
Report by Chief Executive

**Proposed South of Scotland Rural Regional Economic
Development Programme**

3 April 2014

1 PURPOSE AND SUMMARY

- 1.1 **This report updates the Board on progress in developing a Rural Economic Development Programme for the South of Scotland, in partnership with Scottish Enterprise and Dumfries & Galloway Council.**
- 1.2 The South of Scotland Alliance is currently developing a programme of strategic projects to present to Scottish Government and Scottish Enterprise. The programme seeks to build on the opportunities that are available, and that will arise in the near future, in the South of Scotland.
- 1.3 Four strategic projects have been identified at the heart of the programme, Borders Railway/Central Borders Business Park; Mountain Biking – developing our world-class product; M74 Corridor Strategic Development Masterplan; and Stranraer Waterfront. The South of Scotland Alliance endorsed the draft programme (see Appendix 1) and asked that local Community Planning Partnerships also consider and agree the programme. The finalised programme will be presented to Mr Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth in May 2014.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Community Planning Partnership endorses:-**
 - (a) **The positive progress made in relation to the South of Scotland Rural Regional Economic Development Programme;**
 - (b) **The ambitions and priority projects included in the draft Programme.**

3 BACKGROUND

- 3.1 Since the dissolution of the Local Enterprise Companies in 2008 there has been increasing local concern about the level of investment being made in the South of Scotland by Scottish Enterprise. In September 2013 the Council expressed great concern to Scottish Enterprise about its low level of investment in Scottish Borders' companies and jobs. Although there are now signs of recovery in the national economy, the Scottish Borders' economy still faces many challenges, and the Council believes that Scottish Enterprise is not investing enough in the Borders to help drive forward our economic recovery.
- 3.2 The Council requested that Scottish Enterprise develop a regional operating plan for the Scottish Borders and South of Scotland. It was requested that this include an economic and community development role and that it properly reflected the specific needs of our mixed rural economy.
- 3.3 In December 2013, the South of Scotland Alliance, a long-standing partnership that includes Scottish Borders Council, Dumfries & Galloway Council and Scottish Enterprise, met Mr John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth. In response to the correspondence between Scottish Borders Council and Scottish Enterprise, one of the key propositions presented to Mr Swinney was that "The Scottish Government and Scottish Enterprise are asked to positively engage in delivering an ambitious Rural Regional Economic Development Programme for the South of Scotland 2014-2016".
- 3.4 It was anticipated that such a programme would include a range of strategic projects that would allow the South of Scotland to develop and grow its economy and make a significant contribution to Scottish economic growth. Mr Swinney proposed that the Alliance bring forward a strategic programme and present it to him for his consideration.

4 RURAL REGIONAL ECONOMIC DEVELOPMENT PROGRAMME

- 4.1 The Alliance agreed to produce a programme that focused on a limited number of strategic projects. It was to build on priorities in each Council area, but it was clear that the document needed to be more than a list of projects. The aim has been to produce a persuasive programme of strategic interventions that will influence the Cabinet Secretary and the senior management team of Scottish Enterprise.
- 4.2 Officers from Scottish Borders Council, Dumfries & Galloway Council and Scottish Enterprise have worked together since the turn of the year to develop the draft Programme that is attached at Appendix 1. Links have been made to the Government Economic Strategy and to current EU funding developments, as well as strong links to the local economic strategy in each area. The programme identifies strategic projects that can be taken forward over the period 2014 – 2016, fitting with the Scottish Government political cycle.
- 4.3 Overall, the draft Programme aims to be ambitious for the South of Scotland and to demonstrate that the area can play a more significant role in the Scottish economy. The document attached at Appendix 1 is still work in progress, but the members of the South of Scotland Alliance were concerned to make sure that the Community Planning Partnerships in both

areas were able to consider the proposed programme and agree the ambitions and priority projects set out in it.

- 4.4 There is still considerable input required to the document in order to produce a suitably concise, clear and persuasive programme, but this meeting of the Strategic Board was the most suitable in terms of the timescale agreed by the Alliance for presentation of the document to Mr Swinney MSP. The Alliance is aiming to make that presentation in May 2014.
- 4.5 Officers have focused on the opportunities that are on the near horizon in the South of Scotland. This focus on opportunities demonstrates to the Government that we are aiming to be proactive and move the area forward in a positive way. It does not ignore the fact that there are areas of considerable need in the South of Scotland, but the policy message to Government, and to Scottish Enterprise, is that we want to maximise the opportunities that are available to us.
- 4.6 These opportunities include the Borders Railway project in the Scottish Borders; the roll-out of Superfast Broadband across the South of Scotland; the development opportunities in the M74 corridor down to the Anglo/Scottish border; the expected coverage of parts of the region with Assisted Area Status; and the opportunities that arise from the world-class mountain biking assets that have been developed in the area over the last decade.

5 PROPOSED STRATEGIC PROJECTS

- 5.1 The team has developed four strategic projects that link to the opportunities. The first project focuses on the Borders Railway and the Central Borders Business Park. This project is key in helping to deliver the economic potential of the new Borders Railway. Through a number of phases, the Central Borders Business Park will provide new employment sites and potentially new business units to facilitate the growth of local businesses and to encourage inward investment.
- 5.2 A second project focuses on Mountain Biking and developing our world-class mountain biking products. Although the mountain biking market is continuing to grow, the South of Scotland, and particularly the Upper Tweed Valley, has seen numbers level off. Without investment in facilities and trails the area could lose its status and attraction to visitors, with a consequential drop-off in tourism impact.
- 5.3 The third project area is an M74 Corridor Strategic Development Masterplan, to better understand and plan for the opportunities in this major transport corridor running through Dumfries & Galloway. The final project area focuses on Stranraer Waterfront and the regeneration opportunities that have been identified in the far west of the region.
- 5.4 A final section on related strategic initiatives has also been included in the Programme. This recognises that there is ongoing work with our local businesses that needs to happen in addition to the strategic projects which are the main focus of the Programme. Officers want to work together to develop three strands of activity that could make a real difference to our business base. These are a focus on 'leadership development and ambition', working with local business leaders and future leaders; 'rural innovation', that will drive forward process and management innovation, as

well as product innovation; and 'internationalisation', which will provide a stronger focus for businesses on export markets and opportunities.

- 5.5 At its meeting on 21 March 2014, the South of Scotland Alliance endorsed the overall content of the draft Programme and that the four strategic projects were the most appropriate to put forward in the Programme. They identified a number of areas where the draft document could be improved including a stronger statement of the ambitions for the South of Scotland, a clearer definition of what the strategic projects would deliver and the outcomes that will be achieved for the investment. These important amendments have still to be made to the draft Programme.

6 IMPLICATIONS

- 6.1 The Council, and its Community Planning Partners, will need to ensure that the projects identified in the Programme are given high priority and that appropriate staff and financial resources are made available to secure their successful delivery. The projects provide a strong example of Community Planning in action at a strategic level and can contribute to the achievement of the CPP's Single Outcome Agreement targets if successfully delivered. If these projects can be delivered and make the expected impacts, then it will strengthen our case for future similar interventions.

Author(s)

Name	Designation and Contact Number
David Cressey	Service Director, Policy and Strategy, Scottish Borders Council, 01835 825082
Bryan McGrath	Head of Economic Development & Environment, Scottish Borders Council, 01835 826525