

DEMOS

Kilmarnock Life
Chances Report

Demos for Thriving Local
Economies Project

May 2019

"It's not just your family you should look after, because your family will have to inhabit the same wreck of a society as everyone else. From a selfish point of view it makes sense to care for every member of society. If you don't, your children pay the price in the society they inherit".

William McIlvaney A Portrait of Kilmarnock

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01.

A Portrait of Kilmarnock

Kilmarnock is a market town with a vibrant history with a proud past, much to be glad of in the present and a bright future. It also, because of its history, has problems to contend with, some of which are deep-seated and hard to eradicate. This report is designed to take an unflinching look at some of those problems and suggest how they might be approached.

Kilmarnock has a population of 46,000 people which is almost exclusively white. Though the population of the area is likely to remain stable, it is ageing and the dependency ratio worsening. The 65-74 age group is predicted to rise by a fifth over the next ten years and the number of people of working age is projected to fall by 17.2 per cent. The number of children and young people aged 0-15 years is forecast to fall by 9.1 per cent.

Kilmarnock is the largest administrative urban area within East Ayrshire which is an urban and rural terrain covering 490 square. East Ayrshire has a population of 122,440. Kilmarnock has the advantage of being well-sited and well-connected, between the M77 corridor from Glasgow to the west coast and the M74 from Glasgow to the north of England. Kilmarnock is 20 minutes by car from Glasgow, 40 minutes from Glasgow Airport and 15 minutes from Prestwick Airport. A half-hourly train service connects Kilmarnock with Glasgow.

The Kilmarnock Economy

Kilmarnock has historically been a heavy manufacturing town. It has made its living through textiles, locomotives and the production of valves. Kilmarnock has also been known, since the late 19th century, for carpet manufacture.

Like most industrial areas Kilmarnock went into a steep decline when production costs fell elsewhere in the world and industrial production fled. From the 1960s onwards all industrial regions of Scotland suffered the force of foreign competition and Kilmarnock was no different. Some of its largest employers - Glenfield and Kennedy, Massey Ferguson, BMK and Saxone - shut up shop. Most notable of all the closures, of course, was Johnnie Walker, the whisky distiller, whose 192 year association with Kilmarnock came to an end in 2009.

This is not, however, a tale of woe. Kilmarnock has had some success in transforming itself into a service economy. Today, companies such as Vodafone and Teleperformance occupy a large part of the Rowallan Business Park Centre which is also home to Food Partners, a nationwide sandwich franchise. Local property redevelopment and

regeneration company the KLIN Group occupies the former Andrew Barclay and Sons and Co offices in West Langland Street.

There is a glimpse of future possibility in the nearby Whitelee Wind Farm which is the largest farm of its type in Europe. The growing sectors in the town are aerospace, energy and life sciences. Not all the manufacture left town, either. Wabtec Rail Scotland operate a production factory for locomotives in the town centre and Utopia Computers, one of the UK's fastest growing computer companies have their headquarters and main site situated in Kilmarnock in High Glencairn Street.

The Barclay business survey of Kilmarnock showed a bias towards smaller enterprises rather than medium-sized or large. Business births are 42 per 10,000 in East Ayrshire compared to 59 per 1,000 in Glasgow. That said, the survival rate in East Ayrshire is better.

The largest employer in Kilmarnock is now the public sector. Kilmarnock, like a lot of towns of its size, was helped through recovery by an increase in public spending in the late 1990s and the first decade of the new century, and suffered accordingly when the money stopped flowing after 2010. Kilmarnock has a particular predominance in Human Health and Social Work Activities which account for one in four jobs in the area. The diversification of the economic base would be a desirable objective, in Kilmarnock as in many towns.

Prosperity and Deprivation in Kilmarnock

Kilmarnock is typical of towns in Britain in that it is neither uniformly prosperous nor deprived. It has areas of abundant prosperity and areas of great deprivation. Across East Ayrshire as a whole, 1 in 5 residents live in wards that are among the bottom 15 per cent of deprived places in Scotland. East Ayrshire itself is the sixth most deprived of Scottish local authorities.

Within East Ayrshire itself the most deprived zone is Kilmarnock North. The second most deprived ward is Kilmarnock South. Unemployment in the area is 3.4 per cent which is higher than the Scottish average of 2.4 per cent. The rate of youth unemployment is the fourth highest in Scotland at 4.5 per cent, compared to the Scottish average of 2.7 per cent. Of the people not in work in the Kilmarnock locality, one in five (18%) is long-term sick or disabled.

Education and Skills

People in East Ayrshire are less likely to have gained university level qualifications than the general population in Scotland. On average in Scotland, 44 percent of people have achieved NVQ4 or above. In East Ayrshire, 36.5 per cent have reached that level. The majority of the population in East Ayrshire achieve qualifications equivalent to five or more GCSEs at grades A-C, although rates are still lower in comparison to other parts of Scotland and the average in Great Britain as a whole.

At the higher levels of achievement, there is progress to show but still more to do. In

2016/7, 31 per cent of pupils gained five or more awards at Level 6. In the deprived areas that number drops to 15 per cent.

There are also too many people in East Ayrshire without any qualifications at all. 12 per cent of the population comes out of education with nothing to show for it, compared to 7.8 percent of the wider British population.

The Culture of Kilmarnock

The proud cultural heritage of Kilmarnock is not to be under-estimated. Cultural pride rarely features in economic audits of a place but it ought to because it has a tangible effect in bringing people together. It helps to make Kilmarnock more than a set of statistics about a bunch of people living in a tract of land. It is what makes Kilmarnock a place.

Kilmarnock was the site of the first published edition of the work of Robert Burns. It is the town known as Graithnock in William McIlvenney's Docherty books which describe a culture and industry that have largely disappeared. Kilmarnock Academy is one of the few schools in the world to have educated two Nobel laureates: Alexander Fleming and John Boyd Orr.

It is important to stress the difference of Kilmarnock because this is the source of cultural pride, which is evident and important. The very best initiatives use this cultural energy and spark off from them. The story of Kilmarnock in the 20th century is, in one sense, a very typical story. It grew during the era of heavy industry and became a prosperous manufacturing town. When other nations started to produce the same goods at lower cost, Kilmarnock suffered the consequences. It also became heavily dependent, too heavily dependent, on a small number of larger employers. The public sector then stepped in to fill some of the gap left by the relative decline of enterprise.

Yet that is by no means the most important story which is that people feel a sense of pride in their town and its particular history.

02. Current Initiatives

Fragmented Responsibility

The town of Kilmarnock suffers from the fragmentation of its policy and political responsibility. The problem here is not with any of the bodies that are currently in place - indeed East Ayrshire council performs very well in its statutory assessments and there is a great deal of work proceeding, as we shall see. The standard of governance is, in fact, impressive. The problem is simply that there are four tiers of responsibility.

Working outwards from Kilmarnock, the first tier is in the town itself. The voluntary and business-led regeneration work is vibrant and important. The HALO regeneration project is, of course, the prime example. Then there are the three statutory tiers which mesh rather imperfectly. There is a great deal of work going on under the auspices of East Ayrshire council which scores well on almost all of the standard assessments. East Ayrshire has programmes on all the problem areas discussed below. Nothing identified in this report will come as a surprise to the local government, though not all the problems are being addressed as well as they might be.

The next tier of government is in Edinburgh. The Scottish government is the parent of some national policies and the source of other streams of funding.

There is a great deal that could be done to replenish local power. *Beyond Holyrood*, a recent report by the Reform think-tank set out a comprehensive range of desirable changes. It would be desirable, they argue, if local authorities had the right to retain, reform or replace Council Tax, full control over Non-Domestic Rates to allow them to be applied in a bespoke way, the ability to introduce new taxes such as the recent proposed devolution of the tourism and workplace parking levies.

Then fourth and finally, those matters which are not devolved questions are funded and administered from London.

There is little doubt that this structure of responsibility is sub-optimal. In particular the boundaries between East, North and South Ayrshire owe more to local political fixes than it does to geographical logic or human need. That said, this report has not dwelt on any of these questions, which are not likely to change in the time span envisaged.

Neither is there much point in identifying proposals which come at vast cost. Like many towns of its size and type, Kilmarnock has suffered in the years in which public spending has been cut back. Kilmarnock is typical of many once-industrial towns in the sense

that the decline in public spending after 2010 took a heavy toll. East Ayrshire council has estimated that there will be a funding gap of between £24 million and £90 million over the next five years.

This is a serious deficit but not one we are in a position to remedy. This report has therefore been written on the assumption that we have no influence over the spending quantum or spending patterns. Its recommendations are made, as far as possible, to be incorporated within current budgets.

Local Plans

It is also written in the attempt not to replicate work that is already happening, of which there is a great deal. The following investment programmes and policy initiatives are current:

- October 2016, Ayrshire Growth Deal Prospectus which included the HALO project, developments in aerospace, life sciences, manufacturing and infrastructure
- The Kilmarnock Locality Action Plan (March 2018-2019)
- The Community Plan 2018-2021
- The Local Outcome Improvement Plan 2018-2022
- The Integration Joint Board's Strategic Plan
- The Local Police Plan 2017-20
- The Kilmarnock Town Centre Action Plan 2015-2022
- The Ayrshire Growth Deal (March 2019) will bring more than £250 million, funded by the UK and the Scottish governments, over the next 15 years. This deal is currently being fitted into the government request for a local industrial strategy.

Principles of Action

The Kilmarnock Action Plan defines four principles for change which are excellent and well worth borrowing:

- A decisive shift towards prevention
- The greater integration of local public services of different kinds
- Development of the workforce
- Greater use of digital technology

There is also in Kilmarnock a strong tradition of community action which is reflected in current practice in two ways.

First, the council has since 2014, had a policy, where possible of transferring responsibility for assets such as building and land to community groups. There have so far been 44 such asset transfers which include community centres, libraries and golf clubs. The virtues of these transfers is that they allow greater control to the community and they tend to operate at reduced cost. The impulse behind this move was then confirmed by the Community Empowerment (Scotland) Act 2015.

Second, the process of participatory budgeting gives local people the chance to decide how public money is spent. Though the amount of money at stake is usually small, the

process allows for gatherings of local people to make decisions about the allocation of funding. There were 19 such schemes in East Ayrshire in 2016/17 and 250 projects shared £220,000. The council has a target that, by the end of 2021, at least one per cent of public spending (an estimated £2.3 million) will be subject to participatory budgeting. There is a great deal that is going well in Kilmarnock and, as the last chapter has demonstrated, a great deal of good work is being done. There are, of course, many residual problems and this chapter is devoted to setting them out with a view to establishing the most meaningful interventions for the Thriving Local Economies (TLE) project.

03. The Problems Kilmarnock Faces

For that reason, this report does not cover many other areas of policy which would be important in a more comprehensive treatment of the town. The most conspicuous examples are transport and infrastructure, welfare and poverty, housing and healthcare, particularly social care which are thought to be outside the remit of the expertise and resources that TLE can bring. One particular problem which should be noted, but which may be thought outside the realm of the TLE, is drug and alcohol dependency.

The main problems in Kilmarnock which bear on the remit of TLE are:

- **Literacy levels**

Functional literacy is the key to all future educational achievement. Though Kilmarnock is not a unique study in this problem there is no question that future levels of youth unemployment, male incarceration and drug and alcohol dependency (which are all problems) are best addressed by improving education earlier in the life cycle. Literacy is the best target and the best proxy for future life chances and the most amenable to intervention.

- **The limited horizons and sense of possibility of young people**

This is the most intangible problem in Kilmarnock and yet undoubtedly real all the same. It is a sentiment that is very widely attested to. It is manifest in a lack of ambition. This derives, in some cases, from a lack of knowledge of the possibilities that exist. In other cases there is a palpable sense that such opportunities are not available to people like us. There is a lack of guidance and inspiring mentoring for young people who are too often left to their own devices or to the counsel of their parents, which is not always what they need, no matter how well-intentioned it may be.

- **Skills and youth unemployment**

Perhaps the most conspicuous fear that emerged from the Barclays business survey in Kilmarnock was that the local workforce is not emerging from schools and colleges with the required skills. Those skills felt to be in shortest supply were the softer kind: communication, taking the initiative and adaptability. Only 12 per cent of business surveyed thought that applicants always had the skills that were needed.

- **Social isolation and loneliness**

As the population of Kilmarnock ages and, as the town, like most places, has not been all that good at responding to the new population, there has been an increase in the sense of isolation and loneliness. This is exacerbated by the problems in social care provision but it is also a greater issue than that. There is a great army of older people in Kilmarnock with great wisdom and experience who, far from being deployed, are feeling lonely and under-used.

- **Business growth**

The Barclays business survey in Kilmarnock showed that, though respondents felt confident about their own business, they were pessimistic about the local economy more generally. On closer inspection this pessimism derives from fears about the financial challenge ahead and, in particular, from fears, which are well grounded about the support for new business growth and for tackling unemployment. This latter concern is accompanied by a fear that the local populace do not have the required skills. There is also a palpable sense that young people do not want to work in the area.

- **Business brokering**

The Community Plan has the laudable aim “to make East Ayrshire a destination of choice for business growth and investment, to improve the quality of the workforce and to embed ambition, aspiration and entrepreneurship in our culture”. The council has been trying to encourage links between nine secondary schools and employers and there are also links with the University of Strathclyde and Ayrshire College. There is a local economic development service and the relocation of the Business Gateway in Kilmarnock has increased its traffic. Even at its best, however, the council is engaged with only 15 per cent of the businesses in the region. There is a candid assessment that certain parts of the business base are not being reached which is limiting the capacity for growth in the region. There are discernible weaknesses in assessing areas of strength and the conversation between the public authorities and business is not as regular or as fruitful as it could be. These thoughts were confirmed by the Barclays business survey in which local business people expressed the hope that schools and academies could help young people to understand more about business.

- **The Use of Data**

Kilmarnock is not using data as adeptly as it might be. Insight, an online benchmarking tool for education was introduced in 2014 which maps attainment for each young person in East Ayrshire against ten young people with matching characteristics in other local authorities. The tool has been effective and there is a lot more that could be done with data to improve the provision of services.

04. Proposals and Recommendations

The recommendations that follow refer directly to the problems that were identified in Chapter Three. There is, of course, a case for additional support for one or more of the initiatives that are set out in Chapter Two. But that would be to make a small contribution to an existing programme. If it is thought to be a better use of tight resources to have a greater impact on a problem that is receiving less attention, the following recommendations may form the basis of a viable intervention.

Literacy

There is no reason why every child in Kilmarnock should not reach functional literacy at the ages of 7 and 11. Kilmarnock should set itself the target of being the first borough in the country which reaches 100 per cent literacy. This would require new resources and time. It demands focused attention on those children a risk of falling behind and work to help those who have done so to catch up. The good news though, is that we know what needs to be done. It is just a question of doing it.

Horizons

Careers advice in Kilmarnock, like in most towns, is not as good as it should be. There is an urgent need for a mentoring programme to ensure that all the children of Kilmarnock have access to advice and meet people who inspire them. This can take many forms. It can be a partnering approach with relevant trades and professions. It can be sponsored work-experience. It can be a roster of inspirational speakers. Indeed the best option is for all of those.

Parents also have a critical role to play in the horizons seen by their children. At times they may need help. There has been great deal of progress in recent years in teaching the skills of being a good parent. Classes in parenting really can make a difference. There is a case for a pilot in which referrals would come from housing officers, GPs and midwives. Parents would be assessed for the support they need.

Skills

The most important policy intervention would be to improve the skill levels of young people. There are some major questions of public policy on which that rests. There is, however, an arena of the skills debate in which a new initiative might be welcome and which could make a serious difference. A specific programme designed to improve the soft skills of the young people of Kilmarnock would be of great value. It would have

modules on adaptability, good communication and being ready for the world of work.

Isolation

Kilmarnock has quite a severe problem with loneliness among the elderly and it would fix two problems at once if the elderly were brought together with the younger parents. The best possible start to life is largely in the hands of parents and whenever parents struggle the costs fall on the state. The older generation of Kilmarnock offers a wealth of advice and experience that is going unused. This could be galvanised, either as a telephone service or online so that parents who are struggling have a resource to call on.

Business Support

There is a strong need for a more thorough Business Advice service, especially on help and advice with business start-ups. Young entrepreneurs and would-be business people need a dedicated place to go that would provide them with help and advice. Wise counsel would be valuable at all points in the business cycle but especially at the start-up stage and at the point at which businesses have established themselves but want to learn how to grow. Access to finance is a problem for some businesses but this too is often something on which advice is needed. There are various advice schemes and so the urgent task may be brokering and arranging as much as providing but there is a pressing need.

Data

Where public services have been transformed in recent years there has usually been a sophisticated use of data, to track performance, to inform citizens and to act as an incentive for improvement. Though East Ayrshire council has been commended for the progress it has made in its use of data there is a great deal more that could be done with the provision of the relevant skills and training.

Space

One final, eye-catching thought. The Scottish Government has plans, which are a good deal more plausible than they sound on first hearing, to introduce at least one spaceport by the early 2020s. The reason this is an entirely viable aim is that there are more small satellites built in Glasgow than any other place in Europe. Nearly a fifth of all UK space jobs are based in Scotland. The space industry requires some specialist skills and some generic skills and an enterprising scheme could place Kilmarnock within the supply chain that will service this new industry.

05. Data Appendices

Kilmarnock

The charts presented here highlight the demographic characteristics of East Ayrshire, and specifically Kilmarnock where the data is available.

Gender

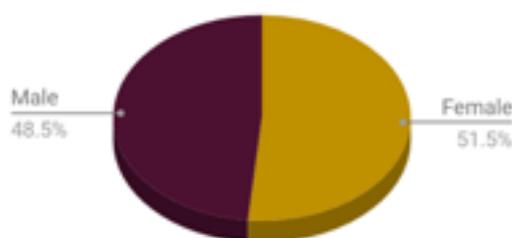


Chart One¹

The gender distribution in East Ayrshire closely reflects the UK in general, although it is slightly more pronounced. The UK average is 49% male and 51% female.²

Age

The population of Kilmarnock is ageing. One in five people are over the age of 65 and this is set to increase over time.³ The number of people aged 75 and over is projected to increase by 77 per cent by 2039 and the number of people of working age is projected to fall by 17.2 per cent.⁴ Moreover, the number of children and young people aged 0-15 years is forecast to fall by 9.1 per cent.⁵

1 <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/demographics/male-and-female-populations/latest>

2 <http://www.nomisweb.co.uk/reports/lmp/la/1946157412/printable.aspx>

3 <https://www.eastayrshirecommunityplan.org/resources/files/Kilmarnock-Locality-Profile-Final.pdf>

4 https://www.audit-scotland.gov.uk/uploads/docs/report/2018/bv_180529_east_ayrshire.pdf

5 https://www.audit-scotland.gov.uk/uploads/docs/report/2018/bv_180529_east_ayrshire.pdf

Ethnicity

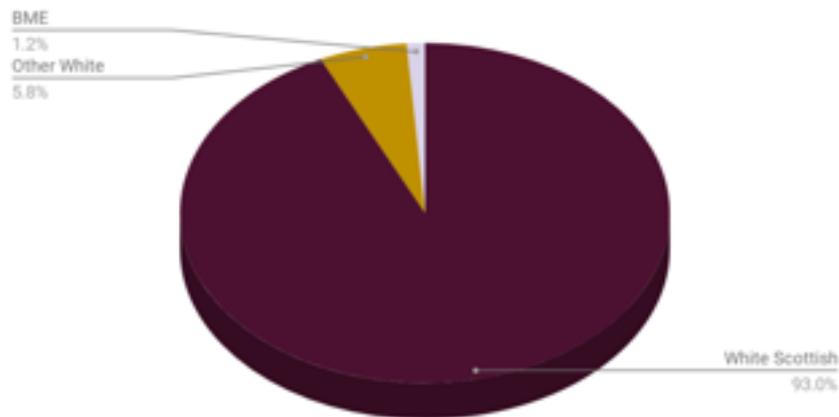


Chart Two⁶

As the chart shows, East Ayrshire is not very racially diverse, with a vast majority White Scottish population, followed by people of other white backgrounds. Just 1.2% of the population are from Black and Minority Ethnic Backgrounds.

Education and skills

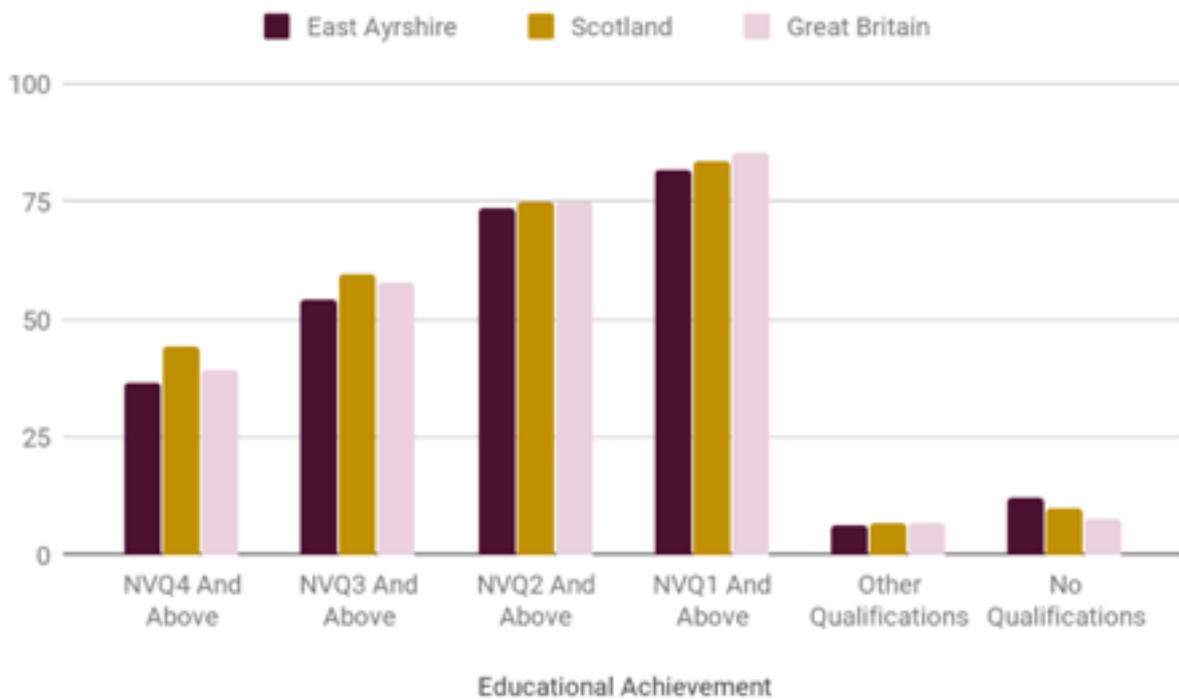


Chart Three⁷

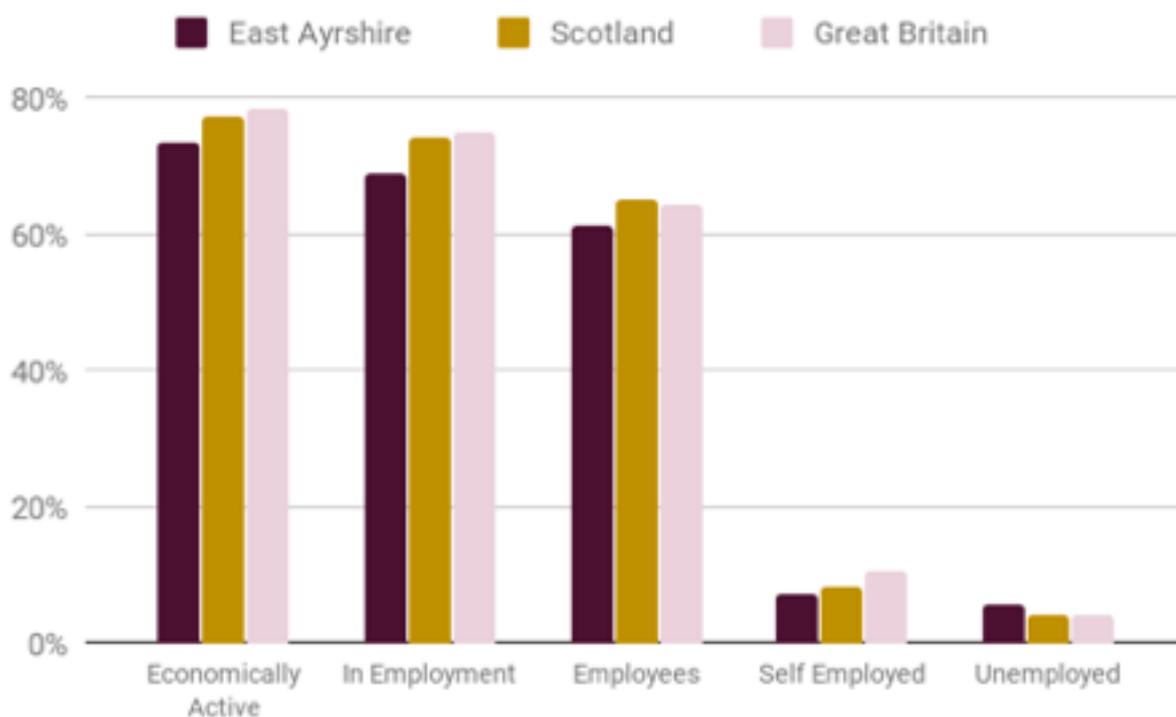
6 <https://www.eastayrshirecommunityplan.org/Performance/EastAyrshirebyNumbers/Population/EthnicGrouping.aspx>

7 <http://www.nomisweb.co.uk/reports/lmp/la/1946157412/printable.aspx>

People in East Ayrshire are less likely to have gained university level qualifications than the general population. On average in Scotland, 44 percent of people have achieved NVQ4 and above qualifications, however in East Ayrshire it's 36.5 percent. The majority of the population in East Ayrshire achieve qualifications equivalent to five or more GCSEs at grades A-C, although rates are still lower in comparison to other parts of Scotland and the overall average in Great Britain. The population in East Ayrshire has the highest rates of individuals without any qualifications, at 12 percent, in contrast to 7.8 percent of the general population.

Between 2013 and 2015 the percentage of school leavers going on to a positive destination in the Kilmarnock Locality increased from 88.4% in 2013 to 94.3% in 2015.⁸

Employment Rates



The chart shows rates of employment are lower in East Ayrshire than the average of both Scotland and Great Britain. This is true for rates of self-employment and people employed on PAYE. One in four people are economically inactive in East Ayrshire, in comparison to one in five in Great Britain. There is a shortage of jobs in the area, which has 77,900 people of working age (between 16 and 64) and a total number of jobs in the area of 47,000.¹⁰ Of the people not in work in the Kilmarnock locality, one in five (18%) is long-term sick or disabled.¹¹

8 <https://www.eastayrshirecommunityplan.org/resources/files/Kilmarnock-Locality-Profile-Final.pdf>

9 <http://www.nomisweb.co.uk/reports/lmp/la/1946157412/printable.aspx>

10 <https://www.east-ayrshire.gov.uk/Resources/PDF/E/EconomicDevelopmentStrategy2014-2025.pdf>

11 <https://www.eastayrshirecommunityplan.org/resources/files/Kilmarnock-Locality-Profile-Final.pdf>

Most common employee jobs

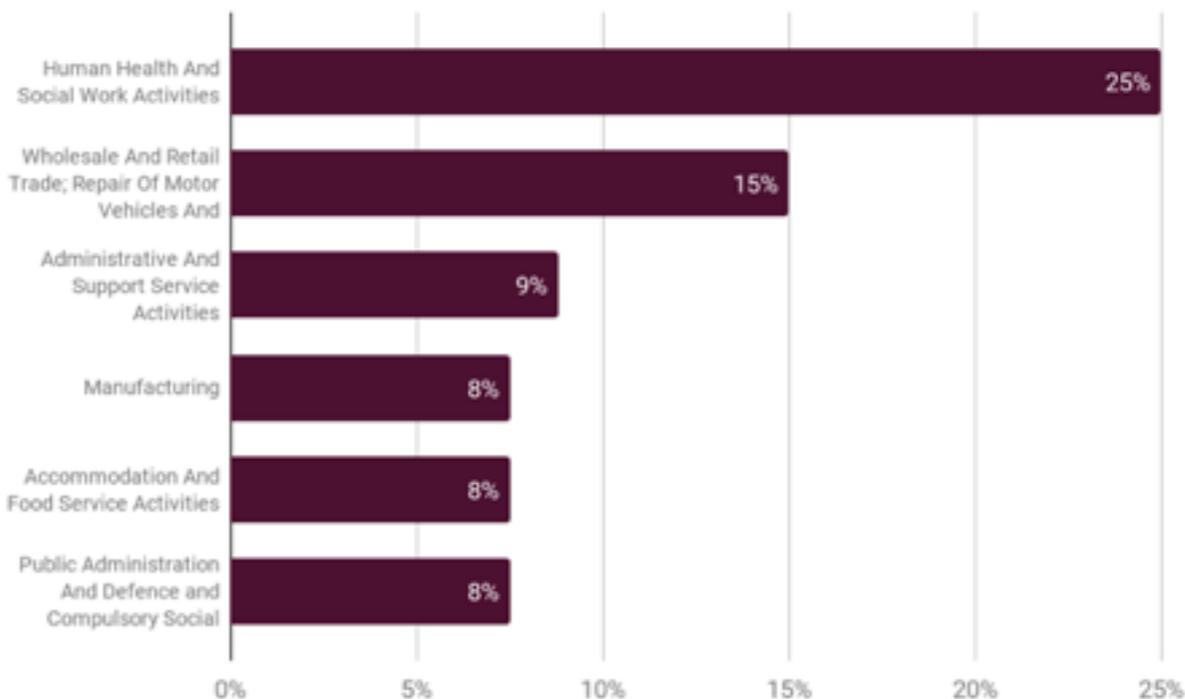


Chart Five¹²

Occupational trends in East Ayrshire generally reflect the overall distribution seen across the general population. One area with a significant difference is category Human Health and Social Work Activities, which account for one in four jobs in the area. This compares to 13% of the workforce across Great Britain. The five most common categories presented in the chart account for three out of four of the overall workforce.

12 <http://www.nomisweb.co.uk/reports/lmp/la/1946157412/printable.aspx>

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