



# Rural Study: Rural Ayrshire and the Isles of Arran & the Cumbraes

## Executive Summary

for South Ayrshire County Council

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In collaboration with  **ese**p and 

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# Executive Summary

The Rural Study: Rural Ayrshire and the Isles of Arran & the Cumbraes was commissioned by South Ayrshire Council in December 2012 and completed by EKOS Ltd, working in collaboration with ESEP and MCM Associates, in June 2013.

The main aim of the research was to provide an economic baseline of the rural areas and to review the current strategic and policy context and to identify appropriate development opportunities and priorities.

The study incorporated a number of stages including in-depth desk-based research (strategy review, capital asset study, statistical analysis, best practice research from elsewhere) and primary research which involved over 50 representatives from the public, private and community/voluntary sectors in consultations and focus groups.

## Policy and Strategy Review

Chapter 2 presents a summary of the strategy and policy review whereby a key focus was to establish the strategic aims for the economic development of the rural areas within each of the three local authority areas in Ayrshire. In addition, strategies at national and European level have been reviewed to assess the fit with the Ayrshire priorities and to evaluate the extent to which the current objectives are in line with any future policies.

At the time of the study, the various local strategies and plans in Ayrshire concurred in their focus on seeking to prioritise investment and project activity in key sectors including tourism, food and drink, retail, digital/ICT, care services, the creative industries and renewables.

In addition, the Ayrshire wide Economic Ayrshire Partnership addressing urban as well as rural economic development needs, includes Tourism, Engineering, Food and Drink, Renewables, and Marine and Coastal industry sectors as their main strategic priorities.

The study has analysed a comprehensive range of rural strategies at national and rural policy development at EU level that incorporate a wide range of key drivers for rural development. Chapter 2 demonstrates that these key drivers are very much in line with those at the local and regional levels in Ayrshire. There is an overriding consensus in the objectives of all strategies that the diversification of the rural economy, strategic collaboration and the delivery of coherent and integrated strategies are vital for rural communities and their economies to remain/become viable and sustainable places in future.

## Socio-Economic Statistics and Analysis

Chapter 3 presents the summary of an in-depth analysis of current statistical data and information at various levels including the statistical urban/rural datazones, the study area, North Ayrshire including parts of the Argyll and Bute LEADER area (Arran and the Cumbraes), East Ayrshire, and South Ayrshire, and at the Scottish level. Throughout the report we will refer to 'the study area' when reporting on the areas covered by the LEADER programmes. The analysis also benchmarks the study area with the Forth Valley and Lomond area.

The data have been grouped in a number of relevant topics and significant findings are:

- The population increase in rural areas outside rural towns (+9%) has been higher than in rural towns. The population of the study area is 160,000<sup>1</sup>.
- In terms of age, a fifth of the population in the study area is over 65 years old, this is the same as in the urban areas in Ayrshire. With the exception of North Ayrshire, the age group of 25-44 year olds is decreasing.
- The biggest employers in the study area are: Health (14,129); Manufacturing (6,818); Accommodation and Food (4,265); Retail (4,259); Business Admin (3,590); Construction (3,205); and Education (3,081) in 2011. Except Health and Business Admin all of the above sectors have lost jobs since 2008.
- A total of 3,667 jobs have been lost between 2008-11 mainly in manufacturing and public administration.
- 2,466 Jobs have been created in the study area between 2008 and 2011 in Health (1,238), Business Administration and Support Services (871), Professional, Scientific and Technical (262), Arts, entertainment and recreational sector (63) and property (32). With biggest percentage increases in the rural areas outside rural towns.
- There are 4,450 unemployed people that claim Job Seekers Allowance in LEADER Ayrshire in 2012. This is 2,170 more people than five years earlier. Around, two thirds of these claimants live in rural accessible and remote towns. Over 2,400 of claimants live in the LEADER area of East Ayrshire.

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<sup>1</sup> As per datazones identified in the Ayrshire LEADER Local Development Strategy May 2008

- Between 2008 and 2010, there has been a considerable increase in GVA in the Accommodation and Food Service Activities Sector (127% - East Ayrshire, 60% both in North Ayrshire as well as in South Ayrshire).

## Rural Characteristics and Capital Asset Study

In Chapter four, it is evident from the review that the rural areas of Ayrshire, including Arran and the Cumbraes, have a number of key attributes in terms of capital assets. This includes an area of high quality natural environment that is an attractive area for people to live and visit with extensive coastline and island communities that add to the scenic quality of the area providing additional amenity. There is an established tourism infrastructure including some major visitor attractions; activity based facilities; and accommodation. The transport infrastructure has improved over recent years. Key assets also include the expanding Renewable Energy Programmes including major wind farm developments in key areas. The area has a number of attractive and vibrant town/village centres and an extensive range of community facilities and public buildings.

However, there are also challenges and development issues associated with the capital assets of the area. These include some further transport development in key areas and improvements to the transport's affordability and suitability for employment and training access. Some of the existing business accommodation is in need of refurbishment and additional incubator space and premises for SME/social enterprise are a current gap. Broadband coverage across the area is poor. The quality of town/village centres varies significantly across the study area and there is a need to improve and regenerate a number of town/village centres and there is opportunity to consider future provision of community facilities/hubs as part of an approach to foster the development of sustainable local services.

## SWOT and Development Needs

Chapter five identifies the key strengths, weaknesses, opportunities and threats as seen by a wide range of consulted stakeholders and the consultants. The key development opportunities can be summarised as follows:

- Improving support to SME and social enterprises;
- Improving supply chains, local sourcing of products/labour, introducing local/social clauses;
- Maximising renewable industry opportunities;
- Refurbishing industrial estates, increasing business/industry premises in settlements; and

- Improving awareness of educational and training offer + addressing barriers and transport issues.

The prime objective is to keep rural areas economically viable and sustainable and this was shared by all consultees. There was wide agreement that stronger emphasis needs to be placed on business support and economic development. This includes the wish for more geographic flexibility in terms of employment creation in rural areas and encouragement to locate and start up enterprises within rural settlements to avoid even further transport issues and to keep young families in the rural communities.

Renewables and biofuel production offer significant income generation opportunities for rural areas, more awareness raising needs to be done to reduce fears and local resistance.

A further clear need was seen in integrating tourism development better with the local offering including the food and drink industry, farm production and local services. Improved local sourcing of supplies ('buy local'), using local contractors and local labour was expressed frequently as a good solution for building on the strong tourism potential of the region and making it work better, more effectively for local people. Many stakeholders were concerned that the existing tourism potential was not fully utilised.

Although the partnership work between the local rural communities and public bodies was acknowledged and the emphasis on community-based development was welcomed, but it was seen as contradictory that most funding schemes are based on a 'deferred funding' approach, leaving communities straining to find bridge funding for their project ideas. It was felt that not everything can be expected to be delivered by volunteers and that more expertise and know-how needs to be transferred in the area of job creation and social economy.

### Best Practice from Elsewhere

The report present three best practice examples from elsewhere.

1. The Monmouthshire Rural Development Plan is a rural development strategy with a strong central theme that provides a core rationale and strong thematic linkage and inter-connection for all project activity supported by the Plan.
2. The Pembrokeshire Rural Development Plan is a rural development strategy which addresses specifically the theme of business and entrepreneurial development. The projects which are being implemented are particularly imaginative and praxis-oriented including initiatives targeted at young people.

3. The Kelvin Valley LEADER programme is a good example of an approach to develop outdoor activities which will not only attract visitors to the area.

### Key Development Priorities

The final chapter presents a discussion around the themes of regional interdependencies and development opportunities, emphasising the need for a more effective integrated development approach so that existing linkages between industry sectors and between communities and Councils are better recognised for economic growth and development.

A key message of the study is that rural development in Ayrshire needs to build on its strengths, assets, and industry sectors (including manufacturing) and provide more suitable conditions for growth by utilising better local supply chains, raising awareness of the benefits and potentials of future developments (particularly regarding renewables) and linking up better activities and impacts across the various industry sectors.

There is a need to integrate more effectively the business into the community development agenda. There is also the particular challenge in East Ayrshire to address the quite different and more profound employment needs of the former industrial rural towns.

Although the statistical analysis has shown that certain developments and needs are different in rural areas (classifications 5 and 6), their focus on and interdependence with their respective rural market towns is very strong not only regarding transport links, but also in terms of retail, employment and services. This interdependence is much more acknowledged in the *current* LEADER demarcation, which includes accessible and remote small towns in its definition of a rural area.

The report concludes with identifying a number of development priorities and innovative actions in the following areas for the subject area:

- Rural development must focus on the economic regeneration of **small rural towns** for the benefit of sustainable viability of the rural areas as a whole;
- **Manufacturing** (raise awareness of the sector's relevance);
- **Support for Enterprise** (start-up, incubators, supply chain development, youth enterprise, linking food & drink with tourism, etc.);
- **Social Enterprise Development** (targeted support and investment, community led initiatives focusing on job creation);

- **Rural Growth Sectors** (acknowledge that the industry sectors which are growing strongest in the rural area outside rural towns (business administration & support services, professional/scientific/technical, property, arts/entertainment/recreation and health sectors) are not the Ayrshire-wide strategic sectors (including tourism, food&drink, engineering) although these are increasing in employment in a number of rural towns;
- **Renewable Energy** (develop opportunities, raise awareness to reduce fear);
- **Tourism** (better integration with other industry sectors, better local supply chain developments, more entrepreneurial development activities, etc.);
- **Skills and Qualifications** (improve awareness of educational and training offer within the region and join up delivery of projects with rural projects);
- **Improve Access to Transport** (focusing on connectivity, affordability, and access to employment and training opportunities);
- **Health Sector** (opportunities through Reshaping of Care for Older People);
- **Marine Economy** (exploiting the opportunities presented through sustainable use of marine resources and off-shore renewables);
- **Broadband** (investment in next generation high speed broadband *and develop opportunities*); and
- **Innovative Forms of Financing** (regarding the social economy and promoting social enterprises; address 'deferred' funding regimes).

The report concludes with an encouragement to increase the sharing of good practice within Ayrshire, between the three local authorities, between the islands and the mainland and with other rural areas in the UK.