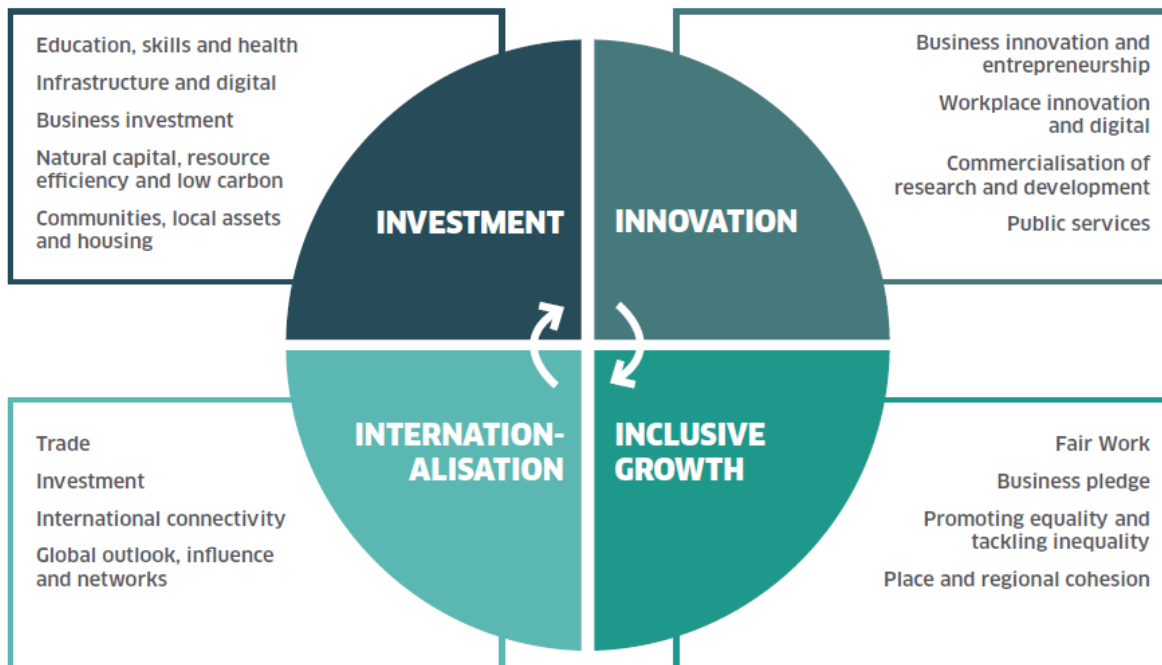


Appendix 1: Scottish / UK Government Economic Themes

In negotiations undertaken to date, both the UK and Scottish Governments have advised Argyll and Bute Council that projects included in proposed Rural Growth Deal must be consistent with and support Scottish and UK Government economic policies.

Scotland's Economic Strategy – March 2015

Scotland's Economic Strategy sets out an overarching framework for how the Government aims to achieve a more productive, cohesive and fairer Scotland. It forms the strategic plan for existing and all future Scottish Government policy. Within Scotland's Economic Strategy there are four broad priority areas where actions will be targeted and collectively these are known as the 4i's. The diagram below is included in Scotland's Economic Strategy and sets out further details regarding the Scottish Governments four priority areas;-



In summary, the Scottish Governments approach to delivering sustainable economic growth is characterised by;-

- An economy where growth is underpinned by long-term sustainable **investment** in people, infrastructure and assets;
- An economy where growth is based on **innovation**, change and openness to new ways of doing things;
- A society that promotes **inclusive growth** and creates opportunity through a fair and inclusive jobs market and regional cohesion to provide economic opportunities across all of Scotland; and
- A country with an **international** outlook and focus, open to trade, migration and new ideas.

UK Government - Industrial Strategy: building a Britain fit for the future

This white paper sets out a long-term plan to boost the productivity and earning power of people throughout the UK. The strategy sets out how the Government will help businesses create better, higher-paying jobs with investment in the skills, industries and infrastructure of the future. The Industrial Strategy focuses on the following 5 Foundations of Productivity:-

- **Ideas** – the World’s most innovative economy;
- **People** – good jobs and greater earning power for all;
- **Infrastructure** – a major upgrade to the UK’s infrastructure;
- **Business Environment** – the best place to start and grow a business;
- **Places**- prosperous communities across the UK.

Key policies include:-

Ideas;

- Raise total R&D investment to 2.4% of GDP by 2027;
- Increase the rate of R&D tax credit to 12%;
- Invest £725m in new Industrial Strategy Challenge Fund programmes to capture the value of innovation.

People

- Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system;
- Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills;
- Create a new National Retraining Scheme that supports people to re-skill beginning with a £64m investment for digital and construction training.

Infrastructure

- Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure.
- Support electric vehicles through £400m charging infrastructure investment and extra £100m to extend the plug-in car grant.
- Boost our digital infrastructure with over £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full fibre networks.

Business Environment

- Launch and roll-out Sector Deals – partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector;
- Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn investment fund incubated in the British Business Bank.
- Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium sized businesses including how to address what has been called the ‘long tail’ of lower productivity firms.

Places

- Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities;

- Create new Transforming Cities Fund that will provide £1.7bn for intra-city transport. This will fund projects that drive productivity by improving connections within city regions;
- Provide £42m to pilot a Teacher Development Premium. This will test the impact of a £1000 budget for high-quality professional development for teachers working in areas that have fallen behind.