approved additional funding may be needed as indicated in table 1 within the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Committee dated November 2018, submitted)

10. WINTER SERVICE POLICY 2018/19

The Council's Winter Service Policy was before the Committee for approval. The format and general content of the Winter Service Policy 2018/19 remained the same as it had been in 2017/18.

Decision

The Environment, Development and Infrastructure Committee approved –

1. The 2018/19 Winter Maintenance Policy at Appendix 2 to the submitted report.
2. The Salt Use Reduction and Preservation of Stocks Protocol at Appendix 4 to the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated November 2018, submitted)

11. TRANSFORMATION PROJECTS AND REGENERATION TEAM - LARGE SCALE PROJECT UPDATE REPORT

The Committee gave consideration to a report which provided an update on progress in delivering the larger scale project work of the Transformation Project and Regeneration Team with a focus on those projects that are mainly externally funded. The report also highlighted the key issues that would impact on the successful delivery of the projects.

Decision

The Environment, Development and Infrastructure Committee noted the current process as contained within the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated October 2018, submitted)

12. ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE WORKPLAN - DECEMBER 2018

The Environment, Development and Infrastructure Committee Workplan as at December 2018 was before the Committee for noting.

Decision

The Environment, Development and Infrastructure Committee noted the content of the Workplan as at December 2018.

(Reference: Environment, Development and Infrastructure Workplan as at December 2018, submitted)

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PERFORMANCE REPORT FQ3 2018-19**

1.0 INTRODUCTION

- 1.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 1.2 This paper presents the Environment, Development and Infrastructure Committee with the Development and Infrastructure Services departmental performance report with associated scorecard for performance in FQ3 2018-19 (October 2018 to December 2018).

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee reviews the scorecard as presented.

3.0 DETAIL

- 3.1 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.
- 3.2 Commentary on the indicators included within the scorecard can be interrogated via the Pyramid system. Some key points have been included below for ease.

Management Information

- 3.3 Sickness absence has seen a slight decline in performance from FQ2 to FQ3 with 3.53 days lost against a target of 2.98 days per employee. Due to structure changes in FQ3, moves in the hierarchy have affected some of the figures reported. HR have advised that hierarchical issues will be amended for reporting in the next quarter. The post of HR Assistant for Attendance has now been filled and it is expected that this post will have a positive impact with Managers, employees and absence reporting.

Business Outcomes

- 3.4 **BO13 Our Built Environment is Safe and Improved**
 In FQ3 all performance targets have been exceeded and customer satisfaction continues to run at 100%. The Building Standards team are continuing with their commercialisation work for other Scottish local authorities which is helping to generate additional fee income.

- 3.5 **BO15 Argyll and Bute is Open for Business**
 The number of new business start-ups supported in FQ3 was 30 against a quarterly target of 27. The assistance given comprises of workshop attendees and/or advisory support. The number of existing businesses supported by Business Gateway Advisers also exceed target this quarter with 66 businesses being supported against a target of 55. Exceeding the targets in both of these areas has been a continual trend over FQ1, FQ2 and FQ3 which is a good achievement for the Business Gateway team.

- 3.6 **BO23 Economic Growth is Supported – Determine All Local Planning Applications quicker than the National Average**
 Planning application approval rate was 96.7% which is above the quarterly target of 95%. The approval rate has been above target for over five years now which demonstrates that we are open for business.

- 3.7 **BO25 Access to and Enjoyment of the Natural and Built Environment is Improved**
 The percentage of overall street cleanliness for FQ3 is 81% which is above the target of 73%. Litter monitoring throughout the Argyll and Bute area provides evidence to demonstrate that as a Council we are meeting the criteria set out by Keep Scotland Beautiful.

- 3.8 Appendix 1 also includes key successes and challenges. It is worth highlighting in particular the 37 empty homes which have been brought back into use during the period 1st April to 31st December, which exceeds the annual target of 25.

4.0 IMPLICATIONS

- 4.1 Policy None
- 4.2 Financial None
- 4.3 Legal The Council has a duty to deliver best value under the Local Government in Scotland Act 2003
- 4.4 HR None
- 4.5 Equalities/Fairer Scotland Duty None

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| 4.6 | Risk | Ensuring performance is effectively scrutinised by members |
| 4.7 | Customer Service | None |

For further information contact: Pippa Milne, Tel 01546 604076

APPENDICES

Appendix 1 FQ3 2018/19 Performance reports and score cards – Development and Infrastructure Services

Key Successes**Planning, Housing and Regulatory Services (PHRS)****Business Outcome BO01 The health of our people is protected through effective partnership working**

1. Joint Health Protection Plan 2109-20 has been developed with NHS Highland and Highland Council. This will be taken to PPSL Committee for approval. The plan details the joint governance and working arrangements which are in place between Argyll and Bute Council, Highland Council and NHS Highland in respect of health protection and responding to emerging issues or public health incidents. It also details the local, regional and national priorities for 2019-2020.

Business Outcome – BO26 – People have a choice of Suitable Housing Options

1. There have been 62 affordable housing completions during quarter 3. ACHA completed 20 units at Bowmore (phase 3) on Islay in November; Fyne Homes completed 16 units at Lochgilphead (phase 4); and Dunbritton completed 26 units at Succoth. With a further 41 units potentially due for completion in Q4, this would get very close to achieving the annual Local Housing Strategy target of 110 completions per annum.
2. There has been a total of 37 Empty Homes brought back into use during the period 1st April to 31st December 2018. This exceeds the annual target of 25.
Empty Homes Officer, Kelly Ferns, was named Outstanding Individual at the Howdens Scottish Empty Homes Champions of the Year Awards for her commitment and collaborative approach to provide the best possible outcomes for empty homes in Argyll and Bute.

Economic Development and Strategic Transportation (EDST)**Business Outcome (BO15) Argyll and Bute is open for business**

1. Argyll and the Islands LEADER funding allocated to 5 projects at the LAG meeting on 7th December 2018: 1 full approval to a value of £23,024; and 4 in principle approvals to a value of £1,190,728.46. Projects either approved or approved in principle (31 in total) has committed 72.5% of the total LEADER fund of £4m (excluding admin costs).

Business Outcome BO27 Infrastructure and assets are fit for purpose

1. The Council's Rural Growth Deal proposal was unanimously approved by the Council on 18th October and has now formally been submitted to the Scottish and UK Governments.

Roads and Amenity Services (RAS)

Business Outcome BO14 Our Transport Infrastructure is Safe and Fit for Purpose

1. Successful delivery and progress in relation to an extended and increased Roads Capital Budget/Programme. Works delivered through mixed economy models are having a positive impact in improving the roads network within Argyll and Bute. The additional works can be seen on the ground where there has been a positive improvement noted across many parts of Argyll and Bute's road network.
2. The former contract with ASP has now come to an end with ferry management from ASP Ship Management to in-house Marine Services management having taken place. This includes the Safety Management System (SMS) document for ferries complete and approved by the Maritime and Coastguard Agency (MCA). This has brought cashable savings to the Council in line with previous budget requirement.
3. The Environmental Land Management (ELM) system is an electronic database/asset management and works instruction system which provides a more efficient way of working, removes an antiquated paper system and also provides a more comprehensive record of works that have been carried out. The ELM system is currently rolled out in Lomond, Cowal and Bute for scheduled and reactive works. Initial training has been carried out in Islay and Kintyre. Remaining training will be rolled out by mid-February, this will include refresher training for Kintyre and Islay. Commercial glass uplifts will be added to the ELM system by end of February 2019.
4. Glass recycling collections following the liquidation of Greenlight Environmental continue to be carried out successfully by the Helensburgh and Lomond team. The team quickly put into place an alternative delivery model following the short notice period given by the administrators from Greenlight. There has been little disruption to service delivery with the glass collection service quickly being fully restored.
5. Kirk Road – The road upgrade at Kirk Road is substantially complete which will further enable housing and business development in the Dunbeg area.

Key Challenges and Actions Completed In Previous Quarter

PHRS

Business Outcome BO01 The health of our people is protected through effective partnership working

1. **Challenge** - To continue to work to achieve safe and successful events ; and to formalise the Councils arrangements for Event Safety
Action – Undertook review which confirmed that the current multiagency Safety Advisory Group structure coordinated by the Council is working well and meets the COSLA guidance.

Business Outcome BO05 Information and support are available to all

1. **Challenge** - To work towards delivering the review of advice services action plan

Action - Project on track and all relevant persons have been updated. Key achievements have included the development of a vulnerability model, the issue of the tender specification, identifying contingency measures by agreeing an extension of the current contracts to cover a contract mobilisation period for the new provider, and coped with the introduction of universal credit although this has increased workload and identified additional training requirements for staff, which are being considered.

EDST

Business Outcome: (BO27) Infrastructure and assets are fit for purpose.

1. **Challenge** - Helensburgh Waterfront Development Project – Planning Application submitted. Discretionary Hearing by PPSL Committee on 19 October 2018, deferred making a planning determination pending the submission of further clarification on flood risk mitigation and wave overtopping. The additional information was submitted on 21 December 2018. (Detailed planning consent was granted on 23rd January 2019).
Action – Project Team have continued to progress other workstreams as far as practical in the absence of the planning decision, however it is highly unlikely that the full impact of the 12 week delay can be recovered, and as the construction of the flood defences is dependent upon weather and tidal conditions, there is a significant risk that the impact upon construction, and therefore the overall programme could be more significant. Following the decision of the PPSL Committee the programme will be reviewed.

RAS

Business Outcome (BO14) Our Transport Infrastructure is Safe and Fit for Purpose

1. **Challenge** - Lining contractors failing to complete relevant works in line with our programme.
Action - Contact made with Bear Scotland and we are now sharing our lining programmes with a view to planning the lining in the same areas at the same time to encourage contractors to work on both programmes to the benefit of both organisations.

Short-term Operational Challenges

EDST

1. Argyll and the Islands LEADER Programme - To take forward all the current expressions of interest received on 28th September 2018 in order to allocate all the remaining Argyll and the Islands LEADER funding before the end of June 2019 and the European Maritime and Fisheries Fund (EMFF) by end of December 2020. Core staff assisting LEADER funded staff member with project development and an extra Local Action Group (LAG) date will be sought for 20th June 2019 to enable a further round of decisions to be made. Successfully securing a further £24,073 funding (from SUSTRANS and Cycling Walking and Safer Streets (CWSS)) for the provision of cycle shelters and scooter storage at Colgrain, Arrochar, Lochgoilhead, Kirn, Lochgilphead, Tarbert, Gigha, Glassary, Easdale and Taynuilt Primary Schools. Installation work will take place week commencing 8th October, during the school holidays to minimise disruption.

2. Hermitage Park delay in completion of Pavilion and resulting impact on costs due to delay in contractors issuing certificate. Pavilion completion date is January 2019. Lot 2 landscape and conservation is programmed to start in March 2019 and last for 6-8 weeks which will mean completion in May 2019.

PHRS

3. Resourcing demands in Q4 in relation to staffing issues (early retirements/voluntary redundancies, new posts for private water supply enforcement, recruit to vacancies), management (redesign of EH service and prepare formal statutory reports for year end to government agencies) and operational (implement new legislation and duties relating to private water supplies and caravan site licensing).
4. The MAKI team continues to be under-complemented due to vacancies however recruitment of a new Planning Officer has been successfully completed and will be filled from late January – it is expected that induction of a new employee will continue to have resource implications for local performance in the short term however support will be provided from other areas as required.
5. Training requirements for the new Planning System Technician remain outstanding due to the infrequency of IDOX training by the supplier – this matter continues to be pursued and it is hoped that training can be delivered during FQ4.
6. Service Redesign has been implemented during the latter part of FQ3 resulting in changes to the management arrangements of the area teams. Whilst proposals are intended to deliver a seamless transition with appropriate handover periods for all staff involved there is potential for such significant change in the management structure and expected retirement of an experienced member of staff to have a short term negative impact upon performance relating to timeliness of determinations.
7. Operational capacity of the shared Building Standards/Development Management Admin Support service remains depleted following loss of one staff member on secondment and another planning to go on maternity leave in February. Recruitment is currently underway to fill both posts on a temporary basis. Whilst workload is being shared amongst the wider Building Standards/Development Management Admin Support team there is potential during periods of planned/unplanned absence for the reduced availability of Admin resource to impact upon performance of Development Management and gives rise to additional procedural risk arising from delay in tasks being completed.

RAS

8. The Council operates 5 link spans at main ferry ports – Craignure, Port Askaig, Campbeltown, Rothesay and Dunoon. A review and inspection of all these assets has now commenced with a view to setting up new maintenance and management contracts. A plan will also be produced with costs and timescales indicating any major works required to be carried out. An engineer has been seconded to Marine Services from Royal Haskoning.
9. Operational structure has now been in place since 3rd December 2018. New structure will introduce an integration of all operational units within Roads and Amenity services increasing the sections resilience and future training will ensure a more multi-functional and robust team. The Control Hub will continue to evolve and expand its functionality over the course of the next year or so. The new structure will ensure that the

programming of work is carried out consistently across all the area teams and that our limited availability of resource is used in a way that provides an effective and efficient service.

10. Programming and ensuring resilience for the forthcoming winter months and the inclement conditions which may lie ahead relating to flooding, ice and snow events.
11. The lease company that provides plant and equipment, Gulliver’s, went into administration. The team have worked with the administrators to provide continuity of service. We now have in place different service providers to which we are contracted to provide the vehicles originally contracted from Gullivers. Essentially it is business as usual albeit with different service providers.
12. Mull Traffic Order received a large number of objections and there will be an issue with resources to turn them around in a reasonable timescale.

Key Challenges and Actions to address the Challenges (PHRS)

Business Outcome BO05 Information and support are available to all

1. **Challenge** - Work towards delivering the review of advice services action plan
Action - Complete the key elements relating to the redesign of advice services, including awarding the contract, redesigning debt and welfare rights delivery arrangement, address General Data Protection Regulation (GDPR) issues re Argyll and Bute Network ICT system, and implementing the formal governance arrangements.
 Provide update report for Policy and Resources Committee.

Carried Forward From Previous Quarter – Y

Completion Due Date:
1st April 2019

Responsible Person
Regulatory Services Manager

Business Outcome BO05 Information and support are available to all

2. **Challenge** - The development of the Council’s risk register and Brexit Plan
Action - Convene a tactical group in response to best practice guidance from the Scottish Government. The group will consider the Council’s preparedness for Brexit.

Carried Forward From Previous Quarter – N

Completion Due Date:
31st March 2019

Responsible Person
Regulatory Services Manager

Business Outcome BO12 High Standards of Public Health and health protection are promoted

1. **Challenge** - Accelerate the delivery of the Food Control Improvement Plan and to deliver the Food Standards Scotland (FSS) audit action plan
Action - Deliver the outcomes defined in the plan within the agreed milestones. To redesign the delivery of the environmental health service and better direct its resources more effectively to meet the statutory framework for food authorities, and to complete the actions required from the FSS audit. Identify resources to enable progress to be made on this plan, given the impact of current vacancies and long-term illness. Discuss progress with FSS and agree to extend the timescales in the action plan in line with available resource.

2. Challenge - Effective service management, meeting our core statutory priorities and our improvement agenda

Action - Deliver Trading Standards Improvement Plan which redesigns services to meet the outcomes of the strategic review of trading standards, improving collaborative working with other trading standards services to take forward the North of Scotland Trading Standards Alliance. Progress has been made but there is slippage due to having to work on preparing a submission for the feed contract. The timescale for this challenge has been extended.

Carried Forward From Previous Quarter – Y

Completion Due Date:
30th October 2019

Responsible Person
Regulatory Services Manager

Business Outcome BO15 Argyll and Bute is open for business

1. Challenge - Maintain a Local Development Plan (LDP) Less Than Five Years Old. Officers engaged with Members following Main Issues Report (MIR) consultation and took until 1st September to complete, which allowed Members time to consider the issues. This has delayed the production of the LDP by approximately four months. Reduced resources in the team have meant it has not been possible to recover the delay. As a result the planned time frame for production of the proposed LDP2 is spring 2019. Team currently focusing on detailed policy writing, digitisation of new sites and amended boundaries, creation of a GIS version, and the carrying out of a Strategic Environmental Assessment, Habitat Regulations Assessment, and EQIA.

Action - Prioritise team workload including wider specialist members of the Development Policy Team and hold weekly team project monitoring meetings. Aim to complete drafting of Proposed LDP for FQ1 2019-20 and publication thereafter.

Carried Forward From Previous Quarter – Y

Completion Due Date:
June 2019

Responsible Person
Senior Planning and Strategies Officer

Business Outcome BO15 Argyll and Bute is open for business

1. Challenge - Update and Improve our Conservation Area (CA) Appraisal Coverage. Continuing to deliver 2 conservation area appraisals in the absence of the conservation officer who was on maternity leave until January 2019. Cover arrangements have been planned within the LDP team, but workload pressure within the LDP work (as above) and the extended length of consultation period that was required for the Slate Island Conservation Area Appraisals means that the planned timetable of work slipped. In addition it is now necessary for the Design and Conservation officer to support the development policy team writing the Proposed LDP2.

Action - Delay completion of slate islands CA appraisals until LDP2 proposed plan completed. As a twin track, consultants have been appointed to produce CA appraisals in Lochgilphead and Tarbert. This is in partnership with Ec Dev and in order to facilitate Conservation Area Regeneration Scheme (CARS) funding. It is anticipated that one of these may be complete for the end of FQ4 thus delivering CA appraisals for the 18/19 year.

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| Carried Forward From Previous Quarter – Y | Completion Due Date: March 2019 | Responsible Person Senior Planning and Strategies Officer |
| <p>Business Outcome BO03 Prevention and Support Reduces Homelessness</p> <p>1. Challenge - challenges presented by the roll out of Universal Credit Full Service in September 2018. These stem from the increased complexity of the application process itself, the length of time to receive payments, and the fact that the housing allowance will be paid to claimants not landlords so arrears are anticipated to increase. It is anticipated considerable extra resource will be needed to assist claimants applying for Universal Credit, and that likely increases in rent arrears will inflate homelessness rates and the costs of accommodating them.</p> <p>Action - Universal Credit Full Service was rolled out from the 19th September 2018 in Argyll and Bute. The Council has agreed that Additional Temporary Accommodation Funding is used to prepare for Universal Credit by continuing to employ 2 welfare rights assistants who will have a focus of Universal Credit and the impact that it will have on individuals in the local authority area. 1 welfare rights assistant in Helensburgh will remain in post for a further year and another welfare rights assistant based in Campbeltown started on 1st October. The Council is in discussions with the DWP about having the 2 staff located in local job centres to assist vulnerable households through the Universal Credit claim process.</p> | | |
| Carried Forward From Previous Quarter – Y | Completion Due Date: Ongoing | Responsible Person Housing Team Leader |
| <p>Business Outcome BO26 People have a choice of suitable housing options</p> <p>1. Challenge - To deliver the Strategic Housing Investment Plan (SHIP) and achieve full spend on available Scottish Government funding. This is challenging because: there is a lack of infrastructure available to deliver sites; the costs and time requirements of implementing new infrastructure are considerable, there are limits in the capacity of the local construction sector, and there is a need to identify a continual supply of deliverable sites within the control of Registered Social Landlords (RSL).</p> <p>Action - work closely with partners (Scottish Government, RSLs and local developers) to address issues of slippage in the affordable new build programme; facilitate progress where feasible; and to identify and bring forward additional proposals. This includes the establishment of a SHIP Officers' Group and regular tri-partite programme meetings. The SHIP Officers Group has been established and we are now looking to build on this partnership working by inviting Scottish Water to the meetings. We are also aiming to hold regular meetings with relevant Council departments e.g. Planning and Roads alongside RSL representatives to ensure that any potential infrastructure issues are addressed at an early stage.</p> | | |

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| Carried Forward From Previous Quarter – Y | Completion Due Date: Ongoing over the period of the Strategic Housing Investment Plan (2017-2022) | Responsible Person Housing Team Leader |
| Key Challenges and Actions to address the Challenges (EDST) | | |
| <p>Business Outcome B027 Infrastructure and assets are fit for purpose</p> <p>1. Challenge – The air services procurement contract had to be abandoned due to the submission of a single tender specification which was non-compliant. (Decision to retender PSO service taken at Policy and Resources Committee on 14th February 2019). Action - Meetings to take place with Transport Scotland to explore options and share best practice. Officers from Strategic Transportation and Procurement will further engage with the market to discuss options on how tender spec could be made more attractive. A new timescale to re-tender has been identified to procure the Air Services. Officers will seek a quote from Hebridean Air Services Limited (HASL) to provide in the interim air services as an extension to the current contract. This (as per the Policy and Resources Committee decision) has been requested to be considered as part of the February 2019 budget.</p> | | |
| Carried Forward From Previous Quarter – Y | Completion Due Date: Extension to current contract due 15 May 2019 | Responsible Person: Strategic Transportation and Infrastructure Manager |
| <p>Business Outcome B027 Infrastructure and assets are fit for purpose</p> <p>2. Challenge – Scottish Fire and Rescue Service Level Agreement (SLA) is coming to an end and direct engagement by the Council of these staff for airport duties will provide better value for money Action – A timeline has been drawn up regarding various scenarios following the cessation of the SLA. Transitional arrangements need to be put in place to ensure a smooth handover. This issue is dependent on the outcome of the Public Service Obligation (PSO) Air Services Contract Procurement. In the interim, job descriptions and person specifications are being progressed for job evaluation.</p> | | |
| Carried Forward From Previous Quarter – N | Completion Due Date: Ongoing – dependent on whether TUPE applies. | Responsible Person: Strategic Transportation and Infrastructure Manager |
| Key Challenges and Actions to address the Challenges (RAS) | | |

Business Outcome BO14 Our Transport Infrastructure is safe and fit for purpose

1. Challenge – Continued delivery of roads and capital programmes, ensuring the roads infrastructure is fit for purpose

Action - Careful and considered management in relation to works programming and resourcing, including consideration of mixed economy delivery models, best utilisation of plant and equipment and the development of a structured works programme. Continued monitoring of progress and performance against the agreed Plan/Programme.

Carried Forward From Previous Quarter – Y

Completion Due Date:
Ongoing

Responsible Person
Network Standards Manager

Making A&B a place people choose to live

ABOIP Outcome No.5 - People live active, healthier and independent lives Related Business Outcomes

ABOIP Outcome No.6 - People live in safer and stronger communities Related Business Outcomes

ABOIP Outcome No.4 - Children and young people have the best possible start Related Business Outcomes

Making A&B a place people choose to learn

ABOIP Outcome No.3 - Education, skills and training maximises opportunities for all Related Business Outcomes

Making A&B a place people choose to work

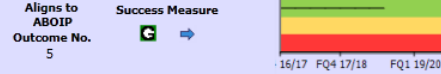
ABOIP Outcome No.1 - The economy is diverse and thriving Related Business Outcomes

ABOIP Outcome No.2 - We have infrastructure that supports sustainable growth Related Business Outcomes

Making it happen

Supporting Outcome - Service Delivery Enablers Related Business Outcomes

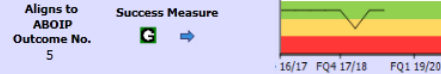
BO01 The health of our people is protected through effective partnership working [D&I Dept]



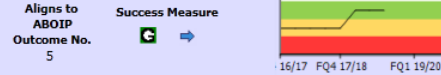
BO03 Prevention and support reduces homelessness [D&I Dept]



BO05 Information and support are available for everyone [D&I Dept]



BO07 Our communities benefit from the development of renewables [D&I Dept]



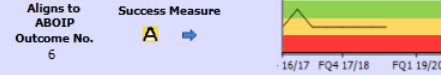
BO12 High standards of public health and health protection are promoted [D&I Dept]



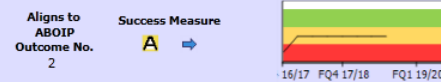
BO13 Our built environment is safe and improved [D&I Dept]



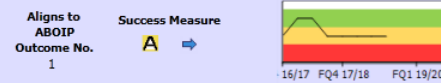
BO14 Our transport infrastructure is safe and fit for purpose [D&I Dept]



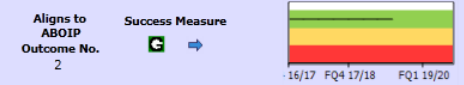
BO15 Argyll and Bute is open for business [D&I Dept]



BO23 Economic growth is supported [D&I Dept]



BO24 Waste is disposed of sustainably [D&I Dept]



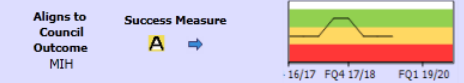
BO25 Access to and enjoyment of the natural and built environments is improved [D&I Dept]



BO26 People have a choice of suitable housing options [D&I Dept]



BO27 Infrastructure and assets are fit for purpose [D&I Dept]





Development and Infrastructure Scorecard 2017-20 FQ3 18/19

Scorecard owned by: Pippa Milne

[Click here for Full Scorecard](#)

Management Information

RESOURCES

| <i>People</i> | <i>Benchmark</i> | <i>Target</i> | <i>Actual</i> | <i>Status</i> | <i>Trend</i> |
|------------------------|------------------|---------------|---------------|---------------|--------------|
| Sickness Absence DI | | 2.98 Days | 3.53 Days | R | ↓ |
| DI % of PRDs completed | | 90 % | 81 % | R | ↑ |

Financial

| | <i>Budget</i> | <i>Forecast</i> | <i>Status</i> | <i>Trend</i> |
|---------------------------|---------------|-----------------|---------------|--------------|
| Finance Revenue totals DI | £K 33,004 | £K 32,156 | R | ↓ |

Capital forecasts - current year DI

Capital forecasts - total project DI

| | | | | | |
|----------------------------|---|----------|---|----------|---|
| Asset management red risks | 6 | On track | 5 | R | ↓ |
|----------------------------|---|----------|---|----------|---|

IMPROVEMENT *Status*

| Improvement Plan | Total No | Off track | On track | Complete | |
|------------------|----------|-----------|----------|----------|--------------|
| Outcomes DI | Actions | 27 | 2 | 16 | 9 A → |

| | | | |
|-----------------------------------|---------|---------------|---------------------|
| DI Services Audit Recommendations | Overdue | Due in future | Future - off target |
|-----------------------------------|---------|---------------|---------------------|

| | | | |
|----------------------------|-----------------------|------|------------|
| Customer Service DI | Customer satisfaction | 96 % | G ↑ |
| Customer Charter | Stage 1 Complaints | 0 % | R ↓ |
| Number of consultations | 1 Stage 2 Complaints | 0 % | G ↓ |

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT
AND INFRASTRUCTURE
COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7TH MARCH 2019**

Update report on flood risk in Oban

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Committee on the October 2018 flood event and subsequent relief works in Oban, and to draw attention to the purpose and progress of the flood study currently underway for Oban. This report provides guidance on interim works completed to reduce flood risk, and clarity on the flood study programme including the potential for a wider flood scheme.
- 1.2 The Local Flood Risk Management Plan was published in 2016 which included an objective to undertake a flood study and surface water management plan in Oban. These objectives will be completed by the end of 2019. Any cost beneficial flood schemes identified may be eligible for 80% grant funding by the Scottish Government.
- 1.3 The Lochavullin area is particularly low lying (lower than even the front street) and susceptible to the effects of coastal water levels as well as rainfall and surface water. It has a pumped system in place to reduce the risk of flooding in the car park. At the most recent public meeting on 30 January, the Council facilitated the Scottish Flood Forum to be present for members of the public to gain first-hand information about self-help, property level protection and resilience measures that individuals can consider. The Council's website has useful links to advice at <https://www.argyll-bute.gov.uk/transport-and-streets/flood-advice>

The Committee is recommended:

- To note the interim actions undertaken to mitigate immediate flood risk by carrying out works to the pumps in Lochavullin car park, and the provision of temporary flood barriers.
- To welcome the progress on the Oban flood study which is assessing flood risk and potential for cost beneficial flood protection solutions for Oban, with potential funding available from 2022 at the earliest.
- To note the advice and links to advice available to the public at the Council's website <https://www.argyll-bute.gov.uk/transport-and-streets/flood-advice>.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT
AND INFRASTRUCTURE
COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7TH MARCH 2019

Update report on flood risk in Oban

2.0 INTRODUCTION

- 2.1 Significant flooding was experienced in the Lochavullin area of Oban on the 8th and 9th of October 2018 which was reported to have a significant impact on local businesses.
- 2.2 A flood study and surface water management plan (SWMP) is being carried out for the Oban area as identified in the Councils Local Flood Risk Management Plan (LFRMP) 2016-2022. The Council is responsible for identifying flood risk areas and developing sustainable flood management options to form flood mitigation schemes. Currently central government is expected to contribute 80% to the overall funding of projects, which through a prioritisation process receive funding through to construction. The latest LFRMP update on progress toward reaching goals set by the Council is available at:
<https://www.highland.gov.uk/info/1226/emergencies/81/flooding/3>

3.0 RECOMMENDATIONS

- 3.1 To note the interim actions undertaken to mitigate immediate flood risk by carrying out works to the pumps in Lochavullin car park, and the provision of temporary flood barriers.
- 3.2 To welcome the progress on the Oban flood study which is assessing flood risk and potential for cost beneficial flood protection solutions for Oban, with potential funding available from 2022 at the earliest.
- 3.3 To note the advice and links to advice available to the public at the Council's website <https://www.argyll-bute.gov.uk/transport-and-streets/flood-advice>.

4.0 DETAIL

- 4.1 Between the 7th and 9th October 2018 three SEPA rain gauges closest to Oban recorded cumulative rainfall totals of 90, 120, and 230mm. This recorded rainfall that resulted in flooding in Oban is estimated to have been the equivalent of a 1 in 70 year return period flood event. In context the flood study that the Council is undertaking is based on mitigating flooding up to a 1 in 200 year return period flood event.
- 4.2 As a result of this rainfall, significant flooding was experienced in the Lochavullin area of Oban on the 8th and 9th of October 2018. During the flood event the existing pumps below the Lochavullin car park operated automatically but the control cabinet was shorted by rapidly rising floodwaters. Back up pumps were sourced and work carried out to restore electrical supply to the pumps to allow operation on manual override. High water levels overtopping the Black Lynn (and Soroba) burn and tidelocking also limited the effectiveness of any pumps until burn levels subsided. The pumped system is necessary because the level of the car park is lower than the flood water levels in the Black Lynn and a gravity arrangement could not work. As such when the pumps are unable to work there is no way to remove the water from the car park to the burn. Updates were provided to Members during this time.
- 4.3 Since the October 2018 flood event interim works have been undertaken to mitigate flood risk in the short term. The Lochavullin car park existing pumps and cabinet and control panel have been serviced or renewed as required. Temporary flood barriers have been installed on a short section of the Black Lynn burn. Some targeted cleaning and CCTV of the drainage/combined sewer pipes in the Lochavullin area is pending. Further works may be undertaken on the pumps to improve resilience.
- 4.4 Separately in May 2018 the Council commenced a flood study and surface water management plan for Oban as part of our Local Flood Risk Management Plan. The scope of the study covers flooding from river, rainfall and coastal inundation in Oban including future impacts using the latest climate change predictions. Digital modelling has been used to simulate how flooding is generated during extreme weather events across a large area of the town, including Lochavullin. The study will assess the damages caused by flooding and look at a range of solutions to mitigate risk, in order to determine what options are cost beneficial to achieve. The flood consultant visited Oban during the week the car park was flooded and is incorporating the information gathered into the study (the data obtained during the storm event is useful in order to assist in calibrating the flood model).
- 4.5 Key stakeholders who will be consulted during the development of the study and SWMP include SEPA, Scottish Water, and Argyll and Bute Council. Public events are planned to engage a wider audience including Community Councils and local interest groups.

- 4.6 As of January 2019 the data analysis and baseline modelling of coastal, river and rainfall elements is substantially complete. Surface water management options for urban areas are also progressing noting the SWMP is something that will be developed iteratively in future years to refine the understanding of the underground drainage and combined sewer network in association with Scottish Water.
- 4.7 It is not possible at this stage of the flood study to define what solutions might be cost beneficial in the context rainfall and river flooding in Oban, but a wide range of options will be assessed in isolation or combined to alleviate flood effects. Options are likely to include hard engineering solutions on the Black Lynn and Soroba burns in Oban, but also softer options such as upstream attenuation and natural flood management. Coastal solutions will likely involve consideration of raising seawall crest levels or similar.
- 4.8 The flood study provides the most financially viable avenue to assess and address flood risk in Oban in the long term. This is because cost beneficial scheme solutions identified in the flood study may be awarded an 80% Scottish Government grant, noting there is central funding available, and all councils across Scotland will be bidding for a share of funding available from 2022. The mechanism for prioritisation of schemes for national funding will be finalised later in 2019. It should be noted 20% funding by Councils of such schemes will be required. For context a flood scheme is currently progressing for Campbeltown under the same Scottish Government arrangement with grant funding of up to £7.5M available. This and other flooding schemes are being progressed as part of a national programme which is currently receiving 80% funding from Scottish Government with the remainder to be provided by local authorities.
- 4.9 Consultation with the community regarding flooding in Oban is a key component of the flood study. An initial drop in event was held at the Rockfield Centre on 27th June 2018, and a second on 30th January 2019 at the same venue to update on study progress and obtain relevant feedback from the October flood event. These public events were publicised using the Oban Times, Council website and social media. Paul Hendry from the Scottish Flood Forum attended the January 2019 event to provide local advice to house and business owners.
- 4.10 **Programme.** Projected milestones for the flood study project are:
- Completed flood study to SEPA – December 2019;
 - Publication of Cycle 2 LFRMP (including Oban flood scheme if achieves an acceptable cost benefit ratio and hence 80% grant funding) – by 2022;
 - Implementation of Cycle 2 LFRMP (including design and build of Oban flood scheme) – 2022-2028;
- 4.11 **Funding.** It should be noted that any scheme grant funded by the

Scottish Government will require 20% capital funding by the Local Authority. No estimates for a flood scheme in Oban have been developed as yet.

- 4.12 **Self Help Options.** Advice for home and business owners is available on the Council website at <https://www.argyll-bute.gov.uk/transport-and-streets/flood-advice> This includes links to advice from SEPA at <http://www.sepa.org.uk/environment/water/flooding/> and the Scottish Flood Forum <http://www.scottishfloodforum.org/> The Scottish Flood Forum is a Scottish based organisation that provides support for and represents those who are affected by or are at risk of flooding and is funded by the Scottish Government. Self-help options include the use of property level protection (PLP) barriers that can be installed by property owners to improve resilience of property to flood impacts locally.

5.0 CONCLUSION

- 5.1 The October 2018 flood event resulted in significant disruption locally in the Lochavullin area and to the operation of businesses. Interim works have been undertaken since to improve the resilience of the current pump systems, and a short section of temporary flood barriers have been erected.
- 5.2 A flood study is progressing towards completion later in 2019 which will assess flood risk from river, rainfall and coastal elements across Oban using the latest climate change projections, assess damages caused, and complete an economic assessment of options. This may result in identifying cost beneficial scheme option(s) for Oban which may be eligible for 80% Scottish Government funding from 2022.

6.0 IMPLICATIONS

- 6.1 Policy:
Works are in accordance with the Local Flood Risk Management Plan 2016-2022 as endorsed by Council.
- 6.2 Financial:
Future funding by Council may be required.
- 6.3 Legal:
None at this stage.
- 6.4 HR:
None
- 6.5 Equalities / Fairer Scotland Duty:
None
- 6.6 Risk:

Interim works are a short term solution to mitigate flood risk. Long term the flood study provides a mechanism to understand flood risk, associated damages, and potential cost beneficial flood schemes.

6.7 Customer Service:

Potential for rise in complaints if the Council does not address flooding long term. A flood scheme may provide economic, cultural and physical benefits to the community.

Executive Director of Development and Infrastructure Pippa Milne
Policy Lead Cllr Roddy McCuish
29th January 2019

For further information contact:

Arthur McCulloch, Principal Engineer, Tel 01546 604632
Or Graham Nash, Senior Engineer, Tel 01546 604127

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

DRAFT WASTE STRATEGY

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to introduce to members the draft waste strategy document, as well as updating on the overall context for, and potential future changes to, waste services.
- 1.2 There are three future changes which need to be considered in developing Argyll and Bute's Waste Strategy. These are: the impending landfill ban; the new deposit return scheme; and the end of the private contract with Renewi for waste disposal services in much of Argyll and Bute. These impending changes provide a real opportunity to look at waste differently, and make the development of a new waste strategy both an imperative as well as a real challenge. This is a complex and significant piece of work for the Council.

RECOMMENDATIONS

Members are asked to:

- Approve the Draft Waste Strategy for public consultation; and
- Note the timeline at 4.4.1 and approvals process for the production of the Final Waste Strategy; and
- Note the significant work to date in progressing this complex piece of work.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

DRAFT WASTE STRATEGY

2.0 INTRODUCTION

2.1 This report introduces the Draft Waste Strategy for members to consider; and seeks approval of the document to form the basis of a public consultation. This is a hugely significant document for the Council and its customers, with long-term financial and service delivery implications.

3.0 RECOMMENDATIONS

Members are asked to:

- 3.1 Approve the Draft Waste Strategy for public consultation; and
- 3.2 Note the timeline at 4.4.1 and approvals process for the production of the Final Waste Strategy; and
- 3.2 Note the significant work to date in progressing this complex piece of work.

4.0 DETAIL

4.1 BACKGROUND

- 4.1.1 Argyll and Bute Council is responsible for collecting and then disposing of household waste on behalf of its customers across the Council area. In order to provide this vital service across a large and diverse geographic area, a variety of models are in place, which balance local circumstances and needs against the Council's wider obligation to provide best value for the public purse.
- 4.1.2 The Council empties all household waste bins for Argyll and Bute's 47,000 households, as well as most of the recycling bins. In some areas, we have partnerships in place with local social enterprises who provide recycling collection services on our behalf.

4.1.3 Once the waste is collected, there are different models for its disposal:

Islands (Tiree; Islay; Jura; Mull; Iona; Coll; and adjacent small isles) – The Council owns and operates its own waste disposal sites on some of our larger islands;

Mainland and other islands (excluding Helensburgh and Lomond) – On the mainland we have a contract in place with Renewi (formerly known as Shanks) who provide waste disposal services on our behalf. This contract runs until 2026;

Helensburgh and Lomond – The waste from this area is disposed of at private sites outwith Argyll and Bute

4.2 FUTURE CHANGES

4.2.1 There are three major changes on the horizon which will fundamentally change the picture for waste services in Argyll and Bute, which mean that developing a new waste strategy is imperative:

Ban on biodegradable municipal waste (BMW) – in January 2021 the Scottish Government is introducing a ban on BMW waste going to landfill. This means that all biodegradable waste (such as food waste, garden waste, paper and cardboard) cannot be disposed of in landfill. In effect this ends landfill as a method of disposing of waste. At the moment, in some parts of the Council area, we send biodegradable items to landfill. This change will have significant cost implications for the Council as we will have to find an alternative way to dispose of waste, and it remains to be seen whether we will receive any additional funding from the Scottish Government to help us do this. In particular, the cost implications for the waste service on islands are potentially huge because of the need to transport waste off islands.

End of waste disposal contract with Renewi – in 2026, the Council's contract for waste disposal with Renewi will come to an end. In advance of the contract ending, we will need to look at the best model for waste disposal in the future, and in doing so consider in detail a range of options, from in-house waste disposal to a private contract, with various models in between. In doing so we will have to balance the need to provide a high quality service which complies with our legal responsibilities against what is cost effective and sustainable for the Council in the changing financial landscape.

Deposit return scheme for drinks containers – The Scottish Government announced in 2017 that it would be looking to introduce a Deposit Return Scheme for Scotland. This proposal has gone out to public consultation, and at present we are awaiting the results of this exercise, and clarity on the next steps. It is too early to say what the implications of this might be for the Council, however, a particular risk for noting at this stage is that, if it is determined that Local Authorities should operate the scheme on behalf of the Scottish Government, this could have cost implications for the Council.

- 4.2.2 With these changes in mind, we need a waste strategy which will provide an overarching framework which will allow the Council to continue to provide high quality and cost effective waste services on behalf of the people of Argyll and Bute, while at the same time complying with the new requirements being introduced by the Scottish Government. As well as looking at solutions to the coming challenges, any strategic review should also look, in general terms, at how we can provide better, more efficient waste services for our customers.
- 4.2.3 To provide additional context, the Scottish Government's Zero Waste Plan includes the following targets, which increase national recycling targets in stages:
- 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 going to landfill.
- 4.2.4 Argyll and Bute's overall recycling figure for 2018 was 48.1%. This is up on previous years, and can mainly be attributed to the change to three-weekly bin collections as well as changing national attitudes to recycling.
- 4.2.5 The main objectives of the Waste (Scotland) Regulations 2012, and this provides the main legislative context for the delivery of the Council's current waste services:
- The provision of local authority recycling services to domestic properties (free of charge) and businesses (chargeable);
 - The separate collection of recyclables;
 - Food waste collection to domestic properties (although there is a rural exemption for this);
 - Landfill bans by 2021.
- 4.2.6 The Scottish Government signalled its intentions clearly in the 2015 consultation exercise 'Making things last: Consultation on creating a more circular economy in Scotland'. Among other things, the consultation included 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."*
- 4.2.7 At present the Council only offers separate food waste collection services in Helensburgh and Lomond because of its high population density. It is not currently considered to be cost effective to do this elsewhere, and the Council is not, at this stage, required to offer this service across the board.
- 4.2.8 The BMW ban in its presently proposed format has no rural or island exemptions, with the result that it is, in effect, a one size fits all policy which does not take into account the particular circumstances of rural and/or island local authorities such as Argyll and Bute.

- 4.2.9 The new Islands (Scotland) Act 2018 imposes a duty on public bodies to have regard to island communities in carrying out its functions and makes provision for those relevant authorities to carry out island impact assessments in relation to policy, strategy and service which, in the authority's opinion is likely to have an effect on an island community which is significantly different from its effect on other communities. What this means in practice is that Scottish Ministers, local authorities and others are required to consider the particular context of islands when carrying out their functions.
- 4.2.10 Given the potentially huge cost implications for the Council associated to the BMW ban as outlined at 4.2.2, it was agreed at an Officer-level meeting of other rural and island authorities that Argyll and Bute Council would take the lead in preparing a request to Scottish Ministers for a retrospective island impact assessment to be undertaken on the Waste (Scotland) Regulations 2012. It is the view of Officers that in making such a request it subsequently binds the Scottish Government to considering the specific implications for island communities, and by extension island local authorities, in complying with the blanket BMW ban as currently proposed. At present this island impact assessment process is not yet in place, however, our request for this assessment has been prepared and is ready for submission once there is clarity from the Scottish Government on the process.
- 4.2.11 The Council's preferred approach with the Scottish Government is to seek additional funding to meet the additional costs of complying with the BMW ban. If the additional compliance costs are not met by an enhanced level of central government funding then the Council will look to secure either total or limited (Island/Rural) derogations from the terms of BMW ban.
- 4.2.12 Both rural and island local authorities have expressed concern about the implications of the BMW ban for their areas, and through COSLA, discussions are ongoing with the Scottish Government about whole or even partial exemptions on islands. A joint Scottish Government/COSLA working group has been created and is due to meet in February with the aim of identifying how best the Scottish Government can support local authorities to meet their obligations in terms of the BMW ban.
- 4.2.13 At present it remains to be seen what form the BMW ban will take, however, what is certain is that there are significant changes on the horizon for waste collection services throughout Scotland, and ignoring these changes – failing to comply with new laws, or failing to prepare for these new laws coming in – is simply not an option. The lack of clarity on the currently proposed future changes to waste services makes the development of an over-arching waste strategy difficult but imperative.

4.3 WHAT THE NEW WASTE STRATEGY WILL DO

4.3.1 The new Waste Strategy will:

- align with national policy objectives;
- provide solutions for future disposal of BMW across the Council area (there could be different solutions in different places);
- produce an education and communications plan to promote the benefits of redistribution and re-use over disposal;
- explore innovative new schemes for further redistribution and re-use options beyond those which currently exist;
- carry out an options appraisal to identify the most cost effective options to divert waste from landfill;
- provide details on the implementation of the new Deposit Return Scheme, as well as an analysis of its potential effects.

4.4 WASTE STRATEGY DELIVERY TIMELINE

4.4.1 The current intention is to have the Waste Strategy document finalised by September of this year, ready for implementation. Key dates are as follows:

| DATE | ITEM |
|---------------------------------|---|
| February 2019 | Submission of the first Draft Waste Strategy |
| March 2019 | Member Development Presentation |
| March 2019 | Approval of Draft Waste Strategy for Public Consultation |
| April 2019 | Release of the Draft Waste Strategy on the website for a six week Public Consultation |
| June 2019 | Analysis of responses to the consultation |
| June 2019 | Preparation of Final Waste Strategy |
| August 2019 | Member Development Presentation |
| September 2019 | Submission of Final Waste Strategy and Financial Business Cases to EDI Committee for consideration then onto the next available P&R/Council meeting for consideration and ratification. |
| September 2019 to February 2020 | Implementation Phase |
| July 2020 | Scottish Government Deposit Return Scheme roll out (target date) |
| January 2021 | BMW ban comes into force |
| May 2024 | PPP contact intentions reporting deadline |
| May 2026 | PPP contract end date |

4.5 CONSULTATION

- 4.5.1 The Draft Waste Strategy will be available on the council's website for a six week consultation period commencing in April, which will be promoted through social media. Details will also be provided to all Community Councils.
- 4.5.2 Existing partners, contractors and third sector groups involved in waste management will be invited to respond.
- 4.5.3 Community Planning Partners will also be invited to contribute their views.

5.0 CONCLUSION

- 5.1 The Council has the opportunity, in light of impending changes to both local provision and national legislation, to develop a new waste strategy which will allow high quality and cost effective waste services to continue across Argyll and Bute. This new waste strategy, when adopted by the Council, will have significant implications both for the Council and its customers. Members are invited to consider this draft document with a view to making it available for public consultation.

6.0 IMPLICATIONS

- 6.1 Policy – the Waste Strategy, when adopted, will set the Council's policy position in terms of waste services
- 6.2 Financial – the finalised waste strategy will include costed models. There will be future financial implications for the Council
- 6.3 Legal – the Council will be required to comply with any new national legislation regarding waste services
- 6.4 HR – none know
- 6.5 Equalities/Fairer Scotland Duty – as part of requirements under the Fairer Scotland Duty the Draft Waste Strategy and its outcomes were assessed through an Equalities Impact Assessment
- 6.6 Risk – none known
- 6.7 Customer Service – none known at this time

Executive Director of Development and Infrastructure Pippa Milne
Policy Lead for Roads and Amenity Services, Cllr Roddy McCuish
12/2/19

For further information contact: John Blake, Fleet, Waste and Infrastructure Manager; or Peter Leckie, Project Manager (Waste)

APPENDICES

Appendix 1: Draft waste strategy

Argyll and Bute Draft Waste Strategy

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1. Glossary of Terms

Anaerobic digestion: A biological process where biodegradable waste, such as food waste, is encouraged to break down, in the absence of oxygen, in an enclosed vessel. This produces carbon dioxide, methane (which can be used as a fuel to generate renewable energy) and solids/liquors known as digestate which can be used as fertiliser.

Waste Transfer Site: A facility used primarily for the storage of recyclate. If required, some material is baled ready for onward transportation to reprocessing plants. The sites have a weighbridge for measuring the tonnage of material that comes in and out of the site.

Bring Site: Recycling point where the public can bring material for recycling, for example bottle and can banks. They are generally located at supermarket car parks, Council car parks and similar locations.

Biodegradable Municipal Waste (BMW): Biodegradable municipal waste is defined by Regulation 11(3) of the Landfill (Scotland) Regulations 2003 (as amended) as “municipal waste that is also biodegradable”.

Biodegradable waste is “any waste capable of undergoing anaerobic or aerobic decomposition such as food, garden waste, and paper and cardboard”.

Municipal waste is “waste from households as well as other waste which because of its nature or composition is similar to waste from households”.

Composting: An aerobic, biological process in which organic wastes, such as garden and kitchen waste, are converted into a stable granular material which can be applied to land to improve soil structure and enrich the nutrient content of the soil.

Energy from Waste (EfW): Technologies include anaerobic digestion, direct combustion (incineration with energy recovery), and use of secondary recovered fuel (an output from mechanical and biological treatment processes), pyrolysis and gasification. Any given technology is more beneficial if heat and electricity can be recovered. The Waste Framework Directive considers that where waste is used principally as a fuel or other means to generate electricity it is a recovery activity provided it complies with certain criteria, which includes exceeding an energy efficiency threshold.

Food waste: This term refers to the discarded food from households and trade premises e.g. vegetable peelings, tea bags and banana skins.

Green Waste: Biodegradable waste that can be composed such as garden or park waste, grass or flower cuttings and hedge trimmings. This is generally disposed of at Civic Amenity Sites or composted at home.

Civic Amenity Sites: Site provided by the Local Authority for the recycling of household waste including bulky items such as beds, cookers and garden waste as

well as other recyclables, free of charge. Traders can dispose of recycling at CA sites if they have purchased a permit.

Landfill sites: Any areas of land in which waste is deposited. Landfill sites are often located in disused mines or quarries. In areas where they are limited or no ready-made voids, the practice of land raising is sometimes carried out, where waste is deposited above ground and the landscape is contoured around it.

Low-participating and non-participating households: Any household that does not, or seldom recycles.

Municipal Waste: Includes household waste and any other wastes collected by a Waste Collection Authority (WCA), in this case the Council

WCA: A Local Authority charged with the collection of waste from each household in its area on a regular basis. They can also collect, if requested, commercial and industrial wastes from the private sector for a fee.

Participation Monitoring: Collecting information to measure the public use of a new kerbside recycling scheme and the effect of communication activities so that the Council can identify and engage with low or non-participating households.

Pollution: The introduction of contaminants into the natural environment that have adverse effects on the environment

Recycling: Involves the reprocessing of wastes, either into the same product or a different one. Many non-hazardous industrial wastes such as paper, glass, cardboard, plastics and scrap metals can be recycled. Special wastes such as solvents can also be recycled by specialist companies, or by specialist in-house equipment.

Reduction: Minimising the amount of material that enters the waste stream through actions such as reuse, cutting down packaging and composting.

Reprocessor: A business that carries out one or more activities of recovery or recycling.

Residual waste: Term used for waste that remains after recycling or composting material has been removed from the waste stream. Also known as refuse.

Reuse: Using a product again for the same or different use

Commercial Waste: Waste produced by any premises which are used wholly or mainly for trade, business, sport recreation or entertainment, excluding household and industrial waste.

Industrial waste: Waste from any factory and from any premises occupied by an industry (excluding mines and quarries).

Treatment: Physical, thermal, chemical or biological processes, including sorting, that change the characteristics of the waste in order to reduce its volume or hazardous nature, facilitate its handling or enhance recovery.

Waste Electrical and Electronic Equipment (WEEE): Describes discarded electrical or electronic devices. The definition includes used electronics which are destined for reuse, resale, salvage, recycling, or disposal.

Waste hierarchy: Sets out the order in which options for waste management should be considered based on environmental impact. It is a useful framework that has become a cornerstone of sustainable waste management.

Zero waste: Zero Waste is a goal that is ethical, economical, and efficient and visionary, to guide people in changing their lifestyles and practices to emulate sustainable natural cycles, where all discarded materials are designed to become resources for others to use. Zero Waste means designing and managing products and processes to systematically avoid and eliminate the volume and toxicity of waste and materials, conserve and recover all resources, and not burn or bury them. Implementing Zero Waste will eliminate all discharges to land, water or air that are a threat to planetary, human, animal or plant health.'

2. Executive Summary

2.1 Argyll and Bute Council is responsible for collecting and then disposing of household waste on behalf of its customers across the Council area. In order to provide this vital service across a large and diverse geographic area, a variety of models are in place, which balance local circumstances and needs against the Council's wider obligation to provide best value for the public purse.

The Council empties all household waste bins for Argyll and Bute's 47,000 households, as well as most of the recycling bins. In some areas, we have partnerships in place with local social enterprises who provide recycling collection services on our behalf.

Once the waste is collected, there are different models for its disposal:

- Islands (Tiree;Islay; Jura; Mull; Iona; Coll; and adjacent small isles) – The Council owns and operates its own waste disposal sites on our main islands;
- Mainland and other islands (excluding Helensburgh and Lomond) – On the mainland we have a contract in place with Renewi (formerly known as Shanks) who provide waste disposal services on our behalf. This contract runs until 2026;
- Helensburgh and Lomond – The waste from this area is disposed of at private sites out with Argyll and Bute

2.2 There are three major changes on the horizon which will fundamentally change the picture for waste services in Argyll and Bute, which mean that developing a

new waste strategy is imperative. The draft waste strategy currently promotes the application of the new waste strategy and the consultation process. As the strategy develops there will be more detailed financial information brought forward in future reports for consideration by elected members.

Ban on biodegradable municipal waste (BMW) – in January 2021 the Scottish Government is introducing a ban on BMW waste going to landfill. This means that all biodegradable waste (such as food waste, garden waste, paper and cardboard) cannot be disposed of in landfill. In effect this ends landfill as a method of disposing of waste. At the moment, in some parts of the Council area, we send biodegradable items to landfill. This change will have significant cost implications for the Council as we will have to find an alternative way to dispose of waste, and it remains to be seen whether we will receive any additional funding from the Scottish Government to help us do this. In particular, the cost implications for the waste service on islands are potentially huge because of the need to transport waste off islands. This strategy also features a section with a detailed description of the current Scottish Government and SEPA positions in regard to the BMW landfill ban. Included in this section is a breakdown by preference balanced against necessity where government support could be sought in order to deliver a cost effective solution for Argyll and Bute. The geography of Argyll and Bute is such that there will be a disproportionately high transport cost associated with both ferry and road transport.

End of waste disposal contract with Renewi – in 2026, the Council's contract for waste disposal with Renewi will come to an end. In advance of the contract ending, we will need to look at the best model for waste disposal in the future, and in doing so consider in detail a range of options, from in-house waste disposal to a private contract, with various models in between. In doing so we will have to balance the need to provide a high quality service which complies with our legal responsibilities against what is cost effective and sustainable for the Council in the changing financial landscape.

Deposit return scheme for drinks containers – The Scottish Government announced in 2017 that it would be looking to introduce a Deposit Return Scheme for Scotland. This proposal has gone out to public consultation, and at present we are awaiting the results of this exercise, and clarity on the next steps. It is too early to say what the implications of this might be for the Council, however, a particular risk for noting at this stage is that, if it is determined that Local Authorities should operate the scheme on behalf of the Scottish Government, this could have cost implications for the Council.

- 2.3 With these changes in mind, we need a waste strategy which will provide an overarching framework which will allow the Council to continue to provide high quality and cost effective waste services on behalf of the people of Argyll and Bute, while at the same time complying with the new requirements being introduced by the Scottish Government. As well as looking at solutions to the coming challenges, any strategic review should also look, in general terms, at how we can provide better, more efficient waste services for our customers.

2.4 In order to comply the BMW ban the Council engage with the Scottish Government to seek further support to achieve these objectives. Additional funding to cover the implementation and operation of compliant solutions is the Council's preferred approach. If additional funds are not available then alternative support through derogations from ban will be sought.

2.5 To provide additional context, the Scottish Government's Zero Waste Plan includes the following targets, which increase national recycling targets in stages:

- 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 going to landfill.

Argyll and Bute's overall recycling figure for 2018 was 48.1%. This is up on previous years, and can mainly be attributed to the change to three-weekly bin collections as well as changing national attitudes to recycling.

The main objectives of the Waste (Scotland) Regulations 2012, and this provides the main legislative context for the delivery of the Council's current waste services:

- The provision of local authority recycling services to domestic properties (free of charge) and businesses (chargeable);
- The separate collection of recyclables;
- Food waste collection to domestic properties (although there is a rural exemption for this);
- Landfill bans by 2021.

National targets are important, but so are the unique issues faced by Argyll and Bute Council to deliver cost effective and high quality waste services across a vast and diverse geographic area, and this document looks to provide solutions via a section with a detailed analysis of our particular issues and challenges

The Scottish Government has preferred collection and treatment technologies detailed in the form of the Household Recycling Charter. For residents this includes weekly food waste collections, weekly recycling collections through a kerbside sort collection (putting recycling in variety of containers and sorting it at the kerbside as opposed to putting it all in one container and sorting it at a recycling facility, which is known as co-mingled collections), and a residual waste collection to suit local needs.

Argyll and Bute has not signed up to the Scottish Household Recycling Charter as it is not financially possible to provide this level of service within the Council's current financial constraints, bearing in mind the diversity and size of the council area.

2.6 The Waste Strategy details how waste will be disposed of in Argyll and Bute. In particular, this document:

- is a policy which sets key objectives and overall approaches for the reduction of waste across the area;
- outlines technical and/or contractual change options designed to provide solutions for the impending landfill ban;
- outlines technical and/or contractual change options designed to provide waste disposal options in advance of the end of the current Renewi contract which covers mainland Argyll and Bute (excluding Helensburgh and Lomond);
- takes into account other upcoming changes such as the introduction of a Deposit Return Scheme for Scotland.

2.7 The primary policy objectives of the document include:

- to work with both residents and visitors to the area to raise awareness of the importance of recycling, reducing waste and preventing it in the first place;
- to enable the Council to meet its current and future statutory requirements;
- to provide a high quality and cost effective recycling service for the Council's customers, both residents and businesses.

2.8 The technical and/or contractual options in respect of the landfill ban provide the Council with potential solutions to ensure that it meets these new requirements. The options for each of the current waste disposal model areas are summarised below:

ISLANDS (TIREE; ISLAY; JURA; MULL; IONA; COLL; AND ADJACENT SMALL ISLES) MODEL

A) Carry out an options appraisal to identify the most cost effective options to divert waste from landfill;

B) Develop waste transfer operations at our pre-existing island landfill sites. This would be a step-change from the current model where household waste is landfilled and recyclable material is transferred off the islands for sorting. The creation of waste transfer stations would allow the Council to bulk or mechanically separate, bale and transfer recyclable material more efficiently and cost effectively. This would require capital investment but would also deliver significant savings;

C) Continue to offer landfill services at our island sites to service items not subject to the ban such as abattoir waste and non-biodegradable bulky waste.

HELENSBURGH AND LOMOND

A) Procure access to a waste transfer site linked to a long-term waste disposal contract;

B) Develop a waste transfer facility linked to a long-term waste disposal contract.

MAINLAND AND OTHER ISLANDS (excluding Helensburgh and Lomond)

A) Evaluate the possibility of converting the existing treatment and landfill facilities to new facilities which will be able to process the residual waste in such a way as to make up to 40% of it inert, with the remainder of the waste processed at Energy from Waste facilities;

B) Evaluate the possibility of a total transfer model where all residual waste is transferred to EfW plants for disposal.

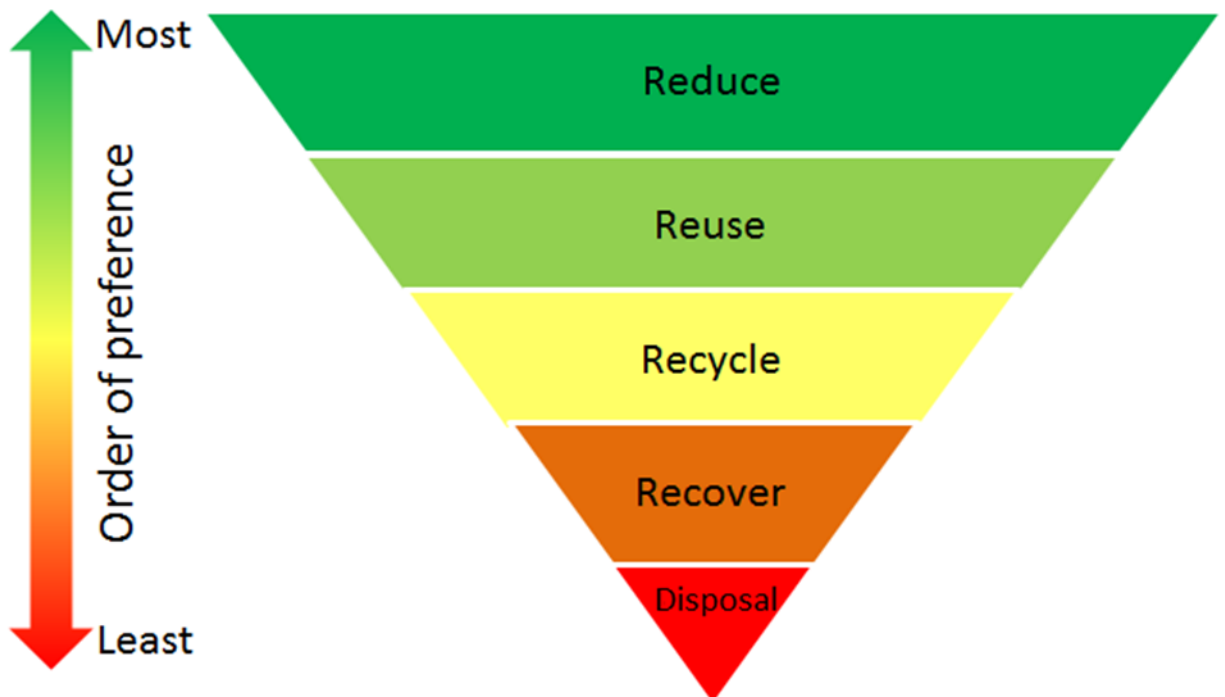
3. Waste Policy – Reduce, Reuse, Recycle

3.1 At the heart of the Waste Strategy are the principles enshrined in the universally recognised Waste Hierarchy which is shown in the following graphic. The hierarchy ranks waste management options from best environmental outcome to worst. In doing this, the model takes into account the particular lifecycle of a particular material. This is an environmental assessment against all stages of a product's 'life' – raw material extraction, material processing, manufacture, distribution, use, repair and maintenance and, finally, disposal or recycling.

The easiest way to interpret the waste hierarchy is to say its top priority is in preventing waste. If and when waste is created, next priority goes to preparing it for a reusable purpose, followed by recycling or other recovery method, with disposal (landfill) being the final, and least desired, option. The waste hierarchy applies across the board, with the exception of tyres.

As a practical example, one tonne of food waste sent to landfill produces 450 kilogrammes of CO₂e (equivalents) which then go into the atmosphere; whereas preventing one tonne of food waste saves 3590 kilogrammes of CO₂e. Beyond the significant matter of Green House Gas emissions, selecting waste options higher up the hierarchy also creates opportunities to reduce water consumption, protects important (and finite) raw materials, creates jobs and provides a range of ancillary economic opportunities in recycling and reuse.

WASTE HIERARCHY



- 3.2 Argyll and Bute Council, and its predecessor local authorities, has fulfilled and continues to fulfil its statutory obligations to collect and dispose of household waste free of charge. As was normal practice in waste management, much of this waste was disposed of in landfill. After landfilling, the Council continued to manage the material in order to control its environmental impact as far as reasonably practical. Going forward, landfill is not a realistic option given the impending ban being promoted by the Scottish Government, which will effectively end landfill as a waste disposal method.
- 3.3 Given the current taxes which are placed on local authorities per tonne of waste sent to landfill, one of the main benefits of placing the waste hierarchy at the heart of the new waste strategy is financial.

The current rate of landfill tax is £88.95 per tonne and is collected by the Scottish Government from Local Authorities (and companies providing services on their behalf). Last year in Argyll and Bute we sent 32,217.55 tonnes of waste to landfill, giving us a tax bill of £2,865,751.

Proportionally, landfill tax accounts for around 75% of the total cost of carrying out landfill. The more we can divert from disposal the more we can generate significant savings for council tax payers across Argyll and Bute. Moving away from landfill as the primary means of residual waste will also generate large waste transportation and disposal gate fee costs significantly exceed the saving made on tax.

Council Officers are responsible for the collection and collation of Waste performance data which is reported internally on a quarterly basis and publically reported annually through the SEPA Waste Data Flow.

- 3.4 Beyond the financial implications, sending valuable, reusable materials to landfill is, in the purest definition, a waste of resources, and creates a further strain on already depleting natural resources/raw materials.
- 3.5 Argyll and Bute Council will work to meet the Scottish Governments Zero Waste and Circular Economy targets in line with the Waste Hierarchy. Achieving this objective will have positive effect on Argyll and Bute's Green House Gas output. Through framing the Policy initiatives on the Waste Hierarchy we will also be able to achieve savings as a smaller decreasing amount of Waste goes to Disposal or Recovery (EfW).
- 3.6 Using promotional tools such as Social Media and the Councils Websites as well as direct engagement at events etc. We will educate residents, business, visitors and Council employees on the need to Reduce, Reuse and Recycle following the waste hierarchy to reduce Waste going for either Disposal or Recovery.
- 3.7 The public of Argyll and Bute have a crucial role to play in not only maintaining current recycling and diversion rates levels, but also making positive changes supporting the Councils ability to increase diversion and recycling rates. Strong education and communications will be implemented and sustained with regular refreshes of content to reinforce the waste reduction message.
- 3.8 With the Waste Hierarchy at the core of the strategy we will build on the Reduce, Reuse, Recycle theme to increase recycling rates. Working in conjunction with other Council services and partner organisations participation monitoring on kerbside recycling and residual waste tonnages should be developed. The data collected will be used to effectively target non- or low participating households and offers the opportunity for communications to be targeted, which will help to increase capture rate.
- 3.9 The Council does not have a separate budget to develop specific promotional materials but will tap into national campaigns supported by partner agencies such as Zero Waste Scotland. Where possible the council will make use of open source/free to use tools to develop and publish promotional content.
- 3.10 Communications will be linked demographic and locality profiles and targeted messages specific to these varying demographics and localities will be used in conjunction with national and authority wide messages. For example Social Media will promote a Zero Waste initiative across the Council area - in turn a local group working in support of that objective in an area would be promoted--- specific neighbourhood may be targeted if the issue/benefit can be localised to a specific area. Education will also continue within the Council, with a particular focus on engaging with staff on both the cost/benefit of refuse and recycling and its environmental impact. This staff engagement will increase

awareness but should also serve to strengthen and encouraging best practise across the Council.

Commercial Waste

- 3.11 A significant proportion of the waste collected by the Council originates from the commercial sector. It is therefore imperative that recycling is maximised from this service if the statutory recycling targets are to be achieved.
- 3.12 All businesses and organisations have specific legal responsibilities as regards the waste they produce, including recyclable materials. Unlike waste produced from households, the collection of which is included in Council tax, businesses are required to pay an authorised person for their collection and disposal in addition to their business rates. The rationale behind this is that they take responsibility for the waste they produce and make efforts to reduce and recycle it in order to save money. There is no obligation to use the services provided by the Council as long as all the correct documentation is held to prove where the waste has gone.
- 3.13 The Council offers a commercial recycling and waste service where recycling is considerably cheaper than residual in order to incentivise businesses to recycle their waste. The commercial waste team are able to work with businesses to provide the best solution for their needs.
- 3.14 Whilst charges are kept to a minimum, the Council has a statutory duty to recover the costs of the trade recycling and waste service. In order to encourage the take-up of the recycling service, the charges made for residual collections are used to subsidise the collection of recyclable materials.
- 3.15 In order to maximise the cost effectiveness of the trade service, recycling and residual collections are combined with the domestic rounds wherever practicable. Dedicated vehicles are used where this cannot be achieved.
- 3.16 In order to ensure that council tax payers are not subsidising trade waste collections, it is important that traders do not use the domestic service free of charge. This is also illegal as there is no duty of care in place to show where the waste has gone as required under the Environmental Protection Act 1990.

4. Waste in Argyll and Bute

- 4.1 Argyll and Bute covers a land area of 2712 square miles (approximately 4.5 times the size of London). The population, from the 2017 mid-year estimates (National Records of Scotland), is 86,810, making it the second largest Scottish local authority by area, but one of the least populated. Over 40% of the population are classified as living in remote rural areas, and with 23 inhabited

islands, just over 17% of the total population are islanders. This is a unique mix, which brings its own particular opportunities and challenges.

4.2 Waste disposal is carried out via three different models:

- Islands (Tiree; Islay; Jura; Mull; Iona; Coll; and adjacent small isles) – The Council owns and operates its own waste disposal sites on our main islands;
- Mainland and other islands (excluding Helensburgh and Lomond) – On the mainland we have a contract in place with Renewi (formerly known as Shanks) who provide waste disposal services on our behalf. This contract runs until 2026;
- Helensburgh and Lomond – The waste from this area is disposed of at private sites out with Argyll and Bute.

4.3 The waste budget for 2019/20 is just over £13.8million, broken down as follows:

| Service | Annual Waste Budget 2019-20 |
|--|-----------------------------|
| Recycling | 769,639 |
| Waste Collection | 2,269,295 |
| Waste Disposal Islands, Helensburgh & Lomond | 2,743,667 |
| Waste Disposal PPP | 7,924,431 |
| Waste Management | 121,413 |
| Grand Total | 13,828,445 |

4.4 Other than the sites operated by Renewi that are no major waste disposal facilities in Argyll and Bute. The majority of alternative disposal sites are located in the Central Belt. These are relatively easily accessible from Helensburgh and Lomond, but are challenging to access from other areas of Argyll and Bute. These alternative sites are a mix of landfill and EfW sites.

4.5 In terms of waste collections, the Islands (Tiree; Islay; Jura; Mull; Iona; Coll; and adjacent small isles) and Mainland and other islands model areas have the following collection:

Residual or black bag waste – three weekly collection cycle)

Co-mingled waste (plastics, paper, card, cans) – fortnightly collections

Helensburgh and Lomond, because of the requirements placed upon the Council by this area’s population numbers, has four collection streams:

Residual or black bag waste – three weekly collections

Co-mingled waste (plastics, paper, card, cans) – fortnightly collections

Food waste – weekly collections

Glass – four weekly collections

4.6 At present there is a food waste exemption within the Waste (Scotland) Regulations 2012 which has a population cap of 10,000. All other major settlements in Argyll and Bute sit well below this level. Based on current census information it is considered unlikely that any other areas will breach the cap before 2031, although this is nevertheless a financial risk to the Council which requires to be actively monitored.

4.7 There are just under 100 bring sites across the Council area. These give residents the opportunity to do their own recycling of glass bottles and are a cost effective addition to the kerbside recycling service across the Council area.

4.8 Last year Argyll and Bute sent 32,217.55 tonnes of waste to landfill, with the breakdown across the waste model areas as follows:

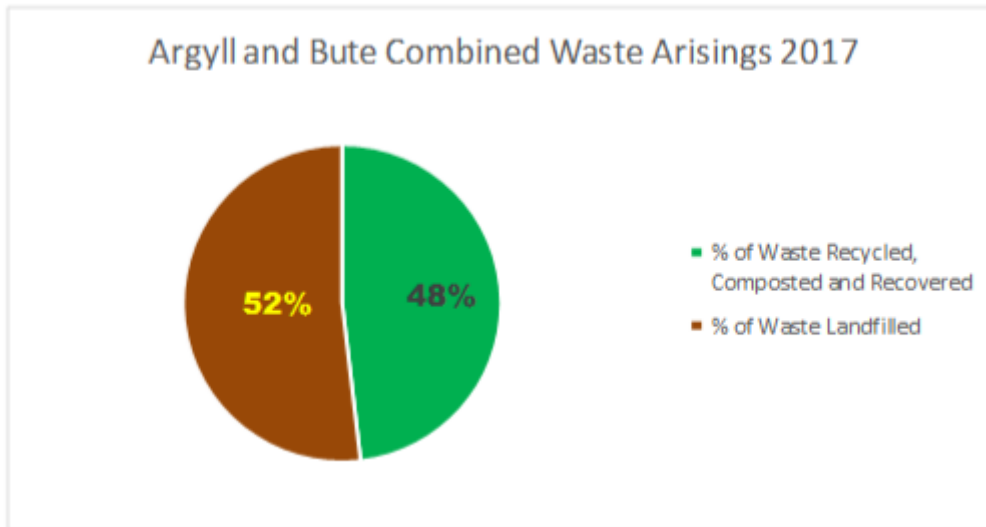
Islands (Tiree; Islay; Jura; Mull; Iona; Coll; and adjacent small isles) – 3,420 tonnes

Mainland and other island areas– 17,500 tonnes

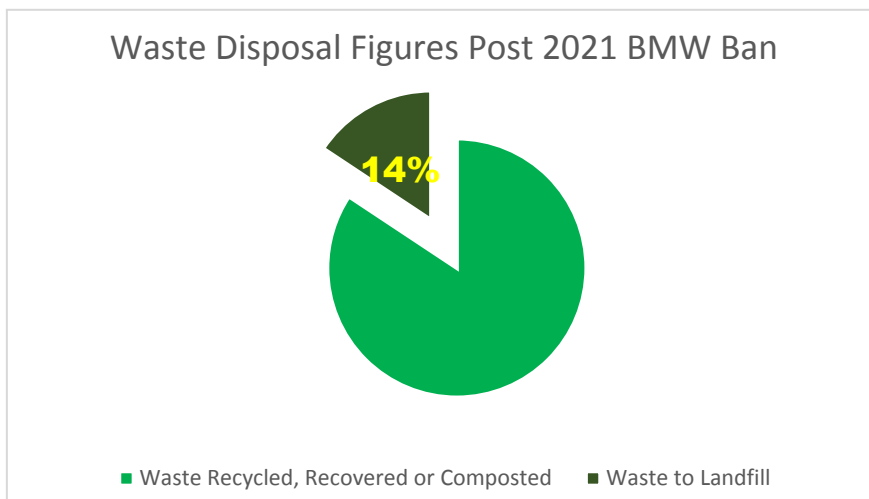
Helensburgh and Lomond – 11,300 tonnes

4.9 48.1% of total waste in Argyll and Bute was recycled last year, or 29,902.47 tonnes. There are variances in recycling/recovery performance between all three models as a result of treatment and disposal facilities available in each area. The percentage of waste Recycled, recovered or composted in each of the model areas are as follows:

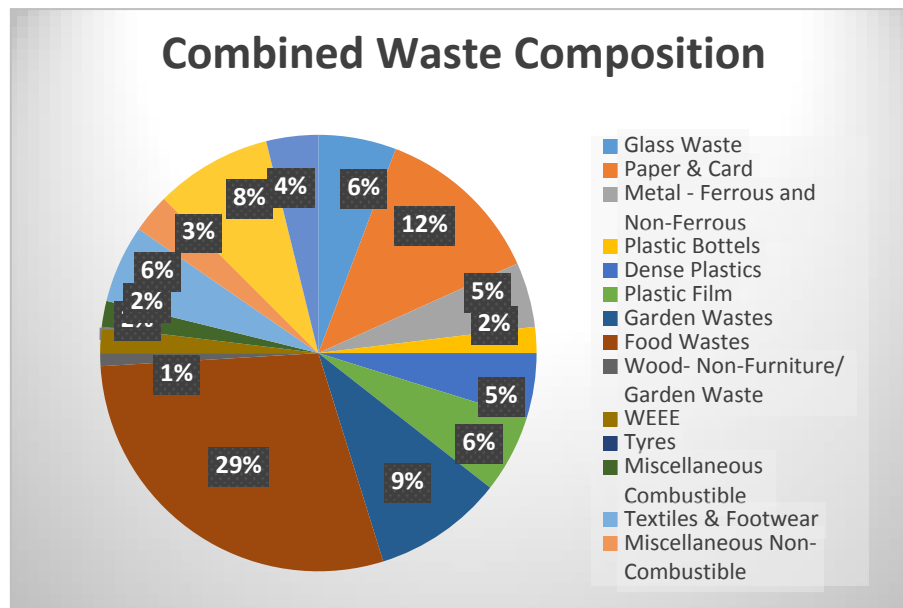
- Island Model – 33.6%
- Mainland and other island areas - 53.8%
- Helensburgh and Lomond - 40.8%



4.10 Using current waste figures as a baseline, it is possible to predict the level of remaining waste after the BMW landfill ban comes into effect. This modelling shows that, assuming mechanisms are put in place to meet the terms of the ban, Argyll and Bute will send 14% of its waste (non-BMW) to landfill.



4.11 In late 2014, the Council received funding from Zero Waste Scotland to carry out a composition analysis in two areas – Dunoon and Islay. This exercise showed that an average of 42% of the waste placed in the residual waste/black bin could, in fact, be recycled, and that on top of this, an average of 30% of the contents of the residual waste/black bin was food waste. This exercise was one of the main drivers for the successful change to three-weekly waste collections, which has encouraged more recycling across Argyll and Bute.



As part of delivering this waste strategy, a new composition analysis, to the same format in the same areas, will be carried out, providing fresh data and a means of like-for-like comparisons over changes to service delivery models.

5. BMW ban-Technical/Contractual changes

- 5.1 This section of the Waste Strategy covers the options for compliance with the BMW ban for each of Argyll and Bute's Waste Models. The three Waste Models and the areas each distinctive in their geography and how Waste in particular residual waste is disposed of. This section will put forward the Technical/Contractual options, highlighting the Cost/Benefit and Risks/Opportunities of each option and the timescale required to deliver it ahead of the ban and any aspects of a proposal that requires Scottish Government support.
- 5.2 The three distinct waste models and the current Waste disposal methodologies are detailed below and feature a map of all Active Waste facilities in the Council area (Table 5):
- Island (Mull, Islay, Tiree) Landfill/Civic Amenity sites which are operated directly by the Council;
 - Helensburgh and Lomond where waste is collected and disposed of at third party sites out-with Argyll and Bute.
 - A 25 year PPP contract covering the mainland Argyll and the Island of Bute, excluding Helensburgh and Lomond. This contract runs until 2026;

Argyll and Bute Waste Facility Map



6. Current Scottish Government BMW ban position and Local Government response

- 6.1 As a result of measures in the Waste (Scotland) Regulations 2012 every local authority in Scotland is obliged to implement a ban on Biodegradable Municipal Waste (BMW) going to landfill from January 2021.

SEPA and the Scottish Government have made it clear that the ban of BMW waste going to landfill will be implemented across all of Scotland with no derogation planned for rural areas including the islands

SEPA and the Scottish Government publically remain committed to the terms of the ban, including its start date. However, Local Authorities across Scotland and the Private Sector continue to lobby the SG in relation to which materials should be included in the BMW ban and on the start date of January 2021.

- 6.2 Biodegradable municipal waste is defined by Regulation 11(3) of the Landfill (Scotland) Regulations 2003 (as amended) as “municipal waste that is also biodegradable”.

Biodegradable waste is “any waste capable of undergoing anaerobic or aerobic decomposition such as food, garden waste, and paper and cardboard”.

Municipal waste is “waste from households as well as other waste which because of its nature or composition is similar to waste from households”. For example food waste from a restaurant would be classified as being BMW.

Biodegradable municipal waste is the largest constituent fraction of our residual waste which is also known as black bag waste this is collected in a three weekly collection from householders green bins across Argyll and Bute

- 6.3 It was made clear by COSLA that the financing of a compliant solutions and lack of Scottish disposal capacity/options are a critical issue for most authorities and that there is still a risk that some authorities will not be in a position to comply with the ban. Argyll and Bute Councils had highlighted the specific rural challenge and impact of introducing ban compliant solutions.
- 6.4 In particular the costly logistical problem of transiting large quantities of residual waste over large distances to disposal sites in the central belt and potentially further afield.
- 6.5 Argyll and Bute Council’s preferred approach with the Scottish Government is to seek additional funding to meet the additional costs of complying with the BMW ban. If the additional compliance costs are not met by an enhanced level of central government funding then the Council will look to secure:
- Phased Landfill Derogations to allow for authorities to access to Waste to Energy treatment options;
 - Exemption of some (bulky) waste from the BMW ban;
 - Landfill Trading Scheme (Similar to the Renewable Obligation Certificate Scheme) extending beyond the ban start date allowing Local Authorities struggling to have compliant solutions ready for the ban, to continue landfilling for a limited period;
 - Preferably total or phased Landfill derogation for rural areas;
 - Preferably total or phased Landfill derogation for Island communities.
- 6.6 The Scottish Government response to these proposals asserted that the terms of the ban are fixed and not likely to change. However, that they would consider and work with Local Authorities/COSLA on practical options that would ensure compliance with the ban. It was agreed that a new joint COSLA/Scottish Government working group on the BMW ban would be setup to identify/develop potential solutions. The first meeting of this group is due to take place early in 2019.

- 6.7 The Scottish Government also stressed that working with the Scotland Excel they had provided a brokered solution that is open to any Local Authority. The brokered solution is for disposal only and does not include a haulage element and relies on the export of waste as Refuse Derived Fuel to Europe.
- 6.8 The Scottish Government and SEPA has however conceded that they would look again with COSLA Waste Managers at the Bulky Waste element to see if the current approach is appropriate. It has been proposed that a Bulky Waste code of practice be developed by Local Authorities that would ensure that non-biodegradable bulky waste is separated out at Civic Amenity sites. SEPA have also made it clear that biodegradable animal by-product waste from food production facilities such as Abattoirs are exempt from the ban and can continue to be landfill.

7. Islands (Tiree; Islay; Jura; Mull; Iona; Coll; and adjacent small isles) BMW ban solution

- 7.1 Argyll and Bute Council currently operate two combined Civic Amenity and Landfill sites in the Islands area:
- Gartbreck on Islay – With capacity beyond the 2021 date of the BMW ban;
 - Glengorm on Mull – Landfill Capacity to be extended beyond the BMW ban;
 - There are also decommissioned landfill operations on Tiree, Coll and Colonsay. These sites are operated as Civic Amenity Sites with the Waste arisings transferred to the mainland for disposal.
- 7.2 Currently residual waste containing the BMW element produced on Islay and Mull is landfilled on the islands. Residual waste from Jura and Iona is landfilled on Islay and Mull respectively. The residual waste containing the BMW element is approximately 3420 tonnes (for both Islay and Mull). Residual waste from Tiree, Coll, Lismore, Luing, Seal and Bute are already transferred to the mainland for disposal.
- 7.3 Up to and including 2018 recyclate from bring sites, households and civic amenity sites was sorted, baled and regularly taken off the Islands for sale. Going forward from February 2019 the recyclate material will be changed to a comingled collection and bulked for transport and sorting at Mechanical Recycling facilities on the mainland. This brings this service in line with the other recycling services in the Council. Waste Electrical and Electronic Equipment (WEEE) waste, glass waste and scrap metal waste are also taken off the islands regularly.
- 7.4 An options appraisal study has been carried out to evaluate the options for a ban compliant solution for all our island sites. The options evaluated took into account:

- **Compliance**, Is it compliant and will it deal with all waste materials currently accepted and those included in the BMW ban;
- **Environmental impact**, on both the immediate area but also mainland Argyll and the overall CO2e impact of the solution;
- **Cost**, the Capital investment required to make the change and the ongoing Revenue cost impact once the change is live;
- **Deliverability**, how likely is it that the solution will be ready in time for ban.

7.5 The options considered as part of the options appraisal were:

- Conversion of existing Island Landfill sites into Waste Transfer/CA sites only allowing for Residual Waste transfer and recovery at EfW facilities;
- Maintain Island Landfill Sites to support ban exempt material disposal but develop Waste Transfer to allow for residual waste transfer and recovery at EfW facilities;
- Construction of local EfW facilities.

7.6 The current landfill cell at Glengorm will be full by the end of February 2019. This had the potential to have a significant impact on Waste disposal operations on Mull. To ensure that the Council waste operation as full flexibility both too:

- Continue to support local businesses that rely on Landfill as the primary disposal method for their non-BMW ban effected Waste streams.
- To accept and Landfill non-BMW ban effected Bulky waste at the CA sites.

7.7 There significant exceptions that are exempt from the terms of the BMW ban that can continue to landfilled at our Island sites:

- Animal By-product waste (ABPW), such as fleshing's/abattoir waste/ seafood processing waste;
- Construction and Demolition Waste (CD);
- Non-Biodegradable Bulky Waste from Civic Amenity Sites and bulky uplifts.

It is the case that with both the ABPW and the CD the landfill tax costs of providing this service would be met out of the commercial charging for this service based on Weighbridge information plus administration fees etc. As landfill tax is likely to continue to rise this cost will be passed on to the service user. To mitigate the landfill tax impact of the Bulky waste going to landfill the measures to increase Reuse and to divert from landfill will be crucial.

- 7.8 Residual waste disposal operations through local EfW facilities on our Islands were considered. Ultimately this was rejected as a result of the low quantity of available waste feedstock on the Islands making a local EfW unable to sufficiently achieve an economy of scale. As a result of the high costs of construction and the inability to meet the ban deadline it became clear that local small EfW is a costly and impractical option.
- 7.9 The preferred option for the Island sites is to continue Landfill of the ban exempt materials locally and to construct and operate Waste Transfer facilities to be used in the onward transport and eventual to recover of the residual waste at an EFW facility. One construction options of the Transfer Operation being considered is existing site facilities could be enhanced in order to carry out this new requirement without the need for the costly construction of new facilities. The cost for conversion of the sites is being developed and will be put forward as part of the works approval process in line with governance procedures. Capital funding has been secured for these works from existing funds set aside for capping and restoration works at our Island sites.
- 7.10 Switching to a transfer operation the Islands' residual waste would bring in an additional haulage and recovery gate fee cost for disposal via EfW. These additional costs would be offset against the saving made in Landfill tax currently sitting at £88.95/tonne. A full breakdown of the costs of the Transfer operation can be found in Appendix 1.
- 7.11 A long term (10 year+) EfW contract in order to secure best value by preventing steep price increases in gate fees. Alternatively the Island tonnage could be folded into a contractual agreement the eventual off taker of Helensburgh and Lomond's residual waste.
- 7.12 Transfer of residual waste from our Island sites will result in the requirement for up to 185 additional ferry journeys by Heavy Goods Vehicles to transport the waste for disposal. This will impact on the already stretched ferry capacity of Calmac, by switching to waste transfer operations the additional haulage requirement will displace other ferry traffic. Waste Disposal is a critical service and in order to avoid disruption and potential non-compliance at our sites the required ferry capacity will need to be secured.

8. Helensburgh and Lomond BMW ban solution

- 8.1 Argyll and Bute Council's current residual waste disposal contract (including BMW materials but excluding food waste) for Helensburgh and Lomond ends in March 2019, with temporary contract arrangements in place for up to six months. This is an opportunity to comply with new legislative requirements timeously and also ensure that we have secured disposal arrangements for residual waste in a restricted market prior to the landfill ban coming into force.
- 8.2 As with the Island and PPP model areas and options appraisal study has been carried out to evaluate the options for a ban compliant solution. The study used the same criteria as listed in section 7.4 to evaluate the cost/benefit of each solution over its expected lifespan. The evaluation criteria for the ban was:
- **Compliance**, Is it compliant and will it deal with all waste materials currently accepted and those included in the BMW ban;
 - **Environmental impact**, on both the immediate area and in overall CO2e impact;
 - **Cost**, the Capital investment required to make the change and the ongoing Revenue cost impact once the change is live;
 - **Deliverability**, how likely is it that the solution will be ready in time for ban.
- 8.3 The options evaluated in the options appraisal for a BMW ban compliant Residual Waste solution for Helensburgh and Lomond:
- Tender of a EfW disposal contract for Helensburgh and Lomond's residual Waste, supported by the construction of a Waste Transfer Site at either Blackhill CA site or Depot in Helensburgh;
 - Direct appointment of the incumbent residual waste contractor;
 - Carryout a joint procurement with neighbouring local authorities of residual waste disposal services including access to waste transfer facilities.
- 8.4 The option to construct and operate a Waste Transfer Site at either of the Blackhill sites would require a significant upfront capital investment. Argyll and Bute Taking on the operation of a waste transfer station in Helensburgh would require an uplift in revenue funding to meet the additional requirements of staffing the site and carrying out the operation. This increase in costs would not be offset by any potential saving in vehicle running costs. As a result of the financial burden of constructing and operating this option it is not considered cost effective to pursue this option further. In addition to cost there are also

issues around securing planning and regulatory consent for a CA at the proposed locations due to their location and existing design.

8.5 The option that offers best total value for money over the longest possible term for Helensburgh and Lomond's residual waste is the proposed joint procurement of residual waste disposal service with neighbouring authorities. Under the proposal it's anticipated that Argyll and Bute would collaborate with West Dunbartonshire and Inverclyde Councils' in the procurement of a suitable contractor; separate contracts will be put in place with each authority.

8.6 The initiation of a collaborative tender process for residual waste disposal will ensure efficiency in the provision of this service. This approach supports the corporate procurement strategy and meets the Councils strategic priorities.

Consultation for this procurement requirement has been carried out at officer level with representatives from procurement, legal and waste across the three authorities. There is agreement between officers in all three authorities that a combined procurement is the most cost effective method of delivering this service.

8.7 The period of this contract will be for ten years with a five year option to extend. This period was agreed following market research and the need for companies to have contract security to offset major investment in waste infrastructure over a period of time. Shorter contracts are not cost effective as we would likely have to pay a premium on price to ensure that the contract would be sufficiently attractive for a provider to invest in the service.

8.8 The overall contract value for the ten years is expected to be affordable within the current budget. The annual anticipated expenditure is based on the tonnage of waste processed, with the forecast of below based on the 2017/18 tonnages.

Waste tonnages and estimated costs

| Council | Est. Tonnage | Est. Cost |
|---------|--------------|-----------|
| ABC | 13000 | £1.3m |
| WDC | 40000 | £4m |
| Inver | 40000 | £4.1m |

8.9 West Dunbartonshire Council procurement team have led on this process and are advising on all aspects of procurement compliance. Argyll and Bute Council Procurement and Legal teams have also been involved for the start and have ensured that all decisions made represent the interests of Argyll and Bute Council and are in line with agreed policy.

8.10 The contract agreement also has the scope to include residual waste from the Island Model area. This would provide Argyll and Bute Council with a secure off

taker and allow for the best possible price over the longest term for our smallest tonnage (currently around 3,000 p.a.).

8.11 The benefits of taking the joint procurement approach:

- Collaborating with the other two authorities should make the combined requirements more attractive to the market due to the geographical locations of the Council's and aggregated tonnage of waste which should present economies of scale and be more attractive to a wider range of waste processors to allow either inward investment or a haul and treat solution;
- Individual tonnages would itself not be as attractive for new investment or attract a processor willing to haul smaller tonnages;
- By including the requirement for outsourcing and sharing the costs of operating transfer station infrastructure between the three authorities it reduces cost of transport of waste to central belt;
- Collaboration with the other two authorities demonstrates our commitments to collaborative working, sharing best practice and pooling resources;
- The procurement does not impact on staffing numbers and would likely see a reduction in overtime. There would also be no impact on kerbside, civic amenity or bring site waste collection frequency;
- By putting in place a combined contract of significant scale we will be able to secure an attractive price/tonne over the total (potential 15 years) of the contract. If we were to approach the market as a single authority with a small tonnage we would not be able to achieve as low a price/tonne.

8.12 We have considered the procurement methodology to be adopted for this procurement and have agreed with the other two authorities that an open tender is most effective and timeous procurement route. We are in a position pending the approval of elected members and signoff of a "Minute of Agreement" that we could go live with the tender, and receive returns and carryout an evaluation with a view to appoint a contractor in Summer of 2019. Interim service arrangements to ensure that Residual Waste obligations are still met will put into place to tie in with the end of the current contract.

9. Mainland and other islands BMW options

9.1 Technologies and processes and systems that could ensure compliance with the ban can be broken down into two categories:

- Waste to Energy (WtE) – Using the waste as feedstock in the generation of heat/ electricity producing an inert by product. Including:
 - Refuse Derived Fuel (RDF) for supply to WtE plant

- Anaerobic Digestion (AD)
- Composting - Compost is organic matter that has been decomposed in a process called composting. This process recycles various organic materials - otherwise regarded as waste products - and produces a soil conditioner (the compost). Including:
 - Community Composting (small scale In Vessel Composting)
 - In Vessel Composting (IVC)

In both technical options the logistics around the transfer of waste and/or RDF, is a key part of the cost of any solution. Waste Transfer Reception and temporary storage of waste material which is then bulked and transported to a disposal sites remains essential to the process.

- 9.2 As with the other waste model areas an options appraisal study has been carried out to evaluate the options for a ban compliant solution. Unlike the other two model areas the options appraisal process is as yet not complete. This is due to the complexity of the contractual implications and negotiations of changing the terms of a large 25 year PPP contract. The criteria used in the options appraisal are similar to those as listed for the other models (listed in section 7.4 and 8.3) with the inclusion of evaluation against contract impact and risk. Taken in their entirety the evaluation are intended to evaluate the cost/benefit of each option.
- 9.3 An option that has be excluded from further consideration is building and operating our own large scale EfW plants in Argyll and Bute were considered as an option. However, both EfW methodologies of Anaerobic Digestion (AD) and a Refuse Derived Fuel (RDF) incineration plants would be impractical due to the comparatively low level of feedstock produced in Argyll and Bute and would have to rely on the importing of feedstock to make the EfW process economically and practically viable. In addition both processes produce by products that would require further disposal creating additional liability and cost.

Option One MBT to IVC Conversion

- 9.4 Working with our existing waste PPP partner Renewi we have formed an officer joint working group to explore the potential for a technical solution to the BMW ban that would make use of current disposal facilities at Dalinlongart, Moleigh and Lingerton.

A proposal was put forward by Renewi's technical experts to convert the existing mechanical biological treatment (MBT) plants into IVC plants.

- The 40% would be treated through the IVC process and rendered inert enough (AT4 standard) to be landfilled under the terms of the BMW ban.
- The remaining 60% of the residual waste would either be baled or compressed in to briquettes of RDF. The RDF produced would then in turn be stored in a secure

warehouse and then sold on the open market to either domestic or foreign WtE operators.

9.5 There are also several issues with the proposed conversion option that should be considered as part of the options appraisal process. These issues can split down into two areas - cost and contractual implications.

9.6 There are several cost impacts to be taken into account when evaluating the MBT to IVC conversion option. At this stage of the negotiation there is also a lack of clarity as to where all of the parties' liabilities sit and to what level:

- The conversion costs of switching the operation from MBT to IVC are understood to be substantial. There is also an additional cost for the construction of one or more storage facilities for the produced RDF. It should be assumed at this stage that Argyll and Bute Council would have to absorb the greater part of this cost.
- The operating costs of the IVC/ RDF facilities are as yet unknown. There is a working assumption on the part of Renewi that there would be no significant increase in operating costs versus the current model, however; this is as yet untested.
- There would be the additional cost of transiting residual waste to our sites for disposal at the proposed EfW facilities. Additionally costs for planning and licence changes at facilities would have to be included.
- 40% of the Waste would be extracted and rendered inert. This inert composted element would then be landfilled. This would require maintaining 40% of the existing/planned landfill capacity to meet this requirement.
- The landfill tax for landfilling inert material is currently £2.80/tonne but this is likely to rise however this is a reduction from the current rate for non-inert material of £98.95/tonne.
- 60% of the residual waste would be converted to RDF. This would then be transferred to either facilities in the central belt or in England or Europe for disposal. The gate fee, storage and haulage costs would have to be borne by ABC on top of the costs of the IVC system.

9.7 A change of operation of this scale would necessitate a variation of the agreement. Previous variations have been extremely difficult and costly to achieve as any change has to meet with the approval of PPP contract funders. A diagram of the structure of the PPP contract can be found in Appendix two of this document.

9.8 There is continued risk of contractual liabilities particularly in relation to the end of contract landfill void space requirements. Depending on what option is pursued the amount of void space required will reduce. Currently under the contract

Renewi are obliged to provide the Council with sufficient pre-prepared landfill void space for future needs beyond the contract end date. Under the agreement Renewi takes on all of the cost for these works. If the need for this requirement was no longer required then it would in effect reduce the cost liability for Renewi significantly. However, at the BMW ban working group it was agreed between Renewi and Council officers that an equitable solution to the void space issue favouring neither party should be sought as part of ongoing negotiations.

- 9.9 If the Council were to pursue this option it might become necessary to buy the senior debt in the contract with Renewi. This cost is significant and would also see a halt on further PPP support funding from the Scottish Government. Buying out the contract would prevent the involvement of the external PPP contract funders. Buying out the senior debt would also reduce the current Unitary Charge paid to Renewi under the contract, the structure of the PPP contract with details of the funders can be found in appendix 1.
- 9.10 The PPP contract will be coming to an end in 2026. Provision for this contract end date and the future of the operation needs to be built in to any agreement with Renewi on the adoption of this proposed solution. The waste strategy will provide a framework for process of costing and evaluating any future tenders to carry out the IVC/ MBT operation both external and internal with the Council absorbing the operation.
- 9.11 In addition to the issues surrounding both cost and contractual impacts, the technical efficacy of the proposed IVC system will need to be established prior to commitment of both parties to the MBT to IVC conversion.
- 9.12 The testing is focused on establishing if the biodegradable element of the residual waste extracted meets the AT4 respiration standard and is therefore inert enough to be landfilled under the terms of the landfill ban. The cost of the proposed testing is dependent on how much test material can be landfilled as inert material and ranges between £70k and £150k. Prior to any testing approval would be sought from committee. Testing could be potentially funded from funds earmarked for Helensburgh Transfer Station costs that are no longer required. The timescale for the delivery of the testing and analysis of the results assuming an approval will report back by the end of September 19. This is timed with the production of the final waste strategy.
- 9.13 Assuming that the feasibility study was part of the go/no decision, the new changes could be in place within 10-12 months of an instruction to proceed (assuming the permitting process would be twin tracked with construction). Typical duration for the work are as follows:
- Feasibility study and report-3 months
 - Planning permission and permitting- 8 months
 - Outline design & contractor procurement-3 months
 - Detailed design and mobilisation- 3 months
 - Site works- 4 months

Option Two: Total Transfer Solution

9.14 The proposed IVC solution would extract a limited amount of waste (40%) with the remainder having to transfer for disposal as RDF. The costs for the IVC extraction and landfill would have to be borne along with the haulage cost for the transfer of the waste going as RDF (60%)

It may be more cost effective to improve the network of waste transfer stations by converting the two Landfill sites operated by Renewi. All of the waste would then be transferred to EfW plants/operators direct for disposal.

9.15 The cost implications of moving to a Total Transfer solution are significant:

- Conversion costs of the two remaining Landfill sites would be minimal as pre-existing buildings would be used to house the waste transfer operation. Decommissioning and removal/disposal of equipment would be needed to clear sufficient floor space. Reconfiguration of the layout of the buildings using prefabricated concrete walls could be utilised to keep costs at minimal level. The costs of carrying out the conversion to waste transfer sites would be similar or less than the proposed MBT to IVC conversion.
- As with the IVC solution, there is a cost for the EfW disposal gate fee. Unlike the IVC solution 100% of the residual waste be transferred to either facilities in the central belt or in England or Europe for disposal. The haulage and recovery costs from all of the sites to EfW plants would be significant. However haulage costs would be offset against the former operating costs of Landfill including the tax element of around £3m/annum.
- Further savings as a result of the reduced requirement for future Landfill capacity and in turn future aftercare and monitoring costs.

9.16 The contractual implications of moving to a to a Total Transfer option are similar to that of the IVC/MBT conversion. Both options feature a significant change in waste disposal operation and require significant capital investment. Therefore a contract variation and potential buy out of the senior debt may still be required.

10. Scottish Deposit Return Scheme

10.1 In September 2017, the Cabinet Secretary for Environment, Climate Change and Land Reform, Roseanna Cunningham MSP, announced the introduction of a Scottish Deposit Return Scheme (DRS). Zero Waste Scotland has been commissioned by the Scottish Government to develop one or more prototype systems which have been put forward for public consultation with returns due on 25th September. To date there has been no update from with Zero Waste

Scotland of the Scottish Government to either COSLA or the public on the results of the consultation.

10.2 Zero Waste Scotland has carried out one-to-one interviews with a number of local authorities and with the Waste Managers Network to gather information on local authorities' waste and litter services and are running a number of so-called 'Sector Reference Group Meetings'. This engagement provided an opportunity to inform all stakeholder groups on the range of options, impacts and opportunities arising from the DRS and there is one meeting for each of the stakeholder groups. This has been followed by an open online forum hosted by ZWS, for further input ahead of the formal consultation.

10.3 The goals of the DRS in summary from the public consultation on the DRS from July of 2018:

“Zero Waste Scotland and the Scottish Government have been working to consider the key questions which need to be addressed to ensure that a scheme delivers for Scotland. This work has been guided by four design principles - that a deposit return scheme should:

- *increase the quantity of target materials captured for recycling;*
- *improve the quality of material captured, to allow for higher value recycling;*
- *encourage wider behaviour change in the use of materials;*
- *deliver maximum economic and societal benefit for Scotland.”*

Omitted from the description is a significant part of the brief that was given to Zero Waste Scotland from the Scottish Government that the DRS should not impact on existing local authority DMR operations. Though there is no direct impact on service such as a reduction of kerbside collections being mandated as part of the scheme there will be various other direct effects of it running in parallel to existing local authority DMR collections. It is expected that the quality of the materials left in the kerbside collection will be poor and therefore not able to attract a high price and not go towards offsetting the cost of collection.

10.4 The biggest issue with the DRS is the lack of certainty on the specific elements of the scheme and its operating model and how it will achieve the stated aims of the scheme. What is known is that the scheme will cover all of Scotland. It should be noted that a separate UK Deposit Return Schemes has been proposed. Currently there are no plans to create a single UK wide deposit scheme. However, it is understood that the Scottish Government will engage with other administrations to look at cross compatibility of schemes.

10.5 The consultation document on the DRS produced by ZWS has four operating models listed with different variables applied detailing the estimated impact of each model on the Scottish economy. The variables in the proposed consultation models include what materials would be accepted under the scheme but also how the materials would be collected. The question on how the materials would be collected is critical to the costs and benefits secured under the scheme. The options for the models are:

- Option 1: Take back to designated drop-off points, which would involve containers being taken back to a number of large, dedicated locations rather than smaller return points in shops and public places. Materials included: Cans, Glass, Plastic bottles excluding milk and dairy products.
Net benefit to the economy over 25 years: £494m, per annum; £617k
- Option 2 Take back to dedicated drop-off points and some shops, similar to example 1 but with the inclusion of Reverse Vending Machines at some retailers. Materials included: Cans, Glass, Plastic bottles including milk and dairy products, Cartons and single use Cups.
Net benefit to the economy over 25 years: £352m, per annum; £440k
- Option 3: Take back to any place of purchase. Reliant on Reverse Vending Machines being placed in all participant retailers. Materials included: Cans, Glass, Plastic bottles excluding milk and dairy products.
Net benefit to the economy over 25 years: £745m, per NPV annum; £992k
- Option 4: Take back to any place of purchase. The crucial difference between examples 3 and 4 is that the latter includes more materials within its scope and can therefore maximise its NPV. However it remains reliant on Reverse Vending Machines being placed in all participant retailers. Materials included: Cans, Glass, Plastic bottles including milk and dairy products, Cartons and single use Cups.
NPV over 25 years: £990m, per authority area/annum; £1.2m

DRS impacts

- 10.6 Unlike the BMW ban where the operations impacts and the compliance costs can be quantified, the DRS proposal is at too early a stage to model impacts with accuracy. Therefore, it is very difficult to predict with what the impacts of the scheme will be. Depending on what options are chosen and how the scheme is implemented will have differing cost impacts?
- 10.7 Of concern is that the scheme operator may see an opportunity as local authorities are the incumbent and largest waste services providers in rural as being best placed to deliver this service on their behalf. In practical terms this makes sense but without additional funding from the Scottish Government local authority involvement in the operating of the scheme is unlikely.
- 10.8 Sighting of Reverse Vending Machines or drop off areas would prove challenging in rural/ island areas due to the distances between return locations. In order to achieve the best materials capture rate for the scheme there would need to be sufficient quantity and dispersal of return locations. In rural areas there are likely to be fewer return points and the distance between them greater effectively disenfranchising some residents from the scheme.

- 10.9 Under the proposed scheme models the products currently offered by local authority catering departments will have to comply with the scheme. This may necessitate Reverse Vending Machines or specific material based collections to be implemented at the point of sale/service. The users of the catering services to participate will have to have their own way to collect the deposits that they have paid by purchasing their beverage. Clear guidance needs to be produced for local authorities on how this will be resourced particularly for rural and island locations. Further consultation with COSLA and Education departments and other stakeholders' needs to be carried out before implementation- to date there are limited details of any such consultation having taken place. This additional consultation should take into account of the potential issues of a cash based scheme operating our facilities, such as abuse bullying and social exclusion. Recognition must be given to the extensive roll out cashless catering that has already taken place in our schools and that opportunity for the DRS to feature as part of that.
- 10.10 The costs for participation in the DRS for business are currently unknown. It is unclear if small business and retailers that rural and island communities rely on for essential services will be mandated to comply with the DRS. These businesses are already stretched by having large overhead costs in their supply chain and operations.
- 10.11 There is a real risk that the DRS will be another cost with limited benefit to these small businesses particularly if they may have to bear the burden either practically or administratively for the collection and return of scheme materials. Due consideration must be given by the Scottish Government et al. to what businesses may fall within the scope of the DRS model and to the true costs of participation.
- 10.12 Local authorities and bodies such as HIE and Business Gateway provide essential support and advice to small businesses and rural entrepreneurship. These bodies should be directly consulted on the proposed final model of the DRS to ensure that SMEs in rural area get the best advice allowing them to take steps to mitigate the impact of the DRS prior to launch and roll out.

DRS Conclusions

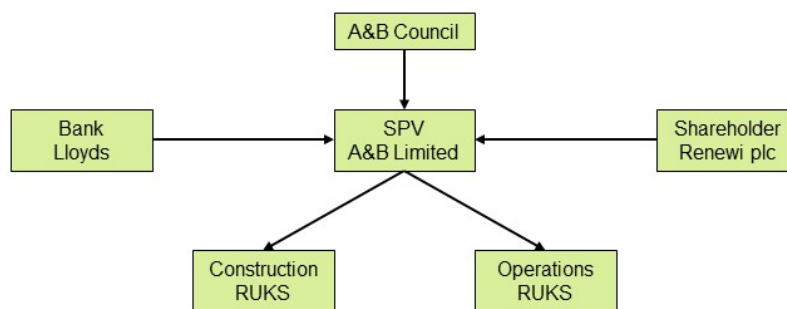
- 10.13 The Scottish Government and its agencies must note the concerns and difficulties faced by rural and island local authorities in delivering compliant waste disposal services. Argyll and Bute Council fully supports the aims and objectives of the Scottish Government's drive to see a zero waste circular economy. Recognition of the unique resource and logistical challenges faced by rural and island authorities in delivering compliant services, though, is critical to delivering a successful national programme.

10.14 Similarly local authorities are willing partners that wish to operate compliant waste disposal services. Local authority compliance can be supported by the Scottish Government through a proposed combination of increased or new financial/ practical support and consideration of derogations (both phased and total) dependent on an options appraisal based on best total value.

11. Appendices

Appendix 1 Structure of the Waste PPP contract

A&B structure



- Shanks has been renamed Renewi following its merger with Van Gansewinkel
- Key contact at SPV is SPV Representative – John Boag
- Key contact at Operator is Contract Director – Eddie Ingram

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7 MARCH 2019**

FESTIVE LIGHTING UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update members on the delivery of festive lighting across Argyll and Bute in 2018, as well as the community handover arrangements now that the Council is ceasing to provide this non-statutory service.
- 1.2 Overall the outlook is very positive, and it is expected that all areas will have a community arrangement in place by the end of this financial year. Each situation is slightly different from the last in terms of the historic provision; as well as the mix of skills, funding and capacity available to communities, with the result that this is a complex piece of work.

3.0 RECOMMENDATIONS

Members are asked to:

- Note the successful delivery of festive lighting schemes across Argyll and Bute in 2018;
- Endorse the work of community groups to deliver festive lighting in their towns and villages;
- Agree the scoring matrix guide for area committees as set out at 4.2.2;
- Note that the Council has now ceased to provide this service and that the project is on track to deliver full community handovers by the end of this financial year;
- Note that other local authorities have approached the Council for advice and support in their own festive handover initiatives.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

FESTIVE LIGHTING UPDATE

2.0 INTRODUCTION

- 2.1 This report provides Members with an update on the delivery of festive lighting across Argyll and Bute in 2018. The overall programme saw a mix of council-led and community-led festive lighting displays.
- 2.2 As per the Budget decision of February 2016, the Council is no longer in a financial position to deliver festive lighting. Community handovers are at various stages, with some complete and some still in progress.

3.0 RECOMMENDATIONS

Members are asked to:

- 3.1 Note the successful delivery of festive lighting schemes across Argyll and Bute in 2018;
- 3.2 Endorse the work of community groups to deliver festive lighting in their towns and villages;
- 3.3 Agree the scoring matrix guide for area committees as set out at 4.2.2;
- 3.4 Note that the Council has now ceased to provide this service and that the project is on track to deliver full community handovers by the end of this financial year;
- 3.5 Note that other local authorities have approached the Council for advice and support in their own festive handover initiatives.

4.0 DETAIL

4.1 DELIVERY OF FESTIVE LIGHTING 2018

- 4.1.1 Festive lighting across Argyll and Bute was delivered as follows:

| Town/village | Delivery mechanism | | Comments |
|--------------|---|---|---|
| | Council | Community | |
| Lochgilphead | | Lochgilphead Christmas Lights Committee, using local contractor McLeod Construction | Delivered by the Christmas Committee with the aid of a grant of £5,000 from ABC |
| Ardrishaig | ABC led, with the switch on subcontracted to McLeod Construction | | The local development trust has agreed to take this on in future years |
| Inveraray | | Inveraray Community Council | Delivered by the CC with the aid of a grant of £1,750 from ABC |
| Tarbert | ABC delivery | | In principle agreement for local events group to take this on going forward |
| Furnace | | | There was a community-led solution in place at Furnace but unfortunately this fell through at the last minute which meant that the Furnace tree was unlit this year. Steps are being taken to ensure the community arrangement going forward is robust. |
| Campbeltown | ABC delivery with the aid of local contractor McKinven and Colville. In utilising a local contractor alongside the Council's street lighting squad, this provided the contractor with the knowledge and experience needed for the job going forward. | | There is an established Committee in Campbeltown with which the Council is working closely to ensure a successful handover for 2019. |

| | | | |
|-----------|--------------|--|---|
| Bowmore | | Delivered via the Bowmore Sports Committee, who utilise an independent local electrician | |
| Jura | | Jura Development Company arrange the event, with the install being done by a local electrician. | The Council's contribution to the community handover was the purchase of a small number of replacement features. |
| Oban | | BID4Oban delivered the switch on event with the help of local contractor Oban Electrical Services | This was aided by a grant of £9,000 from ABC |
| Tobermory | | Tobermory Christmas Lights Committee delivered this event, utilising a mix of local electricians for the install | This was aided by a grant of £3,000 from ABC |
| Dunoon | | Dunoon Presents (PA23 BID) delivered this event via local contractor John Brown (Strone) | The BID received funding of £8,000 from ABC. |
| Rothesay | ABC delivery | | <p>The switch on event itself in Rothesay was cancelled due to adverse weather.</p> <p>No community delivery partner has been identified in Rothesay, however, a number of options are being considered and this will be picked up in detail at the Bute and Cowal Area Committee in its specific festive update paper.</p> |

| | | | |
|---|--------------|--|---|
| Innellan | | Community Council | Previously established community delivery method e.g. pre-2016 |
| Sandbank | | Community Council | Previously established community delivery method e.g. pre-2016 |
| Port Bannatyne | | Christmas Committee | <p>This is an addition to lists reported previously to members.</p> <p>There is a pre-2016 community event in this area, however, this has been added for the sake of completeness because the Council had historically provided some assistance to this event, with the result that local members might wish to consider allocating some of the remaining funds to this group.</p> |
| Helensburgh | | Community delivery via the Helensburgh Festive Lighting Charitable Trust. The Trust benefit from a qualified electrical engineer, with the result that they did not need an electrical contractor for assistance, rather, they used a local window cleaning company to provide additional labour | The group benefited from a grant of £10,000 from ABC to deliver the event. |
| Arrochar; Rosneath; Kilcreggan; Garelochhead; Rhu; Cardross | ABC delivery | | No firm community arrangement was possible for 2018, however, officers are engaging with the community councils in |

| | | | |
|--|--|--|---|
| | | | these areas to explore a collective solution. |
|--|--|--|---|

4.2 ALLOCATING REMAINING FUNDS

4.2.1 The estimated balances of the remaining festive funds are noted in the table below. The total costs are not fully reconciled in the ledger because timesheets require to be verified and final invoices are awaited from suppliers/sub-contractors. The exact balances will be available after the end of the financial year.

| Area | 2017/18 spend | 2018/19 budget | 2018/19 spend (or committed) | Balance |
|------|---------------|----------------|--|-----------|
| MAKI | 31,174 | 20,728 | 7,750 grants Repairs and labour (inc. sub contract) TBC | < 500 |
| OLI | 25,802 | 26,100 | 13,500 grants (this includes 1,500 payment to Tobermory from previous year) Repairs TBC | c. 10,000 |
| BC | 27,345 | 24,557 | 8,000 in grants Repairs and labour TBC | c. 11,000 |
| HL | 21,939 | 29,963 | 10,000 in grants Repairs and labour TBC | c. 15,000 |

4.2.2 A transparent mechanism should be put in place to show that the allocation of the remaining festive funds is both proportionate and reasonable. Officers have developed a scoring matrix based on the historic specification in each town/village as follows, with a minimum allocation of £500 per town or village. Each area has its own particular dynamics, with the result that the following matrix is proposed for this committee to recommend as a guide to area committees in the disbursement of the festive funding which is delegated to them. It is ultimately for area committees to determine the funding allocations in their areas.

| Item | Score |
|--|-------|
| Lamppost or building mounted feature | 1 |
| Providing and dressing a tree | 2 |
| Cross carriageway feature | 3 |
| Dressing an existing tree/lighting existing features | 1 |

4.2.3 Using this scoring matrix against the historic specification in each area gives the following results:

Bute and Cowal

| Town/village | Points | Funding available |
|----------------|--------------|-------------------|
| Dunoon | 39 | 6420 |
| Rothesay | 14 | 2,625 |
| Innellan | 1 (notional) | 652 |
| Sandbank | 1 (notional) | 652 |
| Port Bannatyne | 1 (notional) | 652 |
| TOTAL | 56 | 11,000 |

Helensburgh and Lomond

| Town/village | Points | Funding available |
|--------------|------------|-------------------|
| Helensburgh | 121 | 11,205 |
| Cardross | 1 | 588 |
| Rhu | 2 | 677 |
| Garelochhead | 2 | 677 |
| Kilcreggan | 1 | 588 |
| Rosneath | 2 | 677 |
| Arrochar | 1 | 588 |
| TOTAL | 130 | 15,000 |

Oban, Lorn and the Isles

| Town/village | Points | Funding available |
|--------------|-----------|-------------------|
| Oban | 53 | 7,314 |
| Tobermory | 17 | 2,686 |
| TOTAL | 70 | 10,000 |

5.0 CONCLUSION

5.1 The project to transition from Council-led to community-led festive lighting across Argyll and Bute is approaching a successful conclusion. Lighting events were delivered successfully across Argyll and Bute in 2018 via a mix of Council and community groups. In those areas where the Council did deliver in 2018 there is an identified group to take festive lighting on in future years. In the case of Rothesay, where there is no identified group, steps are being taken to engage with potential partners.

6.0 IMPLICATIONS

6.1 Policy – none (ref Budget February 2016).

- 6.2 Financial – in agreeing the matrix at 4.2.2, the full earmarking from 2016 will have been committed.
- 6.3 Legal – there is a template agreement for groups to sign up to which make the roles and responsibilities of both parties clear.
- 6.4 HR – none.
- 6.5 Equalities/Fairer Scotland Duty – none.
- 6.6 Risk – there is a risk that in future years community partners may approach the Council to fund their events due to a lack of independent revenue streams or external funding.
- 6.7 Customer Service – none.

**Executive Director of Development and Infrastructure, Pippa Milne
Policy Lead for Roads and Amenity Services, Cllr Roddy McCuish**

11/2/19

For further information contact: Mark Calder, Project Manager, on 01546 604756

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7 MARCH 2019**

ROADS CAPITAL RECONSTRUCTION PROGRAMME 2019/20

1.0 EXECUTIVE SUMMARY

- 1.1 The Roads Reconstruction Programme has been structured in line with the Roads Asset Management and Maintenance Strategy. The focus has been to arrest the rate of decline and provide an overall improvement in condition as has been demonstrated in the Annual Status and Options Report. In previous years this has been achieved through the delivery of a mix of carriageway resurfacing, edge strengthening, patching/surface dressing and in-situ road surface recycling. These treatments have been designed to seal the road to stop the ingress of water, improve ride quality and reduce the amount of reactive repairs. This has resulted in an overall improvement in road condition. Without these works and investment there would have been a significant deterioration in condition. Additional funding was allocated at the Council Budget Meeting on 22 February 2018 for financial years 2018/19 and 2019/20.
- 1.2 Attached to this report is a draft programme for roads reconstruction and footway schemes for 2019/20. This programme has been designed using the Road Condition Index (RCI) which is produced by the national road condition survey data. 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 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.
- 1.3 The proposed capital works programme as presented is based on carriageway condition late autumn/early winter. With the effect of winter this programme may need to be adjusted to ensure that any investment is targeted accordingly. Should any changes be required to the programme, the Policy Lead and Depute Policy Lead will be notified prior to any amended area scheme list being sent out to local members.
- 1.4 It is recommended that the Committee endorses the proposed programme of capital works for 2019/20, and also agrees that details of each area committee's programme will be forwarded on to individual Elected Members, updates to area committees will be provided as the programme progresses.

ROADS CAPITAL RECONSTRUCTION PROGRAMME 2019/20

2.0 INTRODUCTION

- 2.1 This report provides details of the proposed roads reconstruction programme for 2019/20.

3.0 RECOMMENDATIONS

- 3.1 That the Committee endorses the proposed programme of capital works for 2019/20, and also agrees that details of each area committee's programme will be forwarded on to individual Elected Members, updates to area committees will be provided as the programme progresses.

4.0 DETAILS

- 4.1 Note for committee: The appendices attached to this report are working drafts, there will be some slight adjustments in terms of scheme values etc. to allow the budget to balance.
- 4.2 The focus of the roads reconstruction programme has been to recover the network through the delivery of a mix of carriageway resurfacing schemes, patching/surface dressing and in-situ road surface recycling, which follow the principles set out within the Roads Asset Management Plan. The proposed capital works programme is based on the funding allocation which was confirmed at the Council Budget Meeting held on 22 February 2018 and is year 2 of the programme.
- 4.3 The proposed schemes have been selected using the Councils Roads Asset database *WDM-PMS* and using the information collected from the full SCANNER Survey carried out in summer 2017. In-line with recommendations within the Annual Status and Options Report, the programme is not necessarily concentrated on the *red* roads but instead has been realigned to focus on the *amber* roads to arrest deterioration and prevent these becoming *red*. This effectively provides a stitch in time approach and ensures that we get the best rate of return from the investment available. *Red* roads are roads requiring attention currently, *amber* roads are roads which will require attention in the not too distant future and *green* roads are roads which require no attention. By progressing schemes that will provide the best rate of return, taking consideration of the survey results and associated data, the Council is able to deliver a programme of schemes

which maximises the benefits to the travelling public from the available investment. Footway schemes are prioritised based on information from formal inspections.

- 4.4 Surface dressing schemes are selected on the basis that, either the skid resistance of the road surface is poor, or the road surface requires sealing *before* it fails. There is also a weighting / ranking applied that aligns with a routes classification and hierarchy.
- 4.5 As in previous years, the roads reconstruction programme will be delivered by a mixed economy model with the Councils in-house team delivering carriageway reconstruction and patching works. The surface dressing element of the programme will be delivered by an external contractor. In order to ensure that the programme provides maximum benefit to the overall network, there will be a minimum of £2M of surface dressing work carried out. This enables the maximum surface area to be covered which will help to seal carriageway cracks, prevent the ingress of water and reduce the amount of reactive maintenance for potholes.
- 4.6 In 2018/19, the Roads Reconstruction Programme was accelerated by £805k. This was to provide economies of scale and provide the maximum benefit for road condition based on available budget. There was also a grant from the Strategic Timber Transport Scheme (STTS) of £1.46M. This funding was used to match fund existing schemes on the council network where timber extraction was programmed to be carried out. It is officers' intention to make further bids to the STTS for 2019/20. The overall available budget for 2019/20 is £6.636M, this has been allocated on the historic percentage split for both carriageways and footways. As per the budget motion is 2018, there was an allocation of £250k for footways in 2018/19 and a further allocation of £250k in 2019/20. The attached appendices details the current draft programme. Should carry forward capital funding differ to the figure stated above, this will be reflected in the area allocations based on the historic percentage splits.
- 4.7 **The capital programme presented is based on carriageway condition late autumn/early winter. With the effect of winter this programme may need to be adjusted to ensure that any investment is targeted accordingly.**
- 4.8 The programme for each of the administrative areas will forwarded to Area Committee Members and updates to area committees as the programme progresses.

5.0 CONCLUSION

- 5.1 This report provides details of the proposed roads reconstruction programme for 2019/20.

6.0 IMPLICATIONS

- 6.1 Policy Works assessed and carried out under the current Roads Asset Management Plan.
- 6.2 Financial Programme will be based on capital allocation for year 2019/20.

| | | |
|-----|---------------------------------|---|
| 6.3 | Legal | None |
| 6.4 | HR | Reconstruction works delivered by a combination of in-house Roads Operations team and sub-contractors. |
| 6.5 | Equalities/Fairer Duty Scotland | None |
| 6.6 | Risk | Completed works will reduce requirement to repair roads and will arrest the existing carriageway/footway deterioration. |
| 6.7 | Customer Services | Overall improvement in road surfaces and the quality of driven journeys. |

Executive Director of Development and Infrastructure: Pippa Milne
Policy Lead Councillor Roddy McCuish

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

APPENDICES

- Appendix 1 – MAKI Proposed Roads Reconstruction Programme 2019/20
- Appendix 2 – OLI Proposed Roads Reconstruction Programme 2019/20
- Appendix 3 – B&C Proposed Roads Reconstruction Programme 2019/20
- Appendix 4 – H&L Proposed Roads Reconstruction Programme 2019/20

Appendix 1 – MAKI Proposed Roads Reconstruction Programme 2019/20

MAKI

| | |
|------------|--|
| £2,057,160 | Budget Allocation for 2019-2020 |
| | |

MID ARGYLL

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|------------------------|-------|--|-----------------|---|
| 137866, 137871 | A816 | Sala chary - Kintraw | £85,000 | Pre Surface Dressing (£30k) & Surface Dressing (£55k) |
| 138096, 138097, 138098 | B840 | Finchairn - Braevallich | £98,000 | Pre Surface Dressing (£20k) & Surface Dressing (£78k) |
| | U10 | Brenachoillie | £22,000 | Surface Dressing |
| 137,864 | A816 | Riverside | £110,000 | Inlay - Possible STTS Co Funding |
| 138326 | C30 | Kilmaha | 32,000 | Overlay |
| 138317, 138319, 138323 | C42 | Gartnagrenoch - Dunrostan Various Sections | £95,000 | Overlay |
| | U48 | Cairnbaan Towpath | £121,000 | Structural Edge Works |
| | U61 | Tarbert Ind Est | £20,000 | Inlay |
| | | Ardrishaig Street | £60,000 | Inlay |
| | | | | |
| Area Total | | | £643,000 | |

KINTYRE

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--------------------------------|-------|-----------------------|-----------------|--|
| 137986 | B842 | Low Smerby - Peninver | £90,000 | Pre Surface Dressing (£30k) & Surface Dressing (£60k) |
| 137987, 137981 | B842 | Kildonan | £60,000 | Overlay (£50k) & Surface Dressing (£10k) |
| 138274, 138273, 138276, 138275 | C18 | Keprigan Loop Road | £145,000 | Pre Surface Dressing (£35k) & Surface Dressing (£110k) |
| | C21 | Tayinloan Ferry Road | £31,000 | Overlay (£16k) & Surface Dressing (£15k) |
| | U48 | Tayinloan Village | £15,000 | Pre Surface Dressing (£5k) & Surface Dressing (£10k) |

| | | | | |
|-------------------|---------|-----------------------------|-----------------|--------------------------------|
| 137973 | B842 | Campbeltown - Low Smerby | £100,000 | Edge Strengthening / Surfacing |
| 137967 | B842 | Grogport | 32,000 | Overlay |
| - | B843 | Drumlemble | 20,000 | Overlay |
| - | B879 | Carradale Pier Road | £30,000 | Overlay |
| 138265 | C19 | Learside | £40,000 | Overlay |
| 138395 | U51 | Feorlin | £20,000 | Edge Strengthening / Surfacing |
| - | U59 | RAF Machrihanish Road | £20,000 | Overlay |
| - | Various | Carradale Streets | £40,000 | Overlay |
| Area Total | | | £643,000 | |

ISLAY, JURA

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--------------------|-------|-----------------------------|-----------------|---|
| 137829 | A846 | Port Askaig - Ballygrant | 200,000 | Pre Surface Dressing (£35k) & Surface Dressing (£165k) |
| 137821, 137812 | A847 | Cross House | £65,000 | Pre Surface Dressing (£20k) & Surface Dressing (£45k) |
| - | A846 | Ballygrant | £35,000 | Overlay |
| - | A846 | Emeraconart | £40,000 | Inlay |
| - | A846 | Bowmore | £32,000 | Inlay |
| 137794 | A846 | Laphroaig | £51,000 | Edge strengthening |
| 137828, 137830 | A846 | Ardfin | £100,000 | Overlay |
| 137838 | A846 | Ardmenish | £15,000 | Overlay |
| 138,502 | B8016 | Leorin | £50,000 | Overlay |
| - | U34 | Killinallan | £20,000 | Overlay |
| - | U64 | Caol Ila | £20,000 | Overlay |
| - | B8086 | Colonsay | £15,000 | Overlay |
| Area Total | | | £643,000 | |

| MAKI | Footways | Scheme Name |
|-------------------|----------------|---------------------------|
| Mid Argyll | £15,000 | Tarbert Ind Est |
| Kintyre | £15,000 | Tayinloan Footway |
| Islay | £15,000 | Port Charlotte/Port Ellen |
| Area Total | £45,000 | |

Appendix 2 – OLI Proposed Roads Reconstruction Programme 2019/20

OLI

| | |
|------------|---------------------------------|
| £2,322,600 | Budget Allocation for 2019-2020 |
| | |

LORN

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--|---------------|---|-------------------|---|
| 137848 | A816 | North of Kilmore | £168,000 | Pre Surface Dressing (£43k) & Surface Dressing (£125k) |
| 138288, 138290, 138289, 138283, 138274, 138287, 138285 | C32 | C32 Glen Lonan & Glencruitten | £295,000 | Pre Surface Dressing (£70k) & Surface Dressing (£225k) |
| 137847, 137846 | A816 | Knipoch | £150,000 | Road Widening - Possible STTS Co funding |
| 138015, 138016, 138014, 138012, 138025 | B845 | Glen Nant | £50,000 | Overlay and Verge Improvement |
| 138297, 138296 | C26 | South Shian | £100,000 | Overlay plus additional funding from Scottish Sea Farms |
| 138277 | C27 | Tynribbie - Gunn's Garage | £40,000 | Overlay |
| 138300, 138309 | C29 | Kilchrenan - Collaig Various Sections | £100,000 | Overlay - Possible STTS Co funding |
| 138407, 138408 | U10 | Degnish | £40,000 | Overlay |
| 138411, 138410, 138412 | U14 | Scammadale Road | £30,000 | Overlay |
| 138415, 138414, 138413 | U25 | Muasdale | £30,000 | Overlay |
| 138292, 138294, 138293, 138291 | C35 | Luing | £60,000 | Overlay |
| | | Kerrera | £52,000 | Overlay |
| | U63, U66, U68 | Oban Housing Estate - Dalintart, Mossfield & Glencruitten | £100,000 | Thin Overlay |
| Area Total | | | £1,215,000 | |

MULL

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--|-------|----------------------|-----------------|--|
| 137899, 137902, 137890, 137887, 137893, 137904, 137883, 137876 | A849 | Glenmore - Craignure | £363,000 | Pre Surface Dressing (£33k) & Surface Dressing (£330k) |

| | | | | |
|-----------------------------------|-------|--------------------------|-----------------|--|
| 137894, 137884, 137895, 137898 | A849 | Pennyghael - Bunessan | £150,000 | Pre Surface Dressing (£80k) & Overlay Sections (£70k) |
| | | Lismore ph2 | £20,000 | Surface Dressing |
| 138166, 138155, 138163, 138161 | B8073 | Torloisk - Gruline | £150,000 | Overlay various sections |
| 138346, 138347, 138344, 138343 | C46 | Glenbellart | £70,000 | Overlay various sections |
| 138348, 138352, 138349, 138353 | C54 | Lochbuie | £100,000 | Overlay various sections |
| 138365, 138363, 138362, 138364 | C50 | Iona Roads | £30,000 | Overlay various sections |
| | | Coll ph 2 | £80,000 | Re-tread |
| | | | | |
| Area Total | | | £963,000 | |

| OLI | Footways | Scheme Name |
|-------------------|----------------|-------------|
| Mull | £38,250 | Craignure |
| Area Total | £38,250 | |

Appendix 3 – B&C Proposed Roads Reconstruction Programme 2019/20

BUTE AND COWAL

| | |
|------------|---------------------------------|
| £1,327,200 | Budget Allocation for 2019-2020 |
| | |

BUTE

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--------------------------|-------|--------------------------------------|------------------------|---|
| 137697 | A844 | Kames Castle | £52,000 | Pre Surface Dressing (£27k) &Surface Dressing (£25k) |
| 137923, 137925 | B881 | Meikle Grenach - Rothesay Campus | £107,000 | Pre Surface Dressing (£39k) &Surface Dressing (£68k) |
| - | A844 | Albert Place - High Street | £26,000 | Inlay |
| - | A844 | Victoria Street - Gallowgate | £42,000 | Inlay |
| - | A886 | Ettrickdale Subsidence | £43,000 | Reconstruction |
| - | B881 | High Street - Montegue Street | £15,000 | Inlay |
| 138181 | C3 | Plan Road | £35,000 | Overlay |
| - | C4 | Ministers Brae - High Street | £24,000 | Inlay |
| - | C5 | Bridgend Street - Montegue Street | £14,000 | Inlay |
| 138367 | U5 | Glecknabae Road | £18,000 | Overlay |
| <u>Area Total</u> | | | <u>£376,000</u> | |

COWAL

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--------------------|-------|---|-----------------|---|
| 137730 | A815 | Lamont Lodge - Inverchapple Lodge | £154,000 | Pre Surface Dressing (£69k) &Surface Dressing (£85k) |
| 137729, 137926 | A815 | Creggans - Ardnagowan | £123,000 | Pre Surface Dressing (£25k) &Surface Dressing (£30k) |
| 137732 | A815 | St Catherines - Tigh Claddich | £55,000 | Pre Surface Dressing (£53k) &Surface Dressing (£70k) |
| - | B836 | Stronafian Long Brae - Telephone Exchange | £39,000 | Pre Surface Dressing (£18k) &Surface Dressing (£21k) |
| 137734 | A815 | North Toward Straight | £90,000 | Inlay |
| | A815 | Tom a Mhoid Road - Hillfoot Street | £34,000 | Inlay |

| | | | | |
|--|---------|--|-----------------|---------------------------------------|
| | A885 | Ardenslate Road - Lazaretto Ferry Road | £27,000 | Inlay |
| | A885 | John Street - MacArthur Street | £25,000 | Inlay |
| | B8000 | Barnacarry - Lepinmore - Strathlachlan | £89,000 | Overlay - Possible STTS co funding |
| | B839 | Lochgoilhead - Police Station | £42,000 | Overlay |
| | C9 | Ardenfield | £13,000 | Overlay |
| | C10 | TSC - Auchafour Farm | £30,000 | Overlay |
| | C60 | Hunter Street - Cherryhill | £29,000 | Inlay |
| | U1 & U2 | Dunoon Streets | £40,000 | Inlay |
| | U43 | Forest View | £37,000 | Inlay |
| | U74 | Hall Road - Dornich Park | £42,000 | Inlay |
| | | Area Total | £869,000 | |

| B & C | Footways | Scheme Name |
|-------------------|----------------|----------------------------------|
| Bute | £22,500 | Rothesay Housing Scheme Footways |
| Cowal | £60,000 | Dunoon Housing Scheme Footways |
| Area Total | £82,500 | |

Appendix 4 – H&L Proposed Roads Reconstruction Programme 2019/20

HELENSBURGH and LOMOND

| | |
|----------|---------------------------------|
| £929,040 | Budget Allocation for 2019-2020 |
| | |

Lomond

| WDM Scheme Number* | Route | Scheme Name | Estimated Value | Proposed Scheme Details*** |
|--------------------------------|-----------------------|---|------------------------|----------------------------|
| 137789, 138481, 138485, 138386 | A818, A814, B833, U24 | Pre Surface Dressing | £23,500 | Pre Surface Dressing |
| 137789 | A818 | Cross Keys - Callendoun Farm | £8,750 | Surface Dressing |
| | A814 | East Clyde St - Colgrain Station Rd to HLCC | £48,500 | Surface Dressing |
| | B833 | Mambeg - Peaton Rd. | £193,000 | Surface Dressing |
| | U24 | Back Road Clynder | £25,875 | Surface Dressing |
| | U47 | Cairndhu Ave | £63,000 | Inlay |
| | U323 | Woodend St | £28,000 | Inlay |
| | U201 | Macleod Drive | £71,000 | Inlay |
| | U200 | MacLeod Cres | £15,000 | Inlay |
| | U232 | Paterson Drive | £15,000 | Inlay |
| | U157 | James St | £89,000 | Inlay |
| | U271 | Stafford St West | £23,000 | Inlay |
| | U37 | Ben Bouie Drive - inc Speed Table replacement | £40,000 | Inlay |
| | U22 | Atholl Street | £6,000 | Inlay |
| | U172 | Kildonan Drive | £32,000 | Inlay |
| | U304 | Upper Torwoodhill Road | £27,000 | Inlay |
| | U184 | Laggery Road - Rhu | £18,500 | Inlay |
| | U82 | Cumberland Rd Rhu Manse Brae to School Rd | £9,500 | Inlay |
| | U14 | Ardenconnel Way | £41,500 | Inlay |
| | U266 | Maidstone Road | £82,500 | Inlay |
| | U103 | East Montrose St - Charlotte St to William St | £10,550 | Inlay |
| <u>Area Total</u> | | | <u>£871,175</u> | |

| H & L | Footways | |
|---------------------------|-----------------|--|
| Arrochar | 10,000 | Follow-on to C/W surfacing 2018 |
| Cove/ Garelochhead | 10,000 | High footfall areas |
| Cardross | 10,000 | Housing area |
| Helensburgh | 54,250 | East and West Housing areas |
| <u>Area Total</u> | 84,250 | |

NOTES

- * "WDM Scheme Number" is unique scheme reference and is not an indication of priority
- ** "Location" is a general descriptor and does not represent the exact scheme extents
- *** "Cost Estimate" and "Proposed Scheme Details" are subject to review
(eg after detailed site investigation)

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7th March 2019**

Shared Prosperity Fund: Argyll and Bute Regional Policy Position

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to seek endorsement from members of the Environment, Development and Infrastructure (EDI) Committee for officers to develop an evidence base of appropriate criteria and indicators to provide a regional policy position for Argyll and Bute to benefit from any future national funding allocations that may replace current European funding streams.
- 1.2 On exiting the European Union (EU), UK regions will no longer be able to access EU funding across a variety of programmes, including European Structural and Investment Funds (ESIF). It is anticipated that the UK Government's Shared Prosperity Fund (UKSPF) will be the replacement funding for ESIF. The principal objective of the UKSPF is to tackle inequalities between communities by raising productivity, especially in those parts of the UK whose economies are furthest behind. The UK Government announced in July 2018 that future funding at the UK level will be allocated in order to target challenges faced by places across the UK, supported by a strong evidence base about what works at a local level. Therefore, a new regional policy approach will be required for the UK to ensure regions across the UK continue to receive funding to support priorities and address challenges in order to maximise their economic potential.
- 1.3 The regional approach to economic and social issues within Scotland is important. The allocation of European funds in Scotland has focused on distinguishing the Highlands and Islands from the remaining Lowland and Uplands area. It should be noted that for the 2014-2020 European programming period, Argyll and Bute was treated as one region to enable parity of intervention rates for Helensburgh and Lomond, despite being within the Lowlands and Uplands area. It is anticipated that Argyll and Bute will be treated as a single area with regard to any potential future funding allocations.
- 1.4 The Highlands and Islands European Partnership (HIEP), of which Argyll and Bute Council is a member, recognises the importance and value of effective regional policy and has published a 'Regional Policy Position

Paper'. The HIEP position paper sets out a proposal for the key characteristics of future policy and some clear overarching investment and development opportunities for the Highlands and Islands as a whole (e.g. enhancing the region's physical and digital connectivity) supporting a distinctive 'place-based' approach.

- 1.5 However, there are a number of distinct regional economies and labour markets in Scotland that require a bespoke regional policy response, such as Argyll and Bute, with a focus on securing a greater level of intervention from the UKSPF. While Argyll and Bute Council activities will undoubtedly contribute to the Highlands and Islands regional position, with a focus on the 'place-based' approach officers are of the view that the current range of ESIF programmes have not fairly accounted for the differing needs of the Argyll and Bute area, such as the projected decline in the overall population and in particular the significant anticipated reduction in the working age population (down 11%) by 2028 (compared with the overall population growth and a less significant decline in the working age population at the Highlands and Islands level) and understanding the complex geography of the area which includes 23 inhabited islands and various remote peninsulas.
- 1.6 Aligned to the key characteristics noted in the HIEP paper, it is requested that any future regional policy should be based on the opportunity to consider more sophisticated selection criteria, beyond Gross Domestic Product (GDP) per capita. In addition, criteria and indicators being developed by other agencies and organisations such as Highlands and Islands Enterprise, West of Scotland European Forum and Industrial Communities Alliance will be considered by officers, with an appropriate focus being given to the economic and social issues of rurality and isolation.
- 1.7 There is now an opportunity to consider characteristics for Argyll and Bute as a region in its own right to develop an evidence base position to support an Argyll and Bute regional policy position going forward.
- 1.8 Members are asked to:
 - Endorse officers to do further work on the development of appropriate criteria and indicators to prepare an evidence based position to support an Argyll and Bute regional policy to ensure the area benefits from future external funding allocations.
 - Agree that officers come back to a future EDI Committee meeting to present and seek approval on appropriate criteria and indicators.
 - Consider how Argyll and Bute Council can best lobby to ensure national criteria recognise local needs.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7th March 2019

Argyll and Bute Regional Policy Position

2.0 INTRODUCTION

2.1 The purpose of this paper is to seek endorsement from members of the Environment, Development and Infrastructure (EDI) Committee for officers to develop an evidence base of appropriate criteria and indicators to provide a regional policy position for Argyll and Bute to benefit from any future national funding allocations that may replace current European funding streams.

3.0 RECOMMENDATIONS

3.1 Members are asked to:

- Endorse officers to do further work on the development of appropriate criteria and indicators to prepare an evidence based position to support an Argyll and Bute regional policy to ensure the area benefits from future external funding allocations.
- Agree that officers come back to a future EDI Committee meeting to present and seek approval on appropriate criteria and indicators.
- Consider how Argyll and Bute Council can best lobby to ensure national criteria recognise local needs.

4.0 DETAIL

4.1 The regional approach to economic and social issues within Scotland is important for the future prosperity of our region. The allocation of European funds in Scotland has focused on distinguishing the Highlands and Islands from the remaining Lowland and Uplands area. It should be noted that for the 2014-2020 European programming period, Argyll and Bute was treated as one region to enable parity of intervention rates for Helensburgh and Lomond, despite being within the Lowlands and Uplands area. It is anticipated that Argyll and Bute will be treated as a single area with regard to any potential future funding allocations.

- 4.2 It is anticipated that the UK Government's Shared Prosperity Fund (UKSPF) will be the replacement funding for ESIF¹. The principal objective of the UKSPF is to tackle inequalities between communities by raising productivity, especially in those parts of the UK whose economies are furthest behind. The UK Government announced in July 2018 that future funding at the UK level will be allocated in order to target challenges faced by places across the UK, supported by a strong evidence base about what works at a local level. At present there are no further details on the content, value and delivery of the UKSPF. However, pre-consultation consultations have taken place which Argyll and Bute officers have participated in. A formal consultation on the UKSPF is overdue (initially to be disseminated in the autumn 2018) and officers will respond to this in due course, with an appropriate political steer. It is likely that the uncertainty and focus on the withdrawal process has and will continue to delay this work.

Highlands and Islands Regional Policy Position

- 4.3 The Highlands and Islands European Partnership (HIEP), of which Argyll and Bute Council is a member, recognises the importance and value of effective regional policy in order to maximise regional economic potential that is sustainable and inclusive through its publication of a 'Regional Policy Position Paper'². The HIEP position paper sets out a proposal for the key characteristics of future policy and some clear overarching investment and development opportunities for the Highlands and Islands as a whole as presented in **Appendix A, Table 1A**, supporting a distinctive 'place-based' approach.

Argyll and Bute Regional Policy Position

- 4.4 There are a number of distinct regional economies and labour markets in Scotland that require a bespoke regional policy response, such as Argyll and Bute, with a focus on securing a greater level of intervention from the UKSPF. Argyll and Bute Council activities will undoubtedly contribute to the regional position and in turn the economic success of the Highlands and Islands. With a focus on the 'place-based' approach officers are of the view that the current range of ESIF programmes have not fairly accounted for the differing needs of the Argyll and Bute area, such as the projected decline in the overall population and in particular the significant anticipated reduction in the working age population (down 11%) by 2028 (compared with the overall population growth and a less significant decline in the working age population at the Highlands and

¹ Still to be confirmed – at present the focus is on replacing structural funds (ERDF & ESF) and possibly some elements of Common Agriculture Policy (CAP) funding.

² <https://www.gov.scot/binaries/content/documents/govscot/publications/minutes/2018/10/convention-of-the-highlands-and-islands-meeting-papers-october-2018/documents/paper-3---hiep-regional-policy/paper-3---hiep-regional-policy/govscot%3Adocument>

Islands level) and understanding the complex geography of the area which includes 23 inhabited islands and various remote peninsulas.

- 4.5 There are three of the HIEP characteristics outlined in **Table 1A** that support the requirement for a distinct regional policy for Argyll and Bute. These are as follows:
- Improved regional competitiveness and inclusion, recognising and responding to regional disparity;
 - Focused on regions with the greatest challenges – not all regions will benefit to the same degree. Clear and objective criteria are required, considering spatial scale and definition of selected regions; and
 - The opportunity to consider more sophisticated selection criteria, beyond GDP per capita, (for example, population sparsity, employment / participation rates, average wage levels, skill levels, economic concentration, “remoteness”, “fragility”).
- 4.6 With a focus on the inclusive growth agenda GDP per capita is a limited measure and masks inequality issues, for example, the number of people living in poverty. However, as noted in the third bullet point above, the main criterion used to decide the allocation of ESIF for the current programme period, 2014-2020, was GDP per capita. On this basis, the Highlands and Islands moved from being a ‘less developed’ region to one of ‘transition’ for the 2014-2020 European programming period.
- 4.7 In addition, in order to develop an Argyll and Bute position, criteria and indicators being developed by other agencies and organisations such as Highlands and Islands Enterprise, West of Scotland European Forum and Industrial Communities Alliance will be considered by officers, with an appropriate focus being given to the economic and social issues of rurality and isolation.
- 4.8 Suggested criteria, which will require associated indicators to baseline and measure the challenges and tackle inequalities for Argyll and Bute, for consideration in terms of allocating future funding streams through the UKSPF, are outlined below:
- **Depopulation** issues e.g. forecast reduction in the working age population;
 - **Skills and employment** issues e.g. skills shortages by sector and/or occupation;
 - **Economic infrastructure** e.g. digital and physical connectivity across the area’s complex geography; and
 - **Social inclusion** e.g. poverty and isolation issues.

Current European Funding

- 4.9 At present, with the UK as a full member of the European Union (EU), Scotland benefits from eligibility to a wide range of European funds. Scotland is estimated to lose more than £200m of grant funding per year upon exiting the EU - the most notable of source of funding being structural funds; the European Regional Development Fund (ERDF – domestic stream) and European Social Fund (ESF), within the European Structural and Investment Funds (ESIF). Over the 2014-2020 programming period, Scotland has a structural funds allocation of £802m, with £165.5m³ allocated specifically to the Highlands and Islands. A list of the funds under ESIF is outlined in **Appendix B**.
- 4.10 The current level of secured European funding secured by Argyll and Bute Council over the period 2014-2020 is over £9.3 million as outlined in **Table 1**. It is hoped that at least £9.3 million can be secured for Argyll and Bute through future funding streams.

| Table 1: Argyll and Bute Council Current European Funding Streams | |
|--|----------------------------------|
| Fund/Project | Value of European Funding |
| ERDF | |
| <ul style="list-style-type: none"> • Business Gateway Local Growth Accelerator Programme, Phase 1 (<i>all allocated</i>) | £186,119.50 |
| <ul style="list-style-type: none"> • Business Gateway Local Growth Accelerator Programme, Phase 2 (<i>approved by Managing Authority Approval Panel on 22nd January 2019, now subject to Ministerial approval</i>) | £338,100 |
| <ul style="list-style-type: none"> • Culture and Heritage, Rothesay Pavilion. | £1,055,602 |
| ESF | |
| Money Skills Argyll | £1,885,000 |
| Argyll and the Islands LEADER | £4,886,126 |
| European Maritime and Fisheries Fund (EMFF) | £985,000 |
| Total | £9,335,947.50 |

5.0 CONCLUSION

- 5.1 The development of a regional policy position for Argyll and Bute, aligned to the Highlands and Islands position, is intended to support a more flexible approach to the allocation of future funding to determine the correct mix of aid to businesses, employability support and investment in economic infrastructure, based on local needs with decisions made and managed at the local level. In addition it should promote and enable funding to be allocated in a fair and transparent manner that gives priority to the identified development needs of less prosperous regions and local economies, such as Argyll and Bute, where

³ Allocations noted in pounds sterling may differ in various publications dependent on the Euro to sterling exchange rates applied.

there is a clear ambition to address such challenges and inequalities and enable sustainable economic growth.

6.0 IMPLICATIONS

- | | |
|----------------------|--|
| 6.1 Policy | Local Outcome Improvement Plan, where the vision to 2023 is that Argyll and Bute's economic success is built on a growing population. |
| 6.2 Financial | Ensuring a proportionate share of the future funding streams comes to Argyll and Bute, at least £9.3 million, such as from the UKSPF. |
| 6.3 Legal | All appropriate legal implications will be taken into consideration. |
| 6.4 HR | None at present. |
| 6.5 Equalities | All activities will comply with all Equal Opportunities policies and obligations. |
| 6.6 Risk | Although the situation around Brexit is still unclear, Argyll and Bute Council needs to set out its regional policy position now aligned to agreed selection criteria and indicators. Taking a position should provide a strong basis to secure similar levels of external funding and mitigate the risk that no or limited replacement funding being allocated to the area as a distinct region in its own right. |
| 6.7 Customer Service | None at present. |

Pippa Milne, Executive Director of Development and Infrastructure

Cllr Aileen Morton, Policy Lead for Economic Development

19th February 2019

For further information contact:

Ishabel Bremner, Economic Growth Manager

ishabel.bremner@argyll-bute.gov.uk

Tel; 01546 604375

APPENDIX A: Characteristics of Future Regional Policy prepared by HIEP

| Table 1A: Characteristics of Future Regional Policy, HIEP |
|---|
| Characteristics: |
| <ul style="list-style-type: none"> Improved regional competitiveness and inclusion, recognising and responding to regional disparity. |
| <ul style="list-style-type: none"> Focused on regions with the greatest challenges – not all regions will benefit to the same degree. Clear and objective criteria are required, considering spatial scale and definition of selected regions. |
| <ul style="list-style-type: none"> The opportunity to consider more sophisticated selection criteria, beyond GDP per capita, (for example, population sparsity, employment / participation rates, average wage levels, skill levels, economic concentration, “remoteness”, “fragility”). |
| <ul style="list-style-type: none"> Delivered with funding that is available over the long term at a level commensurate with the scale of challenge and opportunity, rather than short term, one-off allocations of funding. |
| <ul style="list-style-type: none"> Adopting a more flexible approach, with a high degree of input from regional stakeholders, to address the specific regional challenges and opportunities in the region. |
| <ul style="list-style-type: none"> Through simple, streamlined and, as far as possible, aligned with wider delivery structures. |
| <ul style="list-style-type: none"> Ensuring that UK / Scottish Regional Policy is closely aligned with UK / Scottish Agriculture and Rural Policy (also replacing existing EU policy), bringing together the two most significant place-based development policies. |
| Key Opportunities for further Investment and Development, with a place-based approach: |
| <ul style="list-style-type: none"> Enhancing the region’s physical and digital connectivity. |
| <ul style="list-style-type: none"> Investment in sectors / clusters where the region has competitive advantage, such as marine energy and life sciences – regional Smart Specialisation. |
| <ul style="list-style-type: none"> Investment in new technologies, particularly those that enhance our competitive strengths and respond to our regional challenges, for example the “Local Energy Economy”. |
| <ul style="list-style-type: none"> Talent attraction and retention, recognising that this is multi-faceted, including employment, education, housing, connectivity and transport. |
| <ul style="list-style-type: none"> Investment in education and skills infrastructure and provision to match the future needs of the regional economy. |
| <ul style="list-style-type: none"> Investment in community capacity building and resilience, leading to strong, vibrant communities. |
| <ul style="list-style-type: none"> Growing as a world class tourism destination. |

Source: HIEP Regional Policy Position Paper

APPENDIX B: European Structural and Investment Funds (ESIF)

ESIF comprises of the following:

- ***European Regional Development Fund (ERDF - domestic stream)***
ERDF in Scotland has been designed to support businesses, encourage business competitiveness through financial instruments; enhance innovation in research and development; enhance low carbon technologies in energy and travel; improve green infrastructure; promote resource and waste efficiency and roll out next generation broadband.
- ***European Social Fund (ESF)***
ESF in Scotland provides support to develop Scotland's workforce, employability initiatives, youth employment initiatives, and social inclusion and poverty reduction measures.
- ***European Agricultural Fund for Rural Development (EAFRD)***
EAFRD provides support for rural development and the agricultural community through the Scottish Rural Development Programme, LEADER is funded through this programme, which is currently delivered by Argyll and Bute Council.
- ***European Maritime and Fisheries Fund (EMFF)***
EMFF supports the fisheries and aquaculture sectors. Within EMFF, there is a Community Led Local Development (CLLD) allocation of funding which is delivered by Argyll and Bute Council jointly with the three Ayrshire local authorities.
- ***ERDF (transnational co-operation stream)***
ERDF is also available through the European Territorial Co-operation Programmes (otherwise known as Interreg). Scotland has access to 6 Interreg programmes: Scotland/Republic of Ireland/Northern Ireland Cross-Border Programme; Atlantic Area Programme; North West Europe Programme; North Sea Programme; Northern Periphery and Arctic ; Programme; and lastly the Interregional Interreg Europe programme. Argyll and Bute has access to all of these Interreg programmes except the North Sea programme.
- ***ERDF (research and innovation stream)***
ERDF is also available through the Horizon 2020 research and innovation programme.

In addition to ESIF, Argyll and Bute Council also has access to the ERASMUS education, training, youth and sport funding.

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

**DRAFT ARGYLL AND BUTE ECONOMIC STRATEGY AND ASSOCIATED
ACTION PLAN**

1.0 EXECUTIVE SUMMARY

- 1.1 This report concerns the development of a new Argyll and Bute Economic Strategy and associated Action Plan that has been drafted to take account of a rapidly changing economy at the global, national and local levels increasingly influenced by a number of key economic drivers such as the emergence of City and Regional Growth deals including the Argyll Rural Growth Deal.
- 1.2 The Draft Argyll and Bute Economic Strategy is a key council document that aims to help deliver the overarching vision of the **Argyll and Bute Outcome Improvement Plan 2013 – 2023** that has been agreed with the Scottish Government:-

“Argyll and Bute’s economic success is based on a growing population.”

- 1.3 To help achieve this overarching vision the Draft Strategy contains three clear priorities that inform a number of underlying aims and actions. The three priorities are;-
- 1. Critical Economic Infrastructure – Connecting - to national and international markets;**
 - 2. Place and people – Attracting – skills, residents, visitors and businesses;**
 - 3. Smart Growth – Growing - doing more that works;**

It is envisaged that subject to any amendments members wish to make that the **Draft Argyll and Bute Economic Strategy**, together with its associated Action Plan, be considered by the Community Planning Partnership Management Committee prior to being taken to the Council for adoption.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

Approve the Draft Argyll and Bute Economic Development Strategy and associated Action Plan prior to final consideration and adoption by Council.

To note that the Strategy and associated Action Plan will also be considered by the Community Planning Partnership Management Committee and any suggested amendments arising from this meeting will also be subject to consideration and adoption by the Council.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

7 MARCH 2019

**DRAFT ARGYLL AND BUTE ECONOMIC STRATEGY AND ASSOCIATED
ACTION PLAN**

3.0 INTRODUCTION

3.1 This report concerns the development of a new Argyll and Bute Economic Strategy and associated Action Plan that has been drafted to take account of a rapidly changing economy at the global, national and local levels increasingly influenced by a number of key economic drivers such as the emergence of City and Regional Growth deals including the Argyll Rural Growth Deal.

3.2 The Draft Argyll and Bute Economic Strategy is a key council document that will help deliver the overarching vision of the **Argyll and Bute Outcome Improvement Plan 2013 – 2023** that has been agreed with the Scottish Government.

“Argyll and Bute’s economic success is based on a growing population.”

3.3 The key priorities and content of the draft Strategy has also been heavily influenced by the resources we will have available, current Scottish and UK Economic policy, together with the proposals contained within the Argyll Rural Growth Deal which has been subject to extensive research and engagement with key economic stakeholders across all the sectors including the public through a public consultation undertaken last summer.

4.0 RECOMMENDATIONS

4.1 It is recommended that the Committee:

Approve the Draft Argyll and Bute Economic Development Strategy and associated Action Plan prior to final consideration and adoption by Council.

To note that the Strategy and associated Action Plan will also be considered by the Community Planning Partnership Management Committee and any suggested amendments arising from this meeting will also be subject to consideration and adoption by the Council.

5.0 DETAILS

- 5.1 Argyll and Bute's rural economy has an abundance of natural assets, talented people, ambitious, numerous, outward looking businesses often family owned with award winning products and services, world-renowned heritage and vibrant communities prepared to do things differently.
- 5.2 Since 2010 Argyll and Bute has had a suite of strategic and local Economic Development Plans (EDAPs) that have contained a clear set of actions to help deliver the key economic priorities of the council and that of our Community Planning Partners. Updated on a regular basis the EDAPs are currently aligned to the core themes of the Scottish Government's economic strategy with due reference to local economic priorities and projects.
- 5.3 Notwithstanding our persistent and long standing demographic challenges the local economy has performed well in recent years with low levels of unemployment, increased exports in key national growth areas such as whisky and aquaculture, growing tourism GDP figures and an upward trend in visitor numbers together with significant capital investment in our key business sectors such as tourism and food and drink.
- 5.4 That said, our predominately rural economy remains fragile and the pace of economic change continues to accelerate with a number of key economic drivers influencing this and ultimately the performance of our National and local economies.

These economic drivers include:-

- Rapid technological advances influencing the way we do business including the work skills people will need in the future.
 - A general drift of population from rural to urban areas.
 - The need to take account of Climate Change mitigation and adaption.
 - The UK decision to leave the EU and potential changes to trade deals, migration policy and external funding.
 - The emergence of City and regional growth deals, including the Argyll Rural Growth Deal.
 - The rise of the National living wage.
 - The need for greater Inclusion and community empowerment.
- 5.5 All of these changes have major implications for our economy which we quickly need to respond to via a new **Argyll and Bute Economic Strategy** to

help deliver the Argyll and Bute Outcome Improvement Plan 2013 – 2023 that contains an overarching vision namely:-

“Argyll and Bute’s economic success is based on a growing population.”

5.6 Consequently, a new Draft Strategy and associated Action Plan has been prepared for further consideration and comment.

5.7 In addition to the aforementioned economic drivers and agreed vision the content of the draft Strategy has been informed by the need for us to prioritise our activities in relation to economic development to actions where we can make the greatest impact at a local level. This is also informed by the resources we have available as a council including working across council services and in partnership with our regional and national strategic partners.

5.8 Content of the Draft Argyll and Bute Economic Strategy

5.9 The continued implementation of our strategic and local Economic Development Action Plans (EDAPs) since 2010 together with key economic trends, the findings of the Argyll Economic Forum and all research and public consultation findings associated with the Argyll Rural Growth Deal has laid the foundation for this new draft Strategy.

5.10 Clear priorities have therefore been established in the draft strategy taken forward by the following themes;-

- 1. Critical Economic Infrastructure – Connecting - to national and international markets**
- 2. Place and people – Attracting - skills, residents, visitors and businesses**
- 3. Smart Growth – Growing - doing more that works**

5.11 Critical Economic Infrastructure - Connecting to national and international markets

- Establishing clear routes to market is a top priority for our local businesses and better transport connectivity (road, rail, ferry, air) is regarded as being essential to make this happen. Our role here is to influence, inform and lobby Government, national and regional and transport agencies for improved transport connectivity throughout, and to and from, Argyll and Bute.
- As technology continues to evolve improved digital connectivity is also now essential for our future economy and the delivery of local services. With national programs continuing to roll out across the UK there is a need

to ensure our region achieves the best possible geographical coverage of fibre broadband and mobile connectivity. Our role here is to influence, inform and coordinate investment from the Government national investment programs and present the case for additional investment through the Rural Growth Deal.

- Our energy supply and the grid that distributes it needs to be fit for purpose to enable better internal management in an effort to improve resilience and enable the ability to reduce our carbon footprint and export clean energy. Our role here is to influence the energy industry including the national grid for in the need for further investment in our energy system.
- Active and public travel routes play a key role in getting people to work and making Argyll and Bute an attractive place to live and visit. Our role here is to facilitate minor improvements to the network, improve integration of services and examine how new technology can improve our public transport system for the benefit of the economy.

5.12 Place and people – Attracting – skills, residents, visitors and businesses

- Creating stronger, investor ready, places helps us to retain and attract the people we need to support the growth of our local economy. This work will involve us bringing transformational change to our communities to make them investor ready and attractive as places to live in and visit. Our role here will be to attract external funding to continue our program of area regeneration and capital projects that address key strategic priorities of the council and our strategic partners.
- With community empowerment becoming an increasingly important factor for the rural economy helping local communities to achieve their economic priorities will be a key area of work particularly where it can be demonstrated that projects have the potential to make a step change in the local community. Our role here is to inform and facilitate this process including community asset transfer and by doing so helping to secure a sustainable economic future for local communities.
- A key attraction for visitors to Argyll and Bute and for many people who choose to live here is our heritage and culture. Ensuring we have a strong creative industry helps underpin this, raises the profile of our area, and enables our business sectors to be innovative and flourish in a highly competitive global economy. Our role here is to support the future sustainability of the Argyll and Bute creative industries.
- The availability of affordable housing of the right type and in the right place is fundamental for our economy to succeed. Our specific role here through the strategy is to ensure that housing will support economic growth in our region by being available for key workers in the right place and of the right type.

- Argyll and Bute enjoys a relatively low claimant rate throughout most of our area albeit subject to seasonal variation. Whilst we will continue to work to lower this rate we are also aware of local people with multiple barriers to employment that need pro-active assistance and we will do this through the work of employability and our partners. Our role here is to help people with multiple barriers gain sustainable employment
- As modern workplaces evolve so do the skills they need to ensure they remain competitive in the global marketplace. A key area of work will to ensure that our young people have the skills that local businesses require. Our role here is to support and build on the activities of Developing the Young Workforce (DYW).
- Argyll and Bute has a wealth of micro and small businesses, often family owned, with significant potential to grow. To better achieve their full potential local people need to be equipped with the right entrepreneurial skills to enable sustainable growth. Our role here is to support the growth of ambitious local SMEs that can offer additional, and preferably higher value, employment opportunities.
- There is a need to expand our further and higher education offer to allow people more local choice on where they can study and at the same time create additional opportunities for people to come to our area to learn. Our role here is to work across council services together with academic partners and the private sector to increase new opportunities for learning in Argyll and Bute.

5.13 Smart Growth – Growing doing more that works

- In Argyll and Bute we have a limited number of key business sectors with the ability to achieve significant growth. Our role here is to support the growth of our priority sectors including tourism, food and drink, engineering, defence and marine industries.
- With the decision taken by the UK to leave the EU there is a need to ensure that national funding streams are in place to support the rural economy and that our specific needs are taken into account by Scottish Government's Economic Policy and the UK Government's Industrial Strategy. Our role here is to secure a Rural Growth Deal for Argyll and Bute working with council services, our strategic partners across all sectors and also to inform and influence Government economic policy and investment decisions
- In Argyll and Bute our areas with greatest potential lie with aquaculture, marine science, creative industries, food and drink products and engineering associated with the defence industries. Consequently, we are looking to develop a number of business clusters that can accelerate growth through mutual cooperation, creating higher value jobs requiring greater skill sets and add to our key economic outputs. Our role here is to attract sufficient private and public investment to establish a number of

business clusters with the ability to accelerate growth in higher value jobs.

- A key feature of our economy is our wealth of micro, small and medium sized businesses. Helping them grow assists the inclusion agenda and the diversification of our economy. Our role here is to provide tailored, flexible and appropriate support to enable our wealth of small businesses to flourish.
- In Argyll and Bute we produce over 1GW of clean energy. To make better use of this resource our energy grid needs to be smarter and enable businesses and homes move away from fossil fuel use. Our role here is to inform, influence and lobby for additional investment in our grid and facilitate innovation in the use of renewable energy.
- To take advantage of external investment opportunities it is important to have a ready supply of developable land and employment space at all times. Our role here is to raise the profile of our area as a place to invest and ensure through the Local Development Plan process that appropriate employment space is available.

5.14 Availability of resources

- 5.15 As public sector resources continue to decline this will inevitably impact on what level of interventions that the council and our partners can take forward in relation to all of the above priorities. In order to remain focused on key areas of activity and manage staff workloads detailed team plans for staff will also be prepared to set out areas where we can and cannot intervene. There will also be a need to carefully align the activities and actions of the council's economic development service with our enterprise partners such as HIE and Scottish Enterprise. Further detail on the activities that will be progressed will be reported to the Committee in due course.

5.16 Cross Cutting Themes

- 5.17 Inclusion lies at the heart of everything we do in securing a prosperous future for Argyll and Bute. Given our limited resources there is a need for the Council to continue to work across services, form strategic partnerships and seek external funding wherever we can to address our economic priorities. At the same time we also have to ensure that we comply with emerging and current Government legislation, the audit requirements of our funding partners and are also able to gather the latest economic intelligence and data to ensure our needs are nationally recognised and our future efforts concerning the economy are directed at the actions that can make the biggest positive impact.
- 5.18 It should be noted that the list of examples contained in paragraphs 5.11 to 5.13 is not intended to be a comprehensive list. The full Draft Argyll and Bute Economic Strategy has been included in this report in **Appendices A and B** with the associated Action Plan in **Appendix C**.

- 5.19 It is intended that the Draft Strategy be approved for consideration by the Community Planning Partnership Management Committee prior to adoption by the Council.

6.0 CONCLUSION

- 6.1 This report concerns the approval of a new Draft Strategy and associated Action Plan that takes account of council priorities in terms of our economic opportunities and the barriers we need to address to ensure that we can reach our full economic potential.
- 6.2 The new Draft Strategy takes account of a number of economic drivers that are impacting on our economy at this current time and anticipated to increasingly do so in the future. This includes the development of the Argyll Rural Growth Deal that took on board long term economic trends, the economic priorities of the Scottish and UK Governments, the findings of commissioned research undertaken by the council and our partners together with public consultation with businesses and the general public.
- 6.3 The Draft Strategy has been included in this report in **Appendices A and B** with the associated Action Plan in **Appendix C**.
- 6.4 It is intended to seek approval for the new Draft Argyll and Bute Economic Strategy and Associated Action Plan for consideration by the Community Planning Partnership Management Committee and then on to the Council for final adoption.

7.0 IMPLICATIONS

- 7.1 **Policy** – The delivery of this new Draft Argyll and Bute Economic Strategy and associated Action Plan fits with the Council’s Corporate Plan, Strategic Housing Investment Plan, Local Outcomes Improvement Plan priorities 1, 2, and 3, Rural Growth Deal proposition document and approved Local Development Plan.
- 7.2 **Financial** – None arising from this report.
- 7.3 **Legal** – No legal issues.
- 7.4 **HR** – None.
- 7.5 **Equalities/Fairer Scotland Duty**– An Equality and Socio-Economic Impact Assessment has been completed.
- 7.6 **Risk** – Not having an up to date and relevant Economic Strategy places the council at risk in not delivering a prosperous future for Argyll and Bute in a

time of great economic uncertainty.

7.7 **Customer Service** – There are no customer service implications.

Executive Director Development and Infrastructure Services: Pippa Milne.

Policy Lead: Aileen Morton.

March 2019

For further information - please contact:

Fergus Murray

Head of Economic Development and Strategic Transportation

Economic Development and Strategic Transportation,

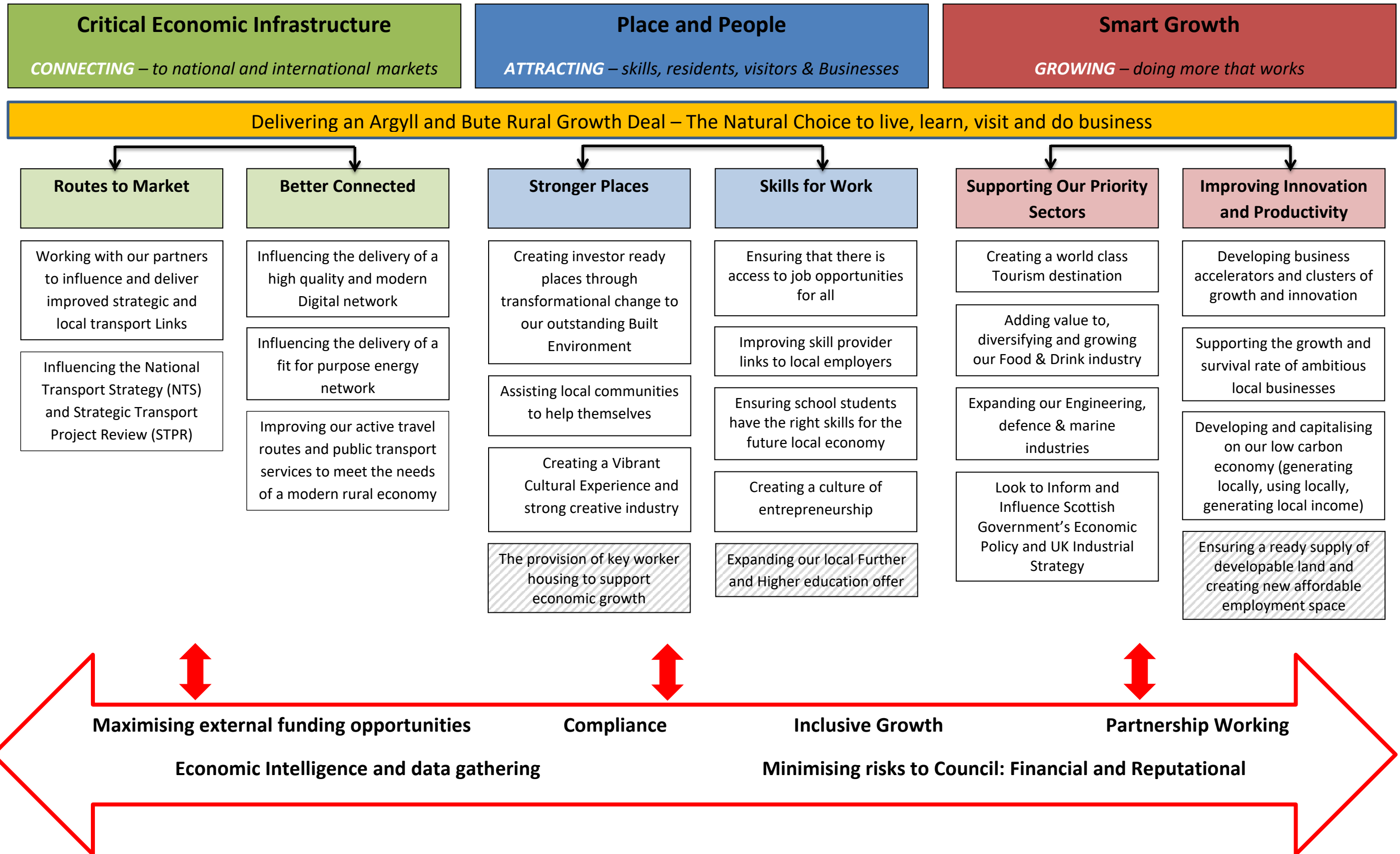
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Appendix A: Draft Argyll and Bute Economic Strategy (Diagram)

Appendix B: Draft Argyll and Bute Economic Strategy

Appendix C: Draft Argyll and Bute Economic Action Plan

Argyll and Bute's economic success is based on a growing population



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Appendix B

DRAFT ARGYLL AND BUTE ECONOMIC STRATEGY

Argyll - The Natural Choice to live, learn, invest, do
business and visit

Creating a New and Ambitious Argyll and Bute Economic Strategy

Introduction

A prosperous and inclusive economy lies at the heart of council priorities and this is reflected in the **Argyll and Bute Outcome Improvement Plan 2013 – 2023** that has been agreed with the Scottish Government. Despite significant political and economic uncertainties during this time the EDAPs have helped deliver a series of positive outcomes that have helped transform Argyll communities, created new, employment opportunities in the private and third sectors, made improvements to critical economic infrastructure and delivered sustainable economic growth with a focus on our key business sectors with the greatest potential to create employment opportunity.

That said, a number of key and fundamental challenges still remain for our economy in terms of our infrastructure needs, addressing our demographic challenges, low productivity, addressing levels of underemployment and lower wages than the national average, particularly for females.

With new opportunities and challenges now clearly presenting themselves through a number of economic drivers such as the urgent need for business innovation and investment, increased mobility in the workforce, a rising living wage, rapidly changing

digital technology and new public sector interventions such as the emerging Rural Growth Deal there is now a compelling need for a new Argyll and Bute Economic Strategy that focusses on our key priorities, takes account of the resources we have available as a council including working with our strategic partners.

Overarching Vision

The Draft Argyll Economic Strategy is a key document that aims to help deliver the overarching vision of the **Argyll and Bute Outcome Improvement Plan 2013 – 2023** that has been agreed with the Scottish Government.

“Argyll and Bute’s economic success is based on a growing population.”

Extensive research and public engagement together with investment trends over recent years has identified our key economic opportunities and also the main barriers to growth that we need to overcome to reach our full potential. This in turn has helped identify the Key Priorities we need to address in order to deliver our vision working with our strategic partners across all sectors.

These **Key Priorities** for the strategy and associated action plan provide the foundation for the future implementation of the **Argyll Rural Growth Deal** together with a focus on delivery of three main themes:

- a) **Critical Economic Infrastructure: Connecting – to national and international markets.**
- b) **Place and People: Attracting – skills, residents, visitors & Businesses.**
- c) **Smart Growth: Growing – doing more of what works.**

Leadership and Promotion

Argyll and Bute’s offer to the world has continued to be developed and promoted to potential new residents, visitors and investors. Inward investment has been attracted to the region due to the high quality of life we can offer, the benefits of our scenic, coastal location with much of the area in close proximity to Scotland’s central belt, our stunning

built heritage and our increasingly diverse rural economy with a growing reputation for innovation. The Rural Growth Deal submitted to both the UK and Scottish Governments also highlighted future economic opportunities in our region and the council is now encouraging new residents to come to Argyll through the [#abplace2b](#), **choose Argyll** and **choose Bute** initiatives.

Resources and other implications

The draft **Argyll and Bute Economic Strategy**, and the associated Action Plan that supports it has been informed by extensive research and the analysis of available economic data concerning the performance of our economy over a number of years.

The future delivery of the Draft Strategy will be highly dependent on the resources we have available to progress the actions and outcomes we need to take. This will be increasingly challenging given ongoing public sector resource constraints and the unprecedented changes to national structural funds. For this reason the council has indicated at a high level throughout the Draft Strategy what our collective role is and where we can be expected to intervene or not. It is intended that levels of intervention will be further defined through detailed team work plans.

Consequently, as a council we need to make best use of our corporate economic levers including using our collective land and property assets, our role as a major employer paying the living wage and above, to our employees and procuring goods and services in a way that benefits local communities whenever we can.

In addition, delivering integrated activity across Council services aligned to the Draft Strategy and partnership working across all sectors is more important than ever. All of the Council's services together with key strategic economic partners have a role to play in the delivery of the draft Strategy including working in partnership to take forward the Argyll Rural Growth Deal.

Critical Economic Infrastructure: Connecting – to national and international markets

Key Issues

Routes to Market

Creating reliable, resilient and secure routes to market is a top priority for the business community. The principle way to do this is through our transport network.

Working with our partners to influence and deliver improved strategic and local transport Links.

Improving our **TRANSPORT CONNECTIVITY** is a top priority for our council and critically important for the future of Argyll and Bute in terms of quality of life as a place to live, to learn, to visit and to do business. Key benefits of increased investment in our transport corridors and services that make use of them include:-

- Improved connectivity for our residents
- Improved reliability and access for employment, goods and services to key markets e.g. whisky/aquaculture products;
- Improved connectivity for our visitors;
- Improved safety and resilience on our strategic routes

The Council will therefore continue to work with the Scottish Government and our national and regional transport partners to influence where future investment is prioritised in order to facilitate improvements to our transport infrastructure that best addresses the above issues.

Our role here is to influence, inform and lobby Government, national and regional and transport agencies for improved transport connectivity throughout, and to and from, Argyll and Bute.

Better Connected

Influencing the delivery of a high quality and modern Digital network

Having access to modern, fit for purpose and affordable, **DIGITAL INFRASTRUCTURE** is now essential for most people to choose to live in a place and support a prosperous

and inclusive economy. The Council will continue to influence and coordinate work with our key stakeholders such as the UK and Scottish Governments, BT, Highlands and Islands Enterprise and Digital Scotland to deliver the roll out of National digital programmes for broadband and mobile connectivity. In addition, the Council will be seeking to significantly expand the provision of fibre to fibre technology through investment secured via bids to Government funding and the Rural Growth Deal with a focus on strategic business sites, the delivery of telecare and medi-care health services, town centres and educational premises.

Our role here is to influence, inform and lobby the UK and Scottish Governments and their national agencies for fit for purpose, modern digital connectivity throughout Argyll.

Influencing the delivery of a fit for purpose energy network

Our energy supply and the grid that distributes it needs to be fit for purpose to enable better internal management in an effort to improve resilience and enable the ability to reduce our carbon footprint plus the ability to export clean energy to other parts of the UK.

Our role here is to influence the energy industry including the national grid for the need for further investment in our energy system.

Improving our Public Transport Services to meet the needs of a Modern Rural Economy

Delivering public transport in Argyll and Bute is challenging given our low population densities and geography with long distances between settlements. While some of our communities have the advantage of good rail links such as Helensburgh and to a lesser extent Oban and parts of Lorn most people have to rely on the bus in terms of public transport. With public subsidies reducing there is a need to seek innovative solutions to secure a public transport system that can meet the needs of a modern rural economy.

Our island communities and some of our peninsula communities also have to rely on the availability of ferries and air services. Ensuring that all of these services are fully integrated will help their future sustainability and allow people to reduce their reliance on private transport which can be unaffordable for many people.

Our role here is to lobby for and facilitate improvements to the public and active travel network, improve integration of services and examine how new technology can improve our public transport system for the benefit of the local economy.

Place and People: Attracting – Skills, Residents, Visitors and Businesses

Key Issues

Stronger Places

Creating investor ready places through transformational change to our outstanding Built Environment

The council has taken forward an ambitious capital regeneration programme over the last decade which has helped to stimulate further public and private sector investment. Projects ranged from the provision of new schools, bringing buildings back into productive use and upgrading public realm. These council investments have attracted a substantial level of external funding that has helped transform a number of our town centres securing residents homes for the future, restoring civic pride, bringing redundant property back into productive use and enabling new businesses to open. As this first phase of investment comes to an end a number of other area regeneration projects continue such as Rothesay Townscape Heritage Project, Campbeltown's second Conservation Area Regeneration Scheme and Dunoon's first adding to the success of previous area regeneration schemes.

A number of additional capital projects are now at various stages of implementation with the likes of the regeneration of Helensburgh's Hermitage Park, the roll out of the Tarbert and Lochgilphead Regeneration Initiative and the Helensburgh Waterfront project. It is intended to continue to undertake transformational, capital regeneration schemes in Argyll which can include assisting local communities in accessing sources of funding. However, given our limited capital resources this ambition will be highly dependent on the availability of future match funding and also securing additional, external funding through the likes of future CARS schemes, Heritage Lottery Fund and the Rural Growth Deal.

Our role here will be to attract external funding to continue our programme of area regeneration and capital projects that address strategic priorities of the council and our strategic partners.

Assisting Local communities To Help Themselves

The council has also continued to work with a number of our communities to help them address key issues where they live including growing their economic activity and social resilience. The focus of our work is achieving transformational change in our communities and this has been done through the development of charrettes or “making places” initiatives to inform future investment opportunities. We continue to work in retaining and developing Business Improvement District groups in Argyll and also supporting the activities of community economic alliances with assistance from the Lottery, Highlands and Islands Enterprise and SURF (Scotland’s Regeneration Forum).

With 17% of our population resident on our 23 inhabited islands and the recent enactment of the Islands Bill there is a need to ensure that the needs of our island communities are being met. With the introduction of the Islands Act there will be a need to inform the delivery of the National Islands Plan and work with a number of partners to secure sufficient resources that deliver a prosperous future for our island communities.

Argyll and Bute has a strong record in supporting communities to secure land and property to sustain a valued community service, grow local populations and take forward economic activity. A key example of this is the purchase of the former Machrihanish MOD airbase by the Machrihanish Airbase Community Company (MACC). The Council aims to continue to facilitate community ownership where it can be demonstrated that this will bring clear economic and social benefits to a local community.

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| <p>Our role here is to inform and facilitate this process including community asset transfer and by doing so helping to secure a sustainable economic future for all our local communities.</p> |
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Creating a vibrant cultural experience and strong creative industry

In Argyll and Bute we have a strong cultural identity, rich in the Gaelic language, archaeology, architecture, music and the visual arts. This has helped to create a strong sense of place that helps retain and attract people to live in our community and encourage others to visit, often participating in our numerous events and festivals. Specific actions to support Gaelic culture and language are being taken forward in the Council’s Gaelic language plan.

With limited resources available the Council, working with our partners, has supported the improvement of key cultural hubs such as the Campbeltown Cinema restoration, the refurbishment of the Pavilion on Rothesay and expansion of Kilmartin Museum. The Council has also initiated the Culture, Heritage and Arts Assembly (CHArts) which is a network of creative people and organisations who live and work in Argyll. Working in partnership with Creative Scotland and Argyll creative business representatives CHARTS aims to deliver a sustainable future for this important business sector that has real growth potential in Argyll and Bute and will also support the growth of other business sectors such as tourism and food and drink.

Argyll and Bute is becoming increasingly popular as a place to undertake film and TV work often with a national and international profile. This filming has a number of benefits for our economy both during the actual on-site production in terms of local spend and longer term benefits including highlighting people who live in our area to drawing attention to our outstanding natural and built environment. The Council has established a dedicated web site promoting Argyll as a place to film with details of the hundreds of potential filming locations we can offer.

Our role here is to support the future sustainability of the Argyll and Bute creative industries.

The provision of key worker housing to support economic growth

A key barrier to growing our population and delivering sustainable, economic growth is the provision of affordable housing in the places people want to live and work. Argyll and Bute has a strong track record in the delivery of social rented housing with a substantial programme of new projects identified for the next five years delivered through our housing partners including the Scottish Government and partly funded through our own Strategic Housing Fund. The focus of Strategy in this area is delivering additional housing choice, particularly for key workers working in our main business sectors, to facilitate sustainable economic growth and it is intended to take this forward through a range of partners and funded primarily through the emerging Rural Growth Deal.

Our specific role here through the strategy is to ensure that housing will support economic growth in our region by being available for key workers in the right place and of the right type.

Skills for Work

Local people are Argyll and Bute's most important asset in driving forward the local economy. Our region has however a relatively low wage economy with a limited number of higher-value jobs particularly amongst females. Critical skill gaps in business sectors with real growth potential and also in the public sector have also been clearly identified.

Consequently, there is a need to better support the skill needs of local people to meet the changing demands of our economy by bringing additional, learning opportunities to our area and improving linkages between skill providers and employers both in the private and public sectors.

Improving local people's skills is also a key component of attracting higher value jobs to a rural economy such as we have in Argyll and Bute. The availability of workplace skills linked to our priority business sectors can also be a key enabler of economic growth and access to talent will have a major bearing on the success of our region in the short, medium and longer terms. Given the rapid changes in our economy together with a number of key skill gaps identified in both the public and private sectors skill providers need to bring forward a common approach to address these including future challenges such as automation.

Given our high level of self-employment (12%) there is a compelling need to equip people with the right skills to grow their business and add value to the products and services they offer. Working with our partners we will take forward an integrated skills strategy that will look to focus on the following:

- Employability – helping residents with multiple barriers return to work;
- Promote ambition – Raising the awareness of young people of further and higher education opportunities;
- Promote entrepreneurship – social enterprise/self-employment options;
- Address key skill gaps in key growth sectors including STEM;
- Promote apprenticeships – within new and existing businesses;
- Promote adult skills development - including basic skills and digital;

Ensuring that there is access to job opportunities for all

Argyll and Bute enjoys a relatively low claimant rate throughout most of our area albeit subject to seasonal variation. Whilst we will continue to work to lower this rate we are also aware of local people with multiple barriers to employment that need pro-active assistance. The Employability Team that is funded on a commercial basis delivers Government contracts such as Fair Start Scotland, the Employability Fund, Work Able and Scotland's Recruitment Initiative. Inclusion therefore lies at the heart of this team's efforts and assists the council's priority to be a mental health champion and bring back people into sustainable employment.

Our role here is to help people with multiple barriers gain sustainable employment.

Improving skill providers links to local employers

Recent studies have identified skill shortages in our growing business sectors that are holding back economic growth. Examples in the private sector include a lack of qualified chefs, people with digital skills, engineers and technicians. If these skills gaps are not quickly addressed there is a risk that businesses will be forced to curtail their expansion plans or simply move out of our region. There are also skill gaps in our public services such as doctors, dentists, teachers and care workers that has the potential to undermine the key public services that people expect to have access to. A top priority therefore is to address this skills gap by linking skill providers to local employers, by improving educational choice in our region and raising awareness of existing and new career opportunities in Argyll.

Our role here is to work with skill providers to make links to local industry and work with partners to create greater educational choice in our region

Ensuring school students have the right skills for the future local economy

Modern workplaces are always evolving as they face ever changing global challenges and new economic opportunities. Businesses are looking for students that generate trust, forge leadership and create productive results. Digital skills are in high demand, literacy, science and numeracy skills, being creative and having an ability to clearly communicate with colleagues and customers. Our challenge is to equip our young people with these skills, raise awareness of available career opportunities within Argyll and bring them into contact with local businesses.

Our role here is to support and build on the activities of Developing the Young Workforce (DYW).

Creating a culture of entrepreneurship

The growth of small businesses is a key step in tackling our low wage economy. In Argyll we enjoy a higher than average self-employment rate at 12% with the majority of our businesses are at a micro or small scale and often family owned. Many of these businesses provide outstanding services and products to the market place however too many local businesses either lack ambition to grow or do not have the right skills in place to do this. A key focus of the Strategy going forward will be to address this issue.

Our role here is to support the growth of ambitious local SMEs that can offer additional, and preferably higher value, employment opportunities.

Expanding our Local Further and Higher education offer

Argyll College UHI and the University of the Highlands and the Islands (UHI) provides the vast majority of Argyll's local further and higher education offer at this current time. Argyll College operates from 15 centres ranging from Tobermory in the north to Campbeltown in the south, Tiree in the west and Helensburgh in the east. The numbers of students attending these centres and the Scottish Association of Marine Sciences (SAMS) at Oban has risen steadily in recent years but an opportunity now exists to extend the education offer and attract people to study in Argyll from outside our region. The key places where this can be achieved is expanding the academic offer at SAMS as part of the Oban a University Town project; the creation of an aquaculture excellence hub at MACC with involvement of Stirling University and in Helensburgh linked to the expansion of HMNB Clyde and involving Strathclyde University.

Expanding our local Higher education offer also has the advantage of attracting new businesses to our area to take advantage of graduating students, academic research and enable greater collaborative working to accelerate business growth as businesses cluster together.

Our role here is to work across council services together with academic partners and the private sector to increase new opportunities for learning in Argyll and Bute.

Smart Growth: Growing – doing more that works

Key Issues

Supporting Our Priority Sectors

If we are to make a transformational step change in our economy we need to focus our support in sectors with the greatest growth potential with a track record of recent private sector investment in our region. In Argyll our compelling business sectors include tourism, food and drink including aquaculture and whisky, Creative Industries including film and TV production, renewables, forestry, marine science and engineering including defence industries. These sectors all feature in our emerging Rural Growth Deal (RGD) and would also best benefit from addressing the RGD's key themes.

Creating a World Class Tourism destination

The growth of **TOURISM** has been a major success in recent years in Argyll and Bute supported by our Economic Growth Team and key partners such as the Argyll and the Isles Tourism Cooperative (AITC). This key sector provides circa 25% of all private sector jobs in Argyll and since 2008 there has been a 33% increase in visitor numbers with tourism worth £479.6m in 2017 to our economy. Given our outstanding natural and built environment Argyll will always have a lot to offer tourists visiting our area. That said, this is a global industry that is constantly investing in its visitor experience and if we are to remain competitive over the medium and longer terms the council and our partners will have to continue to support the growth of this important sector.

Industry led and supported by the council and HIE areas of focus include the improvement of our accommodation offer particularly in our main towns, targeted promotion and marketing activity utilising digital platforms, working in collaboration with the likes of Glasgow Tourism Agencies and boosting our adventure, food and drink, and marine tourism offers.

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| <p>Our role here is to support industry partners to establish Argyll and Bute as a world class tourism destination.</p> |
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Adding value to, diversifying and growing our Food & Drink industry

Often a key ingredient of our Tourism offer, but not exclusively so, is our growing food and drink sector. Argyll produces first class products from our agriculture and fishing

sectors, aquaculture, whisky, craft beers and Gin. The Council will continue to facilitate the growth of this sector which have export potential and can provide higher value jobs throughout Argyll including some of our remoter island and peninsula communities.

A key challenge for both tourism and the food and drink sectors will be to also ensure we have sufficient people with the right skills to work in this industry particularly following the UK decision to leave the EU.

Expanding our engineering, renewables, defence & marine industries

Argyll and Bute has a strong tradition in engineering activity from boat building, aquaculture, energy and defence works. There is real potential for further expansion linked to our marine industries including areas that can offer innovation and working with academic partners such as SAMs or Stirling University to create business clusters that can help generate higher value jobs and investment opportunities. The Maritime Change Programme also represents a significant expansion of the activities of HMNB Clyde with £1.3B capital investment up until 2030. This expansion linked to new training opportunities with the base and with potential to expand in the wider community offers a hugely significant opportunity to both grow our population and create a full range of new job opportunities including in highly technical areas.

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| <p>Our role here is to support the growth of our priority sectors including tourism, food and drink, engineering, renewables, defence and marine industries.</p> |
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Look to Inform and Influence Scottish Government's Economic Policy and UK Industrial Strategy

Argyll and Bute's population continues to decline in common with a number of Scotland's west coast Local authorities. A key priority of the council is to reverse this long term trend and having a growing economy is fundamental if we are to attract and retain people to our region. The council, often working with our key partners, has taken forward a number of initiatives to invest in our community including new schools, building hundreds of new affordable homes, supporting the growth of businesses, attracting significant external capital funding to improve our critical infrastructure, improving peoples' skills for work, investing in our roads, supporting a host of community regeneration projects, providing grants to help people to move to Argyll and improving our built environment through area regeneration initiatives.

The council understands that this investment is not sufficient on its own to address our demographic challenge hence the compelling need convince the Scottish and UK

Governments of the strategic importance of the rural economy and mainstream it within policy and decision making processes.

There is also a need to secure a Rural Growth Deal for Argyll, to attract additional private sector investment and also to influence national decision makers on future policy and investment decisions that affect our region.

Our role here is to secure a Rural Growth Deal for Argyll and Bute working with council services, our strategic partners across all sectors and to also inform and influence future Government economic policy and investment decisions.

Improving Innovation and Productivity

Developing business accelerators and clusters of growth and innovation

To remain competitive in the global economy Argyll businesses need to play to their main strengths and continue to add value to the services they offer and their products through innovation, often involving academic collaboration. In Argyll our areas with greatest potential lie with aquaculture, marine science, creative industries, food and drink products and engineering associated with the defence industries. Consequently, we are looking to develop a number of business clusters that can accelerate growth through mutual cooperation, creating higher value jobs requiring greater skill sets and add to our key economic outputs.

Our role here is to attract sufficient private and public investment to establish a number of business clusters with the ability to accelerate growth in higher value jobs.

Supporting the growth and survival rate of ambitious local businesses

Supporting the start-up rate, survival and growth of our local businesses remains a priority for the Council involving a number of small teams to provide dedicated business support and practical advice. **Business Gateway** is the council's dedicated small business support group looking to help grow local businesses with high growth potential through the pipeline and on to HIE for additional support.

The council's **Economic Growth Team** provides key economic intelligence and evidence to support economic projects and investments in order to attract businesses and jobs that can flourish in our region. A key aspect of their work is to also take advantage of new economic opportunities as they present themselves such as the emergence of the seaweed industry on the west coast and provide data to assist the

growth of ambitious, individual companies such as Bute Islands Foods. Up to date economic profiles of our region can also help inform companies looking to take forward investment decisions in our region.

Our role here is to provide tailored, flexible and appropriate support to enable our wealth of small businesses to flourish.

Developing and capitalising on our low carbon economy (generating locally, using locally, generating local income)

Argyll and Bute produces over 1 GW of clean energy including on shore wind, solar, hydro and mini-hydro. This energy largely feeds into the national grid with limited benefits to the local area save for the local distribution of community benefits. The local grid is currently constrained and there is a need to modernise it to enable greater flexibility in how it is used to address local energy issues such as fuel poverty.

We will continue to work with our partners through the Argyll and Bute Renewables Alliance (ABRA) with a focus on tackling strategic issues that currently limit our potential to generate, distribute, allow local people to take up employment opportunities and makes best use of clean energy in our communities. This work will be informed by our Renewable Energy Action Plan (REAP) that will be kept up to date together with offering on-line advice to local communities in receipt of income from renewable energy generators and others who want to take advantage of renewable energy in the future.

Our **Forestry sector** continues to be important to Argyll given it covers up to 30% of our land surface and supports in excess of 1,000 jobs. The Argyll forest offers a great leisure resource and produces a certified sustainable product with tonnage extraction continued to rise over the next 20 years. The challenges facing this industry relates to adding value to the product within Argyll and having enough people with sufficient skills to facilitate this sector's continued growth.

Our role here is to inform, influence and lobby for additional investment in our grid and facilitate innovation in the use of renewable energy.

Ensuring a ready supply of developable land and creating new affordable Employment Space

If businesses are to grow and new houses are to be built there needs to be a plentiful supply of deliverable development land in the places where people want to invest and live. In Argyll and Bute we do have a plentiful supply of land available but in many cases it is too costly to provide the necessary infrastructure to allow development to

take place. A number of areas also have a shortage of suitable and affordable business premises at the right price and location to enable businesses to grow.

Our role here is to raise the profile of our area as a place to invest and ensure through the Local Development Plan process that appropriate employment space is available.

Cross Cutting Strategic Themes

Maximising external funding opportunities

Our financial resources are limited and the availability of match funding for our Council is a major issue. That said, we will continue to make every effort to attract external funding to our area the realising economic opportunities for our area and addresses identified barriers to economic growth and resilience.

Economic Intelligence and data gathering

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

Compliance and Minimising risks to the Council: Financial and Reputational

There is a need to ensure that we comply with the latest Government legislation and the requirements of external funding partners and programmes to realise opportunities and minimise risk to the council in terms of audit and financial accountability.

Achieving inclusive growth

Achieving inclusive economic growth is a key priority of the council and our partners. To inform this draft Strategy we have applied an inclusion diagnostic tool to identify our areas of greatest need and inform our priority actions. A key finding of this work was the need to create an environment that allows businesses to grow and diversify in order to create higher value local employment opportunities. This will enable as many people as possible to benefit from sustainable economic growth provided we also look to equip people across all age groups with the rights skills to take full advantage of the jobs on offer both now and in the future.

Another key aspect will be the delivery of a Regional Skills Strategy that takes account of our specific, inherent business strengths, identified skills gaps and planned investments.

Argyll and Bute Council, as a corporate body, can play a key role in driving forward our local economy as one of the region's largest employers, as an employer that pays the living wage or above, the land and property we own and through the services, products and capital projects we procure. These aspects of economic development will be taken forward through a number of council corporate strategies on procurement, asset management and human resources.

Partnership Working

Reaching our full economic potential lies beyond the resources of the council on its own. Working in partnership is increasingly important across all sectors to pool resources and expertise in realising economic opportunity and addressing barriers to economic growth. The council will work with other enterprise agencies such as Highlands and Islands Enterprise and Scottish Enterprise to align plans and to operate as a cohesive regional team where possible.

Monitoring our Progress

The council and our CPP partners will monitor the progress of the new draft Argyll and Bute Economic Strategy through our service plans, the outcome based Action Plan and the Argyll and Bute Outcome Improvement Plan Indicators.

Where the strategy is delivered through separate plans or strategies e.g. The Strategic Housing Strategy the existing monitoring arrangements will remain in place and not be duplicated.

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Appendix C

Draft Argyll and Bute Economic Action Plan**Critical Economic Infrastructure** – to national and international markets**Routes to Market**

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|--|--|--------------------------------------|---|------------------|
| Securing routes to market for our residents, businesses and visitors | Inform and influence the review of the National Transport Strategy 2 | Influence | Scottish Government; Transport Scotland; Roads and Amenity Services; SPT; Hi-Trans; Abellio; Scotrail | Summer 2019 |
| | Secure Transport Connectivity Investment through our Rural Growth Deal that supports the growth of our economy. | Influence and Facilitate through RGD | UK and Scottish Governments; Transport Scotland; Hi-Trans; SPT; Abellio; Scotrail. | 2019 |
| | Inform our Regional Transport Strategies for Argyll and Bute that meets the needs of our economy. | Facilitate | Transport Scotland; SPT; Hi-Trans; Roads and Amenity Services; Planning and Regulatory Services; | Autumn 2020 |
| | To establish Oban Airport as a regional hub connecting to the central belt and the Highlands and islands region. | Influence and Facilitate through RGD | Scottish and UK Governments; HIAL; HIE; Hi Trans; Transport Scotland; | 2021 |

Better Connected

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|---|---|---|--|------------------|
| A better connected place for our residents, businesses and visitors | Lobby the National R100 and mobile digital programmes to provide 100% coverage for our geographic region. | Influence and Facilitation | UK and Scottish Governments; BT; Digital Scotland; HIE. | 2021 |
| | Secure a Rural Growth Deal investment in digital Infrastructure to deliver innovative Fibre to Fibre Ultrafast technology and address gaps in 4g mobile coverage. | Influence and Facilitation through RGD | UK and Scottish Governments; HIE; BT; Digital Scotland. | 2019 onwards |
| | Influencing investment in our energy grid | Influence | ABRA; National Grid; SSE; Energy Companies | 2019 onwards |
| | Secure external investment in our active travel network | Influence and facilitate through Sustrans and RGD | Scottish Government; Sustrans; Paths for All; Hi Trans; SPT; | 2019 onwards |

Place and People – *skills, residents, visitors & Businesses*

Stronger Places

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|---|---|----------------------------|---|------------------|
| Creating a sense of Place through an outstanding built environment | To make best use of available external funding to deliver physical improvements to our built environment making our area more attractive to live, work and invest in. | Influence and Facilitation | Historic Environment Scotland (HES); Heritage lottery Fund (HLF); HIE; and Scottish Government. | Ongoing |
| | To deliver a Sense of Place Fund through the Rural Growth Deal focusing on smaller communities. | Influence and Facilitation | UK and Scottish Governments; HES; HLF. | Ongoing |
| Creating a clear vision for our communities | Supporting local communities to retain and develop BIDs and community economic alliances | Influence and Facilitation | Oban, Dunoon and Helensburgh BIDs; Bute Islands Alliance; Inspire Dunoon; HIE; BIDs Scotland; SURF. | Ongoing |
| | We will look to inform the content of the National Islands Plan | Influence and Facilitation | Argyll Strategic Islands Group | Ongoing |
| | Supporting local communities in securing assets | Facilitation | Community Groups; HIE | Ongoing |
| To raise our profile as a centre for cultural activity and create a vibrant and sustainable creative sector | To support the development of key cultural hubs | Influence and Facilitate | UK and Scottish Governments; HES; HLF; Community Groups and Trusts; Creative Scotland; HIE. | Ongoing |
| | To distribute a strategic events and festivals budget subject to available resources | Facilitate | Community Groups; Events Scotland; Creative Scotland | ongoing |

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| | To support the development of a sustainable Creative Business sector through the creation of a network of effective regional hubs. | Influence and Facilitate through CHArts | Creative Scotland; CHArts/Creative sector. | 2019 |
| | To support Film and TV production in Argyll | Influence and Facilitate | Council Services; Creative Scotland; Screen Scotland. | 2018 onwards to 2023 |
| Create Key worker housing to support economic growth | Secure additional housing investment in the Rural Growth Deal | Influence and Facilitate through the RGD | UK and Scottish Governments; HIE; Construction companies; Strategic Housing and Communities Forum; Housing service; | 2019/20 onwards to 2023 |

Skills for Work

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|--|---|--|--|------------------|
| The creation of an inclusive economy | We will look to make work pay through the development of a regional Fair Work Strategy that will include the promotion of an Argyll Region Living Wage. | Influence and Facilitate | Private sector; HIE; Scottish Enterprise; DYW | 2021 |
| | We will deliver an employability service that assists people with multiple barriers into employment on a commercial basis. | Influence and Facilitate through Employability | Scottish Government; | Ongoing |
| Improving people's working skills to achieve higher paid employment | Align the region's skills system to support our key growth areas through a Regional Skills Strategy | Influence and Facilitate through the RGD | SDS; Argyll College; UHI; SAMs; HIE; SE; Education Service | 2020 |
| | Support delivery of the Developing Young Workforce Programme | Influence | Skills Partnership; DYW Argyll; Scottish Government; private sector; SDS | Ongoing |
| We will ensure that 95% of school leavers across Argyll enter employment, training or education. | Implement DYW programme | Influence | Scottish Government; DYM; Argyll College UHI; HIE; SDS; Education service. | Ongoing |
| We will increase the total number | Establish Newton Rooms/STEM portals through the | Influence | UK and Scottish Governments; | 2019 |

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| of employees and businesses across Argyll that work within our key business sectors identified in the Rural Growth Deal | Rural Growth Deal | | SDS; Education service | |
| To expand our academic offer in Argyll and Bute that meets the needs of our key business sectors. | Establish key business clusters related to our key business sectors | Influence and facilitation through the RGD | HIE; SE; MOD; University of the Highlands and Islands; UK and Scottish Governments; Stirling University; Strathclyde university; Argyll College - UHI; Glasgow College; Private sector. | 2023 |
| | To grow and develop Oban as a University Town to have a minimum of 1,700 students by 2030 | Influence and facilitation through Oban as a University Town partnership and RGD | HIE; SAMs; Argyll College – UHI; Oban Bids; Education service; Oban Community Council; | 2021 onwards |
| To increase the number of businesses eligible for the growth pipeline | Deliver core Business gateway support | Facilitate | HIE; SE; | Ongoing |

Smart Growth – *doing more that works*

Supporting Our Priority Sectors

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|---|--|---|--|------------------|
| Increase the employment opportunities and GVA of our priority sectors | Deliver a sector-specific growth programme through specialist support in tourism, food and drink, marine sciences, renewables and defence industries | Facilitate | HIE; Universities; Scottish Enterprise; AITC; Visit Scotland; Food from Argyll; Private sector; Agricultural Forum; MOD; | Ongoing |
| To increase the number of visitors by 15 % and the value of Tourism to the Argyll economy by 10% by 2030. | To deliver a new Regional Tourism Strategy and 10 year Action Plan | Influence and facilitation | HIE; SE; AITC; Visit Scotland; Cal Mac; Loch Lomond and Trossachs National Park. | 2020 onwards |
| | Identify locations for future hotel investment | Influence and facilitation | Planning and Regulatory Services; AITC; Visit Scotland; SDI | 2019 |
| | Identify future cultural, marine and adventure tourism investment opportunities for inclusion in the Rural Growth Deal | Influence and facilitation through the RGD | Planning and Regulatory Services; AITC; Visit Scotland; SDI | 2019 |
| | To achieve World Host Status for Argyll | Influence and facilitation through Business Gateway | AITC; Visit Scotland; people plus. | 2019 |
| To increase the value of the Argyll Food and Drink Industry | To identify and develop opportunities for the growth of | Influence and facilitate through the RGD | HIE; Food from Argyll; Agricultural Forum; Mount | ongoing |

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| | Argyll's food & drink sector | | Stuart; | |
| Delivery of the Maritime Change Project that best benefits the Argyll wider economy | Maintain the existing strategic partnership and implement action plan | Influence and facilitate through partnership working and the RGD | UK Government; SE; MoD; Private sector partners; SDS; SDI | Ongoing |
| | Secure additional investment through the Regional Growth Deal for an Engineering business acceleration cluster. | Influence and Facilitate through the RGD | UK and Scottish Governments; SE; Strathclyde University; MoD; Private sector partners; | 2023 |
| To grow our population and raise our National profile as a place to live, invest, learn, do business and visit. | To secure an Argyll Rural Growth Deal | Influence and Facilitate | UK and Scottish Governments; HIE; SE; SFT; | 2019 onwards |
| | To sustain and update a clear Argyll marketing and branding strategy for our region | Influence | Council Communications team; CPP partners | 2019 onwards |

Improving Innovation and Productivity

| Key Outcome | ACTIONS | EDST Role | Delivery Partner(s) | Date of delivery |
|--|---|--|--|------------------|
| Establish Argyll as the natural choice for ambitious and innovative industries to grow and flourish. | Deliver phases 2 and 3 of the European Marine Science Park at Dunbeg including a new Marine Training Centre. | Influence and Facilitate Oban as a University town and RGD | UK and Scottish Governments; HIE; UHI; Argyll College – UHI; Glasgow College; HIE;SAMs; Private sector partners; | 2021 |
| | Deliver a Centre of aquaculture excellence at Machrihanish (MACC). | Influence and Facilitate through the RGD | UK and Scottish Governments; HIE; MACC; Stirling University. | 2020/21 |
| | Secure additional investment through the Regional Growth Deal for an Industry logistics centre at Kilmory Industrial Estate | Influence and Facilitate through the RGD | UK and Scottish Governments; HIE; Private sector partners; | 2020 |
| Increase the start-up rate, growth and survival of small and medium sized businesses | Deliver core Business gateway support | Facilitate | HIE; SE | Ongoing |
| | Deliver enhanced support through attracting additional external funding | Facilitate | HIE; SE | Ongoing |
| | Deliver a comprehensive, robust and up to date economic profile for our region | Facilitate | HIE; SE | Ongoing |
| To lower our carbon footprint | Maintain ABRA | Influence | UK Government; National Grid; | Ongoing |

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| | To examine opportunities to better utilise our renewable energy resource in Argyll | Influence | UK and Scottish Governments; ABRA; | 2020 |
| Ensuring a modern fit for purpose energy grid | Lobby through ABRA to bring forward improvements to the national grid and take forward pilot projects that look to improve the local energy grid and increase the use of renewables | Influence and Facilitation | ABRA members; ALIE Energy; HIE; Local communities | Ongoing |
| Create Business clusters | Identification of investor ready development opportunities and seek external funding to address critical economic infrastructure as required. | Influence and Facilitate | Planning and Regulatory Services; HIE; SE; SDI | 2019/20 |

| EDST Intervention Criteria | Core Activities |
|--|--|
| Our role is to intervene in the event of market failure with potential regional impacts. | <ul style="list-style-type: none"> • Work with partners to broker solutions and mitigate against negative impacts. |
| Our role is to monitor, lobby and bid for external funding to address our economic priorities. | <ul style="list-style-type: none"> • Deliver Rural Growth Deal; • Prepare external funding updates and prepare/submit evidence for new structural funding streams. |
| Our role is to provide local economic information and evidence to improve our economic competitiveness as a region and enable economic growth. | <ul style="list-style-type: none"> • Collect, analyse and disseminate demographic and economic data to inform public and private sector decision makers looking to invest. |
| Our specific role through the strategy is to ensure that housing will support economic growth in our region by being available for key workers in the right place and of the right type. | <ul style="list-style-type: none"> • Provide evidence to obtain funding for key worker housing through the Rural Growth Deal. |
| Our role is to influence, inform and lobby the Scottish Government, national and regional transport agencies for improved transport connectivity within, to and from Argyll. | <ul style="list-style-type: none"> • Provide the necessary justification and evidence for the delivery of critical transport infrastructure by regional and national partners. |
| Our role here is to influence the energy industry including the national grid for the need for further investment in our energy system. | <ul style="list-style-type: none"> • Work with ABRA. |
| Our role here is to facilitate minor improvements to the network, improve integration of services and examine how new technology can improve our public transport system for the benefit of the local economy. | <ul style="list-style-type: none"> • Work with SPT and Hi Trans to attract external investment and undertake feasibility studies. |
| Our role is to influence, inform and lobby for fit for purpose, modern digital connectivity throughout Argyll. | <ul style="list-style-type: none"> • Work with our national partners to seek solutions to reduce gaps in the digital network and argue for additional investment through the RGD. |
| Our role is to work with our partners to highlight places and individual sites in Argyll and Bute to potential investors. | <ul style="list-style-type: none"> • Prepare data for potential investors • Identify sites through the LDP and provide supporting economic data as appropriate. |
| Our role is to promote our area as a place for film and TV production. | <ul style="list-style-type: none"> • Maintain an easy to use film support network including a dedicated web site with transparent charges for the use of council assets. |

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| <p>Our role is to undertake area regeneration activity that has the potential to deliver transformational change to local communities that makes them investor ready.</p> | <ul style="list-style-type: none"> • Bid for external funding for area regeneration projects. • Deliver agreed heritage projects. |
| <p>Our role is to help people with multiple barriers gain sustainable employment.</p> | <ul style="list-style-type: none"> • Deliver Government sponsored contracts through the employability service. |
| <p>Our role is to support and build on the activities of developing the Young Workforce (DYW).</p> | <ul style="list-style-type: none"> • Work with DYW and skills providers. |
| <p>Our role here is to support the growth of ambitious local SMEs that can offer additional and preferably higher value, employment opportunities.</p> | <ul style="list-style-type: none"> • Offer one to one advice through Business gateway • Offer ERDF funding assistance • Deliver bespoke training event in key areas such as digital training. |
| <p>Our role is to work with our academic partners to expand further and higher education opportunities in Argyll.</p> | <p>Through the Rural Growth Deal and targeted investments at:</p> <ul style="list-style-type: none"> • Helensburgh – defence and engineering • SAMs at Dunbeg – marine science • Machrihanish/MERL – Aquaculture • Argyll – UHI network improvements. |
| <p>Our role will be to create, or take an active part in, strategic level partnerships, that have a clear aim to improve our economic performance.</p> | <ul style="list-style-type: none"> • Tourism Strategic Partnership • ABRA • Oban as a University Town • Maritime Change. |
| <p>Our role is to establish Argyll as a world class tourism destination.</p> | <ul style="list-style-type: none"> • Help deliver a new strategic tourism strategy with clear priorities identified. • Facilitate World Host Training • Undertake Placemaking and Area Regeneration activity. |
| <p>Our role here is to inform and facilitate this process including community asset transfer and by doing so helping to secure a sustainable economic future for all our local communities.</p> | <ul style="list-style-type: none"> • Attracting external funding to undertake economic projects including RCGF • Asset Transfer • Community Renewables. |
| <p>Our role is to support the expansion of the food and drink industry.</p> | <ul style="list-style-type: none"> • Targeted feasibility studies, • Attending promotional events • Supporting the expansion of Food from Argyll. |
| <p>Our role is to support the growth of the creative industry including supporting events with national and international appeal.</p> | <ul style="list-style-type: none"> • Work with CHArts • Administering grants for strategic level events • Film and TV work. |

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| <p>Our role here is to attract sufficient private and public investment to establish a number of business clusters with the ability to accelerate growth in higher value jobs.</p> | <ul style="list-style-type: none">• Work with strategic partners to deliver the RGD. |
| <p>Our role is to ensure compliance with relevant legislation and audit processes.</p> | <ul style="list-style-type: none">• Ensure proper records are kept• Prepare briefing papers on all aspects of economic and transport policy. |

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****7th March 2019**

Business Gateway Local Growth Accelerator Programme Phase Two

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update members of the Environment, Development and Infrastructure (EDI) Committee with the progress made towards launching Phase Two of the Business Gateway Local Growth Accelerator Programme.
- 1.2 The Business Gateway Local Growth Accelerator Programme (LGAP) gives growing local businesses the chance to access grant funding and specialist advice to help them expand. The programme is funded by Argyll and Bute Council and the European Regional Development Fund. Phase One of the programme, totaling £372k, launched in 2016 and closed in December 2018.
- 1.3 LGAP directly contributes to the Council's Business Outcome BO110 'We support businesses, employment and development opportunities'. The programme fills a gap by providing valuable support to SMEs not yet at a stage where they can access enterprise agency support. The intervention complements and extends the scope of core Business Gateway services.
- 1.4 Phase Two LGAP, totaling £483k, will use the existing delivery infrastructure to continue the assistance available to accelerate the growth of small and medium sized enterprises (SMEs) across Argyll and Bute.
- 1.5 Match funding of £144,900 is required. The ERDF Grant required for Phase Two, at an intervention rate of 70%, is £338,100.
- 1.6 It is proposed that match funding for Phase Two will be wholly provided from the West of Scotland Loan Fund (WSLF) surplus.

- 1.7 The council's application for Phase Two was submitted to the Managing Authority¹ in December 2018 (year end deadline) and approved at the approval panel on 22nd January 2019 and Ministerial approval was granted on 15th February 2019.
- 1.8 Officers are finalising the programme documentation and expect Phase Two to launch as soon as the Council match funding is confirmed.
- 1.9 Members are asked to:
- Note that Phase Two will create a £483k business support programme at no additional cost to the council and that it can be delivered by the current headcount within Business Gateway.
 - Agree the preparations for Phase Two, including the proposal to use all of the West of Scotland Loan Fund (WSLF) surplus of £150k as the Council's match funding for Phase Two.
 - Recommend to council that the £75k WSLF surplus allocated for additional SME support is used in advance of an agreed Rural Growth Deal in order to be able to draw down European Structural Funds to maximise business growth opportunities within Argyll and Bute.

¹ The distribution, monitoring and payment of European Structural and Investment Funds (ESIF) in Scotland, which includes ERDF monies, is undertaken by the Scottish Government as the Managing Authority under the jurisdiction of Derek Mackay, MSP, Cabinet Secretary for Finance, Economy and Fair Work.

ARGYLL AND BUTE COUNCIL

**Economic Development and
Infrastructure Committee**

**Economic Development and Strategic
Transportation 7 March 2019**

Business Gateway Local Growth Accelerator Programme Phase Two

2.0 INTRODUCTION

- 2.1 The Business Gateway Local Growth Accelerator Programme (LGAP) gives growing local businesses the chance to access grant funding and specialist advice to help them expand. The programme is funded by Argyll and Bute Council and the European Regional Development Fund. Phase One of the programme, totaling £372,100, launched in 2016 and closed in December 2018.
- 2.2 LGAP directly contributes to the Council's Business Outcome BO110 'We support businesses, employment and development opportunities'. The programme fills a gap by providing valuable support to SMEs not yet at a stage where they can access enterprise agency support. The intervention complements and extends the scope of core Business Gateway services.
- 2.3 Phase Two LGAP, totaling £483k, will use the existing delivery infrastructure to continue the assistance available to accelerate the growth of small and medium sized enterprises (SMEs) across Argyll and Bute.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to:
- Note that Phase Two will create a £483k business support programme at no additional cost to the council and that it can be delivered by the current headcount within Business Gateway.
 - Agree the preparations for Phase Two, including the proposal to use all of the West of Scotland Loan Fund (WSLF) surplus of £150k as the Council's match funding for Phase Two.
 - Recommend to council that the £75k WSLF surplus allocated for additional SME support is used in advance of an agreed Rural Growth Deal in order to be able to draw down European Structural Funds to maximise business growth opportunities within Argyll and Bute.

4.0 DETAIL

- 4.1 LGAP is open to micro, small or medium sized businesses based in Argyll and Bute aiming to increase their turnover by £50,000 or more within the next three years. The funding available includes growth grants of up to £5,000, a new employee or graduate placement grant of up to £12,000, and training, trade fair and accreditation grants of up to £1,500 for businesses in key growth sectors.
- 4.2 A Business Gateway Adviser works with businesses registered for the programme to develop a growth plan and access relevant support. LGAP is an additional service and complementary to the support already offered by Business Gateway.
- 4.3 The £186,119.50 match funding required from the council for Phase One was provided from Business Gateway and Economic Growth departmental budgets across five years from 2014.
- 4.4 Phase One of the Business Gateway Local Growth Accelerator Programme is drawing to a close. SMEs approved for support have until 31st January 2019 to claim their approved grants and the council has until 30th June 2019 to submit the final claim to the Managing Authority.
- 4.5 As 15th January 2019, the support given is as follows:
- Approved total spend is at £373k, just over 100% of target. £24.5k of committed spend is still to be claimed by SMEs.
 - 74 unique enterprises have been awarded support, 101% of target.
 - 28 unique enterprises have been awarded non – financial support, 117% of target.
 - 60 unique enterprises have been awarded grants, 100% of target.
 - Outcomes will not be reported until the end of the programme – target 20 jobs created in supported enterprises and 10 supported enterprises exporting.
- 4.6 Two claims have been submitted to the Managing Authority. The first claim, for £65,629 was approved and the ERDF grant of £32,815 has been received. The second claim, for £80,805 is currently being verified.
- 4.7 With more than 100 SMEs registering for LGAP in Phase One there is strong evidence of demand for support. There are no indications that demand is slowing.
- 4.8 Following clarification that the European Structural Funds programme can continue to be accessed post Brexit, the Managing Authority invited applications for Phase Two, for activity from 2019- 2023. The application deadline was 31st December 2018. Due to underspends in the programme overall, a higher intervention rate is available where it can be justified.

- 4.9 An application was therefore submitted to the Managing Authority in December 2018 for Phase Two. It includes the following activity:
- 42 Specialist advice sessions to support business growth.
 - 54 Growth grants to support business growth.
 - 12 Employer/Graduate Placement grants to support business growth.
 - 36 Key sector grants (Training, Trade/Consumer Fairs or Accreditation) to support business growth in priority sectors.
- 4.10 These interventions will engage an additional 53 unique SMEs in Phase Two. This target number of SMEs supported assumes that the 73 SMEs from Phase One who access further support in Phase Two cannot be counted as a unique SME supported in Phase 2 as they have already been counted in Phase One.
It is expected that 17 jobs (FTEs) will be created in supported companies within 3 years of accessing support.
- 4.11 Phase One has shown that there is clear demand from SMEs for the support indicated, which cannot be delivered in Phase Two without ERDF support at a higher intervention rate due to a reduction in available Council match funding.
- 4.12 The overall estimated expenditure for Phase Two is £483,000. Match funding of £144,900 is required. The ERDF Grant required for Phase Two, at an intervention rate of 70%, is £338,100.
- 4.13 Match funding for Phase Two was originally proposed as £75k from Business Gateway and Economic Growth budgets and £75k from surplus funds held in the West of Scotland Loan Fund (WSLF).
- 4.14 The WSLF surplus exists because the fund is no longer active after the introduction of Business Loans Scotland. The Articles of Association of the WSLF permit surplus funds to be transferred to 'like-minded' organisations such as the economic development service within a local authority, for the sole purpose of 'SME development'. Any transfer requires the unanimous approval of WSLF Board members.
- 4.15 The Policy and Resources Committee agreed in August 2018 that the council would seek to withdraw its WSLF surplus for the purpose of a) providing £75k match funding for Phase Two LGAP; and b) £75k additional SME support specifically linked to the Rural Growth Deal initiatives, if opportunities are identified.
- 4.16 At the WSLF Board meeting on 30th November 2018 the Board agreed that Argyll and Bute Council could withdraw its £150k surplus for the specified purposes above. The money was transferred in January 2019.

- 4.17 It became apparent in November 2018 that planned cuts (£43k per year) to the Business Gateway/Economic Growth budgets would remove all capacity to provide the 50% match funding required for Phase Two.
- 4.18 It was therefore proposed that match funding for Phase Two be wholly provided from the WSLF surplus.
- 4.19 Due to the application deadline of 31 December 2018, officers were unable to secure revised match commitment from the Council and put forward the bid on the basis of securing the necessary Council approvals at a later date, prior to any offer of grant being signed. [Governance have been consulted regarding the necessary approval process]
- 4.20 The application for Phase Two support was approved at the Managing Authority Approval Panel on 22nd January 2019. Ministerial approval was granted on 15th February 2019.
- 4.21 Officers are finalising the programme documentation and expect Phase Two to launch as soon as the Council match funding is confirmed.
- 4.22 Given the decision of the P&R Committee in August 2018 as set out at para 4.15, using all of the WSLF surplus for Phase Two match funding does align closely to the objectives of the Rural Growth Deal, specifically Proposal 5 which includes a small business support programme of grant support to help business growth. The Committee is therefore asked to endorse this approach and seek approval from Council to spend the £75k budget allocation on additional SME support in advance of an agreed Rural Growth Deal in order to be able to draw down European Structural Funds to maximise business growth opportunities within Argyll and Bute.

5.0 CONCLUSION

- 5.1 Phase Two LGAP, totaling £483k, will use the existing delivery infrastructure to continue the assistance available to accelerate the growth of small and medium sized enterprises (SMEs) across Argyll and Bute, at no additional cost to the council.

6.0 IMPLICATIONS

- 6.1 Policy LGAP directly contributes to the Council's Business Outcome BO110 'We support businesses, employment and development opportunities'.
- 6.2 Financial No additional council budget required to leverage £338k ERDF funding.
- 6.3 Legal None.

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|-----------------------------------|---|
| 6.4 HR | None |
| 6.5 Equalities/Fair Scotland Duty | No negative impact on equalities. LGAP Phase Two can help make a positive impact on inclusive growth priorities within economic performance (business survival, GVA) as well as providing support to remote and island communities. |
| 6.6 Risk | Given that business demand is strong (all Phase One funding was committed), if Phase Two is not progressed this will result in reputational risk to the Council as well as the lost opportunity to access £338k of ERDF funds to support SME growth in Argyll and Bute. |
| 6.7 Customer Service | None. |

Pippa Milne, Executive Director of Development and Infrastructure
CLlr Aileen Morton, Policy Lead for Economic Development
5th February 2019

For further information contact:

Kate Fraser, Business Gateway kate.fraser@argyll-bute.gov.uk

Tel: 01546 604550

or

Ishabel Bremner, Economic Growth Manager. ishabel.bremner@argyll-bute.gov.uk

Tel: 01546 6043750

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Environment, Development and Infrastructure Committee Work Plan 2019/20

| This is an outline plan to facilitate forward planning of reports to the EDI Committee. | | | | |
|--|---|----------------------------|-----------------|-----------------|
| 7 March 2019 | Title | Service | Date Due | Comments |
| | Development and Infrastructure Services Performance Report FQ3 (October to December 2018) | Directorate | | |
| | Shared Prosperity Fund: Argyll and Bute Regional Policy Position | Economic Development | | |
| | Update Report on Flood Risk in Oban | Roads and Amenity Services | | |
| | Helensburgh Residual Waste | Roads and Amenity Services | | |
| | Waste Strategy | Roads and Amenity Services | | |
| | Economic Strategy | Economic Development | | |
| | Festive Lighting | Roads and Amenity Services | | |
| | An Update on the Business Gateway Local Growth Accelerator Programme Phase Two' | Economic Development | | |
| | Roads Capital Reconstruction | Roads and Amenity Services | | |
| Future Items | | | | |
| | Litter Policy | Roads & Amenity Services | | |

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