Your Moray

Community Planning Board

Wednesday, 29 March 2023

NOTICE IS HEREBY GIVEN that a Meeting of the **Community Planning Board** is to be held at **Council Chambers**, **Council Office, High Street, Elgin, IV30 1BX** on **Wednesday, 29 March 2023** at **14:00**.

BUSINESS

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.

THE MORAY COUNCIL

Community Planning Board

<u>SEDERUNT</u>

Councillor Kathleen Robertson (Chair)

Mr George Burgess (Member)
Mr Murray Ferguson (Member)
Chief Superintendent Graeme Mackie (Member)
Mr Grant Moir (Member)
Mr David Reid (Member)
Mr Anthony Standing (Member)
Mr Don Vass (Member)
Mrs Susan Webb (Member)
Ms Caroline Webster (Member)
Councillor John Divers (Member)
Councillor Juli Harris (Member)
Councillor Graham Leadbitter (Member)
Councillor Bridget Mustard (Member)
Mr Roddy Burns (Member)
Mr Chay Ewing (Member)
Councillor Tracy Colyer (Outside Body Appointee)
Councillor Amber Dunbar (Outside Body Appointee)

Clerk Name:	Lindsey Robinson
Clerk Telephone:	07966 120593
Clerk Email:	committee.services@moray.gov.uk

Item 3.

Minute of Meeting of the Community Planning Board

Wednesday, 09 November 2022

Council Chambers, Council Office, High Street, Elgin, IV30 1BX

<u>**PRESENT**</u>

Mr George Burgess, Mr Roddy Burns, Councillor Tracy Colyer, Councillor John Divers, Mr Chay Ewing, Councillor Juli Harris, Councillor Graham Leadbitter, Councillor Bridget Mustard, Councillor Kathleen Robertson

<u>**APOLOGIES**</u>

Councillor Amber Dunbar, Mr Murray Ferguson, Mr Grant Moir, Mr David Reid, Mr Anthony Standing, Chief Superintendent Kate Stephen, Mr Don Vass, Mrs Susan Webb, Ms Caroline Webster

<u>**IN ATTENDANCE**</u>

Also in attendance at the above meeting were the Depute Chief Executive (Economy, Environment and Finance), Depute Chief Executive (Education, Communities and Organisational Development), Head of Economic Growth and Development, Head of Governance, Strategy and Performance, GIRFEC and PROMISE Lead Officer and Lindsey Robinson, Committee Services Officer, as clerk to the meeting.

Chief Inspector Simon Reid attended on behalf of Chief Superintendent Kate Stephen and Paul Southworth attended on behalf of Susan Webb.

1. Chair

Councillor Kathleen Robertson, as Chair of the Community Planning Board, chaired the meeting.

2. Minute of the Meeting of the Community Planning Board of 21 September 2022

The minute of the meeting of 21 September was submitted and approved as an accurate record of the meeting.

3. Community Engagement Strategy

A report by the Depute Chief Executive (Education, Communities and Organisational Development) proposed the refreshed Community Engagement Strategy with the Board for approval.

Following consideration, the Board agreed to:

i. note the progress carried out to develop the refreshed Community Engagement strategy;

ii. approve the refreshed Community Engagement Strategy, at Appendix A of the report; and

iii. note further work will be undertaken to identify a suitable online space to support community engagement in Moray.

4.   Poverty Governance Proposal Update

A report by the Depute Chief Executive (Education, Communities and Organisational Development) asked the Community Planning Board to consider and approve the updated poverty governance structure set out for the Community Planning Partnership in Appendix 1 of the report.

Following consideration, the Board agreed to:

i. approve the updated Poverty Governance Structure set out for the Community Planning Partnership in Appendix 1 of the report; and

ii. remit the Community Planning Officer Group, in consultation with the Fairer Moray Forum, to review and update the focus and membership of the Fairer Moray Forum in line with the revised governance structure.

5.   Moray Economic Strategy 2022

A report by the Moray Economic Partnership provided the Board with the Moray Economic Strategy 2022 report for consideration.

Following consideration the Board agreed the contents of the report.

6.   Childrens Services Plan Annual Report

A report by the Chief Officer, Moray Health and Social Care Partnership asked the Board to review the Children's Services Plan Annual Report 2021-22 at Appendix 1 of the report.

During consideration, the GIRFEC and PROMISE Lead Officer advised that the report had been endorsed by the Scottish Government and their introduction will be included in the report.

Thereafter, the Board agreed to approve the finalised Children's Services Plan Annual Report 2021-22.

7.   LOIP 2022-23 Quarters 1 and 2 Performance Monitoring

A report by the Depute Chief Executive (Education, Communities and organisational Development) informed the Board of the performance against the Local Outcome Improvement Plan (LOIP) for the period to 30 September 2022.

Following consideration, the Board agreed to note the progress reported in the templates linked in the report.

8.   Proposed Schedule of Meetings to November 2023

A report by the Depute Chief Executive (Education, Communities and Organisational Development) invited the Board to consider and agree the schedule of meetings for the period to November 2023.

During consideration, Councillor Robertson reminded the Board that a Depute Chair was still to be decided on. It was agreed that nominations would be sought and this would be taken up at the next meeting.

The Board agreed the undernoted meeting dates for the next 12 months.

Date	Time	Location
1 February 2023	2pm	Council Chambers and Hybrid/ Remote Locations
17 May 2023	2pm	Council Chambers and Hybrid/ Remote Locations
20 September 2023	2pm	Council Chambers and Hybrid/ Remote Locations
15 November 2023	2pm	Council Chambers and Hybrid/ Remote Locations

9.   AOCB

Councillor Robertson asked if there was a possibility of there being a development day for the members of the Board as there were a lot of new members.

In response, the Chief Executive advised that it would be taken forward through the officers group and will come back to the Board with a proposition.

George Burgess introduced himself to the Board. He is the Director of Agriculture and Rural Economy for the Scottish Government and also the Scottish Government's Place Director for Moray.

The Depute Chief Executive (Education, Communities and Organisational Development) advised that she had received an invitation to respond to an enquiry into community planning by the Local Government Housing and Planning Committee. There is a questionnaire which will require input from partners to allow submission by the end of December 2022.

Your Moray

REPORT TO: **COMMUNITY PLANNING BOARD ON 29 MARCH 2023**

SUBJECT: **MORAY GROWTH DEAL UPDATE – FIRST ANNUAL REVIEW**

BY: **DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT & FINANCE)**

1.   REASON FOR REPORT

1.1.   To update the Community Planning Board on the process for and terms of the first Annual Report for Moray Growth Deal, a draft of which has been reviewed and approved by Moray Economic Partnership and Moray Council in line with approved governance for the deal.

2.   RECOMMENDATION

2.1.   **That the Community Planning Board consider and note the annual review process and terms of the draft Annual Report, the final version of which will be submitted to the Council for approval in May 23.**

3.   BACKGROUND

3.1.   The Board is referred to the detailed report to the meeting of Moray Council on 8.3.23 (Appendix 1 to this report) with the appendices referenced in that report:
- Appendix 2 – Draft Annual Report
- Appendix 3 – Timeline of Annual Report Process
- Note: Internal Audit Report not produced as refers to Councils own Audit procedures

4.   <u>**CONCLUSION**</u>

4.1.   **The Annual Report reflects a retrospective on the strong progress made in the deal programme to date including launch of the Digital Health project, improvements in governance and improved staffing at project and programme level. Looking forward, work developing business cases from Outline to Full Business Case stage will make 2023/24 a very busy year for the deal, creating a platform for future delivery of the significant economic benefits which the deal will bring for the Moray economy.**

Author of Report: Rhona Gunn
Background Papers:
Ref: SPMAN-957343068-2450

REPORT TO: SPECIAL MORAY COUNCIL ON 8 MARCH 2023

SUBJECT: MORAY GROWTH DEAL ANNUAL REPORT

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

1.   REASON FOR REPORT

1.1   Each year the Moray Growth Deal is required to produce an annual report providing an overview of work undertaken, with a look ahead to the year ahead. This paper introduces the first draft report, covering the period 20 December 2021 to 31 December 2022.

1.1   This report is submitted to Council in terms of Section (II) (20) of the Council's Scheme of Administration relating to a new policy matter which does not fall within the terms of reference of any Committee.

2.   RECOMMENDATION

It is recommended that Council:

(i)   consider and scrutinise the draft annual report; and

(ii)   delegate authority for the Depute Chief Executive (Economy, Environment and Finance) to approve a final iteration of the report, following engagement with key stakeholders and the Scottish and UK Governments. This will then be submitted to a future Moray Council meeting for noting.

3.   BACKGROUND

3.1   The Moray Growth Deal (MGD) was signed on 20 December 2021 and is a transformative, £100m programme consisting of 8 projects that will drive positive improvements to social and economic challenges faced by citizens and businesses in Moray.

3.2 The production of an annual report is a grant condition associated with funding from the Scottish and UK Governments. This report introduces the MGD's first annual report covering the period 20 December 2021 (when the Full Deal was signed) to 31 December 2022.

3.3 Looking beyond the governance process set out above, the production of an annual report provides an opportunity for the Council to document and publicise progress made implementing the Growth Deal projects, with a look ahead to activity planned for 2023.

4. PROCESS AHEAD TO DEVELOP A FINAL DRAFT OF THE ANNUAL REPORT

4.1 Outlined in **Appendix 1** is a comprehensive timeline of engagement that has been initiated to develop the MGD's annual report. This includes a range of key stakeholders including the Moray Economic Partnership, Elected Members and the Moray Business Assembly. The first phase of review involves regional partners, along with Council Officers and Elected Members. This culminates with the submission of this report.

4.2 Subsequently, phase 2 will focus on engagement with the Scottish and UK Governments, with the report feeding into the Deal's first annual conversation. Scheduled for 29 March 2023. The annual conversation is an executive level officials meeting to discuss the status of the Deal. This will be attended by senior officials from the Scottish and UK Governments, along with the Moray Council's Chief Executive, Depute Chief Executive (Economy, Environment and Finance) as Moray Growth Deal Senior Responsible Officer, Head of Financial Services, Head of Economic Growth and Development and the Moray Growth Deal Programme Manager.

5. OVERVIEW OF THE ANNUAL REPORT

5.1 **Appendix 2** contains a draft copy of the MGD's annual report,

5.2 Significant activity has been progressed since the Deal was signed including establishing the Programme Management Office, projects working towards the preparation of their Full Business Cases and one project progressing delivery (Digital Health). The following achievements are noted:

Programme achievements	
Q3 21/22	o Digital Health project receives Moray Growth Deal Board and Government approval for the Full Business Case and enters delivery. o Full Deal document signed by the Moray Council, Scottish Government and UK Government on 20 December 2021.
Q4 21/22	o Recruitment process undertaken for Programme Management Office (PMO) and Project Manager roles, with staff taking up post during Q1 22/23

Q1 22/23	o Full Business Case for Bus Revolution approved by the Moray Growth Deal Board, with the project expected to receive Government clearance in Q4 22/23 to enter delivery. o Ministerial launch of the Digital Health project following completion of their first work package.
Q2 22/23	o Enhancement of programmatic controls relating to risk, assurance and reporting, with the Moray Council carrying out an internal audit of the Moray Growth Deal in the second half of 2022.
Q3 22/23	o Business Enterprise Hub Memorandum of Understanding signed with Moray Council and Robertsons Construction which enables RIBA design stages to be progressed. o Detailed engagement activity commenced for the Cultural Quarter project to collate evidence that will help shape the vision for Elgin Town Hall and Grant Lodge. o Tender for Dallas Dhu Housing Mix Delivery site design work launched. o Offer received from Boeing for how they will support the Moray Aerospace, Advanced Technology Innovation Centre (MAATIC) facility

5.3 Looking ahead to 2023, the pace of Moray Growth Deal activity is expected to increase significantly, with the following areas of focus:

o Programme Benefits Realisation and Monitoring Plan due to be submitted to the MGD Board for approval Q4 22/23.

o Official opening of the Digital Health Demonstration and Simulation Environment Space late Q4 22/23 in the Alexander Graham Bell Building which is part of UHI-Moray.

o Bus Revolution scheduled to commence delivery in Q1 23/24 on the assumption Government clearance of the Full Business Case is received in Q4 22/23.

o The remaining 6 projects are scheduled to submit their Full Business Cases to the MGD Board for approval by Q4 23/24. Of these, it is anticipated that 4 will receive Government clearance and have entered delivery before December, meaning the Deal should finish the next reporting period with 6 of the 8 projects in delivery. Detailed Members Briefings will be held for all projects before they are reported to council which is part of the approval governance process.

o By the end of Q3 23/24, all of the Digital Health project's 5 living labs are expected to have completed their development stage, with 2 expected to reach the evaluation stage.

5.4 As activity scales up during 2023, there are a number of risks being managed by the MGD Programme Management Office that have the potential to affect delivery, specifically:

o *Inflation:* Expected to cause cost projections to increase between OBC and FBC stage. With a fixed funding agreement in place with the Governments, the projects will need to need to drive efficiences, prioritise deliverables and / or seek additional sources of funding to move into delivery with a sustainable financial model.

- *Management of closely aligned projects:* Moray Aerospace and advanced Technology Innovation Campus (MAATIC), Manufacturing Innovation Centre for Moray (MICM) and the Business Enterprise (BE) Hub are closely aligned in relation to the outcomes they are seeking to achieve. As their full business cases are developed in 2023, it is critical there is clarity on the work each will deliver around research, innovation and work with businesses, ensuring any cross linkages are appropriately managed.
- *Engagement activity:* Significant engagement activity will be required across all projects involving a wide range of stakeholders. This work will need to be effectively co-ordinated to ensure that there is cross-project co-ordination for engagement that affects multiple streams of activity and on key stakeholders.

6.   **SUMMARY OF IMPLICATIONS**

(a)   **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
The Moray Growth Deal projects will contribute to the Corporate Plan priority of promoting economic development and growth, whilst meeting the LOIP vision of raising aspirations, reducing inequalities in educational attainment, providing access to employment, expanded choices for residents, and improved livelihood and well-being.

(b)   **Policy and Legal**
Each Growth Deal project has been developed to meet local, regional and national policy agendas in line with legal requirements where relevant.

(c)   **Financial implications**
The production of the 2021/22 annual report for the Moray Growth Deal in itself does not present any financial implications, but it does contain a section relating to the finances of the programme.

The Council's Head of Financial Services sits on the monthly Moray Growth Deal Programme Board at which a report is submitted for review setting out spend against budget allocation and takes an overview of the financial implications of the deal for the Council as s95 officer.

(d)   **Risk Implications**
The production of the 2021/22 annual report for the Moray Growth Deal in itself does not present any risk implications, but it does reference risks being managed by the MGD Programme Management Office that have the potential to affect successful delivery.

Risk is a standing item at the monthly Moray Growth Deal Programme Boards and is covered in monthly meetings that the Programme Management Office has with each Project Manager.

(e) Staffing Implications
None

(f) Property
None.

(g) Equalities/Socio Economic Impact
Equalities and Socio Impact Assessments for each project will be updated as part of Full Business Case development.

(h) Climate Change and Biodiversity Impacts
As a requirement of the Moray Growth Deal, all projects will address carbon reduction, improved environmental performance and a just transition to net zero as a central part of their development.

(i) Consultations
Consultation has taken place with the Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Equal Opportunities Officer, the Chief Financial Officer, and Lissa Rowan (Committee Services Officer) have been consulted and comments received have been incorporated into the report.

A final version of the annual report will be prepared following extensive consultation and review:

- o Moray Growth Deal Programme Board
- o Moray Economic Partnership
- o Business Assembly
- o The Scottish and UK Governments
- o Moray Council Elected Members (briefing on 21/02/23 and Council meeting on 08/03/23)
- A final version of the annual report will be provided to council for noting at its meeting on 24 May 2023.

7. **CONCLUSION**

7.1 **This paper provides a draft copy of the Moray Growth Deal's 2021/22 annual report for the Council to review and comment upon.**

7.2 **The Council is asked to delegate authority for the Depute Chief Executive and Moray Growth Deal Senior Responsible Officer (SRO) to approve a final iteration of the report.**

7.3 **A final draft of the annual report will be provided to the Council for noting once officer engagement with key stakeholders, including the Scottish and UK Governments has been completed.**

Author of the report: Michael Kelly, Moray Growth Deal Programme Manager

Background papers:
- Appendix 1: Timeline of MGD annual report engagement activity
- Appendix 2: Moray Growth Deal Annual Report

Previous MGD Board paper submitted to Council: 30 November 2023 (Item 7)

Annual Report (20 December 2021 to 31 December 2022)

Version 1.0 (February 2023)

<u>*Document control*</u>

1

Version	Date	Individuals / groups consulted
v0.1	26/01/23	Initial draft circulated for review: - Rhona Gunn (Depute Chief Executive and Programme SRO) - Lorraine Paisey (Head of Financial Services) - Jim Grant (Head of Economic Development & Planning) - Lindsay Lyon (MGD Programme Officer)
v0.2	06/02/23	Updated draft prepared and circulated to the Council's Team for review: - Kirsty Craig (Acting Senior Communications officer)
v0.3	09/02/23	Updated draft annual report circulated to key groups for review: - Moray Growth Deal Programme Board - Moray Economic Partnership
v1.0	In development	Version being created on an iterative basis as comments received from Moray Growth Deal Programme Board members and the Moray Economic Partnership (issued on 09/02/23, deadline for comments 17/02/23)

Contents

3

Moray Growth Deal mission statement:

"By the year 2030 Moray is a destination of choice, the area being known and recognised as an outward-facing and ambitious community with a thriving and well connected commercial base, and an environment in which quality of life is valued and supported."

1. *Executive Summary*

4

The Moray Growth Deal is a once in a generation, transformative programme that will use £100m of funding to deliver social and economic improvements for challenges faced throughout the region. The eight projects that make up the Deal will deliver…

Infographic 1: What does it mean for Moray?

- Direct and indirect creation of over 3,500 jobs
- 450 of the 3,500 jobs will result directly from the delivery of Growth Deal projects
- 50,000 more tourists will be attracted to Moray
- Over 300 new affordable homes will be constructed
- 450 businesses will be supported to scale up , increasing Moray's GVA by £82m
- Creation of new and improved facilities and services that aim to make Moray a more attractive place to live and do business in (educational, cultural and business innovation facilities coupled with enhanced public transport connectivity and an increase in the number of affordable homes)

Infographic 2: The 8 projects that make up the MGD

Bus Revolution - £4.3m	*Business Enterprise (BE) Hub - £6.4m*	*Cultural Quarter - £31.6m*
Increase the number of people using public transport to get to and from rural areas to work, education and leisure	Provision of education, research and business support functions to support new business start-ups, whilst helping to upscale existing micro businesses.	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 in private sector investment in a new hotel.
Digital Health - £5m	*Early Years (EY) STEM - £4.8m*	*Housing Mix Delivery - £7.5m*
Creation of an anchored demonstration and simulation environment (DSE) and Living Lab testbeds for the Moray region.	To grow interest in science, technology, engineering and maths amongst children aged 3-8	Stimulating housing development in town centres, unlock constrained sites and promote the integration of pilot exemplar sustainable design and construction techniques.
Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC) - £24m		Manufacturing and Innovation Centre for Moray (MICM) - £5m
Establishment of a cutting edge commercial and academically supported training and research centre for excellence that will provided advanced skills for the region's industries.		A focal point for businesses to learn best practice and collaborate, stimulating the creation of new and growth of existing micro businesses throughout Moray.

5

On 20 December 2021, the UK and Scottish Governments signed the Full Deal Document with Moray Council, kicking off a 10 year period of funding up to £100m. The funding is made up of £32.5m each from the Scottish and UK Governments, along with £38.5m from regional partners.

This annual report covers the period from 20 December 2021 until 31 December 2022. Activity has focused on establishing the Growth Deal Programme Management Office, projects working to prepare their Full Business Cases and one project progressing their delivery phase (Digital Health).

Infographic 3: Timeline of programme achievements	
Q3 21/22	- Digital Health project receives Moray Growth Deal Board and Government approval for the Full Business Case and enters delivery. - Full Deal document signed by the Moray Council, Scottish Government and UK Government on 20 December 2021.
Q4 21/22	- Recruitment process undertaken for Programme Management Office (PMO) and Project Manager roles, with staff taking up post during Q1 22/23.
Q1 22/23	- Full Business Case for Bus Revolution approved by the Moray Growth Deal Board, with the project expected to receive Government clearance in Q4 22/23 to enter delivery. - Ministerial launch of the Digital Health project
Q2 22/23	- Enhancement of programmatic controls relating to risk, assurance and reporting, with the Moray Council carrying out an internal audit of the Moray Growth Deal in the second half of 2022.
Q3 22/23	- Business Enterprise Hub Memorandum of Understanding signed with Moray Council and Robertson Construction which enables RIBA design stages to be progressed. - Detailed engagement activity commenced for the Cultural Quarter project to collate evidence that will help shape the vision for Elgin Town Hall and Grant Lodge. - Tender for Dallas Dhu Housing Mix Delivery site design work launched. - Offer received from Boeing for how they will support the Moray Aerospace, Advanced Technology Innovation Centre (MAATIC) facility

Looking ahead to 2023, the pace of Moray Growth Deal activity is expected to increase significantly:

- Programme Benefits Realisation and Monitoring Plan due to be submitted to the MGD Board for approval Q4 22/23.
- Official opening of the Digital Health Demonstration and Simulation Environment Space late Q4 22/23 in the Alexander Graham Bell Building which is part of UHI-Moray.
- Bus Revolution scheduled to commence delivery in Q1 23/24 in the assumption Government clearance of the Full Business Case is received in Q4 22/23
- The remaining six projects are scheduled to submit their Full Business Cases to the MGD Board for approval by Q3 23/24. Anticipated that four will receive Government clearance and have entered delivery before December, meaning the Deal should finish the next reporting period with six of the eight projects in delivery.
- By the end of Q3 23/24, all of the Digital Health project's five living labs are expected to have completed their development stage, with two expected to reach the evaluation stage.

A strong foundation has been created for the Growth Deal during 2022, which will be instrumental in increasing the pace of activity during 2023. There are several factors being managed that could impact delivery, including:

- Financial projections for project outline business cases were developed in 2021 and these set the funding envelope within which the Deal needs to operate. Subsequently, the inflationary rate means projects are returning higher costs as they develop their full business cases. With a fixed level of funding, during 2023 projects will need to consider efficiencies, review and reprioritise and / or seek additional sources of funding to move into delivery with a sustainable financial model.
- Three projects (MAATIC, MICM and BE Hub) are closely aligned in relation to the outcomes they are seeking to achieve. As their full business cases are developed in 2023, it is critical there is clarity on the work each will deliver around research, innovation and work with businesses, ensuring any links are appropriately managed.
- Significant engagement activity will be required across all projects involving a wide range of stakeholders. This work will need to be effectively co-ordinated to ensure that there is cross-project co-ordination for engagement that affects multiple streams of activity and on key stakeholders.

This report is an overview of the governance and audit framework in place to manage MGD activity. The Moray Growth Deal Programme Board meets monthly to scrutinise activity and involves representatives from a wide range of organisations including the Scottish and UK Governments. It is recognised that regular audit activity can provide constructive advice for how delivery should be progressed. During 2022 Moray Council undertook an Internal Audit, as detailed in this report, with more organisations expected to add Growth Deal activity to their audit plans as projects secure approval to enter delivery.

7

2. Statement from Cllr Marc Macrae, Moray Council's Growth Deal Lead

Moray's £100m Growth Deal gives significant opportunities for Moray, allowing us to focus on delivering solutions to specific issues that affect local people and businesses. I want to pay tribute to the Council officers and many partners who worked hard to collaboratively reach this agreement at the end of 2021.

The Council is providing support relating to the current cost of living and energy crises we currently face and the Growth Deal builds on that work. In the medium to long term it will help provide solutions to some of the challenges we face, including:

- Expansion of Council operated bus services - helping reduce transport related barriers to accessing employment and education
- The construction of new, affordable net zero housing
- Innovation space and assistance that will enable businesses to start up and scale up, increasing jobs, the turnover of businesses and the economic productivity of Moray
- An expansion in skills through the promotion of Early Years STEM and the opening of a new Aerospace and Advanced Technology Innovation Campus

It is clear what a difference the Growth Deal can make and I am excited by the opportunity it presents.

During 2022 we've seen:

- Recruitment of the delivery teams for projects
- Approval of programme governance
- Progress with the Digital Health project that entered delivering during Q3 21/22
- All other projects working to move from their outline to full business cases.

Building on this foundation, all projects are scheduled to secure approval for their full business cases by early 2024. To achieve this, there will be a significant amount of engagement with a variety of audiences. It is important to flag that this is a key area of focus, as these relationships will be critical to maximise the positive impact generated as activity moves into delivery.

We are confident that this Deal can deliver strong social and economic improvements and we are on track to deliver these for Moray. While still at an early stage, by the time of the next annual report the growth deal will have come to life and the delivery teams will be able to report significant 'on the ground activity' that will be starting to make a real difference to Moray.

Cllr Marc Macrae

3. Progress made from Deal signing on 20 December 2021 to the end of 2022

3.1 Programme overview

The Moray Growth Deal was signed on 20 December 2021 by Iain Stewart MP (UK Government), Cllr Graham Leadbitter (Moray Council) and Kate Forbes MSP (Scottish Government).

(Left to right: Iain Stewart MP, Cllr Graham Leadbitter, Kate Forbes MSP)

Workshops undertaken as the Deal was developed during 2021 indicated that activity should relate to four key pillars:

- Connections
- Business support, skills and employability
- Moray, the brand and place
- Moray's key business sectors

These pillars helped focus activity that saw the development of eight distinct but interconnected projects that tackle barriers to growth and capitalise on significant opportunities to create jobs and prosperity. Key impacts expected for the region include:

- Retaining and attracting young people / families (16-29 yrs) to live and work in the area
- Addressing occupational segregation and gender inequality in employment, including the significant gender pay gap and under-employment issues for women
- The creation of new high quality jobs in existing sectors and diversify the region's economy into new high value areas
- The creation of opportunities across Moray which help secure the future prosperity of its many communities

Specifically, the Deal will deliver the following outcomes for the region:

Direct and indirect creation of over 3,500 jobs	450 of the 3,500 jobs will result directly from Growth Deal projects	50,000 more tourists will be attracted to Moray
Over 300 new affordable homes will be constructed	450 businesses will be supported to scale, increasing Moray's economic productivity by £82m	Creation of new and improved educational, cultural and business innovation facilities

In accordance with the financial profile which spans 10 years, the projects are entering delivery in a phased approach up to early 2024.

High level phases of the lifecycle of projects:								
SOC		*OBC*		*FBC*		*Delivery*		*Closure*
Strategic outline case in development	→	Outline business case in development	→	Full business case in development	→	Project in delivery	→	Project complete and being closed

9

Project	Lifecycle stage				
	SOC	**OBC**	**FBC**	**Delivery**	**Closure**
Bus Revolution	*Complete*	*Complete*	Expected imminently*		
Business Enterprise (BE) Hub	*Complete*	*Complete*	Expected Jun 23		
Cultural Quarter	*Complete*	*Complete*	Expected Nov 23		
Digital Health	*Complete*	*Complete*	*Complete*	In progress	
Early Years (EY) STEM	*Complete*	*Complete*	Expected Oct 23		
Housing Mix Delivery	*Complete*	*Complete*	Expected Jun 23		
MAATIC	*Complete*	*Complete*	Expected Feb 23		
MICM	*Complete*	*Complete*	Expected May 23		

* The project FBC has been approved by the MGD Board. This is now being reviewed by the Governments with a view to securing clearance to commence delivery. This is expected late Q4 22/23, with the project planning to enter delivery early Q1 23/24,

As further detail is provided on each of the Moray Growth Deal projects, it is important to highlight that success can only be achieved through collaboration across a number of different national, regional and local partners. The Moray Growth Deal Board brings together representatives from these organisations and works to ensure strategic and operational alignment.

Key partners involved in the delivery of the Moray Growth Deal programme and associated projects are:

- The Moray Council
- University of the Highlands and Islands
- Highlands and Islands Enterprise
- Rural Centre of Excellence for Digital Health and Care Innovation
- Scottish Government
- UK Government
- Developing the Young Workforce (DYW) Moray
- Representatives of Moray business and community groups

3.2 Project updates

3.2.1 Bus Revolution

Value	£4.3m
Lead Body	The Moray Council
Current status	Project Full Business Case has been approved by the MGD Board and is expected to be signed off by the Government during Q4 22/23, enabling the project to enter delivery in Q1 23/24.
Project vision	Increase the number of people using public transport to get to and from rural areas for work, education and leisure

Project summary

Bus Revolution is an innovative project that aims to increase the number of people using public transport to get to and from rural areas to places of work, education and leisure, providing a step change in availability of public transport right across rural Moray.

The project will provide a flexible demand responsive service, operating when and where needed in an easy to use way, utilising app based technology that will allow real time journey bookings 'uber' style.

Bus Revolution will receive £4.3m in funding. This will be used to cover the capital investment required to:

- Set-up operational systems
- Provide branding and marketing
- Purchase of electric vehicles
- Provision of associated charging infrastructure to deliver an efficient and robust transport network.

Headline achievements

The main focus of activity during 2022 has been the preparation of the project Full Business Case. This was completed and approved by the Moray Growth Deal programme board in May 2022. Subsequently, this document has been revised following feedback from several rounds of review by the Scottish and UK Governments including a number of workshops with Transport Scotland. The project is working with the Governments to complete work on the FBC during Q4 22/23, so that delivery can commence in Q1 23/24.

The project team have also been preparing for go live by progressing several key work streams:

- Procurement of six electric buses
- Procurement of charging infrastructure for electric buses
- Design of a new livery for vehicles that will be rolled out early 2023
- Development of an app that can support the 'Uber' style aspirations of the new service
- Procurement of a company to support marketing activities for rebranding the service and the expansion in the routes operated

Key milestones

Milestone	Due Date
Scottish and UK Governments to provide approval for the project FBC	Q4 22/23
Project to enter delivery, with on demand services to commence	Q1 23/24

11

Risks and issues that require management by the project team during 2023		

Risk	Effects	Mitigation
Risk: Expanded service does not generate demand as projected.	Lower demand will impact the financial model through reduced revenue income from fares.	- Regular analysis of user data - Mitigating actions to be taken if demand lower than expected (for example: route timings or areas covered could be adjusted, fare model could be reviewed, marketing could be more targeted).
Risk: Inability to raise private sector funding to support the financial model (e.g. Company purchased season tickets).	Revenue projections lower than projected.	- Continued discussions with service providers and large employers to secure not just income but an increase in passenger volumes.

Case study

Brand renovation and marketing:

The base service that this project builds on is well respected by existing customers, but has a dated identity and lacks understanding and familiarity amongst the wider community. Flourish marketing agency were appointed following competitive tender process to build on some previous work on a new brand identity. The existing brand is "Dial M" and as well as having an 'analogue' rather than 'digital' connotation that does not have cross-appeal to a wider audience, the brand has a dated image.

M-connect has been created to capture a more future-focussed brand identity, with a flexible visual identity that links well to the environment and heritage of Moray, whilst presenting a fresh and imaginative imagery to a wide audience. The brand name conveys the connectivity of bus travel, as well as social and economic connections, a strong link with the geography of Moray, and inferences towards digital society.

Full vehicle wraps for the new bus fleet, and partial wraps for the existing vehicles have been designed to best utilise the most visible product of the project – the buses themselves.

This brand will be at the core of carefully planned marketing activity, staged over the project life, with clear target audiences and measurable outcomes to ensure best return on investment.

12

App technology

The project is working in partnership with HITRANS the Regional Transport Partnership to introduce app-based booking technology for demand responsive transport services. This partnership approach has enabled effective testing of MaaS project solutions and identification of both technical need and the most appropriate solutions. This has resulted in the Bus Revolution project both acting as trailblazer and beneficiary of emerging technology solutions for rural demand responsive transport in the Highlands & Islands, currently using the Liftango platform. Preparatory, testing and development work is underway prior to full launch in line with the formal project commencement.

13

3.2.2 Business Enterprise Hub (BE Hub)

Value	£6.3m	
Lead Body	University of Highlands and Islands, Moray College	
Current status	Working to submit project Full Business Case to the MGD Board in June 2023 with a view to securing Government approval by September 2023.	
Project vision	Provision of education, research and business support functions to support new business start-ups, whilst helping to upscale existing micro businesses.	

Project summary

A key characteristic of Moray is that it has over 3,000 small and medium sized enterprises. This represents a considerable growth potential if these businesses can be equipped to scale-up. Supporting the upskilling and growth of these businesses, the Business Enterprise Hub (BE Hub) will be a flexible space for business innovation that is accessible to businesses and students alike, providing an inspirational environment that encourages entrepreneurial thinking.

It will be a learning environment where learning spaces and real work environments coincide, where flexibility of usage allows students, lecturers, researchers and practitioners to share the same space, and where business support functions can be located with teaching and research skills to develop and support Moray's future entrepreneurs and their workforce.

There are synergies between the BE Hub and other projects including Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC) and the Manufacturing Innovation Centre for Moray (MICM) as the BE Hub supports the development and strengthening of Moray's business supply chain as well as the development of new products, prototypes and services through research and innovation, some of which may be appropriate for further development through the MICM Hub.

Headline achievements

- Outline Business Case (OBC) was agreed in 2021, followed by a full appraisal of potential sites in and around Elgin town centre. Discussions followed with Moray Council's Housing Mix Delivery project on the potential for a shared site (part of the site appraisal exercise) in the centre of Elgin, with the aim of supporting the regeneration of Elgin town centre. This was identified as the preferred site option.
- Memorandum of Understanding signed in November 2022 with Moray Council and Robertson Construction which enables RIBA design stages to be progressed, with stage 2 to be signed off in January 2023.

Key milestones

In order to progress the aims of the project, the following key milestones are identified for 2023 and into early 2024. These include milestones for the building construction as well as the function of the Hub.

Milestone	Due Date
RIBA Stage 2 (designs approved)	January 2023
Redeveloped short course programme	June 2023
Submission of FBC for MGD Board approval	June 2023
Projected date by when Government clearance of the FBC will be secured	September 2023
Planning submission	September 2023
Accredited course proposals/research and innovation programme further developed	September 2023
Planning approval	January 2024
Construction commences	April 2024

In the expectation that FBC and planning permission approval stages proceed as planned, construction will commence in April 2024 and last for approximately 20 months. That said, the Hub "working" model will be developed ahead of construction so that smooth integration will be possible upon building opening/launch.

14

A programme of accredited CPD and short courses to be developed over 2023 into early 2024 along with progression of research and innovation base. In the background regular project board and stakeholder meetings are ongoing to support the development of the Hub function.

Risks and issues that require management by the project team during 2023

Risk	Effects	Mitigation
Inflation results in increased materials costs	Project budget likely to increase, with a high likelihood this will be higher than funding available.	- Cost mitigation to be achieved through design specification and realisation of efficiencies due to co-location with a Housing Mix Delivery site - Exploration of alternative sources of funding to cover any potential overspend.
It takes longer than expected to secure planning consent.	If this occurred, it could delay construction activity.	- Process to be planned and initiated early.
Potential site issues e.g. ground works and protection / integration of existing heritage (as yet unknown)	Could result in delays to construction activity or the need to revise the vision for the site, both of which could affect time, quality and cost project parameters.	- Detailed site survey work to be progressed as soon as possible. - Contingency to be integrated into the budget to offset any potential issues identified.

Case study

The Business Enterprise Hub will support skills development to help businesses grow. With this in mind, in 2019, the University of the Highlands and Islands (UHI), approved its first fully accredited CPD course. Created as a flagship course for the Business Enterprise hub, it was designed to support upskilling of business leaders in responsible leadership and management practice. Since its creation it has supported 4 cohorts of business leaders in Moray, even through the COVID-19 pandemic. Complementing an established programme of short courses supporting business development, this course is the first of its kind offering valuable module accreditation in a CPD format. It is anticipated that it will offer a structure for similar courses to be developed that can be flexibly studied and joined together to form recognised qualifications.

As well as skills development, the Hub will support research and innovation to support business scale up and growth. In 2021 UHI Moray successfully achieved its first Knowledge Transfer Project (KTP) with Moray craft brewer, Windswept Brewing. This is a research and innovation project designed to support the innovative growth of this small but established business through sustainable energy development, responsible management practices and brand development. This is the first innovation project to be developed under the remit of the Business Enterprise Hub and is a collaboration between UHI Moray, the Environmental Research Institute and the Institute for Northern Studies. It paves the way for further KTP development in the Hub as the project progresses.

3.2.3 Cultural Quarter

Value	£31.6m
Lead Body	The Moray Council
Current status	Working to submit project Full Business Case to the MGD Board in November 2023 with a view to securing Government approval by February 2024.
Project vision	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 in private sector investment in a new hotel.

Project summary
The Cultural Quarter Project underpins the overall Growth Deal Vision through the development of accessible, public facing community assets in the centre of Elgin. Significant investment from five partners (£12.7m The Scottish Government, £3.5m The UK Government, £3.9m The Moray Council and £2m Highlands and Islands Enterprise) will redevelop two important historic buildings to provide an enhanced cultural offering which supports increased City Centre activities day and night, and highlights the Region as an inspirational destination of choice. The project will also be working to leverage private sector investment to enhance facilities in Elgin further through the construction of a hotel. Each element will be linked together by improved public spaces and road traffic reconfiguration, ensuring easy and safe walking and cycling connections to the town centre and creating a vibrant space in the heart of Elgin that will support inclusive economic growth and cultural expansion within the city and wider region, helping to attract and retain talent whilst increasing tourism region wide. The project will work with key stakeholders throughout Moray to establish a vision for the Cultural Quarter which is more than the sum of its parts. As such, physical transformation in Elgin City Centre can underpin the ambitions of the Growth Deal whilst supporting the creative, heritage and tourism sectors in Moray to collaborate, thrive and grow. Work to encourage private sector investment in a new hotel at a complementary site, will help meet a longstanding requirement for additional, quality, hotel accommodation in Elgin.

Headline achievements

- Cultural Quarter Project Manager appointed August 2022 and Cultural Quarter Project Board reconvened with additional members (including Creative Scotland, Visit Scotland and Historic Environment Scotland) in October 2022.
- Discussions progressed with direct user groups for Elgin Town Hall and Grant Lodge to establish baseline requirements and key aspirations for the redevelopment projects.
- Stakeholder Map for the project widened to include all key local and regional creative, cultural, heritage, tourism and community organisations, including collaboration with other MGD projects.
- Individual meetings held with widened stakeholder groups, potential users and beneficiaries to progress the project vision in line with current needs and maximise this opportunity the Region.
- Procurement Strategy for capital projects reviewed with Moray Council Property Team and revised to dovetail Design Team Brief Development with Stakeholder engagement.
- Outline Engagement plan to Full Business Case completed.

Key milestones
The next stage of the project will require the following tasks and milestones to be completed to ensure we can achieve the overall project aims and deliver a robust Full Business Case:

16

Milestone	Due Date
A series of targeted, themed, sectoral based workshops with key stakeholders working across Moray planned to consider the project vision and aims alongside practical requirements for new spaces and facilities, ensuring they complement existing and planned provision without displacement	Feb 2023
Appointment of early stage survey, design and planning work for capital projects and public spaces	March 2023
Appointment of specialist business case support for cultural venues	April 2023
Cultural Quarter operational plan revised options appraisal	June 2023
Elgin Town Hall Design Team and Cost Consultants appointed	June 2023
Draft Full Business Case submitted for approval by the Moray Growth Deal Programme Board	Nov 2023
Grant Lodge Design Team and Cost Consultants appointed	Dec 2023
Full Business Case approved	February 2024

Risks and issues that require management by the project team during 2023

Risk	Effects	Mitigation
Inflation in construction costs means overall project costs are greater than budget allocation	Impact on deliverability of the project which will in turn could affect outcomes and benefits.	- Careful planning to ensure designs deliver on objectives - Use internal support to develop project brief and reduce risk of abortive costs - Explore additional funding routes - Appoint cost consultants early - Engage with private sector and construction industry to stay abreast of challenges.
Continued pressure on construction industry leads to difficulties making appointments	Problems appointing suitable consultants leads to project delays and cost rises.	- Early and continual engagement with sector - Attractive and well developed project brief which highlights profile and benefits of the projects - Share info and learn from other MGD projects.
Preferred option for Grant Lodge does not comply with Deed of Gift or Common Land Use requirements.	Plans could not legally progress, or process to gain approval is lengthy and costly.	- Familiarise all partners with obligations at an early stage - Pursue options which are complementary to MGD aims and Deed - As vision and operational options are developed consider compliance - Community support for proposal and legal changes to the Trust as necessary.
Timescales and risk mean that construction costs for capital works cannot be market tested for FBC approval	Investment partners cannot approve FBC based on cost estimates	- Appoint cost consultants early - Estimates informed by up to date market information - Project vision is well defined and correlates with proposed use - Users' needs and proposed designs to give comfort no major design changes will be required

Case study

To update our vision for the Cultural Quarter in the context of significant world events since the deal was signed, during 2022-23 the team has embarked on a series of workshops and collaboration with local stakeholders in the creative, heritage, tourism and community sectors. Enabling us to build on the wealth of knowledge and activity already taking place in the region, these consultation events will ensure we can

17

provide inspiring facilities which create new and enhanced cultural opportunities, recognising current challenges and working together to maximise the opportunity the growth deal investment presents.

Since 2018 the Charity Elgin Town Hall for the Community has been operating Elgin Town Hall as a vibrant events and performance venue, the largest performance space in Moray. Despite the team regularly hosting sold out events, limitations to the layout of the B-listed building impede growth, and make the venue unsuitable for some touring companies which you'd expect to see in a building of its significance. Cultural Quarter Development Workshops kicked off with internal and customer workshops at Elgin Town Hall, establishing what improvement must be made to support an expanded programme, growing audiences, and critically, new job opportunities.

After these sessions, we opened out the discussions and held targeted workshops with representatives from the creative industries, performing arts, heritage and local tourism across the region, plus Moray's iconic industries and brands. Participants discussed how capital works at Elgin Town Hall and Grant Lodge could support their existing operations in Moray and nationally/internationally, address gaps in provision and boost the attractiveness of the region as a place to visit, work and live for the benefit of the sector, the economy and the public. Over 100 individuals and organisations working across these sectors in Moray were invited to take part. In 2023-24 the outcomes from these critical discussions will inform the architectural brief for each project, enabling us to appoint experienced design teams to develop the building plans during the coming financial year.

We'll use these emerging partnerships to support opportunity throughout the development of the Cultural Quarter as well as on completion. For example, building on what we've learnt so far and to understand the full extent of the cultural workforce, we plan to collaborate with a Moray based arts development agency and a moray based heritage consultancy to carry out an up to date mapping of the sector in Moray. We're also hoping to collaborate with the region's whisky festival and trial ideas to improve festival goers' visitor experience which could be further developed and supported by the refurbishment of Grant Lodge.

18

3.2.4 Digital Health

Value	£5m	
Lead Body	Rural Centre of Excellence (RCE) for Digital Health and Care Innovation	
Current status	Achieved approval for the project Full Business Case in Q3 21/22 and is now in delivery	
Project vision	Creation of an anchored demonstration and simulation environment (DSE) and Living Lab testbeds for the Moray region.	

Project summary
The Rural Centre of Excellence (RCE) for Digital Health and Care Innovation is led by Scotland's National Digital Health & Care Innovation Centre (DHI) and while the centre is focussed on the Moray local authority area, the initiative plans on becoming a key driver of the country-wide Health for Wealth agenda being promoted in Scotland as a critical component of the remobilisation and economic recovery strategy.

The RCE will develop and host a state-of-the-art Demonstration Simulation Environment (DSE) - a physical immersive facility anchored in the Alexander Graham Bell building in Elgin along with technical assets with which simulations can be developed at pace, leading to a range of demand-led 'Living Labs' with participation from the Moray community across the region. The Living Lab concept puts users at the heart and drives co-design and co-production methodologies to be accelerated in the innovation process, in order to develop innovative digital solutions at pace to enhance health, care, and wellbeing and attract economic development to the region. The cutting-edge participatory techniques used by DHI to drive innovation ensure that citizen needs are considered within the innovation development process and, importantly, lead to co-designed solutions that meet the needs of the main stakeholders.

The following five Living Lab themes have been progressed (at different rates over the last 12-18 months) after consultation and engagement with key practitioners and local residents:

- Healthy living and weight management
- Care planning and Care in Place
- Smart housing and smart communities
- Co-managing longer term conditions
- Mental wellbeing

The RCE enables partners to co-create, test and commercialise digital health and care innovations within Moray. As a launch pad for scale, the innovations will address both local and global challenges and will be developed to allow for rapid transferability to other regions across the UK. In addition, a workforce development, future skills and research support programme has been progressed to build capacity and capability to continue to develop, implement and scale up digital innovations that can be transferred across Scotland and the rest of the UK. As the digital transformation of the economy continues, the centre's long-term vision includes developing commercial opportunities, by building a thriving local digital health cluster.

As a region with huge potential, the RCE hopes to attract further private-sector investment, new jobs to the area, and development of new digital care opportunities enabled by the adoption of successful pilot-tests within the Living Labs. One of the key objectives of the centre is to create a dynamic and creative digital health and care cluster in Moray, while building on a wider ecosystem of digital, health, rural, and care networks across Scotland. As a region with a wealth of resources, relevant complementary initiatives and local partners committed to addressing significant health and care delivery challenges, Moray is an ideal location for the centre.

In summary, the centre aims to:

- Provide a unique rural environment to co-design digital health solutions through simulations and Living Labs (test bed)

- Attract commercial interest in digital health to the Moray area and improve economic development as a result
- Create additional education opportunities to support the primary objective through development and provision of courses and skills to support Living Lab methodology and technical testing

The RCE DHI will be operating at the interface of different domains: health, social care, industry, academia, third sector and other public sector organisations always with a citizen-focussed operating model.

Headline achievements

The first year of the project was an initiation phase for a complex project relating to advancing innovation in the region, along with research and development (R&D). As a result, the achievements can be described as mostly putting in place the digital enabling infrastructure that allows simulation for all living labs to commence.

To celebrate the project entering delivery and completion of the first project work package relating to key mobilisation activities, a Ministerial launch took place on 10th June 2022 involving Iain Stewart MP, Parliamentary Under Secretary of State for Scotland and Richard Lochhead MSP.
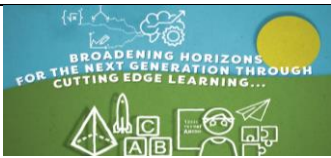
(Left to right: Irema McAra-McWilliam, Richard Lockhead MSP, Chaloner Chute, Reece Moyes, Iain Stewart MP, Janette Hughes and George Crooks)

The main achievements are:

- Securing a physical location for the Demonstration and Simulation Environment (DSE), Alexander Graham Bell Building in UHI-Moray.
- Recruiting a complement of Specialist Innovation Staff to enable the specific work activities to progress
- Procurement activities including:
    o Putting in place technical enabling infrastructure to support all the Living Labs R&D simulations and adoption of integrated digital tools and scale (e.g. personal data store)
    o Commissioning specialist services including:
        ▪ DHI applications accreditation from Organisation for the Review of Health Care Apps (ORCHA)
        ▪ Contribution Analysis activities including a framework for evaluation from Matter of Focus

- Set up of key management systems and processes
    o Benefits realisation mapping/planning activity
    o Governance structures for the Living Labs, procurement, and other R&D aspects, including drafting Terms of Reference for all groups
- Initiation of Living Lab workstreams focused on 'Weight management' and 'Care in Place' with a range of co-design workshops, 1-on-1 interviews, meetings and engagements to scope further this Living Lab requirements and needs.

20

Key milestones

Milestone	Due Date
Phase 1 of developing the Demonstration and Simulation Environment (DSE) to be completed	February 2023
Official opening of the DSE space	Late Q4 22/23
Living Labs 1 and 3 to reach evaluation stages	Q3 23/24
All remaining living labs to have completed their development stage (simulations and real world evidence)	Q3 23/24

Risks and issues that require management by the project team during 2023

Risk / issue	Effects	Mitigation
Risk: Delay to delivery due to slower than expected engagement of Health and Social Care Sector	Limited capacity within the pressurised H&C sector to attend project steering and co-design activities has contributed to delays in reaching projected milestones and delayed R&D procurement/spend in year two.	- Living Lab activity to be run in parallel instead of parallel in an effort to identify early if a stream is going to be subject to delay, but to have a sufficient pipeline of work in progress that means the overall pace of the project can be progressed. - Early and ongoing engagement with key stakeholders to forecast engagement requirements associated with DHI, with a view to securing timely support for work.

Case studies

Supported self-management living lab

Over the first year, Living Lab 1 (Supported Self-Management) has completed design and simulation stages.

This has included extensive clinical engagement, design of future state service delivery models and then prototype development for the required technologies. The specification for this informed the procurement of the Personal Health & Care Record application from Sitekit. The team has secured permission to host this software in NHS Grampian's cloud hosting environment.

Now the focus is on developing the initial prototypes into full products ready for governance, live use and evaluation during the summer of 2023. The first focus within this Living Lab theme is lifestyle and weight management. Engagement work is underway to confirm several different pathways of services that can adapt the common set of digital tools for their purposes, deploy and evaluate as per the Living Lab model.

3.2.5 Early Years Science, Technology, Engineering and Mathematics (STEM)

Value	£4.8m	
Lead Body	The Moray Council	
Current status	Working to submit project Full Business Case to the MGD Board in October 2023 with a view to securing Government approval by January 2024.	
Project vision	To grow interest in science amongst children aged 3-8	

Project summary
The Early Years STEM project will see investment of £4.8 million of capital funding from both the Scottish Government and the Moray Council. The Scottish Government will commit up to £3.5m and the Moray Council £1.3m. The Moray Council will meet revenue requirements which includes a dedicated STEM Officer post for the duration of the project. The nature of work is changing, and where Moray has historically relied upon traditional manufacturing and retail business, in the future there will be more high level, technology based occupations. Creating more appeal for STEM related jobs is important to facilitate the evolution of skills required by the future jobs market, and to ensure Moray is resilient in the future. The Early Years STEM project aims to raise the STEM aspirations of children beginning with those in their early stages of learning, and seeks to continue this engagement through primary and secondary levels. The focus on early year's intervention is a unique feature of this STEM initiative. The project will see investment in STEM training and resources, as well as the development of specialist facilities and learning environments across Moray. These Hubs will aim to inspire and enhance the STEM learning experience of children and staff through age appropriate leading edge, industry related STEM experiences. It is also important that these hubs are accessible to the wider community, thereby allowing inter-generational learning to take place. The aspiration of this strategy is to close the equity gaps in participation and attainment in STEM, and ultimately lead to more young people choosing STEM occupations at a later stage in their lives.

Headline achievements
Since receiving outline business case approval in December 2021, there has been significant progress in refining the overall vision for the project. The Project Manager, recruited in June 2022, has implemented an extensive stakeholder engagement campaign to develop an evidence base to support the overall strategy. 2022 has also seen significant progress in developing a delivery model for this initiative, with particular focus on inter-disciplinary working between practitioners and partner organisations. Site identification will continue into 2023 with a number of suitable options available for appraisal.

Key milestones
As we head towards completion of the Full Business Case, 2023 will see significant progress on a number of elements:

Milestone	Due Date
Site identification and selection	February 2023
Appoint design team and implement stakeholder co-design workshops	April 2023
Full Business Case submitted to Moray Growth Deal Programme Board	October 2023
Anticipated Full Business Case Approval from Scottish Government	Dec 2023

22

Risks and issues that require management by the project team during 2023		

Risk	Effects	Mitigation
Rising construction costs	Impact on deliverability of the project which will in turn could affect outcomes and benefits.	- Re-develop existing space where possible to reduce costs. - Where construction is required, an experienced quantity surveyor will prepare the provisional budget with optimism bias and contingencies put in place. - A phased approach to implementation of facilities that will identify rising costs, capture lessons learned and make early interventions
Availability of suitable host locations	Lack of coverage in each Associated School Group (ASG)	- Early engagement with stakeholders to identify opportunities and spaces for development. - Where existing space is not available, new build facilities will be explored.
Limited revenue funding	Preferred approach will need to be success with limited dedicated staffing provision	- The Moray Council has committed revenue funding for a dedicated STEM Officer post for the duration of the project, responsible for curriculum and workforce development. - The project team will explore additional funding opportunities to enhance the staffing provision. - Strategic partnerships formed with local employers, STEM providers, community ambassadors and UHI's STEM outreach programme (recently expanded for a further three years thanks to funding from offshore wind project developers). - A partnership approach to STEM delivery and a network of upskilled practitioners and industry ambassadors will ensure sustainability past the life of the project.
Project facilities are not utilised as planned	Improvements in STEM attainment levels not realised	- An extensive community engagement campaign undertaken to ensure the project satisfies a need within the user groups. Consultations with education staff and young people throughout the design process. - Engagement with partner STEM providers, utilising expertise and ensuring experiences are inspiring and age appropriate. - The project will seek to remove barriers to participation where possible. Where transportation is a barrier, the project will seek funding opportunities and provide outreach.

Case study	

The Early Years STEM project will see the development of inspirational learning environments across Moray, increasing STEM opportunities for young people and families across the region, and delivering quality learning experiences to serve as a catalyst for STEM learning at home or in their school or ELC setting. The past year has seen significant engagement with schools, pupils and stakeholder groups, as we refine our vision for how these spaces will be delivered, and how they can be supported by outreach activities.

The preferred option focuses on STEM learning centres across the region including fixed sites, a mobile solution and an outreach model. Outreach will include a centrally managed lending resource with STEM

23

activities linked to the Curriculum for Excellence. The Early Years STEM Project Manager is in communication with UHI about expanding their Lend a Lab initiative into Moray, with two schools scheduled to pilot the offer in early 2023.

Sustainability is fundamental to the project and co-locating within an established organisation is a priority for site selection. The EY STEM project is pleased to collaborate with the libraries service to host a STEM centre in one of their locations. This will be a flexible learning space with core learning equipment accessible to an inclusive group of learners. Embedding STEM learning within the library service ensures sustainability of the project, utilising the expertise of the learning centre staff, and enhancing the offer currently offered by the service.

As site identification continues, the project will prioritise sustainability through collaboration and will seek to reduce the carbon footprint through the re-development of existing space where possible.

24

3.2.6 Housing Mix Delivery

Value	£7.5m
Lead Body	The Moray Council
Current status	Working to submit project Full Business Case to the MGD Board in June 2023 with a view to securing Government approval by September 2023.
Project vision	Stimulating housing development in town centres, unlock constrained sites and promote the integration of pilot exemplar sustainable design and construction techniques**.**

Project summary
The Scottish Government has committed £5m and Moray Council £2.5m towards the Housing Mix Delivery project. The project aims to support and accelerate the delivery of 360 affordable houses and plots and to stimulate the private housebuilding sector to deliver a further 500 market houses, supporting town centre regeneration of brownfield sites and provision of housing in rural towns and villages. The project has the principles of innovative and sustainable design and construction, digital health and care, health and well-being, carbon neutral, simplified consenting processes and quality place making firmly embedded within its investment objectives, with each development site being carefully planned to deliver these objectives. The project links closely with the Digital Health and Business Enterprise Hub projects in the Moray Growth Deal.

Headline achievements
• Dallas Dhu project out to tender for design works December 2022. Working closely with Digital Health project team. • South Street, Elgin regeneration project- design work reaching RIBA stage 2, working closely with UHI Moray Business Enterprise Hub project team to deliver a comprehensive town centre redevelopment project. • Discussions with landowners in Speyside and other sites progressed. • Long list of sites updated and re-evaluated. • Pilot work on heat network and establishing a Moray Growth Deal "carbon" standard progressing.

Key milestones
The project is working to deliver the following milestones:

Dallas Dhu award design tender	February 2023
Submission of the FBC for MGD approval	June 2023
South Street legal agreements between partners to be concluded	June 2023
Submission of planning consent for South Street	July 2023

Risks and issues that require management by the project team during 2023

Risk	Effects	Mitigation
Inflation and construction costs continue to rise and material shortages	Reduced impact of project. Impacts upon objectives and outputs.	Review objectives and outcomes to reflect costs. Cost consultants involved in key projects to inform decisions.
Lack of knowledge and understanding of carbon targets to be achieved	Inconsistent approach to carbon calculations throughout projects and in particular the housing	"Moray" standards and process being developed by Strategic Planning and Development section in Moray Council,

25

	proposals do not achieve level of innovation aspired to.	procedure, minimum requirements and principles to be adhered to.
South Street, Elgin- funding gap not met through Levelling Up Fund application	Insufficient funding to achieve the comprehensive redevelopment proposed.	Re-scope project and remove elements, seek other external funding sources or increase contribution from the Housing Mix Delivery project.

Case study

Dallas Dhu, Forres

This site is located to the south of Forres and is identified for residential development in the Moray Local Development Plan 2020. The Council is working in partnership with Altyre Estate and a Registered Social Landlord to deliver a high quality, innovative housing development.

An open tender process is underway to appoint a design team in early 2023 to design the first phase of affordable homes and an innovative housing development which acts as an exemplar for net zero, provides a living lab for the Digital Health project and for health and well-being. The project will open up the rest of the site for further affordable homes and private sector development.

9.0 REFERENCES
9.4 BUILDING TOOLKIT

Sawtooth roofs   Arched doorways   Corner chimneys   Modeled dormers   Gable stairs   Window shutters

This street view sketch illustrates how the toolkit of individual elements might be combined to create an individual architectural identity for the development.

Fraser/Livingstone Architects   Dallas Dhu, Forres / 86

26

3.2.7 Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC)

Value	£24m
Lead Body	University of Highlands and Islands, Moray College
Current status	Working to submit project Full Business Case to the MGD Board in February 2023 with a view to securing Government approval by May 2023.
Project vision	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.

Project summary

This project will use the once-in-a-generation combination of the Moray Growth Deal, strategic aerospace developments and a partnership with Boeing to provide a genuinely transformational opportunity for the region and its people.

Moray is a region of underemployment, demographic challenge, and gender opportunity gaps with traditional industries facing an uncertain economic future. The Moray Aerospace, Advanced Technology, and Innovation Campus (MAATIC) will harness the opportunities presented by emerging technologies in aerospace, advanced manufacturing, and decarbonisation to tackle the issues outlined above. MAATIC will be Moray's contribution and gateway to the national network of centres of excellence and knowledge exchange making a future which is environmentally, socially, and economically sustainable.

Specifically, with UHI reaching agreement with Boeing in late 2022 regarding how they will support the MAATIC facility, the project team is working to develop a Full Business Case that focuses on 5 streams of activity:

1) Boeing /Civil Aviation Authority(CAA) / Air Services Training (AST - Existing skills and training vehicle of UHI Perth) condensed part 66 and type approved training (aerospace and aviation)
2) Immersive training centre for safety critical systems (immersive technologies and synthetic training)
3) Delivery of a suite of integrated programmes of education covering aerospace, aviation, immersive technologies, advanced manufacturing and innovation
4) Centre for research in aerospace and sustainable fuels (aviation, aerospace and innovation)
5) Innovation and development space

Applying a laser focus on the first stream, Boeing have offered the following to support the project:

- A five-year formal strategic partnership agreement, including industry leading aviation training software and licences based in Boeing, and which would attract other major organisations.
- Activity based in Moray through the new building from 2025. UHI have confirmed that the formal 5 years starts from when the building/academy opens, but that we will have access ahead of time to develop the curriculum
- Very strong potential for a further five years based on the development of Virtual Reality software
- Delivery of innovative training solutions, through degree programmes in Aviation Engineering and Part 66 training delivered primarily in Moray with essential support from UHI's AST, currently based in Perth
- Dedicated FTE/support for Civil Aviation Authority and Military Aviation Authority approvals plus international regulation approval plus dedicated FTE support for creation of training materials

The MAATIC building itself will house commercial and academic leading-edge research on these emerging technologies, will be a training facility to support the skills required to underpin and deliver these technologies, and will have a communal space for the promotion of STEM developments and opportunities to the community and to the next generation of technologists. Given synergies between the projects, there is the potential that the MAATIC facility will also host the Manufacturing Innovation Centre for Moray (MICM) facility run by the Highlands and Islands Enterprise (HIE).

27

Headline achievements

Since the MAATIC Outline Business Case was developed, there have been several significant changes in the aerospace and aviation sectors, most notably changes in the aircraft market due to the periods when aircraft were grounded/in less use due to the pandemic meant provision of a surplus 737 was no longer economically viable for Boeing and also precipitated a desire to move training from physical to more virtual environments. This has in turn reopened the issue of the ideal site for MAATIC and a number of options are under consideration

In light of this, MAATIC secured approval from the MGD Board in June 2022 for a change request that delayed the FBC submission date to February 2023, allowing the project team to review the vision to be realised and secure a more future proofed offering from Boeing. As this work has progressed, the following achievements have been made:

- Significant engagement between UHI and Boeing that resulted in a revised offering being received from Boeing in November 2022 that was subsequently approved in principle by the MGD Board.
- Workshop held with both the Scottish and UK Governments regarding the revised offer and the emerging project vision.
- In late 2022, with clarity on the Boeing offer and a revised vision for the project, a consultant was appointed to develop the project FBC for February 2023.

Key milestones

Milestone	Due Date
Project presentation to UHI Chair of Court	February 2023
Submission of draft FBC to MAATIC Project Board	February 2023
FBC to be submitted by MGD Board	February 2023
FBC to undergo Government review	Q1 23/24
MAATIC project to enter delivery	Q2 23/24

Risks and issues that require management by the project team during 2023

Risk	Effects	Mitigation
Disparity between actual v projected targets around student numbers, research and innovation	Potential to undermine the project delivery model and long term sustainability of the project	Robust planning during the implementation phase and regular reviews of data so the project and Business As Usual teams can take action as needed to realise targets set.
Loss of a key project partner	Inability to realise some or all of the project objectives.	Regular and ongoing engagement with project partners to ensure an FBC is developed that can achieve common goals for everyone involved.

Case study

Consistent with UHI's modular ethos on further and higher education, MAATIC will ultimately teach and train almost 700 students per year across four key curriculum streams offering about 40 programmes ranging from foundation apprenticeships to Research Degrees and MBAs.

The four key curriculum streams are:

1. Aerospace Engineering
2. Sustainability Engineering

28

3. Immersive Technologies
4. Design and Innovation

Students will be attracted to MAATIC by:

1. The Boeing collaboration
2. The curriculum
3. The credibility and authority of leading academics
4. Moray's cultural, socio-economic and well-being offering as destination of choice

Consistent with UHI's student journey experience, a school-leaver with minimal academic credits could begin studying at MAATIC and progress from highers and or apprenticeship to PhD.

3.2.8 Manufacturing and Innovation Centre for Moray (MICM)

Value	£5m	
Lead Body	Highlands and Islands Enterprise	
Current status	Working to submit project Full Business Case to the MGD Board in March 2023 with a view to securing Government approval by June 2023.	
Project vision	A focal point for businesses to learn best practice and collaborate, stimulating the creation of new and growth of existing micro businesses throughout Moray.	

Project summary
The key driver for this project is to achieve a grass roots cultural shift in how Moray businesses gain insight into the latest process and production efficiencies that are available, and how they can use them to undertake product and process innovation.

The Manufacturing Innovation Centre for Moray (MICM) will act as a local focal point for business to access best practice and, crucially, identify how they can collaborate with universities and other research institutes, and be quickly supported to access the relevant support from organisations such as Highlands and Islands Enterprise (HIE), National Manufacturing Institute Scotland (NMIS), Scottish Manufacturing Advisory Service (SMAS), Interface (the knowledge connection for business), Business Gateway and other service providers to meet their needs.

It is important to emphasise that while MICM will seek to provide services that are customised to the needs of rural manufacturing business, it will also act as a vital access point for local businesses to engage with the National Manufacturing Institute for Scotland.

Much has changed since the OBC was agreed with increased pressures due to global economic conditions, a tightened labour market and working practices altered forever by the pandemic but the core need to support a vital sector to improve and innovate has not and MICM's mission is more relevant than it was in 2019. |

Headline achievements
The focus for the MICM team during 2022 has been to revise the OBC and prepare for the development of the FBC in early 2023. This has resulted in the project providing further detail on and securing approval for a number of changes to the original project vision, namely:

- Change in location from RAF Lossiemouth to Forres Enterprise Park
- Revised construction plan
- Adoption of phased approach to establishment of MICM to mitigate against the construction delays and allow the service element to be provided at the earliest practical date.

The proposed phases were:

- Phase 1 – Service development within a temporary facility including development and approval of a Full Business Case, staff recruitment and development and launch of the initial MICM service offering. This offering will be located in Building 10 at the Enterprise Park at Forres.

- Phase 2 – build of incubator units: Completion of the initial 4 incubator units on Site 3a at Forres Enterprise Park

- Phase 3 – build of MICM within MAATIC: Construction of joint MICM and MAATIC facility at Site 3b or other at FEP. Final formats are to be determined and will be dependent on the rescoping of the MAATIC project including its siting. |

The Board agreed in October 2022 to unconditionally approve phase 1 and to conditionally approve phases 2 and 3, subject to a MAATIC change request being submitted and approved regarding the location of their facility.

Key milestones

Due to significant dependencies between the MICM and MAATIC projects (the current intention is that they co-locate when the MAATIC facility is constructed),

Milestone	Due Date
Work on the FBC to be procured	January 2023
Project board reconstituted	February 2023
FBC to be completed	May 2023
HIE Board approval	June 2023

Risks and issues that require management by the project team during 2023

MICM Is currently managing the following major risks:

Risk	Effects	Mitigation
MAATIC rescoping activity	Could impact the viability of MICM	Monitor. Ensure HIE are kept informed and that MAATIC team are updated in MICM
Cost inflation	Compromises what MICM can deliver	Monitor. Include contingency. Propose cost savings. Explore additional funding
Lack of engagement from NMIS, SMAS, Interface, Business Gateway and others	Vision for MICM diverges from what key stakeholders would like to see	Initial consultation work directly through MICM business planning or through UHI's development of the MAATIC proposal to ensure they are sighted on, and supportive of the proposals being made
Lack of co-ordination on design for facility for MAATIC and MICM	The facility does not meet the needs of one or both projects	Close co-ordination between HIE and UHI on the design and procurement process for MAATIC featuring MICM
Lack of productive engagement with the business community	Vision for MICM diverges from what the business community would like to see	Consultation events with the Moray Growth Deal, Business Assembly and Chamber of Commerce, as well as a broader business survey. Ensure involvement with Project Board
Competing demands for resources across Growth Deal projects, particularly the three complementary projects of MAATIC, MICM and BE Hub	FBC development and subsequent transition into delivery is curtailed.	Good co-ordination between the projects in order to ensure no duplication and maximise synergies

Case study

The ambition for MICM is to create a grass roots cultural shift in efficiency and innovation for Moray's manufacturing businesses. HIE work with manufacturing businesses across our region to support their development and we see a clear and growing need for local support to access the best practice required to make the leap to the next level.

Some recent examples include:

- A manufacturer developing lighter components using composites is looking for support in development of validation and testing of components from NMIS and the national Lightweight Manufacturing Centre. This will require at least two week's travel to the central belt for key personnel who are currently in the middle of a demanding scale-up project. The company is currently weighing the benefits of continuing with the project. With MICM in place they could access a local venue for both equipment and project support reducing costs and disruption and bringing the test equipment closer to their processes.
- A Caithness based engineering company has been affected by a shortage of skilled labour. Having analysed their manufacturing processes, they believe that automation of their production line might help. With support from HIE, the company attended a demonstration event held in Thurso by the North Lanarkshire SmartHub to explore the use of cobots (collaborative robots) to improve their welding processes. During the event the company met with an equipment vendor and have gone on to develop a project to install and evaluate a small cobot at their Caithness site. The potential prize for the company is an expansion of working hours, reduced order fulfilment times and securing further orders. This is a great example of the type of project that we want MICM to work for Moray businesses - providing the links and opportunities for SMEs to access best practice in manufacturing and supporting them to evaluate how it could benefit their business.
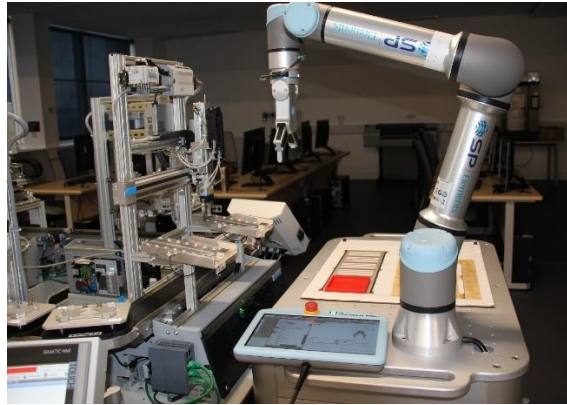
Cobot demonstration at SmartHub

32

4. Activity planned for 2023

4.1 Projects set to enter delivery during 2023

When the Moray Growth Deal was signed in December 2021, the Digital Health project had secured approval for its Full Business Case and entered delivery. This was followed by Bus Revolution who had their Full Business Case approved by the MGD Board in May 2022, with Government clearance to enter delivery expected early 2023.

Significant progress is expected during 2023 with the remaining six projects - all are expected to seek MGD Board approval for their Full Business Cases and it is hoped that at least four of these will receive Government approval and have entered delivery.

The review process undertaken by the Scottish and UK Governments involves consultation with a large number of different departments. Whilst each project has set aside a three month window for this, there is a risk of it going beyond this timeframe. The PMO will work collaboratively with the Governments to manage this, including running sessions throughout 2023 for different Government departments so they are familiar with the content of project FBCs before they are formally submitted.

▨	FBC submitted to MGD Board for approval
▢	Window allocated for SG and UKG review

Project	J	F	M	A	M	J	J	A	S	O	N	D
MAATIC		▨	▢	▢	▢							
MICM					▨	▢	▢	▢				
BE Hub						▨	▢	▢	▢			
Housing Mix Delivery						▨	▢	▢				
EY STEM*										▨	▢	▢
Cultural Quarter*											▨	▢

* Government review process likely to extend into 2024, with window for EY STEM extending to January and Cultural Quarter February.

4.2 Milestones to be achieved

During the course of 2023, the Moray Growth Deal PMO is working to achieve the following milestones:

Milestones	Target date
Approval of a first iteration of the MGD Benefits Realisation and Monitoring Plan	Q4 22/23
2023/24 grant offer letter to be agreed with the Scottish Government	Q1 23/24
Final version of the annual report to be completed following the Deal's annual conversation with the Scottish and UK Governments	Q1 23/24
Bus Revolution project to start delivery	Q1 23/24
All of the remaining 6 projects to have submitted their Full Business Cases to the MGD Board for approval	Q3 23/24

4.3 Future delivery impacts

At both a programme and project level there are a number of risks and issues being managed that could affect the ability for the Growth Deal to successfully delivery its objectives. Looking into 2023, it is expected that the following will need to be closely controlled by the Programme Management Office (PMO) and Project Managers.

- As FBCs are developed during 2023, there is a need to ensure MAATIC, MICM and BE Hub complement each other and do not cross over on areas of activity relating to innovation, work with businesses and research.
- All project FBCs being developed will need to ensure they remain compliant with subsidy control regulations.
- The sustainability and viability of project deliverables is paramount and FBCs will need to demonstrate how ongoing activity can be funded within the revenue budgets available.
- Inflationary pressures are increasing costs so this needs to be mitigated, either by driving efficiencies during procurement, reviewing and reprioritising the deliverables required and / or securing additional streams of funding.
- Recruitment to programme and project roles during 2022 provided a step change in capacity, but retention and continuity will be key going forward to ensure delivery can continue to progress as planned.
- Effective and aligned engagement activity throughout all Growth Deal activity is needed to ensure that key stakeholders are consulted and informed as FBCs are finalised and as an increasing amount of activity moves into delivery.

4.4 Benefits realisation and monitoring plan

Regional partners, along with the Scottish and UK Governments, are providing Growth Deal funding on the basis that the programme and projects make positive improvements to social and economic challenges being faced in Moray. A key condition of funding is that the PMO quantifies, monitors and, where appropriate, takes action to provide confidence that the defined improvements and targets are on track to be achieved.

During 2022 work started to develop a first iteration of the MGD Benefits Realisation and Monitoring plan. This will be presented to the MGD Board in February for approval, with the plan setting out how it will evolve during 2023 and into 2024 as projects secure approval for their FBCs.

With only one project in delivery during 2022, the remaining seven projects have been working to generate detail around the exact targets and timescales associated with benefits to be realised. This makes it difficult at this stage to definitively confirm the total impact the Growth Deal will make and whether projections set out in the full deal documents remain valid.

As a result, the following tables set out the current status of benefits information and how this will be strengthened during 2023 into early 2024:

This initial version of the MGD Benefits Realisation Plan seeks to:
- Define the approach to be taken to manage benefits and the associated governance arrangements.
- Map how projects will contribute to each Inclusive Growth Indicator and realise a specific programme level benefit.
- Introduce a template for the Monitoring Plan, populated by SMART targets for the first project to enter delivery (Digital Health).

Expectations for how this plan will be revised during 2023:
- With more projects due to submit their FBCs during 2023, further work will be undertaken to expand the monitoring plan, ensuring SMART targets are applied to all project level benefits.
- Project level benefit targets will be aggregated to create programme level targets.
- Analysis of the projected programme level targets will to take place to determine if they align with the original aspiration of the MGD (if not, work will then be initiated to mitigate any shortfall).
- Generate clarity on the mechanism that will be used by Project Managers to provide benefits updates (for example by using a cloud based portal or by using traditional spreadsheets).

34

The Benefits Realisation and Monitoring Plan will pull together activity, moving away from individual project reporting to activity being monitored against six indicators.

Productivity	Keeping businesses competitive and delivering economic growth that is resilient and sustainable.
Population	Ensure Scotland has a sustainable working age population.
Participation	Reducing inequality of opportunity to access to work and ensuring jobs are fulfilling, secure and well-paid.
People	Help keep Scotland's population healthy and skilled, spreading economic benefits more widely with lower levels of inequality.
Place	Improve resiliency of Scottish communities by ensuring they have the natural and physical resources to ensure they are strong and sustainable.
Fairer Scotland duty	Reducing inequality caused by socio-economic disadvantage.

Looking ahead into 2023 and 2024, the following milestones have been identified relating to Benefits realisation work:

February 2023	Submission of a first draft of the MGD Benefits Realisation and Monitoring Plan to the MGD Board for approval.
Throughout 2023	Monitoring plan to be updated with SMART information associated with project benefit targets as approval of the individual FBCs is secured.
Early 2024	Second iteration of the Benefits Realisation and Monitoring Plan to be submitted to the MGD Board once all projects have secured approval for their FBCs. This will be accompanied with analysis as to whether the confirmed project benefits are sufficient to achieve programme outcomes defined when the deal was signed or if mitigating action is required (project benefit targets to be enhanced or programme aspirations revised).

5. Financial summary

5.1 Project funding

When the Moray Growth Deal was signed in December 2021, the following financial commitments for projects were made. Organisations contributing under 'Local partner investment' includes Moray Council, University of Highlands and Islands, Highlands and Islands Enterprise and the private sector.

Project	Scottish Government investment (£'000)	UK Government investment (£'000)	Local partner investment (£'000)	Total investment (£'000)
Capital				
Bus Revolution	4,000	-	300	4,300
Business Enterprise Hub (BE Hub)	3,300	-	1,000	4,300
Cultural Quarter	12,700	3,500	15,400	31,600
Digital Health	-	5,000	-	5,000
Early Years STEM	3,500	-	1,300	4,800
Housing Mix Delivery	5,000	-	2,500	7,500
MAATIC*	-	21,000	3,390	24,390
MICM	750	3,000	3,140	6,890
TOTAL	29,250	32,500	27,030	88,780
Revenue				
Bus Revolution	-	-	63	63
Business Enterprise Hub (BE Hub)	2,000	-	2,000	4,000
Cultural Quarter			700	
Early Years STEM	-	-	1,575	1,575
MAATIC*	-	-	-	-
MICM	1,250	-	110	1,360
TOTAL	3,250	-	3,748	6,998

* Total level of funding expected to be higher due to private sector benefit in kind contribution and revenue support from HIE

5.2 Funding drawn down from the Scottish and UK Governments Q3 21/22 to Q3 22/23

In December 2021 when the Full Deal was signed, both the Scottish and UK Governments made a commitment to provide the above funding. The trigger for the projects to be able to draw this down is approval of their Full Business Case. In Q3 21/22 the Digital Health Full Business Case was approved and this is the sole project in delivery during the term covered by this annual report.

Focusing on the Digital Health project, the following Government funding has been drawn down:

Project	Government investment (£'000)	Funding drawn down Q3 21/22 to Q3 22/23
Digital Health	5,000	558

6. Programme structure and governance activity

6.1 Structure of Moray Growth Deal activity and officers involved

By the summer of 2022 recruitment to the majority of MGD programme and project level positions had been completed. At the time of writing this report (January 2023) there are currently two vacancies: Bus Revolution and MAATIC PM posts (the latter is being filled on an interim basis by UHI Executive Office's Business Transformation Team).

Covering Moray Council and key project delivery partners, the following structure and resources are in place:

Executive oversight of the Moray Growth Deal
• Rhona Gunn, Depute Chief Executive and Moray Growth Deal Senior Responsible Officer (SRO) (Moray Council) • Jim Grant, Head of Development Services (Moray Council) – day to day oversight Architects of the Growth Deal, with the SRO chairing the Moray Growth Deal Board and the Head of Development Services providing day to day oversight.

Programme Management Office
• Michael Kelly, Programme Manager (Moray Council) • Lindsay Lyon, Programme Officer (Moray Council) Responsible for overall delivery of the programme, working closely with the MGD Board, all project delivery teams and the Scottish and UK Governments.

Project Delivery
Teams in place within different organisations working to deliver the eight projects that make up the Moray Growth Deal.

Bus Revolution (led by Moray Council) • *PM:* Post currently vacant • *SRO:* Nicola Moss, Head of Environmental and Commercial Services	**Business Enterprise Hub (led by UHI-Moray)** • *PM:* Allane Hay, Deputy Head of Academic Partnerships • *SRO:* David Patterson, UHI-Moray Principal
Cultural Quarter (led by Moray Council) • *PM:* Claire English, Senior Project Manager • *SRO:* Jim Grant, Head of Economic Development Services	**Digital Health (led by the Digital Health Institute)** • Marie Simpson, Programme Manager • Janette Hughes, Director of Planning and Performance
Early Years STEM (led by Moray Council) • *PM:* Sarah Barnes, Senior Project Manager • *SRO:* Hazel Sly, Early Years Service Manager	**Housing Mix Delivery (led by Moray Council)** • *PM:* Emma Gordon, Senior Project Manager • *SRO:* Gary Templeton, Principal Planning Officer
MAATIC (led by UHI- Moray) • *PM:* Post currently vacant. Being filled on an interim basis by Kenny MacDonald, Project Manager at UHI Executive Office • *SRO:* David Patterson, UHI-Moray Principal	**MICM (led by HIE)** • *PM:* David Howie, Head of Strategic Projects • *SRO:* David Reid, Area Manager (Moray)

6.2 Summary of assurance activity progressed up to December 2022

In July 2022 the MGD Board approved an enhanced procedure for managing assurance activity. The key changes introduced include:

- A series of checkpoints or 'gates' that when reached trigger the need for Project Managers to make submissions to the board for approval.
- Development and introduction of a cover sheet to accompany assurance activity that draws out pertinent information relating to assurance activity
- A step by step procedure for how assurance requests should be handled

During 2022, the following assurance activity was progressed through the MGD Board:

Project	Assurance ask	Description	Date	Status
MAATIC	Issues report	Cost inflation causing projections of capital construction costs to increase higher than budget available.	Jan 22	For awareness. Board assistance sought to help mitigate it.
DHI	*Gate E;* Change	Minor extension of delivery window into 25/26 FY and reprofile of budget.	May 22	Approved by MGD Board and Governments.
Bus Revolution	*Gate C;* FBC approval	Submission of project FBC.	May 22	Approved by MGD Board, Government approval expected early 2023
MAATIC	*Gate E;* Change	Submission date of FBC delayed to Feb 23, allowing time for delivery options to be reviewed.	Jun 22	Approved by MGD Board and Governments.
MAATIC	Issues report	Update on negotiations with Boeing regarding how they will support the facility, specifically a move away from the provision of a plane to a more virtual learning environment.	Jun 22	For awareness. Board assistance sought to help mitigate it.
Early Years STEM	Issues report	Revenue budget allocation likely to be exceeded by preferred delivery model so revised approach being developed.	Jul 22	For awareness. Board assistance sought to help mitigate it.
MICM	*Gate E;* Change	In light of delays to MAATIC, the project sought to change approach by establishing a temporary facility before co-locating with MAATIC.	Oct 22	Approved by MGD Board. Government confirmed their approval not required.
DHI	*Gate E;* Change	More detail on the provision of grants and permission sought to fill 2 part time posts with 1 consultancy role.	Nov 22	Approved by MGD Board and Governments.
DHI	Issues report	Projected 22/23 underspend highlighted with mitigating actions to be progressed outllined	Nov 22	For awareness. Board assistance sought to help mitigate it.

6.3 Audit activity undertaken during 2022

The Moray Growth Deal fully recognises that it is a condition of the grant funding being provided to demonstrate that proportionate and regular audit activity is taking place.

In the summer of 2022 the Moray Council's Internal Audit Team undertook an audit, in accordance with Internal Audit Standard PSIAS, with the following scope:

38

'To provide assurance that the governance and administrative arrangements that have been established by the Council in supporting the delivery of the Moray Growth Deal are adequate and proportionate'.

A rating, based on a four point scale, is provided for both 'system' and 'testing' aspects of the audit. The audit with the above scope received the second highest rating, substantial for both 'system' and 'testing'. A copy of the audit report can be found in appendix A, with the following recommendations having been made that are being progressed by the Programme Management Office.

Audit recommendation	Timescale for implication	Current status
A formalised monitoring framework should be agreed to measure and record the benefits achieved for each project against their respective business plans.	June 2023	Benefits and Monitoring Plans drafted and due to be presented to the MGD Board for approval in Q4 22/23, with the monitoring plan 'going live' in Q1 23/24.
In accordance with the Stakeholder Engagement Plan, ongoing communication should be undertaken to highlight the actions undertaken within the Moray Growth Deal. This should also include updating the Communications Plan to reflect planned activity beyond September 2022.	March 2023	Several actions have been taken to ensure a more co-ordinated approach to communications and engagement: - All projects submitting their stakeholder engagement plans to the PMO - Quarterly PM meeting will focus on engagement activity (understanding forward plans, identifying areas for collaboration between projects and understanding significant entries that need escalated into programme communications tracker). - Cycle of joint comms meeting to be established for 2023, sequenced after quarterly PM meeting that focuses on engagement.
Guidelines should be developed to ensure consistent practices can be followed in the saving of documents and naming conventions within the SharePoint document management system.	March 2023	- New SharePoint filing structure developed and implemented. - Document prepared that provides guidance on naming documents and how version control should be managed.
Consideration should be given to providing elected members with a briefing session regarding the Scrutiny Checklist detailed within the Audit Scotland published report on Scotland's City Region and Growth Deals of January 2020.	March 2023	Engagement with members in February 2023 regarding the annual report and this requirement will be integrated into this session.
Each partner organisation should provide their annual audit plans to the Moray Council of planned internal audit activity regarding Moray Growth Deal activities. These plans should then be forwarded to the Audit and Risk Manager for review.	December 2022	Engagement with UHI, HIE, and DHI has indicated strong support for activity to be internally audited in a way that is compliant with Government grant conditions. Due to the emerging nature of Growth Deal activity, Moray projects do not currently feature on any partners forward look audit plans, but during 2023 work will be progressed to define the scope and timings of future activity.

Timeline of engagement activity planned to develop the Moray Growth Deal's 21/22 annual report

Phase	Timescale	Activity
1: Regional partners, Council Officers and Elected Members	25th November 2022	MGD Board asked to commission work associated with the annual performance report and SROs will be asked to contribute by providing project level updates.
	Early December 2022	If required, opportunity to schedule 1:1s or a joint session involving the PMO and Project SROs to discuss information required for the annual report.
	13th January 2023	Deadline for SROs to provide their submissions to the PMO and for case studies to be written up.
	End of January MGD Programme Board	MGD board to be given a status update on how the report is developing, flagging any emerging areas of assistance required from SROs.
	10th February 2023	First draft of the Annual Performance Report to be issued to MGD Board Members and the Moray Economic Partnership for review.
	16th February 2023	Briefing for the Moray Business Assembly
	21st February 2023	Briefing for Elected Members
	24th February 2023	Using feedback obtained during February, the MGD Board will be asked to approve a revised version of the annual report.
2: Scottish and UK Governments	8th March 2023	Draft copy of the Annual Report submitted to a Moray Council meeting, with a recommendation to provide delegated authority for the MGD SRO to agree a final version which will be submitted to a subsequent Council meeting for noting.
	10th March 2023	Latest date a draft of the annual report will be submitted to the Scottish and UK Governments for review prior to the annual conversation being held.
	29th March 2023	Annual conversation between the Moray Council, Scottish Government and UK Government to be held.
	End of April 2023	Annual report to be finalised following any final feedback from the Governments.
	24th May 2023	Submission of a final draft of the annual report to Full Council for noting.

Your Moray
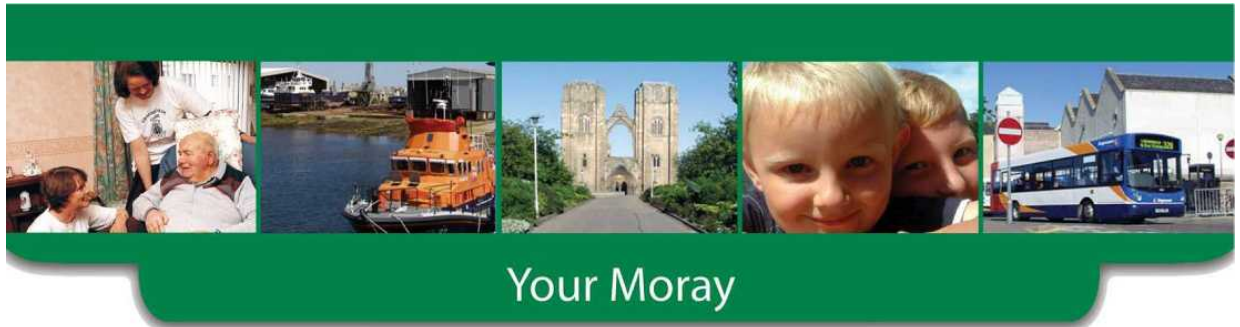
REPORT TO: **COMMUNITY PLANNING OFFICERS GROUP ON 9 MARCH 2023 and then COMMUNITY PLANNING BOARD ON 29 MARCH 2023**

SUBJECT: **2022-23 QUARTER 3 (JANUARY - MARCH) LOIP PERFORMANCE MONITORING REPORTS**

BY: **DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT), MORAY COUNCIL**

1.   REASON FOR REPORT

1.1   To inform the Group of the performance against the Local Outcome Improvement Plan (LOIP) for the period to 31 December 2022.

2.   RECOMMENDATION

2.1   **It is recommended that the Group –**

    (i)   scrutinises and notes the progress reported in the templates hyperlinked to this report and that strategic groups have been tasked to develop the next rolling set of delivery framework action plans to continue to deliver on the Loip 10 year plan.

3.   BACKGROUND

3.1   The Community Planning Board on 28 April 2021 agreed the LOIP delivery frameworks, recognising them as an evolving area of work that will continue to develop. Delivery plans provide a sharper focus which aim to enable the Community Planning strategic groups to give attention to a narrower range of priorities.

3.2   A mid-point review of the LOIP was agreed by the Board, however, there have been challenges in resourcing this work from existing partner resources which are heavily committed. A workshop is being planned to enable consideration of how to ensure clear focus and effective partnership working to help address this barrier. However, until the Loip review is complete, updates provided are against the

remaining outstanding actions from the original delivery frameworks referenced above. The Community Planning Officers Group, at the meeting on 9 March 2023 agreed in the interim to refresh the delivery framework action plans for 2023/24 reporting period to ensure that progress does not stall whilst the mid-point review of the LOIP remains outstanding.

3.3   The Community Planning Board on 22 September 2021 agreed the use of Pentana (performance monitoring software) for the presentation of future monitoring reports which is ongoing. This report gives narrative summary on progress on LOIP priorities with links to Pentana styled backing tables. The tables aim to capture progress against the delivery frameworks as well as recognise efforts around response and recovery.

3.4   Refinement of performance indicators and actions remains variable across priorities due to delivery plans and partnership strategy action plans developing on different timelines. Some of the original delivery plan measures cannot be reported on as the data is not collected.

3.5   The Group and Board is invited to consider and apply scrutiny in assessing whether the information contained gives reasonable assurance on progress against LOIP priorities and actions to mitigate risks and issues.

3.6   **Building a better future for our children & young people in Moray** (LOIP Actions & Indicators)

Work continues across the three focus areas with some slippage against the poverty priority.

LOIP PRIORITIES	RAG
The emotional and mental wellbeing of children and young people is improved	86%
Children live in safe and supportive families	70%
The impact of poverty on children, young people and families is mitigated	65%
OVERALL PRIORITY PROGRESS **Children and young people live in communities where their voice is heard and they are build up to be all they can be**	**77%**

Progress summary -

3.6.1 With the majority of planned work around emotional and mental wellbeing complete, referrals to support services continue with numbers referred increasing on that reported last year. On average 83% of those completing support show improved outcomes. Work to develop an easily accessible central information point of health and wellbeing supports is now being undertaken as part of the larger scale work funded by Moray Growth Deal. The rationale for adopting this approach is that one central information point is created where wellbeing supports for both parents and children is accessible and the national expertise available via the Growth Deal can be utilised to create this platform.

3.6.2 Significant work has been undertaken to ensure the voices of care experienced children and young people are heard in planning and decision making. The Better Meetings Practitioners Guide, launched in January, gives clear direction from children and young people on how making meetings need to run. The Better Meetings project is recognised nationally and support the delivery of The Promise. The Champions Board, supported by a multi-agency team are progressing arrangements for Moray Care Day. Inclusion of care experienced young people in the Education and Employability and Youth Justice Groups ensures their views are heard and shape improvements. Three care experienced young people participated in Who Cares? Scotland Siblings event to highlight the difficulties faced in maintaining contact and improvements that could be made, their input will be used to shape national strategy.

3.6.3 The recruitment of foster carers is a challenge both locally and nationally. To address this issue, which will allow more care experienced young people to be cared for in community settings, three events, hosted by Moray Placement Services, were held in the reporting period to encourage enquiries and applications from potential foster carers. An event to recruit Supported Lodgings providers was also held to help with housing and caring for unaccompanied young people seeking asylum.

3.6.4 Child Protection Planning Meetings (replacing Case Conferences) have been redesigned and were tested in terms of their format. The are now solution orientated, with a greater focus being placed on building strengths and considering concerns and formulating a plan to keep the child safe and family together. Functional Family Therapy has now been commissioned to support families in crisis to stay together. The service will be operational by summer 2023. Training around the Safe and Together Model of domestic abuse informed practise is being rolled out, reframing family support work.

3.6.5 A number of events and training have been delivered this quarter, coordinated by the Violence Against Women and Girls Partnership. Focus has been on domestic abuse and coercive control, trauma-informed responses to working with victims, supporting men to challenge harmful gender stereotypes and complex links with substance misuse. Participants reported that the sessions were very helpful and that learning points were relevant and useful to their work environments.

3.6.6 Progress with actions contributing to mitigating the impact of poverty on children, young people and families continues with the simplification of application processes. Information to support available to families who are struggling is being promoted widely. A rolling programme of Making Every Opportunity Count training was made available for frontline practitioners to assist in initiating conversations with families in relation to poverty. Good practice developed through the Cost of the

School Day Project was presented at a national event and guidance to schools is to be rolled out next quarter.

Risks and Issues -

3.6.7   The lack of Lead Officer support available to the multi-agency Child Poverty Group and general capacity continues to limit the pace of progress. The cost of living crisis further compounds the urgency to co-ordinate activities across the partnership.

3.7   **Empowering and connecting communities** (LOIP Actions and Indicators) –

Delivery is as expected at this stage against the two focus areas contributing to this priority.

LOIP PRIORITIES	RAG
Develop stronger, more resilient, supportive, influential and inclusive communities	81%
Improve life chances for people in Moray of all ages in communities experiencing the greatest inequality	78%
OVERALL PRIORITY PROGRESS **Thriving and well connected place, where more people live well**	**81%**

Progress summary -

3.7.1   Health themed groups continue to be supported in Buckie and New Elgin localities. The Buckie Area Forum, through the conversion of a vacant local shop, is providing a Community Hub acting as an advice and signposting point and social meeting point for the community. Seventeen families, residing in New Elgin, participated in a facilitated session at Moray College using the medium of LEGO to learn through play to identify their ideas in terms of play and outdoor spaces. Ten volunteers have committed to exploring this further.

3.7.2   Support to Community Anchor Organisations continues; extending the online consultation process in Keith has resulted in doubling the number of responses received to 650 with the local steering group analysing the data. Work with Forres Area Community Trust has focused on engaging with over 100 young people to inform locality planning. Moray communities continue to be pro-active in meeting needs associated with the current cost of living crisis establishing numerous warm / community hub initiatives.

3.7.3   Delivering locality planning has progressed with Buckie Monitoring Group having produced their refreshed Plan which takes account of significant community engagement including facilitated sessions with agency and community partners. Community Lunches continue to attract on average 62 residents, encouraging social connection and signposting to services as required. The work in Buckie was featured at the Council staff conference in November 2022. In New Elgin, residents are actively participating in the core and thematic working groups. The Better Off Group are progressing a Community Soup

event, based around a Dragons Den style event where new community projects are given the opportunity to discuss their proposal and attract seed corn funding in order to trial their proposal.

3.7.4 Capacity building progressed with 8 community based organisations taking part in sessions relating to Child Protection, Vulnerable Adults and Introducing Makaton. 35 community groups / organisations attended a Council workshop session to inform the content of the refreshed Corporate Plan. 13 organisations including Scottish Flood Forum, Scottish Environmental Protection Agency (SEPA), Red Cross and Emergency Planning were represented in a market stall type Community Resilience event attracting 84 community representatives, as which seven additional communities expressed an interest in establishing Resilience Groups.

3.7.5 Ensuring access to a range of learning offers to meet needs, the Adult and Family Learning team provided 51 individuals with one to one support with literacy, numeracy and communication in the reporting period. Community Based Adult Learning sessions engaged around 150 people during Adult Learner's Week. 4 workshops providing targeted family learning opportunities and two universal STEM family learning sessions took place in the quarter to March. Community based provision for English for Speakers of Other Languages (ESOL) is being delivered by UHI through additional hours funding.

Risks and Issues -

3.7.6 The lack of community meeting spaces in New Elgin is a challenge in bringing people together to grow community groups and activities.

3.8 **Growing diverse, inclusive and sustainable economy** (LOIP Actions and Indicators) –

Three focus areas are complete, with the remaining focus area progressing, albeit out with the original due date.

LOIP PRIORITIES	RAG
Increased participation, skill and pay levels with reduced gender inequality through pathways to employment and higher skilled employment	100%
Increased participation, skill and pay levels with reduced gender inequality through targeted approaches for those furthest from the job market	100%
Increased participation, skill and pay levels with reduced gender inequality through choices for the young workforce	100%
Increased participation, skill and pay levels with reduced gender inequality through apprenticeships at all levels	88%
OVERALL PRIORITY PROGRESS **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**	**88%**

3.8.1 Planned work in all but one priority is complete. Progress is being made out with original target timescales with partners developing individual action plans to support delivery of the Apprenticeship Strategy. An apprenticeship campaign is planned to increase awareness of the types of apprenticeships available locally with partners promoting apprenticeships to employers and prospective trainees during Scottish Apprenticeship Week in early March. Modern and Graduate Apprenticeship numbers remain below pre-Covid baseline, although availability of Foundation Apprenticeship starts has grown.

Risks and issues –

3.8.2 Availability of funding for learning providers is restricted due to budgetary pressures resulting in a waiting list for apprenticeship starts. This should resolve at year end, although lack of additional funding may limit numbers for growth in future years.

3.9 **Improving well-being of our population** (LOIP Actions and Indicators) –

Majority of quarter 3 updates were not available at the time of reporting. With progress against planned work well advanced, percentages and updates below mainly relate to the period to September.

LOIP PRIORITIES	RAG
A whole population approach to prevention and reducing related harms – prevent and reduce alcohol and drug related harms	80%
A whole population approach to prevention and reducing related harms – there is a reduction in alcohol and drug related harm and improvement in people's wellbeing	100%
A whole population approach to prevention and reducing related harms – promote engagement into treatment care and support and ensure the consistency of alcohol and drug service provision across Moray: supporting community services in meeting the needs of those using services where alcohol and drug use is a factor	100%
OVERALL PRIORITY PROGRESS **People are healthier and experience fewer harms as a result of making well informed decisions about their health and well-being**	93%

Progress summary -

3.9.1 Services are fully operational and data shows increasing demand with 727 clients in specialist services as at December 2022.
Comprehensive support packages are provided through the partnership of Moray Drug and Alcohol Services (MIDAS) and Arrows to prevent or reduce related harms. The Scottish Government's Drug and Alcohol Intervention Service for Young People (DAISY) system is slowly developing however limitations around data extraction remain.

3.9.2 Recovery outcomes continue to show an average improvement from Assessment through 3, 6 and 12 month intervals, on average 60% of clients reported improvement in physical and mental health and wellbeing. The service, generally continues to meet its waiting time targets of 72 hours and 3 weeks. There has been an increasing trend in unplanned discharges which is being investigated.   The Partnership has invested in the provision for a recovery development worker, hosted by Arrows, to improve and increase methods of participation for those with lived experience.

Risk and issues -

3.9.3 Scottish Government are aware of concerns raised by partnerships around reporting capabilities of DAISY. Funds have been set aside for the recruitment of a data analyst, which will alleviate some of the capacity issues around data extraction.

3.9.4 Impact of service needs in taking forward and meeting the Medically Assisted Treatments (MAT) standards, in particular accommodation for the MIDAS Service to meet the diverse and complex needs of those requiring support. Funds have been allocated for improved accommodation and an additional nurse prescriber, which will assist in reducing alcohol and drug related harms.

4. SUMMARY OF IMPLICATIONS

4.1. As a performance report, there are no direct financial, workforce, equalities, policy or legal issues from this report.

5. CONCLUSION

5.1. The report provides reasonable assurance of progress made against LOIP activities and highlights particular risks and issues associated with each priority.

Author of Report: Louise Marshall, Strategy and Performance Manager
Background Papers: CPB 16/09/20 LOIP 2nd edition approved (item 4)
                    CPB 28/04/21 LOIP Development of Delivery Framework Update (item 3)
                    CPB 02/02/22 LOIP Review Preparation 2022 (item 6)
Ref: SPMAN-957343068-2428

Designation: Depute Chief Executive   Name: Denise Whitworth
              (Education, Communities &
              Organisational Development)