

# **MORAY ECONOMIC RESPONSE PLAN**

March 2011

The short term response to rationalisation of the RAF in Moray

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## 1. PURPOSE

It is recognised that the RAF Kinloss run down is already having an impact on businesses and communities in the area, as is the continued doubt over the future of RAF Lossiemouth.

*In response this paper present a coherent set of actions which can guide the local authority and local and national agencies to respond confidently to the short & medium term impacts of the changes at the Moray air bases.*

## 2. TIMESCALES IN THE ACTION PLAN

### Short to Medium term

The actions in this plan are intended to guide activity in the first 6-12 months after the announcement of the decisions. During that period, work will be undertaken to develop longer term economic response proposals.

The actions set out in this document under people, business, communities, and property and infrastructure are intended as the short to medium term actions required to respond to the air base decisions and in particular the closure of RAF Kinloss. **The actions required over the medium to long term will require more detailed consideration and consultation and collaboration with the community.**

### Medium to Long term

There is already a medium to long term economic development strategy for Moray. This needs revised in light of the closure of RAF Kinloss and the final decisions on the future of the two bases expected in the Spring. Revision of the strategy is already underway, but there will be a number of iterations before a convincing strategy can be agreed and implemented. It will take 6-12 months to establish the scale and timing of the likely impacts of the changes and agree the appropriate actions in response to these impacts. It will also take time to establish what contribution the bases might make to the future economic development of Moray.

## 3. CONTEXT

### The Opportunities

- significant numbers of skilled personnel will enter the Moray job market from the bases looking for work or business opportunities
- extensive land and property assets could be available for business and economic development on the air bases
- strong community cohesion has been galvanised by the air base threat
- surplus MoD housing could be available to meet local housing needs and bolster population

### The Challenges

- providing proactive and collaborative leadership to address the new challenges
- maintaining community commitment to addressing the challenges
- funding and delivering effective mitigation measures

- potential loss of significant consumer expenditure in the Moray economy
- significant drop in small business trade and confidence
- uncertainty over the timescales and impacts of the changes at the bases
- potential loss of population
- potential loss of skilled personnel from the health and education services
- potential drop in school populations
- maintaining community confidence

### **Ambitions**

- sustainable economic growth
- sustainable population
- viable and improving public services
- a confident community

### **Key Actions**

- consult Moray communities on the draft economic response plan through
  - public meetings in relevant communities
  - publishing a summary of the draft response plan on the web and in local newspapers
- discuss with the UK Treasury and MoD if they will permit the communities of Moray to lead the redevelopment planning of the redundant land and property assets at the bases
- develop and extend Business Gateway to meet needs and demand for
  - business start-up
  - training and advice for established businesses diversifying, seeking new markets or expanding
- explore, with the UK and SG Governments, the scope to create an economic incentive zone or zones in Moray to target business incentives to accelerate business growth and attract inward investment
- open discussions with private developers on the scope for public/private partnerships in the redevelopment of the bases
- Scottish Government planning officials will work with the planning authority, private sector, etc to broker early and practical solutions to stalled development proposals
- develop an professional placement scheme to support local companies recruiting skilled staff made redundant from the bases
- through Moray Tourism Initiative develop the Moray brand and targeted campaigns to increase visitors

#### **4. PEOPLE**

**Aim** – support people in Moray affected by the changes to the bases who are looking for work, setting up in business or growing a business in Moray

##### **Issues**

- people will be made redundant from the bases or will chose to leave or retire from the RAF or civil service on the bases
- a significant number of the RAF personnel will be redeployed to other RAF bases
- redundancies and retirals or resignations will take place over an extended period of months, if not years

##### **Objectives**

- provide effective advice and support to individuals facing redundancy directly or indirectly as a result of changes at the bases
- retain skilled workers in Moray to assist the development and diversification of the local economy

##### **Actions**

- maintain the close collaboration between the MoD advice and training services and the local PACE and SDS teams and services
- complete the skills audit at the bases to support inward investment promotion and job matching
- develop and extend the Work Club initiative across Moray as required to meet demand and need
- review the off-base advice and training services and adapt services to meet new needs and demands
- review the adult needs for tertiary, further and higher education in Moray and adapt services accordingly
- develop a professional placement scheme to support local companies recruiting skilled staff made redundant from the bases

##### **Key delivery agents**

- PACE
- MoD/Career Transition Partners
- Skills Development Scotland
- Job Centre Plus
- Moray College
- Business Gateway
- Highlands and Islands Enterprise

## **5. BUSINESS**

**Aim** - to support new start and existing businesses in Moray to create additional jobs and sustainable economic development through start-up, diversification, expansion and collaborative projects

### **Issues**

- consumer spending in Moray will change as the bases run down and this will impact on local business and the viability of some local services
- confidence amongst local service businesses will be affected by the changes in consumer spending
- there are a significant number of local manufacturing business not dependent on local markets and tourism businesses not dependent on local clients who are concerned about the image and well-being of Moray
- the redundancy of skilled workers from the bases creates an opportunity for local companies to strengthen their workforce

### **Objectives**

- increase business start-ups across Moray
- re-orientate, grow and diversify small businesses
- increase the number of businesses in Moray
- bolster business confidence
- retain as many skilled workers made redundant in Moray as possible

### **Actions**

- develop and extend Business Gateway to meet needs and demand for
  - business start-up
  - training and advice for established businesses diversifying, seeking new markets or expanding
- review HIE's account managed businesses and consider
  - increasing the support provided
  - increasing support for key sectors to accelerate growth
  - extending account management support to additional sectors and businesses
- explore, with the UK and SG Governments, the scope to create an economic incentive zone or zones in Moray to target business incentives to accelerate business growth and attract inward investment
- develop marketing training for tourism businesses to assist their re-orientation
- through Moray Tourism Initiative develop the Moray brand and targeted campaigns to increase visitors
- increase inward investment and internationalisation activity by Scottish Development International, and explore the potential for Global Scots to enhance the impact of this work

- encourage local businesses to be environmentally aware to help them understand changing markets and assist them to explore opportunities
- consider the scope to encourage the primary sector (agriculture, fishing, forestry and whisky) to contribute to economic development and job creation
- work with and through local business representative organisations to
  - raise awareness of the need to be proactive in response to the business challenges
  - highlight the business support available
  - help the agencies maintain an awareness of the impact and effectiveness of the business services provided
  - work to bolster business confidence

**Key delivery agents**

- Business Gateway
- Highlands and Islands Enterprise
- Moray Tourism Initiative
- Visit Scotland
- Scottish Development International
- Elgin BID
- Moray Chamber of Commerce
- Federation of Small Business
- local business and trade associations

## **6. INFRASTRUCTURE**

**Aim** - to ensure that land and property assets in Moray are used to best advantage to support sustainable economic development and to ensure that infrastructure constraints are minimised

### **Issues**

- the buildings and land associated with the air bases, if no longer required for military use could make a significant and early contribution to growing the Moray economy if the UK Government is prepared to release redundant land and property
- the buildings and land on the bases could provide high quality fully serviced business accommodation immediately, at low cost, without significant capital investment and potentially with direct rail and air access
- there is limited demand currently for the business land and property available off the bases
- development on business land off the bases is constrained by infrastructure challenges, high development costs, and limited demand
- off base infrastructure challenges are considerable and will take some time to address

### **Objectives**

- ensure that all land and property which can contribute to increasing business activity is made available as soon as possible
- ensure that the MoD considers seriously how their redundant land and property assets could best support economic development in Moray
- ensure that any infrastructure obstacles to the early use of business land and property are addressed and removed

### **Actions**

- discuss with the UK Treasury and MoD if they will permit the communities of Moray to lead the redevelopment planning of the redundant land and property assets at the bases
- regulatory bodies will examine their processes and priorities to ensure decisions which could accelerate business and economic development are made as quickly as possible and at minimum cost to applicants, developers, businesses
- local and national agencies will collaborate together to prioritise and accelerate investment decisions which could support economic development in Moray
- open discussions with private developers on the scope for public/private partnerships in the redevelopment of the bases
- Scottish Government planning officials will work with the planning authority, private sector, roads service, Transport Scotland, Scottish Water, SEPA, etc to broker early and practical solutions to stalled development proposals

### **Key Delivery Agents**

- UK Govt – Treasury and MoD
- Scottish Govt
- Moray Council Planning Authority
- Highlands and Island Enterprise
- Local and national regulatory, infrastructure and investment agencies

## **7. COMMUNITIES**

**Aim** - to engage with the communities of Moray (and affected neighbouring communities) to ensure they are fully aware of, support and are committed to this economic response plan, and continue to support the plan as it rolls out.

### **Issues**

- when the decisions on the future of the air bases is announced and the likely impacts on Moray start to become clearer, the communities will need reassurance quickly that their political and community leaders, Scottish Govt, Moray Council, and key local agencies have actions planned and are putting these in place to mitigate the impact of the decisions
- unless the plans and actions are publicised to the communities, have their support and begin to be seen to roll out and impact the local economy, community and business confidence will suffer and individuals will begin to leave Moray looking for work and opportunities elsewhere
- support for the voluntary sector is likely to reduce significantly with the withdrawal of base personnel

### **Objectives**

- maintain and build community support for mitigating actions
- build community capacity to respond to the opportunities and challenges
- build and sustain community and business confidence

### **Actions**

- agree the draft economic response plan with Ministers, Community Planning Partners, the Moray Task Force and key delivery agents
- consult Moray communities on the draft economic response plan through
  - public meetings in relevant communities
  - publishing a summary of the draft response plan on the web and in local newspapers
- review the community capacity measures in place and adapt services to meet new needs and demands
- develop a communications and stakeholder engagement strategy to support the roll-out and implementation of the response plan which is appropriate to the way different communities will be impacted
- ensure there is clear and sustainable leadership guiding the implementation which will have the support of the communities of Moray.

### **Key delivery agents**

- Moray Task Force and/or its successor
- Community Planning Partners
- Local political reps and local councillors
- Local media

## 8 CONCLUSION

### IMPLEMENTATION

The outlined above, the key delivery agents will be the agencies, local authority and groups already on the ground. Overall responsibility of most of these delivery agents lies with the Community Planning Group, but consideration is being given to how a more focused group within this Community Planning framework might be created, and include a stronger business presence. This will be determined in the coming weeks.

#### **Communications and stakeholder engagement**

Effective communications and stakeholder engagement have been key to the communities of Moray continuing to support the Moray Task Force. Implementing the economic response plan will require equally effective communications and stakeholder engagement.

It will be essential that a realistic communications and stakeholder engagement strategy is developed, resourced and implemented.

#### **Longer term strategy**

It will take 6-12 months to establish the scale and timing of the likely impact of the changes to the air bases. It may also take time to establish whether or not the UK Government will release all or parts of the bases for redevelopment to mitigate the impact of the closures on the Moray economy. It will then take time to consider what contribution the bases could make to the economy.

In the short term it is clear that increased efforts must be made to encourage economic development across Moray. A medium to long term strategy to concentrate effort and focus resources is required. There are established plans and strategies which are shaping Moray's economy already, these will need reconsidered and revised in the light of the final decisions on the bases. This work has been started though it will take some time to work out the implications of the decisions on the bases.

After the future the RAF Lossiemouth, the single issue which will most influence the medium to long term strategy is the UK Government's willingness or not to release the redundant land and property on the bases for economic development and work with the community to plan the redevelopment of this land and property. It is unlikely that this issue will be resolved immediately. The medium to long term strategy will therefore have to be able to adapt if the redundant land and property becomes available and the MoD is willing to plan the redevelopment of the bases with the community.