



## Consultation on a new Enterprise Agency for the South of Scotland

### RESPONDENT INFORMATION FORM

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Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

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We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No



# SURF Response: Consultation on a South of Scotland Enterprise Agency

## Background

In its 2016 Manifesto for Community Regeneration, SURF proposed that the Scottish Government elected on the back of the 5 May 2016 Scottish Parliament elections should:

*“Replicate the successful and inclusive approach of Highlands and Islands Enterprise in rural areas in the rest of Scotland.”<sup>i</sup>*

On 25 May 2016, the Scottish Government announced that it would be carrying out a strategic review of its enterprise and skills agencies. The first stage of the review, published later that year, featured ten new Scottish Government policy commitments, one of which was:

*“Recognising the unique challenges faced in the region, we will create a new vehicle to meet the enterprise and skills needs of the South of Scotland.”<sup>ii</sup>*

In its 2017/18 Programme for Government, the Scottish Government elaborated on its legislative plans to create a new enterprise agency for the south of Scotland:

*“We will prepare legislation to establish this agency in 2018 and put in place interim arrangements later this year to ensure the south of Scotland benefits from a new approach that supports a diverse and resilient economy, sustains and grows communities, and capitalises on people and resources.”<sup>iii</sup>*

SURF welcomed this commitment to address a geographic imbalance in economic development support by creating a dedicated and customised agency for the south of Scotland. SURF also contributed to some early discussions towards the South of Scotland agency, including in Moffat in early 2017. We are pleased now to take the opportunity to inform the new agency’s approach by responding to this consultation. The following sections include SURF’s response to selected questions set out in the consultation paper.<sup>iv</sup>

## Economic Context

### **Question 1: Do you agree with our ambition outlined [in the consultation paper]?**

Broadly, yes. The strategic priorities share strong parallels with those of Highlands & Islands Enterprise and its more inclusive approach. That is a model that SURF championed in our 2016

Manifesto for Community Regeneration.<sup>i</sup> The consultation paper rightly notes that the north of Scotland and south of Scotland are distinctive regions with different contexts and specific challenges.<sup>iv</sup> They do, however, share common problems. These include dispersed populations within a large geography, mixed access to public services, a low supply of good quality jobs, limited opportunities for young people, ageing populations, and concerns about the provision of digital and physical connectivity.

The proposed remit for the new agency is admirably broad, but it is a manageable one if adequate levels of political support, local buy-in, and financial resources are achieved and maintained.

The general plan to simultaneously support ambitions for inclusive economic growth, stronger community empowerment, social enterprise development, town centre enhancement, increased tourism, enhanced digital and physical infrastructure, fair working practices, and enhanced skills development, align well with both of SURF's founding principles, which are:

1. *Successful and sustainable regeneration is only achievable when all aspects of physical, social, economic and cultural regeneration are addressed in a holistic approach.*
2. *The people who are the intended beneficiaries of any regeneration effort must be meaningfully involved in the process if it is to be successful in planning, implementation and maintenance.*<sup>v</sup>

SURF is therefore in agreement with the ambitions of the new agency. However, these can only be realised if matched with appropriate resources, intelligently applied within a clear and efficient operating structure, with robust partner relationships, skilled personnel, and strong community trust.

#### **Question 4: What are the strengths you would like to see the Agency build on?**

Both Dumfries & Galloway and the Scottish Borders are well placed to progress opportunities in the growth sectors identified in the Scottish Economic Strategy, including sustainable tourism, renewable energy, food and drink, and the creative industries.<sup>vi</sup>

As the consultation paper notes, the south of Scotland region has distinctive resources, including a high quality natural landscape. It is a significant contributor to the nation's agricultural, fisheries and forestry sectors. It also has major tourist assets, including Galloway Forest Park, Melrose Abbey and Hermitage Castle, and a rich social, cultural and industrial history.

Significant local projects highlighted in the SURF Awards for Best Practice in Community Regeneration confirm that the creative industries and cultural strengths of the region are also developing rapidly. These include the Stove Network, the Heart of Hawick arts centre, Whithorn's Iron Age initiative and Alchemy Film Festival.<sup>vii</sup> This area of strength is further evidenced by the Dumfries & Galloway 'theme towns' approach, in which Wigtown (books), Kirkcudbright (art) and Castle Douglas (food) are using locally appropriate specialisations to help grow more sustainable local economies.<sup>viii</sup>

#### **Question 5: What are the economic challenges you would like to see the Agency address?**

SURF's recent *Alliance for Action* programme feasibility study in the Dumfries & Galloway town of Langholm was undertaken in the six months to April 2018. It highlighted a number of economic

challenges facing the town from the perspectives of local stakeholders, many of which will be echoed in similar small towns across the south of Scotland. Most prominent among these were:<sup>ix</sup>

**Changing Demographics** – the town’s population is ageing. There is a tendency for most young people to permanently migrate from Langholm as soon as they leave school in order to find suitable work, training and further education opportunities. This situation is a driver of depopulation and associated economic decline.

**Loss of Economic Purpose** – a formerly thriving mill town, Langholm’s industrial period is over, and it is hard to see a way of attracting big employers back to the town. Even retaining existing employers is difficult. For example, in a single two week period in late May 2018, the Edinburgh Woollen Mill announced plans to move its current Langholm headquarters to Carlisle, the town’s biggest building contractor (T. Graham and Son, which employed 30 staff) ceased trading, and the Royal Bank of Scotland branch closed. This loss of good quality jobs, direct and indirect, will be hard to replace.

**Underdeveloped Tourism** – there is widespread agreement across the stakeholders SURF interviewed that Langholm’s tourist offer is presently underplayed. The Borders Reivers, genealogy and family history, the engineer Thomas Telford, and the poet Hugh MacDiarmid are the subject of proposed initiatives that could help attract more visitors to the town. Despite already having renowned walking and cycling routes, the Buccleuch Arts Centre’s acclaimed theatre programme, good hotels and heritage trail links, the town’s profile in tourism marketing communications and road signage is lacking.

**Farming to Forestry** – SURF heard that some local farmland is being converted into forestry because of concerns around reduced farming subsidies post-Brexit. There are concerns that new commercial forests may inhibit outdoor tourism, including preventing access to some popular walking and cycling trails, while the reduction of local farms will likely have a negative impact for the local economy, as many shops and suppliers based in Langholm depend on demand from farmers.

**Lack of New Housing** – the town’s present supply of housing is seen as inadequate, especially for young people. This is particularly problematic for the town’s economic future, as attracting new families to the town who could commute to nearby Carlisle for work would be a logical way to grow the local economy. New developments are few and far between, partly because floodplain risk issues discourage housebuilders, although a 34 unit development is currently being planned by Loreburn Housing Association.

**Transport Challenges** – Langholm has limited public transport connections to the rest of Dumfries & Galloway, which hinders its economic potential. A dependency on the A7 road, which leads north to Hawick and south to Carlisle, is damaging to business and tourism as closures are not uncommon.

**Geographic Boundaries** – the town’s proximity to the Scotland/England and Dumfries & Galloway/Scottish Borders boundaries is a cause of particular economic challenges. For example, it is not practical for local young people to live in Langholm and engage in further education in nearby Carlisle, because the different Scottish & English education system arrangements make Carlisle College courses too expensive. Scottish Colleges and Universities are beyond easy commuting distance, which encourages school leavers to relocate to the central belt.

As a small town in the south of Scotland with significant economic challenges, many of the above issues facing Langholm are shared by others in Dumfries & Galloway and the Scottish Borders, as evidenced by Scotland's Rural College's *Rural Scotland in Focus* findings and the University of Glasgow's *Poverty and Deprivation in Dumfries and Galloway* report.<sup>x xi</sup>

## Potential Activities

### **Question 8: What would you prioritise as the key areas of activity for the Agency?**

Confirming shared priorities and respective roles and responsibilities is key, and is possible. Along with consultation responses from local stakeholders, the activities of Highlands and Islands Enterprise would serve as a helpful basis for considering which activities the new South of Scotland Enterprise Agency should undertake.

SURF's extensive 2016 Manifesto consultations highlighted widespread admiration across the Scottish regeneration field for Highlands & Islands Enterprise's holistic approach towards providing social and economic improvement across a vast geography. As the final paper noted:

*“[the] consistent approach of Highlands and Islands Enterprise in driving people-centred regeneration and sustainable economic development activities in the north and north-west of Scotland [is widely respected]. The agency's holistic approach is notable for prioritising local assets and identity of place, and for close and effective collaboration with partners of all sizes, including local authorities, social enterprises, and community groups.”<sup>i</sup>*

Highlands & Islands Enterprise's regeneration engagements range from supporting community land ownership schemes and providing support to cultural regeneration initiatives, to developing niche tourism opportunities, supporting social enterprises and development trusts, as well as helping local businesses to establish international exporting.<sup>xii</sup>

Overall, it provides broad support for different players and approaches with a view to maximising connectivity and capacity on shared priorities. This breadth of activity and range of partners and service users is a considerable challenge that the agency is able to meet through a resource of 12 regional offices and 270 full-time staff.

### **Question 9: What specific things could the Agency do to help you, your business, your sector or your community?**

SURF would welcome any reasonable opportunities to link with the Agency, and its services, to strengthen practical regeneration outcomes in our *Alliance for Action* programme site of Langholm, to integrate local projects and plans with regional strategies, and to share wider learning outcomes with a view to informing the Agency's role in other parts of the south of Scotland.

We would equally welcome the opportunity to share learning outcomes from Langholm with the Agency's representatives as the basis for identifying possibilities for future co-operation and collaboration.

SURF has similar place-based collaborative regeneration learning to share from its *Alliance for Action* activities in the other programme sites of Dunoon, East Kirkcaldy, Govan and Rothesay.

## Location and Boundaries

**Question 11: Which option, either from the list above or your own suggestion, do you think offers the best way to ensure the Agency is accessible to all across the South of Scotland?**

Of the options provided, digital-only service provision is the least favourable, as many of the proposed Agency activities require high levels of mutual understanding and trust, which requires interpersonal communication via face-to-face interaction. Agency staff should also be actively prepared, and encouraged, to attend regional forums and partnership meetings. Digital information services should, of course, be an important feature of the new Agency's working practices, but cannot be the only form of interaction it offers if it is to be effective and responsive.

A single Agency office, whether in Dumfries, Melrose or elsewhere, would inevitably present an unreasonable level of distance from less central places such as Stranraer, Eyemouth and Whithorn, and would prevent truly regional connectivity. As a single delivery location would limit the Agency's profile and prevent convenient access from would-be service users across the south of Scotland, the establishment of regional offices is our preferred option.

A recent SURF Board open discussion on rural infrastructure and regeneration highlighted an issue, however, with the hub and spoke model. In some agencies this can disempower locally-based staff by tasking them with basic administrative duties, while high-level decisions are made at a distant headquarters. A preferable alternative may be to have a small number of empowered offices accessible to population centres throughout the region.

The location of these offices could be used to support the Scottish Government's wider social and economic ambitions. Locating Agency staff in struggling town centres and in more economically challenged parts of the region can provide much-needed tangible economic benefits for these places, in addition to lower office space rent for the Agency. This would demonstrate a strong signal of support for genuine inclusive growth. It would also provide Agency staff with improved knowledge of assets, challenges and opportunities in local economies, in alignment with the Town Centre Action Plan and the forthcoming Socio-Economic Duty.<sup>xiii xiv</sup>

Co-location can have a number of benefits, from cost saving to making local partnership links easier to maintain, and should be investigated. In considering such options, it would be important for the Agency to ensure it can have its needs met by any arrangements proposed by public sector partners, including meeting the expectations of its service users.

**Question 14: What sort of people should be on the Board of the Agency and what sorts of skills and expertise should they have?**

For SURF, the most important aspect is securing a Board with a quality and range of experience across private, public, academic, community and third sectors, all of whom should share the Scottish Government's widely agreed commitment to inclusive economic growth.

The Board of Highlands & Islands Enterprise provides a useful example to follow. It features representatives from leading regional industries and community groups alongside senior public sector figures. It also has access to valuable expertise in accountancy, governance, legal matters, strategic planning, and communications.

As the consultation paper notes, the South of Scotland Economic Partnership already benefits from relevant players in the public, private, third, and further and higher education sectors, which provides a strong base.<sup>iv</sup>

## Other Issues

**Question 15: We know that young people are less likely to stay in or move to the South of Scotland than they are other parts of the country. Do you have any comments on things the Agency could do to meet the interests of children and young people?**

SURF's *Alliance for Action* programme feasibility study in Langholm – and our work in Dunoon and Rothesay – heard that local messaging is compounding this issue. Local stakeholders claimed that the town's young people constantly hear that they need to leave Langholm to find good work, training and education opportunities, and pick up a negative attitude towards the town as a result. There are, however, some high quality opportunities available locally, and it was felt that schools and local agencies were failing to sufficiently present and promote these opportunities. Doing so could help to retain young people, and attract some that move away back to the town later in life.<sup>xv</sup>

Langholm stakeholders felt that this situation could be changed through the provision of new opportunities for young people in a range of areas. These include a proposed social care facility that could provide training and qualifications for young people in a growing sector of the economy; a creative network to help young artists and crafts-people to explore retail and workshop aspirations; and supported apprenticeships in the town's small textiles and manufacturing firms.

**Question 20: Is there anything else you wish to say about the operation of the Agency?**

In the still challenging current community regeneration landscape, cities, city regions and the Highlands & Islands are benefiting from a range of useful policy interventions and resources. SURF has argued that more remote and vulnerable regions in the rest of the country are in danger of degenerative neglect in this context. The South of Scotland Enterprise Agency and Regional Growth Deals are welcome responses to this challenge.

The South of Scotland Enterprise Agency staff and Board could support and benefit future Scottish Government policy for the region. A reasonable level of autonomy for the new Agency would help to ensure the sustainable of shared aims for the south of Scotland as part of a Scottish-wide strategy for regeneration via the tackling of poverty and inequality, and the promotion of inclusive economic growth.

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*End of response; references follow.*

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