
Compelling Argyll and Bute and its Administrative Areas Study – Progress Update

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to provide the Committee with an update on the progress of the proposed actions and activities to be delivered as a result of the evidence base and recommendations presented in the **Compelling Argyll and Bute and its Administrative Areas** research study.
- 1.2 The research has confirmed that the overarching challenge for Argyll and Bute as a whole is to reverse the overall decline in population while rebalancing from aging to young/working age residents by achieving positive net migration.
- 1.3 The research highlights a focused policy approach around *strategic economic rebalancing* of the economy in terms of population; jobs, businesses; education; skills and enterprise. It also recognises the requirement to increase collective ambition and provide an 'identity' for Argyll and Bute in order to market all the positive aspects and opportunities of the area as a place to live, work, study and visit.
- 1.4 The Strategic Overview report presents some potential areas for intervention across eight thematic areas where, together with partners, the council will be able to reverse the economic trends and support a more vibrant and successful economic future for the region.
- 1.5 To date a number of awareness raising events have been delivered to disseminate the findings of the study. In particular, at a Steering Group meeting on 2nd December 2015, it was agreed that in the first instance the suggested thematic interventions from the Compelling research should be fed directly into the review of all the six Single Outcome Agreement (SOA) Delivery Plans (in particular Outcomes 1 to 3) during December 2015, rather than create another suite of plans.
- 1.6 The following recommendations are for the EDI Committee to consider:
 - To note the content of this update report.

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2.0 INTRODUCTION

- 2.1 The purpose of this paper is to provide the Committee with an update on the progress of the proposed actions and activities to be delivered as a result of the evidence base and recommendations presented in the **Compelling Argyll and Bute and its Administrative Areas** research study.
- 2.2 The commissioned research sought to better understand the full implications of the demographic challenge and develop solutions to addressing a key priority within the Argyll and Bute Community Planning Partnership (CPP) Single Outcome Agreement and the Argyll and Bute Local Development Plan, namely that *'Argyll and Bute's economic success is built on a growing population'*.
- 2.3 The research was commissioned through and financially supported by, a Steering Group comprising, Argyll and Bute Council, Highlands and Islands Enterprise, Skills Development Scotland and Argyll College UHI. It was conducted using a mix of primary economic research and secondary inquiry, including undertaking an extensive interview programme which included businesses, inward investors, school and further education (FE) students and teachers, community groups, major infrastructure providers and key public sector stakeholders. In all over 500 individuals have been engaged through the research programme.
- 2.4 The research is now complete and a suite of detailed reports have been produced covering: **Compelling Argyll and Bute and its Administrative Areas Strategic Overview Report; Economic Baseline Report; Sub-regional Socio Economic Baseline Report; Stakeholder Research Report and Addressing Rural Depopulation Good Practice Report**. All these reports can be accessed on the council website on <http://www.argyll-bute.gov.uk/compelling-argyll-and-bute>
- 2.5 The study has also identified an approach to address the demographic challenges, built around a policy concept of *strategic economic rebalancing* and through delivering actions across eight suggested thematic interventions (see **Appendix A**).

3.0 RECOMMENDATIONS

Members are asked to:

- 3.1 Note the content of this update report.

4.0 PROGRESS

- 4.1 Since the completion of the draft Compelling research in May/June 2015 and then the final reports in August 2015 specific focus has been given to sharing the research findings with key partners and on a wider basis with stakeholders.

Overview of Research Findings

- 4.2 The overarching challenge is to reverse the overall decline in population with a focus on increasing the young/economically active working age population to achieve sustainable economic growth (key alignment with the Argyll and Bute Community Planning Partnership Single Outcome Agreement 2013-2023).
- 4.3 The research found that generally there has been positive business performance across the area in terms of employment and sales levels with a relatively bullish view of future employment, but this is mainly for low/no skilled employees, with the exception of the larger companies.
- 4.4 A greater number of larger businesses predict increased future growth in employment (79% compared to 50% overall¹). These businesses will require a greater number of staff at the higher end of the business i.e. managerial (33%) or professional/technical staff (48%). Businesses involved in aquaculture and fishing (86%), food and drink (81%) and construction sectors (65%) are the most likely to recruit staff over the next three years, albeit from a relatively small respondent base from these sectors.
- 4.5 The study identified an approach to address the demographic challenges, built around a policy concept of *strategic economic rebalancing* as follows:
- increase the overall employment base by addressing the over-reliance on the public sector and by rebalancing the economy towards growing the private and third sectors;
 - increase the number and ambition of the resident business base by rebalancing focus on companies of scale and with growth aspirations to move up the value chain;
 - improve and enhance the skills profile of Argyll and Bute by rebalancing to a higher skilled workforce able to obtain higher value employment which in turn will attract higher earnings (i.e. create higher value employment in areas of competitive advantage, for example, food and drink);
 - increase the quantity and quality of the local education offering by rebalancing resources from sources outside Argyll and Bute to those inside the region; and
 - increase the enterprise and entrepreneurial skills and capacity of all parts of the community (public and private) to rebalance away from reliance on others to self-reliance.

In order to meet the above strategic economic rebalancing objectives the research outlined delivering actions across eight suggested thematic interventions (see **Appendix A**).

¹ 305 businesses responded to the question relating to future employment growth.

Awareness Raising Activities

- 4.6 Presentations on the overall study have been given to the following groups:
- Economic Forum Youth and Education sub-committee, 29th May 2015;
 - Community Planning Management Committee, 17th June 2015;
 - Full Community Planning Partnership in 25th August 2015;
 - Opportunities for All, Sharing of Good Practice event, 10th September 2015;
 - Argyll and Bute Employability Partnership, 1st October 2015;
 - Elected members' seminar, 5th October 2015 (with a focus on the skills development issues within the reports);
 - Article on 'Argyll and Bute a Compelling Offer' published in Business Scotland magazine, autumn 2015 edition; and
 - Business breakfasts and business lunches delivered across Argyll and Bute throughout November and December 2015. The detailed dates and location of these events are outlined in **Table 1** below.

Table 1: Business Breakfast and Lunch Events, 2015			
Event	Location	Venue	Date
Breakfast	Campbeltown	Ardsheil Hotel	Friday, 6 th November
Breakfast	Oban	Corran Halls	Tuesday, 17 th November
Lunch	Inveraray	Loch Fyne Hotel	Tuesday, 24 th November
Lunch	Helensburgh	Braeholm	Monday, 30 th November
Breakfast	Lochgilphead	Enterprise Centre	Thursday, 10 th December
Lunch	Bute	Victoria Hotel	Tuesday, 15 th December
Lunch	Dunoon	The Braes	Wednesday, 16 th December

- 4.7 The findings of the report provoked a great deal of discussion at the above meetings/events. At the business breakfast and lunch events there was broad agreement on the main themes emerging out of the Compelling study. However a number of specific issues were raised and these are being followed up with the individuals concerned. Some common issues across the Argyll and Bute area were as follows:
- infrastructure improvements required, including greater coverage of superfast broadband and mobile connectivity (although improving in some areas);
 - alignment of empty properties with the size and type of housing stock required to attract inward investment;
 - apprenticeships to be more accessible to individuals/businesses and the requirement for more appropriate apprenticeships around marine trades and general trades. This links to succession planning which is a key issue for many businesses;
 - investment in social infrastructure i.e. leisure and entertainment aligned with employment/training opportunities, to help retain young people in the area;
 - staff shortages, in particular professional staff, for example vets; and
 - further promotion and use of the area's tourism assets, such as the Crinan Canal, Mid Argyll and St Peters Seminary, Cardross.

SOA Delivery Plans

- 4.8 One of the main objectives of the research was to develop 'compelling' propositions/promotional action plans for Argyll and Bute and each of its four sub-areas. However, at a Steering Group meeting on 2nd December 2015, it was agreed that in the first instance the suggested thematic interventions from the Compelling

research should be fed directly into the review of all the six Single Outcome Agreement (SOA) Delivery Plans (in particular Outcomes 1 to 3) during December 2015, rather than create another suite of plans.

- 4.9 A fundamental requirement of the revised SOA Delivery Plans is that all actions and activities in the short-term to longer-term must be delivered in partnership, which aligns with the partnership working that will be required to implement the suggested thematic interventions in the Compelling study.
- 4.10 The next Compelling Steering Group has been arranged for 3rd February 2016 where the appropriate draft SOA Delivery Plans will be discussed to assess if these plans have captured the relevant actions and activities (short, medium and longer term) identified under the eight suggested thematic interventions (see **Appendix A**).

Next Steps

- 4.11 As noted above, specific actions on the back of comments made by businesses at the events will be taken forward. For instance the modern apprenticeship issue will be raised and progressed with Skills Development Scotland as a member of the study Steering Group. The findings of the meetings will businesses will reported back to attendees and follow-up events will be held with businesses in six months' time.
- 4.12 The study Steering Group has agreed that communication of the findings of this study and current opportunities within the area is of critical importance. It is paramount that all council and partner agency staff are 'on message' and 'talk up' Argyll and Bute as a destination of choice to live, work, study and visit. The recent appointment of a Marketing and Promotions Officer within the Economic Development and Strategic Transportation service (who will start with Argyll and Bute Council on 18th January 2016) will provide a much needed resource to deliver discrete promotional actions and activities.
- 4.13 Elected members will be consulted on the content of the SOA Delivery Plans and comments will be sought on how the Compelling study issues have been captured in these plans.

5.0 CONCLUSIONS

- 5.1 The evidence base and suggested thematic interventions identified will be factored in accordingly to the revised SOA Delivery Plans. The inclusion of appropriate actions and activities in the Delivery Plans from the Compelling research will allow for partnership delivery over defined timescales in order to address the demographic challenges in Argyll and Bute with a focus on economic growth.

6.0 IMPLICATIONS

- 6.1 Policy The Compelling Argyll and Bute and its Administrative Areas research report aligns and adheres, as appropriate, to the issues outlined in the Council's Economic Development Action Plan/area-based Economic Development Action Plans, the SOA Outcomes 1 to 3 Delivery Plans and Scotland's Economic Strategy.

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| 6.2 | Financial | Ongoing consideration will be given to the best alignment between resources and priorities in order to take the research actions and solutions forward. |
| 6.3 | Legal | All legal implications with regard to proposed Argyll and Bute Council actions will be taken into consideration. |
| 6.4 | HR | The actions to be taken forward will need to be resourced in terms of staff time in the context of the new SOA Delivery Plans, the council's annual service planning process and through shared staff resource discussions with Community Planning Partners and the Argyll and Bute business community. |
| 6.5 | Equalities | The delivery of the research actions and solutions will align with the Equalities Act 2010 and in turn the Argyll and Bute Council's Equal Opportunities policies and practices. |
| 6.6 | Risk | If the Compelling Argyll and Bute and its Administrative Areas research actions and solutions are not taken forward, then opportunities to use this evidence base to create high quality jobs realised by a higher skilled workforce will be missed by the council and key partner agencies. |
| 6.7 | Customer Services | None. |

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Appendix A - Thematic Interventions:

- Theme 1: Further and Higher Education - expand provision and make more relevant to meet future demand
- Theme 2: Rural Enterprise and Entrepreneurship – increase the level of enterprise/entrepreneurship skills and activity in Argyll and Bute:
- Theme 3: Argyll and Bute Key Sectors – increase the relative employment and economic value of identified sectors:
- Theme 4: Businesses of Scale – increase the growth and levels of ambition across all Argyll and Bute:
- Theme 5: Generic Skills Development – ensure effective and efficient working of local labour markets:
- Theme 6: Public Sector Employment – support rebalancing while offering new higher level opportunities:
- Theme 7: Compelling Argyll and Bute – agree approach to marketing and selling Argyll and Bute to wider markets:
- Theme 8: The Hygiene Factors – ensure the basic infrastructure is in place to support the strategic rebalancing: