



REPORT TO: COMMUNITY PLANNING PARTNERSHIP ON 16 SEPTEMBER 2020

SUBJECT: PROGRESS REPORT – ECONOMIC RECOVERY PLAN

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

1. REASON FOR REPORT

- 1.1 To inform members of the Community Planning Partnership of progress in developing the economic recovery strategy.

2. RECOMMENDATION

- 2.1 **It is recommended that the Community Planning Partnership note the short list of support options.**

3. BACKGROUND

- 3.1 At its meeting 29 July 2020 Moray Economic Partnership (MEP) considered reports on long list options, engagement through webinars, short term action and economic impacts update.
- 3.2 Webinars were held with the agricultural sector, joint Community Councils, a combined webinar with Moray Chamber members and small business and tourism sectors and Moray Business Forum giving a good cross sector view on the impacts and challenges of COVID 19 response and the likely challenges moving forward.
- 3.3 The main concerns expressed and opportunities identified were as follows:-
1. Importance of digital and connectivity both in terms of hardware and provision but also skills and knowledge to be able to create online retail and systems with sufficient selling power.
 2. Potential for Community to provide support through Hubs (energy hub example) to assist community groups and build capacity and the need to support communities to provide for themselves.

3. Concern that small to medium business have not received the levels of support through grant funding to be sufficient for their needs, a general feeling that micro business and large business were better positioned in terms of the grants and support available and recognising that in areas such as Moray, a handful of job losses in each company spread across a number of our local businesses will not attract the headlines or support of a larger company but will have a significant local impact in terms of number of jobs lost.
4. Concern expressed about the end of the furlough scheme and it will likely be a time when hard decisions have to be made on the retention of staff.
5. Suggestion that the eat out to help out scheme although welcome would be better if it was available later in the year when to encourage an extended season for eating out.
6. Concern from the hospitality industry over levels of occupation available with social distancing and the likely impact on winter and Christmas functions which will hit income hard and slow recovery.
7. Uncertainty expressed over the ability to pay Corona Virus Business Interruption loans that have been secured when interest becomes payable next year, caused partly by the uncertainty of trading conditions between now and June next year.
8. Impact on small business in terms of capacity to complete loan and grant applications, identified the need for support to provide expertise and capacity to take advantage of opportunities.
9. Recognition that community issues around food provision addressed during lock down may need longer term support to meet demand, together with increased benefits and financial advice for individuals.
10. Recognition on the importance and the challenges of town centres, the strength of independent retailers to adapt but the need for investment in town centres to help the transition to better day and evening economies.
11. The need for strong relationships with support agencies and better coordination and accessibility to of partners in delivering that support.
12. Recognition that young people tend to be disproportionately impacted by recession but also the need to assist everyone facing redundancy through PACE.
13. Acknowledgment that equity funding is usually the least attractive funding for business unless the funding partner brings with additional skillsets or value to the company.
14. The need to invest in the local economy by maximising local participation in procurement contracts by and supporting business in the tendering processes and supplier development and by creating contracts that have

wider local benefits in relation to skills, training, employment and carbon benefits.

15. Recognition of the potential around a green recovery particularly with energy generation and potential for Hydrogen in the North East.
 16. Infrastructure investment to support and boost the economy is seen as an important aspect of accelerating recovery. There are local signs of healthy order books in the short term but concern and uncertainty of the availability of public sector infrastructure works beyond the next 12 months.
 17. Concern remains regarding the Housing market and impacts on construction jobs.
 18. Need for support for start up business to help them become sustainable.
 19. Recognition that Local Authority funding has been impacted significantly through loss of income and increased demand and that interventions will need to be targeted at areas of greatest need.
 20. Concern over the potential loss of young people and skills from the area following redundancy and how we can retain critical skills in the area.
 21. Demand that the growth deal funding needs to be provided over a shorter timeframe than 10-15 years to provide an economic boost from COVID 19.
 22. Opportunity to promote the area as being a safe low infection risk area with good quality of life.
 23. Warning of a rapid situation of rising unemployment and redundancy when the furlough scheme ends that will need a fast response in terms of assistance, training opportunities and retention of skills in Moray.
 24. Needs to be clear links to match skills and training with areas of demand provided this autumn.
 25. Impact on global tourism will impact high value brands from Moray and the area needs to be aware and lobby to support trading arrangements.
 26. There needs to be increased provision of affordable housing, Planning and building standards systems needs to be fast and responsive and barriers removed.
 27. There should be strong positive messaging about the area to counteract the negative scenarios and grasp opportunities for relocation to Moray.
 28. A willingness from Business to assist in planning and helping to inform interventions and identify suitable options for improving town centres.
- 3.4 Using the option appraisal carried out against the long list of options considered on the 29 July 2020 and the feedback received to date the following short list of potential actions were considered and approved by MEP on the 26 August 2020 as listed below.

4. Grants Direct to Business

- 4.1 Highlighted as Amber in long list due to affordability, any Grant support would need to be targeted for a specific purpose, this could include investment for growth where plans have been postponed due to COVID, digital connectivity or skills and training, this should not be seen as money to sustain a business but targeted to enabling a business to adapt and grow. Likely to include support from Moray Council, HIE in addition to Scottish and UK government schemes.

5. New Start Up Support

- 5.1 An essential element to meet the anticipated increase in demand that often accompanies recession. Support would be delivered through Business Gateway and HIE, with the potential to offer small grants to start ups in addition to business support and training.

6. Small Business Support

- 6.1 Provision of support to provide financial advice to companies, ensuring that every company has the opportunity to be aware of potential sources of funding and assisting in the development of grant/loan applications and business cases.

7. Social Enterprise/Community Support

- 7.1 Building on existing support structures to encourage and enable communities and the third sector to develop and grow their local economies and service provision, taking advantage of community funding opportunities and enabling the community to be more independent of the public sector agencies.

8. Local Procurement

- 8.1 Build on the supplier development programme improving the capability of local business to bid for public sector contracts. Review procurement contracts clauses to ensure wider community benefits and employment are achieved wherever possible and increase the percentage of local spend in public sector contracts.

9. Skills and Re-training

- 9.1 Meet the increased demand for skills and retraining to help sustain jobs as businesses adapt and also to help those made redundant or new to the workplace into jobs. Examine staffing resources in support services for benefits, financial advice and employability. Response needs to be rapid to meet expected increase in demand and retain skilled people in Moray.

10. Town Centres

- 10.1 Prepare an updated retail model for determining planning applications to recognise Town Centre first concept. Accelerate development of Town Centre masterplans with project support funding to encourage use of vacant or derelict sites and improved health check monitoring through footfall

counters. Establish fast track support and free application advice from Planning and Building Standards for High Street properties. Investment in pop up shop or similar schemes to encourage new starts and premises take up. Seek potential for town centre funding for regeneration and adaption of large retail units. Consider grants for the hospitality sector in Town Centres to enable COVID 19 trading adaptations.

11. Business Hub

- 11.1 Accelerate part of the growth deal business hub project to ensure support agencies are fully accessible to business and the appropriate levels of skills and training are available to business.

12. Infrastructure and Housing

- 12.1 Public Sector to consider infrastructure investment plans recognising the need for a continued flow of projects in the North East to sustain jobs and supply chain. This should include opportunities to promote tourism and the region working with key sectors to improve destinations and capacity and explore the promotion of a Regional Park to enhance Morays reputation. Consider if elements of the Housing mix project within the growth deal would benefit recovery if accelerated. Develop delivery strategies for employment land to enable investment and promote inward investment. Ensure Planning and Building Standards systems and processes do not delay applications.

13. Employment

- 13.1 Seek to maximise opportunities for local employment and employability services to meet the demand increased by recession and seek commitment from local business, third sector and public sector to participate in employment schemes as and when they become available including apprenticeships.

14. Moray Economic Partnership

- 14.1 Identify additional funding requirements or regulatory issues that inhibit accelerated growth and ensure there is strong representation from all partners to bring about change.

15. Conclusion

- 15.1 Officers are currently working on the approved short list to determine the levels of funding available and staffing requirements across the partners to try and meet these needs and will be reported to MEP in September 2020.

Paper from Enterprise and Skills Strategic Board

<https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2020/07/report-enterprise-skills-strategic-board-sub-group-measures-mitigate-labour-market-impacts-covid-19/documents/report-enterprise-skills-strategic-board-sub-group-measures-mitigate-labour-market-impacts-covid-19/report-enterprise-skills-strategic-board-sub-group-measures-mitigate-labour-market-impacts-covid-19/govscot%3Adocument/report-enterprise-skills-strategic-board-sub-group-measures-mitigate-labour-market-impacts-covid-19.pdf>

Report from Advisory Group on Economic Recovery

<https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2020/06/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/documents/towards-robust-resilient-wellbeing-economy-scotland/towards-robust-resilient-wellbeing-economy-scotland/govscot%3Adocument/towards-robust-resilient-wellbeing-economy-scotland.pdf?forceDownload=true>