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1 July 2019

Dear James

## **BORDERLANDS INCLUSIVE GROWTH DEAL – HEADS OF TERMS AGREEMENT**

I wrote to you on 13 March, to advise you that I was announcing the Scottish Government quantum of investment in the Borderlands Inclusive Growth Deal. In that letter I confirmed that the Scottish Government would invest up to £85 million in supporting the south of Scotland through the deal, and that the activities to be supported would be confirmed at Heads of Terms.

I signed the Heads of Terms agreement for the Borderlands Inclusive Growth Deal on behalf of the Scottish Government today, 1 July, at an event in Glentress. That agreement confirmed Scottish Government investment will be used to support a range of activities, focused on the priorities identified by local partners. We will invest £20 million in developing Quality of Place to stimulate and repurpose town centres. We will invest £15.5m in infrastructure to support business growth and £6.5 million in supporting rural business innovation. We will invest £31m in tourism projects, including the development of the Seven Stanes mountain biking network, a River Tweed walking and cycling route, and Stranraer Marina. A further £7 million will extend the south of Scotland skills and learning network to deliver key skills needed to boost the visitor economy, and up to £5 million will be used to explore options to extend the Borders Railway.

Financial commitments to these projects are subject to the development of full business case information confirming that the projects are viable, sustainable and will deliver the impacts needed to achieve value for money, and transformational change for the long term. Alongside our work to establish a new enterprise agency for the south of Scotland, and the activity being taken forward by the South of Scotland Economic Partnership, our investment in the Borderlands Deal will help to drive inclusive growth that delivers significant and lasting economic benefits for individuals, businesses and communities right across the region.

I hope this information is helpful to you, and I will keep you informed as the deal develops.

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## MICHAEL MATHESON

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