

Economic Development

Creating a Place-Based Economy that Delivers Shared Prosperity

Argyll and Bute Council

Background

Argyll and Bute Council has taken a place-based approach to regeneration in Rothesay on the Isle of Bute, with the aim of supporting shared prosperity through cumulative investment, partnership working and long-term confidence building. Rothesay is the main service centre on Bute, with a population of over 4,000 within an island population of around 6,000. It is the island's principal gateway, with the main ferry terminal, school, hospital and other key services located in the town. It also has a significant built heritage, including a large conservation area and many listed buildings, which contribute strongly to its identity and visitor appeal.

Rothesay has a strong heritage, distinctive built environment, vibrant community activity and significant regeneration potential. Alongside these strengths, the town faces a number of challenges, including population decline, economic pressures, ferry dependency and areas of deprivation. Its extensive stock of historic Victorian buildings is a major asset that contributes to local character and visitor appeal, although maintaining and restoring these properties often requires significant investment. As many properties are in lower council tax bands, partnership working and external funding have been important in supporting this activity. Argyll and Bute Council's response has been to build on successive investments, align capital works with business and community support, and use public funding to help unlock wider private, community and partner investment.

Key activities

1. Heritage-Led Town Centre Investment

Argyll and Bute Council used heritage-led regeneration as a core part of its place-based approach in Rothesay. Through Townscape Heritage Initiative and Conservation Area Regeneration Scheme activity, £7.5 million was invested between 2010 and 2022, supported by partners including the National Lottery Heritage Fund, Historic Environment Scotland, Argyll and Bute Council and others, alongside around £2 million of private investment. The work focused on the town centre, including complex tenement properties in multiple ownership, shopfront improvements and the repair of historic buildings. In total, 33 properties were repaired, 26 businesses were supported, three vacant retail units were brought back into use, and one long-term vacant site was redeveloped.

2. Reuse of Vacant Buildings

A practical example of reuse was the former Royal Bank of Scotland building. Following the bank's move away from the town centre, Argyll and Bute purchased and repurposed the building as a council service point. This brought a key public service into a more accessible and central location, supported Town Centre First principles, and helped prevent a prominent building from becoming

vacant and derelict. The approach also reflected a wider recognition that small and micro businesses are increasingly important to town centre vitality as larger corporate occupiers reduce their physical presence.

3. Gap Sites and Public Realm

Argyll and Bute also targeted vacant and underused sites that affected the appearance and first impression of Rothesay. A long-term gap site at Guildford Square and near the ferry terminal was redeveloped into a mixed-use residential and commercial building, with public funding helping to improve the quality of materials so that the development was more sympathetic to the conservation area. Smaller public realm improvements were also used to improve untidy vacant spaces, provide immediate visual uplift and maintain momentum while longer-term regeneration opportunities were developed.

4. Community-Led Place Shaping

Community engagement has informed the regeneration approach through design-led and masterplanning activity, including charrette-style work to understand local aspirations and priorities. Community partnerships helped shape short, medium and long-term actions. The development of Bute BID and projects such as visitor signage and digital promotion activity reflected a focus on improving the visitor experience and encouraging local pride. The community ownership of the Winter Gardens also demonstrated how repaired heritage assets can gain a new purpose through local leadership.

5. Major Building Projects

Larger-scale projects currently being progressed include Rothesay Pavilion and the former Royal Hotel. The Pavilion is an A-listed building and long-standing community asset, with £9 million of Rural Growth Deal investment contributing to its refurbishment. The former Royal Hotel, a long-term vacant and prominent listed building, is being supported through more than £4 million of public funding, including Community Regeneration Partnership and Islands Programme funding, alongside private investment. The planned mixed-use approach will include commercial space and accessible residential properties.

Benefits and impact

Local Economic Confidence

A consistent benefit of the regeneration approach has been its contribution to confidence in Rothesay. Public investment has helped address visible decline, making the town centre more attractive and giving property owners, businesses and partners greater confidence to invest. This has been seen through private investment such as Bute Yard, a contemporary multi-use venue supporting local food, drink, events and community activity. While public investment has not removed all economic challenges, it has helped create conditions where complementary private sector activity can follow.

Stronger Town Centre

The focus on the town centre has helped retain activity in central locations, improve the visitor experience and reduce the risk of prominent buildings or spaces remaining vacant. Shopfront improvements visually lifted the shopping core and supported local businesses. One business reported a 4% increase in turnover following improvement works, showing that relatively modest

physical interventions can contribute to business confidence and trading conditions. The relocation of the council service point into a central former bank building also supported footfall and accessibility.

Retained Local Value

The Council placed emphasis on retaining as much investment and benefit locally as possible. Procurement encouraged local supply chains, and community benefit measures were built into commercial contracts. Within the heritage-led regeneration work, 15 works contracts went to island contractors and a further three to Argyll-based contractors. This helped ensure that regeneration was not only about improving buildings, but also about supporting local skills, local businesses and local economic circulation.

Community Pride and Participation

The work has contributed to civic pride by improving places that are visible and meaningful to residents and visitors. Heritage repair, shopfront improvements, public realm works, signage all helped to improve underused spaces and create a more positive impression of Rothesay. Community projects involving partners such as education providers, local groups and new residents also created opportunities for participation, training and connection.

Long-Term Community Assets

Major projects have the potential to strengthen community infrastructure. Rothesay Pavilion is intended to return as a community hub and visitor attraction, supporting cultural activity, events, local supply chains and employment. The Winter Gardens example shows how repaired heritage buildings can move into a new phase through community ownership. The former Royal Hotel project is also expected to bring a prominent vacant building back into productive use, combining commercial space with accessible housing. These assets are important not only for their physical presence, but for the wider activity they can support.

Learning and reflections

Partnership Is Essential

The regeneration work relied on partnership across public, private and community sectors. External funders, local businesses, property owners, community organisations, education partners and private investors each played different roles. Argyll and Bute Council's ability to work with partners helped make projects viable, particularly where historic buildings carried a conservation deficit or where market conditions alone would not support investment. Partnership also helped align physical regeneration with broader priorities such as business support, employability, community wealth building and visitor development.

Small Projects Add Value

The Rothesay experience shows that regeneration does not depend only on large capital projects. Small-scale interventions can be valuable because they are visible, practical and often quicker to deliver. Public realm enhancements, temporary uses of underused spaces, shopfront improvements and signage can improve perceptions of a place and demonstrate progress. These projects can also support health and wellbeing, training opportunities and civic pride. Importantly, they can maintain local confidence while more complex building restoration projects move through longer development, funding and delivery processes.

Adapting to Challenges

The work highlights the importance of planning for change and remaining adaptable throughout the regeneration process. Major projects can face unexpected challenges, including changes in economic conditions, rising costs and delivery issues. Strong partnerships, effective project management and a long-term commitment to place have helped Argyll and Bute continue to make progress and maximise the impact of available investment.

Sustaining Long-Term Benefits

An important learning point is that successful regeneration extends beyond the completion of capital projects. While investment can restore and improve buildings, long-term value is created through their continued use and contribution to the community. For assets such as Rothesay Pavilion, future success will be supported by approaches that encourage community use, attract visitors, create employment opportunities and strengthen local supply chains. This highlights the importance of planning for the long-term sustainability of projects so that their benefits can continue to be realised for years to come.

Argyll and Bute's experience in Rothesay demonstrates the value of a long-term, place-based approach that combines heritage-led regeneration, community engagement, business support and strategic investment. While some challenges remain, particularly in relation to rural and island economies, the cumulative impact of multiple projects has helped strengthen confidence, improve the quality of the built environment, support local economic activity and create opportunities for future growth. By building on local assets, working in partnership and focusing on retaining benefits within the community, the approach has contributed to a stronger foundation for shared prosperity and a more resilient future for Rothesay and the wider Isle of Bute.

Contact for enquiries

Jonathan Welch
Jonathan.Welch@argyll-bute.gov.uk