

Rural Economy and Connectivity Committee

South of Scotland Enterprise Bill

Public meeting – Dumfries, Easterbrook Hall, 14 January 2019

Challenges

1. The Convener opened the session with a request for views on the economic and social challenges facing the region. All views expressed below are from attendees from the south of Scotland area.
2. A number of attendees highlighted demographic issues, primarily the issue of young people leaving the area and not coming back. Attendees also highlighted high levels of unemployment, low wages, the skills gaps, out-migration and an aging population. The area has been in a vacuum as far as Dumfries and Galloway is concerned.
3. Scotland's Rural College highlighted transport and social housing issues which are hindering economic development in the area. Another attendee said that housing and transport was required to allow young people to stay in the area. Students were being lost to urban institutions due to lack of facilities, digital connectivity, and it was difficult to attract foreign students.
4. Digital connectivity issues were also highlighted. One of the younger attendees said that many people are leaving the area due to poor digital connectivity.

Opportunities

5. Some local business owners stressed the importance of building on the strengths of the region, not just focussing on attracting foreign investment. There is a need to make the opportunities of area more visible, such as quality of life, integrated community, inclusiveness, and use that structure to build something genuinely different.
6. There are some great opportunities for developing renewables in the area, but there needs to be more value-added for the relevant communities.
7. The Dumfries and Galloway area could become a major transport hub as it lies between two highly populated areas, and provides Scotland's link to the island of Ireland.
8. The Crichton Campus in Dumfries is also a major asset to the area, and one that has not been capitalised on by Scottish Enterprise. There needs to be investment in the further and higher education institutions of the South, in the same way that HIE has been a major partner in developing the University of the Highlands and Islands.

9. However, there is an acceptance of the need to provide link-up between universities and highly skilled jobs. At the moment, there just aren't enough high skilled, high paid employment opportunities.

Need for enterprise agency

10. The Convener asked for a show of hands in response to the question: "Does the South need an enterprise agency?". Almost everyone said "yes".
11. One audience member argued that if it is accepted that Scottish Enterprise has failed in Dumfries and Galloway and the Scottish Borders, then it is likely to have failed in other areas, such as South Ayrshire. He struggled to justify spending £40 million per year on the new agency when it could just be adding another layer of bureaucracy.

What can the new agency do to add value?

12. Some audience members from social enterprise and community development backgrounds felt we should measure "value" differently – it's not just about profits and wages, as important as they are. Wellbeing, networks, communities, the environment should all be considered in any assessment of value. Climate change is a hugely important issue and presents opportunities for community partnership and to benefit local economies. Scotland could expand the hydrogen economy, and link renewables with transport.
13. The Agency could be a step towards developing a different type of economy. Up until now, Scottish Enterprise has not developed an approach that suits the unique nature of the South. The new agency should take a key role in attracting investment.
14. Organisations are successful when they have a clear frame of reference. The frame of reference for the new agency needs to look at climate change opportunities, to look outwards, to engage with organisations outside and to initiate a gap analysis to see where opportunities are.
15. It was felt that Scottish Enterprise has not done enough for sectors that are important to the South, namely tourism, agriculture and forestry. New agency needs to deal with these issues.
16. It is important that the new agency is a champion for the South, advocating for the region within the wider Scottish context.
17. It is also vital that the agency works with communities and is developed from the bottom up: "it needs to be enabling, not prescriptive". A development trust representative said (from the perspective of looking at sustainable development in a former coal mining community that communities want to see agency working with local communities "rather than having things done to us.")
18. Co-ordination is required – there are various agencies working separately and a more joined-up, strategic approach is needed.

19. Concern about what will happen in areas that are not covered by new agency, and that new agency might just create a new layer of bureaucracy rather than get existing structures working better.

Specific views on the Bill

20. A number of audience members argued that environment and community considerations were inadequately covered in the Bill. An endorsement of sustainable development and community empowerment should be included, for example. Marine and coastal issues have not been recognised in the Bill.
21. In the area of accountability and board membership, there were a number of views.
22. For example, some felt there should be young people on the board. Others were concerned about the proposal for the Scottish Government to appoint board members. Some felt that they should be appointed by communities in the South. Others suggested an independent localised feedback mechanism.
23. Engagement with small and micro businesses is absolutely vital. There is a need to focus on opportunities for small companies rather than large companies as Scottish Enterprise has done historically. Indeed, it was felt that *how* the agency does things is almost as important as what it does. Therefore, it is clear that board composition, accountability and communication/engagement requirements within the Bill can help define the culture of the organisation.