

SCOTTISH BORDERS COUNCIL
EXECUTIVE COMMITTEE

MINUTE of MEETING of the EXECUTIVE
COMMITTEE held in the Council Chamber,
Council Headquarters, Newtown St. Boswells
on Tuesday, 3 February 2015 at 10.00 a.m.

Present:- Councillors D. Parker (Chairman), S. Bell (Chairman – Economic Development Business), C. Bhatia, V. Davidson (from para.4), G. Edgar, J. Mitchell, D. Moffat, D. Paterson, F. Renton, R. Smith.

Also Present:- Councillors M. Ballantyne, K. Cockburn.

Apologies:- Councillors S. Aitchison, J. Brown, M. J. Cook.

In Attendance:- Chief Executive, Depute Chief Executive – People, Chief Financial Officer, Chief Officer Economic Development, Clerk to the Council, Democratic Services Officer (F. Walling).

ECONOMIC DEVELOPMENT BUSINESS

Present:- Mr J. Clark, Mr G. Henderson.

CHAIRMAN

1. Councillor Bell chaired the meeting for consideration of the economic development business. He welcomed Mr Clark and Mr Henderson to this section of the Executive meeting and asked for a round of introductions.

MINUTE

2. The Minute of the Economic Development Group of 13 November 2014 had been circulated.

DECISION

APPROVED for signature by the Chairman.

ECONOMIC DEVELOPMENT UPDATE

3. Copies of a note providing an update on recent Economic Development activity had been circulated with the agenda. The update gave figures in relation to local business involvement with the Business Gateway team; the Scottish Borders Business Fund; Scottish Borders Business Loan Fund; Scottish Borders Council property leases and the Youth Employment Scotland Scheme. The update also covered recent developments in relation to town centre regeneration; tourism and events; European Funding programmes; strategic employment land projects and low carbon initiatives. Details were provided in particular in relation to the Borders Railway marketing campaign and the plans being developed by the Borders Railway Opening Celebrations Committee. In a further update provided by the Chief Officer Economic Development, Bryan McGrath, Members were informed that at the recent national Herald Business Awards, The Orde Food Group, Kelso and Glenrath Farm, Tweeddale, had received awards. A further business, A. Hume, Kelso, had received a commendation. The Chairman asked for congratulations to be passed to the businesses concerned.
4. Scottish Borders Business Forum Chairman, Jack Clark, informed Members of the success of the recent event held by the Forum about business opportunities in connection with the Borders Railway and rail services available. A panel of speakers had included Mike Kean, UK Rail Development Director for Abellio, Michael Moore, MP, and Councillor Stuart Bell. As the event had been hugely over-subscribed a further event was planned for 6 March 2015 in

addition to a series of regional meetings around Borders towns being organised to encourage the maximisation of business opportunities brought about by the railway. Members went on to discuss other issues in the update, including shopfront grants, property enquiries and cycle route signs. There was particular reference to cycling events and the Council's support of road and mountain biking. It was recognised that the development and popularity of the sport in the Scottish Borders was at a high level compared with other regions of Scotland. However it was agreed that the Council should continue to look for all opportunities to promote cycling further. In this respect reference was made to the particular situation of Newcastleton. Although the area was part of the 7Stanes trails it did not seem to feature in the wider programme. The view was that more effort should be made to promote this area including opportunities for cross border routes. The Chairman advised that there had been more publicity around Newcastleton subsequent to the opening of the new Whithaugh Bridge but he agreed to pass on the points made by Members to the 7Stanes Marketing Committee for their attention.

DECISION

NOTED the update.

MEMBER

Councillor Davidson joined the meeting during the above discussion.

CITY DEAL PROPOSAL

5. There had been circulated copies of a report by the Service Director Strategy and Policy seeking approval for Council participation in the development of a business case for a City Deal for the Edinburgh City-Region/East of Scotland. The business case would investigate the potential for City Deal to contribute to the funding of future economic infrastructure across the city-region. The background to the report explained that 'City Deals', initiated in 2011 as part of the UK Government's 'localism' agenda, sought to promote economic growth through investment in enabling infrastructure. The cost of the investment would then be recovered through increased tax revenue resulting from the economic growth. An outline was given, for information, of a City Deal for the Glasgow City-Region which was secured in July 2014. The City of Edinburgh Council was promoting a bid for the Edinburgh City-Region. The area being considered was that covered by SESPlan, i.e. City of Edinburgh, East Lothian, the southern part of Fife, Midlothian, West Lothian and Scottish Borders. The other Councils had already agreed to participate. There was also a possibility that Dundee City may also become involved in the project, due to its links with Fife. A City Deal for the city-region could bring significant investment in infrastructure and could support economic growth across the city-region. In order to assess the likely benefits, including potential investments in the Scottish Borders, and to fully assess risks, further work needed to be carried out to establish if a robust and verifiable business case existed. Funding support of up to £25,000 was required as the Council's contribution towards the development of the initial business case. This had been identified from existing Neighbourhood Services revenue budgets. Once that business case had been developed further consideration would be needed of the Council's future participation in a City Deal bid for the south east of Scotland.
6. In the ensuing discussion Members were in favour of pursuing the proposal to participate in the development of a business case, after which the Council should carefully consider the value of potential leverage of funding anticipated through the City Deal and the level of benefits the City Deal would offer to the Scottish Borders. Points were made that in view of the geography of the Borders and in particular the aspiration to extend the Borders Railway, there should also be consideration given to working with Carlisle. There was agreement that, with regard to investment in infrastructure in the Scottish Borders, equal attention should be given to projects to improve East - West communications/routes as well as to North - South developments. It was noted that the timescales for the bid outlined in the report were very tight. It was agreed that there should be a recognised person to lead the Council's contribution towards the development of a business plan, in order to provide political leadership and ownership. Mr McGrath was asked that, once the business case had been finalised, a briefing be arranged for Members in addition to a report, so that Members would

be in possession of comprehensive information around the benefits and risks of the proposal prior to a formal decision on participation.

DECISION

- (a) NOTED the potential for a City Deal.**
- (b) AGREED that:-**
 - (i) the Council participate in developing a potential submission;**
 - (ii) a contribution from the Council of up to £25,000 be made available to support the development of the business case; and**
 - (iii) officers provide a Members' briefing and bring a further report to Executive, outlining the benefits and risks of the proposal, prior to any formal decision on participation beyond the development of the business case.**

BUSINESS GATEWAY PROGRESS REPORT – 1 APRIL 2014 TO 31 DECEMBER 2014

7. With reference to paragraph 8 of the Economic Development Group Minute of 15 May 2014, there had been circulated copies of a report by the Service Director Strategy & Policy presenting an update on the performance of Business Gateway in the Scottish Borders, covering the period 1 April 2014 to 31 December 2014. The report advised that high numbers of clients continued to access Business Gateway services, reflected in the local advisory performance indicator sitting at 117% of target for the period to 31 December 2014. Performance in respect of business start-ups had remained strong over the period, at 99% of target. Performance against high value start-up and growth businesses remained lower than expected, although performance was improving. Three high growth businesses had been placed into the Scottish Enterprise Account Management Service (150% of target). The introduction of additional local growth support indicated that the pipeline of "local growth" businesses was beginning to come through and this would push up the outputs in relation to the growth service over time. In relation to qualitative measures of performance, the service continued to perform well with an overall customer satisfaction of 89% compared to a national level of 85%. Progress against key performance targets was detailed in a table within the report. The Business Gateway Business Plan 2014/15, which had been approved by the Economic Development Group, included a 13 point Improvement Plan for the service. An appendix to the report set out this Performance Improvement Plan and the progress made to date. The report went on to refer to the first Scottish Borders Business Week which had been held during the week commencing 29 September 2014. Almost 300 people had attended a series of workshops and events that raised the profile of local entrepreneurship and the Business Gateway service. Members welcomed the figures and improving performance of the Business Gateway Service. In answer to a question about geographical spread with regard to access to the services offered, Members were advised that Business Gateway Services were delivered across the whole Scottish Borders area. However consideration would be given to inclusion of an analysis of businesses accessing services on an area basis within the Business Gateway Business Plan 2015/16. The Plan would also focus on the delivery of services within deprived areas of the Borders. The Chairman thanked officers for the report and asked that the Committee's positive comments be fed back to the Business Gateway team.

DECISION

- (a) NOTED the improving performance of the Business Gateway Service to date and the actions planned for the future;**

(b) AGREED that:-

- (i) regular progress reports continue to be received to enable the performance of Business Gateway to be monitored; and**
- (ii) the Business Gateway Business Plan for 205/16 be presented for approval to the Executive Committee in May 2015.**

SCOTTISH LOCAL AUTHORITY BUSINESS LOAN FUND

8. There had been circulated copies of a report by the Service Director Strategy & Policy providing an overview of the proposed Scottish Local Authorities Business Loan Fund and seeking approval for the Council to become a member. It was explained that, following consultation with the Scottish Government, Scottish Local Authorities Economic Development Group (SLAED) and Scottish Enterprise, an opportunity had arisen to establish a Scotland-wide loan fund to support small and medium enterprises through the provision of loans of £5,000 to £100,000 in a new Scottish Local Authorities Business Loan Fund. By aiming to integrate the existing South of Scotland Loan Fund into this new Fund, the Council would be able to ensure that Scottish Borders businesses were also able to benefit from access to this new investment finance. It would create an excellent opportunity to provide local businesses with more flexible and easier access to loan funds, to sustain and grow their businesses and increase employment opportunities. The Fund would complement other business support activities that the Council and partners provided. The report outlined that the fund would be achieved through financial contributions from existing loan funds, namely the West of Scotland Loan Fund, East of Scotland Investment Fund and the South of Scotland Loan Fund. There would also be additional contributions from Local Authorities, Scottish Government, the European Regional Development Fund (ERDF) and clearing bank finance. It was intended that this new national fund would replace the Scottish Borders Business Loan Fund from April 2015. The latter fund had received 26 applications and approved 10 loans to the value of £87,000 since its launch in 2013. Each Member Authority's contribution to the integrated fund would be exclusively ring-fenced to be invested in the respective local area. The Business Gateway Team would act as the local point of contact for the fund, providing information and advice to potential applicants. Members discussed the report and recognised that this was a sound proposal which would open up further finance opportunities for Scottish Borders businesses. In consideration of the fact that there were certain exclusions associated with accessibility to businesses loans from the existing regional funds, Members emphasised the importance of the proposed national fund being accessible to all types of business, including those from the agricultural industry.

DECISION

- (a) NOTED the development of the proposed Scottish Local Authority Business Loan Fund.**

(b) AGREED:-

- (i) that Scottish Borders Council become a member of the new fund, subject to approval of appropriate funding from Scottish Enterprise;**
- (ii) to delegate, to the Service Director Strategy & Policy and the Chief Financial Officer, authority to finalise the operational arrangements for the Council's membership of the new fund; and**
- (iii) to the closure of the existing Scottish Borders Council Business Loan Fund at the end of March 2015.**

PRIVATE BUSINESS

DECISION

AGREED under Section 50A(4) of the Local Government (Scotland) Act 1973 to exclude the public from the meeting during consideration of the business detailed in the Appendix to this Minute on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A to the Act.

SUMMARY OF PRIVATE BUSINESS

MINUTE

1. The Committee approved the private Economic Development Group Minute of 13 November 2014.

OTHER PUBLIC BUSINESS

CHAIRMAN

On the resumption of the meeting, Councillor Parker took the Chair for the remaining business.

MINUTE

9. The Minute of meeting of the Executive Committee of 20 January 2015 had been circulated.

DECISION

APPROVED for signature by the Chairman.

The meeting concluded at 11.15 a.m.