

## South of Scotland Alliance

### **Rural Regional Economic Development Programme – 2014-2016**

#### **Ambitions**

The South of Scotland Alliance originally launched its Competitiveness Strategy as an ambitious proposal to develop the economy across the South of Scotland, aiming to match and complement the priority which the government was then giving to the 'city regions' of Central Scotland. We wanted to play our full part in the economic success of Scotland, strengthen our claim to be a fully integrated part of the new, devolved, Scotland and sought to enjoy full parity with other regions in attracting public investment in order to support a "catch up" in growth rate with the central belt. These remain our ambitions.

The rural South wants to play a more significant part in the growth of Scottish economy and we see some key opportunities arising in the near term that will facilitate that ambition. But we need to focus resources in such a way that we are able to take those opportunities forward to make a difference for the South of Scotland and the Scottish economy.

#### **Opportunities**

There are key building blocks being put in place to help achieve this, especially Superfast broadband connectivity, the railway development in the Scottish Borders, developments along the M74 corridor in Dumfries and Galloway, and Assisted Area status. These are unique opportunities in terms of the economic history of the South of Scotland and we know that we must work together with the Scottish Government to ensure they deliver their full potential.

The projects included in this Programme are all recognised regional priorities which together represent a nationally significant economic development Programme for the South of Scotland. They are presented in this Programme format to demonstrate that there are projects of scale in rural areas that can have an economic impact that contributes at the Scottish level.

Support from Scottish Enterprise and other national agencies is required if these strategically important projects are to be successfully exploited by their respective Community Planning Partnerships. Our Programme sets out a simple range of rural economic development projects in the South of Scotland which we believe align well with Scottish Enterprise's key priorities. The commitment of

specialist expertise from all of the partners will be crucial if the proposed Programme is to be refined and successfully implemented, delivering practical interventions which will ensure additional economic impact.

The South of Scotland Alliance recognises that there will be a variety of approaches required for the different projects and that the local Community Planning Partnerships will provide the best vehicle for the governance and project management of each strand of work.

## **Economic Context**

It is clear that the regions that make up Scotland have quite different economies. Each of these regions has a varying mix of assets and potential in terms of people, skills, businesses, communities, organisations, infrastructure and services that can contribute to economic growth.

In considering this economic context, it is important to remember the continuing challenges faced by the South of Scotland in relation to significantly lower GDP per head, low wages and difficult employment situation.

- South of Scotland's annual GVA growth rate tends to be below the Scottish Average – £3.6bn - 3.4% of Scottish GVA
- GVA per head of population is significantly below the Scottish average - £13,524 against £20,013 (67.5% of Scottish Ave.)
- Productivity is lower in South than the Scottish average – and still below pre-recession levels in real terms - £30,889 against £43,095
- Agriculture, forestry and fishing sector has the largest proportion of firms in the South, followed by retail and construction
- VAT/PAYE registrations per 10,000 working population are below the Scottish Average – 42 against 53.

There are some key characteristics of our economy and business base that are a 'brake' on indigenous growth:

- Structure (business size / business type) of regional economy leads to relatively low GVA per head and productivity
- Significant lack of "business growth" - micro to small; small to medium; medium to big
- Dependence on the primary sector (and therefore a major negative CAP impact)
- Importance of food & drink products and tourism (particular market segments/sectors)

- Service sector driving Scottish growth, but under represented in the South
- Niche “Products” – eg luxury textiles; specialist foods; heritage/cultural/activity tourism
- Ageing population and attractive retirement location

## **The Programme**

Our Programme aims to address some of these challenges through a growth focused approach. The Programme targets the opportunities that are on the horizon and proposes four key Project areas. These Projects will require significant financial support in order to deliver outcomes on the ground.

1. We want to close the GVA per head gap with the Scottish average.
2. We want to bring new types of business into the South of Scotland – different sectors that can add resilience and future proofing for our economy. No. of inward investments
3. We want to encourage our existing businesses to grow on the back of these opportunities – to maximise the local potential that hides under the surface. No. of local businesses in growth pipeline and Account Management
4. We want to expand our service sector - so that the economy is more diverse. No. of businesses in key sectors.
5. We want to bring in additional visitor spend and increase the number of bednights in the area – so that tourism businesses can grow and new private sector investment in tourism facilities and products is made. Increase in visitor numbers, increase in visitor spend.
6. We want to use the quality of life we have on offer to grow our working age populations - to sustain our communities and local services for the long term.

In proposing this Programme we are aiming to overcome the issue of rural regions lacking projects of sufficient scale to be prioritised for investment by Scottish Enterprise. By focusing on the key opportunities we believe our approach demonstrates that the rural economy of the South of Scotland can make a significant contribution to the national economy.

There are real opportunities to close the gap with the rest of Scotland, and in doing so provide a positive contribution to the Scottish economy. This Programme can form a significant step on that route towards stronger economic growth.

## **Project 1 - Borders Railway / Central Borders Business Park**

In 2013 an 'Economic and Market Assessment' for new business space in the vicinity of the Borders Railway Terminal at Tweedbank was undertaken, delivered by Ironside Farrar Ltd on behalf of Scottish Borders Council (SBC) and Scottish Enterprise (SE).

The report's economic analysis highlights short term demand for new commercial office space to meet projected growth in the 'professional and business services' in central Borders over the next five years. This estimates demand for 450m<sup>2</sup>-1,750 m<sup>2</sup> of new business space with between 180-350 new jobs created.

Over the medium to long term, a review of comparator projects identifies a range of positive impacts from railway investment on the economy. Benefits include access to employment, services, business relocations, positive changes to the population base, productivity and perceptions of the area. The report suggests over the medium to long term (up to 15 years) there could be demand for 5,000 m<sup>2</sup> to 12,000 m<sup>2</sup> new office floorspace, with the creation of 1,000 – 2,300 jobs.

The potential demand for high quality premises means Tweedbank would be a 'natural location for development and industry'. However, the report suggests that a severely restricted development investment market means uncertainty for delivery of business space without public sector intervention.

The most effective way to deliver new employment land opportunities in this Central Borders location is to redevelop parts, or all, of the existing Tweedbank Industrial Estate. This area has been the key strategic industrial site in the Scottish Borders for decades and much of the property in this area is now due for replacement or major renovation. Officers consider that the redevelopment of this site is considerably more cost effective than developing a similar area of greenfield land. It also has the key benefit of being adjacent to the railhead for the new Borders Railway. As an existing industrial area it also benefits from good existing services and a well planned landscape setting.

Inward Investment marketing is also required to maximize the benefits of the Borders Railway. This would include marketing campaigns and familiarisation visits to promote the advantages of locating to the Scottish Borders. This would be delivered in partnership with SDI and city-region local authorities, building on 'Our Scottish Borders' and 'The Best Move of Your Life' brands. Focused on the exceptional quality of life the area has to offer, a skilled workforce, competitive costs, and good ICT and rail connectivity.

**Project 1 - Borders Railway / Central Borders Business Park**

	Resource	Lead (Support)	Target (activity/output)	Timescale	Outcome Measured by:	Benefits Realised: EDS Outcome (to 2023)  Measured by:
<b>Project 1 – Borders Railway/ Central Borders Business Park</b>						
Central Borders Business Park	Initial estimate –  £5M	SE / SBC	Development Appraisal. Design Vision & Technical Briefs.  Upgrading, demolitions and Phased Redevelopment – in partnership with Private Sector	September 2016	Creation of high quality employment locations next to Tweedbank Station.  Measured by: Hectares of business sites occupied. Number of business relocations.	There is new land and premises to encourage business to grow and relocate.
Inward Investment Marketing	Officer time  Initial estimate -  £100,000	SBC / SE partnership (SDI)	No. marketing campaigns. Number of enquiries.	September 2016	New business investment in Scottish Borders Railway corridor.  Measured by: No. of business relocations.  GVA/ jobs created.	New businesses are attracted to the Scottish Borders.  The economic development potential of the Borders Railway is maximized.

## **Project 2 – Mountain Biking – Developing Our World-Class Product**

### **Mountain Bike Uplift**

The South of Scotland has established a world-class reputation for Mountain Biking through the 7stanes products. This proposal is to develop a visitor and outdoor activities centre near Innerleithen/Traquair as a complement to the Glentress 'stane'. This project is intended as an extension and complement to existing tourist attractions in the local area. The majority of the development will take place in Traquair Forest, a planted forest managed by Forestry Commission Scotland. Located just South of Innerleithen, the Traquair Forest is home to some of Britain's most popular mountain bike trails and plays host to regional, national, and international events.

The uplift provides an excellent opportunity to make mountain biking in the region more accessible. It also gives the region the ability to host international downhill championships – these currently only go to venues with uplift facilities. The new plans for Glentress include a significant number of holiday lodges and this facility would provide another attraction to encourage people to stay in the lodges as it would provide more variety and a wider range of experiences for the visitors. Without this new facility, or a similar type of high profile addition to refresh the mountain biking product, the South of Scotland will start to lose its profile and draw as a key mountain biking destination, especially for the markets in the north of England.

The uplift project that is proposed has the additional feature of an all-weather toboggan run adding a new tourist facility to the area and broadening its outdoors appeal. The success of this project would also encourage further investment in the town and surrounding area.

### **Accommodation**

More than 300,000 visitors come to Glentress each year, the majority of whom are day visitors. The Tweed Valley is currently understocked with accommodation providers so an opportunity lies in the following accommodation investment:

- Velotel (or similar) in Innerleithen
- If approved, FCS Glentress Masterplan to include: Peel village, arrival building, main building, activity building and cabin accommodation (x 90). Additional parking, trailhead and routes are also being considered.
- Bunkhouse/hostel accommodation, B&B's and self-catering

### **Business/resort Tourism**

- SE Glentress centre for MTB excellence  
SE leading on the above project to include centre of academia, skills training and community learning similar to Snowpolis in Finland. [www.snowpolis.fi/](http://www.snowpolis.fi/)

**Events**

- Uplift to attract bigger events i.e. Mountain Bike world cup – investment in uplift system at Innerleithen.

**These opportunities are acknowledged and reinforced by:**

- VisitScotland Tourism Development Framework for Scotland (2013) includes strategic aims covering Forest Tourism in Scotland
- VisitScotland national strategic aims including a focus on Scotland’s Outdoor Activities - Leisure Cycling and Mountain Biking and Forest Tourism
- VisitScotland’s Scottish Borders strategic aims:
  - The quality of the mountain-biking experience in the Scottish Borders is internationally recognised and its attraction can be further developed. There are opportunities at Glentress, near Peebles, and Newcastleton, to build on existing assets; and at Innerleithen to develop new attractions, such as a Mountain Bike Uplift, that will increase tourist numbers and visitor spend.
  - There are opportunities for investment in new resort development in the Scottish Borders. Forestry Commission Scotland considers that locations should be linked with forest tourism, such as the Tweed Valley Forest Park area, linking to a range of outdoor and forest based activities.
  - There is an opportunity for the provision of new self-catering accommodation (where deficiencies are identified), bunkhouse provision, holiday parks and low carbon development which support the wider “rural tourism product”.

## Project 2 – Mountain Biking – Refreshing a World-Class Product

	Resource	Lead (Support)	Target (activity/output)	Timescale	Outcome Measured by:	Benefits Realised: EDS Outcome (to 2023)  Measured by:
<b>Project 2 – Mountain Biking – Developing a World-Class Product</b>						
7stanes mountain biking network and AimUp	Initial estimate - £5M	SE / FCS / SBC  Community / SBC / SE partnership	Development Appraisal. Design Vision & Technical Briefs.  Site / Product Development (phased)  No. of MTB routes. Creation of new Number of MTB attractions.	September 2016	New mountain biking products and experiences are developed.  Measured by: No. of visitors. GVA/ jobs created	Recreational, retail and cultural opportunities are maximised.
Tweed valley resort development	Initial estimate - £5M	Private sector/ Joint venture	Caerlee Mill redevelopment. Velohotel (or similar)  No. of Bed spaces.	September 2016	New tourism business investment in the Tweed Valley  Measured by: No. of business relocations. GVA/ jobs created.	Activity is increased in key local sectors, including tourism and food & drink.  New businesses are attracted to the Scottish Borders.

## **Project 3 - M74 - INITIAL SCOPING CONSIDERATIONS**

### **1. INTRODUCTION**

The M6 / M74 corridor from Carlisle through Dumfries and Galloway (D&G) has been highlighted as a strategic development priority in D&G Council's (DGC) revised economic development plan. This reflects both the need to mitigate the large scale redundancies emanating over the next 5 years from decommissioning of the former Chapelcross nuclear power station, and from the growth pole opportunity associated with the physical infrastructure already concentrated (but not utilised effectively) in the region.

The following topics were considered in formulating a brief defining the scope for a masterplan study to shape economic development of the M74 corridor area over the next 20 – 25 years:

1. The South of Scotland Alliance's (SoSA) meetings with Scottish Government (SG) seeking investment into the regional economy.
2. Energy sector opportunities arising from national Energy Market Reform (EMR) and The Energy Act (Dec 2013), which includes provision for a "capacity market" for energy storage.
3. Transnational, academic collaboration with industry (primarily energy sector) to exploit innovation between partner regions around the Irish Sea Rim,
4. Parallel ambitions in neighbouring regions that would have an influence on, or be influenced by activities in the M74 corridor area

### **2. STAKEHOLDERS**

It is anticipated that the masterplanning exercise would involve

- D&G Council (DGC)
- Carlisle City and /or Cumbria County Councils
- Scottish Enterprise
- Scottish Government
- Nuclear Decommissioning Authority (NDA)
- Scottish Borders Council (SBC)
- Ministry of Defence (MoD)

Funding for the masterplan exercise would be shared between willing parties.

### **3. EXISTING ASPIRATIONS**

Aspirational projects already being considered include development of

- Carlisle Airfield - into a regional airport facility handling both freight and passenger traffic
- A Dry Port facility including intermodal freight distribution hub, on MoD land at Longtown, Cumbria
- Coalbed methane and deep coal extraction around Canonbie
- Expansion of James Jones Ltd's timber processing operations at Stevens Croft, Lockerbie.
- Enhanced railhead development at Mossend (Eurocentral), North Lanarkshire, to serve as a freight hub.
- Prior opportunities to attract data centre investment have become frustrated. The chance to secure tier 1 multinational operators in this sector has been missed, but the rationale for the region to be an attractive location for such investment remains valid for lower tier operators
- Long term aspiration to extend the new Borders Railway from Melrose to Carlisle

### **4. ENERGY SECTOR CONTEXT**

NDA is keen to see an energy industry legacy in the region post decommissioning of Chapelcross.

South of Scotland is already home to a range of renewable generating technologies, including onshore and offshore wind, biomass, traditional hydro, and (small scale) solar. Development interest exists for large scale solar, additional biomass, anaerobic digestion, tidal flow and geothermal systems. Open cast coal extraction is already present and licences are held by two developers for coalbed methane and deep mined coal extraction, both of which projects are working through Planning.

The Energy Act (Dec 2013) has called the SG's published strategy in relation to energy storage into sharp relief by introducing proposals for a capacity market and call for capacity bids starting in 2015. SG strategy had not anticipated storage capacity featuring in grid systems before 2020.

It is now proposed that the Capacity Market will be open to all storage projects and offer up to 10 year contracts for build plant. Auctions will be technology neutral so new build storage will need to compete against generation (large and embedded) and Demand Side response. The first auction will be held in 2014 for delivery in 2018/9. Additionally the transitional arrangements will help sub 40MW storage projects gear up for the Capacity with 'go early auctions in 2015 and 2016 for delivery in 2016/17 and 2017/8. Contracts will be for one year.

There are a number of energy storage technologies already at various stages of commercial development that SE has been monitoring and assessing, but there is a new urgency to evaluate the best economic opportunity for Scotland now that a commercial imperative has been introduced to the market.

**4.1 Distributed systems approach: (with potential national and regional impact)**

A research white paper report by Strathclyde University<sup>1</sup> has estimated the load balancing capacity required in Scotland to smooth demand against intermittent renewable generating capacity and postulated a model for a network of storage hubs that could be deployed in a localised grid support configuration. This is compatible with competition proposals currently open through the TSB, which also seek to explore distributed community scale energy systems mixing generation, storage and demand management.

**4.2 Large scale centre approach: (with potential national impact)**

A commercial consortium, under the name North West Energy Squared (NWE2) and operating primarily in NW England, is beginning to explore opportunities to package different energy technology and infrastructure developments into investment ready projects, at scale to meet anticipated future UK energy demand requirements.

The MoD site at Eastriggs might be suitable as a location for multiple generating and energy storage technologies, creating opportunities for large scale on demand / continuous power generation and an academic R&D / Innovation centre of excellence exploiting cross technology developments. Manufacturing facilities for new (exportable) energy technologies might also be possible.

**4.3 Coal and Gas**

The prospects for coal and gas extraction and their potential benefits in relation to the energy sector need to be better understood.

The optimum strategy for Scotland needs to be determined with some urgency in relation to either of the market opportunities: for a localised storage / grid management approach and / or to capture a share of national grid scale generating and load balancing. Capacity Market auction bidding will begin by 2015.

**5. OTHER SECTORS**

Prospects for other large scale industries present in the region in the region need to be assessed:

- Primary agriculture
- Forestry
- Value add food processing
- Value add timber processing
- Tourism
- Transport & Distribution

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<sup>1</sup> "Scotland: A Case Study for Liquid Air Energy Storage, by William Holt, May 2013.

## **6. TRANSNATIONAL CONTEXT**

Dr. Phil Leigh of University of Central Lancashire (UCLAN) (who has a historic connection to Crichton Campus Carbon Research Centre) published a project prospectus in Autumn 2013 outlining ideas for an Irish Sea Rim, Economic, Research and Innovation Zone. The proposals essentially suggest collaboration between a host of academic institutions and commercial enterprises to capitalise on R&D opportunities from key industry sectors to transform the economy of regions around the Irish Sea coast over the next decade.

The paper builds heavily on the energy sector proposals being advanced by NWE2, and has similarities to the existing ENSEA transnational partnership, focused around the North Sea area.

## **7. INFRASTRUCTURE ASSETS**

National utilities and transport networks traverse D&G through the M74 corridor.

- M6/M74 Motorway network with access junctions (south to north) at Carlisle, Gretna, Eaglesfield, Kirkpatrick Fleming, Ecclefechan, Lockerbie, Johnstonebridge and Beattock/Moffat, traverses the region.
- The West Coast Main line railway with stations at (south to north) Carlisle and Lockerbie (limited services), provides connections to London and Glasgow. SWESTrans is currently pursuing re-opening of a station at Beattock.
- The Glasgow and South West line, passing through Kilmarnock, Dumfries, Annan and Gretna also connects to Carlisle. This line is used extensively for bulk coal freight moving south from Hunterston Terminal in North Ayrshire, and also provides limited commuter passenger services.
- The 400Kv / 275Kv National Power grid backbone traverses the region with the main Scotland / England interconnector at Harker near Carlisle. Major (recently upgraded) substations are situated at Gretna and Elvanfoot (South Lanarkshire) and a further connection point is planned at Moffat, partly to serve the Clyde Windfarm. Resilient 275Kv grid connections exist between Harker, Gretna and Chapelcross.
- The national gas grid and the national ethylene pipeline pass through the corridor.
- Several carrier class telecommunications network operators have infrastructure passing through the corridor.

## **8. CONSTRAINTS**

The population of the region is forecast to decline in absolute numbers and undergo a disproportionately large shift towards older age groups.

- There is limited stock of serviced employment land and the cost of development of new sites is prohibitive for commercial developers, due to high charges for access to utilities. Water supply and drainage systems capacity is severely restricted in places.
- The stock of existing commercial and industrial property is ageing, and largely unfit for purpose for current business needs.
- The business base is dominated by small and micro businesses, much of which is not growth focused.

**Project 3 - M74 CORRIDOR STRATEGIC DEVELOPMENT MASTERPLAN**

	Resource	Lead (Support)	Target (activity/output)	Timescale	Outcome Measured by:	Benefits Realised: EDS Outcome (to 2023)  Measured by:
<b>Project 3 – M74 Corridor Strategic Development Masterplan</b>						
Strategic Masterplan Study to evaluate collaborative development opportunities with partner regions.	Initial estimate - £250k	DGC/ SE/ SG/NDA/Carlisle & Cumbria councils	A quasi-Strategic Development Plan spanning the cross border region.	2014	Supplementary Planning guidance adoptable by the respective authorities.	Development proposals taken forward and inward investment.
Energy sector developments at Chapelcross and / or Eastriggs	Potentially £Millions	Private Sector	Transnational scale, Centre of Excellence in multiple sustainable energy Storage and Generation technologies.	2020	Installed generating and storage capacity	Replace / exceed jobs lost from the decommissioned nuclear facility at Chapelcross.  Public sector constraint payments saved from renewables generators.

## **Project 4 - Stranraer Waterfront**

Stranraer Waterfront Urban Design Strategy and Masterplan (and associated Development Brief) sets out a strategic vision '*To reposition Stranraer and Loch Ryan as a distinctive and successful marine leisure destination*'

The regeneration proposals set out the vision to develop an attractive seaside town and a high quality service hub for residents, businesses and visitors. To achieve this public, private and community partnerships will be required to attract investment to:

- Promote Stranraer as a gateway to Scotland and a visitor destination
- Develop an attractive seaside town and a high quality service hub for residents, businesses and visitors
- Develop Stranraer/Loch Ryan as a centre of excellence for marine leisure and green tourism
- Make the waterfront a place where people choose to live, work, play and visit & create opportunities for new business, retail and leisure developments
- Create new business and employment opportunities
- Foster and strengthen community cohesion

The ongoing delivery of this regeneration vision for Stranraer and Loch Ryan (and indeed wider South West of Scotland) is being progressed on the back of significant national Government and Council investment for roads and water infrastructure and the town centre and marina development. In total this amounts to in the region of £60m of committed investment. There are two strategic projects within the wider programme which are now at the stage of detailed development and delivery and are key to delivering successful and sustainable regeneration: the development of Stranraer Marina and the redevelopment of the East Pier (the former ferry site) into a mixed use site for complimentary business, housing, retail and leisure uses.

### **Stranraer Marina**

Building on national and international tourism and water sports research, the Stranraer Marine Leisure Study and Infrastructure Delivery Plan (Leigh Fisher Management Consultants, September 2012) provides clear evidence of demand for marine activities in the Loch Ryan and detailed a range of investment required to maximise the potential of the Loch for sailing and marine tourism. This included initial public realm projects which have been delivered by the Council. The key investment now required is to provide the infrastructure from which to grow the scale of the marina. This is the provision of a new breakwater and additional pontoons (and associated on shore facilities) at an indicative cost of £3.8m.

**East Pier Regeneration**

The Stranraer Waterfront and East Pier Design Brief has been developed to guide the regeneration of the 17ha former terminal site on the East Pier in Stranraer. This based on a mixed use approach which will include retail, commercial leisure, housing and new business and employment space. The majority of site is owned Stena Line UK with associated Council land also part of the development site. The regeneration is being progressed under the terms of the Memorandum of Understanding (MOU) between the two parties. The MOU sets out the intentions of the Parties to work collaboratively and transparently for their respective interests to regenerate the Stranraer Waterfront and create wider positive regenerative impacts in the town. To support this a marketing strategy has been developed and agreed which aims to generate interest capable of fulfilling the masterplan aims and test the level of demand and commercial opportunities. This market testing process will be carried out by the end of June 2014 with a view to securing a lead developer by the end of October 2014.

The Design Brief and an initial review of services into the site have identified the potential need for public sector investment in infrastructure to facilitate development of the site through private sector development. This is essentially forming new access into the site(s) ensuring linkages to the town centre and marina along the wider waterfront and upgrading core services and utilities. This would be on the basis of initial investment being recouped from the private sector in due course through developer reimbursements and clawback arrangements.

	Resource	Lead (Support)	Target (activity/output)	Timescale	Outcome Measured by:	Benefits Realised: EDS Outcome (to 2023) Measured by:
<b>Project 4A – Stranraer Marina</b>						
Marina Infrastructure	Initial estimate - £3.8m	DGC/SE/Crown Estates	Development of Business Case  Design and delivery of additional breakwater  Phased expansion of 180	September 2016	Creation of high quality marina and marine leisure base.  Investment in essential marine infrastructure  Measured by: - No. of Marina	The economic development potential of the Stranraer and Loch Ryan is maximised.  Creation of high quality marina and marine leisure base  Increased visitors to the

	Resource	Lead (Support)	Target (activity/output)	Timescale	Outcome Measured by:	Benefits Realised: EDS Outcome (to 2023)  Measured by:
			additional marina berths / pontoons		Users - No. of new businesses - Jobs created - Increased visitor spend	South West of Dumfries & Galloway.  Growth in tourism and marine related jobs and businesses.
<b>Project 4B – East Pier Redevelopment</b>						
Site Servicing	Initial estimate -  £2m	DGC/SE/Private Sector	Improved access to the site.  Improved physical linkages to the town centre and marina  Provision of essential services	September 2015	Redevelopment of a former industrial site  Inward Investment.  Measured by: - Number of new business start ups - GVA/ jobs created. - Level of private sector leverage £	The economic development potential of the Stranraer and Loch Ryan is maximised.  Increased visitors to the South West of Dumfries & Galloway.  Physical regeneration of a former industrial site to provide growth in local jobs and businesses for the Stranraer and south west of Dumfries & Galloway.

Next Steps -

- Another workshop will be held between D&G and SE to work out the delivery of the vision.

## Related Strategic Initiatives

### South of Scotland Action Plan

#### *Encouraging private sector growth from the public sector investment*

This document has outlined the ambitions the South of Scotland Alliance partners have in terms of developing the regional economy and provided details of the current key development opportunities that will play a major role in helping progress the South of Scotland economy.

Whilst these key projects provide building blocks, there remains additional activity that needs to be undertaken by partners to ensure that businesses in the South of Scotland capitalise on the investment by the public sector.

In particular the Alliance partners will place a particular emphasis on working together to use both the existing resources of partners and new ERDF funding to:

- **Improve rural innovation** by addressing weaknesses in rural businesses engaging with the Scottish Innovation System; Partners will work with key bodies to identify rural businesses with an ambition and potential to grow through increased innovation. Supported by SE, Interface and the SRDP and ERDF, partners will:
  - facilitate knowledge sharing between businesses, and between businesses and academia;
  - facilitate project implementation and successful completion.

*Partners will increase the number of businesses in the South of Scotland accessing innovation support from ..... to .....*

- There is clear evidence from SE evaluation activity that investing in **Leadership development and the ambition** of companies has a significant impact on company performance. Alliance partners will seek to raise the ambitions and business investment in leadership development across the whole business base.

*Partners will increase the number of businesses in the South of Scotland investing in Leadership Development from ..... to .....*

- Companies that are involved in international activities are much more likely to have a higher median GVA. Alliance partners will seek to encourage a significant increase in companies across the South of Scotland considering and investing in the '**internationalisation**' of their activities.

*Partners will increase the number of businesses in the South of Scotland considering and investing in internationalisation from ..... to .....*

- Using existing financial instruments Alliance partners will seek to double the amount of funding available for lending to rural businesses by accessing new ERDF funding.

*Partners will work together to increase the number of businesses going through the 'Growth Pipeline' and 'Account Management' processes in the South of Scotland, making best use of Business Gateway, Scottish Enterprise and EU funding sources.*

Alliance partners will consider how best to drive forward Leadership, Innovation and Internationalisation across the business base in the South of Scotland.