

**REQUEST FROM THE COUNCIL'S INWARD INVESTMENT FUND
SCOTTISH MARINE INDUSTRY TRAINING CENTRE - PROJECT DIRECTOR**

1.0 EXECUTIVE SUMMARY

- 1.1 This report concerns a request by Argyll College UHI seeking funding of £105,040 over a two year period to July 2021 from Argyll and Bute Council's Inward Investment Fund. The purpose of the funding is to create a new role of Project Director to help deliver a new £7m **Scottish Marine Industry Training Centre (SMITC)** within the **European Marine Science Park (EMSP)** at Dunstaffnage, Oban. This appointment of this post will enable a comprehensive curriculum plan and business case to be developed for the new facility that will inform the **Argyll and Bute Rural Growth Deal (RGD)** submission to both the Scottish and UK Governments together with assisting the aspirations of Highlands and Islands Enterprise (HIE) for the future expansion of the EMSP and the growth of Argyll College UHI curriculum offer.
- 1.2 The creation of the SMITC is a key project in the delivery of 'Oban: A University Town' to achieve the ambition of circa 80 full-time and 440 part-time student within six years of the SMITC being fully operational. This growth in the student population, in the main aged 16-25, will contribute towards reversing population decline across Argyll and Bute. Additional growth will also be realised for Argyll and Bute as the skills training provision at the SMITC will align with identified employment opportunities from businesses across the region, where it is anticipated that a proportion of individuals will remain in the area following completion of their studies. The demand for the SMITC is based on strong evidence of industry demand in the area, and will have a focus on vocational education such as apprenticeships, and specific skills courses. Therefore very high rates of local employment are anticipated.
- 1.3 It should be noted that this funding request to Argyll and Bute Council is supported by other contributions to this development from other partners such as HIE and from Argyll College UHI itself.
- 1.4 The National Marine and Maritime Training Network, which represents all appropriate colleges across Scotland is fully supportive of this development; noted as one the most advanced project of its type in Scotland.
- 1.5 Members of the Policy and Resources Committee are asked to:
- Approve the release of £105,040 funding from the council's Inward Investment Fund over two financial years to enable Argyll College UHI to develop a comprehensive curriculum plan and business case for a new SMITC within the EMSP, Oban.

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2.0 INTRODUCTION

- 2.1 This report considers Argyll College UHI request for funding of £105,040 over a two year period to July 2021, from Argyll and Bute Council's Inward Investment Fund to create a new role of Project Director for the £7m SMITC within the EMSP at Dunstaffnage, Oban. This appointment of this post will enable a comprehensive curriculum plan and business case for the new facility to be developed that will inform the Argyll and Bute RGD bid to both the Scottish and UK Governments together with the aspirations of HIE with regard to the expansion of the EMSP and the growth of Argyll College UHI curriculum offer.

3.0 RECOMMENDATIONS

- 3.1 Members of the Policy and Resources Committee are asked to:
- Approve the release of £105,040 funding from the Council's Inward Investment Fund over two financial years to enable Argyll College UHI to develop a comprehensive curriculum plan and business case for a new SMITC within the EMSP, Oban.

4.0 DETAILS**Project Context: Marine Industry Training Centre (SMITC)**

- 4.1 Argyll College UHI is seeking funding of £105,040 over a two year period to July 2021 from Argyll and Bute Council's Inward Investment Fund to create a new role of Project Director for the £7m SMITC within the EMSP in Dunstaffnage, Oban. The request for £105,040 equates to 80% of the full-time salary costs (including on-costs) over the two-year period. This appointment of this post will enable a comprehensive curriculum plan and business case for the new bespoke, state of the art, facility to be developed that will inform the Argyll and Bute RGD bid together with the aspirations of HIE with regard to the expansion of the EMSP and the growth of Argyll College UHI curriculum offer.
- 4.2 Provision at this new facility is anticipated to include vocational training and academic education as well as furthering the development of a skilled workforce to support the sector through CPD and mandatory training courses. The Project Director will engage with industry to develop the final design for the facility, examples of what might be incorporated include: specialist joinery, Glass Reinforced Plastics (GRP), metal and engine workshops, fabrication spaces,

teaching and laboratory space and a cold-water survival training pool. The development is a collaborative opportunity meeting the needs of the local community through to national industry and will contribute to the development of a world-class marine and maritime offering within the EMSP.

- 4.3 The development of a SMITC in Oban has come about following clear demand from industry and both regional and national studies assessing sectoral skills requirements. The Marine and Maritime Training Network (MMTN) is a sectoral group of the Energy Skills Partnership, of which Argyll College UHI is a member, along with a range of respected marine education and research institutions, where individual member institutes have already expressed an interest in using the proposed SMITC facilities.
- 4.4 Progress is now required in advance of a finalised RGD deal to ensure that the current opportunity is not missed, or goes elsewhere. The Oban proposal is currently the most developed in Scotland, however demand and interest from other areas is such that this advantage could easily be lost if progress to date is not built upon. Further to recent feedback with officers involved in other city and growth deals, it has been advised that 'shovel ready' projects are more likely to be funded. The SMITC is the first tangible project stemming from the 'Oban: A University Town' (OaUT) initiative relating to curriculum development and is fully supported by the OaUT Steering Committee Partners and the MMTN.

European Marine Science Park

- 4.5 HIE has invested significantly in the development of the EMSP, and is currently developing plans for Phase 2 of the Science Park, which will include road and infrastructure upgrades which will pave the way for the development of the SMITC. The centre will complement all the existing activity at the EMSP, particularly the growth in the student cohort, which will seek to attract a wider student base.
- 4.6 The EMSP is a business cluster with a diverse mix of businesses engaged primarily in marine biotechnology and aquaculture supply chain activity and research and development. A skilled marine workforce is integral to supporting continued success and growth of these businesses and the buoyant marine economy across Argyll and Bute, which encompasses marine engineering, boatbuilding and marine tourism. The SMITC will provide the skills for the future that will enable the wider marine economy to retain sustainability and to support the growth of the region. The addition of further education and vocational training afforded by the SMITC development will complement the higher education, research and enterprise already offered on the EMSP by the Scottish Association for Marine Science (SAMS).

Opportunities and Benefits

- 4.7 The provision of the Project Director post will afford a number of opportunities and benefits as follows:
 - **creation of the SMITC itself** - the development will provide opportunities for young people in Argyll and Bute, and beyond, to develop a career within the marine and maritime sectors and raise awareness of both current and future employment opportunities in a growing industry. It is anticipated that

the facility will accommodate approximately 30 full-time (FT) and 220 part-time (PT) students in the first year of operation, progressing to around 80 FT and 440 PT within six years. Studies have shown that the expenditure of Scottish domiciled FT students to be conservatively estimated at £8,678 per annum, therefore the facility has the potential to contribute over £1 million to the local economy each year. This growth in the student population in the main aged 16-25 will contribute towards reversing population decline across Argyll and Bute. Additional growth will also be realised for Argyll and Bute as the skills training provision at the SMITC will align with identified employment opportunities from businesses across the region, where it is anticipated that a proportion of individuals will remain in the area following completion of their studies. The demand for the SMITC is based on strong evidence of industry demand in the area, and will have a focus on vocational education such as apprenticeships, and specific skills courses. Therefore very high rates of local employment are anticipated. Economic impacts are estimates at this stage and a full economic impact assessment will be completed as the project progresses. Overall, the creation of this facility and potential for additional students coming into the region will have significant economic benefit directly in terms of job creation, student spending and commercial courses, but also considerable indirect benefits through growth of the marine and maritime sector. The facility will also eventually employ six full-time equivalent (FTE) staff contributing circa £250k to the local economy on an annual basis;

- **income generator for Argyll College, UHI** – the education and training offering at the proposed SMITC to meet industry demand for marine and maritime services offers a commercial opportunity for Argyll College, UHI. The income to be generated by the Argyll College UHI from this facility will enable further investment in its curriculum offer across Argyll and Bute’s Learning Centres and contribute significantly to regional economic growth, with the potential for students of the SMITC to move into higher value employment; and
- **contribute to the growth of Argyll and Bute’s marine and maritime sector** - Argyll and Bute is at the forefront of the development of the marine economy of the Highlands and Islands region. The area has abundant natural resources, strong marine heritage, excellent science and innovation foundations, and a skilled workforce spanning global scientific research, aquaculture, marine leisure, engineering and boat building. The existing curriculum options within Argyll College UHI will be developed to include a more advanced and diverse curriculum in the marine and maritime sector and partnerships will be developed with other specialist providers as required. Continued engagement and collaboration with local and national employers in the marine and maritime sectors will help inform the content of the new curriculum, ensuring developments align with current as well as future industry requirements.

Resources to Date

- 4.8 The £160,000 investment to date on the SMITC concept has come from HIE, including the funding of the 2016 Study Tours (the council paid for its staff to attend), public engagement, a scoping report and action plan being published and

OaUT management being put in place. Additional funding and studies by Skills Development Scotland (SDS), University of the Highlands and Islands and HIE has provided the sector-specific evidence base for this development. Further in-kind contributions have come from OaUT project partners, including the council and Argyll College UHI, with senior management time contributing to the process over recent years. Therefore the total investment to date of circa £160,000 directly has been complemented by a number of indirect contributions coming from staff input and management time from partner organisations.

Resources Required and Key Milestones

- 4.9 Argyll College UHI has entered a new phase in its development. With a new Principal and Chief Executive, it is embarking on an ambitious expansion plan with the SMITC being one major element. In order to progress plans for the SMITC in Oban, a project delivery team has been established including representatives from the core group that has been taking forward OaUT, including Argyll and Bute Council, HIE and Argyll College UHI. The group has been working to specify the opportunity and develop plans and proposals to take this forward. At a meeting in March 2019, which involved Argyll and Bute Council together with the other key partners, the project was identified as a strategic priority for Argyll and Bute as a place to live and learn in, and the team then went on to discuss the resources required to develop this project.
- 4.10 It was clearly recognised that a significant time resource has already gone into the development of the project, but that it now required a dedicated Project Director to deliver the SMITC by September 2021, subject to securing the required capital funding through the RGD. Current funding and resources available to the college mean that it is unable to progress this project without financial assistance. Funding opportunities from other enterprise agencies and public bodies have been explored but funds are either fully committed or are restricted by criteria that do not match this project. It was therefore agreed that Argyll College UHI should submit a funding request to the council for consideration to enable the appointment of this Project Director post. In addition to £105,040 sought from Argyll and Bute Council, the funding proposal includes a contribution from Argyll College UHI of circa £47,400 plus the requirement for the new Project Director to seek another £50,000 of funding from other sources.
- 4.11 If capital funding is not secured through the RGD, partners are committed to the project and consideration will be given by partners and the Project Director to alternative options for funding delivery. The £105,040 sought from the Inward Investment Fund will be the extent of Argyll and Bute Council funding.
- 4.12 An initial scoping paper has been developed for the position, which will have a phased approach and will include the following responsibilities:
- **Phase 1:** Ongoing engagement to inform the detailed facility design;
 - **Phase 2:** Detailed design phase to planning application submission; and
 - **Phase 3:** Curriculum and training development, budgeting and funding.

The detailed activities and achievements to be realised for each of the above stages is outlined in **Appendix A, Table 1**. Funding of the Project Director will enable the project to progress to a construction ready stage.

At present key milestones for the proposed SMITC project, coupled with resource requirements are as follows:

- August 2019: Funding submission to Argyll and Bute Council's Policy and Resources Committee;
- August 2019: Ministerial visit to Oban;
- September 2020: Initial development of infrastructure within EMSP; and
- September 2021: Begin construction of SMITC, subject to secured funding.

The Inward Investment Fund

4.13 The Inward Investment Fund was initiated by the Argyll and Bute Council in May 2016 with the criteria of the fund further amended to ensure that any expenditure supports the development of the Argyll and Bute RGD. The purpose of the fund is to promote the growth of the Argyll and Bute economy through attracting significant inward investment to the region that has the potential for a transformational impact. It is considered that the creation of this new SMITC facility has the potential to have this impact not only in Oban, but across the whole of the Argyll and Bute Council area.

5.0 CONCLUSION

5.1 There is a need to expand further and higher education possibilities in Argyll and Bute to allow for greater choice for local students and people considering studying in our region. This request of £105,040 of grant funding from Argyll and Bute Council's Inward Investment Fund over two financial years will allow a comprehensive curriculum plan and business case for the new SMITC to be developed that will inform the Argyll and Bute RGD. The funding will also help realise the ambitions of Oban to develop further as a University Town.

6.0 IMPLICATIONS

6.1 **Policy** – the Development of 'Oban: A University Town' through the development of the SMITC is a key element of the Argyll and Bute RGD and the expansion of the EMSP is supported by the Local Development Plan as a Business Allocation.

6.2 **Financial** - a request of £105,040 of funding over two financial years is being made from the established Inward investment Fund.

6.3 **Legal** – no legal issues.

6.4 **HR** – none.

6.5 **Equal Opportunities** – there are no equal opportunities implications.

6.6 **Risk** – there is no guarantee that this investment will enable the new centre to proceed. That said, not agreeing to fund these development costs will inevitably delay the delivery of the SMITC as no other sources of funding have been identified to undertake this critical piece of work.

6.7 **Customer Service** – there are no customer service implications.

Executive Director with responsibility for Economic Growth: Pippa Milne.
Policy Lead: Cllr Aileen Morton.
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For further information contact:

Fergus Murray, Head of Development and Economic Growth, tel: 01546 6042935
Ishabel Bremner, Economic Growth Manager, tel: 01546 604375

Appendix A, Table 1: Phased Approach to the Project Director Post

| Table 1: Phased Approach to the Project Director Post | |
|---|---|
| Phase 1: Ongoing engagement to inform the detailed facility design: | |
| 1) | Develop a vision document for wider circulation. |
| 2) | Manage SMITC project team / steering group |
| 3) | Ensure curriculum plan for SMITC meets current and future needs of students and employers and feeds into the detailed design phase of the building. |
| 4) | Industry engagement including: |
| a) | Formal: technical onsite specification requirement. |
| b) | Formal: industry leaders and investors with a view to attracting additional funding. |
| c) | Informal: local and national industry to manage expectations and involvement. |
| Phase 2: Detailed design phase to planning application submission: | |
| 5) | Co-ordinate with EMSP management and other local stakeholders such as SAMS to ensure synergies are maximised. |
| 6) | Develop detailed design with architects, QS, and industry, advising on technical requirements (this would require additional external contractor funding as outlined in Table 1 above) . |
| 7) | Identify, co-ordinate and maximise funding streams from smaller sponsorship opportunities to large scale investments. |
| Phase 3: Curriculum and training development, budgeting and funding: | |
| 8) | Scope potential timetabling to optimise delivery including academic and commercial courses. |
| 9) | Build short, medium and long term business case. |
| 10) | Media strategy and engagement between Argyll College UHI, HIE and Argyll and Bute Council. |
| 11) | Develop partnership opportunities with specialist providers. |

Source: Argyll College UHI