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## **PROGRESS ON THE WORK PROGRAMME OF THE SOUTH OF SCOTLAND ALLIANCE**

**Report by Service Director Strategy and Policy**

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### **SCOTTISH BORDERS COUNCIL**

**21 May 2015**

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

- 1.1 The purpose of this report is to update the Council on the progress of the work programme of the South of Scotland Alliance, and to gain agreement for its case for a Southern Scotland NUTS 2 area.**
- 1.2 Scottish Borders Council together with Dumfries and Galloway Council and Scottish Enterprise have been working together as part of the South of Scotland Alliance since it was formed in 2001. The purpose of the Alliance is to provide a strong voice for the South of Scotland and to address the key strategic challenges facing the economy in the South of Scotland.
- 1.3 The report outlines the progress being made on the Alliance's current programme of work which includes the South of Scotland Rural Regional Economic Development Programme, Broadband and Mobile Phone coverage, Supporting the Borderlands Initiative, and the advocacy for a Southern Scotland NUTS 2 statistical area.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Council:-**
  - (a) Notes the progress made by the South of Scotland Alliance.**
  - (b) Agrees to continue to actively support the work programme of the South of Scotland Alliance.**
  - (c) Agrees to endorse the proposal being made by the South of Scotland Alliance for a Southern Scotland NUTS 2 area.**

### **3 BACKGROUND**

- 3.1 At the meeting of the Scottish Borders Council's Executive Committee on 2 October 2001, it was agreed that the Council would support and be actively involved in the establishment of a South of Scotland Alliance. The aims of Alliance were to raise the profile of the South of Scotland; to promote economic opportunities; to access to external funding for economic development; and to build links with the European Union (EU).
- 3.2 The membership of the South of Scotland Alliance consists of Scottish Borders Council, Dumfries and Galloway Council and Scottish Enterprise, and there is also attendance at meetings an official from the Scottish Government. Over the past five years the Alliance has held an annual meeting with Mr John Swinney MSP as the Cabinet Secretary responsible for economic development to discuss key strategic issues and proposals for projects. He has now agreed to meet with the Alliance twice a year.
- 3.3 The South of Scotland Alliance is chaired on an annual rotational basis by the Economic Development Portfolio Holders of Scottish Borders Council and Dumfries and Galloway Council. The Alliance has had major successes in the advocacy of broadband investment, European funding, and Assisted Area Status (June 2014) for significant parts of the South of Scotland covering the A74 and A7 corridors.

### **4 THE SOUTH OF SCOTLAND RURAL REGIONAL ECONOMIC DEVELOPMENT PROGRAMME 2014-16**

- 4.1 In June 2014, the South of Scotland Alliance presented the South of Scotland Rural Regional Economic Development Programme to John Swinney MSP in Selkirk at a visit of the Scottish Government's Cabinet.
- 4.2 The programme was produced by the Alliance with support from Scottish Enterprise following concerns around the level of Scottish Enterprise investment in the South of Scotland. The South of Scotland Programme comprises four projects which were identified as having the potential to have a positive economic impact on the national economy.
- 4.3 The two projects in the Scottish Borders are the Central Borders Business Park, and Mountain Biking – refreshing a world class product. The Central Borders Business Park is designed to take advantage of the Borders Railway terminus at Tweedbank. The project has been incorporated into the Borders Railway Blueprint. The Programme also contains plans for inward investment marketing, to capitalise on the new Borders railway.
- 4.4 The Mountain Biking project encompasses the AIMUp mechanical uplift for Innerleithen, as well as refreshing the wider mountain biking product in the area. This project was developed in order to maintain the South of Scotland's reputation as a world class area for mountain bike tourism.
- 4.5 There is also a commitment in the South of Scotland Rural Regional Economic Programme to develop more effective approaches for:
  - a) Improving rural innovation
  - b) Encouraging internationalisation
  - c) Investing in Leadership Development

## **5 BORDERLANDS INITIATIVE**

- 5.1 Scottish Borders Council had a leading role in the establishment of the Borderlands Initiative alongside Dumfries and Galloway Council, Carlisle City Council, Cumbria County Council and Northumberland County Council, as well as the Association of North East Councils. The formation of the Initiative has been greatly helped and strengthened by joint work being carried out as part of the South of Scotland Alliance.
- 5.2 The Borderlands Initiative held two 'summits' in 2014 which brought together representatives from the participant councils. The first of these was hosted by Scottish Borders Council at the Cardrona Hotel, near Peebles, in April 2014. The other meeting was hosted by Carlisle City Council in Carlisle, in November 2014. The outcome of these meetings has been an agreement to prioritise efforts to find ways of collaborating to enhance economic development in the Borderlands area with an emphasis on transportation, digital connectivity, skills and key economic sectors including tourism, forestry, and energy.
- 5.3 Currently work is underway to gather baseline information relating to the Borderlands area, to ascertain the potential impacts which could be achieved with investments in key transportation projects, as well as collaboration on the key economic sectors identified. The cost of this work is being met by Northumberland County Council, as well as other funding through academic sources. The outcome of this work will be presented to a further political 'summit' later in the year and this might form the basis of the submission of an economic programme to both the Scottish and UK Government. Officers are also discussing at a Borderlands level the possibility of extending the Borders Railway from Tweedbank to Carlisle.

## **6 CONNECTING THE SOUTH OF SCOTLAND**

- 6.1 The Alliance was instrumental in gaining investment for the South of Scotland Broadband Pathfinder Project in 2007 and then in advocating for the roll out of Superfast Broadband in South of Scotland.
- 6.2 The roll out of Superfast Broadband is aimed to reach approximately 95% of the households in the South of Scotland by 2017. There is an ongoing challenge to ensure that solutions can be found for rural areas out with this planned coverage.
- 6.3 The Alliance is working closely with Community Broadband Scotland (CBS) on this matter. It recognises that CBS will only provide part of the solution and that there is a need to advocate for a stronger national initiative to assist those areas and premises not covered by the national roll out of Superfast Broadband.
- 6.4 The Alliance is also leading nationally in the advocacy of increased mobile phone coverage for rural areas. There are currently significant 'not spots' in the South of Scotland. These are areas with no mobile phone coverage from any of the Mobile Network Operators (MNO). There are many other areas which experience intermittent coverage. The South of Scotland also has relatively poor connectivity to mobile internet services.
- 6.5 Alliance officers have monitored developments in this sector, including the UK Government's Mobile Infrastructure Project (MIP), which aims to deliver mobile phone masts in some not spots areas. This is a £150 million UK wide project, which had identified 11 sites for masts in the South of Scotland (including five masts in the Scottish Borders). As yet no MIP masts have been provided in the South of Scotland.

- 6.6 Currently the Alliance is liaising with MNOs, who are planning large investments to roll out 3G and 4G across the UK, including in the South of Scotland. The Alliance is also lobbying for a localities approach to deliver mobile phone coverage in 'not spots' areas, which would examine a range of options for delivering mobile phone coverage.

## **7 NUTS2 STATISTICAL DESIGNATION FOR SOUTHERN SCOTLAND**

- 7.1 NUTS (Nomenclature of Units for Territorial Statistics) areas are defined by the European Union (EU) for the purpose of providing statistical information across areas within the European Union. This information is provided at various geographical units. Scotland is a NUTS1 area and it is subdivided into four NUTS2 areas. NUTS2 areas are used to distribute European Regional Development and Cohesion funding based on average Gross Domestic Product (GDP) per head.
- 7.2 The South of Scotland is an area with a low GDP per head. The Scottish Borders is in the Eastern Scotland NUTS2 area, which groups it in with Edinburgh and Dundee. As a result the low GDP per head in the Scottish Borders is masked by Edinburgh's relatively high GDP per head. Dumfries and Galloway is located in the South Western Scotland NUT2 area and its relatively low GDP per head is similarly masked in this case by Glasgow.
- 7.3 The South of Scotland Alliance has been discussing with other local authorities across Southern Scotland the need for a strong and coherent proposal to introduce an additional NUTS2 area which would represent a wider Southern Scotland. This area has a commonality in terms of low GDP per head, low wages, a dependence on a limited range of industries, dominance of micro and small businesses, out-migration of young people, and geography based on rurality, and market and industrial towns. The Alliance considers that such a proposal would deliver the best outcome for Scotland as a whole.
- 7.4 The next NUTS Review is due to start in October 2015. The Review is a reserved matter but the UK Government's Office of National Statistics (ONS) has devolved the handling of the consultation process in Scotland to the Scottish Government. The Review is to be completed in February 2016 with the Scottish Government's Chief Statistician having the responsibility to make recommendations to the ONS. The outcome of the review will be discussed with Eurostat, the European Union's Statistical Office, during 2016. The new structure will be agreed by the EU formally in 2018 to come into effect in 2020/21 in the time of the next period of European programmes.
- 7.5 It is intended that the Southern Scotland NUTS 2 proposal would be submitted to the Scottish Government's Statistical Office by the end of July 2015 in order for it to be considered in the development of the Scottish Government's NUTS Review consultation paper.

## **8 IMPLICATIONS**

### **8.1 Financial**

There are no costs attached to any of the recommendations contained in this report.

## 8.2 Risk and Mitigations

The work of the Alliance raises the profile of the issues faced by the South of Scotland economy. Not carrying out the work would reduce the voice of the South of Scotland at the Scottish, UK and European Governmental levels. It is important that the South of Scotland provides this input to Government and governmental bodies to ensure their policies best serve the South of Scotland.

## 8.3 Equalities

- (a) There are no significant equality impacts resulting from this report.
- (b) The work of the Alliance helps to raise awareness of the challenges faced by people in rural areas, and can help to achieve better outcomes for the rural areas of the South of Scotland.

## 8.4 Acting Sustainably

No decision is required that will have economic, social, or environmental implications.

## 8.5 Carbon Management

There are no effects on carbon emissions.

## 8.6 Rural Proofing

Rural proofing is not required as this report does not relate to new or amended Council policy or strategy. However, the work of the Alliance promotes many issues which affect rural areas.

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

There are no changes to be made.

## 9 CONSULTATION

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

### Approved by

**Name**                      **David Cressey**                                      **Signature** .....

**Title**                        **Service Director Strategy & Policy**

### Author(s)

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**Background Papers: South of Scotland Rural Regional Economic Programme**  
**Previous Minute Reference:**

**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.

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