

MORAY ECONOMIC DEVELOPMENT  
**ANNUAL REVIEW**  
**2021/22**



**moray**  
council

## Photo Credits

Front Cover and page 18: Andy Innes Aerial  
Photography

Page 3: Elgin BID

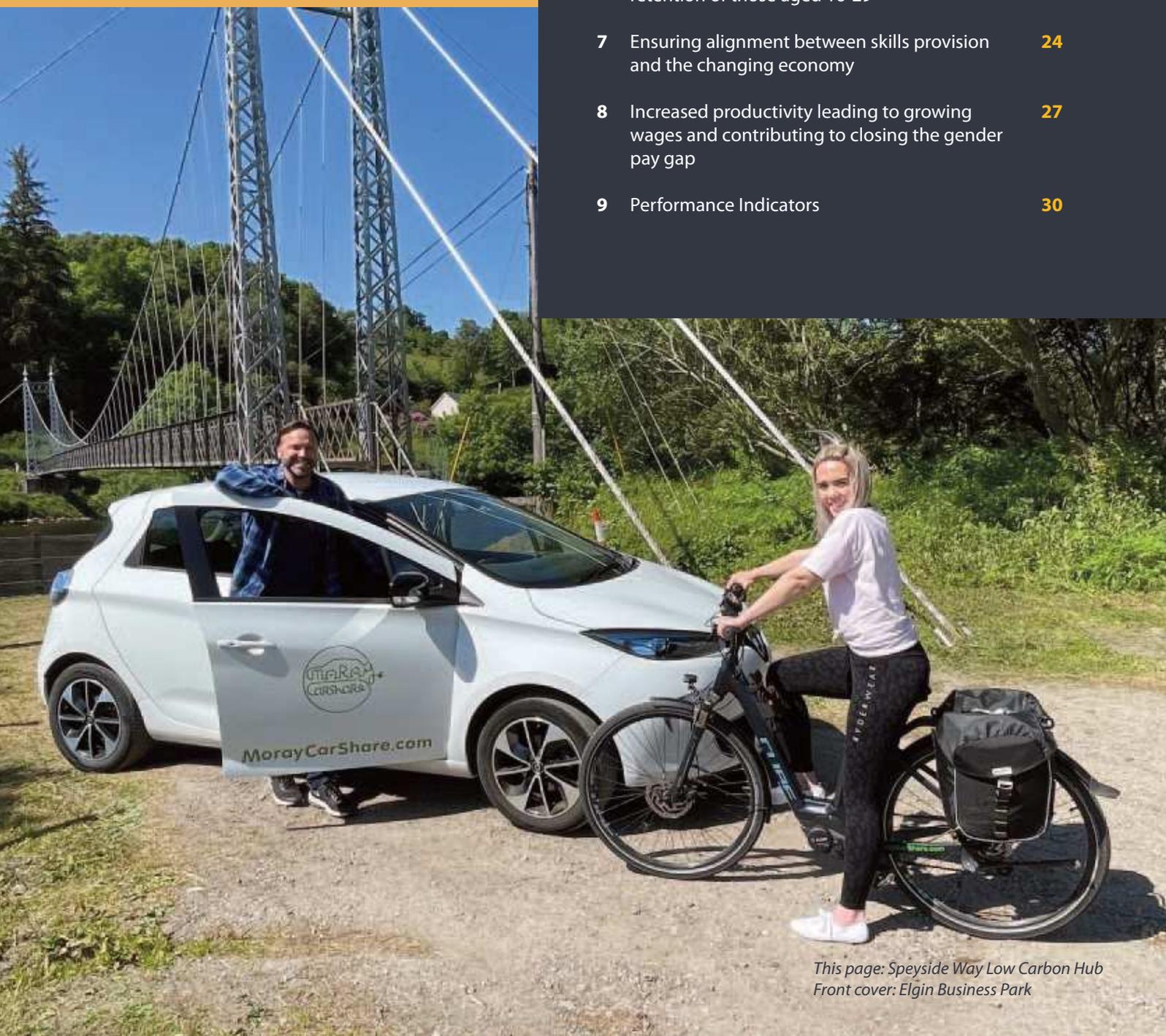
Page 11: Moray Wastebusters

Page 13: Billy Gregory and The Findhorn Village  
Conservation Company

Page 16/17: Orbex

## Contents

1	Introduction	1
2	Strategic Landscape	4
3	Delivery of the Moray Growth Deal	6
4	Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building	8
5	Increasing employment levels and number of companies	14
6	A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29	21
7	Ensuring alignment between skills provision and the changing economy	24
8	Increased productivity leading to growing wages and contributing to closing the gender pay gap	27
9	Performance Indicators	30



This page: Speyside Way Low Carbon Hub  
Front cover: Elgin Business Park

# 1 Introduction

The purpose of this, the sixth Economic Development Annual Review, is to provide an overview of the primary economic development activity in Moray in which Moray Council has either led or been a key partner. The report also highlights key economic development activity aligned with Council priorities which is led by strategic partners also represented on the Moray Economic Partnership, such as tsiMORAY and Highlands and Islands Enterprise. Effective partnership working is key to economic development.

This is the first such report since 2018/19, as the focus forcibly shifted towards providing more agile and responsive services to help stabilise the local economy during the turbulence of the COVID-19 pandemic. This report therefore provides the first snapshot of the economic development activity prioritised to support the local economy recover.

COVID-19 hit the local economy hard, exacerbating pre-existing issues and raising new challenges. The emergence of complex pressures such as labour shortages, supply chain disruption and inflation have all placed strain upon Moray businesses.

Prior to the pandemic, Brexit was a key source of uncertainty for the Moray economy given the reliance of our key industries upon EU export trade. Ongoing Brexit concerns had also created additional labour market uncertainty. Given the time period over which these two events occurred, it is difficult to separate the extent to which COVID-19 and Brexit impacted upon the economy.

In Moray, 41.98% of employees were furloughed through the Coronavirus Job Retention Scheme at some point during the pandemic. This was above the national rate of 39.33% across the whole of Scotland and below only 5 other local authorities. To further highlight the significance of the scheme those employed in the public sector were only eligible for furlough in limited circumstances. With these jobs removed from the calculation, significantly more than 50% of the private sector workforce would have been furloughed.

Despite this, there has been cause for optimism since the last annual review of 2018/19. On the 20th December 2021 the Moray Council Leader was joined (virtually) by ministers from Holyrood and Westminster to complete the official signing of the Moray Growth Deal. This confirmed investment of more than £100 million in Moray over the next decade. This combined investment will see up to £32.5 million pledged from the Scottish and UK Governments respectively, with regional partners including Moray Council contributing up to £35.8 million. The Moray Growth Deal programme will see the creation of new high-quality jobs in existing sectors and support diversification into new high-value areas, as well as bringing forward opportunities for future community prosperity and addressing inequality.

In addition to the Moray Growth Deal, there has also been considerable investment from the private sector in recent years. This has supported expansion of Moray's traditional industries in manufacturing and distillation, alongside development of the North Space Cluster.

To reflect some of the changes to the economic development approach post-pandemic, the 2022 report has been reframed to align, in terms of format, with the latest version of the Moray Economic Strategy (MES), approved by the Moray Economic Partnership (MEP) in July of this year. This will assist in providing a more strategic approach to reviewing economic development activity in future years.

**Councillor Marc Macrae**  
*Chair*  
*Economic Development and*  
*Infrastructure Services Committee*



## COVID Business Support Grants

Over the course of the Pandemic, around £43m in business support grants was administered, with around £12m of this paid during 2021/22. Around £24.5m of these funds were administered by the Economic Growth and Regeneration Team, supported by colleagues in other departments. April 2021 saw the lifting of restrictions with return to business for many and Restart grants totalling around £9.2m were issued under the Strategic Framework Business Fund (SFBF) and Small Accommodation Providers (SAP) scheme. The Discretionary Business, Restriction and Restart Funds allocated a total of around £1.17m from April 2021 to June 2021 to businesses not eligible to apply for the SFBF.

As a result of local restrictions in May 2021 due to rising cases in Moray, 646 businesses received a total of £390k in small grants and 218 businesses received a total of £244k for local restrictions during July.

211 businesses received the Hospitality Business Support Top Up, 245 the Hospitality and Leisure Business Support Top Up and 41 Public House Table Services Restriction funding, by way of a one-off payment based on rateable value for those that lost bookings during key trading periods in December/January 2022. Payments totalled around £1.5m.

In January 2022, 9 businesses received a total of £13k from the Business Ventilation Fund, helping small and medium sized businesses (SMEs) to improve their ventilation, with claims up to £2,500 per eligible premise to recover costs of work to improve air quality.

**£43M**  
administered in  
business support grants

**£9.2M**  
Restart grants were issued

**646**  
Moray businesses received  
**£390k**  
in small grants

**218**  
Moray businesses received  
**£244k**  
in July 2021

**211**  
Moray businesses received  
Hospitality Business Support Top Up

**9**  
Moray businesses received  
**£13k**  
in January 2022 from  
Business Ventilation Fund

## Moray Economic Recovery Plan

To provide support for local business struggling as a result of the pandemic, Moray Economic Partnership (MEP) established an [Economic Recovery Plan](#) for the region in the early autumn of 2020. This was reported to the Economic Growth, Housing, and Environmental Sustainability Committee on 6th October of that year. The Economic Recovery Plan delivered a local response to the crisis, based around the principles of:

- Smart growth
- Clean growth
- Inclusive growth
- Fair work
- Targeting disadvantage
- Smart procurement

After establishing these principles, MEP established a Business Resilience Forum to engage with key sectors to obtain feedback and better understand the local impacts on business and the main areas of concern and support needed. The agreed approach aimed to deliver business continuity and resilience, ensuring that future growth was built around equality and sustainability, while maximising the local economic impact from public sector expenditure.



## 2 Strategic Landscape

### Moray Economic Strategy 2022-2031

The Moray Economic Strategy 2022-2031, developed by MEP, was approved in July 2022. MEP brings together The Moray Council, Highlands and Islands Enterprise (HIE), Moray Chamber of Commerce, UHI Moray, NHS Grampian, tsiMORAY, Visit Moray Speyside, Federation of Small Businesses (FSB), and Skills Development Scotland (SDS). The refreshed strategy reflects the strong ethos of partnership between Moray's key economic agencies.

The Vision of the Moray Economic Strategy is for Moray to be *"a distinctive and attractive place to live, work, operate a business or social enterprise, study and visit. That will be through taking advantage of a decade of opportunities for employment growth and higher wages, supporting a resilient and increasingly thriving economy with communities that are strong, sustainable and more equal."*

The 10-year strategy is based around this vision and six strategic outcomes, to enable Moray to take advantage of the opportunities that exist through the transition away from carbon intensive industries, towards renewables and new sustainable careers.

These six strategic outcomes form the sections of this report. These are:

- Delivery of the Moray Growth Deal
- Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building
- Increasing employment levels and number of companies
- A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29
- Ensuring alignment between skills provision and the changing economy
- Increased productivity leading to growing wages and contributing to closing the gender pay gap

### Corporate Plan

Currently under review, the Moray Council Corporate Plan 2019-2024 sets a Vision for Moray to have "a life of opportunity for all where people can thrive in vibrant communities and we work together to enrich our future." It also identifies the three priorities, which underpin all economic development activity delivered by the Council, underpinned by a core priority of financial sustainability, as set out below:

- Our People: Provide opportunities for people to be the best they can be throughout their lives with a strong and sustained focus on those individuals and groups in our society who experience the most disadvantage and discrimination
- Our Place: Empower and support communities to build capacity
- Our Future: Drive economic development to create a vibrant economy for the future

The Moray Economic Strategy supports delivery of the Corporate Plan. The strategic outcomes of the strategy are structured around reducing inequality and providing increased employment opportunities to attract and retain the best talent in the local area.

The commitment to building an economy around community wealth building and the transition to net zero will ensure increased focus is placed upon delivery of social and environmental outcomes, as well as economic prosperity. This is paramount to building healthy, prosperous, and resilient communities, ready to harness the opportunities presented in the future economy.



## Local Outcome Improvement Plan

The Moray Local Outcome Improvement Plan (LOIP), also currently under review, sets out a framework for developing a diverse, inclusive and sustainable economy. The aim of the plan is that, “by the year

2030 Moray will have a sustainable and inclusive economy which generates improved opportunities for everyone, including more skilled and higher paid jobs.”

A growing and diverse economy will provide a stable, sustainable employment base for our communities, providing opportunities for our young people as well as tackling work-

based gender inequality. The resulting positive outcomes experienced at an individual level will also impact the wider community: helping young people and women to achieve their full potential here in Moray will ensure continued population diversity which is as essential for the vibrancy and culture of our local area as it is for the sustainability of our local economy.

The priorities of the LOIP align with the strategic outcomes of the Moray Economic Strategy, particularly around proving opportunity for attracting and retaining 16-29 year olds, and addressing inequality through growing wages and contributing to closing the gender pay gap.

## Scotland’s National Strategy for Economic Transformation

The Scottish Government’s National Strategy for Economic Transformation (NSET) was published on 1st March 2022. It sets out a programme for action for the next ten years, which includes:

“The vision for 2032 is for Scotland to become a wellbeing economy, thriving in economic, social and environmental terms. The aspiration is for Scotland’s economy to outperform the previous decade, both in terms of economic performance and tackling structural economic inequalities.”

NSET recognises the need for all people and communities to share in the country’s economic prosperity, with the ambition for Scotland to become:

- **Fairer:** reducing poverty and improving life chances
- **Wealthier:** building a competitive economy founded on entrepreneurship and innovation
- **Greener:** demonstrating global leadership in delivering a just transition to a net zero

The strategic outcomes of the Moray Economic Strategy will assist in the delivery of the NSET ambitions at a local level.

Investment via the Moray Growth Deal, alongside actions aimed at strengthening the local labour market, growing Moray’s young and working age populations, and ensuring better alignment between local skills and the needs of industry, will ensure Moray’s economy is competitive and our population are wealthier.

Targeting economic development towards maximising the environmental, social and economic benefits of the transition to net zero will ensure the Moray economy is Greener While development of a Community Wealth Building Strategy and Poverty Strategy will help ensure Moray becomes a more equal society.

The Moray Economic Strategy is committed to the creation of a low carbon economy built around increased community wealth. However, there is an opportunity to expand upon this to ensure that there are no gaps in relation to the NSET vision for Scotland to become a wellbeing economy, where there is targeted action at addressing structural economic inequalities. When priorities in terms of the revised Corporate Plan and LOIP have been determined, the Council could progress an Economic Wellbeing Strategy. This would ensure full alignment between the vision of the Scottish Government’s NSET and local economic development activity.



### 3 Delivery of the Moray Growth Deal



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

#### Official Signing of the Moray Growth Deal

In December 2021, the Moray Growth Deal Programme and the associated funding was agreed by the Moray Council, the Scottish Government and the UK Government. This signing of the full deal will support economic recovery and provide £100m of funding over a 10 year period. It signals the confidence from both the UK and Scottish governments as well as external project partners in plans to drive innovation and growth in the region, with projects within the Deal designed to maximise Moray's economic competitiveness.

At the time of signing, UK Government Minister for Scotland Iain Stewart said: "This major investment into Moray will be truly transformational, supporting the area, its people and businesses to reach their full potential.

"Projects including a world-class aerospace campus, manufacturing innovation centre and digital health centre will help turn Moray into a hub for engineering, research and development, fuelling the

regional economy and creating high quality jobs. The development of a Cultural Quarter in Elgin will also support economic growth while proudly showcasing the area's unique heritage and culture.

"The UK Government's £32.5 million support for the deal is part of £1.7 billion we are investing right across Scotland to level up communities and build back better from the pandemic."

Scottish Government Economy Secretary Kate Forbes said: "I am delighted to sign the Moray Growth Deal today confirming Scottish Government investment of up to £32.5 million in a range of projects that will boost the region's economy.

"At a time of such unprecedented challenge and uncertainty it is important that we continue to build strategically for the longer term to drive innovation in key sectors, create jobs and equip local people with the skills they need to compete for opportunities. The growth deal package is supporting a range of projects designed by local partners that will do exactly that.

“Projects supported with Scottish Government investment will improve access to sustainable transport, deliver affordable housing, grow the region’s visitor economy, support business growth – including cutting edge innovation in manufacturing – and develop the pipeline of future talent in technology and engineering needed to support key industry sectors.

“The deal is about investing in local people, local projects, and local priorities, with our partners to create opportunities for all and I am delighted we have reached this milestone today.”

Some of the key outcomes from the programme expected are:

- Creation of 450 direct jobs
- Attracting 50,000 additional tourists
- Provision of over 300 new affordable homes
- Help for 450 businesses to scale up



The Moray Growth Deal consists of the 8 projects outlined below:

- **Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC):** Establishment of a cutting edge commercial and academically supported training and research centre for excellence that will provide advanced skills for the region’s industries
- **Manufacturing Innovation Centre for Moray (MICM):** A focal point for businesses to learn best practice and collaborate, stimulating the creation of new and growth of existing micro businesses throughout Moray
- **Digital Health:** Creation of an anchored demonstration and simulation environment (DSE) and living lab testbeds for the Moray region
- **Bus Revolution:** Increase in the number of people using public transport to get to and from rural areas to work, education and leisure
- **Cultural Quarter:** Investment in key local assets, including the refurbishment of Grant Lodge, the Town Hall and investment in the region’s tourism infrastructure designed to leverage private sector investment in a new hotel
- **Early Years STEM:** Growing interest in STEM amongst children aged 3-8
- **Housing Mix Delivery:** Stimulating housing development in town centres, unlocking constrained sites and promoting the integration of pilot exemplar sustainable design and construction techniques
- **Business Enterprise Hub (BE HUB):** Provision of education, research and business support functions to support new business start-ups, whilst helping to upscale existing micro businesses

The first project to enter delivery was Moray Council’s partnership with the University of Strathclyde Digital Health and Innovation Centre. The Bus Revolution, Business Enterprise Hub, and Moray Aerospace, Advanced Technology and Innovation Campus projects are scheduled to commence delivery in the 2022/23 financial year.

## 4 Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building

### Climate Change Strategy and Routemap

On 10th March 2021 the Council adopted a [Climate Change Strategy \(CCS\) for 2020-2030](#). The strategy set the strategic delivery approach to meeting the Council's goal of being carbon neutral by 2030 and that the Council, its officers and members will work with others across Moray to deliver that goal. The creation of a Climate Change Team to lead, co-ordinate and support the Strategy was agreed, with staff recruited in October 2021.

It was agreed that there was a need to commission further consultancy reports for key actions relating to hydrogen, buildings and transport.

- **Hydrogen Strategy:** to consider opportunities for the transition of Council owned buildings and transport fleet, associated infrastructure and opportunities for business and industry. The **Hydrogen Strategy for Moray** was adopted by the Council on 6th September 2022.
- **Transport Strategy:** to develop a strategy for on and off street public charging infrastructure for electric vehicles and to identify a rolling procurement programme for converting the Council's transport fleet to low emission vehicles. The strategy is due to be reported to committee in February 2023.
- **Buildings Strategy:** to calculate current emissions of the Council property assets and review the planned projects through the Property Asset Management Plan and the 10 year Capital Plan to create an outline plan and recommendations. Officers are developing information on assets to establish early areas of focus, with the Buildings Strategy due to be reported to committee in 2023.

The three consultancy reports will contribute to developing the CCS to include more detailed targets, costings, milestones and KPIs.

On 6th April 2022 the Council adopted a [Route Map to Net Zero Carbon Emissions](#). This evaluated current commitments and actions and determined that 2030 remains in the range of possible dates when net zero will be met. However, there is still insufficient data to guarantee that the actions the Council is taking to reduce carbon emissions will meet the 2030 target with minimal carbon sequestration. When plans on fleet and property decarbonisation are agreed this will contribute to a more detailed route map for the Council to reach net zero, acknowledging the challenges around funding which net zero presents.

The Council, along with local partners completed carbon calculations on the Moray Growth Deal projects as part of business case development. This included an economic evaluation of the impact of carbon within the Moray Growth Deal projects for which the Council is lead delivery partner. All council growth deal projects are intended to operate at net zero carbon output.

Other economic development activity around climate change actions during the period included initial discussions with partners and stakeholders in Moray relating to the Scottish Government's Just Transition Fund and support on how to evaluate climate impact as part of non-cash weighting in the procurement process. Work will be ongoing as to how best to support small business to evidence their climate change actions while they tender for contracts.

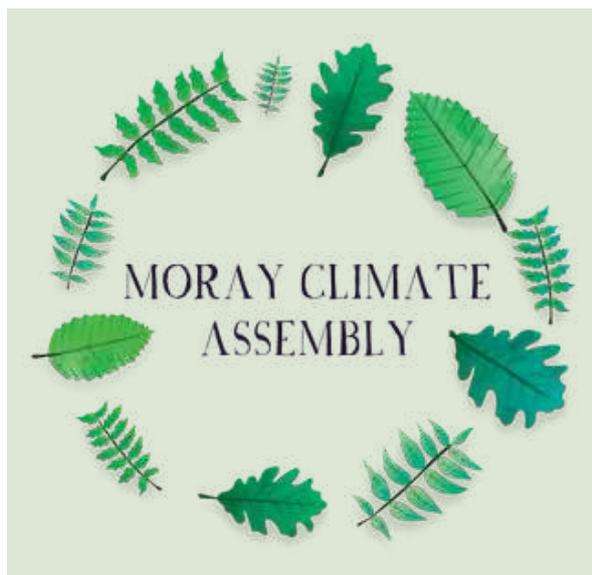
Moray's economy is expected to undergo a transformation in the years ahead through the transition away from carbon intensive industries, towards renewables and new sustainable careers. Over the next ten years this will be accelerated through funding from the £500m Just Transition Fund, for which Moray is one of only three local authorities which can access this investment.

Initial workshops and discussions with the Scottish Government's Minister for Just Transition took place towards the end of the period, including a session with Moray Council officers and another with Moray Economic Partnership. An Expression of Interest for the first round was submitted by the Council covering a range of initiatives, with a grant of £881,000 awarded in October 2022 to develop a Moray Just Transition Masterplan.

### Moray Climate Assembly

Moray Council has been a key supporter of the Moray Climate Assembly, founded and hosted by tsiMORAY, which serves as a cross-sector melting pot, catalysing action to deliver a just and green recovery. The assembly's aim is to INSPIRE new thinking, provide a platform to SHARE the latest environmental actions in Moray, and CONNECT cross-sector change makers together. Anyone with an interest in tackling climate change in Moray is welcome to join this assembly.

The Council has also actively supported the development of a Moray area Climate Change Action Steering Group, also hosted by tsiMORAY, to regularly convene motivated and willing cross-sector leaders within the Moray Community Planning Partnership area to tackle climate change through a just and green recovery leading up to COP26 and beyond.



### Community Wealth Building

Community Wealth Building (CWB) is a people-centred approach to local economic development, conceived to redirect wealth back into the local economy and placing more control in the hands of local people. There are five core principles, or pillars, of CWB:

- **Progressive Procurement** – Developing local supply chains of businesses likely to support local employment and keep wealth within communities
- **Fair Employment and Just Labour Markets** – Using anchor institutions to improve prospects of local people by removing barriers to employment opportunities, providing learning and skills development opportunities, and increasing access to career pathways
- **Shared Ownership of the Local Economy** – Supporting and growing business models that are more financially generative for the local economy, including social enterprise, cooperative, and employee ownership
- **Socially Just Use of Land and Property** – Developing the function and ownership of local assets held by anchor organisations, so local communities benefit from financial and social gain
- **Making Financial Power Work for Local Places** – Increase flows of investment within local economies by harnessing and recirculating the wealth that exists

As part of the activity linked to the Economic Recovery Plan, a Community Wealth Building (CWB) Officer was recruited by the Council in June 2021. Charged with responsibility for developing a CWB Strategy, the Officer prepared a [Routemap to Community Wealth Building Strategy and Delivery](#) which was reported to the Economic Development and Infrastructure Services Committee on 19th October 2021. An additional Procurement Officer has also been successfully recruited, to assist with CWB activity and provide increased capacity to support the additional work associated with accelerating elements of the Moray Growth Deal.

## Supplier Development

The initial focus in developing a CWB approach has been aligned to the progressive procurement pillar, targeted towards reducing the current level of leakage from the local economy through public procurement spend. A partnership approach between Council procurement and economic development colleagues saw the reinvigoration of a supplier development forum. The remit of the group is to work collaboratively in providing support for local SMEs and social enterprises to tender for public contracts and participate in supply chains.

The forum includes procurement officers from HIE, NHS Grampian, UHI Moray and Moray Council, as well as business development officers from HIE, tsiMORAY, and Business Gateway (BG). Initial activity has included an exploration of current support available for local enterprises and how procurement opportunities can be better promoted to the local market. At the forum meeting on 13th February 2022, a presentation was provided by the national Supplier Development Programme at this meeting to ensure all stakeholders were aware of the support available to business and social enterprises, and discuss how this could be best coordinated across all partners.

During 2021/22, the total value of procurement spend with Moray based suppliers from each of the local public anchor institutions equated to:

Moray Council:	<b>£33,874,277</b>
NHS Grampian:	<b>£1,830,191</b>
UHI Moray:	<b>£640,374</b>
Highlands and Islands Enterprise:	<b>£51,140</b>

The proportion of Council spend with Moray based suppliers increased by in excess of 2% year on year, from 2020/21. This equated to an additional £3m being retained in the local economy. Procurement colleagues have advised that prior to the pandemic the Council had seen a year on year increase in contractual volume from 2017/18 onwards, mainly down to the increasing use of mini competitions and call offs from frameworks. Though this had stalled during the pandemic with little work being done at a local level, this trend has since reversed. A process for capturing sub-contract spend will be devised by the CWB Officer, to try and capture the full extent of Council spend within the local market. This should be in place by the start of the 2023/24 financial year.

Through the Economic Recovery Plan a procurement consultancy initiative was implemented to support Moray based businesses, providing assistance with Public Contract Scotland (PCS) registration and tender preparation. This has included availability of 1-2-1 support via an external consultant to prepare and write a tender bid, which was accessed by 6 businesses in Moray.

## Moray Social Enterprise Network

The Moray Social Enterprise Network (MSEN) promotes the growth and development of the already thriving social enterprise scene in Moray. The network is an open door to everyone that has a keen interest in social enterprise, whatever stage they are at and whatever their focus.

HIE and tsiMORAY have led the development of a new Social Enterprise for Moray Strategy and of the supporting Action Plan, which continues to be relevant to and supported by the Council. This aims to support and grow the social economy in Moray, helping to maximise the environmental, social and economic benefits of the transition to net zero and Community Wealth Building.

## Community Led Local Development

During 2021/22, tsiMORAY managed two 'tests of change' projects funded by Scottish Government to build on the legacy of the European Union funded LEADER Programme:

- Community Priorities explored how community and stakeholder engagement centred around community capacity building, Participatory Budgeting (PB) and Participatory Grant Making (PGM) could enable the LAG (Local Action Group) to achieve a more capillary and granular understanding of local priorities from a community perspective as well as extend the reach of the LAG in involving a larger number of people in its decision-making, without detriment to its strategic focus

- Carbon Neutral Communities (also known as Rural Living in a Carbon Neutral Moray) engaged with communities across Moray to develop materials to describe and illustrate, as well as promote and develop, deeper and more widespread understanding of what life in a carbon-neutral Moray might look and feel like. It also supported and facilitated the development, collation and sharing of ideas, plans and actions that can be further developed and taken forward with and by a wide range of actors and stakeholders to support the transition to a zero-waste and carbon-neutral Moray.

The two projects distributed a total of £17,898.30 through Participatory Grant Making and £17,379 through Trust Based Grant Making to community-led projects across Moray, as well as laying the foundation for a number of collaborative initiatives on climate action and just transition for the future.



## Strengthening Communities

To support community resilience and capacity, the HIE Moray Area Strengthening Communities team provided 32 funding awards during 2021/22. These awards provided £759,764 towards total project costs of £2,118,226, and supported delivery of the following outcomes:

Increase in the turnover in the social economy	<b>£273,157</b>
Capital asset investment	<b>£294,502</b>
Securing external funding	<b>£501,501</b>
No. of organisations supported to secure external investment	<b>1</b>
No. of community organisations/social enterprises with increased resilience and capacity	<b>8</b>
No. of organisations supported to enhance digital capacity	<b>1</b>
No. of temporary jobs supported	<b>8</b>
No. of strategy workshops	<b>1</b>
No. of board governance health checks	<b>3</b>
No. of Community Recovery Fund phase 2 awards	<b>8 (£118,807)</b>

The Moray Area Team provided further funding for HIE's place based approach to supporting community capacity and resilience in support of Community Anchor Organisations. This included the funding of 4 Development Officer posts in the following Community Development Trusts:

- Forres Area Community Trust
- Portgordon Community Trust
- Lossiemouth Community Development Trust
- Dufftown and District Community Association

HIE retains a commitment to providing support for organisations in relation to community assets. There was no direct capital investment in community owned assets during this year, however, the following organisations were supported in their efforts with potential asset transfers:

- **Leancoil Trust** – Funding for Development Officer post for 12 months to continue with community engagement and progress towards proposed asset transfer of the former Leancoil Hospital in Forres from NHS Grampian into community ownership
- **Portgordon Development Trust** – Business planning support for proposed asset transfer of Richmond Arms in Portgordon from Crown Estate Scotland
- **Forres Area Community Trust** – Design and Planning for development of Forres Town Hall
- **Stramash Social Enterprise** – supported to expand Early Learning and Childcare facility in Elgin
- **Transition Town Forres and Leancoil Trust** – Both organisations supported with social impact forecasts to strengthen asset transfer business plans

In support of the net zero transition and green recovery, HIE are also able to offer support for community organisations to develop new assets. Outcomes from this activity included support for Three Kings Association in Cullen to install an EV Charging point:

No of assets with Net Zero Objectives	<b>1</b>
---------------------------------------	----------

## From Coast to Country

Throughout the year, the Moray Council Economic Growth and Regeneration team provided vital support for the third sector in navigating the effects of the pandemic, which included COVID-19 Business Hardship Funds. Social enterprises and community groups were also supported with applications to the Scotland Towns Partnership, Scotland Loves Local Fund, and the Regeneration Capital Grant Fund.

A successful application was submitted by the Council to the Rural Tourism Infrastructure Fund (RTIF) for the Coast to Country project in September 2021. The project is an integral part of a Moray wide strategic staycation programme, delivered in partnership between the Council, Visit Moray Speyside, HIE, and various Community Trusts and Associations. The total investment from the project will be £652,952, with an RTIF award of £346,065 match funded through £40,000 from HIE and £266,887 from the Crown Estate Coastal Community Fund.

The project will address issues in areas that have faced pressure on the infrastructure or had negative impacts on communities due to significant increases in visitor numbers, in particular from growth of the motorhome sector during the pandemic. Some of the improvements will include provision of camper van parking and facilities, car parking enhancements, signage and installation of Electric Vehicle charging points.

## Moray's Routes

In 2021, VisitScotland announced a new fund for the development of Strategic Tourism Infrastructure Development Plans with the caveat that future rounds of RTIF can only be accessed by those with approved strategic development plans in place. In March 2022, Moray Council secured a grant of £31,500 with HIE providing match funding of £3,500 and Business Gateway contributing £4,850 towards preparation of the Moray's Routes Development Plan. The strategic development plan will focus on enhancing long distance active travel/leisure routes in rural Moray to bring significant, long term benefits to the visitor experience; positively impacting the visitor economy and the local landscape, whilst contributing towards the new Active Travel Strategy. It will create a potential pipeline of projects for Moray to reduce the pressures on communities associated with visitor hot spots, whilst enhancing the visitor experience.



*Findhorn Motorhome Stopover, included within the Moray wide staycation programme, and funded via HIE*

## 5 Increasing employment levels and number of companies

### Business Growth and Resilience

Business growth and resilience has suffered as a result of the pandemic. This resulted in 31% fewer new business start-ups through Business Gateway (BG) between 2018-19 and 2020-21. To address this a number of new programmes were developed by BG within the Economic Recovery Plan to stimulate small enterprise.

A consultancy programme to work through the challenges presented by Brexit was developed with this specialist support delivered to 18 businesses, across a total of 29 days.

There were a further 22 businesses supported with more complex Investor Ready advice sessions in order to help them secure the funding needed to grow, create new jobs, and complete business purchases successfully. As a direct result of these interventions total loan funding of £1.625m was secured by these businesses.

BG also collaborated with Developing the Young Workforce (DYW) Moray to deliver an event at Moray College UHI. The event was targeted at young people to try and stimulate the entrepreneurial spirit and encourage them to consider setting up a new venture.

### Start-up Support

The Moray Business Start-up Grant was launched by BG Moray on 13th September, funded jointly by the Council and HIE. 50 businesses were approved for finance to help them get off the ground, with the total budget of £75,000 fully committed. These businesses would have otherwise struggled to get the much needed finance to do so. The impact of the Moray Business Start-up Grant has been a positive one with start-up numbers up by 32 compared to 2020/21.

The project was set up to respond to the unprecedented effects of the COVID-19 crisis on new business start-up rates in Moray, by enabling BG to continue to provide relevant support, specific to the changing needs of the business community. Support was put in place to mitigate and plan for a potential increase in furloughed employees not being retained once the scheme ended in September 2021 and as many of those starting new ventures were likely to require additional financial support, to help applicants with the capital costs related to starting a new business venture where they meet key eligibility criteria.

A total of 123 Start-ups received 1-2-1 advice from Business Gateway Moray. Start-up support was delivered through webinars and 1-2-1 adviser sessions, delivered both via online platforms and at business premises.

The new business start-ups from across the year created an additional 176.5 FTE jobs in Moray.

### DigitalBoost

The DigitalBoost Development Grant was open to Scottish businesses to help gain confidence with using digital platforms. Businesses were able to apply for grants of up to £20,000. There were 20 applications successfully processed from Moray businesses.

BG Moray contracted Inverness based, Tuminds to deliver the DigitalBoost programme in 2021/22. Throughout the year 4 digital surgeries were delivered on specific areas of concern around digital processes. Additionally, there have been 6 digital projects completed with Moray businesses, and 96 Moray businesses have attended DigitalBoost webinars.

Through collaboration with Visit Scotland, a series of Digital Boost webinars were also delivered for the tourism sector, which was particularly badly hit by the restrictions imposed during the pandemic.

## Selected Business Gateway Moray performance statistics 2021/22

	2021/22	2020/21	2019/20
New business start-ups	123	91	157
Total number of enquiries	854	946	901
Instances of placed-based growth support provided	14	N/A	N/A
Number of start-up webinar attendees	101	172	N/A
Number of growth webinar and investor ready attendees	102	221	100
Number of digital boost attendees –	229	161	155
Number of businesses receiving Brexit 1-2-1 support	18	5	N/A
Number of businesses receiving procurement 1-2-1 support	6	1	N/A
Number of businesses receiving a start-up grant	50	N/A	N/A

### Building successful, productive, and resilient businesses

HIE have provided assistance for business in Moray to build resilience in our key sectors through advice and support targeted at adaptation to support restart and recovery.

Across the entire Highlands and Islands region, £1m was made available through HIE to support emerging businesses through the Young Company Capital Investment Scheme. Grants of up to £50,000 have been available for investment in equipment, through COVID Consequential short term funds. Within Moray, 6 businesses received support with a total aid value of £91,771.

HIE have undertaken work with partners and industry to support the recovery of the tourism sector. This has included support for the local tourist economy via funding for the tourism destination management organisation. In January 2021, Visit Moray Speyside were awarded £350,000 over the 3 years in support of its Moray Tourism Recovery Plan. Additionally, the Visit Moray Speyside Community Toolkit was created with consultancy support from HIE's Support for Communities Framework.

The toolkit provides advice for community organisation in the management and running of essential local facilities and provided the basis for a successful application to the Beatrice Partnership Fund (£48,000). The funding covered the costs of small early-stage expenditure for community organisations to progress a lease or Community Asset Transfer, including valuations, condition surveys, legal costs and provision of basic equipment.

To help develop awareness of opportunities presented by new technologies and automation, HIE have awarded funding of £690k to 4 local businesses. This included supporting one local business with the purchase of automated machinery and plant to enhance processes leading to the creation of 20 jobs and an increase in turnover of £1.3m.

A further 13 businesses were referred to the innovation team for support to access tailored support to address climate change. This included support for a local firm to develop a feasibility project associated with the potential to recycle CO2.

# CASE STUDY

## North Highland and Moray Space Cluster

A [North Highland and Moray Space Cluster Strategy](#) was published in September 2021, setting out the vision that 'by 2026 North Highland and Moray will have established one of the most significant Space Clusters in the UK' and aims to deliver a set of actions that will see real activity and positive progress in the North of Scotland Space sector. The report estimated that the Northern Space Cluster could create 740 jobs in the Highlands and Islands and boost the regional economy by £56m per year by the end of this decade.

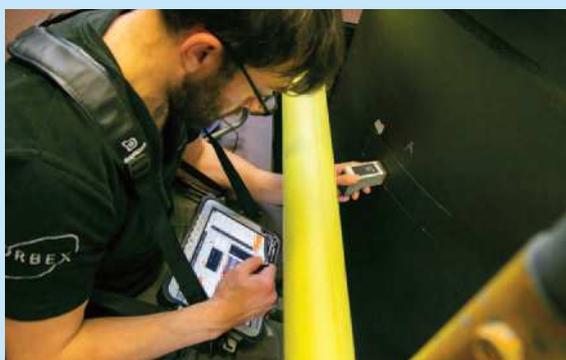
### Space Hub Sutherland

Space Hub Sutherland will be a key enabler for the emerging space cluster in the North Highland and Moray region. The area will also be home to the first orbital vertical space launch facility in the UK, and as a result, it will be able to leverage first-mover advantages. These include developing strong brand recognition, establishing key supply chains, and retaining and growing the existing highly skilled workforce in the North Highlands and Moray region.

The development of Space Hub Sutherland, Sutherland Spaceport and the vehicle manufacture, engine testing and mission control centre at Forres means that the upstream sector is a particular opportunity for North Highland and Moray. The expanding Orbex launch vehicle development and manufacturing facility at Forres forms a growing nucleus for the space sector. There is the potential for a clustering of innovative businesses at the Forres Enterprise Park, complementing the existing aviation and defence sector supply chain and talent pool serving RAF Lossiemouth. It is vital to sustain the emerging Moray space cluster as without a spaceport it is highly likely that existing launch providers will relocate. Space Hub Sutherland will unlock further development of the Moray space cluster and support UK and Scottish government objectives for growing the space sector.

HIE have delivered a programme of activities aimed at supporting the transition to net zero and ensuring a green recovery from the pandemic. Support provided has included resource efficiency planning through close collaboration with partners, which saw 10 businesses referred to Zero Waste Scotland (ZWS) for advice and funding support.

To embed net zero actions into client engagements and assistance, two Moray businesses were awarded grants totalling £366,000 supporting the creation of 33 green jobs. One of these interventions supported the purchase and installation of innovative technology, plant, and equipment to increase capacity and volume of product supporting the creation of 19 jobs and an increase in turnover of £2.79m. While the other award of £87k supported the purchase and installation of innovative plant and machinery to produce low carbon modular buildings leading to the creation of 14 jobs and an increase in turnover of £2.4m.



## **Orbex**

Orbex have stated that they intend to increase their number of employees in the Highlands and Moray region from 90 at the end of 2021 to 400 by 2030. Highlands and Islands Enterprise provided a package of support to help the company establish its operations in Moray. This included funding towards the development of the Orbex 'Prime', a micro-launcher designed to transport small satellites, weighing up to 180kg, to low-Earth orbit. It boasts the first commercial rocket engine designed to work with bio-propane, a clean-burning, renewable fuel source that cuts carbon emissions by 90%, compared to fossil hydrocarbon fuels. The launch vehicle is poised to become the world's most environmentally friendly space rocket with a carbon footprint up to 96 per cent lower than comparable space launch programmes.

The Enterprise Park Forres is a key asset in the region's emerging Space sector proposition for both upstream and downstream activity. With significant interest from the private and public sector in land and buildings, HIE are considering extending the park to be able to realise its full potential as a high value, advanced manufacturing hub of activity servicing several existing and emerging sectors. HIE are moving forward with a master planning and options appraisal exercise to inform future infrastructure decisions.



## **Northern Space Cluster Leadership Group**

Officers from HIE and Moray Council have served as representatives on the Northern Space Cluster Leadership Group. The HIE Moray area team has assisted with marketing the opportunities available to space companies and the wider supply chain in Moray. Work started this year on developing marketing materials and a dedicated website for the cluster. The Leadership Group will develop and drive forward an action plan and will be instrumental in the Space Cluster achieving its forecast potential.

*Roy Kirk: Project Director, Highlands and Islands Enterprise*

## **Buckie Harbour**

With the announcement surrounding ScotWind and the decision by Ocean Wind to use Buckie Harbour and its immediate surrounding infrastructure for Operations and Maintenance, there is significant investment across regional partners to stimulate the renewables industry. Public and private sector partners have collaborated to identify a sustainable learning, teaching, and skills development provision to support the offshore wind sector and its supply chain. As a result of this investment at least 50 direct jobs will be created, alongside the wider economic opportunities.

The Council has used Place Based Investment Funding to enable site provision for both the direct operations and maintenance, along with supply chain opportunities. This investment was worth in the region of £680k. Collaboration between Moray Council and HIE has provided funding for the creation of a Buckie Harbour Master Plan to support this development.



## Employment Land

Availability of land for employment purposes is vital to meet the needs of newly forming and expansion of existing businesses as well as for attracting inward investment opportunities. Moray has experienced problems historically in ensuring a suitable supply of land is available for employment and to address this, significant new releases of land were identified in the Moray Local Development Plan 2020, which included new sites at Mosstodloch and Burnside of Birnie as well as smaller mixed use opportunities in a number of locations such as Keith and Aberlour. However, there are still challenges to ensure that these land designations come forward and are available for development.

A Masterplan for a large employment land site west of Mosstodloch is being progressed and has the opportunity to link to other initiatives being investigated by the Council such as hydrogen and solar projects. There has been notable developments of new private sector small business units that have recently been completed in Elgin with 14 units developed by Saltire at I7 Barmuckity and I8 by Excell at I2 Chanonry.

Moray Council's Industrial Portfolio Annual Report 2020-21 showed continual high levels of occupancy within the Council's industrial portfolio with strong demand for smaller units. The provision of further serviced sites and units is an issue and a number of projects are being considered with a focus on Speyside where there are shortages and limited private sector interest in providing units on a speculative basis. The Council is also working with HIE to progress opportunities in Forres to address deficiencies in supply there.

Meantime, HIE has responded to demand at the Enterprise Park, Forres by obtaining consent for 8 office pods adjacent to the Horizon building and for two small business units and are working to deliver these. A road extension has been built to open up part of the site for development. HIE are also working to secure further opportunities within the aerospace industry and progress a North Highland and Moray space cluster.

The Employment Land Audit 2022 identifies that there is an established employment land supply of 226.48 ha over 36 sites, of which just over 100 ha over 21 sites are considered to be marketable/effective.



There was 4.74 ha of employment land completed in the year to 1st January 2022, including completion of occupation of sites at I7 Barmuckity, I2 Chanonry, I6 Linkwood east and OPP4 Ashgrove in Elgin and I1 Greshop in Forres. This is a similar level of take up and construction as recorded in 2021 when 4.68ha was recorded and a substantial increase in the area of land developed prior to the pandemic, with only 1.29 ha of land completed in 2018.

The area around Keith and Blackhillock sub station is experiencing considerable interest in battery and data storage type uses and officers are considering a Masterplan process to control development opportunities within this area and to allow for infrastructure planning.

To help inform future employment land requirements in the next Local Development Plan, officers will be carrying out a Business Needs Survey starting in early 2023.



## Town Centre Improvements

51 businesses received grants of £1.2m through the Town Centre Capital Fund to transform empty space into living space, convert large retail units into smaller units and for shopfront improvement. When the work comes to fruition it is expected to lead to investments worth £3.8m, however, construction costs continue to rise preventing, or challenging, the completion of projects. Public realm improvements are also ongoing with a total investment of £357,315 towards the work.

There is a dedicated point of contact for Elgin town centre with Elgin Bid, for coordinating and arranging meetings across services in Environmental Health, Building Standards and Planning to assist with free pre-application advice prior to formal submission.

A programme of Town Centre Improvement Plans have been developed and consulted upon. The Council commitment of £200,000 has been carried over into 2023/24. Final versions of the plans will be reported to Moray Council's Planning and Regulatory Services Committee in October 2022.

A budget of £70,000 was identified to support the Local Development Plan delivery programme. This has been used to support development of Masterplans for Town Centres and for the delivery of a Moray Retail Study.

A study on development of vacant and derelict land and property has been undertaken by the Strategic Planning and Development section, with a final report also to be submitted to the Planning and Regulatory Services Committee in October 2022.

Funding will be sought for future projects identified within these reports from appropriate sources such as the UK Shared Prosperity Fund, Place Based Investment Fund, and Vacant and Derelict Land Investment Programme.

## Elgin City Centre Masterplan

[The Elgin City Centre Masterplan](#) was approved by the Planning and Regulatory Services Committee on 16th November 2021 following an extensive period of engagement which informed the final projects included within the Masterplan. Proposals within the Masterplan included;

- Plans within Cooper Park for bringing the pond back into use, repurpose and extend the toilet block into new café and toilet facilities and an outdoor performance space to complement the Cultural Quarter Growth Deal project
- Redevelopment of vacant, derelict and underused historic buildings in the Centre for a new boutique hotel, restaurant, creative arts centre, business enterprise hub, residential units and student social space, supported by traffic control and streetscape measures to encourage the development of an evening economy and café culture



- Taking a nature based solution to develop new wetland park and alleviate flooding issues at the Auction Mart and former sawmill site and provide pockets of development as well as new junction and active travel measures to improve connectivity to the Centre from the south of the City

## Bid to UK Levelling Up Fund

A team of Moray Council officers, supported by HIE and other local partners, supported the preparation of a [bid to the second round of the UK Levelling Up Fund](#). The bid, for an investment of £18.29m, was submitted to the UK Government in August of 2022, with the outcome expected to be publicised in the autumn.

The proposals aim to deliver on elements of the Elgin City Centre Masterplan, which was subject to widespread public consultation prior to its approval.

The fund is designed to invest in infrastructure that improves everyday life by supporting town centre and high street regeneration, local transport projects, and cultural and heritage assets. Proposed projects are set to deliver significant economic, social and environmental benefits to whole region, including the creation of jobs.

Aligned with the Cultural Quarter project within the Moray Growth Deal, part of the funding package would be used to redevelop Cooper Park by bringing the pond back into use, creating accessible walkways, planting for biodiversity, new seating, and boat and paddleboard hire.



A Central Elgin project would support the development of the evening economy in Elgin and see Elgin Club reopen after 20 years as a boutique hotel, bar and restaurant. The ground-floor Reading Room will provide a quality space for small scale events. A proposed creative

arts centre on South Street also aims to deliver support to the local creative community.



The final element of the proposals would seek to redevelop the vacant Auction Mart and former Sawmill sites by Linkwood Road in the south of Elgin, to bring forward commercial development.

## Pop-Up Shops

As part of the Economic Recovery Action Plan, Moray Council agreed to set-up and develop a pop-up shop scheme to allow businesses to test the market with a high street presence on a 4 weekly basis. Expression of interest forms were received from 25 new or existing businesses and 67 enquiries were received from those interested in learning more about the scheme. An associated grant scheme was also established to enable participating businesses wishing to set up a permanent base in the town centre following a successful trial period, to apply for a capital start-up grant of up to £10,000.

Two pop-up shops were launched in Buckie, helping to bring vacant properties back into use and increase footfall in the town centre. One of the properties in Buckie has since secured a long term tenant following participation in the scheme. Efforts are underway to launch two pop-up shops in Elgin High Street in the near future, utilising Moray Council premises which are currently unoccupied.



## Moray Loves Local

As an extension of the national 'Scotland Loves Local' campaign led by Scotland's Town Partnership, local authorities were invited to participate in the 'Scotland Loves Local Gift Card' scheme to support local businesses emerging from the impact of COVID-19, protect local jobs, and encourage consumers to think local first. Moray Council participated in Year 1 of the scheme with support from the Economic Growth and Regeneration section. 179 businesses registered and 119 businesses completed the on-boarding process, including a wide range of shopping, food and drink, accommodation services and health and beauty businesses. The Moray Gift Card scheme was launched in November 2021 and from December 2021 to March 2022, 54 gift cards were sold generating £1,730 for the Moray economy. Further dedicated support to the scheme has been committed for the 2022-23 period.



## 6 A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29

### Moray Pathways

Moray Pathways is the local employability partnership in Moray. Through Moray Pathways, a programme of employability activities have been launched, through collaboration with local partners, in support of the Economic Recovery Plan.



On 28th June 2021, Moray Council Employability Team, the Department for Work and Pensions (DWP), Skills Development Scotland (SDS) and Elgin Youth Development Group opened the new Moray Pathways Employability and Training Hub at the Inkwell in Elgin and in collaboration with the Café at the warehouse employability project.



The role of the Moray Pathways Hub is not to replicate existing provision but to encourage a range of additional partner resources via Moray Pathways and was initially set up to support individuals hit by the pandemic, who would benefit from accessing face to face services. The partners within the wider Moray Pathways network have access to the larger Inkwell space and the smaller Inkwell room is a multi-agency hot desk facility. Partners can use the rooms to deliver training provision, digital workshops and support workers can hold 1:1 meetings and be served refreshments in the comfort of the café area during the day.

The following outputs were delivered across the period:

- 500 individuals were engaged and supported by Moray Pathways Network partner organisations
- 124 people progressed into employment opportunities
- 218 training sessions delivered
- 36 partner organisations from the Moray Pathways network delivered support and training provision within the hub
- 51 digital support sessions took place in the hub on a 1:1 basis
- 275 digital devices were secured for households in Moray



## Moray Employer Recruitment Incentive

The Moray Employer Recruitment Incentive (MERI) scheme was launched in April 2021 offering up to £10,000 for employers to provide a supported job placement for up to 25 hours a week, for a duration of 12 months.

MERI was designed to assist people of all ages who were facing the greatest barriers to employment. The incentive was coordinated by the Moray Pathways local employability partnership, funded by the Scottish Government, and administered by the Moray Council.



Employers from Public, Private and Third sector organisations were able to apply for this funding, for newly created job placements. Additional funding of £420,000 was also made available for a second MERI strand, exclusively for third sector and public sector work placements, to continue into the following financial year.

The fund supported individuals within the following target groups, as agreed by the Moray Pathways local employability partnership:

- Long-term unemployed
- Physical and mental health conditions, including disabilities
- Low income families and lone parents with children experiencing poverty
- Care Experienced young people
- Minority Groups
- Veterans
- Underemployed

Funding was approved for a total of 102 placements with employers across the public, private and third sectors during 2021/22.

## Mentoring Young Talent

Mentoring young talent was launched in 2019, however it was a vital project in the last year for young people who were struggling with their mental health as a result of the pandemic. The project was supported by the Young Person's Guarantee funding from the Scottish Government, the Scottish Attainment Challenge Fund for Care experienced young people and the European Social Fund. Outcomes in the current year included:

- 40 Care Experienced S1-S6 pupils actively being supported by a 1:1 Keyworker to build up a relationship before matching them to a suitable 1:1 volunteer mentor
- 25 young people aged between the ages of 16 and 25 engaging with a keyworker from the Mentoring Young Talent team before being matched to a 1:1 volunteer mentor



## Kickstart

Through the Kickstart scheme, which was administered by Department of Work and Pensions (DWP), 6 month work placements were made available for 16-24 year olds. Over the duration of the scheme commenced there were 161 Kickstart placements filled through Moray Chamber of Commerce members. Complete Kickstart data across Moray was not made publically available by DWP.

## European Social Fund

Two main projects continued to be delivered during the year in the face of the challenges of the COVID-19 lockdowns, for example it was particularly difficult to obtain the required paperwork and signatures from clients. Both of the following European funded projects will end in March 2023.

The Employability project, which aims to help out-of-work people (who face barriers) to move closer to and into work continued to be delivered by Council staff. During the year, 25 clients were registered on the project and received support, with 3 moving into work.

Towards the end of the year, the Council advertised for other organisations to deliver European Social Fund (ESF) funded employability projects in Moray and 6 organisations were awarded contracts to start in 2022. They aim to work with 372 clients with 100 moving into work (by March 2023).

The Poverty and Social Inclusion project provided advice and assistance to people facing financial difficulties in Moray. This ESF funded project is delivered by the Council who worked with 204 clients during the year, which resulted in 200 individuals having an improved financial situation.

The Council also advertised for other organisations to deliver similar ESF funded Poverty and Social Inclusion projects. Two charities were awarded contracts which started in late 2021/early 2022. They aim to work with 110 clients, and in particular will concentrate on families facing some kind of trauma in their life, with 83 of them having an improved financial situation by the project end.

## Developing the Young Workforce

Developing the Young Workforce (DYW) have led an integrated approach to employer engagement with schools to ensure every young person receives an entitlement to work based learning. To support this 6 new DYW Co-ordinators have been recruited across the 8 Secondary Schools in Moray. This has resulted in new collaborative projects, as well as an improvement in the range of work experience placements and sector based opportunities available for secondary pupils.



## 7 Ensuring alignment between skills provision and the changing economy

### Regional Skills Assessment

SDS has developed [Regional Skills Assessments](#) (RSAs) for Moray and monthly Labour Market Insight reports. RSA's were published quarterly throughout 2021/22, and are developed to provide a coherent evidence base to inform future investment in skills in Moray. Built up from existing datasets and forecasts, they offer the most detailed picture yet of the effect the COVID-19 pandemic had on regional labour markets.

The latest RSA for Moray now includes high level 'at a glance' infographics with accompanying context slides to provide further insight. The reports also contain a spotlight chapter and this iteration focuses on regional specific data from the Scottish Employer Skills Survey. They also feature data aimed at illustrating the impact of the pandemic including furlough data, job vacancies and Partnership Action for Continuing Employment (PACE) support. Oxford Economics forecast data has been updated in the latest release of the RSA. These reflect, for example, the COVID-19 pandemic, the current economic conditions for businesses, and continued uncertainty over Brexit.

SDS has also developed Sectoral Skills Assessments (SSAs), which look at current and future skills demand in the key sectors across Scotland and provide UHI and other partners and additional high-level evidence base to inform future investment in skills.



In support of ensuring alignment between skills provision and the changing economy, SDS have also delivered a range of other local activities:

- The 2021 Annual Participation Measure showed that of the 3,572 young people in Moray who are 16-19 year old, 91.8% were in education, employment or training and personal development. This was slightly below the national level of 92.2%.
- SDS has been working with UHI Moray to inform local provision using RSAs and insight from HIE and industry. A series of workshops and presentations involving SDS, Scottish Funding Council (SFC), HIE, UHI Moray, Moray Pathways, and DYW Moray have taken place over the past year, focussing on determining the short and medium-term employment opportunity areas in the economy
- SDS have provided baseline data for DYW Moray to identify the number of new employers referring to / engaging with the apprenticeship family and / or other key Government initiatives (e.g. Pathways apprenticeships)
- For each of the 8 secondary schools in Moray we now have a partnership agreement and a delivery plan agreed with a school coordinator from DYW Moray. From 1st June 2021 to 31st May 2022 we delivered 6,014 Career Information, Advice and Guidance engagements for 3,120 school pupils through a mix of group and one-to-one sessions
- As of 31st March 2022 there were 697 Modern Apprentices in training, including 366 Modern Apprenticeship starts in 21/22. 54.6% of the starts in the local area were aged 16-24
- There were 10 registered Graduate Apprentices with a home address in the local authority and 12 registered with employers based in the area
- A total of 43 pupils started Foundation Apprenticeships in schools, with Moray being outperformed by 20 other local authorities and below the Scottish average of 93.

## Apprenticeships

The Delivery Framework for developing a diverse, inclusive and sustainable economy from the Local Outcome Improvement Plan (LOIP) set out a number of key actions to deliver against the economic objectives. To support the outcome of increased participation, skill and pay levels with reduced gender inequality through apprenticeships at all levels, the following actions were identified:

- Creation of a partnership apprenticeship strategy and action plan developed for public and private sector partners
- New apprenticeships in the public and private sector



A working group of partners from Moray Pathways, consisting of officers from Moray Council, UHI Moray, DYW Moray, and SDS is working on development of an Apprenticeship Strategy for Moray.

Initial research identified that there is scope for significant growth in the availability of Foundation Apprenticeships and Modern Apprenticeships across the Moray Community Planning Partnership (CPP). The research also identified a complete absence of any Graduate Apprenticeship opportunities among the partners.

Coordinated delivery of an Apprenticeship Strategy for Moray should result in significant growth in the availability of apprenticeship opportunities locally. It is hoped this will have a lasting impact on the local skills base and ensure that more young talent opts to remain in or relocate to Moray.



# VISIT MORAY SPEYSIDE

“There had been significant growth in the tourism industry in Moray pre-COVID with record figures for the industry for 2019 with the economic impact reaching £134.2million, representing growth in the industry of 67% over the past 10 years.

Meanwhile, the equivalent of 2,911 FTE jobs were supported by the sector in 2019 across the region, an increase of 240 over the same period.

## Impact of COVID-19

As a result of the pandemic, tourism in the region has seen a drastic downturn. The tourism industry's economic impact on the region declined from £134m in 2019 to £58m in 2020. Meanwhile tourist numbers fell by 55% in 2020 year on year. Additional challenges and pressures facing the sector include the lack of a major hotel operator in the area. This has long been highlighted as an issue with pressure on available overnight rooms and a reliance on self-catering accommodation.

## Bounce Back

The message from the industry was that the region was well-placed to bounce back as we possess sufficient outdoor space, self-catering accommodation, and capacity to meet the changing needs of social restrictions.

As mentioned above, historically the lack of a major hotel operator was seen as a major disadvantage for the industry. However, self-catering operators are now ideally placed to provide a socially distanced break in our incredible landscapes.

Moray's tourism sector received a £350,000 boost from HIE to help the recovery of tourism within the region through a series of initiatives to support businesses over a three-year period.

The tourism industry has begun to bounce back with a 27% increase of visitor numbers from April – June 2022 compared to the same period in 2021. This has been supplemented with an increase in turnover of 32% compared to the previous year.

## Looking to the Future

There are positive signs looking towards the future of the tourism industry in Moray, but with the caveat that there will be challenges to overcome if the industry is to reach the aimed tourism recovery at pre-COVID levels by 2025.

The lack of visitors, especially those from overseas, together with issues such as significant staff shortages and the need to repay debts built up over the pandemic, present challenges for many tourist businesses. These challenges have since been exacerbated by the pressing concerns for many of the rising costs of energy and the imminent cost of living crisis.

Tourism is central to the local economy in Moray and a vital source of rural employment. It is essential for Moray that it continues to grow and flourish.”

*Gemma Cruickshank: Chief Executive Officer, Visit Moray Speyside*



## 8 Increased productivity leading to growing wages and contributing to closing the gender pay gap

### Childcare provision

All families of 3 and 4 year olds in Moray now have access to the flexible 1140hrs. The funded offer is provided by a combination of 39 Private, Voluntary and Independent settings (PVI) and 24 Local Authority settings, this includes two privately funded outdoor nurseries. We also have 37 childminders in contract with Moray council to offer funded hours to 3 and 4 year olds. The service models vary however we have some services that offer from 8am – 6pm Monday to Friday, and childminders may take children from earlier as may some PVI providers.



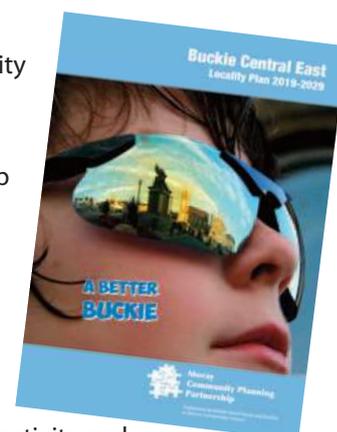
After families have registered they will receive confirmation of a funded place. When they receive this depends on their child's date of birth. Not all families get their first choice of nursery but all have access to a nursery to benefit from the funded hours.

The offer of 1140hrs also extends to Eligible 2 year olds. We are not currently offering all those eligible the full 1140hrs and this is something we are working on. We believe there are a high percentage of families across Moray that aren't aware of the offer for Eligible 2's however with the pandemic we are not as far ahead in increasing uptake as we would like to be.

### Community Support

The Community Support Unit (CSU) have provided a range of support services over the period which have helped not only with Community Learning and Development but in driving forward economic activity. In addition to the Moray wide Local Outcome Improvement Plan (LOIP), two separate locality plans have been developed for communities in Buckie and New Elgin to address significant challenges with deprivation.

In Buckie, a monitoring group carried out a review of the Locality Plan under the three themes of Health and Wellbeing, Economy and Place. The Monitoring Group have since reviewed this information to identify future priorities for the local community. They have also promoted digital health initiatives as this fits well with the priorities for improved connectivity and aligns with the Digital Health Initiative project from the Moray Growth Deal.



The New Elgin working group have also been revisiting their Plan and are developing a three-tier working document which will improve the focus on the plan and create mechanisms for tracking the progress of priorities within it. This involves identifying issues which are New Elgin specific, those which take in a wider geographic area, and issues which are Moray wide. Developing social capital remains a key priority in recognition of the low number of community groups and organisations in the area. One aspect of this relates directly to the lack of community meeting spaces and conversations and plans are developing around how that can be addressed.

Support was provided for Lossiemouth Community Development Trust to carry out a major community survey to be incorporated into a five year plan for the Trust. The themes of the consultation were Local Economy; Welfare and Wellbeing and Place. The CSU have since provided guidance on options for progressing other workstreams not included in the Development Trust's own plan with other CPP partners and stakeholders.

Forres Area Community Trust (FACT) have been working with the CSU in hosting community engagement events to build on the progress that has been made since the Forres 2020 vision, which stemmed from the Spirit of Community event in 2015. There will be a revisit of the four thematic areas within the 2020 vision to look at what the local community feel are current priorities and how best to take these forward. Support for community anchor organisations such as this is crucial to developing the social economy.

The CSU team have also set out plans to support the Lands and Parks Services through 4 separate Participatory Budgeting exercises in Rothes, Cullen, Findochty and Forres, with the Rothes process now completed. Each of the 4 projects will oversee the expenditure of a £50k budget allocation to create a new play park. The exercise in Rothes secured positive levels of engagement with families and a local group secured an additional £57k to support total project costs. Ideas were shared through the online CONSUL platform, with 203 votes cast by pre-school, primary and secondary age children as well as those in the wider community. The park is due to be completed and opened to the public later in 2022.



## Housing

Availability of land for housing is vital to meet existing need and future demand from in-migration. Moray enjoys a very good supply of land for housing to meet demand. The Housing Land Audit 2022 highlights that there is an overall established land supply of 12,192 units which includes extensive areas of LONG term land, which act as a reserve and can be released should a shortfall be projected. The 2022 data also highlights that the effective housing land supply, which is land free of significant constraint and available within 1 five year period, is 5,365 units, which is equivalent to a 13 year supply.



The new National Planning Framework 4 is expected to be approved in late 2022 and will place a greater focus on brownfield redevelopment and support town centre living with the resultant economic benefits for local businesses.

However, within the land supply, there are issues ensuring availability of a range of house and tenure types, particularly in Speyside, Buckie Coastal towns and villages and in the vicinity of the Enterprise Park, Forres. The Moray Growth Deal Housing Mix Delivery project aims to address some of these challenges with Council officers discussing site options with partners.

A new Housing Need and Demand Assessment is currently being prepared and this will inform the housing land requirements in the next Local Development Plan. The Assessment will also review the impact short term lets are having on the availability of housing in the local market.

Over the next 2 years, the Strategic Housing Investment Plan is expected to provide 338 affordable homes with spend of approximately £140m, via the investment from Scottish Government, Housing Revenue Account (HRA) and Registered Social Landlords (RSL).

## Transport Infrastructure

The Transportation Service within Moray Council have been supporting the delivery of projects aimed at assisting in the transition to a low carbon economy. This has included the expansion of the local Electric Vehicle (EV) charging infrastructure, with 11 new fast and rapid chargers installed or commissioned across Moray during the year.

New active travel infrastructure was provided in a number of locations throughout Moray, to encourage an increase in low carbon forms of transport. This includes Keith, where a new active travel path was created as part of the works associated with a new nursery facility.

Funding was secured for the second phase of the Speyside Low Carbon Hub project, which will upgrade the path infrastructure on the section of the Speyside Way between Carron and Cragganmore. However, this work was not completed until later in 2022. This project has transformed the section of this nationally important long distance route, recognised as one of Scotland's 'Great Trails', between Cragganmore and Craigellachie. These improvements will benefit both visitors and local residents, for whom the route provides valuable active travel provision.

Funding was secured to improve the active travel connections to the new footbridge over the River Lossie in Lossiemouth, but again this project was not delivered until later in 2022.



## 9 Performance Indicators

The Moray Economic Strategy identified a suite of performance indicators to be used to assess the success of initiatives in delivering against the strategy. The data below provides a baseline against these indicators using the most recent data available, from which future performance can be measured. This will assist in providing an insight into the relative health of the Moray economy. It is recognised that Moray is currently underperforming against the national average for many of these indicators. This report highlights the action being implemented to improve the performance of the economy:

### Increased Gross Value Added (GVA) per employee

GVA per job filled	Moray	Scotland
2019	£49,701	£52,252

### Increased share of employment in higher level occupations (SOC1-3)

Employment by occupation April 2021 – March 2022	Moray (%)	Scotland (%)
Standard Occupational Classification Major Groups 1-3	43.2	48.5
1 Managers, Directors And Senior Officials	10.0	8.4
2 Professional Occupations	16.3	25.2
3 Associate Professional Occupations	16.6	14.7

### Increase in the number of start-ups, including social enterprises

Number of births of new enterprises	Moray	Scotland
2020	220	17,795

### Increase in the number of businesses employing between 50 and 249 people

Number of medium enterprises (50 to 249 employees)	Moray	Scotland
2021	35	2,715

### Increase in average pay in Moray and a closing of the gender pay gap

Gross weekly pay for full time employees	Moray	Scotland
2021	£565.80	£622.00

Median gender pay gap	Moray (%)	Scotland (%)
2021	22.6	11.5

### A more balanced demographic – with greater numbers in the 16-29 age range

Percentage of population aged 16-29	Moray (%)	Scotland (%)
2020	15.11	17.27

### Employment rate (Annual Population Survey)

Number of people economically active in employment	Moray (%)	Scotland (%)
April 2021 – March 2022	73.6%	73.8%



