

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 14TH JUNE 2004**  
**REPORT ON: ECONOMIC DEVELOPMENT PLAN 2004/2007**  
**REVIEW PROCESS - CONSULTATION DOCUMENT**  
**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**  
**REPORT NO.: 460-2004**

## **1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek approval for the consultation process involved in the Economic Development Plan Review.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee approves the use of the draft Consultation Document and the process outlined in the report.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 Any financial implications associated with this report (such as preparation of a public consultation document) will be contained within the Department's Approved Revenue budget for 2004/2005.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 The activities covered by the Plan will 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 will be aimed at improving access to economic opportunities for all sectors of the community.

## **6 REPORT**

- 6.1 The Current Economic Development Plan covers the period 2001 to 2004. The attached draft consultation document illustrates that the period of the current Plan has continued the trend of general economic improvements in the City which began in the mid 1990s.
- 6.2 The rate of improvement can be gauged by looking at a key measure of economic dynamism in an area - the U/V ratio. The U/V ratio is the number of registered unemployed per officially notified vacancy.

- 6.3 In the 1980s and early 1990s Dundee's U/V ratio was of the order of 40 and was many times higher than the Scottish level. By 1996, Dundee's ratio of 16.8 was just over twice the Scottish level of 7.8. By 2000 Dundee's ratio was down to 6.3, less than double the Scottish ratio of 4.8.
- 6.4 The most up-to-date comparison shows even better progress. As at April 2004, the Dundee ratio of 3.4 is only just higher than the Scottish figure of 3.26.
- 6.5 The Review of the Plan, therefore, will concentrate on continuing the general principles which have proved so successful and fine-tuning them to meet the changing circumstances and opportunities of the coming three year period.
- 6.6 The attached draft consultation paper gives information and progress during the period 2001/2004 and outlines a range of issues for the future which need to be considered during the review process.
- 6.7 It is intended to bring the reviewed plan to the Committee before the end of the year. Over the next few months the draft consultation document will form the basis for consulting all sectors of the community and the various agencies involved in the economic development process.

## **7 CONSULTATIONS**

- 7.1 The Chief Executive, Depute Chief Executive (Finance) Depute Chief Executive (Support Services) were consulted in the preparation of this report.

## **8 BACKGROUND PAPERS**

- 8.1 Dundee City Council Plan 2004/2007
- 8.2 Dundee City Council Economic Development Plan 2001/2004
- 8.3 Dundee Partnership Learning & Working Strategy
- 8.4 Economic Development Department Service Plan 2003/2007

**DOUGLAS A A GRIMMOND**

**DIRECTOR OF ECONOMIC DEVELOPMENT**

**DATE: 7TH JUNE 2004**

# **ECONOMIC DEVELOPMENT PLAN 2004 - 2007**

## **DRAFT CONSULTATION DOCUMENT**

### **1. PURPOSE OF REVIEW**

Dundee City Council has produced two economic development plans since its inception in 1996. These plans have been developed within the context of an increasingly dynamic global economy that has, in turn, impacted on both national and local economic performance. Additionally, it is recognised that local policies, actions and decisions made by agencies, institutes and businesses within the area, contribute in a significant way to the development of the city's economy. Over these years, Dundee has developed, and continues to grow, a more broad-based economy that is showing signs of confidence, and in many areas, performing favourably in comparison to national trends.

In reviewing the current economic development plan, and preparing a new or amended plan for the period 2004 - 2007, we have to consider whether our aspirations for the city, as articulated in previous plans, remain valid and how new opportunities and threats should be handled through the development of new policies.

This review provides an opportunity for interested parties to comment and provide intelligence that may be of significance to the development of future policy direction.

### **2. ACHIEVEMENTS WITHIN THE 2001 - 2004 PLAN PERIOD**

The trend of general economic improvement in the city, which began in the mid-1990s, continued throughout the plan period. The indicators identified to monitor the position in the 2001-2004 plan were:

- Overall employment levels;
- Unemployment levels;
- U/V ratio (number of registered unemployed per registered vacancy);
- Long-term unemployment;
- Rates of business start-up;
- Growth in gross domestic product;
- Levels of investment.

#### ***Overall employment levels***

Employment levels, in general, have improved over the plan period. In 2003, there were almost two thousand more jobs in the city than in the year 2000 representing net growth of 2.4%. (*Source: DCC Company Database*). This overall improvement is tempered by significant losses in the manufacturing sector in 2002/3, whilst growth occurred in the Public Administration sector due to the location of civil service jobs in Dundee.

## ***Unemployment***

In 2000, the monthly average claimant unemployment rate was 5.7%, which had dropped to 4.9% during 2003. This also represents a convergence towards the Scottish average, which was 3.8% in 2000 and 3.3% in 2003. The ILO unemployment figures, which include people not claiming jobseeker's allowance, but of working age and actively seeking employment, show a decline from 12.7% in 2000, to 11.1% in 2002 (figures for 2003 not available). In Scotland as a whole, there was an increase from 6.4% to 6.5% over the same period. (Source: *Jobcentre plus and LFS*)

## ***U/V Ratio***

Between 2000, and 2003, the number of vacancies registered in Dundee rose by 25%, while the claimant unemployment count dropped by 6% resulting in a U/V ratio of 4.3:1 compared to 16.8:1 in 1996. In 1996 Dundee's ratio was 115% higher than the Scottish average. In the 1st quarter of 2004, this has been reduced to only 9%. (Source: *NOMIS*).

## ***Long-Term Unemployment***

Those unemployed for longer than a year sharply fell over the period. As a percentage of the claimant count (which in itself fell), the figure reduced from 27.6% in 2000 to 18.0% in 2003. In the first quarter of 2004 the figure had dropped to 17.1%. (Source: *National Statistics*).

## ***Rates of Business Start-up***

The City Council provides assistance to businesses and to people wishing to start-up their own enterprises through the Dundee Business Gateway. The number of start-ups assisted during the plan period rose from 203 in 2000, to 285, in 2003. The total number of businesses located has also risen from 3730 to 4023, representing a 7% rise over the same period. (Source: *Dundee Business Gateway and DCC Company Database*).

## ***Change in GDP - GDP Estimates at Local Level***

The Dundee figure for GDP has seen a small drop of 0.9% between 2000 and 2003. (Source: *Experian Business Strategies*).

Gross Domestic Product (GDP) is a measure of the value of the goods and services produced in the economy. At a sub-regional and local level, the GDP estimates measure the total incomes earned from the production of goods and services in an area. The four main components which make up these estimates are: wages and salaries; income from self-employment; gross operating surpluses/profits; and, income from rent. In addition, the figures include taxation on production (e.g. non domestic rates).

At local level, however, there are some concerns regarding the reliability of GDP as an economic indicator:

- The availability of data to produce GDP estimates is weak at sub-regional and local level and often relies on disaggregating national estimates, which themselves, have been prone to errors. This fundamentally undermines the reliability of local area estimates.

- GDP estimates, at local levels, are influenced by workforce commuting. In areas with net in-commuting the economic benefits to an area tend to be overstated as GDP measures the wages and salaries of all persons working in an area even though much of the wealth generated may be spent elsewhere. It is unclear from local GDP estimates how much income is accrued by and benefits residents of the locality being measured.
- Local GDP models measure profit earned by national companies operating in an area even though the benefits may accrue to owners in other regions. This affects the reliability of local GDP estimates as a measure of regional value added.

### ***Levels of Investment***

Investments in Dundee have continued to be buoyant throughout the plan period. A wide variety of headline development projects have been completed or begun over the past 3 years result in an investment level that exceeds £220 million, excluding housing development. This investment is contributing to the an increase in confidence and overall economic growth in Dundee and, together with the general trend of house price growth, impacts upon demand for housing land in the area. Investment in housing development over the period has been in excess of £91 million.

### **3. A NEW OPERATING FRAMEWORK**

The Dundee Partnership has long been a central, influencing force behind efforts to revitalise the city, and commitment to partnership working, has also been a thread running through each of the previous plans. The Partnership continues to evolve, and, as a result of the holistic agenda being pursued through "Community Planning", it has therefore restructured to reflect the themes covered by the Community Plan and have established 5 Strategic Themes Groups:

- BUILDING STRONGER COMMUNITIES
- COMMUNITY SAFETY
- DUNDEE ENVIRONMENT
- HEALTH & CARE
- LEARNING AND WORKING

The Learning and Working Group is focussed on the city's ability to create and maintain conditions for continued economic growth. Quality of labour supply is a key element in planning for the future and meeting the needs of employers. The theme therefore reflects the inter-relationship between all levels and types of education, and the supply of labour, as well as the stimulation of demand for labour.

In May 2000, the Scottish Parliament's Enterprise and Lifelong Learning Committee produced its report of the Inquiry into the Delivery of Local Economic Development Services in Scotland. One of its key recommendations was the establishment of Local Economic Forums in each Local Enterprise Company (LEC) area. The recommended membership was to be drawn from the LECs, the local authorities, the Chambers of Commerce, the Tourist Boards and from higher and further education institutions. The Tayside Economic Forum was subsequently set up and as an early task, reviewed the provision of support given to businesses in the area. This has resulted in the reshaping of

the partnership project formerly known as Business Shop and Small Business Gateway. The new Business Gateway ensures that *all* businesses in the city, not just small ones, have the opportunity of accessing advice and support.

#### **4. CHARACTERISTICS OF THE PREVIOUS PLAN**

Dundee City Council, as a central player within the Dundee Partnership, has stated long-term objectives for the City and these have been expressed through the Council's Economic Development Plans since 1996. We believe that these ambitions remain valid and should continue to be pursued.

The 4 Strategic goals see Dundee as:-

- A regional centre
- An employment and investment centre
- A centre of innovation and enterprise
- A tourism and visitor centre

These strategic goals are under-pinned by an additional 4 supporting goals:-

- Maximising a partnership approach
- Developing and maintaining a modern infrastructure
- Improving image and perception
- Maximising external funding potential

#### **5. IMPLEMENTATION**

Within the context of these objectives, the City Council and its partners have instigated a wide range of initiatives and projects that have contributed to positive outcomes in a number of fields. Naturally, there are interlinkages and overlaps between the strategic goals, and therefore, the impact of the initiatives also cuts across goals.

##### **Dundee as a Regional Centre**

During the 1990s, significant investment was made in the city centre environment in order that it could become an attractive usable space for its citizens and visitors to the city. Following that, significant investment was made in the primary retail sector through the redevelopment of the Overgate. This trend is continuing with the recent change in ownership of the Wellgate Centre; the redevelopment of the former Arnotts building; development of the East Dock Street retail park; the location of Sainsbury's, and the growth of the City Quay. Additionally, the development of the Kingsway West provides a large, out-of-centre, shopping area, thus contributing to the provision of a varied shopping which serves the larger region. A focused, retail investment strategy has been developed, which has been key to attracting new business. Measures are now in hand to provide support to retail start-ups in order to promote growth in the secondary retail sector. The cumulative effect of this activity has been a 4.9% increase in wholesale and retail employment between 2000-2003. The Overgate has indicated a 5% increase in users since 2002 and a 12% increase in turnover in the same period. Dundee's retail catchment area is now vastly improved and stretches from central Fife, to Perth and Aberdeen.

Dundee airport began its link to London City in 1999 and passenger numbers, predominantly business users, reached 48,000 in 2000 /01. Usage dropped over the following 2 years to about 44,000, which was part of a global pattern following the attack on the World Trade Centre. Nevertheless, the percentage drop was not as bad as experienced elsewhere, and in 2003/04, the figures rose to 48,800, exceeding the initial peak. The location and success of the airport is further evidence of the city's regional significance.

The view of Dundee as a regional centre is now shared by the Scottish Executive, and articulates this through the "*Building Better Cities*" review in 2003.

***Initiatives and supporting activities that have supported this goal include:-***

- *City Centre Management*
- *Retail Investment strategy including customised information provision and targeted property search*
- *City of Discovery Campaign*
- *Locate Dundee*
- *Safer City Centres Initiative*
- *Dundee Airport*
- *European and Lottery Funding*

**Dundee as an Employment and Investment Centre**

Employment in Dundee has significantly increased since 1996 and continues to increase, despite losses in the manufacturing sector which mirrors global trends. The period 2000-2003 saw a considerable rise of 24.7% in Public Administration jobs, largely as a result of concerted campaigning by the Council and its partners to maximise the benefit from the decentralisation of civil service jobs.

Focussed activity in this area has led to the location of the following agencies within the City of Dundee:

- Headquarters for the Scottish Commission for the Regulation of Care
- Headquarters for the Scottish Social Services Council
- Office of the Scottish Charities regulator
- Department for Work & Pensions: New Pensions Service Centre
- Department for Work & Pensions: New Inland Revenue - contact centre

These agencies alone have resulted in the creation of approximately 1,500 posts (the majority of which are new posts to the city).

Significant public sector investment has been made in Dundee, to its physical environment and infrastructure and this has been successful in pump-priming private sector investment. Both forms of investment have directly created employment, particularly in the retail and back-office sectors, with downstream benefits in the construction industry. In order to ensure that the city's labour supply matched the requirements of investors, targeted training has been provided in conjunction with Dundee College to provide a head start for new employees. A range of other initiatives has been established to coordinate training provision and improve access to employment for local people.

***Initiatives and supporting activities that have supported this goal include: -***

- *Campaign for Civil Service jobs*
- *Property Development*
- *Locate Dundee*
- *Tayside Local Labour Initiative*
- *Talking Tayside*
- *Tailored retail and contact centre training*
- *Local Employment Action Plan*
- *European Funding*

**Dundee as a Centre for Innovation and Enterprise**

Dundee has a growing reputation for innovation, particularly as a result of research and the application of new technologies. The city's two universities; the college, and locally based life science and interactive media firms as well as the NHS Trust, have provided a tangible base on which to continue to build in the future.

**Life Sciences**

This sector has developed an international reputation, employing over 2,400 people including 600 scientists from across the world. The recent establishment of the £16m Centre for Inter-Disciplinary Research reaffirms the pioneering nature of the work in Dundee. In addition to this, Dundee was chosen for the location of the life sciences Intermediate Technology Institute, which, over a 15-year period will use its £15 million budget to commission research and investigate the feasibility of new markets. The past 3 years has seen the creation of 3 new companies that are research-led, hi-tech in nature, and the further development of the Technopole site, which provides business space for the sector. A successful international life sciences conference was held in Dundee in March 2004, and a survey, conducted by leading journal, *The Scientist*, of over 2000 U.S.-based scientists revealed that Dundee is the 3rd most desirable place to work outside the U.S.

**Creative Industries**

The city's assets can clearly be seen in computer art and games development; animation; video imaging, and design education and innovation. Work is currently underway to develop a new, creative digital media centre to provide business space for the anticipated growth in the number of companies working within the sector. Based at the University of Abertay Dundee, IC Cave is Europe's leading research centre for computer games and virtual entertainment. In conjunction with Dundee City Council and the University of Dundee, The Channel 4 "Ideasfactory" initiative, is currently holding workshops aimed at introducing animation, and associated employment opportunities, to young people. Some of the output from the project will be screened on Channel 4.

***Initiatives and supporting activities that have supported this goal include: -***

- *BioDundee*
- *Technopole Development*
- *E-Cities*
- *Global Digital Cities Network*
- *Interactive Tayside*
- *Dare 2 B Digital*



- *Embreonix*
- *Dare Schools Team Challenge*
- *European Funding*

### **Dundee as an Tourism and Visitor Centre**

It is important for areas of a city to feel vibrant and exciting, and having a good selection of places to visit; shop; eat, and drink, is essential for creating a buzz. Dundee has seen an expansion in the depth and variety of cultural attractions located in the city and with it, the number of restaurants, bars, nightclubs, and, of course, shops. Possessing a reputation for having high quality cultural assets provides an appreciable advantage to any city as they act as magnets; contributing to a broader mix of people engaged in a variety of activities thus contributing vitality.

The proximity between key cultural assets in the city such as, DCA, Dundee Rep and Sensation; together with a burgeoning nightclub scene and the location of the two universities' student associations, has led to the recognition that there was an opportunity to assist in the development of a "Cultural Quarter".

The quality of the retail environment is also a significant factor in attracting visitors, and, as previously stated, this has been radically improved.

The current plan identified the lack of quality hotel bed spaces as a serious limitation to the development of business tourism and the hosting of conferences in the city. Since the plan was written, the Apex hotel has been developed, in City Quay, providing 153 rooms, conference and leisure facilities. 340 more people worked in the Hotel and Restaurant sector, in Dundee, in 2003 than in 2000 and numbers employed in the Tourism sector, as defined by the Office for National Statistics, is up by 5.5% over the same period.

The City of Discovery campaign has focused on building a positive image of the city by promoting Dundee's key strengths to a world-wide audience. The media led campaign has positioned Dundee as a vibrant, successful city with a high quality of life built upon thriving businesses, academic excellence and a burgeoning arts and culture scene. The campaign implements and supports potentially high profile initiatives and events including the Dundee Guitar Festival, the Dundee Blues Bonanza, the Dundee Flower & Food Festival and the prestigious Dundee Book Prize. Much has been achieved in altering the perception of Dundee, particularly within the media resulting in more positive coverage.

***Initiatives and supporting activities that have supported this goal include: -***

- *City of Discovery Campaign*
- *Apex Hotel Development*
- *The Space Dance Centre*
- *The Cultural Quarter*
- *Dundee Rep Dance Studio development*
- *City Centre Management*
- *European and Lottery Funding*

***Over the plan period, the city attracted over £24m of European and Lottery funding but both lottery and European funds are continually being re-focussed.***

## 5. FUTURE

From both the statistical analysis of the economic performance of the city, and the qualitative and quantitative assessment of the movement toward goal achievement, the plan has delivered well in most areas. Nevertheless, there is a need to continue to keep the momentum going. However, a variety of issues have to be considered in the review of this plan. Below are the challenges that we have, so far, identified. Comments on these and views on how we may approach them are invited.

### **Local Versus National**

There is an increasing tendency for the Scottish Executive's agencies, such as Scottish Enterprise and Communities Scotland to adopt a simplified list of national "branded products" which they then apply on a uniform basis across Scotland. This "one size fits all" philosophy may look good in an overall strategy document but fails to take account of large local variations across the country.

***Do you agree that we need the flexibility to respond to local conditions?***

### **Partnership**

Dundee was one of the first local authorities to embark on the partnership trail and has pioneered the way for others to follow. However, the journey is still not finished and it is becoming ever more complex as the all-encompassing Community Plan partnership process unfolds.

For this more comprehensive approach to succeed, it will be necessary to devote more resources to joint strategy formulation, networking and project identification and delivery.

We have tried to be as inclusive as possible in our approach to partnership but recognise a need to keep the process manageable.

***Are we missing any section of the community who have an interest in this?***

### **External Funding**

Many of the key projects associated with the City's key economic regeneration successes have been facilitated by external funding, particularly that from Europe. The rules and criteria associated with such funding change over time and it has always been necessary to spend time and resources on liaison, lobbying, bidding processes and ensuring that we maintain a high degree of eligibility for funding.

The expansion of the European Union will fundamentally change the eligibility requirements for ERDF and it is almost certain that Dundee will not enjoy the same level of eligibility or have the same scope for funding activities in future. In addition, the UK Government will be applying new regional policy initiatives at around the same time and both of these moves will require an increased level of liaison, lobbying etc if Dundee is to optimise its external funding position.

***Is external funding still felt to be crucial to future developments or have we become less dependent on this?***

Changing employment profiles and fast-changing skill requirements can lead to significant labour market problems. The Council and the Dundee Partnership have recognised the importance of this issue by joining previously separate Learning and Working themes into a single theme. This should bring greater co-ordination to the situation but necessarily involves more complex initiatives with more partners and longer lead-in times.

Recent studies have highlighted that employers value core skills, such as literacy, numeracy and ability to communicate, above vocational skills.

***Is this true for all sectors of industry?***

***What are your views on this issue?***

### **Increasing the Number of Economically Active People**

The official monthly unemployment figures do not tell the whole story of the true level of unemployment. The official monthly "count" only includes those qualifying for the job-seekers allowance. It excludes those who do not qualify for the allowance because their household income is too high, they are on training courses or they are claiming other forms of benefit.

When these other people are included (making allowance for those claiming incapacity benefit who are genuinely incapacitated) Dundee's level of unemployed more than doubles (from around 4000 to around 10000). The situation is common throughout the country and relatively high levels of "real" unemployment are prevalent in many former industrial areas. The transformation of the Employment Service into Job Centre Plus is giving greater potential to target this larger client group as their remit has been widened to include the whole group.

A number of initiatives are already being worked on or investigated and it is likely that this whole area will increase in importance. However the complexity of the subject and the need for greater multi-agency co-ordination will make it both difficult and time-consuming.

*Cities with an industrial past, and on a similar path towards economic recovery, also experience high rates of economic inactivity.*

*What reduction should we, realistically, expect to achieve during the next plan period?*

*Are there other initiatives that are successful elsewhere we could learn from?*

### **Contribution to the Anti-poverty agenda**

Tackling poverty in the city is an important task and one that requires contributions from a range of actors. The Council's Anti-poverty strategy characterises the nature of poverty and its various forms. In contributing to the objectives of the strategy, the Economic Development Department is encouraging the development of economic conditions which are favourable to the creation of opportunities for employment and stimulation of demand for labour in order to raise the average pay levels in the city (which have traditionally fallen well below the national average), and to facilitate appropriate training so that people can access a wider range of employment and employers get access to a good supply of labour.

***Are there other actions we should take that would directly or indirectly contribute to the reduction of poverty in the city?***

## **The Changing Nature of Inward Investment**

Global changes in labour supply, foreign direct investment and industrial and market sectors, have impacted on the way we approach inward investment. The traditional way of securing inward investment projects was to work closely with Scottish Development International (SDI), formerly Locate in Scotland, and ensuring that we have a good supply of advance factories to meet any demand generated.

The approach associated with the SDI linkages was to try to identify "footloose" projects - mainly in the manufacturing sector but in recent years extending to operations like call centres. The market has changed markedly in the last year or two and these "footloose" are fewer in number than previously. Our task, therefore, is to broaden the range of potential inward investment targets to cover as many sectors as possible - retail, leisure, education, office-based uses etc - and to use a wide-range of methods (such as direct marketing, lobbying, web-based communication etc) to attract mobile projects.

In relation to property development, this scenario presents us with a more complex task. Our previous successful approach to inward investment (and the stimulation of indigenous expansion) shows that property development projects are a key element in the process and will need to be included in future initiatives. The existence of flexible business space has been a key factor in attracting civil service jobs, for example. However, such projects will have to be both "smarter" and more complex given the much broader range of targets and the need for more and more flexibility. The Council's involvement in property development has been driven by market failure. While this is not of the scale that it was in the 1970s and 80s, it remains a major issue in the local economy. It is likely to be particularly pertinent to the success of large-scale projects like the Central Waterfront proposals, which are dependent upon the development of new offices on a grand scale. Whilst the manufacturing sector will remain important to the city, the key further opportunities are likely to arise from other sectors, such as retailing and civil service jobs. This will be reflected in future priorities.

***Are there other growth sectors that should be viewed as potential inward investment targets?***

***Which commercial / industrial sectors still require property provision?***

### **The Changing Emphasis Between Inward Investment and Indigenous Growth**

The city has always placed great emphasis on attracting new projects through inward investment. This has brought significant benefit over the period since 1996. Whilst opportunities still exist and will be pursued. It is becoming increasingly clear that our longer-term interests in relation to sustainability and economic buoyancy are more dependent upon indigenous businesses playing a greater role in the local economy. We therefore need to place greater emphasis on stimulating business start-ups and encouraging local businesses to grow.

The key issue is to increase the level of start-ups, which is one of the lowest in the UK, and to encourage those in areas where there is significant opportunity for growth. Because of Dundee's long-standing traditions of employment in large-scale private sector firms and the public sector coupled with our on-going practice of exporting our best talent (including potential entrepreneurs), this presents a significant challenge and needs to be tackled across a broad front. The merging of working and learning themes gives us a greater opportunity to promote a stronger entrepreneurial culture but it will remain a task of significant proportion.

***How can we further encourage the development of entrepreneurs?***

***Within the rules that govern state aid, how else can we assist existing companies to grow?***

### **Dundee Airport**

The prime function of Dundee Airport is to overcome any perception of "peripherality" of Dundee's economy with the outside economy. It therefore facilitates quick and easy business travel for key staff in Dundee, Tayside and North Fife in a wide range of economic sectors. In parallel, it allows similar easy access for key personnel elsewhere in the UK (and abroad). It, therefore, acts as a key element in the City Region's attractiveness as a prime location for economic activities.

Dundee Airport cannot act as a substitute for Edinburgh Airport, because Edinburgh will always be able to command a wider range of services. However because a very large proportion of routine business travel is to a few UK centres, and especially London, Dundee Airport should be able to produce a disproportionate benefit to the overall ease of business travel to/from the city and region, with just a modest number of well-configured services.

Another important role for Dundee Airport is to provide a quality point of access for business executive aircraft, thereby enabling senior business executives and investors to visit Dundee easily. Aerodrome quality, safety, and opening hours, matter a great deal in relation to travel by such senior personnel, and Dundee Airport meets these criteria very well.

A third category that the airport could seek to develop is its potential to bring high value inbound tourism to the city and region, with the considerable spending power in the local economy that this would convey.

An important ancillary benefit from the presence of the airport is that it already generates a significant number of high value and very skilled jobs for the area in business sectors that the city could not otherwise hope to attract. There are for example in excess of 20 highly skilled private sector jobs for airline pilots, instructors and aircraft engineers at Dundee, and about a further 30 jobs in reservations, cabin crew, flight catering and airline administration. The airport staff also includes a range of specialised professions and trades that would otherwise be absent from the range of skilled career opportunities in the city.

***With a view to maximising the airport's benefits to the city's economy, in what order of importance would you place the following possible areas of focus?***

- ***Further UK domestic destinations***
- ***Frequency of London service***
- ***Increasing use by business executive private aircraft***
- ***Direct link to a major international transfer hub***
- ***Developing inbound tourism.***
- ***Attracting quality jobs directly onto the airport.***



## **Sectoral Initiatives**

Previous economic development actions have included a range of sectoral initiatives such as Bio Dundee, the Oil Venture Group; the Civil Service jobs Campaign etc, which have proved successful. As well as continuing with the current initiatives the potential exists to promote more of them, with two key examples being leisure/tourism and the social economy. Additionally, recent environmental legislation, emanating from the EU, changes the way in which we treat waste. There are costs attached to conforming to the legislation, however, economic opportunities also exist. In the next plan period, these opportunities should be explored.

In the leisure/tourism sector, there are a number of initiatives that will need to be pursued, including: -

- East of Scotland Tourism Development/Marketing  
Some progress has been made in this area via the East of Scotland Golf Alliance but this approach needs to be extended to other activities.
- Business Tourism  
Conference and seminar activity continue to grow steadily and the practicality of providing a new Conference Centre needs to be examined.
- Leisure  
Dundee has witnessed a number of new leisure developments in recent years but has still not fully developed its potential as a regional leisure centre attracting regular customers from a wide catchment area. Previous consultancy studies (into visitor centres and Camperdown Park) have shown that significant potential exists in the large "geographical gap" between the M & D Leisure Park at Strathclyde Park and Codonas Leisure Park at Aberdeen beachfront to allow successful new developments of some scale.

### **Image & Competitiveness**

Dundee's image and its ability to compete with other cities has improved significantly over the past five to ten years, via a combination of "product" improvement (City Centre Initiative/factory building programmes/D.C.A. etc) and a highly successful "place" marketing campaign (the City of Discovery Campaign). However, this is only part of an on-going process, as the standards among cities continue to rise over time.

*What is your view of how the city should be promoted?*

*Are there examples of initiatives that exist elsewhere and which we can learn from?*

## **6. CONSULTATION**

Although the last 3 years have seen a continuation of economic growth in the city, it is important that we continue to seek improvement. We believe that the general direction remains valid, however, we are keen to ensure that any realistic opportunities for further development are considered. If you have any views on our approach, or ideas that contribute to the economic development of our city, please write to:

**Douglas Grimmond  
Director of Economic Development  
Dundee City Council  
3 City Square  
Dundee DD1 3BA**

**Or, e-mail to [douglas.grimmond@dundeecity.gov.uk](mailto:douglas.grimmond@dundeecity.gov.uk)**