

ITEM No ...13.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 11 MARCH 2019
REPORT ON: DUNDEE TECHNOLOGY PARK UPDATE
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 25-2019

1 PURPOSE OF REPORT

1.1 Dundee Technology Park is the city's premier business park and has been successful in attracting and retaining key employers since its inception in the 1980s. This report updates members on an ongoing review of the Park to stimulate new investment and job creation, and to improve amenity within the park. The report recommends the removal of the legal agreements that narrowly restrict the range of uses permitted within parts of the Park. In addition it seeks to remit the Executive Director to engage with owners to promote the use of vacant buildings.

2 RECOMMENDATION

2.1 It is recommended that Committee:

- a notes that the Executive Director is proactively engaging with owners, Scottish Enterprise and interested parties to identify options to stimulate new investment in the Technology Park and working with all partners to seek, promote and redevelop vacant buildings in the Park and address wider issues including landscaping maintenance;
- b promotes ancillary uses in accordance with the Policies of the Dundee Local Development Plan; and
- c remits the Executive Director to pursue the removal of the Section 50 Agreements at the Dundee Technology Park to allow for the full range of Class 4 (Business) use to enhance the development options at the Technology Park.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications for the Council in terms of this report. Any investment will be funded from the existing Economic Development Budget, Scottish Enterprise or private sector landlords.

4 BACKGROUND

4.1 The Technology Park was established in the mid 1980's to create a high amenity area with clean non-polluting uses consistent with the research, development, production, servicing, information storage and dissemination and advisory services for technological uses. Over the last 30 years, the Park has proven to be attractive to employers due to its proximity to the trunk road network, high quality landscaping and high quality building design, particularly in the early phases of its development. The Technology Park plays an important role in terms of the sustainable economic growth of the city, by providing a unique high quality setting for a range of employment sectors.

4.2 The Park's strategic location and good e-connectivity makes it ideally situated to support investors and entrepreneurs. Appendix A displays the occupancy levels within the Park based on information obtained for the Scottish Assessors Association.

- 4.3 There is a wide range of unit sizes which means a diverse mix of local, national and internationally based businesses are currently within the Park. The Park supports an estimated 1,500 jobs, notable employers include W L Gore Associates (UK) Ltd, Brightsolid and Insights, who are a major employer, with their headquarters located within 2 buildings at the Park.
- 4.4 The Technology Park also contains a number of key employers within the Life Sciences and Healthcare sectors including Abbott (formerly Axis Shield, Alere), Vascular Flow Technology, Onorach, GenTech Propagation Ltd and APS Biocontrol.
- 4.5 Over the past few years concerns have been received in relation to the amenity in parts of the Park, including a prominent derelict building. The prominent location on the main route into the city from the west provides the opportunity to attract new businesses and employment to the city. As a result of the ongoing concerns a review of the Technology Park has been carried out to identify any barriers that inhibit further businesses locating into the Park and any opportunities for new development that would enhance its effectiveness as a place to invest and work.

Section 50 Agreements

- 4.6 The Park was established in December 1984 through two Minutes of Agreement between Tayside Regional Council, City of Dundee District Council and the Scottish Development Agency. The Regional and District Councils were authorised by Section 50 of the Town and Country Planning (Scotland) Act 1972 to enter into an Agreement with any person interested and able to bind land in their areas for the purpose of restricting or regulating the development or use of the land. Restrictions in the use of the land covered by the two Agreements require that the land be developed in a park-like environment to provide facilities in accordance with:
- a development of the Technology Park as a high amenity area through clean non-polluting uses consistent with research, development, production, servicing, information storage and dissemination and advisory services, including electronic systems or products, biotechnology and health care, energy conservation, instrumentation engineering, materials technology and telecommunication;
 - b storage, office demonstration and sales and other purposes are acceptable in so far as they are ancillary and subsidiary to the purposes in the above paragraph; and
 - c buildings must be suitably adaptable to accommodate manufacturing, laboratory and office space.
- 4.7 The Section 50 agreements are still in their original form today, covering an area of 47ha. In 1990 a Minute of Waiver was granted to the land now belonging to Aviva UKGI Investment and their successors to use the land for "office purposes within Class 4" of the Use Classes Order. The site extends to 5.03ha. A further alteration occurred in 1991 when a Minute of Agreement was entered into between the above authorities and Scottish Enterprise and their successors whereby a second site of 1.12ha could be used within Class 4. The third and last waiver granted for use as Class 4 Office Accommodation was restricted to the tenant (Royal Bank of Scotland Ltd) and does not pass to their successors.

Dundee Local Development Plan 2019

- 4.8 The adopted Dundee Local Development Plan 2019 (LDP) identifies the Dundee Technology Park as a Specialist Economic Development Area. The LDP's Policy 4: Specialist Economic Development Areas encourages the establishment and retention of uses within Class 4 (Business), and identifies the Dundee Technology Park as a high quality business park location for high technology uses, the Park provides a substantive campus style environment with high quality landscaping in an accessible location on the western approach to the city.

- 4.9 The LDP recognises that the attractiveness and sustainability of Economic Development Areas may be enhanced by the inclusion of other complementary land uses such as small scale catering. Such ancillary services may be permitted where they are aimed at primarily meeting the needs of businesses and employees within the Economic Development Area. The LDP Policy 6: Ancillary Services within Economic Development Areas provides scope for small scale ancillary services to meet the needs of employees and complement existing businesses. City Development shall continue to positively engage with owners and perspective occupiers in the Park to ensure the appropriate ancillary services are in place to meet the needs of the businesses and employees.
- 4.10 The Park already benefits from ancillary services supporting employees, including a private nursery. To further enhance and complement the existing businesses, a café/coffee shop may be appropriate. Any such use would be required to be of a small scale intended for the use by the employees of the Park. As such no new independent vehicular access will be supported, with access being required to be taken from within the Park. Any such use as a café/coffee shop should not contain a drive through as the planning purpose is to serve employees based in the Technology Park rather than drawing further traffic into this employment area. Any such use should also respect the urban design character of the Park. To achieve this, it may be appropriate for such a use to form part of an existing building.
- 4.11 A number of the existing units within the Park are occupied by uses that are not in accordance with the terms of the Section 50 agreements. As a result of the evolving nature of the employment sectors within the Park, this has required flexibility in terms of the Section 50 Agreements, in order to support investment and job creation.
- 4.12 A degree of flexibility has resulted in the changing needs of technology users, an example being the provision of IT support through the use of the contact service centre sector.
- 4.13 Dundee City Council's adopted Local Development Plan encourages the establishment and retention of uses with Class 4 (Business) particularly those uses which are in accordance with the distinct nature of the Technology Park. This policy is more flexible than the terms of the Section 50 agreements.
- 4.14 Given the evolving nature of the employment sectors within the Park the historic Section 50 Agreements can be considered a significant barrier to economic growth and investment, by limiting job creation. As a result of the controls in place within the Local Development Plan, it would now be appropriate to remove the historic Section 50 Legal Agreements (as per the recommendations of this report).

Health Check

- 4.15 The Technology Park contains 130 business units housed within 24 buildings and provides a total floor space of 47,071m². Figure 1 (below) displays the occupancy rates of the Dundee Technology Park as of December 2018:

Unit Size	Number of Units	Occupied Units in this Category	Total Floorspace (m ²)	Vacant Floorspace (m ²)
<100m ²	81	62	3,483	755
>100m ² <200m ²	10	8	1,471	290
>200m ² <2000m ²	34	27	20,682	3,612
>2000m ²	5	3	21,435	6,153
Total	130	100	47,071	10,810

Figure 1: Occupancy Rates From the Scottish Accessors Association (December 2018)

- 4.16 Five units have a floor space greater than 2,000m² with 2 such units being vacant. The vacant floor space of these 2 units' totals 6,153m² and accounts for the 57% of vacant floor space within the Technology Park.
- 4.17 With an occupancy rate of 77%, the Park is clearly attracting a wide range of employers. However, the prominence in terms of size and location of the 2 vacant buildings >2000m², gives a disproportionate impression of widespread vacancy which analysis fails to support.
- 4.18 Persistent vandalism and graffiti concentrated on two prominent buildings on Riverside Drive has significantly reduced the environmental quality of both the Technology Park and an important route leading towards the City Centre.
- 4.19 A recent change of ownership has seen significant improvements at 15 Luna Place, one of the two buildings of concern, with new security fencing, 24 hour CCTV coverage and boundary treatments. Further internal improvements have been carried out and the owners have been working with Police Scotland to improve protection of the building.
- 4.20 The property located at 11 Luna Place has raised concerns in terms of its impact on the amenity of the Park since 2014. The property is highly visible from Riverside Avenue which is a major route into the City Centre from the west. Complaints from members of the public and the elected members regarding the condition of the landscaping and deterioration of the buildings fabric resulted in formal discussions with the owners of the property.
- 4.21 In 2016 ongoing discussions with the owners resulted in landscaped areas to the south and west of the building being improved and maintained.
- 4.22 The building and landscaping has continued to decline resulting in the property's neglected appearance. The owners have failed to cooperate and maintain the property to a suitable level. This resulted in Dundee City Council serving a Wasteland Notice on the owner on the 8 August 2018. The matter is currently being investigated and a further report seeking approval for direct action shall be required to be reported to the Planning Committee.
- 4.23 Dundee City Council will continue to work with the owners and their agents to resolve the current amenity issues. However, should these not be satisfactorily addressed, the promotion of a Compulsory Purchase Order or in future a Compulsory Sale Order, may be considered.
- 4.24 The Forestry Commission investigated the removal of a significant number of trees in May 2018, without the benefit of a license at Swan house. The unauthorised tree felling made a significant negative impact on the amenity of the Park. As a result of the investigation the owner of the property agreed to a replanting scheme that will assist with restoring the amenity of the Park.

Proactive Engagement with Landowners

- 4.25 Council Officers have met with a number of property owners/agents who control a significant proportion of the premises within the Park. The Executive Director of City Development and the Head of Planning and Economic Development also have met with the owner of Swan House. The discussions informed the health check of the Park and provided further insight into ancillary uses that would further help support the Park.
- 4.26 In order to give focus to addressing issues within the Park it is proposed that a strategic approach to joint working between Dundee City Council and the landowners is adopted. This joint working approach shall promote vacant premises within the Park and assist the development of key employment sectors to stimulate investment and growth in accordance with the Dundee's Local Development Plan 2019.

Promotion of the Technology Park

- 4.27 The “Invest in Dundee” brand promotes Dundee as a strategic economic employer in a number of key sectors. The “Dundee Investor Prospectus” also promotes Dundee as a dynamic, ambitious city with opportunities at every level for investors, developers, businesses and entrepreneurs. The Invest in Dundee website shall be utilised to promote vacant sites and buildings with private sector landlords and Scottish Enterprise.
- 4.28 Dundee is a cost effective location with property available to let at substantially lower rents than larger Scottish cities. In 2016, analysis by Ryden found that prime office rents in Dundee were £161 per square metre, compared with over £300 in Edinburgh, Glasgow and Aberdeen.
- 4.29 The Park significantly benefits from this strategic location with excellent transportation network and allows the city to compete in regional, national and international markets - with the global offer assisted by the city's proximity to key Scottish airports.
- 4.30 The Park further benefits from the latest digital technology providing high-speed connectivity, guaranteeing unrivalled levels of access. The world-class infrastructure has enabled the city's entrepreneurs to develop Dundee into one of Europe's leading software, games and biotechnology centres.
- 4.31 Dundee offers life sciences and healthcare organisations with ambition, a uniquely collaborative environment and community in which to develop innovative new products and services. A number of key businesses are based in the Park and the BioDundee brand shall continue to develop and attract investment within this sector and further enhance the linkages with the University of Dundee, University of Abertay, Dundee and Angus College, Ninewells Hospital and Medical School and other Life Sciences and Healthcare sectors.
- 4.32 With a global reputation as a leading centre for life sciences, healthcare, meditech and medical research, many of the world's most talented scientists, innovative companies and leading research institutes lie within a five mile radius of the city centre.
- 4.33 Dundee's success in the contact and financial services centres sector is attributed to its excellent communication links, talented workforce - including graduate output from three Scottish Universities - and low labour and property costs. This sector currently employs more than 3,700 staff (city wide) and benefits from the presence of extensive communications infrastructure. The Park has an important role within this sector with existing employers HM Revenue & Customs and the Royal Bank of Scotland.
- 4.34 Dundee offers local businesses support services delivered in conjunction with our partners at Scottish Enterprise, Business Gateway, Job Centre Plus and Dundee & Angus Chamber of Commerce. This multi-agency working delivers a host of benefits for business including exploring sources of investment, funding and investigating what support is available to suit the particular business needs.
- 4.35 Dundee City Council's City Development Department shall continue actively promoting the Technology Park and provide support in order to ensure the potential of the Park is maximised to accommodate the future economic demands and encourage investment opportunities. There have been a number of potential interests in properties within the Technology Park and these are actively being pursued.
- 4.36 Conclusion
- a It is clear that the Dundee Technology Park has been a success and significantly contributes to key employment sectors within Dundee. Through improved joint working with key stakeholders, the Park can be positively promoted with the support of Dundee City Council to build up the unique Business Park setting. Dundee City Council shall

continue to work in partnership with the various owners which is key to delivering improvement to the environment of the Technology Park.

- b The LDP in terms of Policy 4 (Ancillary Services within Economic Development Areas) allows appropriate small scale ancillary services which can be demonstrated to meet the needs of employees and complement existing businesses. Dundee City Council shall continue to work with property owners to support small scale ancillary facilities to further promote and enhance the high quality environment of the Technology Park. The Planning Team shall continue to liaise and work with colleagues within Business Development, Scottish Enterprise and other key employment agencies to support the development of the Park.
- c In order to increase the potential to attract new businesses it is recommended that the legal agreements be removed and that the full range of Class 4 businesses and ancillary uses allowed for under the LDP. In addition the Executive Director be remitted to work with owners to promote the reuse/development of sites/buildings in the Park.
- d Continue to promote the Invest in Dundee brand and develop its website which has seen significant improvement to the marketing and promotion of properties.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 All members of the Council Management Team have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None.

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APPENDIX A



