

## EXECUTIVE COMMITTEE – 17 September 2019

### Economic Development Update

#### 1. Business:

- From April to August 2019 the Business Gateway team assisted **83** business start-ups, of which **7** met the classification of 'Early Stage' growth. The Business Gateway Advisers have delivered **22** start-up workshops and **5** Growth workshops with **165** attendees. Growth Advisers continue to work with companies which have potential to achieve growth targets and have put **12** businesses through segmentation.
- Business Gateway continues to work across the whole of the Scottish Borders, meeting with a number of intermediaries promoting the services available through Business Gateway and the Council. In total **46** Intermediary visits have been held during the period.
- Business Gateway Advisers have facilitated **13** Digital Boost workshops with 106 attendees.
- For the period from 21 March to 5 July 2019, the **Scottish Borders Business Fund** received 6 applications and approved 6 grants valued at £19,666, supporting projects with a value of £45,469. These projects are forecast to **create 13.5 jobs** with a forecast **economic impact of £651,000 GVA**.

#### 2. Regeneration:

- **Jedburgh CARS** – The Port House Priority Building project is progressing with funding assistance from a number of sources and is aiming to appoint a contractor by March 2020. The other Priority projects are progressing well. A reallocation of funding for Priority & General Repair projects was agreed by the Jedburgh Community Council (the defacto CARS Steering Group) and this has been forwarded to Historic Environment Scotland for endorsement. The CARS officer is assisting in the delivery of the Jedburgh Town Centre Shopfront Improvement Grant Scheme which is being delivered by the Jedburgh Community Council. Skills training and community engagement events are ongoing with successful recent events including the traditional shopfronts exhibition and coordination of a complimentary Open Windows event, bringing local artists in to display work in local shops/businesses.
- **Hawick CARS** – the formal offer (legal contract) from Historic Environment Scotland has been completed and returned. Council officers are now aiming to launch the Scheme in early October 2019. Discussions with Priority Building Owners are ongoing in order to move forward quickly once the programme is launched.

- **Hawick Business Growth Project**
  - Armstrong's Redevelopment, Hawick - The Council has acquired the site and will 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. Planning consent has been approved subject to a number of conditions. The project team anticipates that demolition will start on site shortly with the overall project due to be completed in April 2021.
  - Galalaw Business Park: This new building of 4 industrial units currently has 3 businesses in occupation. Marketing is being undertaken to find an appropriate tenant for the final unit.
  - Studies into two derelict private buildings / sites in Hawick were progressed to assist the owners in making appropriate decisions on their future. One study has been completed and discussions are being held with the owner on its future. The second site has had preliminary structural and physical investigations undertaken, with additional site investigations being planned to determine ground conditions.
- **Hawick Textiles Training Centre for Excellence**

The first cohort of unemployed trainees was completed in July 2019, 6 trainees completed the training and 4 have been offered a job in textiles businesses. The second cohort of 6 started in August 2019. Employers have now guaranteed an interview for anyone completing the 16 week course. In addition, a number of the mills are sending their existing employees on day-release to upskill and retrain.

Shima, the main knitting machine manufacturer, has adopted the Centre as their northern training centre and are currently running a 16 week programme for 8 trainees from local mills.
- **Made in Hawick** – Made in Hawick website was launched in June 2019. There are now nearly 30 local manufacturers taking part in the project. Leaflets have been distributed around the area, and further afield, and are bringing additional tourists to the town. Welcome Hosts have reported to FutureHawick that people are giving positive feedback on the project and have visited a number of the manufacturers featured in the marketing material.
- **Shopfront and property improvement grant schemes** - Five schemes have been launched in Jedburgh, Hawick, Galashiels, Eyemouth and Selkirk as part of an allocation of funding to key town centre projects by Scottish Borders Council. The schemes have been developed in partnership with business/community groups and are being funded through the Council's allocation from the Scottish Government Town Centre Fund. Locally, the schemes will be managed and administered by Selkirk BID, Energise Galashiels, Future Hawick, Jedburgh CARS and Eyemouth Community Council.

- **Scottish Government Regeneration Capital Grant Fund 2019** -The Fund is aimed at providing new and/ or improved infrastructure through capital expenditure supporting projects in 2020/ 21. Three applications for the Scottish Borders were submitted for the first of a two stage application process:
  - Eyemouth Harbour Waterfront Regeneration Project
  - Newcastleton- Enterprise Centre and Bunkhouse
  - Kirkhope Steading Work Units, Yarrow.

The Newcastleton and Eyemouth Projects have been successful in being invited to submit Stage 2 applications. The deadline for Stage 2 submissions is 11 October 2019. If successful at Stage 2, this will allow projects to proceed in 2020/21. Council Officers have been working with the project managers over the summer to further develop the regeneration projects; and will continue to liaise and support them with their Stage 2 submissions. The Kirkhope Steading project was not successful. Council Officers will continue to work with the Kirkhope Steading project team to further develop their proposal and investigate alternative funding sources.

- **Selkirk BID** – a number of key projects have been successfully developed by the Business Improvement District company, including the development of a town brand identity; new signage to complement the streetscape signage; the development of a new town website to market Selkirk more effectively; new planters and benches; and a cycle repair station. Projects planned for year 2 include developing proposals for the Haining and Halliwell's Car Park; lobbying for improved CCTV; progressing with the Selkirk Marketing campaign (developing groups and events); improving signage at entry points and brown signs; implementing the Shop Front Grant Scheme; and progressing the Pantwell renovations.
- **Tweed Valley Tourism BID** – the Council has recently confirmed its support for the Tweed Valley Tourism BID. The BID is progressing positively with consultation and engagement with local businesses in the potential BID area. The BID will progress to ballot on 14 November 2019.

### 3. 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 was 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 **Forth Fisheries Local Action Group (FLAG)** has recommended 34 projects to Marine Scotland, committing £967k of funding to date. In total, 48 Expressions of Interest have been received. The committed funds are broken down between the three Council areas - SBC £304k, Tyne & Esk £276k and Fife £387k. 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 £85k.

#### **4. Property & Projects:**

- **Property** – 67 property enquiries have been received to date in 2019/20. This has resulted in a total of 11 new leases generating £44.3k in annual rental income for the Council, with 30 FTE existing jobs supported and the potential of 12.5 FTE new jobs created over the next five years. With regard to the Council's portfolio of leased industrial units, yards and shops, the occupancy level for the last quarter (April to June 2019) is **88%**.
- The 67 property enquiries include 20 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. Plots are 'under offer' at Duns and there are two other plots now 'under offer' at Eyemouth Seafood Technology Park and Galalaw Business Park Hawick.
- A feasibility study into possible conversion and upgrading of part of St Mary's Mill, Selkirk has been undertaken by the Council's architects. This derelict factory building has the potential to provide an initial suite of 4 storage / workshop units and having communal access / loading doors and communal toilet block. This scheme is currently being reviewed and potential funding sources considered.

#### **5. Low Carbon:**

- At its meeting on 29 August 2019, the Council approved proposals to formally commit to implementing the UN Sustainable Development Goals as they relate to local government, and to rename the Sustainable Procurement Group to become the 'Sustainable Development Group', which will drive this process forward. Economic Development will be involved in this group.

#### **6. South of Scotland Economic Partnership**

The South of Scotland Economic Partnership (SOSEP) has awarded grant funding of a total of £1,045,184 to five projects to develop rural skills, community enterprises and local businesses. Rural Economy Cabinet Secretary Fergus Ewing MP announced the funding whilst on a visit to the Philiphaugh Estate near Selkirk.

- **Philiphaugh Estate, Selkirk** - £154,484 towards a project that will support the estate to diversify, employ more people, improve visitor attractions and collaborate with local businesses to showcase local produce and attract more visitors to the local area. Funding will help to support the growth of other local businesses, enabling the locally run café to expand, and the estate to collaborate with other local businesses like the Selkirk Gin Distillery, to raise their profile and sales by showcasing the best of local produce to increased numbers of visitors on site

- **ReTweed** - £19,200 over two years. This project will allow the successful Eyemouth based social enterprise to pilot a new business incubator that will help women start and grow their own business within the creative industries sector.
- **Growing Rural Skills** - £289,000 over two years. This project will build on the success of a recent dairy sector pilot in Dumfries and Galloway to expand the programme into the Scottish Borders and broaden the sectors supported to include forestry. The programme aims to develop talent pipelines for key rural industries.
- **Community Enterprise Support - £510,000 in 2019/20.** The project will pilot a place-based approach to community enterprise in the south of Scotland, aiming to increase the number of financially sustainable community enterprise projects. Initial target areas for this pilot programme, which will build business and financial skills, are Stranraer, Annan/ Langholm, Upper Nithsdale, Dumfries town centre, Hawick, Eyemouth & East Berwickshire, Galashiels and Jedburgh.
- **Building a better Galashiels - £72,500 in 2019/20.** The project aims to deliver a number of high impact town centre improvements and marketing projects in Galashiels. The project will deliver year one of the 'Building a Better Galashiels' Action Plan and capitalise on the Great Tapestry's location to attract more visitors.

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