

Argyll, Lomond and the Islands Rural Regeneration Initiative

1.0 EXECUTIVE SUMMARY

- 1.1 On the 11 February 2016, the Council agreed at its budget several one off ambitious investments to support the Single Outcome Agreement's overarching vision to build the economy through a growing population. These investments include the Inward Investment Fund, the Rural Resettlement Fund, and the Lochgilphead and Tarbert Regeneration Fund.
- 1.2 This report acts as a covering report for these funds which can be found in more detail elsewhere on the agenda. This report provides context to these funds within the recently established 'Argyll, Lomond and the Islands Regeneration Initiative'. Agreed by the Council at its budget, this initiative will encompass all existing and new strategies and plans relating to population and economic growth into a single and cohesive programme.
- 1.3 Attached in appendix 1 is a single page 'framework' that seeks to frame these strategic priorities and is presented to members for their consideration. It is emphasised that this framework is a working document that will evolve as priorities change and does not seek to reflect the totality of all work and objectives of the Council and instead should be viewed as an illustration of much of the strategic objectives of the organisation and strategic partners.
- 1.4 Other complementary activities highlighted within this report include the report from the economic forum, recruitment within the Economic Development service, and marketing and promotion activity.
- 1.5 Members of the committee are asked to;
1. Note this paper setting out the background and purpose of the Argyll, Lomond and the Islands Rural Regeneration Initiative and the associated framework document appended as appendix 1.
 2. To note separate papers on the agenda that are linked to this general paper, namely the Inward Investment Fund, the Rural Resettlement Fund, and the Lochgilphead and Tarbert Regeneration Fund.
 3. Agree that the Inward Investment Fund, the Rural Resettlement Fund and the Lochgilphead and Tarbert Regeneration Fund are all reported under the Argyll, Lomond and the Islands Rural Regeneration Initiative.
 4. Agree that the Asset Management Fund is not an integral part of the Argyll, Lomond and the Islands Rural Regeneration Initiative and is reported separately under the emerging transformation agenda.

Argyll, Lomond and the Islands Rural Regeneration Initiative

2.0 INTRODUCTION

- 2.1 Further to the Council agreement to establish the Argyll, Lomond and the Islands Rural Regeneration Initiative, this paper sets out further background including parallel developments and seeks to capture key plans, activities, investments and initiatives in a single framework document which is attached as appendix 1 for the consideration of members.
- 2.2 Members are also asked to note the role of specific one off ambitious investments within the regeneration initiative and further note separate detailed papers on some of these funds elsewhere on the agenda.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to note this paper setting out the background and purpose of the Argyll, Lomond and the Islands Rural Regeneration Initiative and the associated framework document appended as appendix 1.
- 3.2 Members are asked to note separate papers on the agenda that are linked to this general paper, namely the Inward Investment Fund, the Rural Resettlement Fund, and the Lochgilphead and Tarbert Regeneration Fund.
- 3.3 Members are asked to agree that the Inward Investment Fund, the Rural Resettlement Fund and the Lochgilphead and Tarbert Regeneration Fund are all reported under the Argyll, Lomond and the Islands Rural Regeneration Initiative and this will be reported to the Policy and Resources Committee.
- 3.4 Members are asked to agree that the Asset Management Fund is not an integral part of the Argyll, Lomond and the Islands Rural Regeneration Initiative and is reported separately under the emerging transformation agenda.

4.0 DETAIL

- 4.1 On the 11 February 2016, the Council agreed at its budget several one off ambitious investments to support the Single Outcome Agreement's overarching vision to build the economy through a growing population. These investments include the Inward

Investment Fund, the Rural Resettlement Fund, and the Lochgilphead and Tarbert Regeneration Fund.

- 4.2 Of more significant strategic importance, the Council further agreed to establish the new flagship 'Argyll, Lomond and the Islands Regeneration Initiative' which will encompass all existing and new strategies and plans relating to population and economic growth into a single and cohesive programme to ensure focus in delivering our overall objective that Argyll and Bute's economic success is built on a growing population.
- 4.3 Attached in appendix 1 is a single page draft document that seeks to frame the strategic priorities of the Argyll, Lomond and the Islands Rural Regeneration Initiative and captures the evidence, strategies and plans, activity, areas for development and identified partners to realise our objectives.
- 4.4 The framework articulates all the key interdependent sectors to growing our population and economy such as employment, housing, knowledge and skills, transport connectivity, digital economy and competitiveness which all need to be rooted in the sustainable growth of our communities.
- 4.5 It is emphasised that this framework is a working document that will evolve as priorities change and does not seek to reflect the totality of all work and objectives of the Council and instead should be viewed as an illustration of much of the strategic objectives of the organisation and strategic partners.
- 4.6 The framework makes clear linkages across these sectors, projects and initiatives, assists with identifying gaps, ensures new and emerging projects are aligned with council objectives and assists with developing policy for partnership intervention and develop criteria for spend. In addition, the framework is a useful promotional document to inform discussions with government and other partners to progress the Council's desire for additional support to assist with delivering our objectives with a goal of securing a 'growth deal' or something similar.
- 4.7 A number of local authorities in Scotland have already either agreed, submitted or are developing 'growth deals' and some information is available as follows;
- 4.8 Glasgow and Clyde Valley City Deal including Inverclyde, East Renfrewshire, East Dunbartonshire, North and South Lanarkshire, Renfrew and West Dunbartonshire. UK Government (£500m), Scotland (£500m) and contribution of £130m of local authority funding for total pot of £1.13bn across 8 authorities.
- 4.9 Edinburgh and South East Scotland (the 3 Lothians, Fife and Borders) submitted their proposal in September 2015 for a similar value to above. UK and Scottish Government agreed in November 2015 to commit to developing the city deal and the UK Chancellor

confirmed in March 2016 that the UK Government will develop a city regional deal for Edinburgh and south east Scotland.

- 4.10 Aberdeen and Aberdeenshire Councils have submitted a joint £2.9bn bid and a Head of Terms was agreed with government in January 2016.
- 4.11 A £315m city region deal for the Inverness area was secured by Highland Council in March 2016.
- 4.12 Dundee City Council initiated a £400m bid with Angus, Perth and Kinross and Fife and discussions are ongoing with governments.
- 4.13 The three Ayrshire Councils submitted a joint prospectus to the UK and Scottish Governments on the 08 March 2016 seeking commitment to the joint development of a growth deal.
- 4.14 The Leader of the Council has already opened dialogue with the UK and Scottish Governments in recent months to test their appetite for joint working to achieving our overall objective.
- 4.15 These discussions are now continuing between senior officers and the civil services of the respective governments along with the Improvement Service (IS) who are providing assistance with developing the evidence base that will assist with specifying outcomes and provide further evidence that demonstrates the unique circumstances of our region. Other related activities that should be taken into account with regards to the Argyll, Lomond and the Islands Rural Regeneration Initiative are as follows.
- 4.16 Nicholas Ferguson CBE launched a report from the Argyll and Bute Economic Forum setting out his findings, conclusions and recommendations for growing the economy. The report was considered by the EDI Committee on the 07 April where it was agreed that the work the economic forum contributes is of great value towards the delivery of our overall objective. Some of the reports key recommendations are encapsulated within the proposed strategic framework in appendix 1.
- 4.17 The Economic Development and Strategic Transportation team are now well advanced with their recruitment including the appointment of a Marketing and Promotions Officer. A draft marketing action plan to promote Argyll and Bute as a place to live, work and invest was agreed by the EDI Committee on the 07 April providing the mandate for officers to commence work on apportioning timescales and budget to the key tasks.
- 4.18 Other recent appointments include Senior Economic Development Officers, a Tourism Officer, and a Food and Drink officer. The growth of professional officers within the economic development service provides some additional resources towards taking forward the Argyll, Lomond and the Islands Rural Regeneration Initiative.

- 4.19 With regards to marketing and promotion, senior officers are also currently liaising with industry to scope out the potential for smarter and more effective marketing and promotion of our region with strategic partners and discussions are ongoing.
- 4.20 This report acts as a covering report for the Argyll, Lomond and the Islands Rural Regeneration Initiative and separate papers on the funds outlined in para 4.1 above are included on the agenda and are summarised below as follows.
- 4.21 The Council agreed to award £1m towards the new **Inward Investment Fund** to promote economic growth in Argyll and Bute through attracting significant inward investment to the area. The separate paper on this agenda sets out suggested qualifying criteria to qualify for this fund (e.g. creates jobs, aligned with council objectives etc.) and it is proposed that the fund is focused on a smaller number of larger strategic investments that have real transformational opportunity.
- 4.22 The Council agreed to award £500,000 towards the new **Rural Resettlement Fund** which is intended to be focused on people. Forming an integral part of Argyll, Lomond and the Islands Rural Regeneration Initiative, this fund will seek to either incentivise people to settle in Argyll and Bute or create/promote opportunities to do so. This may include businesses where individuals are prepared to move to Argyll and Bute to start up or relocate their business. The specific objective of this fund is growing our population with the benefits of creating economic activity and increasing the Council's Grant Aided Expenditure (GAE).
- 4.23 The Council agreed to award £3m towards the **Lochgilphead and Tarbert Regeneration Fund** that will build on the regeneration work in Campbeltown and it is deemed that the main objective of this fund is to promote the regeneration and/or economic development of the Mid Argyll and North Kintyre areas.
- 4.24 As noted earlier, there are separate papers on the agenda for each of the specific funds and members are asked to agree under this paper that the Inward Investment Fund, the Rural Resettlement Fund and the Lochgilphead and Tarbert Regeneration Fund are all reported under the Argyll, Lomond and the Islands Rural Regeneration Initiative and reported as such. The fund specific papers include further recommendations on how they are governed.
- 4.25 In addition to the one off investments agreed at the Councils budget is £2m towards the **Asset Management and Investment Fund** which will generate income for the Council by seeking out investment opportunities that will provide the Council with a commercially advantageous financial return on investment. Whilst this is a key policy decision, it is not essentially an integral part of the Argyll, Lomond and the Islands Rural Regeneration Initiative and alternatively the fund will form a key part of the emerging transformation agenda.

- 4.26 There are clear similarities in relation to the proposed governance of this fund and treasury management matters. A report on the Asset Management and Investment Fund is being prepared for the consideration of this committee and will clearly set out links to the Treasury Management policy.

5.0 CONCLUSION

- 5.1 The Argyll, Lomond and the Islands Rural Regeneration Initiative is a new ambitious flagship policy for the Council that presents the means to engage with the UK and Scottish Governments to secure their support in joint efforts to achieve our overall objective.
- 5.2 The initiative is timeous taking into consideration other developments and the committee is now asked to note the framework document in appendix 1 and further papers on the agenda relating to the specific funds.

6.0 IMPLICATIONS

- 6.1 Policy The Argyll, Lomond and the Islands Rural Regeneration Initiative is a new and significant flagship initiative designed to assist with achieving our overall objective that Argyll and Bute's Economic Success is Built on a Growing Population.
- 6.2 Financial Monies for these initiatives were agreed at the Council budget meeting on the 11 February 2016.
- 6.3 Legal None at this point
- 6.4 HR None
- 6.5 Equalities None
- 6.6 Risk There will be risks within specific funds and projects which will be established as these are developed within the established practices of the Council and with advice from the Section 95 Officer and presented to members as part of wider considerations at the appropriate time.
- 6.7 Customer Service None

Chief Executive of Argyll and Bute Council; Sally Loudon
18 April 2016

For further information contact: Stuart Green, Corporate Support Manager, Chief Executive's Unit