

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 11TH JUNE 2007
REPORT ON: ECONOMIC DEVELOPMENT DEPARTMENT SERVICE PLAN 2003/2007
REPORT FOR PLAN PERIOD 2003/2007
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 282-2007

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform the Committee of Departmental performance during the period of the service plan 2003/2007.

2. RECOMMENDATIONS

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

3. FINANCIAL IMPLICATIONS

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

4. LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The activities covered by the plan will have 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.

- 5.2 Four particular projects being carried out by the Department are specifically relevant to this area:-

- City Strategy / Workforce Plus - funded through Department of Work and Pensions and the Scottish Executive, these initiatives aim to co-ordinate employment related services to make them more accessible by people on benefits.
- Enterprise Advice Project - this project helps those from the most deprived areas consider, and in many cases start, their own businesses.
- Working for Families - this Scottish Executive funded initiative aimed at reducing barriers for families to enable them to work is fully operational and has now helped over 1100 clients.
- Neighbourhood Shopping Facilities - the Department continued its rolling programme of improving disability access at neighbourhood shopping facilities.

6. BACKGROUND

- 6.1 Reference is made to the Economic Development Committee meeting of 12th January 2004, wherein the Department's Service Plan for 2003/4 was approved (Report 1-2004). The first annual report on the Service Plan - i.e. for 2003/4 - was submitted to Committee on 14th June 2004 (Report 459-2004), and the second - i.e. for 2004/5 was submitted to Committee on 13th June 2005 (Report 352-2005). The third report - i.e. for 2005/6 was submitted to Committee on 12th June 2006 (Report 376-2006).

6.2 This report is the fourth and final report on the current service plan and summarises achievements over the period.

6.3 A new Service plan for the period 2007 - 2011 is currently being developed.

7. **KEY HIGHLIGHTS / ACHIEVEMENTS DURING THE PLAN PERIOD**

HIGH LEVEL CORE PERFORMANCE INDICATORS

7.1 The trend of general economic improvement in the City, which began in the mid 1990's, has continued over the course of the service plan.

- Employment

There was a net jobs gain of 3,125 (or 3.9%) between 2003 and 2006. The long term global restructuring of the manufacturing sector continued, with a decline of 7.4% between 2003 and 2006. However, most employment sectors experienced growth in jobs over the period ensuring a net increase in overall job numbers.

- Unemployment

The number of registered unemployed has fallen over the service plan period from a monthly average of 4,400 in 2003, to 3,763 in 2006. i.e. a fall of 14.5%. Long term unemployment (i.e. 12 months plus), fell by 27.2% from a monthly average of 790 in 2003 to 575 in 2006.

- Vacancies

Vacancies notified to Job Centre Plus offices in Dundee averaged 956 in 2006, a fall of 7.3% compared with 2003. However, it should be noted that the system of recording vacancies has changed over the plan period. Some local vacancies are now held centrally. As a consequence the number of local vacancies is less than previously and comparison with previous years needs to be treated with caution.

- U/V Ratio

The U/V ratio represents the number of registered unemployed per registered vacancy and is a good indicator of economic dynamism. The City's U/V ratio improved over the period of the plan from 4.3:1 in 2003 to 3.9:1 in 2006. The improvement is due to the significant drop in unemployment rather than the number of vacancies reported.

- Wage Levels

The mean gross weekly earnings of full time employees in Dundee City rose from £446.0 in 2003 to £481.0 in 2006, a rise of 7.8%. However, this figure still lags behind the Scottish mean of £503.7

- Company Growth

Between 2003 and 2006, the number of businesses located in Dundee decreased by 1.8%. The average employment level per business increased from 19.5 persons to 20.5, i.e. an increase of 5.4%.

7.2 Although the foregoing indicators show that momentum has been maintained in Dundee's economic regeneration, the process is not yet complete and a number of significant challenges remain, such as:-

- Employment - the need to maintain the current momentum in the level of job creation to overcome continuing decline in the manufacturing sector.
- Unemployment Levels - the need to reduce levels to at least the national levels (the Dundee level continues to remain above both the Scottish and UK levels).
- Labour Supply - the need to increasingly target (for job creation purposes) the whole of the economically active population, not just the registered unemployed.
- U/V Ratio - the Council aspires to have the Dundee U/V Ratio better than the Scottish average. Although the gap has narrowed markedly, continued efforts are required.

- Average Wage Levels - There is a continuing need to stimulate job creation in sectors where salary levels are competitive with national benchmarks.
- Business Growth Rate (VAT registrations) - Dundee's rate of new business growth lags behind national rates. Scotland's average start-up rate is 28, compared with Dundee's 22 per 10,000 population. Dundee's long-term economic sustainability requires this deficit to be addressed.

8. KEY HIGHLIGHTS / ACHIEVEMENTS OVER THE PERIOD INCLUDE:-

8.1

ECONOMIC DEVELOPMENT PLAN

- Reviewed 2003-05 plan
- Produced 2005-07 plan
- Mid-term monitoring report

CAPITAL RECEIPTS

- Over this period, the department brought in over £34m in receipts from land and property sales

DEVELOPMENT FACILITATED

The department has undertaken or assisted in a range of developments including:

- Alliance Trust HQ
- Holiday Inn Express
- West Marketgait redevelopment
- Abertay Students accommodation
- Incubator
- Gardyne's Land
- Stoneridge
- Shopping parade improvements
- Howden's warehouse etc.

DEPARTMENTAL RESTRUCTURE

- A preliminary restructure was implemented

CORPORATE PROPERTY UNIT

- Unit established to manage corporate property portfolio

CORPORATE HEALTH AND SAFETY

- Acting as corporate client for corporate contracts

CORPORATE ENERGY MANAGEMENT

- Manage and negotiate utilities contracts
- Develop and implement corporate energy management plan

REVIEW OF TOURISM

Revised approach and expenditure to focus on:

- Place marketing via City of Discovery
- Business Tourism via Dundee and Angus Convention Bureau

ASSISTED AREA STATUS

- Effectively lobbied DTI and Scottish Executive for inclusion of most relevant wards.
- Achieved minimal reduction in coverage in the context of significant loss at the Scottish and UK levels.

PROPERTY

- Investment in site infrastructure £5.5m
- Investment in development and refurbishment of commercial property - £8.5m

AIRPORT DEVELOPMENT

- £2.5m capital investment since 2003
- scheduled service passengers up 16% to 51,000
- Business jets through-put more than doubled to 250 this year.
- Negotiating management transfer to HIAL

EMPLOYABILITY - helping workless people find employment -

- City awarded "City Strategy pathfinder" status
- Secured Workforce Plus initiative funding
- Co-ordinating activities with the NEET initiative
- Total investment £2.5m 2006-2008

WORKING FOR FAMILIES - helping families overcome barriers to work

- Over 1100 people assisted since programme started in 2005
- 58% of these moved into employment, training or education
- Total investment £3m 2005-2008

EUROPEAN & LOTTERY FUNDING INTO THE CITY

- ERDF £18 million
- ESF £11 million
- Lottery £21 million
- Total from these sources £50 million

ENTERPRISE ADVICE PROJECT

- 109 new small business start-ups achieved
- 140 people employed
- Kick-start Grants awarded - £59,000

BIO DUNDEE

- 4 conferences
- over 700 delegates
- from 17 countries
- Dundee's profile significantly raised among the international science community

INVEST DUNDEE - Marketing campaign to encourage inward investment -Best Foreign Direct Investment Strategy (European Cities) 2004-5

- Dundee Investment news published
- 3000 subscribers
- 8000 mail out
- Shortlisted for best external newsletter 2006

TAYSCREEN - aimed at promoting film production in Tayside.

- 2003 -2006 364days filming in Tayside
- £606,122 direct spend
- Over £1m into local economy

DARE SCHOOLS TEAM CHALLENGE - Initiative to promote soft-ware and digital media skills in S.5 students.

- 2004 - 16 participants
- 2005 - 30 participants
- 2006 - 27 participants
- Industry, Education and University involvement

TALKING TAYSIDE - Forum to improve employment opportunities in contact centres

- 4 Annual award ceremonies
- 4 other events incl. Fresh Talent & Motivation

OVERSEAS MARKETS DEVELOPMENT GRANT

- Small grants to assist Dundee companies access overseas markets

- 52 applicants
- £25,000 awarded

Dundee Co-ordinated Anti-crime Network (DUNCAN)

- Retail anti-crime network established. Now rolled out to other areas of the city.
- Innovative use of ASBO scheme
- Introduction of the retail radio-link

CITY CENTRE AMBASSADORS

- Now operating as eyes and ears for partner agencies
- Flyposting almost down to zero due to innovative work and collaboration with Licensing Committee. Received Keep Scotland Beautiful Award.

RETAIL AWARDS

- First Dundee Retail Awards held in 2006
- 3 winners shortlisted in National Awards - 1 winner for Independent Retailer of the Year

RETAIL MARKETS

- Diversity improved - Farmers'; Continental & German have become a popular city centre activity
- 1st place in UK to have an 11-day German market

COMPANY DATABASE/BUSINESS DIRECTORY

- Annual survey carried out
- 4079 Dundee employer locations now in the database
- 83,789 people employed at these locations

DUNDEE BOOK PRIZE - becoming recognised as the most prestigious UK book prize for unpublished writers

- No. of entrants 2005 & 7 = 431
- Entrants from every continent in the world

CITY OF DISCOVERY BUSINESS BREAKFAST SERIES

- 18 events in past 4 years
- 1920 attendees from business community
- Speakers have included, Kate Adie, Sir Ranulph Fiennes, Sir Tom Farmer and the First Minister

RADIO 1 BIG WEEKEND

- increase of 17,000 tourists to the area
- £5m extra into local economy
- £11m worth of publicity

DUNDEE FOOD & FLOWER FESTIVAL

- Marketing assistance provided to this event
- Additional average 20,000 visitors per annum - and increasing

DUBAI TWINNING - Since the establishment of the Sister City covenant in 2004, the project has:

- facilitated student placements in Dundee
- held 1 business networking event
- Arranged a trade mission with 9 companies - 7 of whom identified positive trading opportunities

SOCIAL ECONOMY

- Helped to establish Social Enterprise Partnership
- Continuing provision of advice and membership
- Assisted in establishing Clean Close Co
- Working with Ardler Village Trust to establish a new business

FUNDING EVENTS - to assist individuals and groups to access funds for local projects

- 12 Funding events have taken place including Funding Fairs; Formathons; Awards for All; Lottery Big Day Out; Schools Awards for All

JOBS FAIRS

- Assisted in facilitating 17 Jobs Fairs and employability events

FUNDING NEWSLETTER

- 8 Newsletters produced since 2004
- 250 on distribution list

9. **MONITORING OF KEY PROJECTS**

9.1 The Council's Strategic Project Monitoring Database is the key tool for monitoring progress on the key projects and initiatives associated with the Council Plan 2003/2007 and the various Departmental Service Plans.

9.2 This system allows projects and initiatives to be successfully monitored on-line on a regular basis. The performance indicators and a summary of progress are included in Appendices 1 & 2.

10. **CONSULTATION AND REVIEW**

10.1 A number of consultation and review processes have taken place during the period and in the past year these have related to issues such as:-

- City Strategy Pathfinder
- Workforce Plus
- Working for Families Project
- Business Gateway services to businesses review
- Dundee Partnership Economic Vision Review

10.2 The results are being fed into the various issue processes and will be reflected in specific action plans to be developed during the next year.

10.3 Consultation processes have also been taking place in relation to corporate property issues, such as the Asset Management Plan process, the GVA corporate property management system, corporate health and safety issues etc.

11. **THE YEAR AHEAD**

11.1 It is anticipated that a number of key projects and initiatives will be undertaken during the coming year, including:-

- Preparation of the next departmental Service Plan, 2007-2010
- Complete departmental structure review
- Review of the Economic Development Plan 2005/2007
- Production of the Economic Development Plan 2007-2010
- Gain Department of Work and Pensions commitment to an extension of the City Strategy initiative in Dundee post March 2008
- Gain Scottish Executive commitment to continue with Workforce plus in Dundee post March 2008
- Gain Scottish Executive commitment to continue with Working for Families beyond March 2008
- Manage partnership agency staff transfer to co-located offices in Shore Terrace as part of the City Strategy delivery
- Successfully negotiate a Dundee European Structural Funds Programme for 2008 - 2010
- Complete production of Corporate Asset Management Plan
- Take forward a range of property developments, eg:-
 - Complete Gardyne's Land refurbishment
 - Complete Archive Centre

- Complete infrastructure works at Claverhouse East
- Complete infrastructure works at Linlathen Industrial Estate
- Complete final phase of Technopole infrastructure and environmental works
- Complete joint equipment storage facility
- Phase 5 of Neighbourhood Shop improvement initiative
- Finalise negotiations with HIAL regarding management arrangements and investment at Dundee Airport
- From the NCR PACE action plan:
 - Begin development process for provision of specialist units for office, contact centre and life sciences use.
 - Address issues of access to Port and Western Gateway
- Relaunch Dundee & Angus Convention Bureau
- Review DCC position on delivery of the Business Gateway
- Promote a range of sectoral initiatives, eg:-
 - BioDundee - secure agreement of all partners to fund this beyond March 2008
 - City of Discovery Campaign - complete review
 - Talking Tayside
 - Tayscreen - seek to develop as a transnational project
 - the "Green" economy
 - the social economy
 - Digital Dundee
 - Civil Service Jobs
 - 2007 Six Cities Festival of Design - review and evaluate options for similar event in 2009

12. **FINANCIAL / RESOURCE CHANGES**

12.1 A number of changes were made during the past year in resource re-allocations across the Department (particularly Estates, Business Development / Marketing, Policy and Administration). This process will continue over the coming year in order to achieve greater efficiency of co-ordination and focus in the light of developments such as:-

- Departmental structure review
- Business Gateway review
- increasing City Strategy / Employability - related activities
- changes to external funding

13. **CONSULTATIONS**

13.1 The Chief Executive, Depute Chief Executive (Support Services) and Head of Finance were consulted in the preparation of this report.

14. **BACKGROUND PAPERS**

14.1 The following Background Papers were relied upon in the preparation of this Report:

- Dundee City Council Plan 2003/2007
- Economic Development Department Service Plan 2003/2007
- Economic Development Department Service Plan Annual Review 2003/2004
- Economic Development Department Service Plan Annual Review 2004/2005
- Economic Development Department Service Plan Annual Review 2005/2006
- Dundee City Council Economic Development Plan 2005/2007
- Dundee Partnership City Strategy

DOUGLAS A A GRIMMOND
DIRECTOR OF ECONOMIC DEVELOPMENT

DATE: 4TH JUNE 2007

APPENDIX 1 - KEY PERFORMANCE MEASURES AND TARGETS

Performance Measure	Service Plan Target	Incl National Comparator if available	Previous Years			Latest Available Data
			04	05	06	
<u>Department Wide</u>						
<ul style="list-style-type: none"> Unemployment 	Reduce to Scottish levels	see columns to right	Total JSA Claimants Monthly Average 2003 = 4,400 Dundee Rate 2003 = 5.0% Scotland Rate 2003 = 3.2% Long Term JSA Claimants (1 Year+) Monthly Average 2003 = 790	Total JSA Claimants Monthly Average 2004 = 3,795 Dundee Rate 2004 = 4.3% Scotland Rate 2004 = 3.0% Long Term JSA Claimants (1 Year+) Monthly Average 2004 = 645	Total JSA Claimants Monthly Average 2005 = 3,731 Dundee Rate 2005 = 4.2% Scotland Rate 2005 = 2.8% Long Term JSA Claimants (1 Year+) Monthly Average 2005 = 585	Total JSA Claimants Monthly Average 2006 = 3,763 Dundee Rate 2006 = 4.2% Scotland Rate 2006 = 2.8% Long Term JSA Claimants (1 Year+) Monthly Average 2006 = 575
<ul style="list-style-type: none"> U/V Ratio 	Reduce to below Scottish levels	see columns to right	Dundee 2003 = 4.3 Scotland 2003 = 3.4	Dundee 2004 = 3.6 Scotland 2004 = 2.9	Dundee 2005 = 4.9 Scotland 2005 = 3.2	Dundee 2006 = 3.9 Scotland 2006 = 2.9

Performance Measure	Service Plan Target	Incl National Comparator if available	Previous Years			Latest Available Data
<ul style="list-style-type: none"> Wage Levels 	Increase to above Scottish levels	see column to right	Mean Weekly Wage of Full Time Employees Dundee 2003 = £446.0 Scotland 2003 = £447.0	Mean Weekly Wage of Full Time Employees Dundee 2004 = £450.3 Scotland 2004 = £455.5	Mean Weekly Wage of Full Time Employees Dundee 2005 = £472.9 Scotland 2005 = £479.0	Mean Weekly Wage of Full Time Employees Dundee 2006 = £481.0 Scotland 2006 = £503.7
<ul style="list-style-type: none"> Company Growth 		Data is gathered from the Dundee Business Directory database no comparison therefore available	2003 = 4,155	2004 = 4,236	2005 = 4,184	2006 = 4,079
<ul style="list-style-type: none"> Employment Numbers 	Continue to grow at 1% per annum	Straightforward comparison is not possible because of differing methodologies and timescales. However comparison with ONS employee job estimates shows that, over a 3 year period, Scottish job numbers grew by 2.5%, while Dundee grew by 3.9%.	2003 = 80,665	2004 = 81,766	2005 = 82,748	2006 = 83,790

APPENDIX 2 - KEY PROJECTS ASSESSMENT

Project Description	Lead Officer	Target End Date	Assessment
1. <u>Overall Policy / Strategy</u> 1.1 Economic Development Plan 2005/7 1.2 Dundee Partnership Working and Enterprise Theme	HS HS		<ul style="list-style-type: none"> Plan approved 13.06.2005. Mid-term monitoring and evaluation approved Jan 2007 Theme strategy approved June 2005 and incorporated in Community Plan 2005/10. Expanded Group now working up Action plan
2. <u>Employability Framework</u> 2.1 Chair Dundee Partnership Employability Group 2.2 Working For Families Initiative	HS DM		<ul style="list-style-type: none"> The Employability Group has now been established to take forward all employability and training issues. Employability Action Plan submitted to Scottish Executive. Subsumed LEAP. Funding approved until March 2008 City Strategy status awarded to Dundee by Department of Work and Pensions. Funding approved until March 2008. The Scottish Executive funded initiative aimed at reducing barriers for families to enable them to work has now helped over 1100 clients, with over 543 achieving a transition into employment, voluntary work or training and 424 working towards a transition.

Project Description	Lead Officer	Target End Date	Assessment
3. <u>External Funding</u>	HS		<p>Preparations are being made for the development of a bid to the Scottish Executive for the Dundee Partnership to become an <i>Intermediate Delivery Body</i>. If successful, this would see a ring-fenced pot of EU funds being made available to deliver on the strategic themes of employability and regeneration.</p> <p>Officers attend the Scottish External Funding Group which engages at funding policy level with organisations such as Big Lottery.</p>
4. <u>Social Economy</u>			
4.1 Creation / Assistance of Social Enterprises	HS / EP		<p>The Social Enterprise Partnership approved the action plan during 2006. Agreed actions are now being implemented. Funding for a senior post through Economic Development has been obtained and an appointment made. Contribution to the SEP action plan and its implementation is ongoing.</p>
4.2 Enterprise Advice Project	HS / EP		<p>Since June 2006, 39 new business start-ups have been directly assisted creating 52 new jobs.</p>

Project Description	Lead Officer	Target End Date	Assessment
5. <u>Growing the "Green" Economy</u>			
5.1 Establishment of "Green" Business Park	HS		Discussions have been taking place regarding the potential for such a park.
5.2 "Green" Job Promotion	HS		The Recycling Institute has developed a spin off, "Green Business Advice" project - "Green Shoots". External funding being sought to continue past pilot phase.
6. <u>Asset Management Plan</u>	CC		The final plan is due to be completed in June 2007
7. <u>Corporate Property Unit</u>	CC		Unit now fully functional.
8. <u>"Flagship" Cultural Quarter building redevelopment at former Burns & Harris site</u>	CC		Negotiations with developer now complete and new HQ for the Alliance Trust under construction.
9. <u>Refurbishment of Gardyne's Land</u>	GS	June 2007	Refurbishment close to completion. Contract concluded with service provider.

Project Description	Lead Officer	Target End Date	Assessment
10. <u>Archive Centre Project</u>	GS	October 2007	Conversion of Unit G at Claverhouse out to tender.
11. <u>New Business Floorspace</u>	CC		This has been held in abeyance pending investigations into the delivery of property requirements identified in the NCR Rapid Response Group Action Plan
12. <u>Infrastructure / Servicing Provision</u>	CC		Current phases of servicing programmes are complete at Claverhouse, Linlathen and Dundee Technopole.
13. <u>Neighbourhood Shop Improvements</u>	JTK		The 4th phase of the neighbourhood shop improvement programme was completed during 2006/7.
14. <u>Dundee Airport development as "regional hub" airport</u>	DAAG		The 2006-07 capital investment programme was completed on time and within budget. An interim Capital Programme totalling £500,000 will be implemented in cop-ordination with Highlands and Islands Airports pending the transfer of the airport to HIAL later in 2007-08.
15. <u>Dundee as Digital City</u>	SU		<p>Funding has been secured to develop the project under the Digital Dundee banner. A series of projects form part of this and are performing well, including:-</p> <ul style="list-style-type: none"> • Interactive Tayside • Wi-Fi Enabling • Global Digital Cities Network

Project Description	Lead Officer	Target End Date	Assessment
16. <u>City of Discovery Campaign</u>	SU		Review of the City of Discovery Campaign is now back on schedule as funding for the campaign has now been secured
17. <u>Civil Service Jobs</u>	SU		The position is constantly monitored and promotional activity is underway.
18. <u>Business Gateway (Services to Businesses)</u>	SU		The Business Gateway provision is subject to tendering process. The Council approved funding until September 2007. New operational contracts will be in place after that date. The Council will review its position after the results of the tendering process are known..
19. <u>Enterprise Culture & Facilitation</u>	SU		A range of activities have been pursued including Dundee Development Grants (31 awarded during the year), Dare Schools Challenge, Determined to Succeed etc and other potential projects such as the continuation of GO Dundee Music events are under discussion.

Project Description	Lead Officer	Target End Date	Assessment
20. <u>Economic Promotion via Sectoral Initiatives</u>	JC		<p>The sectoral initiative approach is embedded within overall policy and extends across a range of sectors including:-</p> <ul style="list-style-type: none"> • Talking Tayside • BioDundee • TayScreen <p>A new initiative to promote renewable energy opportunities is being developed in conjunction with Forth Ports.</p>
21. <u>Public Sector Energy Efficiency Initiative</u>	AG		<p>Energy management work is underway on McManus Galleries and on Janet Brougham House.</p> <p>A total of 41 energy feasibility studies have been undertaken in 2006/7 (21 school studies, 20 non-school.)</p>
22. <u>EFQM</u>	DAAG		<p>Results from corporate EFQM assessment will feed into revised improvement plan.</p>