
Convention of the South of Scotland and South of Scotland Regional Economic Partnership

Report by the Chief Executive

SCOTTISH BORDERS COUNCIL

31 October 2019

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to seek approval of the Council for the establishment of a Convention of the South of Scotland, the setting up of a South of Scotland Regional Economic Partnership (REP); and to show how the REP would link into the Scottish Borders Community Planning Partnership.**
- 1.2 In March 2019, the Leaders of Scottish Borders Council, Dumfries and Galloway Council and the South of Scotland Economic Partnership met with Fergus Ewing MSP, the Cabinet Secretary for the Rural Economy. At that meeting, it was agreed that a Convention of the South of Scotland be formed to act as the national interface between key public sector partners in the South of Scotland and Scottish Government Cabinet Secretaries and Ministers. This follows the established practice in the Highlands and Islands. The setting up of the Convention was highlighted by the Scottish Government in announcing its Programme for Government (2019/20) published on 3 September 2019.
- 1.3 The South of Scotland Alliance (comprising Scottish Borders Council, Dumfries and Galloway Council, Scottish Enterprise and representation from the private sector) has led the development of the proposals for both a Convention and a REP. As part of this task, the Alliance has worked with Scottish Government to understand the role that the Convention of the Highlands and Islands plays in ensuring alignment across all the key public sector partners. The South of Scotland Alliance discussed and supported detailed proposals for the establishment of a Convention of the South of Scotland and a Regional Economic Partnership at its meeting on 20 September 2019.
- 1.4 It is intended the REP will build on the work of the South of Scotland Alliance and be co-chaired by Dumfries and Galloway and Scottish Borders Councils. It is proposed the REP would comprise local public sector partners, and representatives from business, and the third sector. The REP is where strategic interactions between the local partners and the Agency would take place. The REP's most important role will be to develop, agree and oversee delivery of the South of Scotland Regional Economic Strategy.

- 1.5 It is considered that the establishment of the REP will necessitate changes to the structure of the Scottish Borders Community Planning Partnership. This is because joint partnership working on economic development will now be taken through the REP and its wide ranging membership taken from both the Scottish Borders and Dumfries and Galloway. It is proposed that the REP would replace the current Scottish Borders Economy and Low Carbon Delivery Team and its associated sub groups and link directly into the Scottish Borders Community Planning Partnership.

2 RECOMMENDATIONS

2.1 It is recommended that the Council:

- (a) Agrees the South of Scotland Alliance's proposals for the establishment of the Convention of the South of Scotland as set out in paragraphs 4.1 – 4.7 below;**
- (b) Agrees the South of Scotland Alliance's proposals for the setting up of the South of Scotland Regional Economic Partnership as set out in paragraphs 5.1 – 5.6 below.**
- (c) Agrees the appointment of four elected members to the South of Scotland Regional Economic Partnership;**
- (d) Agrees that the South of Scotland Regional Economic Partnership should replace the current Scottish Borders Economy and Low Carbon Delivery Team, and its associated sub-groups, and link directly into the Scottish Borders Community Planning Partnership; and**
- (e) Agrees that these proposed changes to the Community Planning Partnership are presented to the Partnership's Strategic Board for approval.**

3 BACKGROUND

- 3.1 The South of Scotland Enterprise Bill was passed by the Scottish Parliament on 5 June 2019, and received Royal Assent on 12 July 2019. This legislation gave effect to the creation of a new enterprise agency covering the South of Scotland. One of the key issues highlighted by the Scottish Parliament's scrutiny of the legislation was ensuring appropriate local influence over the agency and its priorities.
- 3.2 The ultimate purpose of the South of Scotland Enterprise's establishment is to ensure that the South of Scotland maximises its contribution to a thriving and sustainable Scottish economy. To achieve this, the new Agency must be well integrated with the other public agencies which support Economic Development in the area, to ensure alignment and shared benefits. There is an expectation that the Agency will be particularly responsive to local enterprises, skills and training providers, local communities and the two South of Scotland local authorities.
- 3.3 The relationship between the Agency and two local authorities in the South of Scotland Scottish Borders and Dumfries and Galloway Councils will be one of the most critical of all to the effective operation of the Agency. As democratic institutions that reflect local opinion and aspirations, the Councils have a unique relevance in community and regional leadership and an indispensable role in shaping the strategic 'direction of travel' of both the Agency and wider regional economic development plans.
- 3.4 The South of Scotland Alliance (SoSA) has led the development of the proposals for both a Convention and a REP. As part of this work, the Alliance has worked with Scottish Government to understand the role that the Convention of the Highlands and Islands plays in ensuring alignment across all the key public sector partners. The South of Scotland Alliance discussed and supported detailed proposals for the establishment of a Convention of the South of Scotland and a REP at its meeting on 20 September 2019 (See Appendix 1). The key points in these proposals are set out in the forthcoming paragraphs.
- 3.5 Drawing on the work set out in Appendix 1, (particularly Figure 1 and paras 2.1-2.3), the Alliance considered the best structure to facilitate engagement between public organisations is to meet with national and regional leaders through a Convention of the South of Scotland. This would be similar to the model used in the Highlands & Islands, but adapted to the specific circumstances of the South of Scotland. In March 2019, the Leaders of the two Councils, the South of Scotland Economic Partnership, and Fergus Ewing MSP, the Cabinet Secretary for the Rural Economy, agreed that this was the right model to pursue. The formation of the Convention featured in the Programme for Government (2019/20) published on 3 September 2019.
- 3.6 SoSA also believes that a South of Scotland Regional Economic Partnership (REP) should be established. This would be led by the local authorities, and would complement the Convention by bringing a wider group of stakeholders together, including those from outside the public sector, to drive forward the regional economic agenda.

- 3.7 It is considered the setting up of the REP has implications for the reporting arrangements for economic development matters to the Scottish Borders Community Planning Strategic Board. This is because the majority of the same partners currently represented on the Scottish Borders Economy and Low Carbon Delivery Team would be members of the REP. There is an opportunity to streamline this work, the reporting of it and reduce bureaucracy.

4. CONVENTION OF THE SOUTH OF SCOTLAND

- 4.1 The Convention of the South of Scotland is to be the national interface between key public sector partners, and Scottish Government Cabinet Secretaries and Ministers. The following paragraphs outline what the South of Scotland Alliance proposes as the form of the Convention of the South of Scotland. However, the Convention would be led by the Scottish Government.
- 4.2 The South of Scotland Alliance proposes that the Convention will be a vehicle to ensure effective partnership working, chaired by the Scottish Government, and driven by all of the Convention members. This body will oversee regional economic performance in the South of Scotland, ensuring that all partners are playing their part in delivering Inclusive and Sustainable Economic Growth in the South of Scotland. The Convention provides a structure to consider strategic issues for the South of Scotland, and align partners around new action to address these matters.

- 4.3 SoSA proposes the role of the Convention of the South of Scotland will be to
- Strengthen alignment between all public agencies delivering in the South of Scotland.
 - Ensure effective partnership working and delivery across the public sector.
 - Consider the current and future challenges which face the economy in the South of Scotland.
 - Address key policy issues, and consider actions to support inclusive and sustainable economic growth in the South of Scotland.

The agenda and discussion at the Convention will be focused on delivering inclusive and sustainable economic growth in the South of Scotland. The Convention's breadth of membership will facilitate this goal.

- 4.4 The Alliance considers that the Chair of the Convention should be the Deputy First Minister (DFM). This provides continuity with the South of Scotland Alliance's annual meetings with the DFM and follows the established practice from the Convention of the Highlands & Islands. The DFM also has significant power to direct Government agencies, working with other Cabinet Secretaries and Ministers, and placing the Government in the role of Chair allows them to fully exert that influence.

- 4.5 Mirroring the arrangements in the Highlands & Islands, SoSA proposes that the Convention of the South of Scotland would be made up of public agencies and institutions with a responsibility for, or interests in, the economic and social development of the South of Scotland. The Alliance has suggested that the membership of the Convention could comprise the following:
- Scottish Government – comprising the Deputy First Minister who will chair the meetings, and attendance by Cabinet Secretaries and Ministers relevant to the agenda items.
 - Dumfries & Galloway Council and Scottish Borders Council – comprising Council Leaders and a second senior member, supported by the Chief Executives.
 - Chairs and Chief Executives of agencies such as:
 - South of Scotland Enterprise
 - Scottish Enterprise
 - Skills Development Scotland
 - VisitScotland
 - Scottish Funding Council
 - Scottish Natural Heritage
 - Forestry and Land Scotland
 - Transport Scotland
 - Marine Scotland
 - Crown Estates Scotland
 - A Higher Education representative from each of the local authority areas. Most logically this would be Heriot Watt University in the Scottish Borders.
 - A representative from each of the two regional Colleges in the South of Scotland.
 - Local NHS Boards.
- 4.6 Given the breadth of the agenda in relation to sustainable and inclusive economic growth, other organisations could be considered for membership or invited to attend relevant agenda items. The membership will be reviewed by the Convention on an ongoing basis in relation to the subjects being discussed. Where it is necessary to discuss reserved matters, appropriate representation from the UK Government could be invited to attend a particular meeting. It is considered the optimal way of getting input from private sector, the third sector and communities is through the Regional Economic Partnership which is discussed below. It should be noted that this interface is clearly a major strategic priority for the new Enterprise Agency.
- 4.7 The Alliance also proposes that:
- The Convention would meet twice a year.
 - The meetings would be hosted either by one of the Local Authorities or another relevant body in the South of Scotland.
 - All Convention meetings would be held in the South of Scotland.

- Meetings would alternate between Dumfries & Galloway, and the Scottish Borders (it is also important that the Convention meets in different parts of the two areas, ensuring that there is adequate coverage.)
- Agendas and Reports would be produced by a Senior Officers Group drawn from the Convention's core members.
- Meetings would be open for members of the public to observe.
- A full transcript of meetings will be published.
- Decisions at the Convention would be made on a consensus based approach.

5 SOUTH OF SCOTLAND REGIONAL ECONOMIC PARTNERSHIP

- 5.1 The South of Scotland Alliance considers the South of Scotland Regional Economic Partnership will be the vehicle for developing, agreeing and overseeing delivery of the South of Scotland Regional Economic Strategy which aligns with the Scottish Economic Strategy, and is informed by the relevant local strategies (Economic, Land Use, Transport etc.). It would set the strategic direction in relation to the regional economy. The REP will set priorities within the Economic Strategy and ensure that partner organisations are focused on delivering the agreed strategy. This strategic work is essential in directing the priorities of the Enterprise Agency and will be fundamental in development of the Action Plan they are required to provide to Scottish Ministers.
- 5.2 The South of Scotland REP's primary purpose will be to secure and enable inclusive and sustainable economic growth across the South of Scotland. The suggested remit of the REP is as follows:
- Setting the strategic direction for the regional economy in the South of Scotland.
 - Addressing the strategic economic issues pertaining to the South of Scotland through effective partnership work.
 - Ensuring that collectively, partner capacities and resources are harnessed to maximum effect.
 - Bringing together stakeholders from across the area under a common purpose to drive inclusive and sustainable economic growth in the South of Scotland
 - Identifying barriers to inclusive and sustainable economic growth, particularly those that are specific to the South of Scotland.
- 5.3 The Alliance proposes that the membership of the South of Scotland Regional Economic Partnership should take the following form:-
- Dumfries & Galloway Council (Four senior elected members)
 - Scottish Borders Council (Four senior elected members)
 - South of Scotland Enterprise (Chair of the Agency and three SOSE board members)
 - Private Sector Representatives –Two each from the Scottish Borders and Dumfries & Galloway

- Appropriate/Regional Leads for the following organisations
 - Scottish Enterprise
 - Skills Development Scotland
 - Scottish Funding Council
 - VisitScotland
- Borders College (Chair of the College)
- Dumfries & Galloway College (Chair of the College)
- An invite to be issued to all relevant Scottish Universities i.e. University of Edinburgh, University of Glasgow, Heriot Watt University Napier University, Open University, Rural University and the University of the West of Scotland.
- A Social Enterprise business representative from each local authority (drawn from the Social Enterprise Chambers/Associations in both Dumfries and Galloway and Scottish Borders).
- A Third Sector representative from each local authority area (drawn from the Third Sector Interface in both Dumfries and Galloway and Scottish Borders)
- A representative from community development trusts (Enterprising Community) from Dumfries and Galloway and Scottish Borders that is decided with Development Trusts Association Scotland (DTAS)
- A representative from the Registered Social Landlords from each local authority.

Senior officials from partner organisations, including Chief Executives and Principals, will also be in attendance as required at each meeting. Scottish Government officials would be invited to attend meetings as observers, in the same manner as is currently done by the South of Scotland Alliance.

- 5.4 The Alliance proposes meetings of the REP will take place quarterly and will integrate with the scheduled meetings of the Convention of the South of Scotland. There will be a rotation of locations for meetings across the whole of the South of Scotland, though they will alternate between Dumfries & Galloway and the Scottish Borders. It is vital that the REP is seen to represent all parts of the South of Scotland, and not continually meeting in the same locations. It is important to ensure that it visits all parts of the region.
- 5.5 A Senior Councillor would chair the meetings, with the chair rotating annually on the same basis as the current South of Scotland Alliance. A vice chair will be appointed by the Chair from their own organisation. The Chair of the REP will also provide an update to each Convention meeting on the work of the REP, including any issues which need to be raised. Decisions at the REP will be taken on a consensus basis. A process will be put in place to resolve any disputes between partners that cannot be resolved at meetings.
- 5.6 If the Council agrees to the establishment of the REP, then it will need to decide its membership for the forthcoming meetings. It is intended that at the next meeting of the South of Scotland Alliance on 22 November 2019 that a 'shadow' meeting of the REP would be held. It is considered that Scottish Borders Council's Alliance members should attend this meeting. The nominated members from the Council to the REP would then attend the meetings of the REP once it is formally established. This is planned for May 2020 after the establishment of South of Scotland Enterprise Agency.

It is therefore recommended that Council nominates four Members for the Regional Economic Partnership.

6. THE LOCAL LEVEL AND LINKS WITH THE SCOTTISH BORDERS COMMUNITY PLANNING PARTNERSHIP

- 6.1 The South of Scotland Regional Economic Partnership will need to have close links with the local Community Planning Partnerships in both Dumfries and Galloway and the Scottish Borders. This relationship will recognise their mutual interest in promoting the development of the economy of the South of Scotland and the local economies that comprise the region.
- 6.2 As outlined in paragraph 5.3 above the REP will have a wide ranging membership which will be taken from both the Scottish Borders and Dumfries and Galloway. At present the partnership input on economic development to the Scottish Borders Community Planning Board comes from an inter-agency group called the Economy and Low Carbon Delivery Team. This Team comprises representatives from private and third sector groupings and public sector agencies, many of whom would also be represented on the REP. The Team has a series of sub-groups focusing on particular matters of detail e.g. Working in the Countryside, Learning & Skills Partnership.
- 6.3 It would seem sensible that the REP replaces the Economy and Low Carbon Delivery Team and its associated sub-groups in providing input on economic development into the Scottish Borders Community Planning Partnership and its Strategic Board. This input could be provided through the Senior Elected Members of Scottish Borders Council who will be co-chairing the REP. It is considered that this approach would prevent repetition and enable partnership working on economic development matters to be much more effective.
- 6.4 It will be essential to ensure operational focus is maintained on delivery of the agreed Economic Strategy. To that end, officers will convene appropriate meetings with partners and report to the Scottish Borders Community Planning Strategic Board to ensure that there continues to be a strong link between strategy and delivery in the Scottish Borders. It is likely that similar arrangements will be put in place in Dumfries and Galloway.

7 IMPLICATIONS

7.1 Financial

- (a) There will be financial implications for the Council arising from the proposals to establish a Convention of the South of Scotland and the Regional Economic Partnership. It is expected there may be costs to the Council, primarily relating to the hosting of meetings.
- (b) With regards to the REP the Councils will be the lead body and the work to support these meetings will need to be supported in the same way as the South of Scotland Alliance with officer support and the costs associated with holding meetings in both the Scottish Borders and Dumfries and Galloway. Currently the overall cost of this support are around £45,000 with the costs divided equally between Dumfries and Galloway Council and Scottish Borders Council. It is considered that the costs of the REP could be funded by the two Councils and the new Enterprise Agency, with each providing a third of the required funds. At this point officers are content that the costs of the new arrangements can be met from existing budgets.

7.2 Risk and Mitigations

There are significant risks in the Council not being involved influencing the strategic and operational direction of economic development in the South of Scotland. It is crucial that the key delivery partners in the South of Scotland are fully aligned in order to ensure that the South of Scotland is gaining maximum benefit from the establishment of South of Scotland Enterprise. It is considered that the Convention of the South of Scotland and the REP provides most effective way of making a positive influence, ensuring alignment, and maximising outcomes.

7.3 Equalities

Inclusive Growth will be a key feature of economic development in the South of Scotland which will have positive influence on all the groups with equality characteristics.

7.4 Acting Sustainably

Both the Convention of the South of Scotland and the South of Scotland Regional Economic Partnership will have sustainable development at the centre of its focus, and should bring a positive impact on the sustainable development of the Scottish Borders and the South of Scotland.

7.5 Carbon Management

The work of the Convention of the South of Scotland and Regional Economic Partnership could have positive effects on reducing carbon emissions.

7.6 Rural Proofing

Both the Convention of the Scotland and Regional Economic Partnership will be in a strong position to support the development of rural areas in the Scottish Borders and across the South of Scotland.

7.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to either the Scheme of Administration or the Scheme of Delegation.

8 CONSULTATION

- 8.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR, the Clerk to the Council and Corporate Communications are being consulted and any comments will be reported back at the meeting.

Approved by

Rob Dickson
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Signature

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Background Papers: N/A

Previous Minute Reference: N/A

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