

**CREATING A NEW AQUACULTURE HUB - REQUEST FOR INWARD
INVESTMENT FUND SUPPORT FOR A FEASIBILITY STUDY TOWARDS THE
PROVISION OF A SEAWATER PIPE SYSTEM.**

1.0 EXECUTIVE SUMMARY

- 1.1 This report concerns a request from the council's Inward Investment Fund for £25k of funding to be given to the Council's Economic Development Service to procure a technical feasibility study for a new sea water pipeline at the Machrihanish Airbase Community Company (MACC) in Kintyre. This funding will match an equal amount from HIE.
- 1.2 Developing a state of the art land-based aquaculture innovation hub at (MACC) will lead to a variety of small business and/or research units growing up around the site with the potential to significantly improve the employment and further investment opportunities for the local economy. Stirling University has recently opened discussions between (MACC), HIE and Argyll and Bute Council (ABC) on the development of a seawater intake pipe pumping system that is a critical first step in taking forward any future investment through a future business case.
- 1.3 This request represents 50% of the total funding with the remaining 50% coming from HIE. This seawater intake system is a critical first step to inform a future business case to create a new aquaculture hub at MACC.
- 1.4 It should also be noted that this project is being considered for inclusion in the developing Rural Growth Deal to part fund potential capital costs for the creation of the pipeline and associated aquaculture innovation hub in partnership with HIE, MACC and Stirling University.

2.0 RECOMMENDATIONS

- 2.1 That £25,000 worth of funding is made available to the Council's Economic Development Service from the Inward Investment Fund (IIF) to progress the procurement of consultants to undertake the technical feasibility study.

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3.0 INTRODUCTION

- 3.1 This report concerns a request from the council's Inward Investment Fund for £25k of funding to be given to the Council's Economic Development Service to procure a technical feasibility study for a new sea water pipeline to access the sea from the MACC former airbase in Kintyre. This represents 50% of the total funding with the remaining 50% coming from HIE.
- 3.2 This study is a critical first step in developing a business case for the development of an aquaculture innovation hub at Machrihanish Airbase Community Company (MACC) that has potential to form part of the emerging Rural Growth Deal. Innovation in business is of keen interest to both the Scottish and UK Governments and aquaculture has been identified as a key business sector in the deal given its growth potential and importance to Argyll and Bute's economy.

4.0 RECOMMENDATIONS

- 4.1 That £25,000 worth of funding is made available to the Council's Economic Development Service from the Inward Investment Fund (IIF) to progress the procurement of consultants to undertake the technical feasibility study.

5.0 DETAIL

- 5.1 The council is working with a range of partners to bring forward elements of a future Rural Growth Deal. A key theme of interest to both Governments is innovation linked to business excellence and future research capability. The MACC former airbase, lying in close proximity to the existing research facility at the Marine Environment Research Laboratory (MERL) has been identified by both HIE and Stirling University as a site of interest in relation to the aquaculture sector. This sector is one of our key business sectors that will become increasingly important for our region as the industry expands to meet Government targets and global demand for high quality farmed fish. The development of the MACC site as a key site for aquaculture is dependent on having access to sea water and this report asks members to release funding

from the Inward Investment Fund for the council to procure a feasibility study/options appraisal for the provision of a Seawater intake and outfall pipe(s) and pumping system.

- 5.2 The estimated funding for the work is £50k and HIE have committed to provide 50% of the funding which leaves a balance of £25k to be raised from the Inward Investment Fund.
- 5.3 The findings of this technical feasibility study will inform the University of Stirling's options for future development of their aquaculture research campus at MACC. Developing a state of the art land-based aquaculture hub in this location will also complement a number of other aquaculture developments in the Kintyre area and lead to a variety of small business and/or research units growing up around the site. Ultimately, the findings of the study will also inform a future business case to be prepared in relation to the emerging Argyll Rural Growth Deal that has the potential to provide capital funding together with identified European funding.
- 5.4 The feasibility study is being procured via the council's procurement process with financial support from HIE. The owners of MACC have negotiated all ways leaves in terms of access to the sea in the event the pipeline will be constructed and are fully supportive of the proposal.

6.0 CONCLUSION

- 6.1 The feasibility study will define the technical requirements and likely costs of establishing a high grade seawater pipeline at MACC to facilitate the development of an innovative aquaculture hub with involvement from Stirling University. The provision of a seawater pipeline is a critical first step in this process. HIE are providing 50% of the funding and the community owners of MACC have negotiated all wayleaves in the event of the pipeline being constructed. The feasibility study into the pipeline is a prerequisite for the future involvement of Stirling University at MACC and the creation of an innovative aquaculture Hub. The pipeline is therefore a critical element to inform a future business case for any future capital investment through the Argyll and Bute Rural Growth Deal to build the pipeline and additional facilities at MACC.

7.0 IMPLICATIONS

- 7.1 Policy

The proposed pipeline offers the opportunity to support the objectives and long term outcomes of the Local Outcomes Improvement Plan together with the revised Corporate Plan, Local Development Plan and current strategic Economic Development Action Plan.
- 7.2 Financial

There is a request for £25,000 to be released from the Inward Investment Fund to the council's

	Economic Development service to match fund HIE. MACC have absorbed all legal costs associated with negotiated wayleaves.
7.3 Legal	No legal implications arising from this report.
7.4 HR	None.
7.5 Equalities	None.
7.6 Equality / Fairer Scotland Duty	EqSEIA not required at this time.
7.7 Risk	There is a risk that the pipeline is not feasible or practicable as a result of the findings of the feasibility study and/or business cases to be considered by Members at a future date.
7.8 Customer Service	None.

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