

Maritime Change – Scottish Enterprise Economic Opportunity Study

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide members with an update on the Maritime Change Economic Opportunity Study, which is currently being delivered in collaboration with Scottish Enterprise.
- 1.2 Maritime Change is a Ministry of Defence (MoD) programme of delivery, which will see HMNB Clyde designated as the “UK Submarine Centre of Specialisation”, with all UK submarine operations delivered from the Clyde by 2020. All submarine training will also be conducted from HMNB Clyde. In order to achieve this a significant infrastructure programme, valued at £1.3Bn will be delivered over coming years.
- 1.3 The impact of an increase in personnel, combined with potential development opportunity related to supply chain presents significant potential for improved economic and social benefits for Helensburgh and Lomond and wider Argyll and Bute.
- 1.4 The Royal Navy, Argyll and Bute Council, and Scottish Enterprise are committed to working in partnership with others to maximise the benefit potential of Maritime Change, and to achieve this through a Strategic Development and Delivery Framework (SDDF). At its meeting of 6 December 2017, the SDDF Board agreed to the delivery of a piece of work, under the Economy and Regeneration workstream, that would seek to capture baseline data on business supply chain to better understand the opportunities, and to also consider complementary activity that has the potential to boost employment opportunity and to grow the area’s economy.
- 1.5 In recognition that initial evidence gathering and analysis is required to define such economic opportunity, Scottish Enterprise have committed to funding the study and work is on-going to deliver an outcome of informative and meaningful data.

2. RECOMMENDATIONS

It is recommended that the Helensburgh and Lomond Area Committee members:

- 2.1 Consider the contents of this report and agree that a further report will be brought back later in the year.

Maritime Change – Scottish Enterprise Economic Opportunity Study

3. INTRODUCTION

- 3.1 The purpose of this report is to provide an update to members on the Maritime Change Economic Opportunity Study, which is currently being delivered in collaboration with Scottish Enterprise.
- 3.2 HM Naval Base Clyde is the Royal Navy's main presence in Scotland. It has been home to the core of the UK Submarine Service for many years. Currently six submarines and eight crews are based at HMNB Clyde, together with a range of military, engineering and logistical support.
- 3.3 HMNB Clyde supports 3,400 military personnel at present and a similar number of civilian contract staff, largely employed by the Navy's main contractors, including Babcock Maritime, Lockheed Martin, and Serco.
- 3.4 HMNB Clyde has been designated to become the "UK Submarine Centre of Specialisation", with all UK submarine operations to be delivered from the Clyde by 2020. All submarine training will also move to HMNB Clyde. In order to achieve this, a significant infrastructure programme, valued at £1.3Bn, will be delivered over a number of years. This programme of activity is referred to as the Maritime Change Programme.
- 3.5 Maritime Change offers significant potential for economic and social benefits to the local area of Helensburgh and Lomond and beyond in Argyll and Bute.
- 3.6 Discussions held between Argyll and Bute Council, Scottish Enterprise, Ministry of Defence and Babcock International Group demonstrate a common desire and willingness to explore opportunities to progress key actions arising from the Economy and Regeneration workstream of the Strategic Development and Delivery Framework (SDDF).
- 3.7 In recognition of the need for initial evidence gathering and analysis to define the potential, Scottish Enterprise has committed to funding an Economic Opportunity Study, work on which is ongoing and due for completion by autumn.

4. RECOMMENDATIONS

It is recommended that the Helensburgh and Lomond Area Committee members:

- 4.1 Consider the contents of this report and agree that a further report will be brought back later in the year.

5. DETAIL

- 5.1 Not only will the development of the “UK Submarine Centre of Specialisation” and expansion of operations at HMNB Clyde offer significant potential for improved economic and social benefits, the changes will also provide greater employment stability for Royal Navy submariners who will now principally conduct their full careers from HMNB Clyde.
- 5.2 In recognition of the need to maximise the economic benefit from Maritime Change, a Memorandum of Understanding was signed between the Secretary of State for Scotland and the Chair of the Argyll and Bute Community Planning Partnership on 27 February 2017. From this, a working group has been formed, which will see signatories work in partnership to deliver infrastructure and opportunities for Navy families and local people to live, work and prosper together.
- 5.3 The working group has been formed under the Strategic Delivery and Development Framework (SDDF). At its meeting of 6 December 2017, the SDDF Board agreed to deliver a piece of work, under its Economy and Regeneration workstream, for a research programme to define the economic opportunity in greater detail that can be secured to the local area.
- 5.4 The Economic Opportunity Study will be funded by Scottish Enterprise and seeks to capture baseline data on business supply chains, look to better understand the opportunities around new investment and infrastructure needs, as well as considering complementary activity that has the potential to boost employment opportunity and to grow the area’s economy.
- 5.5 This study will therefore map out a baseline understanding across four research themes, each of which will be led by the following partner organisations;
 - 1. Employment – HMNB Clyde
 - 2. Skills – Skills Development Scotland
 - 3. Infrastructure – Economic Development, Argyll and Bute Council
 - 4. Supplier Opportunities – Scottish Enterprise
- 5.6 The study is ongoing and the results from which will be used to underpin decision-making for the wider SDDF programme and inform potential developments and external funding opportunities.
- 5.7 It is anticipated this study will take four months to complete and will be complete by autumn. A further update will be provided to Helensburgh and Lomond Area Committee on its conclusion.

6. CONCLUSION

- 6.1. Along with SDDF Board partners, Argyll and Bute Council and Scottish Enterprise are seeking to maximise the local and national economic benefits of the Maritime Change Programme and are working to deliver research that will define the economic opportunity in greater detail, the results from which will be used to underpin decision-making for the wider SDDF programme.

7. IMPLICATIONS

- 7.1. **Policy:** The delivery of this project fits with the Council's Corporate Plan and the objectives of the Outcome Improvement Plan, as well as the outcomes of the Helensburgh and Lomond EDAP. The work also meets the delivery objectives of the Strategic Delivery and Development Framework Board.
- 7.2. **Financial:** None, as the study is being fully funded by Scottish Enterprise
- 7.3. **Legal:** None
- 7.4. **HR:** Officers will co-ordinate and contribute to the study
- 7.5. **Equalities:** None
- 7.6. **Risk:** None
- 7.7. **Customer Service:** None

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