
BORDERLANDS INCLUSIVE GROWTH DEAL - UPDATE

Report by Executive Director

SCOTTISH BORDERS COUNCIL

30 August 2018

1 PURPOSE AND SUMMARY

- 1.1 This report sets out progress since April 2018 in developing a Borderlands Inclusive Growth Deal proposition; and seeks agreement to the establishment of a Members Reference Group to support the on-going development of the Deal.**
- 1.2 Alongside four partner Councils, the Council has been progressing work on the development of a Borderlands Inclusive Growth Deal proposition. This work has involved close liaison with both UK and Scottish Governments in order to develop a small number of strategic programmes and projects. It will be essential that these programmes and projects compliment the South of Scotland Enterprise Agency proposals and support the inclusive growth agenda.
- 1.3 The aim is to formally submit a Deal overview document and associated strategic outline business cases to the UK and Scottish Governments at the end of September 2018. Based on knowledge gained from the Edinburgh and South East Scotland City Region Deal process, another key step for the Council to take is the establishment of a Member Reference Group. This advisory group would support the development of the Borderlands Inclusive Growth Deal by ensuring ongoing political oversight of the development of the Borderlands Inclusive Growth Deal proposition and the Deal process.

2 RECOMMENDATIONS

- 2.1 I recommend that Scottish Borders Council:-**
 - (a) Notes the positive progress made in developing a Borderlands Inclusive Growth Deal proposition;**
 - (b) Agrees to establish a Members Reference Group to support the on-going development of the Deal proposition;**
 - (c) Agrees that the Members Reference Group should be those Elected Members nominated by Council to the South of Scotland Alliance; and**
 - (d) Agrees that a report setting out the details of the proposed Borderlands Inclusive Growth Deal submission will be presented to the Council at its meeting on 27 September 2018.**

3 BACKGROUND

- 3.1 The Borderlands Inclusive Growth Deal is a cross border proposition for inclusive economic growth that is being developed by Scottish Borders Council; Dumfries and Galloway Council; Carlisle City Council; Cumbria County Council; and Northumberland County Council. It flows from the Conservative Manifesto for the UK Government elections in May 2017 to "bring forward a Borderlands Growth Deal, including all councils on both sides of the border, to help secure prosperity in southern Scotland". The Scottish Government remains committed to developing Growth Deals across Scotland and have expressed support for the development of a Borderlands Inclusive Growth Deal.
- 3.2 The Borderlands Inclusive Growth Deal complements the opportunities presented by the South of Scotland Enterprise Agency and the work to be carried out by the South of Scotland Economic Partnership. It will also complement the projects being developed as part of the Edinburgh and South East Scotland City Region Deal.

4 THE BORDERLANDS INCLUSIVE GROWTH DEAL

- 4.1 Since the last update in April 2018 officers have been working with civil servants from both Governments to develop the programmes and projects that will eventually form the Inclusive Growth Deal. It is considered that the close involvement of civil servants from both Governments has helped move forward this development work in a more efficient way than was the case with the process that was used in developing the Edinburgh and South East Scotland City Region Deal. A number of technical workshops have been held involving key civil servants and other policy experts from relevant agencies to help ensure that the projects being formulated are deliverable in the context of a Borderlands Inclusive Growth Deal.
- 4.2 The current intention is that the Inclusive Growth Deal will focus on a small number of key programmes and projects. To secure the support of both governments these must be strategic in their approach and transformational in their economic impact. For the Scottish Government it is essential that the programmes and projects compliment the South of Scotland Enterprise Agency proposals and support the inclusive growth agenda.
- 4.3 The programmes are Digital; Energy; Destination Borderlands; Place; Business Investment and Infrastructure; and Knowledge Exchange Network. There are also five key projects that will be promoted, including: a Mountain Bike Innovation Centre in Scottish Borders; and moving forward the appraisal and feasibility process for the Borders Railway extension from Carlisle to Tweedbank.
- 4.4 Consultancy support has been put in place to help ensure that the strategic outline business cases required by the Governments for these programmes and projects can be delivered on time. The Lead Officer team has been meeting regularly and additional staff resources have been deployed by each Council to ensure that workstreams are being effectively progressed. Scottish Futures Trust and Scottish Enterprise have also been providing officer support and support for feasibility work in respect of Scottish elements of the proposals.

- 4.5 In terms of governance, this work is being overseen by Chief Executives of the five Councils, who have been meeting regularly to receive progress reports and ensure that strategic and operational issues are resolved. Council Leaders have also met regularly as the Borderlands Partnership Board to agree the priority themes for the Deal and ensure appropriate political input to the Deal development process.
- 4.6 Good progress has also been made since the last update in engaging with a wide range of stakeholders. Businesses, communities and other stakeholders have been able to feed in their views and ideas on projects and priority actions. This has been achieved through the major consultation exercise that the South of Scotland Economic Partnership undertook during May and June 2018 with twenty six events across the South of Scotland. A successful Borderlands Inclusive Growth Deal conference was held in Dumfries on 6 June 2018 to conclude that engagement process.

5 NEXT STEPS

- 5.1 The next key step in developing the Borderlands Inclusive Growth Deal is the completion of the various strategic outlines business cases for the programmes and projects mentioned in Section 4.2. These will be accompanied by a Deal Overview document. The aim is to complete all of these documents to an appropriate standard so that they can be formally submitted to UK and Scottish Governments at the end of September 2018. The current intense period of development work will continue right up until that time, being informed by continuing discussions with key civil servants and other policy experts. This will help to ensure that the projects being formulated are deliverable in the context of an Inclusive Growth Deal.
- 5.2 Based on the knowledge gained from the Edinburgh and South East Scotland City Region Deal development process, another key step for Scottish Borders Council to take is the establishment of a Member Reference Group, which would run through to the signing of the Deal. This advisory group would support the development of the Borderlands Inclusive Growth Deal by ensuring ongoing political oversight of the development of the proposition and the Deal process.
- 5.3 It is proposed that the Elected Members nominated by Council to serve on the South of Scotland Alliance are the most appropriate Members to form the Reference Group. The Elected Members are: Cllr Mark Rowley; Cllr Sandy Aitchison; Cllr Stuart Bell; Cllr Carol Hamilton; and Cllr Tom Miers. Their involvement at a south of Scotland level through the South of Scotland Alliance means that they are well placed and have already been involved in many discussions about the Deal to provide the strategic input required from the proposed Reference Group. Any decisions required will be brought to Council as appropriate, for consideration by all Members.
- 5.4 A Borderlands Inclusive Growth Deal briefing for all Elected Members was held on 21 August 2018. It is proposed that a further briefing is held in mid-September to provide further details on the Deal proposition. It is then intended that a report is presented to Scottish borders Council at its meeting on 27 September 2018 to agree the details of the Deal submission in time for the end of September deadline.

6 IMPLICATIONS

6.1 Financial

At present, the key cost implication for the Council is to provide funding to support the current development phase of the Borderlands Inclusive Growth Deal. It has been agreed that all of the partner Councils will contribute £100,000 to support the Deal development phase, up to the signing of an Inclusive Growth Deal; this cost is being met from existing budgets. If a Deal is successfully signed, it will be necessary to consider whether further funding will be required in order to deliver the detailed business cases that the UK and Scottish Governments will require prior to the release of any funding. A future report will present recommendations on the overall future funding implications for the Council if the negotiations with the UK and Scottish Governments proceed.

6.2 Risk and Mitigations

Partnership working will always present challenges. However, the Council and partners involved in the Borderlands Inclusive Growth Deal are committed to working together to ensure its success and positive additional investments from the UK and Scottish Governments. As discussed throughout the report there are actions in place to mitigate risks to the achievement of the objectives. These mitigations include regular engagement with key stakeholders and meetings/workshops between key partners to ensure that projects and other activities are aligned. Risk registers will also be developed and appropriately managed for each of the programmes and projects which support the work of the partner Councils.

6.4 Equalities

An equality impact assessment (EIA) will be undertaken as part of the process to finalise a Borderlands Inclusive Growth Deal. Further EIAs may also be required in future for the different projects that will make up the overall programme of work, should that be secured.

6.5 Acting Sustainably

The Borderlands Inclusive Growth Deal will have a focus on Inclusive Growth and Low Carbon economy. It is expected that there will be a range of positive impacts for the local economy, communities and potentially the environment.

6.6 Carbon Management

The Borderlands Inclusive Growth Deal may have positive implications for carbon emissions in the Scottish Borders, but these will not be clear until further detailed work has been undertaken on the potential projects.

6.7 Rural Proofing

Rural proofing is not required because this project does not change Council strategy or policy.

6.8 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of the proposals in this report.

7 CONSULTATION

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council are being consulted and their comments will be tabled verbally at the meeting.

Approved by

Rob Dickson
Executive Director

Signature

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Background Papers: N/A

Previous Minute Reference: Executive, 17 April 2018

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