

Area Community Planning Group- Oban Lorn and the Isles

Date: 19 May 2016

Agenda Item: 9 (a)



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

1. Overall position

The purpose of this report is to provide an update on progress at an overall strategic level for the period to end March 2016 on Outcome 1: The economy is diverse and thriving. Where appropriate some local context is also provided.

To ensure that all measures really add value to our understanding of the performance of the economy, work is ongoing to better define some measures within the SOA. We have commented below on those which provide us with the best indicators.

2. Successes and key achievements to date for Outcome 1

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

- For the twelve month period to March 2016 Business Gateway assisted 116 start-ups against a target of 100.
- The number of modern apprentices employed by Argyll and Bute Council was 18 against a target of 20.

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.

3. Risks

Whilst the overall picture is positive, one specific risk to highlight is that we have continuing anecdotal evidence that challenges in attracting and retaining staff are constraining business growth in a number of areas. Lack of appropriate housing has been cited as a reason in a number of cases. A study led by Argyll and Bute Council with a number of CPP partners 'Compelling Argyll and Bute and its Administrative Areas Study' is now complete and the report confirms that these are factors to be overcome.

4. Opportunities

The Argyll & Bute Economic Forum chaired by Nick Ferguson representing the private sector published its report in February 2016 with prioritising the importance to our economy of:

- Food and Drink
- Tourism and
- Youth Employment and skills.

Partners welcome the report and are actively engaged in taking forward work on each of these topics.

At the European Marine Science Park there are discussions underway with both a major inward investor and also for the potential siting for a Marine Bioprocessing Facility for Scotland. However the need to progress with addressing planning constraints that could adversely affect these developments is vital. The website for the European Marine Science Park is now a fully developed marketing tool www.europeanmarinesciencepark.co.uk.

The ambition for the concept of Oban to become a university town is progressing well and is the subject of a separate report

5. Summary

Last financial year saw continued investment from indigenous businesses and interest from actual and potential inward investors, overall business confidence remains steady. The Lorn Arc has unlocked significant additional investment with HIE securing approval for funding to create substantial acreage of industrial land at Glenshellach; the process for delivering this is now being negotiated. There are some significant challenges for marine science businesses for example new legislation and licencing, however the future growth of the marine science cluster at Dunstaffnage was boosted by additional 'incubator' businesses locating in the European Centre for Marine Biotechnology. Other investments in the area included the community asset purchase of the 792ha Tiroran Forest which will support the resilience and sustainability of the South West Mull and Iona also £79k of assistance for a new vessel for Seafari Marine Services and £30k to support the Royal National Mod in Oban.

Unemployment across Argyll and the Islands has continued to improve with claimant count rates in each Travel to Work Area falling over the past year as a result of a general improvement in economic and business conditions. The latest data gives an unemployment rate in the Oban TTWA is 1.2%.

Outcome lead: Sue Gledhill, Interim Area Manager, Highlands & Islands Enterprise

E-mail: sue.gledhill@hient.co.uk

Telephone number: 01546 605427

Appendix – Investing in Our Region