



BORDERLANDS INCLUSIVE GROWTH DEAL

PARTNERSHIP BOARD MEETING

Date: Friday 18th June 2021

Time: 2.30pm – 3.30pm

Venue: Microsoft Teams Meeting

Chair: Councillor Stewart Young, Leader, Cumbria County Council

Please note that this meeting will be live streamed and available to the public for viewing purposes.

AGENDA:

PART A

1. Welcome, apologies and agreement that items of business within Part B of the agenda should be dealt with in private.
2. Declarations of interest
3. Quarterly Deal Progress Report
4. Any other business

PART B

Business to be concluded in private and excluded from livestream

1. Place Programme Update (Confidential Item)



BORDERLANDS INCLUSIVE GROWTH DEAL

PARTNERSHIP BOARD

FRIDAY 18 JUNE 2021

ITEM 3 – QUARTERLY DEAL PROGRESS REPORT

1. Purpose of Report

- 1.1 This report provides a summary of the latest position in the delivery of the Borderlands Inclusive Growth Deal. It highlights areas of progress and key challenges in delivering the Deal. As this report is the first quarterly update following the signing of the Deal on the 18th March 2021 it represents a new baseline for considering future progress as part of the first formal meeting of the Borderlands Partnership Board.
- 1.2 For future reports, where more relevant monitoring information will become available, a greater use of visual tools and a dashboard approach will be adopted to allow progress to be monitoring and highlighted in a more easily accessible manner.

2. Recommendations

The Board is recommended to:

- 2.1 Agree the current position of programme delivery as summarised in the report and agree that Appendix 1 will provide for the basis for future quarterly reporting on progress.
- 2.2 Confirm that the risk register, (Appendix 3), is an accurate assessment of the state of the Deal's delivery and its corresponding mitigating actions provide assurance that the delivery programme remains on track.

3. Background

- 3.1 Following the agreement of the Borderlands Inclusive Growth Deal on the 18th March 2021 the Borderlands Partnership governance structure has moved from the initial shadow arrangements to formal meetings in line with the governance arrangements set out in the Collaboration Agreement. This places the Partnership on the formal basis to deliver the Deal with responsibility for oversight on progress with the projects and programmes within the Deal.
- 3.2 As set out in the Collaboration Agreement two key roles for the Borderlands Partnership Board are:



- “to monitor and evaluate, at high level, progress with the Growth Deal projects, as well as the impact of the Growth Deal in furthering the strategic objective underlying the Growth Deal” and
- “to ensure that the delivery of the Growth Deal is carried out in the manner which aligns with the strategic objectives underlying the Growth Deal and so as to maximise impact in terms of furthers of those objectives.”

3.3 This report is intended to provide the Board with the information necessary to fulfil these roles. The rest of this report provides an up-date on the projects and programmes in the Deal under the four themes. Where a substantive decision on a specific project or programme is required, a separate paper will be produced for a dedicated item.

4. Enabling Infrastructure

- 4.1 The Enabling Infrastructure theme of the Borderlands Inclusive Growth Deal comprises five activities worth up to £112.2m of Borderlands investment targeted at improving access to the region and connectivity within and outside of the area. This will contribute to the region’s attractiveness as a place to live, work and visit.
- 4.2 Two projects in the Enabling Infrastructure theme have been approved and are in delivery: Carlisle Station Gateway (£20m) and the Borderlands Digital Voucher Scheme (£4m).
- 4.3 The Carlisle Station Gateway scheme is now in the full design phase with contractors appointed for Stage 1 of the design and build contract following procurement. Further consultation on the final design elements is planned over the next quarter. With investment of £20m this is a significant scheme in the first phase of the Deal with £16.9m drawn down from Ministry of Housing and Local Government (MHCLG) to the accountable body to cover initial costs primarily land purchase and to meet Network Rail requirements.
- 4.4 The Borderlands Digital Vouchers Scheme was launched in June 2020 providing a ‘top-up’ to the BDUK gigabit voucher scheme for residents and businesses in Cumbria and Northumberland. The ‘top-up’ scheme was initially scheduled to close in March 2021; however, an agreement was made to roll-forward c. £450k of funding from the committed £4m into the new financial year (2021/22). To date 1,793 vouchers have been awarded worth £3.54m. The partners are working with DCMS and BDUK to release the remaining funding. The Borderlands Digital Voucher scheme has only operated in Cumbria and Northumberland and is intended to be complementary investment to the existing R100 programme in Scotland.



- 4.5 Three projects in this theme are in the development phase: Carlisle Citadels, Digital Borderlands (excluding the voucher scheme) and Borders Railway feasibility. The Carlisle Citadels Full Business Case is in development and an initial draft business case has been shared with MHCLG for their consideration. The applicant for the project is the University of Cumbria. This project is scheduled for consideration by the Board later in the year.
- 4.6 The partners continue to engage with officials from the Scottish Government, Transport Scotland, UK Government, including the Department for Transport on the next steps to progress the feasibility activity in support of the completion of the Borders Railway from Tweedbank to Carlisle.
- 4.7 Digital Borderlands (4G mobile infrastructure) is currently undertaking options appraisal to inform the selection of the preferred option for inclusion in the business case. This continues the progress in implementing the Digital Borderlands Strategy published in May 2020 which identified three strategic priorities:
- Strategic Priority 1 – Extending gigabit capable connectivity to all premises.
 - Strategic Priority 2 – Boosting mobile infrastructure for 4G and 5G coverage.
 - Strategic Priority 3 – Creating digital hubs.
- 4.8 The current focus is on the development of the next phase of activity under Digital Borderlands is focused on improving the 4G and 5G coverage. This primarily responds to the second priority with further information to be brought to future Board meetings providing further information on the options for delivery.

5 Improving Places

- 5.1 The Improving Places theme will investment up to £127.5m in supporting the places of the Borderlands to attract new people to visit and live in the area and revitalise our communities for existing resident.
- 5.2 One project from within the Destination Borderlands activity is currently in delivery; Lilidorei at the Alnwick Garden, which was awarded £5m to build a new children-focused attraction. This will bring in new markets and enhancing the offer of the established destination. Contractors are now on site, following the completion of the procurement process with work underway on the development.
- 5.3 The other aspects of the Improving Places theme are in development with projects from the Destination Borderlands activities being brought to future Board meetings for consideration as set out in the Project and Programme Tracker (Appendix 1).



The Berwick Theatre business case is in development and is scheduled to be brought to the Board for approval at the end of the year. The business case has been delayed due to the impact of Covid-19 on the organisation. This is not expected to impact otherwise on the scheme.

- 5.4 The Place Programme is a key element of the Borderlands Deal. This is being brought to the Board as a separate paper for consideration to enable progression to the next stage of development.

6 Supporting Business, Innovation and Skills

- 6.1 The business, innovation and skills theme of the Deal is intended to put the Borderlands in a strong place to be ready to take advantage of new ideas to enhance our prosperity and broaden opportunities. Up to £54m of investment will be made through this theme across five areas: Business Infrastructure, the Mountain Bike Project, Dairy Nexus, Forestry Innovation and the South of Scotland Learning Network.
- 6.2 One project has been approved under this theme, the Ad Gefrin Visitor Experience and Distillery in Wooler, Northumberland. Following the award of the initial contract work has commenced on the site as part of the £3m investment developing a new attraction building on the heritage of the area as the site of a major early Northumbrian royal site.
- 6.3 The Mountain Bike Project business case is underway with support from South of Scotland Enterprise and Napier University and is scheduled to be brought to the Board later in the year for approval. Progress remains underway on developing the business cases for the other projects in this theme as set out in the attached Project and Programme tracker (Appendix 1).

7 Encouraging Green Growth

- 7.1 The Borderlands have particular opportunities in supporting low carbon growth and the transition to net zero carbon emissions. To support this up to £56.3m will be invested across four projects.
- 7.2 One area, the £1.1m Energy Masterplan is currently in delivery to provide the framework for the full programme of investment in energy. The Masterplan support was procured in early 2021 and has initially collated relevant data which will enable themes and foci to be identified to scope the next phase of work at a more local



level. The consultants will be undertaking a period of consultation over the summer on the evidence gathered to date.

- 7.3 The Masterplan work has 2 phases with phase 1 currently underway. Work has commenced on scoping the second phase. It is likely that the second phase will not follow exactly the scope set out in the original Strategic Outline Business Case (SOBC). The project team is working with the project board to determine the most effective way to deliver the second phase. Following agreement with the project board a report will be brought to the Partnership Board for its consideration and approval.
- 7.4 The other business cases (Chapelcross and the Natural Capital Programme) are underdeveloped as set out in Appendix 1.

8 Forward Plan

- 8.1 The attached Forward Plan (Appendix 2) provides a summary of the areas to be considered at future meetings of the Board.
- 8.2 The September meeting is currently expected to include the Place Programme and the business cases for the Citadels Phase 2 development and Mountain Bike Project subject to appraisal by the relevant government(s).

9 Highlighted Risks

- 9.1 The attached risk register (Appendix 3) sets out the current strategic risks identified for the Deal. At this stage in delivery no risks are identified as red or requiring further mitigation actions. The mitigating approach is currently working to reduce or maintain the likelihood of the identified risks occurring. No further response is proposed at this stage.

10 Communications Highlights

- 10.1 A full Communications Plan for the delivery of the Deal is underdevelopment; however, the partnership has been proactive in raising awareness of the Deal in relation to the signing and the establishment of the Economic Forum both of which attracted significant media interest from across the Borderlands area resulting in positive coverage.



- 10.2 Due to the pre-election period limitations, partners have otherwise been relatively quiet; however, we plan to raise further awareness and a refresh of the Borderlands branding and design is currently underway to accompany an updated website. More details of this will be shared with the Board as it progresses.

Lead Officer(s)

NAME	DESIGNATION	CONTACT DETAILS
James Davies	Programme Manager – Programme Management Office (PMO)	James.davies@borderlandsgrowth.com

Endorsed by

DESIGNATION	Date
Chief Economic Development Officers	11.06.2021

Appendices – 3

Appendix 1 – Project/Programme Tracker

Appendix 2 – Forward Plan of meetings

Appendix 3 – Risk Register

Appendix 1 Borderlands
Project and Programme
Tracker

Last Updated : 9th June 2021

Theme	Programme / Project	Lead Org.	Value (Borderlands Grant - upto £m)	Government funder/approval	Accountable Body	Current Status	Next Project Milestone	Next Gateway Approval	Target Date for Full Business Case
IMPROVING PLACES	Place Programme	NCC, SBC	50 England - 30 Scotland - 20	MHCLG/SG	NCC&D&G	OBC (being finalised) linked FBC (being finalised - England only)	Completion of FBC for approval process. UKG discussions on methodology for town selection.	FBC (Sept 2021)	Sep-21
	Destination Borderlands: Hadrian's Wall and wider Roman Frontier	NCC	18	MHCLG	NCC	SOBC (approved)	Undertake/complete market demand research. Define projects and develop the commissioning approach.	OBC (Dec 2021)	TBC
	See More Lake District	CuCC	6	MHCLG	NCC	SOBC (approved)		OBC (Oct 2021)	TBC
	River Tweed Route	NCC, SBC	10 - Scotland 1 - England (tbc)	SG	D&G (TBC-England element)	SOBC (approved)	Develop Economic Case; consultations with landowners along the route	OBC (Oct 2021)	Mar-22
	Stranraer Marina	D&G	16	SG	D&G	OBC (finalised)	Public Consultation / stakeholder engagement on outline concept design (Mar 2021)	FBC (Dec 2022)	Nov-22
	Alnwick Gardens	NCC	5	MHCLG	NCC	Delivery started Jan 21 - 60 week programme	Agree main contract sum May 21	N/A	Approved
	7stanes	D&G, SBC	5	SG	D&G	SOBC	Develop site designs and stakeholder consultations	TBC	TBC
	Star of Caledonia	SoC	1.5	SO	D&G	SOBC	Project to award contract for business case support	OBC (Sept 2021)	Dec-21
	Berwick Theatre and Conference Centre	NCC	15	MHCLG	NCC	OBC	Design competition launched	FBC (Dec 21)	Dec-21
ENABLING INFRASTRUCTURE	Borders Railway (DfT)	SBC/DfT/Trans	10	DfT/SG	TBC	TBC	TBC	TBC	
	Digital Borderlands:								
	Voucher Scheme	CuCCC	4	DCMS	N/A - DCMS	Project delivered	Reporting	N/A	
	Infrastructure	CuCCC	16.2 - Scotland 12 - England	MHCLG/SO	NCC&D&G	OBC	OBC Complete	TBC	TBC
	Carlisle Station Gateway Phase 1	CaCC, CuCC	20	MHCLG	NCC	Delivery	Delivery	N/A	
ENCOURAGING GREEN GROWTH	Carlisle Station Gateway Phase 2 (Citadels)	CaCC, CuCC	50	MHCLG	NCC	SOBC	OBC developed	FBC (Sept 2021)	Sep-21
	Borderlands Energy Investment Company:								
	Energy Masterplan	NCC/D&G	1.1	MHCLG	NCC	In delivery			N/A
	Energy Company	D&G/NCC	29.9 14 - Scotland 17m - England (note requirement to address £1.1m masterplan)	MHCLG/SO	NCC&D&G	To be progressed following the Masterplan	OBC complete	OBC	TBC
SUPPORTING BUSINESS, INNOVATION & SKILLS	Natural Capital	NCC, SBC	10	SO/SG/DEFRA	NCC&D&G	Strategic Proposition	OBC complete	OBC	Dec-21
	Business Infrastructure Programme - England:	CuCC, NCC							
	Business Infrastructure - England	NCC	5.5	MHCLG	NCC	Next steps to be developed	OBC	OBC	TBC
	Ad Gefrin	NCC	3	MHCLG	NCC	Delivery - Start on site 56 week programme (Feb 2021)	N/A	N/A	
	Business Infrastructure Programme - Scotland:	D&G, SBC	13.4	SG	D&G	OBC	FBC	FBC	Dec-21
	Chapelcross Park	D&G	15.3	SO/SG	D&G	SOBC	OBC	OBC (June 2023)	Mar-24
	Mountain Bike Innovation Centre	SBC	19	SO	D&G	OBC	Aquisition of site for innovation centre	FBC	Sep-21
	Rural Innovation and Skills								
	Dairy Nexus	D&G	8	SG/SO	D&G	OBC	Dairy Nexus Director recruited Dec 21	FBC	Mar-22
	South of Scotland Learning Network	D&G, SBC	7	SG	D&G	Strategic Proposition		SOBC	TBC
	Forest Innovation Centre	NCC	6	MHCLG	NCC	Strategic Proposition		SOBC	TBC

Appendix 2 - Borderlands Partnership Board Forward Plan- 2021/22

	Date and Time of Partnership Board	Indicative items	Final Agenda and Papers Pack to be sent
June 2021			
	Friday 18th June - 2.30pm – 3.30pm	Progress Update Place Programme	Friday 11th June
September 2021			
	Wednesday 15th September - 10.00am - 12.00pm	Progress Update Financial Profile Review FBCs - Place (England), Citadels Phase 2, Mountain Bike Project. Benefits Realisation Plan Energy Masterplan	Wednesday 8th September
December 2021			
	Friday 10th December - 2.00pm - 3.30pm	Progress Update PMO Budget Review FBCs Berwick Theatre, Star of Caledonia, Business Infrastructure Scotland, Natural Capital.	Friday 3rd December
March 2022			
	Tuesday 8th March - 10.30am - 12.00pm	Progress Update Annual Review Preparation End of year arrangements FBCs Destination Tweed and Dairy Nexus	Tuesday 1st March

Deal Delivery Risk Register



Version: last updated - 09/06/2021

Risk No.	Risk / Cause / Impact	Likelihood (0 to 5)	Impact (0 to 5)	Action	Owner	Raised By	Date raised	Likelihood (0 to 5)	Impact (0 to 5)	Risk Rating	Last Updated	Rational
Operational												
1	There is a risk that insufficient resources, caused by competing priorities of partners result in potential delays in delivery of business case.	0	2	• Key issues will be escalated to the next level of governance, using evidence presented by the the project tracker and monthly reporting.	EDCOG	PMO	22.04.2021	0	1		05.05.21	Early stage so not aware of any issues. Likelihood & impact score remain the same.
2	There is a risk around the capacity of partners to deliver Deal projects, caused by significant public sector challenges, resulting in pressures on Partners' cash flow and unknown Deal slippage.	0	2	• Key issues will be escalated to the next level of governance, using evidence presented by the the project tracker and monthly reporting.	EDCOG	PMO	22.04.2021	0	1		05.05.21	Early stage so not aware of any issues, likelihood & impact score remain the same.
3	There is a risk that the Implementation Plan is not kept up-to-date caused by projects not sharing accurate information resulting in unknown Deal slippage.	0	2	• Esculate to EDCOG where peoject engagement or monthly information provided is inadequate.	PMO	PMO	22.04.2021	0	1		05.05.21	
4	There is a risk that appraisals of business case are processed as quickly as required caused by a lack of resource resulting in delays to securing project and programme approvals.	1	2	• Esculate the issue to the next level of governance to raise with senior civil servants. • Project tracker and monthly reporting from projects shared with civil servants will help to identify issues early.	EDCOG	PMO	22.04.2021	0	1		09.06.21	
5	There is a risk that changes in the wider policy environment, caused by COVID-19 economic downturn, restrictions and requirements going forward, result in impacts on the delivery requirements of the Deal and increase costs or slow down delivery.	2	3	• Key issues will be escalated to the next level of governance, using evidence presented by the the project tracker and monthly reporting.	EDCOG	PMO	22.04.2021	2	2		22.04.21	Not in local control so likelihood remains the same but routes to identify ways to reduce impact.
6	There is a risk that wider economic impacts result in cost increases due to higher construction inflation than assumed in business cases.	3	2	• Key issues will be escalated to the next level of governance, using evidence presented by the the project tracker and monthly reporting.	EDCOG	PMO	22.04.2021	2	2		09.06.21	Likelihood incresased due to wider intelligence. Not visible in local projects to date.
7	There is a risk that the changing political landscape will result in changing political priorities.	2	2	• Ongoing monitoring of political landscape and policy with concerns escalated.	BPB	PMO	22.04.2021	2	2		22.04.21	Given cross-party support for the Deal to date, score is low on likelihood and impact.
Financial												
8	There is a risk that the Financial Plan isn't adhered to caused by the lack of awareness of the Plan resulting in a disconnect between draw down and spend.	2	3	• Esculate to EDCOG where peoject engagement or monthly financial information provided is inadequate.	FD	PMO	22.04.2021	1	2		22.04.21	
9	There is a risk that there is limited scope for reprofiling caused by underperformance in other Deals resulting in pressures of Partners' cash flow.	2	2	• Key issues will be escalated to the next level of governance, identified by the monthly and quarterly reporting which includes financial information.	EDCOG	PMO	22.04.2021	1	2		22.04.21	
10	There is a risk that the annual allocation isn't met caused by a lack of progress resulting in a potential reputational risk and reprofiling of draw down.	2	2	• Esculate to EDCOG where peoject tracker identifies issues.	FD	PMO	22.04.2021	1	2		22.04.21	
11	There is a risk that the funding profile in England is delayed caused by comprehensive spending review pressures resulting in pressures of Partners' cash flow.	1	3	• Ongoing dialogue with UK Gov civil servants on profile with escalation to next level of governance.	EDCOG	PMO	22.04.2021	0	2		05.05.21	
12	There is a risk of partner funding not materialising as agreed caused by increasing restraints in public sector funding, resulting in pressures on Partners' cash flow and or project slippage.	2	3	• Key issues will be escalated to the next level of governance, identified by the monthly and quarterly reporting which includes financial information.	FD	PMO	22.04.2021	1	2		22.04.21	
13	There is a risk to the funding capability of external funders caused by the COVID-19 impacts on budget and likely recession, resulting in reduced third party funding of projects within the Deal, causing pressures on Partners' cashflow and or project slippage.	3	2	• Key issues will be escalated to the next level of governance, identified by the monthly and quarterly reporting which includes financial information.	FD	PMO	22.04.2021	2	1		22.04.21	Likely that external funding will be reduced however not all projects are reliant on external funding.
14	There is a risk that the overprogramming in England is not addressed strategically impacting on the resources available for other projects caused by changing financial profiles for other projects resulting in underperformance against strategic objectives	2	3	• Key issues will be escalated to the next level of governance following review, and will be addressed as part of mid-year profiling.	FD	PMO	22.04.2021	1	2		22.04.21	
Legal												
15	There is a risk of change in the makeup of the Partnership caused by Local Government Reorganisation in Cumbria resulting in a change in the Governance structure of the Deal.	3	3	• Keep under review through engagement with Lead Officers and Chief Officers.	EDCOG	PMO	22.04.2021	3	3		05.05.21	Likelihood is higher now than it has been previously, and the impacts unknown in terms of what that could look like for the number of authorities in Cumbria and therefore the make-up of BPB.