

**ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION (EDST)  
UPDATE AND STRATEGIC PRIORITIES**

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**1.0 EXECUTIVE SUMMARY**

1.1 The Economic Development and Strategic Transportation (EDST) Service of the council has been working with a wide range of partners to take forward a range of strategic and area specific priorities that have delivered a number of key outcomes.

1.1.1 The report provides an overview of the strategic and local content the service is working that includes detailing the priorities of our partners. The report then gives an update of the restructuring of the EDST service and seeks comments on the headline strategic and area priorities of the team.

1.1.2 Finally the report draws attention to the emerging Argyll, Lomond and the Islands Rural Regeneration Initiative that will be used to inform discussions with the UK and Scottish Governments on ways they could possibly assist in addressing our unique economic issues facing our region and unlocking the full potential of the Argyll and Bute economy.

**1.2 RECOMMENDATIONS**

That members note the content of the report and provide comments on the identified headline strategic and area priorities of the EDST Service.

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**2.0 INTRODUCTION**

- 2.1 The purpose of this report is fourfold. It sets out and reaffirms the strategic context within which the EDST service operates; it provides the Environment, Development and Infrastructure Committee (EDI) with the latest position on the restructure of the Economic Development and Strategic Transportation Service (EDST); it seeks comments on the identified headline strategic and area priorities of the EDST Service developed to best deliver the council's main priority to achieve economic growth through a growing Argyll and Bute population. Finally the report draws attention to the emerging Rural Funding Initiative that will be used to inform the UK and Scottish Governments on ways they could possibly assist in addressing our unique economic issues facing our region and unlocking the full potential of the Argyll and Bute economy for the benefit of our residents.

**3.0 RECOMMENDATIONS**

- 3.1 That members note the content of the report and provide comments on the identified headline strategic and area priorities of the EDST Service

**4.0 BACKGROUND**

- 4.1 The EDST service remains focused in the delivery of the key outcomes pertinent to the economy that have been identified in the Single Outcome agreement (SOA) and its emerging delivery plans that has at its top priority "Argyll and Bute's Economic Success is built on a Growing population". In June of 2015 the Council committed to the restructure of the EDST Service that added additional capacity to the EDST Service to enable more work to be undertaken with partners, identify economic opportunities and attract additional external funding

into the area together with facilitating the work of the Argyll and Bute Economic Forum.

- 4.2 Over the last financial year the EDST service has secured a significant level of external funding from a range of sources including Europe, HLF, Historic Environment Scotland, HIE etc. and also completed a range of capital projects in places such as Helensburgh, Campbeltown, Rothesay, Dunoon and Oban. The service has also been focused on gathering the necessary evidence to support the service priorities and also demonstrate the need for continued investment to unlock the full potential of the Argyll and Bute economy. A number of reports have been commissioned and completed and the work of the Economic Forum has also been facilitated by EDST. A key aspect of this work was to reaffirm the compelling areas of opportunity and also to gain a better understanding of the specific economic needs of the different geographical areas.
- 4.3 The rationale for what is delivered, both as a Council service and in partnership with other agencies, is clear. We need a strong, shared vision and a plan that will deliver transformational change, make a real difference to Argyll and Bute's economy and bring a series of improvements to our communities.
- 4.4 The Economic Development Action Plan states that a planned and selective approach to intervention which can meet the identified economic challenges of the area. It is an approach to driving economic and employment growth that seeks to take forward the following priorities:
- Is focused around private sector led employment growth;
  - Promotes and builds on the compelling strengths of Argyll and Bute and seeks to improve our competitiveness taking full advantage of our natural and cultural assets;
  - Seeks to address the headline evidenced economic issues and barriers to economic and population growth; and
  - Takes guidance from current Government policy, alongside lessons learned and best practice from other areas.

## **5.0 STRATEGIC CONTEXT**

- 5.1 The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which private businesses, the third sector and the public sector work collectively and in collaboration to create better conditions for economic growth and employment generation.
- 5.2 At the national level the activities of the EDST Service and its partners reflect the priorities of the Scottish Government Economic Strategy and a number of other relevant strategies including Scotland's Regeneration Strategy that focuses on

tackling deprivation, low education attainment, and improving the environment, and the Council's Single Outcome Agreement.

- 5.3 At a local level the EDST service work with a range of local partners with the following priorities identified in Appendix A of this report.
- 5.4 The EDST Service continues to implement the actions identified in the current Single Outcome Agreement (SOA) and its emerging delivery plans with specific reference to Outcomes 1, 2 and 3. These outcomes are followed through in both the Strategic Economic Development Action Plan (EDAP) and the four Area Economic Development Action Plans that are subject to continued review given the rapidly changing situation facing the local economy that is in itself subject to a wide range of external influences.

## **6.0 CURRENT STATUS OF THE ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION SERVICE**

- 6.1 The staff complement within the Council's EDST Service is currently 73 with a significant number of these posts paid through external funders such as HLF and LEADER. This number is subject to fluctuation depending on the success of securing external funding. The remit of the service includes the delivery of capital projects, area regeneration including heritage led projects, European and external funding, social enterprise support, strategic transport activity including the operation of council owned airports, business support and economic growth activities focusing on key economic sectors, Business Gateway activities, community empowerment, employability and skills development, infrastructure development including digital and promotion and marketing. EDST staff also represents the council on a range of external bodies and partnerships to highlight the issues and economic opportunities facing our region.
- 6.2 In June 2015 the council approved the restructuring of the EDST service that saw the addition of seven additional posts and one upgraded post. Please see the attached staffing structure (Appendix B). The majority of these posts have now been recruited.
- 6.3 The three economic growth officer (one senior and 2 officer level posts) posts now in place under the Economic Growth manager Isabel Bremner. These posts are focusing on improving the linkage with skills for work and the education of our young people together with supporting the growth of our main sectors including tourism and food and drink sectors. A key part of their roles will be to support and coordinate activity with a range of partner organisations, raising the profile of our key sectors such as tourism and food and drink through the organisation of events and attendance of trade shows, help identify opportunities for growth and address specific barriers to sector growth working with other officers of the council, the private industry and other community planning

partners. The new officers will also be responsible for taking forward key aspects of the strategic and area based EDAPS and creating specific outcome targets for each of our key sectors. Ishabel Bremner is the line manager for these posts and her title has changed to Economic Growth Manager. This team has also changed through additional recruitment for the European team with an additional 5 posts funded through European funding and the reduction of employability to 6 posts from 12 following a separate council decision to downsize the team for the forthcoming financial year.

- 6.4 The Promotions and Marketing post was filled in January and work has been progressing on the preparation of a marketing plan, subject to a separate report on the EDI agenda, and building relationships with a range of key partners to improve Argyll and Bute's image as a place to live, invest, work and visit. The Promotions and Marketing post reports directly to the Head of Service for EDST. The marketing plan contains the main tasks to be taken forward by the Promotions and Marketing post and this will be subject to a separate approval process. Key tasks as currently envisaged will be to create a better digital presence including better use of social media, developing a more recognizable brand for Argyll and Bute as a region and identifying positive case studies of successful local businesses and individuals living in Argyll. There is also a dedicated promotions and marketing budget that will enable the implementation of the marketing plan working in partnership with other key stakeholders such as AITC, Cal Mac, HIE and the private sector.
- 6.5 The Strategic Transportation and Infrastructure section reporting to Moya Ingram the Strategic Transportation and Infrastructure Manager had an additional two posts with the Digital Liaison post now filled to assist with the delivery of digital connectivity including mobile and broadband and encouraging local businesses to make best use of the new technology to expand their businesses and reach a wider market. There has been a delay in appointing the Strategic Transportation Policy Officer as we have been unable to fill the post. The post which will ultimately focus on the delivery of the Strategic Infrastructure Plan is currently back out to advert with a likely start date in May.
- 6.6 The Transformation Projects and Regeneration Section reporting to Audrey Martin has appointed an additional Senior Development Officer to take forward future area regeneration activity focusing on an East and a West team. This post will serve the needs of the West team that will cover Helensburgh and Lomond and Bute and Cowal with an existing Senior Development Officer post supervising the East team that covers MAKI and Lorn. The upgraded post has been temporarily filled and will be permanently filled following the recruitment of staff to take forward the Hermitage Park project that is now fully funded through HLF and a range of other funders. A further report will be produced for Members on taking forward the concept of TEAMTOWNS concept where EDST officers work with other council officers, community planning partners staff members and members of the local community. A paper on the detail of TEAMTOWNS

concept will be brought to members in due course. An early example of this is the Alliance for Bute that aims to take forward specific projects for the island. In addition, following the award of stage 1 funding an additional staff member will also be recruited to take forward the stage 2 bid for the Rothesay TH subject to member approval at Council in May.

- 6.7 The EDST Service also has a Capital Projects Team currently managed by Helen Ford. This team was unchanged by the restructure approval however the membership of this team changes depending on projects that are being delivered. See Appendix B for latest position.

## **7.0 EDST STRATEGIC AND ECONOMIC PRIORITIES 2016/17**

### **7.1 STRATEGIC ECONOMIC PRIORITIES**

- 7.1.1 The main drivers for strategic economic priorities are through the key outcomes of the Single Outcome Agreement (SOA) that are relevant to the growth of the economy and its delivery plans that have recently been revised, the strategic Economic Development Action Plan (EDAP), the main findings of the Compelling Argyll and Bute and its Administrative Areas study and account will be taken of elements pertinent to the council of the newly released Economic Forum Report authored by Nick Ferguson CBE as chair of the Forum.

- 7.1.2 The main areas of focus concern the rebalancing of the economy from public to the private sector including further diversification of the economy in our key sectors including tourism, defense industries, marine sciences, renewables and food and drink together with the creation of additional higher value jobs. To do this there is a need to:-

- create a business environment that allows for greater ambition in the private sector;
- create more entrepreneurs to come forward particularly in the younger age groups;
- address barriers to growth that include improving our region's connectivity including:
  - transport, digital, grid, bringing forward new business land, improving skills for work; improving our further education offer;
  - improving our built and natural environment;
  - bringing forward affordable housing in areas where there is potential for additional growth.

EDST will also be looking to:-

- maximize external funding to help address these barriers,
- support business growth; and

- address critical infrastructure issues.

As part of this it is intended to come forward with a request for UK and Scottish Government funding as part of a rural deal that seeks to support and compliment the council's programme of capital investment that is being rolled out throughout Argyll and Bute. Another area of focus will be to improve our image as a place to live, invest, visit and work. This will be done through a new marketing plan and re branding exercise that seeks to draw attention to the many economic opportunities our region has to offer including a huge variety of high quality events and festivals.

## **7.2 LOCAL ECONOMIC PRIORITIES**

### **HELENSBURGH AND LOMOND**

- 7.2.1 In Helensburgh and Lomond the benefits of the Council's investment is beginning to show clear dividends with increased demand to fill empty commercial space in the town centre, considerable interest by the private sector house builders in building hundreds of new houses on brownfield and greenfield sites together with significant events such as Hinterland at St Peters. EDST is now looking to continue public investment in Helensburgh by taking forward the Helensburgh Waterfront and the Hermitage Park projects. Other projects to be taken forward are the creation of a new park and ride area on the site of the former gasometer that has secured SPT funding, the completion of the submarine museum, the completion of St Peters, Cardross as a key cultural and tourist destination, investment in Hill House as an attraction of international significance, unlocking Helensburgh's potential as a centre of innovation and the completion of the Dumbarton to Helensburgh cycle way where funding permits that links to the John Muir Way, the Three Lochs Way and the Argyll Paddle Trail.
- 7.2.2 Another critical project for the future of the area is the establishment of HMNB on the Clyde as the UK centre for submarine specialisation. This multi-billion pound investment has the potential to bring a considerable number of new jobs and residents to the area and EDST will be working with other council services to maximise benefits for Helensburgh and the wider Lomond area.
- 7.2.3 EDST is boosting its place making activity in the Helensburgh and Lomond area and is looking to work with partners such as the Loch Lomond and Trossachs National Park and Scottish Enterprise to bring forward investment in the Loch Lomond villages and at other rural locations. In addition, there is also a need to assist the growth and diversification of the Rosneath Peninsula economy building on the success of the Cove Park Development and looking to further diversify the economy and improve the area's connectivity.

## **BUTE AND COWAL**

- 7.2.4 Despite a number of successful business expansions such as Portavadie and Cairndow and recent capital investments in the area through the likes of Rothesay THI, Dunoon Pier and Mount Stuart Estate there is a need for continued intervention in the Bute and Cowal economy. EDST will be looking to complete the CHORD projects identified for the Pavillion on Bute and the Queens Hall Dunoon. The recent announcement of a stage 1 pass for a second Rothesay TH is a welcome boost for Bute and this will complement the work of the Bute Alliance for Action. EDST will also be exploring ways to work with the Loch Lomond and Trossachs National Park to improve economic benefits from the park to the Cowal area.
- 7.2.5 Options will be explored on taking forward phase 2 of the Dunoon Pier and a possible CARs bid for Dunoon Town Centre. EDST will also continue to assist SURF in expanding the Alliance for Action concept to Dunoon and assist where possible with the further development of Sandbank Industrial Estate, Ardyne as a Centre of Excellence for Aquaculture and Castle Toward for mixed business and residential use.
- 7.2.6 EDST will also assist local communities to take forward community led development in rural areas of Bute and Cowal particularly where it seeks to boost levels of population and add to economic activity. Connectivity to the Central Belt will be a key issue for the area including the possibility of fixed links and improved ferry services. EDST will also be working with HIE to improve the marketing of the Sandbank Industrial Estate.

## **MID ARGYLL, KINTYRE AND ISLAY**

- 7.2.7 The completion of CHORD projects in Campbeltown combined with a range of private sector investments and now community led regeneration projects has made a significant boost to the economy of the Kintyre Peninsular. That said, challenges always remain such as the future of the Dairy Industry in Kintyre (and also Bute) so the need to add to and continue to diversify the local economy is constant. EDST will look to continue this process including working on the bid for the UK Spaceport at Machrihanish, a potentially transformational project, and further investment in renewables, tourism and the aquaculture sectors.
- 7.2.8 Place making will also continue in Campbeltown through CARS 2 and Inveraray CARs that should see considerable activity take place in 2016 complementing the continued expansion of the village through the addition of commercial activity and affordable housing working with Argyll Estates. EDST will also take forward the Lochgilphead and Tarbert Regeneration Project that will be examined in closer detail in further reports that will be presented to members in due course and support the stage 2 funding bids for the expansion of Kilmartin Museum. In addition, the expansion of Kilmory Industrial Estate will be pursued working with



the private sector and HIE and the option for Enterprise Zone status for the MACC base at Machrihanish.

- 7.2.9 EDST will also look to further diversify and grow the island economies of Islay, Colonsay, Gigha and Jura with considerable private sector interest in improving tourism infrastructure, expanding the whisky industry, renewables including tidal and expanding aquaculture sector.

## **OBAN LORN AND THE ISLES**

- 7.2.10 Work continues on the completion of the Oban CHORD projects with completion of phase 2 public realm works before the start of the summer. EDST will continue to implement the final project associated with CHORD on the North Pier to include a new berthing and step ashore/ maritime reception facility that is due to be opened in 2017. In addition EDST will be taking forward the Lorn Arc investments with projects identified at North Pier, Oban South, Oban Airport and the Dunbeg Corridor. Another key project will be assisting the development of Oban as a University Town building on the success of SAMs and an expanding Argyll College. As in other parts of Argyll the need to grow and diversify the economy in Lorn is paramount and as such EDST will be assisting a range of industry sectors to bring forward investments such as new tourist and industrial facilities together with supporting the potential longer term expansion of Cruachan that could prove a significant development for the wider Lorn area over the next decade.

- 7.2.11 EDST will also be working to assist the economic growth of our island communities in Lorn. With the introduction of RET for Mull, Iona and Lismore this could bring a significant economic boost that has the potential to stimulate business growth. A particular area of focus in 2016 will be Tiree that has experienced a significant loss in population over the last decade. EDST is assisting with economic studies and a charrette for Tiree that is intended to identify the key priorities that need to be worked on to address the reasons why the population is in decline.

## **7.3 Argyll, Lomond and the Islands Rural Regeneration Initiative**

- 7.3.1 The Council announced as part of the budget process a number of new funds to assist in the future economic growth of Argyll and Bute and help address our population challenges. The criteria for these funds are currently being developed and will be subject to Member discussion and approval.

## 8.0 CONCLUSION

8.1 This report sets out and reaffirms the strategic context within which the EDST service operates. It provides the Environment, Development and Infrastructure Committee (EDI) with the latest position on the restructure of the Economic Development and Strategic Transportation Service (EDST) and seeks comments on the identified headline strategic and area priorities of the EDST Service developed to best deliver the council's main priority to achieve economic growth through a growing Argyll and Bute population. The report also draws attention to the emerging Argyll, Lomond and the Islands Rural Regeneration Initiative that is being taken forward by the council.

## 9.0 IMPLICATIONS

- |     |                   |                                                                                                                                                            |
|-----|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.1 | Policy            | The EDST service operates within the policy framework of the council.                                                                                      |
| 9.2 | Financial         | None directly arising from this report.                                                                                                                    |
| 9.3 | Legal             | None at this time.                                                                                                                                         |
| 9.4 | HR                | Recruitment is in line with council approvals and job evaluation processes.                                                                                |
| 9.5 | Equalities        | None at this time.                                                                                                                                         |
| 9.6 | Risk              | The EDST service is working to address one of the main risks facing the council which is the need to address economic growth through a growing population. |
| 9.7 | Customer Services | None at this time.                                                                                                                                         |

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Appendix A – Priorities  
Appendix B – Structure Chart

## APPENDIX A

LEAD AUTHORITY	REMIT	PRIORITIES
Argyll and Bute Council	The Council is the lead authority for the delivery of local economic development. The Council provides a range of interventions designed to support our business base; to stimulate inward investment and attract external funding; to make our area more attractive for visitors and our residents to live in; and to ensure that local people have the right skills and training to access job opportunities that are created.	<ul style="list-style-type: none"> <li>• Infrastructure improvement;</li> <li>• Improved connectivity</li> <li>• Employability;</li> <li>• Business support;</li> <li>• Attracting inward investment; and</li> <li>• Area regeneration and capital investment</li> </ul>
Business Gateway	Business Gateway is a Council service, operated by council staff to provide support and guidance to new and existing businesses to enable them to grow and prosper.	<ul style="list-style-type: none"> <li>• Support to existing businesses and new start-ups focusing on smaller growth companies.</li> </ul>
Scottish Enterprise	Covering the majority of the Helensburgh and Lomond Area focused on delivery at a national level through its business plan	<ul style="list-style-type: none"> <li>• Creative industries;</li> <li>• Renewables;</li> <li>• Life sciences;</li> <li>• Defense Industries</li> <li>• Food and drink;</li> <li>• Tourism; and</li> <li>• Finance.</li> </ul> <ul style="list-style-type: none"> <li>• The provision of a range of business products including financial support, advice and guidance to companies with</li> </ul>

		significant growth potential and an anticipated increase in turnover over three years of £1m.
Highland and Islands Enterprise	HIE covers the parts of Argyll and Bute not covered by SE with a focus on supporting larger growth companies but also having a social remit to support local communities.	Supporting high growth sectors and larger companies with potential for substantial growth.  Assisting fragile communities and land reform
Skills Development Scotland	Skills Development Scotland was established by the Scottish Government to deliver the aspirations it set out in its Opportunities for All Strategy; specifically targeting those 16 to 19 year olds not in employment, education or training.	The delivery of National Training Programmes through contractual arrangements with regional and sub-regional organisations: <ul style="list-style-type: none"> <li>• Modern Apprenticeships;</li> <li>• Get Ready for Work;</li> <li>• Training for Work; and</li> <li>• Lifeskills.</li> </ul>
Scottish Development International	A joint venture between the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise, Scottish Development International is a national agency remitted to promote Scotland to potential investors and to export markets.	<ul style="list-style-type: none"> <li>• Improved skills and qualifications for unemployed and employed individuals to ensure they move closer to the labour.</li> </ul>
Argyll College/UHI/West of Scotland College	A key priority of the Scottish Government Argyll currently lacks a significant university presence in the region; looking to develop Oban	<ul style="list-style-type: none"> <li>• Improved skills and qualifications for unemployed and employed individuals to ensure they move closer to the labour</li> </ul>

	as a university town in response.	market and help sustain future employment.
Argyll and Bute Economic Forum	A private lead partnership with the public sector that provides strategic direction to support the growth of the Argyll and Bute economy.	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Food and Drink including aquaculture</li> <li>• Skills for work</li> <li>• Area regeneration</li> <li>• Digital Connectivity</li> <li>• Transport connectivity</li> </ul>
The Third Sector	Argyll has a wide range of third sector operators involved in a variety of economic related activities.	<ul style="list-style-type: none"> <li>• Empowering local communities to address local economic; and social issues; supporting the growth of social enterprises.</li> </ul>
Chamber of Commerce and BIDS groups	A number of private sector membership bodies that represent specific geographical areas of Argyll and Bute.	<ul style="list-style-type: none"> <li>• Networking;</li> <li>• Lobbying; and</li> <li>• Sharing of best practice</li> </ul>
Argyll and Bute Islands Taskforce	A Council Forum that represents the interests of Argyll's island communities and the issues they face.	<ul style="list-style-type: none"> <li>• Networking;</li> <li>• Lobbying; and</li> <li>• Sharing of best practice</li> </ul>