

**AGENDA ITEM 9**

The Argyll and the Islands Local Economic Strategy has been agreed by Argyll and the Islands Enterprise and by Argyll and Bute Council and is now being recommended for approval by the Community Planning Partnership.

**Argyll and the Islands  
Local Economic Forum**

**Strategy  
for  
Argyll and the Islands**

26 January 2004

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# **Strategy and Planning in Argyll and the Islands**

## **The Background**

## **Why do we need a Strategy?**

The partners in the Argyll and Islands Local Economic Forum have a long history of strong partnership working at a programme and project level. The opportunity presented by The Scottish Executive's LEF process enables us to formalise this with the production of a joint Economic Strategy.

This strategy therefore has been prepared in accordance with The Scottish Executive's request to prepare a Local Economic Development Strategy covering the area. It takes forward and builds on the national strategy, *A Smart, Successful Scotland*, and delivers the economic development component of the Community Planning Partnerships.

Argyll and the Islands offers the people of the area, Scotland, the UK and Europe a rich cultural and natural heritage, quality produce from land and sea, and a place for recreation and leisure. Such assets cannot be sustained over time, however, unless Argyll and the Islands can generate the levels of economic activity needed to support dynamic local communities.

The strategy will provide a clear and robust framework within which to plan partners' economic development activities. It identifies the key issues for the economy in the area - its strengths, weaknesses and key areas of opportunity. It also sets the economy of Argyll and the Islands in its wider context, identifying its unique nature, and reflecting partners' areas of responsibility and competence. By taking a joint approach, integrating development priorities and tackling common concerns, the partners will work together to implement the strategy.

## **A Smart, Successful Scotland**

The national economic strategy, *A Smart, Successful Scotland* (SSS), strives to create a vision for Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness and prosperity. SSS aims to give a clear sense of direction and identifiable priorities for the Enterprise Networks and their partners. This will be achieved through pursuing the three Objectives of Growing Businesses, Global Connections, and Skills and Learning.

In the Highlands and Islands, *A Smart Successful Scotland* has an additional Objective. This addresses community development, recognising the importance of community sustainability to overall economic performance in remote areas. The four Objectives are:

- Growing Businesses
- Making Global Connections
- Developing Skills
- Strengthening Communities

The AILEF strategy seeks to be consistent with these objectives, building on them to reflect the local dimension.



## **Consultation Process**

In preparing the Strategy, the aims and objectives of LEF members and other stakeholders were reviewed. In all, 22 organisations were contacted.

Seventeen organisations have strategic or planning documents. In total, 33 documents from these organisations were reviewed. The documents were supplemented by 14 interviews.

## **Argyll and the Islands - An Economy Shaped by Land and Sea**

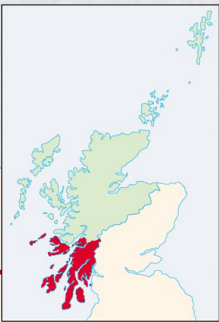
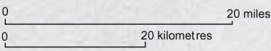
Argyll and the Islands is an area defined by its unique geography, having a deeply indented and fragmented coastline longer than that of France, with all the constraints which this imposes. The area faces considerable economic and social challenges, many of them deriving from the underlying characteristics of land and sea.

### **Physical Geography**

Argyll and the Islands constitutes the second largest Local Economic Forum area in Scotland. It is dissected by sea and freshwater lochs, including several of Britain's longest, and has approximately 20% of Scotland's coastline. Of its 100-plus islands, more than a quarter are inhabited, giving the area a total island population of over 20,000.

The unique geographical structure of Argyll and the Islands, with 30 inhabited islands and remote mainland locations, means that transportation links impact on almost all facets of social and economic life. For the area to play its part in a *Smart, Successful Scotland*, particular emphasis must be given to decreasing the perceived and real isolation of many individuals and businesses in the area. Low population densities and the absence of major centres of settlement are key characteristics, therefore global connectivity is a central feature of the AILEF strategy. Several of the area's key infrastructure priorities relate to road, air and sea transportation. Although distance on the map from the central belt to Argyll and the Islands seems small, the area's geography leads to convoluted journeys and lengthy travel times. The cost and frequency of public transport, where it exists, further exacerbates this.

The importance of the superb natural environment afforded to Argyll and the Islands by its topography must also be recognised. Not only is the area's physical environment woven into its culture and traditions, it is also an essential contributor to much economic activity and employment including tourism. Its quality is illustrated by the high number of natural heritage designations, both in terms of landscape and biodiversity. This, along with the designation of Loch Lomond and the Trossachs National Park, brings with it important challenges and opportunities which require careful management if community, environmental and economic objectives are to be reconciled to the maximum advantage of the area.



**Vehicle ferries:**  
 Summer only / All year

**Passenger only ferries:**  
 All year

Airport

Airstrip

Tourist Information Centres:  
 Summer only / All year

## **Key Socio-Economic Factors**

The headline economic and social statistics for the area, many of them rooted in geography, provide the underlying arguments upon which the case for development rests. They point to some of the key issues which this Strategy must address.

The Argyll and the Islands area is experiencing population decline greater than the average rate for Scotland. This is particularly apparent in the younger age groups. The resultant population is therefore ageing, and consequently less productive. This profile is magnified on some islands and remoter communities, where accessibility is poor.

The main demographic characteristics of the area include:

- Population of 70,000 in 2001
- Population decline in most areas is counter to the growth shown in the Highlands and Islands as a whole
- Even steeper population decline predicted to 2012
- Population growth evident in only a very limited number of areas
- 30% of the population live on the area's 26 inhabited islands
- Ageing population has an older age profile than the Highlands & Islands as a whole

The economy of Argyll and the Islands is defined by a number of key characteristics which include:

- High public sector employment of over 30%
- High dependence on seasonal tourism
- Restructuring underway in the declining traditional sectors of agriculture and fisheries
- Lower than average income levels (in 2002 Argyll and Bute earnings were 91% of the Scottish average, and 84% of the UK average, for full-time adult workers)

## **The Development Agenda**

Deriving from the characteristics of the area, be they geographic, demographic or economic, a number of key economic development issues arise:

- Transportation links
- Long term population decline in most areas
- One of the lowest GDPs per worker in Scotland
- Economic and social exclusion
- High unemployment in certain areas
- More seasonal unemployment than in the Highlands and Islands overall
- High rate of self-employment and employment in small businesses
- Skills shortages and skills gaps in key areas
- Restricted travel-to-work opportunities
- Housing shortages in some areas, and escalating house prices

The dependence of the economy on two main sectors, public administration and tourism, reflects the low level of diversity in the economy in general. Seasonality and external events can impact significantly on tourism activities, causing fluctuating visitor numbers. Public administration can provide more stable employment opportunities, but is also subject to external policy changes and has limited growth prospects. The traditional primary sector activities of agriculture and fisheries are facing significant restructuring and decline due to external policy changes and other forces. Productivity is lower than average, illustrated by the lack of secondary processing and manufacturing in the area.

Low income levels, combined with higher costs of living due to remoteness, reduce the overall prosperity level. This is compounded by scarcity of housing in particular areas. Remoteness also contributes to restricted travel to work areas, a lack of alternative employment opportunities and consequently a high rate of self employment, and employment in small and micro businesses. The underlying issue of transportation is therefore a key challenge to improving economic prosperity, as it affects accessibility to markets, goods, services and employment opportunities.

### **Economic Opportunities**

- Environmental opportunities, including the Loch Lomond and the Trossachs National Park
- Marine sector
- Information and communication technologies
- Construction
- Higher than average rate of business start-ups
- Short breaks and eco-tourism

Several new opportunities present themselves within Argyll and the Islands, for example, in digital media and the renewable energy sector, in marine science and environment-based activities. Some of these are based on the natural characteristics of the area and its surrounding waters, yet others are made possible by advanced technologies in telecommunications and computing. There are major opportunities for business development and growth in the construction sector due to a substantial programme of planned public and private investment.

The existing high level of business start ups is a positive opportunity for widening the economic base of the area, and in the tourism sector, the growing interest in short breaks and eco-tourism can be harnessed to extend the season, providing more stable employment and income to the sector. The development of good transportation infrastructure projects underpins the realisation of all these economic opportunities.

**Development Strategy**  
**for Argyll and the Islands**

## **A Strategy for Argyll and the Islands LEF**

The Strategy must reflect the wide range of economic activity in the area, from the high level of public sector dependency, to the traditional industries of tourism and the primary sector, and from the diversity of new business start-ups to large scale inward investment. This is compounded by the geography of the area, where the requirements of the remote island communities are different from those of the mainland towns, with their varying levels of prosperity. The LEF strategy therefore uses the model of *A Smart, Successful Scotland* to foster a broadly based economy, creating the conditions for new business to become established, encouraging the sustainability of existing enterprises, and providing an attractive location for inward investment. It aims to create a sustainable and diverse economy, resilient to sectoral shocks, with a more equitable spread of economic opportunity. The strategy will be informed by ongoing economic audits, which will provide additional information to enable strategic targeting of investment.

Against this background, the Strategy for Argyll and the Islands sets out a Vision, to be achieved by pursuing an Aim through five Objectives, each in turn supported by a set of Priorities.

### **Vision**

Our vision is for an Argyll and the Islands in which the people of the area have equality of opportunity in their access to employment, education, training, recreation, travel, housing, health and the other services and facilities expected in a modern economy. We will strive to achieve this irrespective of an individual's background, culture, community or place of residence.

We seek to promote the creation of an economy in which vibrant, locally-run businesses thrive alongside enterprises which have chosen to settle in the area. Business growth and continuing innovation will be essential in providing employment and prosperity for the area's people in a rapidly-changing world economy. Responsive and forward thinking public services also have a key role to play in creating a progressive economy and society.

However, for Argyll and the Islands to achieve a high quality of life to match its superb environment, economic progress must be complemented by recognition of the key roles of culture, community, and natural heritage. These must be preserved, sustained, developed and used in a way which does not compromise our unique assets.

Key to much of this will be an integrated transport and communications infrastructure providing fast, frequent access between central and peripheral parts of Argyll and the Islands, and national and international connections.

Achieving this will finally bring to an end the unnecessary outward migration of the area's people in search of opportunity, and encourage sustainable and economically active inward migration.

## **Aim of the Strategy**

*To promote prosperity and well-being for the people of all parts of Argyll and the Islands.*

## **Objectives**

The Highlands and Islands version of *A Smart, Successful Scotland*, with the additional Community aspect which is reflected in the ideals of many LEF members, provides a sound basis for the AILEF strategy. As the economy of Argyll and the Islands is shaped by its physical characteristics, it is essential to add an Objective covering the Environment. This gives five Objectives for AILEF's strategy.

- Growing Businesses
- Making Global Connections
- Developing Skills
- Strengthening Communities
- Making Best Use of the Environment

## **Priorities**

Each of these five Objectives is in turn supported by a number of Priorities attached to it, which give direction to the development activities which the Forum will pursue.

The priorities for *Growing Businesses*

- Greater Entrepreneurial Dynamism and Creativity
- More e-business
- Increased Commercialisation of Research and Innovation
- Global Success in Key Sectors

The priorities for *Making Global Connections*

- Digital Connectivity
- Increased Involvement in Global Markets
- Argyll and the Islands as a Globally Attractive Location
- More People Choosing to Live and Work in Argyll and the Islands

The priorities for *Developing Skills*

- Improved Operation of the Labour Market
- The Best Start for all our Young People
- Narrowing the Gap in Unemployment
- Improved Demand for High-quality in-Work Training

### The priorities for *Strengthening Communities*

- Investment in Community Assets and Services and Culture
- Development of Community Strengths, Leadership and Confidence
- Enhancement of the Quality of the Environment and Culture

### The priorities for *Making Best Use of the Environment*

- Realising the Economic and Social Benefits of a Unique Asset
- Protecting and Enhancing the Environment

## Strategic Framework Diagram

The various elements of the AILEF Strategy, and how they relate to one another, can be shown graphically as follows.



## The Area Dimension

This is an inclusive Strategy aimed at enhancing the economic and social development of all parts of Argyll and the Islands. As the pattern of economic need and opportunity varies so widely across the geographic extent of Argyll and the Islands, the Strategy requires to have the flexibility to address disparate conditions in different ways.

In order that economic opportunity may be realised, and economic disadvantage addressed, the LEF will develop and implement a strategy to balance economic opportunity and need.



## **Implementing the Strategy**

### **An Action Framework for Argyll & the Islands**

## **Implementing the Strategy I - Strategy into Action**

The strategic framework adopted by Argyll and the Islands Economic Forum shows a clear Aim, working towards our Vision for the future prosperity of the area. The way to achieve our Aim is marked out by a supporting set of Objectives and Priorities. These reflect the needs and opportunities of Argyll and the Islands, and determine the key Action areas that the partners agree need to be addressed.

A Strategy on its own represents an aspiration about what the future might look like, and what types of goals are required to move in the correct direction. It has to be backed up by activity on the ground, if real progress is to be achieved. It also has to address the differing needs and opportunities of the varied localities within Argyll and the Islands.

The Economic Forum for Argyll and the Islands will take the following principles into account when turning the Strategy into Action.

### **The Importance of Partnership**

The breadth of our Vision for the area, and its current needs and opportunities, are such that no one agency can hope to achieve it on its own. The Forum members make a commitment to working in partnership together, and with the other stakeholders who share our vision for prosperity, towards the objectives of the Strategy.

### **Co-ordinated Working**

Our Strategy demonstrates the important linkages which exist between skills and business growth, between transport and community vitality, between the environment and employment, and between many other aspects of economic and community development. Therefore, the partners will work to ensure the complementarity of their different functions and activities. We will strive to extract the most from the varied strengths of the different partners, recognising that organisational expertise and resources differ widely. In the process we will aim to achieve best value for money and the best use of other resources. The partners commit to the implementation of this strategy by maximising outcomes through joint working.

### **Community Planning**

The Forum's Strategy is intended to provide the essential economic input into the Community Planning Process. It sets out the economic framework and direction on which planning activity is based. Argyll and the Islands' LEF Strategy will primarily inform the Community Planning process for Argyll and Bute, but also for North Ayrshire, in respect of Arran and the Cumbraes.

### **Targeted Assistance**

While the Forum does not itself direct the creation of new businesses and employment sectors, which emerge from the entrepreneurial energies of the people of the area, it can influence and shape economic prosperity through partnership action. A successful economic development strategy needs to be responsive to local initiative. AILEF therefore places high importance on targeted interventions assisting good local projects, however they arise, and investing in the people behind them.

### **Monitoring Progress**

In implementing this Strategy, the Forum commits itself to ensuring that progress towards the objectives, and key indicators of economic and social conditions in the area, will be regularly monitored. The Forum will ensure that appropriate arrangements are set up, drawing on the key areas of expertise among its members.

In the first instance an economic audit of Argyll and the Islands will be carried out to enable benchmarking, targeted investment and future monitoring.

## **Implementing the Strategy II – An Action Framework**

The Action Framework of the Forum's Strategy outlines the bigger picture within which projects can be realised. It is an essential part of our Strategy, and is the route-plan for its implementation. It takes the strategy forward into a scheme of actions through which real economic progress can be achieved. It provides a strategic rationale and the basis for advancing individual projects and programmes aimed at addressing disparate aspects of economic development, both opportunity and need.

The projects and programmes of the partner bodies represent the major activities in economic development for Argyll and the Islands. The member agencies undertake to develop and execute their activities in partnership and in accordance with the framework of the Strategy.

The legacy of close working relationships means that there are already on hand some large joint projects in pursuit of the Forum's Objectives. While many projects and programmes are already underway, and can be accommodated within the framework where they are seen to work towards the Forum's Objectives, successful implementation of the strategy depends on co-ordinated partnership planning and implementation to deliver the strategic objectives.

### **Action Themes**

In pursuit of the economic strategy, the Forum has selected 4 key Themes which make a significant impact on all 5 Objectives of the Strategy, and which the LEF partners will pursue as priorities for collective action:

- Transportation
- The Economic Coast
- Environment
- Skills Sustaining Communities

These represent:

- The removal of barriers to development
- The exploitation of new opportunities.

## **Action Theme 1 : Critical Infrastructure - Transport**

This Action Theme is fundamental to achieving the LEF Strategy Vision, since it impinges on all of our Objectives. Given the geography of Argyll and the Islands, transportation is the most crucial single factor in pursuit of the Local Economic Forum's Vision of equality of opportunity for all, and access to economic well-being.

Transport is central to all 5 Strategic Objectives:

- *Growing Businesses*  
All businesses in Argyll and the Islands are dependent on transportation infrastructure for access to markets, goods and services. The continued competitiveness of these businesses requires cost effective and reliable transportation, locally, regionally, nationally and internationally. The infrastructure must also be in place to attract inward investment and public sector employment re-location.
- *Making Global Connections*  
The market place for many businesses is now global, with investors selecting optimum business locations on a world-wide basis, and businesses seeking markets internationally. ICT is a key component of this, but physical accessibility remains vital to the delivery of goods to markets and the customer to the marketplace.
- *Developing Skills*  
Argyll and Islands has several key areas of skills shortages. Transportation is an important component in enabling trainers to deliver to clients, and trainees to access placements and employment.
- *Strengthening Communities*  
Reliable and affordable transportation is fundamental to enabling people in remote and island communities to access lifeline services and employment. The crucial issue of island de-population is linked directly to accessibility, so it is the cornerstone of economic sustainability for these areas.
- *Making Best Use of the Environment*  
The unique environment of Argyll and the Islands is crucial to a number of key economic sectors, such as tourism, aquaculture and forestry. These all rely upon integrated and effective transportation to achieve their full potential.

*The aspiration:* to develop a vision, with a horizon of 20 years, of an integrated transport system that meets the needs of a growing population and an expanding economy.

Such a strategy would need the full commitment of all public agencies and the wider community. It would be essential that in developing the strategy, a clear understanding was reached of the present and future needs of, particularly, the health service and other major deliverers of public services. The strategy must be developed within the framework of HI-Trans to ensure maximum national and international connectivity.

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### Strategy In Action - Example: Argyll Air Services

Development proposals for improving the airstrips at Oban, Coll and Colonsay contribute toward the desire for **more people choosing to live and work in the Highlands and Islands**. By allowing Argyll & Bute Council's airstrip at North Connel to become a regional air centre, island air passenger services could be established serving the remote islands of Coll and Colonsay, with onward links to Glasgow from Oban. Currently, it is not possible to travel from these islands to the mainland and back in a day. Tiree already has a licensed aerodrome, with an air service to Glasgow.

Initially, scheduled flights are planned from Edinburgh and Glasgow to Oban. As well as being a key service centre for the islands, Oban holds considerable growth potential of its own as a regional centre.

Argyll & the Islands Enterprise and Argyll and Bute Council are promoting the upgrading of the airstrips at Oban, Colonsay and Coll for economic as well as social reasons. Regular air services between these locations would bring important healthcare benefits and reduce their peripherality. Over time, the initiative would contribute towards safeguarding the population of the islands. As an **investment in community assets and services**, Argyll Air Services contributes equally to the Strengthening Communities priority.

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## Action Theme 2 : The Economic Coast

Harnessing the huge potential of the Argyll and the Islands coast is vital to the successful implementation of the LEF strategy. The location of the majority of settlements on the coastal areas, the importance of the coast to the unique tourist experience of Argyll and the Islands, the primary sectors of fisheries and aquaculture, the unique biodiversity of the coastal areas including 7 Marine Natura sites and the focus of transportation hubs at the coast all contribute to the overall impact. The unique opportunities presented by this have led to the development of a key growth area in **Marine Science**.

The Economic Coast is central to all 5 Strategic Objectives:

- *Growing Businesses*

In a local context, the Growing Businesses objective addresses several of the fundamental socio-economic issues in Argyll and the Islands, especially closing the gaps between national and local earnings levels, and the percentage of population that is economically active. A number of specific projects in the marine biology sector will be especially aimed at the third priority under Growing Businesses - Increased Commercialisation of Research and Innovation.

- *Making Global Connections*

The development of a globally renowned centre of excellence and high quality primary products will serve to raise the profile of Argyll and the Islands internationally and increase opportunities for global trade and marketing.

- *Developing Skills*

Skills developments relating to marine science and coastal tourism have potential for enormous growth and will contribute to a widening skills base, with specific expertise in these sectors.

- *Strengthening Communities*

Coastal communities comprise the majority of those in Argyll and the Islands. Building upon this distinctiveness through specialisation and sectoral focus will serve to strengthen these communities in economic and social terms.

- *Making Best Use of the Environment*

The development of the marine science and coastal tourism sectors presents the partnership with the optimum opportunity of making the best use of the unique coastal resource for the long term development and sustainability of the economy.

*The aspiration:* to develop a new robust globally competitive sector in North Argyll around the kernel of expertise at Dunstaffnage and taking into account other centres of opportunity and excellence, such as Millport and Machrihanish Research Station. To implement this vision will take a long term and integrated approach across a range of partners including AIE, Argyll & Bute Council, North Ayrshire Council and the private sector.

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### **Strategy In Action - Example: European Centre for Marine Biotechnology**

We seek to **increase commercialisation of research and innovation** by assisting the Scottish Association of Marine Science (SAMS) to create an international centre of excellence in marine biotechnology at Dunstaffnage – a European Centre for Marine Biotechnology (ECMB). The development of incubator space will attract high growth firms and we will continue to work closely with SAMS to enhance and expand the facility.

The £8 million project provides over 5,000 sq m of new space, including a laboratory, marine biotechnology wing, library and conference facilities. A senior project executive at SAMS is charged with raising capital for commercial research and innovation projects. A key benefit of the project is expected to be the creation of high value employment opportunities in a rapidly growing sector of the economy, making the area a **desirable place to live and work**.

Building on the anticipated success of this innovative bio-technology centre, AIE is seeking to procure land and resources to build a science industry which will position Dunstaffnage as a leading UK marine biotechnology centre, creating 40-50 new jobs on-

site within 5 years. Beyond that, the project is expected to create opportunities for related businesses to cluster around Dunstaffnage and the Oban area. Incoming businesses will include a mix of health care and marine science businesses, along with a range of specialist service companies.

Particularly important will be the planning dimension and the development of housing, education and leisure facilities, along with the creation of the Oban airport.

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### **Action Theme 3 : Environmental Opportunity - The National Park**

The environment of Argyll and the Islands is essential to much of the area's economic activity and employment, notably its largest industry, tourism. The landscape and natural environment of the area provide the quality of life and quality of experience essential to attract and retain its resident population and its visitors, and offer opportunities for new industries such as renewables. Argyll and the Islands is celebrated as having some of the best biodiversity in the United Kingdom and indeed Europe.

These issues are all brought together under the key opportunity in this theme, the Loch Lomond and the Trossachs National Park is a long term project of immense potential significance which requires thoughtful and balanced management by all parties involved. It provides a common theme for a wide range of economic activities, employment opportunities and heritage assets.

The natural environment is a defining feature of the area, and a unique asset. Our Strategy accepts the challenge of Sustaining the Environment, an Objective of considerable importance to Argyll and the Islands. Realising the benefits of the area's natural assets in the National Park and elsewhere, while continuing to protect them as a key contributor to quality of life, is paramount.

This Action Theme also implies the need to spread understanding of the importance of the environment in the fabric of Argyll and the Islands. Commercial opportunities therefore require careful co-operation between public agencies, communities and the private sector, combined with sensitive implementation. The physical environment in itself provides many opportunities for integrated economic activity.

In addition to tourism, the agriculture sector is hugely significant in terms of both economic output and its impact on the landscape, natural environment, and the social systems, which it supports. Agricultural output in the Argyll and the Islands is estimated at £60 million per annum representing approximately 7% of the total output of the area. It is a sector, which is facing change, due to external forces, and that change will potentially have a significant impact on agricultural businesses, but also on tourism, as landscape character, one of the key features of tourism in the area, may alter.



The environment is therefore a theme which impact and shapes our approach to all five strategic objectives:

#### *Growing Businesses*

Our rich environment contributes to the creation of quality produce of national and international excellence. The current restructuring challenges facing our farming industry require concerted and coordinated support from many partners to assist this critical industry to survive, adapt to market conditions and prosper.

The environment also provides opportunities for the development of outdoor activity businesses, which require nurturing and support. They also require good quality infrastructure such as well-maintained path networks, good quality transportation links, and other countryside and coastal recreational facilities.

The renewable energy sector offers new opportunities for business development at a number of levels. It is vital that the development of supply chains to support renewable energy is supported by partner effort.

#### *Making Global Connections*

The Loch Lomond and the Trossachs National Park is one of the key assets of Argyll and the Islands, one that makes a substantial contribution to business growth, employment creation, skills development, strengthening fragile communities and preservation of our heritage. The National Park designation creates a key global identity and attraction, which can substantially benefit the rest of Argyll and the Islands if the appropriate infrastructure is in place to spread the benefits of the National Park.

Argyll and the Islands environment supports the development of quality produce of national and international renown.

The tourism sector requires concerted partner effort in relation to creating and sustaining a quality tourism product and promoting that product to a national and international customer base.

#### *Developing Skills*

There is a need to enhance the skill base of those working in the environment to ensure that it is managed wisely and economic opportunities are used to their full advantage. The skills required for contributing to the growing renewable energy sector must be encouraged to develop. The challenges facing the agriculture and fisheries sectors in relation to the current restructuring of these industries requires concerted partner effort to ensure that skill gaps are addressed and training is widely available and accessible. The tourism sector also requires ongoing support to enhance and develop a wide range of marketing, catering and customer care skills.

#### *Strengthening Communities*

The environment offers significant opportunities for communities to become involved in developing access, biodiversity and woodland schemes which enhance their local

environment and support the growth of strong, capable communities. Involvement in developing such schemes can develop skills which can be transferable to the workplace and increase career opportunities.

*Making Best Use of the Environment*

It is vital that our environment receives wise management and investment. This requires to concerted effort of partners on a number of fronts.

*The aspiration:* to develop Loch Lomond and the Trossachs National Park as one of the key assets of Argyll and the Islands, one which makes a substantial contribution to business growth, employment creation, skills development, strengthening fragile communities and preservation of our heritage. Support the restructuring of the agricultural industry in the short to medium term, with partnership action.

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**Strategy In Action - Example: National Park**

The designation of Scotland's first National Park has seen 6 of the more fragile communities of Rural Cowal take a more sustainable approach to bottom-up community economic development through the implementation of the Community Futures Programme. The programme has helped them prepare and produce Community Action Plans, which are unique to their individual areas, resulting in an increased level of community involvement and participation towards the social and economic development of the area, creating **community strengths, leadership and confidence** at the grass roots level.

Argyll and the Islands Enterprise (AIE), in partnership with the Loch Lomond and the Trossachs National Park Community Partnership, are now working towards a project that will see the enabling of these communities to develop and achieve the priorities identified in their Local Action Plans.

Funding from AIE is allowing a level of localised resources to be made available in the form of fully trained Community Agents who are providing the expertise and support to the communities to enable the Local Action Plans to be implemented. It is anticipated that the plans will provide a delivery mechanism that will **enhance and sustain the quality of the environment**, which is the very asset that has seen the area being designated as a National Park.

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## Action Theme 4 - Skills Sustaining Communities

This Action Theme is essential to realising the LEF Strategy Vision, by developing the skills base of Argyll and the Islands and ensuring people are able to use and improve their skills locally. Many areas of Argyll and the Islands have been affected by population decline, and skill retention and development is critical to sustaining local communities, as well as encouraging people to bring their skills into the area. Addressing skills shortages and providing support for skills development will ensure the Local Economic Forum's Vision to generate levels of economic activity to support dynamic local communities.

There are key opportunities for skills development in the immediate future relating to the construction and care sectors. A number of important developments in the public sector, including changes to the Argyll and Bute Council Development Plan and the potential Housing Stock Transfer, offer significant opportunities in the construction sector. Demographic changes in Scotland as a whole, which are more extreme in Argyll and the Islands, have resulted in an increasing need for care workers. This, combined with the government's community care approach to providing personal support, will result in an increased opportunity for skills and employment in this area.

Skills Sustaining Communities is central to all five Strategic LEF Objectives:

- *Growing Businesses*

Business growth in Argyll and the Islands requires skilled and motivated people to innovate and develop new markets, products and services. Developing the skills base will provide businesses with an opportunity to improve quality and efficiencies, and will provide a sustainable future and economic prosperity for Argyll and the Islands.

- *Making Global Connections*

A skilled population base is a key factor when attracting new investors from the global market to Argyll and the Islands, as is the ability to provide support and training to enable people to develop skills to meet the needs of new businesses. In addition, businesses in Argyll and the Islands need to have the skills to compete in the global market place and be able to maximise the opportunities that global connections provide.

- *Developing Skills*

Skills shortages can restrict and constrain economic development in Argyll and the Islands; it is therefore critical to develop the skills base and ensure opportunities for continuing training and development to maximise the area's economic potential. Highly skilled and motivated people are essential to the sustainability and development of the communities and economy of Argyll and the Islands. It is vital that people are encouraged and supported to realise their potential, and ensure this valuable asset is maximised.

- *Strengthening Communities*

Developing the skills base of Argyll and the Islands and ensuring a climate where people with specialised training and skills can return to or come to the area, and make use of their skills, is vital to redress the depopulation trends and demographic shift. Skilled and motivated people are an essential component to ensure that the communities of Argyll and the Islands can be sustained and strengthened, building on the character and vitality of the area as a whole.

- *Making Best Use of the Environment*

Argyll and the Islands has many physical and geographic challenges, however the unique environment of the area makes it a highly attractive place to live and work. Developments in technology and improved infrastructure combined with the asset of people and a high level of skills will ensure that the area is able to reach its full potential, providing equality of opportunity for all, and access to economic well being.

*The aspiration:* to develop a highly skilled population base, which is able to take a proactive and innovative approach to the challenges and changes of the global market place, and contribute to the sustainability and economic prosperity of Argyll and the Islands, for the long term future and development of the area.

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### **Strategy in Action – Example: Modernising Construction**

Skills shortages in the construction sector are an issue for Scotland as a whole, and Argyll and the Islands has already been affected by this trend. This is likely to be further compounded by the increase in demand for construction required for public sector works, such as the potential housing stock transfer, and the rebuild and maintenance programme for the area's schools, as well as the potential for further private sector development via the structure plan review.

To address this issue a partnership capacity-building programme has been established, involving Fyne Homes, Argyll and Bute Council, and Argyll and the Islands Enterprise, securing resources via Community Economic Development. This will undertake a needs analysis of the industry sector, followed by a series of road-shows, working together with contractors and businesses in the construction sector to examine key issues and opportunities. An event was held with representatives from the public sector agencies responsible for capital investment to examine how procurement practices can be further developed to maximise community benefits. Issues include local labour clauses, as well as achieving greater efficiencies and bringing environmental benefits.

These events have identified a number of areas of work which could contribute to maximising the benefits from capital investment, and will provide a basis for future partnership working to address issues and realise opportunities for economic and community benefit.

### **Strategy in Action – Example: Bruichladdich Distillery**

Bruichladdich Distillery on the Isle of Islay was mothballed for seven years from 1993 to 2000, employing just two people for maintenance. Since January 2001 public sector support from a range of agencies including Argyll and Bute Council Employability Team, Jobcentre Plus and Argyll and the Islands Enterprise has enabled the distillery to employ and train its new workforce, now numbering 40 staff. This has resulted in a highly skilled and motivated team who have worked together to deliver a high quality product with a traditional history dating back more than 100 years. The Bruichladdich product has been a huge success in the global market place winning a gold award for “Distillery of the Year” from the Malt Advocate of America in 2002 and 2003, and Food from Britain “Drinks Exporter of the Year” award in 2003.