

Borderlands Inclusive Growth Deal

Annual Report

Year 3 - 2023/24

Version 1

November 2024

Key Documents:



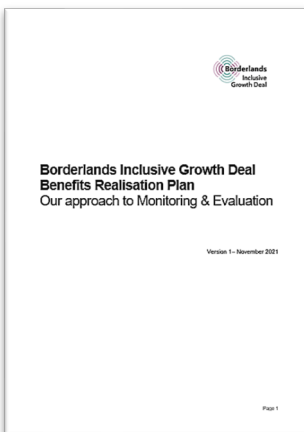
The Borderlands Inclusive Growth Deal can be downloaded here:

[Click here to download](#)



A summary of the Borderlands Inclusive Growth Deal can be downloaded here:

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The Borderlands Inclusive Growth Deal Benefits Realisation Plan can be downloaded here:

[Click her to download](#)

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Glossary

Definition of the key terms used in this Guidance Note, and specific to this context, are set out below.

Term	Description
Accountable Body	The administrative and financial lead with the ability to administer public funds and who is responsible for the satisfactory operation of the Deal. <ul style="list-style-type: none">• In England this is Northumberland County Council.• In Scotland this is Dumfries & Galloway Council
the Deal	Refers to the Borderlands Inclusive Growth Deal
PMO	The Programme Management Office
the Partnership	The 5 local authorities consisting of Cumberland Council, Dumfries & Galloway Council, Northumberland County Council, Scottish Borders Council and Westmorland and Furness Council.
Programme	A programme refers to an activity funded through the Deal which is composed of more than one discrete project with more than one project lead.
Project	A project refers to a single activity funded through the Deal which is distinct and contained in one grant agreement.

1. Executive Summary

Introduction

- 1.1 The Borderlands has incredible potential to demonstrate the opportunities of delivering economic growth which is socially and environmentally sustainable. Sitting at the heart of the United Kingdom, between the major conurbations of the Scottish Central belt and Northern England we are home to two National Parks, miles of contrasting coastline and 2,241 km² of AONB and 9 SSSIs.
- 1.2 With the Borderlands towns and city of Carlisle offering greater concentrations of population and services, and major north south rail and road routes the Borderlands is not remote but it is heavily rural. This comes with challenges common with many other predominantly rural areas. The Partnership has come together to address these: lower levels of productivity, an ageing, and in some cases shrinking population, and poorer levels of connectivity which results in growth which is not being equally felt across the area.
- 1.3 Our Inclusive Growth Deal, signed in March 2021 is the first step in addressing these shared challenges and putting in place the building blocks to take advantage of our distinctive opportunities around energy generation and storage, making the most of and protecting our incredible natural capital, globally-recognised tourism offer, and diverse sectors including forestry, manufacturing, agriculture and aquaculture. The Deal brings together the local partners with UK Government and Scottish Government in a shared commitment to deliver this sizable investment.
- 1.4 This Annual Report covers our third year of delivery (April 2023 to March 2024). Progress continued during the third year with activity being particularly noted in Scotland with the approvals of our first projects £1.2m for Business Infrastructure – Coldstream (September 2023) which moved into delivery and £8m for Dairy Nexus (January 2024). The Natural Capital Programme in Scotland was also approved allowing the detailed development of the six pilot projects which are due to come forward in 2024/25.
- 1.5 Delivery of the Programmes continues with four place plans approved in 2023/24 (Stranraer, Bedlington, Alnwick and Newbiggin) as well as the first Borderlands Town Investment Plan (Penrith). The delivery of the Place Programme has already provided opportunities for learning which were incorporated into a refreshed approach and documentation which is intended to make the Place Plans a more usable and locally-relevant document.
- 1.6 Progress has also been maintained with the review of the Energy Programme drawing to a close resulting in a new Energy Investment Strategy which sets out the overarching approach and key objectives. Following the completion of this work the Programme Business Case was submitted to UK and Scottish Governments in March 2024 outlining a proposed Call for Projects to deliver against the Energy Investment Strategy.

- 1.7 Following the completion and opening of the first Borderlands funded project in March 2023, Ad Gefrin Distillery and Museum in Northumberland, the next two Borderlands funded projects completed in the early part of 2023/24 with Lilidorei opening to the public in July and the Digital Voucher Scheme completing in June.
- 1.8 Throughout 2023/24 the wider impact of inflation has been evidenced with projects identifying raising costs and limited contractor competition as being challenges. This resulted in the proposal for a wider review and financial re-set of the Deal in 2024/25. Despite these challenges there has been continued delivery with £143,114,867 of Deal funding approved and awarded to date on the back of business cases, representing 40.9% of the Deal allocation. £33,289,750 of Deal funding has been fully defrayed by projects as part of the claims process and bringing in £33,799,400 worth of match funding and co-investment representing a significant contribution to the £102.5m target.
- 1.9 The Partnership also held its first conference since the Deal was signed which was well attended with 80 people in person, 60 people online and good media coverage. This was an excellence opportunity in light of the local government reorganisation in Cumbria to re-engage a wider audience with the Deal progress.
- 1.10 Following the completion of the first projects (Lilidorei, Digital Vouchers Scheme and Ad Gefrin) there is a move towards achieving deliverables with:
- 1,528m² of new floorspace created
 - 5.24ha of land remediated
 - 2,023 business supported
 - 1,668 premises connected to broadband
 - Over 104 jobs created.

Our Deal

Our Objectives



Narrowing the productivity gap



Increasing the working age population



Achieving inclusive growth

Our Funding Partners



Our Themes



Improving Places

- Place Programme
- Hadrian's Wall and wider Roman Frontier
- See More Lake District
- Destination Tweed
- Stranraer Marina
- Lilidorei, Alnwick Garden
- 7Stanes
- Star of Caledonia
- Berwick Theatre



Encouraging Green Growth

- Chapelcross Site Development
- Energy Masterplan and Investment
- Natural Capital



Supporting business, innovation and skills

- Mountain Bike Project
- Business Infrastructure Programme
 - Ad Gefrin Visitor Centre and Distillery
- Rural Innovation and Skills



Enabling Infrastructure

- Carlisle Station Gateway
- University of Cumbria Citadels Campus
- Digital Borderlands
- Borders Rail Feasibility Study

Our Impact



Deliver an additional 5,500 job opportunities



Attract more than four million extra tourists to the area



Improve mobile and digital connections



Unlock investment in towns across the area



Generate around £1.1 billion in additional GVA to the UK economy

2. Borderlands Partnership

Introduction

2.1 The Borderlands Partnership is made up of the five council areas, Cumberland Council, Dumfries and Galloway Council, Northumberland County Council, Scottish Borders Council and Westmorland and Furness Council. It was formed to unlock the potential for sustainable and inclusive economic growth across the South of Scotland and North of England. The Partnership is working collaboratively with UK and Scottish Governments and other public and private sector partners to deliver the benefits of Borderlands Inclusive Growth Deal and establish the foundations for sustainable and inclusive growth over the long term.

2.2 The Partnership has a shared ambition:

“for the Borderlands to be a vibrant place, attracting, rewarding and retaining people to live, work, visit and invest here, by offering a high-quality experience in beautiful, well-connected surroundings.”

2.3 By making the most of our shared opportunities and responding to our common challenges, we will support our business, communities and people to prosper. This underpins our Deal, focused on increasing productivity, attracting a larger working-age population and delivering a more inclusive economy.

2.4 This Annual Report sets out our progress between April 2023 and March 2024.

Deal Overview

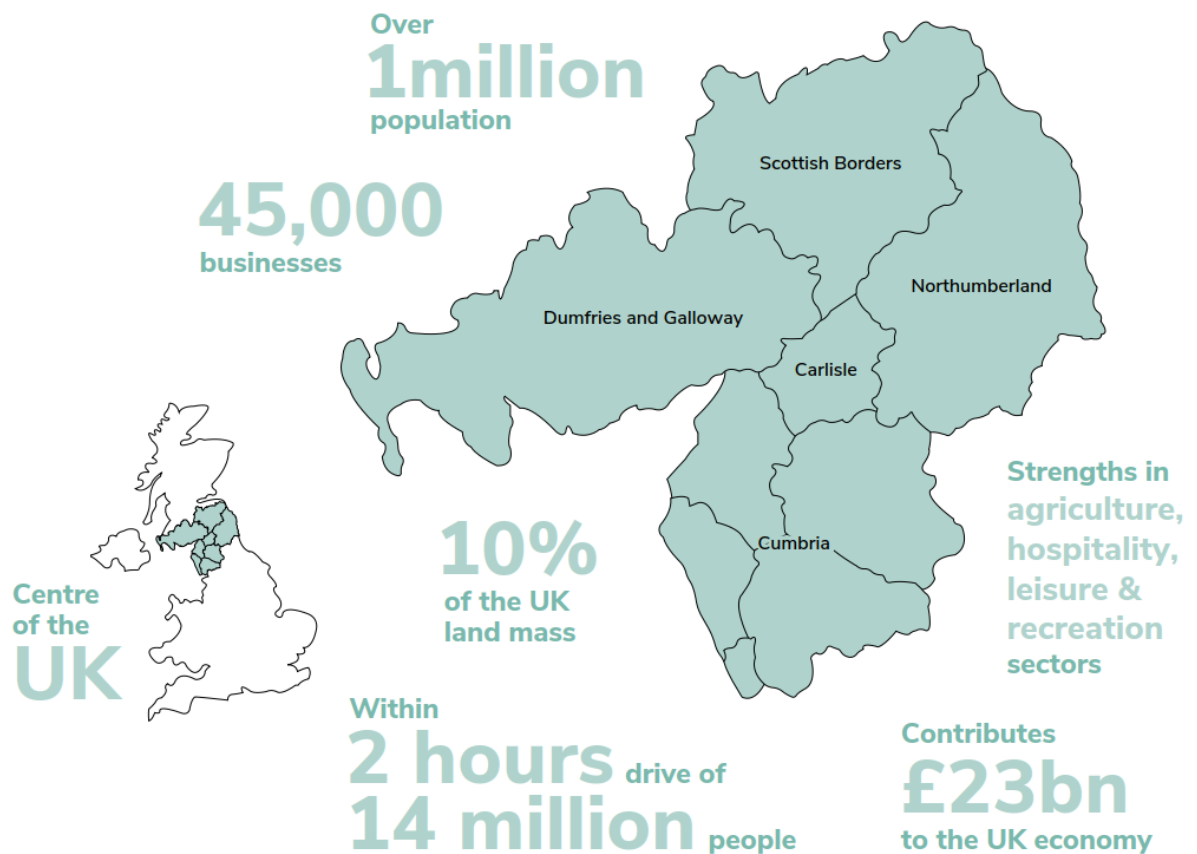
2.5 The Deal is unique, the only Deal that is cross border and provides a strategic approach to the challenges and opportunities of the region.

2.6 The signing of the Deal, with the UK Government and Scottish Government, took place on 18 March 2021. The Deal is made up of £265m from UK Government £85m from the Scottish Government and over £100m from local partners.

2.7 The Deal Agreement states that the following are expected to be achieved over the 20 year benefits realisation period for the Deal, subject to full business cases:

- deliver an additional 5,500 job opportunities;
- attract more than four million extra tourists to the area;
- improve mobile and digital connections;
- unlock investment in towns across the area;
- generate around £1.1 billion in GVA for the Borderland's economy.

Figure 1: Our Area for the delivery year



2.8 The Deal aims to tackle our deep-rooted challenges by reducing the productivity gap, reversing the decline in the working age population and ensuring inclusive growth.

Themes

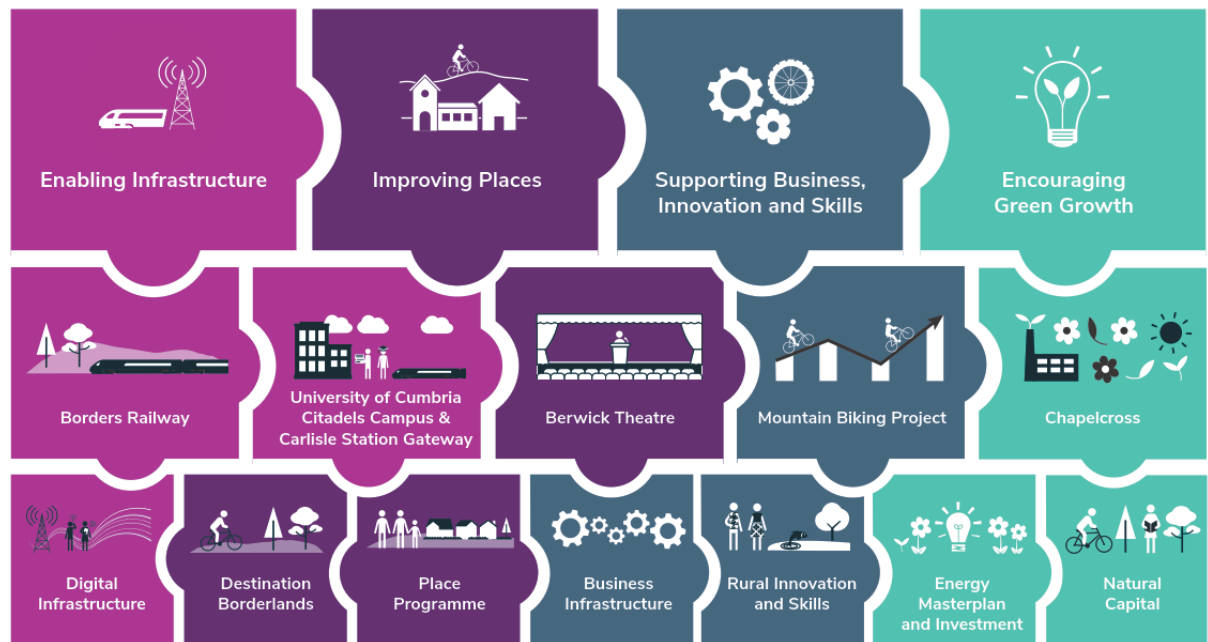
2.9 The Deal has been developed as a cohesive and integrated investment package to ensure there is a balance between high profile place-based projects together with Borderlands-wide investment programmes that respond to the rural nature of the region. This approach aligns with the 10-year timeframe for the Deal with a combination of strategic transformational projects together with a portfolio of investment programmes that allow for flexibility to be responsive to new or emerging opportunities.

2.10 The delivery of the shared ambition for the Deal is focused on four strategic investment themes:

- Enabling Infrastructure
- Improving Places
- Supporting Business, Innovation and Skills
- Encouraging Green Growth

2.11 The strategy-led approach to the development of the Deal is reflected in the diagram below.

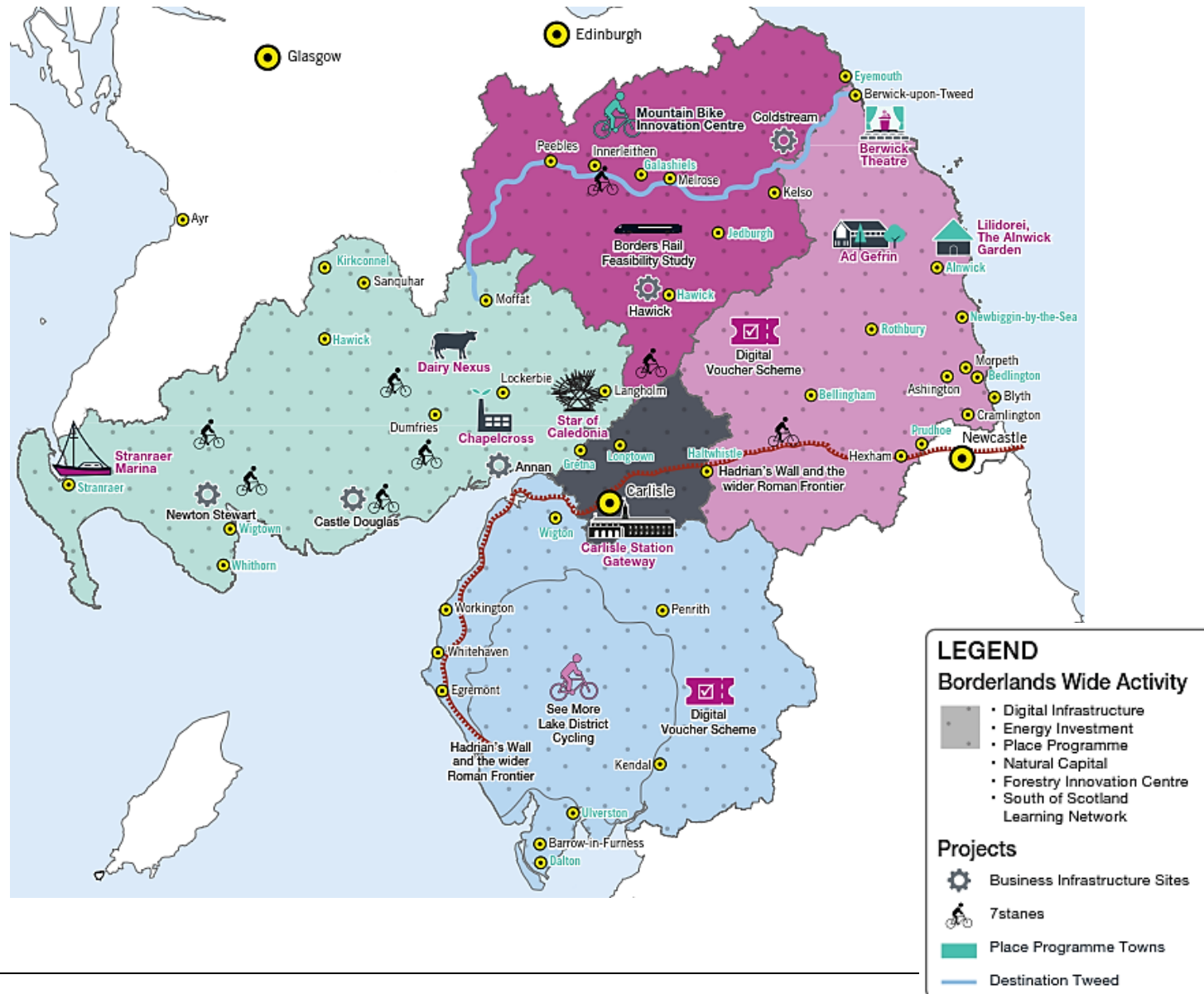
Figure 2: Our Strategic Approach



2.12 The strategic approach includes five high profile projects which anchor the Deal. These projects have been developed to have a transformational impact on their locality as well as the wider regional economy. Their strategic nature means they are cross-cutting in their impact and in many instances contribute to all four strategic themes. Equally important in this strategic approach are the seven Borderlands-wide investment programmes that are designed to ensure benefit can be realised across the whole of the Borderlands region.

2.13 Figure 3 (below) shows the spread of projects across the Borderlands region.

Figure 3: Our Programmes and Projects



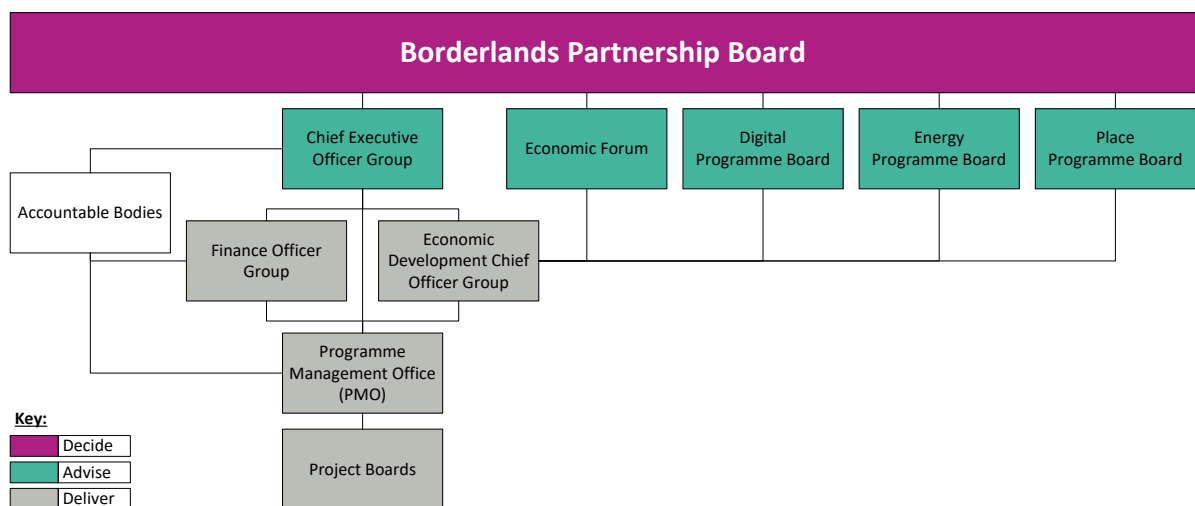
Governance

2.14 The Partnership has established a Governance Plan which sets out the governance arrangements for the delivery of the Deal in accordance with the requirements of UK Government and Scottish Government. The Governance Plan summarises the arrangements of the legally binding Collaboration Agreement signed by the Partnership. The Collaboration Agreement sets out how the Partnership will work together to provide the oversight and delivery for the Deal.

Partnership Board

2.15 Following the agreement of the Deal the Partnership moved from shadow arrangements to the full delivery Governance arrangement. The Chair of the newly established Economic Forum joined the five Council leaders as part of the establishment of the formal Partnership Board. The Partnership Board has continued to meet regularly throughout the year guided by updated and expanded Standing Orders which have refined our processes to ensure these remain fit for purpose in the new stage. The Board meetings are in public with papers published in advance of the meeting with a livestream of the full meeting available.

Figure 4: Governance Arrangements



Economic Forum

2.16 The Borderlands Economic Forum is an important part of our Deal. Whilst the group met during 2023/24, they identified a clear requirement to review and reconfigure the group to make the most of the expertise available and ensure that it remains a rewarding, worthwhile and engaging activity. On this basis a review has been started with the members and wider stakeholders on how the Economic Forum may most effectively function in the future. This will be concluded in 2024/25 with proposals brought forward at that point.

Programme & Project Boards

2.17 The Partnership have established and agreed the overarching governance of Programme Boards. These will be further developed in line with the relevant business cases. Their purpose is to develop and maintain oversight of the relevant projects and programmes in the Deal. The Boards are/will be formed of senior regional representatives from the public and private sectors with expertise in the thematic field.

- The **Place Programme Board** was established in October 2021 bringing together a wealth of knowledge from a wide range of organisations. Professor Mark Shucksmith OBE (Director of Newcastle University Institute for Social Renewal) was appointed as the Chair of the Place Programme Board.
- The **Digital Programme Board** was established Pre-Deal and continued to meet throughout the year; however, the group is currently on pause to enable a wider re-set to be undertaken, with the members to join a series of workshops.
- The **Energy Programme Board** was established Pre-Deal and its main focus has been the production of the Energy Masterplan and has taken a leading role on the reset activity. The Chair of the Energy Programme Board is Professor Stuart Galloway (Strathclyde University).
- The **Natural Capital Programme Board** is due to be established in early 2024/25 following the approval of the Natural Capital Programme in Scotland.

2.18 Individual Project Boards have been established by the organisation leading the development of the projects. These are supported by officer input from the Borderlands PMO.

Accountable Body

2.19 Dumfries and Galloway Council has the role of accountable body as regards both the Scottish Government funding and the UK Government funding in Scotland.

2.20 Northumberland County Council has the role of accountable body as regards the UK Government funding in England.

2.21 Both accountable bodies play a key role in providing the assurance to Government that the funding is being spent for its intended purpose. This is achieved through:

- effective contract management of the grant beneficiaries,
- ongoing monitoring and reporting of the Deal, and
- ensuring projects are delivering against agreed key milestones.

2.22 The PMO proposed that an audit of the Deal processes and approach should be undertaken early in the Deal. This was undertaken by Northumberland County Council on behalf of the Partnership in its role as Accountable Body in England due to the greater delivery at this stage in England. This was a positive process with no critical issues identified and no issues identified in relation to the award of grants or management of claims. Five minor recommendations were put forward which have been accepted and updates made to embed

these in delivery. These included preparing a new folder on the filing system for final copies of Partnership Board meeting and refreshing the Programme Handbook to embed learning from the early delivery.

Programme Management Office

- 2.23 The Programme Management Office (PMO) is leading on the delivery of the Deal. An experienced team is in place to oversee the development, delivery, and effective day to day management of the Deal, working closely with the two Accountable Bodies and the five Partner authorities. The team procures specialist appraisal support where necessary to support its work.
- 2.24 The PMO has developed a Programme Handbook to support the development and delivery of the Deal and provide assurance to UK Government and Scottish Government, that the Borderlands Partnership has the policies and processes in place to manage delegated funding from central government budgets effectively and fully in line with both government's expectations. The systems and processes described within the Handbook complement the Benefits Realisation Plan to ensure maximum benefit to the Borderlands area.
- 2.25 The Programme Handbook provides delivery organisations with key documents and processes required to facilitate the approval and drawing down of Borderlands funding. Alongside the Handbook a full toolkit of programme management documentation has been put in place and continues to be refined through delivery, particularly the overarching Programme Tracker.

3. Economic Snapshot

3.1 As part of the on-going monitoring of the socio-economic context in the Borderlands ekosgen consulting has provided an updated picture for the Borderlands drawing on the latest available data.

3.2 Compared to the baseline there continues to have been relatively limited change since Deal signing in economic metric and similarly caution is required due to the time lag with some data availability. The full document is included as an appendix but key elements to note include:

- The population of the Borderlands now stands at 1.087m with a working-age population of over 640,000. This represents 59% of residents which remains below the UK-level of 63%.
- 476,000 people are employed in the Borderlands in 44,000 businesses across a range of sectors with retail, health, manufacturing and accommodation and food being the largest by employment.
- Agriculture, forestry and fishing are the largest in terms of number of businesses reflecting the large number of micro and small businesses in this sector. Retail and wholesale, construction, professional, scientific and technical and accommodation and food services all have over 4,000 businesses listed.
- The rate of growth in employment has been lower than the UK average with a reduction of 1.4% between 2019-2022 compared to 1% increase in Scotland and a 3% increase in England over the same period.
- COVID-19 had a significant impact on the Borderlands economy. Economic output in 2021 remained 2% lower than the 2019 position at £23bn. This pattern is replicated across the three Borderlands English districts of Cumberland, Northumberland and Westmorland and Furness with economies 4%, 3% and 4% smaller than they were prior to the pandemic. However, due to growth in the Scottish Borders (+7%) and Dumfries and Galloway (+4%) the economic impact of the pandemic on the Borderlands region at large has been lessened with the impact occurring at the UK level being more significant (-4%). While productivity has risen in the last decade in Borderlands, at a rate of 25% the gap between Borderlands and the UK has widened. Latest data shows a per hour worked productivity gap between Borderlands and the UK of £6.53. This means that workers in the Borderlands produce around 21% less output per hour worked than workers in the UK as a whole. In 2011 this gap stood at 19% less but productivity increases have been slower in the Borderlands compared to increases nationally over the last decade,
- The qualifications profile remains more focused on levels 1 to 3 qualifications (40% to 35% for the UK) with a resulting lower proportion (37% to 44% for the UK) holding Level 4_ qualification, although the level of those with no qualifications is below the national average at 5% compared to 6%.
- There is a smaller proportion of people in highly skilled jobs compared to the national average with 42% considered managers, professional or associate level in the Borderlands compared to 52% for the UK as a whole.

- Gross workplace earning remains significantly lower than the national average at £26,264 compared to £29,699 although these have been increasing at a slightly faster rate than the national picture (+29% Borderlands v's +24% UK between 2018-2023).
- Whilst the gender pay gap is smaller than the national average (£1.02 per hour versus £1.49) the proportion earning less than the living wage remains higher at 15% versus 16.8% for the UK overall.
- Whilst unemployment increased due to Covid-19 and the resulting lockdowns the Borderlands area appears to have rebounded with latest figures showing a 3.8% unemployment rate, in line with the national rate.

4. Deal Progress

Introduction

- 4.1 The Partnership has continued to make good progress of note our achievements include:
- Completion of second and third projects – Lilidorei and the Borderlands Digital Voucher Scheme
 - Continued delivery of the Carlisle Station Gateway and Citadels schemes
 - Approval of the first projects in Scotland in Business Infrastructure – Coldstream (£1.2m) and Dairy Nexus (£8m)
 - Approval of the Natural Capital in Scotland Programme Business case unlocking the development of the pilot projects
 - Agreed a new strategic approach to the Energy Programme
 - Endorsed the first Borderlands Town Investment Plan for Penrith and refreshed the Place guidance and tools.
- 4.2 Progress on projects in delivery is summarised below.

Lilidorei, Alnwick Garden

- 4.3 Lilidorei is a spectacular, all-year, all-weather play facility for people of all ages and abilities, located within the grounds of the successful Alnwick Garden visitor destination, and adjacent to Alnwick Castle. Creating one of the world's largest play structures it will raise the profile of the area in national and international visitor markets, converting Alnwick and North Northumberland from a day trip to a multi-day destination, attracting more visitors year-round, and helping to reduce the productivity gap.
- 4.4 Set around three towers aligned to a mythical theme conceived as part of an Elf Kingdom, visitors can explore adventure pathways, catwalks and tunnel slides and a range of roofed and elevated structures. This unique play structure is complemented by nine settlements of earthy wooded houses located in clearings. This village, which is in character with the existing treehouse and forest environment at The Garden, has its own backstory, mythology and characters that form the basis of a range of imagination-prompting activity.
- 4.5 This incredible play area is imaginative, complex and dynamic. It challenges children and adults alike and inspires them as they explore and have fun.
- 4.6 **Progress during 2023/24:** Lilidorei was due to complete in Spring 2023 and opened in early May 2023. Whilst delayed against the original ambition the project had a strong first year with high attendance, good media coverage, including as part of the Channel 4 series on the Duchess and hosted a series of well attended events for Halloween and Christmas.



Digital Borderlands Voucher Scheme

- 4.7 The £4m Digital Borderlands Voucher scheme (DBV) in Cumbria & Northumberland provides top up funding to communities, eligible for the Rural Gigabit Connectivity Voucher (RGCV) support. This additional funding allows communities in not-spot locations to access superfast, gigabit capable, connections and contributes to the UK Government targets for full fibre connectivity.
- 4.8 This programme is managed by DCMS on behalf of the Borderlands Partners to provide up to £1,500 for residential premises and £3,500 to business premises to provide gigabit capable connectivity to communities in the last 5% to 6% of superfast not-spots in Cumbria and Northumberland. This funding “tops-up” the RGCV scheme vouchers giving a combined funding of up to £3,500 for residential premises and £7,000 to business premises. Funding is allocated against voucher applications and suppliers are granted 12 months for delivery of the planned infrastructure and to claim funding.
- 4.9 **Progress during 2023/24:** the Vouchers programme continued delivery in the first part of the year with an extension to the 30th June 2023 to allow vouchers to be utilised. It was expected that there would be a residual amount of vouchers not used which would be recycled within the wider Digital programme which is to be reviewed in 2024/25.
- 4.10 1,668 vouchers were issued to properties, of which 443 were business premises. These properties have provided with gigabit capable connections. The project also enabled an additional 10,660 properties to be connected on the back of the investment made through the Borderlands funded vouchers, and therefore driving significant economic and inclusive growth gains.



Carlisle Station Gateway

- 4.11 The project will create a new high-profile gateway development for Carlisle centred around the Railway Station to improve connectivity and accessibility to and from Carlisle and the wider Borderlands region as well as contribute to decarbonisation by encouraging more journeys to be taken by rail.
- 4.12 The Carlisle Station Gateway project will deliver improvements to the station facilities and environment to transform Carlisle Station into an enabler for the future growth of the city. This investment will support the emergence of high-profile adjacent regeneration sites, act as a better national interchange for high-speed and local/regional rail services, make the station more accessible and encourage modal shift.
- 4.13 **Progress during 2023/24:** there has continued to be significant progress in developing the Carlisle Station Gateway project including a very significant re-design to both the scheme and the financial model for delivery. Progress continued on-site with finalisation of designs and the start of site clearance of the Pools site to enable progress to the Southern Gateway/George Square element, which once complete will allow the opening of the new car parking to enable the Court Square works to progress to the front of the Station. A revised funding approach was agreed bringing in additional Network Rail funding.



University of Cumbria Citadels Campus

4.14 The Citadels project is for the comprehensive redevelopment of a 1.25hectare strategic gateway site in Carlisle city centre, re-using the iconic Citadels Grade 1 listed buildings, the former entrance to the ancient city of Carlisle. The project will create a new 12,600m² campus for the University of Cumbria with supporting car parking and, subject to funding, a 1,000m² business interaction centre. The project has been designed to future proof potential expansion in the future, either for additional education or commercial office/co-working space of up to 4,000 m².



- 4.15 The project will create a new public space in the centre of Carlisle at the heart of the campus and also open up University of Cumbria cultural facilities, its new theatre, exhibitions space and performance studio, to wider public access enhancing the liveability of the city.
- 4.16 **Progress during 2023/24:** Carlisle Citadels has made progress through the year with refined design work undertaken. This however has identified a very significant shortfall in funding which is currently being reviewed through the Project Adjustment Request process due to its size and impact.

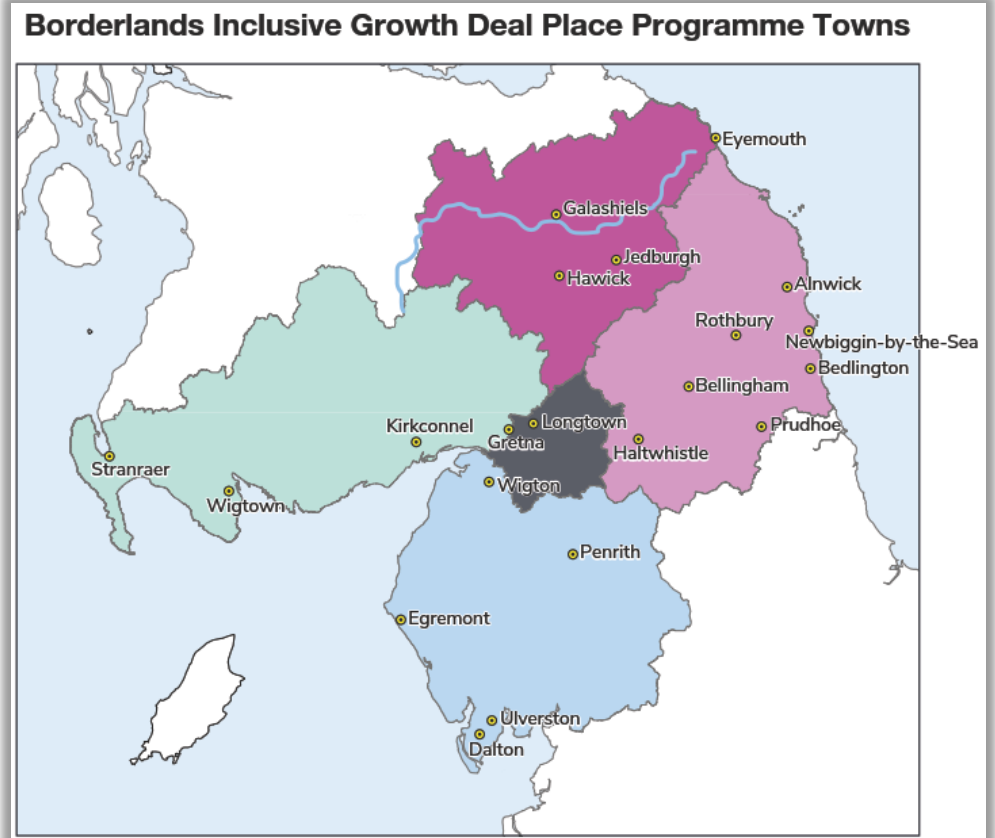
Place Programme

4.17 Our towns and their town centres are vital to the economic success, resilience and social sustainability of the Borderlands. Across the area, there are more than 100 towns with populations ranging from 1,000 to 46,000, including long-established market towns, former industrial towns, and seaside and coastal towns. Many serve substantial catchment areas of dispersed and sparsely populated rural communities and they are critically important centres of economic activity and employment, social, community and business services and facilities, and housing.

4.18 They also play a key role in attracting tourism visitors and spending to the Borderlands area. Our towns are a key part of what defines the Borderlands area and our appeal to the people and businesses who live, work, visit and invest in the area. Recognising the importance of our smaller rural market, industrial and coastal towns to the local economy, this programme will invest £50m to support the revitalisation of towns across the Borderlands region. The programme will add value to, and not duplicate, other place-based government investment programmes.

4.19 **Progress update during 2023/24:** The Place Programme is a long-term programme of investment across the Borderlands area which includes a multi-stage, community-led, development process. During the last year the Programme itself was approved by UK Government and Scottish Government resulting in the launch of the Place Programme Board.

4.20 In 2023/24 Stranraer, Bedlington, Alnwick and Newbiggin Place Plans were approved taking the total 11 approved Place Plans. The first Borderlands Town Investment Plan was also approved for Penrith leading to the first project approval expected in 2024/25 alongside the majority of remaining Place Plans.



Business Infrastructure – Coldstream

4.21 The Business Infrastructure investment in the South of Scotland through the Borderlands Inclusive Growth Deal (Deal) is intended to address market failure in the provision of high-quality, modern and appropriate business premises. Due to the dispersed and rural nature of the Borderlands and the resultant low property values and returns there is a lack of the building premises necessary to support economic growth and diversification Through the Deal £13.4m (£8m from Scottish Government) will be invested across five sites in the South of Scotland with two proposed for the Scottish Border Council area: Coldstream and Hawick.

4.22 The Coldstream site is the first site to be brought forward for investment and will develop unused land at the Coldstream Business Park. 333m² of new floor space across three multi-use units and workshops will be built on this site. This will extend the current offer on the site. The existing units, which will form the basis for the design of the new units, were completed in 2015.

4.23 **Progress update during 2023/24:** The development and build out of the Coldstream business units started in autumn 2023 and is due to complete in late 2024. The work is being led by Scottish Borders Council who also own the site through SBC contracts. Planning permission has been award and work on site has progress well and is on track for a slightly delayed completion on site but with the planned financial year. The next stage will be to ensure use and take-up of the new facility.



Dairy Nexus

- 4.24 Dairy Nexus will provide a flagship facility at SRUC, Scotland's Rural College, at the Barony Campus in Dumfries, that re-positions the Borderlands at the forefront of industry-focused, rural co-innovation and knowledge exchange. It will drive transformational research and innovation to decarbonise the dairy sector and move it towards a circular bioeconomy. In doing so, Dairy Nexus will deliver significant inclusive regional growth to underpin the rural communities that are so important to the Borderlands economy and its regional identity.
- 4.25 The Dairy Nexus project is a £37.8 million investment (capital and operating costs) to build on the region's strengths in dairy production and dairy research. The investment will provide leadership, facilitate collaborations, and enhance capability in the region to: Galvanise public and private investment in R&D and accelerate transformative innovation; Increase adoption rates of new technologies and innovations to deliver productivity gains, improved environmental performance, reductions in greenhouse gas emissions, and value addition in dairy production; Inspire, upskill, and attract talent in the region and improve spill-over of knowledge; Create and catalyse new jobs in the local economy and Improve resilience in the region's dairy sector by increasing competitiveness, profitability, and opening new markets.
- 4.26 The project is seeking funding to support the creation of a physical centre that provides modern knowledge exchange and co-working facilities, state-of-the-art R&D infrastructure for innovation in biorefinery and milk technology, and a UK-first digital twin of a dairy farm.
- 4.27 **Progress update during 2023/24:** There are four key elements to the Dairy Nexus facility: the Co-innovation Hub, Biorefinery, a Milk Technology Unit (all housed in a single building) and a Digital Twin. The Dairy Nexus building aspires to be sustainable in its construction and operation, achieving stringent targets for low whole-life carbon emissions. These four elements will be supported by a brokerage capability to facilitate business and community engagement. Through the stringent redesign and use of an innovative approach the project has addressed an initial funding gap and speedy delivery with work started on site and due to complete in early 2025.



Future Activity

Projects In Development

Project / Programme	Business Case Stage	FBC approval	Last estimate
Stranraer Marina	FBC in development	June 2025	Spring 2024
Mountain Bike Project	FBC redesign	September 2025	Summer 2023
Berwick Theatre	FBC in development	June 2025	Spring 2024
Hadrian's Wall and the Wider Roman Frontier: <ul style="list-style-type: none"> • Visitor Exploration – Cumbria • Visitor Exploration – Northumberland • Visitor Attractions 	Business cases in development Expression of Interest process complete	TBC	N/A
See More Lake District Cycling	FBC in development	Summer 2026	Spring 2024
Destination Tweed	Final OBC in review	June 2024	
Chapelcross	OBC in development	autumn 2025	Spring 2024
Star of Caledonia	OBC in development	Summer 2025	OBC under review.
7Stanes – Facilities Improvements	OBC in review process	2025	Summer2023
Digital Borderlands – Infrastructure	OBC under review	2025	Spring 2025
Borders Railway Extension Feasibility Study	Resources being finalised. SBC operating at risk.	TBC	TBC
Natural Capital - England	Pre-Outline Business Case taken forward via LINC programme	Autumn 2025	Revised approach with DEFRA following LINC
South of Scotland Learning Network	SOBC in development.	2025	2024/5

5. Financial Statements

5.1 The Borderlands Inclusive Growth Deal is a long-term, cross-border investment in the communities, places and businesses of five local authority areas. In total, the Deal will see £452.56m investment from a range of sources including:

- £265m from the UK Government (up to £200m in England and £65m in Scotland),
- £85m from the Scottish Government,
- £102.56m from local partners, comprising up to £44.5m from the five local authority partners and a further £58.06m from other local partners.

5.2 In the 2020 UK Government Comprehensive Spending Review confirmed that Deal funding from HM Treasury in Scotland will be over a 10-year period aligning with the Scottish Government investment. In England the lifetime of the deal is up to 15 years. We have taken then approach that the Deal has a lifetime of ten years starting from financial year 2021/2022 as Year 1.

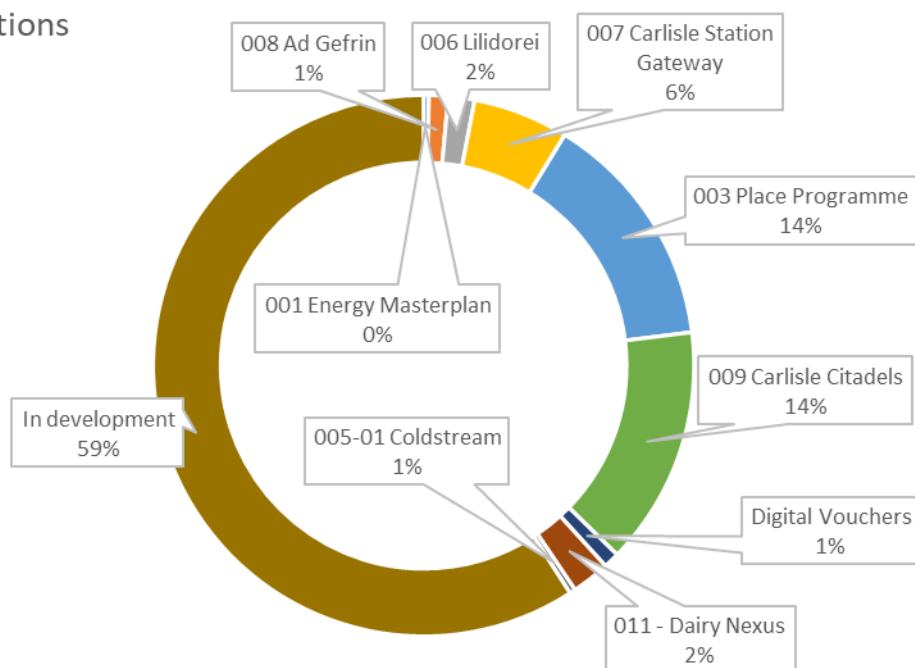
5.3 In England there had been advanced funding of £30m to allow acceleration of delivery of a limited number of projects during 2019/20 and 2020/21. Further expenditure was undertaken during the recent year with two projects (Ad Gefrin and Lilidorei) completed with only the retention payments outstanding at the end of the March 2023.

Financial Summary

5.4 The following table shows the total funding approvals at a project level along with the **funding drawn down** from Government as of 31 March 2024.

Project / Programme	Borderlands Funding £'000	Other Investment £'000	Total Project Costs £'000	Drawn down from Govt. £'000
Energy Masterplan	1,100	-	1,100	1,100
Digital Borderlands Voucher Scheme	4,000	-	3,314	3,314
Ad Gefrin	4,000	11,194	15,194	4,000
Lilidorei	5,500	13,242	18,742	5,500
Carlisle Station Gateway	20,000	3,851	23,851	16,900
University of Cumbria Citadels Campus	50,000	25,000	75,000	7,491
Business Infrastructure – Coldstream	1,201		1,201	262
Dairy Nexus	8,000	1,878	9,878	1,019
Place Programme	50,000	-	50,000	-
In development	206,885			
Total	350,000	55,165	198,966	36,405

Deal allocations



5.5 The following table summarises the amount of Borderlands **funding paid** to approved projects.

Project / Programme	Paid prior to Mar-23	Paid in 2023/24	Funding in Future Years
Energy Masterplan	188		
Digital Borderlands Voucher Scheme	3,310		
Ad Gefrin	4,000		
Lilidorei	5,000	500	
Carlisle Station Gateway	12,039		7,961
University of Cumbria Citadels Campus	4,268	2,631	43,101
Business Infrastructure - Coldstream	0	262	939
Dairy Nexus	0	1019	6,981
Place Programme	-	-	30,000
Total	28,805	4,412	88,892

6. Benefits Realisation Plan

Introduction

- 6.1 As a Partnership and Deal it is important that we are open about what we are aiming to achieve and how we are performing. Alongside the documents signed off during the agreement of the Deal we have developed and published our Benefits Realisation Plan. This sets out how we will monitor and respond to performance of projects in delivery and evaluate the long-term impact of the projects and programmes to understand if the Deal and the individual elements of the Deal achieved what we had intended. It also sets out how we will report and communicate how we are doing. In this first version we set out our baseline to measure performance against and our processes. We will update the Benefits Realisation Plan each year with an updated picture of our economy.
- 6.2 The full Plan is available on our website with a summary below.

Key outputs achieved by the end of 2023/24

- 1,528m² of new floorspace created
- 5.24ha of land remediated
- 2,023 business supported
- 1,668 premises connected to broadband
- Over 104 jobs created
- A further four Place Plans were approved alongside the first Town Investment Plan

Figure 5: Benefits Realisation Plan Summary



7. Key Contacts & Further Information

Programme Management Office

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Further Information

- Keep up to date with the latest news and join the Borderlands mailing list by [clicking here to register](#)
- The meeting papers for the Borderlands Partnership Board can be found here: <https://www.borderlandsgrowth.com/downloads>