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EXECUTIVE COMMITTEE TUESDAY, 3RD FEBRUARY, 2015

A MEETING of the EXECUTIVE COMMITTEE will be held in the COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS, TD6 0SA on TUESDAY, 3RD FEBRUARY, 2015 at 10.00 AM

J. J. WILKINSON,
Clerk to the Council,

27 January 2015

BUSINESS		
1.	Apologies for absence	
2.	Order of Business	
3.	Declarations of Interest	
4.	Minute (Pages 1 - 10) Minute of meeting of Economic Development Group of 13 November 2014 to be approved and signed by the Chairman. (Copy attached)	2 mins
5.	Economic Development Update (Pages 11 - 16) Presentation on recent Economic Development progress by the Chief Officer Economic Development (Briefing note attached)	20 mins
6.	City Deal Proposal (Pages 17 - 22) Consider report by Service Director Strategy and Policy (Copy attached)	15 mins
7.	Business Gateway Progress Report 1 April 2014 - 31 December 2014 (Pages 23 - 38) Consider report by Service Director Strategy and Policy (Copy attached)	20 mins
8.	Scottish Local Authority Business Loan Fund (Pages 39 - 44) Consider report by Service Director Strategy and Policy (Copy attached)	20 mins
9.	Any other Economic Development items previously circulated	
10.	Any other Economic Development items which the Chairman decides are urgent	
	Items Likely To Be Taken in Private. Before proceeding with the private business, the following motion should be	

	approved:- “That under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A to the aforementioned Act”.	
11.	Minute (Pages 45 - 46) Private Minute of Meeting of Economic Development Group of 13 November 2014 to be approved and signed by the Chairman.	2 mins
Economic Development Theme additional membership of Committee:- Mr J Clark, Mr G Henderson		
OTHER BUSINESS		
12.	Minute (Pages 47 - 52) Minute of Meeting of Executive Committee of 20 January 2015 to be approved and signed by the Chairman. (Copy attached).	2 mins
13.	Any other items previously circulated	
14.	Any other items which the Chairman decides are urgent	

NOTES

1. **Timings given above are only indicative and not intended to inhibit Members' discussions.**
2. **Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.**

Membership of Committee:- Councillors D Parker (Chairman), S Aitchison, S Bell, C Bhatia, J Brown, M J Cook, V Davidson, G Edgar, J G Mitchell, D Moffat, D Paterson, F Renton and R Smith

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SCOTTISH BORDERS COUNCIL
ECONOMIC DEVELOPMENT GROUP

MINUTE of MEETING of the
ECONOMIC DEVELOPMENT GROUP
held in the Council Chamber, Council
Headquarters, Newtown St Boswells on
13 November 2014 at 10 am.

Present:- Councillors S. Bell (Chairman), M. Ballantyne, J. Campbell, S. Scott, B. White. Mr J. Clark, Mr G. Henderson.

Apologies:- Councillors J. Brown, V. Davidson, I Gillespie.

In Attendance:- Service Director Strategy and Policy, Chief Officer Economic Development, Economic Development Manager (S. Smith), Democratic Services Officer (K. Mason).

WELCOME

1. The Chairman welcomed Mr Gordon Henderson, Senior Development Manager, Scotland, Federation of Small Businesses to the meeting.

MINUTE

2. There had been circulated copies of the Economic Development Group Minute of 11 September 2014.

DECISION

APPROVED and signed by the Chairman.

ECONOMIC DEVELOPMENT UPDATE

3. Copies of the Economic Development Update were circulated at the meeting. The Chief Officer Economic Development, Bryan McGrath, drew attention to the main points and answered Members' questions. Members referred to the excellent business centre in Kelso and considered this was an asset to Kelso and the whole of the Scottish Borders. It was noted, when discussions took place over the difficulties students had after graduation in setting up businesses in the Borders, that a review of Council owned property and future investment would be considered by Council in 2015. In discussing Galashiels Town Centre it was noted that a Town Centre Coordinator had been recruited, clarification of issues was required to achieve success in Galashiels, therefore it was critical that a strong group be formed to progress the initiative. Members went on to discuss the Employer Recruitment Incentive – Youth Employment Scotland Scheme and in response to a question raised by the Local Member for Berwickshire, the Economic Development Manager undertook to follow up her query as to why some people were not kept on in employment.
4. Members discussed the potential for further growth of cycling development and noted that this was a significant project which would be focussed on during the next couple of years. More expert help would be required to help with events already running and to establish future events. In regard to the Selkirk Business Improvement District it was noted that a similar venture had been unsuccessful in Peebles and it was hoped for a positive response in Selkirk. A suggestion was put forward that the ballot be sent out by recorded delivery. The Chief Officer Economic Development undertook to advise Members of where the two new inward investments businesses had come from. The Economic Development Manager advised that the Herald Business Awards would be announced in December 2014.

DECISION

NOTED the update attached as detailed in Appendix 1 to this Minute.

SCOTTISH BORDERS ECONOMIC STRATEGY 2023 – PROGRESS AND PERFORMANCE UPDATE

5. There had been circulated copies of a report by the Service Director Strategy and Policy. The purpose of the report was to present the new performance framework for the Scottish Borders Economic Strategy 2023 which had recently been agreed by the Community Planning Strategic Board. The Economic Strategy set out the vision, strategic aims and objectives which would provide the focus for the Council's efforts to ensure sustainable economic growth for the Scottish Borders. The associated Action Plan set out in detail how the Community Planning Partnership would deliver the outcomes identified in the Economic Strategy. A new performance framework to monitor the Economic Strategy and delivery of its aims had been agreed by the Community Planning Partnership and was detailed in Appendix 1 to the report. In relation to the Action Plan, significant progress had been made in delivering many of the actions set out as detailed in Appendix 2 to the report. Some areas of activity required additional resources and additional partner focus in order to move forward.
6. Members discussed the report and received answers to their questions in respect of the new interactive visitor screens for Galashiels and Kelso town centres, and learning opportunities for young people. In noting that the GVA for the Scottish Borders continued to be below the Scottish average, a suggestion was put forward that it might be worthwhile comparing the Scottish Borders GVA figures with that of another rural economy and the Chief Officer Economic Development undertook to look at the figures for other areas. In discussing the Broadband roll out in Berwickshire, the local Member referred to questions raised by a local constituent in respect of part of Chirnside not being covered by Broadband. The Chief Officer Economic Development suggested that the constituent contact him to discuss the roll out. Further, the Economic Development Manager undertook to liaise with the local Member Kelso and District about the provision of suitable facilities for start-up businesses.

DECISION

- (a) **NOTED** the new performance framework and positive progress made in relation to the Economic Strategy Action Plan.
- (b) **AGREED** to receive regular progress reports on the Scottish Borders Economic Strategy 2023 and its performance framework in order to scrutinise performance.

SCOTTISH BORDERS LOW CARBON ECONOMIC STRATEGY 2023 – PERFORMANCE FRAMEWORK AND ACTION PLAN UPDATE

7. With reference to paragraph 12 of the Minute of Council on 31 October 2013, there had been circulated copies of a report by the Service Director Strategy and Policy presenting an update on the progress against the actions set out in the Scottish Borders Low Carbon Economic Strategy 2023. The report explained that the Scottish Borders Low Carbon Economic Strategy 2023 set out a series of strategic aims and initiatives which formed the first steps in the transition towards a low carbon economy for the Scottish Borders. The strategic aims and objectives were aligned to the priorities identified by the Community Planning Partnership and Single Outcome Agreement. The aims were to: (a) Improve business competitiveness; (b) Improve residents' quality of life; (c) Adapt our infrastructure; and (d) Increase Community

Resilience. Good progress had been made in delivering the actions set out in the Action Plan, but some areas of activity required additional partner focus, and in some instances, significant additional resources. A detailed Performance Framework was being developed to monitor progress in the delivery of the aims of the Strategy.

8. In responding to Members' questions about the confusion relating to information from businesses delivering the Home Energy Efficiency Schemes, the Environmental Strategy Co-Ordinator advised that those providing the service could make bids to the Scottish Government for funding and that the scheme was not funded by the Council. There was a need to explore how communications could be simplified and it was important to know when those carrying out home insulation schemes did not keep their appointment for statistical information. It was noted that although there were challenges there had been success at Easter Langlee. The Environmental Strategy Officer undertook to bring a report from the Contact Manager to a future meeting. Further, the Service Director Strategy and Policy undertook to circulate to Members a hard copy of a briefing paper regarding energy efficiency schemes currently in operation, including contact numbers.

DECISION

- (a) **NOTED the positive progress made in relation to the Low Carbon Economic Strategy Action Plan.**
- (b) **AGREED**
- (i) **the draft performance framework for the Scottish Borders Low Carbon Economic Strategy; and**
- (ii) **to receive regular progress report on the Low Carbon Economic Strategy and its performance framework in order to scrutinise performance.**

PRIVATE BUSINESS

9. **DECISION**
AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

VisitScotland Information Centres – Review of Operations 2015/16

1. Members considered a report by the Service Director Strategy and Policy which presented a review of the operation of Visitor Information Centres in the Scottish Borders and approved the recommendations.

The meeting concluded at 11.55 a.m.

**ECONOMIC DEVELOPMENT GROUP – 13 NOVEMBER 2014
APPENDIX 1**

Item – Economic Development Update

1. Business:

- For the period to 31 October the **Business Gateway team worked with 404 businesses and individuals**, and assisted 115 business start ups, of which 8 have the potential to be high growth. The advisers have delivered 46 start-up workshops and 38 local workshops with 475 attendees. These workshop numbers include our first series of Saturday morning workshops which have been well received by our clients
- So far this financial year (2014/15), the **Scottish Borders Business Fund** has received 40 applications and approved 33 grants valued at £93,079 supporting projects with a value of around £203,100. These projects are forecast **to create 57.5 jobs and safeguard 82 jobs** with a forecast **economic impact of £1.3 million GVA**.
- The Scottish Borders Business Loan Fund offers loans of between £1,000 and £20,000 over terms of up to three years. As the fund is operating in conjunction with other commercial lending agencies, applicants must demonstrate that at least 25% of the total project cost is being provided from sources outside of the public sector. Three loan applications will be considered at the next panel meeting on 26 November 2014.
- **Property** – 102 property enquiries have been received so far in 2014/15 resulting in 21 new property leases which will generate £117k in annual rental income. New tenancies include 2 inward investment businesses. The current occupancy level is **90%** for the portfolio of industrial units, yards and shops.
- **Supplier Development** – Economic Development continues to assist the Council's Procurement Team and supported the Duns Primary School 'Meet the Buyer' event on Wednesday 12 November. The Business Gateway team will follow up with attendees to support them, where appropriate, in preparing to tender for the work.
- **Employer Recruitment Incentive - Youth Employment Scotland Scheme** –The Scottish Government has confirmed a further extension of the YES Scheme funded by the Scottish Government and EU funding to provide a total of 150 new jobs. All placements must commence by end of December 2014. As of early November, 145 job offers have been made. Over 50% of these 6 month placements have now concluded with an estimated retention rate of around 80% of the young people staying on in employment.
- **Scottish Borders Business Week 2014** – The inaugural Business Week ran from Monday 29 September until Friday 3 October focusing on 'growing and developing a business'. Each day had a different theme as follows:
 - Building on Your Business Success
 - Resourcing Your Business

- Successfully Marketing and Trading Online
- Developing Your Business Internationally
- Want to Become Your Own Boss

The events drew almost 300 attendees and the evaluation showed that it was very well received with 95% of respondents considering that the events met their expectations. Comments included:

- Have another one soon!
- More regular series of Breakfast Events throughout the year
- Enjoyed the input from the audience
- Really great session

Based on the feedback and the numbers attending, the Business Gateway team is intending to hold a similar event in the autumn of 2015, possibly linked to the Scottish Borders Business Excellence Awards.

The Herald Business Awards – four businesses from the Scottish Borders have been short listed for these national awards, which will be announced in December. The businesses are as follows:

- A Hume, Kelso;
- Scotlight, Innerleithen;
- The Orde Food Group, Kelso; and
- Glenrath Farm, Tweeddale

Three of these businesses are working with the Business Gateway team and the other, Glenrath Farm, is account managed by Scottish Enterprise.

2. Regeneration:

- **Selkirk Town Centre Regeneration Hub** – The former Cross Keys is now being leased from the Council by Selkirk Regeneration Company offering a local regeneration hub to promote various projects for the town including Selkirk CARS, Selkirk BIDS, Selkirk Flood Protection Scheme and Selkirk Community Action Plan, as well as acting as a meeting/ community space.
- **Selkirk Business Improvement District (BIDS)** – Selkirk Chamber of Trade has appointed their Development Co-ordinator, David Thomas, to take forward their BIDS initiative. Mr Thomas was previously the Jedburgh Town Project Co-ordinator funded by a LEADER project. The next steps in the BIDS development process involve extensive business and community engagement, the development of a robust business plan and the implementation of a formal ballot process. The project is part financed by Scottish Government and Scottish Borders Council.
- **Kelso Townscape Heritage Initiative (THI)** – the THI scheme is in its final year and ends in March 2015. 49 building repairs/ grants have been awarded and completed on site, with a further 7 currently on site or due to complete very shortly.
- **Kelso Traffic Management and Public Real Enhancements** - the major enhancement work to the centre of Kelso was completed in October. A formal

opening event was organised by FutureKelso and the Kelso Elected Members at the end of October to celebrate the achievements of the town centre project including major streetspace work, public realm enhancements, improved pedestrianised areas and public artworks.

- **Horsemarket Business Centre, Kelso** is now complete. The business hub has been marketed through the Council's Estate services and one tenant is now leasing two offices in the first floor. The building will also incorporate touch screen visitor information, which is scheduled to be in situ in 2015. The Horsemarket Business Centre was officially opened on 30 October 2014 and acknowledged the funders, European Funding, Heritage Lottery Fund and Scottish Borders Council.
- Completion of these three major projects in **Kelso town centre** is a significant achievement and has had a major impact on the appearance and vitality of the town centre. The coordinated activity is testament to all the Council's staff involved as well as the input and guidance from the local community, in particular FutureKelso and Kelso's Elected members over the seven year planning and implementation period. It is estimated that the direct impact is £3.8 million to the local economy, with local businesses securing and completing the design and construction works. Local contractors have also directly benefited from training opportunities and support, particularly in building conservation skills.
- **Galashiels Town Centre Coordinator** – The Coordinator has been recruited and will start in post on 1 December 2014. The post will run for a two year period to support and deliver projects and activities which add value to the town centre and complement the major project investment activity, linked to the Borders Railway investment. The Town Centre Co-ordinator will also liaise and link with the recently formed **Galashiels 2020 Group** established by various local businesses and interest groups in the town.
- **Burnfoot Community Futures** – following a procurement process, the main contractor for the £2.1 million Burnfoot Community Hub project has recently been appointed - local firm, M J Ballantynes Builders from Kelso. Works are scheduled to commence on site this month. The Council continues to support the project in terms of grant management, monitoring reports, grant draw down and compliance.

3. Tourism & Events

- **Tourism support -**
 - The **Scottish Borders Tourism and Events Industry Conference 2014** organised by VisitScotland, Scottish Borders Council and the Scottish Borders Tourism Partnership is taking place at the Cross Keys Hotel on 18 November. The event is an opportunity to hear how businesses are planning to take advantage of the 2015 Year of Food and Drink, and the Borders Railway tourism development opportunities.
 - The first interactive **Visitor Information Screen** will be installed in Kelso week commencing 10 November. Delegates at the Area Tourism Partnership conference will have the opportunity to work with the screen provider 'Advanced Display Solutions' to look at options for using the new technology to suit their own businesses.

- **Borders Railway Opening Celebrations Committee** - plans are progressing led by Transport Scotland, VisitScotland, Network Rail and the three local authorities for an ambitious event with national and international impact to celebrate the opening of the Borders Railway in September 2015. This includes a commitment to 'wrap' a train to promote Scottish Borders, Midlothian and Edinburgh.
- Work is continuing on the **Borders Railway Marketing Campaign** in partnership with VisitScotland. Key new messages are being linked into the current Scottish Borders campaign, which will lead into a dedicated Borders Railway campaign in 2015.
- **Newcastleton Signage** - work has begun with a new fingerpost installed in Douglas Square. This marks the start of a programme to enhance and replace the existing signage and to identify gaps in visitor information in and around the town.
- The Council's Tourism Officer has also been working with a number of community projects, including Jedburgh Town Centre signage, Carter Bar signage, Wilton Lodge Park investment opportunity and HLF project, Hawick online and Scottish Borders Food and Drink Network.
- **Event support –**
 - The annual **Scottish Borders Walking Festival** took place from 31 August – 6 September in Jedburgh/ Denholm. A three year programme has been approved for Galashiels (2015); Coldstream (2016) and Peebles (2017).
 - A promotional leaflet was produced for the Scottish Borders section of **The Scottish National Trail** from Kirk Yetholm to Carllops (76 miles).
 - A Safety Advisory Workshop (SAG) was held in October for event organisers and was extremely well attended. It was organised through the Council's Emergency Planning team and involved all the emergency services. There are currently 33 events participating in the Safety Advisory Group process for 2015.
 - A **new cycling development and event support** project which will continue to strengthen the cycling 'product' within the area will be started in Autumn 2014. This aims to boost the economy and accelerate the growth of cycling events and tourism.
 - **Galashiels Event Development support** – linked to the Borders Railway and town centre regeneration activity, a consultant has been appointed through the recently formed 'Galashiels Events Group' to look at current events and future planning for the next 3 – 5 years.
 - EventScotland have received one application from the Scottish Borders in their October national funding round for the Waterloo Penielheugh 200 event.
 - Jim Clark Rally - following discussions with Police Scotland and other stakeholders investigations into the 2014 event are still ongoing and not yet concluded. The event which requires detailed planning has therefore been cancelled for 2015 until a time when the investigation and recommendations have been completed.
 - Key dates in November include:

- Mountain Biking Conference – 11-12 November 2014
- Tourism and Events Industry Conference – 18 November 2014

4. Funding:

- The current EU **LEADER Programme (2007-2013)** is now closed and all projects are complete. Final project claims have been submitted and are being processed, and a programme of final monitoring visits is being concluded. £3.07m grant funding has been paid to projects at 07/11/14, 95% of the total commitment £3.24m. Scottish Borders LEADER maintained its 'green' status following the Managing Authority's annual audit visit.
- European Fisheries Fund Axis 4 **Fisheries Local Action Group (FLAG) 2007-2013** local development funding programme is now closed. The completion deadline for projects is 30 June 2015. Two (of 15) projects are not able to proceed, resulting in a final commitment of £632k to 13 projects against a total budget availability of £720k. In addition, support was provided to applicants to EFF Axes 1 and 2 resulting in £18k EU support to fishing vessels and an offer of £216k EU grant funding to a local shellfish processor (both sums co-financed by Scottish Government).
- The Local Development Strategy and draft business plan for Scottish Borders **LEADER and European Maritime Fisheries Funds (EMFF) 2014 – 2020** was submitted to Scottish Government at the end of September 2014. Feedback is expected by the end of November, and an indicative allocation of LEADER funds in December 2014. Fisheries allocations will be announced in 2015. The new programmes will be subject to revised Service Level Agreements to be agreed with the Scottish Government.

5. Property & Projects:

Strategic Employment Land Project:

- **Coldstream** – Tendering for the remaining works is at an advanced stage with completion expected in April/May 2015.
- **Gunsgreenhill Industrial Estate extension (Seafood Technology Park) Eyemouth** – The contract is at an advanced stage with the bulk of the earthworks completed. The project is due to be complete in December 2014.

6. Low Carbon:

- A **renewable energy exhibition** was held as part of Business Gateway Business Week. The event took place on 30 September 2014 at Springwood Hall, Kelso. 34 exhibitors were present, offering advice to local businesses on the range of technologies available, with the aim of encouraging an increase in uptake. 80 visitors attended the event.
- A group of **Registered Social Landlords** senior managers has been formed to consider joint initiatives to tackle energy efficiency within their properties, and the potential for renewable energy installations. An additional role for the group is to engage with Borders College and Skills Development Scotland to support training provision and accreditation for local businesses, which can then allow them to bid for installation and maintenance contracts with the RSLs.

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EXECUTIVE – 3 FEBRUARY 2015

Economic Development Update

1. Business:

- For the period to 31 December the **Business Gateway team worked with 469 businesses and individuals**, and assisted 151 business start-ups, of which 16 have the potential to be high growth. The advisers have delivered 61 start-up workshops and 48 local workshops with 635 attendees. These workshop numbers include our first series of half day business start-up outreach workshops which have allowed the team to have a visible presence across the region.
- So far this financial year (2014/15), the **Scottish Borders Business Fund** has received 52 applications and approved 43 grants valued at £118,300 supporting projects with a value of around £258,700. These projects are forecast **to create 82.5 jobs and safeguard 112 jobs** with a forecast **economic impact of £1.95 million GVA**.
- The Scottish Borders Business Loan Fund offers loans of between £1,000 and £20,000 over terms of up to three years. The first round of loans in 2014/15 has now been approved. Four loan applications have received funding worth £41,600. These loans are forecast **to create 26 jobs and safeguard 24 jobs** with a forecast **economic impact of £616,500 GVA**.
- **Property** – 125 property enquiries have been received so far in 2014/15 resulting in 21 new property leases which will generate £117k in annual rental income. The current occupancy level is **89%** for the portfolio of industrial units, yards and shops.
- **Employer Recruitment Incentive - Youth Employment Scotland Scheme** – The Youth Employment Scotland Scheme funded by the Scottish Government and EU funding finished on 31 December 2014. Since the Scheme was launched in October 2013, 149 grant offers have been made to local businesses for them to employ a young person for 6 months. The amended target was 150 placements. The Scottish Government has confirmed a further extension of the YES Scheme funded by the Scottish Government only. The Council has agreed a further 8 placements over the period of January to March 2015.

2. Regeneration:

- **Galashiels Town Centre** – The Town Centre Coordinator is in post and is now networked into many local organisations. Monthly town walks, open to local Members, Energise Galashiels members, police and Council staff will be used to identify emerging issues. The Coordinator will present a draft action plan to the Energise Galashiels Group in February. A small shop front grant scheme is now available to improve key frontages in the town centre. A Napier University student work placement will support the development of new events and town

centre activities during a six month period from February 2015. Local press and radio have run items to promote the town centre coordinator role.

- **Selkirk Conservation Area Regeneration Scheme** – Selkirk CARS is approaching the end of Year 2. Over 40 enquiries from property owners have been received, 9 applications for grant funding, and a total of £60,700 of grant funding has been awarded from a total fund of £200,000. The first repair projects are now being completed on site. Priority buildings are proving challenging to address, but dialogue is being maintained with all Priority Building property owners. The Priority Building list will be reviewed as part of the Year 3 Annual Action Plan. Education projects within the community are on-going with spring 2015 seeing major community and schools projects taking place.
- **Selkirk Business Improvement District (BIDS)** – The Steering Group has progressed with a second BIDS Scotland application for a separate BID for the Ettrick Riverside area. Their application has been successful and their Project manager will be responsible for taking forward both BIDS. The estimated revised ballot date is now November 2015. The next steps in the BIDS development process involve extensive business and community engagement, the development of a robust business plan and the implementation of a formal ballot process.
- **Burnfoot Community Hub, Hawick** – The construction phase is now well underway, with considerable visible progress on site. It is on schedule with an estimated completion date of end of June 2015 for the community areas and August 2015 for the nursery wing. Burnfoot Community Futures are now moving forward with the development and delivery of their business plan, in particular they are developing their capacity to deliver the nursery provision via the creation of a new social enterprise. The hub development has created local work placements, including one in the construction industry and one in the third sector. Permanent employment has been secured for one trainee and the other is now progressing into self-employment.
- **Newlands Community Development Trust** – NCDT was successful in securing full funding of £245k for its 'Newlands Rural Business Units' from the Scottish Government Regeneration Capital Grant Fund. This will see the old, disused village hall being refurbished into 3 small business units. The award was notified in November 2014, and the project is expected to start in May 2015 following a short tender process.

3. Tourism & Events

- **Tourism support –**
 - A **Tourism Destination Audit** for Midlothian and the Scottish Borders is out to tender with responses due back by 30 January 2015. Delivery of the audit, which will review gaps/opportunities around 10 tourism sector headings, will assist businesses with the Tourism Business Development Programme currently being developed with Business Gateway. This action is linked to the Borders Railway Blueprint.

- Scottish Borders, Midlothian and City of Edinburgh Council tourism officers are currently working to deliver the **Train Wrap** for the Class 170 3 carriage train that will promote the Borders Railway (and all three visitor destinations) around all seven Scottish cities until December 2016. Launch date is mid April 2015.
 - **Borders Railway Opening Celebrations Committee** - plans are progressing led by Transport Scotland, VisitScotland, Network Rail and the three local authorities for an ambitious event with national and international impact to celebrate the opening of the Borders Railway in September 2015. Events and Tourism officers are inputting to plans to capitalise on the impact this will have at a regional and National level.
 - Work is continuing on the **Borders Railway Marketing Campaign** in partnership with VisitScotland. Key new messages are being linked into the current Scottish Borders campaign, which will lead into a dedicated Borders Railway campaign in 2015.
- **Event support –**
 - A **Tour of Britain** route recce took place in early January 2015. The event will take place on Tuesday 8 September 2015, and is proposed to travel through five Scottish Borders towns. The precise route will not be confirmed until the event details are announced in March 2015.
 - A dedicated cycling event support project has been established which will run for the next 16 months. The main objective is to continue to grow and develop the area's successful cycling events. Tweedlove Enduro and Selkirk British MTB championship have both been successful in securing 2015 funding from EventsScotland.
 - 120 delegates attended the National '**Mountain Biking Conference**' in Peebles, and 140 businesses and event organisations attended the Scottish Borders '**Tourism and Events Industry Conference**' in Kelso. Both the events took place in November 2014 and were extremely well supported.
 - The Scottish Rugby Union has approached the Council to assist with some promotional activity. They are holding three matches at Netherdale (all under 20's) in 2015, and the Council's communications team will assist in promoting the events.
 - Galashiels Event Development support – linked to the Borders Railway and town centre regeneration activity, a consultant is now working with the '**Galashiels Events Group**' a sub group of Galashiels 2020. An event plan workshop is scheduled for March 2015.
 - The SAG (Safety Advisory Group) continues to support regional events. There are currently 33 events participating in the process for 2015.

4. Funding:

- The EU **LEADER Programme (2007-2013)** is closed and officers are preparing final reports and claims to Scottish Government, as well as archiving project files. Work has commenced on developing processes for LEADER 2014 – 2020, and applying lessons learned to the new programme.
- The European Fisheries Fund Axis 4 **Fisheries Local Action Group (FLAG) 2007-2013** local development funding programme is also closed. The completion deadline for projects is 30 June 2015. Plans are progressing for European Maritime Fisheries Fund (EMFF) 2014 – 2020 including merging the Scottish Borders FLAG with the smaller East Lothian FLAG. A joint meeting of the transition FLAG was held on 23 January 2015.
- The Local Development Strategy and draft business plan for Scottish Borders **LEADER and European Maritime Fisheries Funds (EMFF) 2014 – 2020** has been approved subject to recommendations by the Scottish Government's external panel. The redrafted strategy and plan will be submitted in February 2015. Scottish Government has not yet provided an indicative allocation for LEADER or Fisheries funds. The new programmes will be subject to revised Service Level Agreements to be agreed with the Scottish Government. It is anticipated that the new LEADER programme will launch in early summer and Fisheries in autumn 2015.
- The Council has the opportunity to access funding from the **European Social Fund (ESF)** to support a local 'Employability Pipeline', youth employment and poverty and social inclusion activities. A detailed bid will be submitted in March 2015, although the scale of the bid will be dependent on the availability of future match-funding.
- Work is progressing in partnership with Scottish Enterprise, SLAED and the National Business Gateway Unit on the investment of **European Regional Development Funding (ERDF)** for a 'growth accelerator' project as part of the wider Business Competitiveness strategic investment.

5. Property & Projects:

Strategic Employment Land Project:

- **Coldstream** – Tenders for the final phase of the project are due to be returned on 9 February 2015, with completion expected at the end of June 2015.
- **Gunsgreenhill Industrial Estate Extension (Seafood Technology Park) Eyemouth** – The physical contract works are near completion, with only landscaping works to be completed by late spring. Final completion is expected by June 2015.

6. Low Carbon:

- A group of **Registered Social Landlords** ran a 'Business Breakfast' event for local contractors on 16 December 2014 on opportunities for renewable energy installations. 11 local businesses attended. The event was supported by the Energy Saving Trust, Skills Development Scotland and technology suppliers offered ongoing technical support to engage local businesses and increase uptake. The work of this group is progressing with RSL maintenance contracts being analysed to assess joint opportunities for specific technologies, which will in turn allow identification of training requirements for local contractors.
- Business Gateway is offering a **free seminar to businesses on low emissions and electric vehicles** on 23 February 2015 at Ettrick Riverside. The event is being supported by the Energy Saving Trust and SBC Fleet Manager John Martin will discuss the benefits of the Councils Electric Vehicle fleet and the expansion of the recharging network across the Scottish Borders.
- Scottish Borders Council will work jointly on a climate change community resilience project with Dundee University over the next 18 months. Dundee University have been awarded a Joseph Rowntree Foundation grant to take the project forward. This will be used to develop national guidance on climate change action at community level.

Sam Smith, Economic Development Manager, tel 01835 826539.

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CITY DEAL PROPOSAL

Report by Service Director Strategy & Policy

EXECUTIVE

3 February 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks the Committee's approval for Council participation in the development of a business case for a City Deal for the Edinburgh City-Region/East of Scotland. The business case will investigate the potential for City Deal to contribute to the funding of future economic infrastructure across the city-region.**
- 1.2 A City Deal for the city-region could bring significant investment in infrastructure and could support economic growth across the city-region. In order to assess the likely benefits, including potential investments in the Scottish Borders, and to fully assess risks, further work needs to be carried out to establish if a robust and verifiable business case exists.
- 1.3 Once that business case has been developed, a further report will be prepared to allow Elected Members to consider the Council's future participation in a City Deal bid for the south east of Scotland.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive:**
 - (a) **Notes the potential for a City Deal;**
 - (b) **Agrees that the Council should participate in developing a potential submission;**
 - (c) **Agrees that a contribution from the Council of up to £25,000 should be made available to support the development of the business case; and**
 - (d) **Agrees that officers should bring a further report to Executive outlining the benefits and risks of the proposal, prior to any formal decision on participation beyond the development of the business case.**

3 BACKGROUND

- 3.1 "City Deals" seek to promote economic growth through investment in enabling infrastructure. Where economic growth is being limited by the availability of infrastructure, City Deals provide a mechanism whereby investment can be forward funded. The cost of the investment is then recovered through increased tax revenue resulting from the economic growth. City Deals can only recover a percentage of the tax increases which are shown to have been generated by the investment.
- 3.2 The "City Deal" provisions were initiated in late 2011 as part of the UK Government's "localism" agenda. They seek to empower cities and city-regions to drive economic growth through investment in enabling infrastructure.
- 3.3 Initially eight deals were agreed with the English Core Cities. Whilst each City Deal is unique, key features of these deals were:
 - (a) Local authorities developing a clear programme of infrastructure investment with the priority to deliver Gross Value Added (GVA) – GVA is essentially a local measure of jobs and productivity growth;
 - (b) An Infrastructure Fund established for the programme with funding from a variety of sources, including a significant proportion of local authority contributions;
 - (c) In return, central government allows the Fund to earn back locally funded contributions under a formula linked to economic growth and the increase in total tax revenues (not just non-domestic rates as in Tax Increment Finance schemes). This may take the form of conditional government grants; and
 - (d) Robust local governance and delivery arrangements established across the geography over which the investment will be targeted.
- 3.4 Twenty-eight English cities and city-regions have now secured their own deals and in July 2014 the UK Government announced a City Deal for the Glasgow City-Region.

4 THE GLASGOW CITY DEAL

- 4.1 The Glasgow City Deal includes a £1.13 billion Glasgow and Clyde Valley Infrastructure Fund. The UK Government will provide £500 million of capital funding, a further £500 million of capital will be provided by the Scottish Government and a minimum of £130 million of capital will come from local authorities across Glasgow and Clyde Valley. The funding will be used to improve the transport network across Glasgow and the Clyde Valley, including improvements to public transport, and to unlock key development and regeneration sites. These contributions will be made over a 20 year period.
- 4.2 In addition, other funds within the city deal will support growth in the life sciences sector, provide additional business incubator space, target youth unemployment and test new ways to boost the incomes of people on low wages.
- 4.3 The investment takes the form of £15m by each government, each year, for the first five years. It is understood that future investment by each government will be dependent on the scheme's benefits being realised through "above projection" economic growth. A formal process of 5-yearly "Gateway Reviews" will be put in place, with the reviews being undertaken by an independent Commission.

5 A POTENTIAL SOUTH-EAST SCOTLAND CITY-REGION DEAL

- 5.1 City of Edinburgh Council is promoting a bid for the Edinburgh City-Region. The area being considered is that covered by SESPlan, i.e. City of Edinburgh, East Lothian, the southern part of Fife, Midlothian, West Lothian and Scottish Borders. The other Councils have already agreed to participate. There is also a possibility that Dundee City may become involved in the project, due to its economic, transportation and planning links with Fife.
- 5.2 An analysis conducted by the Scottish Cities Alliance suggests that the Edinburgh city-region could benefit significantly from an infrastructure fund and accompanying payment-by-results deal with government. Any city-region deal could align with aspirations to improve the regional transport network, including enhancing public transport and active travel infrastructure; unlock strategic development areas; support key industry sectors and deliver sustainable places.
- 5.3 Development of the business case is on-going and agreement on this will be the focus of work in the coming weeks. As part of this work, and subject to approval by Executive, officers will begin to identify projects which could form a Scottish Borders component of any city-region submission. Members should note that any investment funded by Scottish Borders Council would be ring-fenced for infrastructure works in the Scottish Borders.
- 5.4 A key consideration for the Council will be the affordability of any contribution to the Fund given the likely need for forward funding by the Council. Forward funding, and the benefits it would bring, will have to be considered in the context of a number of risks which exist. The most significant risk identified so far is that investment does not achieve the level of growth anticipated. In these circumstances, it is possible that the expected financial return on investment would not be achieved. However, each deal is unique and the impact of this risk will not be fully quantifiable until the details of the terms of any potential deal are confirmed.

6 NEXT STEPS

- 6.1 Subject to Executive approval, officers will contribute to a cross authority working group to develop a potential bid. This will include work on the geographical area to be covered by the bid, the growth sectors to be supported and the identification of the infrastructure investment necessary to achieve the aims.
- 6.2 No definitive timescale for this work has been set, but it is anticipated that the draft business case will be developed by spring, with a bid being submitted by the summer. There is an aspiration to submit the bid before the UK General Election in May 2015. However, there is significant work required to produce the business case and it currently seems unlikely that this can be achieved.
- 6.3 A cross-service officer group has been established to engage with City of Edinburgh Council and the other local authorities who participate in the City Deal. Consideration is also being given to how effective governance for the City Deal project can be put in place to ensure appropriate political and senior officer input.

- 6.4 The partner Councils are taking a step-by-step approach to the City Deal proposal that allows each Council to respond at each stage as it considers most appropriate. Once the business case has been developed, a further report will be prepared to allow Elected Members to consider the Council's future participation in a City Deal bid for the south east of Scotland. It will be essential that the report is clear about what the future financial implications could be for the Council's Capital Programme and revenue budget.

7 IMPLICATIONS

7.1 Financial

A City Deal for the city-region could generate significant funds for investment in infrastructure. Some forward funding may be available from the Scottish and/or UK Government. Forward funding will be required by the participant authorities, with repayment of the funding being via an agreed mechanism to apportion the 'tax take' generated from additional economic growth facilitated by the infrastructure investment. The need for forward funding will have to be assessed against the future capital priorities for the Council, as well as the need to make significant revenue savings. Funding support of up to £25,000 is required as the Council's contribution towards the development of the initial business case. This has been identified from existing Neighbourhood Services revenue budgets.

7.2 Risk and Mitigations

A number of risks have been identified by Officers in relation to a City Deal and mitigating actions will be adopted to manage these during the development of the proposition. These risks include:

- (a) **Devolution of taxation powers:** The national debate on the tax raising powers to be devolved to the Scottish Parliament could delay the city deal negotiations.
- (b) **Scale of coalition/geography:** All City Deals so far have achieved a degree of scale that cannot be achieved by one local authority alone.
- (c) **Return:** All projects will be prioritised by their contribution to GVA growth and the Scottish Borders' GVA performance is significantly less than the City of Edinburgh's.
- (d) **Repayment Terms:** Each City Deal is unique and existing deals only provide an indication of what might be possible.
- (e) **Integration of use with other financial tools:** A City Deal is only one of a number of tools available to Councils. It should not be considered in isolation.
- (f) **Management of project portfolio:** The candidate projects may vary considerably in their costing approach and their maturity. Only truly additional projects can be included in a City Deal.
- (g) **Displacement:** The City Deal infrastructure displaces investment from other local authority areas to the detriment of their sustainable economic growth.

- 7.3 Council officers will need to assess the City Deal business case once it has been produced. This will allow them to understand how these risks, and any others identified, could be mitigated prior to making recommendations to Elected Members at a future meeting.

7.4 Equalities

An Equalities Impact Assessment is not required because this report does not propose a change or revision to any existing policy or practice.

7.5 Acting Sustainably

No decision is required that has economic, social or environmental implications.

7.6 Carbon Management

No decision is required that has an effect on carbon emissions.

7.7 Rural Proofing

This report does not propose a new or amended policy or strategy.

8 CONSULTATION

- 8.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, 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 final report.

Approved by

David Cressey
Service Director Strategy & Policy

Signature

Author(s)

Name	Designation and Contact Number
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Background Papers: Not applicable

Previous Minute Reference: Not applicable

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**Business Gateway Progress Report – 1 April 2014 to 31
December 2014**

Report by Service Director Strategy & Policy

EXECUTIVE

3 February 2015

1 PURPOSE AND SUMMARY

- 1.1 This report presents an update on the performance of the Business Gateway in the Scottish Borders, covering the period 1 April 2014 to 31 December 2014.**
- 1.2 Service delivery is aligned to the National 2012-2017 Business Gateway Service specification, with additional local services funded through EU Projects that add value to the “core” Business Gateway service. The Business Gateway Business Plan 2014/15 was approved in May 2014 and incorporated a Performance Improvement Plan to further enhance the service.
- 1.3 High numbers of clients continue to access Business Gateway services, reflected in the local advisory performance indicator sitting at 117% of target for the period to 31 December 2014. Performance in respect of business start-ups has remained strong over the period, at 99% of target. Performance against high value start-up and growth businesses remains lower than expected, however, performance is improving. We have placed three high growth businesses into the Scottish Enterprise Account Management Service (150% of target). The introduction of additional local growth support means that the pipeline of “local growth” businesses is beginning to come through and this will push up the outputs in relation to the growth service over time. In relation to qualitative measures of performance, the service continues to perform well with an overall customer satisfaction of 89% compared to a national level of 85%.
- 1.4 Progress against key performance targets is detailed in Table 1 in section 3.2 and an update on the Performance Improvement Plan is in Appendix 1. The first Scottish Borders Business Week was held week commencing 29 September 2014 with almost 300 people attending a series of workshops and events that raised the profile of local entrepreneurship and the Business Gateway service.

2 RECOMMENDATIONS

- 2.1 **I recommend that Executive:**
 - (a) Notes the improving performance of the Business Gateway Service to date and the actions planned for the future;**
 - (b) Continues to receive regular progress reports to monitor performance;**

- (c) Requests that the Business Gateway Business Plan for 2015/16 is presented to Executive in May 2015.**

3 BUSINESS GATEWAY PERFORMANCE

- 3.1 The service specification for the 2012-17 Business Gateway Service was developed nationally. Each local authority responsible for the delivery of Business Gateway service across Scotland is obliged to deliver to a consistent standard and to report in a consistent manner.
- 3.2 Table 1 below indicates the performance against target for the first nine months of this financial year to 31 December 2014.

Table 1 – 1 April 2014 to 31 December 2014				
Service Output Targets				
Start-up Advisory Service	Target 2014/15	Target¹ to 31 Dec 2014	Actual to 31 Dec 2014	% of Target to 31 Dec
Total number of start-up customers who have begun trading	220	152	151	99%
Number of higher value start-up customers with agreed actions identified in Action Plan for Growth	16	15	11	73%
Number of higher value start-up customers with completed Action Plans for Growth	8	5	5	100%
Number of start-up workshops/seminars held	72	54	61	113%
Number of customers attending start-up workshops/seminars	360	240	367	102%
Growth Advisory Services for start-up and existing businesses				
Number of growth customers with agreed actions identified on their Action Plan for Growth	20	15	14	93%
Number of growth customers accepted into growth pipeline relationship with SE	10	9	4	44%
Number of growth customers accepted into account management relationship with SE	2	2	3	150%
Number of growing business workshops/seminars held	10	8	12	150%
Number of clients attending growing business workshops/seminars	40	32	161	503%
BG Local Services				
Number of customers accessing local advisory services	400	300	469	117%
Number of growth customers accepted into Local Growth Advisory Service ²	45	33	28	85%
Number of customers accessing local expert help services	30	22	4	18%
Number of workshops/seminars held	72	54	48	89%
Number of customers attending workshops/seminars	360	270	268	99%

¹ Note that targets have been profiled monthly, as delivery of some targets is not flat over the year

² This is a local target for businesses with growth potential of £100,000 to £199,000 over three years and new for 2014/15; it is not included in national reports

- 3.3 As can be seen from Table 1, the **Start-Up** figures are broadly in line with the target for the period to the end of December, hitting 99% of target. In addition, the numbers of established high value start-ups (i.e. either achieving a turnover of greater than £70,000 or employing someone) is on target at 100% for the year. The potential "higher value" start-ups is behind target at 73%. As reported previously, higher value and growth targets are generally difficult to achieve due to the structure of the Scottish Borders business base and the current economic climate. In reality, these are relatively small numbers and the team is looking at options for continuing to provide additional high value/growth pipeline support in the 2015/16 business plan.
- 3.4 To continue to stimulate demand, Business Gateway has also delivered extra start-up workshops over the period including on Saturday mornings and a new "light" half-day outreach start-up workshop. This positions the service well to meet its overall annual target by the end of 2014/15. To ensure that the start-up target is achieved by the end of the year, the team will also be following up on all previous attendees and contacts to ascertain if they have started in business and offer any support that may be required.
- 3.5 The **Growth Advisory Service** performance remains lower than expected but has increased during quarter 3 as the restructuring of the Business Gateway team was completed. Additional local growth support available from the Business Gateway means that growth outputs will increase in the final quarter and beyond. There remains a strong pipeline of clients contacting the Business Gateway service, which should go some way to bringing the service close to the target figures. It should also be noted that the number of "growing business" workshops was boosted by the excellent range of well received workshops delivered during the Scottish Borders Business Week.
- 3.6 Finally within the **Local Services**, performance is strong. The overall total number of clients contacting and working with an adviser remains very robust, reflected in the local advisory performance indicator sitting at 117% of target. This is significantly ahead of target and reflects both demand and the reach of Business Gateway promotional activities. The service is behind on customers accessing "expert help". The uptake of expert help services has been slower than originally anticipated, as advisers need to get to know and understand the needs of our growth businesses and while there is a strong pipeline developing, it will be challenging to reach this target this year.
- 3.7 In addition to the activity and output targets noted above, the Business Gateway Service is also subject to an independently delivered **customer satisfaction** survey. The latest results of the survey have overall satisfaction in the Scottish Borders at 89% (Jul – Sept 2014), compared with 85% nationally. 91% of clients state that they would recommend the service to a friend, colleague or family member, compared to 87% nationally.
- 3.8 The final area where there is on-going monitoring of performance relates to the **survival of businesses** that have been supported by Business Gateway at 12 months and 36 months from date of commencing trading. The current figures for the Scottish Borders are 88% at 12 months and 66% at 36 months, which compare favourably with the national figures of 76% at 12 months and 67% at 36 months.

4 PERFORMANCE IMPROVEMENT PLAN 2014/15

- 4.1 The Business Gateway Business Plan 2014/15, approved by the Economic Development Group at its May 2014 meeting, included a 13 point Improvement Plan for the service.

- 4.2 Appendix 1 sets out the Performance Improvement Plan and progress to date. Key highlights to note are as follows:
- (a) The restructuring of the Business Gateway Team has been completed with appointment of a Business Gateway Manager; and
 - (b) As part of the Business Gateway's actions to ensure local availability the team has for the first time delivered workshops on a Saturday morning.
- 4.3 In addition to the core activity noted above, the Business Gateway also participates in the delivery of the EU supported South of Scotland Business Competitiveness Programme, which runs from January 2012 to September 2015, having been extended from March 2015 following additional support from the Scottish Government. This programme provides additional support to businesses in the tourism, food and drink and renewables sectors. The activities and outputs for this programme are delivered by staff based at the Business Gateway and in the Economic Development Team but due to the funding sources involved are recorded separately.
- 4.4 The key performance indicators and achievements for the Scottish Borders to end of September 2014 are noted in Table 2 below, and shows very good progress against targets:

Table 2 – South of Scotland Business Competitiveness Project Progress	Programme Target (Sep 2015)	Actual to end Dec 2014	% against target
Business Assists	240	332	138%
QA Scheme Support	52	60	115%
Marketing Support	60	160	260%
Marketing Projects	20	21	105%
Support for e-commerce	20	40	200%
e-commerce Projects	10	7	70%
Ecommerce strategies	5	1	20%
New Business Starts	10	53	530%
Environmental audits	5	6	120%
Green Tourism Support	25	3	12%
Support for Energy Saving	20	46	230%
Number of Jobs	64	98	153%

- 4.5 Green Tourism Support and E-commerce activities remain a priority for the final 9 months of the project, to ensure delivery of target. In relation to e-commerce activity, the team are working with the golf course businesses in the Scottish Borders to further develop the golf tourism product of the area, including trading online. The team is also working in partnership with Scottish Enterprise and Midlothian Council to develop a Borders Railway Tourism Development Programme in 2015, linked to the Borders Railway Blueprint.

5 IMPLICATIONS

5.1 Financial

- (a) Scottish Borders Council receives funding to deliver Business Gateway in the Scottish Borders from the Scottish Government. The additional "local services" are funded through EU funding, matched to the funding from the Scottish Government.
- (b) The in-house delivery costs of Business Gateway (£327,880 for 2014/15) are based on the budget available within the Council's five year Financial Plan agreed by Council on 6 February 2014.

5.2 Risk and Mitigations

- (a) As noted above, performance against some key indicators is lower than expected and should this underperformance continue, whilst not being a financial risk, it does create potential for a reputational risk. This is being mitigated by increasing staffing resource levels in the Business Gateway Team and by implementing the Performance Improvement Plan.
- (b) A risk workshop was undertaken in August 2013 and an Action Plan developed and implemented to mitigate the key risks. This Risk Register is reviewed quarterly. It is intended that this exercise will be revisited in the preparation of the 2015/16 Business Gateway business plan to ensure that it remains relevant.

5.3 Equalities

An Equality Impact Assessment (EIA) is not required as this report relates to the continuation of the Business Gateway Service. A key aspect of the Council's Economic Development Team's work is to reduce barriers to economic inequality and information on service delivery to equalities groups is monitored. This is incorporated into the operations of the Business Gateway and is required by the Scottish Government through COSLA. However, as the service has been operating within the Council for over 24 months, it has been agreed that an EIA will be carried out during 2014/15 to ensure that the service meets best practice.

5.4 Acting Sustainably

The Business Gateway Service has a number of targeted outputs and outcomes that deliver economic benefit: these relate to the number of businesses assisted, new business start-ups, growth and local service priorities as defined by the Council.

5.5 Carbon Management

There is no net increase in carbon emissions at a Scottish Borders level as this is the continuation of an existing service delivery.

5.6 Rural Proofing

Rural Proofing is not required as proposals do not relate to new or amended Council policy or strategy.

5.7 Changes to the Scheme of Administration or Scheme of Delegation

There are no changes to be made.

6 CONSULTATION

6.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, 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

David Cressey
Service Director Strategy & Policy

Signature

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Background Papers: None

Previous Minute Reference: Economic Development Group, 11 September 2014

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Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
1) Work with colleagues from other Business Gateway (BG) areas to refresh the portfolio of workshops.	BG Advisors & PO (Business)	March 2015	Staff Time	More attractive, up to date workshops, providing a better experience for businesses resulting in improved numbers and outputs.	Working with colleagues from across Scotland to develop a series of 4 workshops as part of a £3 million National Digital Engagement Programme to be funded by the Scottish Government. The Business Gateway catalogue of workshops is being reviewed as part of a whole service review, with the workshops due to come on-line in October 2015.
2) Link up with Edinburgh City Council and the Entrepreneurial Spark “Hatchery” at Napier University to support growth potential business start ups in the Scottish Borders.	PO (Business) & Entrepreneurial Spark	April 2015	Staff Time	Referral of 2/3 start-up businesses to E-Spark, creating opportunities for higher levels of support and potential impacts.	One client is working with the Edinburgh Hatchery.
3) Work with Scottish Enterprise (SE) to develop a digital voucher scheme, accessed through Business Gateway, that will provide financial assistance for SMEs to enhance their e-	PO (Business) & Scottish Enterprise (SE)	May 2014	Staff Time	SE product that is more suited to BG clients, allowing greater number of Scottish Borders businesses to benefit from the support (10 businesses in 2014/15).	During the pilot phase of the Digital Voucher programme we supported 4 businesses to successfully apply. The national roll out of the full programme was delayed

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
commerce and ICT capabilities.					until the end of January and at this time we have 4 clients considering applications.
4) Work with other Scottish local authorities to introduce the UK Government Start Up Loan scheme into Scotland.	PO (Business) & Scottish Government	May 2014	Staff Time	Better access to development finance for local small businesses. National loan scheme tweaked for local requirements and fit for local delivery.	Completed. Loan scheme has been available in the Scottish Borders since July 2014. To date we have dealt with 5 enquiries for SUCO, one application was made but ultimately withdrawn by the client as the business they were seeking to acquire came of the market.
5) Focus the business advisers on a specific segment or a key sector as follows: <ul style="list-style-type: none"> • 3 advisers (2 fte) working with Business Start Ups; • 4 advisers (3 fte) working with Business Growth; • 2 advisers supporting Food & Drink, Renewables and Tourism sectors; and • 3 advisers (2 fte) 	PO (Business)	April 2014	Within existing budgets	The restructure of the team allows advisers to deal with specific market segments (i.e. growth businesses or start ups), key sectors, or business issues (e.g. e-commerce, investment readiness or social enterprise). This provides a focus on activities and interventions and will lead to achievement of the ambitious targets set for the	Restructuring complete with recruitment of part time Business Gateway HR adviser at the beginning of August 2014. A Business Gateway Manager was appointed at the beginning of October, resulting in us needing to recruit a replacement adviser. It is anticipated that this will be completed by the

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
providing specialist support in the areas of e-commerce, ICT, social enterprise, investment readiness and organisational development.				service. This targeted approach will ensure that advisers can focus on delivery and achievement of national start up and particularly national growth targets.	end of February.
6) Set annual targets for Advisors & carry out bi-monthly review meeting with individual Advisors to monitor progress and review targets.	PO (Business)	June 2014	Staff Time	Increased focus on delivery of targets.	Annual targets agreed and in place. Regular meetings are under way. The recently appointed Business Gateway Manager is holding monthly meetings with advisers to monitor progress.
7) Investment in adviser training and continuing professional development (CPD) is critical. A range of training and development activities are planned.	PO (Business)	March 2015	Within existing budget.	Better skilled staff providing advice and information to businesses.	Three advisers have completed their studies for a BA in Business Enterprise and will be informed of their grades in mid-February. Another adviser is undertaking an MSc in Information Technology at University of the West Scotland.

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
					All advisers have undertaken coaching training to develop their skills and knowledge when working with clients.
8) Continued participation in national network groups enables the service to learn from other areas and also influence future policy in respect of Business Gateway and wider business support activity. The current example is the involvement of the Principal Officer (Business) in the design and implementation of a digital voucher scheme.	PO (Business) & Business Gateway Operations Network (BGON)	March 2015	Staff Time	Alignment of national activity to better reflect the needs of local businesses in the Scottish Borders. Providing greater impact within the business base.	On-going: Principal Officer - Business is a member of the Digital Scotland Business Excellence Programme Delivery Board, Chair of the national Business Gateway Performance Sub group and member of the Executive of the SLAED Business Sub Group.
9) Monthly 'performance meetings' will be held with the Chief Officer Economic Development and the Economic Development Manager to ensure close monitoring of local performance progress.	PO (Business)	May 2014 and ongoing	Staff Time	Opportunity to review activity to ensure meeting targets and agree any adjustments to activities.	Monthly meetings under way, timed to fit with latest monthly performance report.

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
10) Delivery of business workshops in the evenings and weekends.	PO (Business)	September 2014	Within existing budget.	Increased accessibility and participation in workshops.	During October a series of 4 start-up workshops were held on Saturdays at St Boswells. These proved very popular and a further series of four will be held on Saturdays during February.
11) Working with Scottish Borders Chamber of Commerce to develop a Business Mentoring programme that will provide additional support, beyond that of a Business Gateway adviser, to businesses with growth potential.	PO (Business) & Scottish Borders Chamber of Commerce	September 2014	Within existing budget.	Increased support over longer period to growth businesses. Stronger engagement of the private sector in the CPP.	Following initial discussions there has been limited progress in developing a local scheme. However, one growth client is now working with a mentor identified via the Chamber. We will continue to progress this opportunity during the current financial year.
12) Provision of support and advice to stimulate new enterprise in areas identified by the CPP as areas of deprivation, especially Burnfoot in Hawick and Langlee in Galashiels. Linked to delivery of 'New Enterprise Allowance Scheme' to support unemployed to start a business.	PO (Business) & BG Advisors	March 2015	Staff Time	More proactive support in disadvantaged communities, leading to additional start-up businesses and new jobs.	Utilising Council facility in Langlee to deliver local start up and digital economy workshops.

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
<p>13) Delivery of new Scottish Borders Business Week to increase profile of business support services. Linked to delivery of annual 'Business Excellence Awards' celebrating business achievement and best practice.</p>	<p>PO (Business) & BG Advisors & Economic Development Team</p>	<p>September 2014</p>	<p>Staff time & within existing budget.</p>	<p>Increased profile for Business Gateway and for business excellence.</p>	<p>The inaugural Business Week ran from Monday 29 September until Friday 3 October focusing on 'growing and developing a business'. Each day had a different theme as follows:</p> <ul style="list-style-type: none"> • Building on Your Business Success • Resourcing Your Business • Successfully Marketing and Trading Online • Developing Your Business Internationally • Want to Become Your Own Boss <p>The events drew almost 300 attendees and the evaluation showed that it was very well received with 95% of respondents considering that the events met their expectations. Comments included:</p> <ul style="list-style-type: none"> • Have another one soon!

Item No 7 Appendix 1

Business Gateway – Performance Improvement Plan – 2014/15

Improvement Action	Responsibility	Timeline	Cost / Resource	Expected Result	Progress as at end of December 2014
					<ul style="list-style-type: none"> • More regular series of Breakfast Events throughout the year • Enjoyed the input from the audience • Really great session <p>Based on the feedback and the numbers attending, the Business Gateway team is intending to hold a similar event in the autumn of 2015, possibly linked to the Scottish Borders Business Excellence Awards.</p>

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SCOTTISH LOCAL AUTHORITY BUSINESS LOAN FUND

Report by Service Director Strategy & Policy

EXECUTIVE

3 February 2015

1 PURPOSE AND SUMMARY

- 1.1 This report provides an overview of the proposed Scottish Local Authorities Business Loan Fund and seeks approval for the Council to become a member.**
- 1.2 Following consultation with the Scottish Government, SLAED and Scottish Enterprise, an opportunity has arisen to establish a Scotland-wide loan fund to support small and medium enterprises through the provision of loans of £5,000 to £100,000 in a new Scottish Local Authorities Business Loan Fund.
- 1.3 By aiming to integrate the existing South of Scotland Loan Fund into this new Fund, the Council will be able to ensure that Scottish Borders businesses are also able to benefit from access to this new investment finance. It would create an excellent opportunity to provide local businesses with more flexible and easier access to loan funds to sustain and grow their business and increase employment opportunities. The Fund would complement other business support activities that the Council and partners provide.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive:**
 - (a) Notes the development of the proposed Scottish Local Authority Business Loan Fund;**
 - (b) Agrees that Scottish Borders Council becomes a member of the new fund, subject to approval of appropriate funding from Scottish Enterprise;**
 - (c) Delegates authority to the Service Director Strategy & Policy and the Chief Financial Officer to finalise the operational arrangements for the Council's membership of the new fund; and**
 - (d) Agrees to the closure of the existing Scottish Borders Council Business Loan Fund at the end of March 2015.**

3 BACKGROUND

- 3.1 As a result of ongoing discussions between Scottish Government, Scottish Enterprise and SLAED (Scottish Local Authorities Economic Development Group), a new opportunity exists to create a Scotland-wide Local Authority Loan Fund. This would be achieved by merging the three existing loan funds noted below into a new loan company:
- (a) The West of Scotland Loan Fund – operated by a consortium of Local Authorities;
 - (b) The East of Scotland Loan Fund – operated by a consortium of Local Authorities;
 - (c) The South of Scotland Loan Fund – operated by Scottish Enterprise
- 3.2 The purpose of the fund would be to provide loan funding of between £5,000 - £100,000 for new start and existing micro and small to medium (SME) businesses to support growth activities. It is proposed that the fund would be established as a Company Limited by Guarantee whereby each member's liability is limited to £1. Membership will be open to all 32 Local Authorities in Scotland.
- 3.3 The fund would be created through a combination of financial contributions from the existing loan funds detailed in 3.1 above, with additional contributions from: Local Authorities, Scottish Government, the European Regional Development Fund (ERDF) and clearing bank finance.
- 3.4 The utilisation of ERDF funds is consistent with discussion and agreement at COSLA in relation to the Scottish Government's disbursement of EU funds for 2015 to 2020. An element of the ERDF programme allows for the creation of financial instruments, such as loan funds, which will support business growth.
- 3.5 The overall scale of the fund has yet to be fully determined but is estimated that it may be in the region of £18m over three years, commencing 1 April 2015. Then depending upon performance, a further £18m may be available through to March 2020.

4 SCOTTISH LOCAL AUTHORITY BUSINESS LOAN FUND - OPERATION

- 4.1 The fund would be established as a Company Limited by Guarantee with membership open to all 32 Local Authorities in Scotland. A management company would administer the fund with Local Authorities having decision-making representation at local level.
- 4.2 Each Member Authority's contribution to the fund would be exclusively ring-fenced to be invested in the respective local area. Operation and decision making on loan fund applications would be carried out at a local level for all applications up to £50,000. Applications between £50,000 and £100,000 would be assessed locally and referred to a regional panel (East of Scotland) for final approval.
- 4.3 The Business Gateway Team would act as the local point of contact for the fund, providing information and advice to potential applicants. As with the Council's existing Scottish Borders Loan Fund, an Investment Panel drawn from staff across the Council (including Economic Development and Finance) with relevant skills and experience, will be established to take local decisions.

- 4.4 The level of funds which would be invested in the Scottish Borders each year still is still to be determined. However, a target of 20 loans per year would be realistic based on previous levels of loan activity (Scottish Borders Business Loan Fund and South of Scotland Loan Fund) and recent conversations with senior managers at the Royal Bank of Scotland, Bank of Scotland and the Clydesdale Bank.
- 4.5 Whilst still subject to approval by Scottish Enterprise (February/March 2015), it is intended that the Council funding contribution would be fully covered through the integration of the existing South of Scotland Loan Fund. If progressed in this way the Council would not be required to make any direct cash contribution to the Fund.
- 4.6 The fund also has the potential to include a "Borders Railway Investment Fund", linked to the Borders Railway Blueprint agreement announced by the First Minister in November 2014. This element is also subject to negotiation and approval from Scottish Enterprise.
- 4.7 It is intended that this new national fund will replace the Scottish Borders Council Business Loan Fund from April 2015. This fund has received 26 applications and approved 10 loans to the value of £87,000 since its launch in 2013. It is forecast that the activity from these loans will create 12 jobs, safeguard 37 and will have an economic impact of around £281,000 GVA.
- 4.8 The implementation of a Scottish Local Authorities Loan Scheme would create an excellent opportunity to provide our area's businesses with more flexible and easier access to loan funds to sustain and grow their business and increase employment opportunities. The fund would complement other business support activities that the Council and partners provide.

5 IMPLICATIONS

5.1 Financial

- (a) The final details of membership of the proposed Loan Fund, including governance, financial and operational arrangements have still to be fully agreed at a national level. However, by integrating the South of Scotland Loan Fund into the new loan fund, the direct financial implications for the Council have been minimised during the life of the Fund. As well as funds for loans, the cost of the Council's contribution to the management and administration of the fund will be drawn from the funds transferred by Scottish Enterprise from the South of Scotland Loan Fund.
- (b) It is expected that the existing Scottish Borders Council Loan Fund, that has run as a pilot scheme over the last 18 months, would be formally wound up if the Council successfully joins the new national Local Authority Loan Fund.

5.2 Risk and Mitigations

- (a) There is a risk that Scottish Enterprise does not approve transfer of South of Scotland Loan Fund. In order to mitigate this, the Council, along with Dumfries & Galloway Council, is already in discussion with senior executives at Scottish Enterprise. Officers expect that a suitable figure will be agreed. If Scottish Enterprise approval is not forthcoming, the Council will not be in a position to participate in this national fund and will have to consider a smaller, local based intervention.

- (b) There is a risk that businesses will not apply for loans. This will be mitigated through promotion by Business Gateway advisers, officers within Economic Development and Scottish Enterprise.
- (c) In providing financial support, the Council must be aware of State Aid regulations designed to prevent distortion of competition in a market place. The current proposal is that these loans will attract 6% interest and as such this would not be state aid.

5.3 Equalities

An Equality Impact Assessment (EIA) is being undertaken at the Scottish level to meet European funding requirements. A key aspect of the Council’s Economic Development Team’s work is to reduce barriers to economic inequality and information on service delivery to equalities groups is monitored and this will be done for the life of this Fund.

5.4 Acting Sustainably

The activities of the Loan Fund fit alongside the Business Plan for Economic Development and the Business Gateway service which both contain a number of targeted outputs and outcomes that will deliver economic benefit: these relate to the number of businesses assisted, start-up, growth and local service priorities as defined by the Council.

5.5 Carbon Management

There is no net increase at a Scottish Borders level as this is the continuation of an existing service delivery, replacing the Scottish Borders Business Loan Fund.

5.6 Rural Proofing

Rural Proofing is not required as the proposal does not relate to a new or amended Council policy or strategy.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, 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

David Cressey
Service Director Strategy & Policy

Signature

Author(s)

Name	Designation and Contact Number
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Background Papers: None
Previous Minute Reference: None

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SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTE of MEETING of the EXECUTIVE COMMITTEE held in the Council Chamber, Council Headquarters, Newtown St. Boswells on Tuesday, 20 January 2015 at 10.00 a.m.

Present:- Councillors D. Parker (Chairman), S. Aitchison (Chairman - Education Business), S. Bell, C. Bhatia, J. Brown, M. J. Cook (from para.6), V. Davidson (from para.6), G. Edgar, J. Mitchell, D. Moffat (from para.2), D. Paterson, F. Renton, R. Smith.

Also Present:- Councillors G. Logan, S. Mountford, T. Weatherston.

Apologies:- Mr G. Donald (Education business).

In Attendance:- Chief Executive, Depute Chief Executive – People, Depute Chief Executive – Place, Chief Financial Officer, Clerk to the Council, Democratic Services Officer (F. Henderson).

EDUCATION BUSINESS

Present:- Mr. J. Walsh, Mr. G. Jarvie.

CHAIRMAN

1. Councillor Aitchison chaired the meeting for that part which considered education business.

MINUTE

2. The Minute of the Education Executive of 25 November 2014 had been circulated and was approved subject to an amendment in that the Decision (b)(i) after paragraph 5 in relation to the Early Years Update should have read "AGREED that a further report be brought later in the new year....".

DECISION

APPROVED for signature by the Chairman, subject to the correction above.

3. With reference to paragraph 2 of the Minute of 25 November 2014, the Depute Chief Executive (People) advised that an update on the implementation of the Asymmetric Week would now be considered by the Executive Committee in May 2015, to allow sufficient time for evaluation of the impact, including all comments received.

DECISION

NOTED.

4. With reference to paragraphs 4 and 5 of the Minute of 25 November 2014, the Depute Chief Executive (People) advised that a report on the Early Years Centre at Langlee would now be considered by the Executive Committee in May 2015.

DECISION

NOTED.

MEMBERSHIP

5. The Clerk to the Council advised that the Rev. Duncan McCosh had resigned as one of the Religious Representatives on the Executive (Education Theme) and a new Representative would be appointed following due process.

DECISION

(a) NOTED:-

(i) **the resignation of Rev McCosh with effect from 31 December 2014; and**

(ii) **that the vacancy would be filled as soon as possible.**

(b) **AGREED to thank Rev McCosh for his contribution to the work of the Education Executive.**

MEMBERS

Councillors Cook and Davidson joined the meeting during consideration of the following item of business.

SCHOOL ESTATE IN THE SCOTTISH BORDERS

6. There had been circulated copies of a report by the Depute Chief Executive (People) on the proposed development of a School Estate Strategy. The report sought agreement of the principles to be applied to future investment in buildings used to deliver services to Children and Young People. Scottish Borders Council invested around 31% of its Capital and around 47% of its Revenue expenditure in the development and maintenance of school buildings and other buildings used to deliver services to Children & Young People. Delivering significant projects like Kelso High School increased this expenditure to around 46% of its capital expenditure. As demand for these services increased and pressures on available budgets become more pronounced, Scottish Borders Council required a robust long-term strategy and ongoing processes to carefully and consistently consider all future investment in order to maximise the individual and educational outcomes for all children and young people. The report detailed the existing Estate related to the delivery of services to children and young people, the financial implications and the risks should a strategic approach not be agreed. In order to maximise investment in every child/young person (estimated numbers 14,821 at Aug 2014), Scottish Borders Council had to ensure that all spend on estates was in line with a wider investment plan as part of a long-term strategy. This would require the establishment of the key principles detailed in the report. Members asked questions in relation to whether there was a policy to replace secondary schools over primary schools, provision of a position statement, and timescales i.e. when would the Strategy be completed and when would it be brought back to Committee. The Committee was advised that while the condition of some primary schools needed to be considered, the School Estate Strategy would be looked at in light of the Education Strategy. A position statement was the first stage of developing the Strategy, with a condition survey of the school estate to identify specific issues. A balance would need to be established between maintaining current need and future need. Consultation would start now and it was hoped to have a progress report back to Committee in 6 months time. The School Estate Strategy was intended to be a 10 year strategy to dovetail with the capital budget plan. The issue of possible closure of schools no longer fit for purpose was raised and the Depute Chief Executive (People) advised that the purpose of the Strategy was about increased educational opportunities for children, which would take precedent over any changes to the school estate. The Chairman confirmed that there were no plans to close schools. Members also highlighted problems in some schools with windows, heating systems and poor toilets and sought and were given assurances that immediate remedial work in Schools would continue. Councillor Parker advised that it was helpful and appropriate to refresh the Schools Estate Strategy following on the capital investment the Council had made in schools over the last decade.

DECISION

AGREED that:-

(a) **Scottish Borders Council adopt a long-term strategic approach to the development and design of the School Estate;**

(b) **all options be considered in the development of the School Estate Strategy;**

(c) **the primary principles of ‘maximising educational opportunities ‘ and ‘improving**

individual outcomes' be considered in conjunction with the other principles of 'sustainability, ' affordability' and 'Future proof' throughout the School Estate Strategy; and

- (d) a progress report on the development of the School Estate Strategy would be considered by the Executive Committee in Autumn 2015.**

APPOINTING NEW REPRESENTATIVES FOR EXECUTIVE (EDUCATION)

7. There had been circulated copies of a report by the Depute Chief Executive (People) which updated the Executive Committee on the arrangements to elect new teacher and parent representatives for the Executive when it considered education business and requested Members to consider introducing new arrangements to enable a pupil representative to be elected to the Executive Committee. The report explained that the Scheme of Administration stated that there should be 2 teacher representatives on the Executive (one Primary and one Secondary), however there was only one existing representative. An expression of interest had been received to fill the teacher representative vacancy and it would therefore be appropriate to commence the process for seeking nominations for the second teacher representative. In relation to the Parent representatives, under the existing arrangements parent representatives were elected to the Executive for a period of 2 years and both of the existing parent representatives had completed this term and the process for seeking nominations for new parent representatives required to be commenced. There was a suggestion that the Teacher Representatives not be restricted to one from Primary and one from the Secondary sector, but this was not supported by the Committee.
8. There was currently no pupil representation on the Executive Committee and consideration required to be given to whether it was appropriate to introduce a process to seek nominations for the role. The report detailed the proposed election process. While Members supported the addition of pupil representatives on the Committee when Education business was being considered, it was felt that the election process proposed in the report was complicated and duplicated work undertake in relation to the pupil parliament. Following considerable discussion with regard to the most appropriate group from which to consider possible Pupil Representatives, the Committee agreed to Pupil Representative in principle, requesting officers consult a number of pupil groups and report back to the Committee.

DECISION

- (a) NOTED the arrangements for electing new parent and teacher representatives for the Executive (Education).**
- (b) AGREED:-**
- (i) in principle to propose having two Pupil Representative as non-voting members on the Executive Committee when it was considering Education business;**
 - (ii) that Officers consult with Senior Student Councils from each Secondary School, along with the current, and future candidates for, Borders Members of the Scottish Youth Parliament, to ascertain the most appropriate year Group and methodology for appointment as Pupil Representatives; and**
 - (iii) that the findings of that consultation be brought to an Executive Committee as soon as possible.**

PARENTAL INVOLVEMENT IN SCHOOLS POLICY

9. With reference to paragraph 10 of the Education Committee Minute of 25 November 2014, there had been circulated copies of a report by the Service Director Children and Young people which set out a refreshed and revised Parental Involvement Policy for Scottish Borders Council replacing the existing Policy approved in 2006. The report explained that the updated Policy had come about as a result of a comprehensive piece of work involving

teachers, parents and pupils and reflected the significant changes which had occurred in education since the original policy and the adoption of the Scottish Schools (Parental Involvement) Act 2006. The new Policy took into account the findings of an extensive self-evaluation exercise held in 2012 which looked at 'How well are parents involved in the life and work of our schools' and re-affirmed that when parents, carers and family members were effectively engaged in their children's learning, there was likely to be a positive impact on educational outcomes. In response to a question, Members were advised that compared to the previous draft version of the Policy, the current Policy had been made more concise and included clarification of wording.

DECISION

APPROVED the revised Parental Involvement in Schools Policy as set out in Appendix I to this Minute.

POSITIVE DESTINATIONS INFORMATION 2014

10. The Chief Officer Strategy & Policy for Children and Young people - Yvonne McCracken and the Opportunities for All Co-Ordinator (Emma Fairley) gave a presentation on Positive Destinations for school leavers in 2014. The presentation advised that in 2014 Scottish Borders was the 4th best local authority in Scotland in terms of achieving a positive destination for students (an improvement from 15th position in 2013). It was further highlighted that compared to national figures, a higher rate of Scottish Borders students entered higher education and further education and there was a lower rate of unemployed (seeking work). The presentation summarised Positive Destinations over the following categories; Higher Education; Further Education; Training; Employment; Voluntary Work; Activity Agreements; Unemployed Seeking; Unemployed (not seeking); and not known, with a total positive destinations of 94.2% compared to the national figure of 92.3%. These figures included children with disabilities, although that data was not recorded separately at national level. Emma Fairly spoke about her work with all secondary schools, including learning support and pastoral staff and Deputes, identifying from S3 onwards those pupils who were likely to need support in reaching positive destinations when they left school. Activity Agreements were offered to dis-engaged pupils as one to one for what the individual pupil needed at the time, and these Agreements helped them to overcome any outcome barriers e.g. housing, family issues, etc. These Agreements were voluntary, whereby pupils could drop out and come back, which other programmes did not offer. In response to a question about the 5.8% not accounted for in positive destinations, it was explained that Skills Development Scotland was not required to collect that data for Scottish Government and their destinations were therefore not known. In terms of students who had an initial positive destination and for whatever reason could not continue, all 16 -24yr olds were tracked and support offered through the Opportunities for All programme, with Skills Development Scotland dealing with those pupils who left higher education. Borders College was working in conjunction with Napier, Heriot-Watt and Queen Margaret Universities by offering HNDs in the Borders, which would then allow students to transfer to 2nd and 3rd year in degree courses at University. The Chief Executive explained that significant progress had been made through the Community Planning Partnership with commitments from all partners to the Borders Young Persons Guarantee which aimed to offer all children a positive destination on leaving school, with looked after children being a priority.

DECISION

NOTED the significant progress made.

GLOW WEBSITE

11. Senior Education Officer – Christian Robertson, and Glow Development Officer – Stuart Brown, gave a demonstration on the Glow Website and highlighted the improvements to the application which had been re-launched in October 2014. Ms Robertson explained that GLOW had come into schools about 10 years previously but had not been well received at the time for a number of reasons. With the upsurge in social media, it had been re-launched as a totally different product. GLOW was the schools intranet across Scotland and allowed

teachers and pupils to work and develop online. It was always intended that GLOW would be an education aid, and not education itself.

**DECISION
NOTED.**

The Education Business concluded at 12 noon and there followed a short adjournment.

OTHER BUSINESS

CHAIRMAN

On the resumption of the meeting, Councillor Parker took the Chair for the remaining business.

MINUTE

12. The Minute of meeting of the Executive Committee of 9 December 2014 had been circulated.

**DECISION
APPROVED for signature by the Chairman.**

COMPLAINTS ANNUAL PERFORMANCE REPORT

13. There had been circulated copies of a report by the Service Director Neighbourhood Services which presented the Council's first Complaints Annual Performance Report in a format guided by the Scottish Public Sector Ombudsman (SPSO) who required the Annual Report to be submitted to the SPSO and for the Council to publish the report. The report explained that following guidance from the SPSO (May 2012) on how to handle complaints, the SPSO in August 2014 requested that all Scottish Local Authorities present their annual performance on complaints in a publicly available annual report. The Complaints Annual Performance Report for complaints handled in 2013-14 was drafted to reflect the good practice as agreed with the SPSO. There were a number of areas for improvement in complaint handling and these were reflected in the Annual report. In response to a question raised by Members', it was explained that there was a separate policy for dealing with vexatious complainers. The Guidance provided for staff differentiated between a request for a service and a complaint about the length of time it had taken to obtain the service requested. Further explanation was given in terms of each stage of a complaint and it was noted that capturing commendations could be improved. Members were keen that the Council learned from complaints, and wished to know what effect complaints had on Council business in terms of changes to Council services, as well as how they compared with other local authorities. The Service Director Neighbourhood Services explained that the detail of complaints was considered by the Council's Corporate Management Team on a regular basis, and undertook to look at what further information could be brought to Members and in what format. The Council did learn from complaints and it was intended to link these to the service and business planning process going forward. Further information would also be provided on the process of complaints received by Members and how these were recorded.

DECISION

- (a) **NOTED the performance of handling complaints, for the period 1 April 2013 and 31 March 2014.**
- (b) **AGREED:-**
- (i) **that the Annual report be made publically available via the Council website;**
 - (ii) **that the Complaints Guidance review detailed in paragraph 4.4 of the report be completed by the end of January 2015;**

- (iii) to the commitment to implement a complaints handling survey to improve reporting on customer satisfaction and that this be delivered as soon as possible, with the results available for the forthcoming 2014/15 Complaints Annual Performance Report in Spring/Summer 2015;**
- (iv) that the eight SPSO Performance Indicators as detailed in paragraph 4.3 of the report be included in the monthly/quarterly performance reporting to CMT and the Executive Committee; and**
- (v) the benchmarking activity outlined in paragraphs 4.8 and 4.9 of the report be fully supported and any commitments agreed subsequently delivered.**

SCOTTISH BORDERS COUNCIL COMMUNITY GRANT SCHEME – GENERIC BUDGET

14. There had been circulated copies of a report by the Service Director Strategy and Policy recommending an application for approval from the Community Grant Scheme generic budget. The application for approval had been submitted by Borders Community Radio and Media Ltd, based in Galashiels, but which covered the whole of the Scottish Borders, for a project grant to contribute towards the installation of broadcasting equipment as detailed in Appendix 1 to the report. The organisation provided a community radio which catered for a variety of listeners of varying ages and backgrounds. It promoted local businesses, charities and community groups in the Scottish Borders area and filled a medium for local TV coverage. The organisation had previously operated over the internet but had been successful in obtaining a Community Radio Licence to broadcast over FM. Following negotiations the organisation had secured suitable premises and required to install the necessary equipment to enable it to commence broadcasting in February 2015. The total project costs were £14,991 and the Committee were advised that an Awards for All grant in the sum of £9,991 had been successful. Members explored the voluntary aspect of the Company, the benefits to the Community and heard about the Company's achievements to date.

DECISION

AGREED to approve a grant to the value of £5,000 to Borders Community Radio and Media Ltd, conditional on match-funding being achieved for the project.

The meeting concluded at 12.40 p.m.