

Public Document Pack



EXECUTIVE COMMITTEE TUESDAY, 4 OCTOBER 2016

A MEETING of the EXECUTIVE COMMITTEE will be held in the COUNCIL CHAMBER, COUNCIL HEADQUARTERS, NEWTOWN ST BOSWELLS, TD6 0SA on TUESDAY, 4 OCTOBER 2016 at 10.00 am

J. J. WILKINSON,
Clerk to the Council,

27 September 2016

BUSINESS		
1.	Apologies for Absence	
2.	Order of Business	
3.	Declarations of Interest	
	Economic Development Business	
4.	Economic Development Update (Pages 1 - 6) Presentation on recent Economic Development progress by the Chief Officer Economic Development. (Briefing note attached.)	20 mins
5.	St Abbs Harbour Car Park Management - Update (Pages 7 - 12) Consider report by Corporate Transformation and Services Director on the current car park management agreement with St Abbs Harbour Trust. (Copy attached.)	10 mins
6.	Town Centre Regeneration (Pages 13 - 32) Consider report by Corporate Transformation and Services Director on the Council's future actions in relation to town centres. (Copy attached.)	20 mins
7.	Jedburgh Conservation Area Regeneration Scheme (CARS) (Pages 33 - 40) Consider report by Corporate Transformation and Services Director on progress of the development of a potential Jedburgh Conservation Area Regeneration Scheme. (Copy attached.)	10 mins

8.	Hawick High Street - Non-Domestic Rates Review and Loan Proposal (Pages 41 - 48) Consider joint report by Corporate Transformation and Services Director and Service Director Neighbourhood Services providing a review of Hawick Town Centre Non-Domestic Rates and proposing a Business Loan & Grant Scheme. (Copy attached.)	15 mins
9.	Any Other Economic Development Items Previously Circulated	
10.	Any Other Economic Development Items which the Chairman Decides are Urgent	
	Economic Development theme additional Membership of Committee:- Mr J. Clark, Mr G. Henderson	
	OTHER BUSINESS	
11.	Minute (Pages 49 - 50) Consider Minute of Meeting held on 20 September 2016. (Copy attached.)	2 mins
12.	Any Other Items Previously Circulated	
13.	Any Other Items which the Chairman Decides are Urgent	
14.	PRIVATE BUSINESS 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 the relevant paragraphs of Part 1 of Schedule 7A to the aforementioned Act."	
15.	Minute (Pages 51 - 52) Consider Private Minute of 20 September 2016. (Copy attached.)	2 mins

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. M. Davidson, G. Edgar, J. G. Mitchell, D. Moffat, D. Paterson, F. Renton and R. Smith

Please direct any enquiries to Fiona Walling Tel:- 01835 826504
Email:- fwalling@scotborders.gov.uk

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EXECUTIVE COMMITTEE – 4 OCTOBER 2016

Economic Development Update

1. Business:

- For the period from 1 April 2016 to 31 August 2016 the Business Gateway team assisted **83 business start-ups**, of which 5 have the potential to be high growth. The advisers have delivered 31 start-up workshops and 21 Growth workshops with 299 attendees.
- During the period **five Start-up workshops** were held in Galashiels and Eyemouth with a total 26 attendees.
- Business Gateway has worked across the region meeting with a number of intermediaries and spreading the promotion. In total 58 Intermediary visits have been held during the period.
- For the period from 1 April 2016 to 31 August 2016, the **Scottish Borders Business Fund** received 26 applications and approved 23 grants valued at £76,815.71 supporting projects with a value of £176,765.01. These projects are forecast **to create 35.5 jobs** with an estimated forecast **economic impact of £781,335.50 GVA**.
- The **Scottish Borders Business Loan Fund** offers loans of between £1,000 and £20,000 over terms of up to three years. For the period from 1 April 2016 to 31 August 2016, the Loan Fund received 2 applications and approved 1 loan valued at £11,250.00. This loan is forecast **to create 1 job** with an estimated forecast **economic impact of £30,525.00 GVA**.
- **Business Loans Scotland** – work is nearly complete on this and a launch is imminent for the new £100k loan scheme. SBC have a fund of £540k available.
- **Property** – Space within the Rosetta Road offices in Peebles has been identified for use as incubator units. These are currently being developed to enable businesses to take up this space early 2017. Other sites are being identified across the region to replicate this
- **Hawick Action Plan** – Officers continue to work with partners on the actions contained in the plan. This includes identifying buildings for future development, a workshop with Tourism Businesses planned on 26 September, survey work and focus group to discuss the future of the High Street. **This work has resulted in an announcement from the Scottish Government of significant capital investment.**

2. Regeneration:

- **Galashiels Town Centre**
 - The **Borders Railway Ambassadors Pilot** has operated over the summer and has so far delivered support to 11,657 enquiries. 58% of these have been at Galashiels

whilst 42% were at Tweedbank. 40% are tourism or local information requirements, 34% relate to railway and 26% to bus.

- **Pedestrian signage** improvements have been made to the town centre with 6 fingerposts erected and one awaiting installation on Green Street..
 - **A Property “Gap Analysis”** into the retail, leisure and commercial property is concluded and will inform future marketing and inward investment activity.
 - **Steam Trains** – The Flying Scotsman visit in May generated a 5 fold increase in footfall and raised the profile of the town significantly. A survey to assess the impact of steam trains is to be undertaken with local businesses.
 - **Marketing** – support is being given to Energise Galashiels to refine the marketing offer of the town, particularly online. The shoppers map is close to completion following a slight delay. The Council has provided a grant to the Chamber of Trade to support this project.
 - **Town Centre Vacancies** – monitoring at the quarter end shows a stable level of vacancies at 34 in June from 34 in March 2016. Looking solely at Channel Street and Douglas Bridge, the figure has increased 13 to 14 vacant units.
 - **Shop Front Improvements** now stand at 25 properties improved with a further 7 in progress. £53,722 of grant offered has levered in a further £34,341 of investment from the private sector.
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- **Selkirk Conservation Area Regeneration Scheme (CARS) Project.** The five year programme of town centre regeneration activity is progressing well with the following activity/ achievements.
 - 40 grant offers have been issued for repairs to traditional buildings (General Repairs) totalling £242,500, supporting 25 properties.
 - 8 priority buildings will be supported with grant offers for repairs in Year 4 totalling £195,000. Phase 1 repairs to the Sir Walter Scott’s Courthouse, which will be supported as one of the priority buildings, est. summer 2017.
 - Over 80 educational & training events have been organised by Selkirk CARS with over 2,800 people attending. The technical seminars aimed at design, construction and industry related professionals have been well attended.
 - A range of educational activities has been implemented including the Cabinet of Curiosity (joint project with Selkirk High School, Abbotsford and LiveBorders / museums); community artwork project for Selkirk Library stairwell; 2 events to complement the Bookworm Childrens Bookshop; Reflections – Glass: Water: Art: Science project at the Haining in March/ May; Doors Open Day in Sept; Geophysics survey of the Auld Kirk Graveyard.
 - A contribution will be provided to the Selkirk Town Centre Streetscape project
 - An additional £70,000 of funding has been secured from Historic Environment Scotland to support traditional building repairs projects.
 - **Selkirk Town Centre Streetscape Project** – SBC Engineers’ have been working with the Selkirk Stakeholder Group (organisations across the town), on the early design stages for a programme of town centre streetscape works. The town centre works aim to provide safer and improved areas for bus passengers, improve pedestrian crossings, develop flexible events space and provide better seating, as well as enhance Selkirk’s historic conservation area.
 - The £450,000 proposed works will contribute to the regeneration of the town centre and is part-funded by the Selkirk Conservation Regeneration Scheme (CARS). Public consultation is currently underway and further consultation will be undertaken with Historic Environment Scotland, Selkirk CARS, Transport Scotland and Amey. It is intended that the construction begins on site next year.

- **Selkirk Business Improvement District (BIDS)** – The previous project manager appointed in early 2016 has been unable to continue working on the project due to personal reasons. The Steering Group appointed a new project manager, Mags Fenner in August. Revised timescales for the BIDS process have been agreed by the Steering Group and the project manager is now progressing the development of the two BID business plans and undertaking appropriate consultation. The ballots are proposed for June/ July 2017. If the ballot is positive, the BIDS would commence on 1 April 2018 in line with the Council's standard billing period.
- **Jedburgh Conservation Area Regeneration Scheme (CARS)** – a funding bid has been submitted to Historic Environment Scotland's for their CARS Scheme. Following the model used for other successful heritage based town centre initiatives in Kelso and Selkirk, a heritage focused regeneration proposal has been developed for Jedburgh.
- The Jedburgh CARS Proposal seeks specifically to conserve and enhance the heritage assets within the Jedburgh Conservation area, particularly focusing on the historic conservation area as well as acting as a catalyst for wider regeneration in the town centre. There are five key elements specific to the proposal (based on the eligibility criteria of the CARS funding):
 1. Addressing key buildings in the town centre through grant support.
 2. Redevelopment of the Category A Listed Port House building as a community hub and resource centre.
 3. A programme of heritage related education and training initiatives.
 4. Upskilling and employment opportunities in traditional construction skills with the provision of school based learning and work based training.
 5. Maximising opportunities in relation to the recently reopened Borders Railway and the proposed Mossburn Distillery.
- The CARS Programme has a limited budget of £10million with a competitive bidding process for their Round 7 of funding. The proposal for Jedburgh includes a five year programme of works from 2017/18 – 2021/22 with a total project budget of eligible costs of £1,327,000 and a grant request of £866,500. Scottish Borders Council will contribute £150,000 of revenue budget and £50,000 of capital budget. The outcome of the bid will be made in January 2017 and if successful, the project will commence on 1 April 2017.
- **Scottish Government Regeneration Capital Grant Fund** –The Fund is aimed at providing new and/ or improved infrastructure for capital expenditure supporting community projects in 2017/18 – 2019/20. The focus for Round 4 is for projects that are capable of starting in the financial year 2017/18 and to fully utilise the grant allocated for that financial year. The Council has submitted three applications for the first stage:
 - Great Tapestry of Scotland (GToS) Museum and Town Centre Regeneration Project, Galashiels (Scottish Borders Council)
 - Newcastleton Hub & Community Fuel Pumps (Newcastleton & District Community Trust)
 - Jim Clark Museum, Duns (Scottish Borders Council)
- The Fund is assessed in two stages. The deadline for completed stage 1 applications was 20 June. If successful at Stage 1, projects will be invited to submit Stage 2 applications by 24 October 2016. Notification will be given to all applicants of funding recommendations by December 2016.

3. Tourism & Events

- **Tourism support –**

- There have been two marketing campaigns running over the summer months, encouraging visitors to use the Railway.
- The “runaway seat” campaign ran from the 2nd - 8th August. The #RunawaySeat was placed at secret locations around Edinburgh, Midlothian and the Borders. Using Social media and through the website, people were asked to help us find the #RunawaySeat. If they found it, they were asked to upload a picture on Twitter using the #RunawaySeat which entered them into a prize draw.
 - The campaign landing page had over 1,250 views, and the campaign generated 50 new followers for the
 - Borders Railway Twitter Account. Travel blogger @scotadventures, with a following of over 5,000, also tweeted about the competition which generated great awareness for the campaign!
 - The web campaign successfully reached 689,233 people with 2,758,604 Impressions.
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Runaway Seat
Report 09.08.16.pdf

- The Visit Scotland Hop on hop off bus campaigns were delivered jointly with Midlothian Council. Evaluation on the bus campaign is not yet complete.
- A partnership of Midlothian and Scottish Borders tourism groups has successfully secured funding to deliver a two year business to business project between both areas. The project will start on 1st November, will have a dedicated PM and Tourism business advisor and will deliver:
 - A travel trade development programme,
 - Joint packaging and ticketing for the Railway
 - World Host Training for businesses in both areas
 - Digital Tourism training
 - Digital apps
 - Fam trips, market research and benchmarking.
- The new walking site www.walkscottishborders.com is now live. This is the sister site to www.cyclescottishborders.com which has been running since 2012. Tourism and Access officers are currently planning a soft launch to promote the site to consumers and tourism businesses in November.
- **Event support –**
 - The Scottish Borders Tourism Cycling Strategy consultation is currently underway. A workshop was held in August at Etrick Riverside bringing together key stakeholders within the cycling and tourism sector for their comments. The closing date for the wider consultation is 19th September.
 - Hillside Outside have confirmed the date as 3 September for the 2017 Tour of the Borders closed road cycle event. This is later than previous years and will now avoid the school holidays. It also puts the event into the shoulder months, which helps support tourism businesses. The date change was agreed with officers prior to the announcement. A long process of community engagement has begun already with

the organisers taking a stand at the Yarrow Show which was also attended by SBC officers.

4. Funding:

- European funding continues to be available to projects through the LEADER and European Maritime Fisheries Fund 2014 – 2020 programmes. The Council is also applying to the Scottish Government for an allocation of funding from the **European Social Fund** to support additional Employability services in 2017 and 2018.
- The **LEADER Local Action Group** met in July 2016 and approved grant funding of £74,739 to three projects, with total project values of £145,859. Two approvals were for community groups, the third was grant funding for a rural business. A fourth community group application was rejected by the panel. Applications for Round 2 closed on 31 August and five project applications for funding will be considered by the Local Action Group at its meeting in October.
- The first round of applications to the **Forth Fisheries Local Action Group** for grant finance from the European Maritime Fisheries Fund will be considered at the Group's meeting in October 2016.
- The Scottish Government has confirmed funding for the **Scotland's Employer Recruitment Incentive** (SERI) Scheme in 2016/17. The Scheme was relaunched on 1 April, targeting young people with multiple barriers to employment. Barnardo's Works has been contracted to deliver this scheme, eight places were allocated and five places have been filled to date.

Bryan McGrath, Chief Officer Economic Development, tel 01835 826525.

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ST ABBS HARBOUR CAR PARK MANAGEMENT - UPDATE

Report by Corporate Transformation and Services Director

EXECUTIVE COMMITTEE

4 October 2016

1 PURPOSE AND SUMMARY

- 1.1 **This report updates Members on the current car park management agreement with St Abbs Harbour Trust and proposes to extend the agreement beyond April 2017 for a period of 10 years.**
- 1.2 The successful integration of car park management arrangements at St Abbs has enabled the Harbour Trustees to develop a programme of maintenance work and infrastructure improvements at the Harbour, which benefit Harbour users, visitors and the local community. Car park income, collected by the Trust, has been used to part-fund these works which have made the Harbour a safer and more attractive place for commercial and leisure users.
- 1.3 Average annual expenditure on repairs and maintenance is now in the region of £22k, and the Trustees are developing an ongoing programme of Harbour improvements. The Trust has requested an extension to the car park management agreement to part-fund this programme.
- 1.4 The current car park management agreement ends on 31 March 2017. It is proposed to extend the agreement to 31 March 2027, subject to 3-yearly reviews.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee:-**
 - (a) **Notes the content of the St Abbs Harbour Trust car park management report for the period to 31 October 2015; and**
 - (b) **Agrees to extend the car park management agreement beyond 31 March 2017 for a period of 10 years to 31 March 2027, subject to 3-yearly reviews**

3 BACKGROUND

- 3.1 In March 2010 the Council entered into an agreement with the St Abbs Harbour Trust under which the Harbour Trust would collect and retain parking charges on the Council's car park at St Abbs as well as on their own adjacent car park. The management of the two areas has been successfully integrated and they now operate the same charging structure and management arrangements.
- 3.2 The original agreement covered the period from 1 April 2010 to 31 March 2012 and the Harbour Trustees were required to report annually on income from parking charges and expenditure on the harbour. In August 2011 the Executive Committee considered a car park management report for the period April 2010 - May 2011 and agreed to extend the management agreement for a period of five years to 31 Mar 2017.

4 PROGRESS TO OCTOBER 2015

- 4.1 The car parking agreement stipulates that parking fee income should be used for maintenance of the car park and for Harbour maintenance, repairs and infrastructure improvements. The Trust has provided copies of its accounts annually, and an interim report on activities to October 2013. A report from the Trustees for the period to 31 October 2015 is attached as Appendix 1. It highlights the work that has been undertaken, including a £66k slipway improvement project in 2014, which was part-financed by the European Fisheries Fund with a £54k grant.
- 4.2 Average annual income from car parking fees is £25k, of which 70% is estimated to be generated from the leased (upper) car park, and 30% from the Trust's (lower) parking area.
- 4.3 The Trust's other major income source is Harbour fees payable by local and visiting boat owners. Berthing fees were increased in 2013 and now generate an average of £14k per annum for the Harbour Trust.
- 4.4 Annual expenditure on repairs and maintenance and harbour improvements has averaged £22k over 5 years. The works have included much needed work on maintenance and repairs to the Harbour wall, improvements and renewals of access ladders and the timber harbour edge barriers, plus the slipway project. These works have made the Harbour a safer place for mariners and harbour visitors, and a more attractive place for divers and other marine leisure visitors.
- 4.5 The additional income from parking fees has put the Harbour Trust in a stronger financial position in the medium term, and enabled the Trustees to proceed with the infrastructure improvement project at the slipway. The Trustees require reserves of funds for any emergency works that may be required following winter storms. They are planning additional investment in scheduled maintenance and improvements in 2017. The scale of this investment is to be agreed at Trustees' meeting in early September 2016.

5 FUTURE MANAGEMENT ARRANGEMENTS

- 5.1 The current car park management arrangement has provided the Trustees with additional income that has enabled them to undertake maintenance work and to invest in significant infrastructure improvements at the Harbour. The Trustees have requested that this arrangement should continue for an extended period of 25 years.
- 5.2 Although the current arrangement seems to have worked effectively, officers do not consider that it is appropriate to enter into a 25 year agreement at this time. However, a long term car park management arrangement is appropriate and officers recommend that the current arrangement should be extended for a 10 year period. This will still give the Trustees security of income that will enable ongoing investment in the Harbour infrastructure. The benefits of these investments will be felt by commercial and leisure mariners, the local community and visitors to the village.
- 5.3 The Harbour Trust annual accounts are made up to 31 October each year. It is proposed that the Trustees should be required to submit annual accounts to the Council by 31 March the following year, including a statement of income received from car parking fees and expenditure made on repairs and maintenance.
- 5.4 It is proposed that The Harbour Trust will be required to provide a full report on maintenance work undertaken and infrastructure improvements made after each 3-year period of the agreement. The Council is entitled to review the car park management agreement at each 3-year period.
- 5.5 Where the Harbour Trust wishes to pursue a penalty notice the Council will pass on a charge of £3 to cover the administration and DVLA search cost. This charge will be subject to 3-year review.

6 IMPLICATIONS

6.1 Financial

There are no additional costs attached to any of the recommendations contained in this report.

- (a) Before 2010 the Council's estimated cost of collection of parking fee payments at St Abbs Harbour accounted for up to 90% of the revenue.
- (b) The ongoing costs of car park signage and the maintenance of ticket machines will be met by St Abbs Harbour Trust.

6.2 Risk and Mitigations

There is a risk that issues arise with the ongoing management of the car park. This risk is mitigated by the requirement for an annual account of income and expenditure and a 3-year report from the Harbour Trust and the associated review of the agreement.

6.3 Equalities

It is anticipated there will be no adverse equalities impacts arising from this report. Existing disabled parking bays are retained within the new car parking arrangements.

6.4 **Acting Sustainably**

The Harbour Trust's income from car parking, and its investment in Harbour facilities, will support the economic, social and environmental sustainability of St Abbs Harbour and village for the benefit of the local community and its visitors.

6.5 **Carbon Management**

This report will have no impact on the Council's carbon emissions.

6.6 **Rural Proofing**

Rural Proofing is not required as this report does not concern new or refreshed Council policy or strategy.

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

No changes are required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report

7 **CONSULTATION**

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

Approved by

Rob Dickson

Corporate Transformation and Services Director

Signature

Author(s)

Name	Designation and Contact Number
Bryan McGrath	Chief Officer Economic Development, Chief Executives 01835 826525
Hugh Williams	Principal Officer (Rural Development), Chief Executives 01835 826773

Background Papers: St Abbs Harbour Trust car park management report 31 October 2015 (Appendix 1)

Previous Minute Reference: Executive Committee, 16 August 2011.

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Hugh Williams can also give information on other language translations as well as providing additional copies.

Contact us at: Hugh Williams, Economic Development, Scottish Borders Council, Council HQ, Newtown St Boswells, TD6 0SA.

Tel: 01835 826773

Email: eittranslationrequest@scotborders.gov.uk.

Appendix 1

St Abbs Harbour Trust Harbour Car Park Management Report to 31st October 2015

This is the Trustee's third report to Scottish Borders Council on car parking at St Abbs Harbour. The Council and Harbour Trustees agreed that the Trust should manage the car park income and expenditure from April 2010. A report was prepared in May 2011 and presented to the Council, and an interim report was submitted in 2014. Annual accounts have been provided.

The Trustees manage two areas of land used for car parking at the Harbour. The area in Council ownership and leased to the Trust contains 30 parking spaces, including 3 designated as disabled parking. The lower area, owned by the Trust, contains a further 22 marked spaces, and there is availability for up to 15 additional vehicles between the two areas and on other unmarked ground belonging to the Trust.

This report covers the four financial years to 31 October 2015. Since the last full report in May 2011 the average income generated from the car park has been in the region of £25k. Of this it is estimated that 70% is generated from the leased area and 30% from the lower area. The direct running costs of the car park include ongoing maintenance, the cost of electricity to run the ticket machines and an element of the Harbour Master's wages. These combined costs are estimated at £5k annually.

The car park management agreement between the Harbour Trust and the Council requires the Trustees to use the income to fund Harbour maintenance, repairs and infrastructure improvements. The Trust has been able to economically address a number of important maintenance and repair issues using the income generated from the car park.

The following projects have been successfully delivered:

Year	Project	Contractor	Cost
2011/12	Maintenance of Harbour wall	B&K Hume	24,100
	Harbour lighting improvements	SBC	2,576
2012/13	Electrical supply improvements	EP Electrical	2,282
2013/14	Slipway project – licence	Marine Scotland	2,130
	Slipway development project	B&K Hume	33,600
2014/15	Slipway completion	B&K Hume	32,580

The major project was the widening and other improvements to the slipway in 2014. This was a project valued at £63,780 undertaken with 85% funding support from European Fisheries Fund Axis 4, a grant of £54,213.

Ongoing minor maintenance works undertaken include additional electrical work, some patching up of the pier surface, rubbish collection and grass cutting.

Looking Forward

Re-surfacing the harbour area will take place in September 2016 with the work contracted to SB Contracts. This work is expected to cost in the region of £25k.

We also plan to install two new wall ladders near the harbour entrance to aid the berthing of boats when the tides do not allow full access to the harbour itself.

There is a fresh impetus within the committee with new Trustees coming on board and the new Secretary who will be responsible for preparing an ongoing schedule of maintenance works looking out over a 5 year period. The new Secretary also plans to redraft the constitution over the coming year to make it fit for the challenges that lie ahead.

Reserves

The Balance Sheet shows that we have significant reserves available with nett assets at 31 October 2015 of **£75,870**. This is up **£50k** on the previous year and reflects (a) grant funding received retrospectively for the slipway project and (b) that a number of maintenance projects have been held back until 2016/17.

The majority of these reserves are liquid and held as a bank balance with only a small number of short term creditors being carried in the Balance Sheet.

Whilst it is expected that the nett assets will fall back in 2016/17 as we utilise the car park income on our ongoing maintenance programme, we would wish to carry a reasonable cash balance in the Balance Sheet to cater for any emergency repairs or maintenance and for general improvements.

Community

The harbour continues to be a vital part of the local community. The harbour expects to cater for up to 5,000 divers in the main season. This footfall contributes hugely to the local economy with the vast majority of these divers staying locally in guest houses and bed and breakfasts. They make good use of the local public houses and restaurants.

Tourists also come in large numbers and visit the harbour at St Abbs. The café situated next to the harbour benefits from this and is continually busy. It currently employs 3 full time staff and 6 seasonal part time staff.

Direct Harbour Income

Perhaps more importantly, it is worth noting that the annual harbour fee income over the past few years excluding the car park income averages approximately **£14k**. This would have meant a number of the repairs carried out over the same period would just not have been possible and the plans for the current financial year and the future would need to be scaled back. A set range of fees is in operation dependant on the type of boat utilising the harbour. These fees are reviewed and uplifted as required and are consistent with other harbours in the surrounding area.

Summary

The ongoing maintenance programme is essential if we are to push ahead and put St Abbs at the forefront of tourism, diving and education, bringing much needed revenue to the village in particular and the Scottish Borders generally.

Without the income from the car park any future plans will need to be seriously curtailed. The support from the Scottish Borders Council has therefore been invaluable and the Harbour Trustees are exceptionally grateful for this support and very much hope to continue this relationship on an ongoing basis.

TOWN CENTRE REGENERATION

Report by Corporate Transformation and Services Director

EXECUTIVE COMMITTEE

4 October 2016

1 PURPOSE AND SUMMARY

- 1.1 **The purpose of this report is to discuss the Council's future actions in relation to town centres. The report updates members on recent activity and recommends a potential change to the Council's approach to town centre regeneration.**
- 1.2 The review of recent activity includes the Galashiels Town Centre Manager Role. A new Town Centre Resilience Index is proposed that measures a range of regularly collected statistics in order to better understand each town and to provide an objective basis for prioritising public sector interventions.
- 1.3 Finally it is proposed to establish a new three year rolling town centre action plan that is approved on annual basis following consultation with stakeholders.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee:-**
 - (a) **Notes the development of a new Town Centre Resilience Index, set out in Appendix 3, and agrees to use the Index to prioritise its town centre interventions and investments; and**
 - (b) **Agrees to establish a rolling three year Town Centre Action Plan that is approved on an annual basis, no later than 31 March each year, and monitored by the Economic Development Executive on a quarterly basis. The first such Action Plan to be approved by 31 March 2017 following consultation as set out in Paragraph 5.8.**

3 BACKGROUND

- 3.1 Town centres are an important element of the economic and social fabric of the Scottish Borders. They are at the heart of our communities and help make the Scottish Borders, and each of our towns, distinctive and special. Town centres are a central component of a successful local economy, offering a base for small business and jobs, as well as being at the core of community life.
- 3.2 Recognising the importance of town centres to the success of local economies, the Scottish Government commissioned a 'National Town Centre Review' in 2013. The Working Group, led by Scottish Architect Malcolm Fraser, recognised the major issues in our town centres (including increased vacancy rates and falling footfall) and the need for change through action, leadership and collaboration.
- 3.3 In response to that report, the Scottish Government published a 'Town Centre Action Plan' in November 2013. This highlighted a number of priority areas for action:
- Town Centre Living
 - Vibrant Local Economies
 - Enterprising Communities
 - Accessible Public Services
 - Digital Towns and
 - Pro-active Planning
- The 'Town Centre First Principle' was endorsed by Scottish Government to ensure "*We take every measure possible to ensure our town centres are vibrant places*" (Nicola Sturgeon, Deputy First Minister of Scotland). This principle commits the public sector to prioritise town centres in local decision making processes.
- 3.4 Scottish Borders Council has led and delivered a wide range of town centre regeneration activity in conjunction with local partners and community organisations. Some examples of successful town based regeneration activity in recent years are outlined in Appendix 1.
- 3.5 The larger scale infrastructure projects and programmes, including traffic management, heritage led conservation works, the development of business space, and the associated bids for external funding, take significant resources, time and commitment to deliver. For instance, the normal lead-in time for a heritage led externally funded regeneration programme is approximately 2 years, followed by a 5 year implementation period.
- 3.6 Within all of the Borders' main settlements, a number of other community led initiatives are being progressed. These tend to be of smaller scale but add significant value and capacity to local community life and local economic development.
- 3.7 Town centres are recognised for the important role they play in the local economy in the Scottish Borders Economic Strategy 2023. Action to support our town centres has also been identified as a priority in the Council Administration's Manifesto, Ambitious for the Borders.

4 RESPONSE BY SCOTTISH BORDERS COUNCIL

Recent Town Centre Research

- 4.1 It is clear that the future nature, make-up and role of our town centres is changing. They are going to function in a different way and look differently to what we have become accustomed to in recent decades. People are going to use them in different ways too. However, they are still going to remain the 'hearts of our communities', so the Council must continue to support change and adaptation in town centres.
- 4.2 The Council recently commissioned Ryden LLP to undertake a Town Centres Retail Study, including two market gap analyses for Galashiels and Hawick town centres. The aim was to provide a clear understanding of Galashiels' and Hawick's town centre market potential, and practical market-based advice on approaching retail, leisure and service operators to invest in these town centres.
- 4.3 The report highlighted a number of key market changes and adjustments in the retail, leisure and services sector. These changes are occurring across the whole of the country and are complex and, importantly, ongoing. The report notes that the gradual withdrawal of multiple retailers from non-prime destinations, and their replacement with other commercial and employment uses, poses serious challenges to town centres. Appendix 2 sets out the summary of market challenges that Ryden identified for traditional town centres. The shift from an 'Old World' dominated by retailing, to a 'New World' that will see a mix of commerce, service, community and employment uses, is one that will affect every town centre in the Scottish Borders.
- 4.4 Ryden point out that one consequence of these trends is that lower-rented, shorter-leased premises occupied by local companies are not suitable for major investors, such as life assurance companies and pension funds. This is creating an ongoing transition of ownership to smaller local property companies and local investors and entrepreneurs. Another implication of the change is likely to be a higher turnover of less-experienced occupiers requiring support, rather than experienced national companies taking premises for the long term. This means that residents will see more change on our High Streets than previously.

Town Centre Resilience Index

- 4.5 As well as the recent Ryden report, Council officers have also been considering how to assess the priorities for intervention and investment in town centres across the Scottish Borders. It is accepted that all of the town centres in the Borders are affected by the economic changes set out in the Ryden report, and that they will continue to be affected in future. However, it is also clear that some of the town centres have been better able to respond to these changes and adapt to the new economy. There are a range of factors involved in that adaptability and ability to respond, including the economic position of the town and its hinterland, the size and location of premises, and the mix of users in terms of residents and visitors.

- 4.6 Officers have developed a 'Town Centre Resilience Index' based on a range of regularly collected statistics in order to better understand the situation in each town and to provide an objective basis for prioritising public sector interventions and investment in town centres. The index provides a snapshot of the relative socio-economic health of each town. It can be updated annually to ensure the most up-to-date statistics are included in the assessment.
- 4.7 The results of the Town Centre Resilience Index are set out in Appendix 3 to this report. The results, as recorded in August 2016, show that Hawick is the least resilient town in the Scottish Borders, suggesting that it should be the main focus for public sector intervention and investment. Jedburgh and Eyemouth also stand out in the Index as places that need support in the short to medium term. At the other end of the Index, Melrose and Peebles demonstrate good resilience and suggest that public sector intervention and investment is less of a priority.

Galashiels Town Centre Coordinator Project

- 4.8 The Galashiels Town Centre Coordinator project started in December 2014, with the appointment of a town centre coordinator for the 2 year period of the project. The project sought to capitalise on the re-opening of the Borders Railway in 2015 as well as other infrastructure improvements over previous years. Also, in line with many towns across the UK, Galashiels had experienced a significant loss of retailers and other town centre uses, particularly from national retail chains on Channel Street and Douglas Bridge. The project was developed as a pilot and was shaped to address concerns over the loss of retail footprint, the resultant increases in retail vacancies in the town and the reduced footfall.
- 4.9 The Galashiels Town Centre Coordinator Project was timed to support business and community activity to align with the reopening of the Borders Railway. This activity ensured that Galashiels was as welcoming and attractive as possible for the opening of the Railway for visitors. The project has successfully delivered a number of key small projects, which have significantly improved the visual attractiveness of the town centre. It supported capacity building activity that has helped to facilitate Energise Galashiels, the Chamber of Trade, local businesses and community groups to work together. This provides a stronger platform for more business development and community activity in future.
- 4.10 Many of the projects would not have progressed to the extent or quality they did without the dedicated Coordinator support, due to limited resources within the private sector and the community. The project has provided value for money in terms of impact and successful project delivery in comparison to other delivery models eg external consultants, and has levered in private sector contributions as well as other budget contributions to maximise project activity in the town.

- 4.11 The two year intervention seems appropriate in terms of achieving the key aims of the project. Footfall has shown signs of stabilising over the last 2 years and vacancy rates have dropped from their peak of 19% in 2014 to 17% in 2015. Generally, there appears to be growing investment and business confidence in the town centre, with increasing awareness and opportunities around the Borders Railway. There are significant inward investment and development opportunities for Galashiels as a key commercial centre for the Scottish Borders, as well as opportunities linked to the Borders Railway.
- 4.12 It is clear that where dedicated resources can be made available it can make a positive difference for the town in question. However, in the current climate of resource reductions, and in view of the range of challenges faced by towns in the Scottish Borders, officers do not consider that it is realistic to adopt the dedicated town centre coordinator model as a way forward for future activity.

5 NEXT STEPS

- 5.1 Recognising the importance of town centres, there is no doubt that a targeted use of resources is required. Rather than a dedicated individual Town Centre Coordinator role, it is recommended that a core focus of the Economic Development Team becomes a rolling three year Town Centre Action Plan. This plan would focus on a limited number of key projects in a limited number of towns. The Economic Development Team would deliver action directly, as well as working with Council colleagues, public sector partners, businesses and the community to influence and enable projects to be delivered.
- 5.2 In order to deliver this support, the Council needs to focus more systematically on a town by town basis, recognising that limited resources mean that the Council cannot support activities in every town at the same time. There is a need to take a programme approach that delivers a rolling focus on the town centres highlighted in the Town Centre Resilience Index as those most in need of intervention and investment. However, this approach also needs to be adaptable enough to take advantage of new opportunities as they arise, whilst making best use of the resources available.
- 5.3 The Council will also maximise the impact that it can have on town centres by focusing other services on the following roles:
- A. **Enabling** – businesses and communities to make positive changes and investment.
 - B. **Intervening** – where only the public sector can unlock problems or opportunities.
 - C. **Signposting** – to funding and advice.
 - D. **Building Capacity** – new skills and knowledge for businesses and communities.
 - E. **Encouraging** – localism and local leadership

- 5.4 The critical challenge for the Council is where to best prioritise its limited resources to maximise economic opportunities, add value and complement other regeneration activity. The immediate challenge highlighted in the Town Centre Resilience Index is Hawick, a major population centre which is facing increased vacancy rates and falling footfall, and where local community and business groups are already working together to consider the possibilities for their town centre. Action also needs to be planned for the next least resilient towns – Jedburgh and Eyemouth.
- 5.5 To progress this programmed approach, we need to strengthen coordination, communication and delivery of activities internally within the Council. The complexity, issues and range of services provided by the Council in town centres will differ from town to town. Each town has different issues and opportunities so will require a different, targeted approach. The importance of understanding and linking activity between the various services from the Council is critical. There will also be links to the Localities activity that is being progressed by the Community Planning Partners, as well as potential joint action with Community Planning Partners such as Scottish Enterprise, the Registered Social Landlords and the Third Sector Interface.
- 5.6 One of the key tasks for the Economic Development Team will be to understand, link and add value to other project activities and opportunities. The experience, knowledge and skills of Council officers across a range of services should ensure that the appropriate technical advice and support when required.
- 5.7 The key areas which could add value to town centre performance (and link to current major infrastructure projects) have been broadly identified as empty property and key site development; marketing for visitors and businesses; events and tourism development; inward investment and business support; action plan development and Business Improvement Districts. This project approach will aim to measure benefits through changes in the Town Centre Resilience Index's range of indicators.
- 5.8 Appendix 4 sets out a range of projects currently either in train or being considered for delivery in each of the key towns. It is recommended that Executive agree to establish a rolling three year action plan that is approved on an annual basis, no later than 31 March each year, and monitored by the Economic Development Executive on a quarterly basis. In order to ensure that this Action Plan has strong local support it should be consulted upon with stakeholders during December and January each year.

6 IMPLICATIONS

6.1 Financial

The budget required to deliver the Action Plan should be set out as part of the annual approval process to ensure that there is no doubt about the affordability of the Action Plan. This should complement other capital investment and revenue projects being delivered by the Council.

6.2 **Risk and Mitigations**

The key risk is that without the proposed support, town centres may continue to deteriorate with increased vacancy levels and reducing footfall. The new approach proposed will contribute to supporting regeneration within town centres.

6.3 **Equalities**

A key aspect of the Council's Economic Development service work is to reduce barriers to economic inequality. Equality Impact Assessments will be undertaken at the appropriate stages of project proposals ie during the development stages of individual projects.

6.4 **Acting Sustainably**

The town centre coordination approach aims to encourage increased vibrancy within town centres with additional activity and footfall. Part of this aim is to encourage locals and visitors to walk in and around the town centre; and encourage local events to use the town centre facilities to make town centres more sustainable.

6.5 **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. Individual projects, which are taken forward as part of the project, will be assessed appropriately to minimise impacts and maximise low carbon opportunities.

6.6 **Rural Proofing**

Rural Proofing is not required as the proposal does not relate to new or amended Council policy or strategy. Rural Proofing will be undertaken during the consultation phase. Towns and town centres act as a potential hub for rural communities and it is anticipated that any actions/ activities would add value to the wider rural economy rather than having a negative impact.

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

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

7 CONSULTATION

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council will be consulted and their comments will be reported at the Executive Committee.

Approved by

Rob Dickson
Corporate Transformation and Services Director

Signature

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Background Papers: None

Previous Minute Reference: None

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APPENDIX 1 – Previous Town Centre Regeneration Projects

EYEMOUTH

- Major EU funding to develop the Harbour, harbourside area and fish processing facilities.
- Programme of activity to support tourism and business development to encourage local diversification.
- Redevelopment of landmark building - Gunsgreen House as a key visitor facility for the town.
- Successful bid for Scottish Government to extend Gunsgreenhill Estate and to potentially re-locate businesses currently based within the town centre.

GALASHIELS

- Major transport infrastructure developments within Galashiels town centre including Inner Relief Road phases and streetscape works as well as the Borders Railway and Transport Interchange.
- Major investment by Borders College and Heriot Watt University in the Borders Campus.
- Strategic housing investment on key town centres sites facilitated by Eildon Housing Association and other local Housing providers.
- Funding to progress Flood Prevention Works to unlock potential development opportunities.

HAWICK

- Delivery of major heritage-led regeneration project focused around the Heart of Hawick complex and Hawick High Street.
- Further investment around the west end of the High Street, Silver Street and Drumlanrig Square with successful bids to the Scottish Government's Town Centre Regeneration Fund.
- Major redevelopment opportunity to transform award winning Wilton Lodge Park as a key visitor destination with £3.5million from Heritage Lottery Funds.
- Funding to progress Flood Prevention Works to unlock potential development opportunities.

JEDBURGH

- Delivery of Jedburgh Town Centre Regeneration Project 2009/10 with an overall investment of £705,000 in the town centre. The project included:
 - Enhancement of Mercat Place as a key civic centre & events space.
 - Acquisition of Port House complex for future business workshop space and community facilities.
 - Extension of main visitor car park improving visitor facilities.
 - Development of a Destination Play Area to attract locals / visitors into the town centre.
 - Digital Connectivity/ WiFi service across the town centre.
 - Townscape Improvements and enhanced orientation/ signage including minor improvements at Mary Queen of Scots House.

KELSO

- Kelso Townscape Heritage Initiative with £1.4 million of Heritage Lottery Fund and Historic Scotland funds matched with private sector leverage.
- Kelso Streetscape and Public Realm project of over £2 million.
- Kelso Town Centre Business Hub (Gap site) Project with investment of £750,000.
- Kelso Regeneration Action Plan to provide a overall framework for development activity and support the external funding applications.

SELKIRK

- Successful bid to Historic Scotland for £1 million for the Selkirk CARS (Conservation Area Regeneration Scheme);
- A linked Selkirk Town Centre Streetscape project of £0.45 million
- The potential Selkirk Court House Regeneration Project of £3 million
- The Selkirk Community Action Plan Framework to provide an overall framework for development activity and support external funding applications.
- A range of business and community led initiatives including the redevelopment of the Haining Estate Stable Block and further regeneration plans for Haining House; the Pringle Park Play Project; the Selkirk Pop Up Shops initiative; new town centre events; a successful application for BIDS Scotland funding.
- Funding to deliver Selkirk Flood Protection project to unlock potential development opportunities at Ettrick Riverside.

APPENDIX 2

Extract from:

Town Centres Retail Study: Galashiels & Hawick Gap Analysis, Ryden LLP, July 2016

Table 1, pp10

Town Centre Use ³	Old World: <i>Retail corporate hegemony</i>		New World: <i>Commerce, Service, Community & Employment</i>	
	Typical Occupier	Typical Occupation Basis	Typical Occupier	Typical Occupation Basis
Retail - Class 1	Superdrug, Next, Burton	Long lease; FRI terms; has central property services team; can afford business rates over the cycle; standard fit-out model	Local eg. craft, bikes, weddings, healthcare, food & drink	Short, less onerous lease; business rates a significant cost (if no discounts); no property expertise
Professional Services – Class 2	HSBC, travel agent	Long lease; FRI terms; planning agent to negotiate change of use and any listing/ heritage; central property services; standard fit-out; able to accommodate delays caused by regulatory compliance	Local estate agent or architect	Short, less onerous lease; no planning or property expertise; delays are costly and affect finances; changes to building are regulated; business rates a significant cost (if no discounts)
Café/ Restaurant – Class 3; Hotel/ Hostels – Class 7; Assemble/ Leisure – Class 11.	Nando's, Costa Premier Inn Gala Bingo	Long lease; FRI terms; planning agent to negotiate change of use and listing/ heritage; advertising, environmental health and licencing dealt with by specialists; standard fit-out; able to accommodate delays caused by regulatory compliance	Entrepreneur/ social enterprise/ pub with rooms/ community use/ independent café/ bar	Short, less onerous lease; no planning expertise; delays are costly and affect finances; uncertainty over planning and environmental services policies, licencing, advertising; business rates a significant cost (if no discounts)

Source: Ryden

APPENDIX 3

Town Centre Resilience Index (see attached)

APPENDIX 4

List of Potential Town Centre Projects – by Town (See attached)

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Town Centre / Regeneration Review 2016

Focused but town centre specific approach for individual towns. Towns identified and prioritised based on need/ development opportunity/ external funding opportunities

Hawick

PRIORITY REGENERATION ACTIONS	LEAD	Resource Requirement	Timescale	Status
Delivery of Hawick Action Plan	SBC/ Private sector	Low	Short/ Med	
Development of targeted business support measures	SBC/ Private sector	Medium	Short/ Med	
Development of key sites in town	SBC/ Private sector	High	Short/ Med	
Development of new Distillery	Private sector	High	Short/ Med	
Proactive Inward Investment Campaign	SBC/ BR Blueprint	Medium	Med/ Long	
Development of a Townscape Initiative to support the High street– 5year programme of support funded by HLF	SBC/ private/ community	High	Med/ Long	
Continued development of Tourism product – particularly accommodation	SBC/ private	Medium	Med/ Long	
Visitor Marketing campaign	VS/ DSB/ EG	Medium	Short/ Med	
Cycling & Events Development	SBC/ Private sector	Medium	Short/ Med	
LEADER funding – maximise opportunities for community & business update	SBC/ Private / community	Medium	Short/ Med	
Delivery of Hawick Flood Protection Scheme	SBC	High	Short/ Med	

Eyemouth

PRIORITY REGENERATION ACTIONS	LEAD	Resource Requirement	Timescale	Status
Town Hall redevelopment project	Community / EDCT	Large	Medium	
Community development planning	V4E / SBC / Community	Medium?	Med / Long	
Harbour Road SPG	SBC	Large	Long	
Offshore wind opportunities – O&M base	Harbour Trust / SBC	Medium	Med / Long	
Development of dive tourism product	Private / community	Low	Short / Med	
Visitor Marketing campaigns Harbour Trust coastal tourism project	Harbour Trust / community / VS	Low	Short / Med	
EMFF and LEADER funding – maximising opportunities for community & business	SBC	Low	Short / Med	

Jedburgh

PRIORITY REGENERATION ACTIONS ACTIONS	LEAD	Resource Requirement	Timescale	Status
Jedburgh CARS Proposal - Development of CARS Bid to Historic Environment Scotland	SBC/ private/ community	High	Short/ Med	
Development of Town Regeneration Action Plan	SBC/ community/ private sector	Low	Short	
Visitor Marketing campaign	VS/ DSB/ private sector	Low	Short/ Med	
Development of Mossburn Distillery	Private	High	Short/ Med	
LEADER funding – maximise opportunities for community & business update	SBC/ Private / community	Medium	Short/ Med	

Galashiels

PRIORITY REGENERATION ACTIONS	LEAD	Resource Requirement	Timescale	Status
Galashiels Master Plan Development – Town Centre	SBC/ BR Blueprint	Low	Short	
Proactive Inward Investment Campaign	SBC/ BR Blueprint	Medium	Short/ Med	
Great Tapestry of Scotland (if location determined in Galashiels)	SBC/ BR Blueprint	High	Short/ Med	
Burgh Yard Development	SBC/private	Low/ High	Short/ Med	
Continued development of Tourism product – particularly accommodation	SBC/ private	Medium	Med/ Long	
Visitor Marketing campaign	VS/ DSB/ EG	Medium	Short/ Med	
BIDS development	Private sector	Low	Short/ Med	
Green Street Development	SBC/ Private sector	Low	Short/ Med	
Galashiels Town Plan	CPP/ Private / community	Low	Short/ Med	
Cycling & Events Development	SBC/ Private sector	Medium	Short/ Med	
LEADER funding – maximise opportunities for community & business update	SBC/ Private / community	Medium	Short/ Med	

Selkirk

PRIORITY REGENERATION ACTIONS	LEAD	Resource Requirement	Timescale	Status
Delivery of Selkirk CARS programme. Complete by 2017/18	SBC/ private/ community	High	Short/ Med	
Delivery of Selkirk Town Centre Streetscape project. Complete by 2017/18	SBC	Medium	Short/ Med	
Delivery of Selkirk Court House Phase 1 project. Complete by 2017/18	SBC	Medium	Short/ Med	
Development of Selkirk Court House Phase 2 project	SBC	High	Med/ Long	
Visitor Marketing campaign	VS/ DSB/ private sector	Low	Short/ Med	
LEADER funding – maximise opportunities for community & business update	SBC/ Private / community	Medium	Short/ Med	
Development of Selkirk BIDS proposal	Private sector	Low	Short/ Med	
Delivery of Selkirk Flood Protection Scheme	SBC	High	Short/ Med	
Proactive Inward Investment campaign for Ettrick Riverside area/ development opportunities	SBC/ private	Low	Med/ Long	

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KEY

Status	Timescale	Resource Requirement - £
R / Red Project at early idea stage	S Short term	High Major project – over £1m
A/ Amber Project at develop/ planning stage	M Medium term	Medium Medium project - £250k - £1m
G/ Green Project being implemented	L Long term	Low Long project – less than £250K

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JEDBURGH CONSERVATION AREA REGENERATION SCHEME (CARS)

Report by Corporate Transformation and Services Director

EXECUTIVE COMMITTEE

4 October 2016

1 PURPOSE AND SUMMARY

- 1.1 **This report updates the Committee on the progress of the development of a potential Jedburgh Conservation Area Regeneration Scheme (CARS). It seeks formal approval for a funding bid to Historic Environment Scotland (HES), formerly Historic Scotland.**
- 1.2 Jedburgh town centre has declined since 2008 with reduced footfall, significant retail leakage and increasing vacancy rates. There has also been an increase in the number of buildings in the core of the town centre which have significantly deteriorated and are considered to have critical issues with external fabric and stonework.
- 1.3 Following the model used for other successful heritage based town centre initiatives in Kelso and Selkirk, a heritage focused regeneration proposal has been developed for Jedburgh. The proposal will seek to begin to reverse the decline by conserving and enhancing key properties within the Jedburgh Conservation Area and act as a catalyst for wider regeneration in the town.
- 1.4 The proposal includes a five year programme of works from 2017/18 – 2021/22 with a total project budget of eligible costs of £1,327,000.

2 STATUS OF REPORT

- 2.1 The funding application has been submitted to Historic Environment Scotland by the required deadline of 31 August 2016. This report seeks formal approval of the submission and match funding from the Council.

3 RECOMMENDATIONS

3.1 I recommend that the Executive Committee:

- (a) Approves the proposed bid for a Jedburgh Conservation Area Regeneration Scheme on the basis of match funding contributions from the Council of £150,000 from the Council's Revenue budget and £50,000 from within the Capital Programme; and**
- (b) Formally approves the funding bid to Historic Environment Scotland CARS Programme**

4 JEDBURGH CONSERVATION AREA REGENERATION PROPOSAL

- 4.1 Jedburgh has seen a marked deterioration in its town centre. Statistics highlight the socio-economic and environmental decline:
- (a) The retail unit vacancy rate for Jedburgh town centre has increased rapidly in the last two years from 9% in 2014 to 14% at the last audit in December 2015. The average vacancy rate for the Scottish Borders is 11%. Jedburgh also has the second highest vacant retail floorspace in the Scottish Borders at 20%.
 - (b) Footfall shows a significant decline year-on-year with a cumulative decline of 28% since 2008.
 - (c) Retail leakage – the more recent data from a 2011 report shows that 56% of convenience and 84% of comparison goods spend is exported to neighbouring towns or via the Internet.
 - (d) Within the historic centre, there are currently 2 'Buildings at Risk' identified on the national Buildings at Risk Register.
 - (e) At least, six prominent buildings in the core of town centre are showing signs of significant deterioration and have been identified as Priority Buildings for external repairs under a CARS Scheme.
- 4.2 Major funding options for town centre / heritage based projects based include Historic Environment Scotland (HES) – Conservation Area Regeneration Scheme (CARS) and Heritage Lottery Fund (HLF) - Townscape Initiative (TI). Both funding programmes run for a period of 5 years. A Common Fund approach is used whereby contributions from one or both of these funders are pulled together as a 'pot' of funding. Grants are awarded from this Common Fund to private sector property owners or for heritage education and training activity, appropriate project groups or businesses. For the public realm component, a grant is awarded from the Common Fund to the Council in relation to the uplift in the quality of the materials for the works. The Council provides or underwrites the match funding from the Council's Capital Programme.
- 4.3 Council Officers considered both external funding opportunities during the development of the Proposal for Jedburgh. Following consultation with Council Officers, Local Elected members and an informal Jedburgh Working Group, it has been agreed to progress with a CARS only funding bid. This is primarily due to the size and scale of the current proposal for Jedburgh, which is similar in size to Selkirk, as well as the timescales for the bid process and timing of the implementation phase.
- 4.4 An informal Jedburgh CARS Working Group has been established which includes the Jedburgh Elected Members and representation from local community groups and businesses. The Working Group's remit has been to prepare and agree the proposal for submission to Historic Environment Scotland. If successful with the bid, the Working Group will take a key role in terms of project governance for delivery of the Project; and the Council will be responsible for the administration and management of the Project.

- 4.5 The CARS Programme has a limited budget of £10million with a competitive bidding process. A pre-application for a Jedburgh CARS proposal was presented to Historic Environment Scotland in mid July 2016 and feedback was positive. The grant request amount of around £850-875K from Historic Environment Scotland was considered appropriate.
- 4.6 The Jedburgh CARS Proposal seeks specifically to conserve and enhance the heritage assets within the Jedburgh Conservation area, particularly focusing on the historic conservation area as well as acting as a catalyst for wider regeneration in the town centre. There are five key elements specific to the proposal (based on the eligibility criteria of the CARS funding):
- (a) Addressing key buildings and properties in the town centre particularly around Market Place, Canongate and the High Street through grant support
 - (b) Redevelopment of the Category A Listed Port House building as a community hub and resource centre.
 - (c) Raising awareness and participation of Jedburgh's rich history and heritage with a programme of heritage related education and training initiatives.
 - (d) Upskilling and employment opportunities in traditional construction skills with the provision of school based learning and work based training.
 - (e) Working together to increase the vibrancy and vitality of the town and in particular maximising opportunities in relation to the recently reopened Borders Railway and the proposed Mossburn Distillery.
- 4.7 The proposals will specifically offer:
- (a) Priority Buildings Grant Scheme - to support works to the external fabric of properties to conservation standard. Priority buildings currently identified are: Port House Building, 12 Market Place/ 2 High Street; 5-6 Market Place; 12 High Street; 33 High Street and 21 Canongate.
 - (b) Small Properties Grant Scheme – grant scheme to support works to the external fabric of buildings in the town centre to conservation standard.
 - (c) Small scale town centre public realm works will focus on stonework repairs and improvements to Jedburgh Abbey Ramparts.
 - (d) Based on the successful programme currently being delivered as part of the Selkirk CARS Project, a draft programme of training and education has been developed and extended to include work based training in traditional building and conservation skills.

- 4.8 To support the CARS Proposal and to provide specific evidence to HES of a wider regeneration plan for the town, the Working Group has also developed a draft Regeneration Action Plan for Jedburgh. Key themes, priorities and project opportunities have been identified. The Working Group, along with Jedburgh Alliance, will seek to encourage and develop initiatives within Jedburgh which complement the Jedburgh CARS activity.
- 4.9 A bid has been submitted to Historic Environment Scotland by their deadline of 31 August 2016. This has been on the basis that the submission is subject to formal approval by the Council's Executive Committee. A further report will be brought to the Council's Executive Committee once the outcome of the bid is known, anticipated to be January 2017. If successful with the funding bid, the Project would commence on 1 April 2017.

5 IMPLICATIONS

5.1 Financial

- (a) The proposal includes a five year programme of works from 2017/18 – 2021/22 with a total project budget of £1,327,000.

£866,500 is being sought from Historic Environment Scotland's Conservation Area Regeneration Scheme (CARS) funding with Scottish Borders Council providing match funding of £150,000 of revenue budget and £50,000 of capital with allocations already provisionally identified as match funding in the Council's Capital Programme.

- (b) **Project Income:**

Project	Amount	% of Total
Historic Environment Scotland CARS:	£866,500	65.3%
Scottish Borders Council (Revenue)	£150,000	11.3%
Scottish Borders Council (Capital)	£50,000	3.8%
Private Sector Contributions:	£255,500	19.3%
TOTAL	£1,327,000	

- (c) **SBC Contribution – Revenue**

SBC Economic Development service will contribute a total of £100,000 (average of £20,000 over 5 years) towards the Common Fund element.

SBC Planning & Regulatory Service will contribute £50,000 in total (average of £10,000 over 5 years) for the Proposal. This will come from existing budgets. The latter contribution will be set specifically against programme/ project manager costs. A dedicated project officer will be recruited to deliver the project and costs for this have been included in the overall bid. This is a specific requirement of Historic Environment Scotland CARS funding. It will provide the opportunity to deliver other heritage related requirements of the CARS proposal, for example, producing a Conservation Area Management Plan.

(d) **SBC Contribution – Capital**

A revised Project Business Case has been submitted to the Council's Capital Programme for the Town Centre Regeneration Project to include support for the CARS project a match funding contribution of £50,000 from this project in 2019/20. The Council requires to underwrite the match funding element for the purposes of the bid to Historic Environment Scotland.

5.2 **Risk and Mitigations**

- (a) The Proposal allows the deteriorating exterior fabric of key buildings in Jedburgh town centre to be addressed. Specifically, the Proposal will incorporate tackling the exterior of the Category A listed Port House, which will assist in the next stages of its redevelopment. If the bid is not successful, there will be further deterioration of these properties.
- (b) If the funding bid to Historic Environment Scotland is not successful, the Proposal will be reviewed and consideration given to a scaled down or re-phased option focusing on critical priorities.
- (c) If the funding bid to Historic Environment Scotland is successful then it will be necessary to satisfy the external funder's requirement of programme compliance and evaluation including audit requirements. Internal Audit assurance has been provided for the other heritage based town centre initiatives in Kelso and Selkirk with evidence of lessons having been learned, though this will require to be included in future audit plans.

5.3 **Equalities**

The Proposal seeks to address priority buildings and public realm elements in Jedburgh town centre based on their conservation and historic importance. This report highlights a regeneration development proposal and related funding bid. An Equalities Impact Assessment will be carried out at the appropriate stage of implementation to ensure there are no adverse equality implications.

5.4 **Acting Sustainably**

The Proposal seeks to address the exterior fabric of buildings and properties in Jedburgh town centre. As part of the programme of delivery, the works and proposition for each priority building, as well as applications for funding for properties to grant schemes, will need to consider the long term use and viability (including energy efficiency) of each of the properties.

5.5 **Carbon Management**

There are limited effects on carbon emissions from the design and delivery of this proposal.

5.6 Rural Proofing

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

5.7 Changes to the Scheme of Administration or Scheme of Delegation

No changes are required as a result of this report.

6 CONSULTATION

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

Approved by

Rob Dickson

Corporate Transformation & Services Director **Signature**

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Previous Minute Reference: None

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HAWICK HIGH STREET - NON-DOMESTIC RATES REVIEW AND LOAN PROPOSAL

**Joint Report by Corporate Transformation & Services Director and
Service Director Neighbourhood Services**

EXECUTIVE COMMITTEE

4 October 2016

1 PURPOSE AND SUMMARY

- 1.1 This report provides a review of Hawick Town Centre Non Domestic Rates and proposes a Business Loan & Grant Scheme.**
- 1.2 Officers have undertaken a detailed review of Non Domestic Rates payable by businesses in Hawick High Street, and the Reliefs already in place. Officers have also reviewed a submission from Future Hawick on the matter. The review concluded that a pilot Non Domestic Rates Local Relief Scheme for Hawick High Street should not be pursued. The extensive reliefs from non domestic rates already available such as Small Business Bonus Scheme, Empty Relief exemption for listed buildings and Fresh Start Relief would, it is considered, largely negate the effectiveness of the scheme. Instead, a scheme based on business loans and grants should be put in place.
- 1.3 The High Street Loan Scheme proposed would be targeted at the subdivision of existing larger retail units, improving their attractiveness for letting, as well as a grant incentive for businesses to relocate to the newly formed premises.

2 RECOMMENDATIONS

- 2.1 **We recommend that the Executive:**
 - (a) Agrees that a new initiative as an initial pilot for 2017/18 should be put in place to support property owners in Hawick to appropriately divide key vacant units in order to make them more lettable in the new economic climate as proposed in section 7; and**
 - (b) Asks the Corporate Transformation and Services Director to present a report in due course on the success of the new initiative.**

3 BACKGROUND

- 3.1 In February 2016 the then Business Minister, Fergus Ewing MSP, hosted a business breakfast in Hawick to meet with local businesses and discuss what they might do in response to the announcement of the closure of Hawick Knitwear and the loss of approximately 180 jobs. A range of business people from Hawick and other parts of the Scottish Borders took part in workshop sessions to consider potential opportunities for growing the economy.
- 3.2 A range of ideas and potential projects were highlighted by the gathered businesses. Following further meetings involving Council officers and representatives from Scottish Government, Scottish Enterprise and Skills Development Scotland, an Initial Hawick Action Plan was produced and circulated to all of the businesses and other attendees of the original business breakfast.
- 3.3 One of the strategic themes in the Initial Hawick Action Plan focuses on making Hawick a 'Great Destination to Visit' and aims to make a Hawick a great place to visit and stay. As part of that aim, the Action Plan details the need to work with local businesses to address the issues facing the High Street, particularly shop closures and the attractiveness and condition of the buildings.

4 NON-DOMESTIC RATES

- 4.1 Local authorities have been given discretionary powers under the Community Empowerment (Scotland) Act 2015 to reduce Non-Domestic Rates (NDR) from 31 October 2015. Under the new provisions local authorities can, if they choose, reduce or remit the NDR burden on certain properties. The properties must fall into the criteria of a Local Relief Scheme as defined by the local authority. The relief will cease to apply at a time determined by the authority or when there is a change in the occupation of the premises.
- 4.2 The aim of the new powers is to promote business growth in Scotland and to allow every local authority to reduce business rates in their area as they see fit. As this is a new provision the legal implications of any new schemes have not yet been tested. Before implementing any new Local Relief Scheme a clear policy needs to be defined to minimise the risks of legal challenge. In addition officers must consider the wider implications of any scheme by assessing scheme conditions against the comparative positions within the various Borders communities. To date only one or two other local authorities in Scotland have exercised these powers.
- 4.3 The Council has been working with Future Hawick to support actions in the town centre, aiming to improve the attractiveness of the town centre. One of the initiatives that Future Hawick has flagged as a potential benefit to the town is the use of the Council's new powers under the Community Empowerment Act 2015 to introduce additional reliefs from non-domestic rates for businesses. Recognising the significant challenges faced by Hawick High Street in terms of footfall and vacancy rates, Council officers have been working with Future Hawick to identify whether these new powers could be used to facilitate the regeneration of the High Street.

5 PROPOSAL FROM FUTURE HAWICK

- 5.1 Future Hawick has submitted a plan showing the clusters involving vacant shops and individual vacant premises which they consider currently to have the most detrimental effect on Hawick High Street. They argue that two issues require to be addressed in the case of these vacant shops: their appearance and occupancy.
- 5.2 As far as appearance is concerned, Future Hawick have suggested a limited Non Domestic Rates relief period for these properties, in return for an improved quality shop front appearance and regular evidence of a concerted marketing effort in respect of the premises. They suggest that failure to comply should result in rates being applied. Future Hawick also proposes that a sliding scale system of rates from zero to full payable value, perhaps over a five year period, should be introduced to assist new business start-ups in these vacant premises. Future Hawick believes that such an initiative would help improve occupancy prospects.
- 5.3 Future Hawick is also concerned that a policy that targets only vacant premises is limited, and that existing small local traders should also receive rates relief. They argue that if an initiative in respect of vacant properties is to be introduced, then there must be some sort of balance for the existing small traders. Future Hawick acknowledges that many traders currently qualify for varying degrees of rates relief, so they believe that a full "rates holiday" for a six month period for these businesses would have minimum impact on Council finances.
- 5.4 Future Hawick notes that the rates review in 2017 may bring an entirely different business rates system into being, but they feel that effective action is required now. Future Hawick believes that their proposed scheme could be introduced quickly and with minimum effort for the current financial year. They believe that it would help to bring High Street traders together, and at the same time, do much to help the regeneration of the town centre area.

6 REVIEW OF SUTURE HAWICK PROPOSAL

- 6.1 As set out in Section 5, a proposal has been submitted to Scottish Borders Council asking that it exercises its powers to reduce NDR chargeable within Hawick High Street. Council officers met with Future Hawick and discussed their proposal on a number of occasions, as well as providing support in collating information and building their business case. Officers have been working to consider how changes in Non-Domestic Rates may be used to influence business decisions and encourage businesses to occupy and use vacant properties on the High Street whilst bearing in mind a full Borders wide revaluation of NNDR will be applied from 1 April 2017 which may render any local scheme redundant.

- 6.2 There are currently 6811 properties with an NDR liability in the Scottish Borders although 66.73% of the 6811 properties already receive some form of exemption or relief. Of these, 3566 properties are fully remitted ie they pay no NDR. At present on the High Street in Hawick there are 134 properties with an NDR liability and 63% of those properties are fully remitted from rates, with a total of 83% of those properties receiving some form of reduction. It is not possible to cost the individual proposal in the absence of specific definitions however Officers estimate that to allow 100% Rates relief to High Street traders for 6 months during 2016/7 would cost the Council £94,000.
- 6.3 Currently empty rateable properties attract 50% relief for the first three months reducing to 10% thereafter. If the property is classed as industrial, a 100% relief applies for 6 months, reducing to 10% thereafter. Whilst these businesses are not trading they can still apply for Small Business Bonus Scheme (SBBS) relief as they have a right to rateable occupation. SBBS will be awarded relative to the Rateable Value (RV) of the premises, which means in most cases 100% of the liability is remitted. A range of empty properties are exempt from NDR even after the first three months of vacancy, including Listed Buildings and properties owned by a company that is being 'wound up'.
- 6.4 It is clear that under current provisions a high percentage of properties subject to NDR liability in the Scottish Borders are already in receipt of one or more of the existing reliefs, in particular the Small Business Bonus Scheme which gives 100% relief to properties with a RV of £18,000 or below. It can be strongly argued that all of the existing reliefs and exemptions are already effective in assisting local businesses and limit the potential impact that implementing a scheme under the Community Empowerment Act may provide. As the cost needs to be fully met by the Council's own finances, this will put a strain on other Council services.
- 6.5 Officers have been concerned since the Future Hawick proposal was first raised that it may prove unsustainable and unaffordable without delivering significant change. In view of the open-ended approach suggested in the proposal (which officers cautioned against), and particularly the suggestion of wider provision of relief to all existing businesses, officers consider that the proposal is unaffordable in the short term and unsustainable in the longer term for Hawick.
- 6.6 There are also serious concerns about the precedent that this relatively ambiguous approach would set in relation to other Borders towns, which also may make justifiable calls to implement a similar scheme in their town centres. On balance, these factors strongly suggest that new Local Reliefs should not be introduced in Hawick or any other town in the Scottish Borders at this time. A range of small scale town centre initiatives have been delivered by Future Hawick and the Council since 2010 including Shop Front Improvement Grant Schemes, a Shop jackets project, retail support seminars and website development improvements.

7.1 **SCOTTISH BORDERS COUNCIL RESPONSE**

Although officers consider that a NDR Local Relief Scheme is not an appropriate solution in Hawick, there is a need for a new initiative to address some of the key issues that Hawick, and other towns' High Streets are facing. Officers consider that it is particularly important to target the issue of larger shop units that have been vacant for long periods. These units have usually been occupied previously by national multiple retailers, but due to their changing business models, demand has diminished from this type of operator. Unfortunately, these units are often too large for more local businesses' needs, and because of their Rateable Value, they are not generally eligible for existing NDR reliefs.

- 7.2 Officers are proposing to implement a new initiative that would target these larger shop units, firstly in Hawick as an initial pilot for 2017/18. The pilot will be reviewed and rolled out to other Border towns where considered applicable. The new 'High Street Loan Support Scheme' would use the Council's existing Business Loan Fund allocation to provide loans to the owners/landlords of these key larger premises to allow work to be undertaken to sub-divide the larger space into smaller retail units. These units would then be easier to let as they would have lower rents and would be likely to be eligible for NDR Reliefs, assuming they are designed to the correct floor plan.
- 7.3 The High Street Loan Support Scheme would be complemented by an allocation from the Council's Business Grant Fund that would provide small one-off grants to the micro businesses that would be relocating to, or starting up in, the newly formed shop units. It is considered that this approach of encouraging owners to convert their premises and encouraging small traders into those spaces with a grant will be a more effective and targeted tool to encourage change than the use of an NDR Local Relief Scheme.
- 7.4 It is recognised that the convertibility of some premises may be an issue. The initiative will be tackling buildings in Conservation Areas and there are also likely to be a number that are Listed Buildings. With this in mind, it is recommended that the Council procure an appropriate architects/ building surveyor's practice to undertake feasibility work on the potential properties. Where owners agree, the consultants could provide sketch feasibility work to demonstrate to the owners what the implications would be of sub-division and conversion. Building Standards regulations will also be an important factor in working through successful conversions. This additional support would provide owners with a clearer view of the implications of the change and should help encourage them to undertake the work.
- 7.5 Buildings are most likely to be in Hawick and Galashiels Town Centres, but where there are appropriate buildings in other town centres in the Borders, these would also be eligible for this new type of support.

8 IMPLICATIONS

8.1 Financial

- (a) Before creating or amending an NDR relief scheme the Council must be mindful of its expenditure and income and the interests of those liable to pay Council Tax, as any loss of income must be funded by its wider budget and must not affect the income of the Rates Pool. A significant range of Government funded reliefs are already in place so any Local Reliefs that are introduced need to be targeted and the Council needs to be sure that they will deliver value for money. The proposal promoted by Future Hawick does not provide best value for the Council and Council Tax payers because of its wide targeting and open ended nature.
- (b) The proposed High Street Loan Support Scheme will be run under the existing Council Business Loan Fund as an initial pilot for 2017/18. This provides loans to small and micro businesses of up to £20,000. An allocation will also be made in the Business Grant Fund to ensure that a minimum of £25,000 per annum is ring-fenced to support small businesses seeking to let one of the newly formed units supported by the High Street Loan Support Scheme. Grants of up to £5,000 will be available to these businesses. Decisions on these loans and grants will be made by the existing officer panel.

8.2 Risk and Mitigations

There is a reputational risk to the Council if it does not use its new powers under the Community Empowerment (Scotland) Act 2015 as a way of encouraging local economic activity and growth. However, the proposal made by Future Hawick will not deliver its stated objectives. The alternative solution proposed in the report addresses the key issue of large, vacant shop premises in a more targeted and cost effective way. There is also a financial risk to the Council of introducing a pilot Local Relief scheme that would be unaffordable were it to be subsequently rolled out across other parts of the Borders. This risk will be mitigated by not initiating any new Local Relief Scheme at this time.

8.3 Equalities

It is anticipated that an Equalities Impact Assessment would be required in relation to the operation of the Loan Scheme to ensure that there are no adverse impacts due to race, disability, gender, age, sexual orientation or religious/belief arising from this report.

8.4 Acting Sustainably

The introduction of the High Street Loan Support Scheme could help to make local economies more sustainable by encouraging additional economic activity and growth.

8.5 Carbon Management

It is not anticipated that the proposal in this report would have any adverse impact on carbon emissions. There could be a positive impact as any conversion will be undertaken to modern building standards, which should ensure that the premises become more energy efficient than they are at present.

8.6 Rural Proofing

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

8.7 Changes to Scheme of Administration or Scheme of Delegation

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

9 CONSULTATION

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council are being consulted and their comments will be incorporated into the final report.

Approved by

Rob Dickson
Corporate Transformation
and Services Director

Signature

Jenni Craig
Service Director
Neighbourhood Services

Signature

Author(s)

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Background Papers:

Previous Minute Reference:

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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 September 2016 at 10.00 am

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

Also Present:- Councillors I. Gillespie.

Apologies:- Councillors S. Bell.

In Attendance:- Chief Executive, Depute Chief Executive (People), Depute Chief Executive (Place), Chief Financial Officer, Corporate Transformation and Services Director, Service Director Regulatory Services, Democratic Services Team Leader, Democratic Services Officer (F. Henderson).

1. **MINUTE**

The Minute of meeting of the Executive Committee of 6 September 2016 had been circulated.

DECISION

APPROVED for signature by the Chairman.

2. **DELIVERING EXTRA CARE HOUSING IN THE SCOTTISH BORDERS: A DELIVERY FRAMEWORK 2017 - 2022**

There had been circulated copies of a report by the Service Director Regulatory Services which set out the proposed delivery framework for up to six extra care housing developments across the main towns in Scottish Borders in order to meet identified need and deliver on the Council's corporate priorities of shifting the balance of care. The initial priorities for investment had been identified as Duns, using Trust Housing and Langhaugh, Galashiels using Eildon Housing Association. The report explained that the needs assessment for extra care housing previously undertaken, and reported to Members in March 2016, concluded that there was a large projected need for this type of housing model across all the main towns in the Scottish Borders. Through an option appraisal approach, the study also concluded that it would be best value if the projects were developed, owned and managed by Registered Social Landlords. The proposed delivery framework utilised Council owned sites where feasible and maximised the Scottish Government grant provision, including RSL private sector borrowing over the next five years of the Strategic Housing Investment Plan. It was anticipated that these would be high cost projects that were likely to require some gap funding from the Council's Affordable Housing Budget. It was envisaged that these developments would provide extra care housing for social, mid-market rent and shared equity options, all of which were considered as being compliant with the Council's Affordable Housing Policy definitions. Further individual site specific feasibility studies were required to test the financial modelling. Cathie Fancy, Group Manager (Housing Strategy & Services) was present at the meeting to answer Members questions. In relation to the future management of the proposed facilities, Ms Fancy advised that there would be a further report presented, detailing the management arrangements. In response to questions Ms Fancy advised that the framework was flexible enough to take account of needs as they arose and the service was always interested in new sites which became available. In response to a question on what work was being done in rural areas, Ms Fancy advised that work was being done Council wide in areas where most need had been identified she also commented on work that had been done with Bridge Homes for young people in rural areas.

DECISION

- (a) **ENDORSED** the approach to deliver new extra care housing developments in the Scottish Borders and for inclusion in the Strategic Housing Investment Plan 2017-2022, commencing with developments in Duns and at Langhaugh, Galashiels.
- (b) **AGREED:-**
- (i) to assist the development of these extra care housing projects by using the 2nd Homes Council Tax budget to compensate the 10-year Capital Investment Programme (where applicable) on the basis of affordable housing valuation for the sites.
 - (ii) in principle to use 2nd Homes Council Tax and Developer Contributions to address the funding gap associated with this type of development potentially above affordable housing benchmark eligible grants.
- (c) **NOTED:-**
- (i) the Extra Care Housing Strategy set out in the report provided a major investment in the care sector that would make a significant contribution to the care and support of elderly and vulnerable adults across the Scottish Borders.
 - (ii) that a further progress report will be submitted when costed design specifications have been completed for Duns and Langhaugh.

MEMBER

Councillor Davidson joined the meeting during consideration of the following item.

3. PRIVATE BUSINESS

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 paragraphs 6 and 9 of part 1 of schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

4. MINUTE

The Committee approved the private Minute of 6 September 2016.

5. THE GLEN HOTEL, SELKIRK – WALL REFURBISHMENT

The Committee approved a report by the Depute Chief Executive Place subject to the amendment of the recommendations.

The meeting concluded at 10.50 a.m.

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