

INVESTING IN OUR REGION

Argyll and the Islands Area Office: July 2015



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

INVESTING IN OUR REGION: ARGYLL AND THE ISLANDS

HIE invested £93 million in the region in the year to March 2015. This is expected to create or retain more than a thousand jobs, 144 of them in the Argyll and the Islands area, which includes Arran and Cumbrae. A summary of the organisation's year-end figures shows an increase in turnover amongst supported businesses and social enterprises in Argyll and the Islands of £6.1 million. As part of Scotland's Economic Strategy priority of internationalisation these investments anticipate International sales growth of £2.8 million.

A major highlight for Argyll and the Islands was the securing of the first two tenants for the European Marine Science Park and the official opening of the building in November by Fergus Ewing MSP Minister for Energy, Enterprise and Tourism.



Other positive developments as a result of HIE's investment include construction of new office space at Sandbank Business Park in Dunoon and the development of the gap site at Guildford Square in central Rothesay.

The current and projected population decline remains the main focus of the Argyll and Bute Community Planning Partnership and alongside the Argyll and Bute Economic Forum we continue to work with partners to address the key issues in support of economic growth. We have also been working with North Ayrshire Council and other partners to embed the new approach to business support in their area under "Team North Ayrshire".

Significant resources have been devoted to securing inward investors to Argyll and the Islands. In the past year discussions have commenced with organisations in the Food and Drink, Tourism, Life Sciences, Finance and Business Services, Aerospace and Textile sectors. We supported the Local Authority and the Machrihanish Airbase Community Company to prepare and respond to the consultation document 'Supporting Commercial Spaceplane Operations in the UK' issued by the Department of Transport. The Machrihanish Airbase remains one of five locations in the UK that are being actively considered as a location for Spaceport UK.

Investing In Business & Social Enterprise Growth

We are working with 80 businesses and social enterprises across Argyll and the Islands, with representation across all growth sectors. We have approved 31 cases that have led to £17.4 million of investment in the economy of Argyll and the Islands; facilitated by investment by HIE of £2.9 million. Progress has continued to be made in specific sectors such as life sciences, tourism, food and drink, energy and creative industries.



Activity in the Tourism and Food and Drink sectors remained strong with significant investments in:

- Portavadie Marina where our financial support of £0.9 million leveraged an £8 million project and has the potential to realise a further £30 million of investment over the longer term;
- Isle of Eriska Hotel which is beginning a

£1.4million expansion after securing a £217,500 investment from HIE, creating 15.5 full time equivalent jobs at the five-star resort.

- In all these cases investments have been targeted to deliver specific valuable outputs with a focus on internationalisation and innovation.

Argyll and the Islands has a strong creative, cultural and heritage offering and HIE's investments in:

- Rothesay Pavilion where we have invested £750,000 in an £8m project by Argyll and Bute Council to redevelop the historic building into a 21st century arts, sports and community venue;
- Dunoon Burgh Hall Trust which secured the £1.7 million funding package required to redevelop the Burgh Hall, after HIE confirmed a £300,000 investment. Work is underway to restore the main hall and the balcony and create full physical access for all. There will be a climate controlled gallery suite, workshop rooms, meeting rooms and a glass-roofed café.
- Campbeltown Picture House for a £2.8 million project to redevelop and transform one of Scotland's oldest cinemas into the principal cultural and arts centre for Kintyre with a £300,000 investment from HIE.
- Comar, the creative hub based on Mull, where we have invested £68,000, of £150,000 total project cost, in theatre and office space with the build in progress;
- Kilmartin Museum Trust, which is working towards a £6 million transformational redevelopment of the museum, was supported by HIE with £67,000 out of £167,000 of project management costs.

All these investments will contribute significantly towards the delivery of HIE's Ambitious for Culture Policy.

Investing in our Communities and Fragile Areas

Investments made in Argyll and the Islands social enterprises are anticipated to increase turnover in the area's social economy by £0.9 million; £390,000 of which will be generated by community-owned assets. HIE's administration of the Scottish Land Fund (SLF) continued to support community asset acquisition across Scotland, including £1.5m of forest purchases for South West Mull & Iona Development and Kilfinan Community Forest Company which will have a direct impact upon the delivery of community growth in these fragile areas. In the past year a further 17,833 acres of land came into community ownership through 14 acquisitions with £4.67 million SLF support.

HIE is working in partnership with SURF (Scotland's Independent Regeneration Network) to deliver the second phase of Alliance for Action work on Bute over an 18 month period from April 2015 to March 2016.

Argyll and the Islands' six account managed communities continue to gain confidence and move towards sustainability through a number of community asset purchases and significant levels of project activity.

Investing in Our Infrastructure



The first year of fibre broadband roll-out has seen around 200 km of subsea and land cabling laid across Argyll and the Islands. Points of Presence – opening easier access to business services – are now live in Campbeltown, Dunoon and Oban.

In Oban, we currently have 1,171 premises which can access next generation broadband through 7 live cabinets.

Customers in Dunoon and Helensburgh can now see commercial services coming through BT.

Argyll is also the location of an ambitious aggregation pilot being supported by Community Broadband Scotland, a Scottish Government project led by HIE. Seven communities are working together to develop community owned infrastructure capable of delivering over 24Mbps to 12 inhabited islands and nearly 3,000 people.

HIE 50th Anniversary

This year also marks the 50th anniversary of the establishment of HIE's predecessor, the Highlands and Islands Development Board (HIDB). What began as a 'social experiment' in 1965 has seen the region gain global recognition for ambitious and innovative businesses and resilient dynamic communities supported by developing infrastructure, transport links, services and increasing access to digital technology.

Against this backdrop, HIE published its operating plan for 2015-18 in March. Entitled 'Building our Future', this sets out plans for how the organisation will invest its annual budget of £97.7 million over the next three years. It includes increased efforts to support innovation, investment, internationalisation and inclusive growth, in line with Scotland's Economic Strategy.