

## **An Action Plan for Economic Development in Highland**

The Highland Economic Forum, a partnership of public and private sector organisations chaired by Highland Council, is pursuing an initiative designed to build on the substantial employment and population growth that the region has achieved over the past ten years. Highland's population grew by 6.1% between 2001 and 2010 (twice the Scotland growth rate), and the Moray Firth sub region achieved the second highest economic growth between 1998 and 2008 of all the areas in the UK.

The main thrust of the Action Plan is to generate new employment in the private sector and social economy to compensate for employment and earnings reductions through national public sector cuts, whose impacts are particularly severe in Highland, which has a relatively high dependence on public sector employment and spending.

A study for the Highland Public Services Partnership by economist Steve Westbrook has found that more than 5,000 full time equivalent jobs are expected to be lost in Highland between 2009/10 and 2014/15, with an overall reduction in total pay of more than £200 million (in 2010/11 prices). These reductions relate to the staffing of public sector organisations, the organisations supported by public sector funding, and businesses dependent on the capital and operational spending of these organisations and their employees, and the impacts of reduced grant funding.

Despite the public spending cuts and the sluggish growth of the UK and Scottish economies since the recession, there is confidence in the region that recent growth can be sustained through a concerted effort to capitalise on national priorities and developments (including renewable energy, life sciences and broadband investment), sustain the region's growth engines (including the University of the Highlands and Islands, immigration, and inward investment) and build on new and planned investments (including Nigg Energy Park, the Beechwood Campus and Centre for Health Science, and tourism infrastructure such as the new John O'Groats facilities).

The Forum's initiatives, which are being taken forward through seven Working Groups, with private sector input, complement and add value to the priorities being pursued by the individual organisations with a role in the region's economic development, including Highlands and Islands Enterprise, Highland Council and Skills Development Scotland, and are consistent with the Scottish Government's Economic Strategy.

The principal themes of the Action Plan are:

- To stimulate and support indigenous business growth (including new business formation, diversification, internationalisation and collaborations).
- To help maximise the impacts of the UHI and attract national and international research funding into the area.
- To ensure that the workforce, sector by sector, has the skills to enable the region and its businesses to capitalise on opportunities.
- To address the growing problem, shared with other parts of the UK, of youth unemployment, and to attract back those with family connections with the region to help fill new job opportunities in renewables, tourism, life sciences, IT, etc.
- To focus on job creation that will help raise the region's relatively low average earnings in the private sector.
- Whilst creating jobs in the short term to compensate for public sector cuts and maintain the region's growth momentum, to take a long term strategic approach to growing the business base and creating career opportunities.

## **The Action Plan**

Specific initiatives being taken forward by the Forum's Working Groups include:

- Working with HIE and the private sector provider to maximise the provision of superfast broadband in the region and the economic benefits from broadband.
- Ensuring that the region's workforce benefits to the maximum from renewable energy and related developments.
- Fostering the development of research institutes to attract national and international funding into the area, provide well paid employment, and generate commercial spin-offs.
- Improving the provision of tourism-related training, and promoting tourism and hospitality as a career.
- Encouraging business development, e.g. through collaborations, that will increase the spend of tourist visitors.
- Increasing the provision of outsourced services to regional and national organisations by Highland private sector businesses and social enterprises.
- Facilitating an increase in homeworking opportunities throughout the region.
- Exploring ways, within statutory guidelines, in which local benefit considerations can be introduced into public procurement contracts.
- Identifying and supporting small businesses with high growth potential and encouraging new business starts that will create significant new employment (including encouraging public sector staff to consider self-employment that builds on their expertise and experience).

Best practice from other areas is being drawn upon in shaping new initiatives, and job creation targets are being developed for each new initiative. Employment measures are being promoted by Highland Works – a partnership between Highland Council, JobCentre Plus and Skills Development Scotland.

Whilst the focus is on the generation of new jobs through the private sector, pressure will be maintained on the Government to improve external road, rail and air links nationally and internationally.

## **The Forum's Membership**

The Highland Economic Forum's membership includes Highland Council, Highlands and Islands Enterprise, Skills Development Scotland, VisitScotland, Scottish Natural Heritage, the Inverness, Fort William and Caithness Chambers of Commerce, Cairngorms Business Partnership, SCDI, Institute of Directors, CBI Scotland, JobCentre Plus, Highland Employers Coalition, the Federation of Small Businesses, STUC, Highlands and Islands Partnership Programme, UHI, Inverness College, North Highland College, Lochaber College, Cairngorms National Park Authority, HITRANS, Energy North, North Highland Regeneration Fund, Highlands and Islands Social Enterprise Zone, Albyn Housing, Highlands and Islands Airports Ltd, Highland Opportunity Ltd, Fusion, and LANTRA.

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