SLAED
Scottish Local Authorities
Economic Development Group

Scottish Local Authorities' Economic Development Group

3 Year Strategic Plan 2023-2026

Providing a national voice for local economic development

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Executive Summary

The work of local authorities in economic development is extensive. It covers a range of core areas including wide-ranging employability and business support for individuals, businesses and the development of place-making and regeneration. This results in a significant contribution to the economy by helping build better places, improving quality of life, and making areas more attractive to investors. In this way, councils provide economic leadership and act as a key link across government (local and national), businesses and knowledge institutions.

This includes the central role that councils play in working with local, regional and national partners and in engaging the private sector, universities and colleges in order to strengthen the economy and ensure local areas and populations benefit from inclusive economic growth.

All 32 Local Authority Economic Development departments were crucial to the response to the COVID-19 pandemic, supporting businesses and administering grants, and are central to economic recovery and the cost of doing business agenda, continuing to support businesses and those who have been made unemployed or have had difficulty engaging in the labour market.

With the devolution to Scotland of responsibility for increased taxation revenue,[1] the need for a robust, well-functioning, sustainable economy is of growing importance. A vibrant, competitive economy is necessary for the creation of social policy, distribution of opportunity and wealth, effective community place-making and helping facilitate properly funded public services. Support for wellbeing economies, via approaches like Community Wealth Building, is critical to recovery and the renewal of an economy to be fairer and more equitable.

As the lead bodies for local economic development, deliverers of a wide range of vital services and major economic actors in their own right, local authorities make a significant contribution to the economy of Scotland. The public sector has to be at the centre of economic recovery efforts, as a major employer, procurer of goods and services and owner of local assets.

The annual SLAED Indicators report demonstrates the collective weight of councils' contribution to the sector - employing some 1,200 economic development staff, supporting over 14,000 businesses each year and assisting around 16,500 people into jobs annually.[2]

Councils also have a substantial economic footprint themselves employing over 240,000 individuals, spending £7bn per annum on procurement and managing some 40,000 physical assets.[3]

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1 https://www.gov.uk/government/publications/the-agreement-between-the-scottish-government-and-the-united-kingdom-government-on-the-scottish-governments-fiscal-framework

2 https://www.improvementservice.org.uk/products-and-services/consultancy-and-support/economic-outcomes-programme/slaed-indicators-framework

3 https://www.improvementservice.org.uk/products-and-services/consultancy-and-support/economic-outcomes-programme

Employability is a crucial component in tackling poverty and socio-economic disadvantage and councils play a pivotal role in supporting people to get into fair, sustainable work which drives success, wellbeing and prosperity for all.

In addition to direct economic development, councils are also responsible for a wider range of services - such as roads & transportation, planning, education and regulatory services – all of which are essential to a vibrant economy.

Nevertheless, whilst economic development is a priority for every local authority, the scale and nature of public service cuts over a sustained period[4] means that this non-statutory service remains fragile.

For all of these reasons, SLAED has a key role to play in continuing to promote the importance of councils' economic development function as part of the range of critical local authority-wide services deployed to address local challenges and deliver the outcomes set out in each area's Local Outcomes Improvement Plan (LOIP). It is also important to ensure that the extensive local authority experience is engaged effectively to help shape the development of Scotland's economic development priorities and network in order to advance economic wellbeing across all communities.

This Strategic Plan sets out how SLAED is governed, its aims and objectives and outlines the context, challenges and opportunities facing local economic development services. In summary SLAED's objectives are:

- Promote sustainable economic development that supports a more inclusive, greener, wellbeing economy that positively contributes to recovery and renewal.
- Develop and promote the key role of local authorities, as the lead partners for local economic development
- Provide a dynamic forum for local government economic development colleagues to work together
- Represent local authority economic development interests at national level
- Work in close partnership with other local government
- Analyse and report on the contribution made by local authorities to economic development
- Inform, influence and support the ongoing development of professional standards and continuous improvement

SLAED's priority areas of focus will be:

- Economic Recovery and Renewal
- Delivering key economic development initiatives
- Impact of EU Exit
- Regional Working, Inclusive Growth and Wellbeing Economy
- Review of business support priorities and service redesign of Business Gateway

4 http://www.audit-scotland.gov.uk/report/local-government-in-scotland-challenges-and-performance-2019

- Proactive engagement and building relationships
- Developing and involving the wider SLAED membership

About SLAED

The Scottish Local Authorities' Economic Development (SLAED) Group is the professional network for economic development officers from across Scotland's 32 local authorities.

In addition to a focus on traditional economic development services, the work of SLAED is also increasingly focused on a broader agenda, making linkages with colleagues across professions to maximise the impact of the full range of economic levers available to councils and to ensure holistic, joined-up service design and delivery. Economic Development has played an important coordinating role between all business-facing council services such as Planning, Environmental Health, Licencing, Rates etc providing a more joined up approach for the business community. It also plays a role in areas such as tackling child poverty through employability services targeted at parents and climate change through support for green jobs and skills, support for businesses to become more climate friendly and support for businesses sectors such as renewables.

At the heart of the SLAED agenda, is a central focus on promoting and delivering economic wellbeing for all citizens and communities.

SLAED has given, and continues to give, an officer voice at the table with national government and other national agencies, to help shape the response and plans for economic recovery and renewal, ensuring that local government is a core partner.

SLAED's Aim

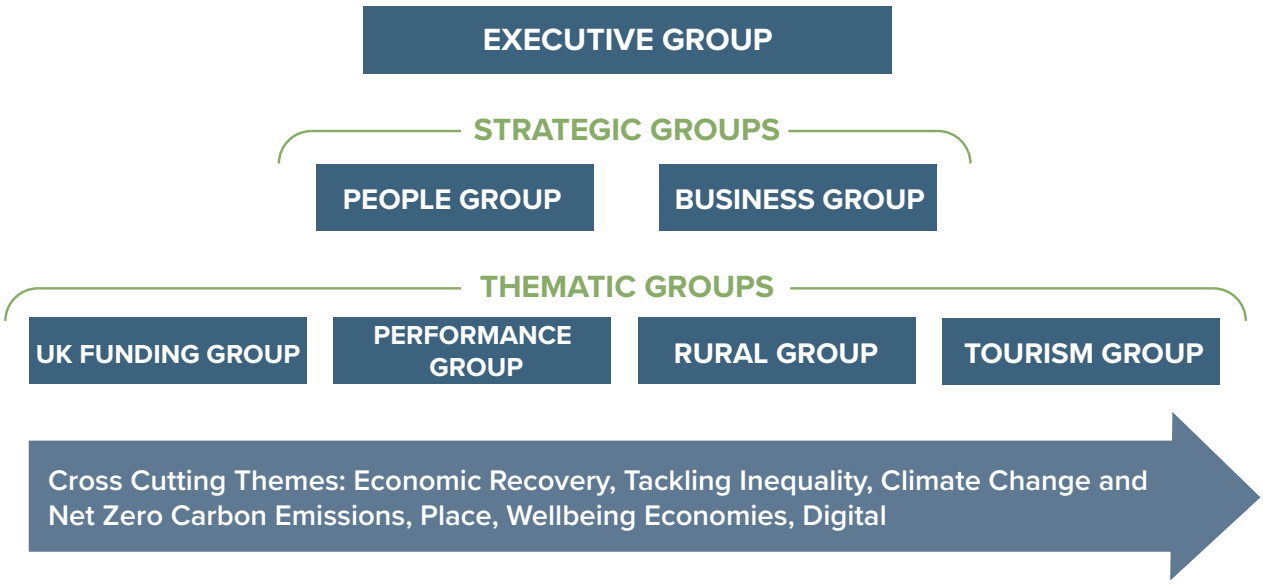
SLAED exists to provide an effective forum for collaboration and communication and representing, supporting, promoting and further developing the vital role played by local authorities in contributing to the development of Scotland's sustainable, inclusive economy. It does this by reflecting the work of the 32 councils and providing a national voice for local economic development, influencing national discussions and policy.

SLAED's Governance

SLAED Executive Group and Sub-Groups

The mainstay of SLAED's work is carried out by its network of strategic and thematic groups. Reporting into the SLAED Executive Group, these groups comprise People, Business, UK Funding, Performance, Rural and Tourism. (see Fig. 1)

Fig. 1: SLAED Group Structure



The work of the groups is key to contributing to the full range of SLAED's aim and objectives by providing opportunities for discussion, collaboration, knowledge and practice sharing, policy development, responding to consultations, supporting professional development and overseeing the delivery of key outputs, such as the annual SLAED Indicators Report.

Each group has a remit and work plan. These are set out within a separate Annexe to the Strategic Plan, which will be updated on an annual basis. Progress against these group action plans will be reported on a regular basis to the SLAED Executive.

The SLAED Executive Group includes the Chairs and Vice Chairs of each sub-group and some non-portfolio representatives. It will continue to act as the key strategic group, with oversight responsibility for co-ordinating SLAED activities; developing relationships; responding to requests for input; organising the annual conference, AGM and other events; as well as maintaining and developing SLAED's membership. The Executive Group will also consider the cross cutting themes outlined in this plan and will identify representatives to engage on any working groups.

SLAED's Objectives

The specific objectives of SLAED are to:

1. **Promote sustainable economic development that supports a more inclusive, greener, wellbeing economy that positively contributes to recovery and renewal.** As lead partners for local economic development, councils make a major contribution to Scotland's economy - locally, regionally and nationally. Through their wider roles as democratically accountable anchor institutions and as deliverers of a broad range of services, they play a central role in helping advance economic wellbeing for all of Scotland's citizens and communities.

2. **Develop and promote the key role of local authorities, as the lead partners for local economic development** - and a central plank of Scotland's national economic development system. This links closely with the shared priorities set out within the National Performance Framework[5] and the contribution made to the six programmes of action – Entrepreneurial People and Culture, New Market Opportunities, Productive Businesses and Regions, Skilled Workforce, A Fairer and More Equal Society and A Culture of Delivery – set out within Scotland's National Strategy for Economic Transformation (NSET).[6] In particular, it focuses on the vital contribution and leadership that councils provide in economic development locally, regionally and nationally. This has become even more important as a result of national recommendations on economic recovery and social renewal e.g. on Fair Work.

3. **Provide a dynamic forum for local government economic development colleagues to work together** on common issues, share information and expertise, encourage best practice, innovation and continuous improvement. This includes actively embracing the public sector reform agenda of continuous improvement, prevention, value for money and the achievement of better and more sustainable outcomes.

4. **Represent local authority economic development interests at national level** by developing professionally-informed policy responses, responding to consultations and helping **lead the agenda** through effective, pro-active engagement with other key public and private sector stakeholders that have a role in economic development and proactively lobbying for a place on national groups where appropriate.

5. **Work in close partnership with other local government groupings** — including SOLACE (Society of Local Authority Chief Executives), COSLA (Convention of Scottish Local Authorities) and the Improvement Service, as well as other local government professional groupings such as Procurement, Planning, Roads & Transportation and Housing — in order to maximise collective impact and ensure a joined-up, holistic approach across local government.

6. **Analyse and report on the contribution made by local authorities to economic development** via the annual SLAED Indicators Report[7] which summarises the collective

5 https://www2.gov.scot/About/Performance/scotPerforms

6 https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/1/

7 https://www.slaed.org.uk/slaed-indicators-framework

inputs, activities, outputs and impacts delivered by councils. This will include seeking to understand the wider impact of economic development on wellbeing.

7. **Inform, influence and support the ongoing development of professional standards** and **continuous improvement** in economic development practice.

Cross-cutting Themes

There are a number of cross cutting themes which have been identified by the SLAED membership as critical to the delivery of all the actions and which weave through all economic development work, as set out in Figure 1 above.

Economic Recovery

The Covid 19 pandemic and subsequent cost of living crisis as a result of Russia's invasion of Ukraine, EU Exit and political turmoil at a UK level, hit both businesses and consumers alike. The role of economic development in supporting local economies is vital to economic recovery in Scotland, with business support services in particular having to respond to this additional crisis.

SLAED members will play a key role in responding to the crisis and how it has impacted on their local economies.

Tackling Inequality

Economic Development has a key role in tackling inequality, and is set out as one of the priorities in the NSET.[8] Stimulating sustained and inclusive economies is an important driver to decreasing inequality. The policies which can improve equality and tackle socio-economic disadvantage include increasing people's earnings; improving access to essential services; and enhancing long-term development prospects, without diminishing growth. These policies operate best when paired with good macroeconomic management policies that stimulate innovation, promote high levels of savings and investment, allocate resources effectively and allow for well-functioning labour markets that create jobs and enable the poorest to take advantage of those opportunities.[9] The No One Left Behind policy direction which includes initiatives such as Parental Employability Support Fund, Young Person's Guarantee and Employer Recruitment Incentives in particular will contribute to tackling inequality.

Targeted support for people who are experiencing inequality of outcome to engage with the labour market is an important cross cutting economic development agenda and SLAED will seek to ensure this is embedded across the workplans of each of the subgroups.

Climate Change

The Climate Change targets for Scotland include a reduction in emissions of 75% by 2030 (compared with 1990) and to net zero by 2045. The Scottish Government posits that 'a green recovery offers opportunities to address inequalities, create and maintain good, green jobs right across Scotland, and empower people and communities to make decisions about their future through community wealth building. A green recovery drives action to reduce our emissions and protect and restore our natural environment.'

8 https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/8/

9 Sustainable Development Goals – Tackling Inequality.

Local Government economic development services have an important role to support the green recovery and SLAED will ensure that the collective voice of its members informs policies and practice put in place to tackle emissions in the economy, supports green jobs and businesses and supports all businesses to reduce their carbon emissions. Climate change will be considered across all of the subgroups particularly with regard to net zero for all businesses, a just transition, green recovery and areas such as eco-tourism and the food and drink sector.

Place

The Scottish Government and COSLA have agreed to adopt the 'place principle' to help overcome organisational and sectoral boundaries, to encourage better collaboration and community involvement, and improve the impact of combined energy, resources and investment.

The place principle requests that:

- all those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive and sustainable economic growth and create more successful places.

There is a commitment to taking:

- a collaborative, place-based approach with a shared purpose to support a clear way forward for all services, assets and investments which will maximise the impact of their combined resources.

A place-based economic recovery is highlighted across a range of policies and recommendations and place cuts across all of the objectives and actions set out in this plan, particularly in regard to supporting initiatives such as Community Wealth Building and Wellbeing Economies and the delivery of the Place and Wellbeing Outcomes.[10]

Inclusive Growth/Wellbeing Economies

Inclusive growth reflects a concern for the socio-economic consequences of economic growth and change, and is a term widely adopted by policymakers. It is a focus taken in response to growing economic inequality, where not everyone benefits from growing economies focused solely on Gross Domestic Product (GDP).

A wellbeing economy is one which focuses on social justice and a healthy planet. A wellbeing economy is built around:

- Dignity: Everyone has enough to live in comfort, safety and happiness
- Nature: A restored and safe natural world for all life
- Connection: A sense of belonging and institutions that serve the common good
- Fairness: Justice in all its dimensions at the heart of economic systems, and the gap

10 https://www.improvementservice.org.uk/products-and-services/consultancy-and-support/planning-for-place-programme/place-and-wellbeing-outcomes

between the richest and poorest greatly reduced

- Participation: Citizens are actively engaged in their communities and locally rooted economies[11]

Both inclusive growth and wellbeing economies seek to measure the progress of the economy by looking at the quality of, and improvement in, people's lives, rather than short-term profit and GDP.

A focus on fairness and equity, with an economy which benefits all, underpins this strategic plan and the work of SLAED.

A Strong Digital Economy

Scotland's economy must adapt and seize opportunities to innovate ethically in an interconnected world where digital technology continues to disrupt markets, and revolutionise industries.[12]

The role for local economic development is to connect businesses to support that will enable them to be secure digital businesses, attract investment for and from technology businesses, facilitate investment in digital infrastructure and support the development of digital skills in the workforce.

Across the various objectives and action SLAED will consider how digital factors, in the delivery of services, skills development, employment opportunities in digital technologies and how businesses can use digital technology to innovate.

11 https://wellbeingeconomy.org/wp-content/uploads/2019/12/A-WE-Is-WEAll-Ideas-Little-Summaries-of-Big-Issues-4-Dec-2019.pdf

12 https://www.gov.scot/publications/a-changing-nation-how-scotland-will-thrive-in-a-digital-world/pages/part-two-a-strong-digital-economy/

Context

In addition to the cross cutting themes, the wider Scottish, UK and global context also informs the priorities which SLAED will seek to deliver over the course of this Strategic Plan. These are summarised here.

The National Strategy for Economic Transformation

The Scottish Government published its National Strategy for Economic Transformation (NSET) in March 2022, outlining 6 key programmes for delivery:

1. Entrepreneurial People and Culture
2. New Market Opportunities
3. Productive Businesses and Regions
4. Skilled Workforce
5. A Fairer and More Equal Society
6. A Culture of Delivery.

Local government has a crucial role in delivering on these programmes at a local level, and the SLAED Secretariat has assessed the actions under each programme to identify where Councils can, and already, deliver. Activity is not only restricted to Economic Development services, but across Education (including Early Learning and Childcare), Human Resources and Organisational Development, Procurement, Community Learning and Development and Child Poverty.

An overview of all the economic priorities for local government in Scotland has also been developed which shows common priorities which have been highlighted by the majority of councils or regions as key to economic development and growth. These include:

- **Developing Places**, including enhancements to both physical and digital infrastructure.
- **Investing in People**, through developing skills and linking these with employment opportunities.
- **Enhancing Innovation**, and harnessing existing talent and ideas to create new opportunities.
- **Embracing a Greener economy** and taking advantage of the opportunities arising from the transition to net-zero.
- **Developing a Fairer economy** based on the values of Inclusive Growth and Community Wealth Building.
- **Growing the Business base** through focus on growing sectors and harnessing opportunities.
- **Identifying inward Investment opportunities** and taking advantage of these.

These priorities closely align with the programmes of the NSET and Councils and Regional Economic Partnerships are keen to inform and deliver on the actions outlined in the Strategy.

The Impact of COVID-19 on Scotland's Economy

COVID-19 had a massive impact on the global economy and Scotland, like all countries, was deeply affected. Throughout the COVID-19 crisis, the SLAED network played a key role in facilitating communication between local authorities and in representing their collective perspectives in dialogue with a range of stakeholders and in response to consultations. It also represented local government in discussions at a national level. This collective voice added significant value to the local government position and ensured that local government economic development was at the heart of the plans for recovery and renewal at a national, regional and local level.

The hardest hit business sectors during the pandemic were hospitality, accommodation & food services and culture and recreation. Customer facing sectors in particular continue to face significant challenges including rising costs and pressures on consumer spend, albeit there are differing impacts across urban and rural areas.

Given this context Local Government Economic Development services are even more important than ever and are a primary support for local businesses across Scotland. Local economic development services also have rich local intelligence gathered through the relationships with businesses and networks supported. This intelligence informs policy and support responses, with local services more agile and able to quickly respond to economic shocks. Local economic development is also best placed to lead on developing economic recovery plans with local partners in business, third sector and other public agencies.

The Impact of the Cost of Living and Doing Business Crisis

The Scottish Government defines the cost crisis as:

"the sharp increases in the cost of living, in the cost of doing business and in the costs for other organisations including in the third and public sector".

The crisis is hitting both consumers and businesses. For business there have been significant pressures arising from direct energy and fuel cost increases, consequential impacts on supply chain and materials, rising staffing costs, exacerbated by some skills shortages/competition, employee inflationary pressures and falling consumer demand. Energy price rises in particular are putting the future of businesses at risk.

The Office for Budget Responsibility has projected a rise in the unemployment rate, predicting a peak of 4.92% in the third financial quarter of 2024, and then slowly falling steadily over the consecutive years to a rate just above 4% in 2027. This is more optimistic than the rate forecast by the Bank of England, who predicted an unemployment rate up to 6.4% in Q4 of 2025.[13]

Meanwhile, total employment is expected to be fairly level until 2024, before increasing 1% annually from 2024 onwards from 32.7 million in 2024 to 33.6 million in 2027. However, there has also been a rise in economic activity, largely driven by an increase in the number reporting long term-sickness, which grew by 169,000 over summer 2022 (and by 378,000 relative to

13 https://fraserofallander.org/first-thoughts-on-the-autumn-statement-and-the-implications-for-scotland/

pre-pandemic levels). This is related to the impact of Covid on the health (including on mental health) itself of the population, as well as the impact on NHS waiting lists.

The Fraser of Allander Institute points out other impacts on business including employer contributions to National Insurance, VAT registration threshold freeze (with implications for SME's, particularly given the ongoing inflationary pressures that would push a number of small businesses past this threshold) and no indication of whether the Energy Bill Relief Scheme (EBRS), which provided energy support for businesses between 1 October 2022 – 31 March 2023, being extended beyond 2022/23.

The UK is entering into period of recession at the time of writing, with the Bank of England more pessimistic than the Office of Budget Responsibility (OBR) in their forecasts.

Living standards will decline more than during and after the financial crash between 2008 – 2012. It is anticipated that the UK economy will shrink by 1.4% in 2023, according to forecasts released alongside the government's autumn statement in November 2022. This will further impact the economy in the short to medium term.

EU Exit

Britain's exit from the EU is also having an impact on businesses and thereby employment with disruption to EU-UK trade.

Scottish Government business surveys have shown that many Scottish businesses have faced additional trading costs due to EU exit since the start of 2021. Evidence from the ONS Business Insights and Conditions Survey (BICS) suggests that businesses experiencing challenges with exporting or importing attribute the main cause of these difficulties to the end of the EU transition period not the COVID-19 pandemic.[14]

A report by the Resolution Foundation and the London School of Economics, The Big Brexit, shows a mixed picture in regard to the impact of EU Exit on UK businesses.[15] Imports and exports have not fallen as much as predicted, but different measurements in the UK and EU make this difficult to be clear. The main impact appears to be on trade openness and competitiveness. The fall in UK trade openness since the introduction of the Trade and Cooperation Agreement (TCA), measured as trade as a share of GDP, has been larger than that experienced by peer nations.

These relative declines in UK openness are driven by goods trade: UK goods exports as a share of GDP fell between 2020 and 2021, despite rising for all EU countries except Ireland.

Another report, by John Springford, Deputy Director of the Centre for European Reform suggests that the UK economy is lagging behind peers. Looking at peer nation economies which have recovered and are close to or above their pre-pandemic levels of outcomes, in the second quarter of 2022 EU Exit had reduced GDP by 5.5%, investment by 11% and goods trade by 7% than what they would have had the UK remained in the EU.[16]

14 The Brexit Referendum 5 Years on – Summary of Impacts to Date

15 https://www.resolutionfoundation.org/app/uploads/2022/06/The-Big-Brexit_.pdf

16 https://www.cer.eu/insights/cost-brexit-june-2022

The Office for Budget Responsibility highlighted in early 2022 that EU Exit has created a range of non-tariff barriers including additional checks, declarations and regulatory controls which can impact on trade. It also suggests that the UK has missed out on much of the recovery in global trade, becoming a less trade intensive economy.

In Agriculture and Food in particular regulations for import have been pushed back which has an impact on the industry, particularly in more rural areas, with impacts on the supply chain in particular.

It is anticipated that there will be ongoing impacts from EU Exit on businesses over the lifetime of this plan.

Challenges and Opportunities

Alongside a declining resource base, councils require to respond effectively to a wide range of new challenges and opportunities. These include:

Challenges

- COVID-19, the cost of living and the cost of doing business crises and EU Exit will have a differentiated impact on local economies, sectors and individuals. SLAED has been involved in discussions with Scottish Government and other national agencies, to raise the profile of the support local government has provided to local economies, and to identify its role at the centre of a place-based approach to recovery and renewal;
- Economic Development is not a statutory service, but a crucial focus for ongoing recovery. As a non-statutory service, in a local government funding environment which is increasingly ring-fenced, many economic development services have been reduced over time;
- Annualised budgets make it difficult to plan and deliver responsive and appropriate services and the move away from a payment by results model is welcome to support individual needs and circumstances;
- Delivering on UK Shared Prosperity Fund and Levelling Up Fund projects are both an opportunity and a challenge given tight timeframes for delivery of some elements.

Opportunities

- The opportunity to apply in practical terms the concept of wellbeing economies, as set out in Scotland's National Strategy for Economic Transformation[17] helping ensure that all of Scotland's communities can benefit from economic success. The alignment and integration of economic recovery with social renewal is essential to achieve the objectives of a fairer more inclusive economy and society;
- The delivery of City and Growth Deals and the development of broader regional economic partnerships in a manner that will genuinely add value and enhance inclusive growth;
- Developing strong linkages between economic development and wider priorities in Scotland at national and local levels such as addressing inequalities, child poverty, digital connectivity, climate change and improving outcomes;
- Supporting a green economic recovery with the creation of good quality, green jobs and the focus on a just transition to net zero greenhouse gas emissions;
- Contributing to the delivery of a range of national performance framework outcomes, including:
    - We have a globally competitive, entrepreneurial, inclusive and sustainable economy;
    - We have thriving and innovative businesses, with quality jobs and fair work for everyone
    - We tackle poverty by sharing opportunities, wealth and power more equally
    - We are healthy and active.

17 https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/8/

Over the next few years SLAED will work to form ever closer working relationships across local government partners, including SOLACE, COSLA, the Improvement Service and various professional groupings for example in procurement, planning, transport, housing etc., in order to address these kinds of opportunities and challenges. Promoting greater collaboration amongst the spheres of government and identifying shared priorities and agreeing collective action, will deliver a better integrated and aligned contribution from national and local government to meet emerging challenges and opportunities.

A collaborative and co-operative partnership with national government(s) will enable effective partnership approaches that draw upon complementary skills and resources essential in ensuring optimal impact.

Community Planning Partnerships (CPPs) are another mechanism to promote and support local economic development, including partners fully embracing their anchor organisation role as employers, procurers and owners of assets within communities. Agreeing collective action on local economies across CPPs will facilitate the delivery of place-based solutions to tackle inequality and create thriving communities.

SLAED has a role to play in all of this by providing a forum to exchange information and ideas and forge innovative, collaborative and forward-thinking solutions.

SLAED's Priority Areas of Focus 2023-26

In delivering its strategic Aim and Objectives over the next three years and considering the context, challenges and opportunities set out above, SLAED will require to undertake a number of activities, many of which will link with one another. These will be continually reviewed and refreshed to ensure delivery of a resilient, robust and relevant action plan. More detailed actions sit within the work plans of the strategic and thematic groups.

1. Economic Recovery and Renewal

Local authority economic development teams played a critical role in both the initial response to the COVID 19 pandemic and subsequent economic crisis, as well as the ongoing recovery efforts.

Recovery strategies, setting out plans for tackling the ongoing economic challenges are developing and adapting over time due to the uncertainty that remains around the ongoing health and cost of living and doing business crisis. The plans recognise that there will not be a return to 'normal' in terms of previous ways of working, and there is a focus on shifting towards a more preventative approach. Many of the plans recognise that 'agile' thinking and 'scenario planning' will be crucial, as it is extremely difficult to predict what the future will hold for local authorities.

It is therefore more useful than ever for local authorities to look to each other for examples of good practice in recovery planning and identify opportunities to share learning and collaborate to a much greater extent. A combination of better partnership working, utilisation of technology and new operating models are likely to be required going forward. The various working groups of SLAED can continue to facilitate this partnership working, information sharing and support.

2. Delivering Key Economic Development Initiatives

Local Government Economic Development services will be at the heart of the delivery of a wide range of Scottish Government initiatives and programmes including:

- Tackling inequality and the unequal impact of the pandemic and cost crisis
- Tourism Recovery
- Transition Training Programmes
- Tackling child poverty through parental employment
- No One Left Behind employability agenda, with a focus on person-centred approach to sustainable employment opportunities
- Job Guarantee Programmes
- Boosting youth employment opportunities
- Support for employees and businesses in redundancy situations

- Climate Change and green economic recovery, including green and nature based jobs, skills development and sustainable supply chains
- Digital connectivity, innovation and the adoption of digital tools
- Workplace transformation
- Property and employment land investment
- Supplier Development Programmes
- Business Loans Scotland
- Business Support Partnership.

SLAED's role will be to ensure that the voice of local government is reflected in the national discussions and planning around relevant programmes, having representatives on working groups and discussion fora. These representatives will present the collective SLAED voice, engaging with their fellow members regularly to inform action at a local level. Learning from each other will be equally important especially in areas such as Community Wealth Building, Wellbeing Economies and the delivery and administration of the new UK structural funds.

3. Impact of EU Exit

Local authority economic development services will have an important role in assisting businesses to understand new processes and legislation and in supporting them to adjust to the new relationship with Europe as our single largest trading partner.

Changes to structural funds will also have an impact, with a level of uncertainty about how future programmes will be funded. The UK Government has introduced the UK Shared Prosperity Fund (UKSPF), which succeeds the old EU structural funds and is a long-term funding stream. Scottish local authorities' will use their allocation to maximise the benefit to their local areas and communities. There will be substantial work required on delivering UK Shared Prosperity Fund Investment Plans to the end of March 2025, as well as delivery in those authorities who have secured substantial capital funding through the Levelling Up Fund.

SLAED will continue to bring together colleagues via the funding group as well as keeping a watchful eye on emerging impacts.

4. Regional Working, Inclusive Growth and Wellbeing Economy

SLAED co-led on work that examined experiences to date of regional economic working in Scotland, exploring how regional approaches are contributing to inclusive growth and how potential challenges of regional working are being managed.

Two reports have been published and the recommendations in these are informing the work around economic recovery.[18]

Councils have a central role in economic development and in supporting inclusive economic growth, and all are involved in regional collaborations of one form or another – often project-

18 https://www.improvementservice.org.uk/products-and-services/consultancy-and-support/economic-outcomes-programme/regional-economies

specific and driven by pragmatic concerns. Across the reports there was broad agreement around the rationale for regional working based on functional economic geography (a rationale that was felt to be stronger for city regions than some other geographies, particularly more rural areas), mutual benefits for partners and the potential to deliver improved outcomes. However, it was noted that the evidence base to demonstrate the benefits (or otherwise) of regional working is under-developed.

Additionally, there is now a move from the City and Growth Deal structures to something more strategic (and less transactional) over time and there is an opportunity now for local government to be more proactive in developing the case for regional working, shaping the agenda, leading by example and formulating a clearer ask of national government and other partners.

There is a role for SLAED to engage with Scottish Government to agree a set of driving policy objectives for regional working and once they are agreed to develop appropriate measures of success and a framework for the collection of data to form an evidence base for regional working.

Greater focus on inclusive growth and creating a wellbeing economy will also be a priority across regions and more locally, and is a crucial part of the renewal of the Scottish economy, given the stark inequalities the pandemic and the cost of living crisis have highlighted. SLAED will facilitated engagement across Scotland on this and will also consider the upcoming Community Wealth Building Bill and the consultation process, reflecting the voice of economic development officers and informing how this might be delivered.

5. Review of Business Support Priorities and Service Redesign of Business Gateway

Major change is underway in how the enterprise agencies deliver their programmes, with an opportunity now presented to declutter the landscape of products for businesses which was highlighted in the Enterprise and Skills Review in 2016 and being taken forward by the Business Support Partnership. COSLA, Business Gateway and SLAED are all represented on the Business Support Partnership and contributing to the ongoing work. A key aspect of that is the Target Operating Model which is intended to clarify roles and responsibilities and thereby create the framework needed to achieve the decluttering of the business support ecosystem.

In response to this changing and challenging landscape the Business Gateway Board commissioned a service design exercise to understand the existing customer experience within the core service and aimed to reposition Business Gateway within the emerging business support environment. The first phase of this programme of work, completed in Spring 2022, identified and validated a number of projects over three horizons that would enhance the service. This work, which engaged customers, advisers and stakeholders, demonstrated that the service was already very well received but a process of continuous improvement would help to increase the desired customer centric approach. The service design process followed the Scottish Approach to Service Design, leading to a refreshed strategic mission, vision, values and goals for Business Gateway, and will result in an offering that reflects this new vision and a customer experience that is fit for the future.

The service design programme has been titled Gateway to the Future and phase 2 socialised the findings from phase 1 across the network, engaging widely, and encouraging volunteers to join a group of Ambassadors who could contribute to, and champion, the ongoing work. A Gap Analysis exercise completed this phase and provided an implementation plan to realise the various projects. A key aspect of this is customer onboarding and the work on this will contribute to the wider Business Support Partnership 5 year delivery plan in which the customer onboarding workstream sits, with Business Gateway as the lead.

Phase 3 is now underway with the projects under consideration in Horizon1 being scoped out and resources identified for delivery. In developing and delivering these solutions, the Business Gateway National Unit, on behalf of Local Government, will continue to raise the profile of the service to support the development of a Local Government proposition and how this contributes to the delivery of the National Strategy for Economic Transformation. This will reaffirm the service's position as a trusted, recognised brand, which provides a robust service to all businesses across Scotland.

SLAED will support the implementation of the future model of delivery.

6. Proactive engagement and building relationships

Building on the Local Government - Scottish Government employability partnership and the relationships formed with Scottish Government as a result of the response to the pandemic, SLAED will work to develop partnership working in regard to business support and how local government economic development, Scottish Government and national enterprise bodies can work better together to provide co-ordinated, joined up services to businesses across Scotland. This is being facilitated through the Business Gateway redesign and through involvement in the Business Support Partnership, both of which SLAED are represented in.

32 Local Employability Partnerships have completed a second round of self-assessment and have local delivery plans 2022 - 25 to increase functionality and effectiveness. This work will determine roles at national, regional and local level, identifying place-based approaches to support local businesses to respond and recover in an unprecedented context, with many challenges exacerbated by the pandemic and cost crisis, as well as new challenges created.

SLAED will build on increased engagement with the Society of Local Authority Chief Executives (SOLACE) further aligning with them and continuing engagement and dialogue. SLAED has an important role to play in ensuring that the voice of local government is effectively represented in national discussions pertaining to funding, pathways and other key decisions that impact on Scotland's economic development network. It has a role to improve awareness within Scottish Government of the wider impact local economic development has, including on public health and wellbeing. It will work closely with local government partners and other stakeholders to achieve this, building trusting and trusted relationships with Scottish Government.

SLAED will also continue to proactively engage and develop its relationship with agencies such as: Highlands and Island Enterprise, Scottish Enterprise, South of Scotland Enterprise, Skills Development Scotland and any other agencies delivering in the economic development sector.

7. Developing and involving the wider SLAED membership

The vast majority of SLAED's work is led by Executive members who do this in addition to their own local authority roles. For this to be sustainable, active participation is needed from a wide range of economic development colleagues across local authorities and with various specialisms. Input is required at all levels of seniority - with active engagement and commitment essential for future success. Engagement with a wide range of economic development colleagues has been undertaken through a membership review, and there has been greater involvement from members as a result. This was particularly apparent through the response of local authorities administering the COVID-19 business support grants. There is an opportunity to use this momentum to position SLAED at the forefront of the recovery efforts and in response to the cost of living and doing business crisis, in terms of local authority economic development. There is an important role for SLAED to play in terms of providing a collective officer voice for local authorities and joining up efforts and engagement at the national level.

An important element of this will involve ongoing membership development opportunities. As well as seeking to engage with a wider range of officers, the SLAED offer will be developed to provide more networking and engagement opportunities for members and these will be shaped around emerging priorities. This will help to ensure that SLAED is a proactive network and is in a position to respond to any key topical issues, both at the local and national levels.

SLAED will continue to foster collaborative working across councils, share learning and best practice – both from within and beyond Scotland - and support the ongoing development and delivery of economic policy and programmes.

The new ways of working digitally have strengthened participation from across Scotland and SLAED will build on this going forward. The SLAED Executive will explore the opportunities this presents to develop SLAED as a network and to provide development opportunities for its membership.

Allied to encouraging corporate-wide approaches, the work of SLAED will be enhanced by seeking to build on recent work undertaken to strengthen joint working within local government. This includes closer alignment across a range of national local government bodies that have a contribution to make to economic development. This includes COSLA, SOLACE and the Improvement Service, where each partner has respective strengths and roles, and where, by working together, the partners can achieve more than would be achieved by working separately.

This applies equally to other relevant local government professional groups, such as the Scottish Local Government Procurement Forum, Heads of Planning Scotland (HOPS), the Society of Chief Officers of Transportation Scotland (SCOTS) and the Association of Local Authority Chief Housing Officers (ALACHO) who have a particular locus in issues of relevance to economic development, including the 'place' agenda.

Similarly, by developing strong linkages with complementary policy areas such as tackling inequality and child poverty, health, climate change, advice services and housing, SLAED will seek to act in an outward-looking and opportunities-driven manner to achieve its Aim and Objectives.

SLAED members will continue to support the work of local government politicians, by providing briefings to local spokespersons and other members, and by working closely with COSLA, at the national level to support policy development.

SLAED will set out priorities for local government to proactively engage early in discussions nationally and regionally, to inform policy and practice, establishing an equal right for local government to be at the table as a sphere of government. This includes engagement with the UK Government in regard to certain programmes and funding

Conclusion

This Strategic Plan sets out the Aim and Objectives for SLAED over the three-year period 2023–2026.

This revised Strategic Plan is to be delivered at a time of immense challenges for the economic development profession within local government, with a challenging economic situation and unprecedented impacts on global economies.

Whilst delivering on the Priority Areas of Focus will undoubtedly be challenging, doing so will deliver significant benefits for the economy of Scotland and for the thousands of citizens and businesses that utilise the economic development services of Scotland's councils each year.

The success of SLAED in being able to deliver on the ambitions set out within this document is contingent on colleagues seeing value in this work; making time to share their experiences, engage in discussion and learn from others; embracing the opportunity to help shape the future direction of economic development and, in so doing, enhance the impact of their work - both within and beyond their own local authority area.

In short, full and successful implementation of SLAED's Strategic Plan will only be possible if economic development professionals from across the 32 local authorities accept the invitation to play an active role in helping deliver against this important agenda. Economic development is a priority for all local authorities and the local government partners will work to ensure that this challenge is met head-on.

Next Steps

Progress in delivering the Strategic Plan will be kept under regular review by the SLAED Executive Group, reported to the SLAED membership on an annual basis and the plan will be updated as new priorities emerge. It is a living document and SLAED seek to be agile in response to national, regional and local developments, which will be reflected in periodic refreshes of this plan.

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