

EAST AYRSHIRE COUNCIL

NORTHERN AREA LOCAL COMMITTEE – 17 SEPTEMBER 2003

ECONOMIC DEVELOPMENT AND REGENERATION IN THE NORTHERN AREA

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1 To inform the Committee of the type and range of work undertaken by the Council and its partner organisations to support local economic regeneration in the Local Committee area, over the life of the Council.

2 INTRODUCTION

- 2.1 At its meeting held on 28 May 2003, the Committee requested a report from the Director of Development Services on Economic Development and Regeneration in the Northern Area. This report is submitted in response to that request.

3 POLICY FRAMEWORK FOR ECONOMIC REGENERATION

- 3.1 The vision expressed in the East Ayrshire Community Plan is that :

“East Ayrshire will be a place with strong communities where everyone has a good quality of life and access to opportunities, choices and high quality services which are sustainable, accessible and meet people’s needs.”

Within the Community Plan, there are six themes, one of which is **“Improving Opportunities”**. This theme focuses on the development of a successful local economy by :

- Attracting new employment to the area and supporting inward investment;
- Helping existing businesses to grow;
- Making sure people have skills that match vacancies;
- Connecting people to jobs outside the area;
- Improving the accessibility of information and services through the use of new technologies;
- Promoting good quality homes and services to attract investment; and
- Improving transport linkages.

The “Improving Opportunities” group which includes key partners such as Scottish Enterprise Ayrshire, Ayr College and Kilmarnock College, Job Centre Plus and East Ayrshire Employment Initiative is chaired by the Council’s Head of Economic Development.

- 3.2** The Council also acknowledges that the achievement of its objectives will be most effectively realised by working in partnership, not only with the business community but also with other agencies, in the public and private sectors.
- 3.3** In the national context, all areas of Scotland now have Local Economic Forums, which are initiatives which bring together the public sector and the business community – local authorities, local enterprise companies, further and higher education facilities and representation from the business community. All Local Economic Forums have been required to prepare integrated economic development strategies for their area.
- 3.4** The Ayrshire Economic Forum’s strategy is entitled “Ayrshire : Scotland’s Western Gateway”. The strategy aims to stimulate a vibrant Ayrshire economy and to maximise the potential of the region’s infrastructure and natural assets, to the benefit of the people of Ayrshire and Scotland as a whole.
- 3.5** Within the East Ayrshire Local Plan, development opportunities for business use are identified and will be promoted in response to enquiries for sites for business accommodation.

4. EAST AYRSHIRE COUNCIL’S ROLE

- 4.1** Set within the context of the Ayrshire Economic Strategy and the East Ayrshire Community Plan, the role which the Council has identified and in which it operates is to support businesses which have requirements not met from the range of nationally available programmes. Generally this comprises project development advice, loan funding and business grants for specific business development projects and support to wider strategic projects which contribute to the economic regeneration objectives of the Council. .
- 4.2** To support these strategic objectives, the Council allocates resources through the Capital Programme for loan funding and through the revenue budget for business grants.
- 4.3** All applications for funding support are dealt with on a “case by case” basis and are assessed on the strengths of the business case which is presented, with particular reference to the wider economic benefits which are projected to accrue as a direct result of the implementation of the project. Examples of “economic benefits” are ;
- new jobs created;
 - existing jobs preserved;
 - additional income to the local economy;
 - increase in the level of skills in the local economy.

5 THE BUSINESS GATEWAY

- 5.1** In July this year, The Scottish Executive rolled out the Business Gateway, across Scotland. The concept of the Business Gateway is to afford local businesses a single coordinated and unified point of access to business support programmes, from all providers. Although the key responsibility for the delivery of the nationally available programme of business support services lies with the Local Enterprise Companies, the wider partnership of the Business Gateway involves the local authorities who contribute by the provision of certain business support services which meet local need. East Ayrshire Council is a committed member of the Ayrshire Business Gateway.
- 5.2** The Business Gateway initiative builds on the previous Small Business Gateway and offers a consistent range of branded business information and business start-up support services to all business in Scotland, irrespective of location. The delivery of these nationally available business support programmes to businesses in the Local Committee's area is provided by Business Gateway Ayrshire, based in Kilmarnock.

6. SUPPORT TO BUSINESSES IN THE LOCAL COMMITTEE AREA

- 6.1** The appendix to this report shows the nature and type of support which the Council has provided to client businesses in terms of strategic support, direct financial assistance and business advice during the life of the Council, to date.
- 6.2** The employment figures relate to current employment levels in the businesses as identified at the most recent monitoring visits. It should be noted that there are instances where the businesses may have previously experienced higher peak numbers of employees than they currently have.

7. EMPLOYMENT TRENDS IN THE LOCAL ECONOMY

- 7.1** Within any local economy, there is a constant movement of new jobs being created and existing jobs being lost. This is particularly the case in an area such as East Ayrshire where there has been significant employment in sectors, such as textiles, which have seen substantial job losses throughout the UK in recent years.
- 7.2** As reported to the Development Services Committee on 26 August 2003, the rate of unemployment in East Ayrshire was 7.7%, which represented a decrease of 0.1% on the year since June 2002. The Committee is asked to note that the comparable overall rate on unemployment in the Northern area at May 2003 was 3.4%, which is lower than the Scottish average.
- 7.3** The Northern area has benefited from the significant number of jobs which have been created, with Council support, at the Rowallan Business Park. Projections

are that the current development proposals for a further office building at the Business Park will result in a potential 250 additional jobs.

- 7.4** Due to the requirement to target loan and grant resources to cases where they are likely to have the most significant economic impact, the Council is unable to provide funding support to every business in the area,

Accordingly, there will be growth in employment and conversely redundancies in businesses with which the Council has no direct contact, although these employment trends will be reflected in the overall employment / unemployment statistics for the Council area.

- 7.5** Many of the residents within the area of the Northern Local Committee have employment in other areas which are major centres of business and commercial activity. The issue of accessibility to and from the Northern Area both by private and public transport and particularly to accommodate work patterns is acknowledged as an important and ongoing local issue.

8. POLICY IMPLICATIONS

- 8.1** The information provided in this report and the attached appendix demonstrates that support to businesses in the Committee's area contributes towards the Council's policy objectives of reducing unemployment and alleviating poverty, as identified in the East Ayrshire Community Plan and supports the broader economic regeneration objectives of the Ayrshire Economic Strategy.

9. FINANCIAL IMPLICATIONS

- 9.1** Loan and grant funding support for businesses is drawn from existing budgets and cases are approved under the terms of the Scheme of Delegation.

10. LEGAL AND PERSONNEL IMPLICATIONS

- 10.1** There are no legal or personnel implications.

11. RECOMMENDATION

- 11.1** That the Committee notes the detail provided in this report in relation to the Council's priority of tackling unemployment.

STEPHEN CHORLEY
Director of Development Services

jrs/rp -08/09/2003

BACKGROUND PAPERS

East Ayrshire Community Plan : "Improving Opportunities"
Ayrshire Economic Forum Strategy : "Scotland's Western Gateway"

East Ayrshire Local Plan

For further information please contact : ROBERT PATON, Head of Economic Development on Extension 6142 or JOHN SPOONER, Business Development Manager on Extension 6143.

Implementation Officer : JOHN SPOONER

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SUPPORT TO LOCAL BUSINESSES

LOCATION	COMPANY	BUSINESS ACTIVITY	JOBS SUPPORTED		NATURE OF INTERVENTION
			Existing	New	
Dunlop	Diplomacy Saddlery	Saddlery manufacture	1		Training grant
Fenwick	Fenwick Post Office	Post office and general store		2	Loan funding towards cost of establishing sub-post office
Fenwick	Caledonian Carpets	Soft fabrics design & manufacture	5		Training grant
Kilmarnock	R&R Construction Ltd	Property developers		1,000	Rental guarantees to support development of 2 call centres which have now been occupied by First Choice plc and Merchants (Data processing for National Australia Banking Group)
Kilmarnock	First Choice plc	Travel operator		Already counted above	Grant towards fitting out costs of new call centre
Kilmaurs	Trident Systems Northern Limited	Manufacture of electric Fires and Fire surrounds	27		Grant support to attend international trade exhibition Start-up loan funding towards working capital

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SUPPORT TO LOCAL BUSINESSES

LOCATION	COMPANY	BUSINESS ACTIVITTY	JOBS SUPPORTED		NATURE OF INTERVENTION
			Existing	New	
Kilmaurs	Allserve Ltd (Eurodriveshafts)	Engineering	10		Grant support to attend international trade exhibition
Kilmaurs	Checker Leather Ltd	Manufacture of leather products	10		Grant support to attend international trade exhibitions
Kilmaurs	Pippa's Pampered Pets	Pet grooming	4		Wage and training subsidy for young people
Stewarton	AMP Construction	Builders	6		Wages grant for new recruit
Stewarton	Billy Bowie Tankers	Waste disposal	55		Training grant for quality systems
Stewarton	Peter Brown Accountants	Accountants	5	1	Wages grant for new recruit
Stewarton	Glencairn Knitwear	Manufacture of knitwear	10		Grant towards development costs of new products Loan funding towards working capital
Stewarton	The Bonnet Bar	Public House	6	1	Wages grant for new recruit

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LOCATION	COMPANY	BUSINESS ACTIVITY	JOBS SUPPORTED		NATURE OF INTERVENTION
			Existing	New	
Stewarton	Tubeworld Information & Media Services Ltd	Publishers of trade magazines	5		Start-up loan funding towards working capital Grant support to attend international trade exhibition
Stewarton	Frasia Wright	Legal recruitment agents	9		Training grant
Stewarton	Proven Engineering Products Ltd	Manufacture of wind turbines	14	4	Grant support towards cost of overseas distributor training Grant support towards site access improvements at new premises Grant support to attend international trade exhibition Loan funding towards working capital
TOTALS			167	1,007	

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DEVELOPMENT SERVICES DEPARTMENTAL SUPPORT FOR STRATEGIC PROJECTS

LOCATION	COMPANY	BUSINESS ACTIVITY / SERVICE	DETAILS
Kilmarnock	R & R Construction Ltd	Property developer	Provisison of new office accommodation.
Kilmaurs	Rowallan Castle	Golf Course / Leisure facility	Support for leisure and tourism
Kingswell	Kingswell Developments	Motorway service facilities	Support for retail and tourism
East Ayrshire		Lobbying for upgrading of A77	Improving transportation links