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## **TWEEDBANK DEVELOPMENT UPDATE**

**Report by Director Infrastructure & Environment**

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### **SCOTTISH BORDERS COUNCIL**

**23 September 2021**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report is to provide an update on the delivery approach to realise the overall ambition to expand Tweedbank in accordance with current plans and policies.**
- 1.2 A report to Council on 20 December 2018 noted the acquisition of Lowood Estate and the progress with a range of early implementation projects associated with Tweedbank.
- 1.3 On 31 January 2019, Council approved the full business case for the Central Borders Business Park programme of works and wider Tweedbank expansion as part of the City Region Deal.
- 1.4 Council approved the Supplementary Planning Guidance: Tweedbank - Vision for Growth and Sustainability, including Design Guide, on 17 June 2021.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that Council:-**
  - (a) Notes the progress with the projects on Council owned sites.**
  - (b) Approves the construction of the road and service infrastructure providing access to Business Zone 1 and 2.**

### **3 BACKGROUND**

- 3.1 On 20 December 2018, a report to Council noted the progress with the developments at Tweedbank. In particular, the early developments on Council owned land linked and associated with the Borders Railway Blueprint. The report also noted the conclusion of the acquisition of Lowood Estate.
- 3.2 On 31 January 2019, Council approved the submission to the City Region Deal Joint committee of the full business case to draw down £15M to fund the Central Borders Innovation Park programme of projects.
- 3.3 Since 2019, progress continues to be made with elements of the Borders Railway Blueprint and early enabling works for the City Region Deal programme.
- 3.4 On 17 June 2021, Council approved the Supplementary Planning Guidance (SPG), including design guides, providing for a policy framework to deliver the expansion of Tweedbank.
- 3.5 The pandemic in 2020 and 2021 has had an impact on the original full business case for the City Region Deal programme.

### **4 COUNCIL OWNED SITES AT TWEEDBANK - UPDATE**

- 4.1 In 2019, early enabling works were completed by SBContracts to see the construction of an access road extending from Tweedside Park. This road allowed for access to be taken to 2 of the 'Quarry' development plots associated with Borders Railway Blueprint programme.
- 4.2 In July 2020, a contract was concluded to see the construction of a Class 4 office development on what was identified as Site 4 – Quarry West within the earlier reporting. This 2 storey office development adjacent to the access road to the Borders Railway station provides for a clearly visible and connected facility with first class rail, road and cycling/walking access at a key central Borders location. Working through the pandemic, this project is now nearing completion and will be handed over to the Council in late September. Following a fit-out process, it is noted within this report that SBC's IT service provider, CGI, will take up occupation as part of the regional commitment to secure and provide for local employment opportunities. CGI currently employ 71 roles in the Borders with a further 56 currently being advertised. They aim to achieve a headcount of 127 jobs by the end of this year with many of these roles based at the new Tweedbank building.
- 4.3 There remain two adjacent development plots that have been cleared, accessed and serviced. It had been noted in 2019 that sales of these plots would allow for private development to take place. The delivery of these private developments have been affected by the pandemic and have not reached planning consent and construction stage.
- 4.4 In the report to Council on 20 December 2018, it had been identified that Scottish Enterprise intended to construct a business centre including co-working spaces and individual office suites. This was an element of the

overall Borders Railway Blueprint programme. Since its formation in April 2020, South of Scotland Enterprise (SOSE) has been established as a new non departmental public body to grow and promote the people and businesses in the South of Scotland. SOSE are now the economic lead in this area and Council officers continue to work with SOSE to understand the priorities and timescales at Tweedbank with a view to delivering high quality infrastructure envisaged to encourage innovation, boost productivity and enable business growth.

## **5 SUPPLEMENTARY PLANNING GUIDANCE & DESIGN GUIDE**

- 5.1 The Supplementary Planning Guidance (SPG) and Design Guide (DG) were agreed by Scottish Borders Council on 17 June 2021. Together, they are a material consideration in the process of any planning application(s) relating to the site. The purpose of the SPG is to set out the Council's vision for the site and gives greater clarity on measures to achieve a high quality development that becomes an integral part of Tweedbank.
- 5.2 This identifies site constraints, the zones for specific uses, indicative housing densities for residential zones, the development of a neighbourhood centre, access and connectivity proposals to link the development site to the existing settlement and the wider landscape, a possible area for care facilities, placemaking and design guidance and a pre-application checklist. The DG seeks to ensure a consistent high quality sustainable development which is sensitively designed within the attractive landscape setting of the site and meets the Council's aspirations for a high quality community for the future.
- 5.3 The SPG and DG have been prepared with the input of a variety of stakeholders including an internal working group of Council Officers across a range of services. Scottish Water, the Scottish Environment Protection Agency and NatureScot also contributed to the preparation of the guidance ensuring a realistic and deliverable development.
- 5.4 The Council is currently undertaking Community based consultation on the Neighbourhood Centre which is focused around Lowood House and the existing estate buildings. It is the Council's vision that this will attract visitors and tourists to the area as well as strengthen the community function of the Neighbourhood Centre.

## **6 LAND AND PROPERTY MANAGEMENT**

- 6.1 It is noted within this report that the former Lowood House is contained within the Neighbourhood Centre boundary as contained within the SPG. The Council is close to being able to secure occupation of the house and an option appraisal process will be undertaken on a range of future uses in the short, medium and long term. It is proposed that this option appraisal will take 3 months to complete and a report on this will be brought back to Members in early 2022.
- 6.2 The general upkeep of the buildings and grounds is managed by the former owner's caretaker and the Council's Property Maintenance service. Discussions are ongoing with the caretaker, who previously managed the property for many years and lives on site, to instruct him as a contractor to

assist with maintenance and security of the Estate beyond the end of the occupancy agreement.

- 6.3 In addition to Lowood House there are eight residential properties on the Estate which are leased to private tenants. Two are currently vacant, Orchard cottage is being relet and Lowood Lodge is vacant. The Council's Architects service are investigating renovation options for Lowood Lodge. The long term position of the residential properties is being considered as part of the wider development of Tweedbank.
- 6.4 As well as property, there is business activity within the former Lowood Estate and Officers continue to work with this business activity to ensure continuity of operation.
- 6.5 Woodland on the estate is being inspected with a view to creating a woodland management plan to protect and enhance these areas. This will also identify trees of special interest and landscape value to be retained with the possibility of these being placed under a Tree Preservation Order.

<b>Estate Management tasks</b>	<b>Actioned by</b>	<b>Timeline</b>
Grass cutting Hedge cutting Filling potholes on the private track Maintenance of drains Spreading salt on private roads	Caretaker overseen by SBC Estate Management	Ongoing
Maintenance of walking paths	SBC Access Team/Estate Management	Ongoing
Management of requests to access land including Network Rail works on Redbridge viaduct	SBC Estate Management	Ongoing
Removal of an old fence and replacement with a native hedge	Caretaker	Autumn/winter 2021/22
Boundary wall maintenance	SBC Property Maintenance	November 2021
Resurfacing section of private drive	SBC Property Maintenance	November 2021
Letting of seasonal grazing (15.47 hectares)	SBC Estate Management	Ongoing
Woodland management plan	SBC Estate Management	January 2022
Management and maintenance of residential properties	SBC Estate Management/ Property Maintenance	Ongoing
Estate security (including Lowood House when vacant from April 2022)	Caretaker	Ongoing

Letting of residential properties	SBC Estate Management/Letting agent	Ongoing
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## **7 DELIVERY OF CITY REGION DEAL PROGRAMME – ACCESS ROADS**

- 7.1 The approval of the Supplementary Planning Guidance provides for greater certainty of the spatial framework to cover roads and access with the expanded Tweedbank. Associated with this, it is intended that further enabling works in the form of an access road and services will be developed in 2021/22 that will lead from the extended Tweedside Park towards the north into the former Lowood Estate. The funding for this access road is allowed for within the City Region Deal programme.
- 7.2 Statutory consent will be required for this access road and it is intended that a full planning application will be made in early October 2021. The access road will also contain public utility services including water and foul sewer connections to allow for development of Business Zones 1 and 2 as identified within the SPG. Detailed discussions have been taking place with Scottish Water over recent months to allow for technical approval of prospectively adoptable sewers. Subject to planning consent, it is planned that construction works can commence towards the end of 2021. The works will take 6 months to complete with a forecast of summer 2022. Completing the road and associated services in this way allows access and services to Building Zones 1 and 2.

## **8 FULL BUSINESS CASE OF THE CITY REGION DEAL PROGRAMME**

- 8.1 The Council report on 31 January 2019 identified a programme of works associated with the 'core' Central Borders Innovation Park. This is part of the City Region Deal providing a range of new office and manufacturing space spread over 3 phases.
- 8.2 The first phase is now nearing completion with the second and third phases providing 6,809m<sup>2</sup> office space and 400m<sup>2</sup> of industrial space, constructed within Business Zones 1 and 2 of the SPG.
- 8.3 Section 7 summarises the enabling works due to take place during 2021/22 to provide access to these zones. However, the pandemic has brought uncertainty and volatility to certainly office style of development. With this in mind, a prudent approach should be taken for phases 2 and 3 within the overall City Region Deal programme.
- 8.4 Officers are currently obtaining independent Commercial and Residential advice to appreciate trends because of the pandemic. This advice will be reported back to Council to ensure that full control of the type and timing of future development within phases 2 and 3 of the Central Borders Innovation Park takes place.
- 8.5 The Full Business Case (FBC) for the City Region Deal was developed for the 'core' project within the Central Borders Innovation Park and the wider Tweedbank expansion. The FBC identified a range, style and timing of development, based on the earlier spatial masterplan undertaken as a

precursor to the SPG. As a consequence of both the SPG and the pandemic, Officers have begun work to update and review the Full Business Case to ensure the timing, costs, risks and the Gross Value Added (GVA) of any development are fully understood. The revised FBC will be reported back to Council once work is complete.

## **9 RESIDENTIAL CARE VILLAGE**

- 9.1 Council Officers are currently working on business planning for SBC's Residential Care Villages and there is a potential site for this at Tweedbank. This is noted within the approved SPG and will be the subject of future reporting to Council.

## **10 SUPPORTED LIVING AND AFFORDABLE HOUSING**

- 10.1 The current Strategic Housing Investment Programme (SHIP) 2021-2026 identifies 2 initial phases of development for 55 general needs affordable homes by Eildon Housing Association and 4 units for Scottish Borders Housing Association in conjunction with the Aberlour Trust providing a new Residential Care and Housing facility for Children and Young People. The SHIP also highlights potential pipeline project for another 25 –40 affordable homes in later phases of development.
- 10.2 The SPG and Design Guides set out expectations for the nature and quality of the buildings developed within all the development areas. Council Officers will work with the supported living and affordable housing developers to ensure that quality standards are achieved.
- 10.3 There have also been discussions about the siting of a new supported living facility to be delivered by Cornerstone, a registered charity who currently provide support to a range of Council sponsored clients with Learning Disabilities. The proposals are likely to be focussed within Development Zone 5 as identified in the SPG. A further report on the Cornerstone proposal will be submitted to Council in due course.
- 10.4 NHS Borders and Scottish Borders Council are working closely together to explore ideas that maximise the opportunities of joint working on the Tweedbank site. These discussions are at an early stage but there is a shared drive to develop new models of health and social care provision. The Tweedbank development offers opportunities and a focus for this work.

## **11 IMPLICATIONS**

### **11.1 Financial**

- (a) The costs of the Tweedbank development and any potential income which may be derived from the sale of tranches of the site for development will require to be reflected in the Council's future revenue and capital budgets over many years. The business case for the Tweedbank development is currently being updated to reflect the latest pricing information, land values and risks and will be reported to Members as the project progresses and as further approvals are required.

- (b) The budgetary approvals currently in place for the Tweedbank development are reflected in the Council's published revenue and capital plans. There has, however, been significant slippage against the original plan and these timing movements are reported regularly to the Executive Committee through the monitoring process within the overall financial envelope approved for the project. If, and when, further resources are required these will be brought back to Members for approval as part of the updated business case and forthcoming budget processes.
- (c) The City Region Deal programme has been affected by delay in commencing the subsequent phases, all linked with the pandemic. Reporting on timing movements associated with this has also taken place in normal monitoring through the Executive Committee.

### **11.2 Risk and Mitigations**

- (a) There are risks associated with the original delivery programme for the City Region Deal programme of high amenity development associated with Business Zones 1 and 2. This risk has been mitigated by allowing for timing movements within the budget, undertaking a review of the business case and obtaining external commercial advice on possible future development types.
- (b) There is a financial risk associated with the fixed funding principles of the City Region Deal linked to future inflationary pressures and material/construction related indexation. It is proposed to tolerate this risk and report further during the delivery of the overall programme.
- (c) There has been a risk associated with the outstanding built and natural quality of the former Lowood House. This risk has been mitigated by the approval of the Supplementary Planning Guidance, including the Design Guides, providing for a detailed framework to control future development.

### **11.3 Integrated Impact Assessment**

The delivery of the development zones within Tweedbank will be undertaken in such a way and to ensure that the programme meets the requirements of the Equality and Fairer Scotland duties.

### **11.4 Sustainable Development Goals**

Wherever possible, delivery of the development zones for Tweedbank will be undertaken in a sustainable manner in accordance with the SPG.

### **11.5 Climate Change**

Delivery of the development zones for Tweedbank will be controlled by the approval of the Supplementary Planning Guidance, including the associated design codes to ensure that climate change objectives and actions are implemented.

### **11.6 Rural Proofing**

This report does not affect or amend rural proofing policies.

### **11.7 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

#### 11.8 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report.

## 12 **CONSULTATION**

12.1 The Director Finance & Corporate Governance, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director People, Performance & Change, the Clerk to the Council and Corporate Communications have been consulted and comments received have been incorporated into the final report.

### **Approved by**

**Name**        **John Curry**                    **Title** **Director Infrastructure & Environment**

### **Author(s)**

Name	Designation and Contact Number
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### **Background Papers:**

**Previous Minute Reference:** Council - 17 June 2021, Council - 31 January 2019, Council - 20 December 2018, Council - 30 November 2017, Council 29 June 2016

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