

## Edinburgh Tram Project: Business Support

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### Policy and Strategy Committee

6 September 2011

#### Purpose of report

- 1 This report considers issues concerning rates relief, general business support and potential compensation for Edinburgh's business community during the period of tram construction activity over the next three years and reports on measures that can be taken by the Council to help support businesses in the city during this period.

#### Main report

- 2 The Council reports of 30 June 2011, 25 August 2011 and 2 September 2011 on the Edinburgh Tram Project referred to the 'Open for Business' programme, specifically the issues of rates relief, general business support and potential compensation to businesses in the locality of the tram construction works.
- 3 Discussions have been held with the Regional Assessor on the subject of possible business rates relief. The Assessor has confirmed that businesses affected by the tram works would be entitled to apply for a revaluation of their properties to gain a temporary reduction in rateable value, if they can demonstrate that the rateable value of their property has been directly affected by the tram construction works.
- 4 The 'Open for Business' programme has been reviewed and refreshed to improve the focus of support for small and medium sized businesses. Appendix 4 of the 25 August 2011 Council report, reproduced here as Appendix 1, summarises the evolution of the previous scheme and includes some examples of the successes during the period in which it was active.
- 5 The refreshed 'Open for Business' programme was undertaken to give confidence to businesses affected by the works, encourage visitors to Edinburgh and sustain footfall in the city centre. Work on this had already begun before the August Council meeting, with a communications plan set in place to promote the city while the remedial works in Princes Street were proceeding. A number of meetings have been held with city centre stakeholders, about logistical support on issues such as access, deliveries, signage and support for business during the proposed works.

- 6 The 'Open for Business' programme will continue to support the work of three Town Centre Coordinators covering the City Centre, Leith Walk and the West End, supplemented by extra funding for the Winter Festivals and additional events during times when there are gaps in the city's existing events calendar.
- 7 It is recognised that there are opportunities to work with partners to maximise the promotion of the city centre, generally, during the period of the tram works and beyond, and it has been recommended that a cross-agency working group be set up for this purpose, facilitated by Marketing Edinburgh. This group has been encouraged to identify additional promotional activities that will help to relay the message that the city remains 'open for business' throughout the tram works.
- 8 As reported and accepted by Council in June there are no plans to provide direct compensation for businesses affected by tram construction works, beyond potential temporary rates revaluation as noted above. However, following discussions with the business community and Tram Business Forum, the Council, at its meeting of 2 September 2011, approved additional funds, to bring the total investment in the 'Open for Business' programme to £445,000 per annum during 2011/12 and 2012/13. The Director of City Development will work with the Tram Business Forum to agree proposals for using these additional funds to address business concerns and will report to the Cross Party Tram Group.

### **Financial Implications**

- 9 A budget allowance of £355,000 was agreed in the 2 September 2011 Council report, in addition to the £90,000 already committed to fund the Town Centre Coordinators, through to 2012/13, to provide additional support to businesses during tramworks beyond this financial year. This now provides a total fund for business support of up to £445,000 per annum in 2011/12 and 2012/13.

### **Equalities Impact**

- 10 The report's contents and recommendations are of some relevance to the public sector equality duty of the Equality Act 2010. They form part of the overall action associated with the Edinburgh Tram Project. There is an ongoing full equalities impact assessment that is being undertaken of the Edinburgh Tram project. This report raises no specific new issues in relation to this ongoing assessment.

### **Environmental Impact**

- 11 This report raises no specific environmental issues.

## Recommendations

- 12 It is recommended that Committee:
- a) notes the content of this report; and
  - b) requests an update on the 'Open for Business' programme within three cycles, including a statement of the impact of tram works on city centre footfall and how the additional funds to support businesses, as mentioned above, may be required to be released.

**Dave Anderson**  
Director of City Development

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Appendices	1. Proposal for a Business Support Package for Areas Affected by Tram Works – August 2011
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Wards affected	City Wide
Single Outcome Agreement	<u>National Outcomes:</u> <ul style="list-style-type: none"><li>• National Outcome 1 - We live in a Scotland that is the most attractive place for doing business in Europe</li><li>• National Outcome 10 - We live in well-designed, sustainable places where we are able to access the amenities and services we need</li><li>• National Outcome 12 - We value and enjoy our built and natural environment and protect it and enhance it for future generations</li><li>• National Outcome 14 - We reduce the local and global impact of our consumption and production.</li></ul>

Background  
Papers

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- The City of Edinburgh Council Meeting, 2 September 2011, Item 3.1: Edinburgh Tram Project
- The City of Edinburgh Council Meeting, 25 August 2011, Item 8.2: Edinburgh Tram Project
- The City of Edinburgh Council Meeting, 30 June 2011, Item 8.2: Edinburgh Tram Project
- The City of Edinburgh Council Meeting, 16 May 2011, Item 2.1: Edinburgh Tram Update
- The City of Edinburgh Council Meeting, 16 December 2010, Item 8.2: Edinburgh Tram Project
- The City of Edinburgh Council Meeting, 14 October 2010, Item 8.1: Edinburgh Tram Update Report
- The City of Edinburgh Council Meeting, 24 June 2010 Report, Item 8.2: Edinburgh Tram Project - Update Report

**PROPOSAL FOR A BUSINESS SUPPORT PACKAGE FOR AREAS AFFECTED BY TRAM WORKS – AUGUST 2011**

**INTRODUCTION**

From September 2011 the Edinburgh Tram project will resume the programme of on-street works to build the first phase of the tram line from Edinburgh Airport to St Andrew Square in the heart of the city centre.

Integral to ensuring this programme is successful is the on-going support for stakeholders whilst works are underway. This will maintain and enhance confidence in the city as an attractive place to shop, visit and do business and that the construction works will lead to a dynamic, public transport system for the city in the coming years.

**BACKGROUND**

The City Council is planning ahead for future population growth and as part of that a progressive, integrated public transport solution is required. Serving two of Edinburgh's key growth areas, the west and centre of the city, the introduction of a tram line will help ensure the city can manage the projected population growth.

Trams show that a city is a modern and well-connected place to do business, which can lead to more investment, new jobs, regeneration and greater prosperity.

Trams are able to carry large volumes of passengers, quickly along their route and are not hampered by general traffic. They also create a cleaner environment for the future as they are electrically powered, so there are no vehicle emissions.

Construction of the Edinburgh Trams Project has now been underway since 2007. A well documented contractual dispute and additional utility works have meant that the programme has been extended beyond that which was originally planned.

Funding issues have meant that the original route from Edinburgh Airport to Newhaven will now be delivered in phases. The first phase, currently under construction, will be from the Airport to St Andrew Square in the heart of the city centre.

During the initial phase of work, support packages were put in place to aid businesses that were adversely affected by works. A small business support scheme was in place

There was also a Business Rates Relief scheme implemented by the Lothians Assessor which was carried out. It is anticipated that the first scheme will not be replicated as it was carried out only for the lifespan of the utilities diversion programme. However, the Lothian Assessor will still look at applications for rates relief as this was for the life of the project.

A successful communications and marketing campaign was also undertaken to promote areas where work was taking place. Open for Business ran for three years and developed over the course of that time from providing city wide marketing campaigns to more localised versions and finally providing one-to-one support and advice to businesses in locations along the tram route.

Some examples of the type of activity undertaken through Open for Business include:

- Funding and creation of the I Love Leith and West End village promotions to strengthen the brand identity of the areas
- Dine Around – encouraging customers to Leith restaurants
- Audit and dressing of empty shop units
- Creation of the award winning Business Hub within McDonald Road library in connection with Business Gateway to deliver free workshops for businesses
- Shoppers promotions, branding opportunities, website development, media promotions

This covers just some of the activity specifically undertaken by the original Business Co-ordinator for Leith Walk/West End who was in post from April 2009, with support from an external public relations contractor. As part of the evolution of Open for Business, it was agreed that the tram project would contribute funding to employ three Town Centre Co-ordinators to provide ongoing one-to-one support for businesses in the three main affected areas of on-street works (Leith, City Centre and the West End)

These co-ordinators are based within the Council's Economic Development unit and they also provide support for other town centre areas in the city. Funding is committed up until the end of the next financial year.

## **AIMS AND OBJECTIVES**

In accordance with the accepted Motion to Council from 30 June, the Open for Business programme should be refreshed in order to improve the focus on support for small and medium sized businesses.

The aims and objectives will be:

- To give confidence to businesses affected by tram works that they have support during the period of construction
- To find new and innovative ways of supporting small and medium sized businesses in affected areas
- To illustrate to shoppers, commuters and visitors that Edinburgh is still a vibrant shopping, business and leisure destination during the tram works and encourage footfall
- To work with partner organisations to promote areas affected by works
- To promote the benefits of the coming tram line

## **PROPOSAL**

To meet these aims and objectives it is proposed that any additional funding from the Tram Project to support business during construction should be distributed in the following way:

### **Town Centre Co-ordinators (TCC)**

Currently the three TCCs are supporting businesses along the tram route & delivering high profile, low cost projects. The TCCs have worked hard to establish one-to-one relationships with businesses in each area.

To ensure that the Council continues to deliver what communities & SME's require, the largest survey of town centres in UK was organised by the Physical Development Team, working in partnership with Services for Communities' Neighbourhood Partnerships & external partners (every business was visited & on street surveys & survey monkey - 2,000 responses). This exercise provided powerful data to inform individual action plans for each of the nine town centres which are now being implemented.

It is proposed that to maximise the relationships that are already in place that the tram project provides further financial support to the TCCs to undertake activity in areas where works are

taking place. This would be managed under the current arrangement and there is capacity for additional workload. Regular meetings with the Tram Communications Manager will take place to understand how budget is being spent and to allow feedback to the Tram Animation Group.

### **Events Strategy**

Events are widely recognised to increase footfall in and around the areas where they are held. There are already a number of events due to be held within the city centre and it is proposed that a matrix of all of those within the city centre is collated (Karen Stevenson has already begun this process but continued input from Marketing Edinburgh and Essential Edinburgh as well as the Council's Events team is crucial).

To supplement the existing events it is proposed that a series of additional events be undertaken to ensure that there are no significant periods of times where events are not taking place somewhere within the city centre.

This can be managed in one of two ways, firstly through agreement with the Council's Events Unit to allow them to procure services of existing events contractors. Alternatively there could be an agreement put in place to procure events through Essential Edinburgh's contract with Unique Events.

### **PR Strategy**

While not essential, this activity could be supplemented by a Public Relations contractor who is fully focussed on promoting the activity of the Town Centre Co-ordinators working to secure local and regional broadcast, newspaper and online coverage.

It is not felt that the Tram Communications Team could fully focus on achieving this type of coverage given the rationalisation of the team and up-coming workload associated with the upcoming work programme.

If required then this contractor would have to be employed through a procurement process.



## **COSTS AND FEES**

It is proposed that the costs for this additional work be split in the following way:

Additional activity funds for town centre co-ordinators to cover the work programme in Leith, City Centre, West End/Haymarket – £20,000 for each area per year.

Annual events strategy of £50,000 per annum

One year only additional support for Edinburgh's Christmas and Edinburgh's Hogmanay programmes of £70,000 to maximise the empty space available on Princes Street during the winter roadworks embargo period.

Costs for PR support have to be confirmed but would not be expected to exceed £30,000 per annum.

This would require a budget of circa £210,000 for 2011/2012 with a similar commitment the following year. This is in addition to the annual contribution of £90,000 for the Town Centre Co-ordinators which is already coming from the Tram budget bringing the total to £300,000 annually for business support.