



Argyll and Bute Council Single Investment Plan

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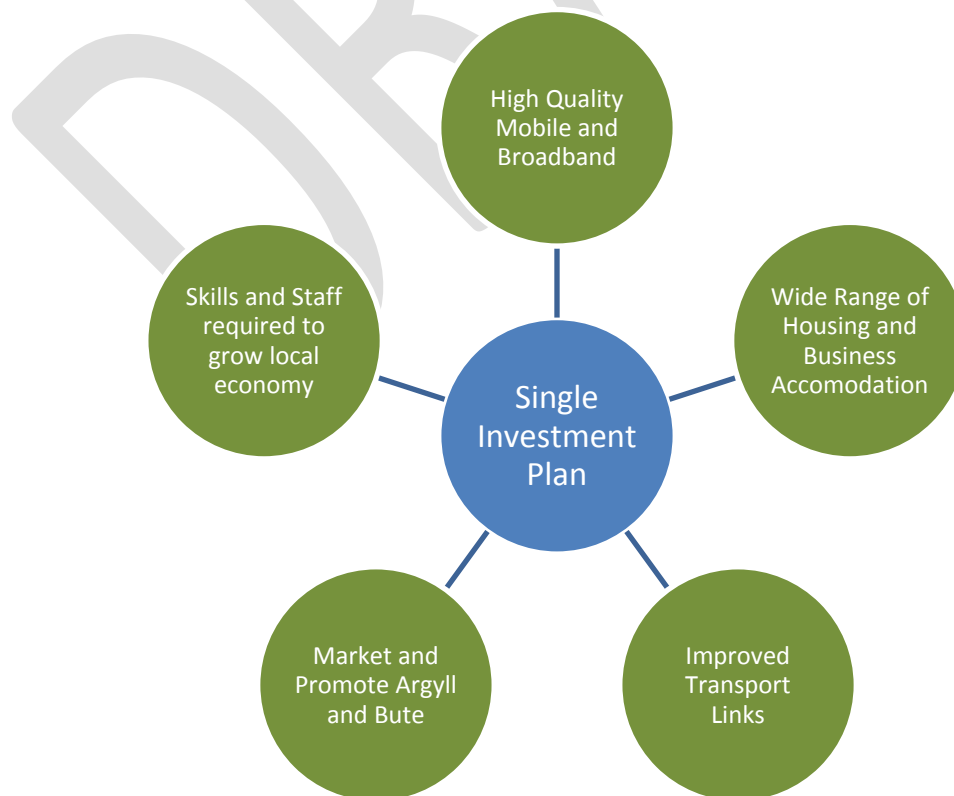
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Foreword

The Local Outcome Improvement Plan (LOIP) for Argyll and Bute sets out an overall objective that “Argyll and Bute’s economic success is built on a growing population.” The delivery of essential infrastructure that supports sustainable economic growth is key to the success of the region and in recognition of this Argyll and Bute Council have developed a Single Investment Plan.

The Single Investment Plan for Argyll and Bute has been developed in order to align future infrastructure investment with strategic economic priorities to help drive a step change in economic activity in the area. Argyll and Bute Community Planning Partners have developed a series of strategic plans which set out visions, priorities and objectives for the region and the Single Investment Plan is a distillation of these which aims to highlight and advocate the important opportunities and challenges within Argyll and Bute and where goals are likely to be achieved by currently planned or identified infrastructure projects. It is also intended that the Single Investment Plan will form the foundation for an economic case for additional funding being directed towards Argyll and Bute to accelerate the delivery of priority infrastructure projects.

The Single Investment Plan identifies a range of priorities including traditional infrastructure such as transport facilities and digital networks to social and soft infrastructure such as education and promotional activities that increase the profile of Argyll and Bute to potential investors, visitors, residents and workers. Based on the key barriers and the evidence gathered from research of existing plans the following five Key Infrastructure Goals have emerged for the Single Investment Plan:



In developing the Single Investment Plan Argyll and Bute Council recognise the requirement to plan strategically and provide renewed focus on delivering the vital infrastructure required to create the conditions and environment necessary to enable economic growth.

The SIP highlights the potential opportunities to build upon the significant investment already secured in the Argyll and Bute region. There are significant opportunities to build upon **the estimated £635M (Map A) already secured through private investment in the last 5 years and estimated £200M (Map B) of public committed investment.**

Moving forward it will be essential to continue to work closely with public and private sector partners to maximise inward investment in the region in order to deliver the key infrastructure goals required to drive economic growth.

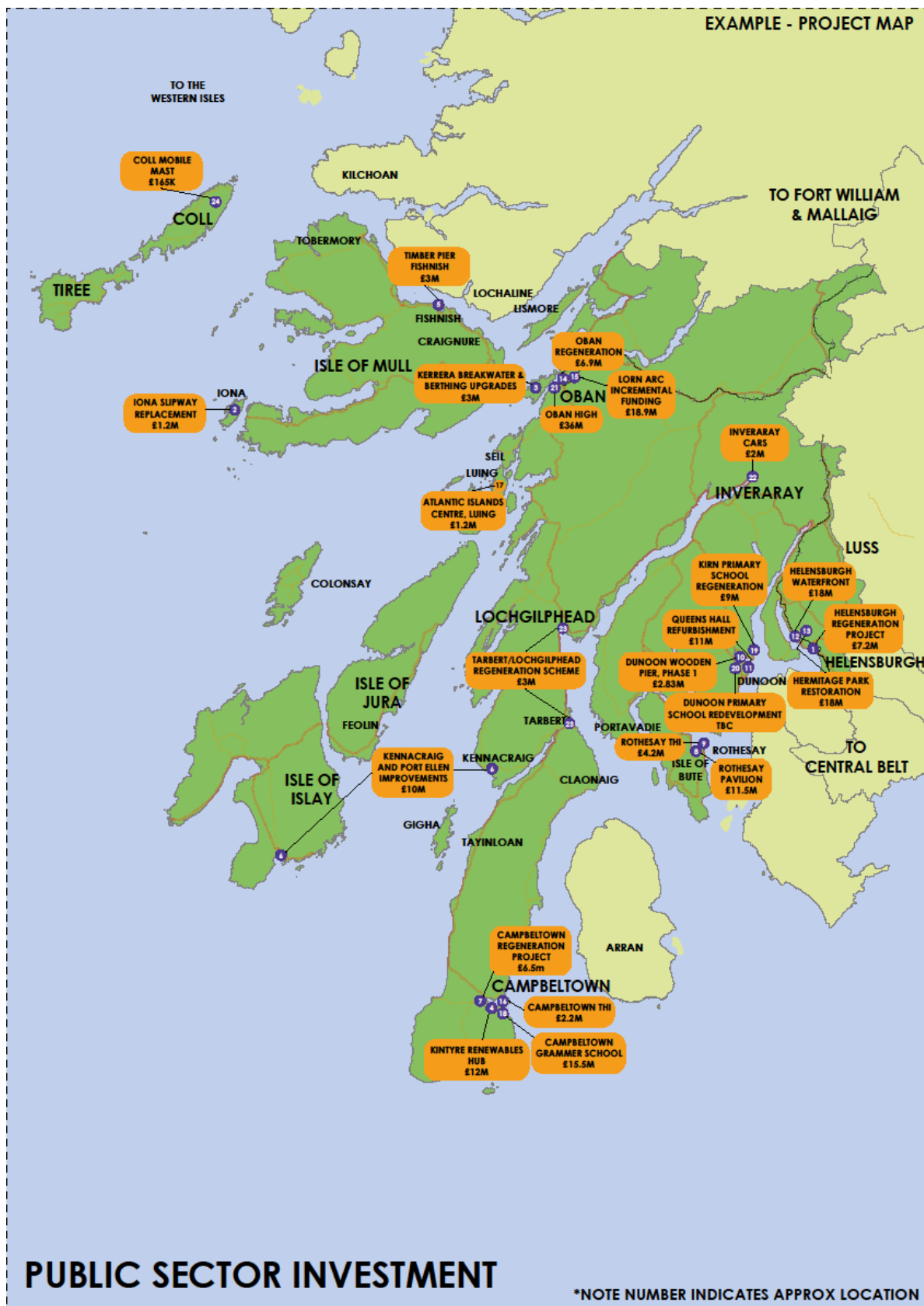
The Single Investment Plan (SIP) can be used as a way of promoting key development opportunities for, further private investment, by developers and businesses. The SIP can be used as a tool to lobby for significant transformational projects (such as permanent solution to the Rest and Be Thankful, fixed links, improved CMAL ferry services) be included within the Government's national planning framework and National Transport Strategy – to be taken forward at a national level.

The potential infrastructure projects can also be used to form the foundation to lobby for a Rural Growth Deal with Scottish and UK governments if they meet the necessary principles set out with the current City Deals programme. Projects included within any future deal will be subject to a full business case in line with the Treasury's Five Case Model methodology.

Map of Private Investment in Argyll Region (circa £635M)



Map of Public Investment in Argyll Region (circa £200M)



Who We Are

Population and Demographics

Argyll and Bute is a unique and diverse region that is the second largest geographic area of any Scottish Local Authority but with less than 2% of the total population of Scotland. The area is characterised by its diverse geography with 23 inhabited islands and long peninsulas, together with a mix of rural and urban environments set within an outstanding natural environment.

Argyll and Bute has 4 distinct sub-areas and all endowed with a mixture of strong and compelling advantages:

Mid-Argyll, Kintyre and the Islands

World famous for the malt whiskies of Campbeltown, Islay and Jura, the area is also famous for being the cradle of the Scottish nation. The town of Campbeltown is emerging as a national hub for the renewable energy industry due to £50m of related capital investment and the strategic port's proximity to the Irish Sea, Solway Firth and West Atlantic.

Campbeltown Airport has been shortlisted by the UK Government as one of 5 UK locations for a potential permanent spaceport site for satellite, space travel and tourism launches.

With outstanding scenery the area has world class golf courses, food and drink produce, marine tourism facilities and an expanding network of high quality hotel accommodation.

Oban Lorn and the Isles

This area covering the north of Argyll enjoys a concentration of world class tourist attractions set within a variety of environments unsurpassed in Scotland and is rapidly growing as a popular cruise ship destination and centre for kayaking and yachting. The Council owns and operates Oban airport and also the airports on the islands of Coll and Colonsay. The busy town of Oban is the transport gateway to the Inner and Outer Hebrides and is a centre for retail, tourism, Gaelic culture and the Scottish Association for Marine Science (SAMS), the world-leading, marine-science, and research organisation based at Dunstaffnage which also hosts the European Marine Science Park. The science park brings together innovative companies with the staff of a world class marine research institution and a skilled talent pool of graduates.

Bute and Cowal

Close proximity to Glasgow, a pristine natural environment, the significant built and cultural heritage of its communities—such as Dunoon and Rothesay— make this area a dynamic location for niche inward investment, high quality life-style businesses, major events, resort tourism and short breaks. Dunoon is also the marine gateway to the Loch Lomond and Trossachs National Park with a rich landscape providing an unbeatable outdoor recreational area and world class sailing territory. Major tourist attractions include Mount Stuart, on Bute and Benmore Gardens in Cowal while Dunoon itself with its iconic wooden pier plays host to the best Highland Games in the world every August.

Helensburgh and Lomond

Helensburgh is the largest town in Argyll and Bute and the administrative centre for the Helensburgh and Lomond area. The Royal Navy base at Faslane to the north of the town is the largest employer in the area and the UK's flagship submarine base. The UK Government have previously committed in excess of £1bn of funding for Faslane to ensure that this continues as a world leading naval base; home to Astute and Successor submarines, their crews and engineers until at least 2067. The close proximity of the town to west central Scotland and the world famous Loch Lomond make it an attractive area for inward investment.

Demographics

Argyll and Bute has a declining and ageing population with the total population falling 3.4% in the 10 years between 2001 and 2011 and forecast to fall by 7% by 2021. There have however been local variations across age groups and sub regions.

A falling and ageing population will have a number of implications for Argyll including lower economic output, shrinking council tax base and implications for demand on local services such as health and social care. It is therefore critical that Argyll and Bute Council and partners work to address the declining population by growing the economy sustainably and creating high value employment opportunities.

Opportunities

Argyll and Bute Council and our Community Planning Partners have developed a series of strategic plans which set out the vision, priorities and objectives for Argyll and Bute over the next ten years (**Appendix A**).

A key objective of the Single Investment Plan is to deliver investment in infrastructure which contributes to our collective economic prosperity. Following the publication of the Argyll and Bute Economic Forum Report in February 2016 and review of other strategic documents such as the EDAP it is considered that the region possesses factors of competitive advantage in the following key sectors that have significant potential to drive future economic growth in Argyll and Bute:-

- Tourism;
- Food and drink production including aquaculture;
- Marine Science;
- Education and skills;
- Renewable energy;
- Defence Industries;
- Space Industries;
- Agriculture, fishing and forestry;
- Construction; and
- Culture and Heritage.

The Argyll and Bute Economic Forum Report published in February 2016 and the EKOS Compelling Argyll and Bute report dated August 2015 identify the following key factors as acting as barriers to growth;

- **Mobile and broadband connectivity** – vital for businesses to access customers and markets, lack of coverage the key constraint to attracting new business to Argyll and Bute ;
- **Housing / Business Accommodation-** Availability and mix of housing required to accommodate staff. Lack of business premises also identified as weakness by businesses which impacts opportunities for growth, high cost of developing rural sites due to servicing costs e.g. access roads, sewerage and water connections;
- **Transport links** – Essential given rural geography of Argyll, numerous lifeline services to islands, provides links to key markets and for local people to access local employment opportunities;
- **Availability of learning and training opportunities** – Lack of opportunities pushes young people out of the area, important to provide training tailored towards local employment opportunities.
- **Availability of skilled labour** – Access to and availability of skilled labour crucial to facilitate growth in key sectors.

Renewable Energy

Argyll has access to a huge, unique and significant mix of indigenous renewable energy resources in hydro, wind, wave, tidal and biomass. In recognition of this the Council have developed a Renewable Energy Action Plan (REAP) with the following vision:-

“Argyll and the Islands will be at the heart of renewable energy development in Scotland by taking full advantage of its unique and significant mix of indigenous renewable resources and maximising the opportunities for sustainable economic growth for the benefits of its communities and Scotland.”

With over 1GW of operational and consented renewables, both onshore and offshore, renewable energy is an important economic sector within Argyll and the region plays an import role in delivering renewables nationally. The projects detailed below give an indication of the significant levels of recent investment in renewable energy and grid projects in Argyll and opportunities for future development in this sector.

Kintyre to Hunterston Electricity Network Upgrades - Project by Scottish Hydro Electric Transmission (SHE Transmission) and SP Energy Networks to reinforce the electricity network on the Kintyre peninsula in Argyll to Hunterston in North Ayrshire completed in 2016 involving new substations, overhead lines and a subsea cable across the Kilbrannan Sound.	£197M
Commercial Windfarm Developments) – A number of large commercial windfarms have been constructed across the region in recent years and these are summarised on an interactive map produced by the Council which also includes other renewable energy developments such as hydro and biomass. This can be viewed at the following link:- https://www.argyll-bute.gov.uk/LocalViewExt/Sites/Renewable_Energy/	circa £90M (to date)
Micro Hydro Developments – 22MW operational, 4.7MW under construction and 7.9MW approved. (Costs based on a typical 5kW scheme, £25,000 including installation) http://www.energysavingtrust.org.uk/renewable-energy/electricity/hydro	circa £100M (to date)
Inveraray to Crossaig Overhead Line Reinforcement - Reinforce the existing transmission network serving the region to ensure security of supply. This will involve construction of a new substation at Craig Murrail and a new 275kV overhead line, linking the existing Inveraray switching station with Crossaig via the new Craig Murrail substation.	Potential £TBC
North Argyll Transmission Network Reinforcements – Reinforce the existing transmission network in the region including the construction of a new 275/132kV substation in North Argyll and upgrade of overhead line between Taynuilt and the proposed new substation.	Potential £TBC
Cruachan Hydro Expansion - Scottish Power is considering options for expanding the Cruachan Pumped Storage hydro plant near Oban. The proposals would increase the capacity of the site by 400 - 600 MW.	Potential £500m

Key Infrastructure Goals

These goals are based on the visions, objectives and barriers identified from the review of existing plans and strategies and are also consistent with the National goals set out in the Scottish Government's Economic Strategy in particular those relating to future investment goals.

Key Goal: High Quality Mobile and Broadband

The Scottish Government's Economic Strategy sets out a commitment to "Provide the physical and digital connectivity needed to ensure that all of Scotland is open to the national and global economy and is able to access high quality public services". Fast, reliable mobile and broadband connections are essential to access services and operate businesses and there has been significant steps taken to improve digital connectivity via the Scottish Governments Digital Scotland programme with Argyll and Bute covered by both the Highlands and Islands and Rest of Scotland areas. Despite this the limited 3G and 4G mobile coverage in Argyll and Bute continues to be a significant barrier to economic growth in the region impacting the opportunities for local businesses to compete and grow. Ultrafast broadband and 4G coverage is essential in order for Argyll and Bute to compete with other areas that already benefit from such services and is necessary to:

- Attract new businesses into Argyll by enhancing access to customers and markets and reducing operating costs;
- Enable efficient, cost effective delivery of public services;
- Provide high quality, well connected business accommodation;
- Assist residents, businesses and visitors access services remotely, work flexibly and communicate effectively and;
- Reduce the requirement to travel large distances to access services and employment.

There has been good progress to date with the roll out of high speed broadband in Argyll and Bute with HIE and Digital Scotland investing £146m to roll out a fibre network across our their region with coverage anticipated to be 83% across Argyll by the end of 2016. Scottish Futures Trust has also invested in a 4G phone mast on the Isle of Coll which is now owned and maintained by Development Coll. Moving forward similar partnership working with key stakeholders will be required to encourage increased investment in the local digital network as a priority.

Key Goal: Wide Range of Housing and Business Accommodation

If we are to achieve the desired population growth in Argyll and Bute then it is vital that there is a range of housing available where this is required most to enable economic growth. The Council will continue to liaise closely with private developers, local land owners, local community groups and trusts, and a range of other stakeholders to negotiate, enable and deliver viable projects within the context of Argyll and Bute Council's Local Housing Strategy (LHS) and the framework of the Strategic Housing Investment Plan (SHIP). The Argyll and Bute Housing Needs and Demand Assessment (HNDA) currently identifies a projected need and demand for approximately 9,500 (9,590) housing solutions over a ten year period. It is envisaged that the majority of these (7,450) will be delivered by developing land allocated for

housing in the LDP with the remainder addressed through a variety of other interventions such as bringing empty properties back into use. It is also vital to ensure that there are suitable business premises and sites available to accommodate growth prospects of existing businesses and to encourage new businesses. Investment in businesses accommodation must be market led and tailored to local requirements. In order to deliver high quality housing and business accommodation it will also be essential to identify sufficient funding to deliver associated infrastructure such as access roads, water and sewerage connections. The costs associated with this essential infrastructure can often act as a barrier to key developments.

Key Goal: Improved Transport Links

Argyll is characterised by its geographic diversity with a large land area, dispersed populations and 23 inhabited islands making transport provision essential but also very challenging. Argyll and Bute has a wide range of public transport services including lifeline ferry and air links, local and regional bus services, rail, trunk and public roads. The Argyll and Bute Transport Connectivity and Economy Research Report commissioned by HIE has identified the following five key transport issues in Argyll and Bute:-

- Long journey times by road between Oban and Glasgow;
- Uncompetitive journey times between Oban and Glasgow by rail;
- Poor resilience of journeys between Lochgilphead, Campbeltown and Glasgow by road due to impacts of landslides and accidents on the A83.
- Disproportionate journey times between Lochgilphead on Oban due to sub-standard geometry of the A816; and
- Disproportionate journey times for the distance across Cowal between Dunoon, Bute, (via Colintraive) and Kintyre (via Portavadie), where much of the road is single track.

The transport issues identified in the HIE study are considered to be constraining the economy of the area and, as such, it will be essential that there is significant investment in local transport infrastructure to support improved economic performance. Transport investment should in particular focus on improving journey times, reliability and resilience between Argyll and Bute and Scotland's Central Belt and internally between key local settlements.

Scotland's Economic Strategy sets out the significance of transport to rural areas highlighting policies to expand the rail network and improve accessibility of ferries and airports. As such, it is vital that the Scottish Government continue to invest in our key transport arteries that are so important to the future success of the region. The Council will continue to work in partnership with the Scottish Government, Transport Scotland, HITRANS, SPT and public transport operators to lobby for increased investment in our transport services so that these meet the diverse requirements of our local communities and businesses whilst also bringing vital tourism revenue to the local economy.

Key Goal: Market and Promote Argyll and Bute

Argyll and Bute has a lot to offer. It will be essential to market and promote Argyll and Bute as a place to live, work, visit and do business. People must be aware of the high value job opportunities being created in expanding local sectors in order to retain and attract economically active people to the area. In recognition of this 81% of businesses surveyed

for the Compelling Argyll and Bute study identified improved marketing and promotion as being particularly important for future business growth. We must work with partners to promote the regions unique strengths such as our outstanding natural environment, safe and welcoming communities and the high quality of life which is integral to attract and retain the skills that will be required to grow the local economy.

Key Goal: Skills and Staff Required to grow the Local Economy

It will be essential that there is a sufficiently large and skilled workforce to meet predicted growth in key local sectors and encourage new businesses to set up in Argyll. A large number (86%) of local businesses have reported problems recruiting suitably trained staff to fill vacancies with half of all surveyed expecting to recruit additional staff over the next two years. Local education establishments are key and will require to engage with local employers to offer training which is tailored to meet the opportunities being created by expanding sectors that will in turn provide the high quality employment required to attract and retain people of working age to Argyll and Bute.

Infrastructure Projects

A key priority of the Single Investment Plan is that it will form the foundation for an economic case for additional funding being directed towards Argyll and Bute to help deliver the critical infrastructure projects required to generate economic growth and address our population challenges. A detailed review has been undertaken of planned infrastructure projects led by either Argyll and Bute Council or other partners that will assist with the delivery of the five key infrastructure goals identified. Some of the projects identified will require to be delivered at a **Strategic National Level** (e.g. public utilities, trunk road and ferry upgrades) and these have been included within the SIP given their critical importance to the area. **Strategic Regional Level** infrastructure projects have also been grouped under the 5 key infrastructure goals previously identified.

From the extensive list of projects identified the Council and key stakeholders have identified the strategic projects that it is considered will deliver a step change in economic activity in the area. Projects will require suitable funding mechanisms to be identified, detailed costings, designs and full business cases to be developed in line with the Treasury's Five Case Model methodology. The Single Investment Plan (SIP) can also be used as a way of promoting key development opportunities for, further private investment, by developers and businesses.

The Council also hope to work in partnership with the Scottish and UK Government to secure the funding required to accelerate the delivery of some or all of these strategic projects via a Rural Growth Deal.

Strategic Infrastructure Projects – National Level

Key Goal: High Quality Mobile and Broadband

The Scottish Government recognise the importance of high quality mobile and broadband connectivity to the national economy and has given a commitment to “provide the physical and digital connectivity to ensure that all of Scotland is open to the national and global economy”. Argyll and Bute has very limited 3G and 4G mobile coverage with approximately 29% of premises receiving 4G and 41% 3G (outdoor coverage). This drops to only 8% indoor coverage for 4G and 29% for 3G ([Ofcom Connected Nations 2016 report](#)) and this lack of mobile connectivity represents one of the most significant barriers to economic and inclusive growth in the region impacting the opportunities for local businesses to compete and grow and residents to access essential services remotely.

Argyll and Bute Council aim to work with the Scottish Government to identify funding for the following

●	Super-fast hubs at Key Business Sites This project aims to deliver super-fast broadband at key business sites including Machrihanish, Sandbank, Kilmory and the European Science Park. The estimated cost of this project is approximately £300k per site.	£1.2m
●	Mobile Infrastructure Enabling Fund – Building on the work of the Scottish Government to fund the roll out of high speed broadband it is essential that mobile internet service coverage is also improved in Argyll and Bute. This fund will assist operators deliver new masts and infrastructure required to ensure 100% 3G/4G mobile internet coverage in residential areas of Argyll and Bute by 2021.	£10m

Key Goal: Improved Transport Links

Roads

●	A83 Trunk Road Investment - Lobby Transport Scotland for improvements to the local trunk road network including continued investment on the A82 corridor a permanent solution at the A83 Rest and Be Thankful, and upgrading sub-standard sections of the network (e.g. A83 Tarbert to Lochgilphead corridor).	£100m
●	A85 Trunk Road Investment – Lobby Transport Scotland for further investment in the A85 between Oban and Tyndrum to reduce journey times to Glasgow.	£TBC
●	Argyll Fixed Links - Investigate the potential for fixed links between Colintraive and Rhubodach, Cowal and Inverclyde and a Loch Fyne Crossing in the vicinity of Lochgilphead and Otter Ferry.	Circa £1bn

Rail

●	Rail Enhancements – Lobby Transport Scotland / Network Rail / Scotrail for investment in rail infrastructure to increase service frequencies and reduce journey times to the Central Belt from key settlements such as Oban and Helensburgh. In addition, improve facilities on trains and at stations	£TBC
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	(cycle parking, lockers, park and ride, space for bikes on trains) to improve opportunities for multi-modal journeys.	
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Infrastructure to Support the Scottish Ferries Plan

●	<u>Dunoon – Gourock Ferry Upgrades</u> – Lobby the Scottish Government for improvements to the Dunoon to Gourock Town Centre ferry service including replacement vessels to address issues with service reliability.	£6m-£12m
●	<u>Local Ferry Service Improvements</u> - Assist the Scottish Government in the delivery of the proposals to improve local ferry services set out in the Scottish Ferries Plan including improved timetabling, booking and ticketing and vessel / shore side infrastructure.	£TBC
●	<u>Gigha / Tayinloan Pier Upgrades</u> - Funding required for potential upgrades including a new breakwater and overnight berth to accommodate a new hybrid ferry on this route.	£2m
●	<u>Iona Breakwater/ Fionnphort Pier Extension</u> - Funding required to construct a new breakwater at Iona to assist the delivery of lifeline ferry services to the island and to extend the Fionnphort pier structure in order to provide an overnight berth for the Iona Ferry.	£4m
●	<u>Craignure Pier Upgrades</u> - Improvements to pier infrastructure including fendering system, potential new linkspan, dredging and a replacement passenger access facility in light of RET and Scottish Ferries Plan proposals. The works required at Craignure will be dependent on confirmation from the Scottish Government of future vessel specifications for this route. It may also be necessary to consider the feasibility of constructing a second pier at Craignure to accommodate enhanced lifeline ferry services and the predicted increase in large cruise vessels.	£15m-£30M
●	<u>Investment in Council Ferry Services</u> – Investment is required to safeguard the operation of the four Council ferry services to the islands of Jura, Luing, Lismore and Easdale. These ferry services were recognised in the Scottish Ferries Plan with options over potential transfer of responsibility in line with other lifeline ferry services.	£9M

Key Goal: Market and Promote Argyll and Bute

●	<u>Cruise Ship Marketing</u> - Undertake a marketing project to encourage increased numbers of cruise vessels to visit key ports in Argyll.	£250k
●	<u>Active Tourism</u> - Building on the success of the “Wild About Argyll” marketing campaign continue to promote Argyll and Bute as Scotland’s Adventure Coast and a key destination for adventure/active tourism including cycling, walking, off-road biking, water-based activities, golf and much more. http://www.wildaboutargyll.co.uk/wild-about-exploring	£250k
●	<u>Food and Drink</u> – Enhance the marketing and promotion of local food and drink products from Argyll including whisky from one of the 14 distilleries locally brewed ales, creamy cheeses, fresh seafood, game and farm reared meat. http://www.foodfromargyll.com	£250k
●	<u>Cultural Tourism</u> - Enhanced marketing, promotion and support to stimulate growth in the following culture, heritage and arts industries;- <ul style="list-style-type: none"> • Dance and Drama • Film, Digital and Literature • Music • Visual Arts and Crafts 	£250k

	<ul style="list-style-type: none"> • Gaelic • Heritage 	
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Key Goal: Skills and Staff required to grow local economy

•	<u>MOD Maritime Change Programme</u> – HMNB Clyde has been designated by the Royal Navy as their “UK Submarine Centre of Specialisation” and will see all UK Submarine operations delivered from the Clyde by 2020. This will reinforce the long term future of Faslane and Coulport and will result in an increase in military personnel of 1,700 by 2022. Supporting infrastructure (housing, schools, transport, spousal support) will be required to underpin this major national programme.	£1bn
•	<u>Machrihanish Spaceport</u> – One of five permanent locations across the UK shortlisted as a potential Spaceport site. The UK Government aims to establish an operational Spaceport by 2018 and Argyll and Bute Council and the Machrihanish Airbase Community Company (MACC) are working together under the title Discover Space UK to secure a license to operate a commercial spaceport. If successful the site will be used as a base for space travel and tourism, as well as satellite launches.	£TBC

Strategic Infrastructure Projects – Regional Level

Key Goal: Improved Transport Links

Roads

●	B836/A8003/B8000 Road Upgrades - Identify potential funding packages to upgrade road infrastructure linking Dunoon, Colintraive and Portavadie	£40M
●	Active Travel Infrastructure Upgrades -Continue to work with Sustrans, HITRANS and the Scottish Government to maximise external grant funding for active travel projects such as cycle paths and footways.	£TBC
●	Helensburgh Park and Ride –Work in partnership with SPT to deliver a park and ride facility on the former gasometer site in Helensburgh which will be used by commuters in the town and relieve pressure on town centre car parking spaces.	£400k
●	Helensburgh and Lomond Cycleway – In partnership with SPT and Sustrans deliver remaining sections of the Helensburgh and Lomond cycleway linking Helensburgh with Dumbarton along the A814 corridor.	£3m
●	Rosneath Peninsula Active Travel Link – Funding is required to deliver an active travel link between the village of Rosneath and the local holiday park. The Council are working in partnership with Sustrans to identify a design and potential funding streams.	£1M
●	A816 Lochgilphead - Oban Route Upgrade - Investigate potential funding options to undertake improvements to carriageway width and alignment and improve journey times between Oban and Lochgilphead supporting economic growth along this corridor.	£40m
●	B842 Claonaig Bridge - Replace the bridge which is a vital link in local network and key access to local ferry services.	£1m
●	Campbeltown Flood Alleviation Scheme - Reduce risk of flooding and associated impacts to local economy caused by damage to property and closure of strategic roads including the A83 trunk road.	£9m
●	Oban Town Centre Traffic Management - Investigate options to reduce congestion and improve traffic flows in and through Oban Town Centre through new/upgraded road, parking and active travel infrastructure.	£2m
●	Oban Development Road - Construction of a new access road to release potential development corridors in Oban. This road could also fulfil a function as a relief road for Oban Town Centre.	£40m
●	Key Island Localised Surface Access (Mull/Kerrera/Luing/Seil/Easdale) – Project to upgrade single track section of the A848 between Salen and Tobermory on Mull and construction of a new road on Kerrera to connect the north and south ends of the island and remove the requirement for 2 separate ferry services to the island. Construct a new bridge on the A849 at Pennyghael to ensure continued connectivity to/from Iona and South West Mull. Replace the B844 Kilninver bridge to ensure continued reliable road link to/from Luing/Seil/Easdale islands.	circa £15m

Air Services

●	Oban Airport Route and Infrastructure Development - Deliver new air routes into Oban Airport to expand into new markets. Glasgow, Edinburgh and Barra are potential routes identified in a HITRANS study.	£3.5m
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Key Goal: Market and Promote Argyll and Bute

<ul style="list-style-type: none"> ● Mountain Biking Development Funding – Funding is required to develop a local mountain biking centre in which will include a series of local trails to cater for all abilities and associated visitor facilities. This facility would be a key, year round tourism attraction for the area in a market where mountain biking tourism is currently turning over £90m nationally and predicted to grow to £117m by 2025. (Scottish Enterprise Estimating the Holistic Value of Scotland's Mountain Bike Sector) 	£3m
<ul style="list-style-type: none"> ● Knapdale Regional Park – Working in partnership with key agencies such as Visit Scotland, Scottish Canals and Argyll and the Islands Tourism Cooperative (AITC) to promote the Knapdale area as a regional park including key destinations such as Kilmartin Glen and the Crinan Canal enhancing opportunities to grow local active, cultural, arts and wildlife tourism. 	Feasibility / support

Key Infrastructure Priority: Wide Range of Housing and Business Accommodation

<ul style="list-style-type: none"> ● Delivery of SHIP Housing Targets - minimum of 550 new affordable homes by 2021/22 and 650 – 850 private market housing. 	£TBC
<ul style="list-style-type: none"> ● Ardyne Strategic Masterplan Area – Strategic Area for action, develop the former oil rig construction yard site (Strategic Masterplan Area MAST 1/1) suitable for a mixed use development comprising tourism, business (marine aquaculture), leisure, housing. 	£TBC
<ul style="list-style-type: none"> ● Tarbet & Arrochar Tourism Business Enabling Infrastructure – Funding is required to deliver the enabling infrastructure (roads, sewerage, water and electricity) for a potential tourism development on the former torpedo range site adjacent to Arrochar. This development would create local employment opportunities and would cater for the significant tourism demand generated by local hill walking and mountain biking trails and water based activities on Loch Long (diving, kayaking, sailing). Previous estimates to develop the full site are in the region of £40m (depending on specification of development). 	£5m (estimated)
<ul style="list-style-type: none"> ● Craigendoran Business Park – New business facilities required to support the proposed maritime change programme at Faslane with a particular focus on marine engineering / servicing. Costs associated with the new Business Park include providing a new access, all internal roads and pavements, all sewerage, lighting, electricity, water and other infrastructure works including digital infrastructure and business units. 	circa £4m
<ul style="list-style-type: none"> ● Training Facility / Science Park, St Andrews Site – There is the potential to develop the former St Andrews school site adjacent to the Faslane Naval Base to provide a training facility or alternatively a science park development to support the proposed MOD Maritime Change Programme. 	£10m (estimated)
<ul style="list-style-type: none"> ● Inveraray Strategic Masterplan Area - Mixed use / village expansion / housing / business / retail / community facilities. 	£TBC
<ul style="list-style-type: none"> ● Bowmore Strategic Masterplan Area - Mixed use / village expansion / housing / business / retail / community facilities. 	£TBC
<ul style="list-style-type: none"> ● Sea water pipeline and enhanced digital facilities at MACC site– A new sea water pipeline is required to enable growth of land based aquaculture at this site. 	£3m

Key Goal: Skills and Staff required to grow local economy

●	Oban University Town- Work with Local partners including HIE, SAMS and Argyll College to promote Oban as a university town. This will require high quality student accommodation to be developed and expanding UHI and Argyll College undergraduate courses in addition to working with local employment sectors to tailor training courses to meet local employment opportunities / requirements.	£TBC
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Funding Opportunities

The SIP has identified strategic infrastructure projects that will contribute to economic growth in Argyll and Bute however another key purpose of this document is identifying potential funding mechanisms (**Appendix B**) that will pay for the delivery of priority projects.

Potential funding mechanisms that have been considered include:

- Utilising existing capital and revenue budgets (both Council and Stakeholders);
- Maximising the potential to secure grant funding including using existing budgets for match funding where feasible;
- Prudential borrowing (details from finance);
- Private sector investment and actions that can be taken by the Council to maximise and accelerate this;
- Argyll, Lomond and the Islands Rural Regeneration Initiative;
- Rural Growth Deal – working with the Scottish and UK Government to secure a funding package to invest in local projects that stimulate economic growth;
- In-kind support to priority projects e.g. staff time, council land etc.

Appendix A – Community Planning Partnership Documents

In developing the Single Investment Plan (SIP) these documents have been reviewed in order to provide renewed focus on the essential infrastructure required to help deliver a step change in economic activity in the area. These plans include:

- Strategic Economic Development Action Plan (EDAP) 2016 – 2021;
- Area-based Economic Development Action Plans, 2016-2021;
- Community Plan and Local Outcome Improvement Plan 2013- 2023;
- Argyll and Bute Economic Forum Report 2016;
- Local Housing Strategy 2011 – 2016;
- Strategic Housing Investment Plan 2013 - 2018;
- Local Development Plan 2015;
- Historic Environment Strategy 2015 – 2020;
- Woodland and Forestry Strategy;
- HITRANS / SPT Regional Transport Strategies;
- Scottish Ferries Plan;
- Argyll and Bute Transport Connectivity and Economy Research Report June 2016;
- HIE Operating Plan and HIE Argyll and the Islands Area Team Plan 2016/17;
- EKOS Compelling Argyll and Bute and its Administrative Areas Strategic Overview Report August 2015;
- Renewable Energy Action Plan (REAP);
- Scotland's Economic Strategy March 2015;
- Highlands and Islands Skills Investment Plan;
- Argyll and Bute Developing the Young Workforce (DYW) Regional bid (initiative duration 2017-2020); and
- Highlands and Islands Talent Strategy and Action Plan.

Appendix B – Funding Opportunities

Argyll, Lomond and the Islands Rural Regeneration Initiative

The Argyll, Lomond and the Islands Rural Regeneration Initiative will be the Council's new primary programme aimed at delivering the Local Outcome Improvement Plan's overarching vision to build the economy through a growing population. This initiative will encompass all existing and new strategies and plans relating to population and economic growth into a single and cohesive programme which will assist with delivering our strategic objectives. The Argyll, Lomond and the Islands Rural Regeneration Initiative will include the newly created Inward Investment Fund, the Rural Resettlement Fund and the Lochgilphead and Tarbert Regeneration Fund further details of which are set out below.

The Inward Investment Fund

The Argyll and Bute Council 2016-17 Budget included an announcement of a £1million Inward Investment Fund which will form an important part of the Argyll, Lomond and the Islands Rural Regeneration Initiative. The purpose of this fund is to assist with the growth of the Argyll and Bute economy through the development of a small number of larger transformational projects that have the potential to attract additional match funding, partner involvement or contribute to overcoming barriers to economic growth. 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 and this fund will cover projects across the whole of Argyll and Bute. Each investment proposal will be based on a business case clearly demonstrating that projects meet the following essential criteria:-

- 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.

Lochgilphead and Tarbert Regeneration Fund

Allocation of £3m to support projects which promote the regeneration and/or economic development of Lochgilphead, Ardrishaig and Tarbert. This fund will form an integral part of the Argyll, Lomond and the Islands Rural Regeneration Initiative and it is an important opportunity to support proposals which aim to improve the economic opportunities within the Mid Argyll area. It is anticipated that the fund will focus on a small number of projects which can make a meaningful improvement to the local area and which meet the following criteria:-

- Their ability to create jobs, grow the population and/or stimulate private sector activity that will deliver these results;
- Extent to which they support the delivery of the Single Outcome Agreement;
- Whether the proposal is included within the Council's Mid Argyll Kintyre and the Isles Economic Development Action Plan;
- The amount of match funding from partners;
- Demonstration of SMART economic and social outcomes for each community; and/or

- Their contribution to overcoming barriers to economic growth and sustaining prosperous communities.

The Rural Resettlement Fund

The main objective of the £500k Rural Regeneration Fund will be to help incentivise new residents and/or new businesses to relocate to Argyll and Bute with a focus on attracting economically active people in an effort to grow our population with the benefits of creating economic activity and increasing the Council's Grant Aided Expenditure (GAE).

Rural Growth Deal (RGD)

Argyll and Bute Council have commenced communication with the UK and Scottish Governments with a view to developing a growth deal for the region similar to those recently agreed with other local authorities or in the process of being taken forward. If successful, this will involve joint investments from both governments and Argyll and Bute Council in order to achieve our overall aims and objectives.

High Quality Mobile and Broadband

In May 2016, Scottish ministers committed to deliver 100% superfast broadband coverage in Scotland by 2021. It is anticipated that improved broadband connectivity will stimulate economic growth and Scotland's international competitiveness and the following projects will extend access to the fibre network in Argyll and Bute:-

Next Generation Broadband (Highlands and Islands) - £146m – fully funded

Next Generation Broadband (Rest of Scotland) - £246m – fully funded

Community Broadband Scotland - £7.5m – fully funded

Gigaplus Argyll - £1.1m – fully funded

Wide Range of Housing and Business Accommodation

Scottish Government Grant (the Affordable Housing Supply Programme – AHSP)

The Council are working with the Scottish Government to increase and accelerate the supply of affordable housing in Argyll and the AHSP minimum Resource Planning Assumptions (RPA's) for Argyll and Bute in the period until 2020 will total approximately £31m as follows:-

- 16/17 - £11.075m;
- 17/18 - £8.860m;
- 18/19 - £6.645m;
- 19/20 - £4.430m.

Argyll & Bute Strategic Housing Fund – SHF

In the current context of reduced public subsidy and limited access to private finance, the Council's Strategic Housing Fund (SHF) has a critical role to play in ensuring the viability of many projects. This Fund was established in 2007 and mainly comprises the revenue derived from the Council Tax on second homes with additional resources from residual HRA

monies and will potentially also include future commuted sums. As of March 2014 the balance was £10.241m, comprising £6.612m in approved commitments for programmed developments still to be drawn down, and an uncommitted balance of £3.629m.

Registered Social Landlord (RSL) Private Finance Resource

Banks and other lenders in the private sector also remain vitally important partners in the delivery of affordable housing and the Council will explore potential funding models to deliver housing.

Improved Transport Links

Existing Capital Funding

In allocating future capital budgets, consideration will be given as to how the Council's capital funds can be used to assist with the delivery of some of the key transport priorities identified, in particular where existing budgets could be used as potential match funding for external grants.

Scottish Government and Regional Transport Partnerships (RTP's)

The Council will continue to work with the Scottish Government to secure increased investment in local transport infrastructure and services. Approximately £14m has been invested by Transport Scotland in recent years upgrading the A82 trunk road with a new £5m bypass at Crianlarich and £9.2m invested removing the pinch point at Pulpit Rock. Further upgrades are proposed on the A82 between Tarbet and Inverarnan which will improve road safety and journey times. In addition, £10m has been invested on the A83 to mitigate against the risk of landslides, upgrade the relief road and further improvement schemes will be undertaken on areas of the network such as Strone Point and Dunderave. This investment is essential to the economy of the region and the Council will continue to work with Transport Scotland and the RTP's to lobby for increased investment in our local trunk road network including identifying a permanent solution at the A83 Rest and Be Thankful. In addition, the Scottish Government have recently advised of their intention to review the National Transport Strategy (NTS) and Strategic Transport Projects Review (STPR) and Argyll and Bute Council will engage with the Scottish Government during the review process to ensure that the best interests of Argyll and Bute are considered as part of the Scottish Governments future investment priorities.

Sustainable and Public Transport Projects

We will continue to work closely with partners such as Sustrans, the Scottish Government and RTP's to maximise the levels of external grant funding secured for sustainable and public transport projects in Argyll and Bute. We will use existing Council budgets where possible as match funding for projects.

Local Transport Services

Argyll and Bute Council subsidises local air, ferry and bus services that are essential to our rural and island communities. Despite the challenging financial climate the Council will also grow services where possible and we are working with HITRANS, operators and key partners to explore the potential for establishing new air services from Oban Airport, in particular potential links to Edinburgh and Glasgow. We continue to support the Scottish Government implementing the proposals set out in the Scottish Ferries Plan (2013 – 2022) including the potential transfer of Council ferry services to the Scottish Government.

Community Transport Services

In addition to public transport services, Argyll and Bute Council provide grants totalling £90k per annum to a range of groups providing community transport services. These services play a vital role in assisting residents to live independently and access key services such as education, employment, health and leisure activities. This is particularly significant in rural areas such as Argyll and Bute where public transport services are often limited.

Market and Promote Argyll and Bute

Argyll and Bute is one of only four local authority areas in the 2011 census to show a decrease in population and future population projections suggest a reduction in total population of 7.2% from 2010 to 2035.

Argyll and Bute Council recognises the need to grow the population of the area and undertook a number of proactive measures to securing employment and prosperity for the area by attracting more people to Argyll and Bute.

The Compelling Argyll and Bute and its Administrative Areas study was commissioned in 2015 to engage with a range of stakeholders to undertake detailed economic profiling and analysis of Argyll and Bute and each of the four sub-areas, with a particular focus on skills development issues. This provided an understanding of the positive benefits of visiting, investing, living and working in the area and potential specific interventions to address existing challenges.

An Argyll and Bute Economic Forum was established that brought together members of the area's key business sectors, leading agencies, as well as local and national government representatives. The chairman of this forum reported on key opportunities, from a business perspective, in early 2016.

The Council has implemented and commissioned a multi-million pound investment in economic development initiatives to encourage people to live, work, visit and invest in Argyll and Bute.

In 2015, the Council invested in new posts within economic development, including a promotions and marketing officer to promote Argyll and Bute as a place to live, work and invest. This officer has developed a marketing strategy to establish Argyll and Bute as a destination for families, working age individuals and businesses to relocate, live, work and grow together with their local communities.

A range of communication channels will be used to get these messages across including, but not limited to:

Web/social media – currently Argyll and Bute has low-level recognition with search engines, compared with ‘Highlands’, ‘Scotland’, ‘Loch Lomond’ or ‘Hebrides’. We must work with partners to increase its relevance and profile.

Film and photography – develop a library of photography from existing (partner) and newly commissioned work that reflects life and work in Argyll and Bute. These can be used in print and digital communications.

Print/advertising – this should be kept to a minimum but should be of high-quality for use with high-level pitches and inward investment opportunities.

Press and PR – this will continue to be delivered through the Council’s communication’s team, with the Marketing and Promotions Officer providing leads for good news stories that can be pitched to the media.

Events and face to face – appropriate events and expos will be identified.

Endorsements/Case studies – these will come from private sector, other agencies, individuals etc for use in a variety of media including news releases, website, social media etc. This will also include working with partners to ensure a collaborative approach and sharing of good practice.

With the amount of financial investment being taken forward by the Council and its partners past and future, its abundant heritage and culture coupled with its natural resources, Argyll and Bute has much to offer, including excellent schools and strong, safe communities. There is a clear programme of action to deliver improved connectivity, improve transport infrastructure and deliver increasing numbers of affordable homes. What is required is a narrative and mechanism to share this story. In creating this compelling story for Argyll and Bute, the strategy will be to highlight the plus points and tackle the challenges by clearly demonstrating the measures being taken to address them.

Skills and Staff Required to Grow the Local Economy

Argyll and Bute Council are taking forward an initiative to build a number of new, high quality schools that will help realise our ambition to make Argyll and Bute a place people choose to live, learn, work and do business. The new schools will provide a modern environment for our children to learn and succeed and will also provide community facilities such as sports pitches and halls. New secondary schools are planned for Oban and Campbeltown and new primary schools in Kirn and Dunoon.

The new schools are being delivered by Argyll and Bute Council in partnership with hub North Scotland Ltd and the Scottish Futures Trust through the Scottish Government’s Schools for the Future Programme and the total value of these projects is as follows:-

- Oban High School - **£36m**;
- Campbeltown Grammar School - **£26m**;
- Kirn Primary School - **£9m**;
- Dunoon Primary School - **£TBC**.

In light of the investment in high quality school education infrastructure it is also crucial that a choice of further education opportunities is available within Argyll in order to retain more

young people. This will require input from local growth sectors, businesses and the key organisations responsible for delivering further education to ensure courses are aligned with the skills and training requirements of local employers. An example of this partnership working is the Oban University Town Steering Group which has been set up to oversee the delivery of this transformational project for Oban and includes representation from HIE, Argyll and Bute Council, Argyll College UHI, SAMS UHI, and the University of the Highlands and Islands.

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