

**Name of Applicant – Kintyre Seasports
Project – Kintyre Seasports Project**

Policy Review

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| 1 | What will the impact be? | Kintyre Seasports is a partnership comprising 14 partners from the Kintyre area with an ambition to be a hub for water sports activities in Campbeltown. The Outline Business Case (OBC) (Appendix 1) states that “the project has enormous local and regional support, with the potential to bring the community together around a marine focus and ensure that there is yet another reason for people to choose to remain, relocate or visit Campbeltown |
| 2 | How much / many? | £20,000 of funding is sought from the surplus CHORD funds from Campbeltown. This will go towards the preparation of a Full Business Case which has a total cost of ca £81,000. The balance of the required amount is to come from private investors, the Sailing Club and KSP partners. |
| 3 | What locations? | Campbeltown at Dalintober, on land owned by Campbeltown Sailing Club |
| 4 | How does it relate to SOA and Council priorities? | This work supports the key aims of the Local Outcome Improvement Plan’s aims 1, 2 and 3 together with the Economic Development Action Plan. |
| 5 | Does it conflict with current and other projects? | No |
| 6 | Does it support other projects/initiatives? | Yes it supports the new berthing facility and the general regeneration of Campbeltown. |
| 7 | Can we do a SWOT analysis? | The outline business case contains a detailed SWOT analysis |
| 8 | What is economic impact? | The outline business case suggests that £685k could be generated on an annual basis |
| 9 | How many jobs created? | 2FTE + 3 seasonal |

Governance Review

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| 1 | What is legal status of applicant? | The applicant has registered as a SCIO but the composition of this SCIO is not currently available. Trustees are Alastair Cousin jp, Don Hardman and Campbell Fox. |
| 2 | Is this confirmed? | Yes – assisted by Third Sector Interface |
| 3 | Can it do this – does it have the powers? | Yes – in collaboration with member organisations as indicated in the constitution |
| 4 | Have the board / org agreed? | Yes – there is also a considerable amount of local buy in to this project. |
| 5 | Is it duly registered if required e.g. OSCR? | Yes |
| 6 | Any related company / organisation? | Kintyre Seasports comprises 14 business partners. |

Financial Review

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| 1 | Proposal: | That £20k is taken from the CHORD excess funds and put towards a funding package as detailed in the attached outline business case. Campbell Fox indicated in a recent correspondence that if the Full Business Case is positive there are no plans to approach the Council for funding |
| 2 | Costings provided? | Yes initial costings have been provided |
| 3 | Have costings been verified? | Outline Business Case gives detail of spend and estimates of income |
| 4 | Is funding in place? | Part of the funding package is in place with the rest currently being sought. |
| 5 | Any ongoing costs – is there an operating business plan? | No operational business plan. This funding is being sought to develop a business case based upon the initial outline business case. |
| 6 | Profit and loss forecasts, cash flow forecasts and income and expenditure assumptions clear / supported? | Yes |

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| 7 | <p>Proposer:</p> <ul style="list-style-type: none"> • Copy of annual accounts • Copy of 3 month bank statement • Copy of current year financial reports / management accounts • Copy of auditors report • Copy of budget proposals | <p>Pending, Kintyre Seasports is a new entity</p> <p>Pending, Kintyre Seasports is a new entity</p> <p>Pending, Kintyre Seasports is a new entity</p> <p>Pending, Kintyre Seasports is a new entity</p> <p>These are itemised in the outline business case and will be presented more fully in the proposed full business case.</p> |
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Deliverability / Risk Review

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| 1 | Do we have business plan / business case? | This funding is being sought to develop a business case based upon the initial outline business case. |
| 2 | Are the assumptions clearly stated and reasonable / supported? | Yes |
| 3 | Who are the partners / advisers? | Kintyre Seasports and currently being advised by the Third Sector Interface and the Royal Yachting Association. |
| 4 | Are they sufficiently experienced? | Yes |
| 5 | Who are the directors / key people in the group? | Campbell Fox |
| 6 | Do they have relevant experience? | Yes |
| 7 | Have risks been clearly articulated? | Yes. Risks are identified in the outline business case. |
| 8 | Have they set out their approach to managing risks? | These will be fully identified in the full business case which will be a result of this funding package. |
| 9 | Are risk assumptions and proposed risk management reasonable? | These are itemised in the outline business case and will be presented more fully in the proposed full business case. |

ADDITIONAL INFORMATION

Single Outcome Agreement

At the November 2015 MAKI Area Community Planning group Kintyre Seasparks requested that their project be admitted to the SOA: Local (now Local Outcomes Improvement Plan). It was agreed that the project is directly related to the SOA outcomes and that it demonstrates strong partnership working. However, it was felt that the project had a distance to travel. This has largely been addressed by the Outline Business Case and will further develop on production of a full business case.

SWOT Analysis

The SWOT analysis presented in **Appendix 1** outlines the many strengths and opportunities and suggests that any threats or weaknesses are those which could also potentially affect the newly upgraded marina. However, one additional threat is the requirements to develop in a Special Built Environment Area, which may affect planning process.

Tourism and Impact Summary

As outlined in the initial feasibility study (**Appendix 1**) there might be potential to contribute to the growth of tourism through the availability of day marine activities and by attracting events and regattas. A full business case is required to answer if barriers such as Campbeltown's distance from the central belt, will be prohibitive in attracting such events and whether more established and centrally located clubs will present difficulty in entering this market. Some extra detail below is given on why a full detailed business case is required for the tourism related business development associated with the project.

Adventure Tourism Market – The national tourism strategy “Tourism 2020” has identified “activities and adventure” (estimated value £759m) as a sector with real growth potential. There are approximately 350 adventure tourism businesses in Scotland employing around 3,000 people, the sector generates an annual turnover of £140m not including supply chain. Approximately 12% of Adventure Tourism businesses in Scotland are based in Argyll and Bute (40 businesses)¹.

Existing and Potential Market Growth - A full business case is required to research in depth whether Campbeltown's current visitor market (segmentation/ demographics/volume) has potential to create enough sustainable income in the short term, to sustain a high quality offering which can build an established customer base. Most visitors come to experience the great Scottish outdoors, however a much smaller number actually participate or purchase adventure related services.

Examples of recent localised visitor numbers include Campbeltown Museum (3,676 visitors in the period 2015/2016 **down 4%** on 2014/15) and Springbank Distillery (4,534 visits in 2015 **up 20%** to 5,452 in 2016).

In general due to devaluation of the pound, overall rise in living costs and slow growth of wages, the domestic tourism market is becoming more competitive and a greater number of people from within the UK are choosing to holiday domestically. Although household incomes are above their pre-downturn peak overall, not everyone is better off. While retired households' incomes have risen in recent years, non-retired households still have less money on average, than before the economic downturn². The staycation market is an existing key market for adventure activities and growth of this due to economic factors may lead to greater growth in the adventure tourism sector.

Barriers to Entry - Barriers to entry in providing Royal Yachting Association (RYA) training tend to be quite low, there are over 1400 registered training centres across the UK (RYA Website) and the private sector could still choose to develop and compete at the local level. Similarly in relation to other adventure activities barriers tend to be relatively low. The **Scottish Charitable Incorporated Organisation (SCIO)** setup could however be the best way to realise this additional activity offering within the Campbeltown area.

Collaborative opportunities - It is likely that similar to other comparator organisations mentioned within **Appendix 1** that some sort of packaged offering will be required with local accommodation providers. A willingness of local accommodation providers to collaborate requires further assessment, appropriate examples might be for example Campbeltown Backpackers or Scottish Youth Hostel Association, and this requires investigation operationally. Although this could develop potential benefits for accommodation providers, the marketing costs and operations of such arrangements would be the responsibility of the SCIO. The likelihood of developing strong relationships with accommodation providers would need to be determined, potential risks involve disjoint within the package offering and securing a decent margin. Opportunities may exist to create higher end packages targeted at the couples through businesses such as Machrihanish Dunes.

Employment Opportunities - The type of employment opportunities from such activities tend to be predominantly seasonal flexible part-time employment, demonstrated by similar organisations operating within the activity market elsewhere. Other comparator organisations within and out with Argyll demonstrate these seasonal employment opportunities tend to attract young people from Argyll aged 18 – 25, who are studying outwith the region back for the summer, another dimension to this is often the employment opportunities are progressive and local young people within the community are ideal for taking on any potential seasonal employment opportunities, having obtained the required qualifications. Challenges exist in getting to the required revenue amounts to reach the estimated employment of 1.5 full-time jobs and two seasonal positions with a turnover of £140,000.