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## **UPDATE ON SOUTH OF SCOTLAND ECONOMIC PARTNERSHIP FUNDING PROPOSALS**

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

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### **EXECUTIVE COMMITTEE**

**18 May 2021**

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

- 1.1 This report highlights to Members the progress made in relation to the variety of projects initiated by the South of Scotland Economic Partnership (SOSEP) before the voluntary partnership concluded its activity on 1<sup>st</sup> April 2020 and the South of Scotland Enterprise Agency (SOSE) became operational.**
- 1.2 One of the key contributions that the Council made to the South of Scotland Economic Partnership was to act as project sponsor for a range of SoSEP projects that received approval. It is important that the Council continues to undertake local management of these projects and helps ensure that Scottish Government funding has been allocated effectively.
- 1.3 A list of the key projects supported by SoSEP along with a current update on the progress of these projects has been provided in Table 4.1. A list of the key projects that were allocated funding throughout the South of Scotland has been provided in Appendix A.

#### **2 RECOMMENDATIONS**

##### **2.1 It is recommended that the Executive Committee:**

- a) Notes the progress of the approved projects that have been supported through the South of Scotland Economic Partnership; and**
- b) Agrees that the continuing support for the delivery of the projects listed in Table 4.1 and Appendix A will deliver economic and community led benefits throughout the Scottish Borders.**

### 3 BACKGROUND

- 3.1 As part of the Enterprise and Skills Review, the Scottish Government committed to creating the South of Scotland Enterprise (SOSE), an enterprise agency covering the Scottish Borders and Dumfries and Galloway. The new Agency became operational on 1<sup>st</sup> April 2020 and offers a once in a generation opportunity for economic development investment and action throughout the South of Scotland. It is intended that the new Agency will operate in a similar way to Highlands and Islands Enterprise (HIE) and that it will align its work with Scottish Enterprise, Skills Development Scotland, Scottish Funding Council and VisitScotland.
- 3.2 In view of the time required to complete the statutory processes in relation to establishing the new Agency, the Scottish Government set up the South of Scotland Economic Partnership (SoSEP) as an interim solution to ensure that the South of Scotland benefited from a new approach to economic development. This partnership approach involved representatives from business, the third sector, further and higher education, as well as key public sector partners. The partnership was chaired by Professor Russel Griggs and the Chief Officer of SoSEP was Rob Dickson.
- 3.3 SOSE became operational on 1 April 2020, which meant that SoSEP concluded its activity on 31 March 2020. The new agency is chaired by Professor Russel Griggs, with key priorities being the support of local business through the Covid-19 pandemic and the development of the new South of Scotland Regional Economic Partnership which provides a new, broader partnership to ensure effective inclusive economic growth and partnership working across the South of Scotland. Another key project for new agency will be the development of a Regional Economic Strategy.

### 4 SoSEP PROJECTS

- 4.1 SoSEP successfully sought proposals from across the South of Scotland to help stimulate inclusive economic growth. The proposals that came forward were wide-ranging and varied in their scope and in the scale of funding sought. The Partnership established a process and clear criteria for assessing and assisting in the development of the proposals to ensure a clear recommendation was made to the Scottish Government on whether or not to fund a proposal. A list of the key projects that were supported through SoSEP funding have been provided in **Appendix A**.
- 4.2 One of the key contributions that Scottish Borders Council, and other partners, has made to the South of Scotland Economic Partnership has been to act as the project sponsor for a range of projects that gained approval through the partnership. This role has involved the Council acting in support of the funding applicants and as the delivery partner for the grants that have been provided by Scottish Government, allowing a local management approach to ensure the efficient flow of funding to the approved projects. By utilising SOSEP partners in this way, the Scottish Government reduced risks and minimised audit requirements as all partners had substantial existing organisational arrangements in place.

- 4.3 The Partnership ceased to operate on 31 March 2020, but a number of the SoSEP funded projects have continued to be delivered into future financial years and through the current Covid-19 pandemic which has been particularly challenging. It is important that Scottish Borders Council continues to undertake the management of these projects to ensure smooth and efficient delivery. **Table 4.1** below sets out the key SoSEP projects that have been managed by Scottish Borders Council along with an update on current progress.

**Table 4.1 – SoSEP Projects**

<b>Applicant</b>	<b>Project Details</b>	<b>SOSEP Grant</b>
Scottish Borders Council	<p><b>Hawick Conservation Area Regeneration</b> - to conserve and enhance key properties within the Hawick Conservation Area to catalyse wider regeneration of town centre.</p> <p><b>Project Completed</b></p>	£60,000
Re-Tweed	<p><b>Re-Tweed</b> –to extend and consolidate its work helping women gain the skills and experience for the creative industry sector, by piloting a business incubator to help a minimum of 10 women start and grow their businesses.</p> <p><b>Project Completed</b></p>	£19,200
Scottish Borders Council	<p><b>Community Enterprise Support</b> - To pilot a place-based approach to community enterprise support to help support financially sustainable projects.</p> <p><b>Working with SOSE to Continue Delivery of the Project</b></p>	£510,000
Energise Galashiels	<p><b>Building a Better Galashiels</b> - to deliver a number of high impact town centre improvement and marketing projects in Galashiels. The project will deliver year one of the 'Building a Better Galashiels' Action Plan.</p> <p><b>Project Ongoing</b></p>	£72,500
Scottish Borders Council	<p><b>Centre of Excellence in Textiles</b> - seeks to address a business critical skills issue in the Textiles Sector by the provision of a training centre to deliver skills training to local companies.</p> <p><b>Project Ongoing</b></p>	£610,000

Philiphaugh Estate Trust	<p><b>Philiphaugh</b> – to assist with the development and diversification of Philiphaugh’s existing visitor facilities to create new jobs and attract more visitors to the estate and the local area.</p> <p><b>Project Completed</b></p>	£154,484
Trimontium Trust	<p><b>Trimontium</b> – to promote the unique Roman and Iron Age heritage by expanding the museum and launching HALO (Historical and Archaeological Landscape Observatory), a hub for the museum’s learning programme.</p> <p><b>Project Nearing Completion</b></p>	£394,902
Abbotsford Trust	<p><b>Sir Walter Scott 250<sup>th</sup> Anniversary</b> - Support Year 1 costs to develop the 250th anniversary programme to celebrate the birth of Sir Walter Scott in 2021 and deliver Abbotsford’s community engagement programme.</p> <p><b>Project Ongoing</b></p>	£220,000
Scottish Borders Council	<p><b>Energy Service Supply Chain Development</b> - The pilot will provide support to the construction sector in the Tweeddale area of the Scottish Borders, focusing on the supply chain for energy services (energy efficiency measures and renewable generation technologies).</p> <p><b>Project Ongoing</b></p>	£65,000
Tweedsmuir Development Trust	<p><b>Crook Inn Café Development</b> - To restore and develop a café and community hub in an existing listed outbuilding on the Crook Inn site, complete external works to enhance the landscape and support a management post required for two years to assist the establishment of the business.</p> <p><b>Funding Decision Delayed due to Covid. Funding Recently Approved Allowing Delivery of the Project</b></p>	£380,000
Various	<p><b>Feasibility Studies</b> – support for 12 feasibility studies across the Scottish Borders covering a wide range of topics.</p>	£198,500

<b>TOTAL</b>		<b>£2,684,586</b>

- 4.5 From Table 4.1 it can be noted that there has been a wide range of projects supported through the SoSEP process within the Scottish Borders, culminating in a total investment of £2.68 million. In terms of the feasibility work undertaken, Scottish Borders Council is working collaboratively with the agency on the next stage of development in relation to a number of the initial studies.
- 4.6 It should be noted that SoSEP also supported a number of additional projects within the Dumfries and Galloway Council area, presenting a substantial investment throughout the whole of the South of Scotland. **Appendix A** provides an indication of the type of projects that were supported through the SoSEP process.

## **5 IMPLICATIONS**

### **5.1 Financial**

There are no additional financial implications associated with this report, noting that the contents refer specifically to the distribution of funding from the Scottish Government.

### **5.2 Risk and Mitigations**

Partnership working will always present challenges, however, the Council and partners involved in SOSEP were committed to working together to ensure its success and mitigate any risk encountered. Mitigations included regular engagement with key stakeholders, a well-led Board arrangement and regular meetings between key partners to ensure that activities were aligned.

### **5.3 Integrated Impact Assessment**

There is no impact associated with an Integrated Impact Assessment. Importantly, SOSEP includes both inclusive economic growth and 'Fair Work' as underpinning themes.

### **5.4 Sustainable Development Goals**

The South of Scotland Economic Partnership had the aims of sustainable and inclusive economic growth at its core.

### **5.5 Climate Change**

There is no specific impact in relation to Climate Change.

### **5.6 Rural Proofing**

There is no impact in relation to rural proofing.

### **5.7 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

### **5.8 Changes to Scheme of Administration or Scheme of Delegation**

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

## 6 CONSULTATION

6.1 The Executive Director of Finance and Regulatory Services, Monitoring Officer, The Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

### Approved by

**Rob Dickson**  
**Executive Director,**

**Signature .....**

### Author(s)

Name	Designation and Contact Number
Graeme Johnstone	Lead Officer

**Background Papers:** Executive Committee – 19 January 2021

**Previous Minute Reference:**

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

Contact us at [gjohnstone@scotborders.gov.uk](mailto:gjohnstone@scotborders.gov.uk) 01835 825138

## Projects Approved in 2019/20

Appendix A		
	SoSEP Projects – South of Scotland	Funding
1	<b>Johnston School, Kirkcudbright</b> - support construction costs to develop a dark skies visitor centre and planetarium, a wrap-around child care facility, start-up units, youth drop in space, a work shop and store for a major festivities group, a casual space for groups to meet, plus a small office and shared facilities	£300,000
2	<b>Hawick Conservation Area Regeneration</b> - to conserve and enhance key properties within the Hawick Conservation Area to catalyse wider regeneration of town centre.	£60,000
3	<b>Community Tourism Development Pilot</b> – develop a programme for community leaders to help them understand the tourism market and develop the capacity and confidence to drive projects in their areas that will generate income for local people.	£30,000
4	<b>Re-Tweed</b> –to extend and consolidate its work helping women gain the skills and experience for the creative industry sector, by piloting a business incubator to help a minimum of 10 women start and grow their businesses.	£19,200
5	<b>Crawick Multiverse</b> – to assist with the development and marketing of multi-functional visitor facilities to make Crawick more accessible to local schools, community groups, visitors and provide the opportunity to host events all year round.	£67,000
6	<b>Growing Rural Talent</b> – to give young people the skills and practical experience needed to support their introduction to the agricultural and forestry industries.	£289,000
7	<b>Community Enterprise Support</b> - To pilot a place-based approach to community enterprise support to help support financially sustainable projects.	£510,000
8	<b>Building a Better Galashiels</b> - to deliver a number of high impact town centre improvement and marketing projects in Galashiels. The project will deliver year one of the 'Building a Better Galashiels' Action Plan.	£72,500
9	<b>Philiphaugh</b> – to assist with the development and diversification of Philiphaugh's existing visitor facilities to create new jobs and attract more visitors to the estate and the local area.	£154,484
10	<b>Trimontium</b> – to promote the unique Roman and Iron Age heritage by expanding the museum and launching HALO (Historical and Archaeological Landscape Observatory), a hub for the museum's learning programme.	£394,902
11	<b>Midsteeple Quarter</b> - to fund a project officer to co-ordinate and drive forward regeneration activity in the Midsteeple Quarter area of Dumfries.	£39,500
12	<b>Moffat Distillery</b> - to support the development of a new distillery, Dark Sky Spirits Ltd.	£320,000
13	<b>Seeding Social Enterprise</b> – to fund 4 social enterprise animators to build capacity and share best practice to grow successful community enterprises in D&G.	£143,600
14	<b>Gunsgreen House Trust</b> – Feasibility study to look at opportunities to grow the visitor economy at Gunsgreen House in Eyemouth.	£20,000

<b>15</b>	<b>Paxton House</b> – Feasibility study looking at the potential research opportunities associated with the medium and longer term stability of Paxton House.	£18,000
<b>16</b>	<b>Innerleithen Tourism</b> – Feasibility study looking primarily at visitor services in Innerleithen with particular reference to activity tourism	£10,000
<b>17</b>	<b>The Regional Food Chain</b> – Feasibility study designed to investigate opportunities associated with the creation of a centralised hub and food chain located in Castle Douglas.	£20,000
<b>18</b>	<b>Alternative Land Use Research</b> – Feasibility work to help determine whether it would be possible to grow alternative crops in the South of Scotland.	£20,000
<b>19</b>	<b>Border Union Agricultural Society</b> – Feasibility work designed to explore the potential opportunities for the society and develop a draft business plan.	£20,000
<b>20</b>	<b>Southern Upland Partnership Equestrian Tourism</b> – Feasibility work to explore the potential of equestrian tourism within the Scottish Borders.	£10,000
<b>21</b>	<b>Haining Trust Improvement Work</b> – Feasibility work to investigate tourism opportunities in relation to the Haining Estate and links to Selkirk town centre.	£20,000
<b>22</b>	<b>Littleton Farm Anaerobic Digestion Plant</b> – Feasibility work to investigate the creation of an on-farm industrial estate, powered by an anaerobic digestion plant.	£20,000
<b>23</b>	<b>Sanquhar Post Office</b> – Feasibility work to explore the development and preservation of the property (Oldest Post Office in the world) as a community enterprise project.	£20,000
<b>24</b>	<b>Thirlestane Stables Project</b> – Feasibility work to investigate the potential regeneration of a dilapidated stable building into a viable business.	£20,000
<b>25</b>	<b>Ruberslaw Community Path Network</b> – Feasibility work associated with the development of a community path network located to the East of Hawick.	£11,500
<b>26</b>	<b>Dormont Estate Business and Social Hub</b> – Feasibility work to help understand the demand for small industrial units and community space at the Dormont Estate near Lockerbie.	£4,000
<b>27</b>	<b>Abbotsford 250<sup>th</sup> Anniversary</b> – Development of the anniversary programme to celebrate the birth of Sir Walter Scott.	£220,000
<b>28</b>	<b>Town of a 1000 Trails</b> – Development of a digital tourism project in Hawick.	£28,916
<b>29</b>	<b>Energy Services Supply Chain Development</b> – Pilot project to try and increase the skills base and the development of a business approach to energy services opportunities within Tweeddale.	£65,000

## PROJECTS APPROVED IN 2018/19

	<b>Project Overview</b>	<b>Funding</b>
<b>1</b>	<b>Social Enterprise Programme</b> - funding towards delivery of a programme of activities that will build the capacity of communities in the South of Scotland to be more enterprising self-sufficient, and entrepreneurial and to encourage and support social enterprise formation	£69,804
<b>2</b>	<b>Newcastleton Bunkhouse</b> – funding was provided towards a feasibility study to enable the community development trust to consider whether their plans for a bunkhouse were feasible. Useful exercise that has resulted in the proposals being re-visited.	£9,000
<b>3</b>	<b>Strengthening Communities Programme</b> – to build capacity within communities through support for the recruitment of project officers to help develop sustainable economic projects. The application will provide support for an initial 6 communities (and extends the reach of the SG SCP provision in South, adopting approach taken by HIE).	£228,000
<b>4</b>	<b>Annan Regeneration</b> - to support the cost of a team to drive forward the Annan Action Plan developing projects to mitigate the impact of job losses in the town following Young's closure of its Pinney's seafood processing plants	£250,000
<b>5</b>	<b>South of Scotland Skills and Learning Network</b> – major capital project, delivered by the South of Scotland's two regional colleges to create a digital and physical network across the South project, providing better access to training to a wider range of students.	£6,680,747
<b>6</b>	<b>Articulation Project</b> – funding to support a project mapping and establishing articulation routes through college and university partnerships seeking to retain young people in the South of Scotland area.	£79,000
<b>7</b>	<b>Centre of Excellence in Textiles</b> - project seeks to address a business critical skills issue in the Textiles Sector by the provision of a training centre to deliver skills training to local companies.	£610,000
<b>8</b>	<b>Strathclyde University Research on Business Barriers</b> – research undertaken by Strathclyde university Hunter Centre looking at business growth barriers in the south, to inform SOSE's approach to business development. Expected to report in the latter part of this year to SOSEP.	£49,875
<b>9</b>	<b>Feasibility Study</b> – Dumfries Ice Bowl Curling Association. Capital investment to improve the curling hall to increase the footfall in the facility and enable its wider use.	£20,000
<b>10</b>	<b>South of Scotland Rural Skills &amp; Entrepreneurship Project</b> - to address gaps in accessibility and availability of rural (land based) training across the south of Scotland. Delivered by SRUC, the project will deliver: 1) two mobile learning centres equipped to deliver rural skills courses across the south of Scotland. 2) a package of online learning materials to support the delivery of rural skills, tailored for the south of Scotland.	£156,600
<b>11</b>	<b>Feasibility Study</b> – Duns Development Trust - To support carbon reduction / energy efficiency project at the Volunteer Hall, Duns (recently purchased). 2 phases – phase 1 is heating. Phase 2 not stated.	£20,000
<b>12</b>	<b>Feasibility Study</b> – MidSteeple Quarter. Strategic visioning	£20,000

	document to turn workspace on ground floor and upper floor made into flats.	
<b>13</b>	<b>Feasibility Study</b> - Rock UK Adventure Centre - Planning the strategic redevelopment of our centre Whithaugh Park in Newcastleton.	£20,000
<b>14</b>	<b>Feasibility Study</b> – Scottish Sustainability Centre (Eden) - a tourist attraction with sustainable living focus to educate, inspire and encourage people and organisations to make real changes towards a low carbon lifestyle.	£20,000
<b>15</b>	<b>Feasibility Study</b> – Year of Scotland’s Stories Project - To look at drawing together Peter Pan Moat Brae Project, Borders Book Festival, Wigtown Book Festival and Abbotsford Trust proposals for Walter Scott 250th anniversary and 2022 Year of Scotland’ Stories.	£20,000