

# **REGIONAL ECONOMIC PARTNERSHIP AND AYRSHIRE ECONOMIC JOINT COMMITTEE**

**13 SEPTEMBER 2021**

## **PROPOSED WORKING ARRANGEMENTS AND DEVELOPMENT OF A REGIONAL ECONOMIC STRATEGY**

**Joint Report by the Chief Executives of East Ayrshire Council, North Ayrshire Council and South Ayrshire Council**

### **PURPOSE OF THE REPORT**

1. The purpose of this report is to present strengthened working arrangements to support the progression of the partnerships work and next steps in the development of a Regional Economic Strategy.

### **RECOMMENDATIONS**

2. The Ayrshire Joint Economic Committee is asked to:
  - i. Agree the strengthened working arrangements for the Partnership and the formation of a Regional Strategy Working Group;
  - ii. Note that Terms of Reference based on the broad remit outlined at Section 11 of this report be developed for the Regional Strategy Working Group for consideration at the next meeting of the Joint Committee;
  - iii. Agree on behalf of the Partnership, the three Councils commission external expertise that brings particular skills and knowledge in respect of developing an inclusive and well-being economy utilising Community Wealth Building principles to develop a Regional Economic Strategy for consideration at a future meeting of the Committee.

### **BACKGROUND**

3. The Ayrshire Regional Economic Partnership was formally constituted and held its first meeting in April 2019. The Ayrshire Economic Joint Committee is the decision-making body for the Partnership overseeing the delivery of the Ayrshire Growth Deal and promoting the main drivers for the Regional Economic Partnership. The Ayrshire Regional Economic Partnership Board sits as a sub-committee of the Ayrshire Economic Joint Committee, making recommendations for consideration as appropriate and progresses the day-to-day business of the Regional Economic Partnership and Growth Deal.
4. Since its inception the Partnership has continued to evolve and has had some notable successes including:

- Agreement of the Growth Deal with UK and Scottish Governments to secure over £250m of investment in Ayrshire. The period for this investment following lobbying of UK Government was reduced from 15 to 10 years.
- Extended the Community Wealth Building Commission to pan-Ayrshire.
- Agreed Outline Business Cases with Governments for the Growth Deal cross-cutting themes of Community Wealth Building and Working for a Healthy Economy and specific projects for Great Harbour, Irvine and the i3 Advanced Manufacturing Space, Irvine. Good progress continues to be made around the development of HALO with the office accommodation constructed and the other growth deal projects.
- Agreed six priority workstreams and lead agencies/partners to support recovery from the pandemic and the future needs of the Ayrshire economy in the medium and long-term.
- The leveraging in of external funding to support the Food and Drink sector based workstream.
- Developed a new model to provide business support across Ayrshire.

5. In June 2020, the Joint Committee agreed a number of actions to progress the work of the Partnership including:

- A network of sector-based support groups be established with cross-sector representation to provide a regional dimension to recovery from the pandemic and the future needs of the Ayrshire economy in the medium and long term as follows:

<b>Sector</b>	<b>Lead Role</b>	<b>Support Role</b>
Aerospace	Simon Foster Spirit Areospace	South Ayrshire Council
Clean Growth	Scottish Enterprise. Subsequently taken on by UWS (Milan Radosavljevic)	University Sector Subsequently taken on by Scottish Enterprise
Food and Drink	Alastair Dobson Taste of Arran	East Ayrshire Council
Visitor Economy	Malcolm Roughead VisitScotland	North Ayrshire Council
Digital	Craig Hume Utopia Computers	South Ayrshire Council
Skills	Skills Development Scotland	South-West Education Improvement Collaborative incl. the 3 Councils, University and Ayrshire College

- Each of the sector-based groups would bring forward appropriate terms of reference along with a report containing a clear understanding of the impact of the pandemic and the steps we need to take to support recovery and renewal, ensuring that this is part of our wider economic ambitions for Ayrshire. Initial action plans for some of the workstreams have been presented at subsequent meetings of the partnership board and are in development for the other streams along with terms of reference for each group. Progress reports against the actions form part of the work of the board moving forward.

- iii. That the pandemic had shifted the nature of the work required to support the economic recovery and future growth of the Ayrshire Economy, agreed that the themes and sectoral approach (presented by the strategy sub-group) be further developed as part of regional approach and that Community Wealth Building lies at the heart of economic recovery and growth.
  - iv. An Executive Oversight Group (consisting of the Chief Executive's from each of the three Councils and Scottish Enterprise) was established by the Joint Committee to provide analytical and research support from within their organisations to support the action plans developed by the sector support groups.
  - v. The Executive Oversight Group (as the organisations with control of business support resources) was tasked to put in place a new business support model that goes beyond account management and aims to reach more companies and to do so faster. This new model was subsequently agreed by the Joint Committee in January 2021.
6. As the partnership and its work has developed along with the need to respond to the impacts of the pandemic a review is now timely. At a recent workshop partners and leads for the previously agreed workstreams discussed how the partnership could further evolve to help build on these initial successes and deliver a strong and resilient economy for Ayrshire as it emerges from the pandemic in to the medium and long term.
7. The workshop identified three areas of initial importance and opportunity as a focus to help meet the ambitions of the Partnership:
- i. A review of working arrangements where a number of issues have become apparent in respect of the Partnership Board including duplication of agenda items with the Joint Committee; insufficient time due to the amount of business to discuss items in greater depth and develop initiatives; extent and nature of representation at the board; formal responsibilities of the three Councils for the Growth Deal projects and funding.
  - ii. The completion of a Regional Strategy building on the work of the previous sub-group taking in to account the impact of the pandemic and articulates the key principles previously agreed by the Joint Committee.
  - iii. Resourcing of the work of the Partnership.

## **Working Arrangements**

8. As part of the evolution of the Partnership and building on the successes to date, as well as recognising that the regional partnership board does not have the capacity to fulfil an ever-widening role, it is suggested that the work of the Regional Partnership Board be taken forward by three sub-groups each with a clear focus, responsibility and membership with each one reporting into the Joint Committee. The remaining role of the Board would be to act as a sounding board for the three groups to be fully sighted on the work of each other and to facilitate the development of mutually supporting, cross-sector and pan-Ayrshire approaches by the groups. The Joint Committee will retain overall responsibility for the Partnership, taking a whole picture approach.

## **AGD project oversight**

9. As the responsible bodies for the delivery and management of the Growth Deal projects, the Councils will form the membership, this builds on existing arrangements and will more clearly link through to the former Executive Oversight Group. EAC through the PMO will be responsible for supporting the work of this group.

## **CWB Commission**

10. The Commission is well established and will continue in its current form, evolving membership and initiatives as time progresses. NAC will continue supporting the Commission and its work.

## **Regional Strategy Group**

11. This group will develop and deliver the agreed six workstreams, sharing ideas and managing interdependencies, monitoring progress and successes and also undertaking further work to develop a Strategy for agreement by the Joint Committee (this is considered in more detail below).

The group will subsequently manage the implementation of the Strategy reporting progress through to the Joint Committee.

It is envisaged that this group will operate on a workshop style basis, although the exact format would be a matter for the group itself. This group will effectively be a development of the short life working group, with appropriate representation from all partners, that developed the strategic workstreams previously agreed by the Committee and Board. To promote parity of esteem amongst Partnership members, it is suggested that this group be chaired and supported by partners and members of the current Regional Partnership on a periodic rotational basis.

Initial membership of the group will consist of the leads and supports from the six agreed workstreams with further members and organisations sought to support and inform developing work. Terms of Reference for the group will be developed and, subject to the agreement of the Joint Committee to the revised working arrangements proposed within this paper, be submitted at the next meeting of the Joint Committee for agreement.

12. The Joint Committee will continue to consider items brought forward that are outwith the work of these groups to progress the Ayrshire Economy and may task these existing groups or establish new/additional ones to progress specific issues depending on their nature. Recent examples of this would be the work undertaken to develop a new business support model and the recent consideration of a Freeport/Greenport bid. The work of NHS Ayrshire & Arran in progressing the 'Caring for Ayrshire' programme and the economic opportunities arising is likely to form a collaborative area of work for the Partnership.
13. To both supplement and complement the role of the Joint Committee and provide further opportunity to progress a wholistic approach to improving the Ayrshire economy, it is suggested that biannual conferences or summits be held whereby the sub-groups and

other appropriate stakeholders/interested parties come together in the form of the Regional Economic Partnership Board. These events will not only provide an opportunity to further link up and examine inter and co-dependencies but also a forward look of the challenges and opportunities and how these might be addressed.

## **Regional Economic Strategy**

14. As the learning from the pandemic and its impact upon the economy and our communities begins to crystalise, allied with the work of the sector-based support groups, the Community Wealth Building Commission and the ambitions of the new Scottish Government, it is considered timely to now further develop the work undertaken by the short life working group to create a Regional Economic Strategy that sets out a clear vision along with supporting actions for the future economy of Ayrshire.
15. As referred to in the revised Governance model above, it is suggested that the proposed Regional Strategy Group lead and take this work forward. To provide additional capacity and to support the work of the group in moving this work forward quickly, it is proposed that external expertise be commissioned that brings particular skills and knowledge in respect of developing an inclusive and well-being economy utilising Community Wealth Building principles. In order to progress this work quickly the Councils will, subject to agreement of Partnership members, commence the commissioning of appropriate support.

## **Resourcing**

16. The aim of the revised Governance model is to create a partnership of equals and promote parity of esteem. To date the Councils have, beyond the time commitments of each of the partners and members, provided the main financial support to the initiatives of the Partnership and delivery of the Growth Deal. However, the pressure on public sector budgets will mean that the Councils will not be able to solely fund initiatives moving forward, further initiatives must be a shared endeavour. Government funding during the pandemic has principally been focused towards supporting business survival, however, as we emerge further into recovery, it is anticipated that further national funding will become available with a strong focus on economic recovery and growth along with the delivery of Government priorities. A strong partnership with a clear strategic vision will be able to confidently bid for the range of Government and Agency funds that become available particularly where we can give Government the confidence of delivery.
17. To date there have been a few examples where the Partnership has levered in funding from Government and agencies and where further funding opportunities are emerging such as for the visitor economy, circular economy and climate change to help deliver our ambitions. Of immediate importance is the ask to fund the development of an Ayrshire Energy Masterplan, considered elsewhere within the agenda of this meeting.

## **Financial Implications**

18. The cost of external expertise to support the development of a Regional Economic Strategy are not known at this time. The three Councils will contribute equally to enable this work.

19. The Partnership will continue to explore external funding opportunities to support the development of its work.

### **Legal Implications**

20. The revised working arrangements are in line with the established governance structure of the Partnership.

### **Human Resource Implications**

21. There are no implications at this stage other than a continued commitment from partners to provide staff resources to support the work of the Partnership.

Eddie Fraser  
**Chief Executive**  
**East Ayrshire Council**

Craig Hatton  
**Chief Executive**  
**North Ayrshire Council**

Eileen Howat  
**Chief Executive**  
**South Ayrshire Council**