

EXECUTIVE – 3 FEBRUARY 2015

Economic Development Update

1. Business:

- For the period to 31 December the **Business Gateway team worked with 469 businesses and individuals**, and assisted 151 business start-ups, of which 16 have the potential to be high growth. The advisers have delivered 61 start-up workshops and 48 local workshops with 635 attendees. These workshop numbers include our first series of half day business start-up outreach workshops which have allowed the team to have a visible presence across the region.
- So far this financial year (2014/15), the **Scottish Borders Business Fund** has received 52 applications and approved 43 grants valued at £118,300 supporting projects with a value of around £258,700. These projects are forecast **to create 82.5 jobs and safeguard 112 jobs** with a forecast **economic impact of £1.95 million GVA**.
- The Scottish Borders Business Loan Fund offers loans of between £1,000 and £20,000 over terms of up to three years. The first round of loans in 2014/15 has now been approved. Four loan applications have received funding worth £41,600. These loans are forecast **to create 26 jobs and safeguard 24 jobs** with a forecast **economic impact of £616,500 GVA**.
- **Property** – 125 property enquiries have been received so far in 2014/15 resulting in 21 new property leases which will generate £117k in annual rental income. The current occupancy level is **89%** for the portfolio of industrial units, yards and shops.
- **Employer Recruitment Incentive - Youth Employment Scotland Scheme** – The Youth Employment Scotland Scheme funded by the Scottish Government and EU funding finished on 31 December 2014. Since the Scheme was launched in October 2013, 149 grant offers have been made to local businesses for them to employ a young person for 6 months. The amended target was 150 placements. The Scottish Government has confirmed a further extension of the YES Scheme funded by the Scottish Government only. The Council has agreed a further 8 placements over the period of January to March 2015.

2. Regeneration:

- **Galashiels Town Centre** – The Town Centre Coordinator is in post and is now networked into many local organisations. Monthly town walks, open to local Members, Energise Galashiels members, police and Council staff will be used to identify emerging issues. The Coordinator will present a draft action plan to the Energise Galashiels Group in February. A small shop front grant scheme is now available to improve key frontages in the town centre. A Napier University student work placement will support the development of new events and town

centre activities during a six month period from February 2015. Local press and radio have run items to promote the town centre coordinator role.

- **Selkirk Conservation Area Regeneration Scheme** – Selkirk CARS is approaching the end of Year 2. Over 40 enquiries from property owners have been received, 9 applications for grant funding, and a total of £60,700 of grant funding has been awarded from a total fund of £200,000. The first repair projects are now being completed on site. Priority buildings are proving challenging to address, but dialogue is being maintained with all Priority Building property owners. The Priority Building list will be reviewed as part of the Year 3 Annual Action Plan. Education projects within the community are on-going with spring 2015 seeing major community and schools projects taking place.
- **Selkirk Business Improvement District (BIDS)** – The Steering Group has progressed with a second BIDS Scotland application for a separate BID for the Ettrick Riverside area. Their application has been successful and their Project manager will be responsible for taking forward both BIDS. The estimated revised ballot date is now November 2015. The next steps in the BIDS development process involve extensive business and community engagement, the development of a robust business plan and the implementation of a formal ballot process.
- **Burnfoot Community Hub, Hawick** – The construction phase is now well underway, with considerable visible progress on site. It is on schedule with an estimated completion date of end of June 2015 for the community areas and August 2015 for the nursery wing. Burnfoot Community Futures are now moving forward with the development and delivery of their business plan, in particular they are developing their capacity to deliver the nursery provision via the creation of a new social enterprise. The hub development has created local work placements, including one in the construction industry and one in the third sector. Permanent employment has been secured for one trainee and the other is now progressing into self-employment.
- **Newlands Community Development Trust** – NCDT was successful in securing full funding of £245k for its 'Newlands Rural Business Units' from the Scottish Government Regeneration Capital Grant Fund. This will see the old, disused village hall being refurbished into 3 small business units. The award was notified in November 2014, and the project is expected to start in May 2015 following a short tender process.

3. Tourism & Events

- **Tourism support** –
 - A **Tourism Destination Audit** for Midlothian and the Scottish Borders is out to tender with responses due back by 30 January 2015. Delivery of the audit, which will review gaps/opportunities around 10 tourism sector headings, will assist businesses with the Tourism Business Development Programme currently being developed with Business Gateway. This action is linked to the Borders Railway Blueprint.

- Scottish Borders, Midlothian and City of Edinburgh Council tourism officers are currently working to deliver the **Train Wrap** for the Class 170 3 carriage train that will promote the Borders Railway (and all three visitor destinations) around all seven Scottish cities until December 2016. Launch date is mid April 2015.
 - **Borders Railway Opening Celebrations Committee** - plans are progressing led by Transport Scotland, VisitScotland, Network Rail and the three local authorities for an ambitious event with national and international impact to celebrate the opening of the Borders Railway in September 2015. Events and Tourism officers are inputting to plans to capitalise on the impact this will have at a regional and National level.
 - Work is continuing on the **Borders Railway Marketing Campaign** in partnership with VisitScotland. Key new messages are being linked into the current Scottish Borders campaign, which will lead into a dedicated Borders Railway campaign in 2015.
- **Event support –**
 - A **Tour of Britain** route recce took place in early January 2015. The event will take place on Tuesday 8 September 2015, and is proposed to travel through five Scottish Borders towns. The precise route will not be confirmed until the event details are announced in March 2015.
 - A dedicated cycling event support project has been established which will run for the next 16 months. The main objective is to continue to grow and develop the area's successful cycling events. Tweedlove Enduro and Selkirk British MTB championship have both been successful in securing 2015 funding from EventsScotland.
 - 120 delegates attended the National '**Mountain Biking Conference**' in Peebles, and 140 businesses and event organisations attended the Scottish Borders '**Tourism and Events Industry Conference**' in Kelso. Both the events took place in November 2014 and were extremely well supported.
 - The Scottish Rugby Union has approached the Council to assist with some promotional activity. They are holding three matches at Netherdale (all under 20's) in 2015, and the Council's communications team will assist in promoting the events.
 - Galashiels Event Development support – linked to the Borders Railway and town centre regeneration activity, a consultant is now working with the '**Galashiels Events Group**' a sub group of Galashiels 2020. An event plan workshop is scheduled for March 2015.
 - The SAG (Safety Advisory Group) continues to support regional events. There are currently 33 events participating in the process for 2015.

4. Funding:

- The EU **LEADER Programme (2007-2013)** is closed and officers are preparing final reports and claims to Scottish Government, as well as archiving project files. Work has commenced on developing processes for LEADER 2014 – 2020, and applying lessons learned to the new programme.
- The European Fisheries Fund Axis 4 **Fisheries Local Action Group (FLAG) 2007-2013** local development funding programme is also closed. The completion deadline for projects is 30 June 2015. Plans are progressing for European Maritime Fisheries Fund (EMFF) 2014 – 2020 including merging the Scottish Borders FLAG with the smaller East Lothian FLAG. A joint meeting of the transition FLAG was held on 23 January 2015.
- The Local Development Strategy and draft business plan for Scottish Borders **LEADER and European Maritime Fisheries Funds (EMFF) 2014 – 2020** has been approved subject to recommendations by the Scottish Government's external panel. The redrafted strategy and plan will be submitted in February 2015. Scottish Government has not yet provided an indicative allocation for LEADER or Fisheries funds. The new programmes will be subject to revised Service Level Agreements to be agreed with the Scottish Government. It is anticipated that the new LEADER programme will launch in early summer and Fisheries in autumn 2015.
- The Council has the opportunity to access funding from the **European Social Fund (ESF)** to support a local 'Employability Pipeline', youth employment and poverty and social inclusion activities. A detailed bid will be submitted in March 2015, although the scale of the bid will be dependent on the availability of future match-funding.
- Work is progressing in partnership with Scottish Enterprise, SLAED and the National Business Gateway Unit on the investment of **European Regional Development Funding (ERDF)** for a 'growth accelerator' project as part of the wider Business Competitiveness strategic investment.

5. Property & Projects:

Strategic Employment Land Project:

- **Coldstream** – Tenders for the final phase of the project are due to be returned on 9 February 2015, with completion expected at the end of June 2015.
- **Gunsgreenhill Industrial Estate Extension (Seafood Technology Park) Eyemouth** – The physical contract works are near completion, with only landscaping works to be completed by late spring. Final completion is expected by June 2015.

6. Low Carbon:

- A group of **Registered Social Landlords** ran a 'Business Breakfast' event for local contractors on 16 December 2014 on opportunities for renewable energy installations. 11 local businesses attended. The event was supported by the Energy Saving Trust, Skills Development Scotland and technology suppliers offered ongoing technical support to engage local businesses and increase uptake. The work of this group is progressing with RSL maintenance contracts being analysed to assess joint opportunities for specific technologies, which will in turn allow identification of training requirements for local contractors.
- Business Gateway is offering a **free seminar to businesses on low emissions and electric vehicles** on 23 February 2015 at Ettrick Riverside. The event is being supported by the Energy Saving Trust and SBC Fleet Manager John Martin will discuss the benefits of the Councils Electric Vehicle fleet and the expansion of the recharging network across the Scottish Borders.
- Scottish Borders Council will work jointly on a climate change community resilience project with Dundee University over the next 18 months. Dundee University have been awarded a Joseph Rowntree Foundation grant to take the project forward. This will be used to develop national guidance on climate change action at community level.

Sam Smith, Economic Development Manager, tel 01835 826539.