

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 11<sup>TH</sup> JUNE 2001**

**REPORT ON: ECONOMIC DEVELOPMENT SERVICE PLAN 1999/2002  
ANNUAL SERVICE REPORT 2000/2001**

**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**

**REPORT NO.: 348-2001**

**1. PURPOSE OF REPORT**

1.1. The purpose of this report is to inform the Committee of progress made towards the various performance targets contained in the Economic Development Service Plan.

**2. RECOMMENDATIONS**

2.1. It is recommended that the Committee notes the contents of this report.

**3. FINANCIAL IMPLICATIONS**

3.1. There are no financial implications directly associated with this report.

**4. LOCAL AGENDA 21 IMPLICATIONS**

4.1. The activities covered by the Plan have a significant bearing on several of the key themes of Local Agenda 21, particularly the following:-

- Resources are used efficiently and waste minimised.
- Local needs are met locally.
- The opportunity to undertake satisfying work in a diverse economy.
- Access to the skills, knowledge and information needed to enable everyone to play a full part in society.

**5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1. Many of the initiatives and actions outlined in the Plan are aimed at improving access to economic opportunities for all sectors of the community.

**6. BACKGROUND**

6.1. The Committee approved the Economic Development Service Plan 1999/2002 on 8<sup>th</sup> November 1999. The Plan itemised each service and associated performance indicators and targets.

## 7. PERFORMANCE

### 7.1 Overall Economic Development Service

	<u>Baseline</u>	<u>Target</u>	<u>Actual</u>
• <u>Jobs created/safeguarded</u>	Minimum target 450 per annum	Minimum target 500 per annum	750
• <u>Public/private sector investment levels</u>	Minimum £150m over 3 years	Minimum £200m over 3 years	Greater than £500m over 2 years
• <u>Dundee Partnership promotion</u>	The Partnership is under continuous review and continues to be the most comprehensive and successful City Partnership in Scotland. A new Partnership Brochure has been prepared giving details of its achievements.		

### 7.2 Directorate and Administration

- Overall Performance This Service manages and oversees the performance of the Department as a whole. The major rationalisation/efficiency measure during the year was a restructuring and re-organisation of Tay Training.

### 7.3 Policy, Information, Marketing etc

- Strategy Production The review of the previous Economic Development Plan was completed and an Economic Development Plan covering the period 2001/2004 has now been approved by Committee.
- Public Perception Levels Consultants were employed via the City of Discovery Campaign to assess image perception levels of Dundee. The findings were that positive views had improved markedly over the last 2 years. This was reflected in the Scottish Marketing Awards won by the City of Discovery Campaign.
- External Funding Having successfully negotiated favourable coverage of the Objective 2 map for Dundee in the previous year, 2000-2001 saw intensive activity to influence the development of the East of Scotland Single Programming Document to ensure maximum eligibility for Dundee's economic growth sectors. In order to secure this, 2 strategies were written which will underpin ERDF applications between 2001-2006. The first of these was the Strategic Sectors and Locations Delivery Plan for Dundee and South Coastal Angus. This identified 3 key industrial sectors and strategic geographic areas for which ERDF may be sought. The second was the Community Economic Development Plan which takes.
- External Funding (continued) account of all the SIPs Local Area Action Plans while remaining flexible in order to allow for the development of new ideas. Both of these plans have been approved by the Programme Monitoring Committee and are seen as examples of good practice within the east of Scotland

In the first round of applications for the ERDF and ESF programme period, 7 projects were submitted with a total grant value of £2.5 million. One of these has been approved and decisions on the remainder will be made in June 2001.

7.4 **Business Development**

	<b><u>Baseline</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
• <u>Inward Investment Enquiries</u>	45 per annum	60 per annum	87
	(projects secured increased from 6 in 1999/2000 to 10 in 2000/2001)		
• <u>No of Company Contacts</u>	170 per annum	220 per annum	223
• <u>Business Shop Indicators</u>			
– No of new starts	150 per annum	200 per annum	134 per annum *
– No of companies assisted	100 per annum	140 per annum	238

\* this under-performance against the target is a result of 2 factors:-

- a general downturn in new starts across Scotland, and
- the introduction of the Scotland-wide Small Business Gateway approach caused delays in filling key staff positions in the Business Shop.

7.5 **Property Management and Valuation**

	<b><u>Baseline</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
• <u>Gross Rental Income Indicator</u>	£3,261,000	£3,600,000 at end of 3 year period	£3,855,000 as at 2000/2001
• <u>Rental Arrears Level Indicator</u>	4% pa	3.75% pa at end of 3 year period	3.95% pa as at 2000/2001
• <u>Industrial Land Bank</u>	78 ha (193 acres)	113 ha (280 acres)	122 ha (302 acres)
• <u>Serviced Industrial Land Indicator</u>	20 ha (49 acres)	35 ha (86 acres)	10 ha (24.88 acres) *

\* It is clear that, although there is sufficient land in the overall land bank, development pressures have reduced the availability of serviced land. If we are to continue encouraging employment growth in the City it is essential that expenditure on servicing be brought forward.

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|-----------------------------|-----|--|----|
| • <u>Energy Consumption</u> | N/A | Reduction in overall levels by 5% over 3 year period | ** |
|-----------------------------|-----|--|----|

\*\* Billing problems were experienced during the last financial year due to Scottish & Southern Energy's computer software difficulties in their absorption of Scottish Hydro Electric's customers. Although these problems are now largely solved, it has prevented a like-for-like analysis on a year-to-year basis for energy consumption levels.

7.6 **Dundee Airport**

	<b><u>Baseline</u></b>	<b><u>Target</u></b>	<b><u>Actual</u></b>
• <u>The establishment of an air service to London</u>	Service in operation at 22 return services per week.	Develop the service into profitability on the basis of fully allocated costs and look to expand capacity and frequency.	Service profitable on the basis of fully allocated costs and now operating at 33 return flights per week.
• <u>The establishment of air services to other destinations</u>	None currently in operation.	Achieve one further service within the plan period.	Market research carried out and promotional activity in progress.
• <u>Passenger throughput levels</u>	38,000 passengers in 1999/2000	Achieve 55,000 passengers by the end of the Plan period - ie by 2001/2002	47,000 passengers in 2000/2001

7.7 **Tay Training**

The Committee will be aware of report no 668/2000 which related to operations at Tay Training and which was approved by Committee on 16<sup>th</sup> October 2000. The effect of this report was to re-structure Tay Training to incorporate the operation of the Dundee Airport commercial catering service on a permanent basis, the continuation of the managing agency Skillseekers service, but the cessation of the direct training provision. As a result, the original performance indicators no longer apply and new indicators will be determined for the re-structured Tay Training in its first full year of operation, ie 2001/2002.

7.8 **Economic Development Company**

The company - entitled Dundee City Developments - has been established and its first project - a 50,000 sq ft advance factory unit at Claverhouse East - is nearing completion.

8. **CONSULTATIONS**

- 8.1. The Chief Executive and the Directors of Support Services and Finance were consulted in the preparation of this report.

9. **BACKGROUND PAPERS**

- 9.1. Economic Development Service Plan 1999-2000 (Report No 647/1999).  
9.2. Economic Development Plan 2001/2004

**DIRECTOR OF ECONOMIC DEVELOPMENT.....Date.....**