

## EXECUTIVE COMMITTEE – 16 April 2019

### Economic Development Update

#### 1. Business:

- From January to March 2019 the Business Gateway team assisted **56** business start-ups, of which **8** met the classification of 'Early Stage' growth. The Business Gateway Advisers have delivered **16** start-up workshops and **2** Growth workshops with **116** attendees. Growth Advisers continue to work with companies which have potential to achieve growth targets and have put **7** businesses through segmentation.
- 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 **18** Intermediary visits have been held during the period.
- Business Gateway Advisers have facilitated **9** Digital Boost workshops with 78 attendees.
- For the period from 1 January 2019 to 20 March 2019, the **Scottish Borders Business Fund** received 6 applications and approved 5 grants valued at £13,878.87, supporting projects with a value of £27,757.76. These projects are forecast **to create 9.5 jobs** with a forecast **economic impact of £190,250 GVA**.

#### 2. Regeneration:

- **Selkirk BID** – a new Selkirk Business Improvement District Board and project manager have been progressing key projects identified within the business plan including the 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.
- **Jedburgh CARS** – a total of 9 repair grants have been awarded with 8 completed or on site. A further round of applications closed at the end of March 2019, with 7 applications currently being assessed. The first works to priority buildings are due on site this summer. One priority building has now been dropped and the funding will be reallocated. Work continues to encourage the other owners to develop their proposals further to allow grants to be awarded. Site investigation works have been completed to the Abbey Ramparts to allow the development of a scheme of repairs to be undertaken later in 2019. 3 apprentice and 1 further training bursaries have been offered as part of the support programme for traditional skills and the programme of technical lectures and lime workshops continues.

- **Hawick Business Growth Project**
  - Armstrong's Redevelopment, Hawick - The Council has acquired the site and will potentially demolish elements which are beyond repair and redevelop it as a business incubator hub providing small office units. The development is anticipated to provide up to 17 business incubator units, 613 m<sup>2</sup> net business space and potentially up to 25 FTE additional jobs. The detailed design process involved consultation and engagement with the Council's Elected members and seeks to complement activities in relation to the Hawick Flood Protection scheme. The planning application was submitted in Oct 2018 and the outcome is expected shortly.
  - Galalaw Business Park: A Building of 479m<sup>2</sup> providing up to 4 industrial units has been completed. Marketing attracted over 21 interested potential tenants. There are currently 3 occupants with the final unit likely to be filled in the next few months once Heads of Terms are concluded. The formal ministerial opening by Jamie Hepburn MSP was on 9 April.

- **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 first 12 students started in March. 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 ensure the 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** -The Fund is aimed at providing new and/ or improved infrastructure through capital expenditure supporting projects in 2019/20 – 2021/22. Stow Community Trust progressed with their 2<sup>nd</sup> round application for Stow Station House and have been successful with their funding application. Council officers are working with community representatives to conclude their funding package and progress to the next stage of the project.
- **Building a Better Gala** – Following the unsuccessful Business Improvement District ballot, Energise Galashiels and the Council have developed a proposal based on the BID business plan. The Building a Better Gala proposal will help to deliver key projects, which aim to improve the

appearance and vitality of the town centre during 2019, making Gala town centre a welcoming visitor destination by 2020. Energise Galashiels have undertaken a proactive campaign to engage and involve more businesses to support the delivery of the new initiative as well as launch a funding appeal to contribute towards initiatives within the proposal. A funding application has also been submitted to SOSEP.

- **Tweed Valley Tourism BID** - the Tweed Valley Tourism BID is progressing positively with consultation and engagement with over 50% of the businesses in the potential BID area. An outline business plan has been developed and will be used for the next phase of business consultation. The BID is aiming to progress to ballot in October 2019.
- **Scottish Government Town Centre Fund for 2019/20** – as part of the budget settlement, the Scottish Government announced £50million for a town centre fund. The Town Centre Fund, which has been set up in partnership with COSLA, is supporting councils to ensure their high streets are more diverse, sustainable and successful in the face of changing and evolving retail patterns. It will be for local authorities to allocate this fund against the themes of the Town Centre Action Plan. The Scottish Borders has been allocated £1.4m for delivery in 2019/20. A further report will be presented to Elected Members shortly.

### **3. Tourism & Events:**

- MBTAG Phase two is now underway. Phase two is funded by Scottish Enterprise and LEADER. The project is currently recruiting a Digital Marketing coordinator, Digital Marketing Agency and Travel Trade consultant.
- The Scottish Borders Tourism Partnership hosted a conference at Peebles Hydro in late March. Speakers included, John Lennon and Tom Campbell of the “North Coast 500”. Chair, Will Haegland updated the room on progress towards becoming a cooperative group.
- Work is planned for new visitor welcome signage for Duns Town centre and Galashiels Town Centre.
- Strategic Events support – the Council continues to work with event organisers to provide support and advice to develop and increase visitor numbers and economic impact. Applications for a number of events in the coming months have been received and are currently being assessed. Funding support has been provided to Border County Rally which took place in March 2019. Hawick Reivers Festival has recently been awarded funding from the Clan Event Fund which is managed by EventScotland.
- The newly created cycle event, the Women’s Tour of Scotland will be visiting the Scottish Borders on Sunday 11 August 2019 for its third and final stage, with a loop from Edinburgh and back taking in Peebles and Innerleithen. This event is supported by EventScotland.

#### 4. Funding:

- **European funding** continues to be available to projects through the European Maritime Fisheries Fund 2014 – 2020 programme. The Scottish Borders LEADER Programme 2014-2020 is now fully committed. The UK and Scottish Governments have confirmed that applicants whose grant funding is agreed and contracted by end 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 £3.1m during the 2014-2020 programme. This is made up of 26 community, 8 farm diversification, 14 rural business, 3 Enterprise Facilitator projects plus 6 cooperation projects.
- The **Forth Fisheries Local Action Group (FLAG)** has recommended 29 projects to Marine Scotland, committing £915k of funding to date. In total, 42 Expressions of Interest have been received. The committed funds are broken down between the three Council areas - SBC £296k, Tyne & Esk £239k and Fife £380k. Marine Scotland has confirmed the UK Treasury has extended its guarantee on funding and that all awards signed before the end of 2020 will be met. Remaining funds total £137k.

#### 5. Property & Projects:

- **Property** – 168 property enquiries have been received to date in 2018/19. This has resulted in a total of 25 new leases, including a tenant taking substantial space at Waverley Chambers, Galashiels from May 2019. These new leases mean that £158k in annual rental income will be generated for the Council, 135 FTE jobs will be supported and 42.5 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 168 property enquiries include 32 enquiries to purchase plots. Sales discussions for serviced plots continue with growing businesses interested in developing in Coldstream, Duns, Eyemouth, Hawick, Jedburgh, Lauder and Selkirk.

#### 6. Low Carbon:

- As part of the Change Works in Peebles (CWIP) energy efficiency project, an assessment of supply local chain opportunities has been completed. The work has identified a range of opportunities and barriers to local businesses engaging in the installation of energy efficiency measures. The recommended actions are currently being assessed and proposals are being developed to support the local supply chain in energy services.
- In response of the decarbonisation of both the electricity and gas grids, the Council has initiated liaison between SP Energy Networks and SGN to assess opportunities for local energy solutions. The first workshop with SPEN was

held on 25 February 2019, and a similar workshop with SGN is scheduled for 25 April. This partnership will assist in the development of a range of Council functions, including the Local Development Plan, Economic Strategy, major projects/infrastructure, and potential future Local Heat and Energy Efficiency policies.

**Bryan McGrath**, Chief Officer Economic Development, tel 01835 826525