ITEM 10

Response on the UK Government’s Consultation Stage 2: Draft Assisted Areas Map

Report by the Chief Executive

Scottish Borders Council
30 January 2014

1 PURPOSE AND SUMMARY

1.1 The purpose of this report is to agree the response to the UK Government’s Consultation Stage 2: Draft Assisted Areas Map (see Appendix 2).

1.2 At its meeting on the 25 September 2013 Scottish Borders Council agreed the response to the UK Government’s Assisted Areas Map Stage One Consultation 2014-2020. This involved a joint approach being taken to identify Census wards working with Dumfries and Galloway Council, Midlothian Council and East Lothian Council based on the Borders Railway/A7 corridor. The final submission to the UK Government proposed granting Assisted Area status to 51 wards including 17 in the Scottish Borders.

1.3 Thirty One of the 51 wards in this submission have been included in the proposed Assisted Area Map in the Stage 2 consultation. This includes 13 in the Scottish Borders. (see Appendix 1 map and Appendix 2 p.85)

1.4 It is considered that the proposals in the Stage 2 consultation are a good result for the four Councils, with 31 wards now included in the draft Assisted Area Map, where there was no coverage at all previously. The Scottish Government has indicated that there are significant population constraints on getting additional coverage. This means if more wards are added, this will need to be balanced by taking out wards elsewhere within the proposed area identified in the previous submission.

1.5 The UK Government is requesting responses to the Stage 2: Draft Assisted Area Map by Friday 7 February 2014.

2 RECOMMENDATIONS

2.1 It is recommended that the Council agrees to support the UK Government’s proposed Assisted Area Map 2014-2020 and the proposed coverage of census wards in the Scottish Borders, as set out in the Stage 2 Assisted Area Map 2014-2020 consultation paper.
3 **Background**

3.1 At the meeting on the 25 of September 2013 Scottish Borders Council agreed its response to the UK Government’s Assisted Areas Map Stage One Consultation 2014-2020. This involved a joint approach being taken to identify wards working with Dumfries and Galloway Council, Midlothian Council and East Lothian Council based on the opportunities around the Borders Railway and textiles sector. It delegated authority to the Chief Executive, in consultation with the Leader of the Council and the Executive Member for Economic Development, to approve the final submission of census wards for the Scottish Borders.

3.2 In December 2013 the UK Government issued a Stage 2 consultation paper (see Appendix 2) which set out its response to the Stage One Consultation. This included the draft proposal for the new Assisted Area Map for the period 2014-2020. (see Appendix 2). The paper indicates that the Scottish Government was involved in the development of the Map.

3.3 The final Stage 1 submission made by Scottish Borders Council, Dumfries and Galloway Council, Midlothian Council and East Lothian Council, proposed granting Assisted Area status to 51 census wards. These are based on the former Council wards that applied in 2007.

3.4 Thirty One of the 51 wards in this earlier submission have been included in the proposed Assisted Area Map (see Appendix 1 map). This includes 13 of the 17 wards in the Scottish Borders that were in earlier submission. The accepted wards from Scottish Borders are; Burnfoot & Mansfield; Earlston, Gordon & District; Forest; Galawater & Lauderdale; Hermitage; Lower Langlee & Tweedbank; Melrose & District; Netherdale; Old Selkirk; Scotts View; Silverbuthall, Teviot & Central; and Wilton.

3.5 The submitted wards in the earlier submission that have not been included in the draft Assisted Areas Map from Scottish Borders are: Alewater & Denholm; Kilknowe & Clovenfords; Mossilee & Central; and Weensland.

4 **The Response**

4.1 It is considered that the proposals in the Stage 2 consultation are a good result for the four Councils, with 31 wards now included in the draft Assisted Area Map, where there was no coverage at all previously. This coverage will provide new opportunities for grant assistance for specific businesses investing in these areas. It will also allow these areas that are covered to compete on a level playing field with other areas of Scotland and the UK that have the benefit of Assisted Areas coverage.

4.2 The Scottish Government has indicated that the main restricting factor for the inclusion of wards in the submission made by the four Councils was the maximum population coverage as defined by UK Regional Aid Guidelines, which were approved by the European Commission in July 2013. This means if more wards are added that wards elsewhere within the proposed Assisted Area coverage would need to be removed in order to balance the population coverage. For this reason it is important to support the proposed Assisted Areas Map and the 13 wards that are to be covered in the Scottish Borders.
4.3 Part of the strength of our initial submission was the strategic partnership approach that we used to pull together a joint response from the four Local Authorities. It is important that the response to the Stage 2 Consultation is made in the same way, in order to reinforce the strategic value of this new Assisted Area coverage. Officers have continued to have a dialogue with the other three Councils in order to align and agree a strong joint response.

5 IMPLICATIONS

5.1 Financial
(a) There are no financial implications arising from this report.

5.2 Risk and Mitigations
(a) It is important that the Council takes the opportunity to respond to this consultation as the designation of Assisted Area status for parts of the Scottish Borders could greatly assist the development of the local economy. The economic benefits of Assisted Area status will not be limited to the specific wards within the Assisted Area, but will create wider economic benefits impacting on local labour markets and supply chains.

(b) The Scottish Borders Economic Strategy 2023 contains a specific action to lobby for special assistance to overcome our current disadvantage in attracting inward investment. Assisted Area Status will deliver this action, and allow the public sector to offer greater financial assistance to companies to locate in the Scottish Borders.

5.3 Equalities
(a) An Equalities Impact Assessment is not required as this is a response to a Consultation paper. However, achieving Assisted Area status should deliver benefits for social inclusion by creating new employment opportunities.

5.4 Acting Sustainably
(a) There could be significant economic benefits to the Scottish Borders arising from this report. Assisted Area status could deliver significant benefits in terms of employment and GDP alongside the development of the Borders Railway and Superfast Broadband.

5.5 Carbon Management
(a) There are no known effects on carbon emissions associated with this report.

5.6 Rural Proofing
(a) There could be economic benefits to a number of rural areas in the Scottish Borders if proposed Assisted Area Map is approved.

6 CONSULTATION

6.1 The Corporate Management Team, the Chief Financial Officer, Head of Corporate Governance, Head of Human Resources, Clerk to the Council, Head of Strategic Policy, and Head of Risk and Audit have been consulted on this report.
Author(s)

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation and Contact Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Scott</td>
<td>Senior Policy Advisor, Chief Executive’s Department tel 01835 825155</td>
</tr>
<tr>
<td>Bryan McGrath</td>
<td>Head of Economic Development and Environment tel 01835 826525</td>
</tr>
</tbody>
</table>

Background Papers: UK Government Department of Business, Innovation and Skills Consultation Stage 2: Draft Assisted Areas Map and Government’s Response to Stage 1, December 2013

Previous Minute Reference: Scottish Borders Council 25th September 2013

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

Contact us at: Douglas Scott, Senior Policy Advisor, Chief Executive’s Department, tel 01835 825155 dscott@scotborders.gov.uk