

Members' Library Service Request Form

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive (Partnerships & Community Services)

SUBJECT: Economic Development Priorities 2018/19

1 PURPOSE

- 1.1 To ask Council to note the range of Economic Development projects planned for implementation during 2018/19.

2 RECOMMENDATIONS

- 2.1 To note the programme with expenditure indicated being met from the Economic Development budget or external funding.

3 BACKGROUND

- 3.1 Economic Development develops, supports and implements projects and activities that bring investment into East Lothian, start up and grow businesses, aid the creation and safeguarding of jobs, stimulate economic development and business performance, and attract and retain visitors. The Service works in partnership with external agencies and other council departments.
- 3.2 The East Lothian Community Planning Economic Strategy was developed by the Training and Employment Research Unit at the University of Glasgow in 2012. This Strategy and accompanying action plan and monitoring framework have provided strategic direction for all Community Planning partners involved in economic development interventions. See Appendix 1 for outline of strategic goals, vision and objectives.
- 3.3 Given the economic changes since 2012, EKOSGen, an economic development consultancy, was commissioned late 2017 to review and refresh the Strategy. Community Planning partners have been involved in consultations and workshops on the future approach and the refreshed Strategy will be available autumn 2018 with reports to the East Lothian Partnership Connected Economy Delivery Group, the East Lothian Partnership Governance Group and East Lothian Council Cabinet during November/December 2018 in order to endorse priorities and approach.

- 3.4 Economic Development priorities continue to be influenced by economic circumstances and consequent impacts on individual businesses and tourism demand with measures designed to support businesses and sectors and address need. In addition, the 2017 business survey continues to influence and inform the proposed programme. For example, seminar topics on social media, ongoing demand for loan and grant assistance through East Lothian Investments Limited and East Lothian Council, promoting local procurement and tendering.
- 3.5 Regular business engagement through a range of representative groupings – examples being food and drink, tourism/golf - as well as the Community Planning process ensures that the proposed programme meets the needs of local businesses and the wider economy. The East Lothian Partnership Connected Economy Delivery Group includes representation from sector bodies and public agencies involved in economic development.
- 3.6 The proposed programme for 2018-19 is categorised under the headings of **business development, tourism** and **strategic initiatives/policy**. All economic development interventions are subject to ongoing assessment of need and demand, including appropriateness of delivery, on an annual basis in line with budgetary allocation, external funding and market failure. Post-BREXIT implications that will require such assessment include reduced European funding, labour market needs and the climate for business growth.

Business Development

- 3.7 **Business Gateway.** East Lothian Council Economic Development has delivered the Business Gateway contract in its current form since 2002. The contract is led by the City of Edinburgh Council and covers East Lothian, Midlothian and West Lothian, delivered in-house by all four local authorities. Delivery of this service allows staff here to engage with and support individuals wishing to start-up in business and the service is promoted responsively via the national and local press and includes an outreach service in Musselburgh at Queen Margaret University (first Business Gateway service on a campus) and The Bleachingfield Centre in Dunbar.
- 3.8 The Council provides additional support for **business growth** including one-to-one core business advice, e-commerce/digital marketing, waste minimisation, procurement/tendering for public sector and customer service. Financial assistance is given through the awarding of East Lothian Council grants directly linked to job creation (one new job to be created per £2,500 of grant) and loans via **East Lothian Investments Limited** aimed at modernising the business base. A grant budget of £173,000 was assigned in 2017/18, 40% funded via the BG+ ERDF (European Regional Development Fund) programme. The business growth service offering is promoted and informed to the business community through the popular quarterly business newsletter, 'The Buzz', Council website and ongoing direct business engagement. The number of projects by sector and impact are listed under Appendix 2.
- 3.9 **EL Gift Card.** This is an example of an emerging initiative designed to support retail businesses and thus town centres. The East Lothian-wide gift card could be used in a range of retail, service, attraction, hospitality and other

customer-facing businesses and would provide a new, simple and easy way for local residents to buy a gift for friends, family and work colleagues. The set-up for participating business is straightforward with no additional cost. The East Lothian Card would if implemented be a one-stop money card that could be used all over the county in participating outlets and would complement Shop and Eat Local campaigns, thus retaining local spend. Developing initiatives to support local businesses and High Streets remains an economic development priority.

3.10 **Food & Drink.** The Scotland's Food & Drink County Business Improvement District (BID) is the first such BID approach adopted. 42 producer businesses are members of the BID paying a levy based on employment and generating income of £18,500 matched by council support of £20,000. The business plan for the BID company outlines priorities, target outcomes and budget assigned - key highlights include dedicated sales support, marketing materials including website, customer single order point and exhibition presence and participation. Council support at this early stage of development is focused on building capacity and resilience to ensure a more sustainable approach longer-term.

3.10 **Procurement.** The additional £25,000 allocation for procurement has enabled the appointment of a specialist Procurement Officer whose role is to support local businesses to apply-for and be successful in securing council contracts for the delivery of goods and services – outcomes include around 50 businesses to date supported through guidance and training; improved information for suppliers on council website; promotion of service and Scotland Excel and council contracts; bespoke information sessions for specific contracts.

3.11 **Social enterprise.** In relation to the social enterprise support allocated by the Council budget for 2018-19 of £30,000, a seed grant scheme of up to £400 (not match-funded) to develop business ideas and development grants of up to £4000 (matched) for established social enterprises looking to expand will be on offer to eligible social enterprises. This support will be managed by a business adviser working closely with Social Enterprise in East Lothian.

Tourism

3.13 **Tourism** is a key sector for East Lothian employing around 9% of the East Lothian workforce and Economic Development supports initiatives and businesses that attract additional visitors to the county. STEAM (Scottish Tourism Economic Activity Monitor) figures for the period January to September 2017 and compared year-on-year to 2016 show growth in staying and day visitors with consequent positive impacts on economic growth and direct employment.

3.14 The 2015 **visitor survey** provides in-depth analysis of visitor requirements and trends. This indicates that around a quarter of visitors to East Lothian are aged 16-34 and the share of younger visitors is increasing. Four out of ten visitors come from Edinburgh. The average party size is 3.6. The most common activity relates to beach or coast (62%). The vast majority of visitors

planned their trip in advance with a number of digital sources (including VisitScotland and Visit East Lothian) used in addition to personal recommendations. Most visitors stayed in caravan park or campsite (31%) followed by staying with friends and relatives and rented flat/house (26% and 18%). Encouragingly, daytrippers from Scotland and from the rest of the UK spend £25.69 and £38.75 on average respectively. Of note too is the average amount spent on accommodation by overseas staying visitors - £57.98. This survey also segmented visitors into the following categories that can be used in marketing planning: family timers, active explorers, relaxers, event goers, and visiting friends and relatives. The 2018 Visitor Survey will be undertaken between Easter and October, due late 2018, with results compared to 2015 and segmented accordingly.

- 3.15 Demand for on-arrival **tourist information** has fallen across Scotland with VisitScotland currently undertaking a comprehensive review of provision and focus in major centres. The **I-Know** programme was developed following this change in delivery utilising VisitScotland quality-assured tourism businesses to provide local knowledge to visitors to complement the larger ICentres operating in high-footfall locations. Currently there are 30 East Lothian businesses acting as **I-Know** centres including accommodation providers and attractions. Businesses in the scheme can display VisitScotland branded materials with criteria regarding what information businesses must provide to visitors.
- 3.16 East Lothian Council provides tourist information through libraries and museums in five locations - The Brunton in Musselburgh, North Berwick Library, Dunbar Town House, John Muir's Birthplace Dunbar and the John Gray Centre in Haddington. All locations have branded Visit East Lothian information boards and leaflet racking and staff at all locations experienced in dealing with visitors to the area assist with these enquiries. New for 2018 is a Visit East Lothian branded tear off map information pad and information provision at Prestongrange Museum.
- 3.17 The **Digital Marketing Strategy**, commissioned 2016, has provided the strategic context for such delivery. The East Lothian tourism **website**, www.visiteastlothian.org, has been accordingly refreshed and complemented by a comprehensive social media plan. Support to the industry is provided via Digital Tourism Scotland training.
- 3.18 Economic Development provides support for local **events and festivals** that attract visitors to East Lothian and generate economic impact; this support enables these events and festivals to grow and become more sustainable. The events must be in line with the East Lothian Community Planning Economic Development Strategy and should complement the relevant themed year, Year of Young People in 2018, wherever possible as well as promoting and bringing economic benefit to East Lothian. A condition of support is compliance with the Strategic Safety Advisory Group process and policy. Appendix 2 lists the number of projects by type and total grant awarded.
- 3.19 In addition, funding to support **tourism initiatives** will be provided, including membership of the Edinburgh Film Office and marketing and project development support for local initiatives. A recurring theme and demand is the 'outdoors' reflected in the Visit East Lothian website and social media plan

with, for example, cycle tourism itineraries being refined and ongoing promotion of the John Muir Way.

- 3.20 Representation at the VisitScotland Expo trade fair also helps the Council and businesses to identify new opportunities. In addition East Lothian has been represented at BoBI (Best of Britain and Ireland) and the VisitBritain initiative, VIBE.
- 3.21 **Golf.** 2018 was East Lothian's 'Summer of Golf' with the Aberdeen Standard Investments' Scottish Open and Ladies Scottish Open held at Gullane Golf Club from 12 to 15 July (65,000 spectators) and 26 to 29 July (10,000 spectators) respectively and the Staysure Tour Scottish Senior Open at Craigiellaw Golf Club from 14 to 16 September. East Lothian was promoted by onsite presence and marketing of the area before, during and after the events. The independent report showed almost £5.5m of economic impact through both events. Continued support will be provided to Scotland's Golf Coast (previously East Lothian Golf Tourism Alliance) to match fund golf marketing activities. Additionally, the US Kids' European Championship once again selected East Lothian – from 29 to 31 May around 500 young golfers played over Craigiellaw, Longniddry, The Glen, Royal Musselburgh and The Musselburgh Golf Clubs. The World Hickory Open was held over Luffness, Gullane, Longniddry and Kilspindie in October.
- 3.22 **Industry engagement.** Note should be taken of the support provided to the industry groups, Scotland's Golf Coast detailed above, and the East Lothian Tourism Attractions Group. Also, a number of networking opportunities is provided throughout the year and businesses are encouraged to comment on East Lothian Tourism Action Plan 2018.
- 3.23 The **budget** for business development and tourism interventions outlined is £385,000 and £419,000 respectively. Measures will be taken during 2018-19 to prepare businesses and event organisers for the planned budget reduction during 2019-20 through early notification, signposting to other forms of assistance and 1-1 guidance.

Strategic initiatives/policy

- 3.24 The proposed **East Lothian Local Plan** outlines a number of key employment sites. Economic Development will play a key role in ensuring that these are delivered and marketed accordingly. A number may require direct development input.
- 3.25 The **Edinburgh and South East Scotland City Region Deal** presents significant economic opportunities for East Lothian and these will be detailed under separate reporting requirements. For example, the Integrated Regional Employability and Skills (IRES) Pipeline project will improve labour market performance and skills development ensuring that the needs of job seekers and businesses recruiting are seamlessly met; the Queen Margaret University Innovation Park will provide business premises for specialist food and drink businesses so generating economic impact for East Lothian.
- 3.30 In relation to **Employability**, East Lothian Works was established in 2013 as a central point of contact for businesses recruiting and for young people and adult returners seeking employment. Bringing together in partnership labour

market supply and demand remains a key economic development priority. Economic Development will continue to work with networks (such as Developing the Young Workforce and Business Gateway) and with partners (eg. Skills Development Scotland, Department for Work & Pensions) to ensure that businesses have the staff they require and that adult returners and young people are able to seek and get jobs locally.

3.31 The former **Cockenzie** Power Station site, now in the ownership of East Lothian, presents a significant development opportunity and Economic Development will work with council services and stakeholders to develop and market for the site for economic uses.

3.31 **Broadband** is highlighted in the East Lothian Plan and Local Outcomes Improvement Plan 2017-27 as a priority. Economic Development will work with stakeholders, community groups and national agencies to maximise coverage and speeds for residents and businesses.

3.32 In relation to the **rural/fisheries** economy, East Lothian community groups and businesses continue to benefit from Tyne/Esk LEADER funding and Forth FLAG support. In addition, through Community Planning mechanisms, wider engagement mechanisms with rural stakeholders are being developed.

4 POLICY IMPLICATIONS

4.1 In line with the East Lothian Community Planning Economic Development Strategy 2012-22 and East Lothian Tourism Action Plan

5 EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the well being of equalities groups and an Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – as outlined

6.2 Personnel - none additional

6.3 Other - none

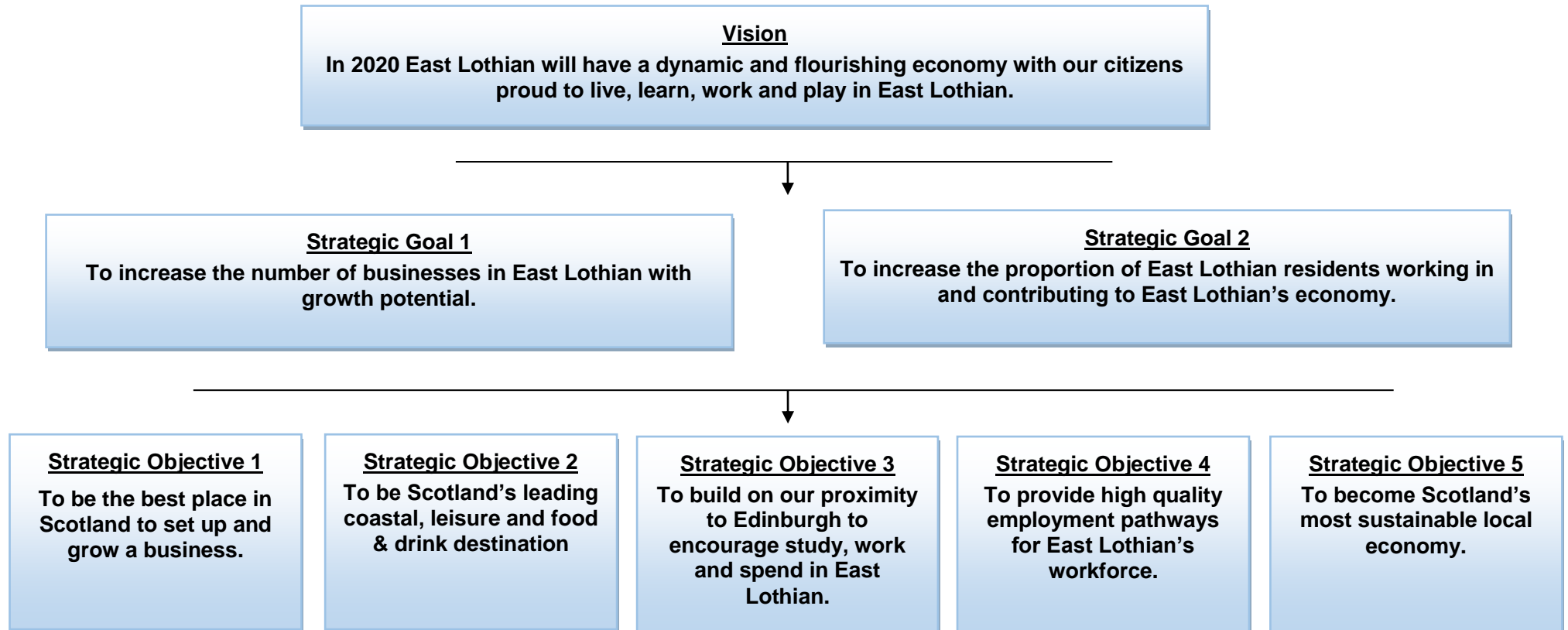
7 BACKGROUND PAPERS

7.1 East Lothian Community Planning Economic Development Strategy - http://www.eastlothian.gov.uk/downloads/download/1831/east_lothian_economic_development_strategy_2012_-2022

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DATE	July 2018

Appendix 1

EAST LOTHIAN COMMUNITY PLANNING ECONOMIC DEVELOPMENT STRATEGY 2012-22



Appendix 2

ERDF-funded programme by number of projects by sector and impact.

INVESTMENT GRANT

Numbers awarded	Sector	PROJECT	grant applied for	Grant paid	new F/T Jobs	P/T Jobs	FT Jobs protected	P/T Jobs protected	T/over	Gross Profit	Net Profit
6	F&D	£325,500	£101,000	£94,730.00	22	0	179		£9,779,743	£3,624,099	£806,322
2	Manufacture	£40,600	£20,300	£18,000.00	7	0	28	3	£1,594,612	£1,242,472	£400,038
4	Hospitality	£255,000	£95,000	£80,286.00	16	42	71	112	£3,540,018	£2,391,944	£477,443
3	Business services	£39,042	£29,421	£28,220	10	1	18	7	£682,212	£600,248	£35,642
1	Construction	£31,292	£15,000	£15,000	2		25		£1,407,400	£579,468	£247,257
1	Wholesale	£3,750	£1,875	£1,650		1	2	7	£132,287	£37,289	£15,006
17	TOTALS	£695,184	£262,596	£237,886	57	44	323	129	£17,136,272	£8,475,520	£1,981,708

CONSULTANCY IMPLEMENTATION

Numbers awarded	Sector	PROJECT	grant applied for	Grant paid	new F/T Jobs	P/T Jobs	FT Jobs protected	P/T Jobs protected	T/over	Gross Profit	Net Profit
4	Construction	£17,000	£11,250	£7,657	7	0	13	0	£275,270	£419,233	£23,000
1	Business Services	£3,800	£2,850	£1,855	2		1		£150,240	N/A	-£5,835
1	F&D	£4,000	£3,000	£3,000	0	0	0	0			
3	Wholesale	£10,614	£7,211	£7,211	3	0	16	5	£1,968,141	£486,795	£174,500
1	Manufacturing	£13,800	£5,250	£5,222	1	0	18	0	£767,748	£523,140	£153,124
10	TOTALS	£49,214	£29,561	£24,945	13	0	48	5	£3,161,399	£1,429,168	£344,789

APPENDIX 3 – Events supported 2017-18

Number of events supported by type and total grant amount

<u>Type of event</u>	<u>Number</u>	<u>Total grant amount</u>
Sporting	6	£68,000
Cultural	4	£92,000
Other	3	£30,000
		£190,000