

EAST AYRSHIRE COUNCIL

CUMNOCK AREA LOCAL COMMITTEE – 1 FEBRUARY 2001

A REVIEW OF BUSINESS SUPPORT IN THE COMMITTEE AREA – 1996 to 2000

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1 To inform the Committee of the support and assistance which has been given through the Council to businesses operating in the area of the Local Committee, during the period from the formation of East Ayrshire Council in April 1996 until the present day.

2 BACKGROUND

- 2.1 In its Economic Strategy and now in the Council Plan, East Ayrshire Council has identified that economic development and regeneration is a top priority, aiming to reduce unemployment and alleviate deprivation, through supporting the preservation of existing jobs and the creation of new jobs.
- 2.2 To implement this strategic objective, the Council has funded and operated a range of business grant and loan schemes. Several business development schemes were funded in part by the European Social Fund (ESF), through the Western Scotland Programme 1997/99 and which was operated by the Strathclyde European Partnership. Due to the termination of the 1997/99 Programme, these schemes have now closed, but are listed below :

Management & Technology Training Grant

Grant assistance towards training costs associated with the introduction of new skills, technologies or management practices into a business, to improve operational performance and profitability;

Employment Grants

Grant assistance towards the direct wages costs recruiting employees into new, permanent and full-time jobs, where the recruits were unemployed immediately before their appointment.

Youth Employment & Training Initiative

Grant assistance towards the employment and training costs of young people who had previously either been unemployed or in a job with no prospects. The training had to lead to a recognised qualification.

Other schemes of assistance are part funded by the European Regional Development Fund (ERDF) and are continuing to operate, as follows :

Trade Development Grants

Grant funding to assist companies to attend trade missions or exhibitions, which will lead to entry into new export markets.

Business Loans

Loan funding to form part of a package of private and public investment for projects which will develop the business or secure existing jobs.

3 BUSINESS SUPPORT AWARDS – 1996 to 2000

- 3.1 Details of the support awarded to local companies under each of the schemes outlined in section 2 are listed in the attached appendices.
- 3.2 Where appropriate, the tables show the number of jobs supported which totals in excess of 1,300 over the 5-year period.
- 3.3 Due to the requirements of commercial confidentiality, the actual amounts of loan or grant assistance made to any client company cannot be disclosed.
- 3.4 The Committee is asked to note that some of the companies listed on the appendices are no longer trading. The closure of these companies is attributable to a range of reasons, which include adverse market conditions, weak funding positions, poor management etc. In cases where the businesses no longer exist, the attached tables show the abbreviation “c/t” (ceased trading) after the company name (see section 6 below).

4 CHANGES IN BUSINESS DEVELOPMENT SUPPORT

- 4.1 In the early years of the life of the Council, the funding support offered to businesses was largely in the form of prescribed schemes of assistance, where there was comparatively little scope for “tailoring” the support to meet the particular needs of individual businesses.
- 4.2 This situation has largely changed, reflecting the diverse needs of local companies operating in a business environment which is constantly changing. Accordingly, the support offered to companies is now much more in the form of “tailored solutions” to specific issues and challenges, than simply the delivery of a portfolio of pre-determined schemes.
- 4.3 Increasingly, the support which the Council provides to local businesses is in the context of forming part of a larger package which involves a range of sources of funding, both in the private and public sectors.

5 SIGNIFICANT PROJECTS

This section of the report highlights some of the business development projects which have been supported and is intended to provide the Committee with an overview of the range of ways in which Council support has been of direct benefit to local businesses, as they consolidate and expand their trading operations.

- 5.1** In 1998, a state of the art chipboard plant was opened at the former Barony site at Auchinleck, by Egger (Barony) Ltd. This facility, which represents a capital investment of approximately £45 million employs about 125 people, many of whom are from the local area.
- 5.2** The Council, with ERDF grant funding support, assisted a private sector development company with the development of 2 new industrial units at Skerrington Farm, Cumnock, at a total investment of £670,000. The Original Shoe Company Limited which employs 70 people at the premises now occupies both units.
- 5.3** A recent new company to move into the area is E & M Manufacturing Ltd which occupies a unit at Cumnock Business Park. The company manufactures headwear for the Middle East and now employs 120 people, with proposals currently being prepared for the expansion of the business, which will take employment levels to over 200.
- 5.4** Caledonian Bottlers Ltd also occupy accommodation at Cumnock Business Park and having acquired its premises from East Ayrshire Council / Scottish Enterprise Ayrshire, is now embarking on a second round of expansion, in terms of its product range and production capability. The business employs around 90 staff.
- 5.5** The Council and Scottish Enterprise Ayrshire have provided significant funding support and 250 jobs have been saved recently at AGM Casualwear in Cumnock.
- 5.6** Special assistance was negotiated for Kingsmead Carpets, which helped to stabilise the operation of the company and ensure its continued operation in Cumnock, supporting over 110 jobs in the business.
- 5.7** The success of the national education facility operated by the National Autistic Society at Daldorch, Catrine continues and total employment is now in excess of 200. Further discussions are now ongoing about increased provision in the local area.
- 5.8** By supporting the renovation costs of unused space within their factory in Cumnock, the capacity for new product design at Datum Dynamics Ltd was enhanced by the provision of extended office accommodation.

- 5.9** Support for the refurbishment of the Lochside House Hotel at New Cumnock was given by the Council, in partnership with Scottish Enterprise Ayrshire and has resulted in the local area now having a major new venue for weddings and conferences.
- 5.10** Grant support was awarded to Emergency One (UK) Ltd in Cumnock to support the development of a prototype of a new product, which will open up new market opportunities for the business.
- 5.11** Currently work is ongoing with a range of other projects which involve funding, premises, training, recruitment and market development issues. At this stage, the requirements of commercial confidentiality do not allow details to be given, but once the projects come to fruition, they will be included in a future report to the Committee.

6 JOBS ACTIVITY

- 6.1** Any local economy has a “churn” of new jobs being created and old jobs being lost, particularly in an area such as East Ayrshire which has a significant number of businesses in textiles, which as a sector has seen many job losses throughout the UK generally.
- 6.2** The general position can be summarised in that 484 jobs were lost in the area during the last 5 years (the largest being Cumnock Knitwear Ltd with 220 jobs), but more than 750 new jobs have been created in the same period, representing a net gain of around 270 jobs. This was at a particularly difficult time in the textile sector.
- 6.3** The types of support given to local companies over the 5 year period can be analysed as follows :

TYPE OF SUPPORT	No OF BUSINESSES	No OF JOBS
Training Grants	23	193
Employment Grants	27	111
Youth Employment & Training Grants	1	6
Trade Development	8	-
Special Support	2	330
Loan Finance	25	909
TOTAL	86	1,549

7 POLICY IMPLICATIONS

- 7.1** The support given to local businesses contributes towards the achievement of the Council’s policy objectives contained in the Council Plan.

8. LEGAL, PERSONNEL AND FINANCIAL IMPLICATIONS

8.1 There are no legal, personnel or financial implications.

9 RECOMMENDATION

9.1 That the Committee receives this report for its interest and notes its contents.

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Director of Development Services

22/01/2001 : jrs

BACKGROUND PAPERS

Nil

**For further information please contact JOHN SPOONER, Business
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MANAGEMENT & TECHNOLOGY TRAINING GRANT				
LOCATION	COMPANY	BUSINESS	TRAINING TYPE	TRAINEES
Auchinleck	Barony Universal Ltd	Aerosol manufacture	Production training	51
Auchinleck	Barony Universal Ltd	Aerosol manufacture	Export documentation	2
Auchinleck	Glenmuir Curtain Company Ltd	Manufacture of curtains	Marketing	2
Auchinleck	Jeffcare	Provision of healthcare products	Marketing through Internet	2
Auchinleck	Treadlers Ltd	Manufacture of tartan giftware	Management information	1
Auchinleck	Vycon Products	Fabric printers	Screen printing techniques	3
Cumnock	Cumnock Footwear Ltd	Manufacture of footwear	Management information	2
Cumnock	Curtainwise Ltd	Manufacture of curtains	Management information	3
Cumnock	Datum Dynamics Ltd	Electronics components manufacture	New technology in metal cutting	2
Cumnock	Datum Dynamics Ltd	Electronics components manufacture	Management information	5
Cumnock	Emergency One (UK) Ltd	Manufacture of fire engines	CAD/CAM	4
Cumnock	Emergency One (UK) Ltd	Manufacture of fire engines	Management information	2
Cumnock	Glenmuir Engineering c/t	Structural Engineers	Quality systems	7
Cumnock	Kerr & Smith Ltd	Vehicle sales and maintenance	Management information	18
Cumnock	Original Shoe Company Ltd	Footwear and clothing retailer	Computerised stock control systems	59
Lugar	Eclipse Computing	Computer consultants	Quality systems	6
Lugar	Polyeofin Ltd c/t	Waste recycling	Quality assurance	6
Mauchline	Kaycraft Ltd	Curling stone manufacture and giftware	Management information	1
Mauchline	Miller European Steels Ltd	Steel stockholders	Quality systems	5
Muirkirk	W H Rowe	Commercial vehicle engineering	Management information	2
New Cumnock	Afton Valley Dyers Ltd c/t	Clothing dyers	Management information	6
Sorn	Caledonian Securites	Financial Services	Management information	1
Sorn	PP Systems	computer systems	New technology	3
TOTAL				193

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EMPLOYMENT GRANT SCHEME			
LOCATION	COMPANY	BUSINESS	No OF RECRUITS APPOINTED
Auchinleck	J B Coal	Coal merchants	2
Auchinleck	A & A Spittal	Fruit and vegetable merchants	1
Auchinleck	West Coast Foods <i>c/t</i>	Food manufacture	3
Auchinleck	Robert White & Co.	Bacon curers	2
Catrine	The Old Mill Inn	Public House	1
Cumnock	Ayrshire Remoulds	Manufacture of remould tyres	1
Cumnock	Brackenridge & Graham	Solicitors	1
Cumnock	Bruces Nurseries	Florist	1
Cumnock	Cumnock Footwear Ltd	Manufacture of footwear	18
Cumnock	Datum Dynamics Ltd	Electronics components manufacture	1
Cumnock	Glenmuir Engineering <i>c/t</i>	Engineers	1
Cumnock	M S Direct Ltd	Suppliers of first aid and fire safety equipment	10
Cumnock	MediScot Ltd <i>c/t</i>	Suppliers of first aid equipment	1
Cumnock	Original Shoe Company	Retailers of footwear and clothing	20
Cumnock	Renaissance Scotland Ltd <i>c/t</i>	Manufacture of paving	3
Cumnock	Thomas Rowe & Sons	Bus and coach operator	1
Cumnock	Sierra Groundworks	Agriculture and horticulture contractor	1
Cumnock	Stenlake Publishing	Publishers	1
Cumnock	Weldco Engineering Ltd <i>c/t</i>	Engineers	2
Cumnock	R G Whyte	Construction	1
Lugar	Polyeofin Ltd <i>c/t</i>	Waste product recycling	1
Mauchline	J Gemmell	Farmer	1
Mauchline	Poosie Nansie's Hotel	Hotel	3
New Cumnock	Afton Valley Dyers Ltd <i>c/t</i>	Clothing dyers	2
New Cumnock	Darrowby Pony Stud	Stud Farm	1
New Cumnock	Lochside House Hotel	Hotel	30
Ochiltree	Anderson & McLelland	Builders	1
TOTAL			111

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YOUTH EMPLOYMENT & TRAINING INITIATIVE			
LOCATION	COMPANY	BUSINESS	No OF TRAINEES
Cumnock	Emergency One (UK) Ltd	Manufacture of fire appliances	6
TOTAL			6

TRADE DEVELOPMENT SUPPORT			
LOCATION	COMPANY	BUSINESS	TRADE EVENT LOCATION
Auchinleck	Glenmuir Textiles Ltd	Manufacture of curtains	Ireland
Cumnock	Datum Dynamics Ltd	Manufacture of electronics components	Ireland Germany
Cumnock	Emergency One (UK) Ltd	Manufacture of fire appliances	England
Cumnock	Sarah Stewart	Manufacture of jewellery	France
Cumnock	Simon Littlejohn	Podiatrist	New Orleans
Mauchline	Burns Crystal Ltd	Crystal and glass giftware engraving	Ireland
Mauchline	Isle of Arran Distillers Ltd	Whisky distillers	Greece Portugal
Sorn	PP Systems	Computer software	Ireland Germany

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BUSINESS LOANS				
LOCATION	COMPANY	BUSINESS	No of Existing Employees	No of new Employees
Auchinleck	Cameron Clothing Ltd <i>c/t</i>	Manufacture of clothing	26	12
Auchinleck	Renaissance Ltd <i>c/t</i>	Manufacture of paving	9	4
Auchinleck	Taylor Harvey Ltd <i>c/t</i>	Manufacture of clothing	24	0
Auchinleck	West Coast Foods <i>c/t</i>	Food manufacture	7	14
Auchinleck	Robert Whyte & Co	Bacon curers	9.	3
Catrine	Daldorch Estates Ltd	Residential school	0	120
Cumnock	BFG Training	Training providers	4	1
Cumnock	Cumnock Footwear Ltd	Manufacture of footwear	0 100	47 25
Cumnock	Cumnock Knitwear Ltd <i>c/t</i>	Manufacture of knitwear	220	0
Cumnock	Falmers International Ltd <i>c/t</i>	Clothing manufacture	counted under PKG	41
Cumnock	Glenmuir Engineering <i>c/t</i>	Engineering	25	2
Cumnock	John Baird Transport	Haulage	0	3
Cumnock	Medi-Scot Ltd <i>c/t</i>	Suppliers of first aid equipment	8	4
Cumnock	M S Direct Ltd	First aid and fire safety equipment	21	29
Cumnock	PKG Ltd	Textile manufacture	250	0
Cumnock	Thames Dairies Ltd <i>c/t</i>	Cheese manufacture	0	45
Lugar	Eclipse Computing	Computer software specialists	6	8
Lugar	LAR Welding	Manufacture of skips & engineering	1	3
Lugar	Pollock Farm Equipment Ltd	Engineering	0	10
Lugar	Polyeofin Ltd <i>c/t</i>	Waste product recycling	11	7
Mauchline	Aquamotive Ltd	Aquamotive valve control systems	3	3
Mauchline	Heldon Construction Ltd <i>c/t</i>	Builders	0	12
New Cumnock	Afton Valley Dyers Ltd <i>c/t</i>	Clothing dyers	63	30
New Cumnock	Cameleon Books	Book dealers	1	3
New Cumnock	Di-Cole Ltd	Clothing manufacture	0	21
TOTAL			788	201

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SPECIAL SUPPORT				
LOCATION	COMPANY	BUSINESS	Type of Support	No of Jobs
Cumnock	Caledonian Bottlers plc	Manufacture of aerated drinks	Loan guarantee	90
Cumnock	Datum Dynamics Ltd	Manufacture of electronic components	Extension of office accommodation	28
Cumnock	E & M Manufacturing Ltd	Manufacture of headwear for Middle East	Lease of factory accommodation	120
Cumnock	Kingsmead Carpets Ltd	Manufacture of carpets	Rates	110
New Cumnock	Lochside House Hotel	Hotel	Capital expenditure support	30
TOTAL				378

AGENDA