

FINANCE COMMITTEE

EMPLOYMENT OPPORTUNITIES IN THE PUBLIC SECTOR

SUBMISSION FROM EAST LoTHIAN COUNCIL

1. Thank you for your letter of 17 July 2012 seeking information about the steps East Lothian Council is taking to offer employment opportunities to individuals furthest from the employment market.
2. In respect of our own staff appointments, the Council is committed to the achievement of high standards in recruitment and selection. Our policy is to ensure that all appointments are advertised to the widest possible market, selection is made on the basis of merit and that individuals experience a fair and equitable process.
3. The Council provides a range of services to people who face challenges, to help them become „employment-ready“ in the broadest sense. This includes our „More Choices, More Chances“ offering to help people leaving school to a positive destination: education, employment or training. It also includes the East Lothian Vocational Opportunities Service, which helps people with physical, learning, sensory or mental health disabilities to access employment or volunteering opportunities, and which encourages employers to see the potential of disabled people and the contribution they can make to their business.
4. The Council has also been developing a “Community Benefits in Procurement” model which will recognise the commitment of contractors to provide employment and/or training opportunities for example to young people facing challenges or to people who are not in employment.
5. Officers are currently putting together an Economic Development Plan for the Council, which will set the context within which we will seek to promote our Council area’s economic prosperity.
6. I attach a summary of the current initiatives offered by the Council as well as our draft Economic Strategy and Action Plan which I would be pleased to discuss with you.

EAST LoTHIAN COUNCIL CURRENT INITIATIVES

1. The opportunities and support listed below show a summary of what East Lothian Council offers and are presented in line with the Strategic Skills Pipeline. They include only that which is delivered by the Local Authority and, as such, exclude that which is delivered by our Community Planning Partners such as Skills Development Scotland, Job Centre Plus and Voluntary Action East Lothian. This is included in the full strategic skills pipeline (which is currently in draft form and will be reviewed at the East Lothian community planning Enterprise and Skills Group at the end of August).
2. **Stage 1: Referral; Engagement Activity; Life Skills**
 - Staged Assessment and Intervention
 - 16+ Learning Choices Hubs
 - Careers Interviews
 - Transitions Worker
3. **Stage 2: Barrier Removal; Development Activity Core Skills**
 - Personal Development and Employability Courses in Schools in line with Curriculum for Excellence
 - Pre-Vocational Courses such as Towards Work Opportunities and Saltire
 - Activity Agreements for school leavers furthest from the labour market (unable to sustain 15 hours contact per week). Courses from which young people can select include literacy, motorcycle project, construction crafts
 - Extended Work Experience (specifically for those at risk of being More Choices More Chances including those with disability)
4. **Stage 3: Vocational Skills and Work Focused Training**
 - Vocational Courses such as Training for Care, Rural Skills and Construction Crafts
 - Business Coaching (provided by council employees)
 - East Lothian Vocational Opportunities Service (ELVOS) - East Lothian Council's free employment service which helps people with physical, learning, sensory or mental health disabilities to find a range of employment opportunities.
 - Get Ready for Work (delivered in partnership with Midlothian Council)
5. **Stage 4: Employer Engagement Support and Brokering**
 - Community Benefits in Procurement which include 'points' for employing a Modern Apprentice, supporting work experience or engaging with young people regarded as 'at risk'
 - Apprenticeships (which from last year were recruited only from schools)

6. **Stage 5: In work support / aftercare**

- Apprenticeships (as above)
- Community Benefits in Procurement which it is hoped will result in more support provided to our most vulnerable while in work

Numbers Engaged

Opportunity Support	Approx. number per year	
16+ Learning Choices Hubs	Universal Offer	
Transitions Worker	30	
Personal Develop Courses	School Dependent	
Pre Vocational Courses	48 (over 4 courses)	
Activity Agreements	70	
Extended Work Experience	35 (placed in council)	205 placed by work experience co-ordinator
Get Ready for Work	72	
Vocational Courses	60 over 6 courses	
Business Coaching	12 (in pilot year)	
Community Benefits in Procurement	2 young people placed (in pilot year)	
Council Apprenticeships	Approx. 4 taken on each year, the Council has approx. 15 apprentices at any one time on 4 year course.	

EAST Lothian ECONOMIC DEVELOPMENT DRAFT STRATEGY 2012-2022

INTRODUCTION

Background

1. East Lothian is widely recognised as a fantastic place to live with a beautiful coast and countryside, attractive and distinctive towns, good quality housing, schools and services, and its proximity to Edinburgh's jobs, businesses and attractions. All these factors contribute to a view of East Lothian being an area of high employment and general affluence. In this context, economic development has not historically been a priority for East Lothian.

2. The impact of the 2008 recession and the slow economic recovery has challenged this perception of East Lothian. The loss of jobs in Edinburgh's public sector and financial services sectors have contributed to increasing unemployment amongst East Lothian residents and many local businesses are struggling, which has impacted on the diversity of East Lothian's town centres. At the same time, public finances have been squeezed and public spending is not expected to achieve pre-recession levels until 2023-24.

3. In part because of these difficulties, economic development has become a key priority for East Lothian and is at the forefront of East Lothian Community Planning Partnership's Single Outcome Agreement and East Lothian Council's Council Plan.

The Brief

4. The central purpose of the East Lothian Economic Development Strategy for 2012 to 2022 is to identify the opportunities which East Lothian can exploit to maximise its sustainable economic competitiveness. In doing so, the Strategy can provide a framework which will guide and drive forward a more joined up approach to economic development across East Lothian's Community Planning Partnership. By setting out clear strategic priorities, it is hoped that more effective bids for funding can be submitted and more cost effective delivery achieved through greater integration and co-ordination.

Developing the Strategy

5. Developing the Strategy has involved the following elements:

- Reviewing and analysing key statistical information on the local economy across a wide range of indicators.
- Holding one-to-one discussions with key partners, stakeholders and local employers to capture their views on East Lothian's strengths, weaknesses, opportunities and challenges – and what can be done to maximise its sustainable economic competitiveness.

- Developing a consensus across key stakeholders on the above issues through a series of workshops.
- Building up strategy documentation in between each workshop so that the process gains momentum. At each workshop playing back the progress made to date to ensure that it is an accurate and appropriate reflection of the collective view.

STRATEGY AND POLICY REVIEW

Key Messages

6. The UK, Scottish and East Lothian policy environment is heavily focused on achieving sustainable economic growth. East Lothian's Economic Development Strategy must look to:

- Contribute more strongly to Scotland's *Government Economic Strategy* and *National Outcomes*.
- Respond to changes in UK welfare policy and programmes to support East Lothian's unemployed residents as effectively as possible.
- Engage with planning policy and maximise the economic development opportunities stemming from these for East Lothian's businesses and residents.

Introduction

7. East Lothian's economic development strategy needs to align with and contribute to the wider UK, Scotland and regional policy environment. The key considerations from a review of current and emerging strategy documents are outlined below, but the policy environment will change over the strategy's 10 year lifetime and it is important that the strategy is sufficiently flexible to respond to these.

Economic Policy

8. The Scottish Government's purpose, as set out in the *Government Economic Strategy* (Scottish Government, 2011) is '*to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth*'. This strategy will work towards the Scottish Government's purpose and contribute to its strategic priorities.

- Supportive Business Environment.
- Transition to a Low Carbon Economy.
- Learning, Skills and Well-being.
- Infrastructure Development and Place.
- Effective Government.
- Equity.

9. Building on the GES, the National Outcomes describe what the Scottish Government wants to achieve. There are 15 National Outcomes and five of these directly relate to economic development issues:

- *“We live in a Scotland that is the most attractive place for doing business in Europe.*
- *We realise our full economic potential with more and better employment opportunities.*
- *We are better educated, more skilled and more successful, renowned for our research and innovation.*
- *Our young people are successful learners, confident individuals, effective contributors and responsible citizens.*
- *We have tackled the significant inequalities in Scottish society”.*

10. In addition, one of the National Outcomes cuts across all areas of public service – namely that *“our public services are high quality, continually improving, efficient and responsive to local people’s needs”.*

Business Development Policy

11. Creating a supportive business environment is one of the Scottish Government’s strategic priorities. Scottish Enterprise are Scotland’s national economic development agency and the *Scottish Enterprise’s 2012-2015 Business Plan* sets out its lead role in supporting Scotland’s:

- Growth sectors (creative industries; energy; financial and business services; food and drink; life sciences; sustainable tourism; and universities).
- Growth companies.
- Growth markets.

Employment Policy

12. Most areas of policy relating to economic development are devolved to the Scottish Government. The primary area that is reserved is welfare and employment, as overseen by the Department for Work and Pensions (DWP). The Coalition Government have made significant reforms to welfare policy, with the DWP employment offer now consisting of three main components:

- *Get Britain Working* measures for the short-term unemployed and designed to support people into employment before becoming Work Programme eligible. The Get Britain Working measures are managed by Jobcentre Plus.
- *Work Programme* provision for the long-term unemployed delivered by DWP contracted suppliers. This is a mandatory, two-year programme which is based on outcomes and a payments-by-results approach.
- *Youth Contract* which provides additional supports to the young unemployed.

13. From October 2013, *Universal Credit* will be introduced by DWP to simplify the benefits system and help make work pay. It will have a significant impact on low-income residents, housing associations and other organisations – so effective planning in advance of its introduction is critical.

14. In addition to DWP provision, there are skills, learning and employment strategies driven by the Scottish Government. The key strategies that East Lothian's economic development strategy will aim to contribute to are:

- *Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth*, which has four priority themes: empowering people; supporting employers; simplifying the skills system; and strengthening partnerships.
- *Workforce Plus*, which is currently being refreshed.
- *Scotland's Youth Employment Strategy*, which advocates an all-Government and all-Scotland response to youth unemployment and provides additional monies to provide new employment, apprenticeship and work experience opportunities.
- *Opportunities for All*, which builds on *16+ Learning Choices* to ensure every NEET 16-19 year old has access to suitable learning or training place.

Planning Policy

15. The *South East Scotland Strategic Development Plan* (SESPlan) is the lead planning framework for the Edinburgh City Region and takes into account the *National Planning Framework for Scotland 2* (Scottish Government, 2009). In relation to East Lothian, the proposed SESPlan (published in November 2011) supports:

- The importance of the A1 and the East Coast Main Line.
- The development of a range of marketable sites for business/employment use within its 75 hectares of strategic employment land.
- The building of 6,400 homes already committed (with the Blindwells development central to this) and the delivery of 750 additional housing units between 2009 and 2024.
- The future development and associated infrastructure requirements at Cockenzie power station in their role as non-nuclear, baseload capacity generators.
- Improvements to rail and bus services (including a station at East Linton).
- Enhanced digital connectivity.

16. The *East Lothian Local Development Plan* will provide greater detail on how the SESPlan and other East Lothian priorities will be delivered. East Lothian's Main Issues Report will be produced in 2012 and this will inform the East Lothian Local Development Plan.

East Lothian Strategies

17. East Lothian Community Planning Partnership's (CPP) key strategy is the **Single Outcome Agreement 2011** that was agreed in June 2011. Its statement of intent is:

"We will work in partnership to build an East Lothian where everyone has the opportunity to lead a fulfilling life which contributes to a fair and sustainable future for Scotland and the wider world."

18. To deliver on the statement of intent, the SOA has five cross cutting themes – *Equality & Diversity; Early Intervention; Community Engagement; Sustainability; and Effective & Efficient Services* – and 14 East Lothian Outcomes, which connect to Scotland's National Outcomes. The Economic Development Strategy can contribute directly or indirectly to all 14 Outcomes but the 6 Outcomes it can make the greatest contribution to are outlined in Figure x.

Figure x: East Lothian Outcomes Relevant to Economic Development Strategy

	EAST LOTHIAN OUTCOMES
Outcome 1	East Lothian has a sustainable and successful local economy through developing key local sectors and enhancing business performance.
Outcome 2	All of East Lothian's young people are successful learners, confident individuals, effective contributors and responsible citizens.
Outcome 6	Fewer people experience poverty in East Lothian.
Outcome 12	East Lothian is less dependent on finite resources by moving to a more localised, low-carbon economy and reducing its ecological and carbon footprints by 80% by 2050.
Outcome 13	East Lothian has well connected communities with increased use of sustainable forms of transport.
Outcome 14	East Lothian has strong, vibrant communities where residents are responsible and empowered with a positive sense of well-being.

Source: East Lothian Single Outcome Agreement 2011

19. East Lothian Council endorses the CPP's statement of intent as its mission but also has an overarching vision that sets out the Council's long term ambition for East Lothian. Set out in its **Council Plan 2012-2017**, the vision is:

In 2020 East Lothian will have an established reputation as having the highest quality of life in the UK and the quality of our environment will be recognised as amongst the best in Europe.

Our dynamic and flourishing economy will support strong, sustainable, safe and inclusive communities where:

- *The demand for affordable, high standard housing will be met.*
- *Our world class education service will encourage all our children and young people to achieve their full potential.*
- *All our citizens will have access to the highest quality public services and a modern integrated transport infrastructure.*

In 2020 our citizens will be proud to live, learn, work and play in East Lothian.

20. To move towards the 2020 vision, East Lothian Council's focus for 2012-2017 has a clear economic development purpose to it. The focus is:

East Lothian Council will focus on increasing sustainable economic growth as the basis for a more prosperous East Lothian that will allow our people and communities to flourish.

21. Other key East Lothian strategies are:

- **East Lothian Tourism Strategy 2010-2013**, with its aims being to:
 - Encourage enterprise, with a focus on small businesses, tourism and local good production.
 - Secure East Lothian's reputation as a quality tourist destination, by developing and marketing the East Lothian brand.
- **East Lothian Tourism Events Strategy 2010-2015**, which aims to make East Lothian the preferred host destination for new and existing events and to further maximise the economic benefits for the county's visitors and local businesses.
- **East Lothian Food and Drink Strategy 2010-2013**, which aims to promote East Lothian through the use of East Lothian Food & Drink, to be recognised by visitors and residents alike for the high quality produce available in hospitality and tourism outlets and in shops and farmers' markets.
- **East Lothian Environment Strategy 2010-2015**, with three of its seven principles clearly relevant to economic development.
 - Moving to a low carbon and more localised economy.
 - Encouraging more sustainable land use patterns.
 - Connecting communities and increasing use of sustainable forms of transport.

EAST LOTHIAN'S ECONOMY AND LABOUR MARKET

22. **Key Messages**

- East Lothian has a relatively small, stable business base that lacks businesses of scale.
- Almost half of East Lothian's residents work outside of East Lothian – and East Lothian's low jobs density figure contributes to this.
- East Lothian's main employment sectors are health, education, retail, manufacturing and tourism. It is under-represented in business and financial services.
- The economic downturn has significantly increased East Lothian's adult and youth unemployment levels – and these are now close to the Scottish average.
- The qualification levels held by East Lothian's workforce are below the Scottish average – but skills were not identified as a barrier by East Lothian employers.
- School attainment is good in East Lothian but progression into positive destinations is a problem.
- East Lothian is not an area of high deprivation but deprivation levels in Musselburgh, Wallyford and Prestonpans are moving in the wrong direction relative to Scotland's other datazones.
- Looking forward, East Lothian's population is projected to grow by 12% by 2022.

Introduction

23. This chapter reviews the available statistical data to provide a comprehensive analysis of the East Lothian economy and labour market. This has been structured under the following themes:

- Business Base.
- Labour Market.
- Travel to Work Patterns.
- Skills and Education.
- Community Regeneration.
- Population.
- Projections.

24. For a number of indicators, East Lothian has been benchmarked against comparable local authority areas in Scotland based on their proximity to a major city and their own lack of a major town or city. The comparator local authority areas are Angus, East Dunbartonshire, East Renfrewshire and Midlothian.

Business Base

25. ***East Lothian has proportionately fewer businesses*** per head of population than the Scottish average. The latest *ONS Business Demography statistics* on VAT and PAYE businesses show that East Lothian had 2,615 businesses in 2010, which equates to:

- 332 businesses per 10,000 adults, which is below the Scotland figure of 351 businesses per 10,000 adults and places East Lothian 17th of Scotland's 32 local authority areas. ***If East Lothian had Scotland's business density, it would have 150 more businesses.***
- Between 2005 and 2010, an 8% increase in East Lothian's number of businesses, which is in line with Scotland's average increase of 10%.

26. Benchmarking shows that while East Lothian's business density is below the Scotland average, it performs relatively well to its comparator areas. The number of businesses is not therefore the key issue – rather it is the size of East Lothian's businesses in terms of the number of jobs they provide. Indeed, ***East Lothian has more small businesses*** than the Scottish average. For example, 66% of East Lothian's businesses have 0 to 4 employees, compared to 63% across Scotland.

Figure x: Benchmarking East Lothian – Business Density

	Businesses per 10,000 Adults, 2010
Angus	354
East Lothian	332
East Renfrewshire	328
East Dunbartonshire	323
Midlothian	312
Scotland	351

Source: ONS Business Demography statistics and Mid-Year Population Estimates

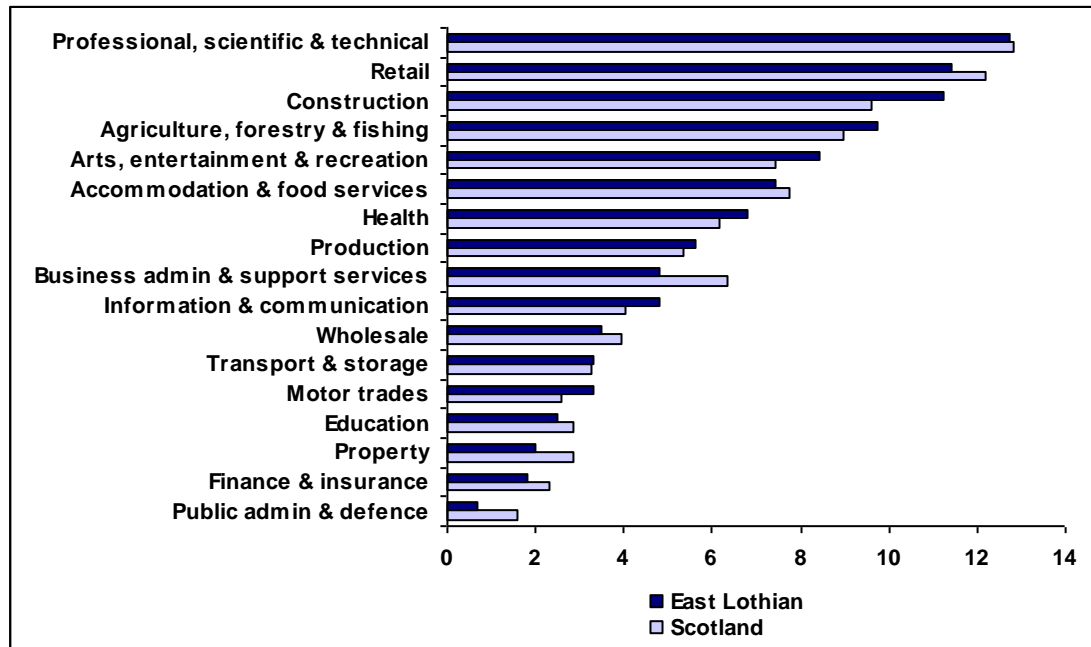
27. ***East Lothian has a stable business base*** that is characterised by fewer business start-ups and fewer business closures than the Scottish average. The latest *ONS Business Demography Statistics* on VAT and PAYE businesses show that:

- East Lothian had 250 new starts in 2010, which equates to: 32 new starts per 10,000 adults; Scotland had 36 new starts per 10,000 adults.
 - Between 2005 and 2010, a 17% decrease; Scotland an 8% decrease.
- East Lothian had 300 closures in 2010, which equates to:
 - 38 closures per 10,000 adults; Scotland had 44 closures per 10,000 adults.
 - Between 2005 and 2010, a 30% increase; Scotland a 40% increase.

28. ***East Lothian has a business sectoral profile that is in line with the Scottish average*** but with proportionately:

- More construction; agriculture, forestry and fishing; and arts, entertainment and recreation businesses than the Scottish average.
- Fewer business administration and support services and retail businesses than the Scottish average.

Figure x: Businesses by Sector (% of Total Businesses), 2011



Source: ONS (2011)

Labour Market

29. **East Lothian has a much small number of jobs** per head of population compared with the Scottish average. The latest Business Register and Employment Survey data show that East Lothian had 24,870 jobs in 2010, which equates to:

- 3,160 jobs per 10,000 adults, which is significantly below the Scotland figure of 5,362 jobs per 10,000 adults and places East Lothian 30th of Scotland's 32 local authority areas. **If East Lothian had Scotland's jobs density, it would have 17,300 more jobs.**
- Between 2005 and 2010, a 4% increase in its number of jobs, which is in contrast to the 3% decrease for Scotland as a whole.

30. Benchmarking shows that East Lothian's jobs density is only greater than the largely Glasgow commuter areas of East Dunbartonshire and East Renfrewshire. Given that East Lothian has a more diverse economy and more vibrant towns than these commuter areas, there is a real need to increase the number of jobs in East Lothian.

Figure x: Benchmarking East Lothian – Jobs Density

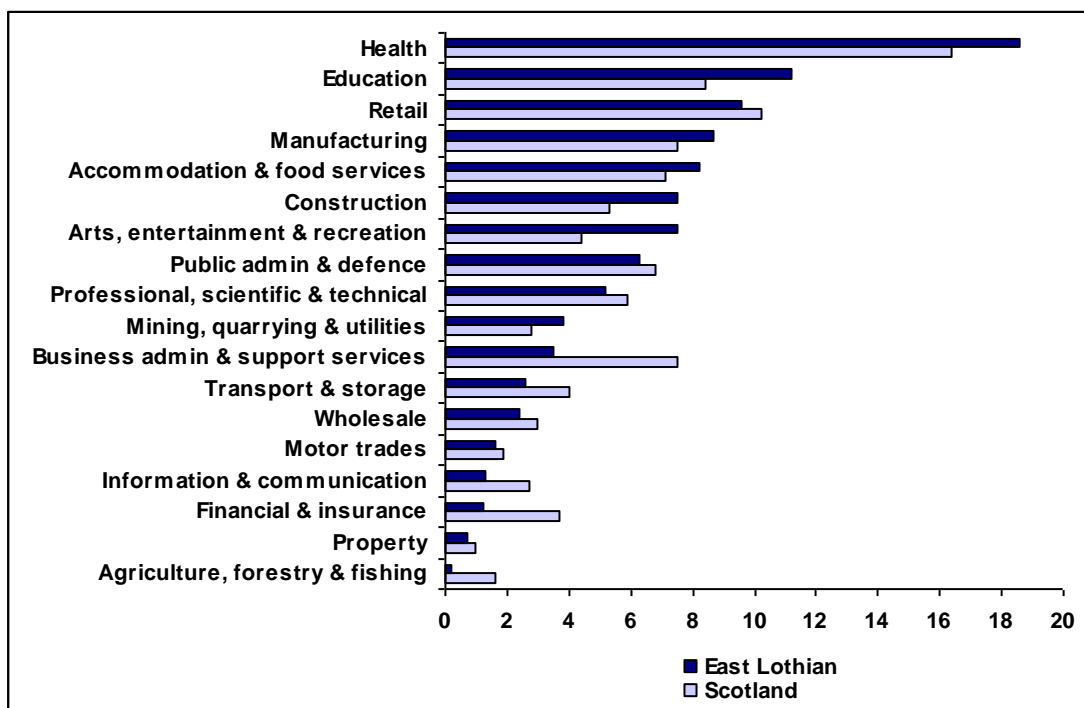
	Jobs per 10,000 Adults, 2010
Midlothian	3,688
Angus	3,542
East Lothian	3,160
East Dunbartonshire	2,551
East Renfrewshire	2,433
Scotland	5,362

Source: Business Register and Employment Survey and Mid-Year Population Estimates

31. **East Lothian has an employment sectoral profile that has more tourism, health and education jobs than the Scottish average.** Other differences include:

- More construction and manufacturing jobs than the Scottish average.
- Fewer business administration and support services, financial and insurance, and communications jobs than the Scottish average.

Figure x: Employment by Sector (% of Total Employment), 2010



Source: Business Register and Employment Survey

32. On self-employment, East Lothian has one of the highest rates in lowland Scotland. Annual Population survey data for 2010-11 shows that:

- 9.6% of East Lothian's working age population are self-employed, which is above the Scottish average of 7.8%.
- This places East Lothian 12th of Scotland's 32 local authority areas.

Figure x: Benchmarking East Lothian – Self-Employment

	Self-Employment amongst 16-64 Year Olds, Oct 2010 – Sep 2011
East Dunbartonshire	9.7%
East Lothian	9.6%
East Renfrewshire	9.5%
Midlothian	8.8%
Angus	8.8%
Scotland	7.8%

Source: Annual Population Survey

33. ***East Lothian's employment rate has fallen significantly*** with the gap closing to the Scottish average.

- In 2006, East Lothian's employment rate was 77.0% and Scotland's 73.0%.
- In 2011, East Lothian's employment rate had fallen to 72.6%, compared with Scotland's smaller fall to 70.7%. This places East Lothian 14th of Scotland's 32 local authority areas.

34. A likely contributor to the fall in East Lothian's employment rate is the loss of jobs in Edinburgh (5% decrease between 2008 and 2010) which impacts on commuters from East Lothian.

Figure x: Benchmarking East Lothian – Employment Rate

	Employment Rate, Oct 2010 – Sep 2011
East Renfrewshire	74.7%
Midlothian	73.6%
East Lothian	72.6%
Angus	72.2%
East Dunbartonshire	71.8%
Scotland	70.7%

Source: Annual Population Survey

35. In line with the fall in the employment rate, ***East Lothian's unemployment rate has increased*** with the gap closing to the Scottish average.

- In 2006, East Lothian's unemployment rate was 3.5% and Scotland's 5.3%.
- In 2011, East Lothian's employment rate had risen to 7.3% and Scotland's to 8.0%. This places East Lothian 17th of Scotland's 32 local authority areas.

Figure x: Benchmarking East Lothian – Unemployment Rate

	Unemployment Rate, Oct 2010 – Sep 2011
East Renfrewshire	4.9%
East Dunbartonshire	6.4%
East Lothian	7.3%
Angus	7.9%
Midlothian	8.1%
Scotland	8.0%

Source: Annual Population Survey (ILO unemployment)

36. Young people have been particularly affected by the economic downturn. Using 16-24 unemployment data from the Annual Population Survey, ***East Lothian's youth unemployment rate now exceeds the Scottish average.***

- In 2006, East Lothian's youth unemployment rate was 10.0% and Scotland's 13.3%.
- In 2011, East Lothian's youth unemployment rate had risen to 24.8% and Scotland's to 20.7%. This places East Lothian 8th of Scotland's 32 local authority areas.

Figure x: Benchmarking East Lothian – 16-24 Youth Unemployment Rate

	Youth Unemployment Rate, Oct 2010 – Sep 2011
East Renfrewshire	15.5%
Midlothian	17.4%
East Dunbartonshire	20.8%
East Lothian	24.8%
Angus	26.3%
Scotland	20.7%

Source: Annual Population Survey (ILO 16-24 year old unemployment)

37. In addition to unemployment rates, DWP out-of-work benefits give a broader indication of the scale of worklessness in an area. **East Lothian has lower but increasing levels of worklessness.**

- In August 2006, East Lothian's out-of-work benefits claimant rate was 10.4% and Scotland's 14.1%.
- In August 2011, East Lothian's 7,000 out-of-work benefits claimant meant the rate had risen to 11.4% but Scotland's had remained at 14.1%. This places East Lothian 15th of Scotland's 32 local authority areas.

Figure x: Benchmarking East Lothian – Out-of-Work Benefits Claimant Rate

	Out of Work Benefits Claimant Rate, Aug 2011
East Renfrewshire	8.9%
East Dunbartonshire	9.0%
East Lothian	11.4%
Angus	11.5%
Midlothian	13.3%
Scotland	14.1%

Source: DWP Work and Pensions Longitudinal Survey

38. Turning to 16-19 year olds in the More Choices, More Chances group, **East Lothian's MCMC rate is in line with the Scottish average.**

- In 2005, East Lothian's MCMC rate was 9.7% and Scotland's 9.1%.
- In 2010, East Lothian's MCMC rate had fallen to 9.3% and Scotland's risen to 9.6%. This places East Lothian 16th of Scotland's 32 local authority areas.

Figure x: Benchmarking East Lothian – More Choices, More Chances Rate

	16-19 Year Olds MCMC, 2010
East Renfrewshire	5.6%
East Dunbartonshire	6.1%
East Lothian	9.3%
Angus	9.3%
Midlothian	11.9%
Scotland	10.4%

Source: Scottish Government

Travel to Work Patterns

39. Partly due to the small number of jobs in East Lothian, **48% of East Lothian's employed residents work outside of East Lothian**. East Lothian is therefore a net exporter of labour with commuting levels greatest amongst financial and professional services and public administration jobs. Using 2001 travel to work census data, of East Lothian's 41,500 employed residents:

- 52% work in East Lothian.
- 40% work in Edinburgh.
- 5% work in Midlothian or West Lothian.

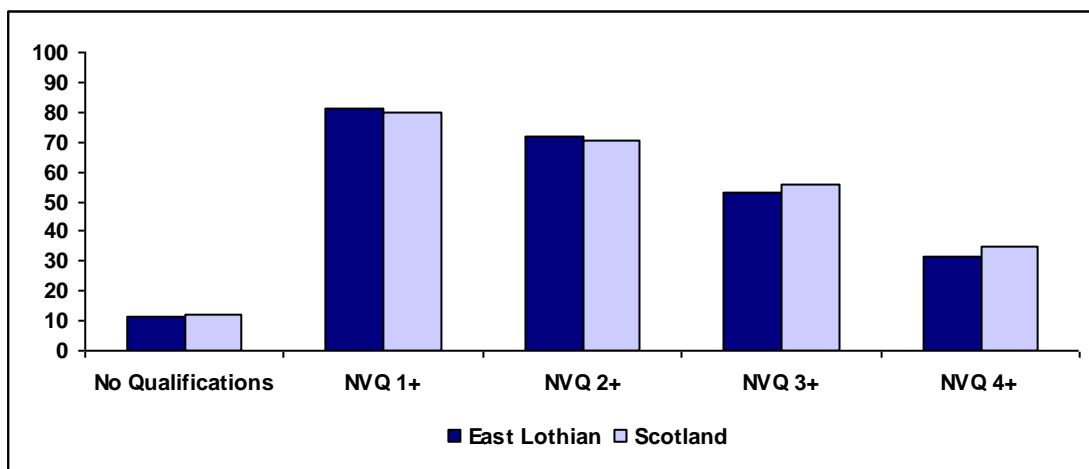
40. In contrast, **82% of East Lothian's jobs are held by East Lothian residents**. This means that if more jobs can be created in East Lothian, there is a greater likelihood that East Lothian residents will be employed by them.

Skills and Education

41. **East Lothian's qualification profile is falling behind the Scottish average.**

- In 2005, East Lothian's had 11.5% of its working age population with no qualifications and 31.2% with degree equivalent qualifications (NVQ Level 4+). Scotland's respective figures were 14.9% and 30.7%.
- In 2011, East Lothian's proportion with no qualifications had fallen marginally to 11.2%, while degree equivalent qualifications had increased marginally to 31.7%. Scotland has seen a greater change with the respective figures now 12.3% and 35.0%.
- On the degree equivalent measure, East Lothian is placed 21st of Scotland's 32 local authority areas.

Figure x: Qualifications of Working Age Population (% of Total), 2010



Source: Annual Population Survey

42. Benchmarking shows that East Lothian’s qualification profile is very different from the high commuter areas of East Dunbartonshire and East Renfrewshire. However, employer consultations did not identify workforce skills as a barrier to their business. As a result, it is possible that East Lothian’s workforce have key skills and expertise that have not been accredited. Nevertheless, if prospective inward investors were considering setting up in East Lothian, the qualification statistics could be viewed negatively.

Figure x: Benchmarking East Lothian – NVQ Level 4+ Qualifications

	Working Age Population with NVQ Level 4 + Qualifications, 2010
East Dunbartonshire	47.5%
East Renfrewshire	45.2%
Angus	37.6%
East Lothian	31.7%
Midlothian	29.0%
Scotland	35.0%

Source: Annual Population Survey

43. ***East Lothian’s school pupils achieve better results than the Scottish average.***

- In 2010/11, East Lothian had 82% of its S4 school pupils achieving at least 5 awards at SCQF Level 4 (Standard Grade General or better). Scotland’s average rate was 78%.
- East Lothian is placed 6th of Scotland’s 32 local authority areas.

44. Again benchmarking shows that East Lothian does not perform as well as East Dunbartonshire and East Renfrewshire.

Figure x: Benchmarking East Lothian – S4 School Pupil Attainment, 2010/11

	S4 Pupils achieving 5 awards at SCQF Level 4, 2010/11
East Dunbartonshire	92%
East Renfrewshire	88%
East Lothian	82%
Angus	78%

Midlothian	77%
Scotland	78%

Source: Scottish Government Education Statistics

45. East Lothian's school leavers achieve fewer positive destinations than the Scottish average.

- In 2009/10, East Lothian's had 86.1% of its school leavers entering a positive destination (FE, HE, employment, voluntary work or training). Scotland's average rate was 86.8%.
- East Lothian is placed 22nd of Scotland's 32 local authority areas.

46. While school attainment is relatively strong, benchmarking shows that East Lothian (and Midlothian) does less well on school leaver destinations. Despite East Renfrewshire and East Dunbartonshire having a smaller jobs base than East Lothian, they have much higher positive destination rates.

Figure x: Benchmarking East Lothian – School Leaver Destination Rates, 2009/10

	School Leaver Positive Destination Rate, 2009/10
East Renfrewshire	94.5%
East Dunbartonshire	92.0%
Angus	88.3%
East Lothian	86.1%
Midlothian	83.1%
Scotland	86.8%

Source: Skills Development Scotland SLDR Statistics

Community Regeneration

47. Using the July 2010 revision of the 2009 Scottish Index of Multiple Deprivation, East Lothian's position in the SIMD is gradually worsening.

- **8 (or 7%) of East Lothian's 120 datazones were in Scotland's 25% most deprived.** The breakdown is:
 - 3 datazones in Scotland's 10-15% most deprived.
 - 2 datazones in Scotland's 15-20% most deprived.
 - 3 datazones in Scotland's 20-25% most deprived.
- Between 2006 and 2009, **7 of the 8 have become more deprived** relative to Scotland's other datazones.

48. In terms of the characteristics of the 8 datazones:

- They are located in the west of East Lothian – Musselburgh, Wallyford and Prestonpans.
- The DWP out-of-work benefits rates in each of these datazones are in the range of 20% to 34%. While much higher than the East Lothian rate of 10%, worklessness levels are not as high as deprived communities in, for example, Glasgow, North Ayrshire and Inverclyde. Therefore, East Lothian's deprived areas are not at the 'point of no return' and can be improved – particularly with their proximity to Edinburgh.
- Across the different indicator themes that make up the SIMD, the 'Education, Skills and Training' domain is where the datazones score lowest.

Population

49. In 2011, East Lothian had an estimated population of 98,170.

- Between 2006 and 2011, East Lothian's population had increased by 6%; Scotland 3% increase.
- By broad age groups in 2011, East Lothian has proportionately more children and over 65 year olds.
 - 19% aged 0 to 15; Scotland, 17%.
 - 60% aged 16 to 64; Scotland, 63%.
 - 21% aged 65 and over; Scotland, 20%.

Projections

50. The General Register Office for Scotland's 2010-based population projections state that ***East Lothian's population will increase significantly over the next 10 years.***

- Between 2012 and 2022, East Lothian's population will increase by 12% from 99,900 to 111,800. Scotland's projected increase is 5%.
- By broad age group, the percentage change between 2012 and 2022 is:
 - 9% aged 0 to 15; Scotland, 5%.
 - 9% aged 16 to 64; Scotland, 1%.
 - 25% aged 65 and over; Scotland, 22%.

51. In terms of labour market projections, UK Commission for Employment and Skills (UKCES) *Working Futures* 2010-2020 labour market projections for Scotland are outlined and show that only ***moderate employment growth is expected over the next 10 years.***

- Overall Scotland's total employment is projected to increase by 2%.
- By sector:
 - Growth is projected in 'construction' (1%), 'trade, accommodation and transport' (1%), and 'business and other services' (0.5%).
 - Retraction is projected in 'primary sector and utilities' (-1.5%) and 'manufacturing' (-1.5%).

- By occupation:
 - Growth is projected in ‘managers, directors and senior officials’ (14%), ‘professional occupations’ and ‘associate professional and technical occupations’ (both 12%), and ‘caring, leisure and other services’ (7%).
 - Decline is projected in ‘process, plant and machine operatives’ (-15%), ‘administrative and secretarial’ (-12%) and ‘skilled trades occupations’ (-7%).

VIEWS OF STAKEHOLDERS – STRENGTHS, WEAKNESSES, OPPORTUNITIES AND CHALLENGES

Key Messages

52. The Strategy is informed by the views of a wide range of stakeholders – including local employers and local communities. Overall, there was broad consensus around what East Lothian’s strengths, weaknesses, opportunities and challenges are:

- **Strengths** are its diverse business base with sectoral strengths in food and drink, tourism and Higher Education, entrepreneurial culture, skilled workforce, proximity to Edinburgh and its quality of life.
- **Weaknesses** are its lack of large employers, rising unemployment levels, pockets of deprivation in Musselburgh, Wallyford and Prestonpans, limited land availability for economic use, and poor public transport infrastructure.
- **Opportunities** were identified around tourism, new sectors (e.g. renewables and re-locations from Edinburgh), and by better promoting East Lothian’s assets.
- **Challenges** were identified around bringing land zoned for economic use to market, balancing East Lothian’s environment and quality of life with economic development, town centre regeneration, servicing East Lothian’s projected population growth and increasing the proportion both living and working in East Lothian.

Introduction

53. In developing the strategy, it was essential to consult with key stakeholders in relation to East Lothian’s economic development. There were three main sets of stakeholders consulted with.

- **Key public sector partners** including:
 - East Lothian Council – selected councillors, Chief Executive, Heads of Services plus a number of other officers (e.g. Economic Development Manager, Community Planning Manager, etc).
 - Representatives from Scottish Government, Scottish Enterprise, Skills Development Scotland, Jobcentre Plus, Visit Scotland and QMU.
- **Businesses** through:

- Interviews with key East Lothian employers and organisations representing local businesses such as the Federation of Small Businesses (FSB) and local business forums.
- E-survey of East Lothian businesses which was circulated by the FSB, Chamber of Commerce and East Lothian Council Economic Development Team and completed by 100 local businesses.
- **Communities**, whose views on East Lothian's economic development captured via reports of recent community consultation events and workshops that have been undertaken around East Lothian's Local Development Plan, Local Community Plans and Town Centre Plans.

Strengths of East Lothian Economy

54. Business Base

- East Lothian has a diverse business base dominated by SMEs. This perhaps reflects an entrepreneurial culture within the area. It also means that East Lothian is not overly dependent on a specific employer or sector – so helping the local economy to respond to any opportunities or crises.
- East Lothian has some recognised sectoral strengths, most notably food and drink, tourism and Higher Education with QMU.
- Good quality tourist attractions – including the Scottish Seabird Centre, National Museum of Flight and East Lothian's golf courses.

55. Labour Market

- Employers felt East Lothian has a skilled workforce with few difficulties recruiting good quality staff. For some, this reflects East Lothian's good quality schools, while others felt East Lothian's excellent quality of life attracts and retains skilled individuals to live in East Lothian – so benefiting local employers.

56. Location and Infrastructure

- Proximity to Edinburgh is considered to be East Lothian's major asset. It is a globally recognised city providing jobs to East Lothian residents and a substantial market for East Lothian's businesses.
- The A1 is the major road transport corridor between Edinburgh and England.

57. Quality of Life

- East Lothian is widely recognised by its residents and businesses as having an excellent quality of life.
 - Coast and countryside.
 - Historic, distinct town centres with each having their own identities.
 - Good schools.
 - Cheaper housing than in Edinburgh.

- Proximity to Edinburgh.

58. Economic Development Activities

Small businesses in particular valued the support provided to them from East Lothian Council's Economic Development Team, Business

- Gateway and other services. These included help with accessing finance, recruitment or attending targeted business seminars.
- *East Lothian Food & Drink* has been well supported and East Lothian's brand is becoming increasingly recognised.
- Visit East Lothian 'exhibition' space in St Andrews Square during the Edinburgh Festivals is seen as a real coup.
- East Lothian Council's golf tourism officer is a really valuable resource and has helped to grow the East Lothian Golf Tourism Alliance and the *East Lothian: Scotland's Golf Coast* brand. The East Lothian Golf Tourism Alliance is also viewed as a partnership of best practice as it brings together the strengths and expertise of the public and private sectors.
- The Tourism and Hospitality Academy is viewed as a good model for supporting young people into a good quality career and there are opportunities to replicate this model into other sectors.

Weaknesses of East Lothian Economy

59. Business Base

- With a high proportion of SMEs, East Lothian has very few large employers beyond public sector employers (most notably East Lothian Council and NHS) and Torness power station. The lack of large employers was seen as a major reason behind East Lothian's low number of jobs per resident adults.
- Mismatch in available business premises, with limited supply where demand appears highest but good availability in other locations – e.g. Tranent and Macmerry.
- Gaps in tourism offer – most notably with no resort hotel and limited tourism offer in evenings and Sundays.

60. Labour Market

- Rising unemployment levels – with most concerned directed towards the limited employment opportunities for school leavers and young people.
- In relation to unemployment and other factors of deprivation, there are inequalities between the west of East Lothian (e.g. Musselburgh, Tranent and Prestonpans) and the rest of East Lothian.
- Employment and training opportunities in smaller, rural communities are limited and further compounded by infrequent public transport services.

61. Location and Infrastructure

- Lack of land available for economic purposes with a significant amount of the land zoned for economic use owned by housing developers. This places a significant constraint on the ability of East Lothian to attract a large-scale inward investor.
- Poor public transport connections – particularly north to south across East Lothian – which limits the unemployed, disabled and low-paid from accessing employment and training opportunities.
- Limited car parking in town centres – particularly in North Berwick – which impacts on the length of time visitors come and spend money in East Lothian's towns.

62. **Economic Development Activities**

- While stakeholders recognise a change in attitude, East Lothian has historically been viewed as averse to economic development and particularly to the attraction of large-scale employers which may impact on the quality of East Lothian's environment. As a result, East Lothian has been poor at creating and attracting new jobs.
- There is limited joint working between East Lothian and neighbouring local authorities, which is inhibiting East Lothian's ability to take advantage of opportunities in those areas.
- East Lothian Council is currently insufficiently joined up across departments. While this is being addressed, further work is needed to ensure that navigation between departments is made as straightforward as possible.
- Linked to the first bullet point, East Lothian Council's planning services are viewed by some stakeholders as not being fully supportive of economic development applications. Others point to some inconsistencies in planning decision, for example the approval of out-of-town developments that will likely impact negatively on town centres.
- The CPP Enterprise and Skills Sub-Group lacks clear direction and is not action-orientated.
- Employability has not been a priority in East Lothian given his historically high employment rates. However, it now needs to be a greater priority with action need to improve employability provision across East Lothian. There are, however, difficulties here due to East Lothian's rural environment.

East Lothian's Economic Development Opportunities

63. Stakeholders were not able to identify major projects that could drive the creation of a significant number of jobs and businesses in East Lothian. This perhaps reflects the general attitude to development in East Lothian and the availability of economic land. Nevertheless, a number of opportunities were suggested that collectively could deliver good economic prospects for East Lothian.

Tourism

64. There are perceived to be major opportunities to increase the number of visitors and the amount of spend in East Lothian. Opportunities identified include:

- East Lothian should work more closely with Edinburgh because the two areas can collectively provide a very attractive – city, coast and countryside – offer for tourists.
- The 2013 Open at Muirfield may not bring substantial economic benefit during the Open itself due to the high proportion of day visitors, but it does offer a major opportunity to increase awareness of East Lothian as a golf and tourism destination. Given past increases in golf tourists the year after an Open Championship, there are opportunities to attract 2014 Ryder Cup and Homecoming Scotland visitors to East Lothian.
- Wildlife/nature-based tourism is seen as a major opportunity that East Lothian can build on – particularly with Visit Scotland's *Natural Scotland* themed year in 2013/14. Plans to extend the Scottish Wildlife Centre as the 'Scottish Marine Centre' along with the John Muir Way, Bask Rock and the coast and countryside more generally provide East Lothian with a number of very strong assets. It is important that these are better integrated with an East Lothian wildlife tourism package and other opportunities are explored – e.g. to host a major wildlife conference or attract wildlife TV programmes to film in East Lothian.
- East Lothian's tourism sector can benefit from closer links with East Lothian's food and drink sector as the two can reinforce the promotion of East Lothian as a high quality destination to visit where they can benefit from high quality local attractions, food and drink.
- Improving public transport provision and ensuring that it is better integrated between towns and attractions will improve the visitor experience. A priority identified by many stakeholders was the need to increase the frequency of Edinburgh-North Berwick train service.

Developing New Sectors

65. Stakeholders felt there was potential to develop a number of sectors that would be new to East Lothian. These are:

- Renewable energy through developing (small scale) wind farms in East Lothian and connecting with the marine renewables sectors in Fife and Leith to service machinery in East Lothian's harbours.
- Low carbon industries, such as environmental construction.
- Re-locations of professional services from Edinburgh to East Lothian.
- Life sciences building on existing assets (e.g. Elphinstone and Charles Rivers Laboratories) and Edinburgh's BioQuarter, Royal Infirmary Hospital and University of Edinburgh.

Promoting East Lothian's Assets

66. As outlined above, East Lothian is widely recognised by its residents and businesses as having an excellent quality of life and work-life balance. However, East Lothian and what it has to offer to potential inward investors, businesses, residents and students is not well known. Greater efforts are therefore needed to promote and market East Lothian's existing assets as they will be attractive to many.

Challenges

67. East Lothian will face a number of challenges over the 10 year period of this Strategy. Some cannot be predicted – e.g. the prospect of a double-dip recession and any fall-out from the Eurozone crisis – but the challenges that can more easily be identified are outlined below.

Business Base

68. There are a number of challenges to increasing the business base in East Lothian:

- The lack of viable employment land (i.e. land that is both zoned for economic use and with real development prospects) is a significant constraint to attracting businesses of scale to East Lothian. This places a premium on land in key sites – e.g. around QMU's campus.
- The need to preserve East Lothian's coast and countryside, allied to East Lothian's historical conservatism against large-scale economic development, is a constraint to future economic development aspirations.
- Linked to the wider issue of town centre regeneration, there is the ongoing challenge of attracting and sustaining businesses in town centre locations given the competition of out-of-town/edge-of-town developments. The increasing number of vacant premises in some East Lothian town centres reflects the difficulties faced.

Labour Market

69. In terms of challenges related to East Lothian's labour market:

- The projected increase in East Lothian's population means commuting levels will inevitably increase unless more jobs can be created in East Lothian. As a result, new housing developments must ensure that the employment and services needs of an increasing population are also met.
- The large proportion of residents who commute to Edinburgh and beyond to work means valuable skills and spend is exported from East Lothian on a daily basis. Increasing the number of East Lothian residents in East Lothian jobs will benefit the economy both directly and indirectly.

East Lothian's Economic Development Strategy

Key Messages

70. The strategy's **vision** plays directly into the economic development aspects of the vision set with East Lothian Council's Council Plan 2012-2017. It is that: ***In 2020 East Lothian will have a dynamic and flourishing economy with our citizens proud to live, learn, work and play in East Lothian.***

71. To achieve the vision, the strategy has **two strategic goals**:

- To increase the number of businesses in East Lothian with growth potential.
- To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy.

72. These are supported by **five strategic objectives**:

- To be the best place in Scotland to set up and grow a business
- To be Scotland's leading coastal, leisure and food & drink destination
- To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian
- To provide high quality employment pathways for East Lothian's workforce
- To become Scotland's most sustainable local economy

73. To help deliver the Strategy, **eight strategic projects** have been identified:

- Increase East Lothian's profile.
- Improve connectivity.
- Enhance East Lothian's tourism offer.
- Develop low carbon sectors.
- Town centre regeneration.
- Develop sustainable employment pathways.
- Increase high level volunteering.
- One East Lothian approach to economic development.

Introduction

90. This chapter builds upon the broad evidence base of earlier chapters to set out the Economic Development Strategy for East Lothian. The strategic framework set out in the chapter outlines a strategic vision, goals, objectives and a number of strategic projects.

91. Essentially the Strategy proposes:

- To deliver by 2022 a number of major **strategic projects** which build upon the analysis of what needs to be done to enhance the East Lothian economy.

- By delivering the strategic projects, five **strategic objectives** will be achieved.
- Progress against the strategic objectives will help drive towards the two longer term **strategic goals** for East Lothian.
- This will in turn help deliver the **strategic vision** for East Lothian by 2022.

This strategic approach is described in more detail below.

Strategic Vision

92. The Strategy aims to make a significant contribution to achieving visions already set for East Lothian. As a result, the vision for the East Lothian Economic Development Strategy plays directly into the economic development aspects of the vision set with East Lothian Council's *Council Plan 2012-2017*. The vision is:

In 2020 East Lothian will have a dynamic and flourishing economy with our citizens proud to live, learn, work and play in East Lothian.

Strategic Goals

93. To achieve this strategic vision, East Lothian must deliver against two major strategic goals:

- To increase the number of businesses in East Lothian with growth potential.
- To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy.

Strategic Objectives

94. In order to deliver on the two strategic goals, five strategic objectives have been set. These are outlined below with a summary of the key issues that they address and the opportunities they build on.

SO1: To be the best place in Scotland to set up and grow a business
--

- Not enough businesses in East Lothian (and particularly businesses of scale), which impacts on the East Lothian's low jobs base. Increasing the number of businesses and jobs must be a priority for East Lothian.
- East Lothian has a low profile which limits opportunities to attract businesses to the area. Increasing awareness of East Lothian is a priority and its proximity and connections to Edinburgh, its workforce, its work-life balance and good quality business support services are key elements of the 'offer' that can be promoted.
- East Lothian has limited availability of land and premises for business use. Therefore it is critical that a pro-business planning approach is taken to maximise the benefits of land zoned for economic use.

SO2: To be Scotland's leading coastal, leisure and food & drink destination

- Tourism is an important sector for East Lothian with the potential to attract more visitors to stay longer and spend more.
- East Lothian has many good quality tourist attractions but wider awareness of East Lothian as a place to visit is limited because the different offers are not fully joined up. It is important that linkages are made between Visit East Lothian, East Lothian: Scotland's Golf Coast, East Lothian Food & Drink and other marketing/branding used to enhance East Lothian's profile.
- There are real opportunities to develop cross-marketing activities with Edinburgh.
- There are untapped opportunities around wildlife, coast, cycling and walking tourism – which resonates with East Lothian's sustainability aims.

SO3: To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian

- East Lothian's proximity and connections to Edinburgh are amongst its main assets, yet these opportunities are not currently being fully maximised – shown by deprivation levels being highest in Musselburgh, Prestonpans and Tranent.
- There is scope to attract businesses and jobs to the areas of East Lothian that border Edinburgh based on connections to Edinburgh, lower costs and skilled workforce. All land zoned for economic use close to Edinburgh should therefore be retained to support future developments.
- There is also scope to benefit more from East Lothian's residents, students and visitors by encouraging them to spend locally. This will require investing in local town centres to make them more attractive and accessible locations to visit.

SO4: To provide high quality employment pathways for East Lothian's workforce

- Labour market statistics show rising adult and youth unemployment – with levels now close to the Scottish average.
- East Lothian will also see an ageing of its population, which will likely place further demand on local services.
- These changes indicate that efforts should be made to maximise the economic benefit of three groupings – young people; adult unemployed; and older people who wish to remain economically active. For each group, supports and opportunities should be in place so that they can be economically active and progress into good quality employment, training, self-employment or volunteering.

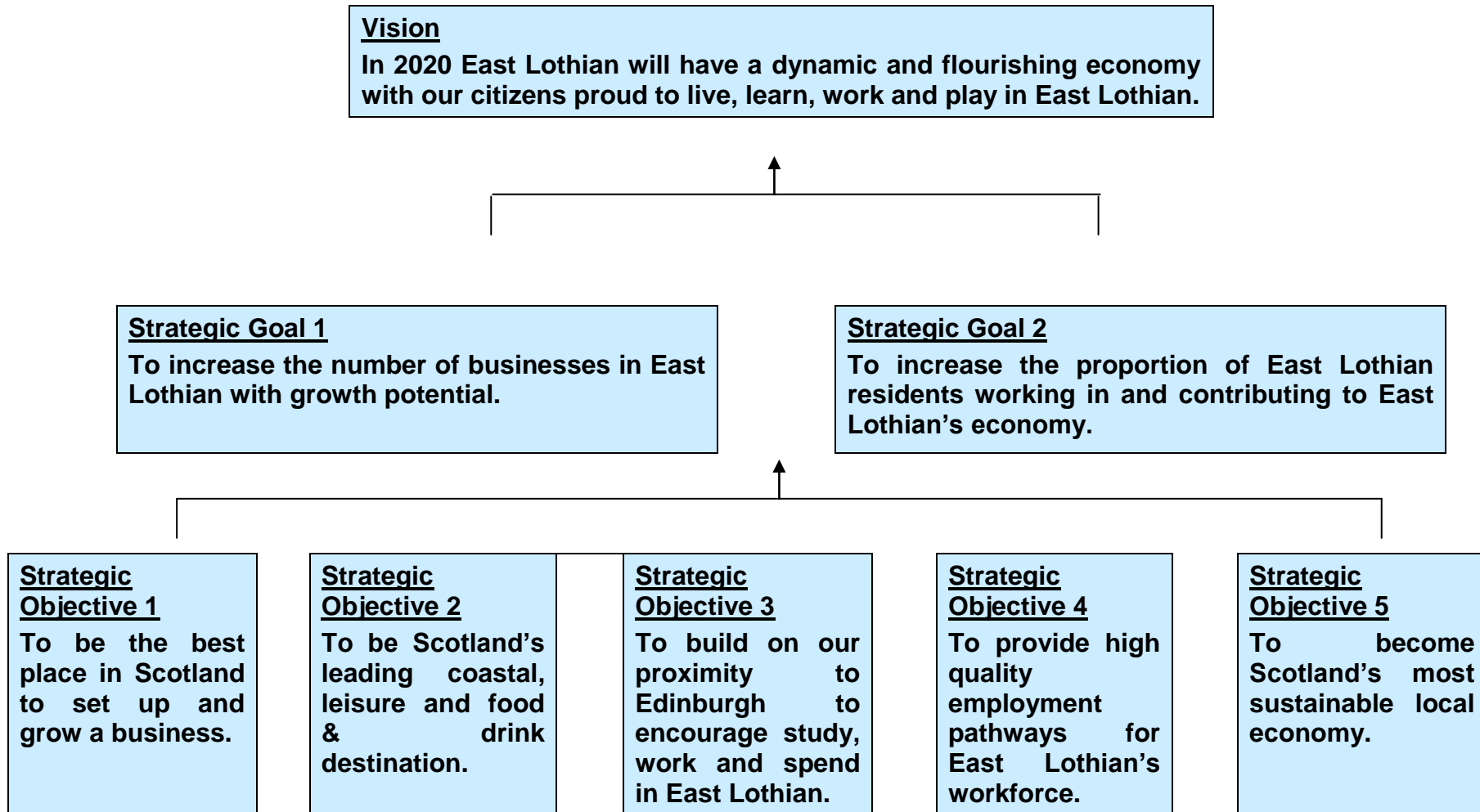
SO5: To become Scotland's most sustainable local economy

- East Lothian has many features that can support it becoming Scotland's most sustainable local economy – it has distinctive, well-used town centres; its current business sectoral profile aligns with more sustainable sectors (e.g. food and drink, construction); and an excellent environment and work-life balance.
- However, it struggles with its public transport infrastructure; the lack of local jobs (encouraging commuting to Edinburgh); and town centres seeing more vacant premises.
- By striving to become Scotland's most sustainable local economy, East Lothian can first raise its profile and become widely recognised as an area that has embraced sustainability.
- It also provides a framework for:
 - Developing new, low carbon sectors (e.g. renewables) that can counter the future employment losses from Cockenzie and Torness power stations.
 - Improving public transport connectivity.
 - Supporting town centres and local businesses – thereby sustaining and potentially creating local jobs.
 - Preserving East Lothian's environment and quality of life.

Strategic Framework

95. The overall structure of the strategic vision, goals and objectives is shown in Figure x below. The vision and goals provide a framework for East Lothian Council and its partners – helping to drive decisions about what to deliver. The strategic objectives will help drive action on a more immediate basis – outlining improvements needed in key areas of service delivery.

FIGURE X: OUR STRATEGIC FRAMEWORK



Strategic Projects

96. The Strategy must come off the page quickly and begin to change the way economic development interventions are planned, designed, commissioned and delivered. Critical to this is the identification and prioritisation of a number of strategic projects, which are:

- Substantial projects with the capacity to make a significant impact on East Lothian.
- Targeted quite precisely at strategic opportunities or weaknesses within the local economy.

98. Eight strategic projects have been identified – and the tasks, partners and priority attached to each are set out in Figure x. The eight strategic priorities are:

1. **Increase East Lothian's Profile.**
2. **Improve Connectivity.**
3. **Enhance East Lothian's Tourism Offer.**
4. **Develop Low Carbon Sectors.**
5. **Town Centre Regeneration.**
6. **Develop Sustainable Employment Pathways.**
7. **Increase High Level Volunteering.**
8. **One East Lothian Approach to Economic Development.**

Figure x: Strategic Projects

STRATEGIC PROJECT	PARTNERS	PRIORITY
<p>1. INCREASE EAST LoTHIAN'S PROFILE</p> <ul style="list-style-type: none"> - Join up existing East Lothian brands and promote East Lothian brand to current and potential businesses, residents and visitors - Build on marketing events (e.g. St Andrews Square exposition) and explore future marketing opportunities - Aim to attract major events to East Lothian on a regular basis – e.g. golf championships, conferences, festivals - Encourage East Lothian partners and businesses to sell East Lothian to wider audiences - Respond to business enquiries and use information to develop case for investing in new business premises 	<ul style="list-style-type: none"> - East Lothian Council - Scottish Enterprise - Scottish Development International - Visit Scotland - Visit East Lothian 	<p>High</p>
<p>2. IMPROVE CONNECTIVITY</p> <ul style="list-style-type: none"> - Enhance and better integrate public transport provision - Explore other opportunities to deliver public transport (e.g. social economy model) - Explore options to enhance Broadband infrastructure – and identify investment opportunities 	<ul style="list-style-type: none"> - East Lothian Council - Scottish Government - Scotrail - Bus companies (e.g. FirstBus) - Social economy sector 	<p>High</p>

<p>3. ENHANCE EAST LOTHIAN'S TOURISM OFFER</p> <ul style="list-style-type: none"> - Address gaps in tourism offer – attracting resort and brand hotel(s) to East Lothian; increase evening offer (e.g. restaurants and bars) - Develop tourism opportunities around East Lothian's wildlife, coast, cycling and walking - Join up different strands of tourism offer – e.g. golf, coast, town centres and individual attractions – with East Lothian Food & Drink to develop joined up coastal, leisure and food & drink tourism offer that encourages visitors to stay longer and spend more - Develop joint offer/cross-marketing with Edinburgh - Deliver East Lothian Tourism Strategy 2010-2013 and Tourism Events Strategy 2010-2015 	<ul style="list-style-type: none"> - Visit East Lothian - East Lothian Food & Drink - East Lothian Golf Tourism Alliance - Visit Scotland 	<p>High</p>
<p>4. DEVELOP LOW CARBON SECTORS</p> <ul style="list-style-type: none"> - Map East Lothian businesses to understand interest in low carbon, existing low carbon activities, support needs and large-scale barriers faced - Work with South East Scotland local authorities around developing renewables sector - Explore and support opportunities around environment construction, green tourism and community-led transport provision 	<ul style="list-style-type: none"> - Scottish Enterprise - East Lothian Council - South East Scotland local authorities - East Lothian CPP Environment Forum 	<p>Medium</p>

<p>5. TOWN CENTRE REGENERATION</p> <ul style="list-style-type: none"> - Develop and market distinctive branding of each town which builds on each town's existing assets - Support local efforts to enhance East Lothian's town centres and parking provision - Explore opportunity of developing business space within town centres as mixed use will support town centre sustainability - Continued support of 'shop local schemes' - Continued support of farmers markets with connections to East Lothian Food & Drink - Limit out-of-town developments to support sustainability of town centres 	<ul style="list-style-type: none"> - East Lothian Council - Local Business Forums 	<p>Medium</p>
<p>6. DEVELOP SUSTAINABLE EMPLOYMENT PATHWAYS</p> <ul style="list-style-type: none"> - Focus initial efforts on developing joined-up employability provision for young people – and then establish similar, joined-up provision for adult unemployed and older workers - Develop Academy model and explore opportunities for Academies in range of key local sectors – tourism, health, financial services, agriculture, food and drink, energy - Increase involvement of local businesses in supporting youth transitions – e.g. enterprise education in schools, work experience placements, apprenticeships - Ensure accessibility of FE and training opportunities for East Lothian's YP (e.g. local delivery; transport passes) - Increase number of apprenticeships and National Training Programmes opportunities 	<ul style="list-style-type: none"> - Jobcentre Plus - SDS - Jewel and Esk College - QMU - East Lothian Council 	<p>High</p>

<p>7. INCREASE HIGH LEVEL VOLUNTEERING</p> <ul style="list-style-type: none"> - Build on East Lothian’s high levels of volunteering but direct activities to where can add most value - Mentoring of business start-ups, small businesses and social enterprises - Volunteering in schools – money management, enterprise and entrepreneurialism - Mentoring of young people during transitions from school into FE or employment 	<ul style="list-style-type: none"> - Social economy sector (e.g. VDEL) - FSB - Jobcentre Plus 	<p>Medium</p>
<p>8. ONE EAST LOTHIAN APPROACH TO ECONOMIC DEVELOPMENT</p> <ul style="list-style-type: none"> - Join up ELC services – economic development, planning, trading standards and environmental health - Maximise business and employment opportunities from local investments – e.g. Community Benefit clauses - Challenge partners to maximise economic development benefits from activities, premises/land, and investments 	<ul style="list-style-type: none"> - All East Lothian Council departments - CPP partners 	<p>High</p>

IMPLEMENTING THE STRATEGY

99. Key Messages

It is essential that our Strategy has the mechanisms in place to drive forward the Strategy.

100. Ensuring that the Strategy is delivered requires targets and milestones to be set and progress towards these to be reviewed on an annual basis.

101. A **Strategic Board** should be established and be responsible for ensuring the Strategy's vision, goals, objectives and projects are delivered. Its remit includes signing-off the strategy; commissioning and signing-off a **3 year Action Plan**; making key decisions around service design, delivery and resource allocation; and reviewing progress towards **milestones and targets** on an annual basis.

It should have a small but senior level membership that consists of East Lothian Council, Scottish Enterprise, Skills Development Scotland, Jobcentre Plus and Visit Scotland. Private sector representation may also be advantageous.

East Lothian Council should lead the Strategic Board.

The Strategic Board needs to be served by a dedicated and resourced secretariat.

102. At an operational level, it is essential that there is a dedicated **Implementation Group** in place.

Its remit is to be collectively responsible for the delivery of specific strategic projects; report progress against strategic projects, milestones and targets, and raise any emerging issues, challenges and opportunities.

103. As soon as the Strategy has been signed-off, the Strategic Board must sign-off a 3 year Action Plan, which will help ensure the Strategy's targets and milestones are achieved by setting out the key actions required; the resources required to deliver these; organisational responsibilities; activity and output targets; and the process for reviewing progress.

Implementing the Strategy

104. Strategies that do not come off the page are worthless. It is essential to have mechanisms in place to ensure that the Economic Development Strategy is delivered. Mechanisms include:

Establish targets and milestones to measure progress against the strategic goals. Putting in place structures for governance and management of the Strategy. Agreeing on an Action Plan to guide delivery in the short to medium term.

Targets and Milestones

105. In the previous chapter, strategic goals and objectives were set for East Lothian. It is essential that linked to these aspirations are quantifiable outcome based targets and milestones, as this will allow partners and others to judge to what extent the Strategy is being delivered.

106. Targets should relate to the end point of the Strategy – 2022. Milestones should be set for the short and medium term to assess the extent to which the strategy’s delivery is on track. A sensible approach is to have a rolling programme of 1 and 3 year milestones. These timescales have the advantage of being long enough that real progress can be made, while not so long that the Strategy is in jeopardy if progress is slower than anticipated.

107. Each Strategic Project will also need targets and milestones – although the timings of these will depend on the timescales agreed for each project. Deciding on realistic but ambitious targets and milestones should be an early priority for the Strategic Board established to drive forward the Strategy. Potential targets are set out in Figure x.

Figure x: Indicative Targets for Strategic Goals

	Ambition	Current Level	2022 Target Level	Scale of Ambition
Goal 1	Achieve Scotland’s business density level	Ranked 17 of 32 local authorities with 332 businesses per 10,000 adults	Achieve Edinburgh’s business density of 400 businesses per 10,000 adults	Increase EL’s 2,615 businesses by 500 businesses (excluding projected population growth)
Goal 2	Enter 3 rd quartile of Scotland’s local authorities on employment density	Ranked 30 of 32 local authorities with 3,160 jobs per 10,000 adults	Enter 3 rd quartile (i.e. achieve levels of Borders and Fife) at 4,120 jobs per 10,000 adults	Increase EL’s 24,870 jobs by at least 7,500 jobs (excluding projected population growth)

Robust Review Process

108. In addition to setting targets and milestones, partners must also have a ***robust process in place for reviewing progress*** towards these on an ***annual basis***. This must:

- Examine the data on progress against the milestones and targets.

- Provide a forum for discussion of the reasons for lack of progress or accelerated progress and create a review process that guides discussion and decision making.
- Be able to put in place measures to tackle a lack of progress or to respond to accelerated progress.
- This will almost inevitably involve changing radically what is delivered and by whom – and may mean allocating significant resource from under-performing towards successful interventions.
- This process must be tie into the 3-year Action Plan (outlined later in this chapter) and should be driven by the Strategic Board.

109. This means there will be a need for a system for identifying and comparing the effectiveness of economic development interventions operating in East Lothian. In order to help get the Strategy up and running, partners need to establish:

- What do they currently do well – and not so well?
- What needs to be added to the delivery menu – and what should be removed?

110. This will provide a starting point for making key decisions about prioritisation of strategic projects and how best to deliver these but will also help in establishing a set of processes and procedures for monitoring and evaluating the effectiveness of economic development interventions in East Lothian. To drive forward the Strategy, there is a need to move towards a **collective review process**.

111. The review process needs to sit at the heart of a drive to become much more **demanding** about what local services, projects and interventions **deliver** in terms of the economic development strategic goals and projects set out in the Strategy. Particularly in a period of reduced resources, tough decisions will need to be made. The first Annual Review should be held in October 2013 with the preparatory work carried out during August and September so that the review is fully evidence-based. It should then be repeated annually in September to guide spending decisions for the subsequent financial years.

Governance and Management of Strategy Implementation Process

112. It is essential that there are clear governance arrangements for the implementation of the Strategy. These will need to work at two levels:

- Strategic oversight of the strategy and its implementation.
- Operational management of the implementation of the strategy in a more hands-on way.

Strategic Board

113. Driving forward the strategy will require a Strategic Group (or Board) tasked with ensuring the Strategy's goals, objectives and projects are delivered. The East Lothian CPP is currently reviewing its structures and processes and one proposal is to establish a series of high-level Boards under the CPP Board. If this option is pursued, there is a strong case for one of the Boards to be 'Economic Development' given its cross-cutting nature and the priority being placed on economic development issues both by local partners and the Scottish Government.

114. This Board would oversee the Strategy and its remit would include:

- Signing off the Strategy.
- Agreeing a 3-year Action Plan.
- Making key decisions around service design, delivery and resource allocation.
- Establishing an annual review process, measuring progress towards the Strategy's key milestones and targets and implementing change if insufficient progress is being made.
- Resolving any major problems or responding to any major opportunities that could affect the delivery of the Strategy.

115. The Strategic Board should be **led by East Lothian Council**. In terms of the composition of the Strategic Board, it is important that the Board is small to facilitate effective discussion and decision-making. The Board should include the key organisations with a role in implementing the Strategy within East Lothian. These include:

- East Lothian Council.
- Scottish Enterprise.
- Skills Development Scotland.
- Jobcentre Plus.
- QMU.

116. In each case, it is essential that organisations are represented by **senior officials** – reflecting the importance of the Strategy and to help ensure continuing weight is placed on achieving the vision, goals and objectives set out in the Strategy. As well as getting the right level of membership, it is also important to ensure there is an appropriate mix of skills and expertise represented on this Board.

117. In addition to public sector partners, consultees felt there would be value in having:

- **Private sector representation** to increase the Strategy's profile and credibility amongst the business community and help ensure that a business-like approach is taken to achieving the Strategy.

- **Councillor representation** to help add political weight to the Strategy. It is important to keep the Board small – so at most one or two Councillors should be members of this group. Having two Councillor ‘places’ would allow cross-party support to be generated for the Strategy.

118. Given the importance of delivering the Economic Development Strategy, there is a need for a strong and well-respected **Strategic Board Chair**. As outlined earlier, the Strategic Board should be led by East Lothian Council, and therefore the two main options would be:

- East Lothian Council’s Chief Executive; or
- A local Councillor.
- An alternative would be for an independent private sector representative to act as the Chair.

119. A dedicated and **resourced secretariat** should also be in place to support the Strategic Board – and East Lothian Council would appear best placed to provide this key support service.

Implementation Group

120. At an operational level, it is essential that there is a dedicated Implementation Group in place. Again, this group should be small to help ensure it remains focused. The members of this group should be the operational leads for each of the key organisations with a remit and responsibility for delivering economic development services, namely:

- East Lothian Council.
- Scottish Enterprise.
- Skills Development Scotland.
- Jobcentre Plus
- Visit Scotland.
- QMU.
- Jewel and Esk College.

121. The CPP Enterprise and Skills Sub-Group is the best placed of existing groupings to become the Implementation Group. However, to be fit for purpose, it would need to become more action-orientated. Within this, organisations or partnerships of organisations will be assigned responsibility for delivery of specific strategic projects.

122. The Implementation Group will report to the Strategic Board on:

- Progress of individual Strategic Projects.
- Progress against milestones and targets.
- Key issues, challenges and opportunities emerging.

Action Plan

123. The first task of the Strategic Board, led by East Lothian Council, is to sign off the Strategy. The next and **immediate** task must be to commission and sign-off a 3-year Action Plan.

124. The Action Plan is an essential planning mechanism to ensure that the Strategy's targets and milestones are achieved and will help partners to get to work quickly by setting out:

- Key actions that need to be taken across different delivery areas. Collectively, the actions outlined must demonstrably link to the desired outputs and outcomes and be sufficient in scale and effectiveness to meet the Strategic Goals (and associated targets and milestones) that have been set.
- Resources required to deliver these key actions and how these will be assembled.
- Organisational responsibility for each key action.
- Activity and output targets for each key action. The targets set should relate to the timescales of these plans.

125. The process for reviewing progress against the Strategy's overarching targets and milestones, alongside the activity and output targets for each key action, on an annual basis. This must include both assessing progress and where there is underperformance, mechanisms to address this.

126. Getting the first 3-year Action Plan signed-off is an urgent priority for the Strategic Board. It should then be revisited and updated on a rolling basis over the 10 year life of the Strategy.

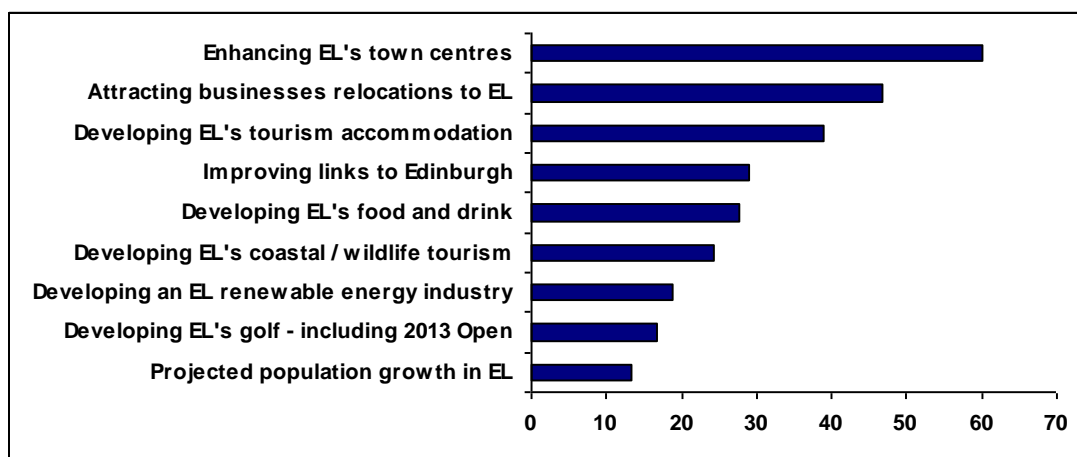
APPENDIX: EAST LoTHIAN BUSINESS SURVEY FINDINGS

East Lothian's Opportunities

From a list of potential opportunities for East Lothian, businesses were asked to select their top three opportunities. Figure x shows that the opportunities selected most were:

- Enhancing East Lothian's town centres.
- Attracting business relocations to East Lothian.
- Developing East Lothian's tourism accommodation.

Figure x: Most Important Opportunities for the East Lothian Economy to 2022



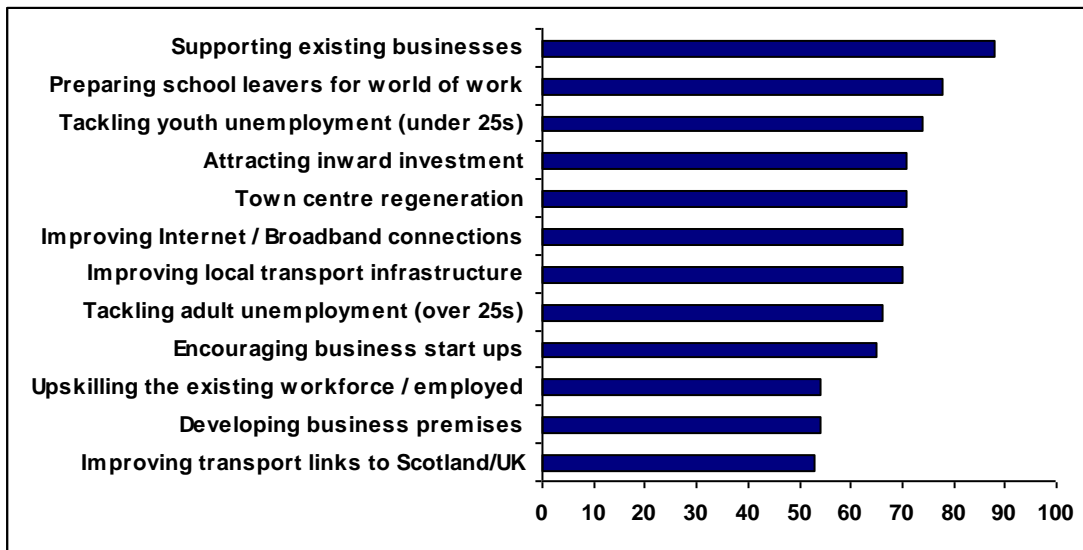
Source: TERU Business Survey

East Lothian's Priorities for Public Investment

Businesses were asked how public investment should be prioritised across economic development issues affecting East Lothian. On a scale of 'very high' to 'very low', Figure x shows the percentage of businesses that ranked each issue as a 'very high' or 'high' priority for public investment. Those prioritised most were:

- Supporting existing businesses.
- Preparing school leavers better for the world of work.
- Tackling youth unemployment.

Figure x: Economic Development Issues to be Prioritised (% of Businesses)



Source: TERU Business Survey

Future Business Opportunities

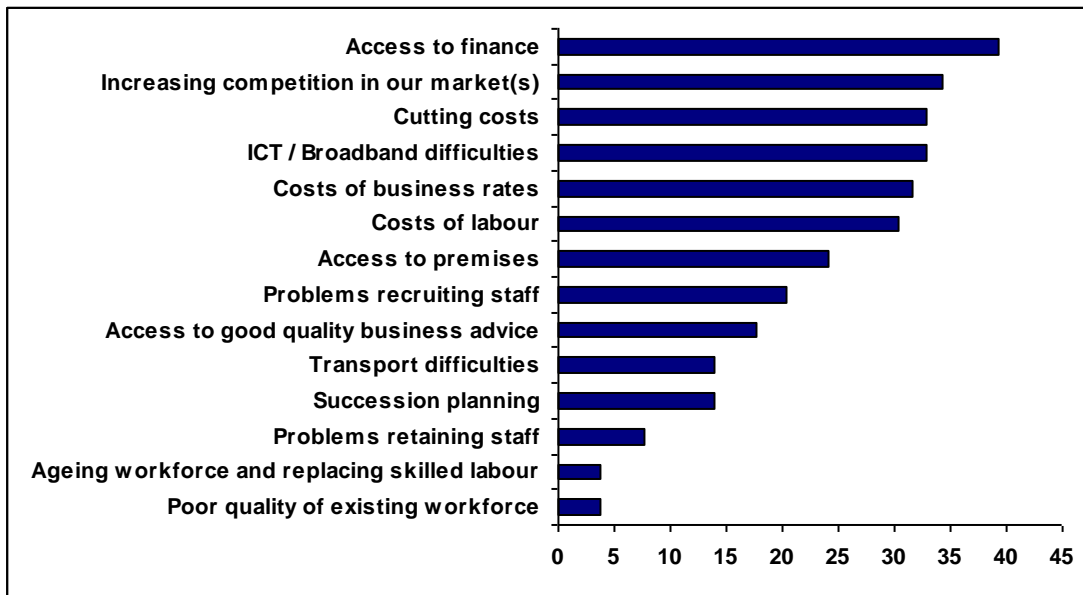
Businesses were asked about their aspirations to grow their East Lothian business over the next five years. Their responses signal a positive outlook with:

- 74% stating they have aspirations to grow.
- 18% stating they wish to remain the same size.
- 9% did not know.

Asked what challenges they feel their businesses are likely to face in the next five years, Figure x shows that the most common responses relate to the challenging financial environment rather than issues relating to the quality of labour.

- Access to finance.
- Increasing competition in our market(s).
- Cutting costs.

Figure x: Likely Business Challenges in Next 5 Years (% of Businesses)

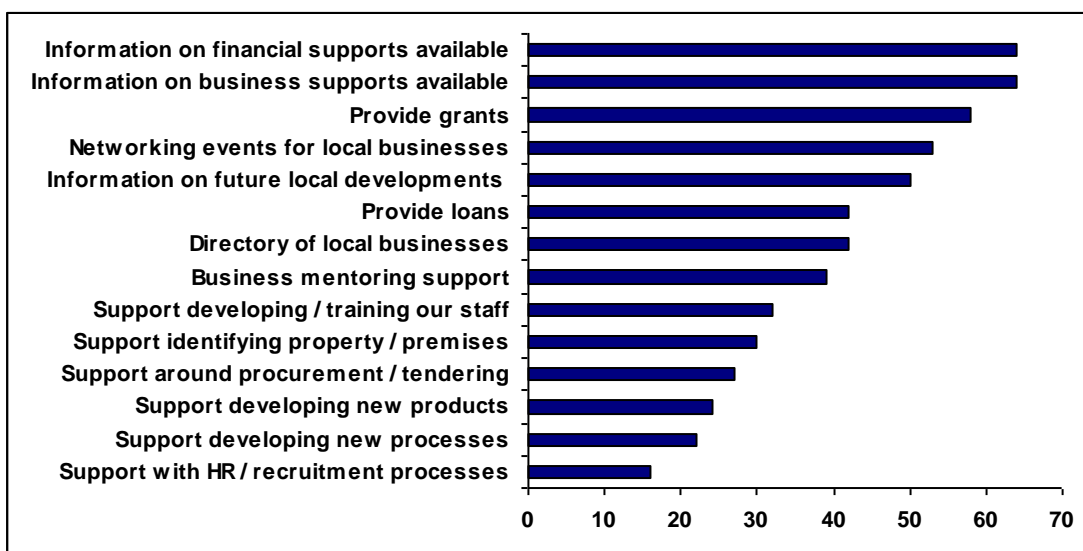


Source: TERU Business Survey

Businesses were asked what public agencies could do more effectively to help their business grow or sustain. On a scale of 'very high' to 'very low', Figure x shows the percentage of businesses that ranked each support as a 'very high' or 'high' importance to them. Those with the greatest importance attached to them were:

- Information on financial supports available to businesses.
- Information on business support services available.
- Providing grants.

Figure x: Most Important Supports for Businesses (% of Businesses)



Source: TERU Business Survey

Recruitment

Reflecting the economic downturn, **almost two-thirds (64%) of the businesses surveyed had not recruited in the last 12 months**. Of those that had recruited, 43% had no difficulties recruiting. Where businesses encountered recruitment difficulties, the most common difficulties cited amongst applicants were:

- 64% not having willingness to work.
- 43% not having skills specific to the job.
- 39% not having good basic skills (e.g. literacy, numeracy and IT).
- 32% not performing well in interviews or application forms.
- 25% not having sufficient work experience.
- 25% not having good core skills (e.g. communication skills and team working).

Asked where they advertise their job vacancies, **a high proportion of the businesses surveyed use local sources to recruit**. While the sample size for this question is relatively small (50 businesses), it does highlight the difficulties unemployed people may face finding out about job vacancies if word of mouth is widely used.

- 49% use word of mouth.
- 47% use local papers/press.
- 26% use Jobcentre Plus.
- 8% use private recruitment agencies.

Asked what would increase the likelihood of their business considering hiring more unemployed people, the most common responses were:

- 52% wage subsidies to employers.
- 44% initial work trial or placement periods.
- 43% more support for the employer after recruiting jobless individual.
- 22% more support for individuals after recruitment.
- 20% more information from agencies on support available.

Involving East Lothian Businesses

The Strategy's Action Plan will set out what public sector partners agree to deliver but it is also important to build on any contribution that local businesses wish to make. As part of the e-survey of East Lothian businesses, respondents were asked whether they would be prepared to help with a range of economic development activities. 66 businesses registered their interest in at least one activity. Interest was greatest in:

- Participating in a business network.
- Buying goods or services from other local businesses.
- Making an input into local economic development policy and strategy.

Figure x: Business Contribution to Economic Development Efforts

	Number of Businesses
Participate in a business network	44
Buy goods or services form other local businesses	35
Input into local economic development policy and strategy	23
Work with schools to raise pupil awareness of world of work	20
Work with colleges to raise student awareness of world of work	19
Provide work experience for college students	19
Provide work experience for school pupils	18
Mentor business start ups	15
Help small businesses improve their business effectiveness	14
Hire young people	12
Provide work experience placements for the unemployed	10
Hire long-term unemployed people	5