

INITIAL DRAFT

Corporate Economic Development Action Plan – 2010 to 2013

This is an initial draft. The final version will be modified and designed to suit a range of audiences.

1. Our Vision, Approach and Priorities

In order to focus the Council's scarce resources on the economic development activities that will have the greatest beneficial economic impact, Argyll and Bute Council has developed this Economic Development Action Plan (EDAP). The Action Plan clearly articulates the Council's corporate priorities for developing the Argyll and Bute economy, thereby facilitating focus, effective resource planning and partnership working at the local, national and European levels.

Our guiding vision is:

“Argyll and Bute will unlock the potential of its significant, sustainable economic assets for the benefit of its communities and the competitiveness and security of the Scottish and EU economies.”

This is a time of profound change, both in terms of the economy and the climate, and Argyll and Bute is well placed to make a positive contribution to generating sustainable, economic growth for Scotland and the wider European Union.

Due to its abundance of sustainable economic assets and its boundary with Scotland's Central Belt, Argyll and Bute is not at the periphery of Scotland's economic future but at its very heart.

The EDAP will provide a framework for economic development centred round three 'C's:

- **Competitive** Argyll and Bute;
- **Connected** Argyll and Bute; and
- **Collaborative** Argyll and Bute.

Our key priorities and related actions for the economic development of the region are grouped under these three themes. The actions contained within the plan will be reviewed annually.

The EDAP builds on the nationally significant ambition and investment that is already evident in Argyll and Bute, such as the £30 million waterfront regeneration programme and the £50 million of private and public investment in renewable energy related projects in Campbeltown.

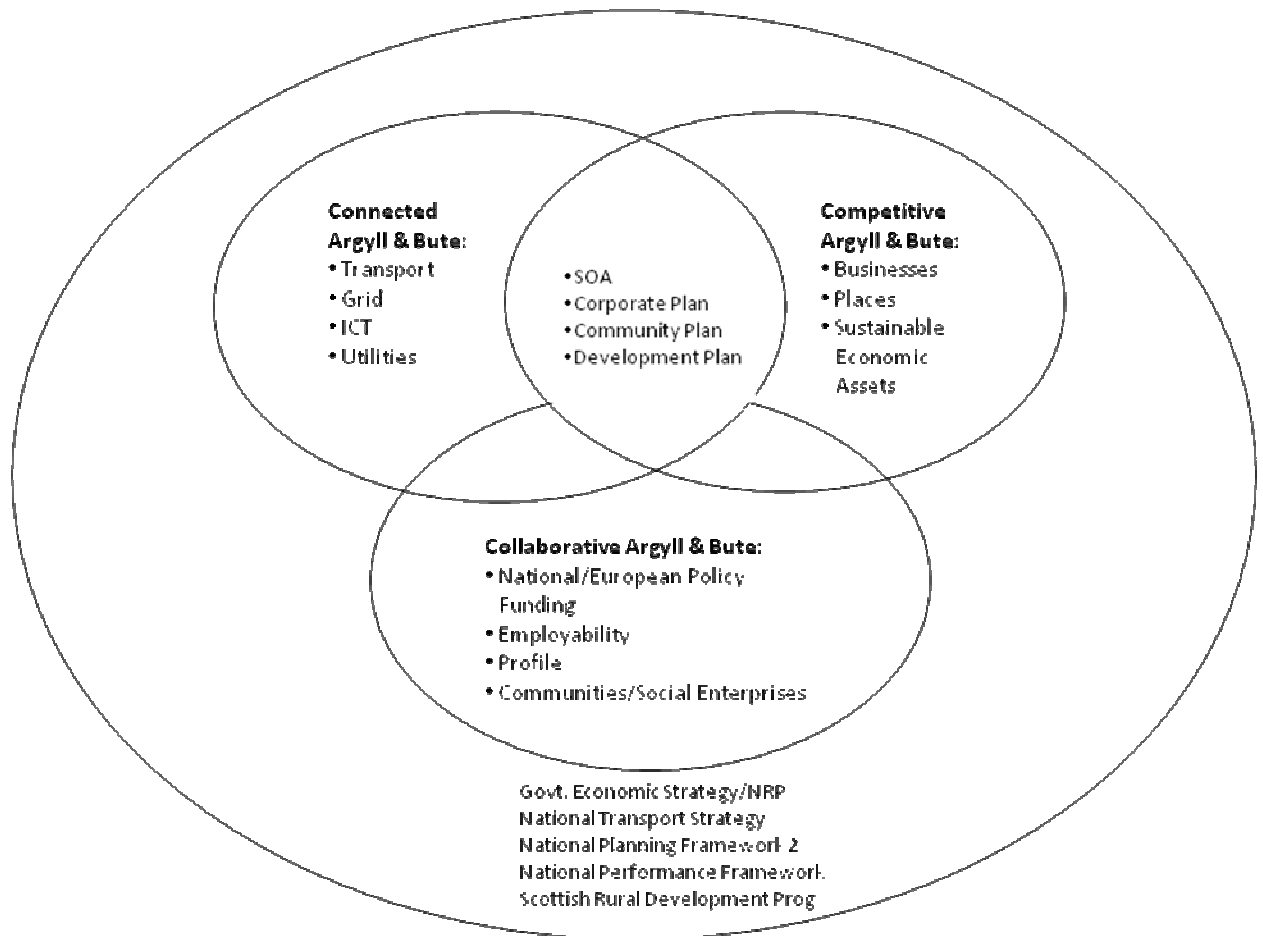
In order to facilitate focus, we have identified the top four economic development priorities for Argyll and Bute 2010 – 2013; these are:

1. Take actions that unlock potential of our renewable energy assets in the longer-term;
2. Stimulate the regeneration of five of our main towns via the CHORD¹ Programme;
3. Work with over 1,000 new and existing businesses to help them start, grow and survive;
4. Prioritise infrastructure investment essential for the area's growth (transport, grid, ICT, utilities).

¹ CHORD: £30million+ regeneration programme in Campbeltown, Helensburgh, Oban, Rothesay and Dunoon.

Given the scale of opportunity and task, a separate Renewable Energy Action Plan has been developed with Community Planning Partners.

Figure 1.1: Framework for Economic Development Action Plan



2. Strategic Context

The EDAP has not been developed in isolation but reflects and promotes economic development ambitions which are being pursued at the national and European levels.

Scottish Policy Context

At a national level, the vision for economic development in Argyll and Bute contributes to and fits with the Government Economic Strategy's (GES) central ambition of achieving sustainable economic growth for Scotland through focusing on the following drivers of economic growth:

- improving productivity and competitiveness;
- increasing labour market participation; and
- stimulating population growth.

As part of the GES, and in line with the Government's five strategic objectives², 15 national outcomes have been defined. These national outcomes form the basis of the Single Outcome

² A Scotland which is: wealthier and fairer; smarter; healthier; safer and stronger; and greener.

Agreement (SOA) for each Council area in Scotland, including Argyll and Bute. The SOA reflects our Corporate Plan and Community Plan commitments and is agreed in partnership with the Scottish Government. The EDAP will be a critical document for informing the annual SOA and future iterations of the Corporate and Community Plans.

The EDAP also adheres to the latest Scottish Government Economic Recovery Programme, October 2009, the National Transport Strategy (2007-2010), National Planning Framework 2 (2007), the National Performance Framework (2007) and the Scottish Rural Development Programme (2007-2013).

European Policy Context

The Action Plan will align with and promote EU policies relating to competitiveness, cohesion, energy security and spatial development within the European Union, as articulated in the EC's Fourth Cohesion Report. The Council will be proactive in regard to its representation on appropriate European policy and funding groups within Scotland and trans-nationally, such as the Highlands and Islands European Partnership (HIEP), Conference of Peripheral Maritime Regions (CPMR), European Small Islands Federation (ESIF), Euromontana, to ensure that Argyll and Bute makes its full contribution to the European agenda.

The reducing availability of European Structural Funds, due to the expansion of the EU, places pressure on economic development stakeholders across Scotland to ensure that such funds deliver optimal economic impact and that alternative funding sources are utilised.

In order to deliver the EDAP priorities, we will need to lever maximum resources and support from Europe with regard to Structural Funds prior to 2013, as the above trend will continue post 2013. In addition, further emphasis needs to be placed on utilising other European funding sources and further building on the successful implementation of the Argyll and the Islands LEADER Programme.

3. Current Economic Profile

Factors of Competitive Advantage

Argyll and Bute possesses factors of competitive advantage that when taken in their entirety makes it a unique local economy and one that has much to offer Scotland's long-term economic growth and security:

- Potential **renewable resources** that could power every home in Scotland and a world-class track **record of innovation** in renewables (e.g. first commercial wave energy scheme, first large-scale Scottish windfarm, pioneering approach to Community Trust Funds, Cruachan hydro-electric scheme);
- Key infrastructure, harbours and airports, for **"opening up" the Irish Sea and Western Seaboard** for offshore renewables e.g. Campbeltown harbour and airport;
- **Sustainable economic assets** and related industries built around the area's **world-class environment** (tourism, food & drink, forestry);
- An area with **strong communities** that have a good quality of life, rich in culture and endowed with **world renowned tourist attractions**;

- Much of the area is close to the **Central Belt of Scotland and Ireland** (ideally positioned for supply of electricity to large urban areas); and
- **“Can do culture”** of local partners e.g. new Machrihanish Dunes golf course recognised nationally as a model of successful working between private developer, Argyll and Bute Council and Scottish Natural Heritage; close partner working between Highlands and Islands Enterprise, Scottish Development International and the Council delivered the Welton Towers inward investment; the Council has innovative concordats with major power companies to ensure a successful utilisation of the area’s renewable energy assets.

The distinct sub-areas within Argyll and Bute are all endowed with a mixture of these factors of competitive advantage:

Bute and Cowal – proximity to Glasgow, a pristine natural environment, the significant built and cultural heritage of its communities, such as Dunoon and Rothesay, make this area a dynamic location for niche inward investment, high quality life-style businesses, resort tourism and short-breaks (Dunoon is the “Marine Gateway” to Loch Lomond and Trossachs National Park);

Helensburgh and Lomond – adjacent to Glasgow and with key road and rail links, the area is the main gateway to iconic Loch Lomond and its surrounding attractions, such as Loch Lomond Golf Course, Luss and the Cobbler, and the wider West Highlands; the thriving waterfront town of Helensburgh is a vibrant retail and visitor location with significant development potential;

Oban, Lorn and the Isles - the area is endowed with a concentration of world-class tourist attractions and a variety of environments unsurpassed in Scotland (Mull, Iona, Tiree, Coll and Lismore are just a few of the inhabited islands); the town of Oban is the gateway to the Inner & Outer Hebrides and is a centre for retail, tourism, Gaelic culture and world-class marine research; and

Mid-Argyll, Kintyre and the Islands – world famous for the malt whiskies of Campbeltown and Islay, the area is also famous for being the cradle of the Scottish nation; the town of Campbeltown is emerging as a national hub the renewable energy industry due the £50 million related investment and the harbour’s proximity to the Irish Sea, Solway Firth and west Atlantic.

Current Economic Structure

Employment by Key Priority Sectors

Argyll and Bute’s economy is predominantly service-based – accounting for over 85% of local jobs. The region has relatively high levels of employment in the traditional industries of agriculture and fishing and low levels of employment in manufacturing and finance. Economies with a high dependency on such seasonal industries often exhibit ‘occupational pluralism’ where residents take multiple jobs during the summer period and seek alternative employment when the ‘season’ is over to maximise their income.

There are economic development opportunities to be realised through the growth of a higher value tourism base, particularly through exploiting the strong linkages with other key sectors

such as high quality food and drink (food tourism), forestry (recreational eco-tourism) and cultural activity (festivals, heritage centres, museums, visual arts, music and genealogy).

The greatest new employment opportunity for the area is the untapped indigenous natural renewable resource from a range of technologies including, wind, wave, tidal and biomass. If harnessed and managed correctly, by all stakeholders, renewables could offer significant economic growth opportunities for our communities many of which are fragile and remote.

Population

Our population of just over 91,000 accounts for less than 2% of the Scottish total and 16% of the total Scottish island population, resident on 25 of Argyll and Bute's inhabited islands. By 2031 it is anticipated that people of pensionable age will have increased by 28% (based on 2006 mid-year estimates) and those of working age are expected to decrease by 9%. Communities with an ageing population tend to generate lower levels of economic activity, which impact on community confidence and the sustainability of services. This is a specific challenge for the dispersed remote rural mainland and island communities in the region with low population densities making services more difficult and costly to deliver. Redressing this growing imbalance in the local "dependency-ratio" is a key long-term aim.

Unemployment

Given the high levels of seasonal employment in the area, unemployment rates in Argyll and Bute vary according to the time of year, with pockets of relatively high unemployment rates compared with other rural areas across Scotland.

Income & Gross Value Added

Given Argyll and Bute's fairly narrow economic base, there is a reliance on low skill and low pay employment opportunities. The average gross weekly earnings for a full-time employee (£434.50) is 94% of the Scottish average (£461.80)³

GVA is an indicator of wealth creation and measures the contribution to the economy of each individual producer, industry or sector. GVA figures show that Argyll and Bute's economy is performing less strongly than the Scottish average.

³ Source: Annual Survey of Hours and Earnings 2008, Office for National Statistics

DRAFT SWOT Analysis – Current Economic Situation

<p>Strengths:</p> <ul style="list-style-type: none"> • high quality natural environment and sustainable, economic assets • diverse, concentrated sources of renewable energy, on-shore and off-shore, and history of successful renewable innovation • higher than average levels of self-employment, entrepreneurial spirit • much of the area is in close proximity to Central Belt, major urban centres and energy markets • agriculture, fishing and aquaculture – key opportunities for sustainable food production and diversification coupled with increased consumer demand linked to provenance • abundance of iconic tourist attractions and cradle of Scottish history and culture • communities with strong identities, heritage and attractive environments • a good quality of life and family-friendly environment • high levels of educational attainment • low crime rate 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • demographic issues: ageing population with less people of working age • sub-optimal connectivity in terms of transport, ICT and grid • lack of distinct regional Argyll and Bute identity • dependency on seasonal tourism and the public sector for employment opportunities • narrow economic base – reliance on low skills and low pay • remoteness and fragile island-based communities – cost of service higher and delivery options reduced because of the scattered population and lack of economies of scale • lack of integrated public transport networks • mainland divided by long sea lochs extends drive times between population centres • pockets of deprivation – masked within a wider data zone of non-uniform population mix compared with urban areas
<p>Opportunities:</p> <ul style="list-style-type: none"> • renewable energy potential at the Argyll and Bute, Scottish and European levels: <ul style="list-style-type: none"> ○ wide range of sources of renewable energy, off-shore and on-shore that can create jobs and enterprises and attract investment ○ Campbeltown/Kintyre becomes a hub for renewables manufacturing and maintenance ○ distribution of benefits from renewables through community ownership schemes and community benefit funds • key sectors - tourism, food and drink and forestry: <ul style="list-style-type: none"> ○ higher value tourism based around golf, marine leisure, ancestry and distinct culture and history ○ strengthen links between local food and drink produce and the tourism sector ○ resort development ○ access to world-class wildlife and landscapes; a wide range of outdoor pursuits for all abilities • Loch Lomond & the Trossachs a visitor ‘gateway’ to Argyll and Bute and a catalyst for development in Helensburgh and Lomond and Cowal • build on entrepreneurial spirit and link with above growth sectors • create vibrant dynamic communities that have a reputation for a high quality of life and that can attract entrepreneurs, investors and the economically active • growth of social enterprises throughout the area, putting profits back into the communities • links to Northern Ireland and Ireland via Campbeltown 	<p>Threats:</p> <ul style="list-style-type: none"> • ageing population with young people leaving the area and the elderly population growing more quickly than the national average • deteriorating road infrastructure (e.g. A83, A82 and A816) and connectivity • dependency on one route, road and ferry, to destinations within Argyll and Bute • rising cost of fuel and reliance on fossil fuel • lack of transparent or expedient planning policy/process e.g. energy generation schemes • limited availability of affordable housing (particularly for young people) exacerbated by the existence of many second holiday or retirement homes sold at inflated prices • draw of Glasgow – city region • increasing competition for European funding from other areas in Scotland and at a European level as the EU continues to expand • current economic recession is making it difficult to deliver sustainable economic growth and limits investment in businesses and industries • insufficient capacity (skills, housing, transport, utilities) to facilitate step change • other areas are prioritised in terms of national focus on renewables

4. Benefits for Argyll and Bute, Scotland and Europe

EDAP's benefits will be accrued at the local, Scottish and European levels and will be quantitative and qualitative. We will demonstrate success through monitoring key performance indicators year-on-year (see **Section 7**). The priorities in **Section 5** provide more detail on measures of success.

Overall Benefits

Overall Benefits		
Argyll and Bute	Scotland	Europe
<ul style="list-style-type: none"> retention and creation of jobs, incomes and GVA in our towns and remote, fragile and rural communities increased productivity through greater economic diversity and growth in Argyll and Bute's industries linked to our sustainable economic assets more new and growing enterprises reduction in economic inactivity and poverty a more sustainable demographic structure 	<ul style="list-style-type: none"> facilitating positive structural change in the national economy that promotes sustainable, economic growth providing economic, energy, food and environmental security contributing to goals of national cohesion and solidarity net contributor to Scotland's prosperity Argyll and Bute leading the way in regional local food collaboration 	<ul style="list-style-type: none"> enhanced contribution towards European goals in relation to: <ul style="list-style-type: none"> competitiveness cohesion energy rural and islands

Sustainable Economic Assets

Realising the economic potential of our sustainable economic assets will be vital for generating economic benefit across Argyll and Bute and beyond.

Renewable energy – as detailed in the Argyll and Bute *Renewable Energy Strategy and Action Plan* Argyll and Bute has a huge indigenous renewable resource of hydro, wind, wave, tidal, and biomass.

Benefits: Renewable Energy		
Argyll and Bute	Scotland	Europe
<ul style="list-style-type: none"> creation of higher value jobs and incomes private and public inward investment sustainable economic benefits in more peripheral, remote and fragile communities community benefit funds that promote local development economic benefits to businesses and households through the generation and consumption of renewable energy 	<ul style="list-style-type: none"> unique contribution to the future provision of renewable energy in Scotland due to diversity and scale of resource and proximity to Central Belt assist the Scottish Government and the UK Government in meeting their renewable energy targets by 2020 and in reducing carbon dioxide emissions in line with the Government's targets of 80% by 2050 ensure future energy security 	<ul style="list-style-type: none"> assist the EU achieve the key target of 20% of EU energy consumption to come from renewable resources by 2020 as outlined in the European Renewable Energy Directive. Argyll and Bute to assist in the achievement of the Kyoto Protocol (global) i.e. reduction of greenhouse gas emissions by 8% from 1990 levels by 2008-2012 ensure future energy security

Tourism – tourism activity cuts across a number of sectors and will bring significant benefits to the Argyll and Bute and Scottish economies. In particular, tourism activity links closely with food and drink, the retail sector and recreational activities.

Benefits: Tourism		
Argyll and Bute	Scotland	Europe
<ul style="list-style-type: none"> retention and creation of jobs and incomes across Argyll and Bute, including remote, fragile, rural, coastal and island-based communities 	<ul style="list-style-type: none"> Argyll and Bute will contribute to the national ambitions of a 50% growth in the value of the sector by 2015 from a 2005 baseline of £4.2 billion (Tourism Framework for Change, 2006) 	<ul style="list-style-type: none"> Argyll and Bute to become a key <i>destination of choice</i> further to recognition of its wealth of culture, natural heritage and key sustainable assets such as high quality local food and drink

Food and drink – the food and drink industry which includes primary sectors of agriculture, aquaculture and fishing and processing activities is of vital importance to the economic base and the social fabric of the communities within Argyll and Bute.

Benefits: Food and Drink		
Argyll and Bute	Scotland	Europe
<ul style="list-style-type: none"> retention and creation of jobs in remote, fragile, rural, coastal and island-based communities opportunities to strengthen and develop collaborative supply chains throughout the area greater provenance and branding of Argyll and Bute indigenous food and drink produce 	<ul style="list-style-type: none"> Argyll & Bute will make a key contribution to the Scotland Food and Drink (an industry-led group) target of achieving £10 billion sales by 2017 from £7.5 billion in 2007, closely aligned to the next steps for the industry detailed in the National Scottish Food and Drink Policy document, <i>Recipe for Success</i>. 	<ul style="list-style-type: none"> increased value of exports and growth of export markets Single Farm Payment, CAP reforms, will encourage farmers to be more market focused ensure future food security

Forestry – Argyll and Bute is one of the most significant commercial conifer producing areas in the UK with approximately 10% of the UK coniferous timber plantations located within the area.

Benefits: Forestry		
Argyll and Bute	Scotland	Europe
<ul style="list-style-type: none"> retention and creation of jobs in remote, fragile and rural communities opportunities for diversification into forest knowledge, biomass and activity recreational activities, e.g. eco-tourism 	<ul style="list-style-type: none"> Argyll and Bute will make a significant contribution to the targets and indicators outlined in the Scottish Forestry Strategy Implementation Plan, 2009 to 2012 	<ul style="list-style-type: none"> Argyll and Bute’s forestation/planting activities will contribute to EU climate change targets in terms of woodland carbon offsetting

5. Delivery

The EDAP is a working document that will be delivered over a three year period and will be reviewed annually. Its implementation will commence in April 2010 and complete at the end of March 2013.

Local Level

Corporate Solutions

The EDAP will be embedded within the Argyll and Bute Single Outcome Agreement, Community Plan and Corporate Plan planning processes. The plan's annual implementation will be detailed in an annual service plan and will also be reflected in the local area plans.

Economic development is a corporate priority for the Council. This corporate approach promotes sustainable, cohesive, systemic solutions and the best use of resources in order to achieve our economic development ambitions. This approach has already been proven by the successful corporate roll-out of the multi-million pound CHORD regeneration programme.

Planning

Key determinants of the area's economic success are the Argyll and Bute Structure Plan, 2002, and the revised Local Plan, 2009, together known as the Argyll and Bute Development Plan. The forthcoming review of the Development Plan, and its replacement with a single Local Development Plan by 2013, is an opportunity to ensure that optimal economic development is stimulated via our planning process.

The economic policies identified in the Argyll and Bute Development Plan play an important role in promoting economic competitiveness and employment growth in appropriate locations with an adequate and suitable supply of land, infrastructure and premises. Such policies help to foster a high quality environment within which to encourage further investment and development.

We will build on the progress that has been made in making the Council's planning procedures more business friendly (e.g. dedicated unit to expedite major private sector investments) and the role of the new Section 75 agreements further to the Scottish Government's recent planning reforms aligned to the GES.

Given the economic development ambitions of the Council and the current economic climate, we must ensure that the planning system is as pro-investment, pro-development and pro-business as possible. This will require us to continue to work in constructive, solutions driven partnership with organisations such as Scottish Natural Heritage and Historic Scotland. We will ensure that we pursue an approach to sustainable economic development that recognises the importance of our environment but responds to the need to optimise employment, investment and prosperity in order to achieve successful communities and a balanced demographic structure.

Customer Facing Services

In order to simplify the local private sector's engagement with the Council, Business Gateway will be developed to become a key point of interface for local businesses; one that can facilitate access to all relevant Council services. This will not preclude businesses utilising other Council customer channels but Business Gateway will position itself as the one-stop doorway for local business needs.

Partnership for Delivery

It is clear, that we will only succeed in realising our ambitions and priorities through input from all our partners at a local, national and European level.

At the local level, such partnership needs to be solution driven, deliver efficiency and effectiveness in the application of resources and be a catalyst for systemic change. The key mechanism will be the Community Planning Partnership – we must rise to the challenge.

To promote the successful delivery of all our priorities over the next three years, we will need to encourage our national partners to sign-up to our ambitions and contribute resource and support, accordingly.

At a cross-sector level, Argyll and Bute Council, with key input from our Business Gateway, will encourage and facilitate more business-to-business collaboration to help increase business efficiencies, drive down operational costs, increase profitability and promote long-term stability and sustainability for the many SME businesses located in the area.

The EDAP recognises the importance of social enterprises that facilitate sustainable bottom-up economic development opportunities, particularly in our remote rural and fragile mainland and island communities. However, we must focus on and prioritise the initiatives that will lead to jobs and wealth creation.

Funding and Resources

We are now entering a period where public spending will be significantly reduced and substantial cost savings will need to be made. Coupled with lower budget settlements, the economic downturn has resulted in less private sector resource. The EDAP priorities will be presented with an associated budget for delivery year-on-year. We will proactively identify, promote and implement innovative funding solutions such as:

- new and smarter ways of utilising core and leveraging maximum matched funding thus maximising value for money & best value and optimising economic impacts at a local, national and European level;
- developing innovative funding methods, approaches and delivery of discrete projects/initiatives, such as community trusts linked to renewable energy opportunities, etc; and
- encouraging private sector leverage and investment in the area, for example private sector investment in shared infrastructure e.g. roads, further utilising Section 75 agreements.

As required we will reconfigure our internal corporate resources (human and financial) to address priorities and opportunities. The Corporate programme/project approach set within transparent Terms of Reference, as utilised by CHORD, will be more widely adopted to deliver our actions.

6. THE 3 'C's of the Action Plan: Competitive, Connected and Collaborative

Competitive Argyll and Bute

This theme relates to three key priorities for Argyll and Bute Council in order to increase the *competitiveness* of the area:

- **Businesses** – with a particular focus on:
 - *Business Gateway*- work with over 1,000 new and existing businesses to help them start, grow and survive
 - *public and private inward investment* – promote an Argyll and Bute specific proposition and profile to Scottish Government, Europe, investors and visitors;

- **Places:**
 - *CHORD* – contribute to the regeneration of five of our main towns via the CHORD Programme
 - *rural and islands* – assist in the spread of economic development benefits to our smaller village, town and island communities

 - *Loch Lomond and the Trossachs National Park (LL&TNP)* – assist the National Park become the tourist 'gateway' to Argyll and Bute and a catalyst for wider development; and

- **Sustainable Economic Assets - work with key sectors to increase their competitiveness:**
 - **renewable energy** – ensure our renewable energy potential is fully realised for the benefit of Argyll and Bute and Scotland
 - **tourism** – move industry up the value chain, extend season and improve profile & propositions e.g. eco-tourism; food tourism (focus on provenance); niche products – whisky, golf, music, marine leisure; links to Ireland
 - **quality food and drink** – promote a sustainable food and drink supply chain that adds value across all its key components, primary producers to processors, in order to generate growth and wealth for Argyll and Bute (linked to provenance)
 - **forestry** – create local jobs and wealth from massive forestry resource, link with tourism and the renewable energy industry
 - **marine sciences** – work with HIE to maximise benefits of Scottish Association for Marine Science (SAMS) (**consider A&BC's role in more detail**)

Theme – A Competitive Argyll and Bute, 2010/2013											
Businesses: Business Gateway											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ETO4 a	Support growing businesses and entrepreneurship in Argyll and Bute.	Delivery of the Business Gateway Development Plan and work with over 1,000 new and existing businesses to help them start, grow and survive.	Number of start-ups assisted 135	Number of start-ups assisted XXX	Number of start-ups assisted YYY	ABC				CP (ABC09a), Com Plan (CP01) and SOA (VC3 & OE2)	ETOP22: Argyll and Bute lags in terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES. Rating: medium
ETO4 b	As above	As above	Existing businesses assisted 200+	Existing businesses assisted XXX+	Existing businesses assisted YYY+	ABC				As above	As above Rating: low
Businesses: Inward Investment											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET6c	Distinct Argyll and Bute specific proposition and profile promoted to government and investors with particular focus on sustainable economic assets e.g. renewable energy	Identify and prioritise public & private inward investment opportunities to facilitate growth. In particular, Argyll and Bute needs to know its product, what it is selling, to whom and where.	Scoping paper developed with partners	Propositions/ campaign devised and implemented.		ABC, HIE & SDI				CP (ABC12a) and SOA (OE3 & VC6)	ETOP22: Argyll and Bute lags in terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Enterprise (HIE); Scottish Development International (SDI)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Places: CHORD											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Deliver the CHORD Programme in a manner that optimises sustainable economic growth.	Contribute to the regeneration of five of our main towns via the CHORD Programme Plan and Project Plans for: -Campbeltown -Helensburgh -Oban -Rothesay -Dunoon.	The delivery of the CHORD projects in accordance with PIDs (3 FBCs approved).	2 FBCs approved Construction commences.		ABC				CP (ABC08) and SOA (VC3 & VC6)	SR26: Failure to attract external funding to assist Council's strategic projects during current and future funding programmes leading to reduction in service outcomes. SR27: Failure to implement agreed CHORD Programme leading to adverse economic and environmental impact. ETOP21: Delays in Waterfront Regeneration Projects. Rating: low

Notes: **For details of the capital expenditure see CHORD programme plan**
Lead bodies: Argyll & Bute Council (ABC)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Places: Rural and Islands											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Assist in the spread of economic development benefits to our smaller and island communities.	<p>Deliver Secretariat to Argyll and the Islands LEADER Local Action Group.</p> <p>Business Gateway has schedule of visits to remote communities.</p> <p>Town Centre Regeneration Fund investment stimulates economic development of smaller communities.</p> <p>Continued representation on the Rural Priorities Advisory Committee (RPAC) to ensure the integrated delivery of economic development through Scottish Rural Development Programme (SRDP) funding.</p> <p>Renewables development creates economic activity and community benefit.</p>	<p>See under Collaborative Priority: National Policy and Funding: SRDP.</p> <p>12+ BG visits pa to island/remote communities.</p> <p>Ardrishaig, Bowmore and Tarbert projects progressed.</p>	Identify local sourcing food opportunities.		ABC, A&I LEADER LAG				CP (ABC09a, ABC08 & ABC01b), Com Plan (CP12) and SOA (VC3, OE2 & OE4)	ETOP22: Argyll and Bute lags n terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES. CPP – R04: Impact of geography on outcomes for individuals. CPP – R11: Decline of remote and island communities. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC) and Argyll and the Islands LEADER Local Action Group (LAG)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Places: Loch Lomond and the Trossachs National Park (LL&TNP)											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET06 a	National Park is visitor 'gateway' to Argyll and Bute and a catalyst for wider development.	Develop a working partnership with the LL&TNP Authority with respect to Helensburgh, Arrochar & Tarbet 'road gateway' and Dunoon/Cowal as a 'marine gateway' to Argyll and Bute.	Funding for Arrochar pontoons secured			ABC, LL&TN PA				CP (ABC09a & ABC12a), Com P (CP11) and SOA (FL4)	ETOP22: Argyll and Bute lags n terms of jobs and wealth creation for its residents and does not make an optimal contribution to the GES. Rating: low:

Notes: Lead bodies: Argyll & Bute Council (ABC); Loch Lomond & the Trossachs National Park Authority (LL&TNPA)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Sustainable Economic Assets: Priority One - Renewable Energy											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET03 a & ET03 b	Ensure that our renewable energy potential is realised for the benefit of Argyll and Bute and Scotland.	<p>Develop Renewables Action Plan that unlocks economic benefits for local communities and Scotland.</p> <p>Work with key stakeholders to ensure that potential of renewable energy within Argyll & Bute developed to promote sustainable economic growth.</p> <p>Develop Campbeltown as a hub for renewable energy in terms of manufacturing, installation and maintenance.</p>	<p>Costed action plan adopted by CPP.</p> <p>Establish an Argyll & Bute Renewables Alliance (ABRA).</p> <p>£3-5m of ERDF secured Campbeltown Infra Improvements.</p>	Campbeltown Infrastructure Improvements delivered.		ABC, HIE				CP (ABC01b), Com P (CP02) and SOA (OE2 & FL4)	<p>SR06: Failure to provide strong leadership and direction.</p> <p>ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES</p> <p>Rating: low</p>

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Enterprise (HIE)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Sustainable Economic Assets: Priority Two – Tourism, Food and Drink, Forestry											
Tourism											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Move industry up the value chain, extend season and improve profile and propositions.	<p>Develop measureable action plan for local tourism strategic partnership.</p> <p>Effective and targeted marketing campaign that recognises sub-brands, existing campaigns, and niche markets with partners.</p> <p>Develop Argyll and Isles website to support industry.</p> <p>Work with local and national partners to attract major tourist investors.</p> <p>Access to and development of nature trails, wildlife walks and cycle tracks.</p>	Review local public support of industry with partners	Review marketing of area with partners.		ABC, VS				CP (ABC09a & ABC09b), Com P (CP02) and SOA (VC3, VC6 & FL4)	ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES. Rating: low

Notes: Lead bodies: Argyll & Bute Council (ABC); VisitScotland (VS)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Theme – A Competitive Argyll and Bute, 2010/2013 (continued)											
Quality Food and Drink											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Sustainable food and drink supply chain that adds value across all its key components, primary producers to processors, in order to generate growth and wealth for Argyll and Bute.	Council collaborates with the Argyll Agricultural Forum/Food from Argyll, Argyll and Bute Agriculture Strategy – Next Steps, HIE and Argyll and the Islands LEADER LAG to build on and support local initiatives/projects.	Local food producers to increase turnover by 5%-10%. 30 producers utilising Food from Argyll identity.	Local food producers to increase turnover by 10%-15%. 30 producers utilising Food from Argyll identity.	Local food producers to increase turnover by 20%. 40 producers utilising Food from Argyll identity.	ABC, AAF, HIE, SFD, A&I LEADER LAG				CP (ABC12a), Com P (CP02) and SOA (VC3 & FL4)	ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES Rating: low
Forestry											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Strengthen the commercial competitiveness of the forestry sector in Argyll and Bute.	Delivery of Argyll and Bute Woodland and Forestry Strategy and Action Plan.	Finalised Strategy summer 2010 and delivery of Action Plan.			ABC, FCS, SE and A&I LEADER LAG				CP (ABC03a) and SOA (OE1 & OE2)	ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES Rating: low

Notes: Lead bodies: Argyll & Bute Council (ABC); Argyll Agricultural Forum (AAF); Highlands and Islands Enterprise (HIE); Scotland Food and Drink (SFD), Argyll and the Islands LEADER Local Action Group (LAG); Forestry Commission Scotland (FCS); Scottish Enterprise (SE)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Connected Argyll and Bute

This theme relates to the *infrastructure* priorities for Argyll and Bute Council:

- identify and prioritise **infrastructure** investment and **connectivity** that facilitates growth, primarily:
 - road, sea / ferry, air and rail
 - grid
 - ICT
 - utilities; and
- **road safety** – with a focus on improved journey safety in Argyll and Bute.

Theme – A Connected Argyll and Bute, 2010/2013											
Infrastructure: Road, Sea/Ferry, Air and Rail Transport											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ETO7 ^s	Infrastructure improvements that will stimulate economic development.	Identify and prioritise transport infrastructure investment in Argyll and Bute that facilitates growth. Lobby national agencies and government. Clear local priorities post end of local transport strategy in 2010	Revised methodology for prioritising transport and infrastructure projects.			ABC, TS, Hi-trans, SPT				CP (ABC07a & ABC07b) and SOA (VC6 & OE4)	ETOP14 Reliance on others to deliver the transport priorities - e.g. transport operators / Operational Services and securing external funding. ETOP22 Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES. Rating: low

Notes: Lead bodies: Argyll & Bute Council (ABC); Transport Scotland (TS); Strathclyde Partnership for Transport (SPT). Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Theme – A Connected Argyll and Bute, 2010/2013 (continued)											
Infrastructure: Road, Sea/Ferry, Air and Rail Transport											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11				
	Ferry provision promotes economic development.	Influence national ferry review. Influence Gourock/Dunoon town centre to town centre contract award. Influence introduction of Northern Ireland Ferry.				ABC, SG				CP (ABC07a & ABC07b) and SOA (VC6 & OE4)	SR06: Failure to provide strong leadership and direction. Rating: medium
Connectivity: Grid and ICT											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	National government commits to required grid capacity upgrade to unlock area's renewable potential.	Influencing national policy and national funding decisions.				ABC, SG				CP (ABC12a) and SOA (VC6 & OE4)	SR06: Failure to provide strong leadership and direction. Rating: medium
	Optimise broadband usage in business sector.	Influencing national policy and national funding decisions through our Business Gateway activities and working with local and national partners.				ABC, HIE, SG				CP (ABC12a) and SOA (VC6 & OE4)	SR06: Failure to provide strong leadership and direction. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Scottish Government (SG); Highlands and Islands Enterprise (HIE)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Theme – A Connected Argyll and Bute, 2010/2013 (continued)											
Road Safety											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ETO8	Improve journey safety in area to promote improved access and minimise risk of accident - increased economic activity will increase road usage.	Facilitate road safety education, training and promotional measures throughout Argyll and Bute.	New targets developed by Government for 2010-20 - e.g. reduction of casualties of 40% by 2020 based on 2004/08 average.			ABC, SG				CP (ABC07a) (SOA (OE4))	ETOP15: Potential for greater number of fatal and serious casualties, slight injuries and children killed or seriously injured on our roads. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Scottish Government (SG)
Source of outcome: Corporate Plan (CP); Community Plan (Com P) and Single Outcome Agreement (SOA)

Collaborative Argyll and Bute (to be developed)

This theme relates to six *collaborative* priorities for Argyll and Bute Council:

- **National Policy and Funding**
 - maintain focus on relevant national policies and maximise uptake of national funds for our development priorities;
- **European policy and Funding**
 - maintain focus on relevant EU policies and maximise uptake of EU funds for our development priorities;
- **Employability and Skills**
 - ensure employability & skills development solutions are delivered that mitigate effect of economic slow-down and promote growth
- **Profile**
 - promote national and international profile of area, recognising complementary activity of tourism, food & drink and inward investment
- **Social Enterprise and Community Driven Local Economic Development**
 - promote “bottom-up” local economic development that creates jobs and wealth in communities
- **Behaviours, Culture and Processes**
 - Further develop a “can do culture” and modus operandi amongst local/national partners (public, private and voluntary) to deliver EDAP

Theme – A Collaborative Argyll and Bute, 2010/2013											
National Policy and Funding: Scottish Rural Development Programme (SRDP)											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Maintain focus on SRDP	Deliver Secretariat to Argyll and the Islands LEADER Local Action Group (LAG) and participate in Argyll RPAC.	3 to 4 LAG meetings serviced. £4.4m grant draw downs processed on behalf of LAG.	Number LAG meetings serviced. £value grant draw downs processed on behalf of LAG.	Number LAG meetings serviced. £value grant draw downs processed on behalf of LAG.	A&I LEADER LAG				CP (ABC09a), Com Plan (CP11 & CP12) and SOA (VC3, FL1, FL2 & FL5)	ETOP13: Failure to attract external funding to assist Council’s strategic objectives. Rating: medium

Notes: Lead bodies: Argyll and the Islands LEADER Local Action Group (LAG)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Collaborative Argyll and Bute, 2010/2013 (continued)											
European Policies											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET09 ^a	Maintain a key focus on relevant EU policies and optimise Argyll and Bute relationship with the EU in the short and long term.	Argyll and Bute Council is proactive towards its representation on appropriate European groups to ensure that the Council influences national policy and national funding decisions. Review our European activities & develop concise scoping & actions paper relating to policy, funding and networks.	Action Plan to be developed and implemented.			ABC, HIPP				CP (ABC12a) and SOA (VC3, VC6 & FL4)	ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Partnership Programme (HIPP)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Collaborative Argyll and Bute, 2010/2013 (continued)											
European Funding											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET09 b	Maximise European funding and Argyll and Bute's policy influence in order to promote sustainable economic growth and regeneration.	Lever maximum resource and support from Europe through working with an optimal number of eligible projects for funding. Identify new funding sources.	ERDF circa £5m for Campbeltown Infrastructure - subject to detailed eligibility assessment in application process. Optimise European funding for CHORD as appropriate.			ABC, HIPP				CP (ABC08) and SOA (FL4)	ETOP13: Failure to attract external funding to assist Council's strategic objectives. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Highlands and Islands Partnership Programme (HIPP)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Collaborative Argyll and Bute, 2010/2013 (continued)											
Employability											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
ET05	Employability – ensure solutions are delivered that limit the effect of the current economic downturn Employability service maintains delivery of context of Flexible New Deal (FND.)	Business model for Argyll and Bute developed to respond to potential new contractual arrangements – to be agreed. Develop partner relationships and secure arrangements for optimal delivery to Argyll and Bute clients.	35% of long-term unemployed clients enter employment.			ABC, PCs				CP (ABC04f) and SOA (VC2 & VC3)	SR26: Failure to attract external funding to assist Council's strategic projects. ETOP22: Argyll and Bute lags in terms of job and wealth creation for its residents and does not make an optimal contribution to GES Rating: medium
	Skills development interventions respond to economic growth & opportunities of sustainable economic assets.	Develop A&B specific Action Plan with Skills Development Scotland.								CP (ABC04f) and SOA (VC2 & VC3)	ETOP13: Failure to attract external funding to assist Council's strategic objectives. Rating: medium

Notes: Lead bodies: Argyll & Bute Council (ABC); Prime Contractors for FND (PCs)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

Theme – A Collaborative Argyll and Bute, 2010/2013 (continued)											
Profile											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Increased national and international profile and understanding of area's offering and unique assets.					ABC, SDI, VS				CP (ABC12a?) and SOA (OE3)	SR06: Failure to provide strong leadership and direction. Rating: medium
Social Enterprise and Community Driven Local Economic Development											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11	11/12	12/13		
	Promote Social Enterprise and Community driven local economic development.					ABC & ABSEN				CP (ABC14) and SOA (VC3, VC6, FL2 & FL5)	SR06: Failure to provide strong leadership and direction. Rating: medium
Behaviours, Culture and Processes											
Ref (FSP)	Outcome	Actions to achieve outcome	Success measures/KPIs			Lead body	Budget £000s			Source of outcome	Risks/ Risk rating
			10/11	11/12	12/13		10/11				
	Develop "can do culture" and relationships.	<ul style="list-style-type: none"> local procurement Business Gateway planning wider Council services. 				ABC				CP: cross-cutting theme across all outcomes. SOA (FL1, FL2 & FL5)	SR06: Failure to provide strong leadership and direction. Rating: low

Notes: Lead bodies: Argyll & Bute Council (ABC); Scottish Development International (SDI); VisitScotland (VS); Argyll & Bute Social Enterprise Network (ABSEN)
Source of outcome: Corporate Plan (CP) and Single Outcome Agreement (SOA)

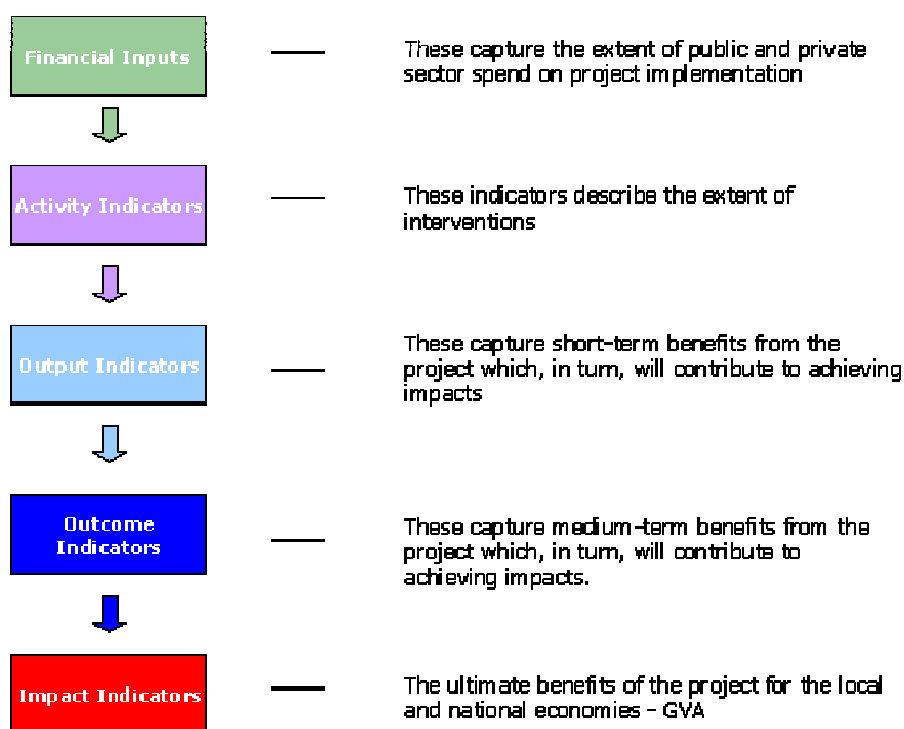
7. Performance and Learning

Ongoing performance management, monitoring and learning will ensure that we are able to optimise the delivery of the EDAP. The Council's Corporate Planning and Performance Management Framework and Pyramid performance management system will be used to monitor and record the progress of our economic development scorecard and in turn to measure achievements of the Corporate Plan, Community Plan and Single Outcome Agreement deliverables. In addition we will feed in observations and feedback from other evidence-based surveys such as the Argyll and Bute Citizens' Panel Survey.⁴

Quantitative Measures (indicative: sections below to be revised)

We propose to adopt the general 'pathway to impact' approach to the development of a framework to measure the success of the EDAP as outlined in **Figure 7.1** below.

Figure 7.1: Pathway to Impact



This approach will be implemented to define a menu of quantitative key performance indicators (KPIs). A list of all the input, activity, output, outcome and impact indicators, together with data sources and how to generate the required data, will be outlined for each of the key priorities of the EDAP. Some examples (but clearly not exhaustive) of input through to impact indicators are as follows:

- **input indicators** measure the total cost to the public and private sector with regard to the EDAP priorities covering contributions from:

⁴ This survey comprises of feedback from a sample of 1,000 residents across the whole of Argyll and Bute where the results are disaggregated by four sub-areas but not by key settlements, such as those identified under the CHORD Programme.

- Argyll and Bute Council
- Community Planning Partners (funding and in-kind contributions)
- Scottish Government
- Europe

It should be noted that all financial inputs/contributions year-on-year will be recorded in current values (with no allowance for inflation or discounting);

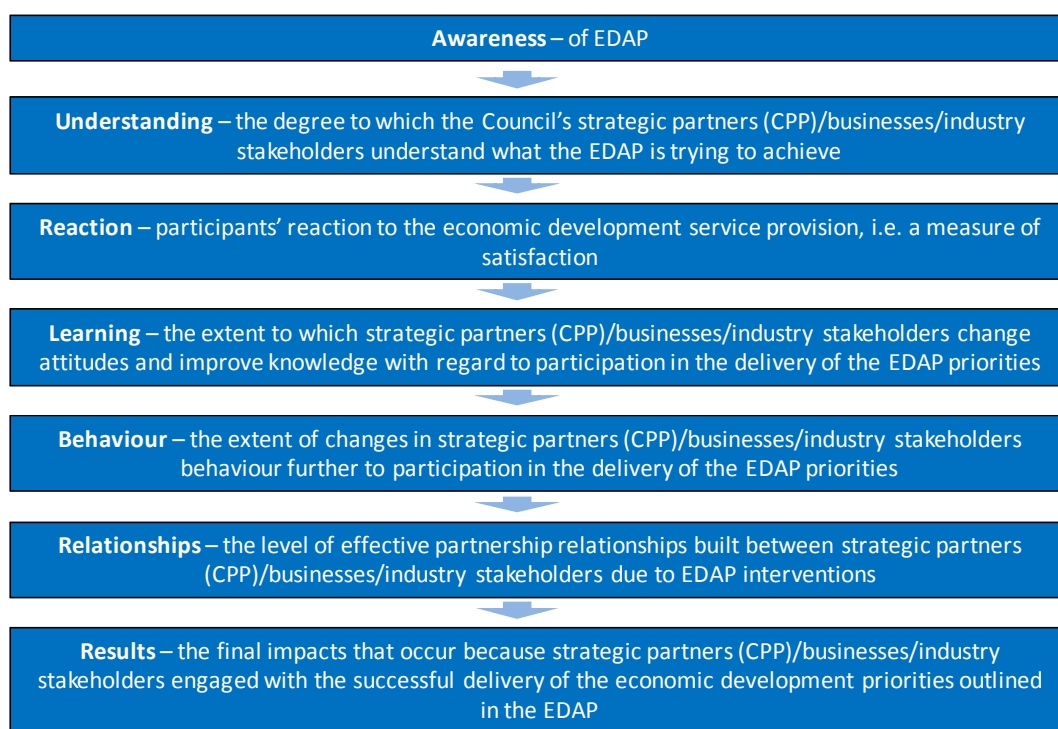
- **activity indicators** measure the extent of intervention afforded by the actions outlined in the EDAP, such as:
 - number of business start-ups assisted
 - number of existing businesses assisted;
- **output indicators** will measure the short-term (in-year) benefits from the delivery of the EDAP which in turn will contribute to achieving impacts. Specific outputs could be (again not exhaustive):
 - number of business mutual support (e.g. sharing of machinery, transport, training and facilities, etc) collaborations established further to EDAP actions
 - number of businesses highlighting the need for further support;
- **outcome indicators** will measure the medium-term benefits from the delivery of the EDAP which in turn will contribute to achieving impacts. Examples (but not exhaustive) of such indicators are:
 - increase in company sales
 - increase in business operational cost savings (e.g. reduction of waste materials)
 - increase in company productivity; and
- **final impacts** which will potentially be realised further to the support provided via the EDAP are as follows:
 - attributable increase in sustainable gross and net jobs created and retained
 - attributable increase in GVA⁵.

Qualitative Measures

We propose to facilitate the development of qualitative KPIs to track change from non-awareness through to final impacts (albeit at some time in the future) with a focus on the key stages outlined in **Figure 7.2** below.

⁵ Total GVA (Gross Value Added) = operating profit + employee costs + amortisation + depreciation.

Figure 7.2: Qualitative Measures



Monitoring Activity

The responsibility for the collection of ongoing monitoring information and enable quarterly reporting with regard to the economic development scorecard and its contribution to the overall Corporate scorecard, will be devolved to each manager responsible for the various priorities outlined in the EDAP through the use of Pyramid.

Clear and transparent input through to impact KPIs will be developed to monitor progress towards achieving the stated targets/success measures outlined in the EDAP year-on-year spanning the duration of the EDAP. This will enable Argyll and Bute Council to provide the Scottish Government and other industry/community planning stakeholders with meaningful information on progress towards success on an annual basis.

Learning

The pressures of recession continue to demand a flexible and responsive approach to economic development in Argyll and Bute. Therefore, the annual review of the EDAP will enable the Council to assess and identify good practice and deliver best value through learning lessons in terms of where actions have worked well or not so well under each of our priorities.