

To: Leadership Board

On: 20 April 2022

Report by: Chief Executive

Heading: Scotland's National Strategy for Economic Transformation

1. Summary

- 1.1 This report brings to member's attention the recently published National Strategy for Economic Transformation (NSET) and its significance for Renfrewshire and the City Region as a whole. The main ethos of the NSET is to not only deliver economic growth but to tackle other big challenges such as structural inequality, the transition to net zero and securing a green recovery from the pandemic.
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2. Recommendations

- 2.1 It is recommended that the Board:
- (i) notes the content of the report on the NSET.
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3. Background

- 3.1 The purpose of this update is to inform members of the content of the NSET which was published by the Scottish Government in March 2022 and sets out their 10 year vision for the Scottish economy. The Strategy sets out priorities for Scotland's economy as well as the actions the Government feel are needed to maximise the opportunities over the next decade to achieve the vision of a wellbeing economy. This paper will summarise the key themes of the Strategy and how they link into the Council's and City Region's respective economic strategies.

- 3.2 In terms of preparing the NSET the Scottish Government undertook a degree of engagement with various stakeholders including COSLA and Regional Partnerships, however the proposed content was not shared for comment in advance of publication.
- 3.3 The NSET is limited in terms of specific references to Renfrewshire. For instance, aviation and Scotland's airports do not feature strongly in the new economic strategy. Although advanced manufacturing is identified as a significant future employment sector, AMIDS does not feature specifically within the published documents.

4 National Strategy for Economic Transformation

- 4.1 NSET was an election commitment of the Scottish Government and has been in development since the summer of 2021 with it being officially published in March 2022. It highlights how Scotland's position in new markets and industries could be strengthened, generating new and well-paid jobs. It also highlights the need for a just transition to net zero and the reorientation of the economy towards wellbeing, fair work and reduced poverty. NSET states that the Government wants to: *"build an economy that celebrates success in terms of economic growth, environmental sustainability, quality of life and equality of opportunity and reward"*.
- 4.2 The strategy sets out Scottish Government's vision and ambitions for the Scottish economy and the areas or programmes which will require action.
- 4.3 The overall vision for Scotland is to have **A Wellbeing Economy** by 2032, which is thriving across economic, social and environmental dimensions. The Government expects the next decade to outperform the last in terms of economic performance and tackling structural economic inequalities. Modelling contained in the accompanying evidence paper estimates that this strategy could increase the size of the Scottish economy by at least 4.9% (or £8 billion) more than it otherwise could have been in 2032.
- 4.4 The ambitions of NSET are to have an economy which is:
- **Fairer:** Ensuring better wages and fair work, reducing poverty and improving life chances.
 - **Wealthier:** Increasing productivity by building an internationally competitive economy founded on entrepreneurship and innovation.
 - **Greener:** Delivering a just transition to a net zero, nature-positive economy, and rebuilding natural capital.
- 4.5 NSET outlines five policy **Programmes for Action** which have been chosen as they are the areas where the Government considers progress is likely to have the greatest economic impact, with the supporting evidence and stakeholder engagement supporting these areas of focus.

These cover the following:

- **Entrepreneurial People and Culture:**

Create a culture in which entrepreneurship is encouraged, supported and celebrated.

- **New Market Opportunities:**

Strengthening Scotland's position in new markets and industries. Deriving economic opportunity from a just transition to net zero and other potential growth sectors such as high-value manufacturing, digital technology and the green and blue economies.

- **Productive Business and Regions:**

Make Scotland's businesses, industries, regions, communities and public services more productive and innovative, enhancing productivity performance and addressing regional inequalities in economic activity as well as boosting traditional and digital infrastructure.

- **Skilled Workforce**

Ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society. Particular focus on activity associated with the transition to net zero, the digital revolution, and lifelong training making sure employers have the supply of skills they need.

- **Fairer and More Equal Society**

Reorient the economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth and to significantly reduce structural poverty.

4.6 NSET states that these five policies are all interconnected and mutually reinforcing and should not be seen in isolation.

4.7 A sixth programme on delivery introduces a new streamlined delivery model in which all participants are clear about their roles and accept accountability for their actions. The Strategy seeks to create a culture of delivery and accountability in which objectives are shared and responsibilities are clearly allocated and accepted across the public, private and third sector.

4.8 The following diagram sets out the structure of the Strategy:



4.9 The strategy has a chapter devoted to each of these six programmes of actions, and in order to meet objectives of the Vision and Programmes for Action, NSET outlines 18 projects and 77 associated actions. These projects and actions are wide ranging and whose objectives include boosting entrepreneurship, innovation, investment, infrastructure, skills and reducing poverty and barriers to the labour market. There is also a strong ethos on having clear plans for measuring success.

4.10 We now examine the new NSET against the Council's own Economic Strategy (2019) and Recovery Plan (2020) as well the Regional Economic Strategy (2021).

Renfrewshire Council Strategies

4.11 The **Renfrewshire Economic Strategy** was launched in December 2019 and it set out a 10 year vision to boost the economy, tackle unemployment and to enhance the area's economic infrastructure.

4.12 The Strategy set out 8 economic challenges which needed to be addressed to strengthen and grow the Renfrewshire economy. A number of the objectives of these challenges chime with the overall vision and ambitions of the NSET. These include:

- Creating a stronger and more inclusive economy, improving economic participation and reducing inequalities;
- Fostering and supporting an entrepreneurial culture, increasing the number of business start-ups. Also supporting new and growing businesses that are successful and enhancing supply chain clusters;

- Promoting Renfrewshire internationally to attract and increase foreign direct investment and enhancing the area's image as a productive business location;
- Boosting the productivity and competitiveness of Renfrewshire's businesses across all economic sectors through promoting investment in R&D and innovation;
- Enhancing the skills provision of the local labour market so that it is more attuned to the needs of local economy and to the job requirements of the emerging sectors of growth;
- Improving the economic infrastructure of the Renfrewshire economy, including the provision of new digital connectivity and networks.
- A clear action plan was provided which set out how the goals of the strategy would be met and who would be responsible for achieving their delivery. This corresponds to the culture of delivery set out in the NSET.

4.13 The Renfrewshire Economic Strategy also refers to meeting the challenges of climate change and the setting of targets which will resonate throughout the economy and the infrastructure that supports it.

4.14 Realisation of the Economic Strategy's Action Plan has been impacted by the pandemic with a number of projects being put on hold. However, with the country now moving out of the pandemic, Council officers will again prioritise the successful delivery of the Strategy and its goals and objectives, taking into account the vision of the NSET.

4.15 In response to the pandemic, the Council in conjunction with the Renfrewshire Economic Leadership Panel, produced an **Economic Recovery Plan for Renfrewshire** which set out priority actions for the Renfrewshire economy over the next 2 years. It was intended to build on, rather than replace, the existing Renfrewshire Economic Strategy.

4.16 The Recovery Plan set out a number of overarching objectives, themes and priority actions which again tie in closely with those outlined in the NSET. These include:

- Supporting our young people through developing a refreshed employability programme and promoting enterprise and entrepreneurship in schools;
- Supporting business and their workforce through enhancing supply chain management, supporting work-place wellbeing and developing a productivity and innovation programme;
- Promoting economic wellbeing through raising awareness among locally based companies of potential procurement opportunities arising from Council projects and bringing forward actions to reduce health inequalities and improve economic participation;

- Improving skills and employability through targeted interventions for recruitment, upskilling and re-skilling across Renfrewshire's key sectors and the promotion of the Renfrewshire Apprentice Framework;
- Promoting a green recovery through the creation of active travel routes between neighbourhoods, town centres and business locations.

4.17 A number of these priority actions are still ongoing. Officers will strive to realise these actions taking cognisance of the overall aims of the NSET.

Glasgow City Region Economic Strategy

4.18 In December 2021, Glasgow City Region launched a new Regional Economic Strategy (RES) which aims to have a significant impact on public sector policy, decision making and spend over the next ten years for the local area. This new strategy takes into account the impact on the regional economy from the covid pandemic which has seen a number of economic shifts beginning to materialise.

4.19 The RES was prepared in the year of COP26 and the net zero agenda underpins a significant amount of policy direction over the next period.

4.20 The RES sets out three grand challenges for the city-region. As well as addressing the climate emergency (1), the strategy also seeks to tackle the legacy issue of below average productivity (2) and creating an inclusive economy (3). All these challenges are issues which are also identified in the NSET.

4.21 RES has three interlinked missions which aims to address the three grand challenges. These include by 2030 being the most inclusive and most productive city-region economy in the UK as well as being the most advanced in terms of the race to net zero and climate resilience. Again, these all link in closely to the overall aims and objectives of the NSET.

4.22 RES also defines 12 priority programmes to develop further economic activity across the city-region before 2030. A number of which are relevant to NSET. These include:

- The realisation of a number of **existing programmes** such as Glasgow City Deal; Innovation Districts (one of which is AMIDS); and Clyde Mission (which has funded the Renfrew- Paisley Active Travel Route) which will help create a more economically productive Region which is in a better place to access new market opportunities ;
- Ones that are **in development** such as the Glasgow Metro project and the energy retrofit of the city-region's housing stock which will help towards the drive for net-zero ; as well as
- Some that are **emerging** such as a Foundational Economy Pilot; a Green Demonstrator Programme; a Future Skills Programme; and a Fair and Healthy Work Programme which should contribute to having a more skilled workforce and a fairer and more equal society;

5 Conclusions

- 5.1 Overall, both the Renfrewshire Economic Strategy and Recovery Plan, alongside the RES, raise a number of issues and challenges which align closely with the NSET. Issues such as addressing the climate emergency, enhancing productivity, encouraging entrepreneurship and creating a more inclusive and fairer society are covered in all the Strategies. The development of high growth sectors such as advanced manufacturing and the digital economy are also common goals across these policy documents.
 - 5.2 Officers from within the Council will continue to work with colleagues across the City Region and Scottish Government to advance the economic prospects of Renfrewshire in the future, ensuring that the goals of the NSET are taken into account during the delivery of the Renfrewshire Economic Strategy and Recovery Plan.
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Implications of the Report

1. **Financial** – No additional finance is sought. All funding is accounted for within existing Council budgets.
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** – None.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** - None.
12. **COSLA Policy Position** – Not Applicable.
13. **Climate Risk** – Not Applicable.

List of Background Papers

None.

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