

EXECUTIVE COMMITTEE – 29 January 2019

Economic Development Update

1. Business:

- From October to December the Business Gateway team assisted **35** business start-ups, of which **4** met the classification of 'Early Stage' growth. The Business Gateway Advisers have delivered **5** start-up workshops and **7** Growth workshops with 100 attendees. Growth Advisers continue to work with companies who have potential to achieve growth targets and have put **13** businesses through segmentation and provided **4** businesses with specialist consultants to work on projects.
- Business Gateway continues to work across the Scottish Borders meeting with a number of intermediaries promoting the services available through Business Gateway and the Council. In total **63** Intermediary visits have been held during the period.
- Business Gateway Advisers have facilitated **6** Digital Boost 1-2-1s for clients.
- For the period from 16 October 2018 to 31 December 2018, the **Scottish Borders Business Fund** received 5 applications and approved 4 grants valued at £14,585.00, supporting projects with a value of £32,215. These projects are forecast **to create 9 jobs** with a forecast **economic impact of £141,208 GVA**.

2. Regeneration:

- **Jedburgh CARS** – the first CARS funded repair projects have now been completed and grant funding paid out totalling £54,865 (Retrospective claims). The December 2018 deadline for applications for CARS funding received 19 individual applications seeking funding to repair 6 properties (the properties were in multiple ownership). Fifty five enquiries for CARS funding have now been received with a total of 29 applications submitted and either awarded funding (£110,000 for 11 applications) or the applications being assessed. The aim to have awarded 25% of CARS funding by the end of Year 2 (31 March 2019) is on target. The first application for funding to repair a 'Priority Building' has been made and is being assessed.
- **Hawick Conservation Area Regeneration / CARS Proposal** – the proposal has been submitted to Historic Environment Scotland (HES) in time for their November 2018 deadline. Officers are waiting for feedback from HES with regards evaluation of the proposal and funding bid.

- **Hawick Business Growth Project**

Armstrong's Redevelopment, Hawick - A planning application has been submitted for the demolition of the former Armstrong's department store building in Oliver Crescent and two former church buildings in Teviot Crescent are removed to make way for the redevelopment of the site. A new three-storey building will be created, providing a hub and office space for up to 17 small and start-up business.

 - Galalaw Business Park - the four industrial units are now completed. A number of businesses have expressed interest in renting and the first tenant moved in on 17 December 2018. It is intended to hold a formal opening with the appropriate Scottish Government Minister as soon as a suitable date can be agreed.
 - Feasibility studies for the regeneration of other key properties, with the aim of helping to inform potential investors, are being progressed.
- **Galashiels BID** – Galashiels businesses voted to reject a Business Improvement District (BID) in the town centre. The ballot is measured by the number of votes and level of Rateable value (RV) and both must be positive for the ballot to be successful. The ballot was positive in terms of number of votes but not in terms of RV. . The Council will continue to work with Energise Galashiels and other partners to help encourage regeneration activity in the town.
- **Selkirk BID** –various projects are progressing including the successful farmers markets and town centre events; development of a town brand identity; new signage to complement the streetscape signage; and the development of a new town website to market Selkirk more effectively.
- **Tweed Valley Tourism BID** - the Tweed Valley Tourism BID project managers are currently progressing consultations with target businesses and plan to draft an initial business plan early in 2019. The BID is aiming to progress to ballot in October 2019.
- **Hawick Textiles Training Centre for Excellence**

The aim of the new training centre is to tackle a critical skills shortage hampering textiles companies' efforts to boost their production and productivity. A funding commitment of £610,000 has been confirmed by the South of Scotland Economic Partnership to support the set up and delivery of the project for the first two years.

Alistair Young has now been appointed as the Centre Manager and Hawick High School has been selected as the location for the Centre. This is an excellent opportunity to integrate textiles with the High School and give the opportunity to learn about this important sector while at school. The Centre is available for trainees of all ages. The project has been a close partnership with the textile team at Scottish Enterprise and Skills Development Scotland, led by Scottish Borders Council. The local textile businesses are supportive and keen to make a success of the project.

- **Made in Hawick** – This brand has been produced to highlight the town's internationally renowned products to a global market. This initiative has the support of more than 20 Hawick businesses and aims to position the town as the place for visitors to buy top quality Scottish products. The project is commissioning a website, a leaflet is in production, and marketing will start on completion of this marketing collateral.
- **Scottish Government Regeneration Capital Grant Fund 2018** is aimed at providing new and/ or improved infrastructure through capital expenditure supporting projects in 2019/20 – 2021/22. Two applications were successful at first stage of the application process: Newcastleton Enterprise Pods & Learning Centre and Stow Station House Regeneration. The Newcastleton project has since been withdrawn but it is anticipated that this project will be brought forward in future years. Stage 2 applications were assessed by the Assessment panel in mid-January with the outcome expected by early February 2019.

3. Tourism & Events:

- Midlothian and Borders Tourism Action Group (MBTAG) were successful in their application for funding to deliver a phase two legacy project through LEADER and Borders Railway Blueprint. The project is a cooperation project between Midlothian and Scottish Borders and will include additional travel trade concept testing, market research and digital content creation for businesses within the two areas.
- **MBTAG “Idea’s fund”** was opened for one round in December 2018 and received over 25 applications. Ten businesses were successful in receiving funding for product development around the themes of Heritage, Adventure, Food and Drink and “Behind closed doors”
- Event enquiries – Council officers have been working with a range of event organisers over the last few months. This includes popular events already in the event calendar as well as new events for 2019/20 including Transcend, European World Series (EWS), Tour of Britain, Brick and Steel County Rally, Borders Book Festival, Melrose 7s, the Proclaimers event, Borders Art Fair as well as other potential new events . Support has also been provided with an options appraisal for a revised Borders Heritage Festival.

4. European Funding Programmes:

- **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 LEADER grant funding is agreed and contracted by June 2019 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 just over £3m to date, including 25 community, 6 farm diversification, 12 rural business development, 3 Enterprise Facilitator projects and 6 cooperation projects. A further 8 applications totalling £270k will be considered by the Local Action Group in February 2019.
- The **Forth Fisheries Local Action Group (FLAG)** has recommended 26 projects to Marine Scotland, committing £861k of funding to date - split Scottish Borders £247k (8 projects) / East Lothian £240k (10 projects) / Fife £374k (8 projects). In total, 38 Expressions of Interest have been received, with 3 not progressing. Remaining fund totals £190k. Marine Scotland has confirmed the UK Treasury has extended its guarantee on funding and that all EMFF contracts (awards) signed before the end of 2020 will be met.

5. Property & Projects:

- **Property** - 133 property enquiries have been received to date in 2018/19. This has resulted in a total of 21 new leases, including the first tenant at Galalaw. £92.9k in annual rental income has been generated for the Council, 83.5 FTE jobs will be supported and 33.5 FTE new jobs potentially created over the next five years. The new leases include 2 inward investment businesses. With regard to the Council's portfolio of leased industrial units, yards and shops, the occupancy level for the last quarter (Oct to December 2018) is **89%**.
- The 133 property enquiries include 19 enquiries to purchase plots. The sale of the last 2 available plots at Pinnaclehill, Kelso was progressed in December 2018. Land at Tweedbank was also advanced towards sale. These land sales support 21.5 FTE jobs and offer the infrastructure for the creation of 19 FTE new jobs. Both sales have been forwarded for completion to the Corporate Landlord. Sales discussions for serviced plots continue with growing businesses interested in developing in Coldstream, Duns, Eyemouth, Lauder and Selkirk.

6. Low Carbon:

- Resource Efficiency – referral process for businesses from Business Gateway to Resource Efficient Scotland continues to develop, with the total number of referrals reaching 46 over the last two years. This is second highest referral rate for any Scottish Local Authority area, showing the benefit of support from the Business Gateway service. 24 projects have been identified for further support from these referrals.
- As part of the Change Works in Peebles (CWIP) energy efficiency project, an assessment of local supply chain opportunities has been agreed with a local consultancy. The work is intended to identify opportunities and barriers to local businesses engaging in the installation of energy efficiency measures. An on-line survey is being run as part of the project, to assess views of the construction sector, and a workshop is scheduled for 5 February 2019 to encourage further discussion around the key opportunities and barriers for energy efficiency projects in the local area.

- The Council is working with the Energy Saving Trust on a feasibility assessment for the extension of the electric vehicle charging network in the Galashiels, Melrose, Tweedbank and Newtown St Boswells area. This support will help to identify key locations for possible public charge points and their specification (rapid, fast, standard speed), based on projected levels of uptake of EVs.

7. South of Scotland Enterprise:

Council officers worked with Senior Elected Members to ensure that the Council's evidence submission to the Parliamentary Committee was submitted by the 7 January 2019 deadline. The Scottish Parliament's Rural Economy and Connectivity Committee met in Dumfries on 14 January 2019 to hear evidence from Scottish Borders Council, Dumfries & Galloway Council and the South of Scotland Economic Partnership. Community groups and stakeholders also gave evidence at a second panel session that evening. Mr Dickson, Lead Officer for the South of Scotland Economic Partnership, will provide an additional verbal update at the Committee meeting.

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