

SCOTTISH BORDERS COUNCIL EXECUTIVE COMMITTEE

MINUTE of Meeting of the EXECUTIVE
COMMITTEE held in the Council Chamber,
Council Headquarters, Newtown St Boswells,
TD6 0SA on Tuesday, 29 January, 2019 at
10.00 am

Present:- Councillors M. Rowley (Chairman), S. Aitchison, G. Edgar, C. Hamilton, S. Haslam, E. Jardine, S. Mountford, R. Tatler, G. Turnbull and T. Weatherston

Apologies:- Councillor T. Miers

In Attendance:- Executive Director (R. Dickson), Chief Officer Economic Development, Clerk to the Council, Democratic Services Officer (F. Walling)

ECONOMIC DEVELOPMENT BUSINESS

Present:- Mr J Clark (Borders Chamber of Commerce)
Apologies:- Mr G Clark (Federation of Small Businesses)

CHAIRMAN

Councillor Rowley chaired the meeting for consideration of both the Economic Development and other business.

MEMBER

Councillor Aitchison joined the meeting during the following update.

1. ECONOMIC DEVELOPMENT UPDATE

- 1.1 With reference to paragraph 2 of the Minute of 6 November 2018, there had been circulated copies of a briefing note providing an update on recent Economic Development activities. The Chief Officer Economic Development, Mr McGrath, summarised the main points. With regard to business activity during the quarter, Business Gateway had assisted 35 business start-ups and 4 of these had met the new classification of "Early Stage" growth. The Scottish Borders Business Fund had received 5 applications between 16 October 2018 and 31 December 2018, and approved 4 grants valued at £14,585. These projects were forecast to create 9 jobs with a forecast economic impact of £141,208 GVA. In terms of regeneration activity, the Jedburgh CARS programme was ongoing and feedback was awaited regarding the Hawick Conservation Area Regeneration/CARS Proposal which had been submitted to Historic Environment Scotland. The Hawick Business Growth Project was underway with a planning application submitted for the demolition of the former Armstrong's Department store and two former churches to make way for redevelopment to create a new three-storey building providing a hub and office space for up to 17 small and start-up businesses. In response to a Member's question, Mr McGrath confirmed that the demand for this type of small 'incubator' office space in that area had been evidenced. A further initiative in Hawick was the establishment of a Textiles Training Centre for Excellence at Hawick High School, where Alistair Young had recently been appointed as Centre Manager. The aim of the new training centre was to tackle a critical skills shortage hampering textiles companies' efforts to boost their production and productivity. A funding commitment of £610,000 had been confirmed by the South of Scotland Economic Partnership to support the set up and delivery of the project for the first two years.

- 1.2 Members expressed disappointment with the result of the vote in Galashiels to reject a Business Improvement District (BID) in the town centre. The ballot had been positive in terms of number of votes but not in terms of Rateable Value. The Executive Director, Mr Dickson, confirmed that the Council would continue to work with Energise Galashiels and other organisations with the aim of taking forward the action plan which had been part of the BID process, thereby capitalising on the enthusiasm for ongoing regeneration within the town. In terms of European Funding Programmes, Mr McGrath advised that clarification from the UK and Scottish Governments had confirmed that applicants whose LEADER grant funding was agreed and contracted by June 2019 would be able to complete their projects, even if the work was scheduled to take place after leaving the EU. With regard to the Council's portfolio of leased industrial units yards and shops, the occupancy level for the last quarter was 89%. The 133 property enquiries included 19 enquiries to purchase plots. The sale of the last 2 available service plots at Pinnaclehill, Kelso was progressed in December 2018. In response to a question, Mr McGrath clarified that the plots referred to were Council-owned and that there were other plots still available at Pinnaclehill.
- 1.3 With regard to the South of Scotland Enterprise, the Council's evidence submission, as part of the consultation on the South of Scotland Enterprise Bill, had been submitted. Mr Dickson, Lead Officer for the South of Scotland Economic Partnership, gave a verbal update. Formal evidence was given at the Scottish Parliament's Rural Economy and Connectivity Committee which met in Dumfries on 14 January 2019 by Scottish Borders Council, Dumfries & Galloway Council and the South of Scotland Economic Partnership and evidence was also given at two subsequent workshops which also involved community groups and stakeholders. The main themes focussed on economic challenges around rurality within the South of Scotland, the most sparsely populated area of Scotland outside the Highlands and Islands. Mr Dickson drew attention in particular to the demographic projections in terms of population for the South of Scotland in comparison to other areas, which he believed were poorly understood and which had stark implications in terms of pressure on the working age population. In discussions about boundaries there had been no proposals for boundary changes from the Local Authorities concerned. In terms of economic growth it had been emphasised that support from the South of Scotland Agency for businesses and economic activity would be inclusive and span all areas. Initial proposals in terms of operation of the Agency were for a hub and spoke model with locality offices working through a nominated hub. The debate around Stage 1 of the Bill was due to close at the end of March 2019 with the aim of the new Agency being delivered by 1 April 2020.

DECISION

NOTED the update.

2. VISITSCOTLAND ICENTRE UPDATE

- 2.1 With reference to paragraph 3 of the Minute of 5 December 2017, there had been circulated copies of a report by the Executive Director giving an update on how VisitScotland was responding to new trends in the way visitors accessed information. Indications were that online usage for visitor information and booking would continue to rise. In line with this trend, Scottish Borders' VisitScotland iCentres had experienced a general decline in footfall in recent years. Melrose and Kelso iCentres had now closed and in Peebles the visitor numbers had decreased by 70% since 2006. VisitScotland operations would cease at the Peebles location at the end of February 2019. Conversely there had been a significant rise in website visits and digital referrals to Scottish Borders businesses. VisitScotland, in partnership with Scottish Borders Council and local tourism businesses, was aiming to provide more information, to more visitors through even more outlets than at present. VisitScotland was aiming for closer working with local businesses so that visitors could access good information from local experts. Since rolling out the VisitScotland Information Partner (VIP) Programme, 102 businesses in the Scottish Borders had become VIP accredited. A new partnership had been set up with Live Borders to identify key locations where visitors would seek out information, such as

libraries or museums. Heart of Hawick Visitor Information Centre would change hands and be fully operated by Live Borders by March 2019. One of the key elements of the VisitScotland strategy was the creation of 26 Regional Hubs across Scotland from the current network of iCentres. Having listened to the feedback from Scottish Borders Council and other local partners, VisitScotland had decided that the existing Jedburgh site would currently be the best location for the Regional Hub for the Scottish Borders.

- 2.2 In a discussion of the report Members welcomed the expansion of the VIP programme across the Borders, pointing out that the value of personal contact for visitors obtaining information from local businesses and other outlets should not be underestimated. In response to a question as to how to attract more tourists into the Borders from the Edinburgh area, Mr McGrath referred to the strong strategic approach and work being carried out by the business-led Midlothian and Borders Tourism Action Group (MBTAG) to tap into the Edinburgh tourist market via the Borders Railway. Councillor Haslam referred to the visitor information data provided within the report showing that the Peebles iCentre was busier than the Jedburgh iCentre and questioned why Jedburgh was thought to be the best location for the Scottish Borders Regional Hub. Mr McGrath emphasised that this was a VisitScotland decision but that there was a strong logic for the choice of Jedburgh: the town was close to the national border; the building was owned by VisitScotland; there was good availability of parking; and in consideration of the volume of coach traffic there was access on an arterial route from the Borderlands area. In terms of Peebles there were already 14 VIP Partners in the Tweeddale area, including Glentress Forest and Traquair House, which between them currently welcomed in excess of 350,000 visitors each year. VisitScotland was also pursuing a partnership agreement with Tweed Valley Tourist Consortium which would see an additional 60+ businesses from the Tweed Valley area join the VIP programme, as a collective. Members indicated their support for the identification of the Jedburgh site as the VisitScotland Regional Hub in the Scottish Borders. Councillor Haslam believed it should be located in Peebles and asked for this to be noted.

DECISION

AGREED to:-

- (a) **note the further changes made by VisitScotland to visitor information provision in the Scottish Borders;**
- (b) **welcome the increased involvement of local tourism businesses in the VisitScotland Information Partners (VIP) programme in the Scottish Borders; and**
- (c) **support the identification of the existing visitor information site in Jedburgh as the 'VisitScotland Regional Hub' in the Scottish Borders.**

3. SCOTTISH BORDERS COUNCIL EVENTS PLAN 2014-2020 - UPDATE

- 3.1 With reference to paragraph 4 of the Minute of 5 December 2017, there had been circulated copies of a report by the Executive Director providing an update on the Council's Events Plan 2014 – 2020 and highlighting key events and other progress made during 2018. The report explained that the Council successfully facilitated and supported the delivery of a wide range of regional, national and international events. This coordinated and targeted approach to promoting events in the Scottish Borders has had a significant impact on the economy, generating an estimated economic impact of almost £4 million in 2018. The updated Events Plan 2014-2020 set out in Appendices 1 and 2 to the report outlined the approach to prioritising event support activity and highlighted key achievements to date. Some of the key highlights in 2018 were: Melrose Rugby 7s where an Emerging Talent event allowed U15s to show off their skills and the main event included the University of Edinburgh side; Borders Book Festival which was now one of the top three literature festivals in Britain; Tweedlove Festival; the Scottish Blind Golf Championship at Cardrona; Riverside Rock in Jedburgh; and Doddie's Ride, a cycle event

in aid of the Doddie Weir Foundation. The report went on to summarise new or expanded events being delivered in 2019. The Council was also keen to explore the opportunity for event development across the South of Scotland and North of England with other event partners and stakeholders linked with funding opportunities through the South of Scotland Economic Partnership and the Borderlands Initiative.

- 3.2 Members were encouraged by the Events Plan and commented on the success of particular events in 2018 with specific reference being made to the Scottish Blind Golf Championship which involved international competitors. In a discussion of the events included in the Events Plan Members suggested there may be gaps in the areas of food and drink related events and also around music. With a traditional music culture unique to the Borderlands the concept of a Traditional Music Festival was appealing. Confirmation was given to Members that the Council offered advice and in-kind support to a range of local events although the focus was on national events which had a larger potential economic impact.

DECISION

AGREED to:-

- (a) note the achievements and progress made in relation to the Scottish Borders Council Events Plan 2014 – 2020;**
- (b) continue to support the events sector to maximise economic impact and sustainability through delivery of the Scottish Borders Council Events Plan 2014 – 2020; and**
- (c) encourage the opportunity for event development across the South of Scotland and North of England with other event partners and stakeholders linked with funding opportunities through the South of Scotland Economic Partnership and the Borderlands Initiative.**

4. SCOTTISH BORDERS CYCLE TOURISM STRATEGY - UPDATE

- 4.1 With reference to paragraph 6 of the Minute of 1 November 2016, there had been circulated copies of a report by the Executive Director providing an update on the activities achieved in 2018 in relation to the delivery of the Scottish Borders Cycle Tourism Strategy 2016-2021 and highlighting the opportunities for 2019. The aim of the Scottish Borders Cycle Tourism Strategy was to boost the Scottish Borders' economy, accelerating the growth of cycling from an events and tourism perspective. Whilst the area was already a recognised destination for cycling in the UK the aim would be to be seen as one of Britain's premier destinations for cycling by 2021. The details of the activities undertaken in 2018 were set out in Appendix 1 to the report. It was explained that continued interest was shown from event organisers in staging events in the area, both from within and outwith the Scottish Borders. Part of this was due to the area being seen as 'cycle friendly'. TweedLove and Tour o' the Borders remained as key events in the calendar. 2018 saw the return of the Tour de Lauder; Cross Border Sportive and the Selkirk Mountain Bike Marathon; Scottish Enduro Series along with cycling club events such as the Tour of Tweeddale; and also the Ken Laidlaw Sportive. The 2018 portfolio of events that were part of the TweedLove Festival generated an economic impact of £740k. 2018 also saw the inaugural Doddie's Ride take place to raise funds for the Doddie Weir Foundation. In a further move to support cycling activity across the area, freestanding bike repair stations were in the process of being installed in Hawick, Peebles, Tweedbank, Galashiels, Innerleithen and Kelso. Potential new events for 2019 included a weekend mountain biking festival, Transcend, which was a development of the TweedLove Festival. The European round of the Enduro World Series would return in May 2019 and discussions were already underway about the Tour of Britain (TOB) returning to the area in 2020.

- 4.2 Members welcomed the activities achieved in 2018 in relation to the Cycle Tourism Strategy and were enthusiastic about the opportunities presented in the report for further development of cycling in the Scottish Borders. As part of the marketing strategy for the area as a premier destination for cycling a suggestion was made that Tweeddale be developed as a 'National Park' for cycling. Members recognised the potential for further cycling projects and cross border initiatives if funding became available through the South of Scotland Enterprise Agency or the Borderlands Inclusive Growth Deal. In further discussion the observation was made that, in welcoming cyclists to the Borders, consideration must be given to the state of the road surfaces, over 40% of which required immediate attention. The issue of safety was also referred to, with a publicity campaign suggested particularly in respect of the visibility of cyclists on the Borders' roads.

DECISION

AGREED to:-

- (a) **note the achievements and progress in 2018 in relation to the Scottish Borders Cycle Tourism Strategy;**
- (b) **note the opportunities for cycle-related events and activities in 2019;
and**
- (c) **continue to support the cycle tourism sector and continue to encourage cycle events as part of the Scottish Borders Cycle Tourism Strategy.**

5. BREXIT RESPONSE TEAM

- 5.1 Corporate Policy Advisor, Mr Cook, was in attendance to give an update and presentation on the current actions being taken by the Council in relation to Brexit. He explained that the Council's Brexit Response Team (BRT) met on a weekly basis and pulled together Senior Officers from a wide range of services. Update reports from the BRT were a standing item on the Corporate Management Team weekly agenda. The attention of the BRT had been on eight key themes: Procurement and Market Impacts; Funding; People (Workforce/Customers/Citizens); Civil Contingencies; Establishing links to Community Planning Partners; Risk Assessment; Private Business and Economic Resilience; and Agriculture and Rural Development. Focus remained on anticipated and short-term impacts of Brexit, principally in respect of how they affected the Council's business, capacity to carry out its responsibilities and areas where the Council had a duty of care. The presentation went on to give more details for the themes listed, identifying the issues, providing up to date information where available and proposing possible mitigating actions. In terms of Business and Economy, Business Gateway and Scottish Enterprise were directing businesses to <https://www.prepareforbrexit.scot/>. The site had a planning tool, a list of actions to be carried out by each business and details of the main points affecting the businesses. Business Gateway in the Borders would be putting on a number of seminars once a direction of travel became clearer. Scottish Borders Council's Assistant Emergency Planning Officer gave Members more information about actions relating to Civil Contingencies. A multi-agency reporting mechanism was in place at local, regional and national level. In addition to twice weekly teleconference discussions a series of workshops were scheduled to link local and regional with national contingency planning (e.g. food supplies, fuel, transport, water treatment). Feedback from all the meetings was given to the Council's BRT.
- 5.2 Councillor Tatler expressed concern about the cost to the Council of the preparations for Brexit and enquired if there was any Scottish Government funding available toward this cost, particularly in view of the pressure on the budget. Councillor Aitchison, seconded by Councillor Tatler, moved a request which was unanimously agreed that the Leader write to both the UK and Scottish Governments to ask for additional resources or support to reimburse the Council for the additional costs incurred in its preparation for Brexit.

DECISION

- (a) **NOTED** the update.
- (b) **AGREED** to request that the Leader write to both the UK and Scottish Governments to ask for additional resources or support to reimburse the Council for the additional costs incurred in its preparation for Brexit.

URGENT BUSINESS

Under Section 50B(4)(b) of the Local Government (Scotland) Act 1973, the Chairman was of the opinion that the item dealt with in the following paragraph should be considered at the meeting as a matter of urgency, in view of the need to make an early decision.

MEMBER

Councillor Edgar left the meeting.

6. RESPONSE TO TRANSIENT VISITOR TAXES IN SCOTLAND

- 6.1 There had been circulated copies of a report by the Executive Director providing a draft formal response to the National Discussion Document published by Scottish Government on 23 November 2018 as 'Transient Visitor Taxes in Scotland: Supporting a National Discussion'. The report was urgent as, on 14 January 2019 Scottish Government set a deadline for submission of evidence of 25 January 2019 which, after a request from the Council, was subsequently extended to allow consideration by the Executive Committee of 29 January. The report explained that a number of local authorities and the Convention of Scottish Local Authorities (CoSLA) had called for the Scottish Government to grant the powers to allow them to levy a transient visitor tax, or tourist tax (TVT), in their areas, should local circumstances be supportive. Scottish Government had responded by initiating a national discussion about 'Transient Visitor Taxes in Scotland', and published a comprehensive Discussion Document to facilitate dialogue. The Discussion Document and the draft response from Scottish Borders Council were attached to the report as Appendices A and B respectively.
- 6.2 Corporate Policy Advisor, Mr Cook, explained that he and Councillors Mark Rowley, Carol Hamilton and Gordon Edgar had attended a meeting at Tweed Horizons on 19 December 2018, which was held to support the national discussion and chaired by the Cabinet Secretary for Communities and Local Government. The draft response appended to the report amplified the concerns verbally expressed at that meeting on behalf of the Council. There were three strands to this:
 - Any discussion about empowering local authorities to raise taxes locally, including transient visitor tax, should be seen as a strand of a wider discussion about the adequacy of the resources and the lack of fiscal powers available to councils in undertaking the broad range of functions for which they were responsible.
 - The Council had no plans to pursue a transient visitor tax within the Scottish Borders Council area. The Council considered that to do so would have a negative impact on the number and expenditure of visitors in the area, owing to price sensitivity.
 - The Council had concerns that a transient visitor tax may exacerbate the existing concentration of visitors and spend in Scotland. Such an approach would appear to run counter to the principles of inclusive economic growth, and self-defeating in providing new and improved facilities to draw yet more visitors to those areas with the greatest concentrations of visitors and spend already.

Members were supportive of the report and the views contained in the draft response to the Discussion Document. They emphasised the need for inclusive growth in the tourist

industry and expressed concern in particular about the additional burden which would be placed on accommodation providers should a tourist tax be put in place. Officers were thanked for preparing the report at short notice. Councillor Rowley proposed that the wording in point 3 of paragraph 4.3 of the report should also be included in the response and this was unanimously approved.

DECISION

APPROVED the draft response to the National Discussion on Transient Visitor Taxes in Scotland as detailed in Appendix B to the report, with the inclusion of the following wording - “The Council has concerns that a transient visitor tax may exacerbate the existing concentration of visitors and spend in Scotland. Such an approach would appear to run counter to the principles of inclusive economic growth, and self-defeating in providing new and improved facilities to draw yet more visitors to those areas with the greatest concentrations of visitors and spend already.”

OTHER BUSINESS

7. **MINUTE**

There had been circulated copies of the Minute of the meeting of 4 December 2018.

DECISION

APPROVED for signature by the Chairman.

The meeting concluded at 11.30 am