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## **SCOTTISH BORDERS ECONOMIC STRATEGY 2023 – UPDATE**

**Report by Corporate Transformation & Services Director**

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### **EXECUTIVE COMMITTEE**

**31 January 2017**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report seeks approval of the Progress Report for the Scottish Borders Economic Strategy 2023 - Action Plan.**
- 1.2 The Scottish Borders Economic Strategy 2023 sets out the vision, strategic aims and objectives that will provide the focus for the Council and its partners' efforts to ensure sustainable economic growth for the Scottish Borders. The associated Action Plan sets out in detail how the Community Planning Partnership will deliver the outcomes identified in the Economic Strategy.
- 1.3 An Action Plan progress report is set out in Appendix 1. Working together through the Community Planning Partnership's Economy and Low Carbon Group, partners have focused on the Action Plan and delivered well, especially considering the limited resources available for some of the actions.
- 1.4 Overall, good progress has been made in relation to the actions. However, the report also notes that there are some areas of concern in relation to the actions. It is anticipated that the Scottish Borders Economic Strategy will be reviewed and refreshed during the summer of 2017.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Executive Committee:**
- (a) Notes the positive progress made in relation to the actions in the Scottish Borders Economic Strategy - Action Plan Progress report, set out in Appendix 1; and**
  - (b) Agrees that the Action Plan Progress report is presented to the Community Planning Partnership Strategic Board at its next meeting.**

### **3 ECONOMIC STRATEGY 2023**

3.1 The Scottish Borders Economic Strategy 2023 was prepared in order to set direction for the activity of the Community Planning Partners. It was agreed by Community Planning Partners at the Strategic Board in June 2013. The Strategy consists of three documents, an Economic Profile, an Economic Strategy document and an Action Plan.

3.2 The Strategy sets out the vision, strategic aims and objectives that will provide the focus for our efforts to ensure sustainable economic growth for the Scottish Borders. The agreed vision is:

“By 2023 the Scottish Borders will be amongst the best performing and most productive rural economies in Scotland. By supporting existing businesses and encouraging higher value economic activity, our quality of life will increase. The Borders will become a location of choice for growing businesses and for people to live and work.”

3.3 The four strategic aims are derived from the analysis in the Economic Profile and reflect the particular opportunities and challenges that the economy of the Scottish Borders faces. The four strategic aims are: 1. Creating the conditions for businesses to compete; 2. Building on our assets; 3. Developing the workforce of the future; 4. Providing leadership.

### **4 IMPLEMENTING THE ACTION PLAN**

4.1 The Economic Strategy Action Plan acknowledges the need to demonstrate ambition and aspiration whilst at the same time recognising the resource constraints in the public sector. The original Action Plan set out those actions which had resources and were part of planned activity by Community Planning partners and those actions which were part of a 'Project Pipeline' where resources had still to be identified. Since the Strategy was published in June 2013, the Action Plan has been updated and progress against these updated actions is set out in Appendix 1. Good progress has been made on the 'resourced' actions and all of the 'Project Pipeline' actions have also been positively progressed.

4.2 Officers have used a simple Red/Amber/Green marking on the attached Action Plan Progress Report (Appendix 1) to highlight the status of the action. The categorisation is subjective, but Green equates to 'on track', or completed; Amber equates to some progress, but not as anticipated; and Red indicates where there is no progress, or where an action has been reprioritised. It is helpful to note that there are no 'red' actions in this progress report.

4.3 Working together through the Community Planning Partnership's Economy and Low Carbon Group, partners have focused on the Action Plan and delivered well, especially considering the limited resources available for some of the actions. For example, the work that the Council undertook to bring forward new employment land at Gunsgreenhill, Eyemouth was originally in the 'Project Pipeline', but prioritisation by the Council and the availability of EU funding through the Eyemouth and East Berwickshire FLAG allowed this project to be delivered.

- 4.4 Overall, good progress has been made in relation to the actions. For instance, the major progress made in installing fibre cabinets for the Digital Scotland Superfast Broadband project which is now coming into its final year of delivery, is good news for many businesses and communities across the Borders. The support that the Council has provided through its Scottish Borders Business Fund has also proven successful. The Council has made 205 grants to small businesses in the Borders since 2012/13. Over £602,000 in grants has been awarded, helping to create an estimated 310 jobs and with an estimated GVA impact of £7.3M.
- 4.5 A new Rural Enterprise Fund has also been established as part of the Scottish Borders LEADER Programme and this will provide a further £800,000 of funding for rural businesses and farm diversification. In relation to people and skills the fall in the 18-24 unemployment rate is also positive for the area. The number of unemployed young people in the Scottish Borders aged 18-24, as measured by the claimant count, has decreased from 450 in December 2013 to 270 in December 2016.
- 4.6 Significant progress is also being made on the Borders Railway Blueprint projects, where a range of actions continue to be delivered following the opening of the Borders Railway in September 2015. Significant additional financial resources have been identified, particularly for tourism related initiatives and new business property.
- 4.7 The work that the Council and Scottish Enterprise undertook during 2014/15 to develop a programme of strategic economic development interventions for the South of Scotland has also been successful in drawing additional resources into the area. This will support some key projects that will provide new business land and space at the Central Borders Business Park, and support Mountain Biking opportunities in the Tweed Valley. The progress made with the 'Borders Guarantee' has been further enhanced by the 'Developing the Young Workforce' Programme that the Learning and Skills Partnership developed to ensure that schools, businesses and the College respond positively to the challenges set by Scottish Government.
- 4.8 There are some areas of concern in relation to the actions. Although positive progress has been made in taking forward the masterplanning exercise at Tweedbank, there is an imperative to push forward with the provision of plots for employment uses and for new business space. Without this physical infrastructure it will be harder to attract further inward investment interest and it could delay the expansion of local businesses as well. In terms of 'pipeline' projects there are also projects, such as the Innerleithen to Galashiels off-road cycle route, that will require further feasibility work before a funding package and delivery plan can be secured.
- 4.9 A broader focus is required on the employability agenda, to ensure that the needs of all age-groups are considered and to ensure a continuing priority focus on localities like Burnfoot and Langlee. Finally, although the Superfast Broadband programme will connect 93.8% of premises in the Borders, much more work is required to address connectivity for the remaining premises, often in the more rural and remote areas. Linked to this, mobile phone connectivity remains an issue in many parts of the Scottish Borders and the positive progress being made with UK and Scottish Governments has only addressed relatively small areas so far.

- 4.1 It is anticipated that the Scottish Borders Economic Strategy will be reviewed and refreshed during the summer of 2017. An updated Strategy and Action Plan will provide useful direction to the new South of Scotland Vehicle that has been identified in the current Scottish Government Enterprise & Skills Review. It will also provide the opportunity for the refreshed strategy to properly reflect the themes and priorities of the new Council Administration.

## **5 IMPLICATIONS**

### **Financial**

- 5.1 (a) The Council's revenue and capital financial plans include resources that will contribute to achievement of some of the objectives of the Scottish Borders Economic Strategy 2023, for example, transition to a Low Carbon Economy and Central Borders Business Park. The Action Plan has been laid out to highlight which projects are currently resourced (those highlighted by a tint) and which are currently in the 'Project Pipeline' (no tint) and are not currently funded.
- (b) It is only possible to provide broad cost estimates for some of the projects that are in the Project Pipeline. The Council, and its Community Planning Partners, will need to decide which of the actions identified in the Project Pipeline will be of a high enough priority to justify targeting resources towards them. The financial implications of the Action Plan are considered alongside other priorities and are reflected in future capital and revenue plans in line with available resources. It should be noted that limitations on future public spending may place significant constraints on the delivery of the Action Plan. In view of this the Action Plan is reviewed and updated regularly to allow it to reflect shifting priorities and resources.

### **Risk and Mitigations**

- 5.2 There is a risk to the Council of not ensuring there is an up to date Economic Strategy Action Plan in place for the Scottish Borders because it helps to guide the economic activity of the Council and its Community Planning Partners. It also provides a strong basis for future lobbying and funding bids to various external sources. This risk is mitigated by approving, and regularly reviewing the Action Plan and Strategy.

### **Equalities**

- 5.3 It is anticipated that an Equalities Impact Assessment will be required in relation to the individual projects as they are developed in order to ensure that there are no adverse impacts due to race, disability, gender, age, sexual orientation or religious/belief arising.

### **Acting Sustainably**

- 5.4 The Scottish Borders Economic Strategy 2023 has sustainable economic growth at its core. As a key strategy for the Scottish Borders the document was considered in relation to the Strategic Environmental Assessment regulations. If it helps to secure additional economic activity and growth it will have contributed to the sustainability of the local economy and communities.

## **Carbon Management**

- 5.5 There are no direct implications for the Council's carbon emissions from this proposal. The Strategy does highlight the transition to a Low Carbon Economy as one of its objectives, and the Council will have a role, along with other local organisations and businesses in contributing to that objective.

## **Rural Proofing**

- 5.6 Rural Proofing is not required as the proposals do not relate to an amended Council policy or strategy. The Scottish Borders Economic Strategy 2023 will not have an adverse impact on the rural area.

## **Changes to Scheme of Administration or Scheme of Delegation**

- 5.7 There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

## **6 CONSULTATION**

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council are being consulted and comments will be reported at the Committee meeting.

### **Approved by**

**Rob Dickson**  
**Corporate Transformation**  
**and Services Director**

**Signature .....**

### **Author(s)**

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**Background Papers: None**  
**Previous Minute Reference:**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Bryan McGrath can also give information on other language translations as well as providing additional copies.

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