



REPORT TO: COMMUNITY PLANNING BOARD ON 16 SEPTEMBER 2020

SUBJECT: MORAY GROWTH DEAL – PROGRESS UPDATE

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1. This report provides a progress update on the development of a growth funding proposal for Moray since the previous update was provided on 5 February 2020.

2. RECOMMENDATION

2.1. The Community Planning Board is asked to:-

- (i) consider and note the following:**
 - a. the progress made on the Moray Growth Deal since February 2020;**
 - b. the virtual signing of Heads of Terms on 24th August 2020;**
 - c. the detail of the agreement available on the My Moray website;**
- (ii) note the next steps outlined in Section 6; and**
- (iii) note the revised membership of the Moray Growth Deal Programme Board to reflect the next stage of development.**

3. BACKGROUND

- 3.1. The board last received a report on the development of the bid in February 2020. At the time of the last report the board were advised of the proposed timescale to reach Heads of Terms by March.

4. PROCESS UPDATE

- 4.1 Following the last update work on Heads of Terms was progressing well and the terms of the deal were agreed with officials just before the Covid-19 lockdown, which meant that an official signing event could not be organised.
- 4.2 In order to enable development of outline business cases to progress with confidence, a joint letter of support was sent to the Council Leader on 5 May 2020 by the Rt Hon Alister Jack MP, Secretary of State for Scotland and Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity.
- 4.3 Work continued in the background to enable the Heads of Terms to be signed as soon as possible in order that details of the projects could be publicised to allow wider engagement with business and communities to shape and strengthen the business cases.
- 4.4 The Heads of Terms was signed on 24 August 2020 in a virtual event involving representatives of the UK and Scottish governments and the leader of Moray Council using video conferencing software to sign up to the document. This was the first virtual signing event and was designed to avoid compromising government guidance with regard to the Covid-19 pandemic, and follow public health guidance to keep everyone safe.

5. HEADS OF TERMS DETAIL

- 5.1 A copy of the signed Heads of Terms document has been uploaded to the My Moray website, together with an infographic giving high level detail on each project, a short animated film, FAQ's, and an update bulletin detailing the next phase.
- 5.2 The combined investment totals over £100 million, with £32.5 million from each government and £35.8 million from local partners.

6. NEXT STEPS

- 6.1 Work on the outline business cases is currently in progress for all of the projects included in the Heads of Terms agreement. These outline business cases are required in order to meet the next milestone of the full deal signing.
- 6.2 The projects are: Moray Aerospace, Advanced Technology and Innovation Campus, Business Enterprise Hub, Cultural Quarter, Housing Mix Delivery, Early Years STEM, Bus Revolution, Manufacturing and Innovation for Moray, and Digital Health.
- 6.3 Although the development of the business cases is at an early stage for most of these projects the most advanced are:
 - Cultural Quarter – initial draft of Outline Business Case complete and feedback received from government policy leads, re-drafting in progress.

- Moray Aerospace, Advanced Technology and Innovation Campus – economic and social impact assessment in progress, design discussions in progress with RAF officials, land purchase negotiations ongoing with purchase of land by HIE
- Business Enterprise Hub - economic and social impact assessment in progress.

All other projects are at various stages between reviewing strategic objectives and options appraisal in preparation for economic and social impact assessments.

7. REVIEW OF PROGRAMME GOVERNANCE

7.1 In order to reflect the change in the development process the programme board has been reviewed to ensure that the correct accountable people are represented.

7.2 The programme board composition for the Outline Business Case development stage is as follows:

	Role	Organisation
Rhona Gunn	Programme SRO	Moray Council
Jim Grant	SRO - Cultural Quarter	Moray Council
Gary Templeton	SRO - Housing Mix Delivery	Moray Council
Stuart Black	SRO - MIM	Highlands & Islands Enterprise
George Crooks	SRO - Digital Health	Digital Health & Care Institute
Nicola Moss	SRO - Bus Revolution	Moray Council
David Patterson	SRO - MAATIC & BEH	Moray College, UHI
Jo Shirriffs	SRO – Early Years STEM	Moray Council
Lorraine Paisey	Finance Assurance	Moray Council
Michael Urquhart	Business Assurance	Business Assembly
Alistair Kennedy	Community Assurance	Joint Community Councils
Sarah Holmes	Youth Assurance	Developing Young Workforce

7. CONCLUSION

7.1. **The deal process was further interrupted by the Covid-19 pandemic but a virtual signing of the Heads of Terms agreement was achieved on 24th August 2020.**

7.2. The Community Planning Board is asked to consider and note progress on the Moray Growth Deal.

Author of Report: Rhona Gunn, Depute Chief Executive (Economy, Environment and Finance)