

Midlothian Economic Recovery Plan**Report by John Blair, Director Corporate Resources****1 Purpose of Report**

- 1.1** The purpose of this report is to provide Cabinet with a progress update on the development of the Midlothian Economic Recovery Plan (MERP).

2 Background

- 2.1** At its meeting on 6 November 2012, Midlothian Council considered and approved the content of a report which set out the first stage in the preparation of the MERP.
- 2.2** It is intended that the MERP will be a relevant, up to date working document which can assist in driving forward sustainable economic development in Midlothian, be responsive to fast changing economic conditions and able to maximise external funding opportunities.
- 2.3** It is also crucial that the MERP aligns closely with the Scottish Government's (SG) Economic Strategy (2011) and associated key strategic documents covering important topics such as high speed broadband roll-out, tourism promotion and town centre regeneration.
- 2.4** Members will be aware of the range of documents and activities currently in place to drive forward inward investment, business and skills development, loan funding schemes and the focus on key employment sectors. MERP provides an opportunity to consolidate and extend the various components of this approach, and to relate more readily to the emerging key themes of the Single Midlothian Plan.
- 2.5** Over the years, the economic regeneration process has been guided by the undernoted strategic documents:
- Midlothian towards 2000;
 - Midlothian Economic strategy; and
 - Midlothian Economic Development Framework (MEDF).

Launched in October 2007, the MEDF, contained an ambitious target of the creation of 10,000 new jobs in Midlothian by 2020. This equates to (circa) 800 new jobs per annum although this target was later revised downwards to (circa) 500 new jobs per annum to take account of the ongoing economic downturn.

- 2.6** In Autumn 2012, Argentix Consultants (Midlothian based) were commissioned to undertake a comprehensive review of the state of the Midlothian economy. Following consultation with key stakeholders on the

Maximising Business Opportunities thematic group, this work was commissioned to inform/shape the development of the MERP.

- 2.7** The final report has recently been received and is currently being assessed. It will be a key resource in the preparation of MERP, providing a rigorous and robust information and analysis base from which to develop strategy and action planning. A summary extract is annexed to this report: full copies of the report have been placed in the Members' Library.
- 2.8** The report, which examines the state of Midlothian's economy during 2007 and subsequently from the start of the economic downturn in mid 2008 to the present day, notes that the MEDF job creation target was ambitious. The report authors suggest that a target of 3,295 jobs created or safeguarded by 2017 would be more realistic. This figure is arrived at by undertaking a job creation ratio comparison with the targets outlined in the recently launched 'A Strategy for Jobs' by The City of Edinburgh Council.
- 2.9** As part of the work involved in preparing the MERP, a detailed review has been undertaken of the MEDF economic sector action plans covering the tourism sector. A report on the draft finalised Midlothian Tourism Action Plan (MTAP) for 2013/15 has been prepared for this Cabinet meeting.

As part of the work involved in preparing the MERP, reviews are underway in respect of the undernoted economic sector action plans:

- Education;
- Construction;
- Public Sector;
- Life Sciences;
- Animal Biosciences; and
- Earth Sciences.

The review results will be reported to a future Cabinet meeting.

- 2.10** Members will also be aware of the ongoing work underway in preparing the Single Midlothian Plan (SMP). Guidance issued in December 2012 by the Scottish Government/COSLA highlights a range of key priorities. This includes economic recovery and growth and employment. To avoid duplication and overlap it is intended that the MERP and economy section of the SMP will closely align. Effective liaison at corporate level and with external stakeholders will be essential to achieve this objective.
- 2.11** Steps are also being taken to widen out membership of the Maximising Business Opportunities sub-group to include representatives from organisations such as the University of Edinburgh, McSence, Skills Development Scotland and Job Centre Plus. Officers will also seek to develop working groups focused on driving forward sustainable economic development in a number of key areas. These working groups are expected to include industrialists, farmers, contractors and landowners. If developed, it is important that these groups work to a clear agenda and do not duplicate existing provision. At this early stage in the deliberations, these working groups could potentially make up a Midlothian Economic Forum.

- 2.12** Other preparatory work which has taken place recently in advance of, and as back up to, the preparation of the MERP has included agreement on a range of economic development based indicators prepared by the Scottish Local Authorities Economic Development (SLAED) group and the updating of the MEDF Performance Monitoring and Evaluation Framework. Progression/completion of the range of work outlined in this section of the report has been essential before work can start on formally drafting the MERP.

3 Report Implications

3.1 Resource

Preparation of the MERP is being undertaken by staff in the Council's Corporate Resources Division in close liaison with Divisional colleagues and Community Planning Partnership (CPP) partners. With regard to the latter this specifically involves members of the CPP's Maximising Business Opportunities (MBO) sub-group which is chaired by Councillor Bryant.

There are no significant budgetary resource implications arising directly from this report. The costs of the preparation of the 'State of the Midlothian Economy' report have been met from existing allocated budgets.

3.2 Risk

Failure to develop an ERP for Midlothian would potentially put the Council and CPP partners out of step with the priorities and actions of the Scottish Government (SG) Economic Strategy and associated SG strategies such as those relating to high speed broadband roll-out. This would lead to a risk of the Council and CPP partners potentially missing out on project investment opportunities.

There are potentially a wide range of priority action areas which could form part of the ERP. There is a risk of some degree of delivery failure if these areas are not adequately resourced. This matter can be assessed further when the finalised draft ERP is submitted to Council for consideration.

3.3 Policy

Strategy

Driving forward sustainable economic development in Midlothian is a key priority for the Council and CPP partners. Development of the MERP will be shaped by, and will need to relate to, many existing strategic documents including:

- SG Economic Strategy and associated SG strategies;
- Scottish Enterprise Business Plan;
- Bush Framework Masterplan;
- Economic sector Action Plans;
- Emerging Single Midlothian Plan; and
- Strategic and emerging Local Development Plans for the area.

Consultation

MBO sub-group members have been fully involved in work to date on the development of the MERP. In addition, there has also been dialogue with the CPP's Improving Opportunities in Midlothian (IOM) thematic group. There will also be an ongoing requirement to consult with Council Divisional colleagues. There will also be a wider process of consultation with the business community and other interested groups including social enterprises.

Equalities

There are no equalities issues at this stage although a full Equalities Impact Assessment (EIA) will be required in due course. Work on this has commenced and it is anticipated that there will be no negative equalities impacts.

Sustainability

There are no sustainability issues at this stage although a Strategic Environment Assessment (SEA) will be required as part of the preparation of MERP.

Environmental Impact

There are no environmental impacts arising directly from this report.

IT Issues

There are no IT issues arising from this report.

4 Recommendations

4.1 It is recommended that Cabinet:

- i. notes current progress on preparation of the Midlothian Economic Recovery Plan;
- ii. agrees that the recently received State of the Midlothian Economy report forms an essential component of that Plan;
- iii. requires preparation of the Plan to include consultation and engagement with a wide range of stakeholders; and
- iv. the finalised draft of the Plan be submitted to Cabinet by 30 June 2013.

Date

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Background Papers: Midlothian Economic Development Strategy
Other documents as referred to at paragraph 3.3 of this report