

Consultation on a new Enterprise Agency for the South of Scotland

[Introductory paragraph to be inserted pending Council's decision]

Question 1: Do you agree with our ambition outlined above?

Scottish Borders Council's ambition for the South of Scotland is to see it transformed into one of the most vibrant rural economies in Europe. In a mirror of the ambitions described at paragraph 2.5 of the Consultation, this means a strong diversified sustainable economy built upon cohesive and enterprising communities, rich in economic and social opportunity, where a varied and skilled workforce enjoys pay and conditions commensurate with the best in Scotland. Entrepreneurship and innovation should be commonplace with young people confidently looking forward to educational, training and employment prospects as stepping stones to realising their full potential in the South of Scotland. The region needs to both increase its economic output and the wealth retained within the area, and, in looking outward, to maximise the contribution it makes to Scotland's National Ambition for Inclusive Economic Growth. We should, in short, seek to deliver on the priorities of Scotland's Economic Strategy in a way which works for and delivers for the South of Scotland.

To properly articulate the Council's ambition for the South of Scotland, however, necessitates a setting of context and an understanding of the challenges that will need to be overcome. These include:

- a) A land area comprising one seventh of Scotland's total land area with, 24 people per km², the most sparsely populated area outside of the Highlands & Islands (2018)¹
- b) Low wealth creation (Gross Value Added (GVA) per head in the South of Scotland is £19,793 equating to 79.5% of the national average (£24,876 for Scotland (ONS - 2016))²
- c) Low Average Weekly Wages – the median weekly wage for all workers in the South of Scotland is roughly £467 (£467.8 in SB and £466.5 in D&G – 29th and 30th respectively amongst Local Authorities across Scotland). This is significantly below the national median of £547.3. (2017)³
- d) Out-migration of young people and shrinking workforce - in 2017 the proportion of people of working age 16-64 was 58% in the South of Scotland compared to 64% for Scotland.⁴
- e) Relatively high proportions of its workforce in :

¹ National Records of Scotland (2018), Mid-2017 population estimates, <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2017>

² ONS (2017), Regional GVA (income approach), <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedincomeapproach>

³ Annual Survey of Hours and Earnings (2017), Gross Weekly Pay – Workplace Analysis, accessed through <http://www.nomisweb.co.uk>

⁴ National Records of Scotland (2018), mid-2017 population estimates

- Agriculture and fishing – 9% in the South while its 1.7% nationally
 - Manufacturing – 10.3 % in the South, while its 7.8% nationally (2017)⁵
- f) Relatively low proportions in growth sectors such as:
- Banking, Finance and Insurance – 12.9% in the South while it is 15.8% nationally (2017)⁶
- g) Significant connectivity issues in relation to transport and digital infrastructure - SIMD data shows that the South of Scotland is particularly Access Deprived, with 37% of SoS datazones, in Scotland's 20% most access deprived.⁷

The Council believes there is a fundamental imperative which must be channelled to address these challenges. This is a relentless emphasis on geography and place which recognises that inclusive economic growth can only be generated within the towns and rural communities of the South of Scotland through a new approach. The challenges are different here, the economy is different and, as Scottish Government's creation of the Agency attests specific challenges necessitate particular solutions.

Thus, the Council not only strongly supports the establishment of the Agency, it very much welcomes Scottish Government's call for leadership and its emphasis on 'place'. We believe that listening to the needs of the South and designing solutions here is the best way to deliver on shared ambitions. As the Ministerial Foreword to the Consultation asserts, the Agency will empower 'the South of Scotland to drive forward its own future, a future created in the South, of the South and for the South'.

This is not to suggest that the South of Scotland should proceed unaided. The contributions of national players remain essential. But, it reinforces the need for bespoke remedies designed to meet the specific challenges encountered in the South of Scotland. The leadership of Dumfries and Galloway Council and Scottish Borders Council will be crucial in providing direction and purposefulness to the Agency's efforts.

Lastly, it is important to recognise that it takes time to deliver strategic goals, especially where these relate to entrenched structural factors. We must be willing to take a long-term view of what we are trying to achieve in the South of Scotland and what it will take in resources and collective effort to deliver it.

Question 2: What would you like to see for the South of Scotland?

⁵ Annual Population Survey (2017), Industry of Employment, accessed through <http://www.nomisweb.co.uk>

⁶ Ibid

⁷ Scottish Government (2016) SIMD – Access to Services Deprivation, http://www.gov.scot/Topics/Statistics/SIMD?utm_source=website&utm_medium=navigation&utm_campaign=statistics-evaluation-tools

Our aim should be to build on the ambitions identified at para 2.5 of the Consultation document, transforming the economy of the region. This requires a focus on collective priorities which should be reflected in the role and remit of the Agency and its strategy for the region. Specifically, we should seek to:-

(a) Maximise the contribution that the South of Scotland makes to Scotland's National Ambition for Inclusive Economic Growth – Deliver the ambitions and priorities in the national economic strategy and local economic strategies.

(b) Develop end-to-end solutions for business support; as it is important to provide a seamless business support service to companies, social enterprises and communities, to enable them to maximise their economic growth opportunities. A key focus would be to simplify and streamline funding and interventions and reduce duplication in service delivery. The aim would be to provide fast and flexible support in responding to businesses' needs. This would also involve the development of stronger local economic sectors and more links between businesses, the Colleges and Universities and support businesses to improve through increased investment and increased innovation activity.

(c) Turn Market Failure into Relative Advantage; as this is important in a rural area such as the South of Scotland where markets are often weak or failing. This would involve supporting more innovation, entrepreneurialism and research and development; and looking at ways of encouraging more inward investment into the region.

(d) Enabling Infrastructure; this is crucial to supporting business and community economic development and would include the provision of a range of employment sites and high quality business premises as well as investment in improved transport links. A priority would be to continue to promote the need, and to lobby for further investment in digital infrastructure, to provide Hyperfast broadband connectivity, much fuller 4G mobile coverage and, into the future, the development of 5G mobile technology, with a focus firstly upon the industrial and commercial opportunities these technologies present. World Class digital infrastructure is essential to overcome physical connectivity and peripherality issues faced across the South of Scotland. The Agency will have a vital role in championing the interests of the South of Scotland in securing resources to address deficits in business and transport infrastructure. It will be particularly important in respect of these challenges that the Agency (working with others) seeks to influence UK Government's Industrial Strategy and proposed Shared Prosperity Fund.

(e) Focus on People and Skills; as it is important to develop the workforce and retain young people in the area. There is a need to align the functions of our learning and skills agencies to better join up how education services and training are planned and provided to learners and employers. This would involve stronger employer engagement, supporting the skill needs of regional sectors including care, construction, food and drink, tourism, and textiles; strengthening

employability progression pipelines; developing higher level skills; and anticipating and planning for future skills needs. In short we need to provide a comprehensive skills offer from primary school through to FE/HE. This requires strengthening teaching in STEM subjects, enhanced vocational training and the learning in technical skills sought by employers of future growth sectors such as Digital, Engineering and Life Sciences.

(f) Develop Enterprising Communities; as an important feature of the South of Scotland is its vibrant communities. This would include making the most of the assets of local areas and integrating economic development and community regeneration responsibilities to ensure a strong focus on strengthening communities, local empowerment and place making. A particular priority could be supporting the regeneration of the more economically fragile towns and town centres, and rural communities.

(g) Environment; maximise the economic opportunities arising from the South of Scotland's unique and high quality environment and plentiful natural resources. Energy can be a catalyst to recast the economic relationship between the South of Scotland and Scotland by growing indigenous, and attracting new industry through sustainable, low carbon energy investment.

(h) Tourism; the South of Scotland has important strengths, natural and cultural assets with strong place branding, as well as an excellent strategic location situated close to population centres to the north, south and west, but there is a need to develop our offer more strongly. This involves making linkages through the Borderlands Inclusive Growth Deal and the Edinburgh & South East Scotland City Region Deal; and bringing together key providers in the market to create a more cohesive product (e.g. Borders Food Network).

(i) Leadership; a clear focus is required to influence and advocate for enhanced economic, business and community support for the South of Scotland. To support this leadership function the Agency needs to strengthen the strategic economic development and economic intelligence capacity of the South of Scotland.

Question 3: What are your ambitions for the future economic success of the South of Scotland?

Our ambition for the South of Scotland is that it becomes one of the most vibrant rural economies in Europe, with a growing core of innovative businesses and a renewed culture of entrepreneurship. We want to see the potential of the South of Scotland being fulfilled to its maximum, and our region making an increasingly significant contribution to national Economic success. The keynote is 'step change' and through its creation of the new Agency, Scottish

Government has signalled both its ambition, and its acceptance of the particularity of the region's challenges.

To deliver such a 'step change', the South of Scotland must improve its performance against a number of key measures, subverting our biggest challenges, and seeking to turn them into attributes. We must transform the following areas:

- Gross Value Added – GVA per worker in the South of Scotland is 20% below the Scottish average, demonstrating that there is a significant productivity gap in the South of Scotland⁸. A key objective should be to close this productivity gap to the national average. Adding 20% on to the GVA would contribute over £750 million a year to the South's economy.
- Average Weekly Wages – The average wage in the South of Scotland is £567.9, £70.3 per below the national average (2017)⁹. Extrapolating this over the course of a year, the average worker in the South of Scotland is earning over £3,600 less than the Scottish average. The number of employees earning below the Living Wage is around 28%, 8% higher than the level for Scotland as a whole (Scotland – 20.1% (2016))¹⁰. To drive inclusive growth across the South we need to raise wage levels in the area significantly by increasing the prevalence of higher value jobs. Concurrently, we need to encourage more innovation and greater economic diversification.
- A More Diversified Economy – for example 24% of businesses in the South of Scotland are in the Agriculture, Forestry and Fishing industry (in comparison to 8% across the whole of Scotland) whereas 8% of businesses in the South of Scotland are in Professional, Scientific, and Technical industries while nationally this represents 16% of the business base (2017)¹¹. This over reliance on one sector leaves the area vulnerable to negative impacts from changes in the economic climate. This is particularly significant in the light of uncertainties around Brexit.
- Low Investment in Research & Development – in the South of Scotland, business investment per head is £50, while the national average is almost four times higher at £198 (2016)¹². To increase productivity and the

⁸ ONS (2017), Regional Gross Value Added – income approach, <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedincomeapproach>

⁹ Annual Survey of Hours and Earnings (2017), Workplace Analysis, accessed through <http://www.nomisweb.co.uk>

¹⁰ ONS (2016) ASHE, Number and percentage of employee jobs with hourly pay below the living wage, by parliamentary constituency and local authority, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/006335annualsurveyofhoursandearningsashenumberandpercentageofemployeejobswithhourlypaybelowthelivingwagebyparliamentaryconstituencyandlocalauthorityyukapril2015and2016>

¹¹ UK Business Counts (2017), Local Units by Industry and employment size band, accessed through <http://www.nomisweb.co.uk>

¹² Scottish Government (2017), Business Expenditure on Research & Development Publication Tables, <http://www.gov.scot/Topics/Statistics/Browse/Business/RD/tables>

- number of higher value jobs, there is a need for businesses to develop new products and processes by investing in research & development.
- Ageing and Declining Population –for generations, young people have left the South of Scotland to pursue educational opportunities and further their careers outside the area. This trend is forecast to continue: while the Scottish population is predicted to increase by 5.3% by 2041, the South of Scotland population is expected to fall by 1.9%. This is despite an 80% rise in the number of over 75s in the Scottish Borders and a 68% rise of over 75s in Dumfries & Galloway over the same period. The development of centres of Health and Social Care excellence in the region represent the kind of development that the South of Scotland will need to embrace if it is to transform such challenges into opportunities.
 - Skills – The working age population in the Borders is forecast to fall by 5.6% and by 12.1% in Dumfries & Galloway¹³. Critically, the Agency will need to break the cycle which sees an outflow of well-educated young people from the South of Scotland, leaving the area light on the skilled workforce which would attract more specialised higher paying businesses. Working with partners the Agency needs to develop more effective employment pipelines within the South of Scotland which create a natural route through education and training to high value employment. The corollary is that businesses will need to be supported in the South of Scotland and attracted into the region to provide the appropriate employment opportunities. Nor should we overlook the necessity of retraining and re-equipping older workers particularly in the light of the demographic challenges faced by the South of Scotland. Much greater access to Further Education and enhanced Higher Education provision is needed, while teaching in schools will need to be aligned with regional workforce requirements, and the goal of strengthening the skill levels of the indigenous workforce.
 - Inward investment - Much more needs to be done to raise the profile of the area as great place to live, work and invest. The Agency will need to work with SDI to build an evidence base from which action can be pursued to maximise inward investment into the South of Scotland.

The Council recognises that existing economic performance measures, like GVA, measure total economic growth. However, inclusive growth asks different questions of the Agency and of partners: how do we combine increased prosperity with greater equality, opportunities for all, and more equitable distribution of the benefits of increased prosperity? Reducing the pay gap, reducing the proportion of employees earning less than the Living Wage and reducing the proportion of individuals living in poverty are important measures of progress, but further work is needed to develop a

¹³ National Records of Scotland (2018), Population Projections for Scottish Areas (2016 based), <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/sub-national-population-projections/2016-based>

dedicated inclusive growth monitoring framework. The Council welcomes the review of the National Performance Framework as an important milestone in this process, and considers the Agency can make an important contribution to development of the monitoring framework based on experience in the South of Scotland.

Question 4: What are the strengths you would like to see the Agency build on?

The South of Scotland has important strengths, and a key task of the Agency will be to develop and exploit these strengths sustainability. They include:-

1. The rural nature of the South of Scotland. This is one of our biggest assets with the quality of our natural environment and the quality of our landscape being key drivers behind people choosing to live and work in the area and an important 'pull factor' in attracting business investment and visitors to the area. This is augmented by excellent access to open space, from lochs to sweeping valleys, rolling hills and dramatic coast.
2. Rich natural resources – marine and coastal; freshwater; land including agriculture and forestry; and renewable energy.
3. Cohesive communities, and a good quality of life, based upon an attractive built heritage in towns, villages and a high quality environment, ardent social and cultural ties, and a sense of belonging.
4. Our school children have high levels of educational attainment with over 62% of school leavers obtaining at least an SCQF level 6 in the South of Scotland, while the Scottish Average is 61.7%¹⁴. However, the make-up of the economy and its predominantly low skill base has meant that less than one-quarter of the working age population is qualified to degree level reflecting the outflow of our young people who need to leave the area to obtain higher qualifications and better paid jobs.
5. Sectoral strengths in agriculture, forestry, and land management; food and drink; tourism; and manufacturing.
6. A strong and established identity as a tourism destination with strong 'branding' at the individual place level.
7. Parts of the region are well served by existing transport infrastructure (including the Borders Railway connection, the M74 corridor and the Cairnryan Ferry Service) enhancing existing and potential linkages with wider economic development activity with, for example, the Edinburgh City Deal, North East Deal, and Northern Powerhouse.
8. Further and Higher Education provision that can be built upon to further develop the skill base of the local economy.

¹⁴ Scottish Government (2017), Initial Destinations of Senior Phase School Leavers : 2017 Edition, <http://www.gov.scot/Publications/2017/03/2421/downloads>

9. A long history of joint working across the South of Scotland (manifested in the highly successful EU funded South of Scotland Objective 2 programme (2000-2006) and the South of Scotland Alliance established in 2003).
10. A strong tradition and successful record of partnership working within the Scottish Borders that has been established through the community planning process.
11. An established culture of self-owned businesses with strong community links – 18% of 16-64 year olds in employment in the South of Scotland are self-employed, over 6% higher than for Scotland as a whole¹⁵

Question 5: What are the economic challenges you would like to see the Agency address?

As noted in earlier responses, an essential precondition to meeting the economic challenges of the South of Scotland is recognising that the economy of the area is different to that in other areas. The combination of economic, geographic and demographic circumstances in the South of Scotland presents a singular challenge. The Agency will need to design its approach to build on and respond to the factors, which we highlighted in our answer to question 1 and now enlarge on below.

1. Low productivity, low wages and low growth

We have exciting and innovative businesses, but our economy is dominated by traditional rural/primary sectors, wholesale/retail, manufacturing, health and public sector activity, and heavily reliant upon high levels of part-time and seasonal working. As a result, the region has lower levels of productivity and income – the average salaries are over £3,600 per worker lower than Scotland¹⁶. We also have a higher proportion of employment in managerial and senior occupations (8.8% in SoS compared to 8.5% nationally) indicative of the reliance on the public sector for employment (27.7% of people in the South are employed in Public Admin, Education and Health) (2017)¹⁷.

Land-based activities are an important part of the South of Scotland's economy, but much more needs to be done to exploit significant diversification opportunities and strengthen our rural economy to ensure it is dynamic and resilient in a post-Brexit landscape.

¹⁵ Annual Population Survey (2017), Self-employed, employees and non-permanent employment, accessed through <http://www.nomisweb.co.uk>

¹⁶ Annual Survey of Hours and Earnings (2017), workplace analysis, accessed through <http://www.nomisweb.co.uk>

¹⁷ Annual Population Survey (2017), Industry of Employment, accessed through <http://www.nomisweb.co.uk>

2. Demography and our working population

Like many areas in the UK we have an ageing population, but, as noted in answer to question 3, the demographic trend in the South of Scotland is among the most challenging in the country. It is exacerbated by the outflow of educated and skilled young people. Our school children have high levels of educational attainment, but the make-up of the economy and the lack of opportunity drive an outflow of young people resulting in an economy with a predominantly low skill base. In turn, the diminished skills base of our population negatively impacts inward investment and wage levels. Retaining our young people and growing the number of working age people is vital to growing our economy. Investments in the energy and manufacturing sector, alongside the growth of other prominent businesses located in the region, will create demand for new highly-skilled jobs. However a significant skills gap must be overcome in order to make the most of once-in-a generation investments. We need to develop effective employment pipelines matching training and skills development with job availability, and we need to attract businesses with high skills needs into the South of Scotland.

3. Geography, Connectivity and Infrastructure

Despite some parts of the region being well-linked to existing transport infrastructure, much greater swathes are geographically remote from commercial centres and the transport infrastructure connecting the region. Internal and external transport networks are highly variable, with east-west links a particular challenge. This is a physical barrier to growing our economy.

The UK Government has set targets to deliver superfast broadband coverage across 95% of the UK by 2017. However, DSSB figures up to the end of 2017 showed around 91.5% of the residents and businesses in the South of Scotland are connected to a fibre enabled cabinet¹⁸. This however doesn't mean that users are able to access superfast download speed due to issues such as distance from the cabinet. Similarly, with respect to mobile coverage, around 25% of the land mass of the South of Scotland doesn't have reliable mobile coverage to make a phone call (2017)¹⁹.

4. Inequality and the challenge of inclusive growth

Too many people in the South of Scotland are caught in a trap, where their lack of resources, lack of access to training and skills improvement, lack of housing security and lack of mobility conspire to limit their prospects and the contribution they can make to the region. The area is not growing the jobs needed to retain or attract working age families with children to the South of

¹⁸ Figures from DSSB

¹⁹ Ofcom Connected Nations – Data Downloads (2017), Mobile local authority, <https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2017/data-downloads>

Scotland, giving rise to a weaker housing market, and compounding the challenges of low productivity, low wages and low growth. As noted above, these problems then further accentuate our difficulties in drawing into the area higher growth sectors which pay higher wages. Reducing numbers of children also have public funding implications for the area, potentially further weakening its offer as a residential and employment destination. Developing approaches to address the interrelationship of poverty, housing, adult learning, and employment is a core principle of inclusive growth and will be a central task for the Agency.

5. Lack of ambition and lack of innovation

There is a strong perception within the South of Scotland that, individually and collectively, we must be more ambitious. This is not simply an abstract concept. As noted in answer to question 3, investment in Research and Development in the South of Scotland is barely a quarter of the national average. This has a direct impact in that investment levels are low, but it also has a wider influence, militating against the culture of improvement and innovation which lies at the heart of every dynamic and growing economy. The Agency should seek to develop responses to this challenge in early course, identifying key sectors with high growth potential and the capacity to boost productivity. It should strengthen the link between the national research base and business innovation and seek to address the low levels of business research and development. There is also a need to broaden the region's approach to business and process innovation, going beyond a view which sees innovation as confined to science and technology.

6. Challenge of Brexit

In contrast to the largely structural challenges referred to above, Brexit is an external challenge, but its implications are likely to be no less far-reaching: in terms of access to markets, labour, and funding; with Agriculture, Fishing and Exporters significantly affected. While accurate forecasting remains difficult, the extent of potential impacts is highlighted by the agriculture sector. The South of Scotland accounts for around 20% of Scotland's agricultural output, with farmers in the South of Scotland particularly reliant on EU funding through the Common Agricultural Policy (CAP). In 2016, EU funding from the CAP to the farming industry in the South of Scotland amounted to £98,580,000 out of an overall Scottish total of £422,772,000 or 23% of the Scottish total²⁰. It remains to be seen how this crucial part of the economy will be supported beyond the UK Government pledge to maintain CAP funding levels to the end of the Parliament (expected to be in 2022). The May 2018 report to the Highlands & Islands Agricultural Support Group on 'Post-Brexit implications for agriculture and associated land use in the Highlands and Islands' reinforces concerns²¹. While

²⁰ DEFRA, UK CAP Payment Database data for 2016, accessed through <http://cap-payments.defra.gov.uk>

²¹ SRUC (2018), Post-Brexit Implications for Agriculture & Associated Land Use in the Highlands and Islands,

important differences exist between land use and the structure of agriculture in the South of Scotland and the Highlands and Islands, there is likely to be direct correspondence between the experiences of the two regions and acceleration of existing trends in respect of:

- the vulnerability of extensive livestock grazing across the region to potential Brexit-induced price reductions and, especially, to the removal of income support measures.
- further shrinkage of the agricultural workforce, with more limited scope for alternative land use activities.
- the negative impacts of declining active land management on upstream and downstream sectors, notably the Scottish Government's target growth sectors of Food & Drink and Tourism, risking wider economic activity and employment.

7. Land use and economic opportunity.

As noted above, the shape of a new post-Brexit agricultural policy post will have a powerful impact upon the South of Scotland's prospects. Mitigating Brexit impacts is likely to require both income support to maintain a resident population of land managers plus more targeted support for providing specific public goods, and the skills required for future land management. ~~The area has a unique opportunity to bring community, business, public sector and natural capital together, developing an integrated approach to land use based upon an understanding of the whole landscape.~~ With the Scottish and UK Governments having already floated the notion of re-orienting of 'public money for public goods', the South of Scotland should aim to shape thinking in Scotland – to demonstrate new ways of working, to assess various ways of replacing farming subsidies and to explore opportunities for a more holistic approach to land use. Building on the dialogue initiated by Scottish Government and the National Council of Rural Advisors, we need strategic thinking in respect of agricultural productivity, better supply chain integration, alternative land use, and business diversification as these issues relate to the South of Scotland. We urgently need to increase the technical, managerial and business skills of our farmers and land managers so that the agriculture sector can adapt to the changing context. This will require the development and adoption of new production methods, new technologies, and a stronger focus on innovation, supported through targeted information, advice, training and capital investments. The Agency can play a vital role in promoting and supporting these initiatives. The ultimate aim should be to bring community, business, public sector and natural capital together, developing an integrated approach to land use based upon an understanding of the whole landscape.

Question 6 – What currently works well in the South of Scotland?

As already noted, there are effective relationships between partners, including:

- A long history of joint working across the South of Scotland (manifested in the highly successful EU funded South of Scotland Objective 2 programme (2000-2006) and the South of Scotland Alliance established in 2003).
- A strong tradition and successful record of partnership working within the Scottish Borders that has been established through the community planning process.

Within its operating and resource limits, Scottish Borders Council's Economic Development Service (including Business Gateway) has delivered effective support in conjunction with partners to local businesses by means of financial support, support for events and tourism, provision and development of business premises, and through supporting skills development and employability.

The Scottish Borders Business Gateway team performs well against the majority of national targets with a particularly good performance around business growth as shown in the Business Gateway Annual Report and Business Plan Report 2017/18. The strongest performance was on identification of businesses starting a growth plan, giving a strong base for future years' activities.

National agencies e.g. Scottish Enterprise, Skills Development Scotland, Scottish Funding Council and VisitScotland provide certain key products and services that are important to the South of Scotland. It is vital that the new South of Scotland Agency continues to work closely with them to deliver economic development services in the same way that Highlands and Islands Enterprise provides essential support in collaboration with its partners.

Scottish Enterprise through Scottish Development International provides inward investment and trade promotion services that are important for the South of Scotland. There will be a need to ensure that the South of Scotland 'offer' developed by the new Agency is fully promoted by SDI. This also applies to VisitScotland and its national tourism programmes. Also Scottish Enterprise provides a range of national industrial sectoral support of relevance to the South of Scotland and in the future these will need to be closely linked into the work of the new Agency. Additionally, its Account Managed Companies with branches both within the South of Scotland and in other parts of Scotland and the UK will need to be linked to the work of the new Agency.

In relation to skills development, Highlands and Islands Enterprise has a framework agreement with Skills Development Scotland with respect to the provision of services, together with a partnership agreement with the Scottish Funding Council (SFC). The partnership agreement with SFC has ensured that the Higher Education Graduate Placement programme (ScotGrad) is right for the

Highlands and Islands, with higher grant intervention rates than rest of Scotland. These arrangements need to be replicated in the South of Scotland with the new Agency.

Question 7 – What would you add or take away from the potential activities that the Agency could carry out across the three areas:

a) Drive forward the economy;

b) Sustain communities; and

c) Capitalise on people and resources

The three key areas of activity identified in the consultation document provide a good starting point for considering what the Agency should deliver. There are however a number of overarching considerations which should apply across all potential areas of activity. Most significant among these is the need for the new Agency to develop its leadership, capability and capacity to drive forward the Agency's agenda. It must also work to instil these qualities across the business base and communities throughout the area.

Para 5.15 highlights the importance of infrastructure with a focus on ensuring there is the right business infrastructure in the area. We suggest that infrastructure should be developed into its own thematic area to give the requisite focus on the scale of the infrastructural deficit within the South of Scotland. In practice this means building on the list identified in para 5.15, noting that there is also a need to focus on transportation and workforce mobility.

Beyond this, there are additional issues in relation to each of the activity areas set out in the Consultation document which Scottish Government should consider. These are as follows:

Driving forward the economy

As alluded to in the Consultation document, it is important that the Agency works to broaden out the reach of business support in the South of Scotland. The new Agency needs to ensure that it supports a larger number of businesses than is currently being supported under existing arrangements and the advice, products and financial assistance on offer need to be more closely aligned to the needs of the business base. To deliver a step change in business support, the Agency must also reach out to and engage with previously unengaged businesses, and develop stronger strategic relationships with key employers.

There is a need to develop a more entrepreneurial culture in the South of Scotland, which sees businesses feel more confident in expanding their operations and sales into new markets, and comfortable in developing or

importing innovation into their businesses. There is also a need for a stronger business voice to be developed across the South of Scotland which can more authoritatively and comprehensively speak for businesses in the South. This will necessitate ensuring that the Agency has the expertise and personnel to engage in skill and capacity building within individual businesses. The work outlined in the Consultation paper to ensure that there are the required business networks and clusters to foster mutual support and best practice will be crucial to delivering on these efforts.

Sustain communities

We believe that the HIE approach to Account Managed Communities is a model which would bring substantial benefit to the South of Scotland, and would support this being replicated in the South. The South of Scotland has a number of strong communities which are keen to make the most of local assets, but it also has communities with limited capacity, and significant economic and social challenges. We consider that the support which comes with the Account Managed Communities approach will provide a refreshed level of focus on place, enabling communities to realise their ambitions to drive forward local economic development and deliver the better social outcomes integral to inclusive growth.

The Scottish Borders has unique cultural traditions that are expressed in world-renowned literature and storytelling, traditional music and song, custom and folklore. The history and heritage of the region is represented in a host of iconic buildings – castles, country houses and museums – as well as the region's collections and archives. At the same time, Borderer's identity is preserved and expressed in the distinctive character and civic celebrations of Borders towns (with *The Rough Guide to the World's Best Festivals* describing Common Ridings in the Borders and Dumfries and Galloway as 'One of Britain's best kept secrets'.) Community initiated cultural activity - events, festivals, exhibitions and projects - all contribute to a sense of identity, which continues to resonate with the worldwide Borders Diaspora, especially in the famous and infamous surnames of Reiver families.

This cultural context is very important in two respects. Firstly, the sense of identity and belonging pervasive in Borders culture is a critical prop in maintaining community cohesion and resilience. Secondly, this distinctive culture is a unique asset which the South of Scotland should exploit in promoting the region economically. Though very recent figures are not available, according to a 2012 report by EKOS Limited, the creative sector in the Scottish Borders is estimated to be worth £21m GVA and to employ some 720 people, contributing not only economic benefit but also environmental and social benefit across the region. (The same report estimated the creative/cultural sector in the South of Scotland generated revenue of almost £60M per annum, and employed 1337 fulltime employees, equating to an estimated GVA of £37-£39M per annum²²).

²² EKOS: Creative Sector in the South of Scotland – Report commissioned by Scottish Borders Council on behalf

Working with the Scottish Borders Arms' Length External Organisation, Live Borders, and other partners, this is an excellent foundation stone for the Agency to build upon.

People and Resources

While somewhat intangible, the Agency should aspire to a general raising of ambition across the board, in businesses, in communities and within agencies, including this Council. Collectively, we need to overcome assumptions that the region's challenges limit the scope of local action, or what we can hope to achieve. Such ambition must be matched by practical action in relation to training, careers, and inward investment.

The Agency needs to supplement current efforts to broaden out and modernise the training and employment support offer available in secondary schools, making it more relevant to businesses in the South of Scotland and to future employment opportunities. There is a need to develop more robust vocational training and employment pathways for young people within schools, together with more effective liaison between schools, colleges and employers to ensure good understanding of the match between skills training and opportunities. We say more about this in answer to Question 15.

In a step vital to matching supply against needs, SDS is engaged in mapping the current provision of Further and Higher Education in the South of Scotland. As the consultation acknowledges, we must ensure that educational and training opportunities and provision are aligned with current business need, and focused on what the future workforce requirements will be. The vast majority of the young people in the Scottish Borders who access Higher Education are compelled to leave the area, and then fail to return due to the relative lack of quality employment opportunities in the South of Scotland. Also the FE provision is limited by the numbers of students and funding restrictions which require a minimum number of participants in order to make courses viable. There is a need to develop increased HE and FE provision across the South of Scotland that better meets the demands of employers and of young people.

Reflecting on the challenges which have been brought out in previous questions, we believe that there is a lack of Graduate level opportunities in the South of Scotland, and this is partly why we have a significant outflow of young people from our area each year. The new Agency should look to facilitate a Graduate placement programme, aligning it with the needs of businesses, but also with the Agency's own staffing requirements.

For young people, adults and businesses there is a need to strengthen employment pipelines. This necessitates far greater correlation between training opportunities, skills development and job availability and it also means attracting

businesses to the South of Scotland with higher skills needs. Paragraph 5.15 of the Consultation document refers directly to attracting inward investment. This needs to be emphasised. The South of Scotland aided by the Agency needs to raise its game in bringing external resource into the area, including both private and public investment.

Question 8: What would you prioritise as the key areas of activity for the Agency?

Across paragraphs 5.9, 5.11, 5.14 and 5.15 the Consultation document helpfully identifies around 30 areas of activity. Many of these activities are inter-dependent and mutually supporting, and plotting their sequencing is best left to the Agency on the basis of operational exigencies and careful judgement of the evidence. The important thing is that the Agency correctly identifies its key strategic goals around which this supporting activity can be developed. With this in mind, we suggest the headline priorities are the need to drive business growth, innovation and entrepreneurialism; improved skills and employability; and developing leadership, capability and capacity within businesses and communities across the South of Scotland. Underpinning all of this the Agency's approach must embody the Relentless Emphasis on Geography and Place to which we referred to in our answer to Question 1. As noted, inclusive economic growth can only be generated within the towns and rural communities of the South of Scotland through an approach forged in the South of Scotland.

It should be recognised that some of the key challenges to economic performance faced by the South of Scotland (such as demography or transport infrastructure) will take sustained effort and resource investment over many years, and will not easily be remedied by lower cost and shorter term solutions.

Question 9: What specific things could the Agency do to help you, your business, your sector or your community?

Essentially this is a question for service users to answer. However, the Council considers that the Agency must provide enhanced support to businesses and communities to achieve a step change in economic performance and Inclusive Economic Growth. For businesses and communities this is a practical exercise which requires real engagement, support and expertise in relation to the issues which matter to them.

As in the Highlands and Islands, there is a need to develop the capacity of communities so that they are able to support inclusive growth in the broadest sense and specifically provide economic and employment opportunities.

For businesses, the Agency needs to develop and provide the kind of support identified in our response to question 2, particularly end-to-end solutions for business support, and support for innovation, entrepreneurialism and research

and development. As noted, such support must be practical in nature responding to the needs of individual businesses, whether skills, funding, or infrastructural, while also seeking to enhance the general business environment in the region, and developing the strategic and operating opportunities for business sectors. The Agency should be approachable. It needs to be a part of the operating context for businesses in the SoS so that they can have confidence that when they need help it will be there to provide it.

There must also be a recognition that to drive inclusive growth, to respond local needs and opportunities, will require integration of business and community development, rooted in a full understanding of place.

Question 10: What could the Agency do out with its boundaries working with other local authorities or with agencies like Highlands and Islands Enterprise to support specific projects which benefit the South of Scotland and with national agencies?

The geographic focus for the Agency is the Dumfries & Galloway Council and Scottish Borders Council areas. It is important to be clear about this. However, the Council acknowledges that boundaries should be flexible where broader needs are relevant or local operational considerations clearly merit such an approach.

While the new South of Scotland Enterprise Agency should become the 'go to' body for businesses in the South of Scotland, the new Agency also needs to be well integrated with the national agencies which have an involvement in Economic Development (particularly Scottish Enterprise, Highlands & Islands Enterprise, Skills Development Scotland, VisitScotland Scottish Funding Council, Scottish Natural Heritage, Scottish Environmental Protection Agency, Forestry Commission Scotland, and Creative Scotland) to ensure alignment and shared benefits.

As the Highlands & Islands and the South of Scotland face so many common challenges, continuing dialogue and collaboration is highly desirable and should be mutually advantageous, improving the capacity of both regions to contribute to national growth. It would be particularly beneficial for SoSEA to call on HIE's experience of delivering economic development services in a rural setting and of working with communities in respect of its social remit.

The two local authority areas covering the South of Scotland are also involved in existing partnerships with neighbouring authorities. The creation of the Agency at the same time that development work is on-going on the Borderlands Inclusive Growth Deal; Edinburgh and South East Scotland City Region Deal; and the Borders Railway Blueprint, provides an unprecedented opportunity to effect the step change in economic performance for the South of Scotland to which we

aspire. The Agency will need to assess how and what kind of engagement can deliver on its objectives, but the alignment of these initiatives provides an unrivalled moment for the Agency to contribute and participate in the delivery of programmes which address strategic challenges and substantially benefit Dumfries & Galloway and the Scottish Borders.

In time, the South of Scotland should perform the role of lead strategic area on matters of national policy where (as in the case of Highlands and Islands' primacy in marine energy and delivering the Scottish Land Fund) circumstances suggest that the region is the natural choice as national lead. Clearly, the Agency would have a vital role in such activity.

Question 11: Which option, either from the list above or your own suggestion, do you think offers the best way to ensure the Agency is accessible to all across the South of Scotland?

As mentioned below, undue focus on the principal location of the Agency risks diverting energies from more important considerations: such as how the Agency will work with stakeholders, businesses and communities in delivering better outcomes. As noted, the Agency must be accessible and responsive to all parts of the region. This requires Agency staff to be dispersed region-wide with area staff embedded in communities. At the same time, all staff must be highly mobile and responsive to needs region-wide. Furthermore, all potential location criteria noted in the Consultation document (connectivity and accessibility, proximity to key populations, proximity to other services; potential impact and benefits to local economy; or availability of suitable premises) can be met most easily and practically through co-locating the Agency within existing public sector and local authority premises. This has the added significant benefit of ensuring that as much of the Agency's budget can be spent on delivering the real change which is needed in the South of Scotland; far better that resources are invested primarily in building local capacities than on buildings.

In addition there must be a robust and comprehensive offering available digitally which complements the more traditional methods of service, so that this can be accessed most conveniently whenever it is needed. It needs to be noted however, that a total digital presence cannot be pursued in the South while there are still gaps in Digital Connectivity provision.

As explained in detail in response to question 18, there is a need for the Agency to build close collaborative relationships with community planning partners, and there is the same need to develop approaches with businesses and communities founded in co-production of solutions to the challenges we face. As paragraph 7.2 of the Consultation document identifies, there is expertise throughout the South of Scotland, and they are essential to supporting the work of the Agency.

It cannot deliver alone the step change to which we aspire in economic performance and inclusive growth.

Question 12: Which criteria should be used in reaching a decision about the location of the Agency?

Unlike the Highlands & Islands, the South of Scotland has no natural 'capital' acting as a hub for the entire area and there is no obvious candidate for a head office location. Consequently, we believe that the Agency needs to resist the location of a premier site in one part of the South of Scotland. This would simply alienate stakeholders and create dissonance between the Agency and other parts of the South of Scotland. The approach which is currently being adopted by the South of Scotland Economic Partnership of alternating its meetings between Dumfries & Galloway and the Scottish Borders is a useful model to follow. Such a compromise ensures that both areas feel fully involved and central to the work of the Partnership, and the Agency should follow that example.

The locations of Offices and Headquarters are of less importance in the development of the Agency than that the Agency is rooted in the South of Scotland, and accessible and responsive to every part of the region. There will be a need for a registered headquarters for legal purposes but this issue and the location of offices are operational matters to be determined by those charged with the delivery of the Agency's remit. Much more important is how the Agency ensures that its presence reaches across and into every part of the South of Scotland and is delivered where, when and how best suits the end user. To achieve this, like HIE, the Agency must have the staffing, expertise and capacity to deliver on its goals. As noted in answer to question 11, staff should be embedded in local communities throughout the region, while fully mobile and ready to respond to the needs of businesses, communities and stakeholders wherever businesses, communities and stakeholders may be based in the South of Scotland. There must also be a robust and comprehensive offering available digitally, so that this can be accessed readily whenever it is needed.

Lastly, the Agency's office needs should be delivered in a manner which makes best use of public resources, ensuring that as much of the budget can be spent on delivering the real change which is needed in the South of Scotland. Co-location within existing public sector agencies and local authority premises promises the best way of achieving this. Furthermore, co-location provides an opportunity to ensure maximum alignment with public sector partners, and should ensure a seamless and integrated service is delivered to clients by keeping the majority of services 'under the one roof'.

Question 13: If you were to use the services of this Agency, what factors are important to you in terms of reaching it? (This might relate to the location itself, to transportation links, or to proximity to other services, or digital delivery, for example.)

As explained in response to Questions 11 and 12, we believe that the Agency must be readily accessible to all parts of the South of Scotland, and to all peoples in the region. A core element of such access is strong digital provision, ensuring that the Agency's information and services are readily available to businesses, communities and other stakeholders. Equally important, however, will be that the face to face meetings and support provided by Agency staff to service users. The Agency will need to consider carefully the distribution of staff, access, transport, and other operational aspects of meeting such requirements.

Question 14: What sort of people should be on the Board of the Agency and what sorts of skills and expertise should they have?

The Agency should seek to ensure that the individuals on the Board are of the highest quality possible.

The role will require individuals who are ambitious for the South of Scotland and have the right values and commitment to the area to ensure that the Agency is delivering the right results for the South of Scotland. The individuals also need to be inspirational, be able to provide fresh perspectives and new thinking, and bring wisdom and experience to the role.

Additionally there needs to be the right mix of individuals, to provide full geographic coverage of the area, and to ensure different key sectors, business sizes, communities and social enterprises, and education, skills and training provision are represented effectively.

Following the passing of the Gender Representation on Public Boards (Scotland) Act, the Board must have a 50/50 gender split. It should also ensure that there is a range of ages, particularly younger people to ensure that all views and perspectives are taken into account when key decisions are being made.

Acknowledging the need for a strong and effective working relationship between the Agency and the South of Scotland local authorities, it is desirable that the Chair of the Board have the flexibility to bring appropriate council representation into the Board. The Council does not envisage that such representatives would be full board members, but it would be prudent to develop or to have the ability to develop the kind of linkages through appropriate council representation which assure mutual confidence between the Agency and local authorities. We expect such representation would be limited to no more than one lead representative from each council with a substitute. In the Scottish Borders, limited council

representation on the Health & Social Care Integrated Joint Board and the arms' length external culture and sporting trust, Live Borders, provide examples of possible approaches. It may also be prudent for the South of Scotland local authorities and other stakeholders to retain a revamped South of Scotland Alliance. This might stand in relation to the Agency as the Highlands & Islands Convention stands in relation to HIE. The Alliance would continue to provide a discussion forum and vehicle for political advocacy in respect of shared challenges and opportunities, while also facilitating dialogue with others, including the Agency.

Question 15: We know that young people are less likely to stay in or move to the South of Scotland than they are other parts of the country. Do you have any comments on things the Agency could do to meet the interests of children and young people?

While the work of the Agency focuses on creation of a diversified economy, and place making will have an impact on this, we believe that the Agency needs to undertake specific work-streams to ensure that the South of Scotland can meet the needs and demands of young people in the area.

The Agency needs to work closely with the Council's Education Service and to its primary and secondary schools to understand the needs and expectations of young people in the South of Scotland, what they want to achieve in their future, and what they want the South of Scotland to deliver for them.

We set out below a number of specific tasks which the Agency should seek to facilitate in the South of Scotland to support children and young people. These are:

- The provision of an enhanced Careers Service which provides more guidance and 'up to date' information on training and employment opportunities in local economic sectors and businesses and future growth employment areas.
- Support for the transporting of school students to work-place learning.
- The provision of more opportunities for young people to access part-time work as a stepping stone to full-time work.
- The enhanced development of foundational skills for vulnerable young people who are furthest from employment. These need to be built up by working with them, say over a 6 or 9 months period, to get them to a place where more specialised training can be explored.
- The development of effective liaison capacity between Secondary Schools, Further Education and Employers to ensure the delivery of more efficient

and effective responses to the needs of young people, and linking into the Developing Young Workforce (DWP) Initiative.

- Support for initiatives to broaden the work experience of secondary school teachers so that they understand the pathways and opportunities which exist within the workplace. In turn, this will assist the understanding of businesses about what schools can offer.
- Improve parental understanding of the range of training, Further and Higher education, and employment opportunities that exist for young people locally and give them support, so that their influence on young people's choices is informed and constructive.
- The setting up of more after-school care and holiday care placements for children to support families, especially single parents to increase family income and so assist in reducing child poverty.
- With support from the Agency, Scottish Government should examine the mechanisms for overcoming the cross-Border funding challenges which act as an area specific barrier to an active education, training and employment interface in the South of Scotland e.g. impeding smooth access to learning and apprenticeships across the Border.
- As noted in response to Q14, we consider it particularly important that young people's perspectives are represented within the Board of the Agency.

Question 16: In delivering opportunity and growth in the South of Scotland, how can the Agency:

- promote equality for people who share one or more protected characteristic as defined by the Equality Act 2010;

- Combat discrimination; and

- foster good relations between people who share a protected characteristic and those who do not?

The new Agency should develop a robust Equalities policy of its own which delivers against the General Duty placed on it by the Equality Act 2010. As part of this work, a set of outcomes should be developed by SoSEA against which it wishes to deliver –informed by the overarching goals of the Agency and the challenges that it seeks to address. The Agency should give consideration to the creation of an advisory panel to support this work and should report regularly (to its Board and more widely) on the progress made to deliver upon the General Duty.

Equalities need to be embedded throughout the work of the new Agency. There is potential for the SoSEA to learn from HIE in how it has developed and implemented its approach to equalities, as well its promotion of Equalities across the Highlands & Islands.

As noted in response to Q14, the new Agency must have a 50:50 gender split on its board to comply with the Gender Representation on Public Boards (Scotland) Act.

Question 17: Do you have any other comments on how the Agency might address specific needs?

There is very limited local data on the following issues, so some caution is necessary, but the Council considers the Agency should aim to develop a reliable evidence-based picture as a basis for action in respect of the following:

1. Gender

It is the Council's perception that gender segregation exists in respect of the choices made by children and young people in the area with impacts on their future prospects and consequent impacts for the Scottish Borders. There is a need to consider this as a barrier to employment, and assisting in removing barriers to employment is exactly the kind of thing which the Agency should be focusing on. Moreover, the issue has an added resonance given that the Agency Board is expected to be one of the first public boards to fulfil an equal balance of genders within its membership.

2. Disability

There is a need to address the barriers for disabled people of making an economic contribution. While often challenging in the most conducive of environments, the difficulties of accessibility and providing support in such a large geographic, sparsely populated and sometimes poorly connected area, can be exceptionally challenging. The Scottish Government's recently announced consultation on Increasing the Employment of Disabled People in the Public Sector which aims to address an important part of the picture, but the Agency will want to explore the issue more broadly, supporting the contribution that disabled people make to the South of Scotland's economy and as a means of individual self-fulfilment.

Question 18: We want to make sure that the Agency works effectively with a wide range of key stakeholders/partner agencies to ensure that inclusive growth also enables positive social and environmental outcomes. Do you have any comments on how this should work in practice?

It is important that the Agency's approach and operations are governed by principles which support positive social and environmental outcomes. The principle of inclusive growth and the influence of legislation/regulation provide a framework for the Agency's approach. It is expected that the Agency will become a relevant authority under Schedule 3 of the Community Empowerment (Scotland) Act 2015 and under the Fairer Scotland Duty Interim Guidance. The Agency should also be governed by principles of Sustainable Development, namely, the goal endorsed by Scottish Government of enabling 'all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations.'

Beyond this, two further elements are important: process and behaviours. Firstly, there need to be effective mechanisms for dialogue between stakeholders and partners. At a practical level, this is a matter of ensuring that the Agency's work plan schedules the necessary meetings and interactions to support its drive for better social and environmental outcomes: public consultation meetings; workshops with social and community enterprises; 1-to-1 engagements with key stakeholders; and community capacity building programme meetings

The second element concerns the behaviours and practice of partners. As already noted, the Scottish Borders has strong relationships with a range of partners through well-established Community Planning arrangements based upon largely contiguous boundaries. The Council's assessment of the effectiveness of the CPP in the Scottish Borders is that it is broadly effective. However, challenges remain. While legislation has placed partners under increased obligation to ensure unqualified commitment to community planning, the capacities and the degree of commitment that different organisations bring to the table, vary. In creating the Agency, Scottish Government is establishing a new set of mechanisms, and increased expectations around what the South of Scotland can and should be expected to do for itself, especially in relation to inclusive growth. If optimal outcomes are to be realised, it is essential that key partners are fully invested in delivering on our shared ambitions for the South of Scotland. As a practical matter, this entails recognising that what some community planning partners must contribute to the success of the Agency will be greater than what is required of others. This differential is already embodied within the 2015 Act which places duties upon specified partners (local authority, NHS, Police Scotland, Scottish Fire and Rescue Service and Scottish Enterprise or Highlands and Islands Enterprise) to support shared leadership and collective governance. However, others public bodies, such as HE/FE, SDS and VisitScotland, will also have an important role. The two councils and Scottish Government have a vital leadership role in encouraging and ensuring stakeholders, including national agencies, play a fully-committed part in delivering what are, ultimately, not only the Agency's goals, but a collective responsibility for outcomes.

Question 19: Do you have any other thoughts on powers that the Agency will need?

The Consultation document encapsulates a central purpose of the new Agency perfectly at para 3.1. Specifically, it notes the Agency ‘will act as a voice for the South, a strong advocate for the area providing direction and vision’.

To fulfil its role as a wider agent of change, the Council expects that the Agency to be granted the same powers as those granted to Highlands & Islands Enterprise through the Enterprise and New Towns (Scotland) Act of 1990.

This would mean that the new Agency would have the general functions of:

- “preparing, concerting, promoting, assisting and undertaking measures for the economic and social development” of the South of Scotland.
- “enhancing skills and capacities relevant to employment and assisting persons to establish themselves as self-employed persons there”.
- “furthering improvement of the environment” of the South of Scotland.

These general functions should provide the flexibility for the new Agency to adapt to the changing economic and social challenges in the South of Scotland, and to deliver its service according to needs, utilising local decision making and local knowledge to determine the best measures.

It is also important that the Agency has the independence to challenge, disagree with, negotiate with, and lobby others, including government. While the Agency must be receptive to the interests of stakeholders, organisational and diplomatic integrity are prerequisites of an unstinting focus on Inclusive Economic Growth.

Question 20: Is there anything else you wish to say about the operation of the Agency?

Planning

The operation of planning system should remain with Local Authorities for a number of reasons; not least the need to retain an independent scrutiny of development proposals covering a breadth of economic and environmental issues. There would be merit however, in ensuring a close and effective working relationship between the Agency, the regional partnership and the two Local Planning Authorities. That relationship should be based on clearly established mutual understanding and partnership working. This could include terms of reference for joint working on projects, strategies and programmes.

General

It must be understood that to effect a step change in outcomes in the South of Scotland will necessitate a step change in the commitment of partners to delivering on shared goals.

The Council is fully committed to its part in supporting the Agency, and in giving it the tools it will need to deliver. This means determining which services and assets make good strategic and delivery sense within the control of the Agency, and which should continue to operate within existing arrangements.

As noted, these considerations are not limited to Scottish Borders Council nor to the two local authorities within the South of Scotland, but beg questions as to how resources across the board, including those of national agencies, are best deployed to maximise the prospects of successful delivery of the Agency's strategic plan to the benefit of the south of Scotland. To get to the right place will require a frequent honest dialogue between partners, disinterested commitment in pursuit of common objectives, and a careful assessment of how the functions and capabilities held by partners can best be deployed in achieving shared objectives.