

**Argyll and Bute Community  
Planning Partnership –  
Management Committee**

**Date: 30 September 2015**

**Agenda Item:**



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## **Outcome 1: The economy is diverse and thriving - Progress Report**

### **1. Purpose**

The purpose of this report is to provide an update on progress under the SOA for the period to end July 2015 on Outcome 1: The economy is diverse and thriving.

### **2. Overall position**

Work is currently underway to revise and better define the outcome measures within the SOA to ensure that all measures contribute to and add value to our understanding of the performance of the economy.

### **3. Successes and key achievements to date for Outcome 1**

Overall performance is relatively strong reflecting the improved economic and business climate.

- Business Gateway has supported 28 new business starts in the first quarter. This is significantly ahead of the previous quarter (17) and ahead of the same period last year (22).
- The number of modern apprentices appears to be lower than expected at 11 but more work is being done to examine this figure and ensure that relevant opportunities are available locally.
- We do not yet have reliable data for the current year from the tourism sector but early evidence indicated that last year's strong performance was being sustained with a growth in numbers of overseas visitors. However, the picture appears somewhat mixed due in part to the poor summer weather.

Over the first part of the year we have seen continued investment from indigenous businesses and interest from actual and potential inward investors, overall business

confidence remains steady. We have continued to see a number of significant investments coming forward, including

- The latest phase at Portavadie Marina, where funding support of £950k HIE has levered an investment of over £8million to provide leisure facilities at Portavadie Marina and expand the offering of the world class facility.
- Elsewhere in Cowal discussions are progressing regarding is major potential inward investment at Ardyne and the completion of HIE's new 21<sup>st</sup> century office space will support expanding local businesses and help to attract inward investment to the area.
- Master planning for the next phase of the Kilmory Industrial Estate is underway to ensure infrastructure is available for both local businesses and inward investors
- Machrihanish Airbase remains one of five locations in the UK that are being actively considered as a location for Spaceport UK

Accompanying this update report is a brief look at the investment being made by HIE across our region to support businesses, social enterprises, communities and infrastructure which was provided to each of the CPP Area Groups in August.

#### **4. Risks**

Whilst the overall picture is positive, there remain risks to overall progress:

- The challenges faced by the dairy industry affect significant parts of our region. Work is ongoing to try to secure the future of the creamery in Campbeltown and to protect the dairy sector and wider supply chain.
- Increasing anecdotal evidence that challenges in attracting and retaining staff are constraining business growth in a number of areas. A number of issues are being cited including lack of appropriate skills, and a range of housing related issues.
- The Compelling Argyll and Bute Study, led by Argyll and Bute Council with support from a number of other CPP partners, highlights a range of issues and makes a number of recommendations on actions.
- In July a key Dunoon based contractor Stewart McNee Ltd entered into Administration. Public sector agencies all worked together to provide support and it appears that the vast majority of those affected have found alternative employment.

## 5. Opportunities

The Argyll & Bute Sustainable Economic Forum chaired by Nick Ferguson representing the private sector has now held three meetings ( the most recent on 28 August ) and is focussing its attention on three topics which are of key importance within our local economy:

- Food and Drink
- Tourism, and
- Youth Employment and Skills.

Partners are engaged in taking forward work on each of these topics. Having acted as a catalyst for action the future shape of the Forum is under review.

HIE is currently leading on a 'Transport Connectivity and Economy' study in Argyll and Bute to explore the scale to which transport issues act as a brake on the economic performance of the area. This is a strategic study seeking to assess the impact of current transport connectivity on economic performance in the region, and to understand the extent to which more radical or transformational transport solutions to support regional growth may be required.

## 6. Implications

Strategic Implications	Outcome 1: The Economy is Diverse and Thriving
Consultations, Previous considerations	Performance information, short term outcome leads.
Resources	None arising directly from this report
Prevention	None arising directly from this report
Equalities	None arising directly from this report

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**Appendix 1 – Q1 performance information**

**Appendix 2– Investing in Our Region**