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# NORTH AYRSHIRE COUNCIL

8 September 2020

## Cabinet

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**Title:** Covid-19 Economic Recovery and Renewal Approach

**Purpose:** To seek Cabinet approval of the proposed approach to Covid-19 economic recovery and renewal in North Ayrshire.

**Recommendation:** That Cabinet:

- a) Notes the Council's response already underway to support the local economy;
- b) Notes the alignment between Covid-19 economic recovery and renewal planning, the Financial Recovery Plan, Capital Programme refresh and Construction Programme impact; and
- c) Agrees the proposed local economic recovery and renewal approach attached at Appendix 1.

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## 1. Executive Summary

1.1 The Covid-19 pandemic has had a major impact on our local economy and the Council has acted decisively to support our local businesses and communities who have been negatively affected by the economic impact. In May 2020 the Council launched its Community Wealth Building (CWB) strategy 2020-2025 to set out our strategic approach to economic recovery and renewal. This strategy is the first of its kind in Scotland and the Council has shown real economic leadership in proposing a new economic model which will ensure economic, social and environmental sustainability for our communities. To build on this framework, a local economic recovery and renewal plan has been developed and is included within Appendix 1. This sets out the Council's approach to working with partners, including our local businesses and communities, to build back our economy better, fairer and greener.

## 2. Background

2.1 The short-term economic impact of the Covid-19 health emergency is severe for North Ayrshire, Scotland and the UK as a whole. As a Council we are committed to supporting our business base to rebuild and to supporting communities into work following this economic shock. The health emergency and economic crisis has highlighted the importance of creating a new economic model, focused on wellbeing and inclusion. A report by the Fraser of Allander Institute at the University of Strathclyde on the North Ayrshire economy has outlined the importance of a focus on creating a more resilient

economy, making our economic priority of Community Wealth Building all the more important if we are to fare better from future economic shocks.

- 2.2 The Council launched Scotland's first Community Wealth Building strategy in May 2020 which sets out the strategic framework for local economic recovery and the 55 actions detailed within the strategy all contribute to ensuring a fairer local economy. The strategy has received significant regional, national and international interest, with the virtual launch of the strategy being viewed over 10,000 times.
- 2.3 A CWB Expert Advisory Panel has been created to support the work of the CWB Commission, challenge the implementation of the strategy and to ensure we are developing an ambitious and leading approach. The Panel is chaired by Sarah Deas, Wellbeing Economy Alliance (Scotland), and includes representation from the Centre for Local Economic Strategies (CLES), The Democracy Collaborative, Common Wealth, Scottish Trade Union Congress (STUC), University College London's Institute for Innovation and Public Purpose and Open Democracy, Community Enterprise in Scotland (CEIS) and Cooperatives UK.
- 2.4 At its meeting in June 2020, Cabinet asked officers to bring a further paper to the first meeting of the Cabinet after summer recess on our economic recovery plan, including options for accelerating projects in the capital programme, housing revenue account and the £8.8million investment fund to support the economic recovery, to be considered within the context of the wider financial impact of Covid-19 on the Council's finances.
- 2.5 The proposed approach to an inclusive and green economic recovery and renewal is set out within Appendix 1. Our approach to economic recovery and renewal is framed within the wider strategic framework for the Council including the Council Plan – focusing on our priorities of Community Wealth Building and climate change, and within these the need to create an inclusive local and regional economy. Our approach will see a re-framing of our capital investments through a Community Wealth Building lens.
- 2.6 It is clear that as we emerge from the Covid-19 health and economic crisis, we cannot return to business as usual, and that is particularly the case with our economy where we must build back better, fairer and greener. We will use our economic levers across the Council and our new economic model of Community Wealth Building to develop a Green New Deal for North Ayrshire. We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, and encourage community entrepreneurship.
- 2.7 The twin priorities of a North Ayrshire Green New Deal to build back better, fairer and greener as set out within Appendix 1 are to:
  - Ensure an inclusive economic recovery and renewal by delivering our Community Wealth Building mission; and
  - Ensure a green economic recovery and renewal focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.

2.8 At the heart of the approach to economic recovery and renewal is the £8.8m Investment Fund which will support an inclusive and green economic recovery by:

- Maximising renewable energy generation, using the Council's existing land and assets;
- Green Jobs Fund to support just transition and green adaptation;
- Investing in our commercial estate including improving the sustainability of assets;
- Tackling vacant and derelict land and building in our town centres by investing in town centre living;
- Implementing Community Wealth Building town centre priorities identified through Place Plans for our major town centres;
- Supporting our carbon absorption work by investing in tree planting in recognition of the Council's overall approach to becoming net zero; and
- Specifically supporting asset-based community economic development as part of Community Wealth Building.

2.9 The proposed approach to economic recovery and renewal is aligned to the Financial Recovery Plan also being considered by Cabinet. The Financial Recovery Plan notes that an exercise is currently underway to review and refresh the General Services 10 year Capital Programme with the revised General Services 10 year Capital Programme 2021/22 to 2030/31 to be considered by Council in early 2021. The new programme will ensure that the Council's long-term capital investment plans are affordable, prudent and sustainable and are aligned to the strategic priorities as set out in the Council Plan. The Capital Programme refresh will be undertaken with a focus on Community Wealth building opportunities and will also consider wider opportunities for the acceleration of capital projects to assist in stimulating and contributing to the required economic recovery and renewal. Major programmes of planned investment include:

- Social Housing build programme - £239m
- Ardrossan regeneration including harbour redevelopment and the new education and community campus – £120m
- Ayrshire Growth Deal – £251m
- Flood protection works – £47m
- Lochshore regeneration - £3.5m
- Primary and early years education estate - £24m

2.10 In the shorter term, Council Services are currently reviewing the 2020/21 Capital Programme to identify any adjustments to the scope and timing of individual projects as a result of the Council's Recovery and Renewal programme. Further to this, the Council's current Construction Programme is also being reviewed due to Covid-19 and any delays and potential opportunities for acceleration are being considered. This will be the subject of a report to a future Cabinet.

2.11 From our ongoing analyses of impact on our local communities and residents, it is evident that young persons have been particularly impacted by the economic fall out from the Covid19 pandemic. A comprehensive suite of measures and actions have been designed and are incorporated into the proposed Economic Recovery approach to assist young people into fair work. A partnership approach will be taken to ensure their effective implementation.

2.12 The Council has recently become the first Local Authority in Scotland to join the Wellbeing Economy Alliance – strengthening our commitment to an economic model focused on wellbeing and inclusion.

2.13 A comprehensive action plan is incorporated within the Economic Recovery and Renewal approach which will allow progress with key projects to be monitored and will facilitate ongoing progress updates to future Cabinet meetings when appropriate.

### **3. Proposals**

3.1 That Cabinet:

- a) Notes the Council's response already underway to support the local economy;
- b) Notes the alignment between Covid-19 economic recovery and renewal planning, the Financial Recovery Plan, Capital Programme refresh and Construction Programme impact; and
- c) Agrees the proposed local economic recovery and renewal approach attached at Appendix 1.

### **4. Implications/Socio-economic Duty**

#### **Financial**

4.1 The approach to economic recovery and renewal is aligned to the Financial Recovery Plan.

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

#### **Equality/Socio-economic**

4.4 The approach to economic recovery and renewal prioritises wellbeing and inclusion. Labour market actions are specifically focused on excluded groups in North Ayrshire. An Impact Assessment has been undertaken for the attached plan as well as the CWB strategy.

#### **Environmental and Sustainability**

4.5 Tackling climate change is a key priority of the approach to economic recovery. Proposals are aligned to the refresh of the Environmental Sustainability & Climate Change Strategy.

#### **Key Priorities**

4.6 The report covers information relevant to the following priorities:

- North Ayrshire has an inclusive, growing and enterprising economy;

- North Ayrshire’s residents and communities enjoy good life-long health and well-being;
- North Ayrshire has active and strong communities;
- North Ayrshire’s children and young people experience the best start in life;
- North Ayrshire is well-connected with effective infrastructure;
- North Ayrshire has homes that meet our residents needs;
- North Ayrshire is a sustainable environment; and
- North Ayrshire is a vibrant, welcoming and attractive environment.

## **Community Wealth Building**

4.7 The approach to economic recovery is based on the framework set out by the Council’s Community Wealth Building strategy 2020-2025. Actions are set out within the five pillars of CWB, as well as an additional pillar of the Environment.

## **5. Consultation**

5.1 Consultation has taken place across Council Services including with the Executive Leadership Team. Consultation has also taken place with the Community Wealth Building Expert Advisory Panel. The Council is working collaboratively with regional and national partners as part of the Ayrshire Regional Economic Partnership to ensure regional economic recovery including via the Ayrshire Growth Deal of which Community Wealth Building is a key theme. The Council has been working proactively with the local business base since the start of Covid-19 restrictions. The work builds on the engagement undertaken online and with locality partnerships in the development of the Community Wealth Building strategy and also the first ‘Climate Convention’ held in March at Saltcoats Town Hall.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Julie McLachlan, Senior Manager – Economic Policy**, on **07971332909**.

## **Background Papers**

Attachments:

Appendix 1 – Local Economic Recovery and Renewal Approach (Final Draft)

# North Ayrshire Economic Recovery and Renewal Approach

*Building back better, fairer and greener*



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## Executive Summary

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We are clear that as we emerge from this health and economic crisis, we cannot return to business as usual, and that is particularly the case with our economy where we must build back better, fairer and greener.

We are currently facing an unprecedented national economic shock and we know that local businesses and communities have already been negatively impacted by Covid-19. We will feel this economic shock for some time and North Ayrshire Council is committed to supporting our business base to rebuild, support communities into jobs and enhance local wellbeing. The North Ayrshire economy – despite some strengths – was fragile even before the current crisis, with levels of unemployment, poverty and inequality well above the Scottish average.

Our aim is to build back our local economy through an inclusive and green economic recovery. The Council has shown real economic leadership with the launch of our Community Wealth Building strategy in May – the first of its kind in Scotland. The strategy sets out a new economic model focused on wellbeing and inclusion.

Covid-19 has exposed the high levels of inequality that exist in our society and economy, and our approach to recovery and renewal must be inclusive and tackle these inequalities. We also need to create an economy that is more resilient and sustainable, and ensure North Ayrshire is ready to deal with future challenges, including the Climate Emergency.

The Council declared a Climate Emergency in 2019 and we are committed to taking action now to achieve net zero carbon emissions by 2030.

Our approach to economic recovery and renewal sets out how we will build back better, fairer and greener by using our economic levers across the Council to develop a Green New Deal for North Ayrshire. We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, support our young people, and encourage community entrepreneurship.

We are committed to working in partnership with our local communities and businesses to ensure a better future for North Ayrshire, and we will also work with partners across Ayrshire to unlock our potential as a region including through the Ayrshire Growth Deal. It is clear that if we are going to have a more inclusive economy, we will also need more national investment and we look forward to discussing the asks within this document with Governments and national partners.

# Context

We are Scotland's first Community Wealth Building Council.

Community Wealth Building is about working in partnership with communities and businesses to build a strong local economy which supports fair work, encourages local spend and uses the land and property we own for the common good.

Community Wealth Building seeks to use the economic levers available to local authorities and other 'Anchor Institutions' such as the NHS, further and higher education institutions, and larger local organisations, to support their local economies.

It means more local employment and a larger and more diverse business base, also ensuring that wealth is locally owned and benefits local people. It is about how we work as an organisation and with partners; from the goods that we buy, the people that we employ, the assets we own and the powers that we have that can bring about change to maximise local economic opportunities.

Community Wealth Building has five pillars focused on making sure that wealth is locally owned and benefits local communities: Procurement, Fair Employment, Land and Assets, Financial Power, Plural Ownership.

Our Community Wealth Building strategy, launched earlier this year, provides the strategic framework for our economic recovery and renewal. At the heart of the strategy is our Community Wealth Building mission:

**To support the achievement of the Council Plan's vision of a North Ayrshire that is 'Fair for All' by:**

**Enhancing local wealth and the creation of fair jobs, and maximising the potential of all our places through working in partnership with our communities and businesses.**

The five-year strategy sets out our ambitious and bold new economic model which we will deliver in partnership with our communities and businesses to create a fair local economy, reducing poverty and inequality. The strategy's actions will be delivered as part of our economic recovery and renewal, focusing on our six Community Wealth Building objectives:



**COMMUNITY WEALTH BUILDING COUNCIL**  
We will work across all our services and wider local and regional partners to implement Scotland's first approach to Community Wealth Building



**PROCUREMENT**  
We will use our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions.



**FAIR EMPLOYMENT**  
We will encourage the creation of fair and meaningful jobs with progression opportunities to unlock the potential of our residents.



**LAND AND ASSETS**  
We will support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit.



**FINANCIAL POWER**  
We will invest locally and encourage regional and national institutions to invest in our communities.



**PLURAL OWNERSHIP OF THE ECONOMY**  
We will support the creation and sustainability of a range of business models including SMEs, social enterprise, employee ownership, cooperatives, municipal activity and community enterprises.

The strategy sets out a range of ambitious actions for embedding our Community Wealth Building approach, including: co-producing Community Wealth Building activities with our communities and businesses; encouraging local businesses to explore more local supply chains; ensure all Anchor Institutions adopt a Fair Work approach; review our land and assets to explore alternative community uses, commercial opportunities to grow local wealth, develop low carbon energy schemes, and to remove carbon gases from the atmosphere; explore the feasibility of a community bank; and promote the cooperative model.

To support the delivery of this model, we have established a Community Wealth Building Commission of local and regional Anchor Institutions to embed Community Wealth Building principles. We will soon launch an Anchor Charter setting out joint commitments across the five pillars of Community Wealth Building including through encouraging local spend and recruitment, and a new sixth pillar of 'Environment' which runs through our Community Wealth Building approach.

We will use our Community Wealth Building objectives to support the recovery and renewal of North Ayrshire by creating an economy that works for people, place and planet.

The current health and economic crisis has highlighted the importance of creating a new economic model, focused on wellbeing and inclusion. A focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities. Nor will it provide the basis to tackle climate change.

North Ayrshire Council has declared a state of Climate Emergency. This means we have committed to take action now to reduce carbon emissions across North Ayrshire. We already have a range of measures in place and ultimately our ambition is to become carbon-neutral. The Council has achieved almost 40% emission reduction since the 2005 baseline year, but we are committed to going further and faster. We are currently refreshing our Environmental Sustainability & Climate Change Strategy which will set out how we will achieve net zero by 2030. Meeting this ambitious target will require behavioural change across all of North Ayrshire and earlier this year we held North Ayrshire's first Climate Change Convention.

We must ensure a just transition to a green economy, so that existing inequalities are not exacerbated and we learn the lessons from previous industrial change, making sure no place or community is left behind. Accelerating action to tackle climate change is a critical part of our economic recovery by positioning a Green New Deal for North Ayrshire, so that the economy, environment and fairness are mutually reinforcing and not competing priorities – our economy should work for people, place and planet.

At the heart of our new economic model is a focus on wellbeing and inclusion. North Ayrshire Council is the first Scottish Local Authority to join the Wellbeing Economy Alliance – a global collaboration of organisations, networks, movements and individuals, working together to change the economic system by promoting a wellbeing economy.

## The economic impact of Covid-19

### Impact of Covid-19\*<sup>1</sup>

Covid-19 has had an unprecedented impact on the UK economy. The latest Office for National Statistics (ONS) estimates show that the UK economy is now 17.2% smaller than it was in February - the recession brought on by the Covid-19 pandemic has led to the biggest fall in quarterly GDP on record. (Source: ONS GDP (Gross Domestic Product) monthly estimate)<sup>2</sup>. It is

\*<sup>1</sup> Please note that the data on the economic impact of Covid-19 are subject to margins of error (this is especially true for more localised estimates) and some of the data is deemed 'experimental' in nature.

<sup>2</sup> North Ayrshire Council believes a focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities.

worth noting that this recession is different from other major economic downturns – the economy has contracted due to parts of the economy deliberately being shut down for public health purposes.

Modelling by the Fraser of Allander Institute shows that the economy is not expected to follow a 'V-shaped' recovery path with a quick 'bounce-back' in economic activity and predicts a more gradual path of economic recovery. It is anticipated that the economy will not recover to pre-Covid-19 levels until between January 2022 (an optimistic scenario) and July 2024 (if there is a 'second wave' of Covid-19 which would clearly slow the recovery prospects) (Source: Fraser of Allander Institute).

There has been a clear differential impact across the various sectors of the economy given that some sectors were deliberately closed or reduced for the purposes of public health. Some sectors of local importance such as Accommodation and food services, Manufacturing, Construction and some aspects of Retail have experienced drastic declines in output.

The local economic impact on North Ayrshire is severe. The North Ayrshire economy was already fragile before Covid-19 – with high rates of unemployment, poverty and inequality. Recent statistics provide a snapshot of the current impact of Covid-19 on North Ayrshire's economy:

- **17,600** people furloughed in North Ayrshire through the Coronavirus Job Retention Scheme – so 21.5% of the working age population are furloughed (at 31 July) (Source: HMRC CJRS and PAYE Real Time Information)
- **64.2%** increase in the unemployment benefit claimant count from January to July 2020 – meaning that 8.9% of the working age population are currently claiming unemployment benefits. This is the highest rate in Scotland (Source: ONS Claimant Count)
- **12.1%** of the total youth population (16-24 year olds) are claiming unemployment benefits, a 89.5% increase since February (as at July 2020) (Source: ONS Claimant Count)

In some ways this snapshot shows only the initial economic impact. As Government support packages begin to taper or end – in particular the Coronavirus Job Retention Scheme ('furlough') - the true labour market impact will be revealed and we will see a clearer picture of the impact on livelihoods. We do know that some groups that are already disadvantaged may be disproportionately impacted.

Commentators such as IPPR Scotland have noted that young people will be entering 'the worst labour market in living memory'. Education leavers will be entering a labour market with extremely low vacancy levels and economic opportunities (Source: IPPR Scotland). Avoiding unemployment for young people is of significant importance – even a short period of unemployment can have longer term 'scarring effects' with implications for economic, health and social outcomes (Source: Fraser of Allander Institute).

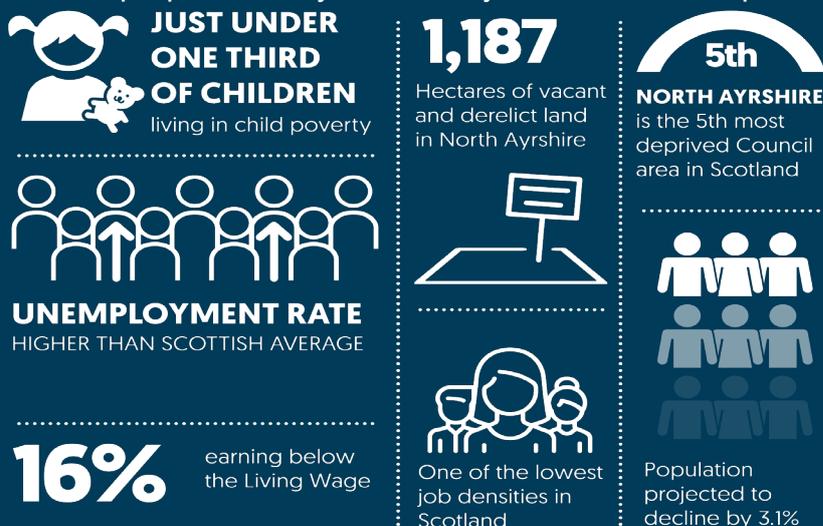
## **Economic baseline**

North Ayrshire's economic baseline is weak, despite some sectoral strengths. We know that North Ayrshire's economy takes longer to recover from economic shocks than other areas, with the 2008 financial crash a prime example of this, and that levels of regional inequality are stark in Scotland. The Fraser of Allander Institute (2018) have previously highlighted this in their economic commentary: GVA per head in Edinburgh was nearly 2.5 times higher than in East and North Ayrshire. In the past 20 years this gap has widened – GVA per head in Edinburgh has nearly doubled, with growth in East and North Ayrshire around half that rate.

In recent analysis conducted by the Scottish Government and highlighted by the Advisory Group

on Economic Recovery (AGER), North Ayrshire ranked as the least resilient local authority in Scotland (Source: Scottish Government).

We consistently have some of the highest rates of poverty, inequality and unemployment, and one of the lowest job densities in Scotland. It is clear that places and communities that are already fragile are likely to be more disproportionately affected by the economic impact of Covid-19.



In 2019 North Ayrshire had 3,260 businesses. In terms of sectoral breakdown, the industries employing the most people in North Ayrshire are Health (6,000 people employed), Manufacturing (4,500), Retail (4,500), Accommodation & food services (3,500) and Education (3,500). Manufacturing is by far North Ayrshire's most important industry in economic output terms at 22% of GVA (Gross Value Added). Relative to the Scottish level, North Ayrshire has an above average number of employees manufacturing (157%), construction (138%) and retail (125%) (Source: Skills Development Scotland Data Matrix). The economic impact of Covid-19 could of course have impacts on this sectoral picture with North Ayrshire, and it is crucial we support our local business base – the lifeblood of our economy – with the immediate impacts, adaptation and to build back better, fairer and greener.

Whilst the health of our residents and employees is of paramount importance, it is important that we set out the type of recovery we want for North Ayrshire. The path to recovery and renewal will be fragile and our ability to achieve our aims could be impacted by a range of factors including the potential of a rise in Covid-19 infections, a second wave of pandemic, the decision to exit the European Union, and the consequences of the Climate Emergency we are facing.

We will build back better, fairer and greener by using our economic levers across the Council and our new economic model of Community Wealth Building to develop a Green New Deal for North Ayrshire.

### What is a Green New Deal and green recovery?

A Green New Deal (GND) is an ambitious framework to tackle climate change and its consequences in a way which builds a fairer, more democratic society and economy. It is a form of radical transformation which recognises that environmental and economic challenges must be addressed together to build back better.

A local GND presents an opportunity to develop a place-based approach for decarbonisation and the achievement of net zero emissions targets in a way which builds upon the principles of Community Wealth Building. It is about using climate and capital investments to support an economic recovery that tackles climate change and create fair green jobs, whilst tackling inequality and creating a fairer economy.

The environment cuts across all of our Community Wealth Building objectives. For example, we will focus on more local and sustainable supply chains to meet net zero; we will use our land and assets as part of our effort to tackle climate change; we are encouraging business models which consider their social, economic and environmental impact; and in exploring the feasibility of a Community Bank we will look at how this can be used to support green investments.

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## Priorities and Investment

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Our approach to economic recovery is framed within the wider strategic framework for the Council – focusing on our priorities of Community Wealth Building and climate change, and within these the need to create an inclusive local and regional economy.

The twin priorities of a North Ayrshire Green New Deal to build back better, fairer and greener are to:

- **Ensure an inclusive economic recovery by delivering our Community Wealth Building mission; and**
- **Ensure a green economic recovery focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.**

Following review of national evidence and local economic and business intelligence, we have identified key themes to focus our economic recovery on (concentrated on business, people and place).

### Themes



Support businesses in immediate distress and refocus our business support package to best support business recovery, diversification and new business opportunities aligned with Community Wealth Building and a green, digital recovery.



Support communities, and in particular young people and other groups disproportionately impacted, into or to sustain fair employment.



Using our capital investment and physical regeneration to support sustainable economic activity, tackle climate change, build local supply chains, and create local jobs.



Repurposing of town centres that have been negatively impacted and encouraging activity to 'Keep it Local'.



Build resilience for future challenges, ensuring economic, social and environmental justice for our communities.

Our approach to recovery sets out detailed actions and areas for further work across these themes.

We have already created nine new 'Community Wealth Building' jobs, launched an £8.8m Investment Fund and are changing other roles within the Council to support the delivery of the new strategy and our ambitions to become a CWB Council and embed this truly transformative approach to support our economic recovery. Our investment in nine CWB roles will support our economic recovery by:

- Working with our wider Anchor Institutions to implement an Anchor Charter, ensuring the public pound in North Ayrshire, and the wider Ayrshire, benefits local businesses and communities.
- Working within our localities to support business and community-led activities around supply chain development, business start-up and sustainability. This includes social enterprises, cooperative development and community enterprises, to understand where we can make best use of locality buildings and assets, and promote fair employment and entrepreneurship.
- Enhancing our support to businesses to access public sector contracts and wider supply chain opportunities.
- Supporting communities to develop their community regeneration ambitions, including within our town centres.
- Exploring municipalisation opportunities for the Council's land and buildings to meet our economic, social and environmental priorities.
- Maximising our approach to community benefits.

The refresh of our Environmental Sustainability & Climate Change Strategy (ESCCS) is currently underway and will contain actions across seven workstreams to meet net zero by the Council's 2030 target date. These workstreams will be intrinsically linked to our economic recovery through their alignment to our Community Wealth Building approach and Green New Deal aspirations. The Council's recently approved **£8.8m Investment Fund** will underpin these workstreams and will see significant work and further investment opportunities as we progress activities in the following areas:

- **Affordable Warmth** (access to clean, affordable renewable energy)
- **A Green Economy** (a low carbon economy working towards net zero)
- **Transport & Travel** (decarbonisation of the transport system and active travel)
- **Natural & Built Environment** (a sustainable environment that protects biodiversity)
- **Sustainable Operations** (ensuring our Council services are sustainable)
- **Emission Absorption** (absorbing carbon emissions)
- **Climate Change Adaptation** (adapting to the impacts of climate change)

Our ambitious capital programme will be delivered through a Community Wealth Building and Green New Deal lens. The Council has a current capital programme of £269 million over the period 2020/21 to 2027/28 representing investments including in schools, housing, roads, infrastructure and flood protection. Community Wealth Building underpins the approach to deploying this investment across North Ayrshire to ensure that we maximise the local opportunities and benefits that this spend can generate for business, people and place.

An exercise is currently underway to review and refresh the General Services 10 year Capital Programme with the revised General Services 10 year Capital Programme 2021/22 to 2030/31 to be considered by Council in early 2021. The new programme will ensure that the Council's long term capital investment plans are affordable, prudent and sustainable and are aligned to the strategic priorities as set out in the Council Plan including alignment to Community Wealth Building and the achievement of net zero.

In the shorter term, Services are currently reviewing the 2020/21 Capital Programme to identify any adjustments to the scope and timing of individual projects as a result of the Council's wider Recovery and Renewal programme.



## A Green New Deal for North Ayrshire

We will use our capital investment to accelerate our recovery and wider regeneration of our area, at the same time as tackling climate change. We will support our existing businesses and social enterprises to rebuild, diversify and become more resilient, green and inclusive. We will support our communities who have lost their jobs or are in insecure work, support our young people, and encourage community entrepreneurship.

We are prioritising capital and climate investment projects that will create fair and green jobs, as well as supporting a local supply chain.

At the heart of this is the **£8.8m Investment Fund** which will support an inclusive and green economic recovery by:

- Maximising renewable energy generation, using the Council's existing land assets;
- Investing in our commercial estate including improving the sustainability of assets;
- Tackling vacant and derelict land and building in our town centres by investing in town centre living;
- Supporting community economic developing through community regeneration and ownership;
- Implementing Community Wealth Building town centre priorities identified through Place Plans for our major town centres; and
- The creation of a Green Jobs Fund.

We will bring forward proposals for a new £500,000 Green Jobs Fund that will support a just transition in North Ayrshire by:

- Working with community groups and businesses to explore renewable energy generation and circular economy schemes that would create local fair green jobs.
- Supporting green business adaptation to encourage and support local businesses to adapt their processes and business models to support industrial decarbonisation and meet net zero.

The Investment Fund will also support our carbon absorption work by investing £500,000 in tree planting in recognition of the Council's overall approach to becoming net zero.

It will also offer specific support for asset-based community economic development as part of Community Wealth Building through an investment of £250,000. Existing capacity building and empowerment support for community groups and businesses will be enhanced by additional investment in officer support and funding specifically for community economic development. This will include support to identify community needs and aspirations, to develop community business opportunities and plans, to create networks and opportunities for cooperative approaches, including for the local community food system, and to identify and support resource and property requirements, including support for community asset transfer.

Our communities are at the heart of our Community Wealth Building journey and we will continue to work alongside them as key partners to co-create places which are resilient and successful. This will build on the innovative £2.6 million Community Investment Fund (CIF) launched in 2017 to enable communities to address the priorities they have identified through Locality Partnerships.



## Wider Capital Investment Recovery Projects

Beyond the Investment Fund, we are working to urgently review our capital programme and projects to support economic recovery. A number of capital projects focused on the wider social, economic and environmental regeneration of North Ayrshire that are due to commence will have a key role to play in supporting an inclusive and green recovery:

**Upper Garnock Valley Flood Protection Scheme:** The construction of vital flood defences in Kilbirnie, Glengarnock and Dalry as part of a £18.5 million investment with a £13 million construction phase beginning in August 2020. As well as having significant environmental benefits, the scheme will contribute to Community Wealth Building with the main contractor expected to utilise local businesses as subcontractors for various elements of the project. 10 local jobs are to be created during the project and a work placement will be provided for a young person attending a local school. An SME workshop and community project support are also planned.

**Ardrossan Harbour and North Shore Regeneration:** Ardrossan is set to see the implementation of over £150 million through a capital investment programme over a period of 5-10 years, with works commencing at both Ardrossan Harbour and North Shore in 2021. The works to Ardrossan Harbour will see a £35 million redevelopment of the facilities. Ardrossan North Shore will see the development of a new £71 million community campus from 2022-24, but with an advance works package brought forward to 2021 to enable site preparation works including to the sea wall, coastal path, access roads and services. The wider site will eventually see the development of an International Marine Sciences and Environment centre, housing, and the development of a marina adjacent to the site. Collectively the works in Ardrossan represent a national scale regeneration project and the implementation of significant capital investment from 2021 will support the construction industry, and growth of the tourism industry on and blue economy, aiding economic recovery.

**Lochshore:** Lochshore is a significant placemaking and Community Wealth Building project for the Garnock Valley, which will see construction works commencing in 2021 and will deliver economic, health, community and placemaking benefits. The project proposes the development of a tourism and leisure destination centred around Kilbirnie Loch with a community and leisure hub, changing facilities for local sports clubs, path networks and outdoor play facilities. Funding from the Scottish Governments Regeneration Capital Grant Fund was secured in Spring 2020 to allow the development of the community and leisure hub from early 2021 with opening in Spring 2022. The initial investment will eventually see the implementation of works on a wider masterplan and the opportunity for housing development in the long term once the placemaking investment has been implemented. The site also provides the opportunity to contribute to climate change objectives by providing capacity for new woodland planting.

**i3 Digital Hub:** The i3 Digital Manufacturing and Demonstrator Hub (Digital Hub) is an Ayrshire Growth Deal (AGD) project that aims to provide a centre of excellence for digital automation and processing in Irvine's Enterprise Area. It is being supported by £6 million from the AGD coupled with investment and support from a wide range of partners. It will offer companies access to modern digital manufacturing technologies that will help them improve their productivity and be more innovative and competitive, whilst ensuring resilience for future economic opportunities. It will specifically look to train our youth and existing workers on digital technologies, with the importance of digital being even more significant during Covid-19. It is expected to have a number of components including a digital laboratory, training and education areas, research and innovation areas, events and meeting space and incubator space for companies. Partners are working to collaboratively develop an outline business case for the project include the National Manufacturing Institute for Scotland, University of Strathclyde, Ayrshire College, Scottish Enterprise, MMIC (Medicines Manufacturing and Innovation Centre) and industry. A pilot is being considered, that,

subject to securing funding, would provide services to businesses at an earlier stage (from Spring 2021), supporting economic recovery particularly aligned to digital and green opportunities. The Digital Hub will have significant benefits for North Ayrshire, Ayrshire and beyond, helping transform North Ayrshire's business and skills base, to take advantage of emerging technologies that will reduce waste and energy consumption during production processes.

**Spaces for People:** The Council will deliver £400,000 of projects to facilitate temporary measures for social distancing in our open spaces in partnership with Sustrans. The funding will see a number of temporary infrastructure projects carried out to help people practice safe physical distancing and use active travel methods such as walking, cycling and wheeling for travel and exercise during Covid-19. This builds on our current active travel approach including the Trinity Active Travel Hub which opened in 2019.

**Strategic Housing Investment Plan 2020-2025:** The Council is investing £239 million over the next five years in the construction of new social housing and the redevelopment of existing stock. As well as creating opportunities for local construction companies, sub-contractors and suppliers, the programme includes significant investment in sustainability initiatives such as district heating schemes and solar panel installation. Our Housing Revenue Account capital programme has an increasing weighting towards investment in sustainability measures, and we are committed to exploring further sustainability initiatives including retrofitting existing Council houses. This builds on our unique 'Sustainable Demonstrator Homes' which showcase the latest design and technology, and sets a benchmark for building sustainable properties at a local and national level, meeting the highest sustainability ratings.

**Primary and early years estate:** Building on significant investment in the school estate in recent years, the capital plan includes a further £24 million to support the delivery of two new primary schools and the expansion of early years provision over the next three years. As well as providing employment and procurement capacity during the construction period, the new facilities will create ongoing employment opportunities in the education and facilities management sectors.

**General Services 10 year Capital Programme 2021/22 to 2030/31:** will be developed during 2020 with a view to being considered by Council in early 2021. This will see significant investment into the local economy through our Community Wealth Building principles and particularly will see significant investment in local infrastructure, land and assets which will aid and stimulate an inclusive economy. The programme refresh will seek to identify projects and investments that can be prioritised and accelerated to act as a local economic stimulus.

The Ayrshire Growth Deal (AGD) is a pan-Ayrshire programme of investment that will unlock our potential as a region. Subject to the prompt signing of the Full Deal for the AGD, the AGD will be used to support regional economic and sectoral recovery through a bold and ambitious investment programme to create and secure jobs at a time when investment has never been more needed. In supporting the renewal process it will be vital to utilise the AGD investment as a launchpad to leveraging regional, national public and private sector support, expertise and funding to maximise the impact of initial AGD activity. Our investment programme is establishing a broad strategic outlook to be able to capture, and build into initial investment proposals, the ability to reposition key sectors like life sciences, and identify renewal opportunities for new markets, such as the blue economy, to support the long-term resilience of Ayrshire by ensuring our key sectors are not just surviving, but thriving, and that we thereby multiply the impact of AGD investment.

Attracting further external funding to our region is a key pillar of our Council Plan and we will explore how we can raise further funds to support additional capital investment. As part of this work we have signed a Memorandum of Understanding with Crown Estate Scotland to identify, develop and ultimately realise socially, environmentally and economically regenerative projects associated with North Ayrshire's coastal communities in line with Community Wealth Building.

## Ayrshire Growth Deal

The Ayrshire Growth Deal is jointly funded by the three Ayrshire Councils and the UK and Scottish Governments to bring over £250 million of investment to Ayrshire; of which £84 million will be delivered within North Ayrshire. The Ayrshire Growth Deal places Community Wealth Building at its heart and the scale and nature of investment is a core delivery route for our Community Wealth Building aspirations.

The Ayrshire Growth Deal investment was founded on identifying a series of interventions that would have the greatest impact on achieving an inclusive and fair economy by using our assets as a platform for investment. Those interventions are even more critical to the future economy because as the recovery process advances, they will embed sector resilience and diversity, which, in turn, will support an inclusive and green economy.

In addition to supporting recovery, it is crucial to take a long-term view towards recovery by building on our assets and developing a programme approach to maximising the benefit of the investment to support key sectors and ensure that North Ayrshire is optimally positioned to place those sectors renewal process by:

- Delivering strategic infrastructure to support our key sectors recover and transition to be resilient and diverse.
- Identifying opportunities in emerging sectors, such as blue economy, life sciences, digital and low carbon by developing partnerships with key stakeholders, developing strategic investment opportunities, and working to enhance academic institution presence and anchor activity in North Ayrshire to support research and development, reshoring and supply chain opportunities.
- Developing strategic partnerships to lever funding and activity from regional and national stakeholders into North Ayrshire, based on established investment through Ayrshire Growth Deal.
- Using our land and assets, including coastal assets, infrastructure and location-based sector strengths and clusters, to draw investment and stakeholder activity to create opportunities for our local business base to participate in those sectors and increase access to good jobs and fair employment opportunities.
- Employing innovative approaches to skills development and procurement to maximise the retention of any investment in our communities.
- Supporting a destination development approach to major place-based regeneration and visitor economy activity by co-producing and delivering outcomes with our communities to ensure interventions make the best places to live, work in and visit.
- Place digital innovation and the green economy at the heart of Ayrshire Growth Deal and related investment so that North Ayrshire does not lag further behind and our economy is sustainable and resilient.

Specifically for North Ayrshire the investments include:<sup>\*3</sup>

## £21 million

for i3 Irvine to develop digital innovation and advanced manufacturing through the delivery of digital laboratory/hub and flexible advanced manufacturing space

## £14 million

investment for Great Harbour, Irvine Harbourside to develop the area's tourism potential including through the development of the Maritime Mile and the visitor economy

## £10.5 million

for a new International Marine Science and Environment Centre based at Ardrossan aligned to the wider package of regeneration activity in Ardrossan

## £18 million

investment to develop a low carbon and energy economy at the Hunterston site by unlocking strategic assets in partnership with wider public and private sector partners

**£11 million** for a subsea fibre optic cable to have its landing point in Irvine

**£9.5 million** in Marine Tourism, which will focus on securing infrastructure that supports key components such as sailing and boating, marine leisure and recreation at Ardrossan, Arran and Cumbrae

This capital investment in North Ayrshire will be complemented by regional programmes including an £8.5 million Regional Skills and Investment Fund, a £3 million Community Wealth Building fund, and a £3 million Digital Infrastructure programme.



<sup>\*3</sup> The project investment totals here are the direct AGD contribution, as part of our programme approach we expect there to be significant further investment leveraged.

## Regeneration Delivery Plan

Our Community Wealth Building strategy sets out our objective to support the wider regeneration of our communities by maximising all of our land and assets including through alternative uses for community and business benefit. Key to achieving this ambition will be our new Regeneration Delivery Plan to accelerate the delivery of physical regeneration in North Ayrshire.

The Regeneration Delivery Plan will embed the Community Wealth Building approach to build on the £8.8 million Investment Fund for Community Wealth Building and Climate Change, the Council's Capital Programme and external funding sources, to set out a strategic approach to prioritising and progressing place-based regeneration activity as part of our economic recovery and renewal, as well as creating a great place to live and addressing long standing issues such as depopulation.

Our regeneration activity will be focussed on areas where local issues, problems and challenges, including regeneration issues that have been exacerbated by Covid-19, that require us to step-in and support local communities and support the creation of successful places. This reflects a lack of private sector investment, including within our town centres and existing large scale vacant and derelict land sites, and as a major landowner in the area the Council will take a direct role in the promotion and development of some key sites.

The physical project priorities for our Regeneration Delivery Plan are centred around:

- Strengthening Communities
- Developing Place
- Promoting an Inclusive and Green Economy
- Enabling Infrastructure

The Regeneration Delivery Plan also includes proposals for five strategic regeneration sites – i3 Irvine Enterprise Area, Ardrossan North Shore, Irvine Harbourside, Hunterston and Lochshore. The successful development of these will make a significant impact, addressing many of the strategic aims of the plan including the development of derelict land, a municipalisation approach to our assets, the provision of new housing product, investing in our commercial estate and support for town centres. The strategic nature of the sites has been recognised within Local Development Plan 2, identifying them as priorities for development.

Our ambitious regeneration approach will deliver benefits to our communities, local businesses and the environment. Partnership working across the Council, with our wider Anchor Institutions and partners, including through the Ayrshire Growth Deal, and co-produced with our communities including through community-led regeneration projects, will be key to achieving this.



For our wider Council spend, we have committed through our Community Wealth Building strategy to using our spend to actively encourage and support a growing, diverse and resilient local business base, and to support our net zero carbon ambitions. Where we can, we will spend locally to support our economic recovery. This will be supported through the new Community Wealth Building roles outlined above, and also through collaboration with our wider local and regional Anchor Institutions as part of the Community Wealth Building Commission.

We are also encouraging our wider business base and communities to buy local to support local businesses, supply chains and town centres through our 'Keep it Local' campaign. Municipalisation is a key strand of our Community Wealth Building approach. Municipalisation is about safeguarding and enhancing public services for residents through new, innovative approaches. The approach will have best value and financial sustainability at its heart and we will use this as a tool to grow local wealth.

## Keep it Local

We have launched a 'Keep it Local' campaign as part of our wider Community Wealth Building approach. The need for local people, businesses and Anchor Institutions to spend locally is an essential pillar of that strategy and we are supporting that need by urging people and businesses to 'Keep it Local'. The campaign's focus is on encouraging local spend and use of local supply chains. This will support local businesses and the livelihoods and families that depend on them, as well as supporting town centres and visitor economy.

But it is not just about people shopping local. It's also about businesses harnessing local suppliers and tapping into the skills and experience of the area's workforce by employing local. Larger 'anchor' organisations – large private, public and third sector bodies in the region – are also encouraged to play their part and invest, buy and employ locally too.

Buying local food and produce also has clear sustainability and environmental benefits and will help North Ayrshire tackle climate change.

—LOOK AT—  
WHAT'S AVAILABLE  
IN YOUR TOWN CENTRE

EXPLORE  
—YOUR LOCAL—  
AREA

BUY LOCAL  
FOOD AND PRODUCE  
VISIT LOCAL SHOPS

WHERE YOU CAN, SPEND LOCALLY AND  
SUPPORT NORTH AYRSHIRE BUSINESSES

PROUD TO  
KEEP IT  
LOCAL

CWB  
COMMUNITY WEALTH BUILDING

North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

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## A Community Wealth Building recovery and renewal

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It is now more critical than ever that we take a Community Wealth Building approach to supporting our local businesses and communities. We are committed to working in partnership to create a fairer local economy, reducing poverty and inequality, as well as becoming more resilient and sustainable so we are prepared for future economic and environmental challenges.

### Supporting local businesses

North Ayrshire is home to around 3,260 diverse businesses and we will support businesses, including social enterprises, in immediate distress and refocus our business support package to best support business recovery, diversification and new business opportunities aligned with Community Wealth Building and a green, digital recovery.

What we have done so far:

- Since the pandemic started the Business Development Team have been proactively engaging businesses and social enterprises to understand their challenges and helping them navigate the support mechanisms released by the UK and Scottish Governments. We have supported 1,443 businesses with over 12,000 different interventions and are currently working with 200 businesses on recovery plans.
- We have delivered support to businesses via the Non Domestic Rates Grants and the Newly Self Employed Hardship Fund which has delivered more than £23.5 million to North Ayrshire businesses.
- As crisis support became available the team have worked with business looking at detailed financial impact of lockdown on cashflow and providing advice on minimising expenditure, protecting jobs and helping to secure what funding was available.
- The traditional models of face to face support have for the time being become ineffective and as such we have used technology to deliver online support in the form of collaborative webinars, with 90 being delivered and 75 more planned. The webinars have been developed based on our intelligence from business, including a focus on the following areas: funding, adaptation, digital engagement and marketing.
- We have helped support over 100 Social Enterprises and Third Sector businesses through the pandemic. 34 North Ayrshire Third Sector Enterprises received awards from the Third Sector Resilience fund totalling £386,000.
- As transition from lockdown to restart emerges, our work with business has identified areas of support required including understanding social distancing requirements as part of re-opening; support with digital operations including producing, marketing and online trading; new products and innovation; financial support covering a range of restart and recovery areas; and consultancy support to understand the 'new normal' and developing new products and services.

Next steps:

We are developing our current provision and being responsive to the needs of local businesses, our business intelligence will allow us to develop support mechanisms that are relevant to the North Ayrshire business base. We are also using this intelligence to influence national conversations on the future of support through SLAED (Scottish Local Authorities Economic Development Group) and COSLA (Convention of Scottish Local Authorities).

Our approach to business recovery is through Community Wealth Building. Through the

recruitment of additional Community Wealth Building resource, we are moving to a place-based approach to business support and aligning resource to localities to work in partnership with current Locality Partnership teams. As well as continuing to gather intelligence from business and social enterprises to develop bespoke tools and a digital delivery mechanism, we will work in partnership to deliver place-based Community Wealth Building locality plans.

This place-based recovery activity will be supported by a new **£660,000 Community Wealth Building Business Fund**. The Community Wealth Building Business Fund will allow for the provision of grant and specialist support to embed a Community Wealth Building recovery and retain local wealth. The £3 million Ayrshire Growth Deal Community Wealth Building Fund will build on this approach and deliver Scotland's first regional approach to Community Wealth Building.

As we progress beyond restart and build business (and wider enterprise) resilience, the Community Wealth Building principles will drive our activities and focus in the following ways:

**Local supply chains:** A positive lesson learned from the pandemic is the negative impact seen by international supply chains. The opportunity exists to build local supply chains which will create more local economic opportunities and innovation, as well as reducing environmental impact. Specific support will be offered to business to enhance their capabilities and build their tender knowledge to allow for greater strength in bidding. The locality approach under Community Wealth Building will have a focus on business to business transactions and promotion of what each locality has. Experience of the pandemic will drive more businesses to look locally and we will support business on this, including through our Keep it Local campaign.

**Plural Ownership:** The fragility of some of our businesses and social enterprises and our reliance on family owned businesses will allow for greater consideration on cooperative models of business ownership.

**Fair Employment:** Specific support will be provided to embed a fair work approach including to help businesses map a strategy to allow for the payment of the Real Living Wage, develop flexible working practices, offer staff development and create mechanisms where the staff voice can be heard.

**Digital Adoption:** To create a resilient economy, digital adoption will be key. We have upskilled our advisers to support identification of digital opportunities. Support will be given from the basic digital skills through to digital automation and the principles of Industry 4.0. This will also support our ambitions around a green economy.

**Green Economy:** North Ayrshire has challenging targets regarding carbon footprints and we will offer support and specialist expertise to businesses to adopt a green action plan to support industrial decarbonisation and reduce carbon footprints, including through circular economy approaches.

**Sector Support:** We are working through the Ayrshire Regional Economic Partnership to develop sector specific recovery plans with a focus on the visitor economy, food and drink, aerospace/ space sector, clean growth, digital and skills, aligned to the Ayrshire Growth Deal and the emerging Regional Economic Partnership workstreams.

## Supporting the labour market and young people

We will support our communities, and in particular young people and other groups disproportionately impacted, into or to sustain fair employment. At the heart of this is a focus on wellbeing.

What we have done so far:

- Since the pandemic started the Employability and Skills Team and our contracted providers have been proactively engaging current and newly unemployed residents to understand their positions and develop action plans to support them back into employment or training/education, using technology to deliver online support in the form of video chats and online training. We are supporting over 2,000 residents, with over 60 being supported back into work at an extremely challenging time for the labour market.
- Given the massive reduction in job opportunities, employability services have been providing wellbeing support – for some residents, contact with our staff may be the only contact they have and we have often been able to direct them to other supports on offer such as mental health support.
- National and local evidence suggests that priority groups for support should be young people, disabled/those with health issues, females and parents – this will guide our responses and targeting and aligns with our Community Wealth Building Fair Employment actions to support excluded groups and delivery of our EQUAL Supported Employment service. This builds on the work of our pioneering North Ayrshire Inclusive Growth Diagnostic which highlighted the key barriers to achieving inclusive growth (job density, health and wellbeing, skills) as well as identifying excluded groups.
- We will continue to support those groups who were disadvantaged in the labour market pre-Covid-19 as part of No One Left Behind, through our EU funded programmes. Our providers have continued to deliver services since March, with a move to virtual services initially, now transitioning to a blended model of virtual and some face to face delivery.
- We will endeavour to deliver our target to recruit 50 Modern Apprentices this year. While many authorities paused programmes, we pressed ahead and remain on target to reach our target by focusing on opportunities less impacted by Covid-19 restrictions. The Council also extended contracts of some apprentices who had their final months of their placements disrupted by Covid-19. This not only provided them with financial security but allowed them to complete qualifications and plan for their future. To support young people into employment within the construction sector, we have increased the number of apprenticeship opportunities within our Building Services teams.
- We are working through the Local Employability Partnership to develop partnership responses, with an initial focus on young people over the summer months.
- In the interim, significant work has already taken place to identify young people most at risk, with Education, Skills Development Scotland, and Economic Development and Regeneration collaborating on engaging young people in support. A new Ambition Agreements programme has been launched as part of recovery for those young people with the most complex and multiple barriers to economic activity.

## Ensuring the wellbeing and success of our young people

As set out in our Council Plan, we are committed to ensuring our children and young people have the best start in life. It is clear that young people and school leavers across the country will be entering a very challenging labour market with fewer economic opportunities, and we will do everything we can to prevent unemployment and a negative impact on wellbeing of our young people.

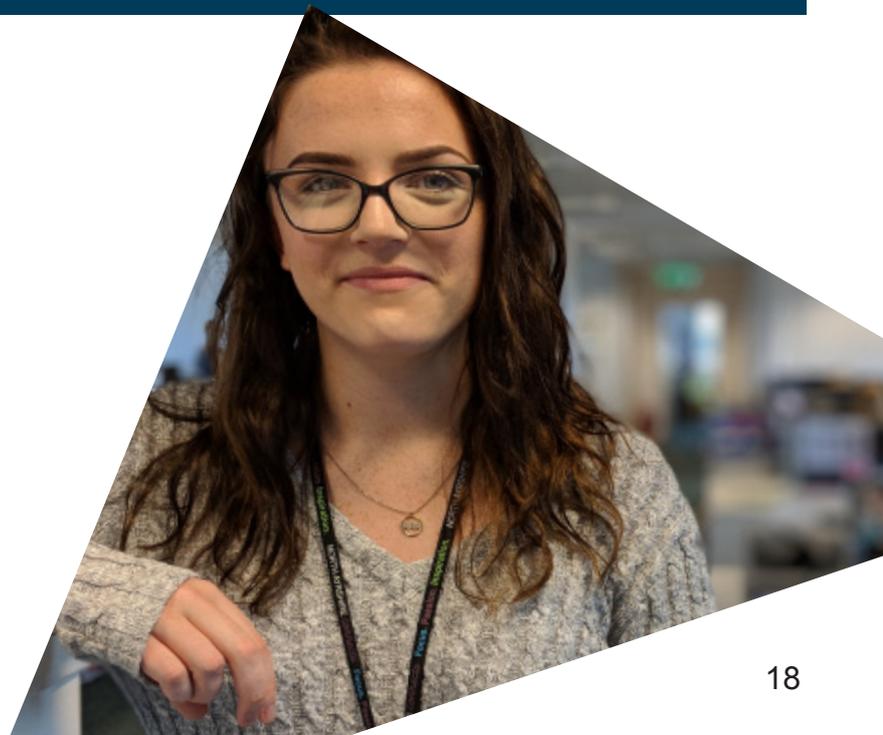
Young people have been engaged in the development of the two key strategies framing this recovery approach: the Community Wealth Building strategy and the next Environmental Sustainability & Climate Change Strategy. Through North Ayrshire's first Climate Convention in March and the 'Climate Change: Just Cool It' consultation we have engaged the opinions of young people and schools, empowering them to share their views on tackling climate change within North Ayrshire. The visibility and importance of the range of children and young people's rights and the linkage to the realisation of those rights ensures that children and young people have access to pathways that are person centred and where the whole systems approach is evident.

Recognising the long-term impacts recessions can have on young people, the Council and its partners have acted quickly to:

- Understand who is most at risk
- Engage those most in need of support
- Develop new routeways to positive outcomes

To understand those who are most at risk there has been extensive work by schools to identify this year's senior phase leavers with a gathering of intelligence that will assist agencies to support the young people as they move on. We have worked in close partnership with Skills Development Scotland to engage with school leavers that most need support, building on work by the Local Employability Partnership who have worked to segment young people into groups that can be prioritised and will need different kinds of support. Engagement has taken place through promoting helpline numbers across social media including promoting the national Skills Development Scotland helpline ensuring that there has been swift support and advice.

Further to this, Skills Development Scotland, supported by Education and schools, has undertaken to contact every leaver this year, even if they had already secured a positive destination. This provides helpful support and appropriate sign-posting for those who may be impacted by this year's qualifications' situation and also for young people who have had offers of employment withdrawn/postponed.



Guidance/pastoral teams in schools have been asked to pay particular attention to leavers in vulnerable groups such as looked after or those with mental health issues. This includes being aware of young people who, in normal circumstances, would have made a successful transition but whose resilience has been impacted by the current situation.

A key part of our activity to support young people is a new Ambition Agreements programme that has been launched as part of recovery for those young people with the most complex and multiple barriers to economic activity. Ambition Agreements will offer a dedicated training and learning programme for 16-19 year olds not in education, employment or training. This will support young people by:

- Providing key worker support to help them get the support they need;
- A programme based on personal development, employability skills, training and work experience;
- Support to progress into a college course, further training, work placement or a job; and
- Support to access educational maintenance allowance if eligible.

We will accelerate services so that everyone leaving education is guaranteed support to find work or a place in education or training. In addition to this, Developing the Young Workforce (DYW) have launched an online Skills Academy to support school leavers and job seekers, this further enhances online support including Skills Development Scotland's My World of Work.

The Council's Supported Employment service (EQUAL) are providing extensive support to leavers from Stanecastle School (Wellbeing and Employability support) and other young clients to ensure an inclusive approach.

And as outlined above we have extended our Modern Apprenticeship programme, increasing the employment opportunities available to young people.

To develop new routeways for young people, the Local Employability Partnership has met in July and August to discuss the impacts of Covid-19 and the partnership responses required. At the August meeting, partners were challenged to develop a series of ideas that could be viable if additional funding becomes available and will report back in September on further support for young people – preparing a one page update to our Youth Employment Strategy as part of this. The Council is committed to working in partnership to delivering and supporting national programmes including the Youth Guarantee, Kickstart and increased apprenticeships.

Next steps:

Whilst the labour market situation is fluid, we will work in partnership across Employability and Skills, the Local Employability Partnership, Education services and regional partners across the following areas, with a priority on supporting young people:

- Provide rapid response 'back to work' support for those newly unemployed. To get people back to work as quickly as possible, using a programme centred approach to enable those to quickly re-enter work. This will complement the PACE redundancy process.
- More focus on wellbeing and support to improve progression with emphasis on personalised support alongside access to training, wellbeing support and other complementary holistic services to ensure engagement and progression.
- A particular focus on young people leaving education and their wellbeing.
- An enhanced focus on parents through upskilling and preparation to enter work.
- Working in partnership with Business Development on fair employment and upskilling to focus on upskilling low paid employed through workforce development.

- Proactively target retraining support with a greater focus on accredited and nonaccredited training, upskilling and personal development as well as building for the future; linking closer to Business Development through our employer engagement creating targeted Sector Routeways with new opportunities. We will also consider where Covid-19 may create new employment opportunities for example within the foundational economy.
- We are developing plans for a new financial advice demonstrator project which will see traditional financial inclusion services delivered more holistically, with a hub approach bringing a number of services together that reflect the barriers residents face.
- We will work with national governments to deliver national programmes effectively as possible in North Ayrshire. We believe it is important that through our networks such as SLAED and COSLA that we strongly make the point that it is demand for labour that has changed and therefore interventions that assume deficiencies in the supply of labour will be misplaced somewhat.
- We will progress the Ayrshire Growth Deal £8.5 million Regional Skills and Inclusion Fund.



## Supporting the visitor economy

North Ayrshire is fortunate to have a stunning coastline and islands and our tourism industry is connected closely to the attractive environment and natural capital of the area. In 2017, our Making Waves Action Plan 2018-22 set out how we will work in partnership to deliver brilliant visitor and resident experiences and on the journey strengthen local businesses, improve the wellbeing, and employment prospects of all our communities. Along with many of our sectors, the local tourism industry has been hit negatively by Covid-19. We are committed to supporting forward thinking strategic opportunities for the area by:

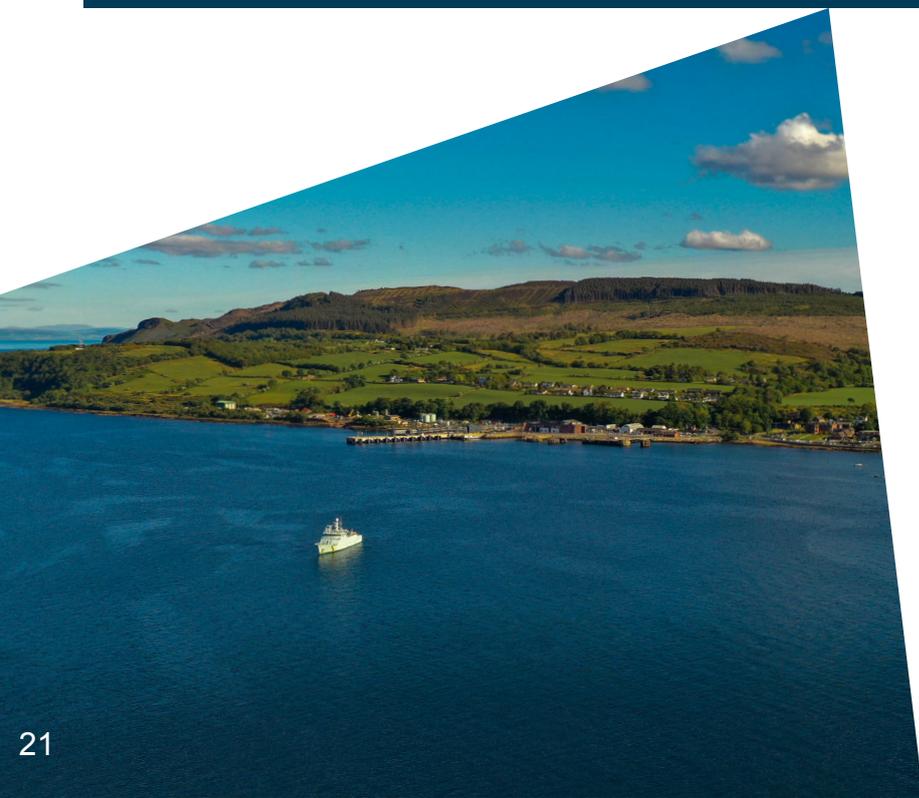
- Participating in the Ayrshire sector recovery group for visitor economy, chaired by VisitScotland, as part of the Ayrshire Regional Economic Partnership, and influencing national response mechanisms to Covid-19.
- Encouraging industry digital adoption and marketing, including contributing to the development and launch of the Destination Management Organisation to enhance the destination and future sustainable competitiveness in line with Ayrshire Growth Deal ambitions.
- Reviewing the existing Making Waves Action plan to include a greater focus on marine tourism and the blue economy, and opportunities to advance Community Wealth Building approaches, for example exploring options for community enterprises to support marine provision.

## Supporting our islands

We recognise that our islands' communities of Arran and Cumbrae need specific support to recover from the economic and social impact of Covid-19.

We have been working closely with our island communities and partners to bring forward urgent and targeted support measures, recognising that island communities are likely to face a disproportionate impact due to their reliance on reduced capacity ferries for the transportation of goods and visitors, and accessing essential services.

Central to our approach to supporting our islands to recover will be Community Wealth Building and a place-based approach to ensure a more inclusive economy going forward, aligned to the Islands Act and National Islands Plan.



In July, the Council put forward four areas of support required from the Scottish Government to support our islands to recover:

- That Calmac explore creative solutions to implement an increase in ferry capacity, whilst aligning with necessary public health measures, to ensure an economic recovery for the island in a safe and sustainable way.
- Ticketing systems for ferry journeys should prioritise journeys that will contribute to the economic and social recovery of the islands.
- Financial interventions to support island businesses.
- The creation of a bespoke Island Fund aligned to Community Wealth Building.

We have commissioned research from the Fraser of Allander Institute on the disproportionate economic impact of Covid-19 on the Arran economy.

The Council will also bring forward proposals to resource a dedicated Senior Manager for the Islands to support our islands to recover, working closely with island communities, Scottish Government, Highlands and Islands Enterprise and other partners to develop plans through a Community Wealth Building lens.

### **Planning as a tool for economic recovery**

To support place-based economic recovery, the Planning Service will co-ordinate inclusive and green development with placemaking at its heart. We will engage with developments and support the delivering of new housing in both the private and social sectors, as part of our work to tackle depopulation. We are currently working with East Ayrshire Council and South Ayrshire Council on a Regional Spatial Strategy. To support community involvement in planning, we will invest and support the expansion of our digital platform to enhance our community engagement throughout North Ayrshire.

Planning has a key role to play in supporting Community Wealth Building and economic recovery through encouraging the use of vacant and derelict land and promoting the Town Centre First principle but also encouraging developers to embed Community Wealth Building pillars including local supply chains and fair employment. Planning will support the green economy and our response to the climate change emergency, by developing guidance in support of the Council's refreshed Environmental Sustainability & Climate Change Strategy, promoting opportunities for low and zero carbon technologies within new development, and repositioning our Forestry and Open Space Strategies.

### **Protecting our communities and supporting re-opening**

It is important to build consumer confidence in returning from the pandemic lockdown in a safe manner. We are supporting businesses to adapt to current and emerging sectoral guidance and implement safe practices and processes to maximise capacity and minimise risk of the spread of Covid-19, whilst ensuring legitimate businesses are not disadvantaged by other non-compliant areas of the market taking advantage of the pandemic and the associated customer demands. In addition to this, to protect the most vulnerable in our community we are working with partners to ensure that the public are not at risk of financial harm.

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## Delivering an inclusive and green economic recovery

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An inclusive recovery should ensure that the stark levels of regional inequality, and wider socio-economic inequalities, in Scotland are not exacerbated.

We know that fragile regions like North Ayrshire and Ayrshire are hit hardest by economic shocks and so we must be prioritised for investment moving forward if we are serious about achieving an inclusive economy in Scotland.

The health emergency has called into question current economic practice and highlights the importance of creating a new economic model, focused on wellbeing and inclusion. A focus solely on enhancing Gross Domestic Product (GDP) as an output at a national level is not sufficient to recognise the wider levels of economic, social and environmental wellbeing across our communities.

We will seek the commitment of the Scottish Government to supporting a place-based inclusive and green economic recovery by:

- Showing a commitment to an inclusive economy and reducing regional inequalities by ensuring investment decisions are made on the basis of need, supporting longer term objectives like the reduction of poverty and inequality, the creation of fair jobs and tackling climate change.
- Ensuring that the Scottish National Investment Bank (SNIB) is used to support place-based Community Wealth Building initiatives in areas with most need with an explicit focus on an inclusive and green economic recovery to ensure the achievement of its mission-based approach.
- Exploring how national body and agency spend can be used to support local economies, particularly fragile regions, through more local spend and the creation of local supply chains. Businesses supplying the public sector should be given a 'social license to operate' and show commitment to fair work, net zero, place and building local supply chains.
- Supporting and promoting the development of local production and shorter supply chains as a tool to aid recovery across sectors, support local and regional inclusive economies, and to help achieve greater environmental sustainability.
- Supporting local areas in a just transition to net zero and ensure no place is left behind. As part of this, to support the development of local Green New Deals, funding is required to develop green employment opportunities and green adaptation, innovation and industrial decarbonisation support for local businesses.
- Lobbying the UK Government to provide urgent meaningful consultation on the development of the UK Shared Prosperity Fund (the replacement for European Structural and Investments Funds) and ensure this replacement fund is allocated on the basis of need, with an explicit focus on reducing regional inequality, enhancing local wealth and tackling climate change.
- Signing the Ayrshire Growth Deal to unlock a £251 million investment in the region focusing on an inclusive economy and Community Wealth Building to aid recovery.
- Support work to explore the feasibility of a West of Scotland Community Bank as part of Community Wealth Building.

We will seek the commitment of the UK Government to supporting a place-based inclusive and green economic recovery by:

- Signing the Ayrshire Growth Deal to unlock a £251 million investment in the region focusing on an inclusive economy and Community Wealth Building to aid recovery.
- Providing urgent meaningful consultation on the development of the UK Shared Prosperity Fund and ensure this replacement fund is allocated on the basis of need, with an explicit focus on reducing regional inequality, enhancing local wealth and tackling climate change.

As a Community Wealth Building Council, we will:

- Place Community Wealth Building and the Climate Emergency at the heart of decision making.
- Work with the Community Wealth Building Commission to launch an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region to support economic recovery. This will include a sixth pillar of 'Environment' to ensure commitment and action to achieving net zero across the region. North Ayrshire have joined a network of innovative places focused on Anchor Institution Just Energy Transition, convened by our partners at the Centre for Local Economic Strategies (CLES).
- Develop an Inclusive Economy Dashboard to track our inclusive and green economic recovery and our new economic model, learning from the Doughnut Economics tool which proposes an economy with a social foundation we cannot fall below and environmental limits that should not be exceeded.\*4
- We will continue our sector leading approach to an inclusive and wellbeing economy embedding global and UK best practice through our membership of the Centre for Local Economic Strategic Community Wealth Building Community of Practice; the Centre for Progressive Policy Inclusive Growth KnowHow Network; and the Wellbeing Economy Alliance.
- Commit to supporting our local businesses and communities, including our islands, through a new Community Wealth Building place-based approach across our localities and co-produce solutions to build back better, fairer and greener.
- Work in partnership and collaborate with local, regional and national partners who share our Community Wealth Building and net zero ambitions, including the Community Wealth Building Commission, Community Planning Partnerships and Locality Partnerships, the Ayrshire Regional Economic Partnership, national agencies and governments, and guided by the advice of our Community Wealth Building Expert Advisory Panel to pioneer a new economic model.



Appendix 1 includes a summary of the actions detailed within our recovery approach. We would be delighted to discuss any aspect of our approach further with local and national partners. We are working hard to create a local economy that delivers economic, social and environmental justice for the citizens of North Ayrshire.

**Join us on our journey to build back better, fairer and greener.**

\*4 Doughnut Economics is a model proposed by economist Kate Raworth. It sets out a safe space between the social foundation (identified by the Sustainable Development Goals) and the ecological ceiling in which it is possible to meet the needs of all people within the means of the living planet – 'an ecologically safe and socially just space in which humanity can thrive'.

Appendix 1: Economic Recovery and Renewal Actions	Lead	Timescale Ongoing/already underway Short term – Sept to Dec 2020 Medium term – Sept 2020 to end 2021 Long term – Sept 2020 to end 2025
Develop and implement proposals for £8.8m Investment Fund: <ul style="list-style-type: none"> <li>- Renewable energy generation</li> <li>- Commercial estate</li> <li>- Town centre repurposing</li> <li>- Green Jobs Fund to support just transition and green adaptation</li> <li>- Community economic development</li> <li>- Tree planting</li> </ul>	Physical Environment Economic Development and Regeneration Commercial Services Connected Communities	Ongoing-Medium term
Progress Wider Capital Investment Recovery Projects: <ul style="list-style-type: none"> <li>- Upper Garnock Valley Flood Protection Scheme</li> <li>- Ardrossan Harbour and North Shore Regeneration</li> <li>- Lochshore</li> <li>- Spaces for People</li> <li>- Strategic Housing Investment Plan 2020-2025</li> <li>- Primary and early years estate</li> <li>- i3 Digital Hub</li> <li>- General Services 10 year Capital Programme 2021/22 to 2030/31</li> <li>- Ayrshire Growth Deal</li> </ul>	Physical Environment Economic Development and Regeneration Commercial Services Growth and Investment	Ongoing-Long term
Explore opportunities for further Capital Programme Acceleration in line with Financial Recovery Plan and reframe our capital investment through Community Wealth Building (CWB) and Green New Deal lens	Finance Physical Environment Economic Development and Regeneration	Ongoing-Medium term
Explore how we can raise further funds to support additional capital investment	Finance Physical Environment Economic Development and Regeneration Growth and Investment	Ongoing-Long term

Secure and deliver the Ayrshire Growth Deal through a CWB lens to support economic recovery and renewal	Growth and Investment	Ongoing
Use Ayrshire Growth Deal as a catalyst to secure further public and private sector investment in line with CWB to support the resilience and future proofing of the North Ayrshire economy	Growth and Investment	Ongoing-Long term
Implement Regeneration Delivery Plan	Economic Development and Regeneration	Short-Long term
Publish Environmental Sustainability and Climate Change strategy refresh setting out how the Council will reach net zero carbon by 2030, outlining wider actions across: <ul style="list-style-type: none"> <li>- Affordable Warmth</li> <li>- A Green Economy</li> <li>- Transport &amp; Travel</li> <li>- Natural &amp; Built Environment</li> <li>- Sustainable Operations</li> <li>- Emission Absorption</li> <li>- Climate Change Adaptation</li> </ul>	Physical Environment	Short-Long term
Progress Memorandum of Understanding with Crown Estate Scotland to identify, develop and ultimately realise socially, environmentally and economically regenerative projects associated with North Ayrshire's coastal communities in line with Community Wealth Building	Growth and Investment	Ongoing-Short term
Delivery of 55 actions within CWB strategy including, where we can, spending locally to support economic recovery and supporting local supply chains	Economic Development and Regeneration	Ongoing-Long term
Continue to promote 'Keep it Local' campaign as part of CWB strategy	Economic Development and Regeneration	Ongoing
Deliver business recovery actions through Community Wealth Building including alignment of place-based locality resource and CWB Business Fund, supporting local supply chains, fair employment, plural ownership, green adaptation and digital adoption	Economic Development and Regeneration	Ongoing

Support regional economic recovery including sectoral recovery via the Ayrshire Regional Economic Partnership	Growth and Investment Economic Development and Regeneration	Ongoing
Influence national discussions on further business and employability support	Economic Development and Regeneration	Ongoing
Deliver labour market support actions, with a priority on inclusion and excluded groups including young people and promoting wellbeing	Economic Development and Regeneration Education	Ongoing
Review Making Waves Action Plan to future proof local and regional visitor economy through a focus on marine tourism, blue economy and CWB	Growth and Investment	Short-Medium term
Support island recovery through a focus on Community Wealth Building and a place-based approach aligned to the Islands Act and National Islands Plan	Economic Development and Regeneration	Ongoing-Short term
Bring forward proposals to resource a dedicated Senior Manager for the Islands, working in partnership with Scottish Government and Highlands and Islands Enterprise	Economic Development and Regeneration	Short term
Publish research from the Fraser of Allander Institute exploring the disproportionate economic impact of Covid-19 on the Arran economy	Economic Development and Regeneration	Short term
Using Planning as a tool for economic recovery through co-ordinating placemaking, support CWB and the achievement of net zero	Economic Development and Regeneration	Ongoing
Protecting our communities and supporting safe re-opening	Economic Development and Regeneration	Ongoing
Explore further Municipalisation opportunities to support economic recovery	Commercial Services	Short term
Engage Scottish and UK Governments on economic recovery and renewal priorities and needs	Chief Executive	Short term

Place Community Wealth Building and the Climate Emergency at the heart of decision making	Chief Executive	Short term
Work with the Community Wealth Building Commission to launch an Anchor Charter agreement to embed Community Wealth Building principles across Anchor Institutions in the region to support economic recovery, including sixth pillar of 'Environment' to ensure commitment and action to achieving net zero across the region	Economic Development and Regeneration	Ongoing-Short term
Participation in Anchor Institution Just Energy Transition convened by CLES	Physical Environment Economic Development and Regeneration	Ongoing-Short term
Develop an Inclusive Economy Dashboard to track our inclusive and green economic recovery and our new economic model, learning from the Doughnut Economics tool which proposes an economy with a social foundation we cannot fall below and environmental limits that should not be exceeded	Economic Development and Regeneration	Short term
Continue our sector leading approach to an inclusive and wellbeing economy embedding global and UK best practice through our membership of the Centre for Local Economic Strategic Community Wealth Building Community of Practice; the Centre for Progressive Policy Inclusive Growth KnowHow Network; and the Wellbeing Economy Alliance	Economic Development and Regeneration	Ongoing
Commit to supporting our local businesses and communities, including our islands, and co-produce solutions as we build back better, fairer and greener	Economic Development and Regeneration Connected Communities	Ongoing
Work in partnership and collaborate with local, regional and national partners including the Community Wealth Building Commission who share our Community Wealth Building and net zero ambitions	Economic Development and Regeneration Connected Communities Growth and Investment	Ongoing