

**Officer Response to the “National Council of Rural Advisers ‘A Rural
Conversation: Together We Can, Together We Will’ Consultation**

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide the members of the Environment, Development and Infrastructure (EDI) Committee with the officer response that was submitted to the National Council Rural Advisers (NCRA) consultation for the deadline date of 24th July 2018.
- 1.2 The consultation was to explore the opportunities Scotland’s rural economy presents and use the findings to prepare a report in order to make recommendations to the Scottish Government.
- 1.3 These recommendations will be considered by the Scottish Government to develop a future strategic framework for rural Scotland which will be aligned to the Scotland’s Economic Strategy. However, clarity will be sought on how this alignment will take place and be delivered.
- 1.4 The detailed officer response to each question and sub-questions posed by this consultation is outlined in **Appendix 1**.
- 1.5 Members are asked to:
 - Note the officer response which is outlined in full in **Appendix 1**.

Officer Response to the “National Council of Rural Advisers ‘A Rural Conversation: Together We Can, Together We Will’ Consultation

2.0 INTRODUCTION

2.1 The purpose of this report is to provide the members of the EDI Committee with the officer response that was submitted to the NCRA consultation for the deadline date of 24th July 2018.

3.0 RECOMMENDATIONS

3.1 Members are asked to:

- Note the officer response which is outlined in full in **Appendix 1**.

4.0 DETAIL

4.1 The NCRA issued this consultation to ensure a variety of stakeholders and individuals were given the opportunity to take part and co-create a future framework for rural Scotland. Unfortunately, the launch of the consultation on the 12th of June with a closing date of the 24th of July did not allow officers sufficient time to prepare a response for consideration by a council committee. There was no opportunity to extend this deadline and consequently a response was submitted to meet the deadline. The NCRA believes that with an appropriate and bespoke support framework, designed by rural Scotland for rural Scotland, rural areas can become even more economically sustainable and can flourish.

4.2 The discussion document was a culmination of a series of 11 ‘Rural Thinks’ workshops which took place earlier in 2018 across various locations in Scotland, including Oban. The ‘Rural Thinks’ workshops revolved around three key themes:

- Vision – the narrative of rural Scotland.
- People – investing in talent and creating opportunity.
- Infrastructure – enabling success.

4.3 The NCRA also met for discussions with the National Economic Forum on 16th May 2018.

4.4 The Council’s Economic Growth Manager chairs the SLAED Rural Affairs Group and requested a discrete workshop on the NCRA consultation after one of the advisers, Jackie Brierton attended the SLAED Rural Affairs Group meeting on the 25th June 2018 to raise awareness and give a general overview of the purpose of the

consultation. This workshop took place on Monday, 30th July in Edinburgh facilitated by Jackie Brierton and Catriona Maclean, the new Head of the Rural Economy and Communities Division, Scottish Government. The discussion focused around the three themes of Vision, People and Infrastructure from a local authority officer perspective. Business support in rural areas and the role of current funding programmes such as LEADER were also discussed.

4.5 Some of the key issues raised in the Argyll and Bute Council officer response (**Appendix 1**) and reiterated at the workshop on Monday, 30th July 2018, are as follows:

- If the Scottish Government desires inclusive economic growth between urban and rural areas, then government policy and spending needs to move towards actively balancing population trends between urban and rural areas.
- A key focus of Scotland's Economic Strategy is the Inclusive Growth agenda which needs to be an integral part of a Rural Economic Strategy. Clarity will be required from the Scottish Government on how this alignment will take place and be delivered.
- It must be recognised that the public sector is, and will remain, a key employer in rural areas where there is often a shortage of alternative high value employment in the private sector. Continued reductions in public sector / local authority budgets will have a huge impact on rural communities that rely heavily on the public sector for employment. The Scottish Government should look at ways that jobs / agencies could be relocated in rural areas to reduce property costs and give a much needed jobs boost to rural areas.
- Rural areas in Scotland appear to give inherent competitive advantages to some industries: such as food and drink, tourism, marine and forestry. However, rural areas can also offer cutting-edge and economically diverse opportunities that will attract people to live and work in rural areas.
- Schools should view vocational qualifications and further education with parity of esteem. Students should use digital technology to study for degree and college qualifications. The Scottish Government should be encouraged to reflect this when assessing attainment. Rural areas are subject to an aging and depleting population and have the need to in migrate young people due to depopulation therefore the academic offer in rural areas needs to be expanded and linked to economic opportunities.
- The lack of choice with regard to all types and tenure of housing in certain rural areas due to second homes / holiday accommodation affects the ability to attract and retain working age people.

- Mobile and broadband connectivity are critical to rural areas which are already disadvantaged because of infrequent transport services and the high cost of transport. Road infrastructure investment is also required and there is a need to combat the perception of the expense of using trains and ferries, as well as promotion of combined tickets and distances.

4.6 The NCRA will also be hosting a Strategy Conference on 7th August 2018, which will include representatives from agencies such as HIE, SE, SDS, etc. This event will be attended by the Vice Chair of the SLAED Rural Affairs Group.

4.7 Fergus Ewing, MSP and Cabinet Secretary for the Rural Economy launched another consultation paper entitled 'Stability and Simplicity: proposals for a rural funding transition period' at the Royal Highland Show in June 2018 with a submission date of Wednesday, 15th August 2018. This consultation (<https://www.gov.scot/Publications/2018/06/2012/0>) comprises of 46 questions which are predominantly seeking views for the farming/agriculture industry but Argyll and Bute Council officers intend to respond to the following questions as these relate to the work of officers:

- Q33 and Q34 on the Food Processing, Marketing and Co-operation Scheme (FPMC);
- Q36 and Q37 on LEADER;
- Q38 on Broadband; and
- Q46 on the Scottish Rural Network.

5.0 CONCLUSION

5.1 The NCRA intends to submit a final report to the Scottish Government by the end of September 2018.

5.2 The NCRA consultation provided an opportunity to start a dialogue with the Scottish Government in order to ensure the future growth and prosperity of rural areas, particularly due to current uncertainties on the impact of Brexit and future funding streams.

6.0 IMPLICATIONS

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| 6.1 | Policy | A national strategy rural framework should assist with the delivery of the Local Outcomes Improvement Plan, where the vision is that Argyll and Bute's economic success is built on a growing population. |
| 6.2 | Financial | A separate Rural Economic Strategy could strengthen the debate for the repatriation of funding from the UK Government to Scotland and in turn to the Scottish Rural Development Programme where a similar programme such as LEADER could be delivered across rural Scotland post Brexit. |

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| 6.3 | Legal | All appropriate legal implications will be taken into consideration. |
| 6.4 | HR | None. |
| 6.5 | Equalities/
Fairer
Scotland
Duty | All activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations. |
| 6.6 | Risk | Argyll and Bute Council officers will continue to engage with the process to ensure that any strategic rural framework offers more opportunities and addresses many of the challenges for rural areas. To disengage with any of these consultations would be a significant risk for Argyll and Bute as specific issues for the area would not be put forward for consideration. |
| 6.7 | Customer
Services | None. |

Pippa Milne, Executive Director of Development and Infrastructure
Cllr Aileen Morton, Leader and Policy Lead for Economic Development
3rd August 2018

APPENDIX 1

Response ID ANON-787M-MHAM-P

Submitted to **National Council of Rural Advisers 'A Rural Conversation: Together We Can, Together We Will'**

Submitted on **2018-07-24 14:50:57**

Questions

- 1. The development of relevant Scottish Government mainstream policies should consider the effect upon the Rural Economic Strategy and its consequent policies.**

How should policy makers in Government make sure that the economic needs of rural Scotland are taken into account?

The vision that emerged from the Rural Thinks workshops, as outlined in the consultation document, is to retain young people, attract more families, and attract businesses. Translated in economic terms, rural areas want to attract more labour and capital. At present in Scotland, population is rising in urban areas and declining in rural areas. As a result, most labour and capital collects in urban areas, a situation which tends to attract even more labour and capital there. If the Scottish Government desires inclusive economic growth between urban and rural areas, then government policy and spending needs to move towards actively balancing population trends between urban and rural areas. Policy makers should first clarify the national policy for regional economic growth: i.e. is government investment to be delivered in a balanced manner in urban areas to boost their growth further, but also in rural areas that are trying to catch up? Once this is clarified, policy makers should shift relevant policies and spending towards achieving this goal.

Consideration needs to be given to the content of the current Local Development Strategies that are in place for the current LEADER/EMFF programmes, where the focus is on bottom-up, community-led, local economic development. In particular, focus should be on how a separate Rural Economic Strategy could strengthen the debate for the repatriation of funding from the UK Government to Scotland and in turn to the Scottish Rural Development Programme where a similar programme such as LEADER could be delivered across rural Scotland post Brexit.

It is important to take the time to understand the places and trends, collect baseline data and involve the people who live, work and have businesses in the area at every level through:

- consultation with rural local authorities, health boards, enterprise agencies, regional transport partnerships etc. is critical as these organisations understand the challenges of delivering services in rural areas;
- look at relocating some government agencies from the central belt into rural areas to reduce property costs and give a much needed jobs boost to rural areas;
- recognise that delivering services in rural areas is often more expensive due to large geographies and dispersed populations and make additional funding available to account for this;
- increased investment in transport and digital connectivity for rural areas is critical as this is a key barrier to economic growth. It is critical that the refreshed Strategic Transport Project Review includes significant investment in key rural transport arteries to address issues such as long journey times via trunk road, capacity constraints on some ferries, insufficient rail connectivity and potential opportunities for expanded air connections; and
- improved collaboration between enterprise agencies, local authorities and the Scottish Government is crucial to avoid duplication of work and maximise available resources.

Should there be an ability to call to account Scottish Government and their Agencies to ensure collaboration and actions to meet the objectives of the Rural Economic Strategy? Yes.

In order to ensure that the economic needs of Scotland are taken into account, through a clear national policy on regional economic growth, policy makers should ensure that there is a wide variety of stakeholder engagement within and out with rural areas. This will reflect the needs of those living and working within rural areas, as well as the requirements of those visiting rural areas.

The Scottish Government should ensure that a wide range of collaborative actions, as well as being able to demonstrate wider stakeholder engagement, are in place to meet the objectives of the Rural Economic Strategy.

2. Create quality job opportunities (that are well paid, flexible, and purposeful) to promote skills and opportunities, but also deal with inequalities in the rural labour market (such as the gender pay gap).

What employment opportunities do we need to meet the current and future needs of our changing rural economy? Where should these be? (either by location and/or sector)

In the open market, demand for certain goods and services creates demand for labour required to produce these goods and services. Rural areas in Scotland appear to give inherent competitive advantages to some industries: these industries are food and drink, tourism, marine and forestry. Additionally, the aging population in rural areas creates the need for health and social care services. Therefore, employment opportunities in rural areas are most likely to be in these five industries/sectors.

Employment opportunities should include:

- farm diversification (move away from traditional and non-sustainable agricultural practices into additional and sustainable non-agricultural activity);
- health and social care (to address increase in aging population);
- tourism and hospitality (to address additional activity related to farm diversification);
- childcare (to provide additional opportunities for working age families);
- construction (to address skilled labour shortage in rural areas and support rural infrastructure development);
- finance (access to tailored financial support and funding for rural communities/businesses);
- ICT (to provide solutions addressing mobile connectivity and broadband issues in rural areas);
- education (to address skills and training issues within rural areas for all ages); and
- cutting-edge and economically diverse opportunities that will attract people to live and work in rural areas.

It must be recognised that the public sector is, and will remain, a key employer in rural areas where there is often a shortage of alternative high value employment in the private sector. Continued reductions in public sector / local authority budgets will have a huge impact on rural communities that rely heavily on the public sector for employment. The Scottish Government should look at ways that jobs / agencies could be relocated in rural areas to reduce property costs and give a much needed jobs boost to rural areas.

How do we tackle the inequalities we face in rural Scotland? i.e. challenges faced due to age, gender, socio-economic, educational and ethnic background:

A current workforce planning business survey, being delivered by IBP Research on behalf

of Argyll and Bute Council for the tourism and food and drink sectors, will help to inform the current employment opportunities. Our existing evidence base, the Compelling Argyll and Bute study published in August 2015, highlighted:

- the vast majority of business (80%) agree that provision or availability of high quality jobs will be the biggest factor in retaining or attracting people to Argyll and Bute;
- availability of childcare is seen as one of the key drivers to allow for full time working;
- a significant majority (86%) of businesses indicated that they have had some problems finding suitably skilled/talented people to work for their business;
- 90% of Account Managed businesses expect to grow in terms of employment over the coming years, compared to just 54% overall;
- there is generally low levels of recruitment from education routes with 20% of businesses having recruited directly from school, and Higher Education (15%) and Further Education (12%). The preferred route (53%) has been to recruit from those already in work;
- one-third of businesses (33%) indicated that there are specific roles which they find it difficult to fill/recruit – the most commonly identified positions were tradesmen/skilled labour (electrician, mechanic etc. 21%) and chefs (13%);
- there is some sectoral variance in those reporting difficulties in filling specific roles compared to 32% of all jobs: aquaculture and fishing (71%); construction (59%); renewables (57%); and agriculture and forestry (53%); and
- levels of engagement with the education sector through alternative work experience opportunities has also been relatively modest.

Increased levels of funding for rural areas via Growth Deals (following similar principles to the City Deals already agreed or in negotiation) could be used to address key barriers to economic growth in rural areas and help key employment sectors to grow. It is vital that rural areas are awarded more funding per head of population than urban areas as basing investment per capita puts rural areas at a huge disadvantage as these areas are often characterised by large geographic areas with low and dispersed populations.

Activity should be focused on growth sectors in rural areas e.g. tourism, marine industries and food and drink production. These industries are major employers in rural areas with significant potential for growth and high value career opportunities. Modern apprenticeships and training should be tailored to employment gaps in these sectors, schools should be encouraged to promote parity of esteem between vocational learning and further education at universities. The Scottish Government should be encouraged to reflect this when assessing attainment. Rural areas are subject to an aging and depleting population and have the need to in migrate young people due to depopulation therefore the academic offer in rural areas needs to be expanded and linked to economic opportunities.

Schools and further education should be encouraged to work closely with the business sector and vice versa. Understanding the businesses already in the area and relative succession planning requirements would assist with matching skills/courses to the employment opportunity. Better links would also support opportunities for mentoring.

The provision for quality and affordable co-working space has the potential to tackle inequalities by providing opportunity for businesses to grow, peer to peer learning whilst also combating social isolation and promoting inclusion.

Delivery of service interventions should have no adverse impact on key equality groups if the provision complies with all Equal Opportunities policies and obligations. A key focus of Scotland's Economic Strategy is the Inclusive Growth agenda which needs to be an integral part of a Rural Economic Strategy.

3. Build on existing work to gather evidence and data to measure the true value of the rural economy and monitor its growth.

Going beyond the economic contribution of rural businesses, what positive examples of social (i.e. community cohesion), cultural (i.e. protection of heritage and traditions) and environmental (i.e. carbon reducing) impacts of rural businesses can you think of?

Social – aquaculture and fishing, which provide employment in remote rural areas, contribute to community cohesion and increase living standards in these areas.

Environmental – innovative marine science businesses in rural areas embrace the circular economy. Economic, social, cultural and environmental. It is important to measure these outcomes because they are all considered important by society. So, by measuring all of them, as opposed to just economic outcomes, we reduce the risk of market failure.

Case studies of rural businesses all supported by Argyll and Bute Council's Business Gateway are outlined below:

1. Food from Argyll Café, Oban

The Food from Argyll (FFA) café at Oban pier has revamped its online presence to expand sales of local food and drink produce.

Introducing an online shop, which sells hampers, confectionery, coffee, cheese and preserves allowed the co-operative that runs the eatery to expand the retail side of the business, now that the café has a steady and solid customer base of locals and tourists to the town.

The café, employs five full time members of staff and additional seasonal workers. Its ever-changing menu features as many ingredients from the Food from Argyll members as possible. Now the team wants to offer additional services such as packed lunches to walking groups and bespoke hampers.

Since forming in 2007 Food from Argyll has continually promoted local producers and quality food at festivals, sporting events, including the 2014 Commonwealth Games in Glasgow, and farmers markets. Although a café wasn't on the cards originally, once FFA was given the option to run it, members knew it was an exciting challenge and one that could reap many rewards. Combined personalities and goals meant that right from the beginning, collaboration was more important than competition, which was perfect when it came to running individual ventures under one brand. The Chef remit is to use locally produced food and drink results in delicious dishes.

www.foodfromargyllatthepier.com

2. Wild Thyme Spirits, Colonsay

Fin and Eileen Geikie set up Wild Thyme Spirits Ltd in 2016 and since then have sold over 5000 bottles including sending their first export shipment to Canada and securing their first national supermarket order.

Fin said: "We're proud of our Colonsay Gin and the response we've had from the public. When we sold our 5000th bottle it was a special moment and since then we've expanded more. We exported our first shipment to Canada including an exclusive special commemorative bottling for Canada's finest military regiment, the Lord Strathcona's Horse. We're also currently in negotiations with importers in Italy and Spain so it's an exciting time for us."

Fin and Eileen offer a Gin Lover's Retreat experience, making use of the on-site

accommodation built during the renovations. The weekend retreat offers visitors and gin enthusiasts a chance to choose from over 200 gins and eat fantastic food whilst taking in the remote and beautiful scenery of the island.

Fin added: "Gin is loved by many people and we wanted to make use of our wonderful surroundings to offer something different. We also wanted to help the island's economy and tourism by bringing people to the island who have not been before. We are very aware of how important business is to the future sustainability of the island and we're keen to start employing people as soon as we can."

www.wildthymespirits.com

3. Ross of Mull Bunkhouse

Rachel Ball, marine biologist who fell in love with the Isle of Mull, moved there and began converting the building into an eight-bed bunkhouse ideal for families or groups.

She said: "I love the west coast of Scotland and the Isle of Mull in particular and had been looking at ways to locate here. The Isle of Mull has amazing wildlife and natural environment, providing lots of opportunities for the outdoor activities which I love. I was given the opportunity to take on a property in Fionnphort which was trading as a self-catering cottage and realised there was a gap in the market for budget accommodation aimed at an outdoor market. I decided therefore to develop the cottage into a bunkhouse business."

www.rossofmullbunkhouse.co.uk

4. Asgard Scotland, Dunoon

Asgard Scotland manufactures Viking jewellery based on archaeological finds and the company has seen sales increase after the success of critically acclaimed TV series' Vikings and Game of Thrones.

Husband and wife team Jim and Cat Glazzard set up the business in 2002 and now exports 50% of its products to shops, wholesalers and individuals worldwide.

The business moved into bigger premises in Dunoon in 2015 to accommodate growth and now employs an additional seven members of staff.

With sales increasing across the UK, USA, Australia, Germany and Scandinavia, Jim and Cat are now looking to expand into other countries in Europe and take on more museum and educational work.

Asgard Scotland creates a range of silver, bronze and pewter pendants, bracelets, chains, rings and brooches. Recently, due to huge customer demand, they added runes to its products and are in the process of launching a new collection of Ogham carved on slate.

Cat says: "As we continue to grow and sales increase, we want to travel more and promote Viking culture and how it has influenced our society. From demonstrating blacksmithing techniques to teaching people about Ogham, Scotland's first alphabet, we want to educate people. When it comes to our products there are still so many original finds that we haven't used as inspiration yet so we have lots of ideas for future collections."

www.asgard.scot

5. Lussa Gin, Jura

Claire Fletcher, Alicia MacInnes and Georgina Kitching founded Lussa Gin, producing the drink from 15 locally grown and gathered botanicals. Lussa Gin sells online and in shops, restaurants, hotels and bars across Scotland. It also exports to Sweden and is looking at

other export opportunities to grow the business.

Lussa Gin, was shortlisted for a Scotland Food & Drink award and a Scottish Gin award, is a fresh, zesty and smooth gin with a subtle, aromatic finish. It is made with Jura spring water with all elements of the process including bottling and labelling taking place on the island.

Claire said: “The inspiration for setting up the business comes from the island. We all live and work at the north end of Jura and opportunities for work is are limited. We come from different backgrounds – I worked for Radio 1, while Georgina is a teacher and Alicia is a whizz with numbers, but we all share a passion and love for Jura.

“We wanted to use the place we love as the foundation for our business and to find something that will enable us to stay here. We have had great community support and we love venturing out in our rowing boat or climbing trees to collect ingredients for our product.”

www.lussagin.com

What specific outcomes of rural businesses should be the measured and why?

Making the most of cultural heritage can have a desirable effect on the look and feel of an area. Heritage can draw people to an area, which in turn supports local businesses. Ensuring towns and villages are attractive not only supports their vibrancy but also increases sustainability.

The following outcomes should also be measured:

- Exports by rural sectors as a percentage of the Scottish economy e.g. aquaculture, whisky, seafood, agriculture and also sectors such as tourism where rural attractions are key and link this to area identity and branding e.g. Islay whisky global brands raises the profile of the island with a wide range of spin offs;
- Jobs supported in rural and fragile areas;
- Recognition that many rural businesses are critical to the sustainability of fragile rural communities and efforts should be made via incentives and support from government to make rural businesses more sustainable in light of challenges faced such as higher transport costs, availability of digital connectivity etc.;
- Better understanding of barriers to growth for rural businesses, measuring issues such as availability of housing, digital, transport and freight costs;
- One size fits all approach often creates more challenges for rural areas e.g. high fuel duty results in higher prices in rural areas than urban centres despite the lack of alternative modes of transport and dependency on the car;
- Recruitment of skilled workers from outside the local area;
- Recruitment of young people from local area;
- Staff retention;
- Opportunities for staff skills training and development;
- Evidence of new markets and business growth/diversification;
- Uptake of new technology / solutions (e.g. e-commerce); and
- Levels of underemployment.

4. Encourage future entrepreneurship by ensuring the Scottish Government’s rural skills action plan meets the needs of the Rural Economic Strategy.

What skills are required to have a vibrant rural economy?

Skills that improve labour productivity in industries that have competitive advantage in rural areas (see answer to question 2).

From the recent Argyll and Bute stakeholder workshop on tourism and food and drink,

there was a call for a range and mix of skills.

The skills gaps identified in the Compelling Argyll and Bute report, August 2015 are still pertinent. The vast majority of business surveyed (80%) agreed that provision or availability of high quality jobs will be the biggest factor in retaining or attracting people to Argyll and Bute.

Overall there are still gaps and difficulties in recruiting staff across specific skill sets and sectors:

- tradesmen/skilled labour (electrician, mechanic etc.);
- chefs;
- administrative staff;
- professional/technical;
- caring occupations;
- teaching;
- aquaculture and fishing;
- construction; and
- renewables, agriculture and forestry.

Further skills identified for a vibrant rural economy should include: transferable skills, ICT, communication, financial, construction, health and social care, tourism and hospitality, Human Resources & Organisational Development, community development and rural planning.

Larger companies require a greater number of staff at the higher end of the business – i.e. managerial or professional/technical staff.

The availability of childcare was viewed as one of the key drivers to allow for full-time working.

Schools should view vocational qualifications and further education with parity of esteem. Students should use digital technology to study for degree and college qualifications. As noted under the response to the second question above, the Scottish Government should be encouraged to reflect this when assessing attainment. Rural areas are subject to an aging and depleting population and have the need to in migrate young people due to depopulation therefore the academic offer in rural areas needs to be expanded and linked to economic opportunities.

How do we best ensure that people of all ages, genders, areas, socio-economic, educational and ethnic backgrounds receive appropriate support?

At present there are over 1,700 EU nationals working in Argyll and Bute and any reduction in immigration following Brexit will have significant implications for a rural authority such as Argyll and Bute.

Improved rural entrepreneurship skills / training to take account of high numbers of self-employed (12.3% of the working age population in Argyll and Bute are self-employed, compared with 8.2% for Scotland and 10.6% for Great Britain).

Better links should be made with the voluntary sector to enhance skills. Tailor skills to an industry audit and ensure flexibility within the education sector to ensure relevant courses are offered at the most pertinent times. World Host training to ensure that visitor perceptions are lifted.

Support should be put in place through a wide variety of sources including Rural Community Planning Partnerships and Health and Social Care Partnerships, working in

tandem with statutory and third sector providers.

5. Develop opportunities for the businesses of urban and rural Scotland to share ideas and work together.

How do you think we could do this? (for example through schools or membership organisation groups):

If we could tackle many of the infrastructure issues facing rural, remote rural and island communities, particularly digital infrastructure (broadband and mobile) then this would level the playing field more in terms of opportunities.

Examples of these issues are:

- improved links between schools, FE / HE providers and employers is critical so that parents and children understand opportunities to live, work and study in rural areas; and
- improved links between urban and rural research facilities /universities to help commercialisation of findings with a specific focus on marine industries which have huge potential to support economic growth in coastal rural areas.

Opportunities should be developed by local businesses in partnership with schools and education providers, using Skills / Employability Pipelines. This will identify what skills shortages are in the area, and what corrective measures need to be taken to address these. Opportunities should also be taken to address public transportation issues, childcare facilities and new mixed tenure housing to support addressing access to the rural skills pipeline for all.

The UK Government's proposed UK Shared Prosperity Fund (to replace EU structural funds) could be used to develop opportunities for the businesses of urban and rural Scotland to share ideas and work together. The fund should deliver support more efficiently, more flexibly and with more local authority control, with limited top-down management. The allocation of funding should adopt a flexible approach to determine the correct mix of aid to businesses, employability support and investment in economic infrastructure, based on local needs (principle of subsidiarity) with decisions made and managed at the local level. The new Fund should be fair and transparent giving priority to the development needs of less prosperous regions and local economies, such as Argyll and Bute. A fair allocation of funding should assist in reducing economic disparities rather than widening the gaps in economic performance with funding support focused disproportionately in areas that are already performing strongly.

Facilitating learning/sharing between urban and rural areas to improve and have a better understanding of the opportunities that are available would be new for Scotland. What would interest you in this approach? Are there any benefits/drawbacks?

We could better encourage sharing of best practice among businesses and improve their productivity and collaboration between urban and rural businesses through existing Business Gateway activities (perhaps the Business Gateway National Unit could be a key player?) and/or other business support agencies such as the Federation of Small Businesses, Scottish Council for Development and Industry and Chambers of Commerce.

We have a number of industry bodies, such as Argyll and the Isles Tourism Cooperative and Food from Argyll, operating across the region supporting food and drink, agriculture, aquaculture and tourism sectors.

The DYW groups across Scotland should already be acting as the conduit between business and the curriculum, such as DYW Argyll.

This approach is interesting because it has the potential to increase overall productivity, which in turn raises living standards. One of the proposed causes of the productivity puzzle (period of low productivity growth after the end of the recession) in the UK is the long tail of less productive businesses. The proposed solution is the greater diffusion of good business practices among businesses.

6. Create communities of interest (digital, physical) where businesses and people can come together to solve problems, share ideas and understand opportunities.

Is there any place that you can think of in your community where people already do this? Can you please tell us about it? :

Through its Townscape Heritage scheme, Argyll and Bute Council and Bute Island Alliance (BIA) are working together to create a combined pop-up retail and co-working office space in Rothesay. The space will be offered at affordable rates to people who want to grow their business and want to work from a business environment rather than their home. The project will be evaluated throughout and, if successful, BIA will use the business model to support the sustainability of their organisation, as a SCIO (Scottish Charitable Incorporated Organisation) and to support further community projects. It is hoped that in the long-term, if the project is successful, it could be reproduced/extended to help unlock the development potential of vacant or derelict buildings.

In Argyll and Bute we have been working with SURF (Scotland's Regeneration Forum), supported by the council and Highlands and the Islands Enterprise, to form groups of local people to tackle long standing regeneration issues in the communities of Bute and Dunoon. Following extensive consultation with the local community a range of initiatives have been identified and part time staff employed to take them forward. These organisations face significant financial challenges to bring forward meaningful change and this issue needs to be addressed if progress is to be made. Argyll and Bute has some notable long standing successes of social enterprise, despite this we have a low level start-ups.

What might be the benefits of this approach?

Other good examples include the work of Conservation Area Regeneration Schemes promoted by Historic Environment Scotland and implemented by Local Authorities. In Argyll and Bute we have taken forward five of these schemes in the last decade which has helped to save and encourage new businesses to open and created a better sense of place in economically fragile areas such as Campbeltown and Rothesay. These schemes involve a wide range of stakeholders including residents and business owners and deliver clear outcomes on the ground that can raise confidence and boost civic pride which in turn inspires the local community to take on additional projects i.e. restoration of Campbeltown former town hall to be a civic hub. This work is also complemented by the work of HLF and grants to specific buildings such as the pavilion on Bute and to Townscape Heritage Initiatives that assist wider area regeneration.

Communities have also taken the initiative in tackling more complex issues such as the delivery of digital infrastructure and renewable energy. While some have been successful predominately at a smaller scale others have found the process very difficult to negotiate and ultimately frustrating. If more communities are to get involved in tackling these more complex issues they will need clearer guidance from government, access to relevant expertise and financial incentives to undertake the work. It is essential that a publicly accessible meeting venue that can be accessed out with core office hours including evening and weekends is made available.

What things would your local community need to help people in your local area come together? :

Argyll and Bute has a couple of successful BIDS covering the towns of Dunoon and Oban. BIDS brings businesses together to focus on their priorities. Crucially BIDS is not just a talking shop as they can raise their own funds to undertake projects and partner with others to make a greater impact. This initiative needs to be common place in rural areas as towns face increasing competition and public funds are reduced over time. The same approach could also be applied at a business sector level such as tourism or food and drink. An aspect that needs to be improved is ensuring that the business community also takes into account the needs of the wider rural community that sometimes have different priorities.

There are many other examples of people coming together to solve an issue facing a community or look to regenerate their community. Very often though it is focused on one particular issue such as restoring a valued historic building and bringing it back into productive use such as Rockfield in Oban. Reinvigorating a harbour to enable greater usage and create a visitor attraction such as Tobermory on Mull.

7. Help ensure there are the same opportunities and access to services between urban and rural areas.

For people living and working in rural areas there are often big differences compared to urban areas in what services might be available (things like broadband, childcare, transport, community development etc.).. What do you need to enable you to choose to live and work in rural Scotland?

Investment in public services is key to ensure communities in fragile, rural areas remain viable. Investment should not be based on per capita calculations as this does not take account of the high cost of providing services in rural and island areas and the lifeline nature of these. The higher cost of transport in rural, remote rural and island areas, particularly fuel, has a huge impact on many rural families given the higher distances between settlements and lack of alternative public transport.

Excess renewable energy generated in rural areas can provide cheaper local energy. It makes sense to allocate more funding to rural areas that are off the gas grid to invest in community renewable energy projects that help reduce fuel poverty.

There is a reliance on the public sector for high value jobs in rural communities and so job losses in rural areas have a higher impact on communities due to lack of alternative employment. Efforts should be taken to minimise public sector job losses in rural areas and grow higher value jobs in other sectors.

The lack of choice with regard to all types and tenure of housing in certain rural areas due to second homes / holiday accommodation affects the ability to attract and retain working age people.

Mobile and broadband connectivity are critical to rural areas which are already disadvantaged because of infrequent transport services and the high cost of transport. Road infrastructure investment is also required and there is a need to combat the perception of the expense of using trains and ferries, as well as promotion of combined tickets and distances.

Access to consistent, and quality childcare is a particular issue for parts of Argyll and Bute, with the option of both nursery and full wrap-around care critical to supporting employment opportunity for parents. Some Argyll and Bute towns offer nursery care but not school wrap-around, or vice versa, which significantly limits employment opportunity. If

nursery provision is linked to a school, this is often only offered during term time, which is also prohibitive for working parents. It would be helpful if state schools were able to tender for private childcare provision to operate from their premises, and for this to take place on an annual rather than school year basis (this is not part of our 1140 hrs strategy. Argyll and Bute's Education Department is seeking to develop partnerships to deliver wraparound care rather than deliver it ourselves).

The proposed plan for future provision is 1140 Hours of Early Learning Childcare in Argyll and Bute. This will offer 190 sessions per year of ELC lasting 6 hours per session – aligned closely with the pattern of the primary school day within term time. This will be offered through local authority pre5 units, commissioned partner providers and partner childminders.

Parents / Carers will be able to access flexible patterns of provision within this term time model – e.g. shared placements with a local authority ELC setting and a registered childminder.

We will also make effective use of our Argyll and Bute assets by providing a range of experiences both during and out with the times outlined within the term time delivery of ELC:

- Outdoor Learning
- Partnerships
- Culture.

These experiences will depend upon the opportunities available to children within each of our communities. Investment in professional development for staff will ensure that there are practitioners within each 'cluster' of nurseries that can lead on outdoor learning.

Flexible patterns of ELC which reflect our three key drivers will be offered by:

- Local Authority provision
- Childminders
- Partner Providers
- Community Organisations
- Outdoor Nurseries
- Feis / Cultural Activities and organisations.

In brief, services required to enable people to choose to live and work in rural Scotland are:

- access to a mix of housing type and tenure;
- digital connectivity;
- good schools and childcare provision;
- healthcare facilities – e.g. GP / dental / community healthcare / out of hours support / pharmacy;
- banking facilities aligned with institutional and business confidence;
- good transportation links;
- retail facilities;
- good and quality employment opportunities;
- access to statutory and third sector services, and
- access to police and emergency services.

8. Make sure Government policies, regulations, planning and support mechanisms help local businesses.

What types of policies, regulations, planning and business support need to be strengthened or removed to help a wide variety of small and micro businesses in rural areas?

It is important for rural areas to have a comprehensive offer of business development incentives, an offer that gives rural areas equal opportunities to urban areas to attract capital and labour. The offer can include incentives for greater investment, employment, innovation, training, and productivity. These incentives should be bespoke to rural areas and can be developed by changing policies, regulations, planning or direct business support:

- support for local authorities to undertake audits of empty premises to match growing businesses with private owners;
- improved reduction of fuel duty in rural (including mainland areas) to address the higher cost of fuel in rural areas as opposed to urban areas;
- increased investment in transport, digital and housing infrastructure to address barriers to growth such as high journey times, infrequent public transport, lack of housing choice in certain areas, lack of resilience; high delivery/ freight charges;
- relocation of some government agencies to rural areas;
- ensure opportunities for skills and training in rural areas address local skills gaps and employment opportunities and are expanded to support in migration of young people;
- streamlined planning and licensing process for key sectors e.g. aquaculture and tourism;
- continued access to “on the ground” support services – e.g. Business Gateway, Environmental Health and Building Standards to help support small and new start-up businesses identify and overcome issues related to red tape;
- access to financial services including rural banking facilities for smaller “cash-use” businesses that require a cash drop facility, rather than an online banking service;
- access to a greater range of sources of community led local development funding – e.g. LEADER; and
- a “rural” universal credit – to provide additional support to job seekers living in rural areas.

Can you think of any problems in transport, housing, social care and digital infrastructure that prevent economic growth for your industry sector, business or community?

- improved reduction of fuel duty in rural (including mainland areas) to address the higher cost of fuel in rural areas as opposed to urban areas;
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9. Make sure that community resources that contribute to our economy (like tourist attractions) also deliver benefits to their communities.

Can you think of any examples of resources in your community e.g. that attract visitors and make money but that do not benefit the community?

There are exclusive experiences in Argyll and Bute at the higher end of the market such as luxury hotels. However, it is hoped that local people will be employed that will in turn benefit the community.

Are there examples of attractions in your community that you would like to promote? What could help you do this?

Attractions need to be of sufficient quality to promote and to retain people for longer stays. In addition there is a need for further enhanced facilities to support expansion, such as overnight facilities for motor homes; grey water facilities; more pontoons with appropriate visitor facilities.

Better links with transport operators would support better promotion of assets, as would digital responses such as apps, trails, town information sites etc. There is potential for all travel operators to join up, so that when making a journey to Mount Stuart on Bute, for example, from Central Station in Glasgow, the ScotRail website is highlighting what there is to do/where to eat etc., the Calmac website is reiterating this, and when the visitor disembarks the ferry, the town website provides additional and more detailed information as well as tours/maps etc.

There is a requirement to make it easier for communities or public bodies to take control of assets that could benefit the community but are held privately and require investment e.g. piers and harbours, vacant property, development sites. Third party land ownership makes it very difficult for local authorities to invest in community facilities if land owners are not willing to cooperate. The existing CPO process is expensive and time consuming, where there is a clear community benefit it should be easier for local authorities to take control of land for reasonable rates.

Within Helensburgh, the Helensburgh and Lomond Civic Centre is an example of a facility that brings the community together. It provides access to statutory services as well as providing meeting spaces that can be used for a variety of purposes by various organisations. The facility also has a café which is open to both staff, visitors and members of the public.

An Events Manager has been employed to publicise and promote facilities at the Civic Centre. She recently hosted a Food Fayre at the premises, and local businesses were represented at this event to showcase local food and drink, as well as highlight the full potential of the civic centre. The event was well publicised through local and social media, and was attended by several thousand visitors over the course of one day.

10. Please tell us below if there are any key issues you believe we may have missed.

People – the working age population in Scotland is increasing (especially in the central belt and urban populated areas), but how do we address the declining working age population in rural areas?

Creating a broader economic enterprise zone with business incentives: given the highly complex and politically sensitive issues associated with regional variable personal tax policies, the establishment of a regional economic enterprise zone(s) covering all or part of the rural, remote rural and island areas. Targeting business support in areas of particular growth potential or fragility may support the recovery of population and economic activity. This would need to be a long term commitment given the changes will take time to show impact and deal with issues that ensures all rural areas benefit from the incentives.

Decentralisation of national public services out with cities: as noted in the responses to the consultation questions, there are compelling business reasons for relocating central government and national agency jobs out with cities. Potential efficiency savings could be made terms of the costs of property compared with city centre locations. This would have the effect of bringing employment opportunities for skilled and unskilled workers into the wider region with incentives for relocating families into the area along with the jobs.

Development of regional immigration policies through the Brexit process: potentially more difficult to deliver in the short term given current uncertainties around Brexit. Aligned to current population projections, the repopulation of rural areas will require significant net in-migration to offset the natural change. In particular, given the labour needs of the whole of Scotland, this is best served by in-migration from other parts of the UK and by international in-migration. This could be developed with reference to the Australian

Sponsored Regional Migration Scheme – enabling easier entry for overseas migrants with required skills who are required to live and work in a specific rural area (including island communities) for a predetermined period of time.

Second Home Policy: there are examples in South West England of new policies restricting the purchase of second homes in areas of significant housing pressure. Where this is tied into fragile populations or where the lack of suitable housing options is inhibiting business growth, this could offer a significant lever to ensure available housing is utilised to best effect. This approach first used in St Ives in Cornwall has been backed by a High Court ruling as “lawful” in terms of the Localism Act 2011 and is predicated on local referenda in communities to seek support for the approach. A similar legal basis may be included in the forthcoming Local Democracy Bill in Scotland and would appear to be in line with Scottish Government policy.