

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 24 JANUARY 2021

REPORT ON: PROPOSED LIFE SCIENCES INNOVATION DISTRICT

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 23-2022

1 PURPOSE OF REPORT

1.1 This report proposes the creation of a Life Sciences Innovation District to accelerate growth in the life sciences sector, building on recent investments through the Tay Cities Region Deal. The proposal will build on research excellence in the Dundee region and will facilitate the creation of both high value research functions and professional/technical roles.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a notes the significant growth potential of the life sciences sector in the region;
- b delegates the Executive Director of City Development to agree a joint marketing and development agreement and governance arrangement with the University of Dundee, Scottish Enterprise and private sector landowners to market land and property assets within the proposed Innovation District;
- c remits the Executive Director of City Development to explore external funding opportunities as detailed within the report; and
- d remits the Head of Planning and Economic Development to consider how the planning system can support the aims of the proposed Life Sciences Innovation District.

3 FINANCIAL IMPLICATIONS

3.1 Recent developments in the life sciences sector in the greater Dundee area have attracted over £100M worth of investment from Tay Cities Region Deal and other external funding sources. This will leverage significant private sector equity investment in spin outs from research-based start-ups.

3.2 The Council is currently concluding a previously agreed disposal of a site at the Technopole, to the University of Dundee, for £275,000, for the development of the Life Sciences Innovation Hub. Furthermore, a recent approved lease on a property Technopole has safeguarded a rental receipt of £252,210 per annum, for the new Centre for Targeted Protein Degradation also at the Technopole.

3.3 The Council owns other assets at Technopole and the Dundee Technology Park which will be marketed by specialist property advisors as part of a joint arrangement with the University of Dundee. Potential disposal of these will facilitate further capital receipts and/or new rental income. The advisors will be remunerated on a performance-based fee which is payable on normal commercial terms by the owner of the relevant land or property.

4 BACKGROUND

4.1 The life sciences sector is one of the most important high value growth sectors for the greater Dundee area, employing over 1700. Dundee has an internationally recognised excellence and scale in Life Sciences and is attracting significant venture capital into new companies.

- 4.2 Established in 1997, BioDundee is a partnership between the partnership between the public, private, academic and third sector organisations. The mission is to build on the strength of the life sciences sector in Dundee and Tayside through knowledge exchange and skills development, building partnerships and collaboration. The partnership continues to promote and position the region as part to Scotland's world class Life Sciences and Healthcare sectors.
- 4.3 Dundee has a strong track record in pushing the frontiers of life sciences research and the University of Dundee is one of the top institutions in the world in life sciences innovation. Recent research highlights include:
- a uncovering mechanisms in neurodegenerative diseases;
 - b making new medicines and pioneering Artificial Intelligence;
 - c further developing understanding of how the immune system fights infection;
 - d creating software for the management of scientific and image data;
 - e advances in food, ecological security and crop resilience; and
 - f pioneering clinical trials and advances in medical technologies.
- 4.4 A thriving life sciences sector in Dundee will be vital for its post COVID-19 recovery, providing economic and societal benefits through the provision of much needed jobs and product development.

5 PROPOSED INNOVATION DISTRICT

- 5.1 Innovation Districts are defined zones in cities where public, private and academic partners work together to attract entrepreneurs, start-ups, business incubators and others with the aim of assisting and transforming under-utilised areas and grow key industry sectors. They are an increasingly important approach to economic development in the UK with well-known examples including Glasgow Riverside Innovation District (GRID) and the Advanced Manufacturing Innovation District Scotland (AMIDS) at Glasgow Airport.
- 5.2 The School of Life Sciences at the University of Dundee is one of the foremost institutions in life science sector globally. The University has proposed a more formal mechanism to bring the principal academic and research institutions together in an initiative with land and property owners that are active in the sector. The aim is to accelerate commercialisation of research, attract new private sector investment into life sciences and create jobs.
- 5.3 The University has retained specialist property advisors with significant experience in Life Sciences to carry out initial market testing and the initial response has been positive. The remainder of Dundee City Council's land ownership at Dundee Technopole is seen as being a key asset, in addition to the other properties at the Technopole. Other potential assets that will be marketed include Scottish Enterprise owned land at the Medipark, public and privately owned land and property at the Technology Park and the new Tay Cities Region Deal funded facilities at the James Hutton Institute. The University now plans to formalise this joint appointment of the specialist property advisors and is seeking Dundee City Council's consent to enter into an agreement to promote DCC's assets as part of the broader Innovation District concept. It is proposed that each land/property owner will be invited to participate in the marketing initiative.
- 5.4 Work will progress to shape the Life Sciences Innovation District proposal, and to promote the proposition to potential investors and companies. This may include a marketing/branding initiative, development of collaboration/innovation opportunities, business development and skills initiatives. It will also seek to identify external funding opportunities to invest in land and property assets, including acquisition and redevelopment of additional land and property as required.

- 5.5 Early discussions with Scottish Enterprise (SE) have taken place and have indicated they are keen to be involved at the earliest stage in supporting the development of the proposed Innovation District. This recognises the importance of the sector to the Scottish economy, SE's land assets in the wider area at the Medipark and to explore wider links to resources in the commercialisation/innovation area. It also allows partners to draw on SE's expertise and experience in developing Innovation Districts in both Glasgow and Edinburgh.
- 5.6 Given the anticipated growth within the life sciences sector, as part of the review of the Local Development Plan commencing this year, the Head of Planning and Economic Development will review the boundaries of the Dundee Technopole and other key life science assets and consider whether these specialist economic development areas should be expanded to accommodate future growth. The planning policy context should also be reviewed to ensure that it provides the appropriate level of certainty to developers and investors, as well as ensuring that strategically important sites are retained for appropriate uses.
- 5.7 As occupancy of the Technopole increases, it may be necessary to redevelop existing assets at the facility to create more commercial space, allowing a higher concentration of research activity co-located with the School of Life Sciences.

6 NEXT STEPS

- 6.1 Officers will now proceed to agree terms with the University of Dundee with the appointment of specialist property agents and finalise proposals for a multi-agency governance arrangement.
- 6.2 Early work will focus on shaping branding and marketing of the initial proposed area of the Innovation District and developing an approach to external funding.
- 6.3 Development of the Council's Technopole will be an early priority and a private sector partner will be sought to accelerate future phases of investment targeted at commercialisation of University research.

7 POLICY IMPLICATIONS

- 7.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

8 CONSULTATIONS

- 8.1 The Council Management Team have been consulted in the preparation of this report and are in agreement with its content.

9 BACKGROUND PAPERS

- 9.1 None.

Robin Presswood
Executive Director of City Development

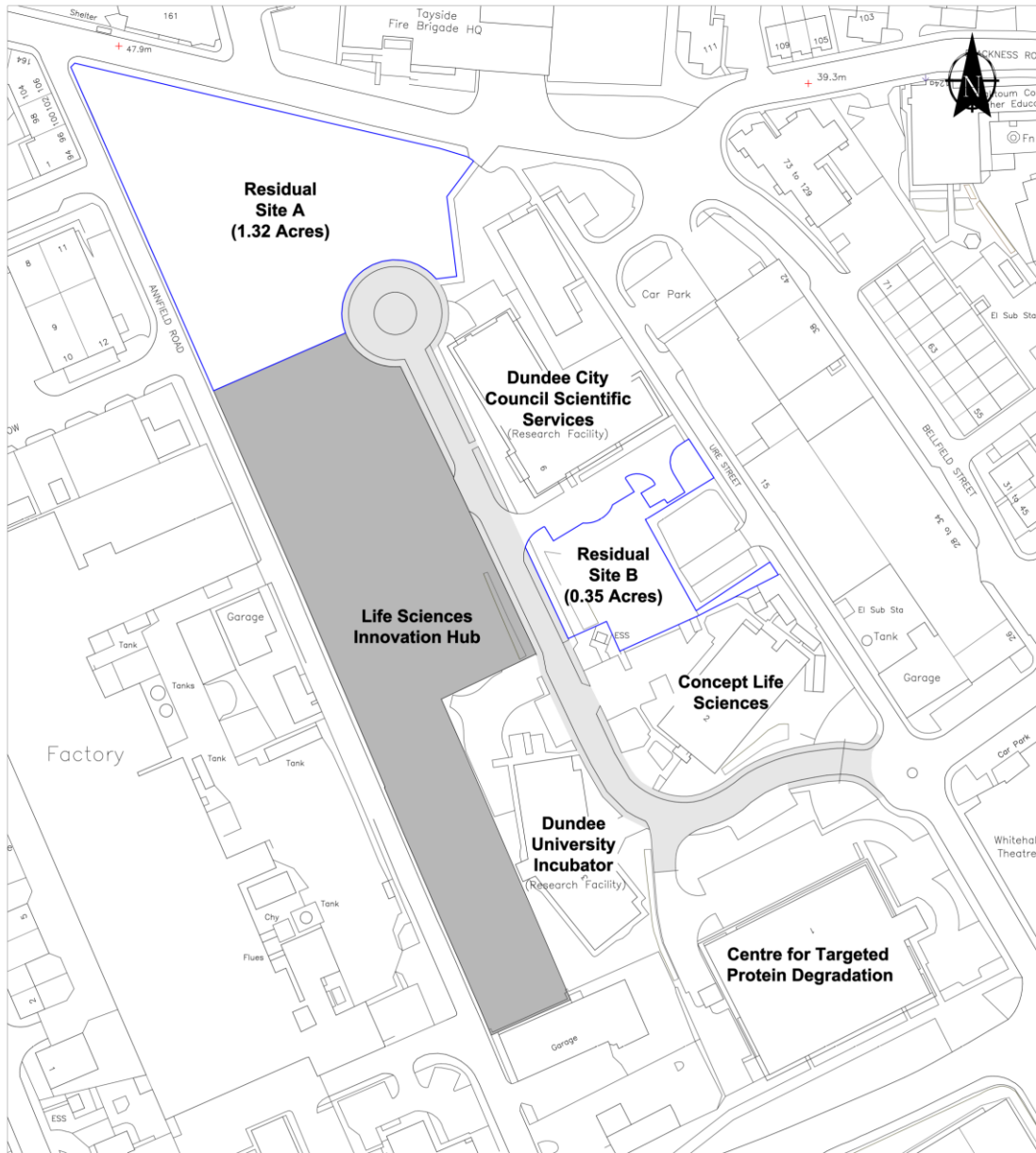
Dundee City Council
Dundee House
Dundee

RP/KM


12 January 2022

APPENDIX 1

PLAN OF DUNDEE TECHNOPOLE



PART O.S. SHEET NO. NO3830 SE / NO3830 SW / NO3829 NE / NO3829 NW

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