

Commentary August 2015 (key points are highlighted)

**Chart 01 – % Rate as Good Place to live - Measure – grow from 66% to 72%.**

**This is Biennial Measure published by Scottish Government.**

In June 2014 when the MEP discussed this measure with the CPP it was agreed that the MEP was not solely responsible for achieving this target as it cuts across different Partnerships. The CPB will therefore wish to review this target after all other targets have been considered.

**Chart 2 Population Growth - Measure – grow from 93,000 to 97,000**

The overall confidence rating for the chart remains high at 3.

The 2023 population target set by the CPB is 97,000. The 2014 mid-year population estimate published by the National Registers of Scotland in June was 94,750 up 400 from the 2013 mid-year estimate and exceeds the intermediate target contained in the Moray 2023 Plan for 2016. Data from the National Registers of Scotland mid-year population estimates do not identify the cause for this growth. We can only confirm from the data that “natural change” (births/deaths) is static; the population increase is from in-migration from the rest of the UK and Scotland. This may be good news when population is falling in some other parts of Scotland. However, without surveying those that have moved to Moray we cannot speculate about the reason for this growth, nor the age demographic or degree of economic activity of this increased population. As the 2023 Plan’s intermediate population target for 2016 (94, 667) has been exceeded the MEP have agreed to recommend revisal of this target to 95,000. This conservative increase reflects some uncertainty over the impact of current downsizing or employment in the oil and gas sector.

Regarding partner activities relating to this target:

Jobs created /retained by HIE are 174 2013/14 and 160 2014/15. The target remains 150 jobs p.a. However, in 2015/16 this will be challenging to achieve as current business projects supported by HIE are not necessarily on job creation.

The Moray Council (TMC) Education and Social Services have been working with partners to make a bid for funding from the EU Employability Strategic Intervention (2014-2020). This would help people with multiple barriers to get into employment. In September the MEP will consider the proposal and make a recommendation to the Council whether it believes the Council should provide match funding. The intervention would require approximately

£80,000 (total) from the Council to support a 3 year programme that would help approximately 800 individuals. The proposed programme partners include UHI, One Parent Family Scotland & Social Enterprise Academy. If supported by the Council the programme would commence in early 2016.

HIE has an on-going activity of proposition development to targeted inward investors in key sectors for growth. Engineering, Business Processing, Life Science, Toursim, Creative Industries and Food and Drink. During 2014 and 2015 the significance of the Food and Drink Sector to Moray's economy has been highlighted which coincided with 2015 being the Scottish Government's year of food and drink (lead by Visit Scotland).

MEP media services help to publish media from the partnership that promotes Moray as a place to live, work and invest; A "Moray Christmas" Campaign began in 2014 and is set to grow in 2015 and will highlight how many of the products we enjoy at Christmas are produced in Moray.

TMC and HIE have produced a joint event stand & brochure(s) to attract inward investors at the annual Aberdeen All Energy Event and for Offshore Wind Energy exhibitions.

Moray College UHI is working with partners Skills Development Scotland (SDS), TMC, HIE and the Chamber of Commerce on actions from Developing Scotland's Young Workforce (DSYW), on Foundation apprenticeships and the establishment of the Invest in Young People (IYP) group for Moray. This cross cutting activity should also be reported by partners to the Children and Young Peoples Partnership

Moray College UHI has on-going activity of developing and modifying the Further Education (FE) & Higher Education (HE) Curriculum to meet business needs.

Over 670 Modern Apprentices are currently supported by SDS and Moray Business.

Individual Partners are seeking to progress developments that will support the economy and population growth. Partners are also working together where there is joint interest: Buckie Harbour (TMC & HIE), March Road Buckie, (TMC) Greens of Rothes (TMC & HIE), Elgin Business Park, (TMC & HIE) Enterprise Park Forres (HIE), Industrial Estate remodelling (TMC), Lossie Green (TMC), College Campus (UHI), Student Accommodation (UHI), Arts Centre (UHI/HIE), Housing Sites (TMC)

### **What additional resources are required to deliver outcomes?**

The Measure of Population Growth is fundamental to understanding the performance of a Regional Economy and may demand a study to better understand the seasonal and more enduring factors affecting the Moray population. This may involve commissioning external review or allocation of internal consultancy.

MEP considers that attention should be given to providing additional resources that would address the shortage of readily available serviced land for business to set up and grow. If this is to be addressed expeditiously funding is required to finance the provision of serviced employment sites in particular for Elgin to develop the Barmuckity Business Park.

### **Cross Cutting Activities**

The CPB is asked to note that the Communities & Sustainability Partnership has been assigned targets for the provision of Council Housing and Council Housing Stock. There is a dependency between the availability of affordable housing, jobs and population, i.e. you need affordable accommodation for the work force needed to support a vibrant economy. The CPP should recognise this link and reflect on resourcing activity accordingly.

### **Chart 3 Median Wage – Measure from £453.40 per week to £610.66, i.e. in line with Scottish average**

The original confidence level for achieving this target by 2023 was given as 2/3. We believe the confidence level should be amended to 2 or the target should be revised. Further statistical analysis and research will be undertaken to identify which option is preferable.

According to the Annual Survey of Hours and Earnings (ASHE) 2013 Chart 3 shows the median wage in 2014 was £451.50 per week, factoring in the MOD wages which are not included in the ASHE data collected by the Office of National Statistics the adjusted “mean” wage was £ 489.74 per week, which is higher than the comparable “mean” wage in Scotland £485.70.

However, we cannot see how partners will move the wage in line with targets without creating huge numbers (thousands) of highly paid jobs. Unless there is a unique opportunity delivered, e.g. Spaceport or the equivalent, MEP struggles to see how this can be achieved. Analysis from UHI Research Intelligence Unit commissioned by the partners has shown that if we include the military and self-employed in an adjusted figure, then we are much closer to the Scottish average. We advise this should be emphasised in marketing of Moray to any potential inward investors to present a truer picture. Going forward a factor that will influence the measure is the introduction of the “living wage” announced by the UK Government in the July Budget. The current downsizing and changes to employment contracts in the oil and gas sector may also have a knock on effect to the national and regional average wage.

The overall aim of this chart was to evidence a more buoyant economy paying higher wages. We are not aware of any other statistics regularly published which would support this aim, so we may have to live with this data source, but recognising that the indicator is not perfect

In relation to this target HIE are focusing on potential growth sectors of life sciences, engineering and technology. There are projected employment opportunities in quarrying and mining in Moray. This is not a sector HIE traditionally engage in, but there could be growth if the A96 upgrade plans are progressed quickly. We are aware that quarries fluctuate in their output and employment dependent on what construction projects are in the immediate area, particularly roads. Given that the A96 will progress over the next 15 years, we could see more growth in that area, and partnership efforts should be focused on pushing for A96 upgrade in Moray as a priority, likely post 2020. There will be construction and engineering employment opportunities with the A9 and A96 works also the 10 year construction plan to improve the Aberdeen to Inverness rail line is anticipated by prospective contractors to employ around 100 engineers and labourers commencing 2016.

For evidence of progress against this target HIE can report on the average wage of jobs it has created by year. For 2014/15 the average salary was £27,185 equivalent to an average weekly wage of £522.79. Therefore these jobs are presently ahead of current target for 2016 but still below the 2023 target.

UHI Economic Research Intelligence Unit has been contracted for the next 2 years to provide an annual data set of statistics covering a broad range of data that will help to give a picture of the health of the economy. The contract also allows for some bespoke research and analysis to be done for the partnership around these statistics.

Research from UHI shows that Moray currently lags c 15% behind national average, and the 2023 aim is to reach it in 10 years. This will be challenging given preponderance of food and drink jobs which are traditionally low paid.

The CPP is advised that there are limitations to the Annual Survey of Hours and Earnings (ASHE) produced by the Office of National Statistics; it is a 1% sample, the sample size for the area is likely to be between 210 and 243 employees, and the coefficient of variation of the results can be up to 20%.

Since the ASHE is a survey of employee jobs, it does not cover the self-employed or any jobs within the armed forces. Given the survey reference date in April, the survey does not fully cover certain types of seasonal work, for example employees taken on for only summer or winter work.

In 2014 Moray figures fell in comparison to the Scottish Average

Since this measure was agreed in June 2014, as already mentioned, the UHI economic Research Intelligence Unit has analysed and provided some narrative around the survey. It is considered the MEP continue to monitor the ASHE and note the limitations set out above when drawing conclusions from this national data

Things to remember:

### **The Rural Nature of the Area**

Moray is a rural area and comparatively remote area- a major reason for why pay levels in Moray are lower than in Scotland overall is because the Scotland average includes large cities where the pay levels are naturally higher and other areas where particular industries push the pay levels high (oil and gas in Shetland and Aberdeenshire, for example).

### **Industrial Structure**

Moray's industrial structure accounts for some of the pay differential. Moray has a high proportion of its workforce in the low paid sector of wholesale and retail trade (including repair of motor vehicles and motorcycles).

In order to increase the average wage Moray would need a higher proportion of employees working in the high paid sectors of mining and quarrying, information and communication, financial and insurance activities, and professional, scientific and support service activities.

The average wage combines the wages of all employees i.e. full time and part time. *Moray has a higher proportion of part time employees 37.1 % in comparison to Scotland 28.7%*

### **Occupational Structure**

Moray has a higher proportion of its workforce employed in the relatively low paid sectors of: caring, leisure and other service occupations; process, plant and machine operatives and; elementary occupations;

### **Military Personnel**

Recent figures suggest around 2,800 military staff at RAF Lossiemouth. Assuming the same number of reservists, there would be 2,731 FTE staff working at the base, earning an annual average of £36,029, or a weekly average income of £692.87. Adding this to the income by occupational structure gives average weekly earnings for all employees in Moray of £489.74, higher than the comparable rate in Scotland (£484.70).

When doing this adjustment, the average income for all employees increased above the Scottish rate due to a greater proportion of these jobs being full-time than the average in Scotland and the average weekly income of £692.87 being higher than the average full-time income in Scotland as a whole (£598.50)

It is important to be aware, however, that the ASHE figures for Scotland still exclude HM Forces and therefore Scotland's income should be higher than the ASHE figures suggest. Adding 10,500 Regular Armed Forces (GOV.UK, 2014) earning an average of £692.87 to the ASHE data would take the weekly average gross earnings for all employees in Scotland up to £485.70, still lower than the comparable figure for Moray.

For more info see explanatory report about wages in Moray from UHI Economic Research Intelligence to MEP November 2014 which is located in the MEP document library on the CPP web site.

**In conclusion: The focus in relation to this target should therefore be for the partnership to facilitate a higher proportion of full time employees working in the high paid sectors of mining and quarrying, information and communication, financial and insurance activities, and professional, scientific and support service activities.**

**Given current deflationary position, the MEP and CPP need to consider how realistic is target of £610.66, by 2023?**

**Going forward the MEP will be establishing a statistics sub-group likely including representation from TMC, HIE, SDS and Moray College to review the data set being produced for it and to commission and steer any research and analysis work it may want from the UHI Research Intelligence Unit.**

Regarding partner activities relating to this target over the last 12 months:

- Research undertaken by UHI Research Intelligence Unit for the partnership indicates that with the inclusion of military wages in calculations, the average wage would raise by c10%
- HIE account manage many of the larger companies in Moray helping to maintain them and providing assistance to those with growth and export potential. Working with other government agencies HIE have a focus on attracting and growing high value jobs; the average salary of jobs created/retained in 2014/15 was £27,000, c15% higher than the Moray average. HIE, TMC are supporting the Chamber of Commerce to facilitate tourism development, activities including:
  - HIE assistance for 5 star tourist accommodation, also facilitating investment & development in hotel & accommodation provision in appropriate locations.
  - The Chamber through the establishment of Moray Speyside Tourism has pulled together tourism stakeholders to collaborate & improve Moray tourism offer & experience.
  - TMC & HIE with assistance from EventScotland are facilitating visitor events. The Council will be reviewing how it facilitates visitor information with its partners.
  - The partnership has identified the need for better intelligence on visitor data and to develop a performance measure(s).

- The skills and training group of the partnership has its focus on raising skill levels and has developed an action plan as a local response to the publication of the Highlands and Islands Regional Skills Investment Plan.
- There are also activities to increase the number of Higher Education places through bids for EU funding to support higher level Modern Apprenticeships and increase employer engagement in education and learning through the Developing Scotland's Young Workforce. The group has also supported the roll-out of World Host training for business in the visitor and accommodation sector. Moray College UHI has established a Northern Hub for Scotland's Food and Drink Academy and the Alexander Graham Bell Centre is now open to support development of the Life Science Sector.

#### **What additional resources are required to deliver outcomes?**

There is a low confidence to reach this target by 2023. The focus for job creation should be on high value jobs, i.e. technology, life sciences Low confidence to reach target by 2023. There are many factors that affect the median wage sustainable by a Regional economy; with the introduction of a Living Wage from central Government, there may be a need to commission a study to understand the impact of this further.

#### **Chart 4 - % workforce in private sector - Measure – grow from 73% to 75% p.a.**

The overall confidence level for this measure remains at 4 but the CPB should note this is a highly variable matter subject to macro-economic factors of the global economy.

2013 statistics stand as 75.6%, so currently this target is being met, but it's unclear whether this is through growing the private sector or a shrinking public sector. We need a closer look at the statistics to understand why. At this stage we plan to retain this target and confidence level.

The 2013 in the Business Register & Employment Survey published by the Office of National Statistics shows a total of 34,000 employees in Moray, down from 34,500 in 2012 with the number of employees in the public sector 8,400 down from 8,800. The number of employees in the private sector was 25,700, the same as 2012. The 2011 return shows a total of 35,100 employees 9,000 in public sector and 26,200 in private sector.

For the period 2013-14 the ONS Labour Market Profile for Moray shows 45,100 people in employment 39,000 employees and 5,800 self-employed and 2,000 unemployed.

To put this in context the National Survey highlights that:

- 70% of all local authority districts have shown an increase in the number of employees between 2012 and 2013, with the number of employees increasing for all regions of the UK over this period.
- London has shown the largest increase of all the UK regions between 2012 and 2013, with some of the largest growths in local authority districts occurring in London. This continues the trend seen in recent years.
- The professional, scientific & technical sector has shown the largest increase of all broad industry groups between 2012 and 2013, with a particularly large increase for this sector within London.
- Between 2009 and 2013, three quarters of local authority districts saw a decrease in the number of public sector employees, with just over a half showing a fall between 2012 and 2013.
- Between 2009 and 2013, two thirds of local authority districts saw an increase in the number of private sector employees, with slightly less than three quarters seeing an increase between 2012 and 2013.

The Board is asked to note that when updating for 2013 figure the compiler referenced the 2012 figure which was found to be different from that used when this measure was first adopted. Consequently this target is already being reached according to the data set used.

When MEP adopted this measure it considered it would want to investigate and collect other data to explore matters such as the value of the private sector and the numbers of staff recruited by the private sector, how much investment and jobs in the private sector are facilitated by capital investment for example in site servicing and buildings & funding assistance. As mentioned earlier MEP will be forming a “statistics working group” to review UHI published data sets and to investigate if it can gather other intelligence from partner’s knowledge and perhaps from members of the Strategic Business Forum.

Regarding partner activities relating to this target over the last 12 months:

HIE seeks to grow the numbers employed by business, encouraging inward investment (New companies to area over last 3 years include, Atos, (c80 employees), EFC Group, (c40) and Jerky Group, (c40); the Alexander Graham Bell Centre (AGBC) has been opened to support the Life Science Sector and support is being provided to grow the Glasgow School of Art. Buildings are actively managed and inward investors sought to locate at Enterprise Park Forres (there are 4 units currently vacant at EPF, following closure of Accunostics; it is anticipated that 2 will be let this year, although unlikely to be R&D companies), a master plan for continued development of the park has been undertaken. The Council and HIE are working together to attract the location of offshore operation and maintenance operators (EDPR) for the off-shore wind farm to be built in the Moray Firth. HIE and TSi Moray devised a social enterprise strategy to support the establishment growth of more social enterprises in Moray. Partners are working together to increase the availability of skills and training including but not limited to providing accommodation at AGBC for life science start-ups, establishing a Care Academy – supporting foundation apprenticeships in care; development of the Science, Technology, Engineering & Mathematics (STEM) agenda; a Northern Hub for Scotland Food and Drink Academy; foundation apprenticeships and actions to help address the recommendations made in Developing Scotland’s Young Workforce, also increases to the Higher Education Curriculum

**What additional resources are required to deliver outcomes?**

The objective of this measure is to reduce the dependency of the local economy on the Public Sector for income. Going forward more work is needed to understand the relationship between the MOD bases and service sector, also the value of migratory workers.

It would help to monitor the numbers of people employed by the larger public sector employers in Moray, Moray Council, NHS & MOD to assess achievability of this target.

**Chart 05 – How long it takes to process planning applications - Measure – reduce from 23.1 weeks to 9.0 weeks**

The overall confidence level for this measure remains at 4.

The Moray Council Development Management team was already meeting the initial target of determining planning applications in 12.2 weeks and this has been revised to 9 weeks for 2016-17. The challenge will be to keep performance at this level to 2023. The partnership will monitor performance to ensure that the application process and resources are appropriate to maintain performance as fluctuating workloads, cuts in staffing or significant increases in applications could impact on performance.

Regarding partner activities relating to this target over the last 12 months:

TMC has a proactive approach to negotiate development. CNPA calls in strategically important planning applications for development in the National Park as soon as possible where it wants to make the determination. The objective is to strike a balance between speedy determination of applications and helping to facilitate development, to provide a quality service.

**What additional resources are required to deliver outcomes?**

There is a need to undertake a review in 12 months to ensure that progress continues to be made in delivering even greater effectiveness from the Planning Process.

**Chart 6 % of those in employment who are graduates or are with other qualifications.**

The overall confidence level for this measure remains at 4.

In the final version of Moray 2023 as suggested by the MEP this measure changed to cover a wider range of qualifications that would be needed by business to meet future needs, because a skilled workforce is not limited to achieving more graduates. Now the target covers those who are graduates, those with NVQs, trade apprenticeships and other qualifications. The original target was to grow the number of graduates from 19.4% to 22.4% ranging covering graduates, NVQs and other qualifications.

In the latest available statistics for 2013 more than 22% of the working age population were graduates. However, at this time no targets have been set for the wider spread of qualifications, further MEP will look to set targets that support training and qualifications for specific sectors. Wider data is published on skills for Local Area Labour Markets in the [Annual Population Survey](#) data extracted below.

	<b>who are graduates</b>	<b>with NVQ4 only</b>	<b>with NVQ3 only</b>	<b>with Trade Apprenticeships</b>	<b>with NVQ2 only</b>	<b>with NVQ1 only</b>	<b>with other qualifications</b>	<b>with no qualifications</b>
<b>2012</b>	19.4%	15.7%	12.6%	11.0%	11.9%	13.7%	6.3%	9.2%
<b>2013</b>	20.3%	15.9%	11.0%	11.2%	16.6%	11.6%	6.5%	7.1%
<b>2014</b>	19.4%	16.2%	10.8%	11.0%	17.5%	11.4%	5.0%	8.6%

Regarding partner activities relating to this target over the last 12 months:

Moray College curriculum supports an increase in the number of graduates living here by providing degree level courses, in December, Skills Development Scotland published the first ever [Moray Skills Profile](#) . SDS measure & monitor skills deficit, the difference between what Moray has got and what it needs for business to grow & diversify. Using the data set provided by the UHI Research Intelligence Unit the partnership will track employability and employment

data. Working with People First the Tourism and Culture Programme group has supported the roll out of the World Host programme across Moray to support customer training in the hospitality sector. Partners have worked with SDS to encourage and support business to employ Modern Apprentices. Moray College has made an application for EU funding to increase curriculum places at NVQ level 6 and above. TMC, UHI and other partners have assembled an EU Strategic Intervention application submitted for skills development. Work is on-going to establish career pathways through the Foundation Apprenticeship scheme and an Invest in young people group is to be established for Moray.

#### **What additional resources are required to deliver outcomes?**

There is a clear need to better understand the linkages between skills delivered and the needs of business; whilst the recent SDS study on the Skills Deficit was a welcome addition to our understanding, it did not identify the future profile and spectrum of skills and qualification required to ensure a positive economic future tailored to the business and industry demands of Moray. An additional study, utilising either internal or external consultants may be required to look at the full range of qualifications as well as sector specific requirements.

#### **Chart 7 – Progress in dualling A9 and A96 – Measure – grow to 80% A9 and 30% A96**

These national infrastructure projects are being taken forward by Transport Scotland. The MEP has given this a confidence rating of 3 that substantial progress will be made in the processes before 2023 leading to longer-term construction, i.e. to devise routes, design and acquire any required land. For this measure the role of MEP is to be an effective lobby supporting Moray Council Transportation Services and HITRANS to work with Transport Scotland to achieve the best outcomes which should include economic benefits to Moray.

In the Spring of this year Transport Scotland published the outcome of the preliminary engineering and strategic environmental assessment work for the route east of Nairn to Aberdeen. A series of public exhibitions were held during the week commencing 11 May 2015 to give local communities and road users the opportunity to see and comment on the work.

The initial work packages to be taken forward are:

- preliminary engineering and strategic environmental assessment work along the A96 corridor;
- on-going route option design work between Inverness and Nairn, including the Nairn Bypass; and
- assessment of possible route options for bypasses around Forres, Elgin, Keith and Inverurie. This work package will be progressed following completion of the preliminary engineering and strategic environmental assessment work.

The Government's programme for completing the detailed design and assessment of preferred routes is:  
Western Section E of Auldearn to E of Fochabers – Jan 2016- Dec 2017

Central Section – E of Fochabers to E of Huntly Jan 2019 to Dec 2020  
Eastern Section - E of Huntly to AWPR June 2016 to June 2018

The timeline allows between 14 and 10 years to design preferred options, for the publication of orders, dealing with objections, procurement and construction if the committed 2030 completion date is to be achieved.

#### **What additional resources are required to deliver outcomes?**

None identified at present. The role of MEP will be to help keep engaged with business to ensure progress & early implementation, engage with the MP & MSP; to liaise with neighbouring authorities and generally lobby for better rail and air access.

#### **Chart 8 - Business start-ups - Measure – grow from c 210 p.a. to 235p.a.**

The partnership considers the confidence level for this measure should be changed from 4 to 3. Depending on the data source used the community is either below target or on target. In reviewing progress against this measure the partnership will now review which source of data to use for this measure. When set the data source used was from the Committee of Scottish Clearing Banks (CSCB) which collates statistics quarterly on new business start-ups based in Scotland that have opened accounts with any of its contributing Banks. Banks currently contributing data are: Bank of Scotland, Clydesdale Bank, TSB Bank and Royal Bank of Scotland. However, this excludes start-up not banking with CSCB members.

Regardless of a data source it should be noted that the number of start-ups pa varies based on the availability of alternative employment; in times when employment is available business start-ups are less. According to CSCB data the overall number of business start-ups varied from 210 in 2011, 190 in 2012, 179 in 2013 and 189 in 2014. However, data from the Office of National Statistics (ONS) shows in 2013 there were 215 start-ups in Moray.

Regarding partner activities relating to this target over the last 12 months:

Business Gateway is the primary agency in Moray facilitating support for start-up of micro, small and medium sized enterprises. It provides one to one and one to many advice including a programme of workshops. The BG target is to help 130 start-ups pa. 132 new businesses were established with Business Gateway support in 2013-14, 121 new businesses were established with Business Gateway support in 2014-15. Please note that not all business start-ups come to Business Gateway for assistance.

BG helps business with growth potential move into the pipeline for account management with HIE. In 2014/15 1 high growth start is currently account managed by HIE.

In November 2014 BG coordinated the first Moray Business week, which was attended by more than 640 individual businesses.

Other partner activities included encourage entrepreneurship via the UHI Scheme for Social Entrepreneurship, Princes Youth Business Trust for Scotland (PYBTS) young champions, Moray TSi support for social enterprise, the promotion of enterprise in schools & participate in Youth Enterprise Scotland. Career Academies, curriculum development and skills development.

In comparison to a national average of 27.98 start-ups /10k of population there were 22.78 start-ups/10k pop in Moray in 2013.

#### **What additional resources are required to deliver outcomes?**

A review of available statistics in relation to the metric we are attempting to objectively comment on.

#### **Chart 9- Business 5 Year survival rate - Measure – grow from 55% to 61% p.a.**

The partnership considers the confidence level for this measure should be changed from 4 to 3.

It should be noted this measure varies from year to year based on external economic factors including the availability of alternate employment, many factors lie outside the control of the MEP. Business Gateway, the Chamber of Commerce, Moray College, the Federation of Small Business and Skills Development Scotland are the key agencies in Moray supporting micro and small and medium sized enterprises. These agencies work well together in Moray by pointing business to help and opportunities provided by other business support agencies and by facilitating business to business support. The inaugural Moray Business week in November 2014 (opened by Fergus Ewing, Minister for Business, Energy & Tourism) helped over 618 individual businesses.

Business Gateway Highlands and Moray are using existing funds to draw down EU funding from a Business Strategic Intervention for a Local Growth Plan. Pending confirmation from the Scottish Government this should commence in late 2015; it will fund a programme of additional support activities over the next 3 years including specialist advice (access to finance and procurement), HR advisory service one to one sessions, growth workshops, collaborative local events, growth and leadership programmes, and key sector entrepreneurial support .

The overall 5yr survival rate of new business births in Moray was 44.7% in 2012 and 53.1% in 2013. The national survival rate was 47.4% and 43.6% for the same period.

For those receiving help from Business Gateway (Moray) the Survival Rate (3 Year) 2013-14 was 64%. There is no data available to make a direct comparison over a 5 year period; Business Gateway do not presently monitor the survival rate of business births after 3 years. The partnership will consider the implications of changing this measure and target for 2023 from the 5 year survival rate to the 3 year survival rate.

**What additional resources are required to deliver outcomes?**

A review of available statistics in relation to the metric we are attempting to objectively comment on.

**Chart 35 - Percentage of Premises that have access to Next Generation Broadband. Measure – 95% by 2023**

The partnership considers the overall confidence level should be changed from 4 to 3. There is excellent progress on HIE broadband programme rollout which has reached 70% in Moray as of June, with 93% coverage anticipated by end of 2016. The confidence level for increasing coverage drops after 2016 to provide coverage to 95% of Moray by 2023 as coverage to remote rural areas will be technically difficult to achieve. If not available from the UK or Scottish Governments directly, resources may be needed from some of the partner members like the Council, CNPA and HIE to facilitate the installation of technologies that could serve remote rural areas (such as satellite). In the Autumn HIE & BT should be able to identify which areas of Moray will not be reached by Phase 1 of the infrastructure being provided in the current Digital Scotland Superfast Broadband (DSSB) programme. Help for communities in these areas to obtain improved service should be available from Community Broadband Scotland (CBS) would help communities to obtain improved service.

CBS, as part of Highlands and Islands Enterprise, is actively working with 85 communities right across Scotland to get access to faster broadband as part of the Scottish Government Digital Scotland project. These projects could potentially provide services to 16,000 premises across Scotland. 45 projects have had approved grant funding for planning and development and more than £500,000 has been awarded in capital funding for 9 communities whose projects offer services to 1,456 premises and 2,920 beneficiaries. One of these communities is in Tomintoul. The Tomintoul and Glenlivet Community Development Trust are being supported by CNPA to deliver infrastructure, an initial pilot was undertaken and the project is pending the completion of the rollout of infrastructure from the main programme (no date at this time).

At this point we do not know if additional resources will need to be found from partners to help fill the gaps in service. If so there is an opportunity to make reaching the parts of Moray not served by the NGB project a priority of the next Rural (Local) Development Strategy (LEADER) 2014-2020 (currently approved with the Council as Accountable Body in principle only) .

At this time the following exchange areas can now access services: Aberlour Alves Buckie, Cullen, Dufftown Elgin, Findhorn & Kinloss Fochabers Forres Hopeman, Keith, Lhanbryde Lossiemouth and Rothiemay, Roll out by April 2015 Clochan and Longmorn. In progress Carron. Roll out by July 2015 Brodie, Spey Bay.

In June the Moray Council joined the Broadband Business Voucher Scheme being funded by HM Government that provides funding up to £3,000 for installation costs for business to connect to next- generation broadband infrastructure.

**What additional resources are required to deliver outcomes?**

None identified at this time. However, we hope to have a better idea later this autumn.

**Conclusion:**

Overall there appears to be good progress on measures, but there are limitations. MEP will establish a sub group comprising HIE, UHI, TMC & SDS to look in detail at improving the statistics available to monitor performance. MEP may also form a sub-group to monitor contingency planning for areas of Moray that the Digital Scotland Superfast Broadband (DSSB) programme may not reach.