

Economic Development & Regeneration Strategy Refresh North Ayrshire 2016 – 2025



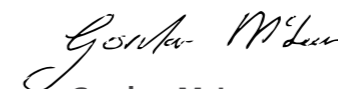
North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Investment Innovation Internationalisation Inclusive Growth

Joint Statement on behalf of Economic Development & Regeneration Board and North Ayrshire Council

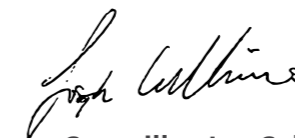
The first Economic Development & Regeneration Strategy for North Ayrshire was launched in 2010. The strategy was launched in the eye of the storm of recession but set out an ambitious vision for the area and outlined a collective will amongst partners to deliver a step change in the performance of the North Ayrshire economy. There have been many changes since 2010, but one thing that has not changed is our resolve to make a difference. Our clear mission is to make North Ayrshire the most improved local economy in Scotland.

Our refreshed strategy sets out our vision for the next 10 years. North Ayrshire Council has developed this strategy in partnership with the Economic Development & Regeneration Board (EDR Board). The board is one of the clear success stories of the past five years. Our board drives forward this agenda, challenges the status quo and holds partners to account. The board has flourished due to the commitment of our members from the public, private and third sector. In launching this refreshed strategy, we would like to acknowledge the commitment shown by the EDR board over the past five years and we know that commitment remains one of our key tools to delivering new opportunities and economic growth locally.



Gordon McLean

Chair of North Ayrshire Economic Development & Regeneration Board



Councillor Joe Cullinane

Leader of North Ayrshire Council

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The journey since 2010

The economy, both national and local, has improved somewhat since 2010. Unemployment in North Ayrshire has fallen from a peak of 19.2 percent in 2010, to 14.8 percent in 2016. (percentage working age population on any out-of-work benefits)

During the recession, job losses were felt both nationally and locally but not to the extent of previous recessions – to an extent, we weathered the storm.

However, different impacts have been experienced. Wages have been stagnant, in real terms often falling. Work has become less secure – zero hour contracts have become a part of the economy. And those unfortunate enough not to be in work or on low incomes have experienced Welfare

Reforms which have put massive pressures on household budgets. The recession may technically be over – but those legacy challenges remain.

Since 2010, the squeeze on public sector budgets has hardened, meaning tougher choices are being made. There is less resource overall but the importance of a strong local economy and employment for our residents is perhaps more recognised than ever before, which has meant partners in North Ayrshire have continued to invest significant resources into regeneration activity.

And finally, the policy context in which North Ayrshire partners operate has changed. A new Scottish Government Economic Strategy focusing on the 4 I's (Investment, Innovation, Internationalisation and Inclusive Growth) has offered new emphasis which this strategy now reflects. North Ayrshire partners are signed up to that new emphasis –



We want growth through investment, innovation and internationalisation but we want that growth to be inclusive for all.



Isle of Arran Distillery exports to 35 countries world-wide generating £3.5 million of sales



UPM Caledonian produces over 260,000 tonnes of paper every year

As we launch this refreshed strategy, the Council along with our partners in South and East Ayrshire have an opportunity to develop plans for long term transformational change. The "Ayrshire Growth Deal" proposals will be submitted to both UK and Scottish Governments during 2016. If the proposals are accepted, it will see significant new investment across Ayrshire over a 20 year period.

It is not just about resources – the Growth Deal creates the platform for new collaboration, the opportunity to think long term and to develop Ayrshire's unique offer. We are confident these proposals on an Ayrshire basis, combined with the momentum and ambitions set out in our refreshed strategy will ensure that North Ayrshire truly is the place to be.

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Continuing challenges

The first EDR strategy outlined a number of key economic and social indicators where North Ayrshire was not performing well. Some progress has been made in recent years in terms of getting back to pre-recession levels – however, the fundamental gap between North Ayrshire and the Scottish averages remains. We understand that changing this will take time and we believe we have begun to put the right measures in place to tackle this. Given this, our refreshed strategy is not about a change of direction; it's about re-focusing, re-energising and making sure as a partnership that we are clear on the joint work that needs to happen.



We have worked hard with our partners and businesses to make a fantastic start on tackling the barriers to sustainable economic growth in North Ayrshire and building a more resilient economy. The Council and our partners are all absolutely committed to making North Ayrshire the 'place to be' for business, residents, and visitors

Chief Executive Elma Murray,
North Ayrshire Council

Our key challenges remain –



High unemployment

12,530 people are claiming “out-of-work” benefits



Lack of jobs

employment rate of 64.1%



Deprivation

a quarter of our area is in Scotland's 15% most disadvantaged



Low skills

12% of our population have no qualifications



Population decline

3.6% projected population decline to 2026



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Our successes and strengths

Often strategies focus on weaknesses that need to be addressed but we believe as much focus should be on our successes and strengths from which we can build.

Employment

North Ayrshire Council and its partners have invested significantly in employability services over the past six years, and there is some evidence of impact. Youth unemployment has fallen to historic lows. Through our investments we made sure that young people were not left behind as in previous recessions. We believe our economy and young people will reap the benefits of that for years to come.

Young people

North Ayrshire schools have the third highest rates of positive outcomes for leavers in Scotland. All the evidence shows that a negative outcome on leaving school most often leads to poorer outcomes over a lifetime. By getting our approach to transitions from school right, we again believe we will see the benefits for years to come.

Irvine Town Centre

Partnerships are stronger

When the EDR strategy was launched in 2010, we made private sector involvement in the governance of the strategy key. We are very proud and grateful that our private sector board members who joined us on this journey have maintained their commitment and provide valuable insight and feedback on a daily basis. We believe we have the strongest partnership with the private sector in Scotland.

North Ayrshire has pioneered a new approach to support business. Team North Ayrshire sees all the main agencies come together to deliver co-ordinated, focused support to our businesses. It's partnership working in action, on the ground and it works.



To work on common goals, is in my view the certain route to deliver better economic opportunity for the people of this community

John Swinney, MSP

Investments

It's vital that North Ayrshire has the physical infrastructure to make it attractive and provide the facilities required in a modern economy. We know the area suffers from market failure – in that the private sector often won't invest in capital as the risk of not achieving a return is deemed too much. Therefore it's important the public sector makes key strategic investments which will unlock investment from the private sector.

Our investments have supported new housing developments – with infrastructure work to support the Montgomerie Park, Irvine development. Our investments in town centres continue, with a new Leisure Centre in Irvine nearing completion. We have a £750,000 award to implement a Conservation Area Regeneration Scheme for Millport on the Isle of Cumbrae, and we have secured external funding to complement our own investments in the Brodick Harbour on the Isle of Arran. Only some examples of investments we have made to ensure North Ayrshire is an attractive place to invest.

High profile international companies delivering skilled jobs for local people

We are fortunate as an area to have outstanding international businesses such as pharmaceutical giant GlaxoSmithKline and we must build on it, through developing effective supply chains and ensuring they can access highly skilled workers locally.

Indigenous growth business

Our business support offer puts focus on supporting local growth companies such as telecommunications company VOCA. Through our Team North Ayrshire approach, we are ensuring that such companies can access joined up support to meet their growth needs.

Sectoral strengths

We have historic strengths in manufacturing and engineering, which leaves us well placed to respond to the national policy focus on hi-tech industries and how they can drive Scotland's economic growth.

We have strengths in life sciences, in particular bio-medical manufacturing which again ensures we are well placed to respond to national and international growth sectors.

And we have a tourism offer and natural assets that are the envy of many areas. North Ayrshire is known for its coastline, its islands, its golf and other leisure facilities. We have a clear strength to build upon to exploit the tourism market further.



Team North Ayrshire have been phenomenal. They have supported us with a Graduate Programme and Modern Apprenticeships and have helped us relocate in Irvine.

Victoria Edwards, Managing Director, VOCA Telecommunications

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Our opportunities



We know we have current strengths in our economy but what opportunities do we have to exploit those strengths and develop new ones?

The Ayrshire Growth Deal

In a time of reduced public sector budgets, the opportunity to bid for significant new funding to deliver on key regeneration projects could help us to deliver on the aims of our strategy. However, it's about more than just resourcing. The Ayrshire Growth Deal provides an opportunity and framework to do things differently, collaborating across local authority boundaries to develop sectors of national importance and creating new synergies between the tiers of government and with academia. We believe our Growth Deal will be unique in its focus on Inclusive Growth, ensuring that our people can benefit fully from the investments we make.

Strategic infrastructure projects

Outwith the planned 20 year Ayrshire Growth Deal, we have significant infrastructure investments on the horizon that will present significant economic opportunities.

Inclusive Growth diagnostic

Economic Growth in Scotland and North Ayrshire has too often in the past not benefitted all sections of our communities. We are determined to change this but need to understand how best we can make it happen.

The Scottish Government is piloting a new Inclusive Growth diagnostic with North Ayrshire Council. The objective of using this diagnostic is to work out what the key factors are that prevent many in our communities from benefitting from economic growth, and therefore where our priorities should lie in terms of investment. We are determined to use this exciting partnership with Scottish Government to inform spending priorities at a local and national level and inform new approaches to tackling the root causes of inequality. The results of the diagnostic will be available in autumn of 2016 and will directly inform this strategy's action plan.

- » Dalry Bypass
- » Quarry Road – Irvine
- » New schools – Largs and Ardrossan
- » i3 – Irvine
- » URC legacy plan
- » Ardrossan North Shore
- » Brodick Ferry Terminal and Arran Economic Plan

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Our refreshed approach

Since the EDR Strategy was launched in 2010 many things have changed, but in reviewing the strategy, the EDR Board quickly concluded that the mission set out in 2010 still represents our collective vision for the area now. We have refreshed the strategy not as a result of a change of direction but to reflect any changes in the environment in which we operate and to focus our objectives and action plans to ensure we are concentrating on those areas where we believe we can make a difference.

Mission

To have created the most improved economy in Scotland by 2025

Strategic Outcomes

Investment

An area with a high level of investment in businesses, people, infrastructure and other assets

Innovation

An economy where there are high levels of research and development activity and entrepreneurship

Internationalisation

An economy where there are large numbers of businesses trading internationally and new companies located in the area

Inclusive Growth

An area where all sections of the community aspire to achieve and benefit significantly from economic growth

Strategic Objectives

1

Provide the best conditions for business, creating a diverse & inclusive economy

2

Develop our transport and digital connectivity to support business growth and link people and opportunity

3

Maximise the economic and social potential of our islands and towns

4

Build the capacity of all sections of our communities to promote inclusive growth

5

Improve the productivity of our people and workforce through top class education and skills services

6

Reduce significantly long term unemployment and low incomes in working households

Our mission

“To have created the most improved local economy by 2025”

This mission accepts that there are global and national economic forces where our influence is limited but we can and should aim to be improving quicker than other local economies.

Strategic outcomes

In order to realise our mission, we have 4 strategic outcomes that we believe need to be achieved. We have mirrored the Scottish Governments focus on the 4 I’s – not for the sake of being in line with national policy but because we genuinely believe these 4 I’s are the right outcomes for us to strive for.



The support from Team North Ayrshire has enabled us to double our workforce in the last two years

Lorraine Murray, Sercon

Investment

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Strategic objectives

We have re-focused our strategic objectives to six that we believe are absolutely key.

“Provide the best conditions for business, creating a diverse and inclusive economy”

Team North Ayrshire has been a great example of what can be achieved in partnership. By taking Business Gateway delivery in-house and integrating into the Team North Ayrshire approach, we are strengthening our support to those local companies that have the greatest ambitions for growth and providing more intensive early stage growth services. We will develop new facilities to support local enterprise and introduce new resources that will support the growth of the social enterprise sector. We will further develop our strategic locations to attract new inward investment.

“Develop our transport and digital connectivity to support business growth and link people and opportunity”

The importance of North Ayrshire’s connectivity cannot be underestimated. Partners are focused on delivering key infrastructure projects such as the Dalry Bypass, supplemented by improvements to local routes such as the B714 Dalry to Saltcoats, A738 Hawkhill Roundabout and the A841 Brodick to Lochranza Ferry Route. Improving public transport infrastructure is also a priority, with investments in Irvine Town Centre Bus infrastructure and the Brodick Ferry Terminal Redevelopment planned.

Digital connectivity is of massive and growing importance to our economy. There will be focus on this through Ayrshire Growth Deal proposals but the council, in partnership with Scottish Government, is investing in the roll-out of superfast broadband in 2016-2018.

“Maximise the economic and social potential of our islands and towns”

Our town centres have faced severe challenges over the past decade but their continued importance as economic and social focus points is clear to see. Our islands face their own unique challenges but also offer great potential, particularly as part of our tourism offer. We are focused on creating places where economic and social value is maximised. We recognise the demographic challenges that exist for many of our communities and importance of attracting new and young families to live in North Ayrshire.

Our priorities under this objective are to bring unproductive land back into economic use through the vacant and derelict land fund (£1.4M planned for this years), promotion of our strategic sites at Ardrossan Harbour and North Shore, Hunterston, Lochshore and Ardeer, investments in key Irvine sites – Quarry Road, High Street and Harbourside. Significant investments at i3 investment park.

“Build the capacity of our communities to promote inclusive growth”

A key aspect of this refreshed strategy is the underpinning focus on taking action to ensure that all sections of our community can benefit from economic growth. Key initial priorities will be to implement our locality planning approach resulting in six locality plans. We will also shortly launch a new social enterprise strategy with significant new resources to develop the sector. And longer term, we are working with the Scottish Government on an Inclusive Growth diagnostic, which identifies constraints in the local economy preventing communities and people benefitting from economic growth.

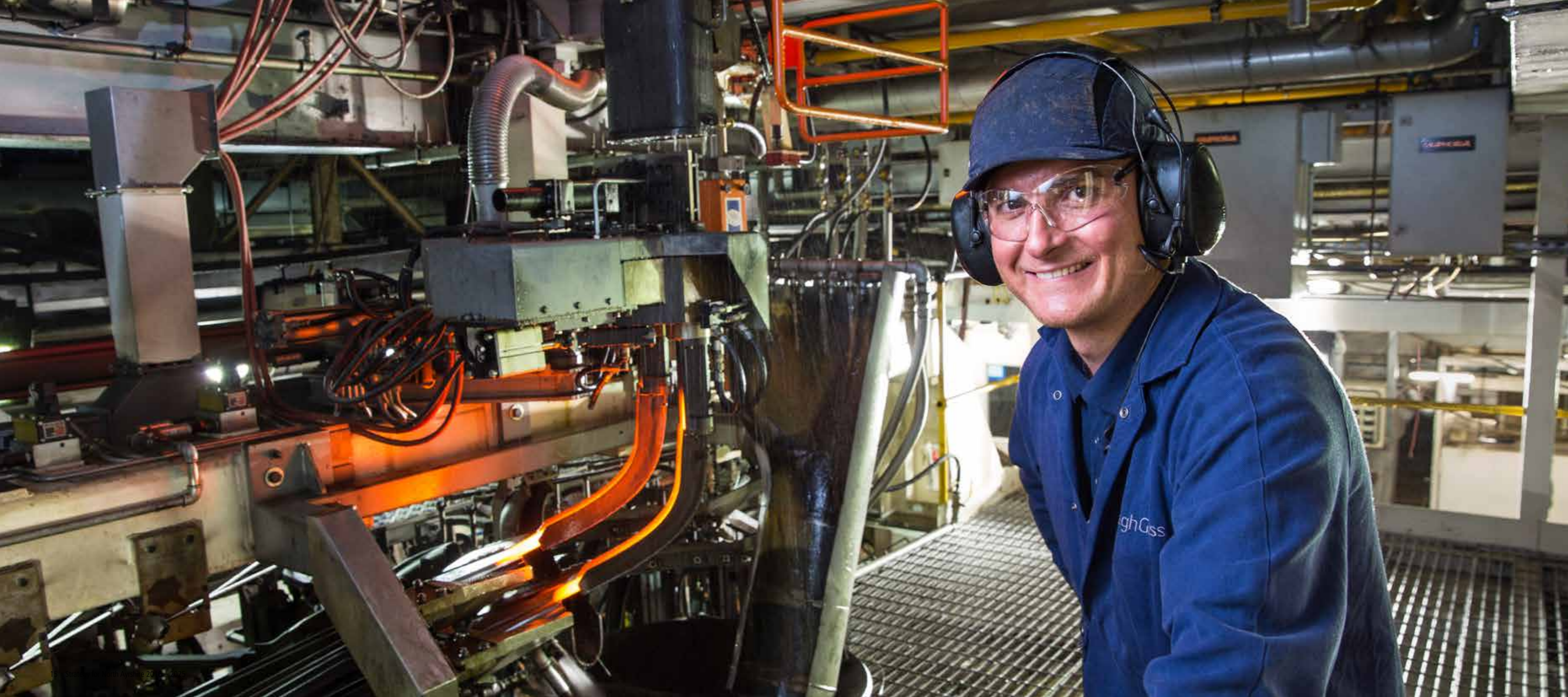
“Improve the productivity of our people and workforce through top class education and skill services”

The productivity of our workforce and businesses holds the key to attracting and retaining more and better jobs. The partnership is prioritising focused interventions with key sectors where there is some evidence of market failure. It is vital that we build better links between industry, our schools, our colleges and deliver on the aspirations of Developing Ayrshire’s Young Workforce. New capital investments in schools in Largs and Ardrossan and continuing to build on our joint campus development with Ayrshire College in Irvine, will be key to progressing this agenda.

And we are focused on continuing to promote apprenticeships, with new foundation apprentices available in schools.

“Reduce significantly long term unemployment and low incomes in working households”

Too many of our residents experience poverty and we want to address the root causes. Our priorities as a partnership include developing a network of six employability hubs, further developing our employability pipeline, implementing the Financial Inclusion North Ayrshire strategy; including reducing costs for those on low incomes. We also want to address low pay by upskilling workers and supporting employers to be more productive.



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How will we deliver?

Two year action plans have been developed across the six strategic objectives outlined previously. These action plans are intended to be “live” documents which are not only reviewed regularly but amended and added to.

The Economic Development & Regeneration Board is the driving force and governance structure for this strategy. The board will review progress against the action plans bi-annually and approve new action plans every two years.

Our key performance measures are –

- » **Unemployment**
- » **Employment rates**
- » **Start up businesses**
- » **Gross Value Added**
- » **Qualification levels**
- » **Deprivation**
- » **Wage levels**



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To continue to drive this change requires a multi-faceted approach, which goes beyond our economic and regeneration work and considers out people, our places and how we are perceived.

Chief Executive Elma Murray, North Ayrshire Council



For more information about business opportunities available in North Ayrshire - or details on the support we can offer your business - contact our Economic Growth team on 01294 449944

www.north-ayrshire.gov.uk
www.northayrshireforbusiness.com

