



**West Lothian  
Council**

**COUNCIL EXECUTIVE**

**UPDATED WEST LOTHIAN ECONOMIC STRATEGY AND REGIONAL  
ECONOMIC FRAMEWORK**

**REPORT BY HEAD OF CULTURAL, COMMUNITIES AND ECONOMIC  
DEVELOPMENT SERVICES**

**A. PURPOSE OF REPORT**

The purpose of this report is to report on the development of a revised Economic Strategy for West Lothian (2010-20) and Regional Economic Framework

**B. RECOMMENDATION**

It is recommended that the Council approves the West Lothian Economic Strategy and Edinburgh City-Region Economic Framework.

**C. SUMMARY OF IMPLICATIONS**

<b>I Council Values</b>	Making best use of our resources and working in partnership.
<b>II Policy and Legal</b>	None.
<b>III Resources - (Financial, Staffing and Property)</b>	None directly.
<b>IV Consultations</b>	Partners in the West Lothian Economic Partnership, businesses and other stakeholders. Considered by D & T PDSP on 8 April 2010

## **D. TERMS OF REPORT**

### **Updated West Lothian Economic Strategy 2010-20**

#### **Introduction**

The joint West Lothian Economic Partnership Strategy needs to be revamped to bring it up to date and to ensure that a realistic but challenging set of aims, objectives and targets are in place for the next 10 years. A draft document has now been developed based on a wide level of consultation and partner involvement. The initial consultation process commenced in September 09 with a stakeholder consultation event facilitated by Scottish Government Minister Jim Mather. The full document is appended to this report having been considered by the Development and Transport PDSP on 8 April 2010.

#### **Background and context**

The West Lothian Joint Economic Strategy – Building an Economy for the Knowledge-age was developed and launched in 1998/9 and subsequently refreshed in 2003 and 2007. The strategy aimed to provide a framework for addressing the economic development challenges of West Lothian and set out a series of strategic targets – including increasing the number of jobs in the area by 10,000; increase wage levels relative to Scotland; and significantly increase educational attainment.

Central to the strategy was a recognition that the West Lothian economy would need to adapt to a changing economic environment, and achieve a transformation from being based on manufacturing to knowledge based services. The strategy became an integral component of the West Lothian Community Plan.

The West Lothian economy has, of course, changed dramatically over the last 10 years or so. The number of businesses and jobs based in West Lothian have both increased (net jobs growth of 16,000 between 1999 and 2008 and increase in the VAT registered business base by 30%). However, the sectoral base is very different with the loss of relatively well paid electronics jobs being replaced by additional retail, distribution, construction and public sector employment. The continued gap in wage levels between West Lothian and Scotland reflects this. Currently average West Lothian wage levels are 9% below the Scottish average.

In addition to these general trends, the current recession is having a very significant impact – with West Lothian's rate of unemployment and youth unemployment, for example, exceeding the Scottish and GB levels.

Alongside these developments, there have been a number of important changes in the operational environment for economic development in Scotland, including:

- The current Scottish Government's focus on an overarching economic development based strategy for Scotland.
- A more focused role for Scottish Enterprise on supporting business growth.
- Transfer of responsibilities for delivery of the Business Gateway and local regeneration initiatives from SE to local authorities.
- Formation of Skills Development Scotland bringing together delivery of national training programme and careers advice for young people.
- New programmes and initiatives through the DWP and Jobcentre Plus focused on promoting the welfare to work agenda and responding to the current recession.

### **The Revised Strategy 2010-20 - Key Points**

The revised strategy takes on board the above developments and also recognises that the public sector funding environment will be extremely challenging over the next five years in particular. The document therefore sets out a framework for future actions rather than a grand plan. There should be no big surprises and the range of activity set-out in the document builds on what has gone before. In particular, it seeks to build on successes to date and maximise West Lothian's potential as a business location.

The document reinforces the fact that West Lothian is at the hub of the Scottish economy, confirmed by the fact that 60% of the Scottish population and 54% of VAT registered businesses are within one-hour travel time. Allied to this, West Lothian has the fastest growing and youngest population in Scotland. One aspect of our growing population that we can capitalise on is turning the growing numbers of people choosing to live in West Lothian to a growing number of people who also work and run businesses in West Lothian.

The documents sets out three key strategic drivers, to:

- develop the business base;
- maximise West Lothian competitiveness as an investment location and respond positively to opportunity; and
- realise the potential of young people..

These three drivers are interlinked in that, through developing the business base and attracting investment, more opportunities will be created for young people to progress into positive destinations and contribute to the success of growing businesses.

The main part of the document sets out the high level actions that need to be pursued, both to address the strategic drivers and address the wider economic development outcomes. These are organised under the following themes:

1. Enterprise and business development.
2. People and skills.
3. Inclusion.
4. Business Infrastructure, regeneration and visitor assets.

There is considerable detail under each of the above headings in terms of proposed actions. Also, the document sets out which of the economic partner organisations have a role in delivery of each. As noted, the document provides a strategic framework and detailed implementation plans need to be set-out by relevant partners under each of the themes. The final table demonstrates the linkages between the strategy and the revised Community Plan and SOA.

Comments would be welcome on both the general approach and detailed content of the draft strategy.

### **Next steps**

Subject to council and partner approval the document should be:

- Adopted as the strategic framework for the next ten years – recognising that it will need to be reviewed in light of future opportunities and challenges.
- Produced in summary for wider circulation, dissemination and to support marketing of West Lothian as a business location.
- Launched as a live plan – linked to the annual Economic Partnership Conference scheduled for June 2010.
- Shorter-term action plans for the four themes need to be developed, where appropriate building on the existing partnership action plans.

### **Edinburgh City-Region Regional Economic Framework**

In a separate but related exercise, local authorities in the Edinburgh city-region have been engaged in developing a framework for economic collaboration work. This work has run in parallel with, but is distinct from, the statutory requirements to develop the South East Scotland Strategic Plan.

During 2008-9 a draft framework document was produced which aimed to cover areas of common interest that might be best tackled through joint city-region working. It was recognised that such activity should be limited in scope and only pursued where real added-value can be demonstrated. The areas identified for collaboration were/are:

1. Sharing of economic intelligence.
2. Regional connectivity and infrastructure.
3. Regional resilience actions – responding to the credit-crunch and impact of recession.
4. Regional promotion.
5. Regional sustainability.

It should be recognised that the level of engagement in joint working of this sort is varied. Edinburgh and Fife Councils – with their larger staffing complements are generally leading on specific work strands under the above headings. However, most other councils are less intensively engaged.

Nevertheless, WLC should remain “at the table” on city-region collaboration to ensure our interests are not ignored and to make the most of the opportunities that can be best progressed at this level. The one area which could add value is in regional promotion to attract investment, build global trade and competitive advantage for sectors across the region.

The East of Scotland Investment Fund which is about to be launched is a good and practical example of how regional collaboration can have a practical benefit.

## **E. CONCLUSION**

The updated West Lothian Economic Strategy represents an opportunity to set-out the key economic development priorities for West Lothian over the next decade and ensure that partnership working takes place in pursuit of these objectives. The council has a lead role to play in co-ordination and in delivery.

The council’s involvement in the Edinburgh City-Region Economic Framework should be limited to areas which clearly add value to and help deliver West Lothian’s strategic objectives.

## **F. BACKGROUND REFERENCES**

Information files held by Economic Development service

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