

INWARD INVESTMENT FUND

1.0 EXECUTIVE SUMMARY

1.1 The Argyll and Bute Council 2016-17 Budget included an announcement of a £1million Inward Investment Fund that covers the entire area of Argyll and Bute. This report outlines the broad criteria of the fund for approval by the Policy and Resources Committee.

1.2 The purpose of the fund is to promote the growth of the Argyll and Bute economy through attracting significant inward investment to the region that has the potential for a transformational impact. It is expected that individual investments in respect of the fund will have to demonstrate:

- Alignment to current strategic priorities of the Council and our Community Planning Partners
- A deliverable and demonstrable economic benefit;
- Potentially transformational change (e.g. Spaceport, Oban as a University Town) and/or promotes inward investment that supports the Council's existing infrastructure;
- Creates jobs;
- Ability to attract additional funding and partner involvement;
- Each investment proposal will be based on a business case clearly demonstrating the above requirements.

1.3 The Policy and Resources Committee are asked to approve the implementation of the Inward Investment Fund and its associated criteria that is intended to promote the growth of the economy of Argyll and Bute.

INWARD INVESTMENT FUND

2.0 INTRODUCTION

- 2.1 The Argyll and Bute Council 2016-17 Budget included an announcement of a £1 million Inward Investment Fund. The purpose of this fund is to assist with the growth of the Argyll and Bute economy through the development of a number of transformational projects that have the potential to attract additional funding and partner involvement. It is also intended that the fund form an integral part of the Argyll, Lomond and the Islands Rural Regeneration Initiative that will form a programme of activity focused on achieving economic growth through a rising population. This report seeks committee approval to the implementation of the new fund and its associated criteria, proposed timescales and governance that is detailed within the report.

3.0 RECOMMENDATIONS

- 3.1 The Policy and Resources Committee are asked to approve the implementation of the Inward Investment Fund and its associated criteria and governance arrangements that is intended to promote the growth of the economy of Argyll and Bute.

4.0 DETAIL

- 4.1 The purpose of the fund is to promote the growth of the economy in Argyll and Bute through attracting significant inward investment to the area. It is expected that individual investments in respect of the fund will need to demonstrate:
- Alignment to current strategic priorities of the Council and our Community Planning Partners
 - A deliverable and demonstrable economic benefit;
 - Potentially transformational change (e.g. Spaceport, Oban as a University Town) and/or promotes inward investment that supports the Council's existing infrastructure;
 - Creates jobs;
 - Ability to attract additional funding and partner involvement;
 - Each investment proposal will be based on a business case clearly demonstrating the above requirements.

Criteria for distribution

- 4.2 It is proposed that a small number of larger transformational projects will be prioritised using the following criteria:
- Their ability to create jobs, grow the population and/or stimulate private sector activity or additional public sector intervention that will deliver these results;
 - Extent to which they support the delivery of the Single Outcome Agreement (SOA) particularly in terms of the overall objective (Argyll and Bute's economic success is built on a growing population) as well as long-term outcomes 1, 2 and 3 (The economy is diverse and thriving; We have infrastructure that supports sustainable growth; and education, skills and training maximises opportunities for all);
 - Their ability to attract matching funding from partners;
 - Its potential to help deliver transformational projects that make a substantial difference to the Argyll and Bute economy;
 - Demonstration of SMART economic and social outcomes for each community; and/or
 - Their contribution to overcoming barriers to economic growth and sustaining prosperous communities.
- 4.3 SMART economic outcomes may also include number of business start-ups, number of jobs created and/or retained, boost to Gross value added (GVA), number of apprentices, number of business premises created or amount of serviced business land created etc..
- 4.4 Social outcomes may include improved perceptions of the area, number of long term unemployed back in work, number of people with improved skills for work and number of key services and/or community facilities created or retained.
- 4.5 Projects are likely to come forward from Argyll and Bute Council but may also include partnerships with other public sector partners as well as private business or third sector organisations.
- 4.6 The whole of Argyll and Bute is eligible for this fund.

Governance

- 4.7 It is proposed that the governance arrangements for the Inward Investment Fund will be taken forward in a planned, transparent and accountable way following the principles of Prince 2 and managing Successful Programmes (MSP) principles utilising a business case approach. The Fund will be monitored by reports being presented on a quarterly basis to the Policy and Resources Committee as part of reporting on the wider Rural Regeneration Initiative.
- 4.8 The fund will be managed on a day to day basis through the Development and Infrastructure EDST service. The EDST service will support the development of businesses cases for projects which meet the criteria. Businesses cases will require the approval of the Policy and Resources Committee before being

granted funding.

5.0 CONCLUSION

5.1 The Inward Investment Fund offers an important opportunity to support proposals which aim to assist with the economic and population growth in Argyll and Bute. This fund will form an important part of the Argyll, Lomond and the Islands Rural Regeneration Initiative that will form a programme of activity focused on achieving economic growth through a rising population. It is intended to focus this £1million fund on a small number of projects, existing or new, which can make a potentially transformational positive impact on the Argyll and Bute economy. A range of key criteria has been developed with the intention to maximise investment in Argyll and Bute through the availability of this Fund.

6.0 IMPLICATIONS

- 6.1 **Policy** The proposed fund will offer the opportunity to support the objective and long term outcomes of the Single Outcome Agreement together with the LDP Action Plan and Local Development Plan and the EDAP.
- 6.2 **Financial** An allocation of £1m was identified in the 2016/17 budget.
- 6.3 **Legal** None at this time.
- 6.4 **HR** Existing staff within the Economic Development and Strategic Transportation Service will administer the fund on behalf of the Council.
- 6.5 **Equalities** None at this time.
- 6.6 **Risk** The focus on transformational projects contains the risk that projects may take a long time to be implemented.
- 6.7 **Customer Service** None at this time.

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