

EXECUTIVE COMMITTEE – 19 SEPTEMBER 2017

Economic Development Update

1. Business:

- From April to July 2017 the Business Gateway team assisted **70 business start-ups**, of which 12 have met the new classification of 'Early Stage' growth. The Advisers have delivered 26 start-up workshops and 16 Growth workshops with 378 attendees.
- Business Gateway has worked across the Scottish Borders meeting with a number of intermediaries (such as bank managers, accounts and solicitors) promoting the services for small businesses available through Business Gateway and the Council. In total 32 Intermediary visits have been held during the period.
- A new Business Gateway Manager, Rob Claridge, has been appointed on a temporary contract. He started in August 2017.
- For the period from 1 January 2017 to 22 August 2017, the **Scottish Borders Business Fund** received 33 applications and approved 23 grants valued at £74,067.16 supporting projects with a value of £153,787.58. These projects are forecast **to create 48.5 jobs** with a forecast **economic impact of £891,986 GVA**.

The **Scottish Borders Business Loan Fund** offers loans of between £1,000 and £20,000 over terms of up to three years. For the period from 1 January 2017 to 22 August 2017, the Loan Fund received 5 applications and approved 3 loans, valued at £48,711.24. These loans are forecast **to create 13 jobs** with an estimated forecast **economic impact of £192,420 GVA**.

- **Business Loans Scotland** – this new national Local Authority Loan Scheme was launched in April 2017 after a number of delays. The first loan to a Scottish Borders business has gone through at £100,000.

2. Regeneration:

- **Hawick Business Growth Project:** The Council has secured £3.625million from the Scottish Government in March 2017 for the development of three key strategic sites in the town:
Former Armstrong's Building – within the town centre is currently on the Buildings at Risk Register due to its dangerous condition. The Council has acquired the site and will demolish elements which are beyond repair and redevelop it as a business incubator hub providing small office units. The development is anticipated to provide up to 17 business incubator units, 613 m² net business space and potentially up to 25 FTE additional jobs.

Galalaw Business Park – Initially developed in 1994/95 as key employment land, the next phase of the development is being funded with the Scottish Government funding. A building of approximately 456m² will be developed to provide up to 4 industrial units. This could potentially provide up to 10 FTE jobs.

Tower Mill, Heart of Hawick - The top two floors of Tower Mill are currently business accommodation but have a low occupancy level. Minor alterations are proposed together with a proactive marketing campaign to attract new tenants. The proposal would make available a minimum of 11 business units (subdividing larger offices could increase this to 13); equating to 485m² of total business space. It is estimated this could support up to 20 FTE additional jobs.

- **Galashiels BIDS** - Energise Galashiels are progressing a town centre Business Improvement District (BID) for Galashiels having secured funding of £55,000 from BIDs Scotland, Scottish Borders Council and the Borders Railway Blueprint Fund. The BID aims to increase town centre footfall, promote Galashiels as a visitor destination; and provide a world class visitor experience. A project manager has been appointed and local businesses will be consulted to develop a 5 year plan. The Galashiels town centre BID has the potential of generating approximately £750,000 over the 5 year term. The funds would be managed by the BID Company to deliver the business plan. It is anticipated the project will progress to ballot in October 2018.
- **Selkirk Town Centre Streetscape works** - The next phase of ambitious plans to improve the centre of Selkirk have begun in August. The plans include safer and improved areas for bus passengers to board, better seating and pavement surfaces, improved pedestrian crossings and provision to allow Market Place to be used for events and markets. The streetscape scheme has been finalised after consultation with the Selkirk Stakeholder Group, made up of representatives from 15 different organisations across the town. The Council is funding the streetscape works at a total cost of £450,000 with Selkirk CARS providing part-funding of £100,000 for the scheme.
- **Jedburgh CARS** - Following a successful bid to Historic Environment Scotland, the Jedburgh Conservation Area Regeneration Scheme (CARS) was launched in June. The Jedburgh CARS project will support a targeted approach for conservation-based building repairs as well as a wide range of training, heritage and education activities over the next five years with a budget of £1.3m. A full time project officer has been appointed and a steering group formed with representation of community members.

3. Tourism & Events

- **Midlothian Borders Tourism Action Group (MBTAG)** - This project has secured over £400k from Scottish Enterprise and the Borders Railway Blueprint to deliver tourism business-to-business activity over a two year period. The project has already delivered 6 business to business events between Midlothian and the Scottish Borders with the next one due on 20 September 2017.

- **Strategic Events support** – the Council has supported a number of national and regional events over the spring and summer of 2017 to develop and increase visitor numbers and economic impact. Grant funding support has been provided to Melrose 7s, the Brick & Steel County Rally incorporating the British Championship Rally, Tweedlove, Borders Book Festival and the Borders Heritage Festival.
- **Tour of Britain** – The Tour of Britain had a successful return to the Scottish Borders on 3 September 2017, finishing in Kelso town centre. For the first time the whole route was televised and many of the key Scottish Borders landmarks were shown during the live and highlights show. The Economic Impact report is due in October 2017.
- **Tour O the Borders** – On the same day, the Tour O' The Borders closed road sportive was held in Peebles with 2 routes around Tweeddale. The event attracted almost 2,000 amateur riders. These two high profile events help to showcase the Scottish Borders as Scotland's leading cycling destination.
- **Scottish Borders Heritage Festival.** This year Live Borders and Scottish Borders Council are delivering a large festival of events with support from Lottery, EDF Energy and Museums and Galleries Scotland for the Visit Scotland year of History, Heritage and Archaeology.
- **Steam Trains.** SRPS ran Steam trains each Sunday in August 2017 from Fife to Tweedbank. The trains were at capacity with 400 passengers on each journey. On arrival they had pre-booked excursions to Melrose, Abbotsford or Season's restaurant.

4. Funding:

- **European funding** continues to be available to projects through the Scottish Borders LEADER and European Maritime Fisheries Fund 2014 – 2020 programmes. The UK and Scottish Governments have confirmed that applicants whose grant funding is agreed and contracted before the point of 'Brexit' will be able to complete their projects, even if the work is scheduled to take place after leaving the EU.
- The **LEADER Local Action Group** has approved grant funding of £1.1m so far in 2017, including 10 community, 2 farm diversification, 5 rural business development and 2 Enterprise Facilitator projects. 6 applications are expected for consideration by the Local Action Group in October 2017. The next application deadline for LEADER funding is 14 November 2017.
- The **Forth Fisheries Local Action Group** has met 3 times and has recommended 6 projects to Marine Scotland, committing £264k of funding. In total, 18 Expressions of Interest have been received, with 3 not progressing. The next FLAG committee will be 23 November 2017, with 4 projects totalling £172k under consideration.

5. Property & Projects:

- **Property** - 75 general property enquiries have been received to date in 2017/18. This has resulted in 2 lease assignments and 6 new property leases which will generate £31k in annual rental income for the Council. With regard to the Council's portfolio of leased industrial units, yards and shops, the occupancy level for the first quarter of 2017/18 is **87.3%**.
- The 75 property enquiries to date include 20 enquiries about purchasing plots. Of these, 5 are at the start of detailed exploration of business requirements and the cost implications: and sales are in hand for 3 more plus 7 earlier enquiries. Sales are for plots at part EU funded sites at Coldstream, Hawick and Lauder, and other employment land in Eyemouth, Hawick, Jedburgh and Kelso.

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