

**Argyll and the Island Local Economic Forum (LEF) Meeting Report to Argyll and Bute  
Community Planning Partnership on 20th September 2006**

This was the first of the combined LEF and Argyll & the Islands Enterprise Board meetings. There will be five each year.

Ken Abernethy reported on the Economic Activity in the area and then discussed recent measurements, issues included:

**Aquaculture** - Animal rights activists released young halibut by cutting nets. As margins are so low the industry cannot bear the additional costs of effective security. There is a merger proposed between Panfish and Marine Harvest which could impact on some local sides.

**Oban** - should be a centre for economic growth and efforts to ameliorate the infrastructure constraints of Scottish Water and traffic are being addressed. The new SW Chair and their realigned budget should begin to have effect.

**SAMS** - AIE is working with the organisation to help it realise its full potential and to maximise the benefit to the Highland and Scottish economy.

**Marine National Park** - Still under consideration, however there are concerns surrounding the planning and financial issues that accompany the designation. The consultation will be run by the Scottish Executive. Safeguards for the (shellfish) fishing industry will be required if fishing is included.

**Irish Ferry** - Two companies may be invited to tender for the ferry in the near future. It might now be possible to access the 'Interreg' EU fund for marketing to link with the west coast of Scotland.

**Mull Pool** - a venture between the council and a hotel to build a new pool on Mull was established some years ago. Many obstacles have been overcome and the project will now be going ahead, and will start soon as there is European money in the project with expenditure deadlines.

**Vestas** - Nacelle production at Campbeltown, an assembly of imported parts, will probably cease in a few months. Tower manufacture, with a now mandatory higher local content, will continue providing there is a steady flow of UK orders for wind turbines. Transport is critical to the continued viability of the Campbeltown factory, particularly the three 'pinch' points on the A83 which hinder the shipment of towers (canal bridge at Ardrishaig, road bridge at Inveraray and rail bridge between Arrochar & Tarbet). Although Vestas have unique transport requirements, we are not aware of other economic opportunities that are missed because the Argyll road infrastructure is below average.

**Argyll Air Services** - Linking Oban Coll Colonsay and Glasgow is meeting the construction timetable and the opportunities then available for both the economy and health will be tremendous.

**Argyll Schools NPDO** - Are mostly now well ahead with schools being built and pupils moved in.

**Careers Scotland Lochgilphead** - have joined staff at AIE in Kilmory as part of the integration being effected throughout the Highlands & Islands Enterprise. This location will be convenient for the new school in Lochgilphead.

**Machrihanish Air Base** may be sold to a private developer which should enable more commercial development on the site, including a new golf course which is still awaiting final tranches of funding.

**The Kintyre Way** - A long distance walk between Tarbert and Southend, was opened on 12th August 2006. This is a partnership project using funds from AIE and work from FC & A&B Council.

**Sailing** - Initiatives in North Ayrshire have resulted in moorings in Brodick and there may be pontoons in Lochranza.

**Garrison House** - On Cumbrae incorporating offices, doctor and library is nearing completion.

**ESIN Island Exchange Conference** - Will be held on Islay in November. This is the final phase of the project and the conference will focus on the project report as part of the workshops.

**Measurement** - Reports on the economic development activities in the LEF area, a focused piece of work commissioned by the group was reviewed. **Business Starts** are seasonal and have declined as unemployment is still quite low in many areas of Argyll, despite recent increases. The highest HIE region for unemployment is Dunoon and Rothesay where the rate is only 3.8%. The poor quality of available staff is such that it is hindering economic development in both existing and potential businesses. **Population** of Argyll & Bute has declined, based on mid-year figures, which includes a loss of 200 Armed Forces staff which probably indicates a stable population overall. HIE's ambitions for the whole of the highlands and islands is to grow the population to 500,000 by 2020. Argyll's share of this growth is 20,000 which in turn means 10,000 new homes will need to be constructed. While all exchanges are **Broadband** enabled, the focus now needs to be moved to increasing business take-up of the capability.