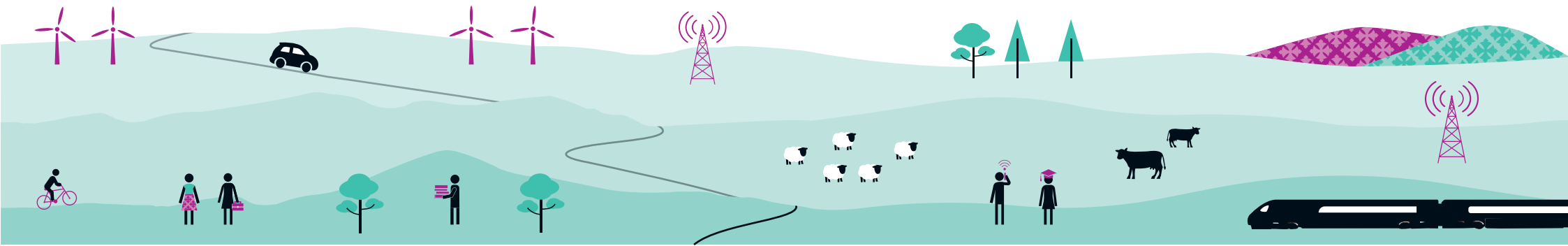




Borderlands Inclusive Growth Deal

Heads of Terms Update - July 2019



On Monday 1 July, the Leaders of the Borderlands Councils and UK and Scottish Government Ministers signed a Heads of Terms agreement setting out the framework, projects and programmes that are included in the Borderlands Inclusive Growth Deal. This announcement is the result of collaborative cross-border working between the Borderlands Councils and has secured a £394.5 million investment package for the benefit of our region - made up of UK and Scottish Governments' investment combined with financial support from the Borderlands partners.

We look forward to continuing the work of the partnership and engagement with UK and Scottish Governments over the coming months as we develop project business cases and move towards agreement on the Final Deal package.

The Story So Far

In September 2018, the Borderlands Partners submitted a Deal proposal to the UK and Scottish Governments. The investment priorities and themes outlined in the proposal were designed and developed by the five Borderlands partner authorities to drive inclusive growth, deliver significant and lasting economic benefits for individuals, businesses and communities right across the region.

The Deal Proposal comprised of:

- Six key programmes: Digital; Borderlands Energy Investment Company; Destination Borderlands; Quality of Place; Knowledge Exchange Network and Business Infrastructure Programme.
- Four place-based projects: the redevelopment of Chapelcross former power station; Mountain Bike Innovation Centre; Berwick Theatre and Conference Centre; Carlisle Station Gateway; and
- A feasibility study for Borders Railway extension.

In March 2019 the Scottish and UK Governments announced a Deal worth £345 million based on the proposal submitted in September 2018. This level of investment will deliver around 5,500 job opportunities, attract more than four million extra tourists to the area, improve mobile and digital connections and unlock investment in towns across the region generating a predicted uplift of £1.1 billion to the region's GVA.

Since making the submission in September 2018, we have continued to work with officials from both Governments to refine and strengthen the proposals, particularly in relation to the programmes.

The main area of change relates to the Knowledge Exchange Network, which is now being taken forward as Rural Skills and Innovation. This is a result of the identification of new and distinct approaches that are focused on key sectors and respond to the rural nature of the Borderlands economy. These include:

- The concept for a Natural Capital Innovation Zone to be formed which would include some development work being undertaken for a Forestry Innovation Centre, based in England but benefiting the Borderlands. An additional £5 million has been added to the Deal to support this project.
- The creation of a Dairy Innovation Centre, that builds on the approach taken to support our indigenous industries, and although based in Scotland, it will work with farm businesses across the Borderlands.
- The creation of the South of Scotland Learning Network to improve skills and innovation in the tourism sector.

With this investment from both Governments and the additional investment that the Deal will attract, our one million residents across the Borderlands region will benefit from new and well-paid jobs and have better digital connection.

We will encourage young people to stay and move to our region and by increasing our working age population create opportunities for new business investment.

We will encourage more people to visit and experience our rural region, spending money in our local businesses. Our existing residents and communities will see investment in their towns through our Place Plan and our business investment work.

We will invest in energy bringing new jobs and generate cheaper energy for homes. Borderlands aims to be the first carbon neutral region in the UK.



Improving Places

Our places matter. This is where we live and work and it is important that this Deal helps improve the economic performance of our towns. Whilst we will not be able to support all 80 towns in the Borderlands region, we will target investment in places that will help boost economic activity across the region.



❖ Place Programme

Recognising the importance of our smaller rural market and coastal towns to the local economy, this programme will provide funding to support the revitalisation of smaller towns across the Borderlands region.

Each town that is identified for inclusion within the programme will develop a Place Plan for how funding will be spent and how it will help boost economic activity in the town.

This programme will help to create thriving rural communities and will focus on the smaller market and coastal towns that are not able to access to the national Future High Street and Stronger Towns Fund.

We will continue to work with partners to identify the places that will benefit from the Place Programme. As this progresses we will be working communities to agree the detail of the projects to be funded through the Programme.

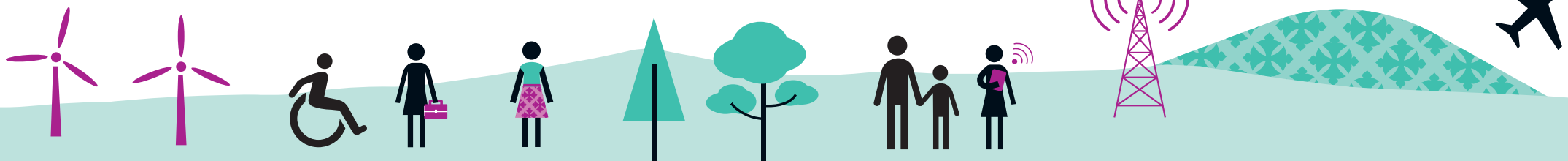
❖ Destination Borderlands

Raise the profile and appeal of the Borderlands as a place to visit and support the delivery of new visitor attractions. There are five sub-projects focusing on:

- **Hadrian's Wall and the wider Roman Frontier** that will invest in routes, infrastructure and visitor attractions to attract new audiences and greater visitor spend along the length of the wall.
- **See More Lake District** that will create opportunities to showcase what the Lake District has to offer to the world and encourage visitors to the wider Borderlands area.
- **Borderlands Walking and Cycling Routes** will establish the Borderlands as a national and international destination for outdoor recreation by enhancing the existing network of long-distance walking and cycling routes and creating new routes.
- **River Tweed Route** will create combination of high-level walking routes, surfaced shared access routes and riverside paths linking settlements and towns along the route.

- **Stranraer Marina** will repurpose Stranraer and Loch Ryan as a marine leisure destination to create jobs and draw in new visitors.
- **Lillidorei, Alnwick Garden** will build a spectacular play village, incorporating potentially the largest play structure of its type in the world. This will convert the Alnwick Garden into a multi-day all-year destination.

- ❖ **Berwick Theatre and Conference Centre**
Investment into a new theatre and conference centre as the catalyst for cultural regeneration of the town.



Enabling Infrastructure

Infrastructure is a significant challenge across the Borderlands and we recognise that this Deal cannot resolve this. The Deal will therefore focus on areas where we can make a meaningful difference. The Deal will include three infrastructure projects that are designed to improve connectivity and accessibility.



Borders Railway Extension Feasibility Study

Funding is being provided that will allow for feasibility work to be undertaken to progress the development of proposals for a new rail line connecting Carlisle to Edinburgh linking with the existing Tweedbank line. This is a genuine cross-border project and important for improving connectivity to and from our rural communities through the Borderlands.



Digital Borderlands

Digital and mobile connectivity is critical to future business performance and even more so for dispersed rural communities. With Government recognising the importance of digital infrastructure in this Deal, the Borderlands partners will progress the development of a business case for investment in digital and mobile infrastructure. In the meantime, the R100 programme in Scotland will enable delivery of superfast coverage and to complement this there will be a voucher scheme in Cumbria and Northumberland that will facilitate delivery of gigabit connectivity in not-spot locations.

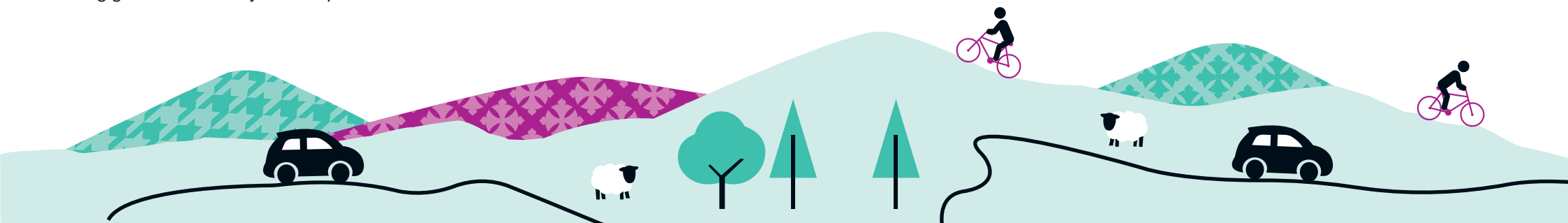


Carlisle Station Gateway and Citadels

The proposal is to create a new high-profile gateway development for Carlisle centred around the Railway Station, the Citadel buildings and Caldew Riverside that will boost economic prosperity by attracting people to live, study and work in the area.

The first phase of the Carlisle Station Gateway project will be the improvements at Carlisle Railway Station. Public consultation will be undertaken later this year creating the opportunity for wider engagement in the development of the detailed business case for this project.

The second phase will be focused on the historic Citadels area to establish the site as a focal point for higher education, business and cultural uses. Working with the University of Cumbria and other key local stakeholders, Cumbria County Council and Carlisle City Council are currently exploring development options for the regeneration of the site.



Encouraging Green Growth

Borderlands is committed to becoming a carbon neutral region. Our whole system approach to investing in green energy, coupled with our plans to maximise the benefit from our outstanding natural resources will lead to a vibrant economy driven by clean energy.



❖ Energy Investment Company

An energy masterplan will be prepared for the Borderlands with a commitment being made in the Deal for there to be a capital fund of up to £31 million for investment in energy projects. The masterplan will seek to identify the energy investment opportunities for the capital funding, including trials for new energy generation and energy reduction schemes as well as off-grid renewable energy schemes that will support inclusive growth through reducing energy costs for local communities.

There will be opportunity for engagement with stakeholders in the development of the energy masterplan over the coming months.

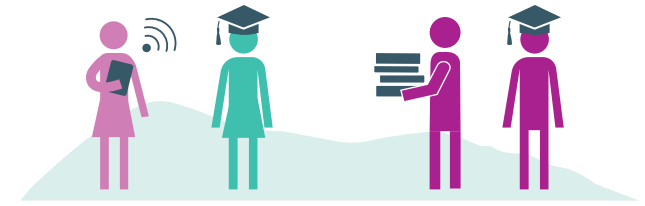
❖ Natural Capital Innovation Zone

Linked to the Innovation Centres for Dairy and Forestry, this designation will present opportunities to introduce new ways of working. These will fuse together the best practice from both environmental stewardship initiatives (such as the Defra pioneers, landscape partnerships, river trusts, forestry investment zones. etc) and economic and social growth initiatives (such as the LEADER, neighbourhood and community planning, and strategic economic plans) to maximise the full benefit from our countryside within the context of responding to climate change.



Supporting Business, Innovation and Skills

Creating the conditions for businesses to thrive is necessary for delivering against our objective of increasing business productivity and inclusive growth. Borderlands funding will be focused on a number of complementary projects and programmes to enable innovation and business growth.



❖ Business Infrastructure Programme

The aim of this programme is to raise productivity through investment in sites and premises across the Borderlands region.

Working with the South of Scotland Enterprise Agency and the two Local Enterprise Partnerships, priority sites and premises will be selected that best respond to economic opportunities and can help to unlock business investment and growth.

❖ Chapelcross

Bring the site forward as a strategic inward investment opportunity for employment and energy uses.

❖ Mountain Bike Innovation Centre

Establish Innerleithen as a world class location for mountain bike tourism, investment and innovation.

❖ Rural Innovation and Skills

This will boost rural productivity and support rural sectors. The projects within the programme are:

- **Dairy Innovation Centre**

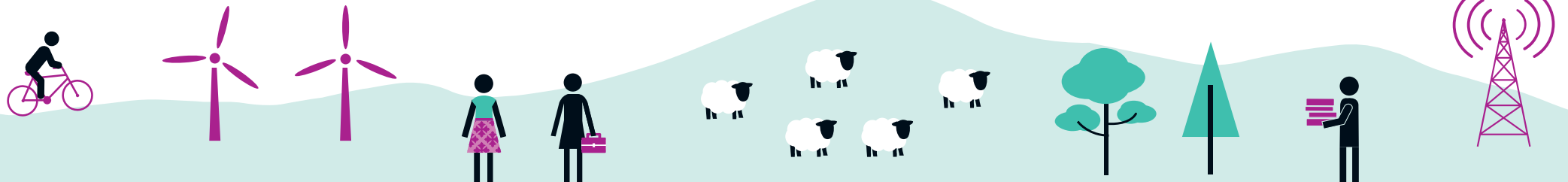
Create a state-of-the-art centre for education and innovation at the Scottish Rural University College.

- **South of Scotland Learning Network**

Create a visitor economy Hub, along with additional 'spokes' in more remote areas, to help improve the skills available for the tourism sector and visitor economy, with the aim of enhancing the end customer experience.

- **Forestry Innovation Centre**

Develop with the forestry sector a centre of excellence to showcase innovation that would improve productivity across the whole supply chain.



Next Steps

Before any investment is made, all the business cases need to be further developed and scrutinised on the way to agreeing the Final Deal with UK and Scottish Governments.

We will be engaging with partners as we work through the business case development process to draw on the skills and experience from businesses and communities across our region. Some of this work will be project or theme specific, some more general.

So if there's an area or project that you would like to contribute to, please email us and we'll put you in touch with the lead for that project. We'll also be establishing an Economic Forum which will be made up a group of experts from the local area and partner agencies. This group will provide advice to the partnership board. Our website will also be updated as we progress, so please keep an eye out for updates.

We will be holding the second Borderlands Conference in Charlton Hall, Northumberland on Monday 7 October 2019. The conference will provide the opportunity for stakeholders to engage in the next stage of development of the projects and programmes in the Deal. Look out for further information and how to book your place at www.borderlandsgrowth.com



The Borderlands Inclusive Growth Deal is being delivered by the following partners:

