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**REPORT TO: POLICY AND RESOURCES COMMITTEE ON 27 NOVEMBER 2018**

**SUBJECT: ECONOMIC DEVELOPMENT POLICY IN MORAY**

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)**

**1. REASON FOR REPORT**

- 1.1 This report provides an overview of strategic and policy developments over the past 18 months at a community planning partnership level concerning the Moray economy and asks for the current draft revised Moray Economic Strategy and Moray Skills Investment Delivery Plan to be considered and comments submitted for consideration to enable both documents to be finalised for launch on 13 December 2018.
- 1.2 This report is submitted to Committee in terms of Section III(B)(41) of the Council's Administrative Scheme in respect of considering and acting upon any urgent matter on behalf of the Council.

**2. RECOMMENDATIONS**

**2.1 It is recommended that the Committee consider and notes:**

- a) the progress made to date in revising Moray Economic Strategy to ensure that it reflects current challenges and opportunities in Moray and sets out SMART objectives for the next ten years, and that any comments on the current draft revised Moray Economic Strategy (Appendix 1) may be considered by Highlands and Islands Enterprise who are leading this review and Moray Economic Partnership which is the body responsible for final approval of the Strategy;
- b) the progress made to date in creating a new Skills Investment Plan (SIP) for Moray (Appendix 2), considering the draft Moray Skills Investment Delivery Plan (SIDP) (Appendix 3) which sets out the manner in which it is proposed the SIP is delivered by community planning partners and that any comments may be considered by the SIPD Steering Group and Moray Economic Partnership which is the body responsible for final approval of the SIPD;
- c) that, together with Moray Growth Deal, these three documents represent the single biggest review of economic strategy in Moray since Moray Council was constituted in 1996, commending partners for the resources invested to complete this wholesale review, and noting the ongoing commitment required to deliver on the objectives set out in each of these documents.

### **3. MORAY ECONOMIC STRATEGY (MES)**

- 3.1 The previous MES was completed in 2012 in the midst of the basing review and a revision was agreed by Moray Economic Partnership (MEP) as required to reflect future ambitions for the economy across the partnership.
- 3.2 From March 2018 a small working group drawn from the MEP considered current strengths and challenges in the economy, and took a long-term view on the key issues requiring sustained action over a ten year period. There has been a substantial amount of research and public consultation already undertaken for the Moray Growth Deal, which the working group have drawn upon.
- 3.3 Working in tandem with the developing Moray Skills Investment Plan (SIP), the MES particularly focuses on the business environment, on optimising the conditions for new and young companies to flourish, and for established firms to remain highly competitive. The Growth Deal projects are aligned with the key outcomes identified in the draft strategy.
- 3.4 The MES aims to support well paid jobs in Moray, in industry sectors which are attractive to young people, as well as encouraging greater investment in the existing workforce, as the wider Scottish and UK economy shifts.
- 3.5 There has been a period of consultation on the document across the community planning partnership and wider stakeholder groups such as local businesses since September 2018, with the Moray Economic Partnership considering a draft of the developing revised strategy at its meeting in late September.
- 3.6 Now that the strategy is in its nearly final form, the committee is asked to note the progress made to date and to consider any comments which members wish to have considered during this final round of consultation before the strategy is finalised. The draft strategy is produced as **Appendix 1**. Any comments will be passed in the first instance to Highlands and Islands Enterprise who have led on the review and then considered more widely by the steering group which has advised on the strategy development.
- 3.7 It is anticipated that the final version of MES will be formally approved at the MEP meeting on 13.12.18 with a launch later that day. Following the launch it is proposed to align the governance of the Moray Economic Partnership according to the delivery requirements of the revised MES.

### **4. REVIEW OF EMPLOYABILITY AND MORAY SKILLS INVESTMENT DELIVERY PLAN (SIDP)**

- 4.1 During 2017, in part as a result of collaboration in developing the Moray Growth Deal, it became clear that the existing Skills Investment Plan (SIP) developed by the Moray Skills and Training Group (which reported to the Employability Moray community planning partnership body) required a refresh. Through funding provided by Skills Development Scotland and the Council, EKOS consultants were engaged to prepare a revised Moray SIP that:
  - Met the current and future skills needs of local employers and delivered a positive pathway for every young person in Moray;
  - Identified actions to address potential threats and capitalise on opportunities that enable Moray to realise sustained economic growth, while ensuring that young people have a range of opportunities that encourage them to live, learn and work in Moray

- 4.2 The draft SIP was shared with partners in November 2017 and considered and approved by MEP and Employability Moray. Work then began to create a detailed Delivery Plan and this has been advanced through a steering group comprising key skills stakeholders including Skills Development Scotland, Highlands and Islands Enterprise, Moray College/UHI and council representatives from the economic development and education teams. Completion of this work has taken longer than had been hoped but is now nearing conclusion. The delays were in part due to changes at Director level in the council (the Council has led this review) and in part due to the number of other demands which partners were facing over this period, including work to support Moray Growth Deal. A copy of the report prepared by EKOS is produced as [Appendix 2](#) and the current draft SIDP is produced as **Appendix 3**.
- 4.3 Despite delays in completion of the final Delivery Plan, several aspects of the work set out in earlier drafts has meantime been progressed and this is shown as completed in the SIDP. Now that the Plan is in its nearly final form, the council is asked to note the progress made to date and to consider any comments which members wish to have considered during this final round of consultation before the SIDP is finalised. Any comments will be considered by the steering group which has advised on the plan development.
- 4.4 It is anticipated that the final version of the SIDP will be formally approved at the MEP meeting on 13.12.18 with a launch later that day alongside MES. Following the launch it is proposed that the first meeting of the new Employability and Skills Group will be convened, this reporting to MEP. A diagram illustrating the governance approved by the Community Planning Board is produced as **Appendix 4**.

## **5. SUMMARY OF IMPLICATIONS**

- (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan)**  
Promotion of economic development is one of the council's priorities. The role of Moray Economic Strategy and need for partnership working to deliver on this priority is recognised in the Corporate Plan. Similarly a growing diverse and sustainable economy is a priority of the LOIP, with the key role of skills in this recognised within the CPP focus.
- (b) **Policy and Legal**  
Both MES and the SIDP recognise the wider policy context including the UK Industrial Strategy and the Scottish Governments Economic Strategy, as well as the Moray Employability Strategy, Developing the Young Workforce, the School Attainment Strategy and the Moray Growth Deal.
- (c) **Financial Implications**  
There are no direct financial implications arising as a result of this report.
- (d) **Risk Implications**  
The documents referred to in the report form part of the strategic context for Moray Growth Deal and it is essential that they are up to date and aligned with one another if meaningful progress is to be made in developing the Moray economy.
- (e) **Staffing Implications**  
Work associated with MES and the SIDP can be accommodated within existing council resources where the council is the lead agency, although it should be noted that a report on restructuring the economic development team will be

presented to full council on 12.12, the restructuring being aimed at ensuring we have the necessary staffing configuration to play our part in this process.

**(f) Property**

There are no property implications at this time.

**(g) Equalities/Socio-Economic Impact**

Appendices 1 and 2 contain a detailed analysis of the equality and socio-economic inequalities that create a barrier to inclusive growth in Moray. The actions in the strategy have been informed by the analysis in these documents and seek to address the low wage economy, the gender pay gap and the gender attainment gap in relation to uptake of STEM subjects in Moray.

**(h) Consultation**

Key stakeholders across the community planning partnership have been consulted in development of these documents and within the council, the Head of Schools and Curriculum Development, The Head of Legal and Democratic Services and the Head of Financial Services have been consulted as well as the Equalities Officer.

**6. CONCLUSION**

**6.1 Over the past two years a major overhaul of Moray's strategic approach to achieving sustainable economic growth has been underway. This level of partnership working and the alignment achieved as a result will support positive economic development for Moray in future. The committee is asked to note the extent of this work, and to support the next stages of planning and delivery.**

Author of Report: Rhona Gunn

Background Papers: Held by author  
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