

ARGYLL AND BUTE ECONOMIC FORUM REPORT

Progress review 12 months on

At the beginning of 2016, the Economic Forum report was published with a series of recommendations. In this note we list those recommendations and comment on the progress to date.

SUMMARY

Overall we are encouraged by the very positive progress that has been made. The great majority of our recommendations are being implemented. This work is being done by the private sector, in particular by AITC and Food From Argyll, and by individual business people and entrepreneurs; and by government, in particular by the Council, HIE and Argyll College. The energy behind this work is commendable, and progress - with a few exceptions - ranges from good to very good.

1) A SHARED VISION

It is clear that there is a growing understanding among our councillors, council officers, MSPs, MP, HIE, Scottish Enterprise and the Scottish government of the shared vision, and clear evidence that they are working together. There is more work for us to do to engage more fully two important groups, namely local media and school heads, to ensure that the vision is fully understood and shared. We will work on that during 2017.

2) TOURISM

A. Marketing and Promotion

i) Marketing brand Argyll.

Careful review and planning work has been done on this by the Argyll and the Isles Tourism Cooperative (AITC) and considerable progress has been made.

The effects should begin to be seen in 2017 with a major launch in January focussing on adventure tourism with Mark Beaumont, with the aim of establishing Argyll as a premier outdoor adventure destination. In the meantime, tourism numbers in Argyll have moved up strongly. Indeed, while total visitor spend was up 36% between 2011 and 2014 in Argyll and Bute, in July 2016 visitor numbers were up 12.8% over 2015 and the greatest percentage increase in visitors to attractions between 2015 and 2016 was in Argyll and the Isles at 21.9% as compared to 4.9% for Scotland as a whole.

B. Operations.

i) A much more proactive approach to meeting visitors' needs – raising the bar.

The beginnings of this are now being seen. A number of golf clubs, for example, are now lending or renting clubs to visitors. "Upping our game" will need constant attention. In this context, Business Gateway delivered 18 "World Host" workshops in 2016, with 187 attendees. AITC has had some 200 people participate in the Digital Tourism Scotland training workshops. I also welcome the AITC working with the Council's Business Gateway team to

make Argyll and the Isles a World Host accredited destination by 2018. The recent experience of Iceland shows what can be done here.

ii) Landscape conservation.

It's clear from recent planning decisions that the council is very conscious of this need.

iii) Marked paths.

Improvement has been made, especially to the long distance paths and the services (including baggage services) around them. We still need more simple maps of all paths and beaches, widely available.

iv) Support for Kilmartin Museum.

There has been considerable public sector support for the expansion of the museum and the fundraising has so far been successful.

v) World Heritage status for Kilmartin Glen.

This will take some time but the process has begun.

vi) Visitor numbers at Mount Stuart.

A very substantial and commendable increase (80%) has been seen over the course of 2016.

vii) Encouragement of off season events and festivals.

There are the beginnings of efforts in this direction, especially around music and food. More needs to be done over the next few years

viii) Link between tourism and food.

This is now becoming well established. "Food from Argyll" is an outstanding operation, and the new Shop and Cafe on Oban Pier a great initiative last

year. They have received further funding from HIE and Leader to develop their work over the next two years.

ix) Support by HIE and the council for more moorings and pontoons.

a) There have been a number of improvements here, with communities putting in their own moorings and pontoons and investment in marinas at Tarbert and Dunstaffnage. More work needs to be done.

b) Expansion of Tobermory is still ongoing. Tarbert Marina has added new pontoons.

c) New berthing facility at Oban North Pier. Planning permission has now been granted with an anticipated completion in 2017.

FOOD AND DRINK PRODUCTION

A) Aquaculture.

i) Streamlining of the planning process. This is a key issue which the government has taken seriously. The proposal is now to cut the planning process from 3 years to 18 months. While this does not match the Norwegian 12 months, it is clearly an important improvement.

ii) Council and HIE staying close to senior executives of the aquaculture companies. This is taking place. The Chief Executive of the council has written to all of the companies since his appointment. In addition Council professionals have been directly helping the Directors of smaller companies in the Aquaculture sector.

iii) Encouragement of shellfish production.

A number of investigations have taken place on this. Currently, due to water problems, among other things, this is on hold.

b) Food processing.

i) Focus on food service. There are clear signs that this has been taken to heart.

Food from Argyll has received funding from HIE and LEADER to allow further development work for the next 2-3years. The council is focussing on diversifying routes to market.

ii) Exploiting the link with tourism. This is taking place with meetings of Scotland Food and Drink taking place with local partners.

iii) Setting up a meat cutting operation in Argyll. The possibility was investigated on the Isle of Mull but this has now stalled, so this is still work in progress. 'Food

from Argyll' has included the feasibility study on red meat in the core development work for which it has received funding.

C. Agriculture, Fisheries and Forestry.

Establishing a wood pellet plant in Argyll. A number of discussions have taken place on this. There has been continued investment in the Forestry sector in Argyll with a multi-million pound investment at Cardross sawmill and improved local capacity to provide wood chip i.e. at Cairndow and Inveraray. We will continue to monitor progress.

YOUTH AND EDUCATION

A) Schools.

i) Encouraging the exposure of school students to local business.

There appears to have been a small increase in the number of local businesses now visiting schools. This is helpful, but it is imperative that this increases further for young people in Argyll and Bute are to understand and appreciate the full range of opportunities open to them

ii) Young Enterprise Scotland scheme continues in local schools, but not all of them.

b) Apprenticeships. We have no data yet on the increase in apprenticeships.

c) The Argyll and Bute Regional Developing Young Workforce Group submitted a funding bid to deliver a programme that promotes and facilitates the formation of long term partnerships between individual schools, colleges and employers to strengthen the links between education, employability and employment to create economic growth. The bid was assessed in December 2016 with a public decision to be announced in due course.

D. Further and Higher Education.

i) Courses geared to employers' needs and to our sectoral opportunities.

It is clear that Argyll College has grasped the vision firmly. New courses will now be delivered in tourism services and marine services.

ii) Support for SAMS. It is clear that HIE and the Scottish Government, and ABC recognises the importance of SAMS and are determined to see it develop further. In addition, Council professionals are working with SAMS on a

Horizon 2020 project. SAMS remains a very important academic institution in Argyll. It is also a centre of excellence for the aquaculture industry and is steadily building the relationship.

iii) Oban as a University town. This concept has been grasped. Part of the student accommodation we recommended is now under construction. There is even a sign outside Oban saying “A University Town”.

iv) An important development is HIE commissioning a study on potential vocational training for the marine sector, which also covers, tourism, aquaculture and renewables.

v) Newsletter for students who study outside Argyll.

This has not yet commenced and needs to be implemented.

E. Other areas of opportunity.

i) Construction. Increasing the proportion of public sector business to local companies. We await 2016 data.

ii) Small businesses. Solving the lack of funding for small companies in Argyll.

While the John Noble Trust has increased its funding resources, even more important the Council recently announced a new ERDF £540k funding scheme through Business Gateway and a Rural Resettlement Fund of £500k aimed at attracting new people and businesses to Argyll. Both these funds were launched at the very successful HIE sponsored Argyll Enterprise Week held in Oban in November 2016.

- iii) Mentoring for small business leavers to supplement Business Gateway. This initiative is starting and will be implemented in the New Year. It will take time to build. An initial group of mentors have been identified.
- iv) Business leaders to form informal forums to explore business issues together. This was recommended at the Argyll Enterprise Week .The results of this are yet to be seen.
- v) Public sector to help small businesses with contracts. We await full 2016 data. however, the evidence so far suggests a slowdown in bidding for contracts by local companies last year. This may be because of the nature of the contracts let, but needs to be reviewed when full data is in.

3) THE BARRIERS

A. Mobile and broadband connectivity.

i) The broadband position is considerably better than it was a year ago with the implementation of most of the HIE scheme. However, a great deal of fill-in work remains to be done to make Argyll and Bute fully fit for business.

ii) In terms of mobile connectivity there has been little change so far. The UK Electronic Communications Code is changing to move mobile phone mast payments to site owners into line with other infrastructure which is encouraging.

iii) Mast heights. The restriction was 20 metres which is inadequate for our topography. Masts up to [75m] are now allowed.

B. Affordable housing.

Progress is being made, albeit at a slower rate than we would like given the length of time for drawing up the necessary plans. However the number of affordable houses created in Argyll and Bute has been over 500 from 2010/2015 and will rise to 650 in 2016/2020. It is good to see the Scottish Government have ambitious targets for the delivery of affordable housing and the council and its partners are keen to make use of any additional funding.

C. Transport links.

i) Roads

A83, Nothing further has been done. This is a serious issue and the half measures, as we saw last winter, are clearly inadequate. The A82 remains very poor between Tarbert and Lochgilphead.

A816 Lochgilphead to Oban Road, and A8003 Dunoon to Portavadie Road.

Some improvements have been seen, specifically on the latter road. However, they both need to be fully developed as two lane East/West and North/South highways. However, the council and its partners are working on a Single Investment Plan as part of a 'Rural Growth Deal' that will be submitted to both the UK and Scottish Governments in 2017 that seeks national funding to address these key infrastructure issues such as roads and digital connectivity.

ii) Ferries:

AITC, the council and CalMac continue to liaise on improving summer timings, capacity and booking facilities. Some limited progress has been made.

iii) Air. Development of Oban as a regional airport. Currently the only flights are to Argyll's own islands. While this is helpful, links, especially in the main tourist season, to Edinburgh and Glasgow need to be investigated.

iv) Fixed links. We recommended consideration be given to a tunnel at Colintrave to Bute. There have been no further developments.

4) FOUR TOWNS

A. Helensburgh. Improvements have continued apace and there is a big expansion in house building underway. A Strategic Framework with the MoD to assist with the expansion of HMNB Clyde has been agreed. Covering key aspects such as the economy, housing and community facilities this agreement

hopes to make Helensburgh - and indeed wider Argyll - an even more attractive place for MoD personnel and businesses.

- B. Dunoon. The improvement to the Queen's Hall is now underway. The Burgh Hall nears completion and Castle Toward has been sold to private entrepreneurs. There was a very successful mountain biking gathering this autumn and attention is now being given to the possibility of starting a mountain bike centre and other facilities around Dunoon. It is also good to see new hi tech service jobs being created by companies such as 'webhelp' based in Dunoon and Rothesay
- C. Campbeltown. The completion of the council's redevelopments and the purchase of the Scottish Wind Towers by CS Wind a South Korean Company has been a big boost with the potential for 75 new jobs and £27m of new investment. There is a new sense of recovery in the town.
- D. Rothesay. A great deal of local work is going into what initiatives could be undertaken. There has been a big pick up in visitors to Mount Stuart (approximately 80% this year). In our view, a clear vision for the island of Bute is still needed and is not yet identified.

5) SUMMARY

Altogether, we are encouraged by the number of initiatives that are taking place and the number of our recommendations that are being followed. We will continue to monitor progress and to keep up the pressure. The key areas which need to be given greater emphasis in 2017 are:

- Upping the game in our tourism offering
- Engaging businesses with local schools
- Further development of Argyll College and SAMS
- Mobile connectivity
- Road improvements.

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