
Title: Bute Economic Challenges

1. SUMMARY

- 1.1** This paper summarises the economic situation on Bute which has seen continued decline in recent decades despite significant investment in the built environment, in supporting business growth and community development. It suggests that the combination of challenges deriving from both the historic yet deteriorating built environment in central Rothesay and urban social characteristics in a fundamentally rural community pose particular challenges that traditional approaches are not adequately addressing. It recommends a holistic partnership approach to the economic, social and physical challenges to address the long term decline.

2. RECOMMENDATIONS

- 2.1** That the Management Committee notes the progress made to date and endorses the proposed actions.

3. BACKGROUND

- 3.1** At the last meeting of the Management Committee partners' attention was drawn to the fact that the Dunoon and Bute travel to work area has the highest unemployment in the Highlands and Islands at 5.4% (Jan 2012). The rate for Bute is higher still and estimated at 6.1% - yet employers report they have difficulty in filling vacancies. A survey of local businesses undertaken by SDS last year found that 28% of local businesses had some difficulty in attracting skilled staff, and over 90% consider applicants reputation as very important in recruitment choice. On a relatively small island this is a key issue.
- 3.2** Bute has been in economic decline since the 1970's and has seen a sustained fall in population and economic activity along with a deteriorating built environment, particularly within the historic Rothesay town centre. Over the past three decades in particular, there has been considerable public sector investment in the built environment, much of it housing led, yet decline has continued.
- 3.3** It has been recognised that due to the unique mix of social and economic circumstances, traditional economic development interventions will not work without a complementary suite of regeneration activities and therefore greater integration and collaboration is required. A more holistic approach linking economic, physical and social issues is required.
- 3.4** In essence, Bute and Rothesay in particular appear to suffer from an unusual combination of rural challenges and urban social problems. Initial analysis has already been undertaken by HIE with partner agencies to try and understand the issues behind the unemployment, employability and benefit claimant statistics. Further work is needed to better understand the root causes and therefore possible interventions as part of a more

- integrated and broader, more holistic partnership approach.
- 3.5 Businesses report that they have difficulty in attracting and retaining staff, and in the current economic climate it is very difficult to try and attract inward investment under such conditions.
 - 3.6 Whilst the local business base is fragile, there are also a number of positive factors and signs. There has been closer working between the public sector and community, and community organisations such as Fyne Futures and Bute Community Land Company are delivering innovative projects. There is a sense that there is a lot of positive, community led regeneration taking place alongside significant public sector led projects, and yet this does not appear to be reaching large sections of the local population who seem disengaged and disenfranchised. Despite a number of projects and actions underway (eg Townscape Heritage initiative project and redevelopment of the Pavilion both being led by Argyll & Bute Council through the CHORD programme), the physical condition and appearance of Rothesay continues to deteriorate and undermine efforts to attract new investment.
 - 3.7 Creation of a wider partnership approach is underway to address the underlying economic and social issues and this paper reports on progress to date.

4. Proposed Actions

- 4.1 A group of partners have been approached, initially to provide an update on the main issues and challenges that they perceive on Bute and with a view to forming a small short life working group to take an overview of the economic, social and physical challenges to be addressed and to identify whether policies and interventions could be better aligned and prioritised to help address the long term decline.

Invitations to participate have been sent to :-

- Argyll and Bute Council
- NHS Highland
- Skills Development Scotland
- Strathclyde Police
- Third Sector Partnership

We strongly recommend that partners be represented by high level decision makers who are able to represent the corporate views of their organisation and with an ability to recommend or action strategic and policy changes that may be identified.

It is planned that the first meeting will take place before the end of April.

The Group will initially report to the Economy Thematic Group and a further update will be provided to a future Management Committee meeting.

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