

RURAL GROWTH DEAL

Progress Update March 2024 – (Update No 8)

Welcome to our update

Welcome to the eighth edition of Argyll and Bute Council's Rural Growth Deal (RGD) quarterly update. Our £70 million Rural Growth Deal is about turning economic potential into a successful future for Argyll and Bute. It is about investing in initiatives that will turn the area's fantastic natural resources and business innovation into a thriving local economy.

Progress to date

February 2021 – Heads of Terms agreed with Scottish and UK Governments

October 2021 – recruitment of Programme Management Office complete.

January 2022 – Stantec appointed as consultants to progress project business cases

March 2023 – first OBC submitted for feedback from Government

November 2023 – Rothesay Pavilion FBC submitted for Government review.

Programme Management Office Update:

Full Deal Signing – the PMO and Internal Board continue to have discussions with Government on agreeing a date for Full Deal signing. At present this is likely to be in June 2024.

National Programme Management Office Group – the PMO continue to engage with Deals across Scotland, Wales and Northern Ireland to share best practice and challenges. The PMO attend a number

of sub-groups, including Decarbonisation, Benefits Realisation, Finance and Subsidy Control.

Individual project updates

- **Marine Aquaculture Programme:**
 - Consists of 3 projects:
 - UHI Argyll College Marine Industry Training Centre (MITC);
 - SAMS International Seaweed and Shellfish Industry R&D Centre;
 - Stirling University Machrihanish Innovation Campus.
 - UHI Argyll continue to review the MITC OBC. There has also been work undertaken to identify the preferred site for the MITC.
 - The second iteration of the Outline Business Case for the SAMS International Seaweed and Shellfish Industry R&D Centre has been submitted to Government. SAMS continue to work with partners to identify match funding opportunities.
 - The University of Stirling have completed the OBC for the MERL facility at Machrihanish and this is now with Government for first stage review.
- **Creating a World Class Visitor Destination**
 - The PMO continues to work closely with Kintyre Seaports to progress their project. Tenders are in progress for Site Investigations and Detailed Design work.
 - Government have now issued feedback on the second iteration of the Kintyre Seaports OBC, and the project team are addressing the comments. It is hoped that the OBC is now nearing approval.
 - Feedback has been received on the Full Business Case for Rothesay Pavilion which the Project Team and Stantec are working to address. It is hoped to submit a second iteration FBC in March 2024.

- **Islay Low Carbon Economy:**
- The Outline Business Case was submitted to Government for review in December 2024. Unfortunately, both the UK and Scottish Government have advised that they are unable to support the proposals in the OBC and have requested that the Project Team go back to options appraisal stage. They have advised that as the project is programmed into the later stages of the RGD Programme, this will not delay Full Deal signing.
- The Project Team are currently considering next steps and planning further engagement with the community and businesses stakeholders on Islay to consider alternative project options.
- **Rural Skills Accelerator Programme:**
The Rural Skills Accelerator Programme (RSAP) has three component parts:
 - STEM Hubs (physical, outreach and mobile);
 - Business Skills; and
 - UHI Argyll built environment in Dunoon.

The Programme Level Outline Business Case for the RSAP has now been submitted to Government for initial review and the PMO and Project Team are awaiting feedback.

The progress of these RSAP elements is as follows:

- **STEM Hubs:** The location for the Dunoon Community STEM Hub is currently being re-scoped, following the decision to not progress with the Hill Street building. The Project Team and PMO have visited Dunoon to assess options and it is hoped that a finalised location can be identified shortly. UHI Argyll are involved in the re-scoping of the project location to assess if a co-located facility is a viable option. BT brought their Immersive Classroom to Dunoon Grammar School on the 29th January, which was well received by pupils. Pupils from the DGS Learning Centre, Kirn Primary and Clyde Cottage Nursery attended the event. It remains an ambition to include an Immersive Classroom in both STEM Hub locations.

- **STEM Co-ordination** – a meeting was held at SAMS in December to discuss co-ordination of all organisations delivering STEM education in Argyll and Bute. It is hoped that a STEM Engagement Network will be progressed to allow shared best practice and resources.

Photo 1 – Primary School Pupils using BT’s Immersive Classroom during visit to Dunoon:



Photo 2: Feedback from Pupils who visited the Immersive Classroom:

How frequently would you like to use the immersive classroom?



- **Business Skills:** it has been agreed that the Business Skills element will be led by Highlands and Islands Enterprise (HIE). HIE are currently programming the Full Business Case for this project which will commence following approval of the programme level OBC.

- **UHI Argyll:** UHI Argyll have now been through an options appraisal process and have concluded that the current preferred option is to redevelop the college's West Bay campus in Dunoon. UHI Argyll are involved in the options appraisal process for the Dunoon Community STEM Hub to assess if there are any realistic opportunities for a co-located facility within Dunoon.
- **Housing to Attract Economic Growth:**
 - **Isle of Mull Worker Accommodation** – Planning Permission for the site was granted on 30th January 2024. The Rural Growth Deal will fund one block of flats. Colleagues in Housing are exploring opportunities to fund the additional blocks (up to 3). A tender for the site infrastructure works is underway, and it is hoped to appoint a contractor by the end of March 2024. Government have reviewed the OBC, with feedback currently being addressed by the Project Team and Stantec. The project has been positively received by Government, recognising its strong alignment with a number of key Island and Housing policies.
 - **Isle of Islay Housing** - Discussions around the preferred site for development in Bowmore remain ongoing. The OBC is complete and will be submitted to Government for initial review in February.
- **Clyde Engineering and Innovation Cluster:**
 - The second iteration of the Clyde Engineering and Innovation Cluster OBC will shortly be submitted to Government.
 - Stantec continue to progress the next stage of design/engineering support, this is focussed on key enabling infrastructure at the Colgrain Site including roads, drainage, utilities and foundations. This work will provide more clarity around the likely funding gap on this project.
 - The PMO continue to engage with potential funding partners regarding match funding to support delivery of the CEIC project and wider Colgrain Business Park Site.
 - Further engagement with Key Industrial Partners at HMNB Clyde is being planned to ensure that any design meets the needs and requirements of the partners who will become the users of the CEIC building.
- **West Coast Aviation, UAV, Robotics and Compliance Hub:**
 - Government have provided feedback on the second iteration of the OBC for the UAV Hub. This is now with the Project Team and Stantec for review.
 - Further proof of concept trials are in progress, supported by a £250k grant secured from the UK Government's Regulators Pioneer Fund. Potential use cases identified include medical and school meal deliveries and power line inspections.
 - Discussions are ongoing to ensure that the development of the UAV Hub is aligned to the wider development of the Oban Airport Business Park site.

Photo 3: Design for Isle of Mull housing site:



① Ariel view from Rockfield Road looking east

Priorities for the next quarter

Submission of OBCs – continue submission of OBCs and work on Government feedback. A number of OBCs are nearing approval stage and in the next quarter it is hoped that the first OBCs will be approved.

Rothesay Pavilion – Seek to secure Central Government endorsement for the revised project FBC.

Full Deal Documentation – the following documentation will be drafted and submitted to Government for approval:

- Implementation Plan;
- Financial Plan;
- Full Deal Agreement.

Full Deal Signing – work with Government to confirm a date for Full Deal signing.

For further information, please contact the following staff:

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