RURAL ECONOMY AND CONNECTIVITY COMMITTEE

SOUTH OF SCOTLAND ENTERPRISE BILL

SUBMISSION FROM THE SOUTH OF SCOTLAND ECONOMIC PARTNERSHIP (SoSEP)

Background

1. As part of the review of the Enterprise and Skills System, Ministers recognised the unique economic challenges facing the South of Scotland and the need for a fresh approach to tackling them and driving inclusive growth across the area. They announced that they would establish a new public body, the South of Scotland Enterprise Agency, to operate in the local authority areas of the Scottish Borders and Dumfries & Galloway.

2. In advance of the statutory agency, Ministers have established an interim economic partnership, the South of Scotland Economic Partnership (SoSEP) so that the area can benefit from a new approach to economic development as soon as possible.

3. The partnership was established in January 2018 and is chaired by Professor Russel Griggs OBE with its day to day activity coordinated by Rob Dickson, seconded on a part time basis to the Scottish Government from Scottish Borders Council. The Partnership brings together the seven key public sector organisations1 that support economic growth in the South of Scotland together with the private, third and education sectors.

4. With a clear strategic vision, the Partnership was asked by Ministers to take forward a range of activities that drive forward the economy, sustain and grow communities and capitalise on people and resources. The Partnership is to promote fair work and inclusive growth with a clear focus on the South of Scotland and prepare the way for the new South of Scotland Enterprise Agency.

5. The partnership was given three primary tasks by Ministers, they are:

   • **Develop** and **deliver** a clear and prioritised work programme, aligning existing activity, driving progress and piloting new approaches to benefit the South;

   • Influence the **design** of the new agency – offering views to Government on options for the structure and functions of the new agency, assessing what has worked and engaging with stakeholders to ensure the agency is responsive to and informed by the needs of the area;

   • Deliver a strong programme of **engagement** with stakeholders across the South of Scotland, including the private sector to ensure that they influence the work programme and can inform the proposals for the new Agency. The Partnership will work with businesses in the South of Scotland to understand the issues and opportunities that exist and how best to address these in driving inclusive growth across the area.

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1 Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland, Skills Development Scotland, Scottish Funding Council, Dumfries and Galloway Council, Scottish Borders Council
**Key Messages, Shaping Principals, Strategic Priorities**

6. Following a meeting with Mr Ewing in August 2018 when a set of Key Messages (see below) were shared with the Cabinet Secretary the Partnership has continued to develop its thinking on how the new Agency should be shaped. This reflects the primary tasks outlined above.

7. On the basis of its findings from the stakeholder engagement it undertook in 2018, from the work of the Partnership’s Theme Groups and from the Board discussions the Board concluded that a set of shaping principles based on their knowledge and understanding would be a particularly helpful focus for the Scottish Government to use as they continue the work to develop the new Enterprise Agency.

8. The Shaping Principles recommended by the Partnership are set out below.

9. As the Partnership develops its 2019/20 work plan it has agreed a set of strategic priorities that will influence the work plan. These are also set out below.

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**Key Messages**

1. The economy of the south of Scotland is different; not necessarily weaker than other parts of Scotland.

2. The profile of the South of Scotland needs to be addressed.

3. A focus on the requirements of young people is essential as a counter to an aging demographic and a deep concern about sustainable housing and employment that is shared across the region

4. The provision of training that develops the skills of all those seeking employment, of whatever age, is essential to secure sustainable employment and business growth

5. There should be a renewed focus on accessing training and in doing this provide better transport connectivity, that should include considering bus service improvements.

6. Diverse support to strengthening the economy will be a fundamental function of the new Agency; it must be more easily available to a wider range of organisations irrespective of their location, size or sector

7. A relentless focus on place and on strengthening our individual communities is required to strengthen our economy and deliver inclusive growth.

8. Digital Connectivity remains a challenge; the message must be better balanced and say that provision is here, will grow through R100, but take up, exploitation and securing economic advantage is now as critical.

9. The suggested geographic area for the new Agency is correct, but the new Agency must be everywhere in the South
10. A sector specific approach is vital; but any prioritised sectors should be those we are confident will deliver the strongest economy in the future.

11. There is a critical lack of empirical data relating to the south of Scotland; this is acute in relation to the business sector

Shaping Principles

1. SOSE must provide support to businesses, communities and social enterprises which is tailored to and focussed on the businesses, communities, social enterprises and wider economy of the region:
   - The support must recognise the different structure of the business/customer base in the South of Scotland – particularly the rural profile and wide geographical spread, and the high number of SMEs including micro businesses. It must seek to be available to all regardless of location, size or sector.
   - The support must be flexible in being appropriate for communities, social enterprises and voluntary groups, as well as businesses
   - SOSE must have at its core a desire to really understand the economy of (and economies within) the region, and a relentless drive to use this knowledge to support resilience as well as innovation and growth. A key part of this will involve greatly increasing the profile of the South of Scotland.

2. SOSE will occupy a new and niche space, by supporting businesses and communities through a community led place-based lens:
   - Simply put, SOSE's account managers and front-line service providers will be experts in the local economies and communities of the region.
   - SOSE and its staff will seek to understand places and communities and to strengthen the economy and future potential in the South of Scotland economy. It will provide advice, support and services on this basis. An anticipated outcome from this is that the public funds available will be spent across a wider number of businesses, communities and others than has historically been the case. The role of communities and responding to community led activity will be fundamental for the Agency.
   - To complement this approach, SOSE will offer businesses, voluntary groups and communities seamless links to other services and areas of advice and support such as trade, internationalisation, sector-specific, fair work and skills.

3. SOSE needs to be accessible to everyone across the South of Scotland:
   - SOSE needs to look and feel like a new organisation bringing a new culture for the south.
SOSE needs to communicate that at its heart is a sense of ownership for all: “your agency for you”.

It needs to have a wide and visible (but proportionate) geographical presence, and digital systems that are user-friendly, fit for purpose and linked in to the wider Enterprise and Skills landscape. Co-location in existing offices and other facilities will be important.

4. SOSE must provide leadership and needs to be nimble, responsive and willing to take risks:

- SOSE must use the local knowledge and expertise it develops to be well-plugged in to and responsive to changes in the core areas of strength for the local economy such as with sustainable tourism, food and drink, agriculture, forestry and fishing. This must be under-pinned by strong and current data.

- It must also strive to understand the key areas of potential and have a focus on innovation – both in terms of the business ideas and approaches that it supports and in terms of its own approach to offering support and services.

- SOSE staff will look to support the use of digital connectivity by businesses and communities to secure economic advantage.

**Strategic Priorities for 2019/20 Work Plan**

Note these are not in a prioritised order.

1. Develop the business support model for communities, the voluntary sector, social enterprises and businesses to be appropriate for the south and reflecting the national programme to provide a single portal.

2. Complete and begin delivery of the Regional Skills Investment Plan.

3. Develop an approach (a model?) that clearly demonstrates how a place based approach can be implemented in the work delivered by the Partnership and planned for the Agency.

4. Through the funds available to SoSEP ensure that each community has the opportunity to invest in priorities they have that meet the criteria established for funding.

5. Continue stakeholder engagement, championed by the Theme Groups and the wider Partnership ensuring the widest belief that this will be ‘your agency for you’

6. Respond and contribute to the Government’s Project Team working to deliver the new Agency.

7. Continue to commission research that will strengthen the available data on which policy decisions and proposals can be evidenced.
8. Ensure that the proposals for delivery of all activity are digital first and digitally enabled and in doing so develop a clear view on the digital nature of the Agency’s offer.

9. Establish and evidence new ways of operating in the south between existing agencies reflecting the establishment of the agency

10. Identify new opportunities and challenges arising in 2019/20 and clearly set out the Partnership’s response