

**STRATEGIC INFRASTRUCTURE PLAN**

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**1 INTRODUCTION**

- 1.1 The delivery of essential infrastructure that supports sustainable growth is a key objective of the approved Single Outcome Agreement (SOA). This report seeks to identify an approach to deliver this key outcome through the creation of a Strategic Infrastructure Plan for Argyll and Bute that identifies the critically important pieces of infrastructure that are necessary for economic growth and how this can be implemented given our limited resources.

**2 RECOMMENDATIONS**

- 21 The recommendations in relation to the Strategic Infrastructure Plan 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 sets out a consistent objective of “Argyll and Bute’s economic success is built on a growing population”. The second of the 6 long term outcomes that support this is “we have infrastructure that supports sustainable growth”. In addition to the SOA other plans set out the vision, priorities and objectives for Argyll and Bute over the next ten years that are relevant to a Strategic Infrastructure Plan.

- The Strategic and Area Economic Development Action Plans (EDAP)
- Local Development Plan and associated Action Plan
- Renewable Energy Action Plan (REAP)
- Strategic Housing Investment Plan (SHIP)

- 3.1.2 The report on investing for economic growth sets out the economic potential within Argyll and Bute and an approach for the Council turning that potential into reality. Creating the right conditions and environment are essential. Developing a Strategic Infrastructure Plan will help set out how the Council can help create the conditions and environment to support economic growth.

- 3.1.3 Developing and resourcing a Strategic Infrastructure Plan will allow Argyll and Bute to focus on identifying and delivering the vital infrastructure that requires to be in place to achieve key economic

goals. It will support the Council to plan strategically and prioritise investment and resources efficiently and effectively.

- 3.1.4 The Strategic Infrastructure Plan will achieve renewed confidence by focussing on the key economic goals for Argyll and Bute and the priority infrastructure projects that need to be delivered to achieve them. It will be a long term document and it is envisaged it would cover a 10 year period consistent with the SOA.

## 3.2 **Developing a Strategic Infrastructure Plan**

- 3.2.1 There are two critical factors to consider in developing a Strategic Infrastructure Plan:

- The first is to clearly identify and prioritise infrastructure projects which will support the delivery of key economic goals for Argyll and Bute.
- The second is to clearly identify potential innovative ways in which these priority infrastructure projects could be funded.

- 3.2.2 In developing a Strategic Infrastructure Plan we need to be able to address the following matters:

- What key economic goals should Argyll and Bute be striving towards?
- What infrastructure projects are required as a priority to meet these economic goals?
- Where are these projects required in Argyll and Bute?
- When does the priority infrastructure need to be delivered?
- What will it cost and how can it be funded?
- Who will provide/maintain the priority infrastructure projects?

- 3.2.3 Infrastructure that is required may fall into three types of infrastructure projects:

- **Economic Infrastructure** – projects that generate economic growth and enable Argyll and Bute to function. Examples include transport facilities (air, sea and land), utilities (water, gas, electricity) and telecommunication networks.
- **Social Infrastructure** – projects to support the provision of public services. Examples include social housing, health facilities, educational establishments and green infrastructure.
- **Soft Infrastructure** - projects to improve branding. Examples include marketing and promotion activities designed to increase the profile of Argyll and Bute to potential investors, visitors and residents.

- 3.2.4 A 5 stage approach is proposed to developing the Strategic Infrastructure Plan. The following sections set out the principles of each of the 5 stages

### 3.3 **Stage 1 Understanding the current situation.**

3.3.1 Stage 1 will gather evidence to assess the existing infrastructure. This will be gathered from knowledge of existing infrastructure, a review of existing plans and through stakeholder engagement. The consultation with stakeholders will seek views on current infrastructure and the extent to which it is a barrier to growth. This will be managed as part of the overall communications and involvement approach. It would effectively amount to an audit or inventory of existing infrastructure.

### 3.4 **Stage 2 Defining strategic economic goals for a positive economy.**

3.4.1 Stage 2 will gather evidence from the private, public and voluntary sectors to identify the key challenges facing Argyll and Bute economy. This will be managed as part of the overall communications and involvement approach. This will form the basis of identifying key economic goals to ensure Argyll and Bute has positive economic prospects both in the short and long term. It will also identify future requirements in terms of infrastructure.

- The consultation with stakeholders will seek views on the sectors considered most critical to the economic prosperity of Argyll and Bute in the short, medium and long term.
- Identify where investment should be prioritised stakeholders will be asked to identify key priorities for infrastructure investment.

3.4.2 The above goals will no doubt be supported though many of Argyll and Bute Council's existing strategies as well as across stakeholder and partner's plans. The Strategic Infrastructure Plan will allow the Council and partners to place renewed focus on what aspects of these strategies should be prioritised for delivery.

### 3.5 **Stage 3 Using the key economic goals to identify priority infrastructure projects**

3.5.1 By the end of Stage 2 above, the key goals to achieve a positive sustainable economy for Argyll and Bute will have been identified, key priorities for infrastructure identified and the status of existing infrastructure assessed.

3.5.2 Stage 3 will consider the infrastructure required to achieve the key economic goals and compare that with existing infrastructure and planned investment by Argyll and Bute Council and partners. This will identify where key economic goals are likely to be achieved by existing or planned infrastructure projects. It will also identify gaps where projects to invest in infrastructure would needed in order to support key economic goals. This gap analysis will identify potential projects for inclusion in the Strategic Infrastructure Plan.

3.5.3 The Strategic Infrastructure Plan will also recognise the substantial dependencies and linkages between Strategic Infrastructure Plan projects, other Argyll Bute Council infrastructure projects and initiatives owned or managed by partner agencies and private developers. It will be the combined delivery of all of these efforts that will deliver a unified and sustainable future for Argyll and Bute.

### 3.6 **Stage 4 Funding options**

3.6.1 At this stage the funding of the portfolio of priority infrastructure projects contained within the Strategic Infrastructure Plan will be considered in a cohesive approach. This will include all options for financing and funding including private sector funding, public borrowing, external capital bids to Europe, UK and Scottish Government funding streams, tax incremental financing etc. It will be necessary to work with stakeholders and partners to utilise different vehicles and partnership models to secure funding.

3.6.2 This stage would also consider the most appropriate arrangements for delivery, maintenance and operation of infrastructure projects as well as the initial funding.

### 3.7 **Stage 5 Finalising the Strategic Infrastructure Plan**

3.7.1 At this stage the planned portfolio of priority infrastructure projects can be sense checked against the goals set out in Stage 2. A decision will be made on which projects will be taken forward taking into consideration Argyll and Bute Councils visions and plans, budgeting cycle, as well as any emerging external factors or opportunities that present themselves.

3.7.2 The Strategic Infrastructure Plan will need to focus on maximising the impact on investment and it will be necessary to prioritise or target investment to secure the greatest benefit. As a long term plan there will be an issue of timing. In simple terms it will not be possible nor effective to move forward spreading investment equally across the area in each and every year.

### 3.8 **Timescale for developing the Strategic Infrastructure Plan.**

3.8.1 The following timescale is proposed for developing the Strategic Infrastructure Plan

Stage 1	Understanding the current situation.	January-February 2015
Stage 2	Defining strategic economic goals for a positive economy.	March-April 2015
Stage 3	Using the key economic goals to identify priority infrastructure projects	May-June 2015
Stage 4	Funding options	May-July 2015
Stage 5	Finalising the Strategic Infrastructure Plan	August – October 2015

### 3.9 **Risks**

3.9.1 The Strategic Infrastructure Plan is likely to require significant investment and commitment. There will be risks associated with that. There is no guarantee that the Strategic Infrastructure Plan will on its own result in the economic growth desired. The planned approach of developing the Strategic Infrastructure Plan based on the 5 stages set out above and its close relationship to the proposals on investing for economic growth should create a basis for managing risk and also importantly taking advantage of the opportunity available to Argyll and Bute to address population and economic decline. Establishing an effective risk management framework for the Strategic Infrastructure Plan will be critical and this will be an essential element of the project governance.

### 3.10 **Governance**

3.10.1 Progress on the development of the Strategic Infrastructure Plan 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. A report will be submitted at the conclusion of each stage as a gateway check prior to proceeding to the next stage with highlight progress reports reported on a regular basis.

3.10.2 This work will be led by the Head of Economic Development and Strategic Transport with a number of other officers working in support. It is also likely that this work will form part of a sub group of the proposed Economic Forum which will involve representatives from our partners and the private and voluntary sectors.

3.10.3 A Project Initiation Document will be prepared to articulate the steps required to progress the development of a Strategic Infrastructure Plan. The PID will include a project plan, a risk register, a resource schedule and communication plan. These documents will be reviewed

on an ongoing basis as required.

#### **4 CONCLUSION**

- 4.1 Improving the delivery of essential infrastructure is considered to be critical in responding to the need for additional economic growth to reverse the continued loss of population. This has been recognised in the Council's SOA key outcome and was further endorsed at the recent economic summit held in Dunoon. This report sets out an approach on how this can be taken forward through 5 identified stages and asks for member approval for this to be taken forward.

#### **5. IMPLICATIONS**

- 5.1 Policy – The Strategic Infrastructure Plan is a key objective of the SOA
- 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 are risks associated with developing a Strategic Infrastructure Plan and a risk register and risk management approach will be developed through the PID.
- 5.7 Customer Service - None directly arising from this report

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