



REPORT TO: MORAY COUNCIL ON 30 NOVEMBER 2021

SUBJECT: REGIONAL ECONOMIC PARTNERSHIP

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1** To seek agreement to participate in the Regional Economic Partnership for the Highlands and Islands with the Council Leader acting as the Council's representative in this partnership, supported by the Chief Executive.

2. RECOMMENDATION

- 2.1** It is recommended that the Council:

- i) agree to participate in the Highlands and Islands Regional Economic Partnership (HIREP); and**
- ii) appoint the Council Leader as the Council's representative on the HIREP, supported by the Chief Executive.**

3. BACKGROUND

- 3.1** The Phase 2 report of the Enterprise and Skills Review (2017) committed Scottish Government to enabling a network of Regional Economic Partnerships (REPs) across Scotland to meet its ambition of inclusive growth. This commitment acknowledged the importance of place and the need for "an approach that better understands regional strengths and opportunities, enabling a more tailored approach at both the regional and national level."
- 3.2** There is no prescribed model for a REP and therefore they vary in governance, scale and membership. In general, they are collaborations led by local authorities, the private sector, education and skills providers, economic development agencies, and the third sector. The Review highlighted that private sector representation on regional partnerships was expected "where government investment is sought".

Regional Economic Partnership In Practice

- 3.3** REPs have mostly formed around growth deals in Scotland to date and have focused on establishing an economic vision for their region, inclusive governance and economic action plans. However, the nature and scale of these REPs varies widely. For example, the three Ayrshire Local Authorities,

together with the enterprise and skills agencies, private sector, education and third sectors, formed a Regional Economic Partnership in 2019. The REP will deliver scrutiny of the growth deal, develop a shared regional economic strategy, and is working to co-create the Community Wealth Building project as part of the growth deal.

- 3.4 In contrast, in Moray our REP has been Moray Economic Partnership (MEP) and whilst MEP includes similar representatives, it does not extend beyond Moray. In the years before Moray Growth Deal was conceived, there was some discussion as to whether Moray should align itself with either the Aberdeen City Region Deal or the Inverness City Region Deal. This was not progressed as, due to our particular geography, we look both north and east for many economic and socio-economic purposes, being part of NHS Grampian with Aberdeen City and Aberdeenshire and the Convention of Highlands and Islands with many more northerly local authorities including Highland and the Islands. Argyll and Bute is in a similar position.
- 3.5 The role of REPs was highlighted in the Scottish Government response to the Advisory Group Report on Economic Recovery which identified the need for local and regional approaches to recovery to reflect the different challenges across Scotland. The Scottish Government response acknowledged that REPs would be enabled to develop economic recovery plans. MEP has done so.
- 3.6 As highlighted above, the Scottish Government has indicated REPs as important vehicles in developing a shared vision and understanding of a region's opportunities and challenges and accelerating inclusive economic growth at a regional level. There is also the potential to be a delivery vehicle for other funding, such as the Shared Prosperity Fund, but the routing of this is not yet clear.

A Highlands And Islands Regional Economic Partnership

- 3.7 The Enterprise and Skills Review acknowledged that, in addition to REPs forming around growth deals in Scotland, the Convention of the Highlands and Islands (COHI) was "a well-established forum which fosters partnership working to drive sustainable economic growth" across the Highlands and Islands region. This sentiment was echoed in the discussion at the October 2020 COHI meeting when it was agreed to progress discussions on the best means by which to strengthen regional economic structures.
- 3.8 The nature and scale of the Highlands and Islands region is markedly different from other REP areas in Scotland. In considering the remit of REPs (as set out in the Review) COHI meets the broad principles however, whilst it has a strong level of public partnership it differs from other REPs in its governance – through Scottish Government – and membership with no private or third sector members.
- 3.9 There is no precept to develop a new structure, however if a regional framework extending beyond Moray is required, COHI presents a solution but would potentially require adaptation. Some concerns have been expressed about the number of existing partnerships, the resource implications, and the need for added value from a new structure and this has been taken into account in discussions at COHI level.

- 3.10 COHI agreed that Highlands and Islands Enterprise (HIE) should undertake initial work to scope out and put in place Terms of Reference (ToR) for a Highlands and Islands REP. HIE subsequently facilitated a set of discussions with Local Authority Leaders and developed an initial ToR. That initial ToR has subsequently gone through several iterations to arrive at the present draft outlined at **Appendix 1**.
- 3.11 The ToR make it clear that HIREP is a body for collaboration and advocacy, focussing on areas of joint strategic purpose and co-ordinated activity to better promote regional growth. Sovereignty at local level will remain, as HIREP is seen as being complementary to local authority area groupings such as MEP rather than taking their place. In that respect, HIREP could be seen as similar to the collaborative governance set up under the Northern Strategic Territory Partnership Board and Northern Alliance for Education, seeking to support and promote expanded geographical co-operation where the advantages of this are clear.
- 3.12 The present iteration of the ToR is assessed as providing an appropriate balance across the requirements of the partners and a set of activities appropriate to Moray's requirements.
- 3.13 If Moray agrees to join HIREP, as is clear from the draft ToR it is envisaged that the Council Leader will be the Council representative supported by the Chief Executive.
- 3.14 The first meeting of HIREP is due to be called shortly and confirmation of Moray's position is now required. The draft ToR will be considered at this meeting.

4. SUMMARY OF IMPLICATIONS

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

The economic objectives of the HIREP appear to match those within the Corporate Plan and LOIP.

(b) Policy and Legal

There are no policy or legal implications not apparent from the ToR.

(c) Financial implications

There are no financial implications other than attending meetings of the HIREP and these are likely to be aligned with meetings of COHI Leaders where possible.

(d) Risk Implications

Non-participation in the REP is the key initial risk. Monitoring of HIREP activities will be important to guard against new risks emerging.

(e) Staffing Implications

Staff resources will be required to support Moray attendees at the HIREP and to support any additional activities generated by the HIREP.

(f) Property

None.

(g) Equalities/Socio Economic Impact

There are no direct implications.

(h) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Jim Grant, Head of Economic Development and Growth and Tracey Sutherland, Committee Services Officer have been consulted.

5. CONCLUSIONS

5.1 COHI seeks to strengthen alignment between the Scottish Government and member organisations in order to support sustainable economic growth.

5.2 Work has been ongoing within COHI to create a framework for a REP which will meet the various needs across partners and governments whilst respecting the sovereignty of the Council, and the draft ToR is proposed as such a framework.

Author of Report:	Chief Executive
Background Papers:	Held with author
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