



Rural Growth Deal

Argyll, the natural choice

Master

Introduction

Argyll brings together much of what is best about Scotland – natural resources that drive national and international business markets, expertise that inspires innovation, and people committed to developing the prosperous future the area needs and deserves.

Argyll therefore provides opportunities for economic growth that would benefit life in Argyll, Scotland and the UK.

To turn opportunity into success we must reverse the decline in our population. Forecasts estimate that by 2027 Argyll will need 10,000 more people just to replace demand for existing services; and we will need thousands more to realise our ambition to drive business development.

There is strong, clear local backing for a rural growth deal for Argyll. The council's recent public consultation motivated more than 900 responses, with 97% of people saying they support a rural growth deal.

Scotland and the UK need rural areas. Food production and tourism are just two reasons why. Residents of rural communities have the right to access opportunities that will bring growth just as those in cities do. It is in everyone's interest that rural Scotland thrives.

In the words of one of the many local people supporting a deal, “[Argyll’s] potential for growth is plain to see...with ideas and drive we still need investment to fulfil this potential.”

Rural growth deal approach

Our rural growth deal proposals are about placing investment where it will best develop Argyll as an economically successful region and driver for Scotland and the UK.

The proposals are designed to deliver success across Argyll, based on three key drivers:

- **Connecting:** our high value business sectors with national and international business markets; our local economic successes with national strategic priorities
- **Attracting:** additional skills, training and learning opportunities; new residents, visitors and businesses
- **Growing:** doing more of what works; making more of our natural and built resources

The proposals are a starting point for discussion. Their development could be affected for example by the availability of funding from alternative sources. Details of investment and the use to which it will be put will be confirmed as negotiations progress. National policy development, where it would support economic growth, will also form part of negotiations.

The proposals reflect the categories agreed with the public for development, through consultation: transport infrastructure (96% support); digital connectivity (94%); tourism (91%), innovation (87%), skills (86%), culture/sense of place (85%), accommodation (housing and business) (85%), food and drink (84%), natural energy (82%)

The proposals all link to each other. They are listed in the category in which they would have most impact.

Connecting: our high value and growing business sectors with national and international business markets; our local economic local successes with national strategic priorities

Connecting	Transport Infrastructure - roads
Proposal 1	Develop our key transport to achieve business expansion across high value, international markets.
Purpose	Develop the local, Scottish and UK economies by developing key routes to market for our high value produce (whisky/salmon/timber etc.) and facilitating the movement of our people and visitors.
Detail	<p>Food and drink production, including agriculture, whisky, aquaculture and fishing, is a significant contributor to the Argyll, Scottish and UK economies.</p> <p>The distance from key markets/suppliers, the requirement often to use ferries and high rural fuel prices, all result in high transport costs that are barriers to business growth in Argyll. Transport investment could make local businesses more competitive and so develop an economic driver for Argyll, Scotland and the UK.</p> <p>Rural growth deal investment would deliver appraisals/technical feasibility work to:</p> <ul style="list-style-type: none"> • Improve route resilience by removing pinch points and addressing accident black spots • Improve journey times by installing climbing/safe overtaking lanes and other similar enhancements on the A83 network • Unlock strategic development sites for business and housing, and support key sectors such as tourism and aquaculture, by re-routing the A85. This would support island communities served by Oban as well as the wider Oban area. • Identify options for developing local transport routes of strategic importance to the economy of Argyll, and better accommodating visitor pressure. • Deliver improvement action where evidence-based improvements are substantiated for our strategic routes. • Ensure that our strategic transport corridors are recognised in the National Transport Strategy and Strategic Transport Project Review.
Context	<ul style="list-style-type: none"> • Oban is the second busiest port in the UK serving 7 islands and in 2017 ferry services to / from Oban carried in excess of 820,000 passengers. • Improved access to national and global markets would bring significant, economic benefits for example via key sector

	<p>businesses such as whisky, aquaculture and tourism in Argyll</p> <ul style="list-style-type: none"> • The Scotch Whisky Association statistics estimate that the whisky industry provided more than £5 billion of value to the UK economy. • Salmon makes up more than 40% of total food exports from Scotland, with exports of whole fresh salmon representing £494 million. • Salmon is the number one food export for Scotland and the UK, with trade extending to more than 65 countries across the world. • The Argyll region is well-placed to facilitate the continued expansion of the salmon industry - the Scottish Salmon Company for example has its key processing plant at Cairndow, Loch Fyne - and diversification to new products such as halibut, trout and seaweed. • The aquaculture sector across Argyll currently employs 600 full time and part time jobs with a total GVA estimated to be £31 million, plus processing and retail. • Improved connectivity within the Argyll region, and better connections with the Scottish Central Belt and key markets, would achieve: access to markets, improved visitor access and benefits to movement of citizens as a whole.
	<p>Estimated Costs circa £0.5M for feasibility studies for A83 improvements, realignment of A85 and improvements to other identified local strategic economic routes.</p> <p>Following on from the appraisals it is critical where the findings for evidence-based improvements are substantiated circa £40M is implemented on enhancements to our strategic Trunk Road arterial routes.</p> <p>Following on from the appraisals it is critical where the findings for evidence-based improvements are substantiated circa £20M is implemented on enhancements to our local strategic economically significant routes.</p>

Connecting	Transport infrastructure – air
Proposal 2	Create a west coast regional hub for Scotland
Purpose	Develop niche business and tourism opportunities by improving connectivity between the central belt and west coast of Scotland.
Detail	Air connectivity is increasingly important for a modern economy. While a number of our communities have direct access to Glasgow by scheduled

	<p>air services, northern Argyll and Lochaber do not.</p> <p>Oban Airport has the potential to act as the regional Highlands and Islands / west coast hub, serving the western isles and potentially offering connections to strategic cities such as Glasgow, Edinburgh and Inverness. Business charter air routes could also link Oban to cities and towns south of the border. The private aviation industry already market such services, which can deliver a time saving of up to 19 hours each way.</p> <p>Oban Airport currently supports key Scottish businesses, in particular staff from the Liberty House company using business charter flights to Oban to undertake work relating to the investment plans for the smelter site at Lochaber which is currently Scotland’s largest industrial site under development. In addition, the Scottish Association of Marine Sciences (SAMS) delivers world-class marine science research and teaching from the European Marine Science Park at Dunstaffnage which is in close proximity to the airport. This is a world renowned facility and the ability to access Oban via key international airports such as Glasgow and Edinburgh would potentially be attractive to staff, students and visitors.</p> <p>Enhanced routes to Oban Airport will also support tourism and leisure travel, for example the local, national and international urban-rural tourism initiative linking Glasgow and Argyll, as ‘Scotland’s Heart and Soul’. (See proposal number 13 on page 20 for more information on this partnership initiative between AITC (Argyll and the Isles Tourism Co-operative) and Glasgow Life.</p> <p>Future growth in air traffic at Oban Airport would make the area more attractive to niche aviation businesses with the associated potential to develop new hangerage and maintenance facilities for aircraft at the site. There is also the potential for the airport to cater for air freight which could assist with the transport of high value local produce such as seafood which requires to reach international markets quickly. This would also reduce the use of roads by LGV’s and therefore the damage to the road network. A future freight facility could potentially support smaller regular deliveries to all the key catchment areas from Fort William to Lochgilphead and the western isles.</p> <p>This project is also consistent with the Scottish Government’s inclusive growth agenda and would give the fragile islands of Coll and Colonsay (via Oban) access to international air services and healthcare facilities in the main conurbations of Glasgow/Edinburgh. This would bring services to Colonsay and Coll in line with those to Campbeltown and Tiree which already benefit from air services to Glasgow subsidised by Transport Scotland.</p>
Context	<ul style="list-style-type: none"> Argyll as a region has comprehensively outperformed Scotland as a whole in terms of tourism. Argyll and the Isles Sustainable Tourism GVA rose from £81M to £127M – an increase of 36%

	<p>(15% for Scotland).</p> <ul style="list-style-type: none"> • Investment would bring an increase in national and international tourism/visitor numbers including opportunities to support the cruise ship market with air service connections from Oban airport to International airports of Glasgow and Edinburgh. The cruise market brings over £1M into the Argyll economy. • Improve UK business access into Argyll and Highland region, for example such as investment plans for expansion of the smelter site at Lochaber.
	Estimated costs : circa £3.5M

Connecting	Digital Connectivity: meeting our medicare, social and business needs
Proposal 3	Support the health of our communities and our businesses
Purpose	Digital connectivity is critical to the future of the Argyll economy. This proposal is about addressing both health and business growth challenges in rural areas, by closing the ‘digital divide’, and supporting our medicare, social and business needs.
Detail	<p>The Argyll and Bute Economic Forum Report 2016, identified poor mobile and broadband connectivity as one of the key barriers to economic growth in the region. A number of key business sectors including aquaculture and tourism identified this as the single biggest barrier to operating successfully and efficiently in the region given the often dispersed and remote nature of many sites. Recent Ofcom figures have highlighted that Argyll currently has only 0.6% of premises in its area covered by 4G mobile services from all 4 mobile network operators which continues to represent a critical barrier to economic growth.</p> <p>As bandwidths in urban areas have continued to advance rapidly, a new ‘digital divide’ is emerging to the disadvantage of rural communities left with relatively poor levels of broadband service.</p> <p>With increasing demands on the NHS and local authorities, there is considerable potential for telehealth and telecare applications to help these organisations meet the needs of an aging population cost effectively.</p> <p>Enhancing and improving the national R100 programme (for digital development), by developing ultrafast ‘Fibre to the Premise’ infrastructure, would support both patients and the health service by enabling medical practitioners to hold medicare surgeries, and by widening the availability</p>

	<p>of telecare health services. ‘Attending Anywhere’ healthcare would also give rural and remote communities access to a range of healthcare specialists online via telehealth with no costs associated with travelling or requirement to take extended time off work.</p> <p>Developing ultrafast ‘Fibre to the Premise’ infrastructure would also drive business development, by connecting businesses to their on-line markets, and future proofing in terms of digital capability.</p> <p>Suitable venues identified are: selected village halls (which serve as central points in their communities), strategic business sites, council offices and education establishments. Premises of this type are accessible to high numbers of people; the improved broadband availability would also be available to premises located in their vicinity.</p> <p>The cost per premise to provide digital connectivity is far higher in rural than in urban areas due to, for example, economy of scale challenges. Maximum return on investment therefore would be achieved through strategic positioning of infrastructure</p> <p>4G Infill Project</p> <p>Argyll and Bute Council would work with Scottish Futures Trust (SFT) to build on the knowledge, experience and lessons learned from their development and implementation of the Scotland 4G Infill (S4GI) project to procure a supplier that would deliver passive mast infrastructure, power and fibre to a portfolio of pre-agreed locations in collaboration with the Mobile Network Operators (MNOs) and Argyll and Bute Council’s Planning Authority.</p>
Context	<ul style="list-style-type: none"> • By avoiding commuting costs, the additional teleworking made possible by faster broadband will lead to total household savings rising to £270 million per annum by 2024 (£45 million of which are attributable to intervention). Argyll is the second largest local authority area in Scotland; savings on commuting/car usage would be significant. • UK Broadband Impact Study reported in November in 2013 that for every £1 of public investment in digital connectivity there is a projected return of approximately £20 in net economic impact. • It is estimated that the net benefits from widespread adoption of telehealth are worth £1.1- £2.3 billion. The potential savings for a remote rural region like Argyll are therefore significant.
	Estimated costs circa: £10M

Connecting	Business cluster innovation – food and drink
Proposal 4	A rural transformation agenda for Bute

Purpose	Develop a pilot within Argyll for the high value business sector of food and drink, and primary island industries, by working with the Mount Stuart Trust, Fyne Futures and Bute Alliance to deliver benefits for Bute and wider Argyll.
Detail	<p>A more productive, inclusive and sustainable rural sector provides the stimulus for an expanded, locally based food and drink sector, based on increased quality and variety of produce. This pilot project will illustrate how traditional rural industries, with 21st century support, can contribute to national wealth through economic growth.</p> <p>Reversing population loss through sustainable economic growth would achieve a vibrant and sustainable rural community with a more robust island economy.</p> <p>Options for consideration could include:</p> <ul style="list-style-type: none"> • Larger, more sustainable and productive farms • Expanded commercial forestry and actively managed bio-diverse native woodlands. • Increased large scale production horticulture including orchards. • More manufacturing and value added activity along the supply chain
Context	<ul style="list-style-type: none"> • Increased growing opportunities for SMEs through production horticulture, multi-trophic aquaculture and vertical farming. • More on-island processing/value added activity in the supply chain. • Increased opportunity for vocational careers. • A vibrant rural community and an increased rural population. • Enhanced island bio-diversity through increased habitat management and the creation of wildlife corridors. • A more skilled rural workforce. • Greater use of renewable energy.
	Estimated Costs circa: £3M

Connecting	Business cluster innovation: Aquaculture
Proposal 5	Develop local, national and international excellence in aquaculture, by delivering a seawater pipeline and new aquaculture business incubator hub at Machrihanish in Kintyre.
Purpose	Facilitate development of scientific techniques, technologies and expertise to support the sustainable production of food in aquatic environments.
Detail	For more than 40 years, working hand-in-hand with industry, the University of Stirling has pioneered the development of scientific techniques, technologies and expertise to support the sustainable

	<p>production of food in aquatic environments. Their research and education programmes are of fundamental importance to the aquaculture industry in Scotland and across the world.</p> <p>Argyll and Bute Council, working in partnership with the University of Stirling, HIE and Machrihanish Airbase Community Company (MACC), would use rural growth deal investment to deliver an innovative seawater pipeline and pumping system. This would take fresh seawater from the shore at Machrihanish to the MACC site to support research and development.</p> <p>This seawater intake system would contribute to the development of MACC as a centre of excellence for aquaculture and create strong ties with industry, research and education bringing investment, quality learning and employment opportunities to the region. By making a clear link with industry and research at this site it has the potential to provide transformational change to the South Kintyre economy, providing a range of high end jobs and attracting new residents, young families and students to the Campbeltown area.</p> <p>It could also enable the University of Stirling to develop its options for aquaculture research at the site. This could also allow the development and/or expansion of an Innovation Park. This would also be facilitated by providing a new aquaculture business incubator hub at Machrihanish in Kintyre.</p>
Context	<ul style="list-style-type: none"> • The marine economy is one of the fastest growing sectors in the UK (currently 4.2% of GDP or €39 billion (£34.8 billion), and globally (22% of the EU market). Argyll is a leading player in the UK's marine economy, because of its natural resources, and is a leading global player, with scope for further growth. • Marine biotechnology is also growing in Scotland and the sector has a target to contribute £3bn GVA to the Scottish economy by 2030. • The global economic growth of marine biotechnology is between 5-7% per annum. • There are 225 aquaculture related businesses in Scotland supporting 9,000 jobs with a target to grow employment to 18,000 by 2030 and improving productivity. <p>This project is consistent with and will support the recommendations of the MAXiMAR Science Innovation Audit.</p>
	Estimated costs circa: £6.5M

Connecting	Business cluster innovation: Marine Science
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Proposal 6	This project would involve the construction of a new state of the art marine industry training centre and a cluster development fund as part of a wider investment package in the European Marine Science Park.
Purpose	Grow the local marine industry by developing a workforce trained in specialist skills and by achieving good and improving industry practice through collaboration with the wider regional marine industries.
Detail	<p>The marine industry training facility would cater to two substantial industry demands:</p> <ul style="list-style-type: none"> • Training the ‘workforce afloat’- incorporating vocational training and academic education for the aquaculture, sea farms, leisure and marina sector. • Training and development of a skilled workforce to support the marine industry in Boat Building, Maintenance and Repair, Engineering and Fabrication. <p>The facility will also encourage and develop entrepreneurial skills and increased collaboration across the EMSP campus and with the wider regional marine industries. This specialist training centre would deliver a major competitive advantage for Argyll by</p> <ul style="list-style-type: none"> • Retaining and attracting an increased working age population through extending educational opportunities. • Investing in the specialist knowledge required to support the continued growth of the EMSP businesses. • Enhancing the existing investment in the EMSP. <p>The associated cluster development funding will further stimulate business cluster activity at the site. This will enable the employment of a Cluster Director to drive the collaborative ambition across all facets of the EMSP. A ‘collaborative campus’ challenge fund for small/ medium businesses will encourage collaboration between academia and industry. Revenue funding for a specific cluster programme of activities will focus on commercialisation and entrepreneurship</p>
Context	<p>This project is part of a wider £14m package of investment in the EMSP.</p> <p>The business cluster funding is consistent with the key recommendations of the MAXiMAR Science Innovation Audit in particular:-</p> <ul style="list-style-type: none"> • Creating multi-sector clusters of marine energy, biotech and aquaculture organisations (incorporating industry and academia) will result in significantly increased growth rates for the marine sector.
	Estimated costs circa: £7m

Attracting: additional skills, training and learning opportunities; new residents, visitors and businesses

Attracting	Skills, training and education
Proposal 7	Match local skills development and career paths to local economic opportunities
Purpose	Support economic growth by developing an integrated skills, education, training and employment framework to develop and retain business skills in Argyll.
Detail	<p>A mobile STEM academy would make Argyll a region of excellence where the skills of young people are matched to the growth of STEM (science, technology, engineering and maths) related employment prospects. This would offer every school in Argyll cutting edge learning on subjects such as science, digital skills and cybersecurity. The Mobile STEM Academy modules would reflect local industry or research expertise and would be developed in partnership with employers and academic institutions, such as Argyll College, City of Glasgow College and the University of Strathclyde.</p> <p>Skills for rural enterprise, economic growth and population rebalance would provide a model based on a Centre for Rural Entrepreneurship (as identified in the Compelling Argyll report, 2015) and a locality-based approach. This project would deliver a strategic approach to enterprise that would raise awareness of local economic opportunities and create pathways for young people to remain in, return or relocate to Argyll.</p> <p>Small business support programme would support individual businesses in developing the skill sets of staff and maximising their growth potential. Key components include grant support for SME businesses to improve the skills of their employees for example via training in digital connectivity, to start/refurbish /relocate/expand into cluster sites, access specialist advice or networking linked to cluster sites, and maximise the benefits of the framework projects.</p> <p>Capital funding for UHI/Argyll College accommodation this would support the expansion of further education opportunities in Argyll by delivering much needed new accommodation for Argyll College, with Dunoon currently being the highest priority area.</p>
Context	In 2017, as noted in the Regional Skills Assessment for Argyll, total employment in Argyll was 46,800 jobs , with the largest employing

	<p>sectors being:</p> <ul style="list-style-type: none"> • Public administration and defence (7,400 jobs, 16%); • Human health and social work (6,200 jobs, 13%); and • Accommodation and food services (5,700 jobs, 12%). • Although total employment is forecast to decline, the area is expected to see a total requirement of 10,100 openings/replacement demand for people by 2027. • Of the expected job openings for 10,100 people in the forecast period, demand will be greatest for elementary occupations (2,400 people) followed by professional occupations (2,200 people) and skilled trades occupations (1,800 people). • Accommodation and food services will require a total of 2,900 jobs through replacement demand by 2027. • Tourism will require 3,400 jobs through replacement demand by 2027.
	Estimated costs circa: £10M

Attracting	Housing to facilitate economic growth
Proposal 8	Provide affordable housing of the right type and in the right place to support growing business sectors.
Purpose	Support business growth by providing housing to attract a skilled workforce.
Detail	<p>Housing is a key component of economic growth which has been identified as a priority by a number of local business sectors, in particular the growing food/drink, marine and tourism sectors. It is essential that housing is available for key workers and is located in areas which are accessible and connected with good digital and transport infrastructure. Argyll and Bute Council is working with a wide range of stakeholders including local housebuilders, housing associations and business sectors to identify a range of measures including infrastructure, technology and policy interventions that will provide the range of housing required for inclusive economic growth. It is essential that housing forms a key part of the Rural Growth Deal and a range of potential projects will be considered including:-</p> <ul style="list-style-type: none"> • Establishment of a Key Worker Housing Enabling Fund. • Establishment of an Innovation Fund to develop modern methods of construction to drive down costs, improve quality and facilitate more rural and island development. • Establish a Community Finance Initiative to enable as

	<p>many as possible to benefit from the opportunities inherent in the housing stimulus of the Rural Growth Deal.</p> <ul style="list-style-type: none"> • Development of clusters of assisted living schemes at key locations particularly in rural and island communities.
Context	<ul style="list-style-type: none"> • There is evidence that lack of housing for workers in certain areas in Argyll is constraining economic growth by making it difficult for local businesses to expand. An adequate supply of affordable housing is critical to encourage a growing population and meet the labour/skills requirements of the region's growing sectors. • Reducing fuel poverty in rural areas aligns with the Scottish Government's policies on inclusive growth; using innovative and sustainable local sources of energy generation will help achieve a more prosperous, low carbon economy. • A recent health and housing study highlighted the fact that the population of people over the age of 75 in Argyll will increase by 3000 over the next 10 years. Technology assisted care can improve health outcomes for the population and reduce pressure on health and social care services. • Increased construction employment opportunities - it is estimated that each house constructed can support 4 jobs in the local economy.
	Estimated Costs circa: £10M

Attracting	Business Accommodation: Logistics Business Park Expansion, Lochgilphead
Proposal 9	Deliver infrastructure that will support business growth and job creation.
Purpose	Provide the critical infrastructure necessary to support the private sector to deliver this strategic business site catering for the significant unmet demand for business accommodation in Mid Argyll.
Detail	<p>The Mid Argyll Chamber of Commerce has worked hard to spearhead improvements to transport links into Argyll and is now concentrating on addressing the need for increased business space.</p> <p>The project will deliver the critical supporting infrastructure which in turn will enable the expansion of Kilmory Business Park in order to deliver a range of fully serviced sites for the provision of circa 55,000ft² of business premises and storage options for up to 10 new and expanding small and</p>

	<p>medium sized enterprises (SMEs).</p> <p>This project would unlock 2.7 hectares of undeveloped land through the provision of site infrastructure including the construction of a new access road from the A83 into the development area at Kilmory, Lochgilphead.</p> <p>The proposed project also has the potential to develop new training facilities as well as logistic workshop and business units.</p> <p>This would create a Mid Argyll distribution hub to support the development of effective routes to market.</p>
Context	<ul style="list-style-type: none"> • Creation of up to 50 jobs through business expansion and start up • Support new and existing businesses (10 SME) creating new employment opportunities encouraging population retention • Support for 50 construction jobs during phase 1 • Local contractors used where possible for maintenance and repairs • Opportunity for businesses to increase their turnover • Increase the value of the land, which currently has little value for agricultural or forestry use.
	Estimated Costs circa: £1M

Attracting	Developing places to live, work and visit
Proposal 10	Place-based investment to support community-led regeneration
Purpose	Develop our coastal communities as great places to live, work and visit.
Detail	<p>80% of the population of Argyll live within one kilometre of the coast.</p> <p>This proposal is about making Argyll's Places (towns and villages) sustainable and prosperous through mini capital regeneration schemes by empowering communities to drive forward and reach their economic potential. This supports the UK Governments £2m investment in place-based cultural development to continue to support the role culture can play in regeneration as set out in the Industrial Strategy.</p> <p>This project will see the delivery of community led capital regeneration and public realm projects across Argyll which will attract new talent to our area and created communities where people want to live, work, visit and invest.</p> <p>Valuing and having pride in the fabric of our places and associated built heritage environment is essential to protect what makes Argyll special as a place and capable of strong and sustainable growth.</p>
Context	Attractive Places will:

	<ul style="list-style-type: none"> • Build on investment already made in our Places and the leverage of additional external funding secured • Target funding to support change according to the needs of communities based on a place making approach. • Create attractive, vibrant and sustainable Places through investment and improvement to the built fabric of our towns and villages • Create stronger communities by tackling area inequality and creating opportunities for communities to be fully involved and take action themselves • Support existing businesses and create new business opportunities • Help and create Retaining and attracting young people through the creation of vibrant places and new job opportunities
	Estimated Costs circa: £10M

Attracting	Centre of excellence and community growth
Proposal 11	Realise local community opportunities from the MOD's emerging centre of engineering excellence in Helensburgh and Lomond.
Purpose	Develop a prosperous urban community by creating mutually beneficial opportunities for existing and arriving residents.
Detail	<p>The MOD Maritime Change Programme will see £1.3bn invested over the next 10 years in order to facilitate HMNB Clyde becoming the Royal Navy's "UK Submarine Centre of Specialisation."</p> <p>This programme will result in an increase in military personnel by 1,700 by 2032 resulting in a total of 8,200 staff directly employed at the site.</p> <p>The town of Helensburgh, located 6 miles from HMNB Clyde, is perfectly positioned to help ensure that this change is successful, for the people who will make it work – armed forces personnel, their families, private contractors, and local people in Argyll.</p> <p>While this proposal clearly connects local success with national priorities, we are classing it as 'place-making' initiative as it focuses on the people who together will ultimately make the Maritime Change Programme a national success; the proposal is about ensuring that armed forces personnel and their families come to opportunities for employment and quality lifestyle, and that their move brings new opportunities for business success to the people of Helensburgh and Lomond and wider Argyll.</p> <p>A new business hub in Helensburgh would create a mixed use, high</p>

	<p>specification industrial/business site allowing for non-secure MoD functions or supply chain businesses to be sited off-base, with the added benefit of providing employment opportunities for Royal Navy spouses and local residents. This industrial hub, specialising in engineering excellence, would be developed with the support of the academic sector including Strathclyde University.</p> <p>It is the aim of Argyll and Bute Council to maximise this potential by instigating measures that will attract businesses and families to the area, and to demonstrate the value of such investment to the local community through infrastructure projects.</p> <p>The proposed package of works looks to demonstrate value to the local community while providing opportunities for economic growth. It does this by focusing on enhanced amenity, recreation, employment and business facilities and opportunities for sustainable transport enhancements such as low emission buses providing new/enhanced services between HMNB Clyde and key sites / services such as Glasgow Airport and the Royal Alexandria Hospital.</p> <p>The project will serve to enrich the area surrounding HMNB Clyde, providing an enhanced welcome to the naval personnel and their families, while stimulating economic growth and job potential.</p>
Context	<ul style="list-style-type: none"> • The UK Government's aspiration is that 33% of public expenditure with third parties be placed with SMEs by the end of this parliament. MOD's expenditure is particularly important, as it accounted for some 44% of the Government's overall £45 billion procurement expenditure in 2015/16. • In 2016/17 MOD direct spend with SMEs amounted to around £707 million with just under 5,980 different suppliers. MOD Core Department placed around 440 new contracts with SMEs having a collective value of around £523 million • The Maritime Change Programme will result in all UK Submarine operations being delivered from the Clyde by 2020, which will reinforce the long term future of Faslane and Coulport.
	Estimated Costs circa: £20M

Growing: doing more of what works; making more of our natural and built resources

Growing	Argyll – National Aquaculture Hub
Proposal 12	Invest in the critical infrastructure required to accelerate growth in local marine industries in Argyll.
Purpose	Invest in essential infrastructure that would unlock land-based sites and significantly increase production capacity in Argyll, encourage innovation in the industry, add value to products and support the development of the important supply chain such as net washing, manufacture, etc.
Detail	<p>Given its abundant natural resources and strategic position on the west coast of Scotland, Argyll has the potential to be the national hub for aquaculture in Scotland, the UK and Europe.</p> <p>The aquaculture economy makes a significant contribution to the wider Argyll economy and provides year round jobs which are important for coastal communities with downstream jobs supported in transport, processing, support services and equipment manufacturing.</p> <p>Argyll has the ingredients for success. It has the Scottish Association of Marine Sciences (SAMS), and is currently working in collaboration on a study investigating the feasibility of seaweed farming in Argyll. Seaweed has the potential to be a lucrative growth sector in Argyll as this abundant natural resource is used in many products including (but not limited to) bread, spices, health products, pharmaceuticals, animal feeds and biofuels.</p> <p>This sector has grown in recent years and has significant potential for further growth, particularly in relation to aquaculture, a sector with strong ambitions for growth both nationally and regionally. Scotland: aquaculture has a high-value industry and one of the strongest growth opportunities in the 21st century.</p> <p>This proposal would invest funding in essential infrastructure that would allow land based sites to be unlocked and fast track the development of new aquaculture hubs across Argyll. Ardyne for example is a strategically important area for the development of aquaculture with the benefit of approved masterplan status and outline planning consent to develop a large brownfield site adjacent to deep water and suitable for a wide range of marine aquaculture businesses to locate to or expand.</p>
Context	<ul style="list-style-type: none"> The Industrial Biotechnology Innovation Centre estimate that the value of marine biotechnology to the Highlands and Islands region could amount to around £600m by 2030, with £350m of this figure attributed to extractives from seaweed.

	<ul style="list-style-type: none"> • Aquaculture is one of Scotland’s real economic success stories and the industry is on track to grow to a value of well over £2 billion annually to the Scottish economy by 2020, supporting 10,000 jobs. • Aquaculture brings £1.8 billion to the UK economy each year, 77% from Scotland. • In Scotland, the aquaculture industry has ambitious plans to double output by 2030. • Internationally, aquatic food production is growing at 8% per annum and has already surpassed wild capture fisheries in the supply of fish for human consumption. • Salmon is the UK’s biggest food export, by value, serving China, the US and France amongst other markets, but shellfish is a growing market and relatively under developed. • The EU aquaculture sector was worth €4.1 billion (£4.6 billion) in 2015, a 20% increase from 2018 (in the same period the economic value of Scottish aquaculture rose by just under 50%). • Global production rose by 54% from 69 million tonnes to 106 million tonnes reflecting the growth in demand for protein rich foods. • Sustainable seaweed farming and harvesting has the potential to rival the scale of fish farming in Scotland with a long and growing list of products with international appeal, including (but not limited to) bread, spices, health products, cosmetics, pharmaceuticals, animal feeds and biofuel.
	Estimated Costs circa: £10M

Growing	Tourism: Argyll - Scotland’s Adventure Coast
Proposal 13	Develop our natural resources as a key economic driver
Purpose	Attract significantly more visitors particularly from the UK and overseas to travel throughout Argyll, as Scotland’s Adventure Coast, stimulating economic growth across the region
Detail	<p>The region has been performing well over recent years but to consolidate and sustain this growth important investment is required to encourage visitors to travel further into and around the region, link up our different islands and peninsulas and offer unique and authentic adventures and experiences that derive local, regional and national economic impact.</p> <p>Through focused activity in recent years, Argyll is now positioned as ‘Scotland’s Adventure Coast’. Actions have included for example the hugely successful partnership-funded Wild About Argyll campaign in 2017</p>

	<p>which was a finalist in the international City Nation Place Awards 2017 sponsored by the New York Times. 'Wild About Argyll'. https://www.wildaboutargyll.co.uk/</p> <p>To consolidate this positioning, strategic investment is required in our visitor and adventure tourism infrastructure, and in business and product development, marketing and promotion.</p> <p>Argyll's natural environment and outstanding coastline provides numerous opportunities to further develop adventure tourism. Options could include:</p> <ul style="list-style-type: none"> • Expanding and connecting existing walking, cycling, kayaking and driving route and trail networks on land and sea • developing iconic features at strategic locations on our trails and roads network to draw visitors and travellers through the region and providing much-needed visitor facilities and services at strategic locations • Working with existing and new businesses to expand the quality and range of products and experiences on offer and ease to find and book these experiences • Working collaboratively with Visit Scotland, AITC, Scottish Canals, Forestry Commission Scotland and Scottish Natural Heritage plus our strategic travel partners to develop new facilities, products and experiences at key locations and offering integrated travel solutions
Context	<ul style="list-style-type: none"> • Direct expenditure on tourism in Argyll rose by 52% between 2009 and 2017 (increase of £117m). There was a 60 % growth in income to the accommodation sector between 2009 and 2017. Total Economic Impact of Tourism to Argyll was £479m in 2017 (direct and indirect) up 49% from 2009 (£322m) • The percentage of people employed in tourism in Argyll has consistently been above the Scottish average but the GVA derived from tourism in Argyll has traditionally been below the Scottish average. This is changing but significantly more investment is needed to extend the season and provide visitors with increased opportunities to spend locally to secure great GVA from tourism. • Argyll has four of Scotland's Great Trails on land (Kintyre Way, Cowal Way, West Island Way and Three Lochs Way), the John Muir Way starts/finishes in Argyll and the West Highland Way dips in and out of Argyll. The 237 mile Sustrans Caledonia Way stretches from Campbeltown to Oban (and on to Inverness) and is linked via Dunoon to the central belt. The Argyll sea kayak trail is Scotland's first. There are strategic gaps and opportunities to extend this trail network with focused investment • The Heart & Soul campaign in 2018 follows on from Wild About Argyll and is an excellent example of partnership in action: it positions Glasgow & Argyll as the Heart & Soul of Scotland and

	<p>raises awareness that Argyll, Scotland’s Adventure Coast, is just ‘a hop and skip’ from Glasgow, highlighting that few other cities have such incredible wild landscape within striking distance.</p> <p>Led by AITC with Council support, Heart & Soul is a strategic partnership between Argyll and Glasgow, with partners including Visit Scotland, A&BC, People Make Glasgow (Glasgow Life) and all transport partners - Scotrail, Calmac, Loganair, Enterprise rent-a-car, Glasgow Airport and West Coast Motors.</p>
	Estimated costs circa: £13m

Growing	Tourism: Creating a world class visitor destination
Proposal 14	Develop Argyll as Scotland’s prime marine tourism destination.
Purpose	Open up access to Argyll’s coasts and waters to develop Argyll as a West of Scotland, “must visit” location for the maritime leisure market.
Detail	<p>Argyll’s 3700km of coastline and 23 inhabited islands are surrounded by waters of an exceptional environmental quality, and the region boasts some of the world’s most beautiful and varied boating and kayaking waters, marine wildlife, scenery and heritage. There is a clear opportunity for Argyll to become Scotland’s prime destination for the marine leisure market, for private craft, charter yachts and cruise ship passengers to come ashore and for land-based visitors to gain access to the water on boat excursions and for water sports, wildlife watching and to island hop.</p> <p>A recent detailed inventory by AITC has demonstrated that there are several coastal hub locations offering exceptional seafood, distillery, heritage and wildlife experiences but these are not currently joined up. Rural Growth Deal investment would deliver strategic facilities that would ‘join-up’ coastal locations and so enable the growth of the maritime sector, bringing a range of economic and social benefits.</p> <p>The lack of a “joined up” experience for marine visitors to come ashore has resulted in recognition of the need for a ‘step change’ in the range, quality and nature of the region’s maritime facilities. There is also a need to provide the skills this industry requires to create a customer focused world class product with international appeal.</p> <p>Transport in Argyll was traditionally by water and there is significant potential in reinstating these seafaring routes through investment in strategic come-ashore facilities linked to visitor experiences. This could include investment in our iconic structures providing access to famous and</p>

	<p>historic waterways.</p> <p>Around 3,000 boats pass through the Crinan Canal every year – mainly pleasure craft and it continues to be popular with tourists with the route described as Britain’s most beautiful shortcut. Working in partnership with Argyll and Bute Council, Scottish Canals have developed proposals to transform the Crinan Canal Corridor into a major tourism attraction in Mid Argyll.</p>
Context	<ul style="list-style-type: none"> • The Year of Scotland’s Coast and Waters will be celebrated in 2020 led by VisitScotland. AITC is working with other west coast destinations to develop a programme of pan west coast activity • The yachting, tourist excursions and boat trip/water taxi sectors have all advised they are currently constrained (capacity and service standards) by the lack of adequate infrastructure to come ashore at key hub locations along the coastline. Therefore, development and infrastructure is needed to accommodate growth and realise the economic opportunities available. • Marine Tourism was worth £360m per annum to the Scottish economy in 2014 (British Marine Federation) and the ambition is to increase this to £450m by 2020 • A user survey in 2016 based on 2500 users produced heat maps identifying the West Coast, and Argyll’s coast and waters in particular, as prime locations for numerous water based activities including yachting, sea kayaking, whale and dolphin spotting, scuba diving and sea fishing. • Argyll as a region is in close proximity to Scotland’s central belt and national and international travel connections and therefore is much more accessible to maritime leisure markets than other west coast destinations • Studies on Sailing Tourism undertaken for Scottish Enterprise in 2010 and 2016 highlighted that Scotland lacks a joined up experience for sailing visitors seeking to come ashore. • Argyll’s coastline, communities and attractions are suited to and have significant appeal to the smaller high end cruise operators seeking authentic experiences but investment is required in come ashore facilities to secure the local economic impact
	<p>Estimated costs circa: £9m</p>

Growing	Creating a low carbon economy
Proposal 15	Run a pilot on the island of Islay to deliver a smart island local energy network.
Purpose	Address key island energy challenges for people and business; and support 'clean growth', an important element in the development of the UK's Industrial Strategy and Clean Growth Strategy.
Detail	<p>Low-carbon generation supports the Industrial Strategy's 4 Grand Challenge to promote clean growth, taking into account the five foundations of people, infrastructure, place, business environment and ideas.</p> <p>The island of Islay faces various challenges including a constrained grid network, high fuel and transport costs, high energy usage from the existing distilleries on the island and low local energy generation - despite the amazing natural resource, one of the best tidal power resources in EU with the exception of the Pentland Firth.</p> <p>The pilot would examine the use of smart grid technologies to improve energy provision, reduce cost and support local growth on our islands, building on the learning from smaller scale projects including the ACCESS project on Mull.</p> <p>This would be secured by examining the development of an integrated smart energy system to improve energy efficiency and manage energy demand, incorporating low carbon and smart technologies. This approach would be based on a partnership between public and private sector. It would support the community on Islay to deliver sustainable energy solutions that maximise benefit from the natural renewable resource on and around the island, reduce energy demand and the islands carbon footprint, reduce energy costs including transport and heat and increase the opportunity to generate income to the community.</p>
Context	<ul style="list-style-type: none"> • The UK Industrial Strategy promotes smart systems that link energy supply, storage and use and join up power, heating and transport to increase efficiency and reduce costs as well as potentially creating high value jobs for the future. • Low-carbon generation supports the UK Industrial Strategy's 4 Grand Challenge to promote clean growth, taking into account the five foundations of people, infrastructure, place, business environment and ideas. • Islay's distilleries all currently use oil for their primary energy source which is imported onto the island at great expense. However Islay has considerable potential to increase renewable energy generation given its significant natural resources of wind,

	<p>wave and tidal power.</p> <ul style="list-style-type: none"> • There are limited options to high energy bills given the lack of a gas grid network. • The current fuel poverty rate for Argyll is estimated at 45%, compared with the Scottish average of 26.5%. This project could help tackle the issue of rural fuel poverty and if successful could be transferable to other island and rural communities.
	Estimated costs circa: £5M

Policy	Action on policy to deliver inclusive economic growth.
Proposal 16	Address obstacles to, and open-up opportunities for economic growth through policy developments.
Purpose	As part of the Rural Growth Deal, Argyll and Bute Council have been asked to consider potential policy or fiscal powers which could be implemented to complement the infrastructure, skills and training projects included within the deal.
Detail	<p>Some potential policy projects are set out below;-</p> <ul style="list-style-type: none"> • Invest the circa £700k currently spent by Argyll and Bute Council on the apprenticeship levy on local apprenticeships and training tied to local job opportunities to help retain and attract working age people to Argyll and reverse our declining population. • Investigate the potential to relocate some government funded departments / organisations to Argyll e.g. Marine Scotland, CMAL/CalMac – this would create high value jobs in rural areas where the services are delivered. • Based on key export targets being achieved, return a proportion of excise duty on locally produced spirits to Argyll and Bute Council to be used for localised infrastructure projects that support / encourage growth in exports e.g. transport infrastructure focusing on key routes to markets. • Grow our working age population by encouraging more students to live, study and work in Argyll. Introduce a bursary and or write down student debt for graduates to encourage more students and graduates to work and study in rural areas. (subject to conditions e.g. resident for minimum period). Increase funding from the Scottish Funding Council for delivery of local college and university courses tailored to key sector skills gaps. At present Argyll gets a lower share of funding which restricts the courses which can be offered locally e.g. Moray awarded £15M as opposed to £3m in

	<p>Argyll despite similar numbers of students. This is a significant disadvantage to Argyll, particularly given the ambitious proposals to grow student numbers via projects such as Oban University Town.</p> <ul style="list-style-type: none"> • There should be no VAT applied on works undertaken to refurbish older buildings in line with new build houses. This would make it more viable to regenerate some of our town centres and encourage investment by the private sector in domestic and commercial properties. • Create a number of Enterprise zones in Argyll at strategic business sites e.g. European Marine Science Park, Machrihanish Airbase Community Company site (also potential to consider sites at Craigendoran, Sandbank and Kilmory Phase 2). • Following the Scottish Ferries Review and Publication of the Scottish Ferries Plan we would encourage Transport Scotland ensure all local ferry services receive fair and consistent funding in recognition of their importance to local communities. This includes a fares structure which supports economic growth for all users.
Context	<p>Argyll brings together much of what is best about Scotland – natural and built resources that drive national and international business markets, expertise that inspires innovation, and people committed to developing the prosperous future the area needs and deserves.</p> <p>Argyll therefore provides opportunities for economic growth that would benefit life in Argyll, Scotland and the UK. To turn opportunity into success we must reverse the decline in our population.</p>