

29th November 2018

LEADER'S REPORT

1. INTRODUCTION

- 1.1 This report gives colleagues an update on my activities as Leader of Argyll and Bute Council from 15th September to 15th November. It also includes an update in relation to my Policy Lead portfolio, Economic Development.

2. RECOMMENDATIONS

- 2.1 Members are asked to consider the report,
- 2.2 Members are asked to note that the full Leader's Report Pack is available in the Leader's office. This includes COSLA and other papers and briefings as referenced in the report. Any items discussed in public can be provided to members electronically; the papers for items taken in private session can be reviewed in the Leader's office.

3. ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP – Development Day, 19th September 2018

- 3.1 Mid September saw the members of Argyll and Bute Community Planning Partnership Management Committee travel to Inveraray for their annual informal Development Day.

After partnership Chair Hazel Hendren of Police Scotland set the scene, partners had a discussion on CPP values before welcoming the Improvement Service for the day's substantive session – Self Assessment Findings and Improvement Plan.

As always working together, partners explored our strengths, our priorities, what we need to do to plan for improvement and the areas which need more work and focus, facilitated by the Improvement Service. This type of session is always helpful in the way that it provides the right kind of space for

discussion – positive and encouraging but never afraid to challenge and to focus on areas of weakness. In these challenging times working together wherever possible is increasingly important and that is why it is important to take opportunities like this to explore how we can strengthen and find new ways of joint working.

4. MEETING WITH MICHAEL MATHESON, CABINET SECRETARY FOR TRANSPORT, INFRASTRUCTURE & CONNECTIVITY – 20th September 2018

- 4.1** Following the Scottish Government’s Cabinet reshuffle earlier this year, Michael Matheson took over the Transport portfolio from Humza Yousaf, with his ministerial brief also now including Infrastructure and Connectivity.

Members will recall that I had been in correspondence with Mr Yousaf over a period of some months and had secured his agreement to move forward with a transport infrastructure working group, to look strategically at all of the travel and transport issues which have an impact on Argyll and Bute’s future success.

I was keen to meet with Mr Matheson to discuss how this commitment could be progressed, as well as to discuss our Rural Growth Deal, for which he will be the ministerial lead. It was helpful to secure an early meeting with him in Edinburgh on 20th September, along with Pippa Milne, our Executive Director for Development and Infrastructure.

This was a short but positive session which gave us an opportunity to highlight the importance of our Deal and outline the timescale we are working to. In common with other political engagement meetings linked to the Deal, our proposals were received positively and their potential acknowledged for transformation of Argyll and Bute’s economic success. Since that meeting, of course, the Rural Growth Deal has been considered by council and this will be covered in more depth later in this report.

In relation to the transport infrastructure working group, Mr Matheson indicated that while his predecessor had been in a position to attend meetings, he would not be able to do so – however he did offer any support that was needed in terms of bringing all the relevant agencies together and getting the group up and running.

The first meeting was arranged for Monday 19th November in Arrochar with a range of transport bodies invited to attend.

The proposed agenda included agreeing the areas of focus for the group, including:

- Solutions for lifeline trunk routes

- Improved rail links, services and infrastructure
- Enhanced air/other links to the central belt
- Active travel opportunities
- Various ferry-related matters
- Future transport priorities

The group will also be looking at key objectives like inclusive economic growth, contribution to the national agenda, resilience, the needs of particular demographics (e.g. tourists, young people and more) and transport corridors (island connectivity, internal routes and central links).

I believe that by bringing together all the key players in Argyll and Bute's travel and transport scene we stand the best possible chance of securing effective and successful solutions – we need to take that holistic, strategic approach and work together rather than in isolation.

5. HIGHLANDS AND ISLANDS LEADERS GROUP, 27th September 2018

- 5.1** I joined Leaders from the other Highlands and islands local authorities for the latest in our series of regular group meetings in Edinburgh on 27th September.

Argyll and Bute Council officers made a significant contribution to the HILG business, providing input for the 'Brexit and Regional Policy' report and preparing in full two reports on waste strategy and derogations and the National Transport Strategy Review.

The full agenda list is as follows:

- Brexit and a Regional Policy for the Highlands and Islands
- Structural Funds update
- Ministerial correspondence
- Convention of the Highlands and Islands, October
- Waste Strategy and Derogations – impact on rural and island areas
- National Transport Strategy Review
- COSLA Briefing Paper – Transient Visitor Tax
- Affordable Housing Programme overview
- Fuel Poverty

We also agreed to write to Lord Duncan, Under Secretary of State for Scotland, inviting him to a future HILG meeting to discuss Brexit and regional issues relating to the Shared Prosperity Fund, agriculture, crofting, land management inward migration, access to markets and fisheries. The group is awaiting a response at the time of writing.

6. COSLA LEADERS, 28th September 2018

6.1 Along with the Chief Executive, I attended the September COSLA Leaders session in Edinburgh where the following matters were discussed in private session:

- COSLA Leaders Priorities Update June to September 2018
- Spending Review
- Pay Negotiations
- Programme for Government
- Distribution
- Barclay Implementation: consultation on Non Domestic Rates (NDR) Reform
- Partnership working
- Children and Young People's Mental Health

All reports and associated briefings can be reviewed in the Leader's Report Pack.

7. DEPOPULATION IN WESTERN SCOTTISH LOCAL AUTHORITY AREAS – third session with Leaders, 28th September 2018

7.1 The Leaders of the eight western Scottish local authorities affected by depopulation got together for a third session at the conclusion of COSLA Leaders on 28th September.

We agreed to send a joint letter – signed by all eight council Leaders – to Derek MacKay, Cabinet Secretary for Finance and the Constitution, and Aileen Campbell, Cabinet Secretary for Communities and Local Government, highlighting our shared concerns at a developing trend of east-west inequality based on projected population expansion statistics.

We outlined in our letter the various impacts arising from projected population changes and which risk undermining the sustainability of our communities, as well as the ability of the western Scottish region to deliver inclusive economic growth. These include:

- Barriers to business sustainability, investment and growth due to scarcity of labour and skills
- Risks to specific key sectors like agriculture, aquaculture, tourism and food and drink
- Threats to public services resulting from reduced funding due to declining population – creating a vicious cycle from which we cannot escape

- Inability to recruit in essential areas like health and social care and education
- Loss of spending power in communities, impacting local business
- Viability of higher/further education and training offer
- Housing issues – including poorly maintained/abandoned private sector and high void rates in social sector

We made it clear that we acknowledge the substantial investment in hand or planned across Scotland through the Growth Deals programme, but that this approach alone will not address the scale of challenge facing the west coast area. We have asked to meet urgently with the two Cabinet Secretaries to explore a partnership approach to tackling west coast population growth.

The letter was sent on 29th October and was signed by the Leaders of Inverclyde, Western Isles, North, South and East Ayrshire, Dumfries and Galloway and West Dunbartonshire councils, alongside ourselves.

At the time of writing we have not received a substantial response but I will keep members updated on our progress.

8. INTEGRATION JOINT BOARD – BOARD MEETING, 26TH SEPTEMBER AND SELF EVALUATION AND FURTHER DEVELOPMENT OF IMPROVEMENT PLAN, 4th October 2018

8.1 The Argyll and Bute HSCP Integration Joint Board met on Wednesday 26th September – the first meeting for the Partnership’s new Chief Officer, Joanna MacDonald. The following issues were considered:

- Visible Change Improvement Plan update
- 1st Year Review of Children and Young People’s Service Plan
- Audited Annual Accounts and Budget Monitoring Report
- Staff Performance Review Process
- NHS Highland Tobacco Strategy
- Argyll and Bute Alcohol and Drugs Partnership Report
- Chief Officer’s Report
- British Sign Language Strategy 2018 to 2024

8.2 A further step in our Integrated Joint Board/HSCP improvement journey was taken on 4th October at a self-evaluation and development session led by the Improvement Service.

Everyone involved with health and social care integrated services in Argyll and Bute is committed to driving forward improvement and transformation,

despite the significant challenges to overcome. This board development session was a useful tool and resource for us to use in that ongoing work. Having the space, time and opportunity to really focus on vital areas for improvement – working together in small groups before coming together as a team to explore findings and plan for improvement – helps the board work better and in turn strengthens that drive for improvement in service delivery.

9. ARGYLL AND BUTE'S RURAL GROWTH DEAL – Special Council, 18th October 2018

- 9.1** Members unanimously agreed a report outlining our overarching vision, key growth sectors and project themes which form the basis of Argyll and Bute's Rural Growth Deal, considered at a special council meeting on 18th October, following referral by the Policy and Resources Committee.



Gathered together at Kilmory to back Argyll and Bute's Rural Growth Deal

The Deal proposals are based on three key drivers:

- **Connecting:** our niche 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

At the time of writing our officers were finalising the formal submission document which will go to both the Scottish and UK Governments.

Members will recall that local people and communities have overwhelmingly backed the Rural Growth Deal vision and themes during the public consultation earlier this year. Along with that public backing, and our own unanimous agreement, sits incredibly positive and valuable support from our parliamentarians.



With MSPs Jackie Baillie, Donald Cameron and Michael Russell at the Scottish Parliament in October – backing Argyll and Bute’s Rural Growth Deal

We have engaged with them primarily through the Argyll and Bute Parliamentary Forum (sessions covered in earlier Leader’s Reports) and in informal discussions, and they have received our proposals very positively from the outset, telling us that we are doing the right things in the right way to secure the best possible outcomes for Argyll and Bute.

It remains vital to maintain momentum and keep on publicly backing Argyll and Bute’s Rural Growth Deal, which can be hugely transformational for the communities we represent. Over the coming months, as we work through the process, I hope that we as a council and as individuals join our fellow elected representatives, local businesses and local people in taking every opportunity to tell the story of our Deal and highlight just how important it is to Argyll and Bute’s future success.

10. A83 REST AND BE THANKFUL

- 10.1** The special council meeting on 18th October took place shortly after an extended period of closure for the A83 Rest and Be Thankful, following a series of landslides in severe weather.

As a council we responded in unity to the disquiet expressed by our communities, taking advantage of the special council meeting to submit and unanimously agree an urgent motion on the matter.

I subsequently wrote to the First Minister, Nicola Sturgeon, on 18th October, asking for a meeting with Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, and Derek MacKay, Cabinet Secretary for Finance and the Constitution, for myself, the Depute Leader, Cllr Sandy Taylor and Cllr Dougie Philand, as a matter of urgency.

We have also called for an urgent review of the options to provide a permanent solution for the A83 Rest and be Thankful and have asked for the Scottish Government's commitment to identifying and funding this solution in order to keep the A83 and Argyll and Bute fully open for business.

In response to our letter, Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, also offered to meet privately with our delegation after the A83 Taskforce meeting arranged for 15th November in Inveraray.

This taskforce meeting brought together the political, private and public sectors with community representatives and saw Mr Matheson making a commitment to identify a permanent solution that will bring to an end disruption on the A83 Rest and Be Thankful, in addition to the current mitigation measures.

We have made clear our position that the A83 Rest and Be Thankful is a vital trunk road which opens up access to most of Argyll and that is why it is so important that Transport Scotland and the Scottish Government identify and fund the right solution.

As with the Rural Growth Deal, it's encouraging that once again we are all able to work together so positively and unite to take action on the issues which are of the most importance to the local people we all represent.

11. CONVENTION OF THE HIGHLANDS AND ISLANDS (COHI), ELGIN – 22ND October 2018

11.1 Moray Council were the hosts for the Autumn COHI session on 22nd October. This provides an opportunity for senior members and officers from all the Highlands and islands local authorities to come together and meet with Scottish ministers, focusing on the issues which are particular to our region with its very diverse mix of urban, rural, remote and island communities.

As you would expect in the current times, the agenda for this session featured European issues and the impact on the Highlands and islands region of the UK's exit from the European Union.

Ministerial topic updates on the agenda were:

- Potential future strategic economic opportunities within the wider Highlands and Islands region – Fergus Ewing, Cabinet Secretary for the Rural Economy
- COHI post 2020 – skills, workforce planning, Enterprise and Skills Review and Strategic Plan – John Swinney, Deputy First Minister
- COHI post 2020 – talent attraction – Fergus Ewing
- Developing a post-Brexit Regional Policy for the Highlands and Islands – Kate Forbes, Minister for Public Finance and Digital Economy
- Maximising benefits from digital infrastructure/investment, including UK Government and Ofcom delivery – Paul Wheelhouse, Minister for Energy, Connectivity and the Islands, and Kate Forbes
- COHI Outcomes – John Swinney

Reports on the Scottish National Investment Bank and a post 2020 Highlands and Islands Update paper also featured.

Shortly after COHI, I wrote to Huw Saunders, Network Infrastructure Director for Ofcom Scotland, offering to host Ofcom's annual Connected Nations report launch in Argyll and Bute. Ofcom are due to come to the Environment, Development and Infrastructure Committee's December meeting when we will no doubt have further discussions.

12. ISLANDS TRANSPORT FORUM, 25th October 2018

12.1 There are a variety of different forums and groups, at a national level, where islands issues are in focus. With the Scottish Cabinet reshuffle earlier this year, and a new Islands Minister and Cabinet Secretary, discussions are ongoing about how to make the best and most effective use of these groups. One such is the Islands Transport Forum, which held its fifth meeting on 25th October. I attended by teleconference along with our Head of Roads and Amenity Services, Jim Smith.

The agenda topics were:

- National Transport Strategy Review
- Brexit issues
- Update on Northern Isles Ferry Tendering
- Update on Ferry Service Investment Planning
- Update on review of Air Discount Scheme for renewal in 2019
- Update on Regional Air Services Scoping Study
- Decentralisation of key transport posts and management to islands
- Skye Air Service
- Northern Isles Internal Ferry Service Funding and Delivery
- Islands Passport

There are a number of these topics which are of particular interest in the Argyll and Bute context, including the funding and delivery of internal ferry services, the subject of correspondence in recent months with both Mr Yousaf and now Mr Wheelhouse.

Decentralisation of key posts to island communities is also of significant interest to us and there is to be a further teleconference in December with Paul Wheelhouse, Minister for Islands, to focus on this area.

13. COSLA LEADERS, 26th October 2018

13.1 Agenda items at the October Leaders session were:

- Spending review
- Pay negotiations
- Brexit Preparedness: Impact Assessment of Local Government Workforce
- Universal Support

In public session:

- #GenerationEqual pledge
- Distribution of homelessness funding

14. HEALTH AND SOCIAL CARE PARTNERSHIP SENIOR MEMBERS/OFFICERS GROUP (SMOG) – 31st October 2018

14.1 The Health and Social Care Partnership Chief Officer has established a Senior Members/Officers Group (SMOG) to provide further opportunities for discussion as the partnership progresses its Visible Changes Improvement Plan in particular. The first session took place on 31st October and, while this inaugural meeting focused on the group's terms of reference and the way forward, I am sure that this will be a very useful and positive contribution to the health and social care integration agenda.

The group has agreed to meet on a quarterly basis and dates are in diaries for the coming year. I will be happy to report back to members in future Leader's Reports.

15. COSLA GENDER EQUALITY CONFERENCE, EDINBURGH – 2nd November 2018

15.1 COSLA President, Cllr Alison Evison, hosted the Gender Equality Conference in November as part of COSLA's commitment to progressing equality and diversity. This participative event was designed to celebrate, in particular, the contribution made by women to local government. Its aim is to develop action plans, informed by conference discussion and feedback, on ways of tackling barriers to participation in politics.

The conference coincided with a COSLA EE Board meeting (see later in this report) which meant I could not participate in all conference sessions. However, it was a very positive and constructive day – I am looking forward to hearing more about the outcomes and actions from the session and will be happy to share these with colleagues as soon as I can.

16. WORLD WAR 1 CENTENARY COMMEMORATIONS

16.1 On Sunday 4th November, along with the Provost, the Lord Lieutenant of Dunbartonshire and other local members, I attended the Victoria Cross Paving Stone unveiling ceremony at Drumfork House in Helensburgh.

This ceremony was the final of four held across Argyll and Bute during the four-year WW1 centenary period. It marked the bravery of acting Major George Findlay, who was awarded the Victoria Cross in 1918 for his actions under heavy fire at the Sambre-Oise Canal, Catillon.

Members of the Findlay family had travelled from all over the UK to attend the ceremony and see the stone unveiled at Drumfork House, where Mr Findlay lived latterly.

16.2 The national Scotland Commemorative Service for the Centenary of the First Armistice was held in Glasgow Cathedral on Sunday 11th November and I was invited to attend, along with the Chief Executive. It was an honour to represent Argyll and Bute at this very moving national event attended by over 1,000 people including serving and former military personnel, families of those lost at war, the Princess Royal and the First Minister of Scotland. This poignant service was organised by WW100 Scotland and included contributions from the National Youth Choir of Scotland, among others, with music ranging from hymns to popular songs of the 1914-18 period. Young people played a key part in the service, ensuring that the legacy of remembrance will continue for future generations and beyond this centenary period.

17. JOINT LEADERSHIP MEETING – NHS HIGHLAND, ARGYLL AND BUTE HSCP – 6th November 2018

17.1 The third Joint Leadership session was held on 6th November, bringing together senior management and leadership from NHS Highland, the council and the Health and Social Care Partnership. These meetings are about strengthening our partnership and finding ways we can work more closely together to drive forward improvement in the integrated health and social care services which matter so much to our organisations and to our communities. While our initial sessions have been very much about setting that direction of travel, at this third meeting we have agreed a sharper focus as we put our 2019 programme in place. These meetings will continue on at least a quarterly basis and will be particularly useful as both the council and the HSCP enter their budget-setting processes.

18. INTRODUCTORY MEETING WITH SCOTTISH WATER, 7th November 2018

18.1 Scottish Water has embarked on an informal engagement programme with local authority leaders across Scotland, and I was happy to welcome their Corporate Affairs team to Helensburgh on 7th November.

While this introductory meeting was fairly short and high level, we managed to cover a lot of ground in a positive and constructive way, including:

- How Scottish Water could support our Rural Growth Deal
- Connections and development issues
- Challenges of managing surface and storm water
- Improving compliance with SEPA's consent conditions
- Some localised issues – e.g. flooding flash points

We are still corresponding about some matters and it may be that a follow-up session will be helpful.

19. YEAR OF YOUNG PEOPLE – THE BIG CONVERSATION, Helensburgh, 7th November 2018

19.1 Argyll and Bute's signature Year of Young People 2018 event took place in Helensburgh on 7th November. Entitled The Big Conversation, it put a panel of public sector and youth representatives through their paces with questions from the audience of over 70 young people from all over Argyll and Bute. In the spotlight alongside me were Pippa Milne, our Executive Director for Development and Infrastructure, Education Head of Service Anne Paterson, Joanna MacDonald, HSCP Chief Officer, Argyll and Bute MSYPs and representatives from the Community Planning Partnership.

Issues of interest for young people on the day were extremely wide-ranging – from ways of finding more activities for young people locally to pressing for action on single use plastics. It was a very challenging but most enjoyable session – it's so encouraging to see Argyll and Bute's young people taking an interest in local life and national issues alike. I hope they found the day as interesting and constructive as I did.

20. EARLY YEARS CONFERENCE, DUNOON – 8th November 2018

20.1 Along with Cllr Kieron Green, I attended the Early Years Conference in Dunoon on 8th November. The programme featured speakers and workshops from the Scottish Social Services Council, the Care Inspectorate, Education Scotland and our own Education team – and I was privileged to be asked to open the conference, speaking on leadership.

Conference sessions included exploration of how children can lead learning and the impact of 'lollipop' or 'lightbulb' moments in terms of developing leadership at all levels. There was also a focus on developing natural strengths and working on weaknesses, recognising different styles of leadership and how – most importantly – our council can harness all of that to deliver the best possible outcomes for our young people at the earliest opportunity.

As well as a learning opportunity this was also a chance to thank our Early Years staff for the invaluable work they do across Argyll and Bute – like all of our frontline delivery teams they really do make a difference to community life.

21. CHIEF OFFICERS/SENIOR OFFICERS (COSO) EVENT – 9th November 2018

21.1 On Friday 9th November it was back to Dunoon's Queen's Hall again for the final COSO session of 2018.

This session focused on digital – inviting us all, through the different workshops on offer, to consider just how 'digital' we really are and how much digital we really do. These were challenging and thought provoking sessions which will feed back into the council's ongoing transformation work and digital improvement agenda – I think that some of us who thought we really were quite tech-savvy have been given real food for thought!

It was a pleasure to welcome Colin Boag MBE who gave an update on the work of the Mount Stuart Trust.

This was the third different event I have attended in the Queen's Hall since it reopened after a major refurbishment – it really is a fantastic venue and space which lends itself to a wide range of functions and purposes. From listening to officers during the day, many of whom were also seeing it for the first time after its revamp, it's clear that it's making a real impression and impact locally, bringing exciting new facilities to the Dunoon and wider Cowal community. If you haven't seen it yet I would encourage you to visit when you can.

22. POLICY LEAD FOR ECONOMIC DEVELOPMENT UPDATE

22.1 Argyll and Bute Renewable Alliance, 18th September: The latest ABRA meeting was held in Inveraray on 18th September and we were delighted to welcome representatives from Scottish and Southern Energy Networks, Local Energy Scotland, Scottish Power Renewables, Crown Estate Scotland and Marine Scotland, who each contributed to the day's programme.

Discussion topics and sessions were:

- RIIO-T2 and Wider Project Update, SSEN Transmission
- Grid Update, SSE
- Local Energy Planning – COBEN – Local Energy Scotland
- Update on Leasing Rounds and Sectoral Marine Plan – Crown Estate Scotland and Marine Scotland
- Economic Benefit, Onshore Wind – Scottish Power Renewables
- Renewable Energy Action Plan update – Argyll and Bute Council

22.2 Argyll and the Isles Strategic Tourism Partnership, 25th September: It is no surprise that Argyll and Bute's Rural Growth Deal featured heavily in the September AISTP meeting.

As well as the Deal and its tourism elements, we also discussed a number of issues including the new Heart and Soul promotion campaign (promoting Glasgow and Argyll as ideal locations for a dual-destination, city-country break), the Rural Growth Deal, and proposals for a Tourism Development Framework

We heard that there has been a slight drop in visitor numbers for the January to June 2018 period (476,673 compared to 486,196 last year, a - 2.0% change). The summer months May, June and July, however, saw increases on previous years.

22.3 Transport Scotland Bus and Active Travel Summit, Edinburgh, 24th October: Michael Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity, was the keynote speaker at this transport summit in Edinburgh on 24th October. The session offered an opportunity to hear about the latest developments in these areas from a wide range of partners and experts.

Another feature was discussion of the Active Travel Taskforce report, published in June this year. This report is the product of the taskforce established by Mr Matheson's predecessor, Humza Yousaf, in 2016, to explore ways to improve delivery of ambitious and inclusive walking and cycling projects across Scotland – in turn supporting good health and wellbeing and strengthening sense of place.

The Taskforce identified 18 recommendations and some of these areas were covered at a high level during the summit. There are links with the priorities that the council agreed in September 2017 so, while the focus of this particular summit related more to urban matters, the issue generally is of interest to us and we will be watching the progress of the Taskforce recommendations and any national guidance which ensues.

22.4 HIE Board Members Lunch, Oban, 31st October: Highlands and Islands Enterprise Board visited Oban on 31st October and extended an invitation to key stakeholders and partners, including the council, to an informal 'meet the board' lunch in the town centre.

This informal session was productive and helpful – HIE are a key partner and can play a significant role as we progress our Rural Growth Deal. We had an opportunity to introduce our Deal and its vision and themes to board members who may not otherwise have had an opportunity to hear about it. Following this lunch I have also written to Professor Lorne Crerar,

Chair of HIE, to provide him with the very latest position on our Deal and to request a meeting with him and HIE's Chief Executive to explore in more depth how they can work with us over these next crucial months.

22.5 COSLA Environment and Economy Board, 2nd November: Although this coincided with COSLA's Gender Equality Conference (see main Leader's Report entry) I was able to participate in some elements of the COSLA EE Board meeting. The Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson, was in attendance for a discussion relating to transport. Agenda items were:

- Planning Bill – verbal update
- Scottish Crown Estate Bill
- Transport Bill/workplace parking levy
- Scottish Publicly Owned Energy Company
- Consultation on the Scottish National Investment Bank
- Enterprise and Skills Strategic Board Plan

22.6 Economic Development – Key Sectors Update:

Tourism: Overall, Argyll and Bute has seen strong growth in tourism numbers, particularly amongst foreign visitors. The new Heart and Soul campaign, linking Glasgow and Argyll tourism marketing groups and promoting the two areas as twin, complementary destinations, is also under way. A series of ten short videos have been produced to promote Argyll, and these are linked to the Glasgow City Deal and the ambition to increase visitor numbers by one million over the next decade. We are also exploring ways in which we can work with the three Ayrshire councils to link active travel routes in these areas with routes in Argyll and Bute.

The new Machrie Hotel in Islay is now open for business and there is good progress on the construction of a new Premier Inn in Oban, which will augment the town's accommodation offer.

Dunoon Project: A £50k feasibility study is under way to determine a business case for this project.

Aquaculture: European funding of £130K has been awarded for feasibility exploration work on delivery of a sustainable seaweed industry in Argyll and Bute. We are working in partnership with the Scottish Association for Marine Science (SAMS) on this.

The funding for the seawater pipeline feasibility study has all been secured and the contract successfully let to Royal Haskoning, an engineering, design and project management consultancy.

Scottish Sea Farms' total investment in its Barcaldine facility is now approaching £48m – a real sign of confidence in Argyll and Bute and a boost for the local economy and jobs market. To assist recruitment, consideration is being given to building up to ten new affordable homes in the vicinity of the site.

Dairy: Work continues with Kintyre Farmers to look at the future of the Campbeltown creamery, currently on the market. There is a potential buyer on the horizon, but government assistance is likely to be required in order to overcome a number of challenges and support the purchase.

External Funding: We were successful at stage one of the Regeneration Capital Grant Fund (RCGF) for four projects in Argyll and Bute:

- Expansion of Kilmory Industrial Estate
- Kintyre Recycling Limited new facility
- Contribution to Kilmartin Museum
- Contribution to expansion of Lochgilphead swimming pool

Following further discussions with Lochgilphead Swimming Pool and Kintyre Recycling Limited it was decided not to proceed to stage 2 at this time. Stage 2 bids for Kilmartin Museum and Kilmory Industrial Estate have been submitted with a result expected in January 2019.

The RCGF is a very important funding area for Argyll and Bute, and we have had considerable success with it in the past. The Scottish Government is currently reviewing the fund's future and we feel its retention is vital for Argyll and Bute.

Three officer bids to the Rural Tourism Infrastructure Fund have been approved:

- Fionnphort & Craignure Car Park Improvements - £106,005.
- Tiree Car Parks - £130,866
- Bruichladdich path - £300,000

Alongside this, Loch Lomond and the Trossachs National Park Authority secured £260,000 for two projects – improvements to relieve visitor pressure at Luss, and redirecting toilet stop traffic to Tarbet and Inveruglas, plus improvements to the Luss toilets.

We have also secured a successful tender, within budget, for the refurbishment of the Inveraray arches and the contract has been successfully let with a start scheduled for January.

Officers are currently scoping out two potential Conservation Area Regeneration Scheme (CARS) funding bids, one for Helensburgh and one for Lochgilphead.

PSO Retendering for Oban Airport: This is under way with a public consultation on what services islands require in terms of flights. The contract will be renewed from May next year and careful consideration will need to be given to services in terms of budget challenges. A report will come to members in due course.

23. CONCLUSION

23.1 This report highlights my recent activities as Leader of Argyll and Bute Council, together with a brief update on my Policy Lead portfolio. I hope that this update is helpful for members and will be happy to provide more information wherever possible.

24. IMPLICATIONS

24.1 Policy - None

24.2 Financial – None

24.3 Legal – None

24.4 HR – None

24.5 Equalities – None

24.6 Risk – None

24.7 Customer Service – None

**Councillor Aileen Morton
Leader, Argyll and Bute Council and Policy Lead for Economic Development
15th November 2018**

For further information or to access the Leader's Report Pack please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email aileen.mcnicol@argyll-bute.gov.uk