
BORDERS RAILWAY BLUEPRINT - UPDATE

Report by Corporate Transformation & Services Director

EXECUTIVE COMMITTEE

2 February 2016

1 PURPOSE AND SUMMARY

- 1.1 This report updates elected members on the progress being made in delivering the Borders Railway Blueprint and other railway related project activity.**
- 1.2 The new Borders Railway represents a once in a generation opportunity to provide a step-change sustainable improvement in the Scottish Borders economy, and particularly in the economies and welfare of some of our disadvantaged communities. However, there is no guarantee that such an uplift will occur on its own.
- 1.3 In recognition of that, the Council along with its Borders Railway Blueprint partners is implementing a comprehensive programme of activities to promote economic development through strategies for business development, inward investment and tourism, as well as promoting greater accessibility to labour markets and education and training. The programme has been developed to provide the optimal environment to realise these positive outcomes for the Scottish Borders economy and local communities.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee:**
 - a) Welcomes the major commitment being shown by the Council and its Borders Railways Blueprint partners towards maximising the economic benefits of the new railway to the Scottish Borders; and**
 - b) Requests that the Corporate Transformation and Services Director submits further update reports to the Committee on a regular basis and that such reports provide monitoring information on the financial investment being made by the Council and Partners in delivering the Blueprint Strategy.**

3 BACKGROUND

- 3.1 The reopening of the Borders Railway is identified in the Scottish Borders Economic Strategy 2023 as a key opportunity and strategic priority. Now that the Borders Railway has been successfully opened the emphasis has shifted to ensuring that the economic impact is spread as widely as possible. As the largest investment in infrastructure for the Scottish Borders in a generation the Council and its Community Planning Partnership partners are working with the Scottish Government, Transport Scotland and ScotRail to maximise the positive impact on the economy.
- 3.2 In November 2014 a document entitled "Borders Railway – Maximising the Impact: A Blueprint for the Future" was published by the 'Blueprint Group' of partners comprising Scottish Enterprise, Scottish Government, Scottish Borders, Midlothian and City of Edinburgh Councils, Transport Scotland, ScotRail and VisitScotland. The document sets out the ambitions of the partners "to realise fully the economic benefits of the new Borders Railway", particularly to stimulate the growth of businesses, generate employment and boost tourist visitor numbers.
- 3.3 The Blueprint is structured around three key themes; Great Locations for Working and Investing, Great Communities for Living and Learning, and Great Destinations to Visit. Using these themes the Blueprint Leadership Group has established a more detailed programme of activity and investment, and the Leadership Group meets regularly to oversee the implementation of that programme.
- 3.4 This report provides an update on progress with delivery of the Borders Railway Blueprint. An infographic showing overall progress is attached at Appendix 1. It follows a report to Scottish Borders Council in April 2015 which approved the Blueprint governance structure, action plan projects and the Council's contribution to the financial deal.

4 DELIVERING THE BLUEPRINT

- 4.1 The Blueprint document recognises that it is not enough to assume that economic development will naturally result from the provision of the new railway, but that a strong proactive approach is essential. A number of specific actions have been identified in relation to each of the themes. The progress against these is outlined below.

Great Locations for Working and Investing

- 4.2 Central Borders Business Park – The overall vision is to create a high amenity business park that will attract businesses to invest in the area, and to allow our indigenous businesses to grow in modern office and business premises. Work is underway by Scottish Enterprise and the Council to bring forward the first phase of the development. This will deliver new high quality office space and serviced plots on land owned by the Council opposite the new Tweedbank Station. As currently envisaged this phase of the project, which is being led by Scottish Enterprise, would deliver an access roadway with serviced plots with an initial provision of approx. 1000m² of business space on one plot. The remaining plots would be marketed for private sector / business development. A vision document, funded by the Council and Scottish Enterprise has been developed by Page Park Architects to provide a framework for the future development of the Central Borders Business Park. This includes the potential long term redevelopment of the existing industrial area to better meet the needs of modern businesses.

- 4.3 Borders Railway Inward Investment Prospectus - An online Inward Investment Prospectus and promotional film went live in August 2015. The newly created website www.bordersrailwayprospectus.com contains a wealth of information for prospective inward investors as well as an interactive map of over 100 sites and premises in the railway corridor. The Prospectus was launched by the Cabinet Secretary for Infrastructure, Cities and Investment in Edinburgh in December 2015. This event promoted new marketing material and targeted private sector investors and developers. The website has been funded by Scottish Borders, Midlothian and City of Edinburgh Councils.
- 4.4 Borders Railway Inward Investment Response - Following the launch of the Prospectus and discussions between City of Edinburgh Council's Invest Edinburgh team and Midlothian and Scottish Borders Councils, a joint approach has been agreed to promote inward investment and economic development in the railway corridor. An Inward Investment Project Manager is being appointed to work with the Councils and other Blueprint partners for an 18 month period to provide and establish a focussed approach to attracting inward investment. This will establish an up to date, dynamic database of sites and buildings that are readily marketable, create a lasting network of contacts across the public sector agencies and private sector investors, and ensure that the Borders Rail corridor is known to be 'open for business'.
- 4.5 Borders Railway Investment Fund - The new Scottish Local Authorities Business Loan Fund - 'Business Loans Scotland' will be used to deliver a planned £1million finance mechanism for business investment in the Railway corridor when it is launched later this year. It is now likely that the new fund will not be available until April 2016, and interim options for business loans will continue, using the Council's existing Scottish Borders Business Loan Fund.

Great Communities for Living and Learning

- 4.6 Housing Land/ Development - This is a priority area to be addressed now that the Borders Railway is operational and developers and investors can see the impact it is having on travel patterns. Scottish Government facilitated a meeting of senior planners from Scottish Borders and Midlothian Councils in September 2015 to discuss the strategic role of the railway in creating a new 'development corridor' for Scotland. The railway provides a major incentive for housebuilders, employers, retail and commercial interests to locate in the Scottish Borders.
- 4.7 Modern Apprenticeships, Skills and Training - The new railway provides ready access to education and training at Borders College, Heriot Watt University's Borders Campus, Edinburgh College and Queen Margaret University. It also provides much improved access to a greater range of labour markets in Edinburgh and Midlothian. There is already feedback from Borders College that some students from Midlothian are using the train to attend courses in Galashiels, rather than traveling into the city. Early discussions have taken place with Skills Development Scotland to understand the skills impact of the Borders Railway, and the potential for investment in enhanced apprenticeships and hospitality training schemes.
- 4.8 Scope Out Potential Feasibility Work for Extending the Line - The scoping of the feasibility study to explore the possibility of extending the Borders Railway project beyond Tweedbank towards Hawick and Carlisle is being discussed with Transport Scotland.

- 4.9 Town Centres – At a local level, the Town Centre Coordinator in Galashiels has established working partnerships with town organisations in order to improved tourism experience in Galashiels, increase footfall in Galashiels, improve the street scene and maximise business development in the town. A total of 27 shop front improvement grants totalling £47,000 have been offered to improve the street scene and give Galashiels a more presentable face to the visitor and shoppers. The Galashiels Town Trail has been used as the basis for a visitor map of the town and proved very popular with people arriving by train. It is also distributed through many tourism leaflet dispensers.
- 4.10 The work of Energise Galashiels has promoted a number of community led initiatives to improve the town. Shop window displays in empty properties and the tidying up of vacant shops have been particular successes. The group is promoting the town to visitors in partnership with other Borders towns, and through new events such as the '100 Bands on the Borders' and Doors Open Day. The group are planning further new events for 2016.
- 4.11 The opening of the Borders Railway was important for Galashiels and efforts were made to capitalise on this, particularly the piloting of the Borders Railway Ambassadors. These were based mainly at the Galashiels Transport Interchange and Tweedbank station. Enquires tended to be tourism (51%) and transport related (41%). Steam trains brought very high levels of demand for information as standard trains immediately prior to and post the steam train carried steam train spectators. Tweedbank was busier than Galashiels on a broadly 60/40 split. Visitor feedback highlighted the need for a textile retail offer in the town and facilities for children.
- 4.12 Develop walk/ cycle paths into wider network - Projects are progressing led by Scottish Borders Council to deliver 'active travel projects' and touch screen information points at key stations, funded by the Scottish Government/ Transport Scotland Smarter Choices grants. A touch screen information point has been installed at the Galashiels Transport Interchange, and further screens are planned at Tweedbank Station, Stow Station, Melrose, Abbotsford and Hawick. The development of walking and cycle path connections in Scottish Borders is complete, with links between Clovenfords, Melrose, Abbotsford House and the Borders General Hospital all included. Signage and information is available at Stow, Galashiels and Tweedbank stations to inform visitors of the various short and long distance routes available for walking and cycling.

Great Destinations to Visit

- 4.13 Tourism remains one of the strong economic sectors in the local economy. The Borders Railway provides a great opportunity for a step change improvement in the sector.
- 4.14 Great Tapestry of Scotland – The project to develop a building to permanently house and display the Great Tapestry of Scotland is one of the key elements of the Blueprint Programme. The Project Governance structure has been established covering the general principles of how Scottish Borders Council will manage the design, cost control and reporting procedures throughout the design and construction phases. The Council appointed the various consultants required to inform the overall project design. The planning application for the development has been approved and the outline design process is complete. Work to prepare the final tender package is almost complete, with the project going out to tender shortly. Early enabling works have been undertaken on site to address wildlife issues and the project remains on programme for opening in 2017.

- 4.15 Steam Train Experience - ScotRail delivered a six week pilot project from September to November 2015, with steam trains running from Edinburgh Waverley to Tweedbank three times a week. The pilot had 100% occupancy, with 6,200 passengers visiting the Borders. Abbotsford House, Melrose Abbey and the County Hotel in Selkirk organised an add-on experience for those travelling on the steam train and this also proved to be extremely popular. A full economic impact assessment is underway to help inform options for 2016 so that decisions can be made in February 2016.
- 4.16 Borders Railway Tourism Development Programme - A new Borders Railway 'Business Opportunities Guide' was launched in October 2015 via Business Gateway. This highlights new business opportunities for the tourism sector. The launch of the guide is complemented by the appointment of a part-time Tourism Business Adviser to work with the Councils and other Blueprint partners in providing direct support to tourism businesses. The Tourism Business Adviser will provide one-to-one and group business support.
- 4.17 Visitor Marketing Programme - the first phase of the VisitScotland led marketing campaign went live in August 2015, targeting markets in the UK, Germany and North America. This includes outdoor, radio and digital advertising. A blog page highlighting attractions along the route and directing visitors to destination webpages is available at www.visitscotland.com/bordersrailway ScotRail has also just received approval for a visitor experience pilot with a national tour operator that will take visitors on day-long tours throughout the area. Officers are seeking to ensure that this includes a Hawick / Selkirk cashmere angle following the successful Future Hawick pilot in December 2015.
- 4.18 Communications - under the leadership of Scottish Enterprise the Blueprint Communications Group developed a core script with key messages that was used for the opening celebrations. VisitScotland worked with partners to deliver a Media Day to showcase the region in advance of the opening weekend. 93 media reps were hosted on a special press preview train, generating 273 pieces of coverage and a total audience reach of 51 million. This helped ensure #mybordersrailway was trending on UK Twitter, with a potential audience reach of 29 million.

Operational Issues

- 4.19 A total of 126,000 passengers used the railway in its first month of operation (September 2015), and an estimated 350,000 passengers used the service in the three months to end November 2015. These rates are much higher than predicted rates of usage. On that basis a conservative annual projection would be in the region of one million passengers: in comparison with the pre-opening projection of 647,000 passengers per annum.
- 4.20 There have been some well-publicised concerns regarding the lack of sufficient rolling stock at times, which has caused significant inconvenience for passengers. This has been raised directly with the train operator on a number of occasions. This is a Scotland wide issue and not simply a Borders Railway issue. The train operator has sought to address this issue as far as possible, but there is recognition that across the rail industry in the UK there is a lack of available rolling stock. This problem will take some time to resolve nationally due to the lead in times for delivery of new carriages. The Council will continue to lobby wherever possible for the resolution of this issue.

- 4.21 As part of Network Rail's contract a limited amount of signage was provided which, whilst adequate, has been the subject of some concern from rail users. Therefore, there is a programme being undertaken by the Council to augment the signage in the vicinity of the stations. The use of Tweedbank has been significantly higher than forecast and the car park has been at capacity on many occasions. Network Rail and ScotRail are considering the implications of this situation.

5 NEXT STEPS

- 5.1 Looking forward to the coming year, targets in 2016 include the construction commencing for the Great Tapestry of Scotland Visitor Centre, led by Scottish Borders Council, and the Central Borders Business Park at Tweedbank, led by Scottish Enterprise. Other important investments include the development of a visitor experience pilot by ScotRail
- 5.2 Visitor marketing activity will continue in 2016, linked to a Borders Railway showcase at VisitScotland EXPO in April 2016. A new Steam Train Experience is being planned by Transport Scotland/ScotRail. New work streams being opened up in 2016 will include stimulating private sector housing development, and support for workforce skills development. Finally, the Council is leading on scoping further feasibility work around the extension of the Borders Railway line towards Hawick and Carlisle.
- 5.3 At local level in Galashiels, attention will turn to improvements to marketing the town as a place to invest, a similar Borders Railway Ambassadors proposal subject to funds being available, improved information on shopper numbers, spending and business performance. There will be a focus on additional marketing to visitors and shoppers eg Galashiels Shoppers Map and better online information. Support will be given to proposals for a Business Improvement District following the announcement by Scottish Government ministers in December 2015.

6 IMPLICATIONS

6.1 Financial

- a) The Blueprint Group has identified a programme of implementation activity and established costings for most items. In many cases the relevant partners have agreed to financial contributions for specific items. The programme also includes opportunity for bids to be submitted for appropriate projects to a £10m fund provided by Scottish Government through Scottish Enterprise, and managed by the Blueprint Group. There is no time deadline for submission of bids, rather it is for projects to come forward over the next few years. Potential opportunities in Scottish Borders could include the proposed Great Tapestry of Scotland building and the Central Borders Business Park.
- b) There may be opportunities to link some of the Blueprint activity to the City Region Deal that is currently being developed jointly with other Councils in South East Scotland. Officers will work with partners to establish the potential of these opportunities over the coming months.
- c) In order to keep elected members up to date with progress on the Railway Blueprint and related projects it is proposed that further update reports are submitted to the Committee on a regular basis. These future reports will also provide monitoring information on the financial investment being made by the Council and Partners in delivering the Blueprint Strategy.

6.2 **Risk and Mitigations**

There is a fundamental risk that the Scottish Borders economy as a whole, and the local economies of communities close to the railway, experiences little or no economic growth as a consequence of the opening of the Borders Railway. The planned actions of the Blueprint partners, both collectively and on an individual level, mitigate this risk in the short to medium term. Further planning and scenario development activity will also help to mitigate this risk over the long term.

6.3 **Equalities**

An initial Equalities Impact Assessment has been carried out and it is anticipated that the Blueprint will assist the Council to meet the Equality Duty. The Blueprint investments are expected to deliver a number of positive impacts for equalities groups, particularly as a result of enhanced connectivity to and from stations, and from new employment, skills training and business opportunities. We will continue the impact assessment process as we progress this work.

6.4 **Acting Sustainably**

The opening of the Borders Railway, and a focus on the economic opportunities arising from this, is a major strand of the Scottish Borders Economic Strategy 2023. This major infrastructure investment has the potential to substantially aid the sustainability of the economy in the Scottish Borders. A core principle of the Railway Blueprint is to stimulate sustainable economic development which will deliver benefits for the environment in supporting a 'modal shift' from car to train, and in connecting communities to new work, learning and leisure opportunities.

6.5 **Carbon Management**

The Borders Railway provides for a major shift of transport mode from the private car, and this should show an overall reduction in carbon emissions. All Blueprint infrastructure projects, including new buildings, will be designed to deliver cutting-edge low carbon outcomes. Construction methods will use current low carbon principles, and the brief for new developments will include the potential for on-site renewable energy generation. In addition, any major construction projects will require to be screened for Environmental Impact Assessment, which will highlight any environmental sensitivities associated with the proposals

6.6 **Rural Proofing**

Rural proofing is not required as this report does not relate to new or amended Council policy or strategy. However, it is expected that the Blueprint investments will have a regional economic and social impact that reaches far beyond the immediate corridor of the new line, benefiting surrounding rural areas.

6.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

7 CONSULTATION

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the report.

Approved by

Rob Dickson
Corporate Transformation
and Services Director

Signature

Author(s)

Name	Designation and Contact Number
Bryan McGrath	Chief Officer Economic Development – Tel 01835 826525

Background Papers:

Previous Minute Reference: Item 9, Scottish Borders Council, 2 April 2015

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