

## Members' Library Service Request Form

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**REPORT TO:** Members' Library Service

**DATE:**

**BY:** Executive Director (Support Services)

**SUBJECT:** Economic Development Projects 2013/2014

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## **1 PURPOSE**

- 1.1 To request approval to implement the range of Economic Development projects outlined during 2013/2014.

## **2 RECOMMENDATIONS**

- 2.1 To agree to this 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 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. For example, the establishment of East Lothian Works focused on employability interventions in light of rising unemployment levels (see 3.30).
- 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. As per the Community Planning review, the Sustainable Economy Strategic Board will oversee and set the strategic direction of economic

development interventions consulting with industry and with other public sector partners as appropriate.

- 3.4 The East Lothian Community Planning Economic Strategy was developed by the Training and Employment Research Unit at the University of Glasgow. This strategy and accompanying action plan and monitoring framework provide strategic direction for all Community Planning partners involved in economic development interventions. Business engagement, Community Planning partner feedback and research and baseline information were integral to this process providing a strategy 'fit for purpose' and the strategic framework for partner projects. Eight 'Strategic Projects' were highlighted and leads for each of these projects have been identified with activity under way. Progress will be reported to the Community Planning Sustainable Economy Strategic Board and to Council as appropriate.
- 3.5 In addition, the 2013 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 and East Lothian Council, promoting local procurement and tendering.
- 3.6 The proposed programme for 2013/14 is categorised under the headings of business development, tourism, East Lothian Works and other projects.

### **Business Development**

- 3.7 **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 came to an end in October 2012 but the service continued seamlessly and is now 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. A further outreach facility is being planned for 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 £2,000 of grant) and loans via East Lothian Investments Ltd aimed at modernising the business base. Demand during 2012-13 grew considerably in response to the testing economic climate and was aided by £300,000 additional council support in the form of a loan to East

Lothian Investments Ltd. During 2012-13, 24 grants and 33 loans were awarded creating 57 new jobs and protecting 152 posts. A grant budget of £100,000 has been allocated for 2013/14. 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.

- 3.9 **Retail.** The Christmas Shop Local project has now been held for five 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 2012, 134 retailers took part and 7,012 entries were received from shoppers. It is planned to repeat and build on this successful campaign for 2013 with a budget of £20,000 earmarked for this and a number of other retail initiatives.
- 3.10 **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 range of food & drink projects, outlined in the Food and Drink Implementation Plan. For example, East Lothian companies will be promoting their produce at consumer and trade shows in Scotland and England, producing the Food and Drink directory including a bespoke guide for Open 2013 visitors, and managing the food & drink website, as well as attending the VisitScotland tourism Expo and smaller-scale events within and outwith the county, all designed to highlight the variety of local produce and to encourage usage.
- 3.11 The highly successful food and drink awards will be held again in 2013 and this has now developed into the major food and drink/hospitality event of the year within the county. 160 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. A budget of £55,000 for food and drink has been allocated.
- 3.12 **Procurement.** The additional £25,000 allocated by the Council budget for 2013-14 for local business procurement support will enable Economic Development and Corporate Procurement to develop a range of activities to encourage and support the local business base to gain more East Lothian Council and other public and private sector contracts. For example, tender writing workshops and one-to-one business consultancy advice will be on offer.
- 3.13 **Social enterprise.** In relation to the additional social enterprise support allocated by the Council budget for 2013-14, £50,000, a grant scheme, seed grants of up to £2000 (not match-funded) to develop business ideas and development grants of up to £5000 (matched) for established social

enterprises looking to expand is being developed. This support will be managed by a business adviser working closely with Social Enterprise in East Lothian.

- 3.14 The cost of these business development initiatives is £250,000.

### **Tourism**

- 3.15 Tourism is a key sector for East Lothian employing around 9% 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 2012 for East Lothian indicate a fall of 3% in expenditure and economic impact, of 4% in tourist days and tourist numbers and 2% in employment. These figures demonstrate the need for continued support.
- 3.16 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 than previously and opportunity to tailor marketing according to age profile and activity chosen.
- 3.17 **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 and Haddington. The detailed Memorandum of Agreement will indicate where expenditure will be targeted and outcomes expected.
- 3.18 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. It is planned to host tourist information in council-run venues and premises such as museums by 2013 in order to have a consistent approach to delivery and maximise footfall.
- 3.19 The visitor 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. The North Berwick Museum, opening summer 2013, will host tourist information and museum/libraries staff will receive appropriate training. However, in order to cater for the substantial number of visitors to East Lothian during July for the Open, the North Berwick Visitor Information Centre at Quality Street will remain operational until September 2013.

- 3.20 From April 2012 tourist information has been available in the Townhouse Museum where staff have been trained in the delivery of a partnership information point. The John Gray Centre in Haddington hosts tourist information and provision is supported by members of the Haddington and District Community Council.
- 3.21 £120,000 has been given to Economic Development for local **events and festivals** and such local existing and new initiatives that attract visitors to East Lothian are encouraged to apply for support to encourage and develop their growth recognising the importance of these initiatives in generating economic impact. The events must be in line with the East Lothian Community Planning Economic Development Strategy and should complement the Year of Natural Scotland (2013 themed year) wherever possible.
- 3.22 Following the success of 'Wish you were there...' in St Andrew Square Gardens, Edinburgh during the first two weeks of August 2012, East Lothian will again be taking the county to the city. The campaign 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 and has a budget of £60,000.
- 3.23 In addition, funding to support **tourism initiatives** will be provided, including membership of Edinburgh Film Focus and marketing and project development support for local initiatives.
- 3.24 The East Lothian tourism **website**, [www.visiteastlothian.org](http://www.visiteastlothian.org), is increasingly used by the industry as the key marketing tool and is attracting an increasing number of visitors to the site, complemented by online activity on Facebook and Twitter. Representation at the Expo trade fair also helps the Council and businesses to identify new opportunities. In 2013 a new approach is being taken to involve industry partners in delivery of this exhibition. In addition East Lothian was exhibited at BoBI (Best of Britain and Ireland) for the first time in March 2013. Expo partners were promoted at this exhibition and made special rates for the travel trade industry. A budget of £80,000 has been earmarked for the range of marketing activities.
- 3.25 **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 2013 will see the return of the US Kids European Golf Championship to Craighielaw, Kilspindie, Longniddry, Luffness and Gullane golf courses for the fourth year bringing around 500 young golfers and their families to the county for around a week and August 2013 the Ladies Scottish Open will return to Archerfield for the fourth successive year. 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 in July.

- 3.26 **Open 2013.** Detailed plans and implementation strategies have been agreed with EventScotland/VisitScotland, with the Royal & Ancient Golf Club of St Andrews and with Police Scotland in relation to the staging of the 2013 event .
- 3.27 The marketing and business engagement plan has the objective of maximising the economic benefit to East Lothian pre-, during and after the event. Specific signage (Welcome to Scotland's Golf Coast Road) and marketing activity highlighting East Lothian and encouraging return and repeat visits are planned.
- 3.28 In partnership with VisitScotland/EventScotland, Golf East Lothian will be manning a stand within Muirfield and activities will be designed around capturing data and showcasing East Lothian golf – for example, competition and quality imagery. A total of £110,000 for Open golf activities during 2013 has been allocated.
- 3.29 A budget of £400,000 for these tourism initiatives is proposed.

### **East Lothian Works**

- 3.30 East Lothian Works is the central point of contact for employment advice, training and skills development bringing together a range of council services (ELVOS, The East Lothian Skill Centre, Business Gateway) as well as providing meeting facilities for a number of external partners (principally and initially Queen Margaret University, The Edinburgh College, Skills Development Scotland, Job Centre Plus). For example, Job Centre Plus will provide an employer engagement adviser one day per week and a Disability Employment Adviser for one day per fortnight.
- 3.31 Bringing together all related employability services will allow for greater sharing of information and synergy with the objective of getting more East Lothian residents into work, providing support and guidance to businesses to enable them to take on more staff, and providing skills development support for those in work wishing to progress.
- 3.32 The Principal Officer Employability will manage East Lothian Works liaising and supporting partners in their delivery, identifying opportunities and ensuring a seamless approach to individuals and businesses. The staffing and management arrangements for East Lothian Works has been the subject of a separate report.
- 3.33 The Scottish Government announced the Youth Employment Fund in April 2013 funded by the Scottish Government and the European Social Fund. This will provide a 50% wage subsidy to businesses for 6 month job placements for young people. Economic Development's 2012 business survey indicated that businesses in East Lothian would be interested in a wage subsidy-type scheme but cost and willingness to recruit are barriers. The additional £50,000 allocated for apprenticeships by the Council for 2013-14 provides the opportunity to subsidise further these placements and it is proposed that businesses able to take on young people for this period of time be asked to contribute 35% of the

total costs with 50% from the Scottish Government/European Social Fund and 15% from East Lothian Council. This would allow 74 young people to benefit from work experience, widely recognised as a barrier to finding employment. The total eligible expenditure is £335,353 with £167,676 from Scottish Government/European Social Fund sought. This project will be managed by East Lothian Works ensuring a joined-up service for the businesses and young people participating.

- 3.34 A budget for East Lothian Works has been allocated, £787,000, for staffing and activities.

#### **Other projects**

- 3.35 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 40 projects in East Lothian have benefitted from this funding and are either under way or complete.

## **4 POLICY IMPLICATIONS**

- 4.1 In line with the 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 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](http://www.eastlothian.gov.uk/downloads/download/1831/east_lothian_economic_development_strategy_2012_-2022)



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