SUMMARY NOTE FROM INDUSTRIAL TRANSITION ROUNDTABLE EVENT IN OCHILTREE, AYRSHIRE

On Monday 17 November, the Scottish Affairs Committee hosted a roundtable event with community organisations, local councils, trade unions, charities, and businesses from the Ayrshire region - a former coalfield community - as part of its inquiry into industrial transition in Scotland. The session aimed to understand the impact of industrial change on local communities and to gather practical examples of community initiatives, government interventions, and business responses following the closure of coal mines and other industrial transitions in Ayrshire. We thank all participants for taking the time to speak to the Committee.

Members in attendance were:

- Patricia Ferguson MP (Chair)
- Maureen Burke MP
- Dave Doogan MP
- Lillian Jones MP
- Susan Murray MP
- Elaine Stewart MP
- Kirsteen Sullivan MP

Part 1: Reflecting on past industrial transitions

Participants began the session by looking at Ayrshire's industrial past.

Ayrshire's historic industries

Participants described a long history of heavy industry in the region, including steel and ironworks, coalmining, textiles, carpets, dye works, shoe factories, whisky production, locomotive and related manufacturing. Agriculture and farming, particularly dairy and beef production, were also highlighted as longstanding and important parts of the local economy.

Among these industries, steel and coal mining were identified as major employers. Coalmining was seen as central to the local economy, with participants citing a statistic that each underground mining job supported around six above-ground jobs in associated sectors.

Participants also reflected on the role of government subsidies and place-based policies in shaping industrial activity. They noted that such interventions sometimes resulted in industries relocating rather than addressing underlying economic challenges. For example, one tin factory in the area reportedly received a government grant for a new facility and subsequently moved its premises to Lincolnshire. Participants described these policies as "shifting economic problems" rather than solving them.

Finally, participants observed that technological advancements and productivity gains have reduced the number of workers needed to operate machinery compared to previous decades.

Impact of industry closures

The closure of major industries led to simultaneous loss of multiple jobs, causing widespread unemployment in a concentrated area. These losses extended beyond heavy industries, impacting supply chains and local services.

Several participants described a 'profound' impact on community life. Job losses and strike action in the 1980s had lasting negative impacts on self-esteem and mental health. Ex-miners lost not only their income but a sense of shared purpose, routine and informal support networks. Participants also linked the loss of employment with rises in alcohol and drug abuse, as well as social isolation.

Many of these issues have persisted across generations. Areas such as New Cumnock, Dalmellington and Bellsbank face high levels of deprivation, low employment, lower incomes and shorter life expectancy compared to national averages.

Participants reported high numbers of people receiving welfare support and described a sense of apathy and hopelessness among young people. They stressed that many young people are not 'job ready' and need support to not just secure employment, but to sustain it. Support needs to build aspirations and prepare young people for the realities of work. There was a perception that education policy has promoted academic avenues over vocational routes, which does not match with local labour market needs. There was also concern that younger people have fewer structured routes into employment.

Participants also noted that old jobs have been replaced with lower wage jobs, often on poorer terms and conditions. It was also commented that many of the jobs and skills lost due to industry closures are now needed and in short supply.

Industry closures have also contributed to depopulation. For example, Muirkirk was highlighted as having declined from 5,000 at its peak to 1,500 residents. It was noted that numbers continue to decline at around ten percent per decade. New Cumnock and Dalmellington were also described as areas suffering from depopulation issues. This creates a negative cycle where fewer residents mean fewer services, which in turn make it more difficult to sustain a population.

Participants linked population decline to a reduction in public transport. Bus services are now fewer, often unreliable, with limited Sunday timetables and long, inconsistent journeys to larger towns. For some workers, a trip to a major town can take up to an hour and a half by bus. Those without access to a car are effectively cut off from job opportunities, education, and other services.

The consequences of depopulation and worklessness also mean a reduction of membership of local assets, such as social clubs, gyms and swimming pools. It was noted by participants that many small businesses and shops are in decline.

Examples of regeneration initiatives that have had a positive impact

Participants had some examples of initiatives that have had a positive impact in the area:

- The development and building of speculative factory units in industrial areas by the former Scottish Industrial Development Agency attracted new employers to the area. Companies such as a jeans manufacturer, an aviation firm and other manufacturing businesses started operations in these units and provided alternative employment to coalmining jobs. Participants noted one example of a business that is now a major Scottish employer of emergency vehicle manufacturing. However, it has been noted that there has been a lack of investment in recent years, meaning that the community is not able to capitalise on the influx of renewables moving into the area.
- Historic youth training schemes are seen as positive if run well. One example given was a small business that took on young people through a government funded job programme and retained many of them long term. One individual was said to have started through such a scheme and is now the company's finance director.
- There are other examples of employment programmes that have been positive. For example, one programme gave 13–16-year-olds paid work a few hours a week with uniforms, rotas and expectations around punctuality and behaviour, supporting them to gain confidence and good work habits. Participants reported that some young people on this scheme progressed into mainstream employment. However, while these youth programmes have been seen as positive, participants noted an overall gap in provision for 12-16 year olds.
- Similarly, the Active Schools Leadership Academy, which provides sports and first aid training among other things, gives people hands-on experience, which they can put on their CV. Participants gave examples where young people on this scheme went on to secure related jobs, such as PE teachers.

- Local development trusts, such as the New Cumnock Development Trust, was noted as a positive for local communities. The Scottish Mines Restoration Trust was also cited as playing a valuable role in making former opencast sites safe for alternative uses.
- Community benefit from local wind farms provides stable income for communities. One development trust reported receiving income from multi wind farms, which has given it a degree of financial security, allowing it to make longer term decisions.
- Local wind farms are also seen as positive by some participants in terms of employment. Local businesses are taking on apprentices, with some pilots guaranteeing jobs for those who finish their apprenticeships.
- National Lottery funding has been a good support for projects in the area.
- A regular, NHS funded exercise class for older residents was cited as a good example of partnership working, where the community provided a venue and the NHS funded the sessions themselves.
- Participants also had positive perceptions of UK Government's Future Jobs Fund and the Scottish Government's Investing in Communities Fund.
- East Ayrshire Council's support team also encouraged people back into work with initiatives like childcare support and childcare tax credits.
- The UK Government's Employability Support Fund enables young people a pathway for employability. However, participants noted that it only has one year of funding and a short application window, making it a short-term fix.

Less successful initiatives

Participants also shared initiatives that they felt did not achieve their intended outcomes:

- Participants were critical of some town centre regeneration initiatives. For example, one initiative in Cumnock was described as having a lengthy consultation and planning process, taking several years to develop but providing little change. For example, one development had units which were empty for years.
- UK and Scottish Government funding is often channelled through local authorities, who tend to focus on bigger towns, leaving more remote areas forgotten about. It was also noted that there was an administrative burden in managing UK Government funding for local projects, which often required extensive reporting and evidencing.
- Similarly, while wind farms are seen as a good opportunity for the local community by some, much of the work – such as the manufacturing and installation work – is not done by the local community and outsourced to external firms. Given the area's history in manufacturing, participants felt that they are not benefiting from the increase of wind farms in the area.

Part 2: Looking ahead

Participants had varying views on what the UK Government needs to do to support future industrial transitions:

- It was noted that past transition replaced well paid jobs with lower wage jobs, often on poorer terms and conditions. Rather than relying on government grants to private companies, some argued that the UK Government should be more interventionist in shaping parts of the economy. This could be through public owned energy companies or community wealth building models. It was noted by some that community ownership of assets was more transformational than voluntary community benefit payments, citing examples in Denmark and Shetland of doing this successfully. It was also commented that there needed to be more grants and funding available for local authorities.
- There are developers and employers of high value jobs in the UK, but support is needed. For example, developing brownfield sites can be a challenge as it is not profitable in the short term, and the current planning system is too slow. Participants suggested that the money from repayments from covid-19 bounce back loans could be ringfenced for regeneration projects. It was also commented that patient capital, like the development of old brownfield sites, needs reform as there is a risk that developers only stay in an area long enough to make a return before moving out.
- While the industrial strategy is welcome, participants felt that it was not moving at pace with local need. There was an emphasis by participants that there needs to be short term wins against long term strategy for successful reindustrialisation to occur. Some participants also felt that a reindustrialisation policy was needed.
- Participants felt that current procurement rules placed too much emphasis on price and not enough on the social value a contract could deliver. They supported raising the Quick Quote threshold - the limit for the simplified procurement process used for smaller contracts - so that public bodies could award more contracts to local businesses quickly and easily. They also noted that the current process made it difficult for public bodies to change direction if new opportunities came into the picture – greater flexibility in this would allow local areas to pivot as needs evolve. There were also concerns about the constraints of subsidy control rules and how they appear stricter than international competitors.
- Participants felt that there is too much fragmentation between local authorities, the UK and Scottish Governments and other public bodies. A clearer shared ambition is needed between these bodies. Some participants also felt that communities needed more control and for power to be decentralised.
- It was noted that, while community and development trusts can and have empowered communities, there was too much variation in how they operate.
- Participants felt a sustained programme that provides good quality small and medium sized industrial units in former coalfield communities would be positive. For example, the Coalfields Regeneration Trust builds units and reinvests the rental income back to communities, which is seen overall as positive. However, government support was seen as essential to do this due to high building costs and difficulties in redeveloping former brownfield sites.
- Access to finance was also seen as a barrier, with lenders expecting short-term returns which does not necessarily work with some projects in former industrial areas. National Investment Banks and other policy levers could help in serving long term needs. It was also

noted that revenue funding was important to help people through transitions, rather than just capital-based funding. It was commented that other countries like Germany have better financing, making them more competitive.

- Provision should be made so that funding is not just concentrated to big cities and surrounding areas. Participants voiced concerns over a 'cluttered' landscape of regional funding initiatives across Ayrshire with duplication and competition between areas, rather than a coherent strategy across the region. It was noted that some funds are too 'locked in' with the initial business case and unable to pivot and needs change.
- In regard to the Shared Prosperity Fund, it was commented that this will help people into work. However people raised concerns at the short term nature of the fund and whether this could impact job security.
- In the case of the Ayrshire Growth Deal, participants commented that a lot of support has been given to the aerospace sector through this deal. However, it was noted that 'a lot of the time,' money from this deal is not used.
- Skills need strategic focus and that a skills pipeline is needed to address skills shortages. Currently there is a skills mismatch with not enough training courses in STEM subjects. There was a suggestion that the UK and Scottish Government should engage more with trade associations to help build relevant skills from school age. Working closely with trade bodies will ensure relevant parties are up to date with what the labour market needs. In regard to schools' provision, some participants felt that schools needed to be incentivised to send children to training courses or employment that fits their needs.
- Other issues were also raised in the area that need review, such as transport and the cost of housing. It was commented that the Scottish Government's National Planning framework required reform.

Upcoming transitions

Participants identified the following transitions the Committee should be aware of:

- Energy and nuclear sector: participants noted that as major nuclear sites are being decommissioned, there is a loss of well-paid jobs in local communities. It was noted that Scotland may not face a Just Transition if nuclear and other energy projects move to other parts of the UK and they have to relocate as a result. There was a suggestion by some participants that the Glasgow Financial Alliance for Net Zero needs further scrutiny to ensure that money is distributed to local communities.
- Local manufacturing firms were seen as unable to grow due to lack of appropriate premises and wider cost pressures. There are also significant skills gaps, such as engineering.
- Town centres across west central Scotland were also described as being under pressure. Declining town centres also adversely impact older generations who rely on amenities within easy reach.
- Participants also discussed issues with privately owned land that lay unused for long periods until public sector bodies are able to subsidise development into a usable space. This

dynamic was seen as contributing to slow progress in some areas, limiting the benefits for local communities.

Part 3: Key takeaways

The Committee had the following key takeaways from this event:

- Overall, participants felt that initiatives which works directly with the community work best. Top-down decision making is often perceived to be bureaucratic and not as effective.
- There was a perception that current funding streams often work better for large projects and city regions than they do small towns and former industrial areas.
- There needs to be greater investment into skills that match local labour market demand. There should be more apprenticeships which offer routes into trades with funding to support SMEs to do this.
- Community benefit from local wind farms is an important tool for community regeneration today. While renewables have the potential to benefit the community, much is needed to be done for these benefits to be realised.
- Procurement rules need to be reviewed so that social value has a greater weighting.