

EXECUTIVE COMMITTEE – 5 DECEMBER 2017

Economic Development Update

1. Business:

- From August to October 2017 the Business Gateway team assisted **54 business start-ups**, of which 5 have met the new classification of 'Early Stage' growth. The Advisers have delivered 15 start-up workshops and 20 Growth workshops with 509 attendees.
- Business Gateway continues to work across the Scottish Borders meeting with a number of intermediaries (such as bank managers, accountants and solicitors), promoting the services for small businesses that are available through Business Gateway and the Council. In total 60 Intermediary visits have been held during the period.
- The first Scottish Borders Business Conference was held in October 2017 with 140 business attending along with a further 30 people. Nine individual workshops were held on the day as well as 3 main keynote speakers. There were requests from 12 businesses to work with Business Gateway following the event.
- For the period from 23 August 2017 to 14 November 2017, the **Scottish Borders Business Fund** received 11 applications and approved 8 grants valued at £23,825.27, supporting projects with a value of £49,712.15. These projects are forecast **to create 7.5 jobs** with a forecast **economic impact of £164,065 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 23 August 2017 to 14 November 2017, the Loan Fund received 4 applications and approved 2 loans, valued at £40,000. These loans are forecast **to create 3 jobs** with an estimated forecast **economic impact of £108,636 GVA**.

2. Regeneration:

- **Jedburgh Marketing** – a Jedburgh Marketing / Tourism business group has been established to help improve and promote the town centre. The Group has completed a tidy-up of key visitor areas in the town centre including Abbey Ramparts and the High Street with input from local businesses and volunteers. The Group is also progressing the development of the town website, new visitor leaflets, pop-up displays for empty shops and town entry signage.

- **Scottish Government Regeneration Capital Grant Fund 2017** –The Fund is aimed at providing new and/ or improved infrastructure through capital expenditure supporting projects in 2018/19 – 2020/21. The focus for Round 5 is for projects that are capable of starting in the financial year 2017/18 and of fully utilising the grant allocated for that financial year. Two applications were submitted at the first stage of the application process:
 1. Regenerating Galashiels - Great Tapestry of Scotland.
 2. Eastgate Theatre Extension & Refurbishment, Peebles.

The Great Tapestry of Scotland, Galashiels has been invited to progress to a Stage 2 application with a deadline in early December 2017. Notification will be given to applicants of funding recommendations by the end of February 2018.

- **Tweed Valley Tourism BID (Business Improvement District)** the Tweed Valley Tourism Consortium has been successful in securing Scottish Government Seedcorn funding for the development of a Tweed Valley Tourism Business Improvement District. The aim of the BID is for the Tweed Valley to be a recognised brand in the UK; to promote a year round events programme and to strive to be the greenest destination in the UK. The BID is seeking to capitalise on the world class mountain biking and events that take place in the Tweed Valley and ensure that a large range of other activities support and add diversity to the visitor offer in the area.

3. Tourism & Events

- **Midlothian Borders Tourism Action Group (MBTAG)** - This project has secured over £400k from Scottish Enterprise and the Borders Railway Blueprint to deliver tourism business-to-business activity over a two year period. Between September and November 2017, 2 business-to-business events have been delivered including a Tourism Showcase networking event at the Transport Interchange for businesses in Midlothian and the Scottish Borders.
- **Scottish Borders Tourism Partnership.** Cabinet Secretary, Fiona Hyslop used the Borders Railway to visit the Scottish Borders Tourism Partnership in Galashiels on 8 November 2017. Included in discussions, were the opportunities around the Tapestry, and the vision of the Group for future tourism growth. The group also celebrated welcoming their 500th member on the same day.
- **Tour of Britain** – The Tour of Britain evaluation report has now been completed. The estimated spectator figures at stage one in the Scottish Borders was: 7,000 in Kelso and 3,000 along the route. Total net expenditure has been calculated at £285k for the Scottish Borders and £627k for Scotland. Of the visitors, 70% were from Scotland, and 8% from England. 23% stayed overnight. As part of the next 5 year plan between SweetSpot and EventScotland, the next time the Scottish Borders could potentially host the Tour of Britain will be 2020.

- **Scottish Borders Heritage Festival (Lighting the Borders)** - The Festival secured funding of £93K, it delivered 204 events across 89 sites in the Borders which attracted 33,000 visitors (27% from outside the area). The event gained 'Signature' event status for the Year of History, Heritage and Archology.
- **Cycling Events** – The total number of cycling events which took place in the Scottish Borders totalled 44 (10 of these went through the SAG process).

4. Funding:

- **European funding** continues to be available to projects through the Scottish Borders LEADER and European Maritime Fisheries Fund 2014 – 2020 programmes. The UK and Scottish Governments have confirmed that applicants whose grant funding is agreed and contracted before the point of 'Brexit' will be able to complete their projects, even if the work is scheduled to take place after leaving the EU.
- The **LEADER Local Action Group** has approved grant funding of £1.62m so far in 2017, including 17 community, 3 farm diversification, 8 rural business development and 2 Enterprise Facilitator projects. Up to 10 applications are expected for consideration by the Local Action Group in January 2018.
- The **Forth Fisheries Local Action Group** has met 3 times and has recommended 6 projects to Marine Scotland, committing £264k of funding. In total, 22 Expressions of Interest have been received, with 3 not progressing. The latest FLAG committee was held on 23 November 2017, where 4 projects totalling £172k were considered.

5. Property & Projects:

Galalaw Business Park:

- This development is part of the Hawick Business Growth project which is being funded by Scottish Government. A feasibility study was undertaken by the Council's Architects in January 2017 and a planning application was lodged at the end of March. The first full design team meeting, involving external consultancies, took place at the end of April 2017 and the site investigation was undertaken in mid-May to enable further development of the site layout. An application for a Building Warrant was submitted in early July. Planning approval was awarded on 1 August. Following completion of all contract documents, bills of quantities and drawings, tenders were issued on 1 September 2017. Twelve tenders were received and the contract was awarded to local company Roger (Builders) Ltd of Earlston. Work is now starting on site, with a draft programme indicating completion by the summer of 2018.
- **Property** - 115 general property enquiries have been received to date in 2017/18. This has resulted in a total of 14 new property leases which will generate £65.5k in annual rental income for the Council. With regard to the Council's portfolio of leased industrial units, yards and shops, the occupancy level for the first quarter of 2017/18 is **86.6%**.

- The 115 property enquiries to date include 26 enquiries about purchasing plots. Of these, 7 are at the start of detailed exploration of business requirements and the cost implications. Sales are in hand for 2 enquirers from this year and 4 earlier enquiries. These sales are for plots at part-EU funded sites at Coldstream, Hawick and Lauder, and other employment land in Eyemouth, Hawick, Jedburgh and Kelso.

6. Low Carbon Economic Strategy

- **Resource Efficient Scotland** – since adopting the current referral process between Business Gateway and Resource Efficient Scotland (RES), 30 businesses have been referred. The businesses are at a variety of stages of assessment from initial ‘Service Request’ to audit completion and implementation. One business has been successful in securing a capital contribution from the Carbon Trust to undertake a significant lighting upgrade project, and is now pursuing funding to develop a heat recovery initiative.

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