

**SCOTTISH BORDERS COUNCIL**  
**25 SEPTEMBER 2018**  
**APPENDIX I**

**OPEN QUESTIONS**

**Question from Councillor Penman**

To Executive Member for Business and Economic Development

With the new HMRC initiative Making Tax Digital (MTD) starting for VAT registered businesses from April 2019, the current HMRC online tax return services will be withdrawn for those within the scope of the MTD rules and businesses will be required to use a functional compatible software product to submit their returns to HMRC, most of which are cloud based accounting software programs and rely on a broadband connection.

However, according to a study by Ipsos MORI for HM Revenue and Customs, one in five firms are worried that inadequate broadband will prevent them complying with MTD obligations.

This backed up by the findings of recent research by Cambridge Broadband Networks, which revealed that almost half of the UK's business broadband customers are not getting the speeds their provider had promised.

How are we going to help our local businesses in rural areas where broadband connection is currently so poor some businesses are having to travel six miles into a village to send an email. What are our plans to assist these businesses meet their legal requirements?

**Reply from Councillor Rowley**

I share the Councillor's concerns. There are two distinct issues here. Firstly we know that we have inadequate broadband provision across many parts of the Borders. This is especially true in rural areas; but there is not a universal high speed provision in every town either. The Scottish Government is committed, through its R100 programme, to 100% coverage with download speeds of 30Mbps by 2021; that is two years after the requirement for businesses to meet the new HMRC requirement.

Secondly there is an issue in respect of how aware businesses are of the existing broadband provision, how that can best be utilised and specifically the response required by businesses to the changes being implemented by HMRC.

Business Gateway Advisors are already working with their clients to raise awareness of the changes HMRC are making and have asked for a national provision of training courses in respect of this; that is being considered. The experience with GDPR earlier this year suggests businesses will be slow to realise the implications the changes have with advice and training being required later this year and peaking in the period January to March 2019.

The South of Scotland Economic Partnership met with BT and Openreach earlier this year and raised concerns about both available download speeds and broadband coverage; along with the Council they will continue to lobby hard for improved services across the South of Scotland. However, where provision exists the take up of the available broadband services has been low. That suggests that more requires to be done to support businesses in exploiting the available broadband provision to boost their productivity and profitability. The Partnership is considering how best to address this issue of take up and utilisation. I anticipate they will make announcements in respect of this shortly.

**Question from Councillor Ramage**

To Executive Member for Business and Economic Development

As a teacher I benefitted greatly from EU funding and in particular Leader and Leader +. Can you advise how much funding has come to the Borders and how many people in our area have benefitted?

#### Reply from Councillor Rowley

In the time available officers have been able to draw data together for the period 2000 to date covering 3 LEADER programmes administered by Scottish Borders Council. Prior to 2000, 2 programmes of LEADER ran under the administration of Scottish Borders Enterprise.

Under the 3 LEADER programmes managed by the Council, expenditure in the Borders has totalled £7.4M to date. Including individuals trained, young people assisted and others recorded as gaining from the projects 65,000 people have benefitted from the projects funded through these programmes. There is of course a wider benefit across the communities gained from the projects; it is not possible to calculate a figure for this wider benefit.

There is no doubt that these EU funded programmes have played an important part in developing and enhancing a wide range of initiatives across our area.

#### Supplementary

Councillor Ramage asked what specific steps had been taken to mitigate the loss of this funding and would it be considered by the Brexit Response Team? Councillor Rowley advised that he was not in a position to answer whether the Brexit Response Team had considered European Funding but as advised by the Chief Executive earlier in the meeting, a report would come to Council in due course. Councillor Rowley was happy to engage in discussions once there was greater clarity. However, he did point out that the UK was a net contributor to Europe and these funds came from tax payers, so there would be opportunities for local schemes in the future.

#### **Question from Councillor H. Anderson**

##### To Executive Member for Roads and Infrastructure

As you aware from your attendance at the recent public meeting in West Linton with over 120 residents, there continues to be a high level of dissatisfaction in West Linton, Carlops and Dolphinton at the complete loss of any public transport provision after 7.35 pm. Can you specify what steps SBC are taking to explore and provide an alternative evening transport provision for this part of Tweeddale West?

#### Reply from Councillor Edgar

This question relates to the new timetable for service 101 Dumfries – Biggar – Edinburgh (return) which came in to being on 19th August 2018.

Prior to the meeting held in West Linton on 29th August 2018 Council Officers contacted the three main bus companies in the area to see if any arrangement/connection could be put in place using existing services from Penicuik. Borders Buses and Lothian Buses rejected the suggestion of extending existing services beyond Penicuik to West Linton. Stagecoach offered to put back their new 19.35 journey out of Edinburgh to 20.30 Monday-Saturday for a cost of approximately £15,000 per annum or alternatively on Friday and Saturday only for a cost of £5,000 per annum. There was a caveat that the other partners SWestrans/D&G, Midlothian Council and SPT agreed to the change. At the meeting on the 29th August this suggestion was broadly rejected by the attendees. There was no visible support for this option when Councillor Anderson asked attendees to mark a chart if they agreed as the chart remained blank.

At the same meeting Officers suggested that the Community consider a taxi connection. It was explained that a similar arrangement already existed in Midlothian and was a good alternative to a registered local bus service. It was clearly explained that there was no Council budget available for this and the Community would need to raise their own funding of approximately £18,000 per annum. Officers suggested a possible connection with the existing Borders Buses X62 service in Penicuik with connections at 20.30, 21.30 and 22.30. Service options were Monday to Saturday or alternatively Friday and Saturday service only; both options would appear on the tender specification.

Since the meeting Council Officers have put together a tender, created a specification and formatted terms and conditions. That tender went out to the trade week commencing 17th September 2018 and is due back on Wednesday 26th September 2018. Once the tender receipts have been assessed and evaluated the results will be given to West Linton Community Council to distribute.

#### Supplementary

Councillor Anderson advised she was interested in the taxi model that could be trialed for 3 months for a maximum cost of £10k and if no-one used it then it could cease, but asked that the door not be closed on this option. Councillor Edgar advised that the problem with that was the Council had not budget available for such a proposal. A number of groups in other areas had previously been refused funding which would need to be revisited if any funding was identified and given to West Linton.

#### **Question from Councillor Laing**

##### To Executive Member for Business and Economic Development

With 6 months to go, does the Executive Member for Business and Economic Development still hold the view that fishing exports from East Berwickshire will be unaffected by Brexit?

#### Reply from Councillor Rowley

I am providing this response as a personal one, not drafted by officers, as this is a political matter. Councillor Laing is perhaps mistaken to assume that I do not think exports will be unaffected by Brexit. However, I suggest neither of us yet knows what Brexit will look like so we cannot know what the effects, either negative or even positive, may be. I am concerned about the effects across all of Berwickshire, not just East Berwickshire. For example Farne Salmon employs over 700 people in Duns and is the largest salmon processor in the UK, possibly Europe. Brexit is something I did not want and it will bring both challenges and opportunities. We need to keep an eye on things until we know the direction of travel but this is difficult because things are so fluid at the moment. I have read many Government and SPICe papers containing between 4-6 different scenarios which are ever changing. The Economic Development Group for Eastern Berwickshire will focus on the implications of Brexit once they become clear. Having just returned from a holiday in a Cornish Harbour the fishermen there were clear that they welcomed the approach of full access to our fishing waters. Of Scotland's £79bn exports, £50bn just go over the border and a SPICe report indicates that this is mainly for the domestic market with little going further afield. I remain convinced that the quality of much of Berwickshire's seafood is so high that even with modest tariffs it will still have a strong future. We need to eat more of our local food near to where it is produced and more tourism businesses should be using it to feed their guests to deliver significant economic effects locally. It is important to celebrate our local food."

#### Supplementary

Councillor Laing asked what plans were in place for the fishing industry for a "No Deal" Brexit. Councillor Rowley restated his previous answer and advised that her concerns would be raised with the Brexit Response Team.