



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 15 NOVEMBER 2022**

SUBJECT: ECONOMIC DEVELOPMENT ANNUAL REVIEW 2021/22

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

1. REASON FOR REPORT

- 1.1 To present to committee the Economic Development Annual Review for 2021/22. The purpose of the report, the sixth such iteration, is to provide an overview of the primary economic development activity in Moray in which Moray Council has either been a lead or key partner. The full Economic Development Annual Review 2021/22 has been included as **Appendix 1**.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee approve the publication of the Economic Development annual Review for 2021/22**

3. BACKGROUND

- 3.1 The Economic Development Annual Review was last reported to committee on 21 January 2020 for the 2018/19 financial year (paragraph 9 of the minute refers). This was the last such report prior to the COVID pandemic.
- 3.2 At its meeting on 25 August 2015 (paragraph 9 of the minute refers), the Council agreed broad headings for the Economic Development Annual Review. These were selected to bring together the broad span of economic development activities undertaken across the Council which are reported across a range of committees.
- 3.3 This report, covering the 2021-22 financial year, is the 6th annual report and covers the period which commenced during the second national lockdown. As a result, the data included must be viewed within the context of the latest in a

series of significant events which have had a major impact upon economic performance in Scotland, including the challenges arising from Brexit. These events have led to an increase in the number of people out of work, created new challenges in exporting goods and services, and resulted in a constricted labour market.

- 3.4 To reflect some of the resultant changes to the local economic development approach, the 2022 report has been reframed to align, in terms of format, with the latest version of the Moray Economic Strategy (MES). These changes will assist in providing a more strategic approach to reviewing economic development activity in future years.

4. MORAY ECONOMIC STRATEGY 2022-2031

- 4.1 The refreshed Moray Economic Strategy (MES) 2022-2031 was agreed by MEP at its meeting on 5 July 2022 and approved by the Moray Community Planning Partnership Board at its meeting on 9 November 2022. The MES 2022-2031 has been uploaded to CMIS as an additional meeting document, along with the agenda. MEP brings together Moray Council, Highlands and Islands Enterprise (HIE), Moray Chamber of Commerce, UHI Moray, NHS Grampian, tsimORAY, Visit Moray Speyside, Federation of Small Businesses (FSB), and Skills Development Scotland (SDS).
- 4.2 The Vision of the Moray Economic Strategy is for Moray to be “*a distinctive and attractive place to live, work, operate a business or social enterprise, study and visit. That will be through taking advantage of a decade of opportunities for employment growth and higher wages, supporting a resilient and increasingly thriving economy with communities that are strong, sustainable and more equal.*”
- 4.3 The 10-year strategy is based around this vision and six strategic outcomes, to enable Moray to take advantage of the opportunities that exist through the transition away from carbon intensive industries, towards renewables and new sustainable careers. These six strategic outcomes form the sections of the Annual Review:
- Delivery of the Moray Growth Deal
 - Maximising the environmental, social and economic benefits of the transition to net zero and Community Wealth Building
 - Increasing employment levels and number of companies
 - A labour market that provides the required numbers of workers to take advantage of available opportunities-notably attraction and retention of those aged 16-29
 - Ensuring alignment between skills provision and the changing economy
 - Increased productivity leading to growing wages and contributing to closing the gender pay gap

5. COVID BUSINESS SUPPORT

- 5.1 Given the unprecedented scale of its impact in preserving businesses and preventing local job losses, it is important to highlight the success of the COVID Business Support Grants administered by Council officers, across a range of services.
- 5.2 Over the course of the Pandemic, around £43m in business support grants was administered, with around £12m of this paid during 2021/22. Restart grants totalling around £9.2m were issued under the Strategic Framework Business Fund (SFBF) and Small Accommodation Providers (SAP) scheme. The Discretionary Business, Restriction and Restart Funds allocated a total of around £1.17m to businesses not eligible to apply for the SFBF. Further detail is included in the Annual Review, outlining the further range of supplementary support programmes administered.

6. MORAY GROWTH DEAL

- 6.1 Undoubtedly, the key highlight in the 2021/22 calendar was the signing of the full Moray Growth Deal in December 2021. This confirmed the approval of the Moray Growth Deal Programme and the associated funding by the Moray Council, the Scottish Government and the UK Government.
- 6.2 The Moray Growth Deal will support economic recovery and provide investment of £100m over the 10 year programme period. It signals the confidence from both the UK and Scottish governments as well as external project partners in plans to drive innovation and growth in the region, with projects within the Deal designed to maximise Moray's economic competitiveness.

7. WELLBEING ECONOMY

- 7.1 The Scottish Government's National Strategy for Economic Transformation (NSET) was published on 1 March 2022. It sets out a programme for action for the next ten years, with "the vision for 2032 is for Scotland to become a wellbeing economy, thriving in economic, social and environmental terms. The aspiration is for Scotland's economy to outperform the previous decade, both in terms of economic performance and tackling structural economic inequalities."
- 7.2 In light of the Scottish Government's commitment to developing a Wellbeing Economy, the Improvement Service have prepared a Wellbeing Economy briefing. This defines the key concept of a Wellbeing Economy as one which broadens the outcomes by which economic success is measured. It states that "*a Wellbeing Economy can be viewed as an attempt to measure the economy by looking at the quality of people's lives.*" There is a growing recognition that a move towards actively developing Wellbeing Economies is essential to help tackle climate change, to protect the mental and physical health of citizens, and to tackle a range of challenges, such as growing wealth inequalities.

- 7.3 The Moray Economic Strategy is committed to the creation of a low carbon economy built around increased community wealth. It is important that the Council supports the delivery of the strategy and continues to lead on actions relating to CWB, Climate Change and Poverty to ensure there is a coordinated approach across significant strands of work. This will ensure alignment between the vision of the Scottish Government's NSET and local economic development activity.

8. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Effective monitoring and review of economic activity supports the corporate plan priority of promoting economic development and growth, as well as the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

There are no policy and legal issues arising directly from this report.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

There are no risk implications arising directly from this report.

(e) Staffing Implications

There are no additional staffing implications arising directly from this report.

(f) Property

There are no property issues arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities impacts arising directly from this report.

(h) Climate Change and Biodiversity Impacts

There are no biodiversity issues arising directly from this report.

(i) Consultations

Depute Chief Executive (Economy, Environment and Finance), the Head of Housing and Property, the Head of Economic Growth and Development, the Head of Environmental and Commercial Services, the

Chief Financial Officer, the Head of Education, the Head of Education Resources and Communities, the Head of HR, ICT and Organisational Development, the Head of Governance, Strategy and Performance, the Principal Climate Change Officer, the Equal Opportunities Officer, and Lissa Rowan (Committee Services Officer) have been consulted and comments received have been incorporated into the report. Officers from a range of services across the Council have also contributed information to inform the Annual Review.

9. CONCLUSION

- 9.1 The Economic Development Annual Review provides the Council with a periodic overview of the Council's role in developing a vibrant and sustainable Moray economy. The report outlines the key economic development activities which are either driven or supported by the Council and provides a valuable perspective for support decision making related to economic development.**

Author of Report: Chris Muir, Senior Officer Economic Strategy and Development

Background Papers: [Improvement Service: Wellbeing Economy Briefing](#)
Moray Economic Strategy 2022-2031

Ref: http://spman.moray.gov.uk/MANComRepDraftSite/_layouts/s/15/DocIdRedir.aspx?ID=SPMAN-813460984-309