
SOUTH OF SCOTLAND RURAL REGIONAL ECONOMIC DEVELOPMENT PROGRAMME – PROGRESS REPORT

Report by Corporate Transformation and Services Director

EXECUTIVE COMMITTEE

3 November 2015

1 PURPOSE AND SUMMARY

- 1.1 This report updates Members on progress in implementing the South of Scotland Rural Regional Economic Development Programme, in partnership with Scottish Enterprise and Dumfries & Galloway Council.**
- 1.2 The South of Scotland Alliance presented a programme of strategic projects to Scottish Government and Scottish Enterprise in the summer of 2014. The programme aims to build on the opportunities that are available in the South of Scotland.
- 1.3 Four strategic projects were identified at the heart of the programme, Borders Railway/Central Borders Business Park; Mountain Biking – refreshing a world-class product; M74 Corridor Strategic Development Masterplan; and Stranraer Waterfront. The programme was presented to Mr Swinney MSP, Depute First Minister, in June 2014. Since then, the partners have been taking forward the four strands of work and progress against each of these is set out in the report. Progress on the actions will be reported to the Depute First Minister when the South of Scotland Alliance meets him in December 2015.

2 RECOMMENDATIONS

- 2.1 **I recommend that Executive Committee:**
 - (a) Notes the progress made in implementing the four strategic projects that make up the South of Scotland Rural Regional Economic Development Programme; and**
 - (b) Requests that the South of Scotland Alliance seeks ongoing support from the Scottish Government for this strategic programme when it meets the Depute First Minister in December 2015.**

3 BACKGROUND

- 3.1 Following a meeting with the Depute First Minister, Mr John Swinney MSP, at the end of 2013, the South of Scotland Alliance agreed to produce a persuasive programme of strategic interventions that would influence the Depute First Minister and the senior management team of Scottish Enterprise. It was to focus on a limited number of strategic projects and build on priorities in each Council area.
- 3.2 Officers from Scottish Borders Council, Dumfries & Galloway Council and Scottish Enterprise worked to develop the Programme, with links made to the Government Economic Strategy as well as the local economic strategy in each area. The Programme focuses on the opportunities that are on the near horizon in the South of Scotland. This focus on opportunities demonstrates to the Government that the partners are aiming to be proactive and move the area forward in a positive way. The policy message to Government, and to Scottish Enterprise, was that we want to maximise the opportunities that are available to us.
- 3.3 The opportunities identified include the opening of the Borders Railway in the Scottish Borders; the roll-out of Superfast Broadband across the South of Scotland; the development opportunities in the M74 corridor down to the Anglo/Scottish border; the coverage of parts of the region with Assisted Area Status; and the opportunities that arise from the world-class mountain biking assets that have been developed in the area over the last decade. Overall, the Programme aims to be ambitious for the South of Scotland and to demonstrate that the area can play a more significant role in the Scottish economy.

4 RURAL REGIONAL ECONOMIC DEVELOPMENT PROGRAMME

- 4.1 Four strategic projects that link to the opportunities were put forward. The first project focuses on the Borders Railway and the Central Borders Business Park. This project is crucial in helping to deliver the economic potential of the new Borders Railway. Through a number of phases, the Central Borders Business Park will provide new employment sites and new business units to facilitate the growth of local businesses and to encourage inward investment.
- 4.2 The second project focuses on Mountain Biking and developing our world-class mountain biking products. Although the mountain biking market is continuing to grow, the South of Scotland, and particularly the Upper Tweed Valley, has seen visitor numbers level off. Without investment in facilities and trails the area could lose its status and attraction to visitors, with a resulting drop in tourism impact.
- 4.3 The third project area is an M74 Corridor Strategic Development Masterplan, to better understand and plan for the opportunities in this major transport corridor running through Dumfries & Galloway. The final project area focuses on Stranraer Waterfront and the regeneration opportunities that have been identified in the far west of the region.
- 4.4 A section on related strategic initiatives was also included in the Programme. This recognises that there is ongoing work with our local businesses that needs to happen in addition to the strategic projects which are the main focus of the Programme. It focused on leadership, innovation and internationalisation.

- 4.5 These major projects provide a strong example of Community Planning in action at a strategic level and will contribute to the achievement of the Community Planning Partnership's Single Outcome Agreement targets if successfully delivered.

5 PROGRESS ON STRATEGIC PROJECTS

- 5.1 Good progress has been made with regard to all four of the projects in the Programme, with positive engagement from Scottish Government and Scottish Enterprise taking a positive lead for a number of strands of work. For instance, the Borders Railway/Central Borders Business Park project has received significant officer and financial input from the Scottish Government, Scottish Enterprise and VisitScotland. A range of projects are being supported including tourism activity to exploit the opportunities created by the opening of the Borders Railway and a building project to house the Great Tapestry of Scotland.
- 5.2 The opportunity to deliver new serviced land and new, modern office space is being taken forward on land at Tweedbank owned by the Council, with Scottish Enterprise developing a business case to fund that work. A vision/masterplan, funded by the Council and Scottish Enterprise has been developed by Page Park architects to provide a framework for the future development of the Central Borders Business Park. This includes the potential long term redevelopment of the existing industrial area to better meet the needs of modern businesses. Finally, work to enhance the promotion of the area for inward investment has also been delivered with a new online "Prospectus" that promotes the Borders Railway corridor, developed in conjunction with Midlothian and City of Edinburgh Councils.
- 5.3 In terms of mountain biking and developing a world class product, a number of actions have been taken forward. Work to establish the viability and fundability of the AIMUp uplift project at Innerleithen is under way. This work is also considering the broader mountain biking opportunity and a Tweed Valley Mountain Biking Stakeholder Group has been formed to ensure that all relevant partners are involved. Reinvestment in the mountain biking product is also being considered by the Group as the ongoing maintenance of trails and the development of new trails for a range of aptitudes has been identified as key to the future success of mountain biking in the area. The positive involvement of Scottish Enterprise and Forestry Commission Scotland has been crucial in this work.
- 5.4 Forestry Commission Scotland has also taken forward the work on Glentress Masterplan, with support from the Council and Scottish Enterprise, and the Supplementary Guidance is currently out for consultation. Positive work has also been undertaken with regard to attracting new investment in visitor accommodation linked to the forest estate and mountain biking.
- 5.5 With regard to the projects in Dumfries and Galloway, a Strategic Masterplan Study to evaluate development opportunities along the corridor, led by Scottish Enterprise, has been completed. The final report confirmed the biggest opportunities around the Energy, Active Aging/Care Services and Tourism sectors. At Stranraer waterfront, an outline business case for Marina Infrastructure has been completed and a number of key studies have been taken forward with regard to the Site Servicing for a key area of brownfield land.
- 5.6 Finally, Council officers have been working with Scottish Enterprise to develop the leadership, innovation and internationalisation strands of activity that could boost the competitiveness of the area. In order to keep momentum behind the Programme, it is intended that a new South of

Scotland Competitiveness Strategy will be agreed by the Alliance. Work is already under way to produce this document, which will form the basis for a further programme of actions that will be presented to the Depute First Minister in December 2015. It is anticipated that this will focus on three aims, fostering a culture of innovation; inspiring enterprise and entrepreneurship; and the work already under way around creating resilient, future-proof enabling infrastructure.

6 IMPLICATIONS

6.1 Financial

- (a) The Council, and its Community Planning Partners, will need to ensure that the projects identified in the Programme are given high priority and that appropriate staff and financial resources are made available to secure their successful delivery. If these projects can be delivered and make the expected impacts, then it will strengthen our case for similar interventions in future.
- (b) The ongoing financial implications of the Programme will require to be considered alongside other priorities and be reflected in future capital and revenue plans. It should be noted that future public spending reviews could constrain the delivery of the Programme. In view of this it is expected that the Programme will be reviewed and updated to reflect shifting resources.

6.2 Risk and Mitigations

There is a reputational risk to the Council of not ensuring that it has lobbied as effectively as possible for additional investment for the Scottish Borders. The Programme mitigates that risk by presenting a strategic, coordinated programme to the Scottish Government and Scottish Enterprise.

6.3 Equalities

There are no direct equalities impacts from the Programme. Specific Equality Impact Assessments will be undertaken as appropriate for each of the strategic projects contained in the programme.

6.4 Acting Sustainably

The Rural Regional Economic Development Programme has sustainable economic growth at its core. The programme is intended to help the rural economy in the South of Scotland be more sustainable in the long term.

6.5 Carbon Management

There are no direct implications for the Council's carbon emissions from this proposal.

6.6 Rural Proofing

This report does not propose a new or amended policy or strategy.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required to either the Council's Scheme of Administration or the Scheme of Delegation 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 Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, the Service Director Interim Capital Projects and the Clerk to the Council have been consulted and their comments have been incorporated into the report.

Approved by

Rob Dickson

Signature

Corporate Transformation and Services Director

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Background Papers: None

Previous Minute Reference: Item 12, Executive Committee, 10 June 2014

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

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