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## **The Establishment of the South of Scotland Regional Economic Partnership**

**Report by Executive Director, Corporate Improvement and Economy**

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### **EXECUTIVE COMMITTEE**

15 September 2020

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

- 1.1 This paper provides the background and context to the phased establishment of the South of Scotland Regional Economic Partnership (REP). It comprises an overview of the work of the COVID 19 Team South of Scotland Leadership Group, the forerunner of the REP, then goes on to discuss the work of the REP which has now held two meetings.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Committee**
- a) Recognises the work carried out by the COVID 19 Team South of Scotland Leadership Group.**
  - b) Welcomes the progress being made in establishing the South of Scotland Regional Economic Partnership and its work programme.**

### **3 Background**

- 3.1 At its meeting on 31 October 2019, Scottish Borders Council agreed to support the establishment of South of Scotland Regional Economic Partnership (REP). Following this meeting, work commenced to transition from the South of Scotland Alliance (SOSA) to the Regional Economic Partnership (REP). The remit and composition of the REP is set out in Appendix 1.
- 3.2 Briefly, the REP aims to support the establishment of South of Scotland Enterprise by developing and driving forward a South of Scotland Regional Economic Strategy. It comprises members of Scottish Borders Council, Dumfries and Galloway Council, South of Scotland Enterprise, together with appointed members from business, communities, social enterprise, registered social landlords, and representatives from colleges, universities and public bodies including the Scottish Funding Council, Skills Development Scotland, Scottish Enterprise, and VisitScotland.
- 3.3 The REP also links into the South of Scotland Convention which is chaired by the Deputy First Minister. The first meeting of the South of Scotland Convention was held in Dumfries in February 2020.
- 3.4 In early March 2020, it was agreed to pause efforts to establish the REP as the scale of the COVID-19 pandemic became clear, recognising the immediate need to re-focus resources.
- 3.5 The severity of the economic impact was recognised from the outset of the pandemic, evidenced by the unprecedented scale of support measures announced by the Scottish and UK Governments. These included: significant funding support for businesses, in addition to schemes covering job retention, vat deferral and loans. Scottish Borders Council, Dumfries and Galloway Council and South of Scotland Enterprise (SOSE) since assuming its legal powers on 1 April 2020, then focused on responding and mitigating the impact of COVID-19.
- 3.6 To ensure an aligned and rapid response to addressing impacts, the Councils, together with SOSE, acted quickly to establish the COVID-19 Team South of Scotland Leadership Group. Also the South of Scotland was predicted to be amongst the worst impacted of Scotland's regions, reflecting its rurality, high levels of employment in exposed sectors and high levels of self-employment. The need to be as proactive as possible was seen as a key part of the Group's efforts across all of its activities.
- 3.7 Reflecting its economic focus and remit, members of the Leadership Group were: Councillor Rob Davidson, Depute Leader of Dumfries and Galloway Council and chair of the Economy and Resources Committee, Councillor Mark Rowley, Executive Member for Business and Economic Development and Professor Russel Griggs OBE, chair of SOSE. The Leadership Group met every two to three weeks, with the chair rotating across all three members. The Group was supported by senior officers from the two councils, SOSE and Skills Development Scotland (SDS).

#### 4 THE COVID-19 TEAM SOUTH OF SCOTLAND LEADERSHIP GROUP

- 4.1 The Covid-19 Team South of Scotland Leadership Group's focus was to provide strategic direction and oversight to the initial economic response to COVID-19 in the South of Scotland, consistent with the national approach. This helped to address immediate economic and social issues arising from the pandemic and ensured an aligned approach across partner organisations using capacities and resources to maximise impact.
- 4.2 Under the direction of the Leadership Group, Senior Officers from across the Councils and SOSE worked effectively together to ensure businesses could access grant support, coming together to deliver operational activity. As well as delivering significant support to businesses to help them survive the impacts, this also enabled intelligence to be gathered to help identify gaps in coverage. It ensured that the South of Scotland perspectives were made clear to Government. Contacts with business were used to signpost to relevant areas of potential support, capturing issues and concerns being raised.
- 4.3 The proactive and co-ordinated implementation of national schemes, alongside a commitment to exploring other forms of support, has helped to safeguard businesses and jobs across the South of Scotland and the Scottish Borders. The joined-up operational approach has assisted in delivering maximum impact using capacity and resources to best effect.
- 4.4 Key activities for the group included:
  - a. **Understanding the impact of COVID-19** – the Group recognised it was vital to understand the impact of COVID-19 on the South of Scotland to help shape response activity. The Group received a regular evidence pack capturing national, regional and local data to help understand the differential impact.
  - b. **Supporting business** – providing effective business support has been key through the crisis. The Councils and SOSE entered into a data sharing agreement to ensure a joined-up approach to dealing with businesses, sharing information and identifying those in need. The Group worked to ensure the property grants provided through Councils and the Hardship and Pivotal Enterprise Resilience Grants provided by SOSE reached key businesses. The Group monitored potential gaps in provision and put proposals to the Scottish Government about a potential future discretionary grant scheme.
  - c. **Supporting communities** – the primary focus of the Group was on tackling the economic impact of COVID-19 and the immediate impact on business. It also looked at support being given to communities across the South of Scotland and took forward work to understand anchor institutions and encourage a more strategic approach to national funding.

- d. **Advocating for the South of Scotland** – the Group has been able to present a strong and direct voice to government, advocating for the South of Scotland, influencing national policy thinking
- e. **Communication** - The Group agreed a joint approach to communications, with team South of Scotland responses supporting an effective partnership approach delivering a co-ordinated, consistent and effective message.
- f. **Tackling labour market challenges** – the Group has monitored COVID-19's impact on the labour market, with improved real-time intelligence sharing about potential redundancies and potential employment opportunities. Work continues on developing a South of Scotland approach to tackling unemployment, with SDS working with the councils, SOSE and the Borders Learning and Skills Partnership and the Dumfries and Galloway Employability Partnership. This is a key area for future activity, building on initial scoping activity.
- g. **Aligning response, restart and recovery activity** – the Group recognised the range of activity underway at national, regional and local level and the complexity of the landscape. It worked to align a strategic approach to restart and recovery activity which could form an effective basis for future activity.
- h. **Setting the groundwork for the REP** – the Group took forward work to develop the approach to the REP, deciding on a phased approach to establish the REP.

## **5 SOUTH OF SCOTLAND REGIONAL ECONOMIC PARTNERSHIP (REP)**

- 5.1 In starting the process to establish the REP, the Team SOS Leadership Group agreed to do this a phased way. The first phase was to bring together members from Scottish Borders Council, Dumfries and Galloway Council and SOSE, with the full REP to be established as soon as practicable thereafter. Scottish Borders Council is now represented on the REP by Councillors Shona Haslam, Mark Rowley, Simon Mountford and Stuart Bell: with Councillor Euan Robson as a substitute member. There have now been two meetings of the REP. These took place on Friday 31 July 2020 and Friday 21 July 2020.
- 5.2 The REP will be chaired by the Councils, alternating annually based on financial years. Dumfries and Galloway Council is chairing the REP for this financial year 2020/21. It is planned that the REP will meet every other month up until the end of March 2021, to build relationships and maintain momentum, and then meet less frequently.
- 5.3 The setting up of the REP is involving the appointment of members from the private sector, community development, social enterprise, Third Sector and Registered Social Landlords from both the Scottish Borders in Dumfries and Galloway. The members from the Scottish Borders following an open recruitment exercise that have been appointed are Mrs Sue Berry, Mr Trevor Jackson, Mr Keith Dickinson, Mr Crick Carleton and Mrs Julia Mulloy. A member from the Third Sector from the Scottish Borders is still to be identified. There will be College and University members, and the Scottish Borders is be represented by Ms Elaine Acaster, Interim Chair of Borders

College Board and Mr Grant Innes, Chair of Court, Heriot Watt University. In addition there will members from national agencies.

- 5.4 A key task for the fully formed REP which holds its first meeting on the 18 September 2020 will be to set the strategic direction for the regional economy in the South of Scotland by developing the South of Scotland Regional Economic Strategy and Action Plan. The Regional Strategy will be long term and build on previous analysis of the opportunities and challenges that had taken place before COVID-19. The Action Plan will likely have a shorter, say 5 year time span, and be reviewed annually.
- 5.5 It is likely that the REP will want to reflect on the impact of COVID-19 on the regional economy, which has been experienced differently across different areas of the economy. Currently there is significant uncertainty and there will need monitor closely emerging trends, to ensure a future strategy focuses on the right priorities. Key matters to be considered the national and regional levels are as follows:

**National**

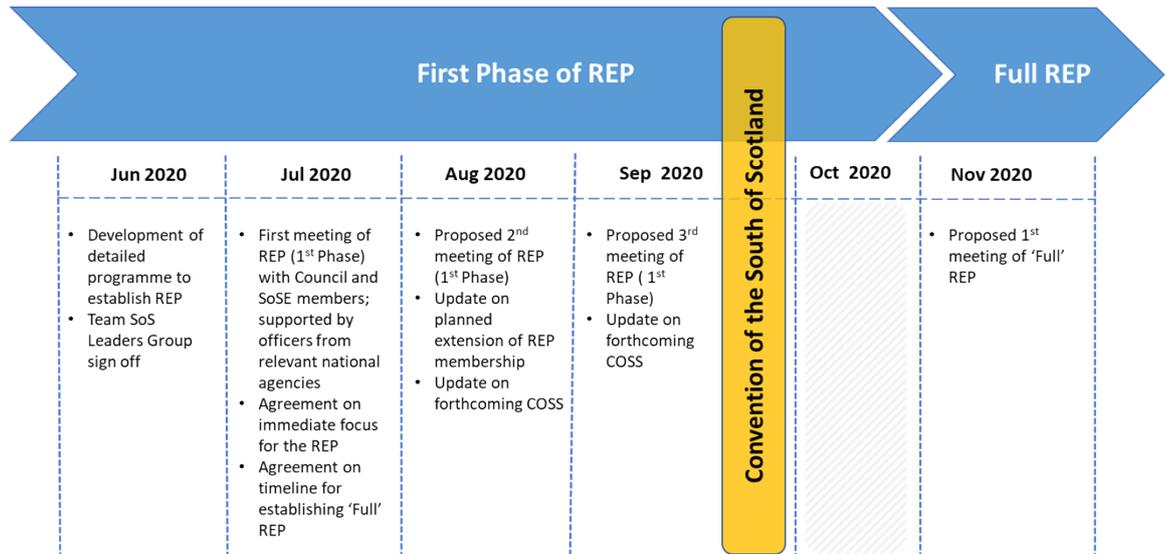
- A range of expert groups providing recommendations on recovery that will inform national recovery strategies at UK and Scotland level;
- Regular, new and short term policy and funding announcements from UK Government and Scottish Government;
- Timing of phases to the new normal;
- Impact of EU exit and a trade deal, and trade deals with other countries ; and
- Budget discussions.

**Regional**

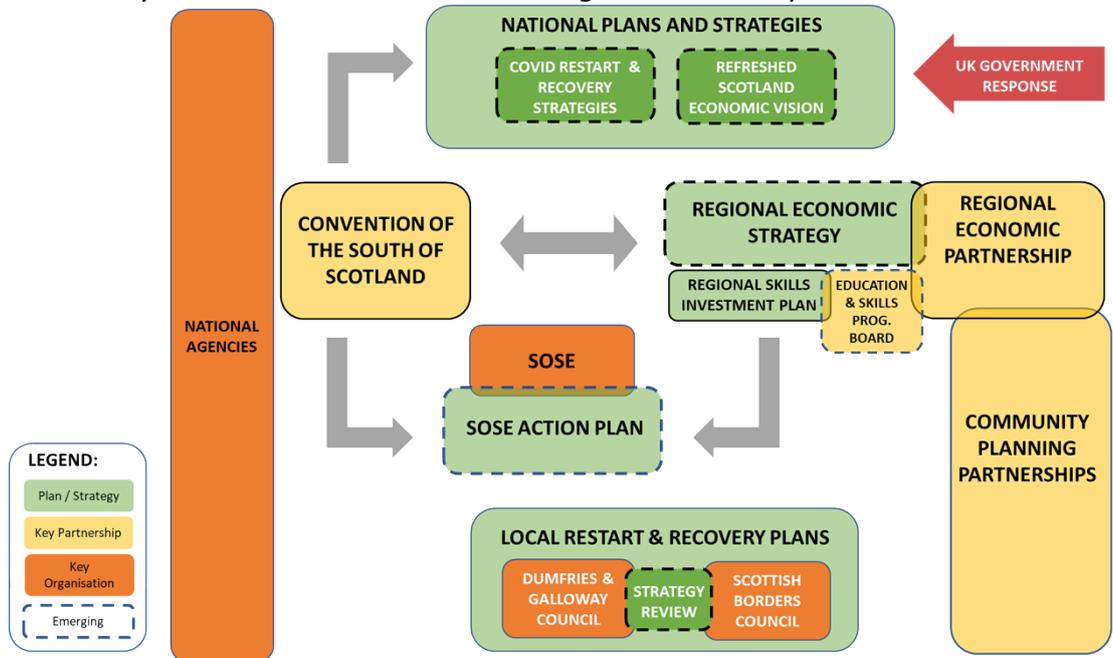
- Increasing volatility in the labour market;
- Increasing poverty and disadvantage;
- Building confidence in places and communities;
- Emerging growth opportunities;
- The Borderlands Inclusive Growth Deal is being finalised by the Borderlands local authorities; and

SOSE will also be developing its Action Plan, through a process set out in legislation that will include extensive consultation.

- 5.6 As part of its early work, the REP will also be taking account of the next meeting South of Scotland Convention which takes place on 28 September 2020. The agenda of the Convention is aiming to reflect the outcomes of its February meeting and ensuring that the economic impact of COVID-19 on the South of Scotland is fully discussed.
- 5.7 The diagram below sets out the timeline the REP is working to at present.



5.8 The table below sets out the relationship between the various key elements of activity and core elements of the regional landscape:



## 6 IMPLICATIONS

### 6.1 Financial

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

### 6.2 Risk and Mitigations

The report fully describes all the elements of risk that have been identified in relation to this project and no specific additional concerns need to be addressed

**6.3 Integrated Impact Assessment**

Given the nature of the report there are no equality and diversity implications and an Integrated Impact Assessment is not required.

**6.4 Acting Sustainably**

This is an informational report and there are no sustainability implications.

**6.5 Carbon Management**

This is an informational report and there are no effects on carbon emissions.

**6.6 Rural Proofing**

This is an informational report and it does not require any rural proofing.

**6.7 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 as a result of the proposals in this report.

**7 CONSULTATION**

7.1 The Corporate Management Team, 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 have been consulted and any comments received have been incorporated into the final report.

**Approved by**

**Executive Director, Corporate Improvement and Economy**

**Signature .....**

**Author(s)**

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**Background Papers:** None

**Previous Minute Reference:** Scottish Borders Council 31 October 2019

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

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