Our Borderlands – Our Future: Final Report

Sixth Report of Session 2014–15

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 18 March 2015
The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

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Committee staff

The current staff of the Committee are Rebecca Davies (Clerk), Jyoti Chandola (Clerk), Phil Jones (Second Clerk), Alasdair Mackenzie (Committee Specialist), Helena Ali (Senior Committee Assistant), and Annabel Goddard (Committee Assistant).

Contacts

All correspondence should be addressed to the Clerk of the Scottish Affairs Committee, House of Commons, 14 Tothill Street, London SW1H 9NB. The telephone number for general enquiries is 020 7219 6123; the Committee's email address is scotaffcom@parliament.uk
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Conclusions and recommendations

The south of Scotland

1. We are sympathetic to the calls we heard from the south of Scotland for more job creation schemes in the area. We urge both the Scottish and UK Governments to locate public sector jobs beyond London and Edinburgh, and recommend that both Governments provided a detailed breakdown of the location of public sector jobs, and their future plans for further relocation, to our successor Committee. This work should run in tandem with UK Government support for communications and transport infrastructure development in the region. (Paragraph 24)

2. We recommend that the UK Government take seriously Michael Moore’s reminder that its responsibility does not stop at the Border. It should demonstrate this by lending its full support, through expertise, ministerial participation and financial resource where possible, to employment initiatives in the south of Scotland, such as the Borders Employability Forum. (Paragraph 25)

3. While we recognise the concerns of employers in the south of Scotland, particularly those running small businesses and micro-businesses, of the potential costs of the living wage, we see no justification for not paying workers a living wage in the UK in 21st century. We have addressed the issue of fair wages in our inquiries into zero hours contracts and into compliance with the minimum wage in Scotland. At the very minimum, the UK and Scottish Governments should ensure that all public sector employees in the south of Scotland are paid the living wage. (Paragraph 29)

4. We recognise the work being done in the area to provide training opportunities for young people. To effectively combat youth unemployment the UK Government, which is responsible for employment policy, and the Scottish Government, which is responsible for higher education, training and skills development, should produce a joint strategy specifically to tackle youth unemployment and underemployment in the region. (Paragraph 37)

5. We look forward to the re-opening of the Borders Railway link between Edinburgh and Galashiels. We urge the UK Government to work with the Scottish Government and with key agencies on both sides of the border to extend the Borders Railway southwards from Galashiels, to Hawick and on to Carlisle. (Paragraph 41)

6. We recommend that the UK Government produce a clear strategic plan which sets out key principles for joint working with the Scottish Government in relation to transport infrastructure issues. We also recommend that both Governments take steps to monitor the efficacy of the collaboration between the Highways Agency and Transport Scotland on cross-border sections of major road infrastructure. Performance measures should be put in place for both organisations in respect of this. (Paragraph 43)
7. We are concerned about the lack of transparency and accountability in relation to the rollout of superfast broadband. We agree that the Scottish Government is best placed to oversee the rollout on the ground, but this is a reserved area of policy, and does not absolve the UK Government of the responsibility for ensuring targets are met in terms of timetable and delivery. (Paragraph 53)

8. Access to superfast broadband is not a luxury add-on for rural communities, but a key part of the infrastructure required for those communities to thrive and develop. We note the evidence in relation to the link between a lack of infrastructure and youth migration, and while this is a complex issue, it also serves as a stark reminder of the significant and damaging potential consequences for rural communities when the rollout of crucial infrastructure programmes is delayed. (Paragraph 54)

9. We welcome the recent deal between the UK Government and the four major mobile networks in the UK. Given that vast swathes of the south of Scotland do not have adequate mobile phone coverage, we seek assurances from the UK Government that it will prioritise this area in the implementation of this agreement. We also recommend that it works closely with the mobile phone providers and emergency service providers to evaluate the options with respect to using the emergency service communications infrastructure to, temporarily at least, improve coverage in the south of Scotland. (Paragraph 59)

10. We are also persuaded that the UK Government should tighten the regulations which require operators to extend coverage to remote rural areas, although this will only have an impact if simultaneous steps are also taken to improve the infrastructure. We recommend that the UK Government consult on the current guidelines and report progress on this to our successor Committee early in the new Parliament. (Paragraph 60)

11. We accept that, since devolution, there are some areas of legitimate policy divergence, for example, in terms of health and education policy, north and south of the Scotland-England border. However, this should not impinge on the access of residents living on both sides of the border to essential services. We recommend that the UK Government work closely with the Scottish Government and local authorities on both the English and Scottish side of the border to provide adequate access to essential public services, and for the social and economic benefit of the region as a whole. (Paragraph 63)

12. The specific challenges faced in the south of Scotland require effective collaboration and joint strategies between the different levels of Government in both Scotland and the UK. The UK and Scottish Governments need to find new ways of working together, and with local government, to deliver for the people of Scotland. This is arguably one of the least developed areas in the post-devolution landscape and should be a major area of work in the context of the implementation of the Smith Agreement during the course of the next Parliament. (Paragraph 64)
Cross-border working

13. We welcome the creation of the Borderlands Initiative as a first step in effective cross-border and collaborative working, and recognise its role in delivering major benefits for this economic region. However, this potential will only be delivered if both the UK and Scottish Governments provide the vital political support and leadership required to deliver tangible benefits. We recommend that an inter-ministerial forum is set up to work alongside the Borderlands Initiative. (Paragraph 77)

14. As we have repeatedly stated, collaboration and co-operation is key - not only across the border, but at all levels of government - including at local and community level. To avoid duplication of effort and the spreading of resources too thinly, community-level involvement and decision making should be underpinned by a regional framework of the type offered by the Borderlands Initiative. We recommend that the Borderlands Initiative work closely with community councils to develop a clear strategy in relation to how all levels of government should work together to deliver for the benefit of the people of the south of Scotland. (Paragraph 83)

Economic development and enterprise

15. We believe that the restructuring of Scottish Enterprise, and the centralising impetus behind that restructuring, has had a negative impact on the economic development and enterprise culture in the south of Scotland - not least because of the subsequent decline in both the visibility of the region and of services tailored to the specific economic challenges it faces. (Paragraph 101)

16. We are not convinced that the efforts and resources required to restructure Scottish Enterprise yet again are justifiable, but urge the UK Government to work closely with the Scottish Government to identify how the negative consequences of the initial restructuring for the south of Scotland should be remedied, and to identify how a re-focusing of existing resources may best address the specific needs of the south of Scotland. We also recommend that there should be more collaboration and formal joint working between Scottish Enterprise and bodies operating across the south of Scotland, such as the South of Scotland Alliance. (Paragraph 102)

17. We note the success of Highlands and Islands Enterprise in invigorating the economy of the Highlands and Islands and in promoting the distinctive identity of that area of Scotland, and in particular, we recognise the value of its social remit. We see no reason why Scottish Enterprise could not work with other bodies to promote such a social remit, and we recommend that it does so. The success of the Highlands and Islands Enterprise is as much about culture, energy, commitment and leadership as it is about structures. We are confident that the south of Scotland can achieve similar success. (Paragraph 103)
European Union structural funding

18. We recommend that the NUTS 2 boundaries in the south of Scotland should be redrawn to ensure greater structural funding for the region. We are satisfied that this can be achieved without compromising other existing administrative boundaries, and without causing a reduction in the likely overall levels of funding which would be allocated to Scotland. This could result in significant sums of additional funding being allocated to the south of Scotland. (Paragraph 112)

19. We urge the UK Government to work with the Scottish Government and local authorities to redraw the NUTS 2 boundaries in Scotland in order to create a NUTS 2 region for the south of Scotland that does not incorporate the Central Belt. We also expect the UK Government to facilitate this at an EU level. (Paragraph 113)
1. Introduction

1. In July 2014, we launched our inquiry *Our Borderlands, Our Future* to investigate the key issues that affect the daily lives of people who live in the south of Scotland.¹ We have been aware for some time of successful campaigns being run in the Highlands and Islands to promote the interest of those regions—for example, the ‘Our Islands–Our Future’ campaign.² We were particularly struck by the complete absence of any parallel campaign in the south of Scotland as a distinct region.

2. During May and June 2014, we therefore held a series of informal seminars in Galashiels, Peebles and Dumfries, the main purpose of which was to identify the key issues facing businesses, communities and individuals in the south of Scotland.³ Many of the issues raised in those meetings focused on the social and economic needs of the residents of the south of Scotland, which are the devolved responsibility of the Scottish Government, or more appropriately dealt with by local authorities. However, crucial issues were raised which were directly related to the policies and responsibilities of the UK Government,

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¹ For the purposes of the inquiry, and this Report, “the south of Scotland” refers to the region covered by the two local authority areas of Scottish Borders Council and Dumfries and Galloway Council.

² Orkney Islands Council, *Our Islands - Our Future*, accessed 21 January 2015. ‘Our Islands - Our Future’ is a joint vision drawn up by the Orkney Island Council, Shetland Island Council and Comhairle nan Eilean Siar. It was launched on 17 June 2013, and its intention was that the UK and Scottish Government should recognise the special position of the UK’s three largest island groups.

³ Scottish Affairs Committee, *Committee launches consultation on fairer deal for Scottish Borderlands*, accessed 21 January 2015. A full list of participants in those meetings is in Annex 1 of this Report.
specifically, for example, in relation to employment issues. The issues relating to employment were directly relevant to many of the other inquiries we have held during the course of this Parliament (2010-15), including zero-hours contracts, the practice of blacklisting in employment, and compliance with minimum wage legislation in Scotland.

3. Furthermore, and to a greater extent than expected, we also found that many of the challenges faced by those living in the border areas in the south of Scotland were shared by those living in the border areas of the north of England. Much of our inquiry subsequently focused on how the Scottish and UK Governments could work together more effectively to meet these challenges.

4. We published the terms of reference as a consultation document, *Our Borderlands, Our Future*, on 9 July 2014. We invited evidence on four key areas: cross-border working and the Borderlands Initiative; economic development and enterprise in the south of Scotland; unemployment and the low-wage economy; and EU regional and structural funds. We raised two central questions in the context of each of these areas:

- Are the current structures working as effectively as they could for the benefit of the people of the south of Scotland?

- How can the UK and Scottish Governments work together with local authorities to deliver appropriate and effective policies to support economic development and growth in the south of Scotland?

5. The initial deadline set for the submission of written evidence to the inquiry was Monday 1 September 2014, but this was extended to 28 November 2014 in direct response to concerns raised about the original deadline falling in the middle of the Referendum campaign. We continued to accept written submissions until March 2015.

6. We received a number of written submissions, and took oral evidence in Langholm on 26 January 2015, and in Galashiels on 9 February 2015. We thank all of those who met with us informally, and who gave oral and written evidence to this inquiry, and in particular we thank Rt. Hon. David Mundell MP for Dumfriesshire, Clydesdale and Tweeddale, Parliamentary Under-Secretary of State, Scotland Office, and Rt Hon. Michael Moore MP for Berwickshire, Roxburgh and Selkirk, who gave evidence at the sessions held in their constituencies.

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6 Scottish Affairs Committee, *Compliance with the national minimum wage in Scotland*, accessed 9 March 2015
8 Ibid., para 4
9 SNP group, Scottish Borders Council, (BOR0004), para 3
10 A full list of those who gave evidence is attached at the end of this report.
7. This Report makes recommendations in relation to the four key areas outlined above. In the second chapter, we set out the major structural challenges facing the residents of south of Scotland, including employment, access to public services, superfast broadband rollout, mobile phone coverage and cross-border transport services. We identify cross-border working as being crucial in addressing these challenges, and in chapter three, set out how this can best be achieved. In chapter four we address the key issues of economic development and enterprise and set out the most appropriate structures for delivering this in the south of Scotland, while in chapter five we call for a re-drawing of the NUTS 2 European Structural Funds boundaries, which we hope will result in the injection of much needed additional funds to the area.

8. We are acutely aware that responsibility for many of the issues raised in this inquiry, for example, economic development and local government, rests with the Scottish Government and Parliament. However, Michael Moore told us that “the UK Government’s domestic writ does not end at the border.”\(^\text{11}\) He also highlighted the need for the UK Government to have “greater capacity to engage in communities across Scotland.”\(^\text{12}\)

9. Both of Scotland’s Governments need to devise ways of working together to deliver benefits for the people of the south of Scotland, and for Scotland more generally. While this Report highlights the need for such collaboration in order to address the challenges faced in the south of Scotland, questions as to how the two tiers of Government work together to deliver tangible results is one of the least developed areas in the post-devolution landscape, and one which will become more important during the course of the next Parliament as the Smith Agreement is implemented.

10. Subsequently, our recommendations are very much focused on the impact of UK Government policy in Scotland, and specifically on how the UK Government could, and should, work with the Scottish Government and local authorities to deliver co-ordinated policies and efficient structures, in the best interests of the residents of the south of Scotland.

\(^\text{11}\) Q37
\(^\text{12}\) Ibid.
2 The south of Scotland

11. For the purposes of our inquiry, the ‘south of Scotland’ refers to the geographical area covered by the local authority areas of Scottish Borders Council and Dumfries and Galloway Council. Three Westminster parliamentary constituencies - Berwickshire, Roxburgh and Selkirk; Dumfriesshire, Clydesdale and Tweeddale; and Dumfries and Galloway - fall within this geographic area, and also sit on the Scotland-England border.

12. The constituency of Berwickshire, Roxburgh and Selkirk includes the towns of Galashiels, Hawick, Jedburgh, Melrose and Kelso. Known historically for its textile industry, the tweed, cashmere and knitwear industries are still a significant part of the local economy. Agriculture, forestry and fishing are also key components of the local economy, providing jobs for 6.5% of the total workforce. Tourism and hospitality are key economic sectors with 9.6% of the workforce employed in the accommodation and food services industries, and a further 3% work in the arts, entertainment and recreation sector. Berwickshire is part of the Scottish Borders local authority area. In 2013, there were

13 Scottish Borders Council, MPs Westminster, accessed 9 March 2015; Dumfries and Galloway Council, MSPs, MPs and MEPs, accessed 9 March 2015
15 Scotland's Census 2011, Data warehouse, table QS6055C
16 ONS, Business Register and Employment Survey (BRES), 2013
479,000 visits to the Borders, of which 436,000 were visits by UK residents. Visitors to the Borders region spent £110 million in 2013.17

13. Dumfriesshire, Clydesdale and Tweeddale constituency was formed following the 2005 boundary review.18 The M74 bisects the seat and two of its largest towns, Lockerbie and Moffat, lie close to the only motorway running from Scotland to England. Numbers employed in accommodation and food services, and in arts, entertainment and recreation, are broadly similar to those for Berwickshire, Roxburgh and Selkirk—13.3% of jobs in all of these sectors combined. There is still some mining in the west of the constituency, now providing only 0.7% of jobs (200 in total). A further 13.7% of the constituency’s jobs lie in the manufacturing sector. Knitwear manufacturing still exists in the area, but has witnessed a 25% decline in the number of jobs since 2009 (400 jobs in 2009 to 300 jobs in 2013).19

14. The main urban centre of Dumfries and Galloway constituency is Dumfries, which still retains some light industry—13.5% of the workforce are employed in manufacturing. The constituency’s second town is Stranraer, which depends economically on the ferry links from Northern Ireland to Cairnryan.20 A large number of jobs in the constituency lie in the wholesale and retail sector—some 16.7%—with fishing and fish processing being a major employer on the west coast. Dumfries and Galloway is the sixth largest seat in the UK by area, covering more than 1,500 square miles.

15. Given the geographical proximity of all three constituencies to the border, there are strong economic and social links with the border areas of the north of England. Michael Moore MP told us that his constituents were “as likely to turn southwards for their business or their shopping or leisure activities almost as they would be north.”21 Councillor Archie Dryburgh, Dumfries and Galloway Council, described Carlisle as being “more or less” Dumfries and Galloway’s only city.22 Rt. Hon. Sir Alan Beith, MP for Berwick upon Tweed, described the eastern Borders, embracing Berwickshire, North Northumberland and parts of Roxburghshire (i.e. on both sides of the border), as a “recognisably distinct sub-regional economy”.23

**Employment**

16. Local area labour market figures taken from the Scottish Government’s annual population survey (2013) show that the south of Scotland has the highest rate of people

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18 It includes 50% of the former Dumfries constituency, 21% of Tweeddale, Ettrick and Lauderdale, 15.5% from Clydesdale and 10% from Galloway and Upper Nithsdale – Boundary Commission for Scotland, *Fifth Periodical Review of UK Parliament constituencies Report*, accessed 11 March 2015
20 Stena Line is one of the constituency’s largest employers – Russell Brown MP, *Local Politicians to Meet Stena Line to Discuss Job Cuts*, accessed 11 March 2015
21 Q40
22 Q2 [Archie Dryburgh]
23 Rt Hon Sir Alan Beith, (BOR0018), para 6
with multiple jobs in the whole of Scotland.\textsuperscript{24} The rate of underemployment, where people are in work but not working sufficient hours to make a living, is also higher than the national average.\textsuperscript{25} To compound this problem, average wages in the region are below the Scottish average.\textsuperscript{26}

17. Although employment levels in the Scottish Borders area are higher (74.9\%) than the Scottish average of 71\%, many workers living in the south are having to take on several part-time, low-paid, low-skill jobs in order to make ends meet. Almost twice as many people in the Scottish Borders region have a second job—6.8\% compared with the Scottish average figure of 3.9\%. The region also has a higher than average proportion of people who are underemployed, i.e. would like to work more hours, but are unable to. In the Scottish Borders, this stands at 12.1\% of the population, compared with 9.6\% of Scotland as a whole.\textsuperscript{27}

18. A similar picture emerged in Dumfries and Galloway, where the unemployment rate was 7.3\% of the 16 to 64 population, slightly lower than the Scottish average of 7.7\%. However, only 64\% of those in employment work full-time, compared with the Scottish average of 74\%. Around 12.4\% of all people employed in Dumfries and Galloway are underemployed—i.e. in employment but wishing to increase their working hours. This is higher than the Scottish average of 9.6\%. In Dumfries and Galloway, 5.7\% of the population have second jobs, compared with 3.9\% for Scotland as a whole.\textsuperscript{28}

19. The economy of the south of Scotland is characterised by an industrial structure that has depended on primary, manufacturing and service sectors with relatively low wages. Over the past two decades there has been a shift away from manufacturing to services, which has led to relatively high levels of underemployment. There is a relative lack of high value jobs and diverse and accessible economic opportunities. Scottish Borders Council felt that these structural economic challenges need to be given more recognition in relation to enhanced Government and European economic support to the area.\textsuperscript{29}

20. In many communities in the south of Scotland, once the primary industry in an area has gone, the strata of supporting business go with it. Brian Richardson, Chief Executive of Dumfries and Galloway Chamber of Commerce, pointed out that, when this happens,
“people have to get by with two or three different jobs or part-time employment or insecure employment because the market is fragmented.”

21. The lack of adequate transport infrastructure also has an impact on employment in the region. The Campaign for Borders Rail believes that “poor transport links, and particularly the absence of a rail service, is a significant factor causing the high levels of underemployment found in the south of Scotland.” Better rail infrastructure would allow greater access to the Edinburgh jobs market, reducing the need for people to leave the area to find work and encouraging others to move to the Borders. They also believe it would “allow young people from the Borders to access education and training opportunities in Edinburgh and the Lothians without having to move away from home.”

22. We identified a demand for further job creation in the region, either through the targeted location of public sector jobs or through attracting larger companies, while supporting companies in the region who wish to remain there and grow. Scottish Land and Estates argued that specific actions should be taken to encourage larger employers to locate in the area. Scottish Borders Chamber of Commerce suggested that current problems were likely to continue unless more public sector jobs are moved from both the Central Belt and London to the Borders. They said that the only easy answer to the employment issue was “more immediate public sector jobs.”

23. Efforts were being made in the area to establish the Borders Employability Forum, which aims to deal with some of the key employment issues in the region. Michael Moore emphasised that it was crucial to work on the barriers to people getting back into the workplace, but argued that such an initiative “needs to have governmental support at a Scottish and a UK level.”

24. We are sympathetic to the calls we heard from the south of Scotland for more job creation schemes in the area. We urge both the Scottish and UK Governments to locate public sector jobs beyond London and Edinburgh, and recommend that both Governments provided a detailed breakdown of the location of public sector jobs, and their future plans for further relocation, to our successor Committee. This work should run in tandem with UK Government support for communications and transport infrastructure development in the region.

25. We recommend that the UK Government take seriously Michael Moore’s reminder that its responsibility does not stop at the border. It should demonstrate this by lending its full support, through expertise, ministerial participation and financial resource where

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30 Q90 [Brian Richardson]
31 Campaign for Borders Rail, (BOR0007), para 1
32 Ibid., paras 9b, 9c
33 Scottish Land and Estates, (BOR0012), para k
34 Scottish Borders Chamber of Commerce, (BOR0005), para k
35 Q48
possible, to employment initiatives in the south of Scotland, such as the Borders Employability Forum.

Low wages

26. The average gross weekly pay for full-time workers in Berwickshire, Roxburgh and Selkirk was £492.80 in 2013, which was 3.1% lower than the Scottish average of £508.30. The figure for Dumfriesshire, Clydesdale and Tweeddale is lower still with average gross weekly pay standing at £490.10, 3.6% lower than the Scottish average. The average gross weekly pay for full-time workers in Dumfries and Galloway was even worse at £436.80 in 2013, which was 14% lower than the Scottish average.36

27. Across the south of Scotland, wages are lower than the Scottish national average, a situation which is exacerbated by other regional factors. For example, the high level of travel costs in the south of Scotland means that actual income for many working part-time and/or for low rates of pay is pushed below the equivalent of the national minimum wage. Dumfries and Galloway Council argued that continued investment in both digital and transport connectivity are essential in the short term to facilitate opportunities that will create higher value jobs through inward investment or indigenous growth.37

28. Two of the major sources of local employment in the south of Scotland are the agricultural sector and the tourism/hospitality sector–some of the worst offenders when it comes to low pay. It was also noted that a higher proportion of employees in the south of Scotland are dependent on “zero hours” contracts, which contributes towards the low wage statistic.38 AIMup,39 Peebles Community Council and Peebles Community Trust argued that all statutory bodies should use the powers they have, including procurement policies, to compel local employers to pay a living wage.40

29. While we recognise the concerns of employers in the south of Scotland, particularly those running small businesses and micro-businesses, of the potential costs of the living wage, we see no justification for not paying workers a living wage in the UK in 21st century. We have addressed the issue of fair wages in our inquiries into zero hours contracts and into compliance with the minimum wage in Scotland. At the very minimum, the UK and Scottish Governments should ensure that all public sector employees in the south of Scotland are paid the living wage.

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36 NOMIS, Annual Survey of Hours and Earnings 2013, accessed 27 June 2014
37 Dumfries and Galloway Council, (BOR0006), para 2.21
38 Scottish Affairs Committee, Tenth Report of Session 2013-14, Zero Hours Contracts In Scotland: Interim Report, HC 654
39 AIMUp (Action for the Innerleithen Mechanical Uplift) is a community-based charitable group working on a local leisure and tourism facility.
40 AIMUp, Peebles Community Council and Peebles Community Trust, (BOR0017), paras 3.2-3.4
Youth unemployment and training

30. Youth unemployment in the Scottish Borders is higher than the Scottish average.\textsuperscript{41} Claimant count unemployment in Dumfries and Galloway for those aged 18 to 24 is 4.3%. Claimant count unemployment in Scottish Borders for those aged 16 to 24 is 4.2%.\textsuperscript{42}

31. AIMUp, Peebles Community Council and Peebles Community Trust identified “lack of jobs; poor pay; lack of affordable housing for rent and a poor transport infrastructure”\textsuperscript{43} as the main challenges facing young people in the south of Scotland. There has been a steady rate in the departure of young people from the region, as shown in the data provided in the 2014 Rural Scotland in Focus report, produced by SRUC, Scotland’s Rural College.\textsuperscript{44}

32. The process of outward migration artificially lowers unemployment rates in the south of Scotland, particularly for young people. Councillor Archie Dryburgh told us that “the lack of opportunities for youth [and] the urban migration of young people not coming back is causing us real concerns.”\textsuperscript{45} It was his belief that by 2020, 75% of people in the Dumfries and Galloway and the Scottish Borders would be over retirement age.\textsuperscript{46} Scottish Land and Estates highlighted the outmigration of young people, particularly those pursuing higher education or higher wage careers.\textsuperscript{47} SLE called for continued focus and funding for apprenticeship/training programmes with emphasis on delivering outcomes and appropriate destination monitoring.\textsuperscript{48}

33. NFU Scotland argued that issues of rural unemployment were intensified by poor transport links east to west across the region. Because there is little or no public transport linking rural locations such as farms to towns and urban centres, “it is virtually impossible to take on a young apprentice unless they can drive themselves. Improved road and transport links could also assist trade between the two regions.”\textsuperscript{49} They noted that rural youth unemployment was “relatively higher in relation to the urbanised local authority regions in the Central Belt.”\textsuperscript{50}

\textsuperscript{43} AIMUp, Peebles Community Council and Peebles Community Trust, (BOR0017), para 4.1
\textsuperscript{44} Scotland’s Rural College, \textit{Rural Scotland in Focus 2014}, p 35
\textsuperscript{45} Q2 [Archie Dryburgh]
\textsuperscript{46} Ibid.
\textsuperscript{47} Scottish Land and Estates, (BOR0012), para j
\textsuperscript{48} Ibid., para l
\textsuperscript{49} NFU Scotland, (BOR0015), para 16
\textsuperscript{50} Ibid., para 16
**Stemming the flow**

34. Responsibility for youth training and higher education is devolved to the Scottish Parliament. Many witnesses noted positive developments in this area in the south of Scotland. Many cited the Crichton Institute, which was launched in January 2013 and is a collaboration between the academic institutions on Crichton Campus and partners in the business, local government, health and voluntary sectors. It aims to develop an evidence base for the economic, social and cultural development of south-west Scotland, and to raise its national and international profile. The South of Scotland Alliance’s forum provides a conduit for engagement with the Scottish Government and provides a focus for discussion on common issues across Dumfries and Galloway and the Scottish Borders. It has developed links with other rural and urban local authorities in Scotland, the north of England and beyond.

35. Dumfries and Galloway Chamber of Commerce noted the success of the Crichton Campus in slowing the rate of migration of young people from the region and in providing local business with a supply of graduates. Joan McAlpine, MSP for the South of Scotland, agreed, but added that further technical courses, perhaps aided by attracting another university to the area, would be helpful.

36. The setting up of a University of the South of Scotland was recommended by some. Scottish Borders Chamber of Commerce argued for the need to create a University of the South of Scotland, which they suggested would further raise the profile of the area and help to reduce the leakage of young talent out of the area. RSA Fellows Borders Network cited “the example of the University of the Highlands and Islands...as a positive precedent” in this regard.

37. We recognise the work being done in the area to provide training opportunities for young people. To effectively combat youth unemployment the UK Government, which is responsible for employment policy, and the Scottish Government, which is responsible for higher education, training and skills development, should produce a joint strategy specifically to tackle youth unemployment and underemployment in the region.

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51 The Crichton Institute, [About us](#), accessed 26 February 2015
52 The Crichton Institute, [Core aims and delivery](#), accessed 11 March 2015
53 The Crichton Institute, [About us](#), accessed 26 February 2015
54 Dumfries and Galloway Chamber of Commerce, [BOR0002](#), para 5.8
55 Joan McAlpine MSP, [BOR0002](#), para 5.1.4
56 Scottish Borders Chamber of Commerce, [BOR0005](#), para 1
57 RSA Fellows Borders Network, [BOR0008](#), para 37
Infrastructure

Transport

38. Many witnesses identified the lack of an adequate transport infrastructure as a key feature of the area, and as a major obstacle to the region’s economic development. NHS Borders noted the far reaching consequences of this lack of infrastructure, in that it has a direct bearing on “opportunities for learning and for work and also on access to a wide range of public services.”\(^{58}\) Scottish Land and Estates (SLE) described transport links as being essential in “promoting enterprise and economic development in Scotland”.\(^ {59}\)

Rail links

39. In 2013, construction work began on the Borders Railway, which will re-establish passenger railway services from Edinburgh through Midlothian to Tweedbank in the Scottish Borders. Passenger services are currently expected to begin on Sunday 6 September 2015. This project was commissioned by the Scottish Government, as responsibility for transport is devolved. Michael Moore described the re-opening of the Borders Railway as a “vital moment” for the economic development of the south of Scotland. He added:

One of the big challenges for us this year is to ensure that when the railway does reopen we treat it as an Olympics moment, not just for the significance of what is happening here in the central Borders and all the communities served directly by the train, but the attention that we are bound to garner not just in Scotland but across the United Kingdom.\(^ {60}\)

40. Given the cross-border nature of the economy in the south of Scotland, the Campaign for Borders Rail (CBR) sought the re-establishment of the through route between the central Borders, Hawick and Carlisle. They stated that a reinstated railway would “also serve a strategic purpose linking the region directly to cities in the north west of England”.\(^ {61}\) We found support for this in principle from the Scottish Borders Council, Scottish Borders Chamber of Commerce, local MPs and many MSPs and councillors, and note that the potential line of route had been protected from further adverse development in the local development plans of both Scottish Borders Council and Carlisle City & District Council.\(^ {62}\)

41. We look forward to the re-opening of the Borders Railway link between Edinburgh and Galashiels. We urge the UK Government to work with the Scottish Government and with key agencies on both sides of the border to extend the Borders Railway southwards from Galashiels, to Hawick and on to Carlisle.

\(^{58}\) NHS Borders, \(\text{BOR0016}\)

\(^{59}\) Scottish Land and Estates, \(\text{BOR0012}\), para 9

\(^{60}\) Q35

\(^{61}\) Campaign for Borders Rail, \(\text{BOR0007}\), para 8

\(^{62}\) \textit{Ibid.}, para 8
Road links

42. The south of Scotland also suffers from inadequate road infrastructure, and witnesses indicated that the border exacerbates this problem. David Mundell cited the example of junction 45 on the M6, which connects the motorway to Gretna and to the A75. As the junction is in England it is the responsibility of the Highways Agency. Mr Mundell explained that attempts to get agencies on both sides of the border to come together to consider problems in relation to the border had been a “nightmare”. Michael Moore noted that, while crucial road links can be well supported by one Government or the other, they are rarely handled on a joint basis, which “is difficult and frustrating for business people and folk living in the area.”

43. We recommend that the UK Government produce a clear strategic plan which sets out key principles for joint working with the Scottish Government in relation to transport infrastructure issues. We also recommend that both Governments take steps to monitor the efficacy of the collaboration between the Highways Agency and Transport Scotland on cross-border sections of major road infrastructure. Performance measures should be put in place for both organisations in respect of this.

Superfast broadband

44. Figures from Digital Scotland show that NGA (next generation access, which facilitates the provision of superfast broadband) coverage is currently 61.3% in the Dumfries and Galloway Council area and 61.9% in the Scottish Borders Council area.

45. The Scotland Act 1998 states that all matters relating to telecommunications are reserved, including wireless telegraphy and internet services. In its memorandum, The Superfast (Rural) Broadband Programme: update, the National Audit Office explains that the Department for Culture, Media and Sport is responsible for the Government’s broadband policies. Broadband Delivery UK (BDUK) —a unit within the Department— runs several programmes to provide superfast broadband and better mobile connectivity to the UK. One of these is the Superfast Broadband Programme, formerly the Rural Broadband Programme, which it has designed to provide superfast broadband across the UK in 3 phases:

- Phase 1 is to extend superfast broadband coverage to 90% of UK premises by December 2016, with £530 million of central government funds.
• Phase 2 is to extend superfast broadband coverage to 95% of UK premises by December 2017, with a further £250 million of central government funds.

• Phase 3 is to test options for rolling out superfast broadband past 95% coverage.67

46. BDUK devolved responsibility for contracting provision of broadband rollout to local authorities in England. In Scotland, the responsibility was passed on to the Scottish Government. A ‘constitutional gap’ has therefore appeared, whereby the UK Government has pledged broadband coverage for 95% of UK premises by December 2017, but with no way for the UK Parliament to scrutinise the efficacy of the Scottish Government’s progress in achieving this in Scotland. Michael Moore MP argued that it was appropriate that the Scottish Government led on broadband rollout, but “not to the extent that the UK Ministers then say, ‘that’s fine; it’s not me that is responsible anymore’.”68

47. Two projects for broadband rollout are being managed in Scotland—one managed by Highlands and Islands Enterprise, and the other by the Scottish Government, which covers the rest of Scotland.69 The two projects together will get the whole of Scotland up to a 90% coverage level by the end of 2016. Chris Townsend pointed out that the “last 5%” (the UK Government commitment is for 95% of UK premises) covers 70% of the UK land mass.70 David Mundell noted the initial plan was to have a third, separate rollout process for the south of Scotland, and described the Scottish Government’s decision to include the south with the rest of Scotland as unfortunate.71

48. At the oral evidence session held by the Public Accounts Committee on 28 January 2015, Dame Anne McGuire MP asked representatives of BDUK about the progress of superfast broadband rollout in Scotland. She asked about rural communities in Scotland and the problems they are experiencing with access to fast broadband. She was particularly concerned that people were unable to get reliable information about rural broadband access and rollout of further broadband provision.72 Chris Townsend of BDUK said that “roll-out information or information on when superfast broadband…is available now.”73

49. However, despite BDUK’s assurance to the Public Accounts Committee, we found widespread frustration in relation to the progress of rollout in the south of Scotland, and the absence of a clear timetable.74 Joan McAlpine MSP noted:

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67 Pilot projects to support phase 3 are due to be complete by March 2016. Funding for the pilots is £10 million. National Audit Office, The Superfast Rural Broadband Programme - update (January 2015), p 4
68 Q37
69 Oral evidence taken before the Public Accounts Committee on 28 January 2015, HC 2014-15, Q36
70 Ibid., Q38
71 Q4 [David Mundell MP]
72 Oral evidence taken before the Public Accounts Committee on 28 January 2015, HC 2014-15, Q35
73 Ibid., Q35; Digital Scotland has provided an interactive map that allows the public to see whether superfast broadband is already available in their area, and if not, when they can expect it - Digital Scotland, Where and when, accessed 10 March 2013
74 Q85
it is widely accepted that fast internet access is an essential tool to do business in the modern world. The nature of the current broadband rollout favours bringing superfast broadband to the cities first, leaving rural areas still waiting still for reliable first generation broadband. Financial investment to combat this would be welcome.\(^\text{75}\)

50. Michael Moore explained that he was denied access to details of a timetable (by local council officials) on the basis of “commercial confidentiality.”\(^\text{76}\) He dismissed this as an “excuse not to reveal anything useful” and added, “you cannot expect the council, the economic development agencies and others, to be planning ahead when they do not have information about what areas will be reached and when.”\(^\text{77}\) Mr Moore stated that the challenge both to Government and to the private sector was to make sure that nobody was “left behind.”\(^\text{78}\)

51. Mr Moore expressed specific concern that the slow pace of updating the communications infrastructure in the south of Scotland was detrimental to the retention of young people in the area. Teresa Dougall, Regional Manager, South East/South West, Scottish Land and Estates, stated that the lack of broadband provision and youth migration were linked.\(^\text{79}\) Given the frustrations with the rollout, and indeed, the scale of the project in the south of Scotland, the RSA\(^\text{80}\) Fellows Borders Network described current initiatives on rural broadband as merely a “sticking plaster on a haemorrhaging wound”.\(^\text{81}\)

52. Scottish Borders Chamber of Commerce argued that the south of Scotland shares with the Highlands and Islands similar problems of business infrastructure, communications and loss of young talent. While assistance has been provided to the Highlands to deal with this, the south of Scotland had not received similar assistance.\(^\text{82}\)

53. We are concerned about the lack of transparency and accountability in relation to the rollout of superfast broadband. We agree that the Scottish Government is best placed to oversee the rollout on the ground, but this is a reserved area of policy, and does not absolve the UK Government of the responsibility for ensuring targets are met in terms of timetable and delivery.

54. Access to superfast broadband is not a luxury add-on for rural communities, but a key part of the infrastructure required for those communities to thrive and develop. We note the evidence in relation to the link between a lack of infrastructure and youth migration.

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\(^{75}\) Joan McAlpine MSP, (BOR0020), para 5.1.1
\(^{76}\) Q51
\(^{77}\) Ibid.
\(^{78}\) Ibid.
\(^{79}\) Q129 [Teresa Dougall]
\(^{80}\) The RSA is the Royal Society for the encouragement of Arts, Manufactures and Commerce; its Fellows are a global network of 27,000 people.
\(^{81}\) RSA Fellows Borders Network, (BOR0008), para 30
\(^{82}\) Highlands and Islands receives a higher level of NUTS 2 funding and has its own dedicated Enterprise body.
and while this is a complex issue, it also serves as a stark reminder of the significant and damaging potential consequences for rural communities when the rollout of crucial infrastructure programmes is delayed.

Mobile phone coverage

55. The Federation of Small Businesses in Scotland (FSB) has raised concerns about mobile phone coverage in Scotland. FSB survey data show that 70% of businesses in Scotland regard mobile phones to be important to the operations of their business, but that half of them regularly operate in areas without adequate coverage.83 Andy Willox, Scottish Policy Convenor, FSB stated that it was “unacceptable that a quarter of the country has no mobile reception”.84

56. A Scottish Government study, Mobile Performance and Coverage in Scotland, published in September 2013 suggested that 27.5% of Scotland’s landmass has no 2G coverage from any operator.85 Figures from Ofcom show that 38.8% of the area covered by Scottish Borders Council has no 3G signal, while 24.5% of this area does not even have a 2G signal. 39% of Dumfries and Galloway Council’s the area does not have a 3G signal, while 22.6% has no 2G signal.86 Joan McAlpine stated therefore that “even 3G would be a vast improvement for the majority of areas in the region.” 87

57. Consistent, good quality coverage is a necessity for businesses in the south of Scotland, and for their customers and the local economy. Alistair McKinnon, Director, South of Scotland and Director, Sustainable Construction, Scottish Enterprise, identified a number of steps that could be taken to improve provision. For example, providers such as Vodafone and O2 could share masts.88 He said that there must be a way that was “not beyond the wit of man” to use the physical infrastructure to provide mobile coverage everywhere.89 Mr Moore suggested working with existing infrastructure for the emergency services as one possible avenue to explore.90 Joan McAlpine suggested that tightening regulations to require operators to extend coverage to remote rural areas would improve coverage.91

58. Responding to calls for better mobile coverage from throughout the UK, on 18 December 2014, the Department for Culture, Media and Sport announced a “landmark deal” with the four mobile networks in the UK. A binding agreement was signed that commits the networks to:

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83 Federation of Small Businesses, FSB: Change rules to improve phone coverage, accessed 30 January 2015
84 Ibid.
85 Scottish Government, Mobile Performance and Coverage in Scotland, para 4.3
86 Federation of Small Businesses, FSB: Change rules to improve phone coverage, accessed 30 January 2015
87 Joan McAlpine MSP, BOR0020, para 5.1.2
88 Q84 [Alistair McKinnon]
89 Ibid.
90 Q53
91 Joan McAlpine MSP, BOR0020, para 5.1.2
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- a guaranteed £5bn investment programme to improve mobile infrastructure by 2017;
- guarantee voice and text coverage across 90% of the UK geographic area by 2017, halving the areas currently blighted by patchy coverage as a result of partial ‘not-spots’;
- increase full coverage from 69 per cent to 85 per cent of geographic areas by 2017;
- provide reliable signal strength for voice for each type of mobile service (whether 2G/3G/4G);
- accept amended licence conditions to reflect the agreement that are enforceable by Ofcom.92

59. We welcome the recent deal between the UK Government and the four major mobile networks in the UK. Given that vast swathes of the south of Scotland do not have adequate mobile phone coverage, we seek assurances from the UK Government that it will prioritise this area in the implementation of this agreement. We also recommend that it works closely with the mobile phone providers and emergency service providers to evaluate the options with respect to using the emergency service communications infrastructure to, temporarily at least, improve coverage in the south of Scotland.

60. We are also persuaded that the UK Government should tighten the regulations which require operators to extend coverage to remote rural areas, although this will only have an impact if simultaneous steps are also taken to improve the infrastructure. We recommend that the UK Government consult on the current guidelines and report progress on this to our successor Committee early in the new Parliament.

Access to public services

61. A further issue facing those who live close to the border with England is that of access to public services. Many of those living in Dumfriesshire, for instance, access services such as health and education in Cumbria and Carlisle.93 Sir Alan Beith noted that some public bodies increasingly treat the border as an “international frontier” which people should not cross when accessing public services.94 He noted a specific concern with the Northumberland Clinical Commissioning Group, which he stated was seeking to prevent or discourage patients on the English side of the border from using the nearest clinically appropriate hospital, if that hospital was in Scotland.95

62. Similarly, access to local education services can be a problem. This issue pre-dates devolution due to the fact that age transfer arrangements—the age at which cohorts of students move from one level of education to another—and examination systems are

92 GOV.UK, Government secures landmark deal for UK mobile phone users, accessed 11 March 2015
93 Q2 [Archie Dryburgh]
94 Rt Hon Sir Alan Beith, (BOR0018), para 1
95 Ibid., para 2
different in Scotland and England. Sir Alan Beith cited the example of young people in England who may not have access to English FE facilities within 50 miles, despite living fairly close to Borders College in the Scottish Borders. This is not only problematic in terms of access to services, but, as Sir Alan concluded, “the success of businesses on both sides of the border depends to a significant extent on the availability of educated and skilled potential employees in the whole of the area.”

He argued that devolution “should not prevent a collective and shared effort to promote the area as a whole,” which he argued should be a higher priority for authorities in Northumberland and Scottish Borders, and for the UK and Scottish Governments.

63. **We accept that, since devolution, there are some areas of legitimate policy divergence, for example, in terms of health and education policy, north and south of the Scotland-England border. However, this should not impinge on the access of residents living on both sides of the border to essential services. We recommend that the UK Government work closely with the Scottish Government and local authorities on both the English and Scottish side of the border to provide adequate access to essential public services, and for the social and economic benefit of the region as a whole.**

64. **The specific challenges faced in the south of Scotland require effective collaboration and joint strategies between the different levels of Government in both Scotland and the UK. The UK and Scottish Governments need to find new ways of working together, and with local government, to deliver for the people of Scotland. This is arguably one of the least developed areas in the post-devolution landscape and should be a major area of work in the context of the implementation of the Smith Agreement during the course of the next Parliament.**

96 Rt Hon Sir Alan Beith, (BOR0018), para 3

97 *Ibid.*, para 6
3 Cross-border working

65. As illustrated above, many of the challenges faced in the south of Scotland are also issues in the north of England. While these require co-operation between the UK and Scottish Governments in establishing and maintaining effective infrastructure, co-operation at local government and community level is also crucial in delivering many essential services at local level.

66. Within the south of Scotland, various organisations exist to facilitate co-operation between local authorities and communities and to foster social and economic development in the area. Examples include the Southern Uplands Partnership, a group consisting of individuals, government bodies, agencies and councils working “to keep the communities and countryside of the south of Scotland alive and healthy;”98 the Tweed Forum, a group of organisations and individuals with an interest in the sustainable management of the Tweed catchment;99 and the South of Scotland Alliance, a collaboration between Scottish Borders Council and Dumfries and Galloway Council working on business development in the region.100

67. Until recently, however, no mechanism existed specifically to facilitate such co-operation across the Scotland-England border. As noted above, areas of the north of England are very much part of the social and economic fabric for those living in the south of Scotland. Both Dumfries and Galloway Council and Scottish Borders Council therefore identified significant scope for “enhanced co-operation” across the border. Both Councils suggested that the Borderlands Initiative was the most appropriate vehicle for this.101

The Borderlands Initiative

68. The Borderlands Initiative was created by Scottish Borders Council and Dumfries and Galloway Council with Carlisle City Council, Cumbria County Council and Northumberland County Council. The initiative was launched by the Scottish Government in August 2013, a month after the publication of the Borderlands report authored by academics at Northumbria University.102 This paper recommended joint working between local authorities on either side of the Scotland-England border in order to exploit and develop mutual economic and social links. The SNP group on Scottish Borders Council urged the UK Government to work with the Scottish Government on the suggestion initially put forward by the Association of North East Councils in the Borderlands report,103 which identifies possibilities for the north east and Cumbria to engage with the Scottish

100 South of Scotland Alliance, South of Scotland Rural Regional Economic Development Programme, (June 2014),
101 Dumfries and Galloway Council, (BOR0006), para 2.15 ; Scottish Borders Council, (BOR0003), para 11
102 Northumbria University, Borderlands: Can the North East and Cumbria benefit from greater Scottish autonomy?, July 2013
103 SNP group, Scottish Borders Council, (BOR0004), para 7
Government and other Scottish interests. It also sees opportunities “for the North East, Cumbria and Scotland to develop a common ‘voice’ and influence the UK Government.”

69. The first Borderlands Initiative summit took place in April 2014. The cross-border meeting saw senior members of the five Councils discuss improved transport and communications links, economic growth and employment in the border regions of Scotland and England. The Borderlands Initiative summit also developed a plan to take forward economic opportunities.

70. A second Borderlands Initiative summit was hosted by Carlisle City Council in November 2014. The meeting considered how work has progressed on taking forward “key economic opportunities” in areas including: tourism, energy, forestry, education and training, improved transport and communications links. Scottish Borders Council identified that these early meetings had demonstrated that there were “potential benefits in working across the Anglo-Scottish boundary.” To date, the Borderlands Initiative has yet to publish a strategy or development plan.

104 Northumbria University, Borderlands: Can the North East and Cumbria benefit from greater Scottish autonomy?, July 2013, p 35
105 Scottish Borders, Dumfries and Galloway, Carlisle City, Cumbria and Northumberland
106 First Scotland-England cross-border summit staged, BBC News Scotland, 4 April 2014
108 Scottish Borders Council, (BOR0003), para 4
Benefits of the initiative

71. Although still relatively new, we identified widespread support and optimism in relation to the benefits that the Borderlands Initiative could potentially deliver. Dumfries and Galloway Chamber of Commerce identified that the south of Scotland suffered from a lack of a profile akin to that of the Highlands or the Lake District, “to the detriment of both inward investment and tourism.”[109] They suggested that joint working and lobbying under the Borderlands banner “may well be a mechanism […] which could help focus attention on the region.”[110] Joan McAlpine MSP suggested that the Initiative could “raise the ambition for the region and…raise the profile of the area”.[111]

72. However, some witnesses expressed concern that the Borderlands Initiative may be simply duplicating the efforts of a plethora of other organisations operating in the region. Scottish Land and Estates noted that it may be beneficial to increase the funding of existing working partnerships rather than to create another ‘body’. [112] In order to maximise “best value for each public pound spent”, [113] SLE suggested the initiative should build on the work of bodies such as the Southern Upland Partnership, the Tweed Forum, and Destination Dumfries & Galloway.[114]

73. Brian Richardson, Chief Executive of Dumfries and Galloway Chamber of Commerce, explained the potential value for money of such an initiative in terms of securing additional funding for the area. He cited a previous experience of an integrated development operations programme between Cleveland and Durham. He explained: “there were 16 designated integrated development operations programmes, of which we were one. We were successful in bidding for £400 million. Well over half of it we would not have managed to acquire had we not been an integrated unit. The process was massively beneficial.”[115]

74. The notion that the Borderlands Initiative would lead to a duplication of effort was rejected by Janice Rose, Economic and Inclusion Policy Manager of Northumberland County Council. She argued, “we need to recognise that geographies naturally have to overlap…this will reduce duplication rather than add to it because it will give us that focus to pitch for what those communities need.”[116] Gavin Yuill, Director of the Yuill Community Trust, agreed that the initiative could foster greater collaboration and co-production in the south of Scotland, potentially resulting in local authorities having a greater impetus to adopt beneficial policies for development, if guidance “above local

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109 Dumfries and Galloway Chamber of Commerce, (BOR0002), para 2.3
110 Ibid., para 2.3
111 Joan McAlpine MSP, (BOR0020), para 2.1.2
112 Scottish Land and Estates, (BOR0012), para c
113 Ibid., para c
114 Ibid., para a
115 Q68
116 Q23 [Janice Rose]
authorities... across the Borderlands area existed”,\footnote{Q114 [Gavin Yuill]} for example, in terms of social housing.

**Next Steps**

75. Jane Meek, Head of Economic Development at Carlisle City Council, stated that the next stage for the Borderlands Initiative was to identify areas where the authorities involved can get some “quick wins”, but also to set out what support was required from the UK and Scottish Governments. She explained: “we want to be able to go to Parliament, to Westminster or the Scottish Parliament, and say, ‘These are our asks and these will be the outputs that we will get by having these asks’.\footnote{Q19}

76. Michael Moore identified that support from both the UK and Scottish Governments was vital to enable the initiative to deliver on its potential. He described an “intergovernmental focus” as the key to advancing the Borderlands Initiative’s agenda.\footnote{Q42} He suggested the creation of “a forum around which Ministers from north and south of the border can add their input to the Borderlands Initiative too.”\footnote{Q41}

77. *We welcome the creation of the Borderlands Initiative as a first step in effective cross-border and collaborative working, and recognise its role in delivering major benefits for this economic region. However, this potential will only be delivered if both the UK and Scottish Governments provide the vital political support and leadership required to deliver tangible benefits. We recommend that an inter-ministerial forum is set up to work alongside the Borderlands Initiative.*

**Strengthening Local Government**

78. One of the themes of the Committee’s work during this Parliament has been to promote the devolution of further powers to communities within Scotland. For example, in our Report on the Scotland Bill, published in 2012, we recommended that the process of devolution should lead to further decentralisation within Scotland, to local authorities and communities, in part to counteract what many have described as a ‘centralising’ tendency in Edinburgh.\footnote{Scottish Affairs Committee, Fourth Report of the Session 2010-2012, The Scotland Bill, HC 775-I, para 7} The central thrust of our Report on the Crown Estate in Scotland\footnote{Scottish Affairs Committee, Seventh Report of the Session 2010-12, The Crown Estate in Scotland, HC 1117} was that powers and responsibilities should be devolved to Edinburgh, and then beyond, to the most appropriate level.
We are pleased that these recommendations are being progressed, and will be implemented as part of the Smith agreement.\footnote{Paragraph 32 of the Smith Commission report stated that “Responsibility for the management of the Crown Estate’s economic assets in Scotland, and the revenue generated from these assets, will be transferred to the Scottish Parliament.” The Smith Commission, \textit{Report of the Smith Commission for further devolution of powers to the Scottish Parliament}, para 32.)}

79. Indeed, Michael Moore described the Borderlands Initiative as a countervailing force against centralisation in Scotland:

> Looking at the Scottish Government there is a worrying trend, as I see it, to centralise services in the Central Belt. This is a set of policies now that go back a number of years... We as a region have to make alternative arrangements to get round some of these challenges and the different perspectives that Governments take of us and our needs.\footnote{Q35}

Indeed, this Report provides a stark illustration of how that centralising tendency has impacted on communities in the south of Scotland in practice.

80. In 2013, the Convention of Scottish Local Authorities (COSLA) set up the Commission on Strengthening Local Democracy to identify a route map “to deliver the full benefits of a shift in power towards local democracy for people in Scotland”.\footnote{COSLA, \textit{Commission on Strengthening Local Democracy} accessed 21 January 2015, Commission on Strengthening Local Democracy, \textit{Scottish Borders Council submission}} In its submission to that Commission, Scottish Borders Council stated that decisions about local issues and services were “not made locally enough”, and argued that local authorities needed “much greater control of finance and resources.”\footnote{CoSLA, \textit{Commission on Strengthening Local Democracy} accessed 21 January 2015, Scottish Borders Council submission, \textit{Scottish Borders Council submission}}

81. However, Scottish Borders Chamber of Commerce were wary of an enhanced role for Community Councils as they had been proven generally unable to deal with the complex issues of development and open to intimidation by pressure groups. The Chamber did feel, however, that “there may well be opportunities for the third sector as delivery mechanisms.”\footnote{Scottish Borders Chamber of Commerce, (BOR0005), para h} Dumfries and Galloway Chamber of Commerce was concerned about any proliferation of agencies operating in an area that could lead to a more complex landscape for business, and to conflicting decisions.\footnote{Dumfries and Galloway Chamber of Commerce, (BOR0002), para 3.12}

82. Scottish Land and Estates felt that, if further devolution at a local level were to take place, it was “vital to ensure that there remains linkage with all groups and stakeholders to allow for transfer of knowledge and expertise.” They cautioned that any increase in community empowerment should be embedded within an effective community planning framework, but felt that “increased involvement in decision making and service delivery by
all members of the community would undoubtedly be beneficial and help ensure more effective use of public resources.\footnote{Scottish Land and Estates, \textbf{BOR0012}, para h}

83. \textit{As we have repeatedly stated, collaboration and co-operation is key - not only across the border, but at all levels of government - including at local and community level. To avoid duplication of effort and the spreading of resources too thinly, community-level involvement and decision making should be underpinned by a regional framework of the type offered by the Borderlands Initiative. We recommend that the Borderlands Initiative work closely with community councils to develop a clear strategy in relation to how all levels of government should work together to deliver for the benefit of the people of the south of Scotland.}
4 Economic development and enterprise

84. Responsibility for both economic development and enterprise in Scotland is devolved to the Scottish Government and Parliament. However, Scottish Enterprise works very closely with other Scottish and UK-wide bodies, for example, Skills Development Scotland, the CBI and United Kingdom Trade and Industry in promoting economic development and enterprise in Scotland. Our inquiry very much focused on how Scottish and UK-wide organisations can best work together to promote economic development and enterprise in the south of Scotland–where the economy is ‘cross-border’ in nature.

85. Scottish Borders Council identified a number of areas where the UK Government could most appropriately and effectively promote enterprise and economic development in the region: supporting the economic development work of the local authorities and partners, such as Scottish Enterprise, the South of Scotland Alliance and the Borderlands Initiative; using its powers in relation to supporting employment; promoting comprehensive mobile phone coverage; supporting major transport investment initiatives on national cross-border road routes; and through support for a NUTS 2 designation for the south of Scotland.\(^\text{130}\) We address these issues elsewhere in the Report, but the focus of this chapter is to examine existing structures for the promotion of economic development and enterprise in the south of Scotland. We chose to address this issue specifically because in several of our informal meetings, many organisations highlighted that the restructuring of Scottish Enterprise had had a detrimental impact on enterprise in the south of Scotland.

Scottish Enterprise

86. Scottish Enterprise is a non-departmental public body of the Scottish Government. This body covers the eastern, central and southern parts of Scotland.\(^\text{131}\) Following the 2007 elections to the Scottish Parliament, the new Scottish Government undertook a major restructuring of Scottish Enterprise. Prior to 2007, 12 Local Enterprise Companies (or LECs) had existed across Scotland: Ayrshire, Borders, Dumfries and Galloway, Dunbartonshire, Edinburgh and Lothian, Fife, Forth Valley, Glasgow, Grampian, Lanarkshire, Renfrewshire and Tayside. As a consequence of the restructuring, their functions were either centralised to Scottish Enterprise itself or transferred to local authorities.\(^\text{132}\)

87. Scottish Enterprise has 13 offices across Scotland, two of which are in the south of Scotland. Staff in these offices, including the Director of Rural and Head of Textiles, “work

\(^\text{130}\) Scottish Borders Council, \(\text{BOR0003}\), para 12

\(^\text{131}\) Scottish Enterprise, About us | Scottish Enterprise, accessed 7 July 2014; The Highlands and Islands have a separate enterprise body.

across the region and beyond, to support and grow business.” The south of Scotland has a relatively large number of registered businesses relative to the population (7.3% of Scottish registered businesses vs. 4.9% of the population). However, these businesses are, on average, smaller in turnover terms than the average (3.1% of Scottish total for registered businesses).

88. We heard from a variety of witnesses that the restructuring has had adverse consequences for enterprise in the south of Scotland. Scottish Enterprise’s revised remit is to support projects that are good for the Scottish economy as a whole. While Scottish Enterprise noted that an advantage of its national approach was that staff in each region could “draw upon the full breadth of SE’s services and expertise”, Joan McAlpine cited the view of the Scottish Local Authorities Economic Development Group that an unintended consequence of this process “has been a considerable reduction in local economic development expenditure”. Dumfries and Galloway Chamber of Commerce stated that:

There is no doubt that the operations of Scottish Enterprise in the south of Scotland have lost focus on the specific rural challenges of the region. Staff have been redeployed on national projects to the detriment of developing innovative solutions for the area.

89. One of the main consequences of the Scotland-wide focus of Scottish Enterprise is that the specific needs of the south of Scotland were often overlooked. David Mundell MP stated that “Scottish Enterprise isn’t working for us” because core responsibilities had been stripped out of local Scottish Enterprise offices so that it no longer had a clear remit in the south of Scotland. He said that the south of Scotland was perceived as “a bit of an inconvenience.”

90. Peebles Community Council, Community Trust, and AIMUp (Action for the Innerleithen Mechanical Uplift), argued that there had been a failing of economic development and tourism promotion in the south of Scotland, particularly in the Scottish Borders area. RSA Fellows Borders Network stated that “Scottish Enterprise’s focus on national priorities and large-scale projects is deemed inappropriate to the urgent needs of sparsely populated areas where SMEs are the life blood of sustainable communities.” Joan McAlpine MSP concluded that “it is clear from speaking to people on the ground that

133 Scottish Enterprise, (BOR0013), para 3
134 Ibid., para 3
135 Scottish Enterprise, (BOR0013), para 3
136 Joan McAlpine MSP, (BOR0020), para 3.1.4
137 Dumfries and Galloway Chamber of Commerce, (BOR0002), para 3.2
138 Q5
139 AIMUp, Peebles Community Council and Peebles Community Trust, (BOR0017), para 1.3
140 RSA Fellows Borders Network, (BOR0008), para 28
there is a perception, flawed or otherwise, that Scottish Enterprise and Business Gateway fail to understand the nature of the rural economy and are not fit for purpose.”

91. Drawing on the Scottish Borders activity report from Scottish Enterprise for 2013-14, which shows spending on projects across Scotland, Michael Moore noted that the total number of Scottish Investment Bank (SIB) investments for the whole of Scotland was 158, but that there had only been one in the Scottish Borders. Mr Moore acknowledged the work being done for the south of Scotland by Alistair McKinnon of Scottish Enterprise, whom he described as “a stalwart”. However, Mr Moore noted that he is “one guy where previously there was a whole team”, and while he welcomed Mr McKinnon’s efforts to fight for the south of Scotland within Scottish Enterprise, he described this as “sometimes an unequal struggle.”

92. Scottish Land and Estates disagreed with much of the criticism of Scottish Enterprise, and noted that the rural business sector had been “relatively well served by the Scottish Enterprise structure.” It specifically noted the extensive knowledge of the rural team based in the Scottish Borders, and its subsequent ability to tailor its support accordingly. Content with both the structures and processes of Scottish Enterprise, it did not recognise the need for “any wholesale reform.” TeresaDougall of Scottish Land and Estates rejected the allegation that Scottish Enterprise was “an obstacle in development in the Borderlands.”

93. Many of Scottish Enterprise’s previous responsibilities in the south of Scotland were transferred to local authorities, particularly Business Gateway, a publicly funded service that provides access to free business support services. National Skills Programmes and dedicated skills programmes for sectors or geographies were transferred to Skills Development Scotland. Alistair McKinnon of Scottish Enterprise explained that “may be part of the reason why Scottish Enterprise is now less visible with the wider business community than it was previously.”

South of Scotland Alliance

94. The South of Scotland Alliance—a collaboration between Scottish Borders Council and Dumfries and Galloway Council—has worked closely with Scottish Enterprise to match projects in the south to Scottish Enterprise criteria, and it plays an important role in influencing and advocacy to relay messages to the Scottish and UK Governments. For example, since 2011 it has been working on a Next Generation Broadband Project for the

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141 Joan McAlpine MSP, (BOR0020), para 2.1.1
142 Q38. Moreover, the total value of SIB investments was £32 million, while in the Scottish Borders it was £200,000.
143 Q38
144 Scottish Land and Estates, (BOR0012), para e
145 Ibid.
146 Q120
148 Q67
south of Scotland. The South of Scotland Alliance previously secured £19m in ring-fenced funds from the EU in the Lowland and Uplands (LUPS) European Regional Development Fund Programme 2007–2013.

95. Scottish Enterprise has given strong support to the Alliance’s successful case for Assisted Area Status for parts of its area. This led to the A7 and M74 transport corridors being designated as Assisted Areas in the recent review of the UK Government’s Assisted Area Map, which was approved by the European Commission on 21 May 2014. Douglas Scott, Senior Policy Adviser at the Chief Executive’s Department of Scottish Borders Council, said that the South of Scotland Rural Regional Economic Development Programme, produced by the Alliance, recognised the national approach of Scottish Enterprise and the need for bigger projects to add value to the Scottish economy. The programme seeks to build up “critical mass” for projects in the south of Scotland.

A new enterprise body for the south of Scotland?

96. One of the questions we raised in our launch Report was whether it was necessary to establish a new enterprise body for the south of Scotland akin to Highlands and Islands Enterprise (HIE), which could co-ordinate development, infrastructure and transport initiatives with a specific ‘Borders’ focus. HIE is an economic and community development agency for the north and west of Scotland. Its purpose is to generate sustainable economic growth across the Highlands and Islands. Its priorities are to:

- Support businesses and social enterprises to shape and realise their growth aspirations
- Strengthen communities and fragile areas
- Develop growth sectors, particularly distinctive regional opportunities
- Create the conditions for a competitive and low-carbon region.

97. As well as its specific regional focus, another key difference between Highlands and Islands Enterprise and Scottish Enterprise is that HIE has a social as well as an economic remit. The issues affecting those in the south of Scotland, such as the crucial connection between infrastructure and economic growth, the economic and social fragility of isolated communities, and the centrality of tourism to the regional economy, are directly comparable to many of the issues faced in the Highlands and Islands, and could be dealt with similarly. A view expressed repeatedly to us was that devolution of powers to Edinburgh had not led to further devolution of powers to the south of Scotland itself. The

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149 South of Scotland Alliance Next Generation Broadband, SoS Broadband Project Team - Quarterly Update April-June 2013, accessed 18 March 2015
150 Scottish Government, Lowlands and Uplands Scotland European Regional Development Fund 2007-13, p 58
151 Scottish Borders Council, (BOR0003), para 9; Dumfries and Galloway Council, (BOR0006), para 2.11
152 Q27
154 Highlands and Islands Enterprise, Highlands and Islands Enterprise - what we do, accessed 27 June 2014
ending of the Local Enterprise Companies is a good example of how the Scottish Government have actually taken powers away from the region. This process has been exacerbated by the lack of a countervailing structure along the lines of Highlands and Islands Enterprise.

**Borders Enterprise?**

98. Some witnesses made the case that a new ‘Borders Enterprise’ type body should be created in the south of Scotland.\(^{155}\) John Stevenson, MP for Carlisle, suggested that such a body should also include local authority areas on the English side of the border and added that “cross-border issues such as infrastructure, communications, and business support are issues which can only be properly addressed if the whole of the border area is involved in their conception and implementation.”\(^{156}\)

**A social remit?**

99. Highlands and Islands Enterprise describes itself as “an ambitious organisation with a unique remit that integrates economic and community development.”\(^{157}\) RSA Fellows Borders Network pointed out that the exclusion of such a social objective from Scottish Enterprise’s remit “is by many deemed unhelpful - and should be introduced urgently - given the extent and diversity of rural Scotland.”\(^{158}\) While Joan McAlpine MSP did not endorse a restructuring of Scottish Enterprise, she acknowledged there was scope to look at the disparity between it and Highlands and Islands Enterprise “in terms of HIE’s lower ceiling for account managed companies and more powers stemming from its social remit.”\(^{159}\) Bruce Simpson, Vice Convener of Scottish Borders Chamber of Commerce, said that broadening out Scottish Enterprise’s work in the south of Scotland to include a social remit would “show that the body was not purely economics, it was for the whole of the area, the people of the area.”\(^{160}\)

100. Several witnesses, however, disagreed and argued that neither further restructuring of Scottish Enterprise, nor the creation of a new enterprise or development body, was necessary. Both Scottish Land and Estates and the Scottish Borders Council argued instead that existing structures should be strengthened, and that consideration should be given to developing the South of Scotland Alliance to allow for further collaboration.\(^{161}\) The SNP group on Scottish Borders Council argued that the problem is not one of structures, but one of resources. They stated that “there has not been enough focused and relevant

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155 Councillor Archie Dryburgh, ([BOR0009](#))
156 John Stevenson MP, ([BOR0019](#))
157 Highlands and Islands Enterprise, [Highlands and Islands Enterprise - what we do](#), accessed 27 June 2014
158 RSA Fellows Borders Network, ([BOR0008](#)), para 21
159 Joan McAlpine MSP, ([BOR0020](#)), para 3.2.1
160 Q69
161 Scottish Land and Estates, ([BOR0012](#)), para f and Scottish Borders Council, ([BOR0003](#)), para 10
investment up until just recently” and called for greater investment in infrastructure and growth sector enterprises. 162

101. We believe that the restructuring of Scottish Enterprise, and the centralising impetus behind that restructuring, has had a negative impact on the economic development and enterprise culture in the south of Scotland - not least because of the subsequent decline in both the visibility of the region and of services tailored to the specific economic challenges it faces.

102. We are not convinced that the efforts and resources required to restructure Scottish Enterprise yet again are justifiable, but urge the UK Government to work closely with the Scottish Government to identify how the negative consequences of the initial restructuring for the south of Scotland should be remedied, and to identify how a re-focusing of existing resources may best address the specific needs of the south of Scotland. We also recommend that there should be more collaboration and formal joint working between Scottish Enterprise and bodies operating across the south of Scotland, such as the South of Scotland Alliance.

103. We note the success of Highlands and Islands Enterprise in invigorating the economy of the Highlands and Islands and in promoting the distinctive identity of that area of Scotland, and in particular, we recognise the value of its social remit. We see no reason why Scottish Enterprise could not work with other bodies to promote such a social remit, and we recommend that it does so. The success of the Highlands and Islands Enterprise is as much about culture, energy, commitment and leadership as it is about structures. We are confident that the south of Scotland can achieve similar success.

162 SNP group, Scottish Borders Council, (BOR0004), para 5
5 European Union structural funding

104. The European Commission categorises the European Union into statistical areas known as Nomenclature of Units for Territorial Statistics (NUTS) to allow for the collection, development and harmonisation of EU regional statistics and for socio-economic analyses of the regions. NUTS 1 areas are the major socio-economic regions, which are subdivided into NUTS 2 areas.163 NUTS 2 areas are used for the allocation of the European Structural Funds on the basis of the Gross Value Added (GVA) per head compared to the EU average.164

105. EU Funding for 2014–2020 is allocated to three types of regions, according to how their GDP per capita compares with the EU average. These are defined as follows:

- Less developed regions, whose GDP per capita is less than 75% of the average for the EU;
- Transition regions, whose GDP per capita is between 75% and 90% of the EU average;
- More developed regions, whose GDP per capita is above 90% of the EU average

Determining whether a region qualifies is a question of comparing its per capita GDP to the EU average. The formula for allocating the funding differs for each type of region, but it is structured so that less developed regions get more funding per head than transition regions, which in turn get more than more developed regions.165

106. Scottish NUTS 2 regions fall into the following groups:

- Transition: Highlands and Islands
- More developed: Eastern Scotland; South Western Scotland; and, North Eastern Scotland.

107. Based on the economic profile of the south of Scotland, it has been suggested that the NUTS 2 boundaries should be re-drawn. The inclusion of Dumfries and Galloway in the South Western Scotland region, and of the Scottish Borders in the Eastern region, means that the economic needs of these areas are masked by the relative economic strength of

163 European Commission (Eurostat), NUTS - Nomenclature of territorial units for statistics, accessed 2 March 2015
164 European Commission, Regional Policy - how does it work? Is my region covered?, accessed 7 July 2014. Currently, Scotland is divided into four distinct regions for the purposes of the allocation of NUTS 2 funding: North Eastern Scotland, Eastern Scotland, South Western Scotland and the Highlands and Islands. The south of Scotland is not a defined NUTS 2 area. The Dumfries and Galloway region is part of the South Western Scotland NUTS 2 area, which also includes Glasgow; The Scottish Borders are part of the Eastern Scotland NUTS 2 area, which also includes the cities of Edinburgh and Dundee.
cities such as Edinburgh, Dundee and Glasgow. As a result, the south of Scotland area may be missing out on higher levels of transition funding, to which they would be entitled if the existing boundaries were re-drawn. Such a redefinition of NUTS 2 boundaries might even dovetail with the cross-border area covered by the Borderlands Initiative outlined above.

108. We found wide cross-party agreement that the current NUTS 2 configuration does not accurately represent the spatial economic geography of Scotland. Over the past decade, representations have been made by Scottish Borders Council, Dumfries and Galloway Council and the South of Scotland Alliance to the Scottish and UK Governments calling for changes in the NUTS 2 boundaries. These representations have not succeeded thus far because of the relatively small population of this area, which is well below the guideline NUTS 2 region average size.

109. Two possible options that would satisfy the population target for NUTS 2 funding were outlined by Dumfries and Galloway Chamber of Commerce:

a) to include parts of Ayrshire and South Lanarkshire, which border the region and have similar population and economic characteristics.

b) to include similar areas in Northumberland and Cumbria.

110. The Chamber advocated the first option, as redrawing the NUTS 2 region on an east-west basis would more accurately describe the region and define an area with similar characteristics to that of Highlands and Islands. Both Scottish Borders Council and Dumfries and Galloway Council agreed on the designation of the south of Scotland as a NUTS 2 area. Alistair McKinnon, Scottish Enterprise suggested, “if you take in South Lanarkshire and parts of South Ayrshire…that would not negatively impact on the existing NUTS areas that Ayrshire and Lanarkshire are in, so everyone is a winner.”

111. RSA Fellows Borders Network stated that the relevant local authorities should be “encouraged to maintain their laudable momentum and initiative,” and that local authorities and the Scottish Government should proceed with the initiative “unimpeded and without interference, to achieve their stated strategic objective, which involves delicate and detailed negotiations.” Joan McAlpine MSP stated that “it is pivotal for the UK

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166 Dumfries and Galloway Council area is part of the South Western Scotland region along with Glasgow, Scottish Borders Council area is part of the Eastern Scotland region along with Edinburgh and Dundee.- Office for National Statistics, NUTS: Scotland, accessed 13 March 2015

167 Support for such a process also came from NHS Borders (NHS Borders, BOR0016), Scottish Borders Chamber of Commerce (Scottish Borders Chamber of Commerce, BOR0005, para i), AIMUp, Peebles Community Council and Peebles Community Trust (AIMUp, Peebles Community Council and Peebles Community Trust, BOR0017, para 2.1) and Scottish Land and Estates (Scottish Land and Estates, BOR0012, para i).

168 Dumfries and Galloway Chamber of Commerce, BOR0002, para 4.3

169 Ibid., para 4.2

170 Scottish Borders Council, BOR0003, para 14; Dumfries and Galloway Council, BOR0006, para 2.18

171 Q81

172 RSA Fellows Borders Network, BOR0008, para 9
Government to work with all stakeholders to lobby for this re-designation as soon as possible.”

112. *We recommend that the NUTS 2 boundaries in the south of Scotland should be redrawn to ensure greater structural funding for the region. We are satisfied that this can be achieved without compromising other existing administrative boundaries, and without causing a reduction in the likely overall levels of funding which would be allocated to Scotland. This could result in significant sums of additional funding being allocated to the south of Scotland.*

113. *We urge the UK Government to work with the Scottish Government and local authorities to redraw the NUTS 2 boundaries in Scotland in order to create a NUTS 2 region for the south of Scotland that does not incorporate the Central Belt. We also expect the UK Government to facilitate this at an EU level.*

173 Joan McAlpine MSP, *(BOR0020)*, para 4.1.1
6 Conclusion

114. We have been aware for some time of the successful ‘Our Islands–Our Future’ campaign, run by the local authorities in the Highlands and Islands. We were surprised by the absence of any similar campaign in the south of Scotland. Indeed, in our launch Report, we suggested that ‘Our Islands, Our Future’ could be used as a potential model for a co-ordinated approach in the Borderlands - between local authorities in the south of Scotland, to raise the profile of the area and to jointly lobby both the UK and Scottish Government’s to recognise the distinct challenges faced by the region.

115. While the south of Scotland is not a homogenous region, we identified key social, economic and infrastructure issues which were common across the region. Moreover, and to a greater extent than expected, we found that the challenges and opportunities faced by those in the south of Scotland were held in common with those on the English side of the border. Michael Moore described the Borderlands as “debatable lands, where the writs of kings and queens did not run south from Edinburgh or north from London, and it was a large area that just governed or did not govern itself.”

116. While many of the issues outlined in our Report are common to post-industrial rural and peripheral communities, they have been brought into sharp focus post-devolution, where both the policies of the UK Government and Scottish Government have a direct impact on the Borderlands, and where policy divergence, north and south of the border, has to an extent exacerbated the challenges faced and made them more difficult to address. Throughout this Report we have repeatedly called for more collaboration, both between local authorities across the Scotland-England border, and between the UK and Scottish Governments, specifically in delivering major infrastructure projects which are crucial to the future prosperity of the region.

117. The challenges faced were further complicated by two countervailing tendencies. The first was the instinct of the Scottish Government to centralise power and functions in Edinburgh. The negative consequences of this were particularly evident for the south of Scotland in the scrapping of Local Enterprise bodies in favour of the creation of a centralised Scottish Enterprise. At the same time, the UK Government’s capacity to deliver its responsibilities in Scotland has reduced. It has been too easy for Whitehall Departments to assume that their major functions are devolved, and to not give adequate attention and priority to administering their reserved functions north of the border. Both of these trends have had a tangible, negative impact on the daily lives of people in the south of Scotland.

174 Orkney Islands Council, Our Islands - Our Future, accessed 21 January 2015. ‘Our Islands - Our Future’ is a joint vision drawn up by the Orkney Island Council, Shetland Island Council and Comhairle nan Eilean Siar. It was launched on 17 June 2013, and its intention was that the UK and Scottish Government should recognise the special position of the UK’s three largest island groups.


176 Q36
118. That said, as illustrated throughout this Report, we identified a number of positive activities and developments in the south of Scotland, which are serving to increase the profile of the area and establishing structures to improve collaborative and cross-border working for the economic benefit of the whole area. Political leadership, at all levels, is crucial to the success of these initiatives. Throughout this Report, we have therefore challenged both the UK and Scottish Governments to work together to deliver tangible results. How they achieve this is one of the central issues in the post-devolution landscape, and one which will become more important during the course of the next Parliament as the Smith Agreement is implemented.
Annex: Individuals and organisations that attended our informal sessions in Galashiels, Peebles and Dumfries

Galashiels 12 May 2014

Borders Deaf & Hard of Hearing Network
Borders Equality Forum
Borders Voluntary Care Voice
Campaign for Borders Rail
CWU
GMB
Heriott Watt University School of Textile Design
Lothian and Borders Police
NFUS Lothians and Borders
NHS Scotland
Rail Action Group East of Scotland
Scottish Borders Chamber of Commerce
Scottish Borders Community Council Network
Scottish Borders Council
Scottish Borders Elder Voice
Scottish Borders Tourism Partnership
Scottish Borders Youth Voice
SEStran (the South East of Scotland Transport Partnership)
Skills Development Scotland
South of Scotland Alliance
The Bridge (Community and voluntary sector support) Scottish Borders Social Enterprise
UNISON
Youth Borders
Peebles 9 June 2014

Berwickshire Housing Association
Borders Care Voice
Borders Green Team
Encompass Borders
Federation of Small Businesses
Grow to Work
Moorbrook Textiles
New Horizons Borders
NFUS
Peebles Community Trust
Peebles Hydro Hotel
Peebles Old Parish Church
Peebleshire CAB
Peeblesshire Youth Trust
Scottish Borders Council
Scottish Borders Social Enterprise Chamber
Scottish Enterprise
South of Scotland Alliance
Southern Upland Partnership
The Bridge
Traquair House
Tweedlove
UNISON
Volunteer Centre Borders
Waverley Housing Trust
West Linton Community Council
Youth Borders
Yuill Rural Community Trust
Dumfries 16 June 2014

Age Scotland
Alcohol and Drugs Partnership
Crichton Campus Leadership Group
Crichton Institute Regional Observatory
D&G Health and Social Care Partnership Board
Dumfries and Galloway College
Dumfries and Galloway Council
Dumfries and Galloway Third Sector First
Dumfries and Galloway Voice
DWP (Jobcentre Plus)
Fire Scotland
LGBT National Youth Council
NHS Dumfries & Galloway
Scottish Enterprise
Skills Development Scotland
South of Scotland Alliance
The Hub, Dumfries
UNISON
Wigtownshire Chamber of Commerce
Members present:

Mr Ian Davidson, in the Chair
Mike Crockart       Pamela Nash
Jim McGovern        Sir Jim Paice
Iain McKenzie       Mr Alan Reid
Graeme Morrice

Draft Report (Our Borderlands – Our Future: Final Report), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 118 read and agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 24 March at 2.00 pm]
Witnesses

The following witnesses gave oral evidence. The evidence is available on the Committee’s website at www.parliament.uk/scotaffcom

Monday 26 January 2015

First session:

Rt Hon David Mundell, MP for Dumfriesshire, Clydesdale and Tweeddale, and Archie Dryburgh, Councillor for Annandale East and Eskdale, Dumfries and Galloway Council

Question number

Q1–17

Second session:

Jane Meek, Head of Economic Development, Carlisle City Council, Ewan Green, Head of Economic Development, Dumfries and Galloway Council, Douglas Scott, Senior Policy Adviser, Chief Executive’s Department, Scottish Borders Council, and Janice Rose, Economic and Inclusion Policy Manager, Northumberland County Council

Monday 9 February 2015

First session:

Rt Hon Michael Moore, MP for Berwickshire, Roxburgh and Selkirk

Question number

Q34–61

Second session:

Bruce Simpson, Vice Convener, Scottish Borders Chamber of Commerce, Brian Richardson, Chief Executive, Dumfries and Galloway Chamber of Commerce, Paul Lewis, Executive Leadership Team, Scottish Enterprise and Managing Director, Sectors, Commercialisation and Investment, and Alistair McKinnon, Director, South of Scotland and Director Sustainable Construction, Scottish Enterprise

Question number

Q62–110

Third session:

Gavin Yuill, Managing Director, Yuill Community Trust, Teresa Dougall, Regional Manager, South East/South West area, Scottish Land and Estates, and James Pringle, Community Councillor, Landowner and South East Committee Member, Scottish Land and Estates

Question number

Q111–142
Published written evidence

The following written evidence was received and can be viewed on the Committee’s inquiry web page at www.parliament.uk/our-borderlands-inquiry. INQ numbers are generated by the evidence processing system and so may not be complete.

1. Councillor Archie Dryburgh (BOR0009)
2. Campaign For Borders Rail (BOR0007)
3. Christopher George Lewin (BOR0001)
4. Dumfries & Galloway Chamber Of Commerce (BOR0002)
5. Dumfries And Galloway Council On Behalf Of Dumfries And Galloway Strategic Partnership Executive Group (BOR0006)
6. Joan McAlpine MSP (BOR0020)
7. John Stevenson MP (BOR0019)
8. NFU Scotland (BOR0015)
9. NHS Borders (BOR0016)
10. Peebles Community Council (BOR0017)
11. RSA Fellows’ Borders Network Linked To RSA (www.thersa.org) (BOR0008)
12. Rt Hon Sir Alan Beith MP (BOR0018)
13. Scottish Borders Chamber Of Commerce (BOR0005)
14. Scottish Borders Council (BOR0003)
15. Scottish Borders Council SNP Group (BOR0004)
16. Scottish Enterprise (BOR0013)
17. Scottish Land & Estates (BOR0012)
18. Skills Development Scotland (BOR0011)
19. Yuill Community Trust: CIC (BOR0014)
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The Referendum on Separation for Scotland: A Defence Force for Scotland—A Conspiracy of Optimism?  
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