



NEWS RELEASE

Date of issue: Monday 1 July 2019

Transformational £394.5m Borderlands Inclusive Growth Deal signed off

Ministers of the UK and Scottish Governments and the Leaders of the five councils of the Borderlands Partnership have today (Monday 1 July) signed off the 'Heads of Terms' for the £394.5million Borderlands Inclusive Growth Deal. £350m from the UK and Scottish Governments and £44.5m from the local authorities.

The signing of the formal agreement, which took place at the Mountain Bike Centre of Scotland at Glentress in the Scottish Borders, is a major step towards the funding of agreed projects and programmes put forward by the Partnership to the two governments.

The long-term benefits of the Deal will reach all parts of the Borderlands area, driving inclusive growth and delivering significant and lasting benefits for individuals, businesses and communities.

Scottish Secretary David Mundell said:

"It's fantastic news that the UK Government is to invest up to £265 million in the Borderlands deal. This is an ambitious approach to cross-border working between Governments, local authorities and partners which will boost economic growth by helping existing business, encouraging new ventures and bringing a wealth of improvements to people who live and work in the area and to visitors.

"The Borderlands deal has made huge progress in the last 18 months. I'd like to thank the five local authorities who have worked so well together, along with the UK and Scottish governments, to achieve this.

"The South of Scotland and northernmost parts of England operate as a single economic area and it is important the border is not allowed to become an obstacle to development.

"To date the UK Government has committed more than £1.41 billion of Growth Deal investment to support sustainable growth in Scotland and create jobs and opportunities for the future."



Infrastructure Secretary Michael Matheson said:

“I am delighted we have reached this important milestone in signing Heads of Terms for the Borderlands Deal. Successful delivery of the deal will create jobs, protect existing ones and extend the benefits of economic growth to even more communities across Scotland.

“Alongside the establishment of a new enterprise agency for the south of Scotland, and activities of the South of Scotland Economic Partnership, the Scottish Government’s £85 million investment will deliver significant and lasting benefits right across the region.

“Our investment is focused on priorities defined by local partners and includes £31 million to transform tourism, £15.5 million to develop business infrastructure, £20 million to enhance quality of place, and £13.5 million to develop the skills and innovation needed to support the growth of key rural industries.

“The Scottish Government has so far committed more than £1.7 billion over the next 10 to 20 years to City Region and Growth Deals and related investments across Scotland.”

Minister for the Northern Powerhouse, Jake Berry MP, said:

“This once-in-a-generation deal will deliver unprecedented investment in the Borderlands region while strengthening our cross-border links.

“We have moved closer to finalising a deal which will deliver over 5500 jobs, dramatically improve transport and digital connectivity, boost tourism and generate around £1.1 billion of economic benefits for the region.

“With the combined strength of the UK, Scottish and local governments, let’s use this Borderlands Deal to realise a new era of regeneration, inclusive growth and limitless economic opportunities for the Borderlands and the whole of the Northern Powerhouse.”

Co-chairs of the Borderlands Partnership, Elaine Murray and Peter Jackson welcomed the signing of the Heads of Terms.



Cllr Murray, Leader of Dumfries and Galloway Council, said: “The Borderlands Inclusive Growth Deal will have a transformational impact on the whole region, with the potential for 5,500 jobs, millions of extra tourists and improved mobile and digital connections thanks to the funding from the two governments and the additional investment the deal will attract.

“The unlocking of investment in our towns will generate a predicted £1.1 billion uplift in the region’s GVA and the partners will be able to deliver individually and collectively a range of projects which will not only improve the area for existing residents but also encourage more to move here, which will help address some of the common challenges we face.”

Cllr Jackson, Leader of Northumberland County Council, added: “The signing of the agreement today is a vital step towards the next stage of the Borderlands Inclusive Growth Deal, enabling the Partnership to finalise the business cases for the agreed projects and programmes and to access the funding to take these forward.

“Significant work has gone in by all the partners and the two governments to get to this stage, and thanks to the very close working relationship we’ve made excellent progress to date and have no doubt that will continue as we all work towards signing the full deal agreement next year.”

Specific funding has been confirmed for some projects, subject to full business cases, including £8 million for a Dairy Innovation Centre in Dumfries and Galloway, £10 million to support natural capital innovation across the Borderlands region, £19 million for the Mountain Biking Innovation Centre in the Borders, £15 million for Carlisle Station in Cumbria and £5 million for Alnwick Garden in Northumberland. In the South of Scotland, £31 million will develop tourist attractions, £20 million will enhance the quality of rural places, £15.5 million will enhance business infrastructure and £7 million will develop key skills needed to boost the visitor economy. A feasibility study into the extension of the Borders Railway from Carlisle to Tweedbank will also be funded by both governments to the tune of £10 million.

The Deal will also mean an investment of £31m in green energy projects, with much needed improvements in digital and mobile connectivity across the region. The importance of our towns will be the focus of a place investment programme linked to our Destination and Business Infrastructure investments.



It is anticipated that this investment will deliver an extra 5,500 job opportunities, attract over 4 million extra tourists and unlock investment in towns across the area, boosting the region's economy by £1.1 billion.

As part of the next stage of the deal process, a formal Partnership Board will be established, which will include the five local authority leaders, a private sector representative from a to be established Economic Forum, and advisors from both governments and other private and public bodies.

For more information, the full Heads of Terms document is available from the partnership website www.Borderlandsgrowth.com

Ends

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Background

The £350 million Scottish and UK governments investment breaks down as £150 million for Scotland (£85 million from the Scottish Government and £65 million from the UK Government) and £200 million for England from the UK Government.

Notes to editors The Borderlands Partnership consists of Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, Northumberland County Council, Scottish Borders Council

Signing Heads of Terms is the first stage in progressing work towards being able to sign a final Deal. More work will now be undertaken by partners to develop full business cases before funds will be released and the final Deal can be signed.

The full Heads of Terms document can be found at www.borderlandsgrowth.com