
HIE: Argyll and Bute Transport Connectivity and Economy Research Study

1.0 EXECUTIVE SUMMARY

1.1 This report presents the findings of the Argyll and Bute Transport Connectivity and Economy study. Ekosgen was commissioned by Highlands and Islands Enterprise (HIE) in April 2015 to undertake the research. This review has incorporated desk-based research and extensive primary research with key stakeholders and business users of the transport infrastructure in Argyll and Bute.

1.2 The study is designed to identify the key transport challenges for businesses and major organisations/employers in the Argyll and Bute area, and the impact this has on their business activity and/or service provision. The study area *excludes* Lomond and Helensburgh, which has very different characteristics in terms of transport connectivity, being geographically closer to the Glasgow metropolitan area, with direct trunk road connection and frequent rail services, and fixed link connectivity into Renfrewshire via the Erskine Bridge.

1.3 The focus has been on transport both between the main population centres in the study area (Dunoon, Campbeltown, Lochgilphead, Oban and Rothesay) and between these settlements and Glasgow/the Central Belt.

1.4 HIE's study concludes that there is a strong case for investment in the transport infrastructure serving Argyll and Bute in the short to medium term and that the following are worthy of further consideration A85/Oban access improvements, A816 improvements, Dunoon-Colantraive-Portavadie route upgrade and investment in the Glasgow to Oban rail service to reduce journey times.

1.5 In the longer-term HIE's study suggests an aspirational long-term package of investment to develop a new east-west route (including fixed links across the Clyde and Loch Fyne) would potentially offer time savings of up to an hour from Mid-Argyll and Kintyre to the Central Belt and may be worthy of further consideration.

1.6 HIE's study identifies a number of potential transport infrastructure improvements which they conclude are worthy of further consideration in both the short, medium and longer terms. It should be noted that the scale of these improvements would be transformational and would therefore need national intervention to fund. Further detailed assessment of the potential transport infrastructure improvements is required.

1.7 The report did provide the opportunity to hear from the businesses in Argyll on what real connectivity barriers they are facing that are stifling economic growth and these findings are included within the report

1.8 It is recommended that members note

- HIE's study identifies a number of potential transport infrastructure improvements which they conclude are worthy of further consideration in both the short to medium and long term.
- The scale of these improvements would be transformational and would therefore need national intervention to fund.
- Further detailed assessment of the potential transport infrastructure improvements is required including actions to the Trunk Roads.
- That the Council's consistent position is that a permanent solution is needed for the Rest and Be Thankful

1.9 It is recommended therefore that members

Agree

- Officers in the Economic Development and Strategic Transportation Service will continue to engage with HIE, the council's Roads and Amenity Service, Hitrans and Transport Scotland, to identify a funding source to allow further detailed assessment to be undertaken of individual transport infrastructure projects concluded in HIE's study as worthy of further consideration giving priority to those identified as short to medium term.

Consider

- whether the report adequately addresses the improvements needed to the trunk roads in Argyll and Bute and the need for digital connectivity along its route.

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2.0 INTRODUCTION

2.1 This report presents the findings of the Argyll and Bute Transport Connectivity and Economy study. Ekosgen was commissioned by Highlands and Islands Enterprise (HIE) in April 2015 to undertake the research. The purpose of the study was to identify perceived problems and opportunities in relation to transport connectivity within Argyll and Bute, and between the area and the major transport and employment hub of Glasgow and the central belt. The hypothesis is that transport challenges and barriers are acting as a brake on the economic performance of Argyll and Bute.

2.2 The study strongly focused on the needs of the existing business community, as well as the major organisations such as the NHS, Argyll and Bute Council and Argyll College UHI, as employers and service providers. The study asks whether transformational projects and investments are required to address transport constraints and to create opportunities.

3.0 RECOMMENDATIONS

3.1 It is recommended that members note

- HIE's study identifies a number of potential transport infrastructure improvements which they conclude are worthy of further consideration in both the short to medium and long term.
- The scale of these improvements would be transformational and would therefore need national intervention to fund.
- Further detailed assessment of the potential transport infrastructure improvements is required including actions to the Trunk Roads.
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priority to those identified as short to medium term.

Consider

- whether the report adequately addresses the improvements needed to the trunk roads in Argyll and Bute and the need for digital connectivity along its route.

4.0 DETAIL

4.1 There were two specific research objectives for HIE's Transport Connectivity and Economy Research study, namely to:

- **Identify problems** - assess the extent to which transport connectivity between the five population and economic centres of Campbeltown, Dunoon, Lochgilphead, Oban and Rothesay, and to/from these from the Glasgow/Inverclyde area, has a real impact on businesses, service providers, and the potential for future economic growth.
- **Identify opportunities** - consider the scope for major transformative investments in transport infrastructure to produce transformative economic impacts. These opportunities are articulated around the potential to reduce journey times and improve resilience, develop key sectors, attract investment and deliver associated social benefits.

4.2 The approach to the study adopted a mixture of desk-based research and consultations with key stakeholders and representatives from the business community. The focus of the study has been on the key transport corridors, based on the desk-based work in relation to volumes and usage, and feedback from major employers and transport users. Consultations aimed to assess the socio-economic impacts of transport connectivity and the scope for interventions to address any problems or challenges.

Specifically, this included:

- A desk-based review of socio-economic indicators to provide an understanding of the Argyll and Bute demographic and employment profile, including dominant employment and high transport use sectors;
- A review of transport data, including Travel to Work and Travel to Study data and journey time and mode information;
- Telephone or face-to-face consultations with 15 key organisations/employers and 23 businesses, representing more than 1,700 private sector business employees;
- A review of case study material where it exists on the economic and social benefits of fixed links/road investments in rural areas;
- A brief review of existing transport appraisals and planned investment, including proposed A82 and A83 trunk road improvements and the Scottish Ferries Plan; and
- Consideration of the potential economic and social benefits of addressing identified transport constraints.

4.3 HIE's study identifies that Argyll and Bute covers a large geographic area and its main settlements are dispersed. There are long journey times to travel between the five main settlements, in the HIE area, to/from Glasgow. The Council also recognises that there are also places in Helensburgh and Lomond such as the Rosneath peninsula that also has long journey times to Glasgow. In part this reflects the physical distances between each of them. The study acknowledges that most road journeys are 50 miles or more and that this is evident in the relatively long distances travelled by some commuters and students. However, the study also records that the challenges of distance are exacerbated by the following:

- **Quality of roads**, resulting in low average speeds (below 40 mph on some key routes, including parts of the A85, A816 and B836/A8003). The vast majority of car journeys between the five main settlements and to/from Glasgow take over 1½ hours, and most are over 2 hours. The roads generally see a significant uplift in traffic levels in the summer.
- **Bus** services have longer road journey times than car trips. Those between the five main settlements are of limited frequency, and only one (Campbeltown-Lochgilphead) runs on a Sunday. In some cases the passenger has to connect with another bus en route (e.g. Dunoon-Lochgilphead), or there is no timetabled service at all (e.g. Campbeltown-Oban).
- **Long crossing times and limited frequency of sailing on ferry services** to some of the more populous islands (e.g. Islay, Tiree). On services with fewer sailings it is challenging to devise a timetable that can meet the needs of freight, business travellers, residents' personal travel and tourists. It can also mean capacity constraints because demand is not spread evenly across the days of the week or the months of the year
- There has been a significant increase in the frequency of trains on the Oban-Glasgow route. However, there are **long rail journey times** for stations between Oban and Glasgow which are not competitive with the road alternative. Some rail/ferry journey times from Cowal and Bute to Glasgow are competitive with the road/ferry alternative. However, they are still at least 30 minutes greater than, for example, rail between Helensburgh and Glasgow.
- There are few **air routes**, and for some businesses and organisations this is a constraint to their operation. This includes the lack of an air service from Oban to Glasgow and Edinburgh, although there is a service from Campbeltown to Glasgow, as well as services from Islay and Tiree

4.4 From feedback provided by consulted businesses and organisations on the constraints of the existing transport network HIE's study identified a number of issues arising from the current infrastructure which are having an impact on business and service performance. The study noted although businesses are not always able to quantify the scale of this impact, key employment and potential growth sectors are highly transport dependent. HIE's study concluded that there are a variety of

opportunities for developing the Argyll and Bute economy that may be constrained by certain elements of the current transport network.

4.5 The consultations carried out through HIE's study identified a number of key transport corridors connecting the Argyll and Bute towns to each other and with Glasgow. These are:

- The A83 via the R&BT for those in Mid Argyll and Kintyre which connects with the A82 at Tarbet on Loch Lomond;
- The A85 and A82, and West Highland Line rail service, which connect Oban to Glasgow, and provides access to Oban town centre and ferry terminal;
- The vehicle and passenger ferry routes that connect Dunoon to Inverclyde; and
- The A816 connecting Oban with Lochgilphead.

4.6 HIE's study acknowledged other transport corridors also serve important economic functions at a sub-regional level. These include:

- The route across the Cowal peninsula connecting the ferry services at Colintrave and Portavadie with Dunoon (B836/A8003)
- The Rothesay – Wemyss Bay ferry services;
- The A819 connecting Inveraray with Dalmally;
- The Campbeltown - Ardrossan ferry link

Appendix A presents the list of businesses and organisation stakeholders consulted through HIE's study.

4.7 HIE's study also considered four broad fixed link options in the study area identifying that in the longer-term, and for truly transformative impacts, an aspirational package of investment to develop a new east-west route (including fixed links across the Clyde and Loch Fyne), that would offer time savings of up to an hour from Mid-Argyll and Kintyre to the Central Belt, may also be worthy of further consideration.

4.8 Although officers of the council were consulted during the preparation of the report final sign off rested with HIE. Earlier drafts of the report highlighted more strongly the need for improvements to the trunk road network and mobile phone coverage. Officers were not given the opportunity to comment on the final version which has downplayed these points in the conclusions. A copy of the report that is now a public document can be found at the following:- <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/argyll-and-bute-transport-connectivity-and-economy-research.html>

4.9 HIE's study concludes that there is a strong case for investment in the transport infrastructure serving Argyll and Bute, beyond the current commitments to the A82, A83 and ferry services. The study notes transport investment could play a significant role in wider efforts to encourage population and economic growth in Argyll and Bute.

4.10 The Argyll and Bute Transport Connectivity study commissioned by HIE concluded that the following potential transport improvements were worthy of further consideration:

Short to medium term

- **A85/Oban access improvements** – HIE’s study concluded this would improve journey times between Oban and Glasgow, and address concerns regarding congestion and lack of capacity for growth in the Oban / Lorn Arc area, including access to Oban town centre and ferry terminal. The study concluded this would allow physical expansion of the town and support growth opportunities in tourism, marine sciences, education and research.

Unlike the A83 and A82 this has not been the subject of a detailed Route Study, and that this may be an appropriate next step for the A85.

- **A816 improvements** – HIE’s study concluded this would remove the constraints caused by poor carriageway width and alignment, and improve journey times between Oban and Lochgilphead (and onward to Kintyre), supporting economic growth along this corridor.

The study noted previous estimated costs were in the region of £40M for improving road alignment and width to modern standard. Further detailed assessment would be required.

- **Dunoon-Colintraive-Portavadie route upgrade (B836/A8003/B8000)** – HIE’s study concluded this would remove the constraints posed by the single-track sections of this route, replacing them with a modern standard carriageway connecting Dunoon with the ferry services to Bute and Kintyre, reducing journey times across Cowal throughout the corridor.

No detailed cost estimates exist for this potential improvement, but single-track road upgrades have recently been completed in the Highland Council area for around £1M per km, suggesting that the cost for upgrading the route is likely to be around £30-40M. Further detailed assessment would be required.

- Investment in the **Glasgow-Oban rail service**, HIE’s study concluded there was a need to aim at reducing journey times, ideally to below three hours. The study noted further investigations would be required to determine the extent of any journey time reductions that the introduction of Class 158 trains would bring, and to identify options for reducing this further.

The study noted a more detailed assessment is required to identify scope for journey time improvements and the cost of achieving these.

Longer-term,

- HIE’s study recommends that an aspirational long-term package of investment to develop a new east-west route (including fixed links across the Clyde and

Loch Fyne) offering time savings of up to an hour from Mid-Argyll and Kintyre to the Central Belt may be worthy of further consideration.

HIE's study noted that set against these potential benefits is the issue of cost, with a complete east-west route including two fixed links likely to cost in excess of £1billion.

4.11 Earlier drafts of the report highlighted the need for improvement to the trunk road network and the need for digital connectivity along its length. These issues are still discussed in the report but they now have less prominence. The report discusses the importance of and potential need for improvement of the

- A82
- A83 R&BT
- A83 (apart from the R&BT)
- A85/Oban access improvements

Whilst some improvements to the trunk roads are planned it is not clear whether they will fully address the issues. The Council has agreed previously that a permanent solution is required for the R&BT. The final version of the report notes that the impact of the planned investment in the A82 and A83 will be assessed in due course as to its effectiveness and impact. The Council may want to consider whether they feel this adequately addresses the importance of these routes to economic growth in the area.

4.12 HIE's study identifies a number of potential transport infrastructure improvements which they conclude are worthy of further consideration in both the short to medium and long terms. It should be noted that the scale of these improvements would be transformational and would therefore need national intervention to fund.

4.13 HIE's study noted the identified potential transport improvements considered worthy of further consideration in the short to medium and long terms would all require further detailed assessment.

5.0 CONCLUSION

5.1 This report presents the findings of the Argyll and Bute Transport Connectivity and Economy study commissioned by Highlands and Islands Enterprise (HIE) in April 2015. The hypothesis is that transport challenges and barriers are acting as a brake on the economic performance of Argyll and Bute.

5.2 The consultations with businesses and organisations identified a number of key transport corridors connecting the Argyll and Bute towns to each other and with Glasgow. These are:

- The A83 via the R&BT for those in Mid Argyll and Kintyre which connects with the A82 at Tarbet on Loch Lomond;
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- The A816 connecting Oban with Lochgilphead.
- The route across the Cowal peninsula connecting the ferry services at Colintrave and Portavadie with Dunoon (B836/A8003)
- The Rothesay – Wemyss Bay ferry services;
- The A819 connecting Inveraray with Dalmally;
- The Campbeltown - Ardrossan ferry link

5.3 A copy of the report that is now a public document can be found at the following:- <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/argyll-and-bute-transport-connectivity-and-economy-research.html>

5.4 HIE's study concludes that there is a strong case for investment in the transport infrastructure serving Argyll and Bute in the short to medium term and that the following are worthy of further consideration A85/Oban access improvements, A816 improvements, Dunoon – Colantraive - Portavadie route upgrade and investment in the Glasgow to Oban rail service to reduce journey times.

5.5 In the longer-term the study suggests an aspirational long-term package of investment to develop a new east-west route (including fixed links across the Clyde and Loch Fyne) would potentially offer time savings of up to an hour from Mid-Argyll and Kintyre to the Central Belt and may be worthy of further consideration.

5.6 HIE's study identifies a number of potential transport infrastructure improvements which they conclude are worthy of further consideration in both the short to medium and long term. It should be noted that the scale of these improvements would be transformational and would therefore need national intervention to fund.

5.7 HIE's study noted the identified potential transport improvements considered worthy of further consideration in the short to medium and long terms would all require further detailed assessment. This will require working collectively with HIE, HITRANS, Transport Scotland to establish the business case for each potential transport improvement with a priority on the short to medium term.

6.0 IMPLICATIONS

- 6.1 Policy - HIE's study is aligned to the Community Plan and Single Outcome 2.
- 6.2 Financial - HIE's study identifies a number of transport infrastructure improvements that would be transformational and would therefore need national intervention to fund in both the short to medium and long term.
- 6.3 Legal - The priority infrastructure projects identified may have legal implications associated with them.
- 6.4 HR – None.

6.5 Equalities – Any transport infrastructure improvements taken forward would be subject to an Equalities Impact Assessment.

6.6 Risk – National intervention to fund recommended projects in the short and long term is required and if this is not secured the economic aspirations of Argyll and Bute may not be realised.

6.7 Customer Service – None.

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APPENDICES

Appendix 1 - Organisation and Business Consultee List

Appendix A: Organisation and Business Consultee List

Businesses	Organisations
Western Ferries	Highlands and Islands Enterprise
West Coast Motors	Argyll and Bute Council
SSE	Community Planning Partnership
BT Openreach	Mid Argyll Chamber of Commerce
Portavadie Marina	Cowal Fixed Link Working Group (x2)
Bute Fabrics	Dunoon BID Team
B Mundell Ltd	Argyll & the Isles Tourism Co-operative
John MacKirdy Ltd	VisitScotland
AJG Parcels	UHI Argyll College
McKerrals Transport	Scotland's Rural College
Project Cargo Operations	NHS
Forteiths	Scottish Ambulance Service
Argyll Smokery	Scottish Association for Marine Science
MacLeod Construction Ltd	Forestry Commission
TSL Construction	
Renewable Parts	
Aggregate Industries	
Machrie Hotel	
Machrihanish Dunes	
Tents and Events	
Lochs and Glens Holidays	
Loch Fyne Oysters	
Scottish Sea Farms Ltd	