



The Midlothian Strategy for Inclusive Economic Growth

2025–2030

FOREWORD

I am delighted to present The Midlothian Strategy for Inclusive Economic Growth | 2025-2030.

This strategy outlines our Partnership approach to our vision of a wellbeing economy for Midlothian that will support our communities, our local businesses and town centres to thrive, ensuring opportunity and fair work for all with collaboration, inclusivity, innovation and ambition at the heart of what we do.

The Midlothian strategy for Inclusive Economic Growth has been developed through extensive consultation across the area's key sectors, capturing the needs and aspirations of the businesses, communities, the third sector and the people of Midlothian.

This strategy is written in the context of the Single Midlothian Plan 2023-2027 outcomes:

- Individuals and communities have improved health and skills for learning, life and work.
- No child or household living in poverty.
- Significant progress is made towards net zero carbon emissions by 2030.

The *Midlothian Will Have a Wellbeing Economy and be Better Connected* theme in the Single Midlothian Plan, led by Midlothian's Economic Development Service, is supporting the Plans outcomes through a partnership approach to developing a culture of entrepreneurship in Midlothian. The Economic Development Service is working with Edinburgh College Eskbank to deliver an enterprise hub and the Education Service to embed entrepreneurship into the curriculum supporting the recognition of entrepreneurship as a valued career pathway, tackling poverty and creating a culture of self-empowerment and resilience.

This strategy aligns with the Scottish Government's National Strategy for Economic Transformation to create a Wellbeing Economy for Scotland.

A partnership approach is crucial to realising our ambition for Midlothian and it being recognised as...

a great green place to grow.

Bringing Anchor Organisations together the Community Planning Partnership creates an opportunity to work together to develop a Community Wealth Building Action Plan for the whole of Midlothian.

Community Wealth Building is an internationally recognised approach to achieving a wellbeing economy, generating and retaining wealth in local communities using the 5 pillars framework:

- Progressive Procurement
- Plural Ownership
- Fair Work
- Land and Property
- Finance

This approach strengthens and empowers local communities to take a leadership role in improving their communities.

We are committed to simplifying the procurement process and making access to Council contracts more accessible to local businesses, supporting local businesses to work together, pool resources and build their capacity to increase competitiveness in a business environment that strengthens Midlothian's local economy.

As Scotland's fastest growing local authority area, inclusive growth is integral to delivery of this strategy. Key to this is the Community Wealth Building approach to ensure opportunities are accessible to all of our local business, communities and people while taking protective steps for the planet.

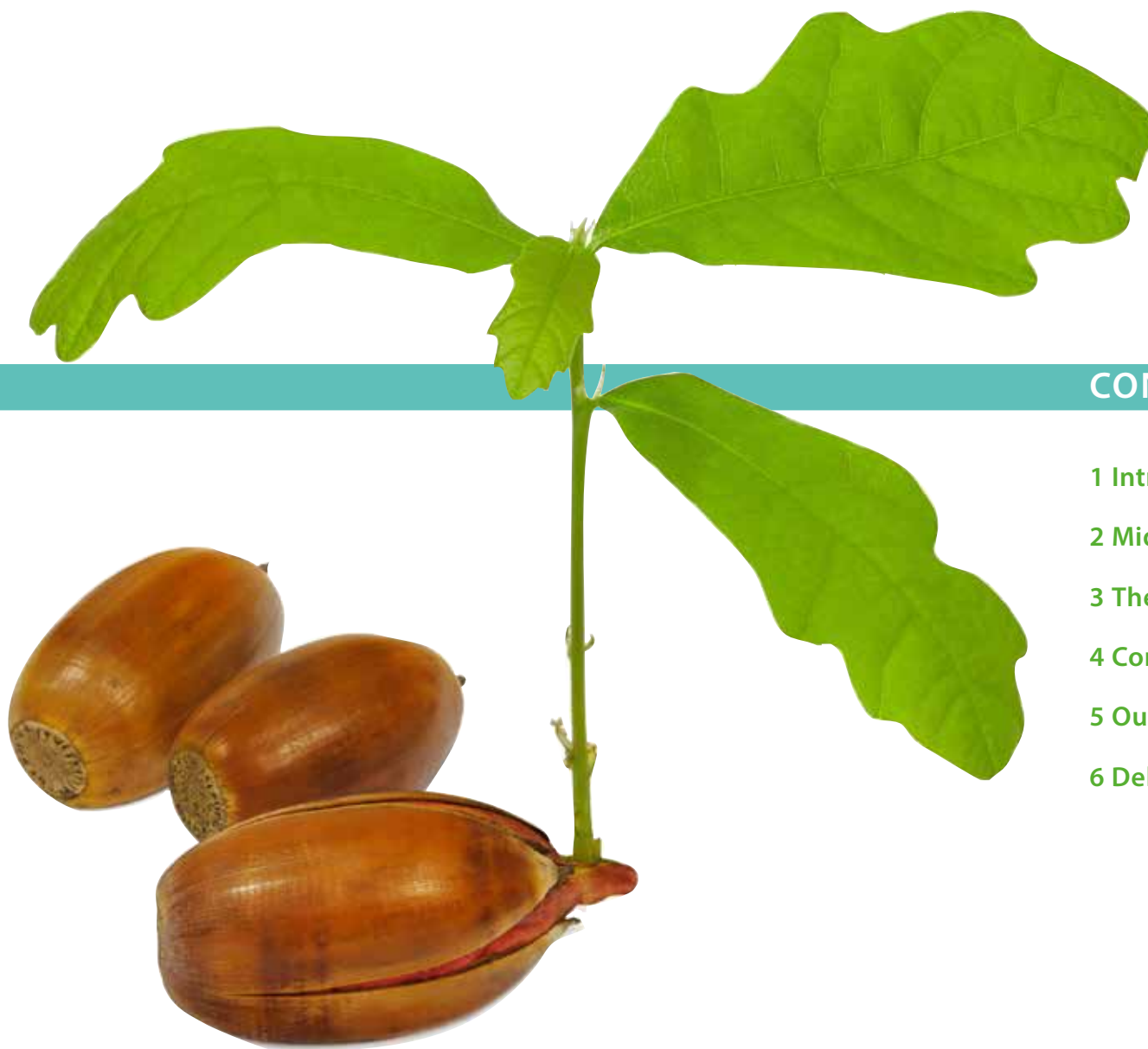
We will put a strong emphasis on local jobs for local people and that jobs created by capital infrastructure upgrades will be accessible to local contractors, would be employees, and young people that aspire for careers in the industry.

The business community in Midlothian is significant. In 2023 we had 2,570 registered small and medium enterprises that collectively account for 59% of Midlothian's total workforce. Small businesses are essential to the development of a connected, collaborative and ambitious economy for Midlothian, and I invite you to be a part of this and work with us on this journey.



Cllr Colin Cassidy,
Cabinet Member for Economic Development,
Tourism, Planning and Transport

Midlothian Council, October 2024



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1 INTRODUCTION

This document sets out Midlothian's strategy for inclusive growth, along with a new economic development vision and key priorities for the period 2025-2030.

Our economic development approach

Economic development increases the capacity of a local area to improve economic outcomes for its businesses and residents, and enhance its social wellbeing and quality of life. It is a continuous process of transformation and innovation, managing change driven by local and macro-economic factors. It ultimately results in increased labour market activity and productivity, and delivers improved infrastructure – all of which reduces costs and increases output.

There are a wide range of different environmental, economic and social factors that contribute to the development of the Midlothian economy. Environmental factors like our commitment to make Council activity Net Zero by 2030 and the Scottish Government's target for Net Zero by 2045 provides a framework for current and future development of the Midlothian economy, while working within the remit of ensuring that this growth is inclusive of all of our residents in order to ensure a Just Transition to a net zero carbon economy.

Social factors such as a need to improve the quality of life, our region's ability to "keep it local" through advancing and strengthening inclusive economic growth and our region's learning and training outcomes can help address the barriers associated with the various socio-economic measures of deprivation outlined in the Scottish Index of Multiple Deprivation.

Economic factors such as the makeup of our economy by way of enterprise type, size, age and performance inform how we support our key sectors of strength (construction, food and drink, ICT and digital technologies, life sciences and tourism) to maximise economic activity and performance within Midlothian. Developments resulting from this strategy are focused on delivering support for our businesses both in terms of capital developments and revenue funding that will promote the Midlothian economy as an "area in which everyone can live, work and do business sustainably."

Partnership and collaboration

Local economic development in the context of Midlothian is a partnership approach: the Council, working collaboratively with businesses, communities, and the third sector to drive improved outcomes. This empowers, creates dialogue and allows the Council to make better informed development choices with partners, by taking a bottom-up approach to decision-making on local issues, thereby increasing the efficacy of services delivered in the area.

This partnership approach is critical for delivering inclusive growth in Midlothian – ensuring that we work to increase prosperity and economic opportunities for all of Midlothian's residents and communities, and that the wealth generated in Midlothian is distributed fairly and equitably. It is also a central strand of placemaking, which this strategy will contribute to. Good placemaking requires strong collaboration, and should maximise the knowledge and understanding of all local partners in delivering any activity that aims to meet the needs and aspirations of Midlothian's communities.



New Housing in Midlothian

Strategy for Inclusive Economic Growth

Our previous Strategy for Growth (2020-25) and the Economic Renewal Addendum 2020 has been replaced to account for the period of uncertainty surrounding the UK Government's decision to leave the European Union, the impacts of Covid-19 and the impacts of the current Ukraine crisis on the rising cost of living. The 2022 ekosgen report: Covid-19 and Brexit impacts on Midlothian outlined 10 strategic priorities:

- Supporting business and employment growth
- Inward investment and developing Midlothian's proposition
- Provision of business premises
- Re-imagining and regenerating town centres
- Infrastructure enhancements
- Building resilience and community wealth
- Skills and employability
- Supporting the transition to net zero
- Operating in a different funding regime
- Tackling inequality

Whilst impacts are still being felt from these events (limiting opportunities for growth, reduced access to business finance, a higher degree of home working and greater pressures on business and public sector finances), there is a better understanding of the landscape and as such these events have informed our new strategy.

Midlothian Council has led the development of this strategy with its partners, with inputs provided by the community, business and public sector in a series of online workshops. The new strategy builds on the shared vision that was identified in 2020 and identifies new key priorities in shaping and delivering growth for Midlothian's economy.

Purpose and objectives of the strategy

The purpose of this strategy is to build upon the previously established shared ambition to grow and transform the economy by harnessing opportunities and overcome the challenging macroeconomic context presented over the previous three years.

Strategic objectives and key priorities set out in this document align with the Scottish Government's National Strategy for Economic Transformation and are in the context

of the various local and regional strategies that have been developed since the previous iteration, including the Midlothian Local Housing Strategy, the Midlothian Council Climate Change Strategy and the Midlothian Digital Strategy. The strategy also builds on other strategies that have been implemented around the same time as the previous Strategy for Growth, including the Community Planning Partnership's Single Midlothian Plan (now updated for the period 2023-27), Midlothian Council's Capital Investment Strategy, SESTran's Regional Transport Strategy, the Interim Regional Spatial Strategy for South East Scotland and the Scottish Government's National Planning Framework 4 (NPF4).

Our strategy will be supported by an annual monitoring plan prepared through the Community Planning Partnership's sustainable growth theme, to realise a Wellbeing Economy and contribute to the delivery of the Single Midlothian Plan.

The fiscal environment continues to be challenging, and financial pressures are increasing for all. In recognition of this, our strategy seeks to deliver better outcomes for our economy in conjunction with our partners and the future direction of Midlothian Council set out in the Medium Term Financial Strategy.

Our strategy reinforces the importance of partnership working across the various Council services, the Edinburgh and South East Scotland City Region Deal partners, Skills Development Scotland, Developing the Young Workforce, Business Gateway, private sector and landowners, the third and voluntary sector, the Midlothian and East Lothian Chamber of Commerce, the Federation of Small Businesses, Scottish Enterprise, Scottish Development International and Higher and Further education providers. Actions within the strategy remain underpinned by this partnership-based approach to achieving our objectives.

Over the period 2025 – 2030, the primary focus of our work is targeted towards raising our profile, promoting the diverse offer in Midlothian and reaping the benefits of this increased visibility. Recent government policy has been focused on how best to transform the economy in order to ensure inclusive growth for all, whilst addressing various issues such as the Climate Emergency and ensuring a Just Transition to net zero carbon, which can be achieved through investment that provides greater opportunities to businesses, people and

communities, and distributes the returns on that investment fairly – ensuring inclusive growth in Midlothian is achieved.

Our strategy remains underpinned by sustainability in achieving economic outcomes. Following Midlothian's declaration of a Climate Emergency in 2019, we were early actors in introducing a Carbon Charter for businesses to follow and embed sustainability in their actions. The Charter has been widely adopted and sustainable practices have been implemented across a wide range of businesses in Midlothian. Our Climate Change Strategy adopted an aim to establish a Citizens Assembly and Climate Change Partnership Group to engage the businesses and residents of Midlothian in the climate change debate. Midlothian Energy Ltd (MEL), a partnership between Midlothian Council and Vattenfall, have made significant progress in the development of the District Heating Network at Midlothian's New Town of Shawfair. MEL continues to explore decarbonisation projects across the County to realise our Net Zero ambitions to ensure...

Midlothian is a great green place to grow.

With our partners in the Edinburgh and South East Scotland City Region (ESES CR) Deal, we are delivering improvements to our infrastructure in order to drive change. Midlothian is receiving targeted infrastructural support with regards to the Sheriffhall Roundabout and improvements to the Midlothian Science Zone at Easter Bush. Together with regional programmes in skills development, this will help our businesses to flourish, result in increased start-up activity and increased capacity for growth. All of which will continue to invite and capitalise on vital investment in our business community.



2 MIDLOTHIAN

Midlothian covers 354 square miles and has a growing population in excess of 94,000. It lies in the east-central lowlands, bordering the City of Edinburgh, East Lothian and the Scottish Borders local authority areas. Its area encompasses seven urban centres and is surrounded by a hinterland of rural communities. The town of Dalkeith is in the county of Midlothian with further sizeable settlements at Bonnyrigg and Lasswade, and Penicuik. Development corridors in the South East Scotland (SES) Plan provide for significant settlement growth along the A701 and Borders Railway corridors.

Midlothian's location

Located to the south of Edinburgh city, in the Edinburgh and South East Scotland City Region and the gateway to the Pentlands, Midlothian has a varied topography. Castles, stately homes, country parks and the world famous late-gothic Rosslyn Chapel, are all located here. With attractions such as Roslin Glen, Dalkeith Country Park, Vogrie House, the Secret Herb Garden, Dobbie's Garden Centre and the Hillend Infrastructure Investment (development of Midlothian Snowsports Centre), there is something for residents and tourists alike.

Edinburgh is 20 minutes by car from Midlothian's centre and the airport is 30 minutes away. It is also only 1 hour 30 minutes from Glasgow airport, offering a range of commercial and business destinations and freight opportunities.

A thriving mining area in days gone by, Midlothian is home to a number of former colliery villages. Newtongrange, a 19th century designed mining village, houses the Lady Victoria Colliery which is open to the public as the National Mining Museum Scotland where Scotland's largest steam engine and winding tower for the disused 1,625-ft shaft is housed.

Midlothian's population

Midlothian had a population of 97,030 (June 2022).

Much of its population is within its seven urban centres of Bonnyrigg, Penicuik, Dalkeith, Mayfield, Gorebridge, Loanhead and Danderhall. It is the fastest growing local authority in Scotland: its rate of projected growth is greater than any other local authority area in Scotland, with forecast population increase to be around 31% increase between 2018 and 2043 (rising to approximately 119,637).

Much of this forecast change is projected to be driven by in-migration, with a sizeable natural change component.



National Mining Museum Scotland

NRS Local Authority population growth projections, mid-2018 to mid-2029, and to mid-2043 overleaf

The National Records of Scotland (NRS) population projections show that the Midlothian population will grow the fastest of all Scottish local authorities with 15.1 per cent growth from a base of 91,340 in 2018 to 105,137 in 2029.

In comparison, the total Scottish population is projected to grow by 1.9 per cent by 2029.

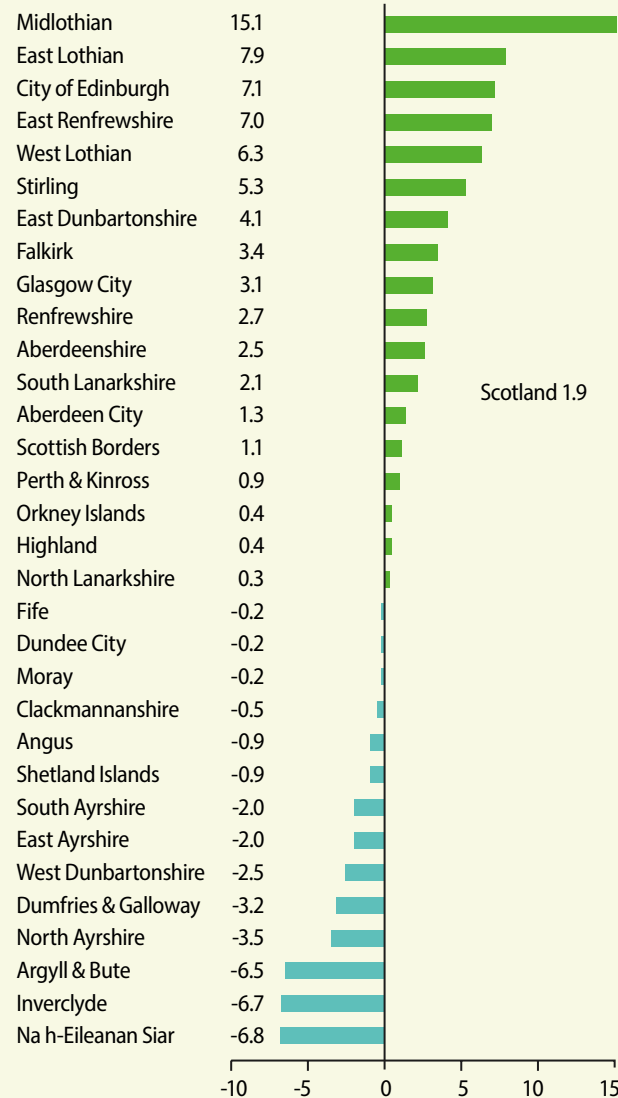
In the following illustration of NRS population projections from the 2018 base to 2043, all of the South East Scotland City Region, with the exception of Fife, show positive population growth, with Midlothian having the highest growth of all Scottish local authorities at 30.1 per cent (119,637).

In comparison, NRS estimate a growth in the total population of Scotland of 2.5 per cent by 2043.

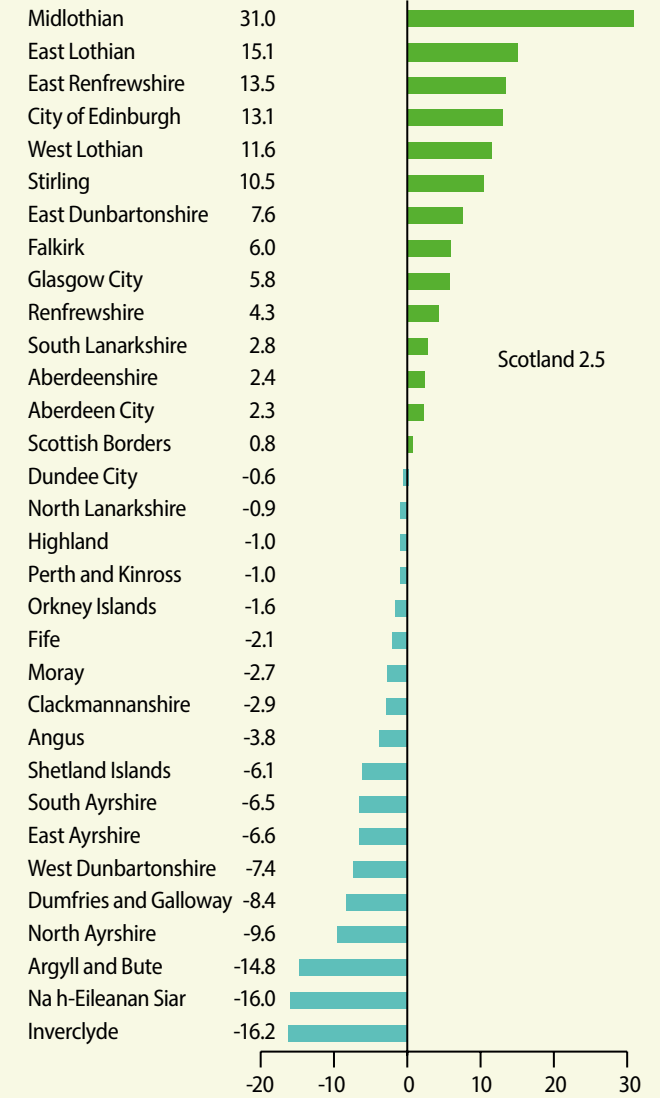
Source: Population Projections for Scottish Areas (2018-based): Data Tables

www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/sub-national-population-projections/2018-based

% Projected Population Growth by Local Authority 2018 –2029, Source: Scottish Fiscal Commission



% Projected Population Growth by Local Authority 2018 –2043, Source: Scottish Fiscal Commission



Midlothian's economy

Midlothian's historic economy was based around coal mining and heavy industry including papermaking, carpet making and mills along the River Esk. However, like the majority of post-industrial regions, these sectors have disappeared since the 1970s. To facilitate diversification, the Council has delivered a number of capital programmes to facilitate physical improvements to the built environment. Midlothian has invested in redeveloping the Bilston Glen mining site to become an industrial estate with British Coal Enterprise and Scottish Enterprise. Midlothian Council has also supported the development of the wider Easter Bush Campus in partnership with Scottish Enterprise, The University of Edinburgh, Northern Property and Moredun Research Institute.

Midlothian is known for its rolling green hills and its world-leading centre of research excellence in animal health and life sciences. The Midlothian Science Zone, established in 2016, encompasses the Pentlands Science Park, Easter Bush Campus, Bush Estate, Edinburgh Technopole and BioCampus. The University of Edinburgh site at Easter Bush, the Roslin Institute and Moredun Research Institute are world renowned for their contribution to education on infectious diseases, support of sustainable agriculture and creation of solutions to ensure safe and sustainable food and water supplies, thereby addressing climate change and conserving biodiversity.

Midlothian has a strong retail offering at Straiton. The retail park is home to multinational companies including IKEA and Costco. Large national companies have a strong presence in the area, including: Sainsbury's, Marks and Spencer, Next, Halfords, and Boots.

Midlothian has a strong and growing third sector. The area is home to a number of social enterprises and community development trusts, with over 200 registered charities identifying their main operating area as Midlothian² and nearly 500 social enterprises and voluntary organisations operating in the region overall.³ This puts our economy in a strong position in terms of pursuing inclusive growth objectives.

The area has benefitted from major transport infrastructure upgrades in recent years. The reopening of the Borders Railway in 2015 connects the key stations of Eskbank (Dalkeith), Newtongrange, Gorebridge and Shawfair directly to both Edinburgh City and the Scottish Borders, and opens Midlothian up to Edinburgh, Scotland and beyond. Midlothian is strategically linked to the A1 corridor, connecting Edinburgh to the Scottish Borders and the north of England. Midlothian is also in relatively close proximity to Glasgow. Connectivity is enabled by rail via the Glasgow-Edinburgh line and Cumbernauld/Edinburgh-Dunblane lines, and also by the M8 road network, connecting to the west of Scotland in under an hour, and the M90 towards Perth and the north in a similar travel time.

Midlothian is a well serviced area in the heart of the Edinburgh and South East Scotland City Region with a strong community



base, boasting educational centres of excellence and new multipurpose facilities at Newbattle and Lasswade Community High Schools. The Loanhead Centre includes a primary school, health centre, swimming pool and leisure facilities.

A new health and social care centre of excellence is proposed at Shawfair's new high school and more recently, plans were approved for a new Science Technology, Engineering and Maths (STEM) school in the A701 corridor. All of which makes Midlothian...

a great green place to grow.





Borders railway

Combined with the diverse range of heritage and cultural activities, events and access to greenspace, the area boasts a high quality of life. Recent developments have increased the housing offer ensuring it caters for individual need and budget and benefits from strategic transport links. The new town of Shawfair, which has commenced development and has a rail station on the Borders Railway route, will provide 4,000 housing units,

business and industrial units, formal and informal open space, and will include a new Town Centre, with retail, food and beverage, commercial business, community, social and education facilities. This will sit adjacent to the partially developed Shawfair Business Park, and open up wider investment potential.

¹ National Records of Scotland: Mid-2021 Population Estimates Scotland

² Midlothian Health and Social Care Partnership Workforce Data

³ SCVO State of the Sector, 2022

3 THE STRATEGIC FRAMEWORK FOR MIDLOTHIAN

This strategy sets out our commitment to grow Midlothian's economy in the context of local and national policy, and alongside our partnerships.

National and regional strategic context

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Scottish Government	National Strategy for Economic Transformation	<ul style="list-style-type: none"> • Fairer, Wealthier, Greener - Entrepreneurial People and Culture - New Market Opportunities - Productive Businesses and Regions - Skilled Workforce - A Fairer and More Equal Society
	Shaping Scotland's Economy	<ul style="list-style-type: none"> • Where Scotland's Competitive and Comparative Advantage meets Global Opportunity - Evidence-Informed Analysis set in the Context of our Values-Led Approach - Identifying Scotland's Opportunity Areas: Energy transition; Decarbonisation of Transport; Software and IT; Digital Financial Services; Digital Business Services; Space; Health Tech; Transformation of Chemical Industries; Food & Drink Innovation - Covid Impact and Impetus - Scotland's Opportunity Areas for Inward Investment - Delivering Wider Economic Benefits Across Scotland's Regions - Leveraging Inward Investment
	A Trading Nation	<ul style="list-style-type: none"> • Strategic choice 1: how best to support our ongoing businesses? - Strategic choices 2 and 3: what and where? - Strategic choice 4: how we will align support in-market - Strategic choice 5: how we will align export support in Scotland - Maximising the economic impact of exports
	International Framework	<ul style="list-style-type: none"> • To create an environment within Scotland that supports a better understanding of international opportunities and a greater appetite and ability to seize them; and • To influence the world around us on the issues that matter most in helping Scotland flourish
	Global Affairs Framework	<ul style="list-style-type: none"> • Good citizenship • Maintaining close relations with the European Union • Gender equality • The climate crisis and climate justice • Respect for human rights and the rule of law • The role of Scotland's international network • Scotland's culture.

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Scottish Government	Community Wealth Building	<ul style="list-style-type: none"> • Progressive Procurement: Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains. • Fair Work: Increasing fair work and developing local labour markets that support the wellbeing of communities. • Land and Property: Growing social, ecological, financial and economic value that local communities gain from land and property assets. • Plural Ownership: Developing more local and social enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives. • Finance: Ensuring that flows of investment and financial institutions work for local people, communities and businesses.
	Draft Energy Strategy and Just Transition Plan	<ul style="list-style-type: none"> • People have access to affordable clean energy. • Communities and places can participate and benefit in the net zero energy transition. • We have a supportive policy environment, maximising the impact of government expenditure and attracting private investment. • Scotland is home to a multi-skilled energy workforce, boosting our domestic supply chain and manufacturing capabilities. • Scotland's net zero energy system is continuously innovative and competitive in domestic and international markets
	Climate Change Plan	<ul style="list-style-type: none"> • Adaptation to climate change • Reducing greenhouse gas emissions • Leadership in the public sector • Engagement with business on climate action • Low carbon living • International action on climate change • Community-led climate action • Administering the UK emissions trading scheme • Managing the Nitrogen Balance Sheet • Delivering a Just Transition
	Fair Work	<ul style="list-style-type: none"> • Effective Voice • Opportunities • Security • Fulfilment • Respect

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Scottish Government	National Innovation Strategy 2023-2033	<p>Building successful Innovation Clusters</p> <p>Scotland has a competitive advantage and a strong research and business base in a number of key markets. These give rise to four broad innovation themes on which future activity will focus:</p> <ul style="list-style-type: none"> Energy Transition Health & Life Sciences Data & Digital Technologies Advanced Manufacturing <p>Innovation Investment Programme</p> <p>To support the growth and scaling of our priority areas we will recalibrate our innovation investment and support landscape to ensure it aligns with our innovation priorities and maximises all appropriate sources of funding. We are determined to embed an investor mindset that maximises leverage, closes capital supply gaps and balances risk/return to ensure the maximum impact of the funding available through the public sector.</p> <p>Innovation-led Entrepreneurship and Commercialisation Programme</p> <p>The Commercialisation Programme is focused on three key elements – supporting our universities in their ambitions for a new Investment Fund, developing a Research Commercialisation Action Plan, and delivering existing commitments on entrepreneurship in universities.</p> <p>National Productivity Programme</p> <p>We will introduce an innovation-themed National Productivity Programme which diffuses the benefits of innovating for productivity gains.</p> <p>Innovation Scorecard</p> <p>To demonstrate progress and guide future action we will develop and publish an innovation scorecard which will rigorously measure and assess the strength and performance of each level of Scotland's innovation ecosystem.</p>
	NPF4	<p>Spatial principles:</p> <p>Just transition. We will empower people to shape their places and ensure the transition to net zero is fair and inclusive.</p> <p>Conserving and recycling assets. We will make productive use of existing buildings, places, infrastructure and services, locking in carbon, minimising waste, and building a circular economy.</p> <p>Local living. We will support local liveability and improve community health and wellbeing by ensuring people can easily access services, greenspace, learning, work and leisure locally.</p> <p>Compact urban growth. We will limit urban expansion so we can optimise the use of land to provide services and resources, including carbon storage, flood risk management, blue and green infrastructure and biodiversity.</p> <p>Rebalanced development. We will target development to create opportunities for communities and investment in areas of past decline and manage development sustainably in areas of high demand.</p> <p>Rural revitalisation. We will encourage sustainable development in rural areas, recognising the need to grow and support urban and rural communities together.</p>
	Town Centre Action Plan Review	<ul style="list-style-type: none"> • Putting the right policy framework in place • Ensuring the right kind of support • Providing a framework for investment • Working closely with partners

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Transport Scotland	National Transport Strategy (NTS2)	<ul style="list-style-type: none"> • A sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors: - Reduces inequalities. - Takes climate action. - Helps deliver inclusive economic growth. - Improves our health and wellbeing
Scottish Tourism Alliance	Scotland Outlook 2030	<ul style="list-style-type: none"> • Our passionate people • Our thriving places • Our diverse businesses • Our memorable experiences
Edinburgh and South East Scotland City Region	ESESCR City Deal	<ul style="list-style-type: none"> • Research, Development and Innovation • Integrated Regional Employability and Skills • Transport • Culture • Housing
	Regional Prosperity Framework (RPF)	Big moves: <ul style="list-style-type: none"> • Data capital of Europe • Re-thinking our place • Sustainable transport • Regenerating the Forth • Sustainable tourism & culture • Supporting enterprise • Aligning skills • Re-inventing healthcare • Anchor institutions
	RPF Delivery Plan	<ul style="list-style-type: none"> • Green regeneration • Infrastructure for recovery and prosperity • Visitor economy and culture • Data Driven Innovation (DDI) economy

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
SESPan	Interim Regional Spatial Strategy for South East Scotland	<ul style="list-style-type: none"> • Regional recovery and renewal <ul style="list-style-type: none"> - Tackling inequality - Economic renewal - Environmental improvement • Adaptable, a more resilient region <ul style="list-style-type: none"> - Tackling climate change - Conservation • Accessible Region <ul style="list-style-type: none"> - Connectivity • Infrastructure delivery • Digital access • Sustainable housing sites • Focus on: the City; the East; the South; the Centre – Midlothian; the West; the North
SEStran	SEStran 2035	<ul style="list-style-type: none"> • Transitioning to a sustainable, post-carbon transport system • Facilitating healthier travel options • Widening public transport connectivity and access across the region • Supporting safe, sustainable and efficient movement of people and freight across the region



Borders railway

Midlothian strategic landscape

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Midlothian Council	Medium Term Financial Strategy	<ul style="list-style-type: none"> • The aim of the Medium Term Financial Strategy is to provide a multi-year strategy aligned to the development and approval of the Midlothian Council Strategic Plan 2022-2027; and • It seeks to support the Council in fulfilling its statutory duty to set a balanced budget.
	Midlothian Local Development Plan	<ul style="list-style-type: none"> • To implement the requirements of the Strategic Development Plan for South East Scotland (SESplan); • To contribute to the delivery of successive Midlothian Single Outcome Agreements; • To support the development of a vibrant, competitive and sustainable local economy; • To safeguard and enhance Midlothian's natural and built heritage, which sustains the quality of life of its communities; • To respond robustly to the challenges of mitigating climate change and adapting to its impacts; • To provide positively for development which secures long-term social, economic and environmental benefits for existing and new residents, and not just short-term gain; • To identify and implement a Green Network for Midlothian consistent with national and regional green network projects; and • To help ensure that Midlothian is a welcoming and enriching place to live, work and visit.
	Midlothian Local Procurement Strategy 2021	<ul style="list-style-type: none"> • Demonstrate leadership and corporate social responsibility by procuring sustainably and ethically and influencing suppliers, contractors, service providers and our collaborative partners to do the same; • SMEs, third sector (supported businesses & social enterprise) and the local business community will be encouraged and supported in their efforts to engage commercially with the Council; • We will work with these bodies to help them increase capacity and understanding of the procurement process and subsequent procurement systems; • The Council will use its contract and supplier relationship management processes to improve, social, economic, environmental and sustainable arrangements within current and future contract opportunities; • The Council will seek to build Community Benefit Clauses into a broader range of contracts and will work with suppliers to explore how the procurement system helps us meet the wider objectives of the Single Midlothian Plan; • The Council will use its spend to actively encourage and support a growing, diverse and resilient local business base, and to support our Carbon Neutral by 2030 ambitions; • The Council will consider any negative externalities of procurement, for example the impact on the environment; and • The Council has a key role in stimulating complex markets in pursuit of mixed provision of services and in ensuring equality of opportunity to do business exists; • Promote engagement with SMEs through regular forums, e.g. Meet the Buyer events, Supplier Surveys, etc; • Midlothian Council will support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts; and • Midlothian Council will encourage local businesses to explore their supply chain opportunities to support the local and regional economy.
	ekosgen Report - Covid-19 and Brexit Impact 2022	<p>The ekosgen report outlined the following strategic priorities:</p> <ul style="list-style-type: none"> • Supporting business and employment growth • Provision of business premises • Re-imagining and regenerating town centres • Infrastructure enhancements • Building resilience and community wealth • Skills and employability • Supporting the transition to net zero • Inward investment and developing Midlothian's proposition • Operating in a different funding regime • Tackling inequality

Midlothian strategic landscape

LEAD ORGANISATION	STRATEGY & CONTEXT FOR ECONOMIC DEVELOPMENT	PRIORITIES
Midlothian Council	Midlothian Economic Renewal Strategy Addendum 2020	<p>Six Key Objectives</p> <ol style="list-style-type: none"> 1. To integrate Midlothian with the regional economy and promote the region internationally 2. To improve the skills landscape 3. To increase economic participation 4. To build on the success of our key sectors 5. To improve the vibrancy of our town centres and make them more environmentally friendly 6. To accelerate growth through infrastructure upgrades
	Community Wealth Building Action Plan	<ul style="list-style-type: none"> • Currently under development through the Community Planning Partnership in 2023/24, in line with national Community Wealth Building objectives.
	Midlothian Local Transport Strategy	Currently under development, due 2025
	Midlothian Active Travel Strategy	<ul style="list-style-type: none"> • Create a well-connected network of active travel infrastructure; and • Encourage and enable safer walking and cycling environments.
	Midlothian Climate Change Strategy	<ul style="list-style-type: none"> • To make the Council's activities net carbon zero by 2030; • To establish a Citizens Assembly and Climate Change Partnership Group to engage the wider population, business, education and scientific sectors in the climate change debate; • To raise awareness about the impacts and risks from a changing climate; • To take a 'One Council' approach to reducing carbon emissions and putting this objective at the heart of our organisational activities, processes and decisions; • To encourage people, businesses and communities to work alongside the Council and make their own climate change commitment; • To lead by example and provide climate change leadership to our partners, communities and businesses; • To develop our resilience and ability to adapt to the impacts and risks of a changing climate; and • To monitor and publicly report our climate change progress.
Midlothian Community Planning Partnership	Single Midlothian Plan	<ul style="list-style-type: none"> • Be healthier; • Be safer; • Get it right for every child; • Support residents to improve employability and outcomes in our communities; • Be greener; • Have a wellbeing economy and be better connected; and • Work towards reducing poverty.
Tyne Esk LEADER	CLLD	<ul style="list-style-type: none"> • Community-led local development across rural communities in East Lothian and Midlothian.

Strategic partners

AGENCY / ORGANISATION	
Scottish Government	Midlothian Science Zone
Scottish Enterprise	Edinburgh and South East Scotland City Region
Scottish Development International	Midlothian and East Lothian Chamber of Commerce
Co-operative Development Scotland	Midlothian Tourism Forum
Skills Development Scotland	Midlothian Community Planning Partnership
Business Gateway	Midlothian Third Sector Interface
VisitScotland	Midlothian Voluntary Action
Scottish Tourism Alliance	Bonnyrigg and Sherwood Community Development Trust
Edinburgh University	Gorebridge Community Development Trust
Scotland's Towns Partnership	Mayfield and Easthouses Development Trust (MAEDT)
Edinburgh College	Newtongrange Development Trust
Scotland's Rural College (SRUC)	Penicuik Community Development Trust
FSB Scotland	Rosewell Development Trust
Moredun Research Institute	One Dalkeith
Roslin Institute	Midlothian Federation of Community Councils



The Single Midlothian Plan

Midlothian has a diverse economy, which is one of its key strengths. A central tenet of the Council’s approach to economic and community development is strong local partnerships and collaboration. This is set out in the Single Midlothian Plan.

The Single Midlothian Plan is a four-year plan with associated annualised priorities to deliver local outcomes, all of which contribute to the national context as monitored through Scotland’s National Performance Framework.⁴ This strategy for growing Midlothian’s economy and its associated actions will directly link to the outcomes set out in the Single Midlothian Plan, and will operate within the ‘Wellbeing Economy’ theme of the Community Planning Partnership. The current thematic outcome areas of the Single Midlothian Plan are that Midlothian will:

- 1. Be healthier
- 2. Be safer
- 3. Get it right for every child
- 4. Support residents to improve employability and outcomes in our communities
- 5. Be greener
- 6. Have a wellbeing economy and be better connected
- 7. Work towards reducing poverty

Medium Term Financial Strategy

In light of the budgetary challenges facing local authorities, the Council has adopted a Medium Term Financial Strategy to provide stability and to revisit its priorities against a reduction of centrally allocated funding. This was most recently updated for the period 2023/24 to 2027/28. The four pillars of: working with you, for you; preventative and sustainable; efficient and modern; and innovative and ambitious are embedded in this strategy to enable future planning and investment in Midlothian as a great green place to grow. This strategy and vision for the future is intrinsically linked to our strategic priorities and is reflected in our commitments and partnership-based approach to delivery.

⁴<https://nationalperformance.gov.scot>

National Strategy for Economic Transformation

There is a much-changed strategic economic landscape in Scotland, with the publication of Delivering Economic Prosperity, Scotland’s National Strategy for Economic Transition (NSET)⁵ in March 2022 and The National Innovation Strategy 2023-2033.

The NSET is a radical departure from its forerunner, Scotland’s Economic Strategy, and is a roadmap for the Scottish economic model, with the explicit aim of transitioning to a “Wellbeing Economy” – one that ensures fair work and better wages, increases productivity through entrepreneurship and innovation.

This move to a net zero, nature-positive economy is underpinned by the concept of a “Just Transition”⁶ away from traditional fossil fuels. It is a helpful concept to recognise the need to move to a more sustainable economy in a way that is fair to everyone – including people working in polluting industries, whilst equipping them with the skills, education and retraining required to support retention and access to green, fair and high value work.

Importantly, a Just Transition is both an outcome and a process – and one that must be undertaken in partnership with those impacted by the transition to net zero.

⁵ www.gov.scot/publications/scotlands-national-strategy-economic-transition

⁶ www.gov.scot/groups/just-transition-commission

Figure 3.1: NSET vision, ambitions and programmes of action (Source: Scottish Government, 2022)

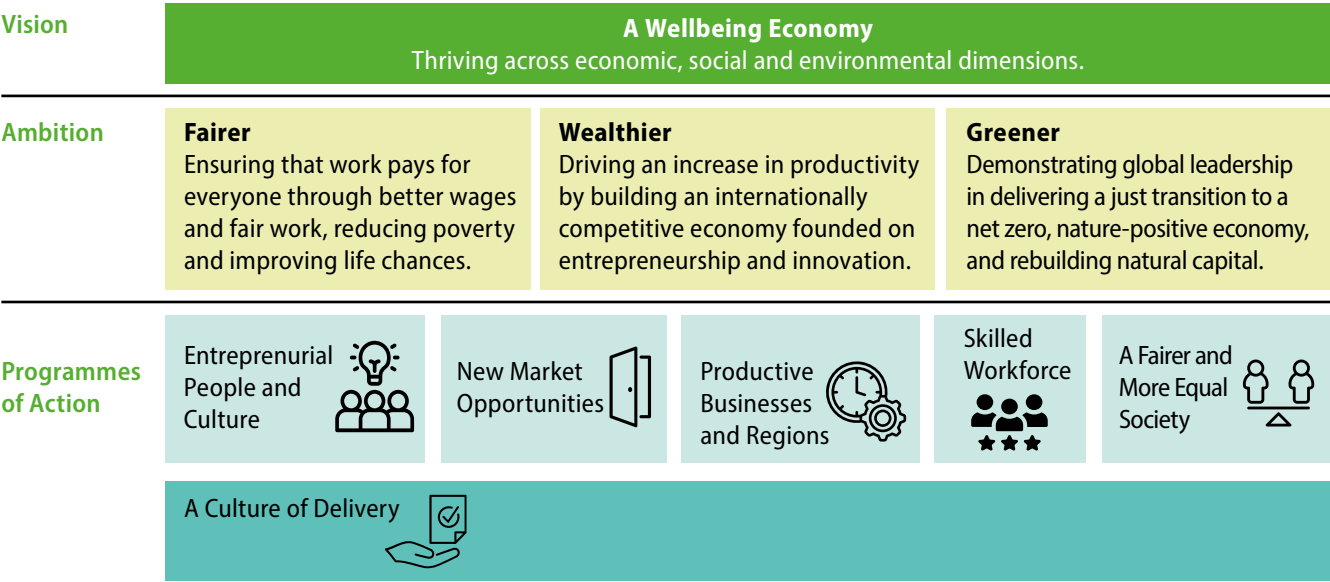


Figure 3.2: NSET Programmes of action strategy matrix (Source: Scottish Government, 2022)

REGIONAL STRATEGIES	ENTREPRENEURIAL PEOPLE AND CULTURE	NEW MARKET OPPORTUNITIES	PRODUCTIVE BUSINESS AND REGIONS	SKILLED WORKFORCE	A FAIRER MORE EQUAL SOCIETY	SECTORAL STRATEGIES
<ul style="list-style-type: none">Regional Economic StrategiesCity Region DealsPlace Plans (for example Clyde Mission)	Scottish Technology Ecosystem Review	Scotland’s Vision for Trade	Infrastructure Investment Plan	Future Skills Action Plan	Fair Work Nation	Including: <ul style="list-style-type: none">Making Scotland’s FutureScottish Space StrategyTourism Scotland Outlook 2030The Scottish Construction Industry StrategyFood and Drink Ambition 2030: Industry Strategy for GrowthLife Sciences Strategy for Scotland 2025Scottish Retail Strategy
		A Trading Nation		Population Strategy	Community Wealth Building	
	Unlocking Ambition	Inward Investment Plan	Housing 2040	National Mission for Jobs	Gender Pay Gap Action Plan	
	Scotland CAN DO	Global Capital Investment Plan	National Transport Strategy	Green Jobs Fund	Fair Start Scotland	
	Scottish EDGE	Supply Chain Development Programme	Greensports	Climate Emergency Skills Action Plan	No One Left Behind	
	Women’s Business Centre	Scotland the perfect Stage	National Planning Framework	Youth Work and Adult Learning Strategies	Culture Strategy for Scotland	
	Women in Enterprise Framework		Digital Strategy			
	Rural Entrepreneur Fund		Productivity Clubs			
Net Zero and Environmental Strategies						
	Environment Strategy	Climate Change Plan Update	Just Transition Plans and Energy Strategy	Biodiversity Strategy	Circular Economy	
National Performance Framework – Programme for Government – Covid Recovery Strategy – Tackling Child Poverty						

Inclusive Economic Growth

Inclusive economic growth will be achieved through a balanced approach to growing the Midlothian economy. Attracting inward investment, supporting the existing SME base and extending reach to ensure access to all residents and communities will underpin the delivery of this strategy. This approach will ensure the benefits of growth are equally distributed to all societal groups, reducing inequalities by creating more opportunities for disadvantaged communities, including through education and workforce development initiatives, while also using the community wealth building approach to shorten supply chains to redirect wealth into the local economy to create new jobs and empower communities through democratic ownership models. The Scottish Government has adopted the internationally recognised Community Wealth Building (CWB) approach, as a tool to achieve the wellbeing economy objectives of NSET. CWB is a place-based approach that explicitly aims to redirect wealth back into local economies, and seeks to place greater control, and therefore benefits, into the hands of local people.⁷

This is done according to five core principles. Specifically, these are:

- **Progressive Procurement:** Maximising community benefits through procurement and commissioning, developing good enterprises, fair work and shorter supply chains.
- **Fair Work:** Increasing fair work and developing local labour markets that support the wellbeing of communities.
- **Land and Property:** Growing social, ecological, financial and economic value that local communities gain from land and property assets.
- **Plural Ownership:** Developing more local and social enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.
- **Finance:** Ensuring that flows of investment and financial institutions work for local people, communities and businesses.



⁷ www.gov.scot/policies/cities-regions/community-wealth-building

Net Zero and Just Transition

Scotland has some of the most ambitious commitments to net zero and greenhouse gas reduction amongst advanced economies. Since the 2021-2022 Programme for Government, the Scottish Government has committed to implementing the recommendations of the Just Transition Commission⁸ to build a net zero economy that is fair for all, including the publication of Just Transition plans for every sector and region, overseen by the Commission.

Scotland's commitment to net zero by 2045 and for a 75% reduction in Greenhouse Gas (GHG) emissions by 2030 is a fundamental driver for its ambition for a Fairer greener Scotland⁹ – a recognised need to move to a more sustainable economy in a way that's fair to everyone – including people working in polluting industries, and equipping them with the skills, education and retraining required to support retention and creation of access to green, fair and high value work.

Just Transition reflects the need for collaboration, a local approach and proper funding, and its relevance is particularly clear when considering the potential scale of disruption to the labour market that may be anticipated over the next decade.

⁸www.gov.scot/groups/just-transition-commission

⁹www.gov.scot/publications/transition-fairer-greener-scotland



Vogrie country park

4 CONSULTATION

The consultation programme

This strategy was compiled following consultation with key partners and stakeholders within the community, private and public sector in Midlothian. The purpose of this programme of consultation was to update stakeholders with regards to the performance of the previous Strategy for Growth, provide the context and explain the need for a new strategy given the various macro-economic shocks that have occurred since it was published, and to sense-check priorities for a new economic development strategy that had been identified through previous research commissioned by Midlothian Council.

This consultation programme was delivered through a series of workshops, with community, public sector and business representatives being engaged. Key stakeholders were also provided the opportunity to engage in a series of one-to-one consultations.

Engagement

Workshop attendance was from a range of different areas of the economy, including representation from local community organisations, businesses and representative business organisations, Council representation with regards to Community Planning, Conservation and Environment, and Local Development Planning. Elected members were also engaged.



Issues that were explored

Midlothian Council, building on the previous Strategy for Growth and other research that had been commissioned in the interim period, had identified ten key economic priorities for driving growth in the region.

These priorities were as follows:

- Supporting business and employment growth
- Provision of business premises
- Re-imagining and regenerating town centres
- Infrastructure enhancements
- Building resilience and community wealth
- Skills and employability
- Supporting the transition to net zero
- Inward investment and developing Midlothian's proposition
- Operating in a different funding regime
- Tackling inequality

We asked for views as to whether these are the right priority areas for Midlothian to focus on, as well as how closely aligned these priorities were to both Scottish Government priorities and those established within our own local and regional strategies.

We then asked for views on the previous iteration of the Strategy for Growth, in particular whether the vision was still relevant or in need of an update, and whether the key strategic pillars of innovation, inclusion, partnership-working and ambition were still relevant.

We also asked for views on the key opportunities currently available in Midlothian to capitalise upon, any barriers, challenges or inhibitors to realising economic opportunity in Midlothian, and what the key enablers are to realising this potential.

5 OUR VISION AND STRATEGIC PRIORITIES

This section sets out our vision and strategic priorities for economic growth in Midlothian. It also details the pillars which form the underlying principles for economic delivery.

Vision

The Midlothian Strategy for Inclusive Economic Growth's vision is that Midlothian will have a Wellbeing Economy and be a Great Green Place to Grow. Wellbeing and sustainability are vital to the inclusive growth of our local economy. This strategy for economic growth is a critical component of this overarching ambition. Therefore, the vision for economic growth is as follows:

Midlothian's wellbeing economy will support our communities, businesses and town centres to thrive, ensuring inclusivity and fair work for all. It will continue to be recognised as home to world leading clusters of science and innovation and be known as an area in which everyone can live, work and do business sustainably to generate wealth and wellbeing for its citizens.

Delivering sustainable economic growth for all requires strong partnerships and collaboration. Our economy is diverse and varied, and Midlothian's position in the wider region and indeed Scotland puts it in an advantageous position. To take advantage of this and the opportunities presented to the area, we must not only foster the ambition to build on our strengths amongst Midlothian's citizens, communities and businesses, but we must also empower them to take a pro-active role in delivering the economic growth we strive for.

We will harness the skills and talent of our local workforce, and give them the tools and skills required to respond to a dynamic economic, social and environmental landscape. This will ensure that Midlothian can make a telling contribution to the Scottish economy, and generate benefit for all of our citizens.



Roslin Innovation Centre



Roslin: Bilston

Pillars

This vision will be achieved in accordance with four pillars – principles that underpin the strategy's vision and ensuing priorities:

Empowerment:

Empowering individuals, communities and organisations to take a lead role and ownership of community led economic development initiatives; and developing resilience responsive to local needs in an inclusive way by embedding the Community Wealth Building pillars approach to support capacity building and skills development aligned to market opportunities.

Partnership and collaboration:

Strengthening and maximising relationships with strategic partners, anchor organisations, businesses and community organisations to achieve a connected, collaborative and ambitious local economy.

Ambition:

Recognising and capitalising on the opportunities that exist for Midlothian's economy, and supporting businesses, communities and individuals to realise the benefits presented.

Innovation:

Proactively and creatively addressing local challenges, harnessing opportunities and adopting a collaborative approach to achieving economic development outcomes.



Business networking event at The National Mining Museum

Figure 5.1: Vision, pillars and priorities

Vision	Midlothian's wellbeing economy will support our communities, businesses and town centres to thrive, ensuring inclusivity and fair work for all. It will continue to be recognised as home to world leading clusters of science and innovation and be known as an area in which everyone can live, work and do business sustainably to generate wealth and wellbeing for its citizens.					
Pillars	Empowerment		Partnership and collaboration		Ambition	
	Empowering individuals, communities and organisations to take a lead role and ownership of community led economic development initiatives; developing resilience responsive to local needs in an inclusive way by embedding the community wealth building pillars approach to support capacity building and skills development aligned to market opportunities.		Strengthen and maximise relationships with strategic partners, anchor organisations, businesses and community organisations to achieve a connected, ambitious and collaborative local economy.		Recognising and capitalising on the opportunities that exist for Midlothian's economy, and supporting businesses, communities and individuals to realise the benefits presented.	
Priorities	Develop Midlothian's proposition within the Edinburgh and South East Scotland City Region	Enhance skills and employability opportunities in Midlothian, to meet the challenges and opportunities of inclusive Green Growth with entrepreneurship recognised as valuable career pathway	Maximise the potential of Midlothian's key sectors to support a Just Transition	Capitalise on the strengths of Midlothian's strategic partners to embed community wealth across all services to realise a wellbeing economy	Re-imagine our town centres, ensuring they meet Midlothian's economic, social, cultural and environmental needs	Deliver infrastructure enhancements that will support Midlothian's transition to a Wellbeing Economy



Strategic priorities

1. Develop Midlothian's proposition within the Edinburgh and South East Scotland City Region

Part of Edinburgh and South East Scotland City Region (ESESCR), the region is home to around a quarter of Scotland's population, and generates more than 23% of Scotland's GVA. Edinburgh is a driver of the Scottish and wider UK economy.

Midlothian boasts rich tourism, culture, and heritage offerings that play a crucial role in its overall proposition within the Edinburgh and South East Scotland City Region (ESESCR). The CRD Regional Visitor Economy Partnership is a collaboration of the partner authorities to develop and promote the regions tourism assets to harness new opportunities.

Midlothian's assets not only attract visitors but also contribute significantly to the region's economy by creating jobs, fostering community engagement, and enhancing the overall quality of life. Emphasising Midlothian's unique story, cultural heritage, and tourism attractions will not only showcase its diversity but also attract investment and bolster its position within the wider region. By leveraging these cultural and heritage resources, Midlothian can further enhance its appeal to both visitors and investors, ultimately driving sustainable economic growth and prosperity for the region.

Connections and dependencies between Midlothian and the City of Edinburgh economy are growing, not just in terms of labour market and travel to work areas, but also with regard to enterprise and business dynamics. Further, the regional dynamic is increasingly important to the economic development approach in Scotland. Regional Economic Partnerships (REPs) have been established by the Scottish Government to provide a focus on driving inclusive growth, and on reducing regional disparity, acting as a collaborative platform to support local ambitions and respond to specific local and regional circumstances.¹⁰

Recognising Midlothian's position in relation to Edinburgh, and the positive dynamics of the relationship with Scotland's capital city is therefore a significant opportunity for Midlothian to grasp. Midlothian is the fastest growing local authority in Scotland: its population is expected to grow by over 30% in the next 20 years.¹¹ As a result, the demographic structure and wider landscape in Midlothian is changing. Better integration and positioning of Midlothian within the wider region is therefore necessary.

Grasping the opportunity of Midlothian's economy and what it can contribute to the regional and national economy will help to secure greater inward investment.

Despite the impacts of Brexit, Scotland continues to be seen as an attractive location for inward investment, and Midlothian's location in close proximity to Edinburgh, and as part of the ESESCR is increasingly advantageous for attracting inward investment.

The Midlothian offer – individually and as part of the wider ESESCR – is significant, and fully articulating Midlothian's proposition will help to realise the full potential of this offer. One aspect of this is telling Midlothian's story – highlighting its successes, strengths and opportunities for prospective investors and local businesses alike. There is scope to maximise the potential of case studies to set out success stories, and to identify champions or ambassadors for Midlothian to deliver these messages, to better sell the area.

¹⁰<https://regionaleconomicdevelopment.scot/our-work/regional-economic-partnership>

¹¹www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/sub-national-population-projections/2018-based

¹² <https://education.ec.europa.eu/focus-topics/digital-education/digital-education-action-plan>

2. Enhance skills and employability opportunities in Midlothian, to meet the challenges and opportunities of inclusive Green Growth with entrepreneurship recognised as valuable career pathway

The way we work and the jobs that we do continue to change. Already there are instances where some roles in parts of the economy did not exist five years ago, and many more roles will come into existence in the next decade.

The transition to a digital economy, and the response to the climate emergency are two critical drivers in changing the world of work.

It is anticipated that in future at least 90% of jobs will require digital skills to some degree.¹² Data and digital technology offers an opportunity to transform the region into a digital powerhouse. Through the ESESCR's Data Driven Innovation (DDI) approach, there is an opportunity to establish the region as the Data Capital of Europe.

Already Midlothian has benefitted from investment through the DDI Skills Gateway, with a pioneering Digital Centre of Excellence established at Newbattle High School, and a £9.5 million Internet of Things project piloted at Roslin Primary and Newbattle High.

DDI skills activity takes an inclusive approach, where the whole population can benefit from opportunities to develop data literacy skills and upskill in preparedness for the future world of work. This is very much in line with the empowerment and inclusion ethos of this strategy.

Digital skills development in Midlothian will also be augmented at a national level through Skills Development Scotland's Digital Economy Skills Action Plan (DESAP).

The climate emergency is also driving a skills shift. Across industry there is a growing demand for skills that will meet current and emerging environmental challenges, including providing new solutions in order to achieve national and regional targets, and adapting existing processes or products to align with consumer demand.

As well as more technical skills that are specific to the green recovery, there is demand for softer, transferable skills across occupations: climate literacy and competency will become a meta skill required across industry. There will also be a range of emerging job opportunities, including in sectors

and roles not typically considered 'green'. It is important that everyone can access the opportunities offered by the development of new jobs and the greening of existing ones so that the benefits are distributed fairly. Taking an inclusive approach to skills provision will help to remove barriers for disadvantaged and under-represented groups, and open up access to the sectors in Midlothian where there will be most opportunity. This is not just in high-tech sectors such as green energy or digital, but in construction and other parts of the foundational economy.

Ensuring that Midlothian responds effectively to these drivers means a need to stimulate greater labour market participation. This in turn will increase economic activity in Midlothian, contributing to greater levels of wealth generation and improvements in the standard of living.

This strategy aims to increase the capacity of Midlothian's citizens to participate in and benefit from inclusive economic growth. Ensuring fair access to employment opportunities that recognises the value and contribution of individuals will stimulate a fairer distribution of benefits.

This requires employment growth activity to be targeted at existing demand in key sectors, as well as at anticipated future demand in growth areas for Midlothian, rather than just focusing on job filling or job creation.

This will contribute to a shift in the existing pattern of out-commuting to Edinburgh and other areas, and provide greater employment opportunities within Midlothian – increasing the potential to capture a greater proportion of generated wealth. It will also provide employment opportunities for Midlothian's growing population.

We will work with our employers, education providers, enterprise and skills agencies, and strategic partners to ensure that the supply of education and skills is responsive to, and aligned with, current and anticipated demand from employers for skilled workers. We will engage employability and positive destination services to remove barriers to participation, and create a supportive environment for entrants and returners to the workplace.

A key element of the skills and employability response in Midlothian will be continued delivery as part of the ESESCR's Integrated and Regional Employability (IRES) programme, and making best use of labour market intelligence delivered by Skills Development Scotland's aligned Labour Market Analysis and Evaluation (LMAE) project – as well as data and insights from the DESAP, Climate Emergency Skills Action Plan (CESAP), and suite of regional and sectoral Skills Investment Plans. The IRES programme aims to ensure that everyone has equal access to good skills and employment opportunities across the ESESCR in order to support and enhance the regional economy and maximise the impact of skills investment.

Entrepreneurship should also be promoted as a valuable career pathway. Not only will this contribute to increased economic activity and the development of additional positive destinations for school leavers, it will also help to retain skilled and talented workers within Midlothian.

The development of tourism skills is a key area to generate employment opportunities and promote cultural exchange, fostering community pride. By investing in the preservation and promotion of local heritage sites, Midlothian can capitalise on its rich history to attract tourists and sustain economic growth.

Furthermore, cultural initiatives provide opportunities for entrepreneurship and creative expression, nurturing a vibrant arts scene and supporting local artisans and businesses. Embracing and promoting Midlothian's cultural heritage not only adds to its economic vitality but also enriches the lives of its residents and visitors alike.

A critical action for all areas of Scotland is increasing talent retention – this is vital for economic and social wellbeing. Improving skills and employability opportunities, including through the promotion of entrepreneurship, will help enhance Midlothian's 'stickiness' with regard to attracting and retaining talent, as its population grows.

3. Maximise the potential of Midlothian's key sectors to support a Just Transition

The plural, diverse nature of our economy in Midlothian is a key strength. Many of Scotland's key sectors, as identified by the ESESCR Skills Investment Plan can be found in Midlothian: construction, food and drink, ICT and digital technologies, life sciences and tourism.¹³ These sectors are critical to Midlothian's continued economic recovery following COVID-19, and in managing the ongoing economic uncertainty as a result of Brexit.

Maximising the value of Midlothian's key economic assets, including the Midlothian Science Zone and a world-leading animal life sciences cluster around the Roslin Institute, to generate increased economic wealth and employment opportunities is therefore a key ambition of this economic strategy.

To achieve this, we must recognise the growth ambition and potential of local companies, as well as those looking to invest in Midlothian. We will target business support through the proactivity and responsiveness of Business Gateway Midlothian, working in conjunction with Council regulatory services to take a 'One Council' approach to provide businesses and investors with a streamlined message, clearer guidance and reduce the administrative burden. This will increase our competitiveness, and improve business confidence in Midlothian as a destination in which to do business.

We will also work collaboratively with strategic partners including Scottish Enterprise to help support businesses to grow, and ensure that interventions are tailored to specific sectoral needs.

Additionally, we recognise that there is a demonstrable need for ongoing business support provision, targeted at key operational business challenges and responsive to the needs of enterprises in an increasingly uncertain economic environment, and in light of macro-economic factors such as inflation, rising energy costs, tariff and non-tariff trade barriers.

Sectors and companies where we have a comparative advantage or distinct place-based opportunity will continue to be targeted, and we will seek to capitalise on Midlothian's reputational assets. This will be augmented by an innovative and partnership-based approach to

supporting growth and the improved performance of sectors that are significant employers in the region.

The transition to a net zero carbon economy offers new opportunities in Green Growth. In the immediate term, this may be in low carbon energy and those industries at the vanguard of the energy transition. However, other opportunities may arise over the longer term, such as through carbon capture and sequestration. There is also anticipated to be an increase in demand for building retrofit not just to reduce carbon emissions, but to mitigate against climate change. Other sectors may also see opportunities in new ways of working and operating as they themselves become greener and respond to the climate emergency. We must be ready to support these businesses and sectors as and when they reach critical milestones in their net zero transition journey.

There is an increasing need to recognise the importance of Midlothian's Foundational Economy, and its role in supporting both a Just Transition, and Community Wealth Building. Supporting these sectors so that they can grow, and also contribute to providing job security for individuals working in these industries will play a part in the transition – at every level – must be a priority. Acknowledging the importance and providing adequate support to Foundational Economy sectors is also critical for building resilience and capacity, since sectors in the Foundational Economy were those that were most likely to have been hit hardest as a result of the COVID-19 pandemic, or which had to make the most significant adaptations to their working models.

Importantly, there is no set sectoral definition for the Foundational Economy. The characteristics of an area and the sectors that are fundamental to its economic and social wellbeing should be the ones that form the Foundational Economy approach for that area. In Midlothian, we know that this includes construction, tourism, food and drink as well as the public sector. Along with higher-value sectors such as life sciences, these are important sources of employment for Midlothian's citizens, and part of the business support offer must therefore be targeted at these sectors.

Tourism, as a key industry, holds considerable potential for Midlothian, capturing a significant amount of local activity.



Investments in initiatives like Hillend Snowsports Centre and the Research Report for Vogrie Country Park to outline various strategies for income generation and governance in parks present significant opportunities for both Midlothian and the wider city region. However, there's a perception that existing cultural, leisure, and outdoor assets are overshadowed by offerings from other areas, notably Edinburgh. Therefore, maximising Midlothian's leisure offerings and capitalising on new developments are essential to changing this perception and boosting tourism.

Whilst maximising Midlothian's leisure offerings and capitalising on new developments it is important to align with principles of responsible tourism and the transition to a net-zero carbon economy, it's crucial to integrate sustainability practices into tourism development initiatives. Additionally, highlighting Midlothian's unique cultural and natural heritage can attract tourists seeking authentic and sustainable experiences.

By enhancing the visibility, the tourism, culture and heritage offering through platforms like Locate in Midlothian, the Midlothian Tourism Forum and related initiatives, Midlothian can effectively develop its tourism sector whilst aligned with the principles of a Just Transition and supporting the foundational economy.

Integrating Fair Work principles into the tourism sector ensures that economic growth is inclusive, equitable, and sustainable, driving Midlothian's overall prosperity. This strategic focus not only creates employment opportunities and fosters economic resilience but also ensures that economic growth benefits all stakeholders.

4. Capitalise on the strengths of Midlothian's strategic partners to embed community wealth across all services to realise a wellbeing economy

There is a view amongst Midlothian residents that the post-COVID-19 pandemic environment is seeing a shift to more collaborative and co-operative values. We cannot emphasise enough the scale of opportunity that Community Wealth Building presents to Midlothian. With increased focus on Community Wealth Building in Scotland and building socioeconomic resilience, there is clear scope for the Council to support the growth of social enterprises, foster shared ownership of the local economy, build fair employment opportunities, explore more socially just use of land and property and generate increased wealth in the local economy through shortening supply chains to reduce our carbon impact and distribute local Community Benefit.

Pivoting the economy in Midlothian to deliver real wealth, increase resilience and a wellbeing economy is therefore a significant opportunity. Midlothian is already in a strong position due to the strength of its third sector, particularly social enterprises. As such, there is potential to position the area at the vanguard of Community Wealth Building activity in Scotland, for the benefit of the local area, and for the wider region.

To achieve this there is a need to establish a truly collaborative model of economic and social delivery in Midlothian. A recent report by Audit Scotland has highlighted the need for Councils in Scotland to be more radical in their approach, stating that greater collaboration is urgently needed if councils are to maintain services.¹⁴ Such an approach should see a shift away from the Council as lead organisation on all local economic development matters, and empowering other organisations to take on responsibility and decision-making on matters that they are best placed to lead on. The Council's role should be more focused on enabling and providing stewardship of the Midlothian area, and taking a more bottom-up approach to decision-making rooted in effective consultation with organisations, groups and fora in an advisory capacity to inform joint decision-making. Empowering communities and organisations will also contribute to boosting civic pride.

A Midlothian Community Wealth Building approach must recognise the strength of the third sector in the area. Midlothian stands out amongst other Scottish council areas for the strengths of its social enterprises, co-operatives and community organisations, and supporting the third sector to become more entrepreneurial will only benefit our Community Wealth Building ambitions.

Building procurement locally and leveraging resource through council and other public sector organisations/ anchor institutions buying goods and services within the area is an important tenet of Community Wealth Building. This deepens and intensifies supply chains, builds services rooted in place with a true understanding of the needs of Midlothian's communities and a knowledge of what will work in response to challenges these communities face.

Through supporting local supply chains and procurement, and place-based service delivery by social enterprises and community organisations, there is more opportunity to maximise the benefits of investment in staff by building a skilled and committed workforce. In addition, by providing an exemplar to local businesses, it also has the potential to encourage private enterprises to behave in a more collaborative and altruistic way, further benefitting the local economy.

Midlothian's rural economy also stands to benefit from the Community Wealth Building approach. In particular, greater levels of shared ownership, socially just management of land and natural capital, and community ownership models are all aspects of Community Wealth Building that can strengthen resilience and support provision of essential services and addressing market failure in areas such as food supply chains, energy production, transport, care, housing, etc.¹⁵

Other opportunities to broaden Community Wealth Building-focused activity in Midlothian include:

- Exploring opportunities for multi-functional public sector-operated collaborative hubs, to provide co-location of service from both public and third sector providers, including through innovative use of Scottish and UK funding mechanisms available to the Council and partners; and
- Stimulating greater collaboration or co-opetition amongst geographical or thematic groupings of businesses, as well as amongst community organisations, to overcome common challenges and barriers.
- Develop a collaborative approach with Anchor Organisations and Council Services to ensure a streamlined approach to the realisation and distribution of Community Benefits.

¹⁴ www.audit-scotland.gov.uk/publications/local-government-in-scotland-overview-2023

¹⁵ www.sra.scot/sites/default/files/document-library/2022-03/2022-01-18-Community-Wealth-Building-Rural-and-Island-Insights.pdf

5. Re-imagine our town centres, ensuring they meet Midlothian's economic, social, cultural and environmental needs

The changing nature of town centres, and changing nature of businesses is a big challenge. Patterns of consumption are changing, therefore service needs within town centres are also changing. This has been accelerated by the pandemic, as well as by trends in online shopping and e-commerce.

Also, business functions are changing. Enterprises no longer fall neatly into traditional industrial or commercial categories, or land use classification. Town centres, and indeed areas of employment and business land, must be redefined.

Re-imagining town centres for a changed way of living is a priority for Midlothian – recognising the need for a more radical approach. Incorporating greater innovation and imagination for town centre delivery, e.g. co-location of services, hyper-local solutions, asset transfer, community improvement districts¹⁶, re-focusing on social, tourism, cultural and leisure functions rather than retail, may all contribute to ensuring that town centres regain their purpose and are able to meet the needs of citizens, communities and businesses in an agile and flexible way.

The permanent move toward flexible home-working and remote working means that whilst footfall levels and patterns have changed, there is potential to better support local economies and smaller town centres as people switch their consumption patterns in line with their work patterns. This in turn contributes to the creation of 20-minute neighbourhoods, enables a better work life balance, and enhances productivity and well-being in the longer term.

There is an opportunity not just in providing more business space, which the Council is currently working on, but also in making better use of existing buildings and spaces as part of responding to the changing nature of towns and urban fabric.

Considering more flexible approaches to change of use class for employment land, and by repurposing (previously high-density) office space to provide more lower density office accommodation in line with changing business (and employee) expectations for working environments, will contribute to keeping commercial premises occupied.

Midlothian has a shortage of business premises, in contrast to a relatively healthy supply of employment land. For commercial premises in particular, there is a question of whether there is a need for more retail space, or better space tailored to the changing needs of town centres. Options for social enterprises and small businesses to take on floorspace in premises that are no longer commercially viable for traditional high street chain retail can also contribute to the accessible provision of social, cultural and public functions. Social enterprises can play a key role in reshaping our town centres and high streets, stepping into spaces, and potentially large units, where private businesses can no longer be maintained – particularly where they are able to benefit from rates relief. This in turn will contribute to maintaining the vitality of town centres and urban areas.

The work currently underway with regard to the update for the Dalkeith town centre regeneration masterplan is an example of our ability to re-imagine town centres in a collaborative manner. During the summer of 2022 Midlothian Council engaged with residents, local groups and businesses who had the opportunity to comment on draft proposals for the town centre. Core themes of a pedestrianised central square for events and socialising, a diverse local economy, better connected green spaces and improvements to the appearance of the town centre emerged from this engagement. The feedback received¹⁷ from the various drop-in events, virtual workshops and walkabouts has been considered in the revised final masterplan.

Finally, we recognise the importance of providing the right range of services given the impact of in-migration and population growth on Midlothian's demographic structure. Through Community Wealth Building approaches and a re-visioning of our town centres, we can meet this growing and changing demand for services in an effective and efficient way.

¹⁸ www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/sub-national-population-projections/2018-based

6. Deliver infrastructure enhancements that will support Midlothian's transition to a Wellbeing Economy

Midlothian has population growth significantly higher than Scotland as whole. The main driver for this growth is in-migration, but natural population increase is also a significant component.¹⁸ To cope with this unprecedented growth, a scheduled programme of upgrades to existing infrastructure is required to accelerate the pace and unlock investment potential.

Planned investment is already occurring through ESESCR. The programme for works for Midlothian includes grade separation at the A720 Sheriffhall Roundabout to separate local traffic from traffic on the City Bypass, and construction of the new A701 relief road and A702 spur road. These infrastructure improvements will also help to unlock new development land for enterprise, residential and leisure developments. They will also help to enable environmental improvements, such as the creation of sustainable travel corridors, and the preservation of woodland and green spaces.

Other major capital investments include building of a world-class Data Infrastructure Hub at the University of Edinburgh's Easter Bush site. However, other investments may be required to support wellbeing economy ambitions. For example, there is a perceived need to further improve the quality of the built environment, and attract people into the town centres. If the ambition is to attract more businesses into Midlothian, businesses will want to provide a high amenity environment for their staff, and use quality of life as an attractor. The demand and need for further transport improvements should also be explored, including the potential extension of the Edinburgh Tram system into Dalkeith.

We will also explore options for the expansion of public transport and active travel across Midlothian to improve connectivity between places, and not just around the North-South arterial routes into Edinburgh. Improved connectivity across and between Midlothian's centres of population will provide greater access to employment opportunities, and reduce traffic passing through or travelling out of the area to other destinations.

It is also important to ensure that digital infrastructure in Midlothian is fit for purpose. This strategy recognises that provision of digital infrastructure is an important element

of connectivity, especially given the radical change in the way of working – and living – in a post-pandemic Scotland. Digital is critical infrastructure. Influencing Scottish Government and others to deliver what is needed for Midlothian's businesses and communities to support productivity and wellbeing improvements must therefore be part of our inclusive economic growth strategy.

Aligned to this, we will support businesses to maximise the benefit of digital connectivity, and encourage adoption of digital ways of working. Digitalisation and automation are changing the way we work. Routine tasks are increasingly automated, and workers are being freed up and redeployed to work on more value-added tasks. However, there is still a challenge in encouraging businesses to see the value of adopting digital ways of working. Businesses will need to be supported to undergo the digital transition to achieve greater efficiencies.

¹⁶ www.powertochange.org.uk/wp-content/uploads/2020/10/PTC_3737_CIDS_Discussion_Paper_FINAL.pdf

¹⁷ www.midlothian.gov.uk/download/downloads/id/4856/dalkeith_town_centre_regeneration_engagement_-_insights_summary_july_2022.pdf



The new town of Shawfair near Sherrifhall



Shawfair railway station

6 DELIVERY

This new strategy for inclusive economic growth sets out a change in emphasis for Midlothian's economy, in response to a dynamic socio-economic context, and a much-changed policy environment. Whilst it will generate new activity and momentum, it cannot address all of the opportunities or indeed challenges facing Midlothian. To achieve success, we must adopt a new way of working in partnership with all of our communities, businesses and stakeholders.

Delivering against the strategy

In delivering against the strategy, we will:

Identify and respond to opportunities in a way that is agile and flexible, to take the most appropriate and beneficial approach to achieving objectives and realising benefits for Midlothian's communities – striving to achieve a greener, fairer, wealthier economy.

Maximise the value of our partnerships and resources, adopting a truly collaborative approach to our work in achieving the economic objectives for Midlothian, and empowering our delivery partners to take a lead on issues where they are best placed to respond.

Build upon what has been achieved to date, and further develop our area's economic development potential, giving due cognisance to the overarching socio-economic objectives set out in the NSET and Community Wealth Building approach adopted by the Scottish Government.

Demonstrate our supportive and successful approach, creating long-term and sustainable development opportunities for businesses and communities, and promote the Midlothian area as an ideal location for both private sector and community investment.

Focus

Our vision, strategic priorities and actions have identified a series of indicators that, at the time of writing, will allow us to measure delivery success within available data collection and current resources.

Targeted support and intervention

We will target business support and other economic development interventions to maximise return on investment in economic and social terms, giving equal importance to high value sectors and those that comprise the Foundational Economy. All interventions will be made on the basis of increasing economic resilience, enhancing labour market opportunity, reducing dependency on public sector intervention and welfare system, and improving outcomes for residents and businesses.

Community Wealth Building and sustainability

Community Wealth Building is central to this strategy. We will align delivery to ensure the objectives and principles of the Midlothian Community Wealth Building Action Plan, and the wider Single Midlothian Plan, are met. Our economic development activities will be committed to the principles of community benefit. Goods and services will be procured locally wherever possible, and there will be a strong local focus for the labour market. New developments will reflect a low carbon economy, and we will encourage green modes of transport, increase our rates of recycling and re-use; and take all opportunities to increase the energy and resource efficiency of our domestic, commercial and industrial building stock.

Consultation and engagement

Midlothian Council developed this new strategy in consultation with communities, businesses and key stakeholders. This participative approach to identifying priorities and articulating key action areas will be integral to delivering on increasing the economic capacity of the area, and building the social and economic wellbeing of Midlothian. This strategy sets out a number of key priorities and actions to be addressed in order to achieve sustainable and inclusive economic growth and generate real community wealth. Our approach to doing so will put the needs of our communities at the heart of our activity.

