

17th November 2016

Canal House
1 Applecross Street
Glasgow
G4 9SP

Great Tapestry of Scotland Independent Review
Galashiels Transport Interchange

Tel: 0141 354 7515

www.scottishcanals.co.uk

Purpose

1. As agreed with the Cabinet Secretary, the objective of the workshop was to carry out an independent review of the business case for locating the Great Tapestry of Scotland at Galashiels, and to compare this with the business case for Tweedbank.
2. The review was done by bringing together representatives from Scottish Borders Council with SG Officials (representing input from Culture, Finance, and Assurance) and members of the Blueprint Leadership Group, chaired by an independent adviser.
3. The assessment process followed a pre-agreed template which combined the Scottish Enterprise Stage 3 Appraisal Process with the Scottish Government Milestone Review Framework for Major Capital Projects.
4. The outcome of the workshop is a recommendation on the location that is most likely to meet Scottish Ministers' expectations on the scope of the project, and a series of actions to ensure the business case is as robust as possible. This will allow consideration of the recommendation by the Borders Railway Blueprint Leadership Group and Scottish Ministers, with a view to providing a final recommendation to the Scottish Borders Council.

Attendees

Steve Dunlop, Chief Executive Scottish Canals, Chair
Sam Smith, Blueprint Programme Manager, Note of discussion points
Andy Bruce, Location Director, Scottish Government, and Blueprint Leadership Group
Susie Stirling, Placemaking & Blueprint Champions Group, Scottish Government
David Dunsmuir, Assurance, Scottish Government
Riddell Graham, Director, VisitScotland, and Blueprint Leadership Group
Tracey Logan, Chief Executive, SBC
Rob Dickson, Director, SBC
Ewan Doyle, Team Leader, SBC
Chris Virtue, Project Manager, SBC
David Paton, PagePark Architects
Paul Jardine, Jura Consultants

The Scottish Borders Council officials and their advisers left the meeting before the recommendation and next steps were agreed.

Input in advance of meeting

Fiona Lim, Culture, Scottish Government
Derek Glover, Finance, Scottish Government

Recommendation

The group agreed that the Galashiels option has the potential to deliver a successful tourism and regeneration proposition in a way that the Tweedbank option does not. The inclusion of the Post Office building as part of the Galashiels proposal provides the opportunity for additional educational and community use that is not a feature of the Tweedbank proposal. Furthermore, the Galashiels site, unlike the Tweedbank site, benefits from a significant degree of community support and is consistent with the Scottish Government's "Town Centre First Principle" in relation to placemaking and regeneration. For these reasons, the Panel's view is that the Galashiels option is significantly more likely to deliver Scottish Ministers' expectations for the project. However, further work is required on the business case in order to demonstrate the feasibility of the project and, therefore, allow the Panel to confirm its position.

In summary, the group has agreed that the business case should be 're-cast' to provide a strong story about the development of the project and the outcomes and benefits that will be delivered; that this is underpinned by cost testing; that both income and spending is stress tested; and that a funding strategy is put in place to attract private and third sector funding.

Agreed Actions

A new document to supplement the existing Galashiels business case should be prepared to take account of the following points:

- The project will be delivered in a single phase, combining new build and the old post office within a £6.7m total project cost.
- Cost information should be provided by the project team to demonstrate the robustness of the costings and to confirm the project is deliverable within a budget of £6.7m.
- Confirmation that the current funding shortfall of £0.7m will be underwritten by SBC, pending the outcome of bids to other funding providers.
- A more robust assessment of the operating viability of the project, including details of how any short-term resource funding shortfalls will be managed by SBC. The business case should set out the strategy for ensuring the project will become a commercially viable proposition.
- The inclusion of a table to compare the project costs and benefits at both Galashiels and Tweedbank (with support from appraisal teams at SG and SE). This 'comparison paper' will include comparison of the economic impact of both projects, and other quantitative and qualitative ('cashable and non-cashable') benefits.
- Details of how the project will unlock further private and third party funded regeneration investment, delivered separately via a Blueprint funded Masterplan for Galashiels.

The document should also provide the following:

- Consideration of alternative operating model to reduce costs, and explanation of governance options at both Galashiels and Tweedbank
- Exploration of additional income generating activity (with support from commercial team from Scottish Canals)
- Narrative to demonstrate delivery of national economic and tourism strategies
- Narrative providing further detail on how and where dedicated or flexible spaces will function to facilitate education and community use, ensuring the maximum impact/outcomes from these activities
- Narrative to explain stress testing solutions for managing visitor numbers in operational plan
- Narrative to explain lessons learned from Tweedbank (including completion of additional visitor survey and additional cost testing)
- Narrative to explain community consultation and local impact further, including delivery of BIDs proposal in Galashiels and regional support

- Consideration of digital angle
- Narrative on price point differentials at Tweedbank and Galashiels, to explain 'average income' in each model
- Presentation of a Benefits Realisation Plan (linked to Blueprint monitoring framework)
- Development of a third party funding strategy (taking into account HLF, HES and RCFG opportunities)

Next Steps

Once the business case has been revised to take account of these points, the Panel will take a view on whether to recommend its submission to the Borders Railway Leadership Group for approval.

A handwritten signature in black ink, appearing to read "S. Dunlop". The signature is written in a cursive, flowing style.

Steve Dunlop
Independent Chair

