

Borders Rail Update

Report by Chief Executive

1.0 Purpose of Report

- 1.1** This report advises Members of the substantial amount of activity undertaken and future work planned relating to the Borders Railway, with particular reference to Midlothian.

2.0 Background

- 2.1** Members will probably be particularly familiar with the history of the line which originally closed in 1969. Re-introduction of the line between Edinburgh and Tweedbank was initiated through the passing of the Waverley Act by the Scottish Parliament in 2006. Following the extensive design and build stages, the line opened in September 2015. After an initial weekend of special events and celebrations, the line was officially opened by Her Majesty The Queen on 9 September 2015: for which there was extensive national and international media coverage.
- 2.2** A primary justification for the implementation of the project is the opportunity for substantial economic benefits along the rail line corridor, especially for communities in Midlothian and the Scottish Borders.
- 2.3** On 4 November 2014 Council considered a report, Borders Railway by Director, Resources which provided comprehensive information on the chronology of events from the closure of the line in 1969 to the projected date of re-opening in September 2015. This report also set out information on external and internal governance arrangements, marketing and promotion opportunities, infrastructure and the management of the inaugural events and the opening ceremony. Having considered the report, Council decided:-
- (a) *To progress to date with arrangements for the establishment of Borders Railway and the associated opening events;*
 - (b) *To agree the proposed working groups and governance arrangements as detailed within the report; and*
 - (c) *To note the intention to provide regular updates on key events, including publicity.*

- 2.4** Allocation of resources to assist in the promotion of the Borders Railway was considered by Council on 16 December 2014 as part of the report on Financial Strategy 2015/16 to 2017/18. The relevant part of the report notes the Borders Railway Line as providing a primary economic development opportunity, as well as a prospective boost to regeneration of the priority communities of Midlothian through which it passes. In recognition of that, the identification of £0.25 million from the General Fund reserve was recommended

“to put Midlothian in as strong as possible a position to promote and capitalise on the Borders Railway, taking advantage of the opportunity that the railway provides whilst demonstrating our commitment to the project.”

This recommendation was formally approved by Council as a budget allocation on 17 February 2015.

3.0 Overall Governance and Key Activities

- 3.1** The Borders Railway is a project the construction of which was funded primarily by the Scottish Government and procured by Transport Scotland through Network Rail, and is operated by Scotrail as a part of the national rail network in Scotland. In November 2014 a document entitled “Borders Railway – Maximising the Impact: A Blueprint for the Future” was published by the ‘Blueprint Group’ of partners comprising Scottish Government, the Scottish Borders, Midlothian and City of Edinburgh Councils, Transport Scotland, Scottish Enterprise and VisitScotland. The document sets out the ambitions of the partners “*to realise fully the economic benefits of the new Borders Railway*”, most particularly stimulating the growth of businesses, generating employment and boosting tourist visitor numbers. The Blueprint is structured around Great Locations for Working and Investing, Great Communities for Living and Learning, and Great Destinations to Visit. Using these themes the Blueprint Group has established a more detailed programme of activity and investment, and the Group meets regularly to oversee the implementation of that programme.

3.2 Action on Great Locations for Working and Investing

The Blueprint document recognises that it is not sufficient to assume that economic development will naturally result from the provision of the new railway; and that a strong proactive approach is needed. Accordingly, a number of specific actions have been identified.

- An Inward Investment Prospectus and promotional film was launched in August of this year. This newly created website www.bordersrailwayprospectus.com contains a wealth of information for prospective inward investors as well as an interactive map of over 100 site and premises in the railway corridor.

- Establishment of a Borders Railway Investment Fund through Scottish Enterprise which can boost investment in business infrastructure and support.
- Appointment of an Inward Investment Project Manager to work with the Councils and other Blueprint partners for an 18 month period to provide and establish a sustained focussed approach to attracting inward investment. This position will establish an up to date, dynamic database of sites and buildings that are readily marketable, to establish a lasting network of contact across the public sector agencies and private sector investors, and to establish the Borders Rail corridor as 'open for business'.
- Regular liaison with Scotrail's section who are specifically charged with responsibility for promoting economic development along the rail corridor; and for which Scotrail has a budget to assist including the funding of the Borders Railway Community Partnership.

At a Midlothian level the Council's Economic Development Strategy 'Ambitious Midlothian' identifies Borders Railway as an opportunity for economic development to be maximised. In May 2015 the Council hosted a successful and well-attended event targeted at local businesses to raise their awareness of the economic potential of the new railway. Current activity is centred around preparation of a well-resourced and well-presented inventory of sites and buildings which are readily available for investors and new businesses to locate and/or relocate to Midlothian. The Economic Development team is already in close contact with two companies who are expected to relocate into Midlothian on account of the accessibility provided by the new railway. In addition to the inventory of sites the team, in association with the above-mentioned Inward Investment Project Manager and Scottish Enterprise, will use existing and developing business networks to promote Midlothian. Because of its relatively compact size it is recognised that this promotional activity can include sites and premises in all of the main towns in Midlothian. There is also close ongoing liaison with the National Mining Museum to ensure a joint approach to delivering potential income generation from effective marketing of currently surplus/underused land and buildings in the ownership of the Museum.

3.3 Great Communities for Living and Learning

For Midlothian the key issues to be pursued in maximising opportunity under this heading can be clearly identified.

- The railway provides a major incentive for housebuilders, employers, retail and commercial interests to locate at the Shawfair new community, as well as at the major new land release at Redheugh, Gorebridge.

- The line passes through Midlothian's priority community of Gorebridge and is relatively close to Mayfield and Easthouses where income and educational qualifications disparities are at their greatest. The new line provides ready access to education/training at Edinburgh College, Borders College and Queen Margaret University and it also provides much improved access to a greater range of labour markets in Edinburgh and the Borders.
- Sites and buildings close to the Newtongrange and Gorebridge stations have been identified for particular attention as development opportunities.
- Opportunities have arisen to improve the viability and vitality of the town centres of Newtongrange and Gorebridge. Additional footfall at Newtongrange, augmented by increased visitor numbers at the National Mining Museum should be a catalyst for improvement in the environment and quality of the town centre. At Gorebridge there could be the opportunity to extend the scope of the current well-supported Conservation Area Regeneration Scheme in the town centre to include major public realm improvements. Both of these could potentially take advantage of Scottish Government funding to support the Blueprint document.
- These improvements to town centres need to include fully functioning footpath/cycleway links to the stations. In addition a programme of safe, convenient and readily useable path/cycleway provision with signage should be established to link the stations with nearby locations such as schools, colleges, retail centres, hospitals, etc.

3.4 Great Destinations to Visit

Tourism remains one of the strong economic sectors in Midlothian which, in line with the national trend, has seen steady year on year growth in visitor numbers and visitor expenditure. The new railway provides the opportunity for a step change improvement in this sector. The programme of activity at overall level has included the following items.

- The launch of the Business Opportunities Guide in October 2015 via the Business Gateway network, to highlight new business opportunities for the tourism sector.
- Appointment of a fixed term contract Tourism Business Adviser to work with the Councils and other Blueprint partners in providing direct support to tourism businesses.
- A Visitor Marketing Programme, the first phase of which was the VisitScotland led marketing campaign which was launched in August of this year, targeting markets in the UK, Germany and North America.
- A six week pilot Steam Train Experience from September to November was very successful; although of very limited benefit to

Midlothian as the train does not stop within Midlothian, it generated interest in the community.

At the Midlothian level a successful awareness raising event for local tourist businesses was organised in June 2015 at Newbattle Abbey College. In addition the Midlothian Tourism Forum and the Chamber of Commerce have been particularly active in promoting the opportunities presented by the new railway to the Midlothian tourism sector.

Consideration is being given to a potential arrangement for a 'hop on/hop off' corridor route bus service from Newtongrange station to the main tourist and visitor attractions in Midlothian. If run it would be only in the peak Summer months. Feasibility work is currently being undertaken with a view to a recommendation being made before the 2016 Summer period.

4.0 Passenger Numbers and Operational Issues

- 4.1** A total of 126,000 passengers used the railway in its first month of operation (September), and figures for subsequent months are suggesting higher than predicted rates of usage. On that basis a conservative annual projection would be in the region of one million passengers: in comparison with the pre-opening projection of 647,000 passengers per annum. There has been some well-publicised concerns regarding the lack of sufficient rolling stock at times, to the significant inconvenience of passengers, and this has been raised directly with the train operator. The train operator has sought to address this issue as far as possible, but there is a recognition across the rail industry in the UK of a lack of available rolling stock and the lead in times for delivery of new carriages. In the short term, the closure of the Forth Road Bridge will put additional pressure on the rail network across central Scotland. The Council will continue to lobby wherever possible for the rapid resolution of this issue.
- 4.2** To encourage people to travel actively and sustainably from home to the train, Midlothian Council, in collaboration with Transport Scotland, are funding the installation of Interactive Touch screen terminals which will be located on platforms or other key locations at the stations. These terminals, due for installation in February 2016, will have programmes that aim to make walking and cycling a mode of choice for short journeys in and around Midlothian. Discussions are ongoing with the rail operator on how best to provide opportunities to encourage cycle use.
- 4.3** As part of Network Rail's contract a limited amount of signage was provided which, whilst adequate, has been the subject of some concern from rail users. Therefore, there is a programme being undertaken by the Resources Directorate to augment the signage in the vicinity of the stations. In terms of parking there have to date been no complaints received regarding the capacity or other elements of the dedicated station car parks: this can be kept under review, particularly at Newtongrange and Gorebridge.

- 4.4 There is positive ongoing liaison with Scotrail on a range of issues including information on passenger usage, cycle (as indicated in paragraph 4.2 above) and car hire opportunities as well as sponsorship and marketing activities.

5.0 Report Implications

5.1 Resources (external)

The Blueprint Group has identified a programme of implementation activity and established costings for most items. In many cases the relevant partners have agreed to financial contributions for specific items (see paragraph 5.2 below). The programme also includes opportunity for bids to be submitted for appropriate projects to a £10m fund provided by Scottish Government through Scottish Enterprise, and managed by the Blueprint Group. There is no time deadline for submission of bids, rather it is for projects to come forward over the next few years. Potential opportunities in Midlothian could include town centre schemes at Newtongrange and Gorebridge; as well as development to improve the offer and use of land at the National Mining Museum

5.2 Resources (internal)

The collective view of the Blueprint partners is that it is vitally important to put in place a comprehensive range of measures and resources at the time of the opening of the railway and in the first two years of its operation. In recognition of that the partners agreed to commit resources at this time to such measures: in Midlothian the Council has expended, or committed, resources on the following items:-

- i) Activity at the time of the opening,
 - Train wrap £25,000
 - Opening weekend community events £20,000
 - Waverley Farmers' Market £2,000
 - Advertising £1,000
- ii) Tourism promotion and development
 - Tourism marketing activity £83,500 over three years
 - Tourism audit £12,000
 - Tourism Development Adviser £6,000 over 18 months
 - Smarter Choices/Smarter Phones information points at stations £56,000
- iii) Inward Investment/Economic Development
 - Inward Investment Project Manager and related activity £60,000 over 18 months

- Inward Investment Prospectus and web site £10,000

iv) Project management £16,000

Except for the opening weekend community events, all other items comprise contributions in partnership with other Blueprint partners. As noted in paragraph 2.4 above the Council has previously set aside £250,000 towards the costs of meeting the Council's commitments towards the Blueprint programme, which is being delivered collaboratively by all of the Blueprint partners. The total resource allocations of the Council in terms of funds expended to date is £247,000. However, there is additional expenditure emerging in years 2016/17 and 2017/18 for the ongoing marketing relating to the Borders Railway and also maintenance and servicing of the web sites; these additional costs are estimated at £50,000 over two years. Accordingly, this report recommends action to address the future position of financial commitments related to the Borders Railway. At a Midlothian level the future costs associated with a range of measures including the promotion of inward investment and tourism will require to be detailed, although some or all of these costs could be accounted for in normal base budgets for the relevant services. A potential exception would be the hop on/hop off circular route tourist/visitor bus where a tender is due to be returned outlining the potential costs.

5.3 Risk

The fundamental risk is that the Midlothian economy as a whole, and the local economies of communities close to the railway, experience little or no economic growth arising as a consequence of the railway. The actions of the Blueprint partners both collectively and on an individual level are seeking to mitigate this risk.

5.4 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

5.5 Key Priorities within the Single Midlothian Plan (SMP)

The railway positively impacts on the Council's key priorities of:

- Economic growth and business support
- Positive destinations.

5.6 Impact on Performance and Outcomes

The Council, through its own actions, and in collaboration with Blueprint partners, should enable the new railway to be a catalyst in bringing jobs to the area, providing greater accessibility to labour markets, providing greater accessibility to skills and training, all of which should

directly tackle Midlothian's low-wage and lesser qualified/skilled economy.

5.7 Adopting a Preventative Approach

Investment in a significant programme of activity at this early stage can develop the profile, awareness and culture to secure the outcomes referred to in paragraph 5.6 above with consequent reductions of demand on public services and funding.

5.8 Involving Communities and Other Stakeholders

The Blueprint Group of stakeholders provides a broad base of skills, expertise and resources with which to drive the Borders Rail project. At the inception, design and build stages the relevant partners have engaged with local communities, and through the Community Planning Partnership. The Council is developing strong partnership links with key players including Scotrail and Transport Scotland.

5.9 Ensuring Equalities

This report is not proposing any new policies, and has therefore not been required to be assessed for equalities implications.

5.10 Supporting Sustainable Development

The new railway provides for a major shift of transport mode from the private car, and this should show an overall reduction in carbon emissions.

5.11 IT Issues

There are no IT issues arising from this report.

6 Summary

- 6.1** The new Borders Railway represents a once in a generation opportunity to provide a step-change sustainable improvement in the Midlothian economy, and particularly in the economies and welfare of some of the most disadvantaged communities. There is no guarantee that such uplift will occur of itself. In recognition of that the Council, along with its Blueprint partners, is implementing a comprehensive programme of activities to promote economic development through strategies for inward investment and tourism, as well as promoting the greater accessibility of labour markets and education/training. This has required a significant level of resources, but targeted in such a way as to provide the optimal environment to realise these positive outcomes for Midlothian communities.

6 Recommendations

- 6.1** It is recommended that Council:
- i) notes the extensive level of commitment being shown by the Council and its Borders Railways Blueprint partners towards maximising the economic benefits of the new railway to Midlothian;

- ii) approves a supplementary estimate of £50,000 to meet the Council's financial commitments to activities directly related to promotion of economic development consequent on the opening of the new railway; and
- iii) instructs the submission of further update reports to Council on a regular basis and as appropriate.

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Background Papers: None