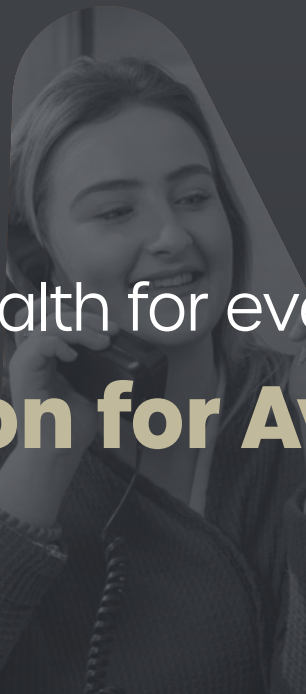


Ayrshire Regional Economic Strategy



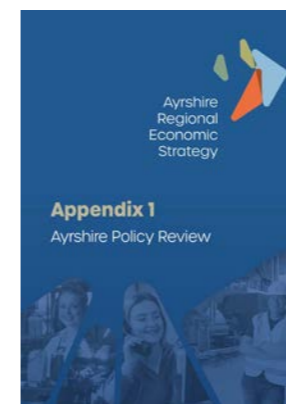
Building wealth for everyone in Ayrshire

Our vision for Ayrshire 2033



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Executive summary

Ayrshire has the potential to take a leading role in Scotland's economy. We offer a wealth of opportunities and a unique destination for those who want to live, work, learn, visit and invest in the region. Our geography and stunning natural landscape rival the best in Scotland and are attractive to residents and to visitors alike. We are pioneers in sustainable tourism with a strong focus on the blue economy. We are home to a number of sectors of national significance, including aerospace, space and food and drink, creating both investment and employment opportunities.

We have a vibrant higher and further education sector, with local college and university campuses spread across the region, to support the future workforce and develop our young people. We have a history of entrepreneurialism and innovation, with excellent business support programmes. Our Ayrshire Growth Deal supports regeneration and infrastructure improvements alongside substantial investment in support for employers and for individuals to learn new skills in growth areas.



Challenges and strengths

The Ayrshire region offers a wealth of opportunities, with strengths in sectors of national significance and a stunning natural landscape. Our new Regional Economic Strategy (RES) captures these strengths and our ambitions to make Ayrshire a unique destination in which to live, work, invest and visit. In order to achieve this, we must address the **key challenges** facing our economy:

- **Delivering a wellbeing economy:** addressing high incidences of deprivation and child poverty by connecting communities to opportunities, whilst achieving a just transition to net zero.
- **Enhancing economic activity and productivity:** addressing low economic activity rates, high unemployment rates and skills mismatch/ shortages to make the most of inward investment opportunities and facilitate greater international trade.
- **Improving physical infrastructure:** addressing poor road linkages, reduced and unreliable public transport, high levels of vacant and derelict land and island and rural specific challenges, whilst capitalising on significant blue economy/marine environment opportunities.



We have a number of **strengths** as a region to help us address these challenges:

- A **strong foundational economy**
- An **entrepreneurial culture**
- **Sectors of national significance** including aerospace, tourism and food and drink
- A **rich array of natural capital**
- A **strong sense of identity** amongst businesses and residents
- **Existing strong regional governance** including a pioneering Community Wealth Building approach to economic development.

Priorities

Following extensive engagement across the Ayrshire region, we have developed six key priority themes:

- **Support for Enterprise:** A region where businesses can grow both domestically and globally; entrepreneurship and creativity can flourish.
- **Fair Work:** A region which offers all individuals an effective voice, opportunity, security, fulfilment and respect in work.
- **Innovation:** A region where enterprises and the public sector adopt innovative solutions to address economic problems.
- **Good Health and Wellbeing:** A region where people of all ages have the access to resources to live a healthy, full and purposeful life.
- **Stronger Places and Communities:** Local economies can sustain thriving communities and deliver good public and private services to residents and visitors.
- **Enhancing Natural Capital:** Preserving and enhancing Ayrshire's natural capital, meeting Scotland's commitments to net zero and protection of biodiversity.

Our delivery approach

We already have in place a series of 'enablers' to help us deliver the vision under the priority themes:

- **Ayrshire Growth Deal**
- UK and Scottish **Government funding**
- **CWB Commission, Anchor Charter and Anchor Network**
- **Recovery and Renewal workstreams**
- **Regional Economic Partnership Board.**

An emerging theme from our consultation with stakeholders has highlighted the opportunity for a regional governance review. Successful delivery of this strategy will demand a culture of delivery and accountability in which objectives are shared and responsibilities are clearly allocated and accepted across the public, private and third sector. A refresh and rewiring of these systems will help us to deliver our vision for Ayrshire 2033.

Action plans

In order to deliver our strategic vision, a parallel Action Plan document is required, which will be developed to set out more detail under each priority outcome and identify a series of actions to be achieved over the next ten years to 2033. The action planning process will commence following production of the RES.



A culture of delivery

Our RES is ambitious- we have a vision for Ayrshire by 2033 and outcomes that we want to achieve. In order for us to chart progress over the next ten years and know that what we are doing is working, we have set a series of ambitious long-term priorities that are aligned to our priority themes and outcomes. These have been developed with reference to our Ayrshire Inclusive Growth Diagnostic and the Scottish Government's Wellbeing Economy Toolkit. Our actions to be developed will sit under each of these long-term priorities to allow us to work towards achieving these.

We are committed to developing a wellbeing economy in Ayrshire which generates:

- A **better life** for our youngest citizens
- Higher number of **good quality jobs**
- A **rise in economic activity** where people are more connected to opportunities
- **Stronger business start-up and survival** rates
- A greater proportion of **public sector spend on local businesses**
- More **vacant and derelict land** brought into **productive use**
- The region's natural **assets are becoming more biodiverse** and net carbon emissions are falling
- Evidence of some **improvements in health inequalities.**

Foreword

We work together and collaborate regionally in Ayrshire, as demonstrated by our approach to the Ayrshire Growth Deal and Community Wealth Building Commission. It will be critical to nurture, develop and build on emerging successful regional working and collaboration as we continue to generate positive outcomes for the people and businesses of Ayrshire.

Our regional vision has been developed by key partners, engaging with wider stakeholders, and this has helped shape a Strategy that is of central importance to Ayrshire's economy as we emerge from the recent pandemic and respond to economic uncertainty at a national level.

This strategy sets out a bold 10 year vision for the Ayrshire economy and for Ayrshire residents and businesses now and into the future. It is the first strategy of its kind for our region, and the first in Scotland to feature Community Wealth Building as a founding principle throughout.

This Strategy reflects our collective desire to take a different approach to regional economic development in Ayrshire - an inclusive, purpose-led approach based on the principles of Community Wealth Building. As a region, we are already pioneers in Community Wealth Building and by co-ordinating these activities, valuing the strength of the region's economy, and encouraging and supporting new investment, we are confident this Strategy can deliver significant and long-lasting economic renewal across our region.



It also presents a real opportunity for us to address some of the key challenges facing our region, including deprivation and child poverty; low economic activity; high unemployment and regional infrastructure and transport issues.

Ayrshire offers a wealth of opportunities for those who want to live, work, learn, visit and invest in the region and this Strategy is designed to build on our collective strengths to help us address our key challenges and meet current and future opportunities.

We already have mechanisms in place across Ayrshire to help us deliver the ambitions of this Strategy, including existing strong regional partnership working as part of the the Ayrshire Growth Deal, the CWB Commission and the Ayrshire Regional Skills Investment Plan.

The Strategy now gives us the opportunity to capitalise on the momentum of these existing partnerships developing a team approach and culture of delivery, to deliver the Strategy and ensure that it works for people, businesses and industry across Ayrshire.

This Strategy sets an ambitious course for the Ayrshire Economy during the next ten years as we work together to transform the economy of Ayrshire.



Councillor Douglas Reid
Chair of Ayrshire Regional Economic Partnership



Alistair Dobson
Chair of Regional Economic Strategy Working Group

The strategy has been developed by the Ayrshire Regional Strategy Working Group on behalf of the Ayrshire Economic Joint Committee with support from the Centre for Local Economic Strategies.



1

Our Ayrshire Regional Vision

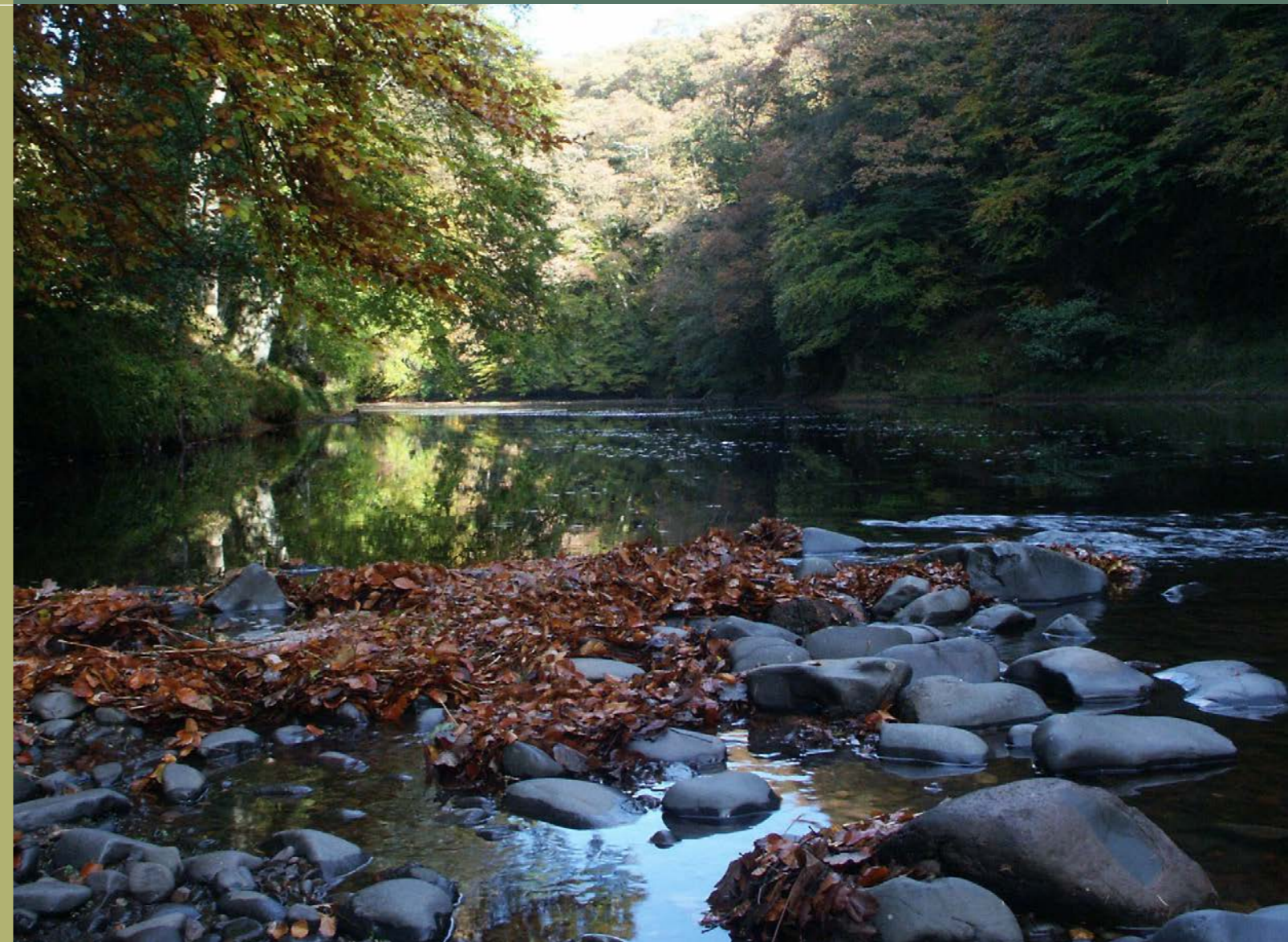
Building wealth for everyone in Ayrshire

The Ayrshire region offers a wealth of opportunities, with strengths in sectors of national significance and a stunning natural landscape.

Our new Regional Economic Strategy captures these strengths and our ambitions to make Ayrshire a unique destination in which to live, work, learn, visit and invest.

Our regional vision has been shaped by the key partners driving forward the strategy, in engagement with wider stakeholders including private and third sector enterprises, and young people. It reflects the desire of Ayrshire to take a different approach to regional economic development; an inclusive approach based on the principles of Community Wealth Building.

“Ayrshire will be a region where wealth is shared fairly, to enable people of all ages to live full and healthy lives. Our region will be outward looking, attractive to investors and visitors, making a major contribution to Scotland’s economic development. We will also prioritise the protection of our natural wealth and culture. This is how our residents, communities, institutions and enterprises will rise to the opportunities and adapt to the challenges of the future.”



Why now?

As we emerge from the COVID-19 pandemic and respond to economic uncertainty at a national level, it is of central importance that Ayrshire has a bold and ambitious Regional Economic Strategy (RES) to enable us to uphold our reputation as the first Community Wealth Building (CWB) region in Scotland. By co-ordinating current regional CWB activity, valuing the strength of the region's economy, and encouraging and supporting new investment, our strategy can deliver economic renewal across our region. In parallel to the development of our RES, the Scottish Government is developing CWB legislation which will place a requirement on all local authorities and wider partners to embed a CWB approach into strategic delivery going forward.

With the emergence of new regional economic strategies such as the Ayrshire Growth Deal (which currently has a number of projects either in delivery or moving into the delivery phase) and the Ayrshire Regional Skills Investment Plan, now is the time to capitalise on the momentum of existing partnership working to deliver a RES that works for people, businesses and industry across Ayrshire.

The leading objectives of Ayrshire's new RES are:

- To set out a vision for a wellbeing economy in Ayrshire that places the wellbeing of people, communities and the environment at its centre;
- To consider how we can maximise the impact of local, regional, national and international investment using CWB principles;
- To provide a steer which is evidence driven as to the strategic economic priorities of the region in order to maximise the energy and resources available.

Following an extensive engagement process with people across all communities in Ayrshire, a set of six foundational principles that define what the strategy will be and what it will aim to achieve over the longer term has been identified:

- 1. Building wealth for the benefit of local communities:** Community wealth principle at the heart of a strategy to build wealth for all.
- 2. Inclusive yet targeted:** Focused on the development of a wellbeing regional economy yet targeted at those who most need support.
- 3. Collaborative yet respectful:** The strategy and its future implementation must be jointly owned by partners across Ayrshire.
- 4. Evidence based yet imaginative:** Decisions must be evidence based yet there must also be room for innovation in a time of flux.
- 5. Ambitious yet responsive:** Whilst the strategy sets out a long-term plan, our plans must be responsive to immediate economic challenges including the current cost of living and doing business crisis.
- 6. Place based yet speaking powerfully with one voice:** The strategy is an opportunity to articulate what the region's places, businesses and people can achieve together as a region.

Our RES sets an ambitious course for the Ayrshire Economy during the next ten years as we work together to develop a wellbeing economy. This ambition recognises that it will take time to shift the dial on some of the region's most difficult challenges including child poverty, vacant and derelict land and transport connectivity. Whilst the ambition is long term, delivery must begin now. Indeed, delivery has already begun through the implementation of the workstreams and associated investment alongside the work being done by Ayrshire Councils and other anchor organisations across the region to work together to address both the immediate challenges presented by the cost of living crisis, rising energy costs and skills gaps alongside the longer term impact of climate change and demography. Our RES focuses on a wide set of measures and an associated programme of action. There will be an opportunity to undertake a strategy refresh after five years, in order to ensure that we are on track for meeting our objectives.

How do we know this is the right vision?

In the development of our RES, we consulted and engaged widely across our region. We engaged with public, private and third sector organisations, with Elected Members, with young people who will become the next generation of major contributors to our local economy, with individual enterprises through our Chamber of Commerce and with a series of global wellbeing economy experts. A full list of consultees is provided in the appendix.

Our consultants, the Centre for Local Economic Strategies (CLES), undertook an extensive literature review, assessing the existing policy network to ensure that our RES aligns to other national and regional initiatives. The full literature review is presented in the appendix. In addition, CLES, along with BiGGAR Consulting, undertook a socio-economic baseline study reflecting key statistical data for the region in addition to reviewing our regional Inclusive Growth Diagnostic. Again, this document is included in the appendix to the RES.

Our priority themes

	Support for enterprise	A region where businesses can grow, entrepreneurship and creativity can flourish.
	Fair work	A region which offers all individuals an effective voice, opportunity, security, fulfilment and respect in work.
	Innovation	A region where enterprises and the public sector adopt innovative solutions to address economic problems.
	Good health and wellbeing	A region where people of all ages have the access to resources to live a healthy, full and purposeful life.
	Stronger places and communities	Local economies can sustain thriving communities and deliver good public and private services to residents and visitors.
	Enhancing natural capital	Preserving and enhancing Ayrshire's natural capital, meeting Scotland's commitments to net zero and protection of biodiversity.



COMMUNITY WEALTH BUILDING AYRSHIRE

Community Wealth Building - at the heart of our strategy

Community Wealth Building (CWB) is an overarching theme of our strategy and something that we see as central to enabling partners to achieve our vision. This reflects the lead role that Ayrshire has had at the forefront of CWB in Scotland, challenging traditional models of economic development and recognising that the status quo isn't working.

What is Community Wealth Building?

CWB involves a shift change in the way local organisations operate to generate more benefits for local communities, including residents and businesses (private and third sector). It is a different economic development model that looks beyond the traditional measurement of GDP (gross domestic product) as a means of gauging how well an area is performing. CWB focuses on maximising the impact of investment (public and private) by increasing the flow of wealth and retaining this in the region, as shown in the following diagram.



These are the five 'pillars' of CWB, developed by the Centre for Local Economic Strategies (CLES) for the UK by adapting a model invented by the Democracy Collaborative in the US. A sixth pillar of Net Zero has been adopted in Ayrshire in addition to the five core pillars, in recognition of the climate emergency. In Ayrshire, the CWB work of the region's key public sector bodies, or Anchor Institutions, is co-ordinated through the Ayrshire CWB Commission. We use anchors' economic influence to tackle long-standing challenges of skills, employability and jobs, working in partnership. We use investment and public sector spend to support and develop entrepreneurship, innovation and new businesses. Harnessing this approach on a wider regional scale is central to our RES and represents our innovative approach to regional economic development.

We also use the term wellbeing economy in our strategy. CWB is an economic development approach that can help to achieve a wellbeing economy.

A regional approach

Our CWB approach has increased the imperative for regional working whilst fostering strong and growing networks at organisational level. The UK and Scottish Governments have directed a desire to engage at regional levels on delivery of their key economic development policies, and it is therefore necessary to strengthen the regional strategic proposition and for local authorities to work beyond their administrative boundaries and with partners across sectors. This applies not only to public sector partners, but also takes account of the perspectives of businesses, communities and residents who do not necessarily relate to, or operate within such boundaries. This was evident from our engagement sessions in developing our strategy. Furthermore, some key Anchor Institutions already operate on a pan-Ayrshire basis, such as the NHS, Scottish Enterprise, Ayrshire College and other Regional Strategy Working Group partners.

This is the first time that partners have worked together to produce a regional economic strategy for Ayrshire. It reflects our growing need for a coordinated approach towards building an economy which generates good lives for people across this diverse and beautiful region.

Wellbeing economy

An economy that delivers social justice - fair distribution of wealth, opportunities and privileges within a society - on a healthy planet.



2

Opportunities for Ayrshire

Our strengths and opportunities

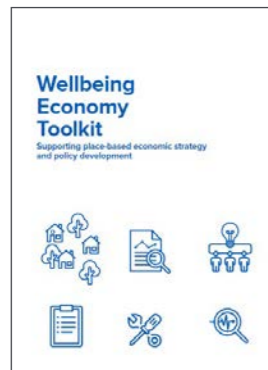
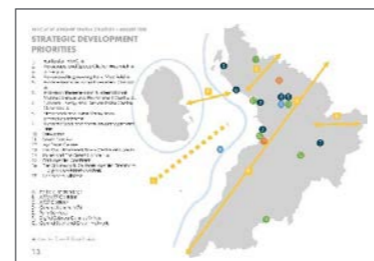
The Ayrshire region has significant strengths and opportunities. Our entrepreneurial culture, strong foundational economy, ample vacant land resources, strength in sectors of national significance including aerospace, tourism and food and drink, a rich array of natural capital and a strong sense of identity amongst businesses and residents, make the region attractive as a place to live, work, invest and visit.

The current regional investment through the Ayrshire Growth Deal represents a significant opportunity for economic development. This will be enhanced by planned Scottish and UK Government investment such as Levelling Up and Shared Prosperity Fund. At this time of economic crisis nationally, there is a desire from partners to do things differently; to create an economic system that works for the people- this is the definition of a wellbeing economy. Embedding the principles of Community Wealth Building throughout the strategy will help us to achieve this.



Our strategic context

In terms of strategic context, the Ayrshire region is responsive to policy decisions at two national levels: Scotland and Westminster. Our RES is influenced by the National Strategy for Transformation (NSET), the National Performance Framework and Levelling Up, the UK Government's White Paper. In addition, a number of regional strategies have guided the development of the RES. A full literature review, written by CLES, is available which outlines the strategic context in detail. A link is presented in Appendix 1.



Community Wealth Building at a regional level

A key theme of our strategy is its commitment to build wealth for communities across the region. Our region has been at the forefront of implementing CWB in recent years. North Ayrshire Council became Scotland's first CWB council following the launch of its CWB strategy in 2020. A CWB Commission* of nine key regional Anchor Institutions across Ayrshire was established to drive collaboration and adoption of CWB within Anchor Institutions. The Commission launched the CWB Anchor Charter in October 2020 and agreed a workplan of three regional workstreams focussing on Fair Employment, Procurement and Land and Assets. Our nine key Anchor Institutions are:



*The CWB Commission is led by North Ayrshire Council and includes representation from North, South and East Ayrshire Councils, NHS Ayrshire and Arran, Ayrshire College, Scottish Enterprise, Police Scotland, Scottish Fire and Rescue Service and The Ayrshire Community Trust (TACT).

Ayrshire Community Wealth Building Commission and Anchor Charter

Working collaboratively with other Anchor Institutions in the region is key to achieving transformational change through Community Wealth Building. To facilitate collaborative working the Community Wealth Building Commission was formed – a group of key local and regional Anchor Institutions with the aim of embedding CWB principles within their organisations to support a wellbeing economy. Nine organisations are included in the Commission: North, East and South Ayrshire Councils, NHS Ayrshire and Arran, Ayrshire College, Scottish Enterprise, Police Scotland, Scottish Fire and Rescue Service, and The Ayrshire Community Trust (TACT).

The Commission promotes a collaborative approach to CWB in Ayrshire by jointly delivering a workplan of activity and sharing examples of good practice and success with other Anchors. A Lead Officer Working Group delivers the workplan and is focussed on developing Anchor collaboration across three priority workstreams: Procurement, Fair Employment and Land and Assets.

In October 2020 the Commission launched the CWB Anchor Charter. The Charter has been signed by eleven Ayrshire organisations and commits them to a range of pledges across the five pillars of CWB and a 'sixth pillar' of Climate Action. The aim of the Charter is to embed CWB practices within Anchor Organisations to create a strong, resilient wellbeing local and regional economy.

Anchor Charter Mission Statement

To commit to long-term collaboration between Ayrshire Anchor institutions, supporting shared Community Wealth Building goals to improve collective wellbeing and create a strong, resilient and inclusive local and regional economy. This includes a commitment to the embedding of CWB principles and reporting on progress to the CWB Commission.

Community Wealth Building case studies

North Ayrshire Solar Photovoltaic Farms

North Ayrshire Council has approved construction of solar photovoltaic (PV) farms as two former landfill sites in North Ayrshire- Shewalton and Nethermains. The farms demonstrate the alternative use of council owned land to generate renewable energy and will help the council to become one of the first local authorities in Scotland to reach net zero carbon emissions within the next decade. The solar farms are set to generate almost two-thirds of the Council's energy needs and reduce CO2 emissions by over 850 tonnes per annum. It is anticipated that a 15% surplus from the solar farms will be allocated to community benefit projects. In addition to creating renewable energy and green employment opportunities, the solar farms will also support the following CWB principles:



Procurement: potential for local suppliers and supply chains to benefit from the significant investment through provision of services and materials both during construction and ongoing operational phases.

Land and Assets: explores alternative use of our land and assets that are currently not productive and re-purpose those assets.

Financial Power: commits capital investment to support actions to reduce carbon emissions across North Ayrshire and to help achieve carbon neutrality by 2030.

Plural Ownership: supports the Council's ambitions around municipalisation to safeguard and enhance public services for residents through innovative approaches and allows the Council to show green economic leadership.

Fresh and Organic Food Framework- Mossgiel Farm



In 2021, East Ayrshire Council tendered for a contract for the supply of fresh and/or organic foodstuffs to over 40 schools in East Ayrshire. This is a pan-Ayrshire framework which is open for use by North and South Ayrshire Councils too. The contract was broken down into lots to encourage smaller local businesses to tender and various local suppliers across Ayrshire were subsequently awarded places on the framework, demonstrating the availability of high quality produce within Ayrshire.

Mossgiel Farm near Mauchline was awarded a place on the framework to supply organic milk to all schools within East Ayrshire. An organic farm, it aims to bring old-fashioned dairy products back to Scotland in a modern and environmentally friendly way using fairness in everything they do- from how farmers are paid, cattle are looked after, land is used and consumers are treated. Mossgiel received financial support from the Ayrshire Growth Deal CWB Programme to strengthen the business' sustainability credentials. The East Ayrshire Council CWB Team also supported Mossgiel Farm to:

- Apply for the Scottish Enterprise Food & Drink production pilot programme;
- Benefit from wider business support service with regards to procurement and marketing;
- Carry out feasibility studies to increase production capacity.

Community Gift Exchange - Ayr

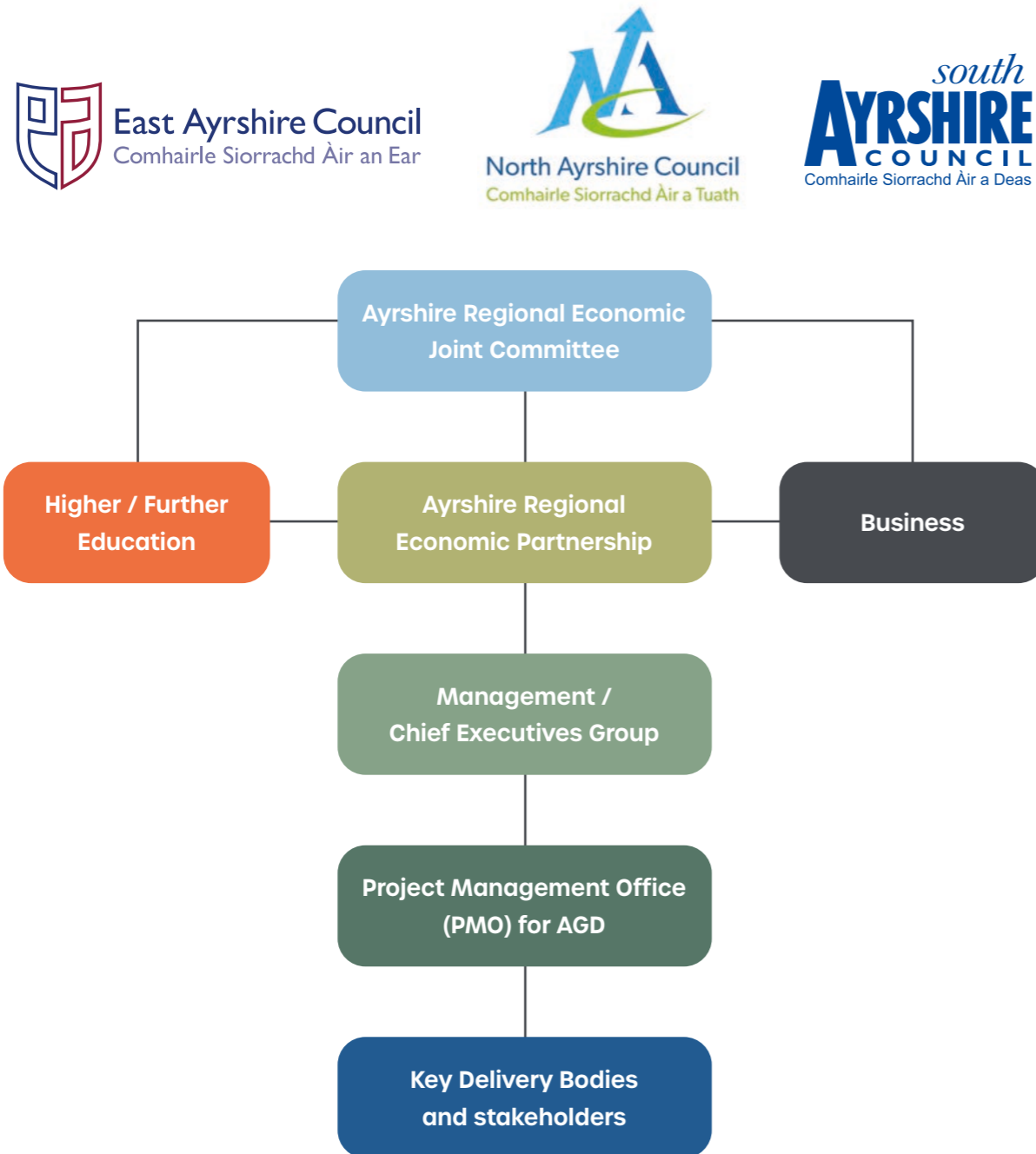
Community Gift Exchange SCIO is a registered Scottish Charity helping to generate flourishing communities in Ayrshire. It seeks to overcome poverty by helping transition people with disadvantages in the open labour market into sustainable employment through the work skills, experience and wellbeing gained from restoring, recycling and reselling donated goods.

Fair Work Ayrshire (FWA) is a pan-Ayrshire service delivered as part of the Ayrshire Growth Deal CWB Programme. It works with employers across Ayrshire to support, enable and empower employers to introduce Fair Work into the workplace, and policy and practice to improve the prosperity of Ayrshire businesses and people. Already an employer demonstrating good practice, Community Gift Exchange pays employees more than the Real Living Wage, offers flexible working, is a Disability Confident Employer and provides employment and training opportunities to local people who face barriers to employment. FWA worked with Community Gift Exchange to undertake a Fair Work Assessment which identified actions to improve and enhance their practices including expanding the existing offer of health and wellbeing support available to staff, access to free online training courses, and starting a forward plan for creating Modern Apprenticeship opportunities.



Our regional governance structures

In Ayrshire we have well established governance structures that feed into the Ayrshire Regional Economic Joint Committee as the regional decision making body. The structure is highlighted in the diagram below. There are opportunities, through the development and delivery of the RES, to review the regional governance structure and consolidate regional reporting and decision making, taking good practice from delivery partnerships that work well such as our Local Employability and Community Planning Partnerships.



Our Ayrshire Growth Deal

AYRSHIRE GROWTH DEAL



Our commitment to a regional approach has already helped the region secure the Ayrshire Growth Deal, a £251.5 million deal brokered by our local authorities along with the Scottish Government and UK Government in 2019. Our RES draws on the strength of this commitment. Its aim is to provide greater clarity of vision and outcome as to how this investment can be used to generate good outcomes for people and businesses over the longer term.

The Ayrshire Growth Deal builds on the innovation and invention that has long been central to our regional economy. The Aerospace and Space Technology Application Centre (ASTAC) in Prestwick will create a focal point to innovate, collaborate, train and develop skills for today and tomorrow. The Halo Enterprise and Innovation Centre in Kilmarnock will support new digital and cyber security products and services, responding to the emerging needs of energy, health and the space/aerospace sector. From the i3 Flexible Business Space and Digital Processing Manufacturing Centre the local company Digital Technologies Group (DTG) will develop a new skills collaboration allowing for businesses to benefit from capabilities within the other organisations. These assets will help create new opportunities for Ayrshire businesses to make their mark in the global marketplace, identifying specific opportunities to engage in supply chain development and support their growth ambitions.

The three pan-Ayrshire revenue projects, Ayrshire Skills Investment Fund, Working for a Healthy Economy and Community Wealth Building, focus on support for skills development, employability skills, fair employment and supporting businesses to adopt CWB principles.





These are just some of the projects that will help create a regional innovation ecosystem that stimulates new enterprise, attracts talent and provides facilities that will benefit not just businesses but the local community as well. The AGD provides an important opportunity to add value by applying CWB principles thus helping to shape the transition to a new era of sustainable green development and creating pathways for good quality jobs for everyone in Ayrshire.

The blue economy/marine environment is a significant economic, environmental and social asset to Ayrshire, but is currently poorly capitalised on. The marine environment could be a driver of economic activity, solutions to climate change and social participation in the marine economy. Many of the Growth Deal projects focus on harnessing this. A regional governance structure has been established to manage the delivery of the Growth Deal. A Programme Management Office (PMO) has been established, hosted by East Ayrshire Council. The PMO is responsible for the management of the AGD finance, reporting and ensuring compliance and progress towards achieving the agreed targets and benefits realisation. The PMO reports into the Regional Economic Partnership Sub Committee and the Ayrshire Economic Committee where approval is sought for decisions.

“ The blue economy/marine environment is a significant economic, environmental and social asset to Ayrshire. ”

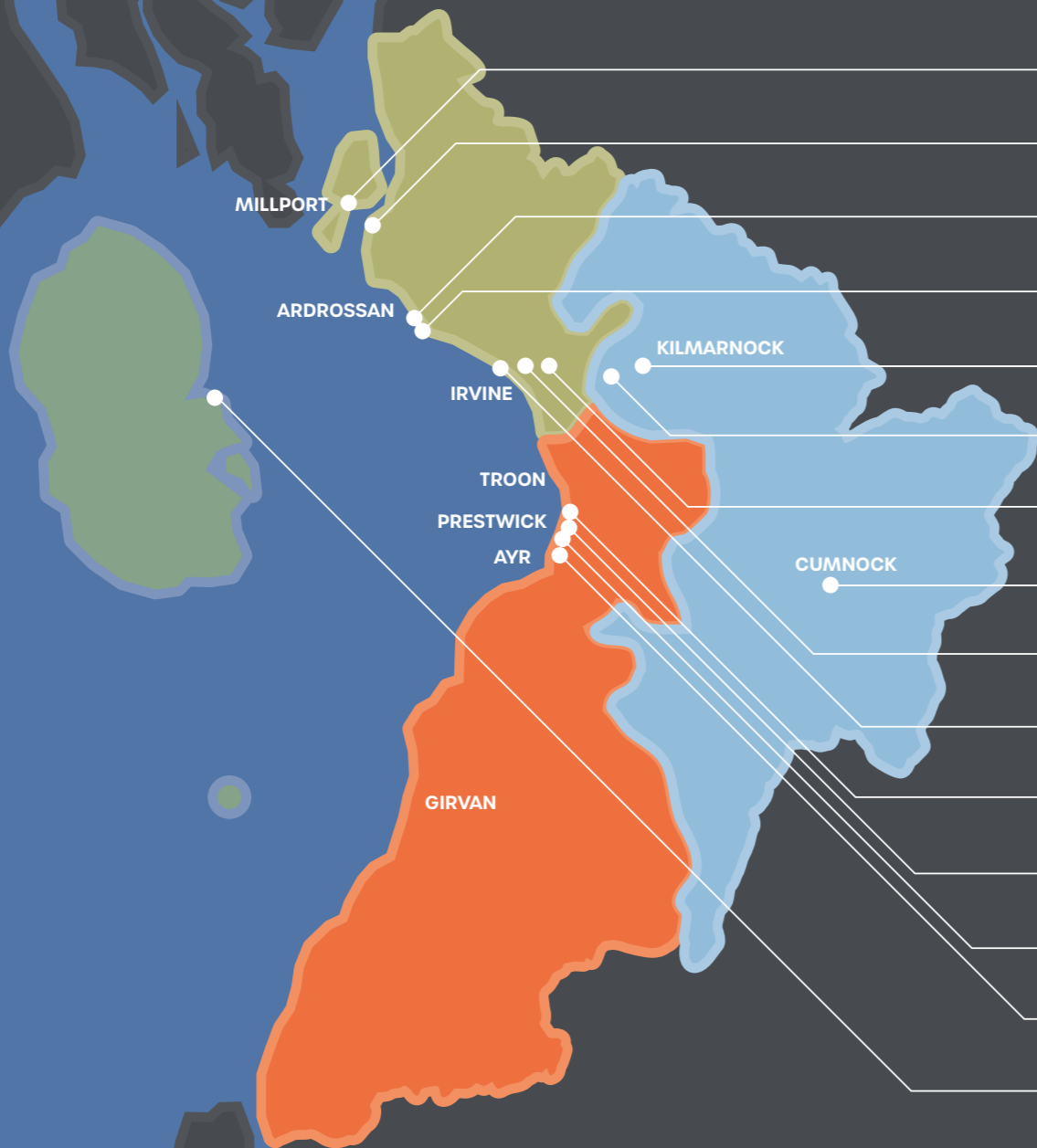


Ayrshire Growth Deal

Project locations

As of 1 June 2023, 13 projects are in development, which means that the project's full business case is yet to be completed; six projects are in the delivery stage, which means that the project is in the process of being implemented and working towards delivering its objectives. This includes two projects where a phased approach to delivery is underway.

The map below shows where the projects are located across the region.



- Marine Tourism (Cumbrae Marina)
- Hunterston Strategic Development Area
- International Marine Science and Environmental Centre (IMSE)
- Marine Tourism (Ardrossan Marina)
- The HALO
- Ayrshire Engineering Park (Moorfield)
- i3 Flexible Business Space
- Community Renewable Energy Project (CoRE)
- i3 Digital Processing Manufacturing Centre (DPMC)
- The Great Harbour (Irvine Harbourside and Ardeer)
- Prestwick Roads
- Aerospace and Space Technology Application Centre (ASTAC)
- Spaceport Infrastructure
- Prestwick Commercial Build
- Marine Tourism (Arran Marina)
- Ayrshire Manufacturing Investment Corridor AMIC (Kilmarnock - off Bellfield roundabout)

Working for a Healthy Economy

Working health services for people in Scotland

Working for a Healthy Economy is an Ayrshire Growth Deal revenue project. The project offers a single point of entry for any Ayrshire resident of working age who is experiencing health related barriers to gaining work, attending, or returning to their job.

Working for a Healthy Economy supports:

- Individuals in employment (both at work and off sick) but at risk of falling out of employment or experiencing an absence period of more than 3 weeks due to ill health and/or disability
- Individuals who have recently become unemployed due to ill health and/or disability
- Individuals who are longer term unemployed, are motivated to make progress to work and are experiencing health/disability related barriers
- Small and medium enterprises (SME’s) who require advice or support with regards to their employees health and wellbeing
- Employees of SME’s/self-employed individuals who require advice or support with regards to their employees’ health and wellbeing to prevent absence/support return to work
- Employees of larger employers if they are unable to gain access to the required support to prevent absence or support their return to work.

Through the creation of a single access point, Working for a Healthy Economy aims to improve the coordination and efficiency of the support landscape for the target group in Ayrshire. It aims to raise awareness of the support available and make support available and make it easier for those who need support, and other key actors, to navigate the landscape and ensure people get cost-effective help when they need it. Success will be measured by an increase in the rate of return to and retention in work, reduced health-related absenteeism, job loss and subsequent welfare expenditure, and improvement.

Recovery and Renewal Workstreams

In addition to the CWB Commission and the Ayrshire Growth Deal, we have six regional recovery and renewal workstreams, bringing together organisations from across Ayrshire. These workstreams complement and enhance our other regional governance mechanisms. There is an opportunity through our RES to consider ways in which to rationalise regional governance to best deliver our vision and priority outcomes.

WORKSTREAM	PROGRESS TO DATE
 Skills	<ul style="list-style-type: none"> • COVID-19 impact evidence paper • Work to support the AGD lead to develop ‘skills pathways’ for AGD projects • Ayrshire Regional Skills Investment Plan 2022-2025 <i>(Published 2022)</i>
 Clean growth	<ul style="list-style-type: none"> • Ayrshire energy masterplan <i>(in development)</i> • Ayrshire Clean Growth Pact/Compact being revised
 Digital	<ul style="list-style-type: none"> • Masterplan to be developed • COVID-19 impact evidence paper to be developed • Digital infrastructure portal to be developed
 Aerospace/Space	<ul style="list-style-type: none"> • Features heavily in Levelling Up fund submission • Partnership with Ayrshire College, UWS and Industry being advanced • Masterplan to be developed
 Visitor Economy	<ul style="list-style-type: none"> • “State of the Nation” Covid19 Industry Research • Visitor Economy Strategy and Action Plan developed • Destination marketing partnership including support from VisitScotland Destination & Sector Marketing Fund
 Food and drink	<ul style="list-style-type: none"> • Food and Drink strategy and action plan <i>(updated April 2022)</i> • Sector net zero strategy <i>(in development)</i> • Use of funds <i>(i.e. Destination Marketing Fund from VisitScotland; HIE Regional Food Funding; Tourism Leadership Fund)</i>

Aerospace and Space Technology Application Centre

The Aerospace and Space Technology Application Centre (ASTAC) will establish a skills and innovation centre targeted at Maintenance Repair & Operations (MRO) technologies to address the needs of space and aerospace firms.

ASTAC will be developed in partnership with Ayrshire College and UWS. This will enable a local delivery solution to key skills issues within the Aerospace sector. Further work will be undertaken to ensure that key industry requirements are fundamental to the development of any solution. Key partners including Scottish Enterprise and Skills Development Scotland will also be key to wider industry facilitation and national skills objectives.



Other external funding opportunities

The UK Government's 2019 Manifesto and its centrepiece policy, the Levelling Up White Paper, outlined the UK Government's vision of 'growing the pie everywhere for everyone' in recognition of the UK's deep regional inequality. Ayrshire stands amongst the highest priority areas for Levelling Up and has the potential to benefit from a reasonable allocation of funding from the £11bn of associated funding. This includes the Government's replacement for European Structural Funds such as ESF and ERDF, UK Shared Prosperity Fund. EU funds have been particularly important for our region. In April 2022, our region was allocated more than £17m of UK Shared Prosperity Fund funding, with approval of all Ayrshire Investment Plans in December 2023.

In addition, partners submitted four Ayrshire Levelling Up Fund 2 capital bids valued at £100m with the UK Government announcing the outcome of the bidding process on 19th January 2023. East Ayrshire Council submitted two bids, one for £10m for essential road infrastructure works at the **Bellfield Interchange** and another for £20m (total project cost £31m) for **Cultural Kilmarnock**. With the Cultural Kilmarnock bid being successful, the project will be implemented during 2023/24. The Bellfield Interchange is the gateway to Ayrshire and is the key junction providing traffic connectivity linking Ayrshire with the central belt and M74 via the M77/A77, A71 and A76 with the asset managed by Transport Scotland. East Ayrshire Council will review the funding implications with both Governments given the economic impact on the proposed Local Development Plan and Ayrshire Growth Deal projects.

North Ayrshire Council submitted a bid for **Lochshore Park** to the value of £10m. A joint bid between North and South Ayrshire, entitled **Levelling Up for Ayrshire: Commercial and Low Carbon Infrastructure**, had a total request to Levelling Up Fund of £37.5m and in addition, South Ayrshire Council submitted an individual bid for £20m for a **new leisure centre**. The three bids were unsuccessful and both authorities will review the implications of these funding decisions and look at alternative options for progressing these strategically important projects.

In October 2022, the UK Government announced plans for Investment Zones to be established in Scotland as part of Levelling up. Our RES will strengthen the preparedness and basis for future bids and discussions with the UK Government on the needs of the Ayrshire economy to support Levelling Up.

Our Strengths



Opportunity to develop 'brand Ayrshire' particularly for **international visitors**



Excellent existing and future external funding opportunities

Ayrshire Growth Deal

Levelling Up Fund

Shared Prosperity Fund



Strong foundational economy (Health, education tourism, retail)

61% of regional employment



Excellent track record in significant sectors

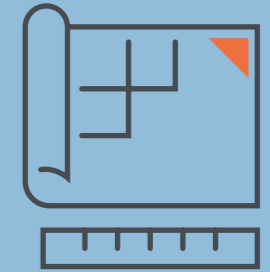
Tourism

Food and drink
Space/aerospace



Existing strong regional governance

Public, private and third sector partnerships



Developable sites of vacant and derelict land

141 short term

161 medium term



A wealth of natural capital

73

Sites of Special Scientific Interest

5

Country and regional parks

1

National Scenic Area



Higher than average business survival rate

92% Ayrshire

90% Scotland



Ayrshire has above average earnings for Scotland

£642pw Ayrshire

£622pw Scotland



Strong entrepreneurial culture

Economy supported by small and micro businesses



Significant blue economy/marine economy assets

Opportunities for fishing, aquaculture, offshore renewables, leisure activities



Pioneer in Community Wealth Building

CWB Commission
Anchor Charter

3 The Ayrshire Region

Our Challenges



Situated in south west Scotland, our region comprises 3,400 km² of land and covers three local authority areas: East, North and South Ayrshire. It is characterised by a predominantly rural geography with three principal towns, Ayr, Irvine and Kilmarnock, as well as a diverse tapestry of small towns, villages and hamlets. Ayrshire borders the Firth of Clyde for 60 miles to the west of its boundary and includes the populated islands of Arran and Great Cumbrae.

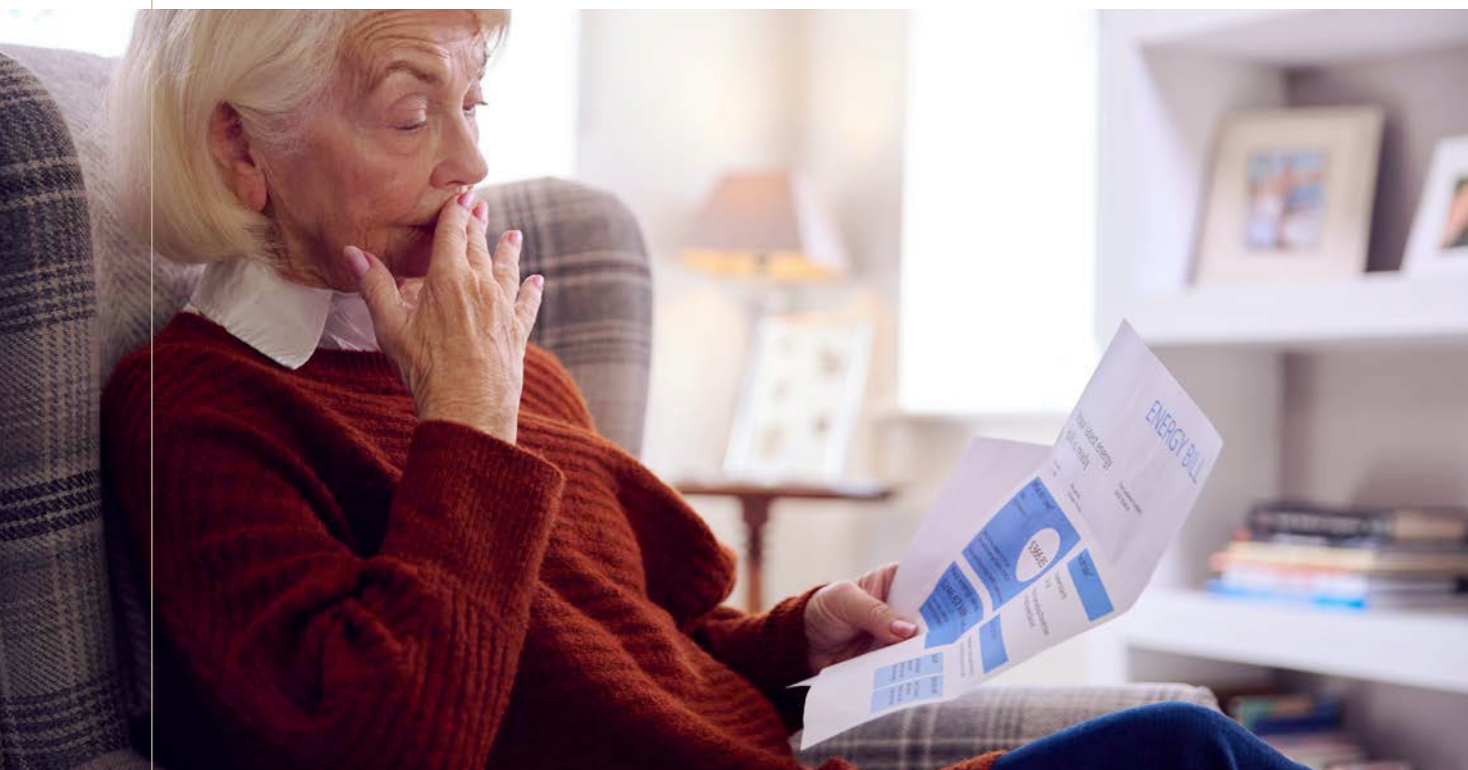
The scale of our challenge

“Now’s the day and now’s the hour”

Quote taken from ‘Scots Wha Hae’ by Robert Burns

Strengthening the resilience of communities and place

Like all parts of the UK, our economy in Ayrshire is being impacted by the national and international economic and political challenges that are continuing to reverberate across the UK including rising levels of inflation, energy and fuel costs, and the cost of living crisis. However, Ayrshire is more vulnerable to these external challenges than many other regions by its existing economic characteristics including a high level of rurality, and high concentrations of pre-existing deprivation and poverty, particularly in both North and East Ayrshire, stemming from the failure of the regional economy to deliver inclusion.



To strengthen community resilience, we need to ensure that people have the skills to access fair and good quality work. Investment is needed in skills and employability for the region, with reference to the Ayrshire Growth Deal opportunities and also inward investment at significant levels at strategic sites such as Hunterston and Prestwick.

Our economy is also characterised by small businesses. Whilst this demonstrates our enterprising culture, this profile can also make our region vulnerable at a time when small and medium sized businesses are particularly at risk because of the energy crisis, particularly those operating in manufacturing, wholesale and retail, tourism and agriculture, food and farming. The post Brexit trading conditions will also continue to exert an impact in Ayrshire, particularly given our proximity to trading routes across to Ireland and beyond via Cairnryan Ferry Port and Prestwick Airport. However, the reduction of EU labour also provides potential new opportunities for residents of Ayrshire. The transition from EU structural funds including the introduction of the UKSPF will also have implications for Ayrshire, as will the outcome of the Scottish Government's proposals for agricultural transition.

Our region faces a much more fundamental and existential threat from planetary climate change. This is a key priority for young people in the region and subsequently, **enhancing natural capital** must be a key priority for all partners.

Whilst Ayrshire has little direct influence over many of these external factors, it reinforces the importance of this strategy in helping to prioritise **stronger places and communities**. The quality of our communities and neighbourhoods has a direct impact on our health and the health of our local economies. It is therefore vital that in an era of crisis, this strategy provides a means to enable communities to adapt and cope in the short term whilst working collaboratively to ensure that our communities are well designed, sustainable, connected and offer somewhere people can feel safe and have a sense of belonging.

Helping people of all ages to live healthy happy lives

Whilst the wider context presents an immediate and considerable challenge, the priorities for our strategy are closer to home. This is why it is essential that this strategy prioritises **fair work** and **good health and wellbeing**. Whilst this is a region with many opportunities, instances of child poverty are unacceptably high. Figures from 2021 show that across Ayrshire, the percentage of children growing up in relative poverty exceeds the Scottish average of 20%. Within this, some families are more at risk of poverty including those who are from a minority ethnic household, have a disability, are single parents and where the mother is aged under 25.



As our children grow, there is evidence that recent years have seen an increase in the number of young people securing good qualifications. However too many young people are leaving school without the skills and qualifications they need to secure decent employment in the longer term and across Ayrshire, figures show that amongst the working age population, qualification levels are below the rates of Scotland. For example, North Ayrshire has a significantly higher proportion of the working age population without any qualifications (12% compared to a Scottish level of 9.7%).

More of our working age population are likely to be out of work than elsewhere in Scotland. Employment rates across Ayrshire are lower than the Scottish average and the unemployment rate is higher. Data for Ayrshire's labour market shows the region has a lower economic activity rate than Scotland as a whole, although within the region there is significant variation in economic activity, with North and South Ayrshire below the Scotland average.

Often, economic inactivity can be exacerbated by poor health and data for Ayrshire shows that there are real challenges for the region because of the high levels of poor mental health and wellbeing and that this is closely related to deprivation; i.e. if you live in an area with high levels of deprivation, you are more likely to experience poor mental health and wellbeing. Figures for North Ayrshire show that it has the lowest life satisfaction score for any local authority in Scotland. When the inclusive growth diagnostic was completed for our region in 2017, it identified poor health as the most significant barrier to an inclusive economy. There are important linkages to be made here with the Fair Work workstream of the CWB Commission, and the Working for a Healthy Economy and Fair Work Ayrshire AGD programmes.

Extending opportunities for healthy ageing

An analysis of Ayrshire's demographic profile over time shows that the region has an ageing population, which means a declining number of people of working age (aged between 16-64). During the next two decades, the population is set to decline by 7.7% with 30% of the population expected to be aged 65 and over. By comparison, the figure for Scotland is expected to be 25%. The trajectory of ageing across the three local authority areas suggests that South Ayrshire will have oldest age profile (34% of the population aged 65 and over).

An ageing population raises concerns in terms of the working age population and increases the old age dependency ratio (the ratio of people of working age in comparison to those of state age pension). The effect is to reduce the working age capacity of the region, whilst increasing the pressure on services particularly in health and care. It also may exacerbate existing challenges in terms of skills shortages. Post Pandemic, there is emerging evidence of how our labour market is changing with data suggesting an acceleration in the number of people aged 50+ leaving the labour market. Research from the ONS suggests that this can be for a range of reasons including age, health, mental health, skills and disability. Whilst this presents a significant challenge for Ayrshire, it underscores the importance of prioritising health and wellbeing alongside **stronger communities and places**.

There is also a challenge to realise the economic potential of demographic change, particularly for health and social care because Ayrshire will continue to need to support a strong foundational economy in the longer term. A high percentage of jobs are supported through the health sector in the region and given the demographic profile, this is likely to be a growth sector in the future. It is important therefore that within this sector, efforts are made to secure fair work, appropriate and relevant skills and training. The region's strength in this sector should be celebrated and efforts should continue to raise awareness of potential career opportunities in the region's health and social care system in order to continue to attract young people to pursue careers in health and social care longer term. There are important linkages to be made with the work of NHS Ayrshire & Arran as one of the Anchor Institutions of the CWB Commission.



The challenges for business and enterprise in Ayrshire

Our region has approximately 10,000 businesses, the vast majority of which are small and medium sized businesses, often family owned and rooted in the local economy. Whilst the region has fewer large businesses, it is home to a small number of globally significant businesses including Glaxo Smith Kline, the largest aerospace cluster in Scotland and the planned NHS Ayrshire & Arran National Treatment Centre to open in Ayr in 2025 which will specialise in orthopaedics. Based on traditional measures of productivity, (as measured by GVA per head of population) levels of productivity in Ayrshire are significantly lower than averages for the Scottish Borders, Scotland and the UK. This can be explained by a higher percentage of our residents being employed in lower paying sectors (including visitor economy jobs – hospitality, food and accommodation as well as in wholesale, retail and residential care).



Recent figures illustrate this with a high concentration of employment in sectors associated with the foundational economy, which includes health and social care, education, tourism and retail, with manufacturing also being a major employment sector in our region. Together these sectors account for 61% of all employment across Ayrshire, with 'human health and social work activities' accounting for almost a third of this total. Whilst this is considered to be a strength for the region, the challenge is how to raise levels of pay, skills and progression in these sectors, particularly those low pay sectors outlined above, so as to build wealth and support economic inclusion. Related to this is how this strategy can support public, private and social sectors to prioritise **innovation** in their supply chain engagement in order to raise productivity in these crucially important areas of the labour market.

When it comes to business support and engagement, there are challenges in how **support for enterprise** is accessed in the region, with a lack of clarity and consistency in how support is delivered. Part of this reflects the variety of support packages available to businesses depending on where they are based and this may have become more complex in the context of the Pandemic and Brexit. As business births are in decline in the region, this **support for enterprise** and how it is delivered effectively over the longer term, will be an important priority. Within this there will be a challenge to ensure how 'enterprise' is understood encompasses a wide range of different types of business including employee owned, social enterprise, co-operatives and community interest companies. In addition, there is a need to fully understand how we can support Ayrshire companies with their international trade ambitions. Businesses across the region also highlight a current skills and materials shortage. There is an opportunity to address these issues through the joined-up work of this strategy's delivery plan, building on the Ayrshire Regional Skills Investment Plan, and for a focus on a coordinated approach to training and learning opportunities to match current and future skills requirements.

If **innovation** and **support for enterprise** is to be prioritised, the challenge of investing in research and development, skills and connectivity will need to be addressed- all of which are themes which feature heavily in the work of our Regional Economic Partnership. Transport and digital connectivity are of particular concern for enterprise and investment and these are prioritised in a number of our Growth Deal and Levelling Up projects. There will be a challenge to ensure that our region continues to make the case for investment in enterprise and innovation longer term as well as recognising the value of public expenditure as a potential source of enterprise support and innovation via supply chain engagement. Fully addressing these issues will help create new opportunities for businesses to achieve their growth potential both locally and in key global markets.

A strong natural and built environment

As a priority for the future, it is fundamentally important that our region rises to the challenge of climate change and does all that is possible to restore and **enhance our natural capital**. Our region has an abundance of natural capital. This is increasingly important at a time when the ability to store and absorb carbon in the context of climate change is becoming increasingly important. It also brings with it the opportunity to use carbon reduction as a means to support an increase in economic activity. As a region, Ayrshire contains 73 Sites of Special Scientific Interest, five country and regional parks and a national scenic area. Now, however, there is an increasing awareness that biodiversity loss not only contributes to climate change, but it is also an investment risk. Without specific thought towards, and actions to protect and preserve our natural capital, the region's commitments to net zero and protection of biodiversity may be put at risk.



In addition, there is an additional challenge of making best use of the region's existing built environment which in turn could have knock on benefits for reducing carbon. The Scottish Vacant and Derelict Land Survey (SVDLS) register identifies 432 areas of vacant derelict land across Ayrshire. Many of these sites have been this way for a long period of time, and are also categorised by their ability to be developable. This represents opportunities for investment in these

sites and buildings to be put to good use and develop local economies. In addition, Historic Environment Scotland's Buildings at Risk Register identifies 128 buildings at risk across our region. Many of these could represent the opportunity to be restored which could have a particularly significant impact on our town centres.

An analysis of our region's housing stock in terms of energy efficiency reveals that generally, the standard energy procedure scores for the three local authority areas vary significantly. This reflects the significant variation in stock. Retro fitting options should be considered for these housing units. Not only can this help to enhance natural capital but through Community Wealth Building, can also support job creation and productivity.

Strategic transport and infrastructure

Poor transport links and connectivity are key drivers for young people and those of working age moving to cities to access education and jobs. This further exacerbates our region's demographic challenges. The Ayrshire Inclusive Growth Diagnostic identified transport as a limiting factor, preventing people from accessing employment and training opportunities. Several contributing factors were identified by the diagnostic including the frequency of transport, connections between transport modes, cost, and shift patterns exacerbating transport constraints.

Challenges faced by our communities in relation to public transport include the affordability of and access to services, contraction of the bus network and withdrawal of services, ferry resilience and reliability, reliance to access services and healthcare; integration between transport modes; and limited service provision within rural areas. More recently, the Pandemic and the cost of living crisis has had a significant impact on public transport with much reduced patronage levels and confidence in using the public transport network. The provision of high-quality opportunities for active travel and public transport for everyday journeys is therefore vital to local communities, inclusive growth and supporting modal shift to sustainable travel. Without efficient and reliable transport services, many Ayrshire communities are getting left further and further behind.

North Ayrshire has several ferry routes which provide lifeline services to our island communities on Arran and Cumbrae. Decisions in regard to these services are made by central government and we would welcome more involvement at a local level. Bellfield Interchange is the most important traffic junction in East Ayrshire and is the gateway to North and South Ayrshire, but it is recognised as having significant capacity and safety challenges that need to be addressed to support strategic development and investment locally. With the unsuccessful bid to the UK Government for Levelling Up Funding, East Ayrshire Council will consider the options for the delivery of these works with both Scottish and UK government given the direct economic impacts on the region. A successful LUF 1 application will result in £28m improvements to the B714 improving connections between Glasgow to the Ayrshire coast. In summary, there is a need for improvements on strategic road corridors that would support tackling spatial and regional socio-economic inequalities to support the delivery of our RES including improvements to road connections south to the M74/M6, southwest on the A77 and east to the M77.

The rail network for most of the area is considered to be good with high frequency services to from Ayr, Irvine, Kilwinning and Kilmarnock to Glasgow, and slightly lower levels of frequency on the Ardrossan and Largs and cross country between Kilmarnock and Ayr lines.



What our strategy means for young people

Young people are integral to our strategy, as the future residents, employers, employees, learners and investors of our region. It will be essential for young people to be trained in our key existing and emerging industries, in order to support our future workforce needs. Ayrshire College has three campuses across the region, providing higher education locally. The College has developed a number of bespoke training programmes linked to key industries, in order to connect young people to employment opportunities and to provide skilled employees to meet employer needs.

Hospitality

Ayrshire College has a well-established partnership with Loudoun Academy, particularly in the areas of Hospitality and Food Technology. Over the past few years, a member of College staff has been working in the school for two days per week, working with senior pupils, developing their customer service, event management and barista skills. The pupils work towards a number of SQA units and use these qualifications to either obtain part-time work while they continue their general studies or further studies within the hospitality area.



Approximately 40 young people take part in the Barista/Milk Bar projects every year with almost all of the pupils achieving the vocational units at both level 4 and level 5 through very practical, hands-on learning, organising and delivering events across the school. As part of an Ayrshire-wide partnership bid to deliver Foundation Apprenticeships, led by the

College, Loudoun Academy began the delivery of the Foundation Apprenticeship in Food & Drink Technologies (level 6) and has now expanded delivery to include the Foundation Apprenticeship in Hospitality (level 5). This is proving very popular within the school with the College lecturer working very closely with the HE department in the school and arranging visits to the College for the pupils.

To complement this delivery in school, there is also the option to study an NPA in Professional Cookery at level 4 and an NPA in Hospitality at level 4 in the College on Tuesday and Thursday afternoons.

Engineering







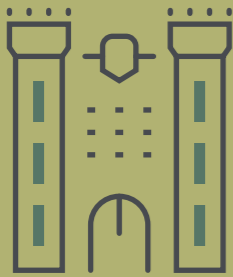

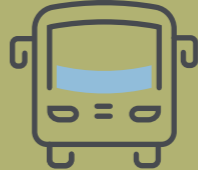
The number of young people looking to pursue a career in Engineering over the past few years has increased. In 2020 - 21 as part of the school-college partnership, Ayrshire College began to offer the Performing Engineering Operations(PEO) SVQ 1 (level 4) which gave a vocational pathway into the full-time Performing Engineering Operations(PEO) SVQ 2 (level 5) programme which is a key component of the Modern Apprenticeship in Engineering. Demand has increased and during this current academic session 2022-23, the College has now allocated two PEO SVQ1 classes instead of one, giving 30 young people the opportunity to do this course. Many young people have progressed from this programme on to the full-time college course and then on to a Modern Apprenticeship.

As part of the partnership, over the last few years the College has offered S6 pupils the opportunity to infill in to the full-time Performing Engineering Operations(PEO) SVQ 2 (level 5) programme, coming to college to study two days per week while still at school. Again, many young people have progressed from this course on to a Modern Apprenticeship.



As part of the College's planning process for 2023-24, the local authority and the College have acknowledged the increase in demand for engineering skills both from young people and local employers and have therefore planned to continue to offer two PEO SVQ1 classes, a bespoke PEO SVQ2 class for school pupils across East Ayrshire, an additional bespoke PEO SVQ2 class for Robert Burns Academy pupils in partnership with the school and local employers Egger and Emergency One, as well as the opportunity to infill into the fulltime PEO SVQ2 programmes. Capacity to study engineering has increased from 34 places in 2022-23 to 66 places in 2023-24.

Our Challenges

 <p>Economic activity rate</p> <p>73.5% Ayrshire</p> <p>76.2% Scotland</p>	<p>Employment rate</p> <p>69.4% Ayrshire</p> <hr/> <p>73.1% Scotland</p>	<p>Unemployment rate</p> <p>4.3% Ayrshire</p> <hr/> <p>4.0% Scotland</p>	 <p>Concentration of employment in foundational economy and manufacturing</p>	<p>Skills shortages in key sectors</p> <p>Social care, aerospace, engineering and tourism <i>(particularly in island economies)</i></p>	<p>Lack of suitable business space</p> <p>Barrier to further business growth</p>
<p>Low qualification levels</p>  <p>43% hold NVQ4+ in Ayrshire</p> <p>50% hold NVQ4+ in Scotland</p>	<p>Low levels of wellbeing/poor health</p>  <p>5th highest score for anxiety across Scotland</p>	<p>High incidences of deprivation</p> <p>61% of all employment in these lower paying sectors</p>	<p>Island specific challenges</p> 	<p>Housing availability and unaffordability (Arran), unreliable ferry service</p>	 <p>Significant blue economy/marine environment</p> <p>Under capitalised asset with missed opportunities</p>
 <p>Buildings at risk</p> <p>128 on Historic Environment Scotland's Buildings at Risk Register</p>	<p>Population decline and an ageing workforce</p> <p>30% of total population predicted to be over 65 by 2043</p>	 <p>High levels of child poverty</p> <p>Second highest percentage of children living in relative child poverty in Scotland</p>	<p>High incidences of deprivation</p> <p>30% of our datazones ranked in 20% most deprived areas in Scotland</p>	<p>Physical infrastructure challenges</p> <p>Poor road linkages to areas of opportunity</p>	<p>High levels of vacant and derelict land</p> <p>432 areas, many long term vacant and derelict</p>
<p>Buildings at risk</p> <p>128 on Historic Environment Scotland's Buildings at Risk Register</p>	<p>Population decline and an ageing workforce</p> <p>30% of total population predicted to be over 65 by 2043</p>	<p>High levels of child poverty</p> <p>Second highest percentage of children living in relative child poverty in Scotland</p>	<p>Physical infrastructure challenges</p> <p>Poor road linkages to areas of opportunity</p>	 <p>Poor public transport</p> <p>Contraction of the bus network, ferry resilience and reliability</p>	<p>High levels of vacant and derelict land</p> <p>432 areas, many long term vacant and derelict</p>



Our Economic Focus

Inclusive. Ambitious. Achieving.

Our vision has been shaped by engagement with key partners within the RES governance and wider stakeholder engagement, reflecting the desire in Ayrshire to take a different approach to economic development.

The status quo isn't working; this strategy has bold ambitions to deliver an inclusive and wellbeing economy via the principles of Community Wealth Building.



Our Vision

Ayrshire will be a region where wealth is shared fairly, to enable people of all ages to live full and healthy lives. Our region will be outward looking, attractive to investors and visitors, making a major contribution to Scotland's economic development.

We will also prioritise the protection of our natural wealth and culture. This is how our residents, communities, institutions and enterprises will rise to the opportunities and adapt to the challenges of the future.

Community Wealth Building cross cutting theme



Our strategic framework

We have developed a strategic framework for our RES which outlines our vision and sets out the opportunities, enablers and priority themes that will help us achieve our end goal of a wellbeing economy for our region. This section of our strategy explains how we have used the evidence gathered in the development process to determine the priority themes and how the enablers can help us to achieve these. A series of outcomes has been developed under each theme, and these will be achieved by a set of actions, to be developed in due course. Success will be measured by tracking improvement targets.

Our enablers for building wealth

We have identified various ‘enablers’ that we can use to help us achieve the vision of our RES.

ENABLER	DETAIL
Ayrshire Growth Deal	The Ayrshire Growth Deal represents investment of £251.5m into our region and builds on regional innovation and partnership working. A combination of place-based capital projects and three pan-Ayrshire revenue projects offers significant opportunities for the region. At a time of increasing costs across the board, it is unlikely that all Growth Deal projects as set out in the original bid can be completed within the approved funding agreed. In addition, some may no longer be fit for purpose or aligned to the region’s needs and demands given more recent global events (COVID pandemic, cost of living and doing business, war in Europe). There is an opportunity for the projects to be reviewed at a regional level, along with regional governance, and this provides opportunities for alignment with our RES.
UK and Scottish Government Funding	There is a considerable level of funding being made available from the UK Government for our region in the form of UK Shared Prosperity Fund (UKSPF) and Levelling Up Fund (LUF). These funds align well to the priorities of our RES and current and future rounds could be used to support the delivery of actions.

ENABLER	DETAIL
UK and Scottish Government Funding	The SPF Investment Plans approved for each local authority have aligned with the development of the RES in order to capitalise on these fund-ing opportunities. In addition, LUF offers the opportunity for major transport infrastructure works which will better connect our region with areas of opportunity to the north and south, making Ayrshire even more attractive to inward investors. The Scottish Government is encouraging a regional approach to economic development, and has already provided funding to enable the production of our RES. It is anticipated that further funding may be forthcoming to allow for implementation of some of the strategy’s actions, subject to central budget reviews.
CWB Commission, Anchor Charter and Anchor Network	The CWB Commission brings together nine Anchor Institutions from across our region in a pioneering model for economic development. By working in partnership in this way, benefits have already been delivered for the region, in terms of increased local spend through public sector procurement, creation of a map of surplus public sector assets to link these with demand from third sector organisations and promotion and adoption of Fair Work principles across the Anchors. The Commission will be an important forum and vehicle through which a number of the outcomes of our RES can be progressed.
Recovery and Renewal workstreams	Our six Regional Recovery and Renewal workstreams have been established to drive forward actions under the themes of skills, clean growth, digital, aerospace/space, visitor economy and food and drink. These have been successful in achieving a number of strategic actions as highlighted earlier in the RES. These workstreams remain relevant and essential to driving recovery and renewal, however there is a significant amount of crossover between these workstreams, the Ayrshire Growth Deal projects and the new priorities outlined in our RES. A review of regional governance could help to streamline and enhance economic development efforts at a regional level.
Regional Economic Partnership Board	To facilitate a regional approach to build on our region’s assets and key sectors to grow the economy, the Ayrshire Economic Partnership Board was established. This brings together the three councils and other partners both from the public and private sectors. The Board was successful in securing the Ayrshire Growth Deal and will ultimately guide delivery of the RES.

Our priority themes

PRIORITY THEME 1: SUPPORT FOR ENTERPRISE

Definition: A region where businesses can grow both domestically and globally; entrepreneurship and creativity can flourish.

Evidence of Priority: Ayrshire has a number of strong industries including manufacturing and engineering and the visitor economy, all of which have a unique set of attributes. Businesses across Ayrshire make a valuable contribution to the wider Scottish and UK economy, but there is an opportunity to grow and develop business development further. This requires adequate support that is easily accessible and guaranteed to help create businesses that align with the future of the Ayrshire economy. This could be achieved by embedding the objectives of the RES into current work of partners delivering business support. Aligned with a more proactive approach to assisting newly formed businesses, Ayrshire can become an area known for its strong support and clear strategy on business development. The work of Scottish Development International (SDI) in positioning Ayrshire as a regionally and nationally significant inward investment destination can be built upon, in collaboration with Scottish Enterprise, especially in driving increased international trade. Alongside this, more business support specifically tailored for social enterprises and community groups is required, so they are equipped to take a more active role in the economy, with particular reference to bidding for public contracts.

Outcomes:

- **SE01** Improved digital infrastructure for our region, encouraging new residents, new business start-ups and new investment.
- **SE02** Enhanced business support services that focus on domestic and global growth, innovation and procurement support to help retain wealth locally.
- **SE03** Improved quantity and quality of business space provision to meet evidenced demand, particularly for SMEs.
- **SE04** Improved support for the third sector to deliver community wealth, through support, training and capacity building.

• **Link to Challenges:** Economic activity rate, low productivity levels, lack of suitable business space.

• **Link to Opportunities:** Strong foundational economy, significant sectors, strong entrepreneurial culture/business base.

• **Key Partners:** Business Gateway, Scottish Enterprise including SDI, Social Enterprise Scotland, Skills Development Scotland, local businesses.

PRIORITY THEME 2: FAIR WORK

Definition: A region which offers all individuals an effective voice, opportunity, security, fulfilment, and respect in work.

Evidence of Priority: Across Ayrshire there is an existing and predicted future labour market shortage and skills gap. This causes concern for future growth and resilience of the local economy. There are initiatives that are working to tackle these issues and to create a skilled workforce accessing employment opportunities that are paid the real living wage and offer secure futures and routes for progression. We need to build on the work already being done with Anchors through the Community Wealth Building Commission Fair Work Workstream. In addition, the Ayrshire Skills Plan, Ayrshire Skills Investment Fund and Fair Work Ayrshire project are all new initiatives that will ensure the region is prepared for the economy, jobs and skills of the future. These take into consideration broader trends and requirements such as the long-term decline in manufacturing, increasing demand from the health and social care sector, and opportunities emerging from efforts to transition to a Net Zero economy.

A mapping exercise, covering skills shortages and labour market gaps now and in the future with emerging opportunities in the green and digital economies, is an important piece of work that can be achieved through forthcoming priorities for the skills workstream. Closer partnership working is required between schools, Business Support and Employability, Ayrshire College, organisations such as Skills Development Scotland, Scottish Enterprise, the University of the West of Scotland, and local businesses to deliver priority actions under the Fair Work theme.

Outcomes:

- **FW01** Improved access to jobs and fair employment opportunities by addressing barriers faced by different groups.
- **FW02** Improved access to training and lifelong learning, with particular emphasis on industries experiencing current and predicted skills gaps, enabling the workforce to adapt to changing requirements.
- **FW03** Employers in the region have adopted Fair Work principles, for example paying the living wage, offering secure employment contracts and jobs that are fulfilling and offer progression.
- **FW04** Public sector Anchor Institutions spend and employ progressively, setting a benchmark for other Ayrshire businesses to follow.

Link to Challenges: Economic activity rate, low productivity levels, lack of suitable business space.

Link to Opportunities: Strong foundational economy, significant sectors, strong entrepreneurial culture/business base.

Key Partners: Business Gateway, Scottish Enterprise including SDI, Social Enterprise Scotland, Skills Development Scotland, local businesses.

PRIORITY THEME 3: INNOVATION

Definition: A region where enterprises and the public sector adopt innovative solutions to address economic problems.

Evidence of Priority: It has long been recognised that there are significant economic benefits to stimulating innovation activity within Ayrshire. Bodies such as SE, SDS, SFC, Innovate UK and UKTI all evidence the significant difference innovation can make in stimulating economic opportunity e.g. innovative firms grow twice as fast as those which do not. Innovation is seen as the engine of long-term economic development and has underpinned much of the UK's historic productivity growth. Yet as a region, business expenditure on R&D (BERD) across all local authorities in Ayrshire is well below the Scottish average. At present, BERD for Ayrshire is £73 per head of population, compared to £263 nationally. One of the priorities for the Ayrshire Growth Deal is the introduction of innovation through the transfer of good practice, the development and use of benchmarks and the adoption of new processes. Yet to fully embrace the benefits of the economic assets created through the AGD, there is a need for collaboration across partners both regionally and nationally, building strong relationships between the public and private sector, while embracing the role academia can play in furthering knowledge transfer and technology development. There is also a need to develop innovative capacity and capability within businesses, enabling them to embrace the opportunities that come through the introduction of new processes or equipment. The introduction of CWB within Ayrshire demonstrates the public sector seeking to introduce new systems to address long standing inequalities across communities, while offering tangible solutions to business e.g. through procurement practices.

Outcomes:

- **IN01** Adoption and utilisation of innovation assets created through successful delivery of Ayrshire Growth Deal projects
- **IN02** Development of effective partnerships across public, private and academic sectors with a view to fully enabling the transfer of knowledge and technology, stimulating economic opportunity and leveraging additional investment around innovation activity
- **IN03** Increased levels of R&D (encompassing Business, Higher Education, Government and Private Non-Profit) within Ayrshire, maximising specific sectoral opportunities and the development of Innovative Places.
- **IN04** Continued use of CWB as a mechanism to embrace new economic development practice and addressing where innovative public sector activity can support wider wellbeing outcomes.

Link to Challenges: Long standing low levels of innovation spend in region; large business population exists in sectors which are restricted in innovation capability.

Link to Opportunities: Strong entrepreneurial culture/business base, excellent track record in CWB, AGD projects strongly aligned to delivery of innovative practice.

Key Partners: Scottish Enterprise, Skills Development Scotland, Ayrshire Local Authorities, Ayrshire College, UWS, Private Sector

PRIORITY THEME 4: GOOD HEALTH AND WELLBEING

Definition: A region where people of all ages have the access to resources to live a healthy, full and purposeful life.

Evidence of Priority: A stronger and more inclusive economy will bring significant health benefits to Ayrshire residents. Inactivity rates in our region are high and of concern. This relates to people not in employment but not seeking work due to ill health. The mismatch between available employment and available workforce must be addressed, and this links to Priority Theme 2: Fair Work. The Ayrshire Growth Deal project Working for a Healthy Economy, is already making progress in this area and this regional approach to economic inactivity should continue. In addition, NHS Ayrshire and Arran must become key partners in our RES and work with partners to maximise the economic, social and environmental outputs. NHS Ayrshire and Arran is already operating as a CWB Anchor Institution and has appointed an NHS Community Wealth Building Officer. Future enhanced joint working could involve close collaboration with our Ayrshire authorities to ensure economic decision making is interlinked with health problems to address the deep-rooted issues that exist in many Ayrshire communities. In addition, the RES should take cognisance of Caring for Ayrshire which will act as a catalyst for alternative service delivery in healthcare and will offer significant opportunities for the region.

Outcomes:

- **HW01** Strengthened partnership working between agencies including NHS Ayrshire and Arran, to ensure a holistic and person-centred approach to support people to fully contribute to the local economy.
- **HW02** Improved access to childcare, transport and local jobs, to improve quality of life and allow for individuals' increased participation in the local economy.
- **HW03** More inclusive approach to recruitment by key employers in our region, to support those experiencing health related barriers to employment to enter or re-enter the labour market.

Link to Opportunities: Strong foundational economy, strong entrepreneurial culture/business base, excellent track record in CWB.

Key Partners: NHS Ayrshire and Arran, Three Community Planning Partnerships, Local Authorities, Community Groups, Public Health Scotland.

Key Partners: Scottish Enterprise, Skills Development Scotland, Ayrshire Local Authorities, Ayrshire College, UWS, Private Sector

PRIORITY THEME 5: STRONGER PLACES AND COMMUNITIES

Definition: Local economies can sustain thriving communities and deliver good public and private services to residents and visitors

Evidence of Priority: The pandemic saw an enormous response from our communities in the form of volunteering and mutual aid. People responded to the crisis, and in doing so developed new relationships and connections, whilst making use of local assets. There is a desire amongst communities and community groups to build on this and become involved in CWB and the wellbeing economy. Some examples of how this may happen include community-led regeneration, participatory budgeting and community asset transfer. However, at present many are unaware of how exactly they can do this. This requires collaboration between community groups, Community Planning Partnerships and our local authorities to initially understand the capacity building needs of these groups. This process can be supported by the three Third Sector Interfaces operating across our region. Any future work in this area should be informed by the outcome of the ongoing review of the Community Empowerment Act, which will have a particular focus on community ownership and strengthening decision-making to improve outcomes for the local community. In addition, there are a number of challenges faced by our communities in relation to public transport- and rural inequalities affordability, withdrawal of services, limited provision in rural areas and issues with connections to centres of employment. There is a requirement for the RES to address this.

Outcomes:

- **PC01** Improved infrastructure within our towns and villages, with consideration of 20 minute neighbourhoods.
- **PC02** Improved cultural and social infrastructure which boosts existing cultural and heritage assets, helps to improve regional identity and pride in place and contributes to growth in the visitor economy.
- **PC03** Empowerment for our residents and communities to have a stake in improving their place.
- **PC04** Improved road infrastructure, better connecting the region with areas of opportunity, and improved public transport for rural communities.

Link to Challenges: Island specific challenges, high levels of vacant and derelict land, physical infrastructure challenges, poor public transport.

Link to Opportunities: Tourism and 'brand Ayrshire', natural capital and the blue economy, developable vacant land, excellent track record in CWB, external funding.

Key Partners: Community Planning Partnerships, Third Sector Interfaces, Local Authorities, VisitScotland

PRIORITY THEME 6: ENHANCING NATURAL CAPITAL

Definition: Preserving and enhancing Ayrshire's natural capital, meeting Scotland's commitments to Net Zero and protection of bio-diversity.

Evidence of Priority: Ayrshire has a rich natural landscape, and in order to preserve and continue to improve it, a clear understanding of what natural capital exists at a regional level is needed. This will allow for specific interventions where they are needed most. A visitor management strategy would identify where infrastructure and facility investment is required over long term. As our region moves towards Net Zero targets, its natural assets will continue to underpin CWB. Alongside this clearer understanding of the natural capital there also needs to be the development of an energy masterplan. Without this, a clear plan on how Ayrshire will reach its Net Zero targets will not be possible. Community benefits deriving from green energy projects should be prioritised. Collaboration is needed between the local authorities, academics from the University of the West of Scotland and Scottish Government land bodies to develop the plan and then build on the recommendations.

Outcomes:

- **NC01** Better understanding of the natural capital that exists across our region, with proposals to enhance this for visitor use whilst preserving for future generations.
- **NC02** Development of a regional energy masterplan with a focus on meeting Net Zero targets.
- **NC03** Supporting a just transition to Net Zero.

Link to Challenges: Island specific challenges, natural capital- under utilised asset, physical infrastructure challenges.

Link to Opportunities: Tourism and 'brand Ayrshire', natural capital and the blue economy, external funding.

Key Partners: University of the West of Scotland, Local Authorities, Forestry and Land Scotland, Scottish Enterprise, Nature Scot, VisitScotland

5

Delivering our Strategy

Our Culture of Delivery

Our Regional Economic Strategy sets out a ten-year vision for developing a wellbeing economy for all residents in Ayrshire, present and future. There will be long-term, collaborative and sustained action required by individual partners to deliver the priority outcomes to achieve our vision across the next ten years.

Our priority actions

In order to deliver our outcomes, which in turn will help us to achieve our strategic vision, a parallel Action Plan document is required which will be developed utilising data analysis to ensure actions and outcomes are based on evidence. This will set out more detail under each priority outcome and identify a series of actions to be achieved over the next ten years to 2033. Annual Action Plans will also be developed. The action planning process will commence following publication of the RES and will take the form of priority theme workshops with all key partners identified under the relevant outcome in attendance.

Governance and delivery

We already have strong regional partnerships in Ayrshire, evidenced through the CWB Commission and work of Anchor Institutions, the Ayrshire Growth Deal, the regional recovery and renewal workstreams, and the Regional Economic Partnership Board. These are highlighted as our enablers in our strategy framework. However, an emerging theme from the consultation with stakeholders has highlighted the opportunity for a regional governance review, with specific reference to delivering our RES. The shared challenges and ambition we have requires partners to pioneer new and innovative forms of joint working and associated governance. Successful delivery of this strategy will demand a culture of delivery and accountability in which objectives are shared and responsibilities are clearly allocated and accepted across the public, private and third sector.

What will success look like

Our RES is ambitious- we have a vision for Ayrshire by 2033 and outcomes that we want to achieve. In order for us to chart progress over the next ten years and know that what we are doing is working, we have set a series of ambitious long-term priorities that are aligned to our priority themes and outcomes. These have been developed with reference to our Ayrshire Inclusive Growth Diagnostic and the Scottish Government's Wellbeing Economy Toolkit. Our actions to be developed will sit under each of these long-term priorities to allow us to work towards achieving these.

Our Priorities



A better life for our youngest citizens

There will be a downward trend in child poverty across the region but particularly in North Ayrshire



Higher number of good quality jobs

Jobs density will be growing with new investment creating opportunities for employment and local people will have the opportunity to start their own generative business including employee owned, co-operatives and social enterprises



A rise in economic activity where people are more connected to opportunities

Economic inactivity will be falling with more opportunities for people to take up skills, training and employment in their local area, including young and older people



Stronger business start-up and survival rates

There will be an effective system of co-ordinated support across the region to help promote business start-ups and expansion, including better access to funding and finance



A greater proportion of public sector spend on local businesses

Supported by the CWB Anchor Charter and action to drive forward collaboration and innovation, with private sector supply chains and social enterprises



More vacant and derelict land brought into productive use

Including attracting public and private investment to realise the potential assets, e.g. including energy, work space, housing and green space



The region's natural assets are becoming more biodiverse and net carbon emissions are falling

Helping to create innovation, business development and new jobs



Evidence of some improvements in health inequalities

Particularly in our most deprived communities or amongst our most vulnerable groups

Ayrshire
Regional
Economic
Strategy



East Ayrshire Council
Comhairle Siorrachd Àir an Ear



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

south
AYRSHIRE
COUNCIL
Comhairle Siorrachd Àir a Deas