

Arran Economic Group

2017 Annual Report

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Chairman

Sheena Borthwick
Development Director

AEG Members

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**Highlands & Islands Enterprise
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**Arran Community Council
Arran CVS & Third Sector
Arran High School
Arran Medical Practice**

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Chairman`s Summary:

The Arran Economic Group (AEG) was created to optimise planned infrastructure changes and initiate others as required, to support a sustainable island economy. Arran`s wild island beauty, welcoming communities, shared values and access to peace or adventure and everything in between, makes Arran a special place. The AEG`s guiding principle is to manage inevitable change without changing the fundamental nature of the Island.

2017 saw the near completion of two of the main infrastructure projects identified in 2014/15. Brodick Harbour awaits CE certification on the Passenger Access System to become operational and 90% of the Island has access to Superfast Broadband with 43 % take up to date.

There are new infrastructure projects in process or on the drawing board. The Minister for Transport and the Islands, received a proposal for the re-development of Ardrossan Harbour on December 22nd, 2017 and work is expected to begin and end in time for the arrival of our new Ferry, the Glen Sannox. We have also completed the Project Plans for the Arran Gateway Project which at its simplest, involves taking on the “old” CalMac Ticket office and turning it into a community hub and at its most complex, it is a complete redevelopment of the existing area with the addition of a transit marina. Discussions and meetings with the owners, community, CMal and NAC are ongoing.

4G is available in Brodick and work is ongoing in Lamlash and Kilmory. Our challenge is to complete the 4G roll out and use this increased connectivity to drive positive change in Health, Education, Community and the Economy. We are working with North Ayrshire Council, University of the West of Scotland and the Scottish Futures Trust to establish creative ways of doing this through practical pilot schemes.

Based on recommendations from the Housing Study as well as other inputs, NAC have agreed to build 26 social houses in Brodick and support Trust Housing Association building another 20. This is a major step forward. In addition, working with the newly formed Arran Development Trust, we have identified 4 sites around the Island which would allow us to build a further 150 affordable homes over the next 5 years

Our Island economy grew by around 10% last year based on Tourist data, Business Surveys and Annual Company Reports. Arran is number 3 of 32 Local Authorities in Quality of Life as measured by responses to the RBS QoL survey. On the downside, the population declined by 8% (2005 -2015). The rate of decline is the same as the last census (2011). Primary cause; the age demographic and our inability to attract/retain a working age population. Primary cause; a lack of affordable housing.

So, our strategy has not changed; what has changed is that the infrastructure we talked about is broadly in place or very close to it. As previously stated, improved physical and digital connectivity will encourage the development of creative

industries and people who can take advantage of flexible working practices. New industries and additional residents will increase our overall population back to 2001 levels, supporting the continued improvement in our schools, creating a truly sustainable island economy.

In conclusion, we have strong levels of economic growth and a high quality of life, we have added and are adding significant public and private infrastructure which will help secure sustainable growth. However, our primary challenge is rapid population decline. This will not change until we translate house building plans into actions. The Arran Development Trust will have this as its primary focus for 2018. We are one year closer to the digital and physical connectivity and we need to support our existing industries as well as attract new ones. Our challenge remains, to do all this while maintaining our overarching principle of keeping Arran a special place.

Tom Tracey
Chairman

Arran Economic Group 2017 Activity Summary

As outlined last year, the AEG identified five themes which represented our challenges/opportunities; infrastructure, housing & land, skills, economy and business development. These are still our areas of focus.

Infrastructure:

1. CMAL Assets, CalMac and George Leslie deserve great credit for managing the logistics of constructing the new, whilst continuing to service the old, with minimum disruption to travellers or the business community. However, the fact that the passenger access system has caused extensive delays in commissioning the new harbour remains the major cause for concern.
2. A proposal for the re-development of the Ardrossan Harbour was handed to the Minister for Transport and the Islands on December 22nd, 2017 and we await his response.
3. 90+ % of people on Arran now have access to Superfast Broadband. Take-up is 43%. Arran Broadband, a newly formed company is the first commercial user of White Space technology in Europe.
4. 4G mobile is now available in Brodick. The mast infrastructure is largely in place around the Island to support the emergency services but still experiencing administrative and commercial problems. These will be resolved through 2018.

Housing and Land:

1. Arran Housing Study identifying the need for 200 used as the evidence-based analysis to support NAC plan to build 46 Social Houses in Brodick.
2. Completed first phase of Housing Site study to identify possible sites for up to 200 affordable homes.
3. Working with NAC and Scottish Futures Trust on the development of a specific site for 6 affordable homes to pilot a “rent to buy” scheme.
4. Working with NAC on bringing some of the 59 empty houses on Arran back into use for the affordable sector.
5. Working with NAC and Trust Housing Association on a points-based allocation system that takes account of local housing need for workers.
6. Affordable housing sites identified in the LDP for Brodick, Lamlash and Shiskine.
7. Completed OCSR Registration documents for Arran Development Trust. The ADT, working with other organisations will be the primary delivery vehicle for the balance of our housing needs.

Skills:

Skills development remains a focus for the group and the creation of the new Digital Infrastructure will support Skills Development and Training. AEG will continue to support the implementation of the Skills development plan and work with employers on the implementation of modern apprenticeships.

Economy/Numbers:

Maintain and develop baseline data to measure progress against Arran World Class: That is; Turnover, GVA, Employment by sector and Quality of Life.

Completed Quality of Life survey based on RBS criteria used to measure 32 local authorities. Arran is third.

Established Clyde Island tourist data and identified discrepancies in “Island Special Needs Allowance”.

Identified continued 8% de-population trend in 2005 - 2015. There is no change to decline of 8% seen in the 2011 census.

The biggest thing that AEG can do to support growth in the economy is to help fix the lack of affordable housing.

Business Development:

At the tactical level, Business Development is supported by the appropriate departments within HIE and NAC.

At the strategic level; The Arran Gateway project, completed this year has the potential for a major transformation of the harbour’s commercial and community use.

Set up Clyde Islands Initiative to promote Inter-Island learning, tourism and business growth.

2018

Significant parts of the promised infrastructure improvements are in place or very close to it. 2018 will see the completion of these projects and the beginning of affordable and social house building.

Our economy will continue to grow with major private sector investments to compliment the public sector. Our Quality of Life will remain among the best in Scotland. As we start to solve our affordable housing crisis we will start to promote Arran as a place to Live and Work as well as a place to Visit. Success in this promotion will be central to slowing and then reversing our population decline and labour shortages. We have all the ingredients, this is the year we start to put them together.

Harbour Redevelopment

Stakeholder Lead: CMal (Lorna Spencer & Ramsay Muirhead)

Challenge:

Brodick Pier was nearing the end of its useful life, threatening the Islands life line service. A new Brodick Harbour development was required but there were insufficient funds to deliver the project in a single phase. A phased implementation over 10 years was suggested. Island representatives stressed this approach would have a significant detrimental impact on the economic and social life of the Island. This position was accepted by CMAL, NAC, HIE, Transport Scotland, Strathclyde Partnership for Transport and the Brodick Harbour Group was formed to find the £33million pounds required for a single-phase implementation.

Response:

A project plan was agreed to complete both pier and harbour infrastructure in 18 months. This was achieved through excellent collaboration with Scottish Government, Public Sector bodies, local politicians, business leaders and third sector partners. This positive example of what collaboration could achieve, led to the creation of the Arran Economic Group (AEG).

The new Brodick Harbour is poised to deliver excellent port infrastructure, allowing for the long-term delivery of ferry services to the island and excellent passenger experience in a safe environment contributing to the AEG goal of World Class 2020.

Delivery:

The project is led by Caledonian Maritime Assets Ltd, and supported by Transport Scotland, North Ayrshire Council, Strathclyde Partnership for Transport and has been implemented by the main contractor George Leslie Ltd.

Success to date has been based on extensive consultation and local engagement to assist in the development of the final plans. Extensive consultation with the ferry operator Calmac in determining and planning for future needs and robust project management and regular communications.

Constructing a new port on the site of the existing port while maintaining a full service has tested all the above and CMAL, CalMac and George Leslie Ltd, deserve praise for the professional way all of this has been handled with the minimum of disruption.

The contract was awarded in September 2015 with work starting in November of that year. Target completion was August 2017. The project is running slightly behind schedule due to a last-minute health & safety challenge encountered with the installation of the new Passenger Access System. This is due for clearance, final sign off and the new terminal building scheduled to be handed-over by Easter 2018.

2018: Brodick Harbour project complete.

Ardrossan Harbour Task Force

Stakeholder Lead: Scottish Government (Minister for Transport & Islands), Transport Scotland (Graham Laidlaw)

Support from: North Ayrshire Council (Karen Yeomans), Calmac, Peel Ports (Doug Coleman), CMAL Assets, Arran Ferry Committee

The Ministerial Task Force has met several times during 2017 under the auspices of the Scottish Government Ministers' office to consider several options tabled and designed to improve the reliability of the service in adverse weather. This was driven from early simulation results which indicated that the new vessel for the route (Glen Sannox), may not provide the same reliability as the current vessel (Caledonian Isles).

Following extensive discussions with CalMac, CMAL, Transport Scotland, Peel Ports and NAC these have been reduced to two variations of a proposal to re-align the berth to provide an improved turn in and extend the length to accommodate longer vessels if required in the future.

These proposal variations will be examined further in Feb/March 2018 on the simulators to confirm which provides best service and value for money. The results of these are expected to be prepared for submission to the Transport Minister prior to the Easter recess. This work will also include a review and proposals for the "buildability", with attention to the requirement to retain the current timetable for the service in a reliable manner. It was confirmed that all options being considered required a new linkspan.

Timescales cannot be given currently due to the ongoing work, but it was felt that a clear way forward should be evident by end of March 2018 to allow a decision from the Minister to be made following the Easter recess. Until the decision is made on the berth, the final plans and layouts for the passenger access accommodation and port side facilities cannot be completed.

A project management team will be appointed to take the programme forward on conclusion of the review.

Brodick Harbour II Study of Commercial Land (Market Road)

Stakeholder Lead: North Ayrshire Council (Karen Yeomans, Alasdair Laurensen, Elaine Troup)

Support from: Highlands & Islands Enterprise (Jennifer Nichol & David Smart) & AEG (Sheena Borthwick), Ironside Farrar (Julian Farrar)

Challenge:

The completion of the new harbour and terminal building offers development opportunities for the Market Road area in general and the residual old harbour facilities. Determine how can this area and facilities can be transformed into social, business and leisure opportunities for the benefit of the Arran community and visitors.

Response:

From the Market Road Study conducted by Ironside Farrar “The Arran Gateway Project” the AEG identified three specific project phases:

Acquisition and re-development of the existing ferry terminal and the provision of step ashore facilities (Phase One)
Marina/Pontoons for visiting yachts (Phase Two)
Investigate potential redevelopment of Market Road and identify new commercial area for relocation of businesses (Phase Three)

Delivery:

2017 was about developing a Masterplan for the area, testing the ideas and identifying the potential funding routes to enable delivery of the recommendations contained within the Ironside Farrar Market Road Study. Discussions with CMal Assets to acquire the ex-ferry terminal are underway and based on an initial positive response, a Business Plan was commissioned by the AEG on behalf of the Arran Development Trust. Together with the identification and application for capital grant funding to enable the first phase of the project to commence. This initial part of process is on-going and should be complete by February 2018. If successful and lease terms are agreed, renovation work on the ex-ferry terminal building could commence as early as Autumn/Winter 2018.

2018

Develop an understanding of local demand/local space-growth and market interests to design a workable Master Plan for the Market Road area. Initial discussions are now underway with a potential investor around possibilities and options to include affordable housing, local employment and commercial expansion.

Identify Development Funding for Phase One. Ayrshire Growth Deal, Regeneration Capital Grant Fund application lodged with match funding provided by NAC and HIE.

There is local demand for Community re-use of the existing Ferry Terminal. The Arran Development Trust has been identified as the group to take over management of the facility in the community interest.

There is local and business demand for a step ashore boating facility together with small marina, it is anticipated to complete the plan in 2018 in conjunction with CMAL Assets to remove the old pier infrastructure and install 48 berth marina/pontoons.

The redevelopment of Market Road is a project of significant scale and as such must be considered over a longer timescale. In 2018 we will further target achieving all party agreement on how to best proceed, based on community and economic need. To progress this, we have identified a potential investor and await a formal presentation proposal based on the evidential study information provided and community requirements.

Superfast Broadband Roll Out

Stakeholder Lead: Highlands & Islands Enterprise (Stuart Robertson, Jennifer Nicols, Lucinda Gray, David Smart).

Support from: ConnectArran, Arran Broadband, Broadway Partners, AEG (Sheena Borthwick)

Challenge:

The lack of availability of Superfast Broadband and the lack of fast or any mobile coverage has been a major constraint to the economic growth of Arran.

Response:

Highlands and Islands Enterprise (HIE) estimate, based on cabinet installations, that 90%+ of households and businesses on Arran now have access to Superfast Broadband.

Delivery:

BT Open Reach/HIE report there are currently 21 cabinets live on Arran. Areas with live service include: Blackwaterfoot, Brodick, Corrie, Kilmory, Lamlash, Lochranza, Pirmill, Shiskine and Slidery – there are two cabinets still to go live in 2018 at Whiting Bay and Kildonan.

By October 2017 it was estimated that 88% of premises on Arran had access to fibre broadband. By the end of this phase of the roll out it is estimated that 90% of premises will have access to fibre broadband.

The take-up in North Ayrshire i.e. Arran and Cumbrae is 41.5% against an average across the Highlands and Islands of 40.7%. HIE has no take-up figure for Arran alone but no reason to think it is widely different from that on Cumbrae. To check if a property can access fibre the following checker can be used log on to www.hie.co.uk/hector.

Arran is better connected than ever before, with mainstream fibre available from multiple providers for the first time.

The Machrie area of Arran was not targeted in the original plan for BT fibre roll out however an independent solution was identified by the local pressure group; ConnectArran. The Machrie whitespace solution provided by Broadway Partners and Arran Broadband is now well underway with 42 installations in operation and a further 80 in the pipeline. Broadway Partners have now surveyed the Brodick and Lamlash areas and in the process of new installations. Superfast download speeds of more than 80 mbps are realised by users with local businesses finding daily operations faster and easier than ever before. As a natural conclusion to this initial independent solution, a new Arran business was set up as a subsidiary of Broadway Partners; Arran Broadband, managed and operated by local people and importantly offering flexible terms on comparable contract rates with BT Open Reach. Arran Broadband has continued to make steady progress through 2017 and a growing

number of residents, visitors and businesses around the south-west and south of the island are now enjoying the benefits of high speed, reliable broadband service.

Arran Broadband was the first commercial user in Europe of the new TV WhiteSpace technology, allowing it to guarantee that, regardless of geography, hills and trees, fully 100% of premises in an area can be connected. With successful deployments now also in Loch Ness, Perthshire and in Wales, Broadway Partners is confident that TVWS will play a significant role in helping to meet the Government's ambition to deliver super, fast broadband to 100% of the Scottish population by 2021.

2018

We appreciate that access to Superfast does not mean connected to it. The work of 2018 will be to identify barriers in connection, technical issues and a lack of knowledge on the benefits that Superfast broadband brings. However, we should acknowledge the major step forward in Digital Connectivity in the last year with two suppliers on the Island offering alternative technical solutions to match customer needs and locations.

Broadway Partners, the company behind Arran Broadband, has ambitious plans for 2018, and expects to begin connecting customers in Lamlash, Whiting Bay and Brodick by the summer and to complete coverage of the island by the end of the year. Arran Broadband has created new employment on the island and now employs modern apprentices to support their new customer base.

Mobile Connectivity

Stakeholder Lead: Scottish Futures Trust (Warren Atkins)

Support from: Scottish Government (Steven Gallagher), Arran Community Council (Bill Calderwood), AEG (Sheena Borthwick)

The Challenge:

No 4G communication on the Arran and no connection at all in many places.

Response:

On Arran, agreements/community commitment regarding masts etc. is now in place and waiting on finalisation of independent mobile provider commitments being agreed with Scottish Futures Trust (SFT).

Delivery/2018

Communication and agreement has been reached with the Scottish Futures Trust for the implementation of 4G on Arran with monthly updates to check progress. The Community Council and AEG is working closely with SFT to ensure the pace is kept up. 4G is now available in Brodick with further finalisation work being carried out which will provide a 4G service in the Lamlash and Kilmory areas.

Kilmory Status as at January 2018:

Mast erected and awaiting power connections. Short delay due to need to engage with adjacent landowner for access for power lines.
Local legal partnerships agreed and in place
Awaiting allocation of Backhaul from MNO

Lamlash Status as at January 2018

Is on hold due to commercial development which has received planning approval but is also awaiting power supplies.

Upgrade to emergency services network around the island is being undertaken by EE. Confirmation has been requested that these sites will include commercial capacity and not limited solely to emergency services connection.

SFT are following up to identify “not spots” with a view to developing plans for future roll out of this critical resource.

Housing Study Driven by Business Need

Stakeholder Lead: North Ayrshire Council (Karen Yeomans, Alasdair Laurenson, David Hammond, Neale McIlvanney) & Highlands & Islands Enterprise (Jennifer Nicols, David Smart, Lucinda Gray, Eilidh Todd)

Support from: AEG (Sheena Borthwick), Quantum Solutions (Richard Neilson), Denholm Benn (Stephen Denholm & Chris Benn)

Challenge:

The lack of affordable housing is restricting current and will restrict future economic growth on Arran and is a fundamental causal effect of a reducing working age population. This is not new; the Craigforth Study identified the need for 105 to 185 affordable homes in 2007. Between 2007 and 2011, only 30 affordable homes were built. The 2011 census saw a 16% decline in working age population during a period of economic growth. The supply of affordable homes is the major unfunded infrastructure improvement which could significantly reduce economic development and community viability and is now being addressed as a matter of urgency.

Response:

A 2016 Housing Study to identify housing requirements based on economic need was commissioned by the AEG, completed and presented in October 2016. The Study was asked to provide analysis of the problem and recommend solutions.

The findings from the study, subsequent enabling responses and solutions are highlighted below:

- A chronic lack of affordable housing is impacting and will continue to impact on Arran's ability to sustain or grow its current level of economic and social activity. The AEG commissioned four feasibility studies on sites suitable for the construction of affordable homes; two sites in Brodick and two sites in Lamlash. Combined, these sites could provide up to 191 affordable 2 and 3 bed units including self-build plots.
- There is a requirement for 200 affordable homes now. The current NAC Housing Waiting List is 309. NAC has agreed to build 26 units at Brathwic Terrace, Brodick and Trust Housing Association have agreed to build a further 20 at Springbank, Brodick. Construction work is due to commence towards the end of Summer 2018 at Brathwic Terrace.
- 22% of homes on Arran are second homes and a further 59 empty homes have been identified.

Based on the Study findings, workers required to sustain, grow services and the economy are priced out of the Arran housing market. This impacts all sectors but specifically problematic are the Health & Social Care, Education and Tourism sectors.

Delivery:

For most areas, this will apply to 2018 and beyond. The Housing Study, Feasibility Studies and subsequent discussions made several recommendations which are outlined below:

- 1) Setting up of a Scottish Company Limited by Guarantee to expedite the community led solutions. The latter is now complete (Arran Development Trust) with OSCR registration lodged. 10 Directors have been identified (based on specific skills & experience) and have agreed to serve. This will allow the Trust to access appropriate funds. For example, The Scottish Land Fund and The Rural Housing & Islands Fund. The ADT is now an Associate member of The Development Trusts Association Scotland.
- 2) Ensure that the local community is fully engaged and supportive of the need for affordable housing to, sustain the economy and the community, prevent further decline in working age population and improve the overall quality of life on the Island. The Arran Development Trust has been incorporated and will work closely with the community to ensure their views are considered. Membership of the ADT will be promoted extending voting rights to members.
- 3) Expand the Board of Trustees for the Arran Development Trust to represent both demand for and potential supply of affordable housing. This is now complete with 10 Directors registered (based on skills and experience required at board level). The ADT will also now be able to recruit further members. Incorporate the Housing Study findings into the new Local Development Plan (LDP). AEG working with NAC LDP officers has ensured the findings and sites identified are suitable and included.
- 4) Focus on affordable accommodations for workers which support the Arran economy and infrastructure. AEG working with NAC Housing Department and the Allocations Team at Trust Housing Association are lobbying for a Local Lettings Policy within which, priority should be given to Workers on Arran specifically within the Health & Social Care, Education and Tourism sectors. Quantum Solutions and Denholm Benn have designed affordable units incorporating renewable technology and a “home for lifetime” concept. These designs are targeted at tackling fuel poverty, lessening the requirement to move home due to lack of space and current/future allocation of affordable housing for Workers.
- 5) Engagement to encourage the 59 Empty Homes owners identified to bring vacant properties back into use as Affordable Homes, utilising financial incentives available through North Ayrshire Council Empty Homes Fund. The AEG have engaged with the community on several occasions to identify specific properties and are now working with NAC Housing Department on the potential of introducing a “buy-back” scheme allowing the AEG/ADT to purchase, renovate and bring back into use some of these properties for affordable rent or future sale for Island Workers.
- 6) Strategic expansion of affordable housing in Brodick, Lamlash and Shiskine incorporated in the LDP. The AEG have identified a further 3 affordable home

development sites on the West Coast of Arran, which are strategically placed and would be appropriate given the potential of new job creation identified in the foreseeable future.

- 7) Look to incorporate small Forestry/NTS sites to increase the supply of available land for development. The AEG identified one site in the ownership of The Forestry Commission and included this as one of the feasibility studies. Discussions are now underway to acquire this site for self-build affordable homes. The AEG have also identified a small site in private ownership and are currently working with NAC Housing Department and The Scottish Futures Trust to purchase and pilot a “Rent to Buy” scheme for 6 units in Brodick.

2018:

All the above will be progressed through 2018.

Create Skills Plan & Implement Action Points

Stakeholder Lead: AEG (Alastair Dobson)

Support from: Skills Development Scotland (Andrea Glass), North Ayrshire Council (John McGuire), Highlands & Islands Enterprise (Lucinda Gray) Ayrshire Chamber of Commerce (Claire Baird), Argyll College (Maureen McKenna), Arran High School (Barry Smith & Brian Donlin), Auchrannie Resort (Richard Small), Sense of Scotland (Irene Anderson), Business Gateway (Derek Shand), AEG (Sheena Borthwick), VisitArran (Cecelia Paul)

Challenge:

The availability a highly skilled workforce is an essential economic and social requirement of a dynamic island economy.

The University of Glasgow conducted a Study on Arran during 2015 identifying skills gaps on the island and recommended three specific actions and delivery mechanisms.

Response:

The Arran Skills Group was formed with membership including: the AEG, Skills Development Scotland, Chamber of Commerce, Argyll College, The Arran High School, The Auchrannie Resort, Sense of Scotland, The Business Gateway and Taste of Arran.

Work was divided into three areas and members of the group were allocated tasks. Collaborative work commenced with results are now filtering through to students, residents and businesses.

Delivery:

Arran's digital connectivity has improved markedly over the last year with the substantial completion of Stage 1 of Highlands & Islands Enterprise's, Digital Highlands and Islands project. £146M has been invested across the HIE region and Arran has benefitted from widespread availability of fibre optic cabling and connectivity. Arran Broadband are also offering high speed wireless connectivity (utilising Whitespace technology) to connect those not initially covered in the Stage 1 roll-out of the HIE programme.

The enhancements in connectivity outlined above has provided the opportunity for Arran businesses to truly compete on a global, digital stage. To this end, many Arran businesses have been working with the University of the West of Scotland to explore the opportunities offered by digital marketing utilising social media platforms. Visit Arran's Spring marketing campaign is being undertaken in partnership with the University and an assessment of its impact compared to traditional marketing activities will be undertaken at the end of the campaign.

Early discussions have also begun to establish Arran as a Digitally Connected Community. These discussions concentrate on four main strands: Economy, Health & Social Care, Education and Community. Although at an early stage this collaborative model has the potential to change the way services are delivered on, and to, Arran." A Digital Event Day has been organised to bring together all relevant stakeholders to scope out the potential and pilot schemes for the different sectors.

Opportunities are becoming clearer around the need for and scope to provide modern apprenticeships to serve the construction industry given the Housing Need faced on Arran. Working with the relevant partners, the AEG will continue to pursue this avenue which has the ability to provide much needed island jobs for a young workforce through the introduction of a Skills Academy.

2018

Continue to engage with community to ensure digital connectivity and application awareness is high, relevant and appropriate for residents, visitors and businesses.

Work with the Department of Work & Pensions to deliver a twice annual Jobs Fayre and other relevant events targeted at Employers and Job Seekers.

Work with relevant construction sector partners to deliver a Skills Academy.

Define Employment/Turnover/GVA for Arran & Define World Class Metrics

Stakeholder Lead: North Ayrshire Council (Andy Mackay), AEG (Tom Tracey)

Challenge:

The Arran Economic Group aspires to World Class 2020. To move towards this goal, we must first define a set of metrics that allows us to measure progress. We started with limited or no accepted Arran specific data to measure progress.

Response:

Arran Turnover, Gross Value Add (GVA), Employment and Quality of Life as measure by 28 indices have been identified as our primary metrics.

Working with Andy Mackay, NAC Statistician, John McGuire, NAC Business Growth Team and Derek Shand of the Arran Business Gateway, we now have baseline data for Arran on all the above.

Delivery:

Arran Turnover: £240 million. This information is available by major sectors.

GVA: £85.2 million. As above.

GVA/employee: £42.5k Unchanged from last year.

Employment: 2000 This information is available by major sectors.

Quality of Life: In top 3 of 32 Local Authorities in Scotland based on 28 indices.

This data allowed us to identify opportunities and costs in the Arran economy. For example, the business survey in 2016 highlighted a lack of affordable housing reducing potential expansion. Quantified as 92 FTE's not realized, costing the economy £3.2m/annum increasing to £5.1m/annum. The latest Business Survey results for 2017 will quantify the cost to the economy of recruitment difficulties now being encountered, which has a direct correlation to the lack of affordable housing for workers on the island.

2018

Complete the Quality of Life study started in 2016 and continue annually.

Complete the Business Study started in 2016 and continue annually.

Analyse and inform movement in all the key metrics and take/advise appropriate action.

Make this information available to local business for planning purposes.

Clyde Islands Initiative

Stakeholder Lead: NAC (Karen Yeomans), AEG (Tom Tracey)

Support from:

<u>Bute</u>	Bute Island Alliance (Paul Duffy), Fyne Futures (Reeni Kennedy Boyle), Visit Bute (Alisdair Johnston), Mount Stuart (Colin Boag)
<u>Cumbrae</u>	Cumbrae Development Company (Michael Bertram), Field Studies Council (Alex MacFie), Cumbrae Economic Group (David Williamson)
<u>Arran</u>	Arran Economic Group (Sheena Borthwick-Toomey), Visit Arran (Kenneth Bone, Sheila Gilmore), Arran Community Council (Bill Calderwood), COAST (Howard Wood), Taste of Arran (Alastair Dobson)
<u>NAC</u>	Economic Development Officer Tourism (Kathleen Don), Business Support Advisor Tourism (Kieran Young)
<u>Argyll & Bute Council</u>	Economic Growth Manager (Ishabel Bremner)
<u>Argyll & Islands Tourism Co-operative</u>	Carron Tobin: Development Manager, Helen Dick: Bute and Cowal Development Officer
<u>HIE</u>	David Smart: Head of Special Projects.

Challenge

Six Islands (Orkney, Shetland, Lewis, Skye, Arran, Bute) make up 75% of the Island population. Four of the six have population growth. Arran and Bute have population decline.

The main Clyde Islands are Arran, Bute and Cumbrae. Apart from sharing geography, a declining population and a lack of collective identity, it would appear they share little else. They are managing population decline, more or less effectively. Closer examination reveals they share untapped assets. The objective is to collectively utilize these assets and reverse the decline.

Response

Clyde Islands have a collective identity that is recognised as a model for creating sustainable growth on Islands and the coastal communities around them.

How

Develop Shared Assets: The Clyde, heritage, marine tourism, marine education and training, digital connectivity, tourism, business experience, archeology, Island-ness.

- Implement collaborative AEG model across the Islands. (Cumbrae established) to share best practice, explore joint opportunities, propagate new ideas.
- Develop and integrate Marine Tourism: The Clyde has highest concentration of leisure craft outside the South Coast. Lack of facilities means the Islands take little benefit. Currently, Bute is best placed to take advantage, but an Island network is required.
- Tourism: Create a Clyde Islands experience highlighting the best each island has to offer; connecting heritage, archeology and the outdoor Island experience.
- Centre of Excellence in Marine and Outdoor Education: Connect Cumbrae National Water Sport Centre to the established centres in Lamlash and Lochranza. Grow and promote
- Centre of Excellence for Marine Research: Connect Cumbrae Marine Biology Centre with COAST and the Marine Centre in Lamlash, Arran. Grow and promote.
- Digital Centre of Excellence: Start on Arran and use infrastructure already created and planned, combined with existing collaboration with SFT, UWS, Service Providers, local Health, Education and Business demonstrating how new infrastructure and technology delivers practical benefits. Develop, grow and promote.

Islands have always been a place people wanted to be, economics dictated otherwise. Existing and planned changes in digital and physical connectivity and the focussed use of the assets as outlined, create the potential for a Clyde Islands Renaissance, built on tourism, new technology, new industries and new working practices.

Key Performance Indicators:

- 1) Baselines Tourist Numbers are established: Tourist Numbers; Tourist Spend, Employment associated with Tourism. All subsets of the above information.
- 2) Growth targets agreed on the above.
- 3) Island Demographics to be understood and growth targets established.

Delivery & Enablers:

- 1) Once numbers are established, use the collective size and potential of the Clyde Islands to attract investment. Establish measurement.

- 2) Clyde Inter Island Ferry established before July 2018.
- 3) At least other joint activity agreed and operational within the next 12 months.
- 4) Clear Island "Asset" register established and promoted.
- 5) Islands leads and sharing on areas of joint interest.

Communications

Stakeholder Lead: AEG (Sheena Borthwick)

**Support from: North Ayrshire Council (all relevant departments),
Highlands & Islands Enterprise (all relevant departments)**

Challenge:

To engage with all stakeholders, community and businesses primarily on the island of Arran. Taking cognizance of beneficial engagement at regional, national and other Scottish Islands levels in a positive pro-active way to highlight and promote the progress of the Arran Issues infrastructure and related items identified by the Arran Economic Group.

Response:

Investigate and learn from identified areas of excellence applicable to the Island of Arran.

Delivery:

Delivery takes place through regular stakeholder engagement, application and promotion through local pressure groups, local media and social media if applicable and related local networks, the business gateway and specific events.

2018 presents opportunities to engage on a one-to-one basis with an identified group of influential local businesses in order to update their knowledge of the current workload and progress of the Arran Economic Group (using the Annual Report as the first point of reporting and a leave-behind document for reference). These meetings will prove useful in gathering, gauging support and opinion, to reinforce “what is important to them” ensuring the Arran Economic Group is focussed on the areas which matter the most to all living, working and visiting the island of Arran.

Regular engagement with the local newspaper; The Arran Banner will also extend appropriate opportunities to ensure accurate print and on-line coverage of the Arran Infrastructure Issues progress.

Working with the Locality Planning Partnership to ensure no duplication of projects and relevant priority by an identified Lead Group is given.

Four Community Engagement Meetings are scheduled in early 2018 to ensure the relevant messages are delivered to individual Arran Communities.

Monthly Briefing Meetings with Local Councillors on the current work of the AEG.

Annual Update Presentation to Visit Arran Members.

Quarterly Meetings are scheduled with Scottish Government Minister for Transport &

Islands, Humza Yousaf to brief on current work and engage additional governmental support where and if required.

Commencing in 2018, the AEG Monthly Report will now be available to the public via the Arran Community Council Website.

A new Arran Development Trust website is being designed and planned to go “live” towards the end of Summer 2018. This new website will be the primary vehicle to promote and communicate all news and information relating to The Harbour Masterplan (Arran Gateway Project), Step Ashore Facilities, Affordable Housing and other community related items.