

INVESTING FOR ECONOMIC GROWTH

1 INTRODUCTION

- 1.1 This report focusses on the development of the Argyll and Bute Investment Plan (ABIP) which sets out how the Council plans to take forward the SOA commitment to economic growth. The report sets out the different stages in development of such a plan. The ABIP would identify the economic growth opportunities and the action required to secure these. The report also recognises the need for partnership working, targeting and prioritising action and the importance of such a plan in securing external support and investment.

2 RECOMMENDATIONS

- 2.1 The recommendations in relation to investing for economic growth are set out in the covering report as part of a consolidated set of recommendations.

3 DETAIL**3.1 Background**

- 3.1.1 The SOA has identified an ambitious long term objective of *“Argyll and Bute’s economic success is built on a growing population”*. This is underpinned by 6 long term outcomes the first of which is *“our economy is diverse and thriving”*.
- 3.1.2 Argyll and Bute offers enormous economic potential with a significant number of compelling economic opportunities linked to industries with demonstrable growth potential. This is recognised in the SOA and the Council’s strategic and area based economic development action plans. The challenge is how to turn that potential into a reality. The following text sets out a model for how the Council can take this forward based on 4 elements.
- Setting the agenda
 - Securing commitment
 - Policy and strategy into action
 - Resourcing

3.2 Setting the agenda

- 3.2.1 This will establish the evidence base for the ABIP. A range of information will be collected and collated to build on existing works and the economic summit and set out the case for realising the economic

potential within Argyll and Bute.

- 3.2.2 This evidence base will be built up from a range of initiatives and studies including but not restricted to the following:
- Background information on population and economy.
 - Skills audit working with Skills Development Scotland.
 - Development of detailed economic profiling and analysis of Argyll and Bute and each of the four administrative areas.
 - The Local Development Plan with its emerging action plan and associated supplementary guidance including detailed masterplans.
 - Scottish Enterprise/ HIE assessment of the Economic Development Service and plans to identify gaps in knowledge, resources and specialist advice which may include recommendations for Council to acquire additional specialist skills and knowledge.
 - Feedback from the Economic Summit.

3.2.3 The above will not identify all the opportunities and further specific research/studies may be required to provide accurate information for investment considerations.

3.3 **Securing commitment**

3.3.1 Having established a clear case for economic development through setting the agenda stage the securing commitment stage will focus on building a broad base of support for our case. Securing the commitment of a wide range of stakeholders will be critical to the success of the ABIP. This will include engaging with a wide range of stakeholders including councillors, MPs and MSPs, Scottish Government, UK Government, enterprise agencies, the business community and people of Argyll and Bute.

3.4 **Policy and strategy into action**

3.4.1 This element will focus on taking the case for which we have built a strong basis of support and developing of series of strategies, tactics and actions - planning what we need to do to turn the economic potential into reality.

3.4.2 Ensuring strategies, tactics and actions and the related investment and interventions are properly targeted will be critical to maximising the impact of these in realising our economic potential and ensuring public money is used effectively. This work may require further research and studies to ensure our actions are supported by robust evidence – a sound business case.

3.4.3 A key factor in this will be the Argyll and Bute Sustainable Economic Forum (ABSEF). This will take a multi-sector partnership approach to

help provide a strategic overview for the economy. Policy and Resources Committee on 27 November 2014 agreed to establish the ABSEF.

3.5 Resourcing

3.5.1 Investing for economic growth will require significant resourcing – not just a budget but an application of considerable effort and human resource. There are key aspects of this element in relation to marketing, promotion and deal making; provision of facilities, the provision of essential infrastructure including housing for growth and how all of this relates to the ongoing day to day business of CPP partners. Without a doubt there is a need for involvement of all partners in the CPP. This stage also has strong linkages to development of the Strategic Infrastructure Plan and decisions taken in relation to service choices will also impact on resourcing proposals for investing for economic growth.

3.6 The Argyll and Bute Investment Plan

3.6.1 Working through the approach set out above is expected to lead to the creation of a compelling plan for investing in Argyll and Bute. This plan will set out how we identify opportunities for growth and then set out how we create the conditions and environment to turn these opportunities into reality.

3.6.2 Identifying opportunities for growth will require consideration of a range of matters including the most appropriate mechanism for identifying growth opportunities; considering where the growth potential is in relation to industries and businesses; when to consider retention as well as growth and the balance between growing existing business and inward investment.

3.6.3 Creating the relevant conditions and environment will also involve considering how to respond to a range of challenging issues such as, labour market and skills development; resources facilities and infrastructure; barriers and competitive advantages; access to markets and complementary services (eg education, leisure, culture housing, health etc).

3.6.4 The plan will not solely be about direct investment but will include other interventions such as accessing business promotional and marketing platforms, securing additional support for potential high growth business and dedicated sub groups where appropriate – one example being the Maritime Change Programme in Helensburgh and Lomond.

3.6.5 To be successful in developing and implementing the ABIP the Council will need to address all of the issues set out above in a strategic, structured and positive manner. The ABIP will require considerable partnership working across the CPP and the Scottish Government and

its agencies.

- 3.6.6 The ABIP will need to be set out in a way to maximise the opportunities available and a critical element of the plan will be to prioritise or target activity, resources and investment to secure the greatest benefit. The ABIP is also a long term plan so there will also be an issue of timing. In simple terms it will not be possible nor effective to move forward spreading resources equally across the area in each and every year.

3.7 **Risks**

- 3.7.1 Investment is a risky business, even investing for economic growth rather than financial investment in the stock market. There is no guaranteed return in financial nor in terms of economic growth. Risk comes in various forms and the proposals set out in this report are about addressing the most significant risk in the strategic risk register. Risk and opportunity are also closely related and the proposals set out above are framed in the context of exploiting or realising the economic potential that exists in Argyll and Bute – taking advantage of opportunity. The structured approach proposed is about establishing an evidence base, securing commitment, tailoring action to where there is potential and opportunity and using all of that to underpin investments for economic growth in a way that seeks to manage and mitigate risk. A sound approach to project management and governance will also be essential in overall risk management.

3.8 **Way forward**

- 3.8.1 If members agreed to take these proposals forward officers will need to prepare a Project Initiation Document (PID) that sets out the key actions, timescales, resources and governance to deliver the ABIP thereby allowing the Council to invest for economic growth. The PID will also include a risk register and communication plan. This work will be led by the Head of Economic Development and Strategic Transport with a number of other officers working in support. Progress on the development of the ABIP will be reported to the Policy and Resource Committee and the Argyll and Bute Sustainable Economic Forum which will report progress to the management committee of the CPP.

4 **CONCLUSION**

- 4.1 The ABIP will be a strategic document that captures the opportunity for economic growth in Argyll and Bute, builds a compelling case for investment, secures commitment from key partners and then sets out the actions required to turn the opportunity into reality. The ABIP will require considerable partnership working across the CPP and the Scottish Government and its agencies. It will be critical to securing external support and investment for economic growth. The approach set out in this report is a starting point setting out general principles and if agreed will be developed in more detail with further reports to

Policy and Resources Committee.

5. IMPLICATIONS

- 5.1 Policy – This report outlines an approach to implementing the outcomes identified in the SOA and other key strategic documents of the Council and our Community Planning Partners
- 5.2 Financial – None directly arising from this report
- 5.3 Legal – None directly arising from this report
- 5.4 HR – None directly arising from this report
- 5.5 Equalities – None directly arising from this report
- 5.6 Risk – There could be substantial risk involved with the use of council funds for the purpose of economic growth. All potential investments will however be subject to a full risk assessment before any decision is taken to commit council funding for the purposes set out in this report.
- 5.7 Customer Service - None directly arising from this report

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