

EDINBURGH ECONOMY STRATEGY

DELIVERING GOOD GROWTH FOR EVERYONE

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FOREWORD

Edinburgh is a city full of success stories. Recently voted the second-best city to live in the world and the UK's most entrepreneurial city, after London we are the most visited city in the UK and attract more foreign direct investment than any city in Scotland.

Alongside this success, Edinburgh has, shown itself to be resilient in the face of the unprecedented global economic challenges of recent years. The city recovered well from the last recession - the number of jobs our economy supports has now grown by more than 10% since 2012, while unemployment rates are lower than those of any other major city in the UK. The future outlook too is positive. Independent forecasts show that Edinburgh's economy is likely to grow more quickly than the UK and Scottish averages in the next five years. This growth outlook is enhanced by the programme of improvements included in the recently announced Edinburgh and South East Scotland City Region Deal, which commits over £1bn of investment across the region over the next fifteen years.

But fundamental challenges and uncertainties remain: exit from the European Union; a rapidly changing world, where the jobs of today will not be the jobs of tomorrow; and, most important of all, intransigent and persistence challenges relating to the creation of an economy that works for everyone.

Despite economic growth, over 20% of our children remain in poverty. Despite our jobs growth record, and despite co-ordinated efforts to support employment by the Council and its partners, one in six households still have no adult in work. Supporting the most disadvantaged in our society to progress and prosper remains a critical goal.

The actions needed to achieve this goal are complex. But the message is clear. The objective of this strategy is to create the conditions for Edinburgh to be a city that takes the lead in delivering economic growth that benefits all our citizens. We want this strategy to help deliver **good growth for everyone**. That means growing an economy that is fair in terms of wages, fair in terms of opportunity and fair in terms of access to housing, education and good careers. It means helping Edinburgh to thrive as a city of growing businesses, of innovation, of new wealth and new jobs created.

To deliver that vision this strategy is built around three pillars of good growth for Edinburgh – **innovation, inclusion, and collaboration** – and sets out ten steps we need our city to take.

This strategy and these steps have been co-designed with engagement and support from elected members of all parties of and areas in the city, as well as partner agencies, businesses, universities and the third sector. Building on the Edinburgh and South-East Scotland City Region Deal, it is also a call to action for greater partnership working across local and national government, and across the wider city region.

Indeed, the vision the strategy sets out represents an ambitious challenge for the city, one that cannot be met by any single organisation alone. To be successful, we need this strategy to be delivered in collaboration between the anchor institutions that guide the development of the city. That requires ownership and leadership from **City of Edinburgh Council**, from the **Edinburgh Partnership**, from the **Edinburgh Business Forum**. Indeed, a key priority for the first months following publication of this strategy will be the launch of refreshed arrangements to foster this spirit of partnership working.

In 2016, the city launched a new campaign to think about a long-term vision for what Edinburgh could be like in 2050. People from all over the city were asked what they wanted their city to be. The response has been powerful and the message clear. Our citizens want Edinburgh to be a fairer city, a connected city, an inspired, and a thriving city. This campaign generated over 10,000 responses in its first year and represents just the start of a long-term conversation with the city about how we want it to be.

This strategy is one of the first, major practical steps to meeting this city vision and on behalf of all partners and stakeholders, we are committed to turning it into a powerful programme of delivery and change over the coming weeks, months, and years.

Cllr Gavin Barrie – Convener for Housing and Economy Committee, The City of Edinburgh Council

Cllr Lezley Marion Cameron – Vice Convener for Housing and Economy Committee, The City of Edinburgh Council

INTRODUCTION

THE PURPOSE OF THIS STRATEGY

The purpose of this strategy is to set out our ambitions for the Edinburgh economy. It describes the way we want our city economy to work, and the steps we need to make over the next five years and beyond to deliver that vision.

This document aims to:

- Translate these ambitions into a series of high level actions designed to make sure the city makes best use of all its economic resources to improve standards of living for all our citizens and our communities
- Provide focus for partners, including the City of Edinburgh Council, public bodies, businesses, and third sector groups, in delivering those actions, and
- Provide a framework within which everyone who has a stake in the city can contribute to improving the way our economy works.

CONTEXT – THE NEED FOR A NEW APPROACH

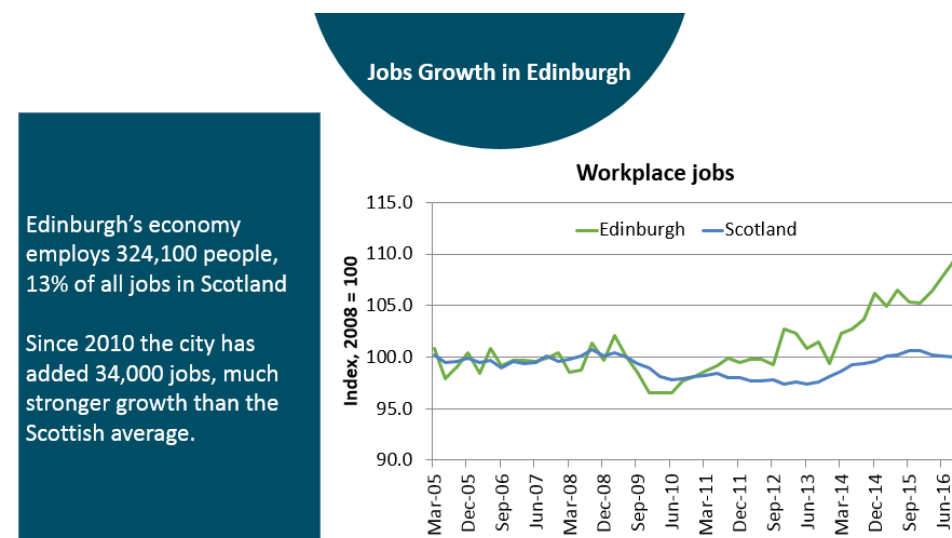
The last Edinburgh Economy Strategy was prepared during 2011/12 and set out a response to the challenges the city economy faced at that time – a challenge of recovery from recession, of tackling growing unemployment, and of crisis amongst key sectors in the city.

This strategy is again being developed during a period of considerable change and uncertainty for Edinburgh and its economy. These changes come in terms of our trading relationship and links with the EU, changes in our key industries, and changes to the way our labour market and our society work.

Our analysis paints a picture of a strong, and resilient city, successful at creating jobs and attracting investment. It describes Edinburgh as an entrepreneurial city, good at creating new start-up businesses, with a strong and emerging data driven innovation sector. A good example of this strength lies in the city's growing community of technology led

businesses. Over the past decade the city has become home to some 570 technology based firms employing over 2,400 people. This growing sector provides a powerful base from which to build an economy fit for the future.

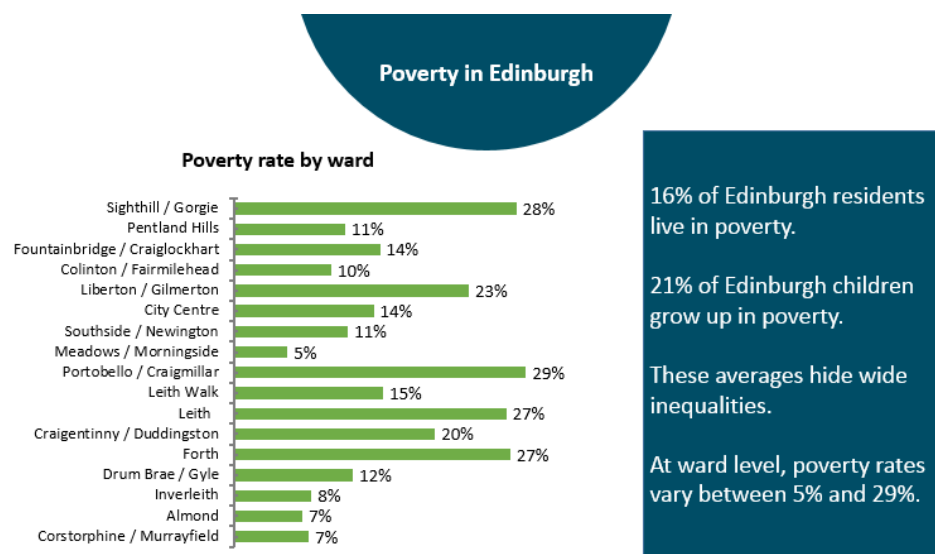
Our evidence shows Edinburgh as a city whose traditional assets in sectors such as financial services, culture and tourism are being strengthened by growth in new sectors and in new, socially responsible ways of doing business.



The challenges the city economy faces are similarly clear. Edinburgh is a city scarred by stark inequalities.

Average incomes are high, and the city has never had more people in work than it does in 2017. However, there are still almost 80,000 Edinburgh residents living on incomes below the UK poverty threshold (defined as 60% of the UK median household income), and many areas that record poverty rates as high as any other city in Scotland. There are age and gender inequalities too – in unemployment and in wages – while the polarisation, or 'hollowing out', of the job market has significant consequences for people's career and income progression opportunities. Alongside inequalities, there are challenges too to be addressed in delivering the infrastructure the city needs to thrive – the housing, the

workspaces, the digital capital – as well as continuing to attract the skilled workers on which our employers rely, and managing the environmental impacts of a growing city.



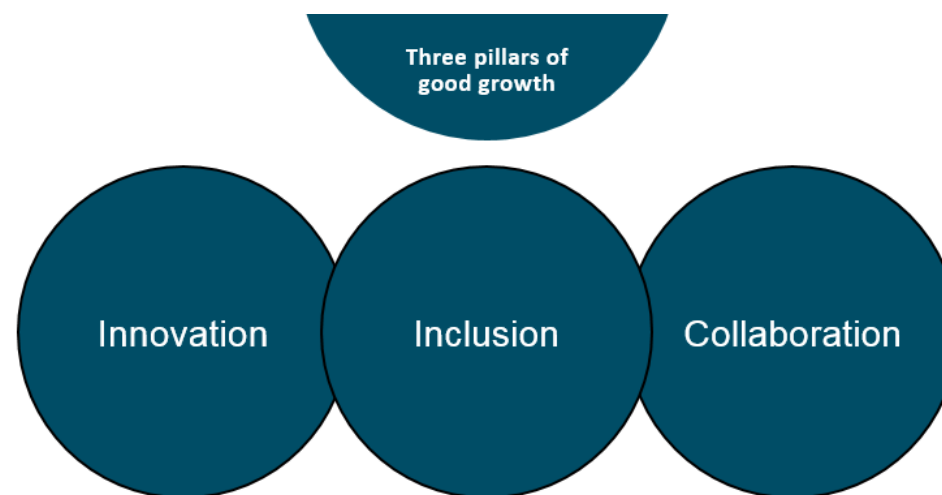
Overall, the analysis paints a picture of a city with the opportunity to grow and prosper, but in which significant challenges need to be addressed if this growth is to be sustainable in the long term and be of benefit to all the residents of the city. In particular, it is a picture of a city in which jobs growth alone has not been sufficient to tackle poverty and deliver sustained improvements in living standards for everyone.

EDINBURGH'S RESPONSE

To respond to this challenge, we need a new approach, one that recognises that measures to improve growth and measures to reduce poverty are mutually reinforcing pillars of any successful economy strategy.

This message emerged clearly and consistently throughout the engagement activity carried out to develop this strategy. The groups we spoke to agreed that Edinburgh's economy should aim to continue to be a successful creator of jobs and innovations, but should also do much more to make sure that the benefits of that prosperity are accessible to everyone across the city.

To achieve this, the strategy sets out around ten steps we need to take as a city over the next five years. These steps, and the actions we will put in place to make them, are set out and described in the next section of this strategy. Across all these actions, the approaches we take will be guided by the following three pillars of good growth.



INNOVATION

Innovation is at the heart of this strategy. The future success of Edinburgh will be driven by the degree to which it is able to take advantage of the opportunities in innovation offered by its knowledge base, its businesses, and its people.

Throughout this strategy, our approaches need to aim to create the conditions for new innovation to change our city - innovation for business growth, innovation for growth in productivity and wealth, innovation in the way services are delivered, and new innovations to tackle the major social challenges our city faces.

INCLUSION

The critical test of success for this economy strategy will be ensuring it delivers a positive impact for citizens, families, and communities.

All our approaches will focus on improving **inclusion**, ensuring all our citizens can benefit from the city's growth, reducing poverty and inequality, ensuring that our growth is sustainable and that our economy is fit for the challenges of the future.

COLLABORATION

The success of this strategy will depend on strong **collaboration** between the anchor institutions that guide development of the city.

The strategy aims to provide a platform for improved joint working between the partners that will own and take forward the actions described here – particularly the City of Edinburgh Council, the Edinburgh Partnership, the Edinburgh Business Forum, and Edinburgh and South East Scotland City Region Deal Joint Committee. It also means closer collaborative working across these partnerships with anchor institutions in the city including our universities and colleges, Edinburgh Airport, Forth Ports, Edinburgh Chamber of Commerce, our festival and tourism operators and our wider business community.

Across all three of these pillars, we understand that any strategy is only as good as its delivery. This strategy needs to be built around a series of practical, and achievable programmes to drive improvement in our economy. We will base this on best practice, learning from what has worked well in Edinburgh in the past, and what is working currently in other cities.

Similarly, this strategy emerged from a series of conversations with stakeholders across the city. The success of the strategy depends upon this engagement continuing throughout the next five years, with communities, businesses and partners actively involved in the design and delivery of the programmes set out in this document.

Finally, one key lesson from the past five years is that many of the solutions to the challenges the city faces are held within the city's communities and its enterprising third sector. This strategy needs to champion new ways of partnership with the third sector and social enterprises across all the action areas set out in this document.

STRATEGIC FIT

This strategy and its programme of work do not stand alone. It is part of a developing policy and strategy framework designed to improve multi-agency collaboration and deliver improved outcomes for Edinburgh's citizens and communities.

From a national strategy perspective, the approach described here is consistent with the direction set by the most recent **Scottish Government Economic Strategy** and **UK Industrial Strategy**, both of which place increasing emphasis on the need for inclusive growth for our economy. These themes and principles are also consistent with the package of policies and strategies that drive the work of all public sector agencies in the city – specifically the **Community Empowerment Act**, and the new **Socio-Economic Duty** both direct public bodies to put reduction of poverty and inequality at the heart of decision making.

At a more local level, the strategy is designed to complement and align with development of the **2050 Edinburgh City Vision**– providing a new long term vision to guide the future direction of the city. The strategy is also built to support, influence, and capture actions included in a range of other city-wide strategies, plans and programmes, all of which have a critical impact on the ability of Edinburgh to deliver the vision set out in this document.



DELIVERING GOOD GROWTH FOR EVERYONE

VISION

Our vision for this strategy is to ensure that Edinburgh **delivers good growth for everyone**.

By aiming for good growth, we aim to ensure that Edinburgh continues to be the most successful, most productive major city economy in Scotland, but also to ensure that we do this in a way that ensures all our citizens can share in the prosperity created by growth.

This means aiming to ensure that our economy continues to:

- deliver growth in jobs and in wages
- inspire the growth of new, innovative and socially responsible businesses
- attract investors and developers, and
- attract and retain highly skilled workers.

But it also means ensuring that we improve the way the benefits of growth are distributed across the city. It means aiming to:

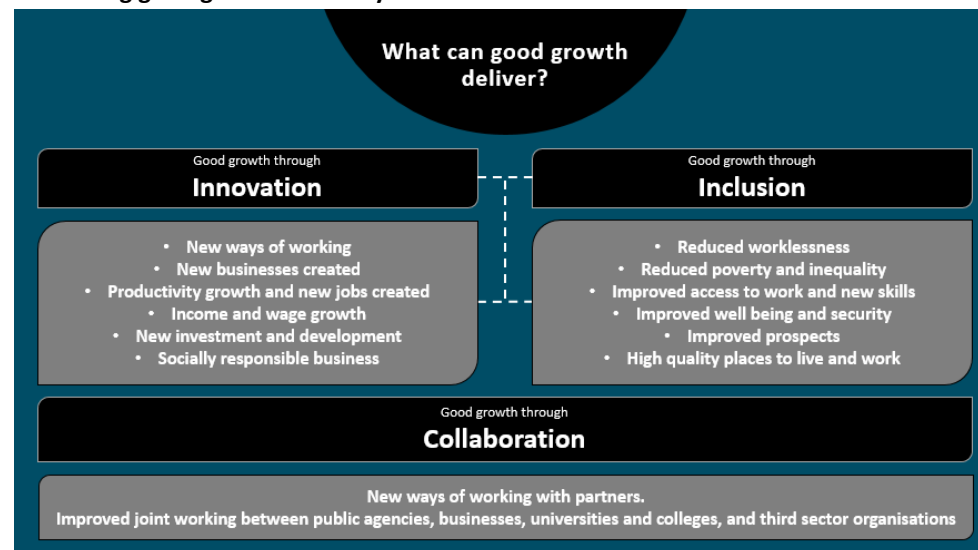
- significantly reduce the equality gaps that scar our city
- reduce worklessness and poverty
- improve access to well paid, good work and good career opportunities
- make sure no community, no area, and no group in our society is remote from the opportunity to improve their standard of living.

Alongside all of this, it also means encouraging the development of a more resilient and balanced city economy, capable of withstanding external shocks, and responding to new opportunities. A growing economy that respects and enhances the built and natural environment.

We recognise that this is an ambitious vision, but it is the right ambition given the challenges Edinburgh faces as a city. Moreover, Edinburgh is better placed than most other major UK cities to take the lead as a champion of fairness and prosperity. The latest edition of the PWC 'Good Growth for Cities' index compares UK cities against a basket of indicators designed to assess how well they are able to balance economic success with the well-being of citizens. In 2017, Edinburgh already ranks as one of the best performing cities in the UK on this index.

This is a strong base to build on, but there is more to be done if we are to ensure that Edinburgh's economy delivers good growth for people, for places and for businesses across the city.

Delivering good growth for everyone



To monitor our progress towards this vision, we have developed a **Good Growth Monitoring Framework**, describing the city's progress against a collection of key statistics chosen to fit the objectives and aims set out in this strategy. More detail on this framework is provided in Appendix 1 to this document.

TEN STEPS FOR GOOD GROWTH

To meet our goal of delivering good growth for everyone, this strategy sets out ten steps Edinburgh needs to take over the next five years. These are the actions we will focus our efforts around, encouraging **innovation** and **collaboration** in all our approaches, and ensuring all our actions aim to improve **inclusion** across the city. Each of these steps describe one discrete package of work, but the dependencies and inter-relationships between them all are clear. Only by delivering these ten steps together, as part of single, integrated programme of work will we be able to meet our vision for Edinburgh's economy.

TEN STEPS

- 1. Establish Edinburgh as the data capital of Europe** – Edinburgh is already home to a successful technology led sector. With the Data Driven Innovation programme led by the University of Edinburgh, the city can be an international leader in the sector's development, creating growth and inclusion opportunities to benefit the whole city.
- 2. Develop Edinburgh as a city of resilient businesses with the space to grow** – To create the jobs and the growth the city needs, Edinburgh's entrepreneurial culture and networks need to do more to create and support businesses with true growth potential.
- 3. Create a step change in the growth of green and socially responsible business in Edinburgh** - To meet our goal of 'good growth', we need to ensure that the economic growth of Edinburgh is clean, respects our natural environment and is driven by a commitment to socially responsible business practice across all sectors and all types of business.
- 4. Deliver new approaches to tackling the barriers that reinforce worklessness, poverty and inequality** – Almost 80,000 Edinburgh residents live in poverty. Finding new ways to tackle worklessness, low pay and low income is a key priority for this strategy.
- 5. Reform Edinburgh's education and skills landscape to meet the needs of our changing economy** – New approaches are needed to tackle the polarization of

Edinburgh's labour market, the lack of opportunities for career progression faced by many of our workers, and the lack of opportunity many communities face in accessing good quality employment.

- 6. Deepen our relationships with employers to unlock good career progression opportunities** – Strengthening the relationship between public sector agencies and employers is critical to ensuring we have a good understanding of skills needs in key sectors, and unlocking job opportunities that benefit all sections of society.
- 7. Create a transformed city centre fit to power Scotland's economy** – We need to guide future development, ensuring the city centre improves its value to all residents, meets the needs of a growing economy, and reflects Edinburgh's status as a capital city.
- 8. Build a world class Waterfront, and deliver business and residential growth in West Edinburgh** – We need to progress the development of key sites across the city, delivering new, world class places for living, for working, and for leisure.
- 9. Build affordable places for people to live and work** – Good quality, affordable housing, and clean, efficient transport networks are critical to ensuring our economy works, and that the benefits of growth are accessible to all our communities.
- 10. Deliver sustainable and inclusive growth in our world leading culture and tourism sectors** – Culture and tourism have been at the heart of Edinburgh's success and global reputation for decades. To maintain our position as a world-leading city, we need to make new investment in facilities, and take new approaches to ensure the growth of these sectors is sustainable in the long term, and provides a good balance between the needs of residents and the needs of visitors.

This section sets out each of these steps, the challenges they aim to address and the actions we need to take to deliver good growth for business, good growth for people, and good growth for places in Edinburgh.

Many of the actions described here are already in place or in development, but others require much more work to be done. This strategy aims to be a rallying call for these actions, encouraging more partnership working and collaboration to deliver the good growth we want to see in Edinburgh.

Ten steps for good growth – at a glance

| | | |
|-----------|---|---|
| 1 | Establish Edinburgh as the data capital of Europe | Deliver the Data Driven Innovation Programme as a part of the Edinburgh and South-East Scotland City Region Deal |
| 2 | Develop Edinburgh as a city of resilient businesses with the space to grow | Build new approaches to identify and support businesses with the potential to scale-up Deliver workspaces to meet the needs of the future economy Make it easier to do business in Edinburgh Exploit Edinburgh's opportunities on the international stage Maximise the benefits of procurement spending |
| 3 | Create a step change in the growth of green and socially responsible business in Edinburgh | Maximise the growth opportunities arising from the low carbon, circular economy in Edinburgh Engage businesses in development of a socially responsible enterprise culture Explore options for a new Edinburgh Poverty and Inequality Commission |
| 4 | Deliver new approaches to tackling the barriers that reinforce worklessness, poverty, and inequality | Explore the feasibility of a Citizen's Basic Income for Scotland Deliver targeted support to reduce living costs for people on low incomes Improve the availability and affordability of childcare for those on low incomes Pilot a multi-agency Intensive Family Support Service |
| 5 | Reform Edinburgh's education and skills landscape to meet the needs of our changing economy | Improve attainment in schools and work readiness Create new regional employment and skills progression pipelines Improve the sharing of knowledge to deliver maximum impact from our resources |
| 6 | Deepen our relationships with employers to unlock good career progression opportunities | Improve jobs market transparency Create an integrated employer offer Develop our network of recruitment and skills centres Provide public sector leadership on delivering good growth practices |
| 7 | Create a transformed city centre fit to power Scotland's economy | Deliver a new Central Edinburgh Transformation Project |
| 8 | Build a world class Waterfront, and deliver business and residential growth in West Edinburgh | Transform Edinburgh's Waterfront into one of the city's landmarks Develop West Edinburgh as a strategic growth area |
| 9 | Build affordable places for people to live and work | Deliver affordable, good quality housing Deliver a modern and efficient transport network |
| 10 | Deliver sustainable and inclusive growth in our world leading culture and tourism sectors | Maintain and invest in our cultural and tourism assets Deliver new approaches to managing the success of tourism in Edinburgh |

CHALLENGES FOR BUSINESS AND GROWTH

Edinburgh already has one of the most innovative, entrepreneurial economies in the UK. In the last two years alone we have been named best mid-sized city in the UK for business friendliness, UK Entrepreneurial City of the Year, and a Global City of the Future for our hugely successful approach to attracting foreign direct investment.

This culture of entrepreneurship has helped us become the most economically productive city in Scotland, with the value of output produced by our businesses well above that of any other city per head of population. This success is underpinned by a mature and well-connected ecosystem of entrepreneurial support that provides a broad range of services to individuals, start-ups, early stage growth companies, and large corporates.

Edinburgh is also a globally outward looking city, and widely recognised as a destination for inward investment. Despite global challenges, the city has continued to attract record levels of FDI, with 148 individual FDI projects recorded in the last five years.

This track record is impressive but it is not a reason to be complacent. To be a success, the challenges we need this strategy to address include:

Creating more businesses with true growth potential: Edinburgh produces over 3,000 new businesses each year, but the proportion that grow quickly and to scale is too low. To meet the challenge of the next few years we need to foster our confident and dynamic entrepreneurial culture in Edinburgh to drive stronger and continuous ambition for growth across businesses of all sizes and sectors. To have the greatest impact, our approaches must include current practitioners with real expertise of working within high growth businesses and emerging successes locally.

Ensuring supply of new, flexible workspaces: One of the key paradoxes at the heart of Edinburgh's economy is that we are a city with a strong market for office and workspace, and yet remain a city where private investment does not easily flow to meet that demand. Development of new, flexible workspace is a critical issue for the city. This is particularly the case for emerging growth companies in new sectors whose needs do not fit easily into traditional property models.

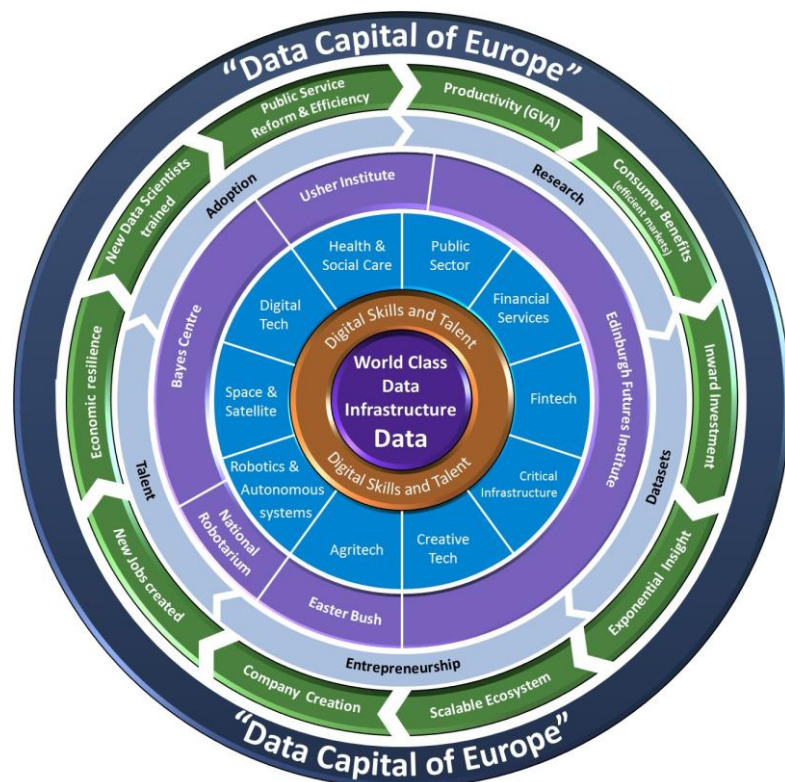
Maintaining our international competitiveness: Competition for inward investment is fierce, and ever increasing, and the UK's decision to leave the EU brings a number of challenges and opportunities in terms of attracting and retaining investors in our city. At the same time, we need to do more to encourage our local firms to think and trade in a global market place. Championing our thriving social enterprise sector: Edinburgh is home to one of the largest and fastest growing social enterprise sectors in Scotland. If we are to meet our objective of delivering more socially inclusive economic growth, we need to do more to champion and support these businesses to thrive and to encourage socially responsible business practices to become the norm across all sectors and all types of business in Edinburgh.

Maximising the impact of the Edinburgh and South East Scotland City Region Deal: perhaps the greatest challenge facing the city is also its greatest opportunity. The Edinburgh and South East Scotland City Region Deal will deliver over £1 billion of investment across the region over the next 15 years. Finding ways to maximise the economic impact this unprecedented commitment will bring to the city – in ways that are both inclusive and sustainable - will require innovative new approaches in many areas, not least in exploiting the opportunities offered by investment in data driven innovation.

The meeting of these challenges requires a set of programmes which seek to maximise the impact of the technology sector opportunities identified in the city, develops Edinburgh as leading city in data driven innovation, provides businesses with the support and space they need to grow, and seeks to create a step change in the growth of green and socially responsible businesses in Edinburgh.

1. ESTABLISH EDINBURGH AS THE DATA CAPITAL OF EUROPE

As a part of the Edinburgh and South East Scotland City Region Deal, the next five years will see significant new investment in the creation of a new “Innovation Corridor” between Potterrow and Fountainbridge. Alongside other sites across the region, this corridor will form the core location for the **Data Driven Innovation programme**, delivered by the **University of Edinburgh**, in partnership with the **Heriot Watt University**. It will link the key sectors of our economy together to help attract new inward investment, fuel new entrepreneurship, create new jobs in the city. Critically, the programme will drive more inclusive growth in Edinburgh, developing a skilled workforce, and drawing on world-leading data assets to create business opportunities targeted at some of our city’s most significant social challenges.



Fundamental to achieving this is programme’s commitment to support the principles of collaboration and exchange, encouraging and actively supporting joint working between researchers, businesses, and the public sector. Through these collaborations, the programme will ensure that data informs Edinburgh growth, helping to deliver innovations and new ventures in culture and tourism, in health and social care delivery, and new transformational approaches to the delivery of services across the public sector.

Within this context, the data driven innovation programme will deliver a number of new developments across the city region, investing in spaces and data infrastructure to encourage talent, research, industry adoption and entrepreneurship:

- The **Bayes Centre** for data, which will provide shared working spaces for world-leading applied researchers, students, existing data science institutes and industry to drive data-driven innovation;
- The **Usher Institute**, within Edinburgh’s BioQuarter, which will house a centre for utilising data, at scale, to support data-driven health research, medical informatics and population health sciences;
- The **Edinburgh Futures Institute**, which will bring together researchers, businesses and key public-sector organisations to drive research, development, and innovation in financial services, fintech, creative and media technologies, tourism and public service provision, and;
- The **National Robotarium WEST**, a joint initiative on Riccarton Campus by Heriot Watt University and University of Edinburgh, which will provide facilities to co-locate researchers, R&D engineers, entrepreneurs and educators to deliver the UK’s leading international centre for new smart robotics companies.
- **Easter Bush**, which, led by Heriot Watt University, will facilitate research and adoption activities on data-driven ‘Agritech’ and related commercialisation.

Linked to this, the **Data Driven Innovation Skills Gateway** programme will bring together universities and colleges across the region with industry, schools, and other partners to begin to develop routes into Data Driven Innovation careers for people in Edinburgh and the surrounding region. Encompassing foundation skills in schools through to the

advanced postgraduate training and research needed to drive high value growth, this programme aims to develop multi-route skills pipelines into data based job opportunities.

To fully achieve these goals, as the implementation of this programme develops it will be important to actively develop opportunities for deeper collaboration between universities, businesses, the public sector and third sector organisations in the city. This will be supported by the development of a new innovation strategy for Edinburgh, and the establishment of new independent chief innovation officer for the city region. This strategy will seek to build greater understanding and engagement around the region's innovation opportunities and the partnership working needed to maximise the impact of those opportunities.

2. DEVELOP EDINBURGH AS A CITY OF RESILIENT BUSINESSES WITH SPACE TO GROW

Edinburgh and the Lothians has the top performing Business Gateway service in Scotland, helping over 2,300 new businesses to start-up, and supporting over 1,400 to grow every year. We remain committed to delivering world class support to every business that needs it, but we will place increasing emphasis on fostering those that have the greatest potential to 'scale up' and become the medium and large employers of the future.

To do this we will:

- **Build new approaches to identify and support businesses with the potential to scale-up.** Those firms that have the ambition and ability to grow sustainably and to scale will receive coordinated, seamless support via multi-agency teams that will coalesce around a shared understanding of what is needed to create maximum impact. This support will aim to embed an internationally-ambitious growth mentality from the first few months and years of trading.
- **Deliver workspaces to meet the needs of the future economy.** This means ensuring that prime office space is delivered in those areas of the city where demand is sufficiently high. It also means ensuring that an appropriate supply of affordable, and flexible office space of varying sizes is available to support the growth of new businesses and new sectors in the city - including offices, creative spaces, workshops, and industrial space. Development of new office space and progress

pathways for businesses is important to helping new ambitious firms to grow and scale up their activities within Edinburgh. As well as providing space for business to operate, we will deliver new facilities planned around shared spaces and support mechanisms to encourage cross-sector collaboration and innovation. Such spaces will be important to promoting the fertile exchange of ideas between our universities, our research facilities, and all the sectors of our economy.

- **Make it easier to do business in Edinburgh:** We want every company trading in Edinburgh – regardless of size, sector, or location – to find it easy to do business in the city. This means looking beyond entrepreneurial support services to include regulatory services such as planning, building control, and trading standards. Such services are often overlooked as economic development tools, but they have a crucial role to play in ensuring our businesses operate effectively, embrace good practices, and can meet their growth aspirations. We will work across all relevant organisations to ensure that Edinburgh's business support ecosystem fully encompasses high quality, efficient, and responsive regulatory services.
- **Exploit Edinburgh's opportunities on the international stage:** Edinburgh is the number one destination for foreign direct investment (FDI) in Scotland. Over the next five years we are committed to fully exploiting Edinburgh's international reputation, civic, business, and cultural links, to secure sustainable, high quality FDI going forward.

Effective partnership working is essential, ensuring that our efforts are integrated and complementary, and result in effective engagement with key markets. We will fully align the activities of partners (including City of Edinburgh Council, Scottish Development International, Universities and others), to ensure Edinburgh secures a maximum share of those FDI opportunities that best meets our vision for an innovative, sustainable economy. This will include a proactive, informed, and agile approach to mitigate threats and capitalise on opportunities created by Britain's decision to leave the EU. This targeted, joined up approach will ensure Edinburgh remains a destination of choice post-Brexit for inward investors, tourists, and international students.

- **Maximise the benefits of procurement spending:** We recognise that the public sector has a crucial leadership role in driving change and delivering new opportunities. We will explore innovative ways to use the buying power of the Council and other public sector partners to benefit micro and SME suppliers, third sector organisations, and social enterprises. In doing so we will help firms work together to identify and secure supply chain opportunities. Wherever possible we will set an example through our own procurement practices to embed socially inclusive business practices and create new opportunities for our businesses and our communities to benefit from public sector spend.

3. CREATE A STEP CHANGE IN THE GROWTH OF GREEN AND SOCIALLY RESPONSIBLE BUSINESS IN EDINBURGH

To meet our goal of ‘good growth’, we need to ensure that the economic growth of Edinburgh is clean, and goes hand in hand with the protection of our natural environment and the meeting of our carbon reduction goals. Alongside this, we need to ensure that our growth is driven by a new commitment to socially responsible business practices.

Both of these approaches are cornerstones of UK and Scottish Government economic policy and have the opportunity to bring significant economic benefits for the city. Evidence shows that the low carbon economy is projected to grow at some 11% per annum over the next ten years. At the same time, clean and socially responsible practices are associated with a range of benefits for businesses – including increased efficiency, increased productivity, reduced waste, reduced staff absence, and increased employee satisfaction. We need to ensure that this strategy maximises the economic opportunities that will come from low carbon technologies, energy and waste, the circular economy and wider social benefits for business.

To do this we will:

- **Maximise the growth opportunities arising from the low carbon, circular economy in Edinburgh.** We will work with partners to take advantage of opportunities offered by key Scottish Government programmes to unlock investment in energy efficiency, heat networks, electric vehicles. Building on the model offered by the Data Driven Innovation programme, we will put innovation at the core of our approach to

developing the low carbon economy. We will work with our Universities, public sector agencies, and businesses to find and implement new ways of working, new supply chains and new expertise to help the economy move towards a low carbon future. We will also work with business organisations and partners such as Zero Waste Scotland to develop a new road map for SMEs on circular economy opportunities. These will include opportunities around efficient sourcing and use of energy and materials, efficient sharing of assets and resources, and market opportunities around design and manufacture of products for ease of re-use.

- **Engage businesses in development of a socially responsible enterprise culture.** We know that many of Edinburgh’s businesses have embraced inclusive business practices, finding new ways of investing in their people, and contributing to their communities. We will do much more to celebrate the contribution these positive business practices make to Edinburgh, and to foster the development of a truly inclusive enterprise culture across the city. In doing so, we will work with sector leaders to support the development of a new Social Enterprise Strategy for Edinburgh and seek to establish Edinburgh as a place where inclusive business practices become standard practice and an integral part of any business plan.

Towards this new approach, we will work with the growing number of responsible, social entrepreneurs – including large corporate bodies and SMEs, as well as third sector organisations, and social enterprises – to better understand the challenges and opportunities they face in seeking to make a greater, more sustainable contribution to economic growth. We will explore the tools available to us to provide support to these businesses, and seek to provide a platform for socially responsible businesses to actively participate in, and benefit from, strategic programmes, investments, and opportunities (such as City Region Deal) that arise over the next few years.

CHALLENGES FOR PEOPLE AND SKILLS

Edinburgh is a city, and an economy, of many paradoxes and contradictions. We are a city of high growth, and of disadvantage; we are a city operating at close to full employment, but also a city of persistent worklessness.

To be a success, the key challenges this strategy needs to address include:

Reducing worklessness, low pay and poverty: Despite high levels of wealth and opportunity being generated in the city, with average earnings much higher than the Scottish average, not all of Edinburgh's citizens are benefiting. Wages for the middle earning worker remain at 6% below their pre-recession peak in real terms, while 16% of all workers earn hourly wages below the level set by the Living Wage Foundation.

Concentrations of worklessness and poverty persist across the city, with a number of wards showing more than 25% of residents living on incomes below the poverty threshold. Inequalities exist too in the opportunities some of our most vulnerable residents have to progress in life – only 69% of residents who have been in care secure a positive destination on leaving school, compared to a city average of 93%. And even when work is available, many citizens face insecure, low paid or unstable employment with little chance of progression.

Increasing diversity in the workplace: Edinburgh is an increasingly diverse city, with all the advantages of skills and culture that diversity brings. Nevertheless, there remain areas of our economy where sections of society, whether grouped by age, gender, ethnicity, or social background, are under-represented in employment or in senior roles. Such inequalities in the labour market are a barrier to the city's productivity, as well as its fairness.

Tackling skills gaps and shortages: Running in parallel to this picture of inequality is an increasing imbalance between labour market supply and demand. Just as some groups in the city find it difficult to secure good quality work, so do too many employers find it increasingly difficult to identify suitably skilled candidates in key sectors, such as care, construction, retail and the digital economy.

Addressing the 'hollowed' labour market: This increasing skills mismatch is being exacerbated by a rapidly changing labour market where disruptive technologies are changing the nature of work, and where the breaking of traditional career progression routes (the "hollowing out" of the labour market) make it more difficult for some individuals to find secure and rewarding employment. Within this context of change, the UK's exit from the European Union may create a new challenge. Almost 5% of all jobs in Edinburgh are currently filled by EU nationals, with this ratio much higher in many of the city's key sectors – such as care, tourism, finance, and construction.

Preparing for the future economy: Looking further ahead, it is increasingly understood that many of the jobs and careers that the economy will create over the next two decades do not even exist yet, making it difficult to develop precise plans for the type of skills the city will need in future. In these circumstances, it is important that the city builds agreement around the principles of what jobs should be like in the future (such as fair, and fulfilling), and around the actions we can take to build the adaptable, resilient, and flexible workforce our economy will demand.

The meeting of these challenges requires an approach to economic development which seeks to improve the availability and quality of career, and career progression opportunities offered by employers, an approach that improves the ability of residents to thrive by working in collaboration in all stages of the skills lifecycle (primary school to lifelong learning) to ensure the skills of citizens meet the economic needs of the city, and an approach that takes proactive action to tackle the barriers that reinforce worklessness, poverty and inequality in the city.

4. DELIVER NEW APPROACHES TO TACKLING THE BARRIERS THAT REINFORCE WORKLESSNESS, POVERTY AND INEQUALITY

A significant proportion of Edinburgh's residents live on low incomes, and face real difficulty in accessing and progressing in the good quality jobs they need to escape the poverty trap. Typically, these difficulties relate not to individual aptitude, skill or desire, but to fundamental obstacles that prevent progression – obstacles that include the cost and availability of childcare and housing, historic debt issues, disabilities or long-term health conditions, or family situations and peer networks that reinforce worklessness.

To effectively tackle these challenges the city needs to take a new, person centred approach that aims to intervene before problems become entrenched, and which increases the impact of interventions through better co-ordination and collaboration between partners. This means looking for new ways to deliver tangible benefits for households living in poverty, new ways to raise incomes and address the cost of living for vulnerable households, and new ways to address or prevent long term worklessness.

In order to make sure we are successful in tackling poverty and income inequality in Edinburgh we will:

- **Explore options for a new Edinburgh Poverty and Inequality Commission:** The challenge of poverty in Edinburgh is well recognized and already embedded in the strategies and delivery plans of many partner agencies. More work is required, however, to better integrate, and maximise the impact of these interventions. Towards this, we will work with partners to explore options for a new poverty and inequality commission in Edinburgh. This commission will build on experience in other UK cities to engage and respond to those with lived experience of poverty in Edinburgh, analyse the impact of poverty reduction initiatives here and elsewhere, and deliver a new model to improve the effectiveness and co-ordination of poverty reduction projects.
- **Explore the feasibility of a Citizen's Basic Income for Scotland:** Edinburgh is one of four local authorities in Scotland progressing research into the feasibility of a citizen's basic income in Scotland. Such schemes aim to replace, in part at least, current welfare transfers and provide all citizens with a basic level of income on

which to build their lives – whether they want to earn, learn, care or set up a business. Proponents of such schemes claim that these measures can help mitigate poverty and support the creation of a more resilient and adaptable workforce. During 2018 we will begin work with other pilot authorities and the Scottish Government to design a pilot study to explore the advantages, disadvantages and costs of a Citizen's Basic Income scheme in Scotland.

- **Deliver targeted support to reduce living costs for people on low incomes:** As a key first step, we will take action to help reduce the cost of living for our most vulnerable residents. The new City Housing Strategy provides a good example of the range and impact of activity that can be undertaken in this area. Alongside delivery of new affordable homes, the housing strategy identifies actions that aim to reduce tenants' cost of living. These include provision of energy advice and working in partnership with social enterprises to secure the supply of clean, affordable, and reliable energy for tenants. The City Housing Strategy also recognises the rising cost of private rented housing in Edinburgh. Action in this area includes a commitment to explore the introduction of new Fair Rent Zones in the city as well as the provision of new mid-market homes for rent and quality private rented homes. These approaches provide a platform for partnership action that we will seek to build upon during the lifetime of this strategy.
- **Improve the availability and affordability of childcare for those on low incomes:** Securing suitable and affordable childcare can be a significant issue for low income individuals and families, which impacts on their ability to take up and sustain work, but also limits the types of occupations and roles that can be considered. This indirectly contributes to and reinforces gender imbalances within our industrial sectors and senior roles and is something that will constrain inclusive growth. The quality of childcare is also important as it has a long-term impact on a child's development and future life chances. We will therefore work with partners in the private, public and third sectors to improve the availability, flexibility, quality and affordability of childcare for those who are workless or on low incomes.
- **Pilot a multi-agency Intensive Family Support Service:** This multi-agency pilot project will deliver targeted support to help vulnerable families and individuals to enter and sustain work or learning. By drawing together a range of professional

expertise, and targeting very small areas of intense need the service will identify and mitigate the underlying causes of worklessness and increase our reach among those that do not typically engage with local employability services. This pilot will use the learning gained from our City Region Deal partners and community based approaches undertaken across the city to create an effective and sustainable model that can be rolled out in all localities.

5. REFORM EDINBURGH'S EDUCATION AND SKILLS LANDSCAPE TO MEET THE NEEDS OF OUR CHANGING ECONOMY

A key step in delivering our vision of good growth in Edinburgh lies in tackling the polarization of our labour market, the lack of opportunities for career progression faced by many of our workers, and the lack of opportunity many communities face in accessing good quality employment. Without action, these challenges are likely to become more pressing in future, as our economy develops and the skills and attributes needed by employers change.

To address these challenges we need to make a significant step change in the way we deliver skills and employability service in the city. In particular, we aim to move our thinking from a limited “access to work” model to a more holistic approach focused on labour market progression. This new approach, delivered through a new Integrated Regional Employability and Skills Programme will aim to equip individuals -particularly those from a disadvantaged background - with the skills and tools they require to gain a competitive edge in the job market, to unlock access to higher earning roles, and to increase their ability to adapt to changes in the economy. Through this new way of working we will also encourage collaboration across the city region to minimise the skills shortages faced by our employers.

In order to make sure that our education and skills landscape meets the needs of our changing economy we will:

- **Improve attainment in schools and work readiness:** To create a successful, more inclusive economy, we need our strategy to help prepare and support our young people and our workforce of the future. Key priorities for children’s services providers in the city are the improvement of young people’s attendance,

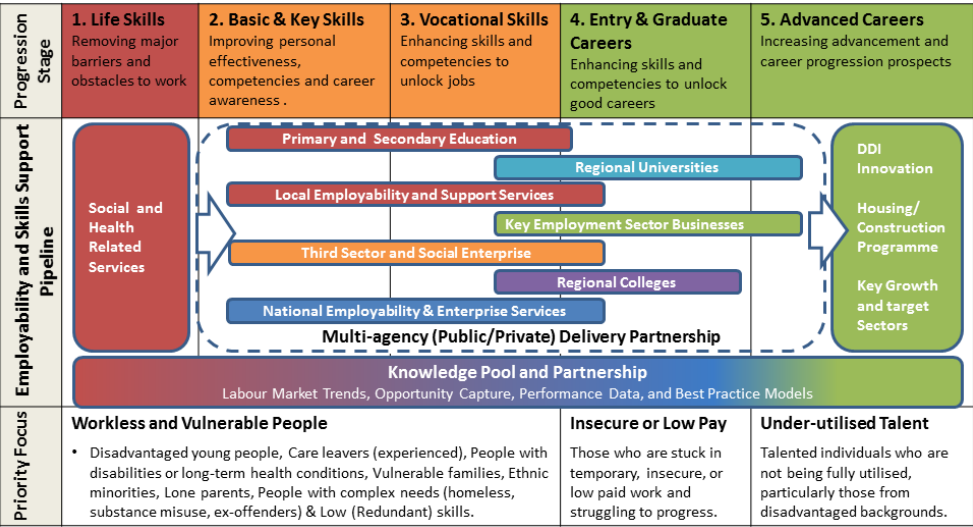
engagement and achievement, and the reduction of poverty related attainment gaps in the city. This means delivering school improvement plans across the city; improving educational outcomes for disadvantaged groups (including those in poverty, those in care, and those with disabilities), and supporting 16-19 year olds to make a successful transition into work, learning, or training. To do this we need to do more to help our schools to work closely with businesses (through the Edinburgh Guarantee Partnership), and Higher and Further Education institutions to raise aspirations for and promote awareness of career and learning opportunities in the city. This is particularly critical in new emerging sectors - such as the digital economy - and in sectors where the city faces key skills or inclusion challenges – such as care, tourism, and construction.

- **Create new regional employment and skills progression pipelines:** Throughout the course of this strategy we will work to support the creation of an adaptable, flexible workforce, resilient to changes in the labour market and capable of moving careers. Our approach will involve the creation of business-led regional employment and skills pipelines to help our residents build the skills they need to access and progress in work. We will provide an easy to navigate service helping people move through the pathway of skills support available and find the programmes that are right for them - including support to develop basic personal skills, vocational skills, apprenticeships, and industry training, through to further and higher education qualifications. We will also work more closely with businesses to encourage investment in training, learning, and skills development of staff as part of a wider commitment to the delivery of good quality, fulfilling jobs.

The first stage of the programme will develop Targeted Skills Gateways in the data driven innovation and construction and housing sectors. These programmes will aim to help maximise the potential of these emerging and important industrial sectors.

- **Improve the sharing of knowledge to address skills challenges and deliver maximum impact from our resources:** To improve our understanding of the changing needs and opportunities of our economy, we will create new ways to share, analyse and use the labour market intelligence held by our partners. Such knowledge sharing is critical to helping improve the long term impact of our investments on our good growth goals, and to help armour our city against future

economy shocks. As part of this we will work with Skills Development Scotland to develop and update the Regional Skills Assessment and Regional Skills Investment Plan. Supplemented by research, analysis and evaluation, these plans will inform targeted programmes for workforce development across the city within sectors where skills challenges are already apparent, such as care, tourism, and hospitality.



6. DEEPEN OUR RELATIONSHIPS WITH EMPLOYERS TO UNLOCK GOOD CAREER PROGRESSION OPPORTUNITIES

Throughout this strategy the development and deepening of the relationship between public sector agencies and employers will be critical to our success. In particular, such relationships will be important to ensuring we have a good understanding of skills needs in key sectors, and unlocking job opportunities that benefit all sections of society.

Within our **Integrated Regional Employability and Skills Programme** we aim to build strong and trusted relationships with employers so we can fully understand business and sector needs, influence recruitment and employment processes, and develop and align skills interventions.

In order to make sure that employers are an integral part of our approach we will:

- Improve jobs market transparency:** A lack of awareness or understanding is often cited as a key barrier to why residents do not take up many of the opportunities for work and progression the city economy provides. To address this challenge, we will use our relationships with employers to promote opportunities available for our citizens (particularly for young people, those in older age groups, work returners, and those in disadvantaged areas). To support this, we will create knowledge systems shared across agencies to help identify, promote, and match work or learning opportunities for our citizens and enable employers to offer industry insights and support to our educational and training services.
- Create an integrated employer offer:** We will make it easier for employers, particularly SME’s, to engage and collaborate with public sector support networks by creating a “no wrong door” approach to regional employer engagement. Through this approach we will extend the reach of our existing offer, and increase the economic and social value that is generated through employer engagement.
- Develop our network of recruitment and skills centres:** We will build on the success of our multi-partner **Recruitment and Skills Centres** across the city. These centres work in high demand locations to link recruiting employers with jobseekers and other stakeholders to support recruitment and ongoing career development for those that need it most. This network currently includes the Fort Kinnaird and Airport Recruitment Centres, as well as the forthcoming St. James Retail and Hospitality Academy.
- Public sector leadership in delivering good growth practices:** The public sector is a civic leader, major employer and procurer that can set a strong example for others to emulate in driving good growth practices. We will work to ensure that the City of Edinburgh Council and other public sector agencies in the city use their convening, buying, and employing power to support good growth for everyone in Edinburgh. This will include increasing recruitment from the most disadvantaged groups into the Apprenticeship Programme, providing support projects to offer a stepping stone into public sector opportunities (building on the success of the Edinburgh Guarantee and Project SEARCH), promoting Living Wage Foundation wage level take up, and stimulating external opportunities from procurement or development community benefit activities for the benefit of our workless and low paid citizens.

CHALLENGES FOR PLACES AND INFRASTRUCTURE

The physical environment in which people live and work affects both the opportunities that people have and their quality of life. If we are to meet our goal of an economy that delivers good growth, it is essential that the fabric of our city is fit for the needs of our people and of the economy.

Edinburgh is celebrated as one of the most beautiful cities in the world. It has World Heritage City status due to its renowned architecture, an abundance of parks and green spaces and is home to the world's largest arts festival. The quality of life the city offers is key to our success as a place where people want to live, visit, work and study, and an important driver in attracting businesses investment and property developers. However, this success brings challenges.

We are a growing city: with over half a million residents, our population has increased by 12% over the past 10 years. We also attract 4 million visitors per year, and the city centre grapples with a doubling of population during the main Festivals month of August.

Managing development: There are competing demands in some areas of the city. Office and hotel developments, and the job opportunities that come with them, are skewed towards the city centre. Physical change has often been driven forward without buy-in from local communities and the focus on the city centre has delayed new developments in peripheral areas, leaving some communities behind.

Infrastructure for culture and festivals: Edinburgh's festivals are worth over £313m to the Scottish economy and attract audiences of 4.5m each year. However, there is a need to invest in our cultural venues. A number of much-needed improvements to key venues have been identified. Without such investment, we are at risk of losing our status as a world leading Festival City.

Managing the success of the tourism sector: Tourism is an important contributor to the city economy providing over 33,000 jobs and generating £1.4 billion in visitor spend each year. Visitor numbers grew by 18% from 2010 to 2015 and visitor spend increased by 30% over the same period. In some other European cities, growth of tourism has been associated with significant negative impacts in recent years, with unmanaged growth affecting both quality of life for residents and the natural environment of the city. While visitor to resident ratios in Edinburgh currently remain below that of these cities, it is nevertheless important that action is taken to manage pressures and ensure Edinburgh continues to offer a positive year round experience for both residents and visitors.

Investing in housing: Housing in Edinburgh is expensive, and the cost of housing is a major contributor to poverty in the city. The average house price is six times the average gross annual earnings in the city, making it the least affordable city in Scotland to buy a home. High housing costs pose a risk to longer term economic growth and act to widen the inequality gaps seen across the city. Particular difficulties in finding good quality, affordable homes have been identified among young graduates, and among workers from key sectors such as construction, health and social care. Over the long term, failure to these needs is likely impact the city's ability to retain and attract a skilled workforce, and, by consequence, the ability of businesses to grow and thrive. This housing challenge, and the growth of our economy are also together resulting in more commuting into the city. We are grappling with congestion and air pollution and must find a way to invest in cleaner, more efficient transport infrastructure and active travel facilities, or the quality of life that our success is built on will be under threat.

In order to meet these challenges we need to take action to create a transformed city centre fit to power Scotland's economy, build a world class Waterfront, and deliver business and residential growth in West Edinburgh, build affordable places for people to live and work, and deliver sustainable and inclusive growth in our world-leading culture and tourism sectors.

7. CREATE A TRANSFORMED CITY CENTRE FIT TO POWER SCOTLAND'S ECONOMY

In order to manage the pressures of growth and meet the sustainable development needs of the city, our spatial development plans and partnerships will ensure that investment is managed and planned in four key zones across Edinburgh – The City Centre, Waterfront, West Edinburgh, and South-East Edinburgh.

A transformed **City Centre** is essential to the meeting of our ambitions for this strategy and a critical location for many of the strategic developments outlined in this document. Specific developments planned for the area include investment in the 'innovation corridor' between Potterrow and Fountainbridge, taken forward as part of the data driven innovation programme, and development of new cultural infrastructure including IMPACT Scotland, the new world-class performing arts venue planned for development in St Andrews Square.

Overall, where demand for development is currently high in the city centre, we will ensure that the right balance is found between competing priorities, realising the area's economic potential, and enhancing it as an attractive place to live.

As a key part of this, we will deliver a new **Central Edinburgh Transformation Project**. This project will guide future development, ensuring the city centre improves its value to all residents, meets the needs of a growing economy, and reflects Edinburgh's status as a capital city. In doing so, the project will improve the public realm in the city centre with the aim of improving conditions, and prioritising access for pedestrians, cyclists and public transport users.

8. BUILD A WORLD CLASS WATERFRONT, AND DELIVER BUSINESS AND RESIDENTIAL GROWTH IN WEST EDINBURGH

As a core part of our strategy to manage the pressures of demand in the city centre and maximise the sustainable growth potential of other areas of the city, we will take new steps to enhance and develop key zones across the Waterfront and West Edinburgh.

We will transform the **Waterfront** into one of the city's landmarks, attracting high quality developments, creating distinctive high density urban quarters and exemplar sustainable

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developments. This will include the housing led regeneration of Granton, the development of Leith as an internationally important centre for creative industries, and the creation of a new industrial quarter served by the port and railway. Edinburgh's Waterfront is one of seven strategic sites within the Edinburgh and South East Scotland City Deal that will be supported to deliver significant numbers of new homes.

Working with anchor institutions such as Edinburgh Airport and Heriot Watt University, we will ensure that **West Edinburgh** reaches its potential as a strategic growth area through developing the International Business Gateway, housing development, and improving transport connectivity. Through this investment, West Edinburgh will emerge as a vibrant new city quarter underpinned by excellent connectivity, delivering a new suburban business district with high quality amenities and new residential neighbourhoods.



Across all these developments, a key priority over the course of this strategy will be to ensure we invest in quality places across Edinburgh, so that investors, workers and visitors continue to be attracted by our quality of life, and so that our residents' standard of living improves. This means working to deliver high quality mixed use developments which

combine office and industrial space, housing, and leisure facilities together to create new, attractive places to work, live, and play in Edinburgh. In taking forward such plans we will ensure that developments are sensitive to the city's heritage, and embed low carbon principles throughout their design and construction.

Our approach also recognises the importance of our existing town centres for our communities and will invest in their regeneration. We will identify and promote redevelopment opportunities throughout Edinburgh and proactively work to bring disused buildings back into productive use.

9. BUILD AFFORDABLE PLACES FOR PEOPLE TO LIVE AND WORK

Some of the strongest messages we heard during the engagement workshops carried out to help develop this strategy were around the importance of adequate affordable housing supply and clean, affordable transport. Investment in housing and in transport are critical to ensure Edinburgh is a city in which people can afford to live and are able to access work.

Throughout this programme we will invest in low carbon infrastructure to ensure that new transport and housing investment does not adversely affect the environment or the long-term sustainability of the city.

Towards this goal this we will:

- **Deliver affordable, good quality housing:** The City Housing Strategy commits the Council, along with housing association partners, to the delivery of 20,000 new affordable homes in Edinburgh over the next decade. This is one of the largest Council led housebuilding programmes in the UK, and will make a significant contribution to the Scottish Government target to deliver 50,000 new homes in Scotland by 2021. In addition to providing social rented housing for those in highest housing need, working with partners such as housing associations, Scottish Futures Trust and private developers, we will increase the choice of affordable housing across a range of tenures for working households who cannot afford to buy or rent a home in Edinburgh's pressured housing market. Alongside this, our innovative mid rent programme will support the local economy by providing affordable housing for key workers, young graduates and others contributing to the growth of the city.

- **Deliver a modern and efficient transport network:** To meet the needs of a growing city, we will develop a world class, integrated, environmentally-friendly and socially inclusive transport network built to play a central role in the future prosperity of Edinburgh. We will invest in walking and cycling to reduce congestion and improve air quality and health, as well as reducing the need for travel by encouraging mixed use developments, and improving digital connectivity. Working with our transport strategy partners, we will develop local bus and tram networks which cater for growing populations and connect to new areas of development.

We will support Transport Scotland and other partners to deliver improved regional connections around the A720 (City Bypass) as set out in the Edinburgh and South East Scotland City Region Deal. Waverley and Haymarket train stations are key hubs for connections across the UK, and we will bring forward development plans for improving these assets. Similarly, Edinburgh Airport is key to inward investment and supporting global trade and tourism links, and we will capitalize on City Region Deal investment to take forward the recommendations set out in the West Edinburgh Transport Appraisal to improve access to the airport and deliver a sustainable zone for new business accommodation and housing around the International Business Gateway.

10. DELIVER SUSTAINABLE AND INCLUSIVE GROWTH IN OUR WORLD LEADING CULTURE AND TOURISM SECTORS

Edinburgh's tourism and culture sectors form a critical part of the city's economic success. Well established partner-led networks, such as Festivals Edinburgh and Edinburgh Tourism Action Group, are already in place to manage the development and growth of these key sectors. Our approach over the course of this strategy will be to work together with these partners, to support their ambitions and ensure our residents, visitors, and businesses continue to benefit from their success.

To strengthen our position as a world leading city in these sectors we will:

- **Maintain and invest in our cultural and tourism assets:** Joint working between culture and tourism partners across the city is essential to sustain and strengthen Edinburgh's status as the world's leading festival city. Key areas for priority working

include ensuring the city's infrastructure and operations can evolve to continue to provide an unrivalled experience for citizens, artists, and audiences, promoting new thinking about the use of digital innovations, promoting Edinburgh as a Green Festival City, and collaborating to support inclusive growth goals through increased learning and participation in cultural activity.

Alongside these areas we will work with the private sector, licensing and other cultural partners to improve facilities for live music in the city, including key venues such as Leith Theatre, with a view to fostering an environment in which live music can flourish, and work with partners to allow for affordable creative spaces for performing arts practitioners.

We will also support the development of new and improved cultural spaces in Edinburgh. We will work with partners such as the Scottish Rugby Union to develop Murrayfield as one of Scotland's finest sporting and entertainment complexes. As part of the City Region Deal programme of investment, we will contribute to the delivery of a new world-class performing arts venue in the heart of Edinburgh, a new home for the Scottish Chamber Orchestra (SCO). The IMPACT Scotland project, will be immediately adjacent to a historic building on St Andrew Square and will provide a new home for the only Edinburgh-based National Performing Arts Company. Housing a 1,000-seat auditorium and studio facilities, the venue will include space for community outreach and education, conferences and multi-art-form use and will be the first new arts building in Edinburgh for 100 years.

- **Deliver new approaches to managing the success of tourism in Edinburgh:** We will work with Edinburgh's tourism sector – through the Edinburgh Tourism Action Group – to develop a new city tourism strategy that looks beyond the 2020 horizon covered by existing plans. This new approach will seek to fully embrace sustainable tourism in Edinburgh, built around the understanding that any city's success as a visitor destination requires it first of all to be a great city for residents.

Managing success will be a key theme of work for the Edinburgh Tourism Action Group over the next few years. Areas of focus identified by the sectors include - targeting increasing visitor spend rather than simply volume growth; increasing the use of existing capacity during off-season; enhancing productivity and promoting full time rather than seasonal contracts; investing in staff development and training;

supporting the Edinburgh World Heritage Management Plan; and, supporting and encouraging the use of new technology and innovation to improve visitor management.

MAKING IT HAPPEN

This strategy provides a vision and a way forward for ensuring Edinburgh continues to be an economic success, and that the benefits of that success are shared more fairly across the city. What is clear however from the ten steps and actions the strategy has set out is that no single organisation or agency in the city has all of the tools needed to deliver that vision. Rather, the strategy has been developed with an understanding that strong leadership, ownership, and collaboration among all the institutions of the city is critical if we are to meet our goal of delivering good growth for everyone. More than that, to fully deliver the objectives set out here we must work in partnership both within and outside our local authority boundary - across sectors, across communities, across the city region, and across Scotland.

Our approach to collaboration and partnership will focus on:

- **Partnership across the city**
- **City Region collaboration**
- **Partnership across Scotland and with Government**

A first task encompassing all three of these partnership groups will be the development of an implementation plan that identifies detailed actions and timescales for each of the ten steps outlined in this strategy, and the specific contribution of each partner to their delivery.

PARTNERSHIP ACROSS THE CITY

Successful delivery of this strategy and its actions depends most clearly on strong leadership and ownership from the **City of Edinburgh Council**, **Edinburgh Business Forum**, and the **Edinburgh Partnership**.

THE CITY OF EDINBURGH COUNCIL

All ten steps outlined in this strategy include actions for delivery by City of Edinburgh Council services, either as a lead agency or working in partnership with other organisations. Support for monitoring and implementation of the strategy will be led by the Council's Strategy and Insight division, working in partnership with colleagues from other services and in collaboration with partner agencies.

Leadership and scrutiny of the strategy from a City of Edinburgh Council perspective will be provided through CEC's Housing and Economy Committee.

THE EDINBURGH BUSINESS FORUM

The last Edinburgh Economy Strategy – A Strategy for Jobs – was developed and championed in partnership with the private sector through the leadership of the Edinburgh Business Forum. As we begin delivery of this new strategy, a key priority is to relaunch this partnership and leadership model in a way that meets the needs of the vision set out in this document.

The need for strong and purposeful collaboration between businesses and the public sector has been repeatedly reiterated throughout the engagement work carried out for this strategy, and in many of the ten steps the strategy lays out. To take forward this collaboration, our relaunched Edinburgh Business Forum will bring together public agencies such as the Council and Scottish Enterprise with senior business leaders in the city, Edinburgh Chamber of Commerce, and our Universities and Colleges. Drawing on existing networks and sector led forums across the city, this new approach will:

- Champion, support, and oversee the delivery of the Edinburgh Economy Strategy
- Provide advice and act as sounding board to Council, Edinburgh Partnership on key policy issues, in particular helping to test proposals and resolve issues
- Act as advocates for investment and development, and
- Undertake an ambassadorial role for the city and the strategy, particularly in relation to UK and Scottish Governments.

The EBF will also be a key adviser in the design and delivery of many of the actions outlined in this strategy. This will take the form of specific task and finish groups defined by the partnership, drawing on a broad base of support from existing networks and forum.

Among others, specific actions and areas where EBF support will be critical to delivery of this strategy include:

- Maximising the potential of Edinburgh's Data Driven Innovation opportunities
- Reform of Edinburgh's education and skills landscape to meet the needs of our changing economy
- Deepening relationships with employers to unlock good career opportunities
- Delivering support and space for businesses with the potential to scale up
- Engaging businesses in development of a socially responsible enterprise culture
- Delivering key strategic development areas in City Centre, West Edinburgh, and Waterfront.

THE EDINBURGH PARTNERSHIP

The Edinburgh Partnership is the community planning partnership for the City of Edinburgh. The partnership exists to bring public bodies like the City of Edinburgh Council, NHS Lothian, Police Scotland, Fire and Rescue Scotland, Scottish Enterprise, Skills Development Scotland, and other agencies together with local communities and voluntary groups to address the major social, economic, and environmental issues that face our city.

Within this context, endorsement and ownership of this strategy by the Edinburgh Partnership Board is critical to the delivery of good growth for everyone in the city. Leadership from the partnership is particularly required for those actions outlined in this document that need strong collaboration and ownership from public sector bodies. This includes, amongst others, actions to:

- Tackle the barriers that reinforce worklessness, poverty, and inequality

- Maximise the benefits – to business and communities - of public sector procurement spending
- Maximise the opportunities arising from the low carbon, circular economy in Edinburgh
- Provide public sector leadership on delivering good growth practices.

CITY REGION COLLABORATION

Many of the steps and actions set out this strategy demand solutions that are created and delivered not only within the boundaries of City of Edinburgh, but across the wider city region. These include actions around skills development, housing, transport, and innovation - recognising that employers and workers operate in labour and housing markets that spread across many local authority boundaries.

Within this context, the Edinburgh and South East Scotland City Region Deal represents a step change in city region collaboration and sets the foundation for a new way of working across the region. Encompassing six local authorities, four universities and four colleges, new governance arrangements to provide a way of decision making across the region for the investments and programmes included in the City Region Deal.

WORKING ACROSS SCOTLAND, AND WITH GOVERNMENT

The ten actions defined in this strategy cover dozens of areas of policy. These cover competencies currently held at the European, UK, national, and local levels. In order to take forward this strategy we will look for new ways to work in collaboration with Scottish and UK Governments to support their ambitions, as articulated in the Scottish Government Economic Strategy and the UK Industrial Strategy.

We will also look for new ways to work more closely with our partners in other cities across Scotland and across the UK, seeking to learn from their experiences and successes in facing many of the same issues and opportunities described in this strategy.

APPENDIX 1: GOOD GROWTH MONITORING FRAMEWORK

MONITORING PROGRESS

The aim of this strategy is to deliver good growth for everyone in Edinburgh. In order to monitor progress towards the achievement of this goal, a two-phase approach has been developed. This approach comprises an annual report to City of Edinburgh Council, Edinburgh Partnership, and Edinburgh Business Forum showing:

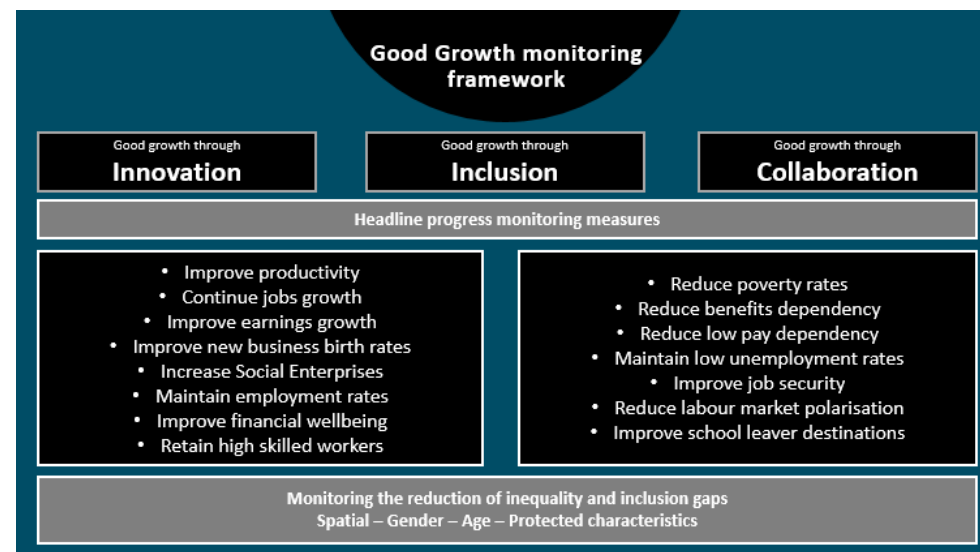
- Progress towards delivery of specific actions outlined in this strategy, and
- Progress of the city against a basket of key indicators chosen to help us track good growth

The development of this approach has built on good practice examples from other strategies and research, including the Scottish Government Inclusive Growth Toolkit, the Joseph Rowntree Inclusive Growth Monitoring toolkit, and the PWC Good Growth for Cities Index. Each of these approaches involves selection of a basket of high level measures to track progress of the city against the characteristics of good growth. For this strategy, indicators have been selected that:

- Show close fit with the objectives outlined in the strategy vision and actions
- Show close fit with the specific inclusion challenges faced by the Edinburgh economy - particularly challenges of income, spatial, gender and age inequality
- Provide good quality data published on an annual basis
- Provide datasets that enable analysis of progress at the city level and smaller sub-city geographies, as well as analysis for sub populations (such as gender and age).

The table below provides an overview of 18 selected indicators chosen to monitor progress against the good growth outcomes targeted in this strategy. These indicators will be reviewed over time to ensure continued fit and relevance, and to ensure close fit

with emerging progress frameworks being developed for key programmes such as the Edinburgh and South East Scotland City Region Deal.



GOOD GROWTH MONITORING FRAMEWORK – KEY PROGRESS INDICATORS

| MEASURE | WHAT DOES THIS TELL US? | INDICATOR | SOURCE | TARGET DIRECTION OF TRAVEL | INEQUALITY ANALYSIS |
|--|--|--|-------------------|----------------------------|-----------------------|
| Productivity growth | Is Edinburgh improving its position as a high productivity economy in comparison to other UK cities? Are productivity rates improving in real terms | Gross Value Added per capita | ONS | Increase in real terms | None available |
| Jobs growth | Is Edinburgh's economy continuing to create new jobs at a rate higher than the UK and Scottish averages? | Employees in employment | APS | Increase | Gender, Age |
| Earnings growth | Are wages in Edinburgh continuing to remain higher than Scottish and UK averages? Are wages for the average worker rising in real terms? | Median gross weekly earnings | ASHE | Increase in real terms | Gender, Age |
| New business births | Is Edinburgh's economy continuing to create new businesses at a rate higher than other Scottish cities? Is this rate improving in comparison to high performing English regions? | New business births per 10,000 residents | BD | Increase | None available |
| Social Enterprise growth | Is Edinburgh's economy continuing to create high numbers of Social Enterprises? How does this rate of growth compare against other cities? | Number of social enterprises | SE Census | Increase | None available |
| Child poverty | Is the success of the Edinburgh economy leading to a reduction in poverty rates? Is the inequality gap in poverty between city wards closing over time? | % of children living in a low income household | CPAG | Decrease | Spatial gap (by ward) |
| Benefits dependency | Is the success of the Edinburgh economy leading to a reduction in benefits dependency and low income? Is the gap between poor and affluent areas closing over time? | Out of work recipients of DWP benefits per capita | DWP | Decrease | Gender, Age |
| Financial wellbeing | Does the success of the Edinburgh economy result in an improvement in citizen's financial wellbeing? Is the gap in financial well-being closing over time? | % of residents who say their financial position has improved in the past 12 months | EPS | Increase | Spatial gap (by ward) |
| Workers earning below living wage | Is the growth of the Edinburgh economy leading to a reduction in workers earning at rates below the living wage? | % of workers who earn below the LWF hourly rate | ASHE | Decrease | None available |
| Unemployment rate | Is Edinburgh continuing its position as a low unemployment economy? | Unemployed residents as a % of economically active population aged 16-64 | APS (model based) | Maintain | None available |

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|---|--|--|-----|----------|----------------------------------|
| Employment rate | Is Edinburgh maintaining its high employment rate? Are the gaps in access to work between gender and age groups closing over time? | Employed residents as a % of all residents aged 16-64 | APS | Increase | Gender, Age |
| Labour market participation | Is the success of the Edinburgh economy leading to a closing of labor market participation gaps - gender and age? | Economically active residents as a % of all residents aged 16-64 | APS | Increase | Gender, Age |
| Worklessness | Is the success of the Edinburgh economy leading to a reduction in the number of households with no adult in employment? | % of households with no adult in employment | APS | Decrease | None available |
| Job security | Does the success of the Edinburgh economy result in an improvement in citizen's financial wellbeing? Is the gap in financial well-being closing over time? | % of residents who feel confident about their job prospects | EPS | Increase | Spatial gap (by ward) |
| Employment in high skilled occupations | Is Edinburgh maintaining its position as a high skilled economy? | % of workers in managerial, professional and technical/scientific occupations (SOC 1, 2 & 3) | APS | Maintain | None available |
| Job market polarisation | Is the success of the Edinburgh economy leading to a reduction in labour market polarisation? | Ratio of workers in high skilled occupations to workers in mid skilled occupations | APS | Decrease | None available |
| School attainment | Is Edinburgh improving the attainment of young people, and closing the gap in attainment in deprived areas? | % of all leavers achieving 5 or more awards at SCQF Level 6 or higher | CEC | Increase | Spatial - deprived area analysis |
| Positive school leaver destinations | Is Edinburgh improving the proportion of school leavers entering positive destinations, and closing the gap in attainment in deprived areas? | % of all school leavers in positive initial destination | CEC | Increase | Spatial - deprived area analysis |

APPENDIX 2: INSIGHT FROM ENGAGEMENT

This strategy is informed by analysis of the findings of engagement activity undertaken across the city during 2017, as well as analysis of the performance of the city economy in recent years. This analysis has delivered insight into both the priorities and aspirations of Edinburgh citizens and businesses, as well as into the challenges and opportunities the city economy faces in the next few years.

INSIGHT FROM ELECTED MEMBERS

A central priority of the strategy development process was to engage with elected members across all political groups. The aim of this engagement was to ensure the strategy is built from the views of elected representatives and the needs of all areas of the city. To meet this aim, the development of the strategy was agreed in discussion with the Housing and Economy Committee of City of Edinburgh Council. The engagement process included five workshop discussions held with elected members during October 2017.

INSIGHT FROM BUSINESSES AND THE THIRD SECTOR

Alongside the elected member engagement programme, three workshops were held during October and November 2017 to gather the views, insights, and ideas of private sector business leaders, strategic partners, and third sector organisations, and facilitate further discussion between these groups and elected members. In total, almost 100 individuals and organisation attended and contributed to these workshops.

INSIGHT FROM SERVICE PROVIDERS

Throughout the development process, engagement activity has been carried out with frontline service providers across the City of Edinburgh Council and partner agencies. This activity has included cross service workshop sessions, one to one consultations, as well as dialogue with specific service teams involved in key areas such as employability and skills, and business growth support.

INSIGHT FROM CITIZENS, AND FROM OTHER STRATEGIES

Development of this Economy Strategy has been carried out in parallel with a number of other city wide strategies. To make best use of resources and avoid duplication of effort, where possible this strategy has drawn on and analysed the results of engagement and research carried out for other projects.

Two projects in particular have provided valuable insights into the priorities of Edinburgh citizens and their aspirations for the Edinburgh economy – the **2050 Edinburgh City Vision** project, and the **Locality Improvement Plan** project.

The 2050 Edinburgh City Vision project aims to develop a new vision to describe the type of city Edinburgh aspires to be by 2050 and to encourage a city-wide conversation about the long term future of our city. This programme has involved gathering the views of city residents, businesses, community groups and public sector agencies through a series of workshops, online engagement platforms and social media campaigns. During its first year the project held over 60 discussion events and gathered over 10,000 ideas and responses from Edinburgh citizens. These responses provide a valuable insight into the things Edinburgh people value most about their city, what they want to protect and what they want to change. The findings from this engagement programme are summarised across four 2050 vision themes – **a fair city, an inspired city, a connected city, and a thriving city** - the aspirations embodied by which are built throughout the approach and the programmes outlined in this strategy.

At a local level, 2017 has also seen the development of Locality Improvement Plans designed to improve multi-agency working in four local areas across the city, improve engagement and help put citizens at the heart of decision making in their communities.

To develop these plans, a wide programme of local engagement and discussion has taken place during the year to identify the priorities of local communities. With regard to the economy, these findings emphasise local aspirations for education and training, access to work opportunities, support for local businesses, and support to tackle barriers to employment.

Again, the development of this strategy aims to reflect these local priorities and to build city wide approaches to encourage their delivery.