

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 9 MARCH 2020
REPORT ON: COMPANY GROWTH AND DEVELOPMENT PLAN
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 58-2020

1 PURPOSE OF REPORT

- 1.1 This report updates committee on the support available to businesses in the city and seeks committee approval for a development plan to support further business attraction, creation and growth. This will contribute to the City Plan target of getting 4,700 more people in the region into work through the creation of more jobs.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a notes the update on performance of the business support provided by the Council and other key partners and the Council funded Business Gateway service;
 - b notes the update on the progress at the Dundee Technology Park; and
 - c approves the plan at Appendix 1 to support local businesses and attract further businesses to the city.

3 FINANCIAL IMPLICATIONS

- 3.1 The Development Plan will be delivered from City Development's budget allocation for Business Growth, Job Creation – Inward Investment, Priority Industry Sectors and Business Gateway.

4 BACKGROUND

- 4.1 The City Plan 2017-2026 gives priority to "closing the jobs gap" and getting 4,700 people living in the region into jobs over the 10 years of the plan. Key to this ambition is the creation of new jobs which can be achieved through encouraging more business start-ups, more companies to grow and more companies to locate in the city and wider region.
- 4.2 In March 2019, there were 3,855 registered private businesses in Dundee City employing 50,870 people with turnover of £5,292 million.
- 4.3 The number of businesses in the city has risen by 250 (7%) since 2014 and they employ 580 (1.2%) more people.
- 4.4 The sectors with the largest number of companies in Dundee in 2019 were Wholesale, Retail and Repair (835), Construction (405), Professional, scientific and technical activities (365) and Accommodation and food service activities (340).
- 4.5 In 2018, there were a total of 510 new business starts in Dundee City, the highest total recorded since 2013. This total was counterbalanced by 445 business closures. The proportion of starts to closure was 1.15 in Dundee compared to 0.94 for Scotland as a whole, contributing to the year on year gradual increase in the city's company base.

- 4.6 The City Council and its partners provide a range of support to encourage new start-ups, business survival and growth. Focus is also given to attracting new businesses to establish bases in the city. The range of support available is outlined below.
- 4.7 **Business Gateway:** Dundee City Council's main customer facing business support is delivered via the Business Gateway. The Business Gateway provides a range of services, including enquiry-handling/referrals, business information, business start-up advice and services to existing businesses. The Business Gateway service also has two main elements operated on a national basis. Those elements are:
- a a web service offered through www.bgateway.com. This site delivers a wide range of material – including a number of interactive services, such as diagnostic tools. The web site is the main source of information and self-help diagnostic tools for customers and advisors working with them; and
 - b Business Gateway Enquiry Service (BGES) handle's campaign responses, call-handling facilities and manage the research function. This service provides basic business advice to callers, and provides a research service and support for other services including local delivery service providers.
- 4.8 The Business Gateway in Tayside operates on a contracted out basis and is delivered by Elevator. There are 5 main service elements:
- a provision of local Business Gateway locations, able to deal with locally generated services and enquiries. In Dundee, the office is located at City Quay;
 - b local delivery of one-to-many workshops and events, for start-up and existing businesses;
 - c an online booking tool operates in association with www.bgateway.com;
 - d assisting businesses to start up, particularly higher value start-up businesses to achieve growth or employ staff; and
 - e identifying both start-up businesses and existing businesses that have growth potential and helping them move through the growth advisory service/growth pipeline into the enhanced Account Managed service provided by Scottish Enterprise at a local level.
- 4.9 The Business Gateway Service in Tayside is performance managed by an officer within City Development and, as the table below illustrates, has delivered strong performance over the last year, meeting or surpassing all key performance targets.

Business Gateway Delivery - Tayside April 2018 - March 2019

	Annual Target	Actual
Business Start Ups	720	742
Early Stage Growth*	100	100
Start Up Workshops	110	118
Existing Bus Workshops	22	31
Growth Advisory Service/Growth Pipeline Referrals**	75	95
Account Management Referrals***		8

* Early Stage Growth (ESG) start up's with an agreed action plan for growth and intend to recruit over the next three years

*** Growth Advisory Service (GAS)/Growth Pipeline (GP) Businesses projecting increase in turnover of £200/£400k+ over next three years*

**** Businesses continuing to project increase in turnover of £400k+ over next three years after a period in Growth Pipeline accepted by Scottish Enterprise for Account Management*

- 4.10 **Additional Elevator Services:** in addition to the outcomes above, Elevator, the service provider for Business Gateway Tayside, as a social enterprise, also delivers added value services:
- a elevator hold an annual Youth Enterprise Conference. The conference is designed to inspire students and business owners to “Make it Happen”. The event includes inspirational talks from successful businesses and Entrepreneurs on their journey to success and encourage attendees to take their entrepreneurial aspirations to the next level;
 - b elevator are involved in supporting enterprise awareness activity within schools and the Further and Higher Education sector and developed the successful “Jamathon” with MacKay’s of Arbroath, where schools put forward groups of pupils to design a new flavour of jam, which they need to design a label for and sell; and
 - c the Centre for Entrepreneurship at Dundee University was set up in partnership with Elevator. Based on campus the centre offers support to both members of the public and university, students, staff and graduates. It is home to the Dundee Accelerator programme operated by Elevator as well as a number of university initiatives.
- 4.11 **Digital Boost:** the Digital Boost (DB) Programme aims to strengthen the knowledge and skills of SMEs in Scotland about digital technology, thus enabling them to enter new markets, trade internationally, increase business efficiency and (potentially) increase staff employed. Delivered in conjunction with the Business Gateway service, DB offers the following services for small to medium enterprises; online digital health check, online guides, webinars, workshop’s and one-to-one specialist support. Support cover a wide range of topics e.g. digital marketing, website analytics, social media and cyber security. The DB programme delivered 30 workshops and 34 one to one specialist support projects across Tayside during 2018/19.
- 4.12 **Financial Support:** businesses can access financial support through traditional methods and business banking facilities. However the public sector also support and facilitate various loan funding facilities:
- a Business Loans Scotland (BLS) is a loan scheme which all Scottish Local Authorities are members of and provides loan funding of up to £100k. BLS is part of the suite of loan funding available to businesses via the Scottish Growth Fund, which also incorporates a microfinance loan scheme of up to £25k and equity finance funding of up to £2m which is operated by Scottish Enterprise. 2 Dundee businesses accessed BLS loans in the last year;
 - b Small Business Finance (Dundee) Ltd, is a local loan fund providing loans of up to £25K. Small Business Finance Dundee Ltd also operates a small grant fund for businesses recruiting their first employee. Three Dundee businesses have accessed loans in the last year and 4 have secured grants; and
 - c Michelin Development Ltd re-launched their loan scheme in February 2020. Working with RBS, Local Authorities and other local partners, Michelin Development Ltd can offer loan funding of up to £50k to businesses who can demonstrate they can generate or safeguard sustainable quality employment within existing or new businesses. Through this scheme there is also access to advice and Michelin’s considerable expertise.

- 4.13 **Supplier Development:** Dundee City Council supports local businesses to compete for public sector contract as members of the Supplier Development Programme (SDP). SDP is a partnership of Local Authorities, Scottish Government and other public bodies that works together to bring FREE support in all aspects of tendering to Scottish-based SMEs. In conjunction with DCC, SDP delivers this support through a programme of free local training and events which can be booked via the SDP website. In addition Dundee City Council also organises an annual Meet the Buyer (MTB) event where local businesses can meet public sector procurement teams and large contractors to explore the opportunities available. The Council also supports large contractors to meet their Community Benefits obligations by offering support and advice in planning of their own MTB events and supplier engagement activity.
- 4.14 **Relationship Management:** the Council's Business Team seek to maintain links to key companies, complementing the efforts of other agencies such as Scottish Enterprise. This enables officers to ensure that key companies are accessing all of the specialist one to one support that they need to survive and grow and provides a first point of contact for companies seeking to navigate business facing council services. Through building effective links with key companies, officers are able to identify potential expansion opportunities and receive early notice when companies are facing challenges.
- 4.15 **Inward Investment:** in addition to supporting existing businesses to survive and thrive, priority is given to promoting the city as an attractive inward investment location and securing new businesses to locate in the city. The Business Development Team have recently revamped the Invest in Dundee website and have developed a tracking database to better record inward investment enquiries and record successes. Officers also provide a tailored package of one to one support to businesses that are considering establishing a base in the city. Officers, and the Council's political leadership, also promote the City as an investment location through hosting and presenting at key promotional events. In 2019/2020, these included MIPIM UK Summit in London (October 2019), a Scotland House Event in London (December 2019) and an Invest in Dundee Business Breakfast in Dundee (March 2020).
- 4.16 **Sector Specific Support:** alongside the range of support that all businesses can access, the Business Development Team, working with other Council services and wider partners, focus on supporting the development of specific sectors identified as having particular growth potential. The following Sector Development Plans were approved by City Development Committee in 2019 and update reports will be brought back to committee throughout 2020:
- a Construction Sector Development Plan (Article XII of the minute of meeting of this Committee of 11 March 2019, Report 106-2019 refers);
 - b Offshore Wind/Decommissioning Sector Development Plan (Article XI of the minute of meeting of this Committee of 13 May 2019, Report 177-2019 refers); and
 - c Creative/Digital/Technology Sector Development Plan (Article IX of the minute of meeting of this Committee of 9 September 2019, Report 218-2019 refers).
- 4.17 **Land and Property:** Dundee City Council also provides support to businesses through its estates management function. The Council has significant land and property assets (industrial, office and retail) available for lease and sale. The Council has recently redeveloped its vacant property database which provides a platform for marketing available commercial property to businesses and also provides a platform that is used by all of the major commercial property landlords in the city. www.dundee.gov.uk/property/
- 4.18 **Dundee Technology Park Update:** Reference is made to Article XIII of the meeting of the City Development Committee on 11 March 2019 which provided an update on Dundee Technology Park. This remitted the Executive Director of City Development to report progress at the Technology Park on an annual basis.

The Technology Park is one of Tayside's leading business parks with over 1500 employees based at the Park.

Over the last 12 months, the Executive Director of City Development has continued to proactively engage with property owners and interested parties to identify options to stimulate new investment in the Technology Park. Through the Council's Invest in Dundee initiative, all available property in the Technology Park has been publicised, whether it is owned by the Council or the private sector.

The challenges and opportunities presented by the Technology Park have also been discussed at regular liaison meetings between the Council and Scottish Enterprise. The Council's Business Support Team supports existing business within the Technology Park and are currently engaged with a number of companies who are looking at significant investments to their existing premises.

Council Officers have engaged with the owners and their agents regarding the prominent vacant buildings that exist in the Technology Park. We have made clear the Council's ambition to see these properties occupied and signs of vandalism and neglect removed. The response from owners and their agents has been generally positive, although the pace of progress has been relatively slow.

The former Riverside House property (Northshore House) that has previously been the target of vandals changed ownership at the end of 2019. The agent on behalf of the new owners has confirmed that the initial infrastructure works are due to commence within the forthcoming weeks, moving on to have the property put back into use thereafter. The Council shall continue to engage with the owners to have the prominent property brought back to an appropriate employment use.

Demand for offices in the city centre and Waterfront remains positive. Property in the Technology Park ensures that a range and choice of office accommodation exists in the City to attract investment/growth opportunities and build on the wide range of existing businesses.

The Dundee Local Development Plan continues to promote appropriate ancillary uses within the Park that meet the needs of employees and complement the existing businesses, although no applications for planning permission for such uses have been received within the last 12 months.

The remit to allow the full range of Class 4 (Business) use to enhance the development options at the Technology Park is in place and the Council continues to support the implementation of the removal of the Section 50 Agreements. This requires the landowners to lead on applications to the Council. Within the last 12 months no applications have been made although early discussions have taken place in relation to sites

4.19 **Michelin Scotland Innovation Parc (MSIP):** Dundee City Council are partners, alongside Michelin and Scottish Enterprise, in the creation of MSIP. £60 million of funding is being invested, following the announcement of the closure of the Michelin tyre factory in 2020. This will develop the 32 hectare site to deliver a world class facility focused on low carbon energy and sustainable transport. MSIP will create a highly attractive environment for businesses to locate with the following available or planned:

- a Significant Manufacturing Space;
- b Incubator Units;
- c an Innovation Lab delivered in partnership with regional universities;
- d a Skills Academy to be operated by Dundee and Angus College; and

- e access to significant green energy resources from wind turbines, adjacent waste to energy plant and potential solar array.

4.20 **Partner Services:** in addition to the business development services operated directly and indirectly by Dundee City Council, or in partnership, there are a number of other support services delivered by partner organisations that contribute to the overall eco-system of support available for local businesses and start-ups. For example:

- a **New Enterprise Allowance** which is funded by UK Government and provides support to unemployed people who want to start their own business. Participants receive support from a volunteer business mentor and can access financial support once they start their business. Jobcentre Plus identifies those who are eligible and interested in setting up a business. They are then referred to a provider organisation in the local area which evaluates the individual's business proposition. This service is delivered in Dundee by Brag Enterprises Ltd on behalf of Department for Work and Pensions;
- b **Prince's Trust Enterprise Programme** supports 18-30 year olds to develop business ideas into reality, providing business plan templates, financial advice, marketing support and tools and resources to ensure your business is sustainable;
- c **Women's Business Station:** Following the success of the Coca Cola 5by20 project which was based in Dundee, the Women's Business Station was launched towards the end of 2019 to provide similar support. The new programme will operate on a member led basis and will offer an innovative programme including a range of industry-led short courses, intensive training, peer-to-peer support, networking, connecting, coaching, mentoring and a wealth of experienced advice;
- d **Launch IT Dundee** is an initiative by Youth Support Trust Scotland (YSTS) a new Scottish charity setting out to meet an evident need for affordable business premises and support for young Scottish entrepreneurs starting out on their business journey. They work with those facing barriers to conventional employment, and provide them access to the space and support they need to start and grow their own businesses. The Dundee Enterprise Centre, which opened in early 2019, is being hosted by Dundee City Council with a supported rent at Kandahar House;
- e **Acorn Enterprise** is an organisation that educates and accelerates new businesses and student entrepreneurs. Acorn run 20 week Business Accelerator Programmes, Business Bootcamps and Entrepreneurial Events working with new business owners and enterprising students at Colleges and Universities. Acorn in Dundee is hosted at the Flour Mill and funded by the private sector landlord of the business centres;
- f **Scottish Enterprise** is Scotland's national economic development agency which has to date focussed on supporting a segmented group of businesses with a particular focus on those in particular sectors and those with most growth potential. Their operating model is currently under review with a view to broadening support to a wider range of companies. The aim is to contribute to the creation of quality jobs across all of Scotland, tackling regional disparities and addressing poverty;
- g **Dundee & Angus Chamber of Commerce** are the largest business membership organisation in Dundee & Angus and part of the worldwide long-established Chamber of Commerce brand. They have over 750 business members who between them employ over 50,000 people. They run regular training & development programmes which build business and individual skills to help improve productivity & capacity across the local business base. The Chamber also participate in partnership activities such as the PACE programme and activity to support business to access a skilled workforce through employability and Developing Young Workforce connections;

- h **Dundee Social Enterprise Network** is a member led organisation which supports people to set up, develop and grow social enterprises both large and small. They offer direct practical support and advice to existing and aspiring social enterprises in Dundee. This includes help with access to funding and loans, procurement and tendering opportunities, business support, information and training; and
- i **The Circle** is a hub for charities, social enterprises, community groups and socially aware businesses in Dundee. In addition to providing office, co-working, meeting and events space, they provide business advice, support and training including the 12 week Circle Academy programme.

5 COMPANY GROWTH AND DEVELOPMENT PLAN

- 5.1 Dundee City Council is committed to working to support new business start-ups, the growth of existing businesses and the attraction of new businesses to the city. This will be achieved through a combination of direct Council delivered services, the delivery of contracted services, in partnership with regional councils and through collaboration with, and through contributions made by, partner agencies.
- 5.2 The plan for the next 5 years is set out in Appendix 1 and includes a number of key priorities including:
 - a reviewing and agreeing the current regional arrangements for delivery of support to businesses, with a particular focus on future delivery of business gateway services;
 - b working alongside colleagues in Scottish Local Authorities Economic Development Association (SLAED) to ensure that local authority led business support services respond to changes in Scottish Enterprise's Target Operating Model;
 - c Giving even greater focus and attention to the attraction of inward investment and the promotion of Dundee Waterfront;
 - d Refining and enhancing relationship management arrangements with the city's key companies, through the development of a Dundee Top 50 and the development of a programme of regular company visits; and
 - e Working alongside colleagues from Michelin and Scottish Enterprise to deliver the Michelin Scotland Innovation Parc and replace all of the jobs lost through closure of the Michelin tyre factory.
- 5.3 The key performance objective is to continue to grow the city's company base and the total number of people employed in the private sector.

6 POLICY IMPLICATIONS

- 6.1 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.

7 CONSULTATIONS

- 7.1 The Council Management Team were consulted in the preparation of this report.

8 BACKGROUND PAPERS

8.1 None.

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APPENDIX 1: BUSINESS DEVELOPMENT PLAN

Theme	Action	Timescales	Partner/s
Business Growth	Actively manage the performance of Business Gateway Tayside to ensure that service continues to meet start-up and growth targets and to ensure that it provides a high quality demand led service for businesses.	2020-2024	DCC; Elevator
	Support delivery of Accelerator Programme's at the Centre For Entrepreneurship.	2020-2024	DCC; Elevator; BG; Dundee University
	Enhance relationship management of key companies in the city through development of Top 50 listings, delivery of a regular programme of company visits and through procurement of a new tracking database to better manage company intelligence.	2020-2024	DCC
Sector Support	Prioritise support to key growth companies through the delivery of sector based action plans (approved by committee in 2019).	2020-2024	DCC; Other Partners
Finance	Improve levels of awareness and uptake of financial products offered by Business Loans Scotland (BLS) Small Business Finance Dundee (SBFD) and Michelin Development Fund.	2020-2024	DCC; SBFD; BLS, Michelin Development
Digital	Lobby to maximise Dundee's allocation of Digital Boost funding and seek to deliver a programme of workshops and support that enhances the digital capability of businesses in the city and wider region.	2020-2021	DCC; BG
	Work with businesses and Higher Education providers in the city to identify digital skills shortages and enhance provision to address these gaps.	2020-2021	DCC; Businesses, Universities
Assets and Infrastructure	Work alongside colleagues from Michelin and Scottish Enterprise to develop the Michelin Scotland Innovation Parc (MSIP) and secure tenants who contribute to replacing all jobs lost through closure of the tyre factor.	2020-2024	DCC; Scottish Enterprise; Michelin
	Promote Dundee Waterfront as a key investment proposition and enhance marketing collateral.	2020-2024	DCC; Ryden
Inward Investment	Actively promote the city to potential inward investors and provide tailored support in response to enquiries.	2020-2024	DCC. SDI; MSIP
	Enhancer the tracking and recording of inward investment enquiries and successes	2020	DCC

Theme	Action	Timescales	Partner/s
	Deliver and/or present at events to promote Dundee city as an inward investment location.	2020-2024	DCC
Partnership Working	Review current regional arrangements for delivery of support to businesses, with a particular focus on future delivery of Business Gateway services.	2020	Perth & Kinross Council; Angus Council; DCC
	Work alongside colleagues in Scottish Local Authorities Economic Development Association (SLAED) to ensure that local authority led business support services respond to changes in Scottish Enterprise's Target Operating Model including development of digital single entry point.	2020-2021	DCC; SLAED; Business Gateway National Unit; Scottish Enterprise
	Ensure that there is an effective eco-system of support for businesses through maintaining strong links to key business facing partners and ensuring that businesses are referred to the most appropriate support service.	2020-2024	DCC; Partners