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SOUTH OF SCOTLAND REGIONAL ECONOMIC STRATEGY

Technical Paper: Rural Development Best Practice Review

July 2021

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1. INTRODUCTION

1.1 Report Overview

This report forms part of a series of technical reports, which underpin the new South of Scotland Regional Economic Strategic (RES). In keeping with the inclusive and sustainable growth focus of the RES and the inherently rural geography of the region, the report offers a review of rural development policy and examples of best practice, which are shaping decisions, interventions and investments across the UK, to support a more inclusive and environmentally-conscious growth agenda. The evidence within provides ‘hook’s for the RES and will ensure that the region is resolutely focused on policy-making which is progressive, stretching, responsive to local need, future-focused and on par with competitors.


1.2 Current Best Practice in Rural Development Policy

Having attended the REP’s Natural Capital workshop on 22nd January 2021, the point made by one speaker that “*if we think and do as we have always done, we will only repeat what we have*” resounded amongst others at the meeting and echoes Shucksmith (2018, p. 165) who writes “*In the academic literature, there is a voluminous literature on rurality, but there appears to be remarkably little discussion of what might constitute a Good Countryside. Instead, we find debates on sustainability or sustainable rural communities, reflecting perhaps a taken-for-granted assumption that these are already good places which only need to be presumed or sustained. Perhaps the moral superiority of rural communities and places is readily assumed by residents and researchers alike? And perhaps it suits the powerful in rural societies for the status quo to be celebrated rather than scrutinised?*”

Another point to consider when designing the Regional Economic Strategy is the paradox which Shucksmith (2018, p. 167) notes: “*the majority of respondents to researchers in the UK, present rural society as inherently good, caring, safe and advantaged, while presenting urban society as inherently degenerate, dangerous and disadvantaged (Shucksmith et al, 1996). The potential influx of people from elsewhere is therefore something to be feared as a threat. And here is a paradox: rural values are proclaimed as inclusive and neighbourly, and yet these can only be protected from corrosive urban values through being exclusive. Interestingly, opposition to new housing in rural areas tends to be less when residents come together to consider the future of their village in a more holistic way through place-shaping exercises. By collectively imagining their future, residents are more likely to recognise the contribution additional houses can make towards the sort of place they hope for, and so become more disposed to support such initiatives, albeit perhaps hedged around with locals-only restrictions.*” The housing market has an important role to play in strengthening a rural economy with the need being to have a fair and accessible housing market with quality in all tenures.¹

Furthermore, centralisation or closure of essential services, including health care, schools, post offices, banks and libraries erodes the systems which support rural society, with rural communities increasingly being expected to devise self-help solutions to maintaining these essential systems. Therefore, while welcoming community engagement and control of assets and services, there are dangers if this is open only to those with capacity to mitigate a withdrawal of the state, leaving others without essential services and infrastructure. An absent state in this sense is a recipe for a two-speed countryside. Instead, we need a more complete account of sustainability and resilience which encompasses social systems as well as

¹ The Registered Social Landlords sector has an annual turnover of £100M and provides homes (23,900) in virtually every town, village and settlement in the SOS. The Scottish Borders Housing Association, for example, employs 730 people in housing, construction and support roles and has an investment capacity of £11M a year. Source: email from Julia Mulloy, Chief Exec., Scottish Borders Housing Association, 29th June 2021.



environmental and economic systems and which recognises the responsibilities of an enabling state to all its citizens.² In this respect, therefore, it is essential that the REP which brings together public, private and third sector representatives, is supported with necessary funds from the Scottish Government.

With these points in mind, the remainder of this paper considers best practice in rural development in the SOS (SOS).

² C.f. Shucksmith (2018), page 167.

3. RURAL DEVELOPMENT IN THE SOS

3.1 A Rural Narrative

In a recent symposium of rural stakeholders in the North of England,³ a new Rural Narrative was derived, and a set of Emerging Principles and Policy Drivers were agreed. They are of relevance in the SOS context also and therefore, I have noted as well as added to these (see below).

Emerging Principles:

- Think “smart rural” rather than “land-based rural”.
- Celebrate the urban/rural dynamics.
- Take an integrated and place-based approach.
- Focus on the opportunities and attractors. The land-based sector plays a critical role in rural communities (and of course in tackling climate emergency) but other sectors to create opportunities. Showcasing the breadth of opportunities should help to retain and attract talent where people see pathways and jobs in a range of sectors.
- Be blind to administrative boundaries.

Emerging Policy Drivers:

- Harness the economic power of our land-based industries and ensure a pipeline of talent to drive these industries forward:
 - Productive timber and forestry supply chain.
 - Food supply and Agri-technology.
 - Sustainable uplands.
 - Energy production and Storage.
- Augment the value of rural areas to our citizens:
 - Community-led housing and Community-led regeneration.
 - Animate our cultural and heritage assets in new and creative ways.
 - Increase the quality of rural life for a teenager.
 - Access to the education and training opportunities that will enable people to stay and secure jobs in their local areas.
 - Share best practice from and with other parts of rural and remote Scotland to understand and replicate what’s working well.
- Business scale-up:

³ Symposium of Northern rural stakeholders and interests, “Dying, Surviving, Thriving,” October 2017.

- Boost rural apprenticeships.
- Promote and encourage entrepreneurship as a career option.
- Encourage innovation and applied R&D.
- Provide business advice and support to lifestyle and microbusinesses.
- Celebrate the value of our rural areas to cities:
 - As a destination for leisure, recreation and culture.
 - Wide use and promotion of the advantages of living, learning and working in rural areas using case studies.
 - The lack of connectivity as a place for tranquillity and space.
 - As a home for entrepreneurs and leaders.

3.2 Green Infrastructure Planning

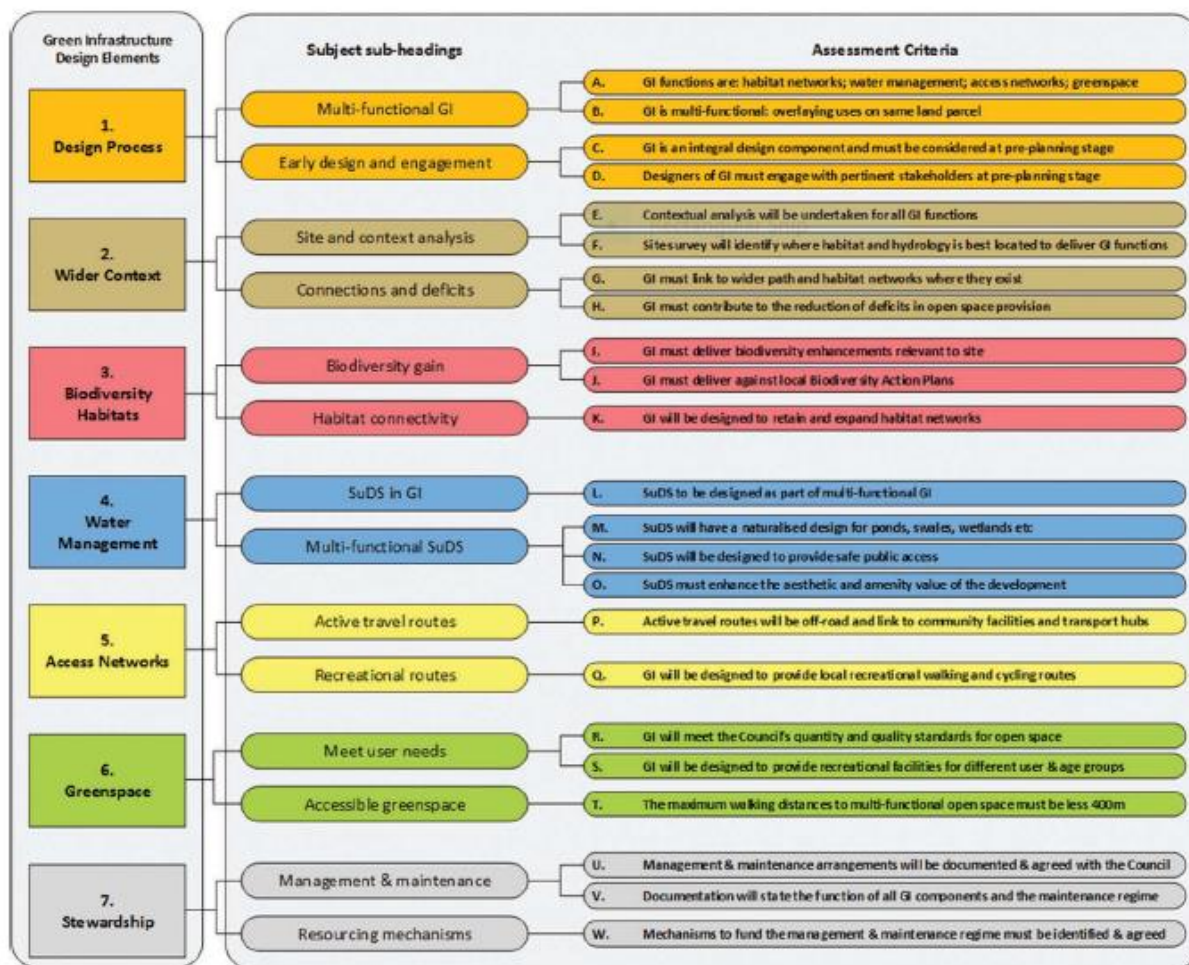
Hislop, Scott and Corbett (2019) developed a best practice framework for looking at Green Infrastructure Planning Policies and created an assessment tool against which they tested the planning policies of 19 local planning authorities in Central Scotland. Their framework was based on the design elements of two approaches, that of the “Building with Nature” project and that of the Glasgow Clyde Valley Green Network Partnership (GCVNP). The Building with Nature project was developed by the Gloucester Wildlife Trust and the Centre for Sustainable Planning and Environments at the University of the West of England and drew upon an extensive academic and policy literature as well as workshops with developers and environment stakeholders. The GCVNP approach captured the lessons learned from a range of GCVNP design studies commissioned across the Glasgow and Clyde Valley region. Hislop et al’s hybridised version can be seen in Figure 1 and provides a best practice benchmark for the future RES for the SOS.⁴

The central message of the Hislop et al paper is that Green Infrastructure should not just be located within the environmental chapter of local authority policies but be integral to all of the roles of a local authority i.e. involving housing, economic development, transport, water management, design and building conservation. This is the approach currently being taken in Cumbria with South Lakeland District Council seemingly taking the lead by, for example, signing up all of its officers and councillors to “green training.”⁵

⁴ It may be noted that of the 19 authorities tested using their assessment tool, Glasgow scored well above the other local authorities and North and South Ayrshire were the lowest scoring.

⁵ Source: Mulvey, G (2020) Interviews with South Lakeland District and Cumbria County Council Officer Leads on the Environment, conducted December 2020.

Figure 1: Best Practice Criteria Used to Assess Green Infrastructure Policies



Key: GI – Green Infrastructure SuDS – Sustainable Drainage Systems

Source: Hislop et al (2019), p. 643.

In the remaining sections of this paper, we consider some of the specific policies which will underlie development in the SOS.

3.3 Agricultural Policy

Scottish agricultural policy is a devolved part of UK Government policy. As such, the Agri-Environment Climate Scheme is a scheme which is delivered jointly by the Rural Payments and Inspections Division (RPID) of the Scottish Government and Scottish Natural Heritage (SNH). The scheme promotes land management practices which protect and enhance Scotland's magnificent natural heritage, improve water quality, manage flood risk and mitigate and adapt to climate change. In helping to improve public access and preserve historic sites, it is also supportive of inclusive and sustainable growth. Hence, although the UK Agricultural Bill 2020 was passed by the UK Parliament in December 2020, the Scottish Government intends to bring forward new legislation in due course to make provision for longer-term agricultural policy for Scotland. That said, the clauses which the UK Government consider apply to Scotland relate only to the following:

- Food Security.

- Fertilisers and Identification and Traceability of Animals.
- Red Meat Levy.
- Organic Products.

Hence, with regard to the thrust of the UK Agricultural Bill 2020 being based on the following five tenets⁶:

- Introducing the Environmental Land Management scheme to incentivise sustainable farming practices, create habitats for nature recovery and establish new woodland to help tackle climate change;
- Investing in improving animal health and welfare as part of our sustainable farming approach. This will initially focus on controlling or eradicating endemic diseases amongst cattle, pigs and sheep;
- Direct Payments will be reduced fairly, starting from the 2021 Basic Payment Scheme year, with the money released being used to fund new grants and schemes to boost farmers' productivity and reward environmental improvements;
- Launching a Farming Investment Fund, which will support innovation and productivity. This will open for applications in 2021 and will be used to offer grants for equipment, technology and infrastructure for the future;
- Simplifying and improving existing schemes and their application processes further from January 2021 to reduce the burden on farmers, and we will take a modern approach to regulation, cutting unnecessary red tape for farmers and working together with industry to design a more targeted regulatory system;⁷

We can assume that Best Practice in Agricultural Policy in Scotland will largely be the same.

The "*Path to Sustainable Farming*" document, published in November 2020, sets out more detail on the changes and what they will mean for farmers. The changes will be designed to ensure that by 2028, farmers can sustainably produce healthy food profitably without subsidy, whilst taking steps to improve the environment, improve animal health and welfare and reduce carbon emissions.

Firstly, the Sustainable Farming Incentive will pay farmers who are in receipt of the Basic Payment Scheme (BPS) for actions that they take to manage their land in an environmentally sustainable way.

Secondly, the Local Nature Recovery will pay for actions that support local nature recovery and deliver local environmental priorities. This scheme will also encourage collaboration, helping farmers to work together to improve their local environment.⁸

These financial incentives will be set at a rate to incentivise widespread participation.

Thirdly, there will be standalone projects to support tree planting, peatland restoration and nature recovery.

Fourthly, the Government will make more funding available within the legacy Countryside Stewardship Scheme. It will offer a slurry investment scheme, to help reduce pollution and to help meet net zero.

⁷ Source: [Department for Environment, Food & Rural Affairs](#) and [The Rt Hon George Eustice MP](#) Speech of 30th November 2020.

⁸ Source: [UK Government unveils sustainable farming policy | The Pig Site](#), accessed 20.1.21

Finally, it will be launching a new industry-led R&D scheme to invest in innovation and to benefit farmers.⁹

Data on the Agriculture, Forestry and Fishing; Mining and Quarrying sector for the SOS shows that in 2019, it accounted for 8.9% of total GVA compared to 2.8% for the whole of Scotland. Of all sectors, GVA in that sector experienced the smallest rise over the 20-year period 1998-2018 – an increase of only 12% in nominal terms – and it has therefore declined in relative importance in the economy of the region (accounting for 14.4% of GVA in 1998). In terms of employment, the sector accounted for 11.5% of total employment in the SOS (3% in Scotland as a whole) in 2017.¹⁰ Of the four Border local authorities, Dumfries and Galloway employs the second highest number in Agriculture, Forestry and Fishing and in both Dumfries and Galloway and the Scottish Borders, the relative proportion of employment in this sector is greater than that in Cumbria or Northumberland (see Tables 1 & 2).

Table 1: Employment and Percentage of Total Employment in the Primary Industries in the Border Counties, 2015

| | D & G | | Scot. Borders | | Cumbria | | Northumberland | |
|-------------------------------------|-------|------|---------------|-----|---------|-----|----------------|-----|
| | No. | % | No. | % | No. | % | No. | % |
| Crop & Animal Production | 7,000 | 10.4 | 4,000 | 8.7 | 13,000 | 5.2 | 5,000 | 4.5 |
| Forestry & logging | 500 | 0.7 | 350 | 0.8 | 450 | 0.2 | 225 | 0.2 |
| Fishing & Aquaculture | 75 | 0.1 | 40 | 0.1 | 125 | 0.1 | 250 | 0.1 |
| Mining & Quarrying | 100 | 0.1 | 45 | 0.1 | 75 | 0.1 | 175 | 0.2 |

Source: Business Register & Employment Survey

Table 2: Employment and Percentage of Total Employment in the Primary Industries in the Border Counties, 2019

| | D & G | | Scot. Borders | | Cumbria | | Northumberland | |
|-------------------------------------|-------|------|---------------|-----|---------|-----|----------------|-----|
| | No. | % | No. | % | No. | % | No. | % |
| Crop & Animal Production | 8,000 | 11.9 | 4,000 | 9.6 | 13,000 | 5.1 | 6,000 | 5.4 |
| Forestry & logging | 600 | 0.9 | 600 | 1.3 | 225 | 0.1 | 350 | 0.3 |
| Fishing & Aquaculture | 175 | 0.3 | 75 | 0.2 | 50 | 0.0 | 125 | 0.1 |
| Mining & Quarrying | 75 | 0.1 | 30 | 0.1 | 500 | 0.2 | 100 | 0.1 |

Source: Business Register & Employment Survey

According to the Economic Report on Scottish Agriculture 2020, farms in the SOS employed 11,096 people (including occupiers) which is 16.7% of the Scottish total. Taking the Primary industries as a whole, they accounted for 13.9% of total employment in the SOS compared to a national level of 6.1%. Also, the number of businesses in these Primary industries is very high, numbering 3,375 in the SOS in 2020, forming 28.2% of the total number of businesses in the region.¹¹

The degree to which farmers in the SOS are affected by the changes introduced by the UK Agriculture Bill 2020 will depend on their already existent levels of provision of such environmentally friendly services

⁹ Initiatives mentioned in the speech by [The Rt Hon George Eustice MP, Department for Environment, Food & Rural Affairs](#) on 30th November 2020.

¹⁰ Source: Business Register, 2017.

¹¹ Source: Businesses in Scotland, 2020.

and/or their ability to progress towards greater provision of such. It is the view of the Sustainable Food Trust¹² that the UK Government's new system will cause a lot of grazing livestock farmers to go out of business and that it is one of the recommendations of the Committee on Climate Change that 30,000 hectares of grassland will be converted into forestry every year. With the SOS already being covered by large swathes of pine trees and one of the only other viable forms of farming on marginal land being cattle and sheep grazing, it would seem inappropriate for the Agricultural Bill to have that effect on the region.¹³ This then cries out for the need for the SOS to design its own agricultural funding scheme if it is to prevent such a transition from livestock farming to further forestry.

Other arguments against such a transition are that Britain is only 75% self-sufficient in beef¹⁴ and it would therefore be reckless on environmental grounds to reduce our own production of beef cattle, particularly when the Galloway herd is world famous for its quality. Also, the UK currently imports around one third of the sheep meat it consumes, around 100,000 tonnes annually, the majority of which is from New Zealand and Australia, largely needed to ensure supplies are available to UK consumers throughout the year. We export roughly the same amount. At a global level, this degree of transportation between far-flung countries is indefensible on the grounds of fossil fuel use and pollution. However, there are arguments on biodiversity grounds for the conversion of some pine forests to areas of mixed woodland as well as the promotion of wild-flower meadows.

A corollary of this is to consider to what other uses the region's land and natural capital could be put. We must note that there are existing land use partnerships in the SOS, namely, Tweed Forum, Southern Uplands Partnership, Galloway Glens Landscape Partnership, Galloway & Southern Ayrshire Biosphere Reserve and Borders Forest Trust. Also, in the Borderlands Inclusive Growth Deal, there is a proposal that seeks investment of up to £5 million in SOS pilot projects on farming, forestry, marine management, data management and private finance.¹⁵

3.4 The Celebration and Use of Natural Capital

In combination with the potential to adapt the role of agricultural practices in the SOS, the natural assets which the region possesses should be further enhanced to combat health problems such as obesity, mental health and age-related illnesses. Indeed, the Scottish Government's National Planning Framework 4 (NPF4) Position Statement states the following: "Our policies on planning for business development will recognise the fundamental role Scotland's natural capital plays in supporting our economy and will aim to achieve sustainable, inclusive growth by protecting and investing in our natural assets and supporting the health and wellbeing of our communities. This will support Scotland's ambitions to build a wellbeing economy." We have already seen an increased desire for people to move to the countryside during the Covid-19 pandemic. With the ability and necessity to work from home during the pandemic, there has been

¹² The Sustainable Food Trust is a charity that was set up in 2011 in Bristol but with global connections whose mission is to accelerate the transition world-wide to more sustainable food and farming systems which nourish the health of the planet and its people. (Source: Podcast by Patrick Holden, Founder of the Sustainable Food Trust, December 2020).

¹³ Furthermore, it is argued by the Sustainable Food Trust that such a transition may seem a win-win situation for the UK in helping it to meet its carbon emission targets but that in terms of the global situation, it would make it considerably worse. This is because we grow grass in the UK better than almost anywhere else in the world and we already import 25% of our beef. If one includes corned beef, almost 30,000 tons of that comes from Brazil where the productivity of grass on former rain forest land is less than half the average productivity of UK grassland. So, for every hectare of grass that we put into trees in the UK, if we end up importing Brazilian beef to replace our own, we will see 2 hectares of rain forest felled. The Trust also argues that it would take 100 years to get even vaguely reasonable biodiversity in oak woodland and few farmers would be able to afford to do that. (Source: Podcast by Patrick Holden, Founder of the Sustainable Food Trust, December 2020).

¹⁴ In 2019, the UK exported approximately 85,000 tons of fresh and frozen beef but imported approximately 160,000 tonnes. (Source: <https://nationalbeefassociation.com/resources/beef-statistics/>)

¹⁵ C.f. Johnston, R. (2021) p. 3.

a move by some people from the more densely populated Central Belt of Scotland to Dumfries and Galloway and the Scottish Borders. This is evidenced most recently by a report on the Scottish Housing Market, published by Rettie Estate Agents (2021). House prices in D&G have risen by the highest amount of any area in Scotland over the last twelve months due in part to increased demand from people wishing to move from the Central Belt of Scotland as well as from south of the Border.¹⁶ Dumfries and Galloway has until very recently (at time of writing in February 2021) been largely unscathed by the spread of the COVID-19 infection and offers pleasant and small market towns where shopping may be felt to be a less dangerous pursuit in these times and also a more pleasurable one when “normality” is restored. The pandemic, in both its effects on the economy and people’s mental health, may have had a transformative psychological impact on members of the population whose appreciation of the “outside world” as opposed to the “inside world” of their houses and offices, nature and all its beauty will have increased. There may also be a hankering for a more human-centric and caring way of leading daily life such as to be found in the small shops of rural towns and villages where pleasantries can be exchanged, and community relationships can be more readily formed.

Some inward migration to the SOS would be beneficial to the economy bringing greater prosperity, greater council tax revenues, potential job opportunities, increased wages and new ideas. Arguably, a better work-life balance and state of mental health to be found in the rural SOS than in the urban centres elsewhere should have a beneficial impact on the physical health, well-being and productivity of its population producing benefits for all.

Ideas on nature-based tourism have been posited in the Borderlands Inclusive Growth Deal¹⁷ and projects to develop nature-based branding have been taken forward by the Galloway and Southern Ayrshire Biosphere and the Galloway Glens Landscape Partnership.¹⁸

In the paper by Johnston (2021),¹⁹ we are informed that under the Landscape Enterprise Networks Initiative (LENS), there is work underway to connect business needs with natural capital investment opportunities across SW Scotland (Clyde to Solway), starting with work by SEPA and Nestle around a new Sustainable Growth Agreement. Also, the Tweed Forum is part of a NatureScot-led pilot project on Facilitating Local Natural Capital Investment. This aims to test an approach that could be used by regional partnerships across Scotland to facilitate investment in natural capital at the local level, especially from the private sector.

Another idea which is gaining in popularity is re-wilding which can have the effect of increasing tourism as well as increasing biodiversity. Beavers are one of the world’s most adept natural engineers, with an incredible ability to create new wetlands, restore native woodland and improve conditions for a wide range of species including dragonflies, otters and fish. The return of beavers also provides ample wildlife tourism opportunity. In Scotland, Knapdale’s beavers have attracted visitors from around the world, bringing social

¹⁶ C.f. Rettie (2021), p. 3.

¹⁷ R. Johnston (Scottish Government) informs us that there are nature-based tourism proposals in Destination Borderlands.

¹⁸ For example, the SHAPE initiative and the Loch Ken Alive initiative in R. Johnston (2021) “The role of natural capital in developing the regional economy of SOS,” Paper delivered at the REP Meeting’s Workshop Session on Natural Capital, 22nd January 2021, p. 6.

¹⁹ Ibid, p. 2.

and economic benefits to the area.²⁰ In addition, in the case of the SOS, beaver re-introduction could have a beneficial impact in reducing flooding of settlements downstream of the Southern Uplands.^{21, 22}

However, there are caveats to re-wilding programmes in that they can generate conflicts with farmers and create hostility with foresters and fishermen for example.²³

3.5 Wider Tourism Strategy

The Tourism Alliance (2017) sees tourism as an important mechanism for redistributing economic activity and wealth from urban to rural and to seaside areas of the UK. Cumbria Tourism has a long history of successful promotion of the tourism industry in that county and with increased emphasis placed on this by Northumberland County Council²⁴ and in the Borderlands through the Borderlands Inclusive Growth Deal, there is great scope for Dumfries and Galloway and the Scottish Borders to tap into those tourist markets due to their proximity as well as generate tourism travel themselves. Hadrian's Wall, the Hadrian's Wall Path, the opening of The Sill National Landscape Discovery Centre in Northumberland, Kielder Forest Park, development of the Historic Quarter in Carlisle, Carlisle Castle and the Tullie House Museum already successfully attract visitors to the Anglo-Scottish Border. If public transport connections were generated and promoted between these destinations and those tourist destinations already existing in the SOS such as the Solway Coastal Route, Gretna Green, the Border Abbey towns of Melrose, Jedburgh and Peebles, the Galloway Forest Park, Isle of Whithorn, the Border Reivers Path, Annandale Way, Southern Upland Way and the other tourist towns of Moffat, Kelso, Newton Stewart and Castle Douglas, this could prove very fruitful for the region.

Therefore, it is suggested that efforts to stimulate the use of and harness the benefits from the region's natural, cultural and heritage assets could be focussed on the following:

1. Building and promotion of new cycle paths and forest paths²⁵. The TEAM Tourism Consultancy Report (2019) states that "the SOS has an established reputation for biking, following the initial investment in the 7 Stanes mountain bikes hubs in the wake of the Foot and Mouth Crisis and the establishment of Scotland's first biking resort in the Tweed Valley. The Tweed Valley Forest Park is an exemplar for the development of forest trails.²⁶ There is the potential to create a network of hubs across the SOS for cycling and biking of all types (mountain biking, trail riding, endurance riding, cycle touring, bike packing, gravel riding, scooter riding and e-biking)." This would need to go hand-in-hand with investment in biker-friendly accommodation; e-cycle rental and installation of charging points; and bike-packing facilities.

²⁰ C.f. Scottish Wildlife Trust (2021) "Beavers in Knapdale: Final Report from the Scottish Beavers Reinforcement Project"

²¹ C.f. Newsround, "How beavers can help stop houses from flooding", 17.2.20 at <https://www.bbc.co.uk/newsround/51528733>

²² It is noted that Scottish Borders Council is already working with Tweed Forum and Scottish Forestry on a woodland creation project in the Upper Teviot catchment. So far, nearly 80 hectares of native and riparian woodland has been created along with the creation of natural flood management features, such as attenuation ponds and leaky barriers (Source: Johnston, R. *ibid*, p. 5).

²³ For example, it was reported in *The Scottish Farmer* (2021) that the increase in the numbers of white tailed eagles on the West Coast of Scotland is causing high levels of predation on flocks of hill sheep and hence calls from farmers and crofters for managed eagle elimination.

²⁴ C.f. Cowie et al (2018) pp. 43-44.

²⁵ Furthermore, STUC (2020, p. 19) state that "investment in cycling and walking infra-structure generates more jobs mile-for-mile than road and projects for extending cycle paths and walking routes should be prioritised.

²⁶ C.f. https://forestryandland.gov.scot/images/pdf/rec_pdfs/Tweed-Valley-Forest-Park-Map-and-Trail-Guide.pdf

2. Creation of circular footpaths which are way-marked, centred particularly on market towns where the spending of a “day out” is further encouraged.
3. The further development of town and village trails.
4. Enhancement of current tourist attractions such as historic houses and abbeys, castles, NT properties, gardens, museums and art galleries, waterfalls and long-distance footpaths.

In relation to ii-iv) above, the SOS has many pretty towns and villages dispersed across its breadth and Visit Scotland’s recent branding of the region as “Scotland Starts Here” can specifically target those so-called “engaged sightseers” who enjoy general sightseeing, taking in historical places as well as scenery and nature. Provision of tourist literature detailing suggested map itineraries, themed routes, events and accommodation could be further developed encouraging travel across the region.

5. Additional community asset transfers so that residents of local communities are encouraged to appreciate and enjoy their area’s natural assets (examples: Moffat Community Nature Reserve; Barrhill Woods).
6. Marketing of Dark Skies environments. Galloway Forest Park was designated by the International Dark Sky Association in 2009 as only the 4th Dark Sky Park in the world and the first in the UK.
7. Promotion of Agri-tourism facilities and experiences and the creation of a SOS Food and Drink Trail.

A paper prepared in 2018, by the former MP for Cumbria and the Borders, Rory Stewart, for instance, suggested that much more could be made of the concept of “wilderness” through a 100 mile route linking Hawes in North Yorkshire passing through the “forgotten lands” into the Scottish Borders via Newcastleton to Eskdalemuir. The arbitrary nature of the Anglo-Scottish Border in relation to tourism is also highlighted by the suggestion that tourism in the region could benefit from a coordinated investment plan for visitor attractions associated with the Borders towns of Hawick, Galashiels and Melrose. The paper also points to existing Department for Transport proposals of dualling of the A69 which would facilitate visits from local population centres to the new or enhanced visitor attractions along the Wilderness route.²⁷

Cumbria LEP is encouraging the design of packages of “experiences” which will appeal to overseas tourists.²⁸ Ideas being discussed are the promotion of quality food and drink events and festivals, adventure sports and heritage trails, all of which are possible in the SOS. It also believes that the County is well placed to attract people from the creative industries and to become the “Rockies of the UK” – that is a place where people come to live and work. As suggested at the start of this section, the SOS like Cumbria, might attract “lifestyle” businesses and those who wish to work remotely from home avoiding the commute and experiencing a healthier and more contented pace of life.

In Cumbria, the “Distinctly Cumbrian” brand and “Made in Cumbria” brands have been successful marketing features for locally produced food and drink products. “Produced in Northumberland” is a new verification scheme which guarantees authentic Northumberland food and drink. An increasing number of B&Bs are using the brand.²⁹ In Wales, a scheme called “Sustainable Brand Values” will be launched which will allow Welsh producers entering into the Sustainable Farming scheme to market their products as “Sustainable Welsh Brands” increasing transparency in the market place and linking back to their annual sustainability impact assessment which they will do as part of the scheme.³⁰ In line with consumer trends

²⁷ C.f. Stewart, R. (2018) p. 5.

²⁸ C.f. Cowie et al (2018) p. 44.

²⁹ C.f. TEAM Tourism Consulting (2019), p. 58.

³⁰ C.f. <https://businesswales.gov.wales/foodanddrink/future-strategy-planning-food-and-drink-wales>

towards environmental consciousness, healthier food and interest in food provenance and farmers' markets, this could be further promoted in the SOS.

Recognising the need for a Destination Development Plan for the SOS, the SOS Economic Partnership commissioned a market assessment of tourism in the region and an insightful interview with Visit Scotland's Regional Director on 11th June 2021 revealed that the organisation has acquired evidence on successful tourism destination management that has occurred in eight comparator rural regions. It has been able to draw upon these to see what the particularly relevant stimulants could be for the SOS tourism economy. In brief, the comparators for best practice are as follows:

1. Cornwall for ideas on how coastal communities could promote their food and drink excellence. Cornwall has also been able to attract more holidaymakers out of season by promoting cultural events and art galleries.³¹ It has transformed from being a mass tourism, Summer holiday destination to one which benefits from multiple niche tourism markets throughout the year. In 2014, it was estimated that cultural tourism brought £180M into Cornwall's economy every year and that 10% of visitors came because of its literature, artists and galleries.³²
2. Lochaber for its prowess in the adventure tourism sector with ideas for how the Borderlands could capitalise on its natural capital visitor attractions and family markets. The area offers a range of complementary activities and spreads events across the year, to reduce seasonality. Businesses in Fort William now fully embrace these events and adapt opening times accordingly.
3. Loch Lomond and The Trossachs National Park for ideas on how to stimulate tourism and water sports in and around Loch Ken and St. Mary's Loch and on how to take advantage of the SOS's UNESCO Biosphere designation.
4. Newry, Mourne and Down in Northern Ireland for that region's ability to get visitors to tour the whole 400km² area requiring communities to work together from a wide area of towns and villages.
5. North Wales which has been so successful in gaining recognition for its mountain biking and hiking facilities and visitor attractions enabling it to reposition the region as "adventure and outdoor capital of the UK" and call itself "the adventure capital of Europe." Their visitor attractions came 4th nationwide and have significant international recognition. It has done this with the use of the marketing website "GoNorthWales". The destination brand is fully integrated with the programme of product and experience development with coordinated promotion and booking of a wide range of activities."³³ Hence, by developing the website "Scotland Starts Here", destination management could enable local tourism and hospitality businesses to engage in direct marketing and on-line booking thereby diverting business away from Trivago and other booking sites.
6. Northumberland for its ability to pool together its natural capital and heritage assets and encourage its accommodation providers and local food producers to get accreditation for market excellence. The county has had two transformational projects for tourism – Alnwick Garden and the Sill National Landscape Discovery Centre. Northumberland is also encouraging the development of "Dark Sky Events."³⁴
7. The Thompson-Okanagon region of British Columbia, Canada for ideas on how it managed to transform itself from being a "pass-through" area to Vancouver by maximising and highlighting infrastructure and transformational products that allowed it to differentiate itself from other regions.

³¹ C.f. TEAM Tourism Consulting (2019), p. 56.

³² C.f. TEAM Tourism Consulting (2019), p. 129.

³³ C.f. TEAM Tourism Consulting (2019), p. 55.

³⁴ C.f. TEAM Tourism Consulting (2019), p. 56.

The region is now well recognised as a culinary destination and food and drink is integral to the entire regional offering.³⁵ Interactive web resources have been developed to assist in trip planning. Okanagan formed an alliance with national telephone providers and therefore, one can ask whether the SOS might similarly be able to leverage access to Big Data in the region and thereby help us to better our communities?

8. Yorkshire for its ability to harness match funding from other partners due to hosting the Tour de Yorkshire cycle race. The disposable income that comes with tourists to such events is great. The SOS's road structure is very good for cycling and a coast-to-coast route could be developed. There is a long-term ambition for cycling routes to run the entire length of The Tweed. The South West Coastal 300 is currently a driving route but it could become a pilot route for carbon-neutral electric vehicles. In the Borderlands Growth Deal, the Source to Sea project will connect Dumfries to the Moffat Hills to Berwick on a new 100-mile long distance route.

Lastly, in this paper, we will consider the further development of the Renewables sector in the SOS.

3.6 Renewables

The Scottish Borders and northern England together represent the most important area for wood production and processing in the UK, accounting for one third of total UK production. The key driver of commercial aspects of forestry relates to the UK construction industry but also demand from pulp and paper processing and distribution (wooden pallets) (UNECE, 2017). In general, domestic demand outstrips domestic supply considerably. Imports accounted for 81 percent of wood consumption in the UK in 2019 (Forestry Commission, 2020) and the UK is the second largest importer of forest products in the world. Since 1993, Sweden has consistently been the principal country of origin for UK sawn softwood imports. The degree to which the UK is dependent on imports can be seen in Table 3.

Table 3: Apparent Consumption of Wood Products¹ in the UK, 2019

| Product | UK production | Imports | Exports | Apparent consumption |
|---|--------------------|--------------|------------|----------------------|
| Sawnwood² (thousand m ³) | * Rectangular Snip | | | |
| Coniferous | 3,410 | 6,437 | 193 | 9,654 |
| Non-Coniferous | 47 | 603 | 22 | 627 |
| Total | 3,456 | 7,040 | 215 | 10,281 |
| Woodbased panels (thousand m ³) | | | | |
| Veneer sheets | 0 | 53 | 2 | 51 |
| Plywood | 0 | 1,453 | 86 | 1,367 |
| Particleboard | 2,495 | 1,247 | 234 | 3,508 |
| Fibreboard | 751 | 897 | 62 | 1,586 |
| Total | 3,246 | 3,650 | 384 | 6,512 |
| Paper & paperboard (thousand tonnes) | | | | |
| Graphic papers | 918 | 2,509 | 352 | 3,075 |
| Sanitary & household papers | 762 | 313 | 7 | 1,068 |
| Packaging materials | 1,884 | 2,237 | 336 | 3,785 |
| Other paper & paperboard | 287 | 129 | 129 | 287 |
| Total | 3,851 | 5,188 | 824 | 8,215 |

Notes: Apparent consumption = UK production + Imports – Exports.

³⁵ C.f. TEAM Tourism Consulting (2019), p. 57.

3. Excludes fuelwood and round fencing but includes sleepers. Excludes intermediate products such as sawmill products, pulp and recovered paper to avoid double-counting.

Source: Forestry Commission (2020) "Forestry Statistics 2020," p. 9

Afforestation is a very effective method of carbon capture. The Government's Clean Growth Strategy advocates a substantial increase in the rate of afforestation to sequester more carbon. In the future, further international treaties, building on Paris, are likely to put more pressure on the Government to reduce carbon emissions and increase carbon capture. Forestry has an important part to play here. There is therefore room for expansion of this sector in the SOS despite the caveat mentioned on p. 6.

Many of the hills in the region are also now covered with wind turbines, enabling the electricity supplier, Scottish Power, to say that 100% of its energy supply is produced from renewable sources. In line with this, it was suggested in the TEAM publication (2019) that the SOS has the opportunity to position itself as a prime electric car tourism destination by entering a strategic partnership with a renewables company to install charge points in more market towns, at key visitor attractions and pubs.³⁶ In other parts of Scotland, there have been many community wind farms set up enabling local communities to benefit directly from lower fuel bills and reap the positive psychological rewards of living in an environmentally friendly way.³⁷ Offsetting these are, of course, the claims that wind turbines can be seen as a blight on the landscape, destroying views and creating hazards to nature as well as causing detriment to the landscape during their initial construction phase. The scope for exploitation of other sources of renewable energy such as hydro, solar and biofuels could be explored in the region in addition to the placement of offshore wind turbines.

However, STUC (2020) report that a fundamental problem with the low carbon and renewable energy (LCRE) economy in Scotland is the ownership structure. Much of it is in private and foreign hands. The consequences of that are that relatively little of the economic return and employment generated by the industry is secured for the Scottish people. STUC (2020, p. 13) say the following: "While state-owned companies are generally more ethical than private companies, they do not behave as ethically outside their home country as they do within it. Many are initially subsidised by their government to gain market share and have a history of directing contracts to suppliers in their home countries.³⁸ Once granted permission to operate, foreign companies whether public or private, care little about maintaining a strong 'social license' or 'social contract' with workers and communities."

The authors of the report cite, for example, the fact that half of the UK's offshore wind is estimated to be owned by publicly owned companies from other countries, such as Ørsted from Denmark, EDF from France and Red Rock from China. A further 42% is owned by foreign private companies, like Iberdrola from Spain (who own Scottish Power) and Innogy from Germany. Only 7% is owned by UK private companies like SSE and Centrica and just one offshore wind turbine is in UK public ownership – the Offshore Renewable Energy Catapult demonstration project in Levenmouth.³⁹ They state that these foreign multinationals often give contracts for the supply and manufacture of the turbines and other capital equipment required to other foreign firms who may be paying low wages to their workers and which then involves the transport of such equipment across the seas from afar (thereby leading to much higher carbon

³⁶ C.f. TEAM Tourism Consulting (2019), p. 7.

³⁷ C.f. Whittam, G. et al (2012)

³⁸ OECD (2018) 'State-Owned Enterprises and Corruption: What Are the Risks and What Can Be Done?' https://www.oecd-ilibrary.org/governance/state-owned-enterprises-and-corruption_9789264303058-en and <https://www.thenational.scot/news/18289660.scotland-must-act-now-stop-renewable-energy-squandered-just-like-oil/>

³⁹ <https://labour.org.uk/press/peoples-power-labour-announces-plan-offshore-windfarms-public-stake/> and <https://www.thenational.scot/news/18289660.scotland-must-act-now-stop-renewable-energy-squandered-just-like-oil/>

emissions globally).⁴⁰ This foreign ownership in large part explains why the employment effects of Scotland's LCRE have to date been so low. For example, in 2017, there were 2,000 employees in offshore wind jobs but this fell to 1,700 in 2018 despite installed capacity in offshore wind increasing by more than 250% from 246MW to 623MW.⁴¹ Despite the Scottish Government's Low Carbon Strategy (2010) document predicting that the number of jobs provided by the low carbon sector in Scotland would rise to 130,000 by 2020, direct employment in 2018 was only 23,100 and down from a peak of 24,000 in 2014.⁴²

If the SOS is to benefit from further development of the renewable energy industry, it will have to ensure that the developers are either Scottish companies or have signed local content agreements.⁴³ It is also important that environmental impact assessments for new developments should take into account the carbon costs of transportation of inputs. Scotland currently has a trade deficit in goods and services in the LCRE economy.⁴⁴ Ideally, as recommended by STUC (2020, p. 18), the Scottish Government should establish a publicly-owned energy company which *"is able to borrow to invest in new renewable energy projects in partnership with local authorities to establish generating subsidiaries. Local authorities in turn should be facilitated to develop partnerships with other public bodies, communities, co-ops and local private companies to maximise renewable generation with local benefits"*.

STUC (2020, p. 19) also suggest that greater benefit to local communities in Scotland may be offered by a programme of ensuring that homes and businesses are energy efficient. Given the labour-intensive nature of the manufacturing and installation of energy-efficient measures, this would create more employment and lend itself to partnership work with local authorities. Improving the energy efficiency of homes would not only help Scotland to achieve its net-zero carbon target but reduce fuel poverty and improve health outcomes by reducing winter deaths and asthma. Both of these types of initiative are compatible with community wealth-building.

⁴⁰ The authors of the STUC (2020, p. 14) report cite the example of "EDF, the French state-owned electric utility company, building its new £2 billion Nearth na Gaoithe (NNG) offshore wind farm less than 15km off the Fife coast. EDF has subcontracted Italian multinational Saipem to deliver the manufacturing work for the 54-turbine project. The Foundational steel structures known as "jackets" required for the windfarm are made locally in Bifab's yards in Methil and Burntisland, yet while the windfarm will be almost visible from their yards, EDF has intimated that only 8 of the 54 jackets will be contracted locally. The rest are set to be built in a tax avoidance zone in Indonesia, where the minimum wage is less than a pound an hour. They will then be shipped across the world one and two at a time, with each jacket releasing up to 4,500 tonnes of CO₂. This is the equivalent of putting 53 million cars on the road for a day. Adding this to annual carbon emissions totals would seriously hamper progress in meeting the Scottish Government's laudable aims to cut carbon emissions to net zero by 2045."

⁴¹ Cf. STUC (2020), p. 8

⁴² Cf. STUC (2020) p. 6

⁴³ For example, STUC (2020, p. 20) quote that "Among the developed countries, Canada (in Ontario and Quebec), the EU (in Spain, Italy, France, Greece and Croatia) and the United States have used local content requirements in some form to stimulate the growth of renewable energy projects".

⁴⁴ In 2018, Scotland had a trade deficit of £189.5 million in the LCRE industry (Source: STUC (2020), p. 2).

4. CONCLUDING REMARKS

In this paper, we have noted that it's not sufficient to tweak what already exists in terms of rural policy and human and natural capital assets in our region. Some fundamental changes are required for the SOS to realise its potential as a most desirable place to live, work, invest in, study and visit. One of the key principles is that the region needs to act as a collusive region, ignoring the administrative boundaries between Dumfries and Galloway and the Scottish Borders as the benefits of doing so will exceed the sum of the parts. That is not to say that a place-based approach to development is not important – it is, in order to take account of the different natural environments, already established business and social enterprise networks, merits and attractors of individual towns and villages and strengths of individual firms and industries in particular areas.

However, it is incumbent on the region to speak with one voice in its relationship with national government, in targeting tourism, investment in renewables, forestry policy and most importantly, agricultural policy. It is arguably even more important today than it has ever been given the challenges and opportunities posed by climate change, Covid-19, Brexit and the possibility of Scottish independence, all of which are better faced by a united and strong SOS.

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