

## Members' Library Service Request Form

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| Date          | 06/06/12                      |

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Executive Director of Support Services

**SUBJECT:** Economic Development Projects 2012/13

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## **1 PURPOSE**

- 1.1 To request Cabinet approval to implement the range of Economic Development projects outlined during 2012/13

## **2 RECOMMENDATIONS**

- 2.1 To agree this programme with expenditure indicated being met from the Economic Development Division's 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 team works in partnership with external agencies and other council departments.
- 3.2 Economic Development's priorities are influenced by the current economic circumstances and consequent impacts on individual businesses and tourism demand with measures designed to prepare businesses and individuals for recovery.
- 3.3 Regular business engagement through a range of representative groupings – examples being food and drink, tourism, golf, retail - as well as the Community Planning process ensures that the proposed programme meets the needs of local businesses and the wider economy.
- 3.4 In addition, the 2011 business survey, to be repeated during 2012, continues to influence and inform the proposed programme. For

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example, seminar topics on social media, ongoing demand for loan and grant assistance through East Lothian Investments and East Lothian Council, promoting local procurement through the Supplier Development Programme and other initiatives.

- 3.5 The East Lothian Community Planning Economic Strategy is being developed by the Training and Employment Research Unit at the University of Glasgow and the process started in March 2012. This strategy and accompanying action plan and monitoring framework will provide strategic direction for all Community Planning partners involved in economic development interventions. Business engagement, Community Planning partner feedback and research and baseline information have been integral to this process providing a strategy 'fit for purpose' and the strategic framework for partner projects.
- 3.6 The Enterprise and Skills Implementation Group leads on this theme on behalf of the Community Planning Board. Partners represented are Scottish Enterprise, Skills Development Scotland, Job Centre Plus, Queen Margaret University, Jewel and Esk College, Visit East Lothian, Federation of Small Businesses, Midlothian and East Lothian Chamber of Commerce, VisitScotland and Social Enterprise in East Lothian as well as appropriate East Lothian Council officials. This input ensures a joined-up responsive approach to economic development in East Lothian.
- 3.7 The proposed programme for 2012/13 is categorised as before under the headings of business development, tourism and other projects.

### **Business Development**

- 3.8 **Business Gateway.** 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. The current Lothian-wide Business Gateway contract comes to an end in October 2012 but the service will continue seamlessly and will be delivered in-house by all four local authorities. In order to meet the challenging targets, additional resources will be utilised covered by contract income. 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 a new outreach service in Musselburgh at Queen Margaret University providing support to students interested in self-employment and to local residents and businesses. Other outreach will be considered in line with demand.
- 3.9 The Council provides additional support for **business growth** including one-to-one core business advice, e-commerce/digital marketing, waste minimisation 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 £2,000 of grant) and loans via East Lothian Investments Ltd aimed at modernising the business base. Demand during 2011-12 grew considerably in response to the testing

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economic climate and was aided by £300,000 additional council support in the form of a loan to East Lothian Investments Ltd. During 2011-12 20 grants and 35 loans were awarded creating 104 new jobs and protecting 512 posts (see Appendix 1 for details). A grant budget of £90,000 has been allocated for 2012/13. The business growth service offering is promoted and informed to the business community through the popular quarterly business newsletter, 'The Buzz'. Advice and support is also provided through the PACE programme (Partnership Action for Continuous Employment) in relation to redundancies within companies and the responsiveness of the public agencies involved can ensure a speedy return to the labour market or entry into training for those affected.

- 3.10 **Retail.** The Christmas Shop Local project has now been held for four years with those spending £20 or more in independent local retailers eligible for participation in a prize draw to win local shopping vouchers. Marketing and advertising of the project has been refined each year - in 2011 126 retailers took part and 8,063 entries were received from shoppers, both up by 20% on the previous year. It is planned to repeat and build on this successful campaign for 2012.
- 3.11 **Food & Drink.** Through guidance from the food and drink and hospitality steering groups established to promote East Lothian food and drink, Economic Development has developed a Food and Drink Strategy and will be promoting East Lothian and local food and drink companies at consumer and trade shows, producing a Food and Drink directory highlighting the variety of local produce and attending the VisitScotland tourism Expo and other small scale events within and outwith the county.
- 3.12 The highly successful food and drink awards will be held again in 2012 and this has now developed into the major food and drink/hospitality event of the year within the county. 140 attended last year's awards ceremony with a waiting list – the project is now recognised by the Scottish Government as an exemplar of best practice.
- 3.13 The cost of these business development initiatives is £120,000.

### **Tourism**

- 3.14 Tourism is a key sector for East Lothian employing around 15% of the workforce. The economic downturn and the weak pound are deemed to be an opportunity for UK-based tourism – the 'staycation' effect. However STEAM (Scottish Tourism Economic Activity Monitor) figures for the period January to September 2011 for East Lothian indicate a fall of 2% in expenditure and economic impact, of 3% in tourist days and employment and an increase of 2% in tourist numbers. These figures demonstrate the need for continued support.
- 3.15 **VisitScotland support.** East Lothian Council will contribute £30,000 to VisitScotland allowing the Council and tourism industry to benefit from participation in VisitScotland marketing initiatives and from continued tourist information provision at North Berwick, Dunbar, Musselburgh,

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Haddington and East Linton. The detailed Memorandum of Understanding will indicate where expenditure will be targeted and outcomes expected.

- 3.16 Demand for on-arrival **tourist information** has fallen across Scotland – for example, the footfall in the North Berwick Visitor Information Centre during 2011-12 fell by 21% and bookings by 22% over the previous season. As a consequence, the tourist information centre in North Berwick will remain seasonal, opening April to October, with leaflet provision available in the majority of local establishments and visitor attractions. It is planned that the North Berwick Museum, expected to open in 2013, will host tourist information and museum/libraries staff will receive appropriate training.
- 3.17 The Visitor Information Centre in Dunbar has closed. From April 2012 tourist information is available in the Townhouse Museum whose staff will be trained in the delivery of tourist information. The Townhouse Museum, opening in 2012, will hold tourist information.
- 3.18 The John Gray Centre in Haddington now hosts tourist information and provision will be supported by members of the Haddington and District Community Council. Leaflet provision will remain at the Brunton Hall in Musselburgh and at the East Linton Library.
- 3.19 With tourist information in council-run venues and premises by 2013, there will be a consistent approach to delivery.
- 3.20 In addition, funding to support **tourism initiatives** will be provided, including membership of Edinburgh Film Focus and marketing and project development grant and sponsorship for larger and more established events. 2012 is the Scottish Government's Year of Creative (themed year) and grant support to complement national funding and initiatives can be applied-for.
- 3.21 The **2011 visitor survey** has provided in-depth analysis of visitor requirements and trends. This indicates that two thirds of visitors to East Lothian are aged 35-64 with a higher than Scottish average in the ABC1 social class. Most visitors are either families or 'empty nesters'. 92% of visitors are from the UK with 74% from within Scotland. 52% are on a day trip and 80% are on a repeat visit. The most common activity relates to beach or coast (64%). High satisfaction levels are consistently reported and £48.84 is the average daily spend, excluding accommodation. This survey has provided key messages for the Council and industry – for example, more visitors from the west of Scotland and opportunity to tailor marketing accordingly, age profile and activity chosen.
- 3.22 Representation at the Expo trade fair also helps the Council and businesses to identify new opportunities. The East Lothian tourism website, [www.eastlothian.org](http://www.eastlothian.org), is increasingly used by the industry as the key marketing tool and is attracting an increasing number of visitors to

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the site, complemented by online activity on Facebook and Twitter. A visitor leaflet was launched in 2011.

- 3.23 East Lothian will be staging an exhibition in St Andrew's Square Gardens, Edinburgh during the the first two weeks in August. This aims to show visitors and Edinburgh residents what East Lothian has to offer for a day trip and longer stay. The exhibition will be created by a professional event company and manned by council staff and industry representatives.
- 3.24 **Golf.** The East Lothian Golf Tourism Alliance is recognised as an exemplar of industry engagement and as such continued support to this group will be provided through the Golf Development Officer. East Lothian's portfolio of golf courses is renowned – for example, June 2012 will see the return of the US Kids European Golf Championship to Kilspindie, Longniddry, Luffness and Gullane golf courses for the fourth year bringing around 400 young golfers and their families to the county for around a week and May 2012 the return for the third year of the Ladies Scottish Open at Archerfield. The promotion of East Lothian golf to national and international audiences is the key priority in the lead-up to the 2013 Open Golf Championship at Muirfield.
- 3.25 Detailed discussions have commenced with EventScotland/VisitScotland, with the Royal & Ancient Golf Club of St Andrews and with Lothian & Borders Police in relation to planning for the 2013 event and to representation at the 2012 event in Lytham St Anne's. Industry representatives are involved in these discussions and the marketing and business engagement plan has the objective of maximising the economic benefit to East Lothian pre-, during and after the event.
- 3.26 **Event development support.** Homecoming 2009 was a catalyst to the creation and growth of a number of events during 2008-09, since built upon. 2012 is the Scottish Government's Year of Creative (themed year) and grant support to complement national funding and initiatives can be applied-for. Major events eligible for sponsorship include Lennoxlove Book Festival, Fringe by the Sea and The Lammermuir Festival. Future themed years are Natural in 2013 and Year of Homecoming, 2014.
- 3.27 A budget of £150,000 for these tourism initiatives is proposed.

#### **Other projects**

- 3.28 East Lothian Council manages the **Tyne/Esk Leader Programme 2007-13** providing grant support for economic and community projects in rural East Lothian and Midlothian. To administer and manage this programme, £7000 has been earmarked each year from East Lothian Council and Midlothian Council to continue to support the appointment of a temporary Project Officer based at East Lothian Council to develop and implement this programme. To date, over 42 projects in East Lothian have benefitted from this funding.

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3.29 **Scottish Enterprise monies.** Following the reorganization of Scottish Enterprise, East Lothian Council has been provided with £251,000 additional income. No conditions have been imposed on this funding and this has been earmarked to match fund European-funded projects in the areas of Business Gateway enhancement and Rural Renewables and for Open 2013 preparatory activities.

#### **4 POLICY IMPLICATIONS**

4.1 In line with Government Economic Strategy, Our Contract with the People, Economic Development Division Business Plan, East Lothian Tourism Action Plan, East Lothian Tourism Events Strategy, East Lothian Food & Drink Strategy and with proposed East Lothian Community Planning Economic Development Strategy

#### **5 EQUALITIES IMPACT ASSESSMENT**

5.1 This report is not applicable to the well being of equalities groups and an Equalities 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 None

|                      |                                                     |
|----------------------|-----------------------------------------------------|
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| <b>DATE</b>          |                                                     |

## Appendix 1 – Grant awardees

| DATE awarded | COMPANY NAME                       | PROJECT         | grant applied for | Decision | Grant paid     |
|--------------|------------------------------------|-----------------|-------------------|----------|----------------|
| 11-Apr-11    | Joe Forte Sports                   | £20,000         | £2,000            | awarded  | £2,000         |
| 12-Apr-11    | East Lothian Food & Drink Boxes    | £10,000         | £5,000            | awarded  | £5,000         |
| 27-Apr-11    | North Berwick Business Association | £2,625          | £1,000            | awarded  | £1,000         |
| 06-May-11    | Roddy Surfleet Financial Services  | £6,000          | £2,000            | awarded  | £1,660         |
| 31-May-11    | Christa Cameron                    | £4,900          | £2,000            | awarded  | £1,944         |
| 07-Jun-11    | Firemac Ltd                        | £14,500         | £4,000            | awarded  | £4,000         |
| 07-Jul-11    | Dunbar Traders' Association        | £5,250          | £1,000            | awarded  | £1,000         |
| 13-Jul-11    | Lazer Engineering                  | £10,000         | £5,000            | awarded  | £5,000         |
| 23-Aug-11    | Ravelston House Hotel              | £100,000        | £10,000           | awarded  |                |
| 23-Aug-11    | Humble Pie Ltd                     | £4,000          | £2,000            | awarded  | £1,377         |
| 23-Aug-11    | Had Fab Ltd                        | £80,000         | £10,000           | awarded  | £10,000        |
| 30-Aug-11    | Caledonian Trees Ltd               | £160,000        | £10,000           | awarded  | £10,000        |
| 02-Sep-11    | DMI Engineering                    | £77,000         | £10,000           | awarded  | £10,000        |
| 05-Sep-11    | ZOT Engineering                    | £33,995         | £10,000           | awarded  | £10,000        |
| 26-Sep-11    | Malt Kiln Ltd                      | £4,000          | £1,000            | awarded  |                |
| 05-Oct-11    | Collaborate Creative               | £3,435          | £1,717            | awarded  | £1,252         |
| 05-Oct-11    | Renaissance Care (Scotland) Ltd    | £28,350         | £6,000            | awarded  | £6,000         |
| 06-Oct-11    | Eve Coaches                        | £29,000         | £10,000           | awarded  | £9,664         |
| 31-Oct-11    | Belhaven Bikes                     | £1,600          | £800              | awarded  | £800           |
| 07-Nov-11    | The Bead Shop                      | £4,250          | £2,000            | awarded  | £1,774         |
| 08-Nov-11    | McInroy & Wood Ltd                 | £7,325          | £3,660            | awarded  | £3,660         |
| 02-Feb-12    | Kay Engineering                    | £4,130          | £2,065            | awarded  |                |
| 08-Feb-12    | Harbour House Hotel                | £50,000         | £10,000           | awarded  | £10,000        |
| 20-Feb-12    | Interactive Design Institute       | £4,586          | £2,293            | awarded  |                |
|              |                                    |                 |                   |          |                |
|              |                                    |                 |                   |          |                |
|              |                                    |                 |                   |          |                |
|              |                                    | <b>£664,946</b> | <b>£113,535</b>   |          | <b>£96,131</b> |