

# EAST AYRSHIRE COUNCIL

## DEVELOPMENT SERVICES COMMITTEE – 3 MAY 2005

### ECONOMIC REGENERATION

#### Report by the Executive Director of Development and Property Services

#### 1. PURPOSE OF REPORT

- 1.1 To report to Committee on the continuing development of strategic economic development plans to build on existing economic development opportunities and the opening of the M77. This work is being done in order to work in partnership with Scottish Enterprise Ayrshire and the Scottish Executive to secure additional regeneration funding for the area.
- 1.2 To report to Committee on the outcome of the “Ayrshire Wide” meeting with the Depute First Minister and Minister for Enterprise and Lifelong Learning on 30 March 2005.

#### 2. BACKGROUND

- 2.1 East Ayrshire, as part of the Ayrshire Economic Forum, has come a long way over the last ten years in facing up to the challenges of diversifying the local economy following the demise of traditional textile manufacturing businesses and the deep coal mining industry.
- 2.2 Current economic indicators suggest that whilst good progress has been made to date, significant challenges still exist. Recent examples include the liquidation of Stoddard International plc, and the closure of Travel Choice and Walker Footwear. On the other hand other businesses have been expanding in the area and creating additional job opportunities, eg. Food Partners, Merchants (National Australia Bank), Original Shoe Company, National Autistic Society etc.
- 2.3 The Council and its key economic regeneration partner, Scottish Enterprise Ayrshire, have prided themselves in being able to support an overall net gain in jobs in the area, particularly given the heavy losses incurred in the textile sector over the years, as recent examples have highlighted.

- 2.4 Key economic indicators include:

	<u>East Ayrshire</u>	<u>Scotland</u>
• Claimant Unemployment *	4.7%	3.3%
• Average Weekly Incomes	£396	£393

(Source: Scottish Executive)

\*The rate of unemployment has been falling faster in Ayrshire than it has in the rest of Scotland.

- 2.5 Following the recent job losses at Stoddards, Travel Choice and Walker Footwear, Councillor Drew McIntyre as leader of the Council, wrote to the First Minister to request a meeting to discuss the present situation. This led to a meeting involving the First Minister, Councillor McIntyre, Margaret Jamieson MSP, Cathy Jamieson MSP and the Chief Executive. It was agreed from this that a further meeting would be held in Kilmarnock with key members of the Ayrshire Economic Forum to draw up an action plan on key regeneration issues.
- 2.6 A meeting was convened on the 30 March 2005, with the Minister of Enterprise and Lifelong Learning, together with representation of the three Ayrshire Councils, Scottish Enterprise Ayrshire, the Ayrshire Members of Parliament, Members of the Scottish Parliament, Colleges and the business community to discuss a way forward for the local economy.
- 2.7 Following the meeting, the following action points were agreed:
- The Ayrshire Economic Forum was best placed to take forward key initiatives;
  - Tourism represents a major development opportunity and needs to be developed further;
  - Links to the M74 need to be developed including other opportunities through the forthcoming Executive Transport Strategy;
  - Upgrade of the rail infrastructure and capacity on the Glasgow / Kilmarnock / Carlisle line;
  - A review of the existing skills stock and fit with future employer needs;
  - A better matching of business space demand and supply needs to be reviewed (e.g. lack of quality business space in Kilmarnock and Cumnock);
  - The Scottish Executive and Scottish Enterprise National will provide additional staff initially to assist in taking these issue forward.

### **3. ECONOMIC REGENERATION PLANS – EAST AYRSHIRE**

- 3.1 The Council and Scottish Enterprise Ayrshire have agreed that they will produce a further plan that builds on existing strategies and projects that will accelerate economic development opportunities in the area. An example of this is highlighted elsewhere in this agenda on the Action Plan for Kilmarnock Town Centre.
- 3.2 This document will be used to bid for resources, particularly at Scottish Enterprise National level, to be included in their five year rolling programme of support. This is the current new process of allocating resources at SEN level for key economic regeneration projects / programmes which should be based on economic opportunity and business growth.
- 3.3 The Council with the support of Scottish Enterprise Ayrshire, have already developed an existing range of ambitious but realistic programmes of economic regeneration projects. A broad summary of these projects, some of which are private sector led, are summarised in the attached Appendix 1.

3.4 From the attached Appendix which is not meant to summarise every project, but only to give a flavour of the nature of the projects, it can be easily identified there are a wide range of active projects being developed in the local economy at present, many supporting a wide range of new job opportunities.

#### **4. CAPITAL INVESTMENT**

4.1 Taking account of all of these projects at Appendix 1, it is anticipated the Capital Value of these in the local economy, will be conservatively estimated at £25M.

4.2 Given the high level of housing developments in and around East Ayrshire, the capital value of this has also been conservatively estimated at £30M.

4.3 Taking account of the proposed Education Public Private Partnership of £65M, this brings the level of capital investment in East Ayrshire to be at approximately £120M over the next 3-4 years, which represents a substantial opportunity in economic regeneration terms in itself.

#### **5. FINANCIAL / LEGAL IMPLICATIONS**

5.1 Nil

#### **6. COMMUNITY PLANNING IMPLICATIONS**

6.1 The proposed action supports East Ayrshire Community Plan in the following areas:

- Improving Opportunities
- Eliminating Poverty

#### **7. RECOMMENDATIONS**

7.1 That Committee note:

- i) the meetings held with the First Minister and Deputy First Minister;
- ii) that further reports will be presented to Committee in the near future.

### **LIST OF BACKGROUND PAPERS**

Nil

James Lavery  
**Executive Director of Development and Property Services**  
RP/AB  
27/04/05

For further information please contact: Robert Paton on 01563 – 576142

Implementation Officer: Robert Paton

## EAST AYRSHIRE COUNCIL

### KEY ECONOMIC REGENERATION PROJECTS

<u>TOWN CENTRE REDEVELOPMENT</u>	<u>LOCATION</u>	<u>OUTCOME</u>
• Top of the Town Development	Kilmarnock	New business space
• Former Johnnie Walker Building	Kilmarnock	New business space
• Proposed Hotel, John Finnie Street	Kilmarnock	New bed space
• Vacant Site – Former Stoddard (Douglas Raeburn Site)	Kilmarnock	TBA
• New Lidl Store	Kilmarnock	Further retail choice
• Proposed new supermarket	Cumnock	Further retail choice
• Klin Homes – Infirmary Site / Hunslet Barclay	Kilmarnock	Housing
• Burns Mall Refurbishment	Kilmarnock	Improved retail venue
• Royal Hotel Refurbishment	Cumnock	New bed space
• Proposed Area Office Development	Cumnock	New business space
• New Multi-Purpose Facility	Stewarton	New Council space

## EAST AYRSHIRE COUNCIL

<b><u>KEY COMPANY DEVELOPMENT PROJECTS</u></b>	<b><u>LOCATION</u></b>	<b><u>OUTCOME</u></b>
• Merchants – National Australia Bank	Kilmarnock	New recruitment drive
• Travel Choice, plc	Kilmarnock	Find alternative user
• National Autistic Society	Catrine	Expansion of existing provision
• Original Shoe Company Ltd	Cumnock	Refurbishment of 60,000 sq ft Former textile plant
• Kerr and Smith Ltd	Cumnock	Investment in new facilities
• Food Partners Ltd	Kilmarnock	General expansion
• Gibbs of Galston	Galston	Diversification
• Hunslet Barclay Ltd	Kilmarnock	General expansion
• Moorfield Industrial Park	Kilmarnock	New industrial estate
• Braston Meats Ltd	Drongan	Meat processing
• Barony Universal Ltd	Auchinleck	General expansion
• Glaisnock House	Cumnock	New innovative enterprise centre
• BDF Ltd	Patna	General expansion
• Jigs and Fixtures	Stewarton	General expansion
• Grants Foods (Scotland) Ltd	Galston	General expansion
• Curtainwise	Cumnock	Relocation & expansion
• Howie of Dunlop Ltd	Dunlop	Relocation & expansion