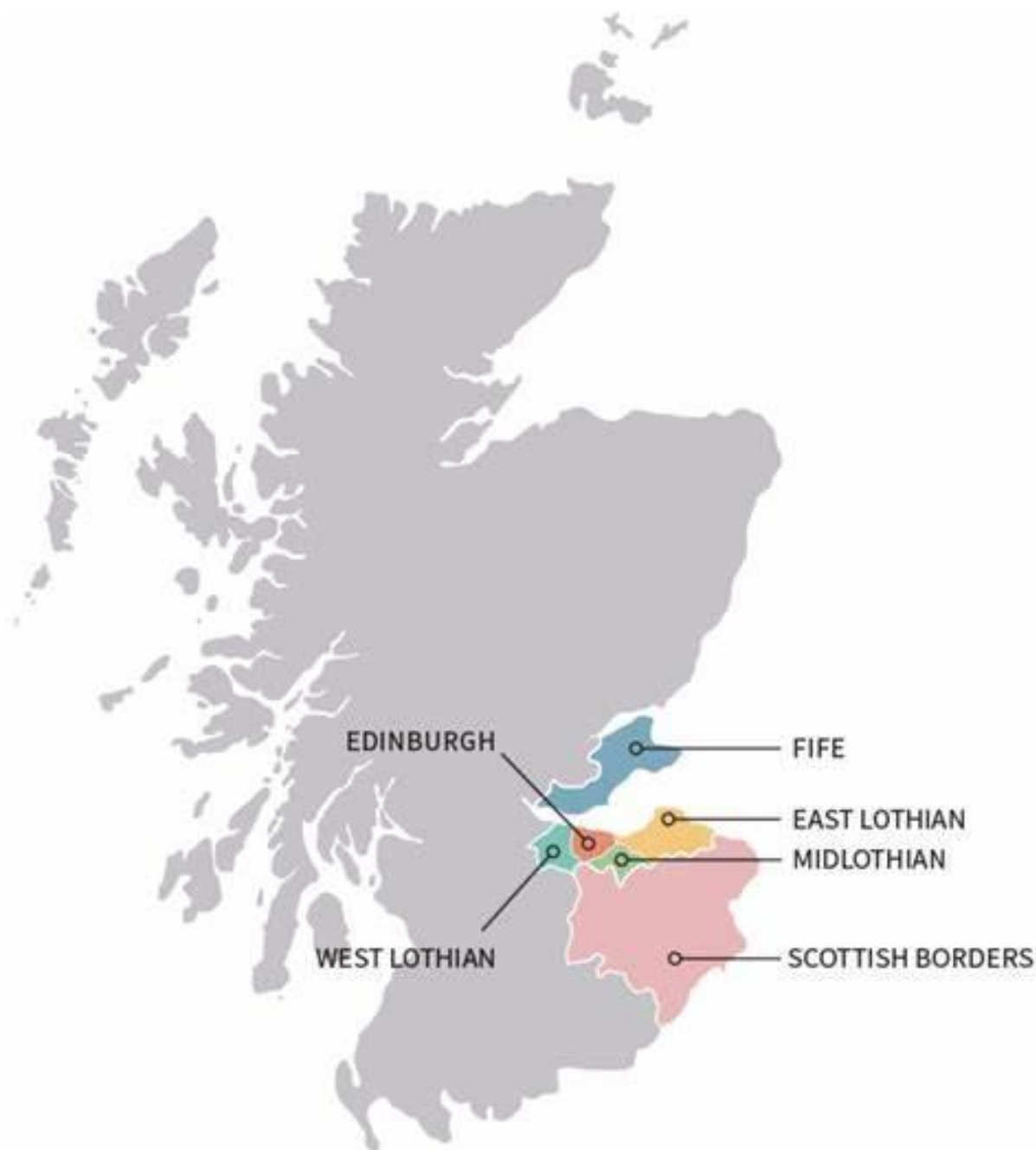


Edinburgh and South East Scotland Regional Prosperity Framework (2021 – 2041)



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EXECUTIVE SUMMARY

The Edinburgh and South East Scotland (ESES) city region has an extraordinary platform to build on. The region, home to 1.4m people, of whom 65% are of working age, hosts a strong economy, incredible natural assets, world class educational institutions and cultural programmes, and diverse and innovative private and third sector businesses. The region delivers approximately 30% of Scotland's total economic output from a diverse industry base.

While the platform for the future is strong, there are a number of challenges that must be addressed to support future development. These include: the recovery from Covid-19 and its economic and social impact; addressing inequalities across the region; and delivering a just transition to a net carbon zero economy, responding to the Climate Emergency declared by Scottish Government in April 2019.

Partners across the region have been working hard to deliver on the City Region Deal that will bring investment of £1.3bn over a 15-year period. Partnerships across the region have been strengthened as a result of closer working that the City Region Deal has brought, allowing our collective and individual priorities to be articulated more clearly than ever before. It has helped us to develop a mechanism by which we are able to deliver on the key needs of our citizens. In developing this Framework, partners have articulated a vision for what they hope to achieve collectively through this approach.

Our Vision

Our aim is to become the data capital of Europe. We will ensure the social and economic benefits of this capability **extend to all**. All sections of the community will have the opportunity to develop the **key skills that will help to end inequalities in our society**. We will **protect our environment and make best use of our extraordinary built and natural assets**, ensuring that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy. **Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national and international reputation.**

At the heart of the Framework are three key components: delivering a future society that is **resilient, flourishing and innovative**.



The challenges of Covid-19 have highlighted the need for **resilience** to ensure that our citizens have the support they need to respond quickly to the key issues in our communities.



Flourishing because we need to design a society and economy that works for everyone. The inequalities across our region must be tackled head-on by this work



The ESES region was home to the Scottish Enlightenment and now has a unique opportunity to build on the investment from the Data Driven Innovation programme. We must embrace the spirit of **innovation** found across our communities and businesses and direct this to solving a wider range of challenges

While this document mentions the economic successes of the region and plans for future growth, it also recognises the need for the environment, inequalities, well-being and quality of life to be prioritised. The region regularly tops UK city lists for quality of life¹, but there are significant challenges we must address

¹ For example https://www.numbeo.com/quality-of-life/country_result.jsp?country=United+Kingdom

within our communities to support all our citizens. In order to build this society, there are a number of key initiatives reflected within this document. This includes the need for critical infrastructure to enable this development. It also includes how we will protect the environment and support individuals to maintain the sense of community through a neighbourhood approach that helps maintain the culture, identity and vibrancy throughout our communities. Partners recognise that each forward step we take must be imbued with the need to reduce our carbon emissions impact and to reduce inequality across our region.

This Framework alone is not a silver bullet to deliver our vision. Our recommendations on collaborative working, engagement and the infrastructure must be backed up by action, and it must continue to be updated to reflect our changing circumstances. To deliver on these outcomes will require government and city region partners to work differently.

Our region's attractiveness and existing strengths both as a place to do business and where to enjoy an unrivalled quality of life provide an incredible platform from which a prosperity framework can be launched to ensure that the region's successes are enjoyed by all residents. However, it also recognises the challenges faced by the region to remain competitive on a global scale. To achieve this, there are a few critical elements that this framework must deliver:

- 1) **What, not how.** This document sets out a strategic vision. It helps to define the future that the region aspires to. This document will be supported by subsequent action plans that articulate the "how" of delivery. These will be delivered within 4 months of the publication of this framework.*
- 2) **Leading to Deliver.** The future state, as defined by the "big moves" that will cement the reputation of the region, will only be achieved by effective use of our major infrastructure to support delivery. This will require strong leadership to ensure cross-boundary benefits are delivered. These moves are captured at the end of this Summary.*
- 3) **Playing to Our Strengths.** These moves (also captured in the image below) capitalise on the competitive advantage of our world class data infrastructure to deliver the society that our citizens demand.*
- 4) **Taking Complex Decisions.** Our leaders must make a number of challenging and complex decisions which must be transparent to support the public's understanding of how these choices have been made.*
- 5) **Working Together.** This framework shows a region of different communities, geographies and populations working together to deliver a future that works for its people and businesses. The commitment from each local authority in helping define this vision has been absolute.*

We have identified 9 major regional opportunities – "The Big Moves". The diagram below highlights how the 9 "big moves" (which we explore in Section 8) mesh together to benefit our people, places and planet and can be delivered by building on the major enablers across our region. Within each of our big moves, we have included illustrative projects to deliver the big moves. Details of each are included in Section 8.

| | | | |
|----------------------|--|--|--|
| OUR BIG MOVES | <p>Data Capital of Europe</p> <ul style="list-style-type: none"> • <i>Agri-tech and Healthcare</i> • <i>Fintech</i> • <i>DDI across key sectors</i> • <i>Usage of Infrastructure</i> | <p>Re-thinking Our Place</p> <ul style="list-style-type: none"> • <i>Sustainable approaches</i> • <i>Society & business</i> • <i>Regenerating High Streets</i> • <i>Regional Spatial Strategy</i> | <p>Sustainable Transport</p> <ul style="list-style-type: none"> • <i>Rail network</i> • <i>Waverly transformation</i> • <i>Regional Mass Transit</i> • <i>Active travel</i> |
| | <p>Regenerating the Forth</p> <ul style="list-style-type: none"> • <i>Forth Ports Freeport/ Greenport programme</i> • <i>Regeneration of Edinburgh Waterfront</i> • <i>Cockenzie Regeneration and Blindwells</i> | <p>Sustainable Tourism & Culture</p> <ul style="list-style-type: none"> • <i>Regional tourism network</i> • <i>Fair working principles</i> • <i>Edinburgh Festivals</i> | <p>Supporting Enterprise</p> <ul style="list-style-type: none"> • <i>Innovation ecosystems</i> • <i>Support for young people</i> • <i>Wellbeing at heart of recovery</i> |
| | <p>Aligning Skills</p> <ul style="list-style-type: none"> • <i>Future skills</i> • <i>Digital skills</i> • <i>Addressing shortages</i> • <i>Employer skills</i> | <p>Re-Inventing Healthcare</p> <ul style="list-style-type: none"> • <i>Usher Institute</i> • <i>Advanced Care Research Centre</i> • <i>BioQuarter</i> • <i>Strong regional partners</i> | <p>Anchor Institutions</p> <ul style="list-style-type: none"> • <i>High local impacts</i> • <i>Sustainable employment</i> • <i>Reputational pull</i> |
| ENABLER | INFRASTRUCTURE | | |
| | PEOPLE AND ORGANISATIONS | | |

Figure 1 – Regional Prosperity Matrix

Our Major Regional Opportunities are inter-dependent and will require careful design to maximise delivery potential. We have also included within each opportunity explicit references to the projects for each of these within Section 8.

This document represents our statement of intent for the future of the region. The delivery of this vision will be enabled by a number of tangible pieces of work, some of which are highlighted in the table above. Each activity that helps to deliver this vision must contribute to the environmental journey and must help us to eradicate poverty in our region. Where activities fail to support either of these ambitions, we must take action to address this.

FOREWORD - REGIONAL PROSPERITY FRAMEWORK

Why Prosperity?

Prosperity reflects our ambition of a future that works for everyone. Economic success must not be at the expense of our planet, it must not exploit or marginalise anyone, and it must be shared more equally across the region.

This focus on a prosperous region benefitting all is what underpins the Framework.

The Framework is intended to be a document that articulates the long-term aspirational goals for Edinburgh and South East Scotland to **guide the future direction** of regional economic and wider policy across stakeholders. It seeks to set an ambitious **20-year vision** for the regional economy, up to 2041.

The region has always been a key part of, and of critical importance to, the Scottish and UK economy. It was home to the Scottish Enlightenment where leading thinkers influenced and innovated global thinking across fields such as science, medicine, engineering, agriculture, botany, zoology, law, culture, philosophy and economics. We must lead and initiate change again. We have world-class resources, institutions and talent and, more than at any other period of recent history, need to utilise these in working together to address our challenges and opportunities in an integrated, sustainable and equitable way.

Building on the successful regional partnership that is delivering the £1.3bn Edinburgh and South East Scotland City Deal, the Framework aims to set out a broader, ambitious joint approach to regional collaboration. It seeks to identify how partners in the region can build on other significant investments, such as those supported through the City Region Deal to further improve the way the regional economy functions, particularly in a post COVID-19 environment. It has been developed with input from public, private and third sector organisations. It aims to address the region's challenges and opportunities to make Edinburgh and South East Scotland a better place to live, work, study, visit and invest for current and future generations.

The Framework will be non-statutory, but it will be a **public statement of Regional Collaboration, with a wide range of partners coming together to support an agreed vision, ambition and priorities** for Edinburgh and South East Scotland. This level of regional collaboration needs all those able to contribute to the growth of the region to use the Framework to shape their individual and collective local, regional and national plans and strategies. Our nine major regional opportunities in Section 8, are an indication of the nature of our ambition for transforming the region.

The development of the Regional Prosperity Framework requires impactful collaboration between Government(s), national agencies and regional partners to drive prosperity that promotes greater equity. An empowered Regional Economic Partnership, as envisaged by the Scottish Government's Enterprise and Skills Review, would provide business and the third sector, regional partners, including higher and further education, and national agencies practical influence over regional economic planning.

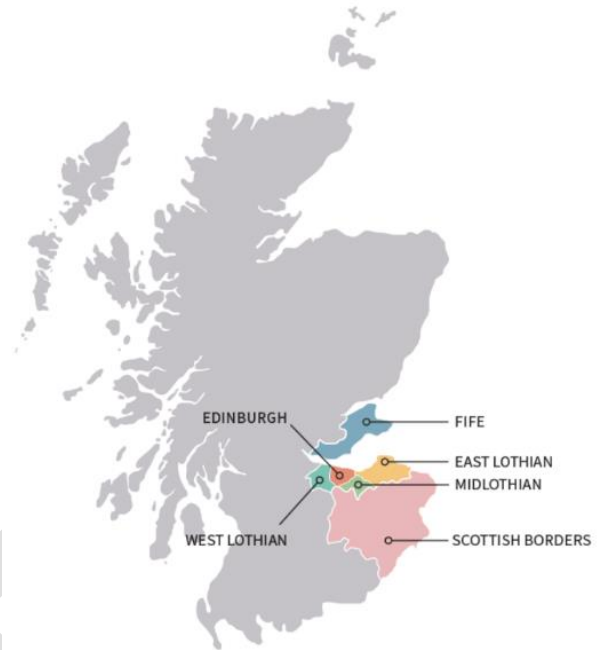
Recognising the significant changes that the region and Scotland as a whole face in the next few years, the Framework will be flexible and adaptable. As such, it will be subject to regular review and update over its lifetime, and parts of it will also be kept 'live' to take account of and to allow responses to very rapid change.

1. WHO ARE WE?

The Edinburgh and South East Scotland City Region comprises around 10% of the Scottish land mass and with a population of 1.4 million, around 26% of Scotland's population. It is also a key driver of the Scottish economy.

However, given the scale of the region, it is also a place of vast diversity. The circumstances and experiences of places are very different. This is true at the local authority level with marked differences, for example, between respectively the urban and rural contexts of City of Edinburgh and the Scottish Borders; attached as Appendix 3 is a summary of some of the unique characteristics of each of the 6 Council areas that make up the region. It is also true at the local level with significant differences between neighbouring places in the same localities.

This Framework has been developed by a range of organisations who recognise the significant benefits of coming together and working collaboratively to support the best possible future for the region. Key partners include the Edinburgh City Region Deal signatories (the six local authorities, together with regional universities, colleges and the Regional Enterprise Council, UK and Scottish Governments), as well as a range of other organisations with a key role in the Region such as Scottish Enterprise, Skills Development Scotland, South of Scotland Enterprise and SEStran.



2. WHY ARE WE WORKING TOGETHER?

Through our highly successful City Region Deal in Edinburgh and South East Scotland, we are already working in a co-ordinated way and are seeing the clear benefits achieved by partnering together. It is the stated ambition of Scottish Government for Regional Economic Partnerships to draw upon growth deals to further maximise the benefits that arise when local authorities work together and with national agencies, universities and colleges, the third sector and the private sector. The Scottish Government believes that REPs bring together regional interests, focussing and aligning resources, sharing knowledge, and identify new joined-up plans to accelerate inclusive economic growth at a local, regional, and national level. We share the Scottish Government's ambitions for regional working and believe that the Edinburgh and South East REP can set the example for other partnerships elsewhere in Scotland by deepening and expanding collaborative working in the months and years ahead.

To secure the best possible future for the region the public, private, voluntary and education sectors now see an opportunity to work more effectively to deliver greater collective impact. There is a lot that connects the different parts of the region, with interdependencies in areas including labour markets, housing markets, transportation and supply chains. The City cannot succeed without the wider region and vice versa. Against this background, the Edinburgh and South East Scotland region, like other regions across Scotland, is facing a period of unprecedented challenge and opportunity.

We have a shared duty to address the interrelated challenges of climate change, sustainability, biodiversity loss, inequalities, health and well-being, and the need to create new jobs and businesses while enabling a just transition to a net zero economy by 2045.

To face our current challenges, we need to rebuild our economy so that it supports:



People – to access fair work, to learn and develop new skills and to live happy and healthy lives



Places – that are sustainable, and attractive to live and work in and where enterprise thrives



Planet – meeting our needs in a way that will allow future generations to meet theirs, with a focus on reduction of greenhouse gas emissions (sustainability).

We need to do this against the backdrop of the UK's exit from the European Union (EU), and the global COVID-19 pandemic. We need to collaborate to enable a net zero recovery and to address our shared and interrelated challenges. Business as usual is not an option, as the cost of inaction will be too great. We need to think globally, act locally, and meet our needs in a way that allows future generations to meet theirs. Feedback from the public consultation has emphasised the need to prioritise environmental choices that must be central to the region's identity.

Our next step, through the development of this Regional Prosperity Framework, is to agree common goals and to work together to achieve them. This will allow us to develop a shared understanding of how the region can make a more significant contribution to the Scottish and UK economy, and highlight the important role each region, sector and organisation can play individually and collectively in realising the region's potential.

To achieve this the Regional Prosperity Framework will be used as a basis to guide and integrate public, private and third sector decisions, actions, collaborations, strategies, policies and investments across areas such as **sustainability, climate change, energy, transport, planning, housing, infrastructure, education, digital, services, equalities, well-being, economic development, procurement and delivery.**

3. HOW DID WE GET HERE?

Our Region before the UK Exit from EU and Covid-19

Ambitions to deliver economic growth, particularly in our region, tasked successive regional strategies to accommodate more development and increase our population. The pace and scale of this change, and environmental and infrastructure constraints, meant economic development had to be distributed across more of the region to meet growth requirements. Whilst this approach has been successful in some cases, not all our communities have equally benefitted from the work so far. Some parts of the region continue to be among the mostly poorly performing parts of the country when measured according to conventional economic measures such as GVA, while others have seen negative impacts from growth such as overheated housing markets. Within the City and across the region there are stubborn pockets of economic under-performance, inequalities and deprivation.

Areas of deprivation often exist where industries have declined and were not replaced. Comprehensive development programmes did not deliver mixed, sustainable communities, while other areas have never experienced sustained programmes of economic support. This mixed picture is also reflected in the strength of town centres across the region, with some more than others impacted by changing retail patterns, behaviours and trends, and out of centre retail locations, further deepening inequalities.

The region's outstanding higher education institutions are located in key strategic locations across the region, and its further education institutions serve their local communities. The 2016 BEIS-funded Science and Innovation Audit² highlighted the regional opportunity around data science and innovation. This was the foundation for the development of the Data-Driven Innovation (DDI) Programme, which set the differentiating vision for Edinburgh and South East Scotland as the **Data Capital of Europe**.

The Universities of Edinburgh, Heriot Watt and Queen Margaret University extended to locations on the southern and eastern edges of Edinburgh to create innovation clusters. This has enabled wider collaborations with the public and private sector to improve public and commercial service delivery.

West Lothian have strategic plans in the pipeline to capitalise on the advanced technology and manufacturing industry for potential university presence in the years to come. It is crucial that this builds on the supported growth of key data-driven innovation sectors, including: public services, finance and fintech, insurance, artificial intelligence and robotics, and bio, health and life science, food and drink and agricultural innovation.

Colleges have a crucial role to play in facilitating skills and process innovation activity to support local and regional economies and increase productivity across Scotland. Colleges will continue to build on their positive relationships with SMEs and give those enterprises opportunities to develop new and innovative business processes.

Through their close working with industry and individual business, the region's colleges have a vital part in supporting business development and sustainability, enabling the sector to play a role in supporting the region's research and innovation economy and positioning them to make a difference to future prosperity, building on existing work in this space around emerging skills needs, areas of innovative economic growth and the green recovery.

There has been notable growth in other key economic sectors such as services and freight and logistics, particularly beyond Edinburgh. Generally, though, the pattern has been a decline in traditional industries and reuse of former industrial sites for housing. Across the region many industrial premises are ageing and require adaptation or replacement to meet current and future needs.

Agriculture, horticulture, fishing, forestry and food and drink remain important regionally, with strong international reputations. tourism offer is genuinely world class but most activity is focused on Edinburgh's

² See [Audit points to city and region's digital potential | The University of Edinburgh](#)

city centre, putting a strain on infrastructure and assets. This overshadows the wider regional tourism offer and undermines the potential for linking our cultural, natural heritage and leisure tourism assets and workforce in a more compelling and integrated way.

House prices are unaffordable to many, particularly in areas within easy commute to central Edinburgh. A number of key settlements across the region expanded significantly in response to housing need and mobile demand, but jobs did not follow. Employment density has remained low outside the City of Edinburgh. Housing demand, and prices, are high across the whole region, and there is a need to significantly increase the supply of affordable homes with a wider range of house types, sizes and tenures including mid-market rent and specialist housing.

Housing-led regeneration has been successful where aligned with wider interventions, programmes and investments, including job creation, skills development and training, but less so where such approaches were not followed. Access to land and funding for affordable housing delivery is and will be a significant factor in influencing where people can live, and if and how they can access opportunities and amenities in future.

Whilst the growth of the region has brought much success, in-commuting (commuting with the City Deal boundary) and greenhouse gas emissions have increased and contributed to transport accounting for 37% of Scotland's greenhouse gases. Combined with the increased pressure on infrastructure and services it has contributed to pressure on the environment and sustained inequalities, and in some places widening them. More can be done to improve well-being, accessibility, connectivity and productivity. These factors are replicated across Scotland and contributed to the Scottish Government's declaration of a climate emergency in April 2019.

There are high levels of transport poverty³ across the region, even pockets in Edinburgh (please refer to the Transport Poverty Map in Appendix 2 from SEStran RTS Main Issues Report – June 2020), reflecting the high cost of transport, poor connectivity, which all contribute to the reliance on the private car exacerbating the barriers to employment, training and education. This has an impact for cross-regional travel, presenting an issue for individuals on entry level wages requiring public transport. This is reinforced by the Workforce Mobility Deprivation Index that is a blend of 4 SIMD factors affecting citizen access to employment, training and education.

Different issues and opportunities mean that a one-size-fits-all approach across all six local authority areas would not make sense. Complexity has been increased with the home/blended working response from Covid 19. Detailed transport issues, that take account of Covid 19, are captured in Strategic Transport Projects Review 2 – Edinburgh and South East Scotland Case for Change, SEStran RTS Main Issues Report – June 2020 and the regional partner's Main issues Reports to support the development of national, regional and local Transport Strategies and Mobility Plans. The extent to which we can adapt and be more resilient and successful in future will depend on how effectively we transition. Collaborative working will be an important part of the response.

The Framework must not only be sensitive to the distinctiveness of places, its goal is to create a framework which responds to our differences, enabling us to marshal capacities and assets across our region more effectively to meet challenges and make the most of opportunities.

³ Transport poverty is disadvantage experienced by those who are disproportionately affected by high transport costs compared with their income, lack of suitable transport options or service accessibility that impacts on the ability to access employment, education, amenities or services

4. WHERE ARE WE NOW?

OUR CURRENT REGIONAL ECONOMIC PROFILE

The following section summarises some of the region's key economic and demographic trends as well as infrastructure assets and sectoral strengths. This information is drawn from the technical annex and from other relevant contextual documents, including the City Regional Deal document.

Figure 1 – Economic Overview



Prior to the COVID-19 pandemic, the Edinburgh and south east Scotland economy was performing strongly, with a level of growth that exceeded the Scottish average. Overall, the region was contributing approximately £36 billion per year to the Scottish and UK economies through its diverse economy.

The distinctiveness of Edinburgh and South East Scotland's culture, history and tourism offer continued to draw visitors from across the world. In 2020, the total GVA for the region was £38,365 million, accounting for 30% of the Scottish total GVA output. This is an increase of 7.5%, or £2,676 million, from 2010. This also accounts for roughly 2.2% of UK GDP, highlighting how the region continues to outperform expectations.

A key factor contributing to the region's economic output is the strength of its key sectors. Across the City Region, GVA in 2020 was primarily driven by the following key sectors: Finance and Business Services; Health and Social Care; Engineering; and Digital. Each of these top performing sectors have continued to operate throughout the COVID-19 pandemic, with heightened demand and increased opportunities emerging in Health and Social Care and Digital Technologies.

Despite significant strengths, sectors such as manufacturing, hospitality & tourism and creative industries in the region have been especially impacted by COVID-19. In addition, the region is composed of local authorities with varying levels of socio-economic resilience, based on Oxford Economics Vulnerability Index. The vulnerability index provides an indication of how well equipped a local authority is to withstand the economic shocks resulting from COVID-19, by considering its economic diversity, business environment and digital connectivity.

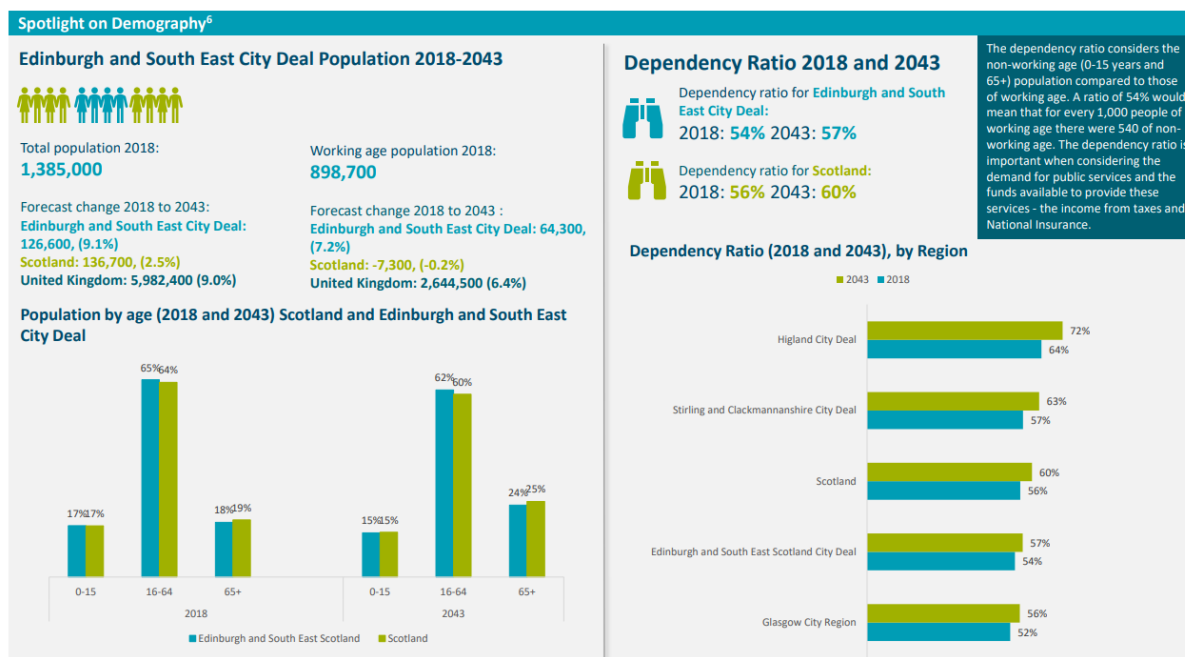
Local authorities across Edinburgh and South East Scotland with a lower share of small businesses, self-employment and reliable digital connectivity tend to be most resilient, such as the City of Edinburgh and Midlothian, which are the 1st and 4th most resilient local authorities in Scotland respectively. Other local authorities such as the Scottish Borders (the 3rd least resilient local authority area in Scotland), however, have lower levels of resilience due to poor connectivity and lower rates of home working, with a relatively high number of small businesses and individuals who are self-employed.

Despite the economic impact of COVID-19 across the City Region, economic growth is forecast to continue with average annual growth projections from 2020-2030 suggesting a growth rate of 2.4%. This is higher than the average annual growth projected for Scotland as a whole.

Demographics

The area is home to almost 1.4 million people, around a quarter (26%) of Scotland’s total population. However, over the past 10 years, the rate of population growth has begun to decline due to a reduction in natural birth rates. This is coupled with an increase in life expectancy across the region. Over the 10 years from 2009 to 2019, across all six of the local authorities, the increase in those of non-working age has been higher than those of working age (16-64). This is felt most acutely in Fife and the Scottish Borders, where the working age population has decreased by 1% and 4% respectively since 2009.

Figure 2 - Population



A demography with an ageing population and a high dependency ratio (the number of people of non-working age dependent on those of working age) means that a smaller pool of people of working age are supporting a larger pool of older people who are not working. This in turn puts additional pressure on public services. There is also a more limited labour pool on which to draw to address regional recruitment needs. Some sectors such as Health and Social Care are already experiencing skills challenges and could find it increasingly challenging to recruit the people they need unless more people of working age are attracted into the region.

Regions with high dependency ratios such as the Scottish Borders, East Lothian, and Fife, are more likely to experience labour shortages. However, this could be offset by enhanced automation in certain sectors and a focused talent attraction and retention strategy. It is also worth noting that people of non-working age contribute much through ongoing paid work, volunteering, and formal and informal mentoring.

Labour Market and Skills Landscape

The COVID-19 pandemic has had a demonstrable impact on businesses and key sectors across Edinburgh and South East Scotland. As of February 2021, there were 95,000 individuals who have had their employments furloughed across the region: accounting for 26.1% of Scotland’s total furloughed workforce. All local authorities, with the exception of the City of Edinburgh, have a higher number of females than males currently on furlough.

Figure 3 – Furloughed Jobs and Redundancy



Despite the financial impact on businesses, there has been a steady rise in the number of job postings across the region over the past 12 months, highlighting a return of recruitment. The number of new job postings has increased by 5,958 from 3,651 in April 2020 to 9,609 in March 2021. This suggests that as lockdown measures were relaxed over the latter half of 2020 business confidence began to return.

Over half of these job postings were advertised in Edinburgh, followed by Livingston and Dunfermline. Programmers and Software Development Professionals, Care Workers and Home Carers, and Nurses were the most frequently advertised occupations with skills such as teamwork and collaboration, customer service and budgeting, in high demand.

The top employing industries across the City Region over the past 12 months have been Human health activities (22%), Education (16%) and Public administration and defence (8%) with the median real time salary associated with all postings across the 6 local authorities reaching £31,800.

However, job postings in the City Deal region remain 15% lower in March 2021 when compared to March 2020, suggesting that many businesses are struggling to stay afloat – and the types of jobs available may not offer the security or hours in demand from those in the labour market.

Forecast opportunity areas and recent job postings data all highlight the importance of softer skills as well as technical skills to employers across the city region. Going forward, ensuring meta-skills such as ‘Social intelligence’, ‘Self-management’ and ‘Innovation’ are part of provision planning will enable individuals to compete in a competitive and changing labour market.

Looking ahead, the number of people forecast to be needed to fill job openings in the labour market by 2023 is 95,100; accounting for 28% of Scotland’s total number of job openings. This is primarily driven by replacement demand, when people retire from the labour market as opposed to new job creation. It is anticipated that despite the short-term labour market challenges facing the region, there could be some job growth and new opportunities created in the mid-term.

REGIONAL IMPACT FROM UK EXIT FROM EU & COVID-19

The cumulative effects of Brexit and Covid-19 will have short, medium, and longer term economic, social and environment effects at a regional and national level.

The COVID-19 global pandemic has had wide-reaching economic, social and health impacts around the world. For Edinburgh and South East Scotland, the impact on the economy has been significant because of the large number of people employed in tourism, travel, hospitality/food service, arts, culture and (non-food) retail.

Health, economic, digital and transport inequalities that existed before the pandemic have made it more difficult for some households to cope with the effects of lockdowns and restrictions and COVID has placed significant pressures on personal finances. The effectiveness of community action projects, right across the region, have provided strong support and helped to minimise the impact on the most vulnerable in society.

Many existing business models are under threat, not just because of the immediate restrictions, but in the medium-term trends (e.g. home working) affecting patterns of consumer behaviour. This particularly affects transport, culture, retail and hospitality/food service. An economic divide between those businesses and individuals who can adapt to new ways of working, or move into new roles, and those who cannot, will develop and widen, unless support is put in place.

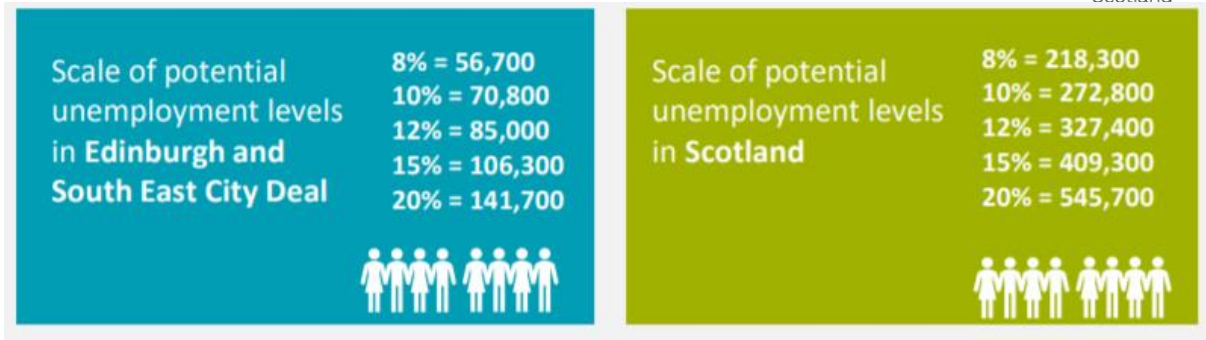
In addition to COVID-19, the UK's recent withdrawal from the European Union has the potential to create additional challenges for Edinburgh and South East Scotland's labour supply. In June 2020, there were 85,000 EU nationals living across the six local authorities in the City Deal, accounting for 35% of the total number of EU nationals residing in Scotland. This is a decrease of 37% (1,000 people) from December 2019. Once Hospitality and Tourism enters a stronger recovery phase there may be an increase in skills shortages across the sector due to its high composition of non-UK nationals. This skills deficit has been noted through the public consultation of this framework, with a clear voice on how the region's employers will depend on the education institutes to minimise these risks.

The outmigration of people from the City Region over the 6 months to from December to June 2020, hints at the potential future direction of travel in migration flows. Given that Scotland and the City Region's only forecast population growth was due to inward migration, the UK's exit from the EU has the potential to create skills shortages across a range of sectors and occupations, whilst adding to longer-term labour supply challenges related to a shrinking working age population.

Identification of Vulnerable Groups

Throughout the pandemic, the unemployment rate for 16–64-year-olds in Edinburgh and South East Scotland increased gradually from 3.1% in March 2020, to 3.7% in September 2020 (25,500 people). This is lower than the Scottish unemployment rate of 4.4% (Feb. 2021). Fife has consistently had the highest rate of unemployment of all six local authorities, and women across the City Region currently have a higher unemployment rate (4.1%) than males (3.4%).

Modelling suggests that in a worst-case scenario, if the unemployment rate across Edinburgh and the South East of Scotland were to reach 20%, we could see up to 141,700 individuals unemployed.



The impact of COVID-19 has not been evenly dispersed across the labour market. Young people have been at a particular economic disadvantage, with many employed in sectors that have been heavily restricted or closed due to physical distancing measures. In September 2020, the 16–24-year-old unemployment rate was 12.4% (9,600 individuals), higher than the Scottish rate of 11.1%. This is three times higher than the 16-64 unemployment rate.

There is also concern that the furlough scheme could be operating as a potential buffer to rising unemployment rates in the long term. Assessing the number of people on universal credit provides a timelier indication of COVID-19 potential financial impact on individuals across Edinburgh and South East Scotland. Between March 2020 and February 2021, the claimant count rose by 94.5% (57,300 people) from 60,600 to 117,900. This suggests that there has been an immediate number of job losses since the outbreak of COVID-19 across the region.

For rural regions such as the Scottish Borders, increased youth unemployment has the potential to lead to a talent drain as young people look for employment and training opportunities in other areas. This, in combination with rural transport and digital connectivity poverty, could create further labour market and skills supply challenges that persist beyond the COVID-19 pandemic. The Strategic Transport Projects Review 2 - Edinburgh and South East Scotland Case for Change report includes contextual information of relevance to these issues as well as further details on the transport problems and opportunities in the region.

Recent insight provides that 10,276 of 11,083 (93%) school leavers across the City Region transitioned into positive destinations. Most school leavers in went into Higher Education (4,554) or Further Education (3,311), and 396 individuals went on to training opportunities. It is worth highlighting that the number of school leavers going into employment increased by 49.8% to 2,849 in 2019/20 from 1,902 in 2018/19. In addition, the number of unemployed and job-seeking young people fell from 503 in 2018/19, to 395 in 2019/20.

A key area of focus over the years after the COVID-19 pandemic will be ensuring that all young people are supported into employment and training opportunities within the labour market, with additional support provided to those living in areas of high multiple deprivation. There is an expectation that the future of the labour market including portfolio working; increasing automation; and the rapid pace of change in the nature of work are likely to impact on support requirements. This is an area where our ambition is to target support appropriately, in a way that continues to respond to changes, but it is envisaged that young people will be particularly affected and will therefore be an important priority group. As part of this work, our education institutes across the region may have to deliver new apprenticeships or career pathways to support these people.

Regional Skills and Talent Development

Significant regional benefit has been achieved from the development of the Integrated Regional Employability and Skills (IRES) Programme, which continues to underpin each aspect of the ESES City Region Deal. The IRES Programme is facilitating a growing network of private, public and third sector organisations who are working together to ensure employability and skills investments are maximized. This change programme continues to embed inclusive growth factors within the network enhancing opportunities for those who live and work within the region to access higher skilled and higher paid opportunities.

The IRES Programme is comprised of seven projects:

- Housing Construction and Innovation (HCI) targeted skills gateway
- Data-Driven Innovation (DDI) targeted skills gateway
- Integrated Employer Engagement
- Intensive Family Support service
- Labour Market Analysis and Evaluation
- Workforce Mobility
- Integrated Knowledge Systems

Some of these are designed as enablers, promoting longer-term partnership working and richer collaboration between stakeholders throughout our city region area. For example, Integrated Knowledge Systems and Labour Market Analysis & Evaluation projects are ensuring the better collation, analysis and evaluation of data from stakeholder across the six regions, in order to support enhanced skills planning and supporting our response to the changing labour market in response to the Covid-19 pandemic.

Other projects such as the targeted skills gateways and the Intensive Family Support service will provide more tailored client-specific support, through engagement, training and access to progression opportunities.

Inclusive growth priorities ensure that the IRES Programme continues to address the needs of citizens including disadvantaged and marginalised groups, unlocking access to good opportunities. Closely aligned school, college, and university planning will enable educational and workforce routes for learners into key sectors. Labour market demands will inform skills planning and the delivery of upskilling opportunities providing transition into successful and sustained careers. This will prove critical to help upskill or retrain those who may wish to pursue alternative careers available to them across the region.

By supporting the needs of the regions labour market, the IRES Programme will continue to identify opportunities to enhance the skills of residents through alignment with key growth sectors. Tackling inequalities and promoting fair work agenda will remain a key focus for the project, supporting economic success as well as enhancing the wellbeing and prosperity of citizens, communities, and business. A strong regional network remains key to the success of the IRES Programme. Working closely with partners the project aims to inform evolving policy and practice needed to support the region to achieve outcomes.

Transport

COVID-19 has changed the demand for, how, why and when people travel. This has been experienced nationally, regionally and locally and longer term impacts remain to be seen, but it can be expected that there will be longstanding changes that impact on the transport network in the region and also present opportunities to lock-in positive behaviour change such as an uptake in walking and cycling. Information on

monitoring of the transport trends during the COVID-19 pandemic is available on Transport Scotland's website.

Emerging Opportunities

Despite the challenges presented by the COVID-19 pandemic, there are emerging areas of innovation and opportunity that could be the drivers of future economic growth. Enhanced reliance on digital technology has not only driven business innovation across key sectors, but it has also reshaped the landscape of work as we know it. Many sectors, such as Financial and Business Services across the City Region, are changing to a more flexible 'work-from-home' model and increasing their digital capacity. As a result, more opportunities could be brought to the region, with an increase in remote working from any local authority, while recognising the potential impact on the existing office sector and city centre retail and other support services.

This opportunity could extend beyond COVID-19 and result in several societal and economic benefits to the region, such as reducing congestion and carbon emissions as commuting activity decreases leading to a change in investment priorities aligned with the NTS2 sustainable travel hierarchies and promoting greater use of local services and shopping (inclusive growth). In the mid-long term, new opportunities in 'green jobs' are a growing area of opportunity that align with Scotland's carbon reduction aspirations (net-zero by 2045), particularly in Construction, Engineering and Manufacturing, Transport and Land-Based Sectors. Particular focus on bringing forward land use planning and transport proposals in a truly integrated manner. There also continue to be opportunities in sectors that have struggled to attract sufficient numbers to fill vacancies including health & social care, construction and teaching.

In order to prepare for and capitalise on 'green jobs'⁴ it is critical to ensure that there is a pipeline of individuals trained to enter these roles throughout the supply chain. It is important to have a clear understanding of the skills associated with these jobs, and to ensure that these are being developed through new and emerging provision pathways across all institutes in the region. This includes guaranteeing that everyone in society benefits fairly from the change towards a green economy, our collective impact to progress the environmental impact is maximised and ensuring that those who are most likely to be disadvantaged by structural changes in employment receive targeted support.

The region is also home to a wealth of natural capital, with numerous parks, coastal areas and a rich and varied wildlife. The "greenspace" across our region was highlighted as a real source of pride in the responses to our public consultation from citizens across all six local authorities. The Scottish Government declaration of a Climate Emergency in 2019, and the heightened discussions leading to COP 26 in Glasgow this November have forced the region to prioritise environmental developments.

⁴ A green job is either: any job in a business that produces good or services that benefit the environment or conserve natural resources; or a job in which workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources (see: <https://www.scottish-enterprise.com/support-for-businesses/funding-and-grants/business-grants/green-jobs>)

5. WHERE ARE WE GOING?

Currently, our region is in a period of profound uncertainty, facing unprecedented economic, societal and environmental challenges. It is difficult, in such a period, to set a fixed direction for the region. We recognise the need for adaptability, flexibility and agility, as we hopefully move into a post Pandemic context, and we recognise that the region is in a strong position to respond to the ongoing challenges and opportunities facing all parts of the world, and is well placed to be adaptive, flexible and agile. For the environmental concerns highlighted throughout our consultation process, it is evident that doing nothing is not an option for the region. These changes must be delivered to protect the future generations of our region.

In terms of immediate priorities, the Scottish Government has published an Economic Recovery Plan, which sets out actions across a number of themes to secure a jobs-focused and socially-just economic recovery. These include:

- Protecting jobs by supporting business recovery and sustainable, green growth
- Creating jobs through business engagement and a partnership approach
- Supporting access to good quality jobs through employment, skills and training
- Boosting local job creation through resilient people, communities and places
- Creating jobs and a Just Transition through investment-led sustainable growth

There is a clear link between better regional distribution of economic activity and improved social outcomes. The Scottish Government wants to facilitate collaborations between local government, the private sector, education and skills providers, our enterprise and skills agencies, and the third sector to use regional economies to drive inclusive and sustainable economic growth. We stand ready to work constructively and collaboratively across the public sector to achieve these aims.

Recent months have also seen development of UK Government policy and proposals in areas including levelling up, community development, R&D Place Strategy and Innovation Strategy. We must ensure that we are ready to respond to emerging policies.

Scottish Government Housing to 2040 and NPF4 – the twenty-year ambition of the Framework aligns well with the timelines of both the national housing and planning strategies. Delivering the RPF, Regional Housing Programme and seven City Region Deal strategic sites aligns closely with the investment, commitment and certainty provided by both Housing to 2040 and NPF4. It will also contribute significantly towards the national ambition to deliver 100,000 affordable homes by 2032, with at least 70% of these being for social rent. The implementation and action plans for the RPF will align closely with the new plan for Scotland and reflect the direction this will provide on future investment into our region and local communities.

The National Transport Strategy 2 (February 2020) sets the strategic direction to help deliver the 2019 Scottish Government commitment to be Net-Zero by 2045, while protecting the environment, reducing inequalities, help deliver inclusive growth and improving health & wellbeing. There is greater synergy between economic, planning, environmental and transport strategies that will provide consistent direction and shared outcomes.

Linked to these areas of Government Policy, we have also seen the publication of a range of research to inform future economic priorities, both national and local. One, produced by Oxford Economics, provided an assessment of Scotland's economic prospects and challenges. It looked at how existing resources and policy instruments could be used more effectively to raise Scotland's economic growth prospects and considered more ambitious policies which, if introduced, might generate a significant uplift in Scotland's economic growth. Incremental improvements could be achieved by more focus and resources around:

- Reform in the complexity of policy goals and instruments that exist;
- The Scottish National Investment Bank (SNIB) should play a key role to achieve a step change in economic growth;
- Continuing to attract inward investment as a key policy ambition;
- More support for 'on-shoring', particularly around manufacturing related sectors;
- Increased supported for SMEs through a more streamlined system of business support;
- Better linkages between the education and skills sector and future needs of Scotland's workforce.

The report proposed that more radical changes were needed in Government policy to support a transformation of Scotland's economic performance, with focus on:

- Increases in government borrowing and/or cuts in interest rates to stimulate stronger growth in demand and hence output;
- Significant tax cuts and deregulation, to improve competition and incentives in the economy; and
- Large increases in government support for businesses, either directly or through increased spending on infrastructure, education & skills, innovation, or the green economy.

So, what might this mean for the Region and how can it focus its considerable resources to achieve something sustainable, achievable and for the collective wellbeing of everyone? The region has real strengths and successes to build on, as well as new challenges and opportunities to face. These include:

High Quality Places and Investment in Homes and Neighbourhoods



- Some of our **urban and rural environments are enviable**, and provide an unrivalled quality of life, but this is not universal across the region. Few other regions in Europe match the quality of our natural and built assets, right across the region;
- **But the reality remains very different for many**, and policy must focus on Fair Work, local regeneration, and support for those in greatest need;
- **Home working across the Region's communities has risen sharply** as a result of the COVID-19 pandemic. This change can support our local economies and town centres, and we need to consider the future of office locations, infrastructure and provision. For some this way of working can enable a better work life balance, enhance productivity and well-being, but can also bring work/life balance issues for many. We must remember that these options are not available to all, and not all jobs can be done from home. Increased home working presents a challenge in footfall for retailers and hospitality, and for developers/investors in relation to property provision with risk of increased dereliction;
- The delivery of a **major housebuilding programme across all types and tenures**, aimed at increasing affordable living in sustainable communities with high quality place and local infrastructure. In doing so, such a programme needs to recognise the potential of the new blended / hybrid working environment, and has appropriate homeworking and wellbeing space;
- The creation of sustainable mixed communities and new destinations and attractors across the region, through regeneration and new development, can increase job density, amenities and housing options with matching service and infrastructure with appropriate legislation within more self-contained **20-minute neighbourhoods**. This must work within the Scottish Governments Housing 2040 strategy and the National Planning Framework (NPF) 4 scheduled to be published shortly with a focus on long-term developments in keeping with this proposed framework.

- A new-found emphasis on sustainability and natural capital in the light of the COVID pandemic also gives us the opportunity to recalibrate our understanding of what economic development, flows and opportunity and supporting infrastructure mean in a rural context. Typically, these features are overwhelmingly conceived as something which extends ‘out’ from cities, and it is assumed that networks exist predominantly to serve the interests of primary urban centres. While this perspective is understandable in terms of critical mass and cost efficiency, it tends to obscure an understanding of the strategic requirements of rural and less densely populated areas. If **rural areas are to maximise their contribution** to Scotland’s National Ambition for Inclusive Economic Growth and to our region, then we must take **a new approach which builds on the opportunities for flexible and digitally supported working**. This greater flexibility in residency choices and housing, with wider implications for travel and the pressure on services, creates enhanced opportunities around natural capital, for example, through renewable energy, carbon storage, or the redesign of farming support.

Major Economic Strengths and New Opportunities

- Our educational institutions, the **research-intensive Universities** in particular, give us a strong competitive advantage. Our innovation systems must maximise these flows and linkages.
- We have a major opportunity to re-focus support on **key growth areas of the economy** such as Software, the Creative Industries, Life Sciences/Healthcare, Business Services and Food and Drink. All underpinned by Data Driven Innovation, and with a skills system ensuring new skills are constantly driving innovation.
- A **commitment to more locally based supply chains** and more of a ‘near me’ economy, linked to the broader objective of supporting Community Wealth Buildings, particularly through the procurement policies of our anchor institutions can bring new economic benefit if properly channelled.
- The profile of the region having Scotland’s capital, a city of international profile and reputation.

To build on the Region’s strengths and address the existing challenges and opportunities, it is important the Region’s seeks to be ‘Resilient’ in its solutions, ‘Innovative’ in the way in which organisations work together flexibly and quickly, and seek to support a region that ultimately ‘Flourishes’ to the benefit of everyone who lives here. These themes are explored in more detail in the next section.

6. OUR EMERGING VISION FOR THE FUTURE

Having reviewed the challenges and opportunities that the region needs to address, the following section outlines our collective Vision for the region, as well as the themes that will focus our activity.

In doing so, it seeks to recognise the importance of the area’s natural, cultural, built and community assets, and our determination to create a more equal economy and society, improve citizens’ health & wellbeing, address climate challenges and help develop an internationally recognised, well-connected and outward looking city-region.

Our Vision

Our aim is to become the data capital of Europe. We will ensure the social and economic benefits of this capability **extend to all**. All sections of the community will have the opportunity to develop the key **skills that will help to end inequalities in our society**. We will **protect our environment** and **make best use of our extraordinary built and natural assets**, ensuring that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy. **Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national, and international reputation.**

Delivering the Vision

A series of future regional priorities have been outlined below, these seek to maximise the opportunities the Region offers, while addressing the challenges which it faces; both existing and as a result of Brexit and COVID-19. These are emerging priorities and will require further work, consideration and consultation as the Framework develops. These priorities fall broadly into three key thematic areas – **Resilient, Flourishing and Innovative**.



7. OUR EMERGING STRATEGIC THEMES

Theme 1 – Flourishing



- We want to spread the benefits and prosperity more evenly around the region in an environmentally sustainable way, to ensure inclusive growth, community wealth building, community wellbeing and reduced inequalities are achieved. Technological and climate change is transforming the types of skills requirements and job opportunities available and how companies do business and it's vital that people in the region have the skillsets required to work in key sectors. We want to have economic wellbeing levels well above the Scottish average and equal to or better than comparable international City Regions, which are spread across all our citizens in the region. We want our governance, investments and institutions to support the economic activities that will define the region as a global pioneer and leader that our citizens are truly proud of. We aim to have a wide labour market with diverse skills base to match current and emerging business requirements as well as future growth sectors. We have education, skills and training opportunities, targeted at underrepresented groups and sectors with appropriate support to enable their increased participation. There is improved access to such employment, education and training opportunities across the whole region. This supports a diverse, broad and resilient economic base with a wide range of job types and employees linked to innovation, a just transition to net zero and local production and supply chains. Delivering new zero carbon homes, maintaining and retrofitting existing homes will be central to changing our behaviours to support of a transition towards a zero-carbon economy.

Future opportunities include:

- Delivering the 21,000 jobs that the City Region Deal projects will bring and helping our most disadvantaged communities have the skills and ability to access these opportunities.
- The City Region Deal Integrated Regional Employability and Skills (IRES) Programme will provide part of the support required to help people in the region adapt to these changes.
- Sustainable, accessible and integrated transport as an enabler to universal access for opportunities and reduce inequalities.
- Maximising community benefits from the City Region Deal and future collaboration projects can deliver economic opportunities linked to areas of disadvantage.
- Distribution of key sectors and jobs and assets - building on the region's core sectoral strengths which include: tourism, agri-tech, life sciences, data science, tech, finance, fintech, creative industries, food & drink, renewables/energy, health and social care, manufacturing, construction, warehouse and distribution.
- Growing export value and the number of exporters. Consider economic opportunities at a regional scale e.g. future warehouse, distribution, industrial and retail uses, and how those organisations maximise their global reach.
- Work in partnership with utility suppliers to ensure the combined ambition for net-zero, community wellbeing and inclusive growth can be delivered across the region.
- Embed the principles of the Logan Review across all sectors to support and nature innovation and entrepreneurship.
- Maximising the benefits of an inclusive economy to extend beyond existing urban centres to smaller towns and rural areas, to develop/enhance 'locally' functioning hubs. Reducing the need to travel unsustainably with sustainable and low carbon transport choices connecting places, create conduits for business and enterprise, workers, skills, training, and goods and services
- Collaboration with Scottish Government to deliver wide range of financial innovation opportunities that will enable the delivery of a 'Regional Housing Programme' and our seven transformational strategic sites:

- Deliver upfront land remediation and shared infrastructure delivery across sites that require it – Blindwells and the former Cockenzie Power Station Site, Edinburgh’s Waterfront, Dunfermline, Shawfair, Winchburgh, Calderwood and Tweedbank.
- To also deliver the associated low and zero carbon, green and blue infrastructure on these sites that will enable adaptation and mitigation to climate change and reduce fuel poverty, increase energy efficiency and deliver wider multiple benefits.
- Investment required to meet the greatest affordable housing need in Scotland, through an expanded regional affordable housing programme that builds on work to produce a Regional Strategic Housing Investment Plans and delivers more social homes for rent
- To enable wider delivery of affordable, specialist provision, ‘Mid-Market Rent’ and ‘Build to Rent’ and therefore mixed tenures and communities
- Regional Home Demonstrator – delivering a new business model for affordable housing that is key to the transformation of delivery (including collaborative procurement, design standardisation, whole life costs and net zero carbon performance) and moving towards the mainstreaming of modern methods of construction that can be deployed across the region
- Housing Construction & Infrastructure Skills Gateway
- Housing developments based on digital connectivity and supported by 20min neighbourhoods promoting the NTS 2 hierarchy of walking, wheeling, cycling and public transport access supported by an infrastructure first approach.

Theme 2 - Innovative



Innovation is critical to developing new solutions to the challenges and opportunities the region faces. Within our region the differentiating opportunity is Data, which is critical to future economic growth, social change, and public services. The region has ambitious plans to establish the region as the Data Capital of Europe and ensure that communities across the region benefit from data-driven and other forms of innovation. We must build on this platform to ensure that the RPF delivers for all our citizens in new and innovative manners.

The City Region is home to the £1bn+ businesses FNZ, FanDuel and Skyscanner. Major international tech companies such as Amazon, Cisco, Oracle, Microsoft and IBM have also created bases in the City Region. In 2020, Scottish start-ups collectively raised £345m with nearly 2,500 start-ups. However, as the Logan review recognised, attracting investments for these from London or abroad continues to be a challenge. The Tech Ecosystem in the region is strong and is one that has the potential for further consolidation and growth right across the region. In terms of academic and research capability, the University of Edinburgh has been ranked first in the UK for computer science and informatics research and Heriot-Watt University is a global leader in Robotics and Artificial Intelligence (RAI). East Lothian’s Food & Drink Business Improvement District includes an Edinburgh Innovation Park with Queen Margaret University to innovate around Food & Drink practices and products, including the practice of translational medicine to impart medicines in food products to address acute medical conditions.

Future opportunities include:

- Formation of a Regional Tech Ecosystem collaboration, to facilitate and promote the collective opportunities for local development and international growth, as Fintech Scotland has done for the Scottish Fintech community.
- Collaboration across public, private and academic sectors to apply data science approaches, to develop innovative and financially sustainable models to business operations, including regional opportunities in the fintech sector and in health and social care.
- Building on the infrastructure available across the region to enhance the provisions of services to our communities in a responsive and appropriate manner.
- Data-driven approaches to prevention, treatment, and health and care service provision, enabling high quality and efficient care within a world-leading learning healthcare system.

- Delivering business premises of the future are ready for data-driven innovation opportunities, including the City Region Deal Fife i3 Programme and Borders Innovation Park, as well in other major development areas like West Edinburgh, Fountainbridge and Granton in Edinburgh.
- Innovative and future-proofed infrastructure – ensuring the region is at the forefront of new infrastructure and in a position to enable 5G and superfast fibre delivery across the region, to enable businesses to locate, invest and grow in our more remote and rural locations whilst also allowing people to work from more flexibly from home and other locations.
- Innovative and future proofed transport – ensuring the region has coordinated information and flexible transport modes that are easily accessible and deployed to promote growth in the sector and support net-zero and the reduction of inequalities.
- Innovative and future proofed utility networks to effectively and efficiently serve the region and its ambitions.

Theme 3 – Resilient

Our region must be resilient and be responsive to change. Economic changes, including technological advances are rapidly taking place and changing the way we work and access services. Climate change is bringing challenges and opportunities for the region, including the need for adaptation, mitigation and sequestration measures; this could also bring significant opportunities to justly transition to a low carbon economy. Our people also need to live in places in all parts of the region that support new fair work, have access to travel and lifestyle choices and we must also evolve the skills base of people in our region to meet the requirements of our future economy.

Partners across the region will work with the Scottish and UK Governments and regional partners to ensure our national, regional and local plans, consents, investment and delivery are co-ordinated, streamlined and accelerated to ensure:

- Nationally and regionally significant transport projects will be coordinated by SEStran and delivered to connect the region better to other city regions, places and markets including:
 - Rail
 - Road based public transport
 - Active travel
 - Demand Responsive Transport
 - Mobility as a Service
 - A720/A1
 - Air
 - Marine
 - Mass Transit
 - Borders Railway Extensions
- The delivery of a fairer distribution of economic growth across the region, not just population and housing, to:
 - increase diversity of economic activity and job density across the region,
 - make more resilient communities,
 - minimise need to travel,
 - make best use of assets – e.g. contra peak capacity in transport network
 - encourage new ways of working
 - use of digital connectivity
- Masterplan Consent Areas, major developments and / or New Towns will be designated as appropriate, with major national and cross boundary transport projects to be delivered through national, regional and local level collaborative teams

- Regional Spatial Strategy and major development plans will collaborate strongly with national/regional/local transport strategies and work in partnership with transport agencies, where appropriate, to input and prioritise the delivery of sustainable transport infrastructure to help support greener travel behaviours
- We will work as regional partners to ensure
 - Our plans and strategies are coordinated across local authority boundaries and projects; and
 - Initiatives to deliver more frequent, reliable, integrated and affordable public transport are supported and active travel services and options are improved for all in the region by working closely with transport providers and SEStran and Sustrans Scotland etc.
- Better connected - Future priorities to ensure that the region is better connected, include:
 - Pursuing strategic public transport projects and priority schemes to deliver greater connectivity in the region quickly, as well as contributing to challenging national targets, such as 20% reduction in car kilometres travelled within the next ten years
 - Measures to increase workforce mobility, especially for residents of disadvantaged communities, primarily through the creation of a fully coordinated, integrated, flexible and affordable transport network across the regions that helps reduce inequalities. Strategically, future plans need to acknowledge the integration of land use and transport, to support 20-minute neighbourhoods, 'blended working' and innovative transport solutions.
 - Interventions that, individually and/or collectively, demonstrably address climate change and reduce carbon emissions.
 - A single point of information and ticketing, which is affordable and integrated for public transport across the region.
 - Helping to deliver the National Transport Strategy (NTS2) priorities and outcomes underpinned by the sustainable travel and investment hierarchies and Regional Transport Strategy objectives through appropriate infrastructure and services in new strategic sites, as well as from main centres of population to centres of employment, education and training as well as other public facilities including health care;
 - Enhancing mode choice and offering to ensure that transport network can become more flexible to adapt to the differing transport needs of the region.
 - Focusing on investments on modal shift and supporting the more disadvantaged communities.
 - Considering potential longer-term schemes for tram, light rail and heavy rail.
 - Supporting freight operators using new approaches to freight decarbonisation across the region
- Sustainable – Partner organisations are developing four strategic outline cases for the development of sustainable Energy Management Systems, Regional Supply Chains, developing an Investment Prospectus for COP 26 and setting out a Risk impact for climate change consequences, including economic consequences. Additional opportunities to help ensure the region can adapt to climate change and transition to zero carbon emissions include:
 - Sustainable Modern Methods of Construction – The scale and pipeline of regional housing development presents a unique opportunity for innovation and use of offsite manufacturing methods of construction to ensure that homes are future proofed being built to the highest quality and energy efficiency standards with significantly reduced waste and carbon emissions. Continued collaboration with Edinburgh Napier University's Institute for Sustainable Construction and Construction Scotland Innovation Centre.
 - Energy - The region already has some significant assets that can help to enable the transition to a low carbon economy. However, harnessing this collective potential combined with future investment, behavioural change, and a move towards a circular economy will be essential to meet ambitious targets. Existing key assets and opportunities across the region include:

- Energy Park Fife - Energy Park Fife is a world leading engineering and research zone within the energy sector.
 - Energy from Waste Plants - Maximising connections to Midlothian and East Lothian sites to deliver low carbon heating in the South East of Scotland.
 - Geothermal - There are several former coal fields across south east Scotland, such as the Midlothian and East Lothian and Fife coal fields, where there is significant potential to abstract and make use of warm mine water to develop geothermal heat networks.
 - Recycling - Significant expansion in recycling facilities, consideration could be given to regional recycling hubs.
 - Transport – Transport accounts for 37% of Scotland’s greenhouse gas emissions. There are a number of national, regional and local initiatives that are demonstrating or investigating the decarbonisation of transport and will help to reduce kilometres travelled by car.
 - Transport – A true modal shift from the private car (even EV powered) to active travel and public transport will help maximise the efficient use of energy, but this can only be achieved by providing a viable alternative to the private car. SESTran’s Mobility as a Service and Demand Responsive Transport approaches across the region will provide the platform to create a fully integrated public transport offering, coupled with Demand Responsive Transport to respond to the customer needs and the changing dynamics of the region.
 - The Scottish Borders is already a significant net generator of onshore renewable (wind) energy. There remains potential to expand this output in areas set out in the Local Development Plan, as well as to develop the associated upskilling, well-paid jobs and local economic benefit.
 - Offshore renewable also offer opportunities reflected, for example, in Eyemouth’s selection as an Operations & Maintenance base to support EDF Renewables UK’s Neart na Gaoithe Offshore Wind Farm.
- Green and Blue Infrastructure and nature-based solutions, including carbon capture and sequestration. We will identify regional project, programmes and actions that will help us to adapt to and mitigate future climate, focusing on reduction measures and the mitigation and sequestration. The work of this framework must enable difficult local decisions around carbon emissions but operate within the regional framework. This will support the local needs of each council, providing overarching best practice to work within. Afforestation and enhancing the significant woodland and wetland assets within the region; particularly the Scottish Borders. New developments provide green corridors for safe wildlife passage and connections to nature, natural waterways protected and preserved, natural wetlands and floodplains protected through masterplanning to provide vital future water management and prevent erosion.
 - The region has much to contribute to the net zero agenda, but there is work to do to better understand the regional issues and opportunities. Change will be rapid and we aspire to be at the forefront of this. This means developing a much stronger understanding of the impact of our collective carbon emissions impact, and what we should target first to make the biggest difference. A working group has been formed and this work is already underway as an early priority. As this develops, we will work closely with:
 - a. Scottish and UK Governments to ensure emerging good practice is reflected in our approach to GHG measurement and costing
 - b. Transport Scotland and other transport partners to seek ways to complement the emerging Regional Transport Strategy through our work
 - c. NatureScot and others to develop nature-based solutions that add to quality of environment and quality of life
 - d. Private sector partners who can deliver so much of what is needed, and require a supportive policy backdrop to enable this
 - We have a powerful range of organisations and individuals across the region who can all contribute in different ways to this critical agenda. Our “Big Moves” will all consider how best to

support our net zero aspirations. We recognise that this will require new ways of working, and new ways of thinking about our environment. Our approach to risk must reflect the urgency of the situation and look ahead to likely future legislation, taxation and GHG obligations.

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8. OUR EMERGING BIG MOVES

A Better-Connected Region

The interdependence between local partners has never been greater with increased mobility of workers and people choosing to live, work and invest in locations across the region irrespective of administrative boundaries. Within the region we will ensure that employment, training and education can be accessed by all, through sustainable transport modes.

South East Scotland is well placed to capitalise on improved international, UK cross-border, including between Edinburgh and London, as well as national connectivity. Edinburgh Airport, ports on the Firth of Forth and the radial transport corridors to, through and from our region connect it to other UK regions, Scottish regions and City Region Deals including Tay Cities and Borderlands. These routes and our digital connectivity provide the means to develop wider relationships and to seek out, attract and share new opportunities.

Edinburgh city centre and the regional core are a key connecting node, but many of our major cross boundary connections converge elsewhere in the region. A better, more sustainably connected, region underpins its future success.

Many of these strategic corridors are part of the NTS2 Strategic Transport Projects Review 2 and will inform the Scottish Government's transport investment programme in Scotland over the next 20 years (2022-42). The regional and local corridors will be developed by SEStrans and Local Authority strategies and mobility plans. Although these commitments will be longstanding, they have been developed during a period of unprecedented change and uncertainty, so regional partners will need monitor and assess the effectiveness of the commitments for the region and work with the Scottish Government and SEStran to react to any further development that may be required

Some of our key objectives are to promote future growth within the city centre, regional core and along our growth corridors in line with the high-level approach below:

- **Connecting West** – we want to build a new partnership between the east and west of Scotland right across the region, to address labour market linkages, sustainable connectivity and sectoral collaboration. This will exploit the existing M8 corridor to support the themes of education and manufacturing from Livingston into central Scotland and beyond. We also want to ensure we take advantage of our shared UK cross border connectivity and associated development opportunities, including logistics, freight and storage and distribution as well as manufacturing;
- **Connecting North** – utilising recent investment in the new Forth crossing, we want to improve connections to the Tay Cities Region and Aberdeen City Region areas, and to make available growth opportunities in key locations within Fife, including the former Longannet Power Station site, Port of Rosyth and Fife Energy Park, as well as around the Forth Bridge heads and at Edinburgh Airport, including growth of our financial, insurance and other professional sectors. This also includes the developments at Winchburgh as a southern bridgehead from which this can be enabled. The Levenmouth Rail Link will also offer new opportunities for both passenger and freight transport. A key focus of this will include ongoing support for further development of sustainable energy connections with key partners across the region and beyond;
- **Connecting East** – utilising existing and future enhancement of UK cross border connections between south east Scotland, north east England and London we want to reduce journey times and strengthen the UK cross border cities network. Along the element of this corridor within the region there is significant potential to align plans for substantial economic and housing growth in a new strategic regional growth gateway location focused on an enlarged new settlement at Blindwells with new regional town centre, the redevelopment of former Cockenzie Power Station site and a new regional gateway transport hub. The creation of a new railway station in Reston will also provide opportunities for inclusive growth and opportunities within the east of the Scottish Borders;

- Connecting South – the BioQuarter, and Edinburgh Innovation Park at Musselburgh cluster around the A720 (east end), A1, and East Coast Main Line; with Easter Bush nearby in the A701 growth corridor. The Borders Railway remains a major corridor for sustainable growth and rural regeneration; and a new North South tram line must connect North and Central Edinburgh to the Bio Quarter and then to the growing communities to the south of the city. To strengthen links further, the region requires the extension of the Borders Rail Line to Carlisle to improve UK cross border connectivity between the south of Scotland and the north west of England. For the movement of freight between the north of England and South of Scotland the A7, and A68 are key strategic routs that require future investment.

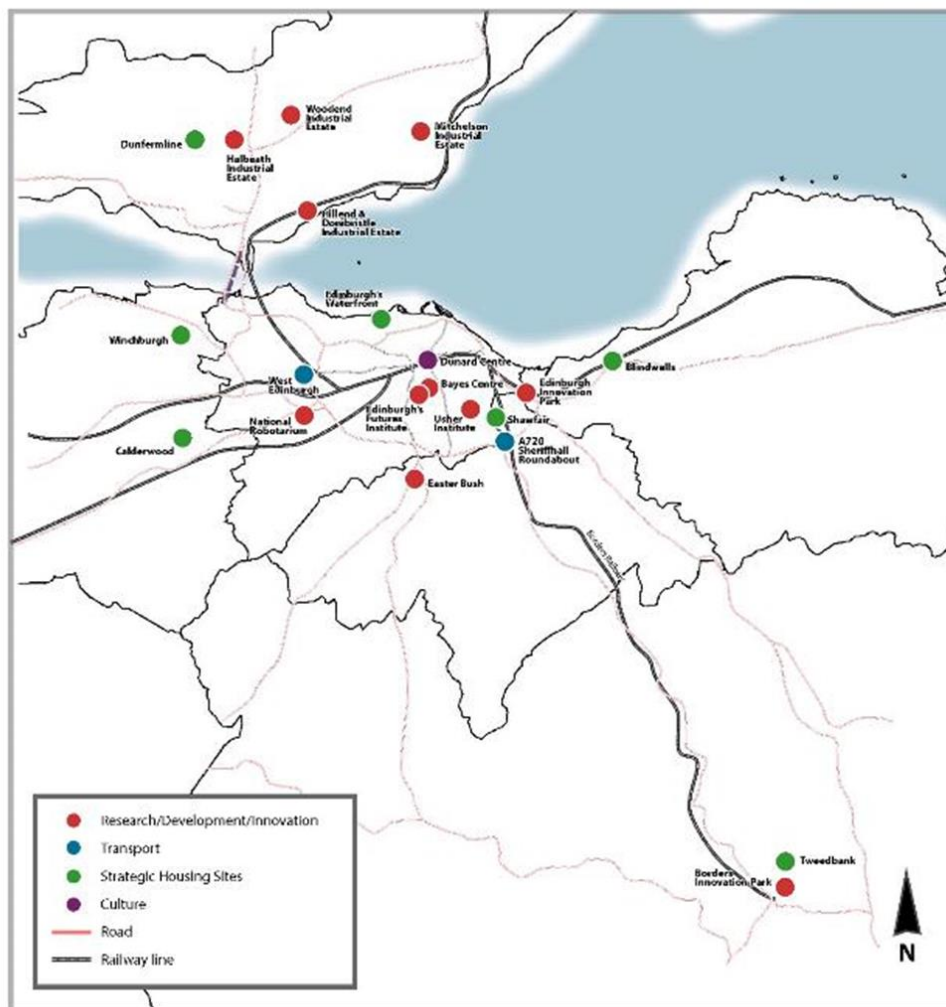
Major Regional Opportunities

This section sets out the nine major regional opportunities that have been identified through the Framework development process. Each aligns with one or more of the themes set out above and indicative projects have been captured against each of these big moves to provide an indication of how this will be delivered. Note that the indicative projects (in a,b,c format below) are not exhaustive. These opportunities cannot be fully realised without a regional approach and will deliver significant impact with the potential to reshape the region's future.

1. **A data-driven region:** *Our goal is to be the Data Capital of Europe. We have made huge strides in this direction, but this ambition now means major investment in data collation and capacity, deployment, absorption and skills – to support sectors and innovation ecosystems right across the region.*
 - a) Delivery of the major Agritech programme, aligned with health innovation activity at the Usher Institute and the wider & BioQuarter programme;
 - b) Supporting our Fintech network to diversify and future proof our financial services excellence;
 - c) Embed the DDI programme in key sectors such as tourism and advanced manufacturing (the latter initially in Fife);
 - d) Optimise the usage of the World Class Data Infrastructure investment.
2. **New approaches to sustainable development:** *over recent decades, our travel to work dynamics have changed, often to the detriment of local communities and sustainability objectives. The aftermath of the Pandemic can change that; we will see more working from home for some, changed commuting patterns and a much greater emphasis on local quality of life. We will embrace the 20-minute neighbourhood concept across the region, and, look to spatial planning and transport policies to reduce the need for travel, and where required, for mobility to be as close to net zero carbon as possible.*
 - a) Embedding sustainable approaches to delivering new communities at strategic sites such as Winchburgh and Blindwells;
 - b) The development of 'working close to home hubs' in local centres and at key transport interchange locations;
 - c) The regeneration of our high streets to imaginatively reuse the existing built infrastructure;
 - d) The development of a Regional Spatial Strategy to put these approaches on a statutory footing.
3. **Sustainable transport and mobility:** – *we will reduce car dependency and the need to travel unsustainably, right across the region by delivering key aspects of the National and Regional Transport Strategy such as interconnected cross boundary active travel links and better infrastructure for affordable public transport provision. A new mindset is needed which recognises the essential contribution of rural and less urbanised parts of SE Scotland make to the economy and society. We will provide affordable, coordinated public transport options for those who live in transport poverty for access to employment, training and education opportunities.*
 - a) The rail network is a key enabler of mobility within and without the city region. Enhancing connectivity, expanding capacity and ensuring provision is critical to a sustainable travel network. Key ambitions must include East Coast Main Line improvements including four-tracking of the line; new local stations at Reston and East Linton; the Leven Rail extension project enabling connectivity between some of East Fife's most deprived communities and attracting new business and investment

- to the area; Scottish Borders Rail extension, enabling further vital links into the Borders - a historically disconnected and deprived part of the region;
- b) The transformation of Waverley Station as the gateway to the city and country, providing the basis for improved passenger services and train operations, and supporting economic growth at the heart of the region;
 - c) Building on the expanding existing network, the development of a regional mass transit network, integrated with upgrades at Sheriffhall junction on the City Bypass to facilitate greater public transport priority;
 - d) An active travel network that delivers for all our citizens. We will build on the work achieved to date in urban and rural settings through a comprehensive regional network of safe and where possible segregated routes to encourage the most sustainable forms of mobility;
 - e) Targeted bus priority measures on local and trunk roads to facilitate modal shift, increase bus patronage, reduce congestion and contribute to the climate emergency response. Regional partners, working in partnership with bus operators, will develop and deliver ambitious schemes to improve bus provision and make use of the Bus Partnership Fund and align with other key national, regional and local projects.
4. **The Forth: a green industrial and regeneration exemplar:** Working with colleagues in the Forth Valley, we can make the Forth a national focus for renewables investment, and the mixed use regeneration potential along the Firth and coast can confirm our place as a leading European waterfront destination.
- a) Development and private/public delivery of the Forth Ports led Freeport/Greenport programme from the Forth Valley to Leith, including Rosyth;
 - b) The Edinburgh Waterfront regeneration programme, with a focus on delivery at Granton Waterfront;
 - c) The regeneration work proposed at the former Cockenzie Power Station Site including the major development at Blindwells.
5. **Sustainable tourism and cultural distinction:** *The city region is one of Europe's most important cultural destinations. But we cannot be complacent. The tourism and hospitality sector must meet skills and sustainability challenges, and we must remain rooted in authenticity. That is what makes the region so attractive. Both our 'here all year' cultural offer and our Festivals must remain internationally competitive and locally rooted and valued.*
- a) Design and delivery of a city regional tourism support network;
 - b) Optimising the role of Edinburgh as a gateway for the region and country to ensure discovery of all the region has to offer;
 - c) Building net zero and fair work principles into the sector;
 - d) Ensuring the Edinburgh Festivals remain world leading, environmentally and socially, as well as creatively.
6. **Support for starting and building a business:** *post Pandemic, new forms of enterprise will emerge. We need to ensure that national and local business support is aligned to enable the start-up and scale up process to be much more effective – and that local and regional support networks are at European standard.*
- a) Ensuring our innovation ecosystems are high functioning – involving business, HEIs, business growth agencies such as Codebase in Edinburgh alongside access to capital and advice;
 - b) Redesign our business support programmes to enable younger people across the region to start their own business, particularly supported by peer to peer networks, and supply of premises and equipment;
 - c) Explore Wellbeing economy principles to advance new economic models in the wake of the pandemic.
7. **Aligning the skills system to maximise progression** towards, into and through employment in emerging sectors and technologies including the green economy and supporting those who have been disproportionately affected by the COVID-19 pandemic (particularly young people) to secure sustainable employment.

- a) Work with our Further Education Colleges to ensure key sectors in the region can shape skills needs and programmes;
 - b) Build our digital skills programme in every High School in the region, learning from the work at Newbattle High in Midlothian;
 - c) Addressing skills shortages in growth areas of the regional economy through local, regional and national intervention;
 - d) Enhancing our employer led programmes to upskill the existing workforce to equip employees with the skills they need for the future.
- 8. *Healthcare and Well-being focus for all:*** *Our One Health programme will build an international network of healthcare innovation at Easterbush, Edinburgh Bio Quarter and beyond. The programme encompasses core research, applied solutions, company formation and co-location, and new ways of working in local communities. We understand wellbeing is as much about Place as about science and medicine, and sustaining and building active and healthy communities is a core part of our ambition.*
- a) The Usher Institute as a future-facing institute to help understand and advance global health;
 - b) Advanced Care Research Centre, shaping world-class data-driven care for those who need it;
 - c) The Bio Quarter as an innovative institution for industry, academia and healthcare experts;
 - d) A stronger regional partnership between Councils, Health Boards, and the third sector in creating wellbeing in local neighbourhoods.
- 9. *Maximising the role of 'anchor institutions':*** *The region is host to internationally respected institutions which are anchored in their communities – in the public, private and voluntary sectors. They are the foundations of our strategy whether in employability, procurement, or fair work. Universities and Colleges in particular have a key role to play in attracting talent and ensuring our skills base is fit for the future. We will develop a charter of these institutions to cover:*
- a) Procurement and buying policies, to ensure local economic impact is maximised;
 - b) Employment policy, to ensure these institutions support those further from the labour market;
 - c) Reputational impact – to ensure these bodies are beacons for the city region, nationally and internationally.



9. OUR PROPOSED APPROACH TO DELIVERY

Delivering this Regional Prosperity requires new ways of working

The Edinburgh and South East city region is Scotland's greatest economic asset, generating wealth and opportunity for its citizens and the rest of the nation. Economically, the city region is a national force for good, acting as a catalyst for the country as a whole. Socially, culturally and creatively, it is an iconic touchstone for the Scottish people, projecting much of Scotland's global profile and as the primary gateway to Scotland. It is in the national interest for investment and funding decisions to be taken coherently to provide for the continued and increased success for the benefit of everyone throughout the country.

To achieve and deliver upon this Regional Prosperity Framework requires a new way of working. Through the City Region Deal, the Scottish and UK Governments and regional partners embarked on a new relationship. The Deal has demonstrated that partners can collaborate effectively to deliver cross-regional projects, create future regional infrastructure and strategically co-ordinate transport, housing and economic development.

For our national wellbeing, Scotland must maximise the potential and opportunities that exist in Edinburgh and the South East as articulated in this Regional Prosperity Framework. Scotland's economic health is dependent on a thriving economy that protects the environment across the region. The Scottish and UK

Governments, national agencies and regional partners must align funding programmes and investment priorities alongside the wider contributions of private and 3rd sector partners including housing associations, voluntary/charitable organisations and social enterprises to ensure this success. This will secure maximum value for taxpayers' money and will attract business, create jobs and boost prosperity to benefit the region and the nation.

These innovative and ambitious projects require a collective approach to align strategy, investment and funding, and to deliver prosperity and wellbeing across the region and for the rest of Scotland. Government has been clear that the logical extension of the positive progress of City Region Deals is for regional collaboration to go further through the development of regional economic plans, with shared outcomes, responsibilities, and alignment of priorities and resources. An unrelenting focus on the strengths of place and communities is critical to planning for and ultimately realising meaningful change. The Scottish and UK Governments and regional partners must build upon the close partnership successfully established through the Edinburgh and South East Scotland City Region Deal and ensure that powers and resources exist to provide for coherent investment in the region's key strategic priorities.

This section sets out how the projects, big moves and themes converge into a framework for delivery. The Framework Action Plan will reflect a short-term focus (years 1-3), and it is envisaged that the action plan will be a live document, which will be updated frequently as projects are developed and delivered. The overarching Framework will be refreshed at 3 – 5 year intervals. Over the short, medium (years 4-6), and longer (years 7-10) term horizons, the City Region Deal; the regional pipeline of projects; and the identified "big moves" will all inform action plan updates. Further information on each element and how it links to Framework delivery is outlined below:

Delivering the Deal

In these uncertain times the £1.3bn ESESCR Deal provides certainty both in terms of investment but also the 15-year commitment made between the Deal signatories. The projects and programmes in the Deal provide committed investment, together providing a strong foundation to grow, leverage and develop opportunities for the regional economy.

The ESESCR Deal is of national importance with significant implications for Scotland's future growth. This Framework seeks to build on the ESESCR Deal and maximise our existing assets by outlining key measures, priorities and opportunities which have arisen from the collaboration and which respond to the economic and climate challenges that face us all. In addition, the existing collaboration ongoing across partners and the established working relationships from the City Region Deal have provided a platform from which this framework can further deliver benefits for our citizens.

Monitoring and Evaluation

Effective monitoring is essential to provide timely feedback and the ability to 'flex' projects if they are not delivering the intended benefits for our citizens. At the heart of the City Region Deal, a well-defined Benefits Realisation Plan, recognised for its best practice, has proved critical to the success of the Deal. The RPF will learn from this work, ensure resources and processes are in position and ensure that right data is held for all the regions to ensure a high quality of information to assess this ongoing work.

Pipeline Projects

The region has worked collaboratively to prioritise a pipeline of projects which can be delivered over the short to medium term (1-6 years) with the right investment and partnership approach to deliver against the three key thematic areas of the Regional Prosperity Framework.

Big Moves

The strategic programmes, partnership and approaches outlined in the 'Big Moves' section aims to ensure that the region delivers the vision and ambition of the Regional Prosperity Framework over the next 20 years.

Action Plan

An action plan with a short timescales focus will be regularly updated to ensure that the key projects and deliverables of the framework are live and area able to react and respond to future economic, societal and environmental factors to best meet the needs of our communities. We will continue to refine our approach to delivery based on evidence and the feedback from our citizens.

This action plan must be appropriately resourced to deliver on the strategy captured within this framework. It requires continued commitment from the 6 Local Authorities and key partners to drive the initiatives forward to build the society that our citizens demand. Long term investment commitments by the Scottish Government and Transport Scotland are being further developed in 2021 with regional partner involvement. The region needs to support this investment to maximise the positive impact across the region and the delivery of the national ambitions, monitor the outcomes and continually work with Scottish Government and Transport Scotland to react to changing circumstances within their 20 year investment programme.

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10. OVERSEEING CHANGE

The delivery of the change proposed within the Framework will require a significant collective effort from a range of organisations, alignment and influence on national and regional strategy/investment and long-term governance arrangements.

Key partners in the delivery of the Regional Prosperity Framework will include the Edinburgh City Region Deal signatories (the six local authorities, together with regional universities, colleges and the Regional Enterprise Council, UK and Scottish Governments), as well as a range of other organisations with a key national and regional roles such as Transport Scotland, Scottish Enterprise, South of Scotland Enterprise, SEStran and SUStran.

The successful delivery of the Framework and action plan requires each of its elements to be implemented in a coordinated way. An existing structure is already in place to support the delivery of the Edinburgh and South East Scotland City Deal, and this will be the basis of a broader public/private sector economic partnership to guide and monitor the long term delivery of the Framework in the long term.

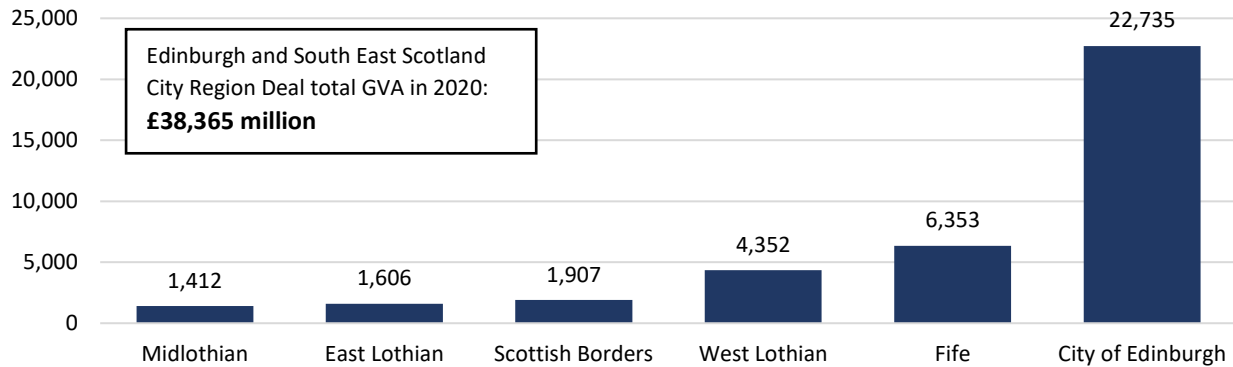
The Regional Enterprise Council – has already started to influence and shape the Framework and will continue to ensure that strong, effective leadership and input is provided across the public and private sectors.

The Elected Member Oversight Committee established in January 2021, ensures that that the Framework is developed and governed through to the delivery phase with the appropriate local level scrutiny.

The regional partners are committed to working together to develop and deliver our vision for the future of our region. We are keen to continue to focus on our strong relationship with national agencies, and the Scottish and UK Governments, to ensure that our regional efforts are both supported by, and contribute strongly to, the wider national context. We look forward to continued joint working to share and realise our Vision.

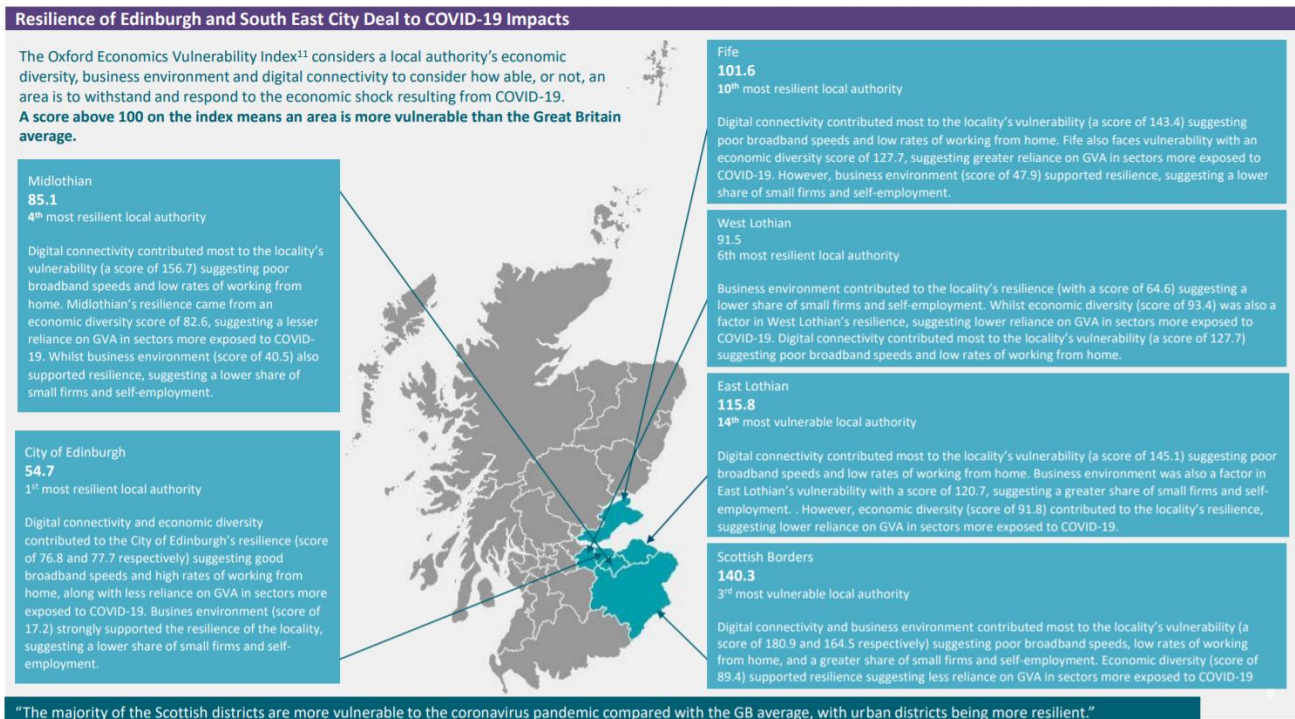
Economic Performance

Chart 1: City Region GVA 2020 (£m) by Local Authority



Source: Oxford Economics Forecasts (Skills Development Scotland)

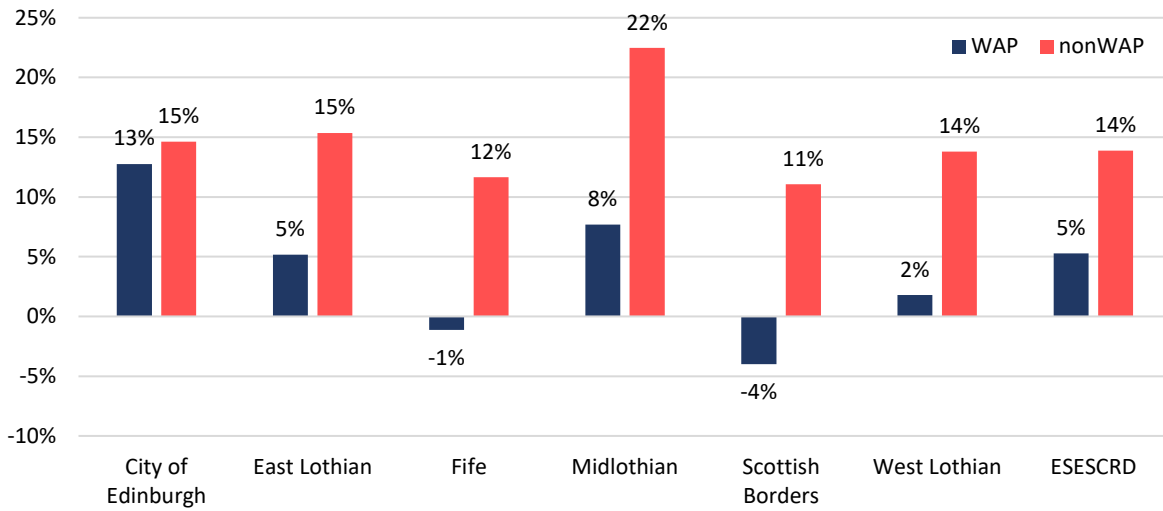
Figure 1: Oxford Economics Vulnerability Index – Edinburgh and South East Scotland



Population and Demographics

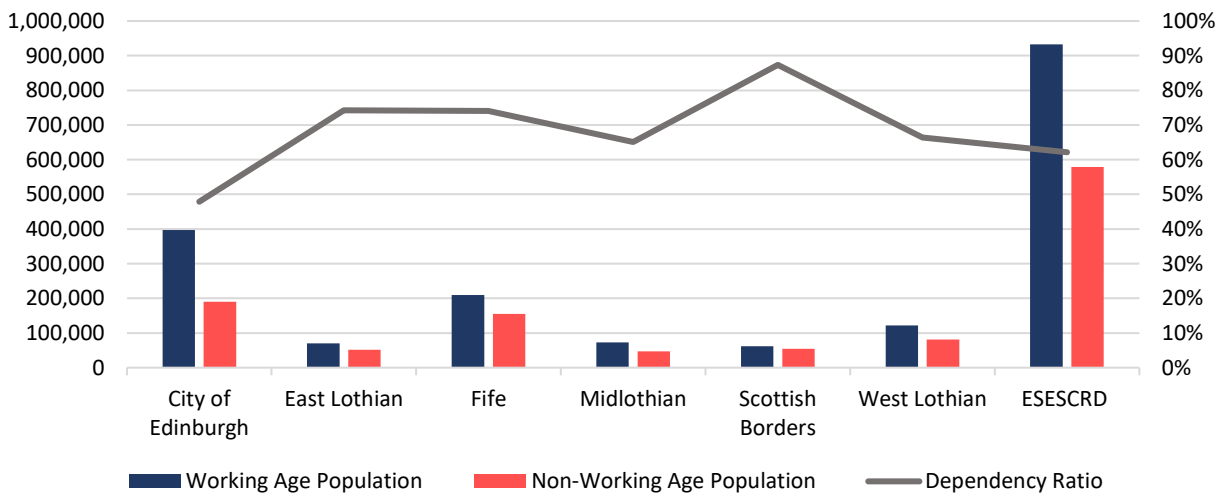
Percentage change in the 16-64 yea-old Working Age Population (WAP) and the non-Working Age Population (non-WAP) across the City Deal region between 2009 and 2019.

Figure 1: Percentage change in age categories by local authority 2009-2019



Source: National Records of Scotland

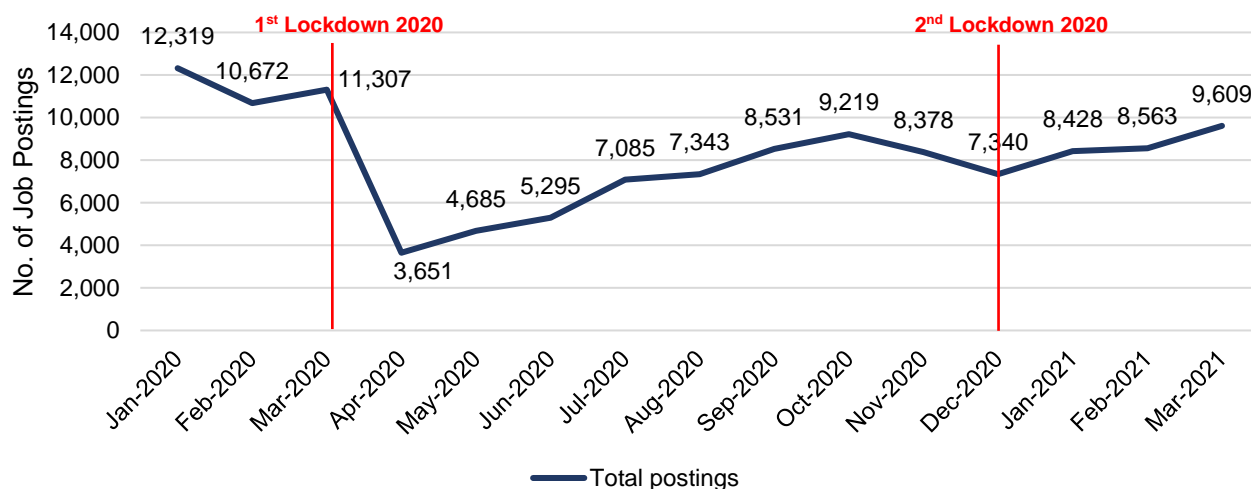
Figure 2: Population projections by age category and local authority in 2043



Source: National Records of Scotland (based on mid-2018 population estimates)

Labour Market and Skills Landscape

Chart 1: No. of Job Postings Jan 20 to March 21 – Edinburgh and South East Scotland



Source: Burning Glass Technologies (2021) *Please note that Burning Glass Job Postings data may not sum due to absence of information associated with some postings e.g. no salary information or SIC or SOC Code.

Table 1: Top Job Postings by 2 Digit SIC – Edinburgh and South East Scotland

| Industry | Job Postings | % of Total Postings |
|--|--------------|---------------------|
| Human health activities | 10,581 | 22% |
| Education | 7,396 | 16% |
| Public administration and defence; compulsory social security | 3,914 | 8% |
| Retail trade, except of motor vehicles and motorcycles | 3,044 | 6% |
| Financial service activities, except insurance and pension funding | 2,919 | 6% |
| Social work activities without accommodation | 2,318 | 5% |
| Activities of head offices; management consultancy activities | 1,790 | 4% |
| Legal and accounting activities | 1,323 | 3% |
| Residential care activities | 1,249 | 3% |
| Food and beverage service activities | 1,140 | 2% |

Source: Burning Glass Technologies (2021)

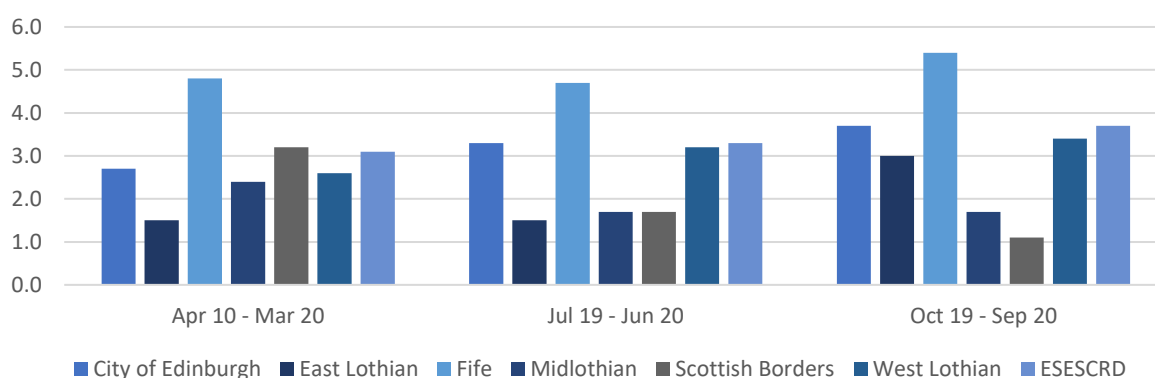
Table 2: Top Job Postings by 4 Digit SOC – Edinburgh and South East Scotland

| Occupation | Job Postings | % of Total Postings |
|--|--------------|---------------------|
| Programmers and software development professionals | 5,706 | 7% |
| Nurses | 3,568 | 4% |
| Care workers and home carers | 3,440 | 4% |
| Other administrative occupations n.e.c. | 2,107 | 2% |
| IT business analysts, architects and systems designers | 1,975 | 2% |
| Managers and proprietors in other services n.e.c. | 1,953 | 2% |
| Chartered and certified accountants | 1,795 | 2% |
| Sales related occupations n.e.c. | 1,650 | 2% |
| Customer service occupations n.e.c. | 1,610 | 2% |
| Management consultants and business analysts | 1,450 | 2% |

Source: Burning Glass Technologies (2021)

COVID-19, BREXIT, and the Labour Market

Chart 1: Unemployment Rates (16-64) by Local Authority (%)



Source: Annual Population Survey (Labour Force Survey)

Chart 3: Number of People on Universal Credit in Edinburgh and South East Scotland (February 2020 – February 2021)

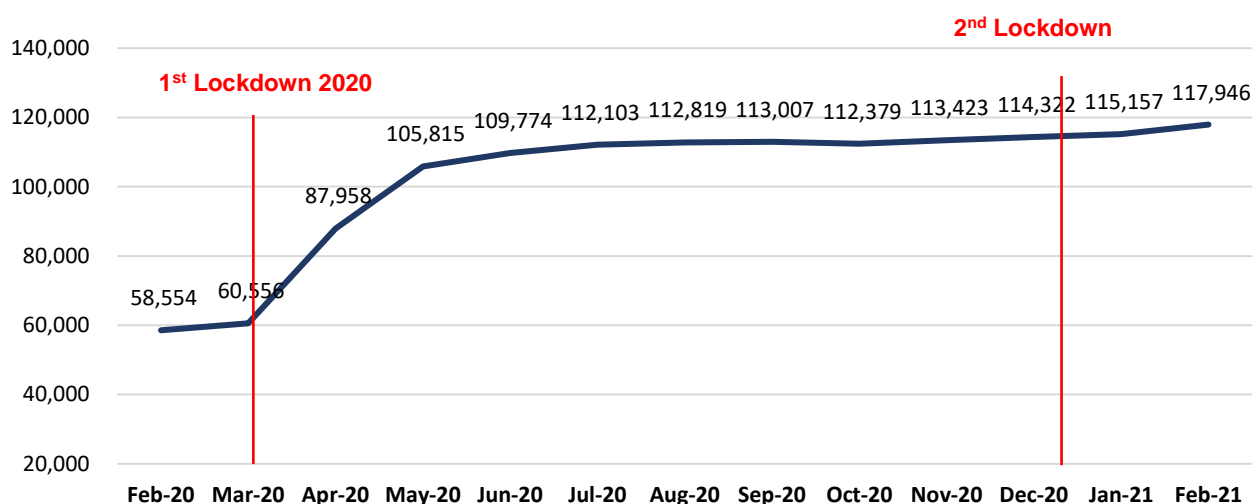
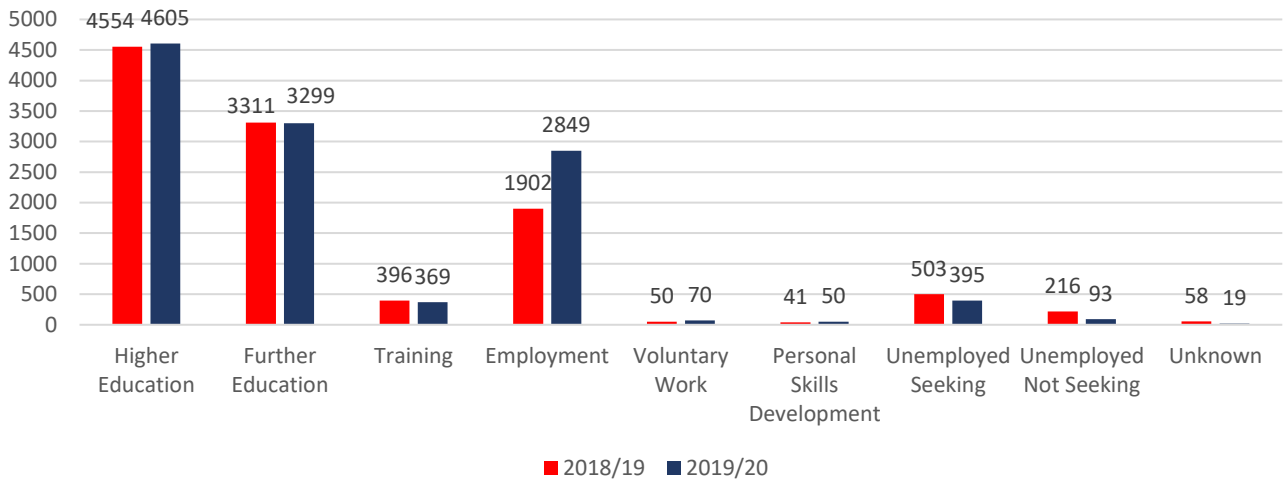


Table 1: Population by country of Birth, December 2019, and June 2020 (Thousands)

| Area | EU Total (December 2019) | EU Total (June 2020) |
|----------------------|--------------------------|----------------------|
| Scotland | 234,000 | 240,000 |
| City of Edinburgh | 46,000 | 47,000 |
| East Lothian | 4,000 | 4,000 |
| Fife | 15,000 | 15,000 |
| Midlothian | 5,000 | 3,000 |
| Scottish Borders | 4,000 | 2,000 |
| West Lothian | 12,000 | 14,000 |
| ESESCRD Total | 86,000 | 85,000 |

Source: National Records of Scotland (2020)

Chart 4: Initial School Leaver Destinations – Edinburgh and South East Scotland (2018/19 and 2019/20)



Source: Summary Statistics for Attainment and Initial Leaver Destinations, No. 3: 2021 Edition

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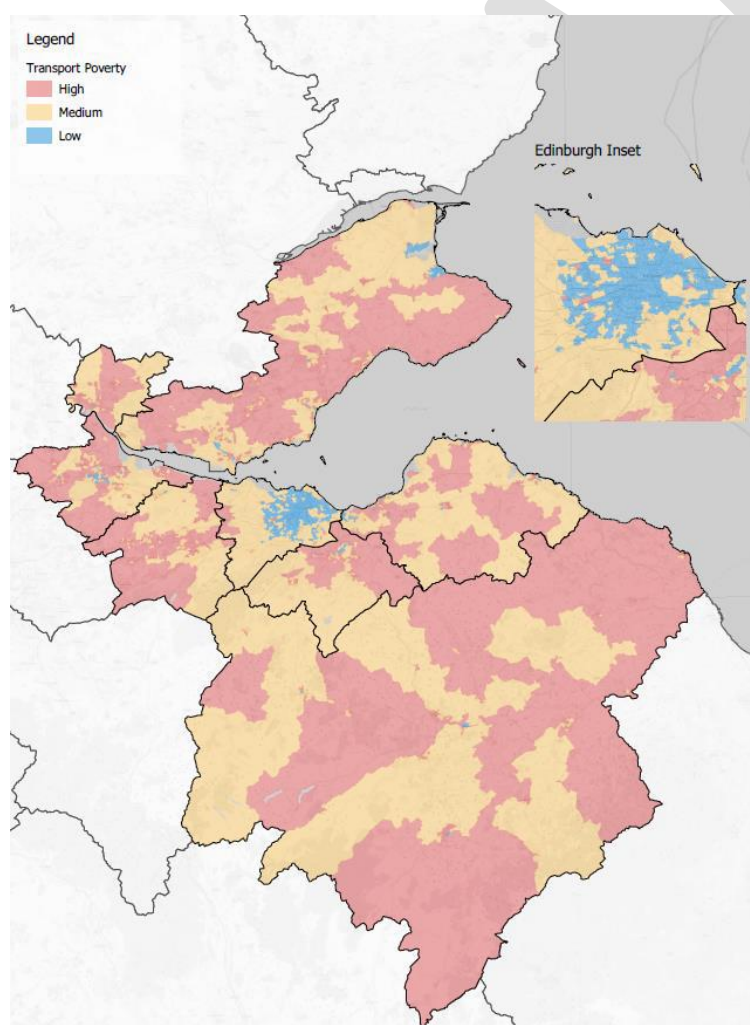
ANNEX 2

Transport Background

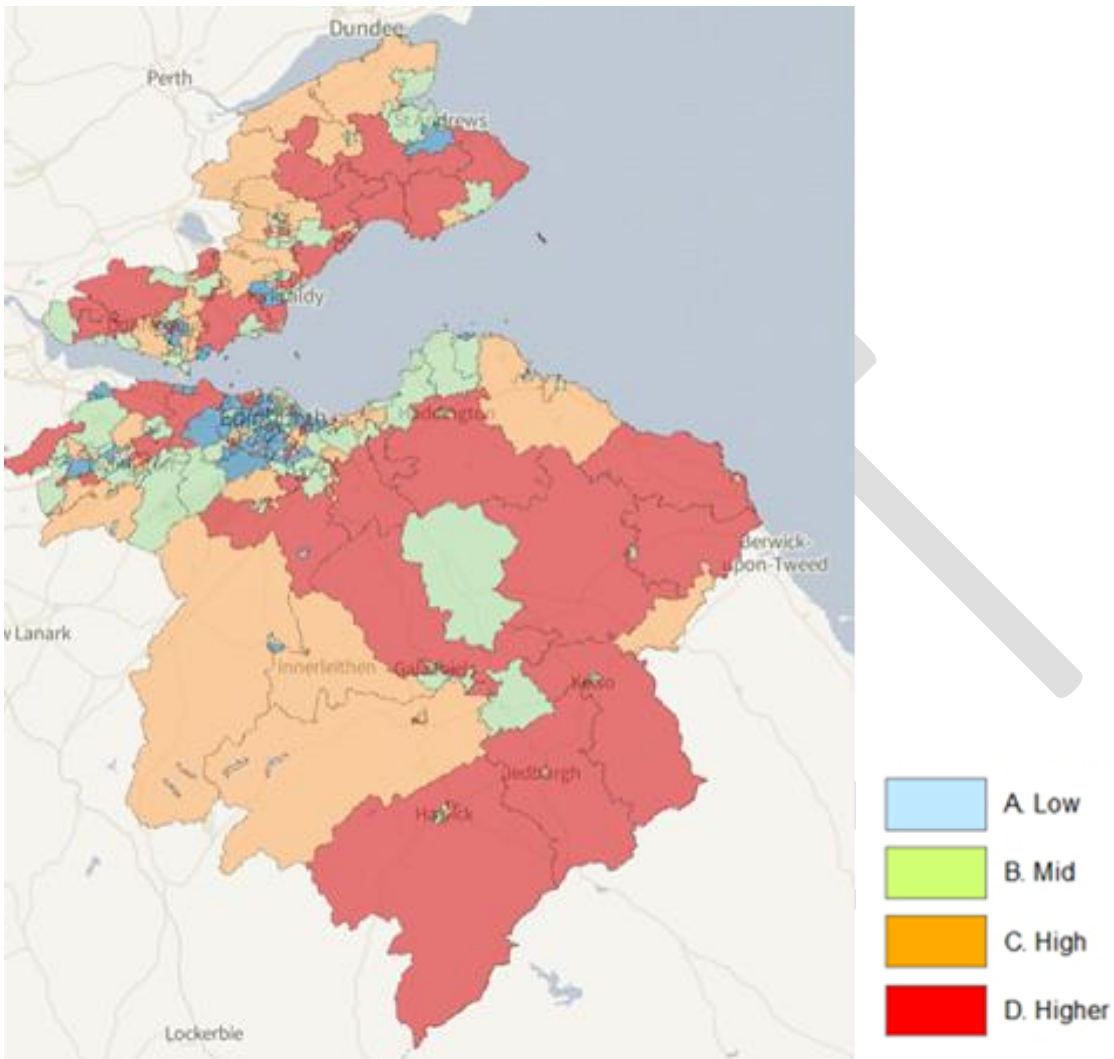
Workforce mobility is a barrier to employability, training and education across the region. It is evident that the transport barrier in Edinburgh & South East Scotland is not solely related to affordability. A number of factors have created a fragmented transport system, such as:

- patronage decline on the bus network since 2010,
- 5% of the population not connected to the public transport system,
- The majority of the City Deal region in medium and high transport poverty (SEStrans RTS Main Issues Report 2020);
- the need for more partnership working within the sector and across transport modes;
- multiple points of travel information,
- a plethora of ticketing structures/subsidies/concessions, and
- the lack of data-based route optimisation.

All of these elements have led to multiple barriers that include affordability, accessibility, complexity, integration and declining service provisions. Figure 1 from the SEStran RTS Main Issues Report 2020' highlights the majority of the region being at medium to high risk of transport poverty.



This is reinforced by the Workforce Mobility Deprivation Index that is a blend of 4 SIMD factors affecting citizen access to employment, training and education.



Workforce Mobility Deprivation Index – Scoring Methodology

| 15% Access Deprived | Income Deprived | Employment Deprived | Education Attainment | WFI / Score |
|-------------------------------|-------------------------------|-------------------------------|-----------------------------|----------------------|
| A. None (0%) : 0 Points | A. Under 5%: 1 Point | A. Under 5%: 1 Point | A. Under 5: 4 Points | A. Low / 3 to 5 |
| B. Under 25%: 2 Points | B. 5% to Under 10%: 2 Points | B. 5% to Under 10%: 2 Point | B. 5 to Under 5.5: 3 Points | B. Mid / 6 to 8 |
| C. 25% to Under 50%: 4 Points | C. 10% to Under 15%: 3 Points | C. 10% to Under 15%: 3 Points | C. 5.5 to Under 6: 2 Points | C. High / 9 to 10 |
| D. 50% or More: 6: Points | D. 15% or More: 4 Points | D. 15% or More: 4 Points | D. 6 or Higher: 1 Point | D. Higher / 11 to 18 |

Workforce Mobility Deprivation Index – Definitions

| Component | Definition | Year |
|---|---|-----------------|
| People living in 15% most 'access deprived' areas | Number and percentage of population living in 15% most 'access deprived' areas (data zones) in Scotland. Source: SIMD2020 via ScotPHO profiles | 2018/2019 |
| Population income deprived | Number and percentage of total population classified as income deprived within SIMD income domain. Source: SIMD2020 via ScotPHO profiles | 2017 |
| Working age population employment deprived | Number and percentage of working age population (16-64 years) classified as employment deprived within SIMD income domain. Source: SIMD2020 via ScotPHO profiles | 2017 |
| Educational attainment of school leavers | The score is based on school leavers' highest level of qualification, averaged across all leavers within a data zone. Source: Scottish Government via Statistics.gov.scot | 2016/17-2018/19 |

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Local Authority Area Summaries

City of Edinburgh

About the region:

Edinburgh, the capital of Scotland, is an international hub for business, tourism, and research. Its rich history, lengthy record of innovation and creativity, iconic architecture, and vibrant culture makes Edinburgh a desirable place to live, work, visit, and study.

Edinburgh has a resilient knowledge-based economy. Productivity is high, averaging over £70,000 per worker (gross value added), unemployment is the lowest of any major UK city (with a Jobseeker's Allowance claimant rate of just 1.9% in December 2019), and gross disposable income is the highest outside of London.

- Key drivers of growth include the city's highly skilled population (over 50% of working-age residents are graduates)
- Edinburgh is an international hub for financial services and technology. The city also benefits from buoyant tourism and a strong higher education sector.
- The city is increasingly focusing on ensuring growth is sustainable and inclusive.

Edinburgh has been an international centre of learning since the renaissance, a financial services hub since the 17th century, and a centre for science and technology since the industrial revolution. Today, Edinburgh combines these long-established capabilities with strengths in modern sectors such as film and contact centres.

Key regional characteristics include:

- Edinburgh has a population of 525,000. The city has grown steadily in recent years, with annual net growth of around 1% (5,000 new residents each year).
- In 2019, JLL ranked Edinburgh the 15th top city in the world for talent concentration in its Innovation Geographies index. Edinburgh is a popular destination for international workers. In the 2020 Global Talent Competitiveness Index - a ranking of cities by their ability to grow, attract, and retain talent - Edinburgh ranked second in the UK and 45th worldwide.
- Each August, Edinburgh hosts the world-famous Edinburgh International Festival and Edinburgh Festival Fringe, along with a myriad of other world leading events like 'Edinburgh's Hogmanay'.
- Edinburgh is a hotbed of scientific discovery and technological progress. The city's four universities, two colleges, and other research institutes have world-leading capabilities in disciplines include medical science, animal bioscience, software, electronics, and energy.
- The city has set an ambitious goal of becoming carbon neutral by 2030.

Key Sectors include:

- Software & Technology
- Financial Services
- Tourism
- Higher Education
- Film & Television
- Food & Drink
- Contact Centres

East Lothian

About the region:

East Lothian is part of the Edinburgh city region and is located to the east of Edinburgh's suburban edge. The area measures approximately 270 square miles in area, and includes 43 miles of coastline. The area currently has a population of around 100,000 people, and by 2035 this is anticipated to grow to 130,000.

East Lothian has a relationship with the wider region, but it offers something different. It has wide variety of high quality built and natural environmental capital and, with countryside and coast, an abundance of leisure tourism opportunities. All this is within easy access of Edinburgh and places East Lothian in high demand as a place to live, learn, invest, work, recreate and to visit. East Lothian has to strategic economic aims and these are to increase the number of business in the area and the number of jobs.

The area also has a number of strategic long term and transformational projects and opportunities, which will be a focus of East Lothian's economic recovery and renewal, including:

- Food & Drink Innovation Hub and Edinburgh Innovation Park - adjacent to Queen Margaret University there are plans to deliver a state of the art food and drink innovation facility being the initial phase of a wider Edinburgh Innovation Park supported by partial funding from City Deal. The Hub and EIP will drive company growth, develop existing and sustainable new businesses to access a global market for healthy and functional food;
- ClimatEvolution Zone, including Blindwells New Town and the redevelopment of the former Cockenzie Power Station site. – there are plans for strategic shared infrastructure and land remediation here to deliver a significant new town with new regional town centre, and to redevelop the former power station site. Taken together, these projects present significant development potential for a wide range of uses and to create a new low carbon destination and attractor, with delivery supported City Deal;
- Torness Nuclear Power Station site - there will be a need to consider the future of this site as the current generating licence extends to 2030, but an extension to this is not ruled out. Key considerations will be decommissioning the site, utilisation of the grid connection, and future land use where deep water harbouring opportunities exist adjacent to the strategic transport network.

Key regional characteristics include:

- One of the fastest rates of population growth in Scotland, and the region;
- the lowest job density in the region, with around 50% of the working age population commuting from the area to work across boundaries;
- significant leakage of expenditure across boundaries, particularly from the west of East Lothian to other nearby areas, impacting town centres and equalities;
- significant investment will be required to overcome the transport, education and other infrastructure constraints, including to address climate change targets and effects;

Key sectors include:

- Tourism
- Small and medium size enterprise
- Farming, fishing and food and drink
- Education, health and bio and life sciences
- Renewables
- Care

Fife

About the region:

Fife is home to 373,550 people, and over 10,000 businesses. It makes a significant contribution to the Scottish economy with an annual business turnover of around £12,500 million.

A peninsula set between the Firth of Forth and Firth of Tay its coastal path and award-winning beaches encircle most of the area. It contains a mix of urban and rural areas, from large settlements to significant areas of undeveloped forest and woodland, including the Lomond Hills. Known around the world as the 'home of golf', Fife offers a total of 48 golf courses.

Key regional characteristics include:

- Scotland's third largest local authority by population size.
- Strong tourism industry worth over £650m annually (2019).
- The average age for residents of Fife is projected to increase significantly over the next decade.

These sectors offer significant opportunities, however, there is also a recognition that Fife, particularly the Mid-Fife area, continues to suffer from long standing socio-economic issues that limit its economic growth:

- Earnings and productivity are lower than the national averages.
- Business start-up rates remain below the Scottish averages.
- There are higher than average rates of youth unemployment and
- Areas of deprivation persist in some parts of Fife (particularly Mid-Fife).

Key sectors include:

The Fife Economic Strategy 2017 – 27 identifies eight key economic sectors where Fife has a particular strength or that are growing strongly :

- Energy & Renewables
- Manufacturing
- Finance & Business Services
- Tourism
- Food & Drink (including agriculture)
- Health & Social Care
- ICT and
- Construction

Midlothian

About the region:

Midlothian lies in the east-central lowlands, bordering the City of Edinburgh, East Lothian and the Scottish Borders local authority areas. The region covers 354 square miles and has a population of approximately 92,500, and encompasses seven urban centres and is surrounded by rural communities. Midlothian has a range of vibrant outdoor spaces, dedicate sports facilities, cycle routes and country parks which support diverse health, social and economic outcomes.

Key regional characteristics include:

- The fastest growing local authority area in Scotland, with an increase in households of 15% over the past decade
- Midlothian is the 4th most resilient local authority in Scotland
- Approx. 55% of the working age population commuting from the area to work across boundaries;
- Midlothian has some areas in the top 20% of deprivation and child poverty for Midlothian in 18/19 was 23.2%, the latest figure for 19/20 is 23.9%.
- Scottish Government statistics show that 94.5% of school leavers in Midlothian were in 'positive destinations' during 2019/20.
- Committed to reducing carbon emissions in Midlothian to net zero by 2030

The vision for economic growth is for Midlothian to be a recognised area in which to live, work, visit and do business with an economy that is sustainable, inclusive and ambitious.

Key sectors include:

- Life Sciences - The internationally recognised Midlothian Science Zone is a world-leading centre for research in animal science and food security, and is the largest concentration of animal related expertise in Europe.
- Data Driven Innovation - Midlothian and the University of Edinburgh have invested heavily in DDI and our Newbattle Digital Centre for Excellence prepares young people with the data and digital skills for the future world of work, fostering digital inclusion and enabling young people to engage in a wider programme around data skills.

Midlothian's Economic Priorities are to integrate the region with the regional economy and promote the region internationally

- To improve the skills landscape
- To increase economic participation
- To build on the success of our key sectors
- To improve the vibrancy of our town centres and make them more environmentally friendly
- To accelerate growth through infrastructure upgrades and reduce carbon emissions

Scottish Borders

About the region:

The Scottish Borders geographically is one and half times that of the rest of the other local authority areas which form the City Region. The region is 1,827 square miles and has a population of 115,270.

However, much more than simply size it is the combination of characteristics across the Scottish Borders, which give it its distinctiveness particularly when assessed against the rest of the ESES region.

Key regional characteristics include:

- rurality and geographic scale
- significant natural capital
- Strong agriculturally offering (farm to fork)
- Culture, history and sport create a strong tourist market and the hospitality sector, with significant capacity for growth
- Significant Net-Zero potential with a commitment to reducing carbon emissions to net zero by 2045
- Resilient communities with strong local identities
- Borders and partnership working with Dumfries & Galloway and the north England counties of Cumbria and Northumberland.
- Strong educational attainment and progression into positive pathways as highlighted with Borders College.

Key sectors include:

- Manufacturing
- Wholesale and Retail
- Construction
- Agriculture

Scottish Borders Economic Strategy 2013 – 2023 - Vision for the economy:

- Creating the conditions for businesses to compete - reflecting our entrepreneurial strength and the need to create the conditions for businesses to grow, and/ or to attract entrepreneurial people;
- Building on our assets - attracting and retaining people and growing businesses will be helped by what the Scottish Borders as a place has to offer and by our ability to maximise our assets;
- Developing the workforce of the future - fundamental to future prosperity and competitiveness is the supply of, and demand for, a skilled workforce. As there are fewer jobs available here than residents in work, people are travelling outside the area for work and this means economic performance is lower;
- Providing leadership - essential for successful economic development to be achieved, leadership will also help deliver other policy and organisational priorities too – around education, health, and the public good.

West Lothian

About the region:

The area is strategically located between Edinburgh and Glasgow at the hub of the wealth creating, central Scotland metropolitan region, identified as key to Scotland's future economic growth.

West Lothian has actively managed and facilitated change over many decades. It has moved on from its industrial past and built on its post-industrial legacy to re-emerge as a progressive and diverse place for people to live and work.

West Lothian is strategically located in the Central Belt of Scotland and is well served by a number of motorways and trunk roads and it has direct rail links from twelve rail stations to Edinburgh, Stirling, Glasgow and beyond. West Lothian's central location and excellent business and labour market connections make the area an important economic hub.

The area's business base includes both SMES and multinationals with global connections and reputations. Over the last decade it has become clear that global and technological change is a constant, and West Lothian has successfully demonstrated its capacity to respond to challenges and reinvent itself as a business location.

Over the last five years, West Lothian has seen increasing levels of school leavers achieving a positive destination:

- 93% of school leavers entered a positive destination in 2019/20 comparable to the Scottish national average.
- Progression into higher education at 43% is at its highest level in ten years.
- A quarter of leavers have gone into further education (26%) and around 19% of young people entered employment.

Effective working with Skills Development Scotland, local further education and training providers and other Community Planning Partners has improved support and opportunities available to young people in the region.

Key regional characteristics include:

- West Lothian has a population of about 183,100
- One of the youngest and second fastest growing in Scotland (with an average age of 41 compared with 42 across Scotland)
- Levels of employment and economic activity remain high in West Lothian
- 77% of West Lothian's working age population are economically active
- There are 78,000 jobs based in West Lothian
- Some 4,700 businesses are known to be operating in West Lothian
- At 5.5%, unemployment in West Lothian remains lower than the 6.0% rate of Scotland.

Key sectors include:

- Biotech & life sciences,
- Logistics & distribution,
- Electronics & software,
- Engineering,
- Construction,
- Food and drink manufacture,
- Retail and creative industries.

Consultation Process

This Framework has been shaped by an extensive consultation process, during which the officers listened and acted upon comments and suggestions from organisations and members of the public from across the region. Listed below is a snapshot of the key activities which have shaped this framework.

- A draft version of the framework was produced by officers from across the six local authorities and partners including Scottish Enterprise.
- This version was communicated out to the Elected Members Oversight Committee (EMOC), as well as Directors from across the local authorities for feedback and approval to proceed to public consultation.
- Colleagues at Edinburgh Council supported the RPF by hosting the framework on the consultation hub, which was set to run for a period of six weeks.
- Towards the end of the six weeks, the team also facilitated two online discussions on a virtual platform, designed to engage with members of the public to assess the priorities identified within the framework.
- As the public consultation ended, feedback was received in three formats:
 - Feedback on the consultation hub;
 - Feedback from the two hosted discussions and the participants' responses; and
 - Email feedback, largely from organisations (e.g. Scottish Government).
- The team then analysed these responses, aggregating them into the appropriate themes (e.g. transport, environment etc.) which were then considered in full.
- Each theme was considered against the draft framework to revise the content within to reflect the views communicated with the team.
- These views are now reflected within this version of the framework, which has been issued through the necessary governance cycles.