

Draft Economy Strategy Consultation - City of Edinburgh Council

Festivals Edinburgh Submission, through online portal [22 October 2021]

Note: FE responses are contained in the relevant text boxes.

[Priorities for a new strategic approach: As Edinburgh's economy faces the biggest challenge for more than a generation, the City of Edinburgh Council looks to forge a strong and sustainable recovery for Scotland's Capital by developing a refreshed strategy. A refreshed approach is required that responds to new pressures arising from both the pandemic and Brexit, in addition to the long-term challenges identified in the 2018 Edinburgh Economy Strategy. The Council has brought together key partners, stakeholders and business leaders to outline key priorities for the economy and its recovery. As part of the initial work that's been done so far a series of actions have been proposed that the Council and other city stakeholder need to undertake to support the delivery of a strong economic recovery for Edinburgh. These actions fall under five priorities]

1. Help businesses to innovate and adapt

[Edinburgh businesses are facing rising risk of insolvency and taking on additional debt to survive. To help business survive, adapt, and recover we need to act now to ensure businesses can access the support and assistance that is right for them. This depends on building on the success of our strong entrepreneurship ecosystem, innovation clusters, start-ups, investment in education and talent, and ensuring businesses have the opportunity to access grant, public and private financing for innovation, recovery, and growth]

Q7. What is the next big change we need to make to help businesses innovate?

In a world of low carbon imperatives, digital globalisation and increased automation, the city needs businesses, individuals and other economic actors to be a force for good at all scales - from creating meaningful work for themselves to providing employment and engagement for communities around them and connecting Edinburgh nationally and globally.

With scarce resources it will be essential to consciously take a **portfolio approach to city interventions that realise balanced benefits from local, regional, national and international engagement**. This will help ensure that the system is supported to innovate at all these different scales and identify who is best placed to support pipelines of opportunity that interconnect through these levels.

With so many public policy objectives to be driven forward, the economy strategy needs to focus on how the city can support innovation and prosperity to generate revenue to support these priorities. In the creative economy as in other sectors, this means investing in interventions that **support individual and organisational enterprise to attract more resources** to these agendas.

Opportunities in the culture and festivals sector have been recognised as an important part of recovery for individual and community resilience, and maximising inclusion requires income generation to subsidise the costs of further increasing equity in access, so future interventions need to help support viable business models.

What do businesses need from business support networks during the recovery period?

We propose, that in order to help businesses innovate and adapt we will work on the following areas:

- Support continued access to UK Government and Scottish Government business support schemes.
- Ensure Business Gateway and local business support is fit for purpose
- Enable access to vacant sites in the city for a range of businesses, including sites in the city centre
- Ensure licensing, regulation and planning systems create spaces for all businesses to thrive
- Help create the right conditions for high-quality start-ups and for companies to continue to grow in the tech sector
- Establish Edinburgh to be on par with the best in Europe in terms of supporting high quality business innovation.

Q9. To what extent do you agree or disagree that these are the right areas to focus on?



Agree

Q10. Please use the space below for any comments or suggestions.

The priorities above miss out the **importance of sectoral development** and in particular from our perspective the connecting thread of the creative economy in the city's success. This brings innovative and dynamic talents together in city communities to learn from and support each other. What may be implicit but is also needed under priorities 1 and 2 is sectoral engagement and support at local level and a positive influence on national sectoral support policies.

The diversified nature of the Edinburgh economy means that quantitative measures do not adequately convey the **importance of the creative and cultural economy** to providing skills and livelihoods, supporting knowledge exchange and retaining, developing and attracting talent. (See for example 2016 study on The Geography of Creativity in the UK in 2016 by research and innovation foundation NESTA on the strength of Edinburgh's creative industries cluster.)

In economic terms, culture is often seen instrumentally as an asset for the tourism economy, but it must be remembered that it is primarily an asset for local residents and a vital ingredient for a large majority in individual and community development and connecting with new ideas.

Capitalising on Edinburgh's aim to develop as the data capital of Europe, the strategy should consider the opportunity to support innovation in **digitally enabled creative exchanges** locally, nationally and especially globally - given the post-pandemic and net-zero challenges. A successor to the current [Creative Informatics programme](#) which the festivals partner on could be an important driver for this objective.

The priority on **enabling access to vacant sites is vital** to establishing new uses for city centre spaces where retail and work patterns have changed. As championed in cities such as Montreal and Vancouver, this should include **a scheme partnering with private owners to support access to workspaces for freelance and self-employed makers and creatives**, both creating new purposes for vacant city centre spaces and helping to reverse the trend for affordable space to be located ever-further beyond the city centre.

To support recovery it will be essential to **streamline licensing, regulation, city management and planning costs and requirements** for businesses as far as possible consistent with transparency and accountability. Proofing Council policies so that they **help strengthen the resilience of businesses, rather than create overstretch**, will help to build sufficient headroom to support more development and career progression.

2. Promote access to fair work and opportunities for people to progress

[The experience of the pandemic has highlighted the importance to workers of fair work. Fair work is more than receiving a living wage. More broadly fair work offers respect, opportunity, fulfilment and security. As well as supporting businesses to survive and recover from the impacts of the pandemic, it is important that Edinburgh's recovery supports a continued improvement in working conditions, and opportunities for career progression. There is a role for many different partners in the city to ensure there is access to continuous learning such as acquiring new digital skills, retraining and upskilling. In future it is expected that new skills will be required at a much higher frequency than before as jobs continue to evolve at a rapid pace and new technology, new green sectors, and new ways of working emerge]

Q11. What more can we do as a city to promote fair work and meaningful career progression opportunities in Edinburgh?

In the creative sector, as in other sectors such as retail, distribution and social care, technological change and a decade of austerity has created more fragmentation and fragility that will take time to change. Continued work is needed between the city council and employers to **establish a clear and detailed understanding about what fair work principles look like in practice** across different sectors and different scales of business.

While the leisure and tourism sectors tend to be labour-intensive compared to emerging tech and data industries, they are important sources of employment and skills development for a wide segment of the population, young people in particular. As meaningful employment is a key determinant of wellbeing, the economy strategy should give **due weight to supporting more sustainable and productive jobs in employment-intensive sectors as well as profit-intensive sectors.**

Where the city has been able to commit to **longer-term partnerships this has had a proven benefit in attracting additional resources and reducing fragility.** An example can be seen in the [Platforms for Creative Excellence programme](#) which made an in-principle commitment of five years in partnership between Edinburgh's Festivals, City of Edinburgh Council and the Scottish Government. Long-term innovation programmes e.g. building on City Region Deals have levered up important partner investment for example through the multi-year AHRC funded [Creative Informatics](#) programme which includes our festivals as partners.

If the costs and risks of doing business rise, there is less resource to focus on rewards and benefits for those employed to deliver, so the city needs to take a holistic view of measures to promote security and sustainability. The commitment to promote fair work is to be welcomed and is an opportunity to **ensure better coherence across different parts of Council policy and practice where they influence business affordability and deliverability.**

We propose, that in order to promote access to fair work and opportunities for people to progress we will work on the following areas of opportunity:

- Become a Fair Work City and promote Living Wage accreditation for businesses across the city.
- Ensure that whenever Edinburgh Council buys goods or services we prioritise and value those that provide fair work opportunities to their staff
- When making city investments ensure that community benefits are maximised, and we increase the share of our spending on local suppliers, where possible
- Ensure there is flexibility and improved access to skills and retraining opportunities for all ages of the workforce
- Use the Edinburgh Guarantee to help support all individuals with barriers to employment to progress in training and education.

Q12. To what extent do you agree or disagree that these are the right areas to focus on?



Agree

Q13. Please use the space below for any comments or suggestions.

See Q11

3. Lead a just transition to a net zero economy

[A recovery that makes significant gains towards a net zero economy represents an opportunity for Edinburgh to establish a clear advantage over competitor cities. Many jobs will be created from emerging low carbon sectors over the next decade, and large-scale investments will drive the city's transition to net zero. It is therefore important that businesses of all sizes have the confidence to invest in net zero opportunities or commit to schemes like the Edinburgh Climate Compact. The transition to a net zero economy can also be a key factor in attracting skilled workers, students, researchers, and new investors into the city]

Q14. What support or incentives are needed to help businesses have the confidence they need to invest in net zero opportunities?

Edinburgh's Festivals have developed a shared carbon reduction route map summarising our action on climate change and the areas outwith our control that we will seek to influence. In terms of city policy, the key actions required to future-proof Edinburgh as a sustainable festival city are:
- **Long term investment plan for decarbonising public buildings and public event spaces**

- Making low carbon power, recycling and waste management options available as standard
- Decarbonised public transport and incentives for electrical car and van options
- Clear sustainable tourism strategy influencing carbon reduction

We propose, that in order to lead a just transition to a net zero economy we will work on the following areas:

- Agree and deliver an Edinburgh 2030 Climate Strategy.
- Connect net zero investment to opportunity to drive change for net zero action
- Support Edinburgh Climate Compact to increase the number of businesses committing to reduce emissions
- Embed net zero into the city's business support offering
- Explore a green innovation challenge finance scheme
- Deliver Net Zero Procurement by 2030
- Promote Edinburgh's circular economy and increase participation in the Circular Economy Programme
- Scope the skill needs and align workforce development programmes to meet the needs of net zero businesses.

Q15. To what extent do you agree or disagree that these are the right areas to focus on?



Agree

Q 16. Please use the space below for any comments or suggestions

See Q14

4. Create vibrant places for business and people

[Edinburgh's city and town centre cities must look to how they remain attractive destinations for shoppers, visitors, and businesses. The pandemic has accelerated a number of changes in the way people live, shop, and work. While there remains some degree of uncertainty including over remote or home working, the city's recovery needs to support businesses in core areas like the city centre and continued investment in key strategic development sites across the city. Edinburgh's city centre is one of the UK's most vibrant retail, tourism, and hospitality destinations. More than a third of all Edinburgh jobs are located in the centre of the city, including more than half of jobs in key sectors such as retail, hospitality, finance and business services, and the area is the core of activity for many of the city's highest profile festival and cultural events. For the city centre to adapt and thrive' high impact measures are required to support business and people. This support may need to be tailored and targeted to specific areas or sectors under pressure through advice and financial support. Strong programmes of promotion and marketing as well as re-purposing and enhancing our city centre so it is safe and welcoming for pedestrians will also play a significant part in defining our future city centre prosperity]

Q17. Do you have any comments on urgent priorities and actions that are required to achieve future city centre prosperity?

To secure a thriving city centre, Edinburgh needs to reaffirm and reimagine its commitment to providing welcoming spaces for local residents and sustaining its place as an international capital. Complementing the 20-minute neighbourhood principle, **the city centre needs to continue to develop as a place of new opportunities for local residents and a gathering point with new people and new ideas.** Opportunities to welcome different people and bring them together for new experiences will be even more important for wellbeing, informal learning and social cohesion if the future pattern of many everyday interactions will be more localised.

As mentioned under Q10:

- The priority on **enabling access to vacant sites is vital** to establishing new uses for city centre spaces where retail and work patterns have changed. As championed in cities such as Montreal and Vancouver, this should include **a scheme partnering with private owners to support access to workspaces for freelance and self-employed makers and creatives**, both reanimating the city centre and helping to reverse the trend for affordable space to be located ever-further beyond the city centre.

- To support recovery it will be essential to **streamline licensing, regulation, city management and planning costs and requirements** for businesses as far as is possible consistent with transparency and accountability.

As mentioned under Q14, **future-proofing the environmental sustainability of city centre activity** will require investment in decarbonising public spaces, transport and infrastructure; and there should be a clear sustainable tourism strategy influencing carbon reduction in visitor behaviour.

Q18. If recovery from the pandemic changes people's working patterns across the city region, what opportunities will this create for city businesses?

The **development of stronger local community centres** will offer new opportunities for partnership with the festivals and wider creative economy. Typically these activities are smaller scale and require to be cross-subsidised with major ticketed events in city centre venues so the interdependencies need to be understood.

In 2021 some festivals were able to **experiment with dispersed city locations** for performances, enabled by repurposing of public and donor funds to support a much smaller scale of covid-safe performance. The response was very positive and there would be clear opportunities for festival activities to assist with economic development plans for new zones of the city if financial models can be found in partnership with funders to make this approach viable in future years.

We propose, that in order to lead a just transition to create vibrant places for the business and people we will work on the following areas:

- Working with partners to develop a City Centre Recovery Plan.
- Transform Edinburgh's Waterfront into one of the city's landmarks and enhance the economic value of Port infrastructure
- Roll out our place-based development and investment programme
- Deliver high quality, sustainable, mixed used housing developments under the 20-minute neighbourhood principle
- Facilitate the sustained investment in digital infrastructure to support the city's digital economy

Q19. To what extent do you agree or disagree that these are the right areas to focus on?



Agree

Q20. Please use the space below for any comments or suggestions.

See Q17 and 18

5. Maintain Edinburgh's place as a global city

[In response to the managing the uncertainty of the global pandemic and the implications of new trade regulations with other countries much effort is needed to support businesses who depend on the visitors and those businesses wanting to trade and export. Edinburgh will need to maintain its fundamental strengths in order to remain a resilient, adaptable city capable of responding to the challenges and opportunities emerging from a post COVID-19 and post-Brexit economy. The city will continue as an outward looking international city with a resilient and diverse economy, a city needs to be open to attracting new talent and maintaining and building international connections]

Q21. How can we best support tourism and hospitality sectors to recover and create jobs and career opportunities that benefit the whole city?

We welcome the sustainability focus of the Edinburgh 2030 tourism strategy – and as this is developed and implemented for the post-covid world there is **a need to invest in developing existing and new assets and support new collaborations including cultural collaborations** that attract visitors to deepen and broaden their experiences and value added to the city.

Local authorities in Scotland have had many fewer powers and resources to manage tourism policy than counterparts for example in continental Europe, and the city should continue to advocate with Scottish Government for regulatory changes that will enable **strong destination management and reinvestment in sustaining a high quality of experience.**

Industries such as tourism, hospitality and creative industries have tended to be undercapitalised and fragmented especially since the financial crisis of 2008. This creates a need and an opportunity through recovery and resilience investment to **support skills development programmes** so that more young people disadvantaged by covid closures can get back into the labour market through these industries and develop meta-skills to enable them to compete in a competitive and changing labour market.

These are all strong options for the reinvestment of future proceeds from any Transient Visitor Levy.

Q22. What does the city need to do to support businesses to thrive in both trading internationally and attracting skilled workers from overseas in a post pandemic and Brexit environment?

The city's international networks are vital to prosperity. They are under significant threat post-Brexit and post-pandemic and cannot be taken for granted. For the Edinburgh Festivals as for many other assets of global standing, the role we play in boosting international reputation and exchange is at high risk.

The impact of restrictive mobility rules for creative professionals has been masked by Covid and all efforts will need to be made to **advocate for workable regulations to sustain the global flow of people and ideas.** The visitors attracted by the festivals are shown in our impact studies to have high additionality and this strength should be developed as part of a **sustainable tourism strategy.**

The nurturing and redevelopment of international links should also be recognised as a key need and opportunity to equip local people with globally aware skills, knowledge and networks – and it is one that festivals, cultural, educational and community organisations can all contribute to. Across the whole city, thinking about **integrating international and local partnerships long term and embedding in development strategies** - e.g. for local neighbourhoods and city development zones - will help to sustain and realise the full benefits of ideas and knowledge exchange.

We propose, that in order to lead a just transition to create vibrant places for businesses and people we will work on the following areas:

- Support partners in revising the Edinburgh Tourism Action Plan
- Continue to support the arts and cultural sector and contribute to its stabilisation and retention.
- Promote key sites in the city to increase inward investment
- Use business support services and networks to help Edinburgh businesses to trade internationally
- Maximise structural capital funding opportunities for Edinburgh's investment portfolio
- Promote Edinburgh as a destination for international talent, students, and skilled workers
- Explore investment options on what the income from a Transient Visit Levy could support.

Q23. To what extent do you agree or disagree that these are the right areas to focus on?



Agree

Q24. Please use the space below for any comments or suggestions.

See Q21 and 22.

Measuring Progress

In order to monitor progress on delivery of the strategy we intend to look at trends in city level data against a list of indicators on the health of the economy that are consistent with the 'good growth framework' developed for the 2018 Edinburgh Economy Strategy. In addition, we will also monitor progress **towards delivery of specific actions, including analysis of outputs and outcomes arising from projects**. The measures, KPIs, and targets used in this part of the framework will be aligned to and build on approaches used in the Council Annual Performance Framework. An example of the potential delivery measures we would like feedback on is included in the table:

Examples of potential delivery measures	
Businesses supported	No. businesses supported to access UK/SG business support funds
	No. businesses supported to start or grow by Edinburgh Business Gateway
Fair work and low pay	No. businesses supported towards living wage or fair work accreditations
	No. council suppliers who are living wage accredited employers
Access to opportunity for work and progression	Value and type of community benefits secured from Council investments
	No. and outcomes for people supported by Council funded employability programmes
	No. people supported and employers engaged with through Edinburgh Guarantee
Net zero economy	No. businesses signed up to Edinburgh Climate Compact
	No. businesses supported to net zero actions through Edinburgh Business Gateway
	No. businesses participating in business mentoring schemes
	Launch and take up of Green innovation challenge finance scheme
Placemaking, development and regeneration	No. businesses participating in Circular Edinburgh programmes
	Delivery of key milestones and projects for placemaking initiatives
	Delivery of development and investment on key strategic sites
	Value of funding secured, and development supported by UK Shared Prosperity and related funds

Q25. Which of these measures should be retained in any new monitoring framework developed for a refreshed strategy?

See Q26

Q26. What new measures or indicators should be added to the framework?

It is a continuing challenge to find meaningful indicators for complex effects, and quantifiable outputs will always be an important component. In addition, and with the benefit of the city's access to data scientists, the city will be able to prioritise better as more can be done over the long term to understand the effectiveness of different policies and understand the positive interrelationships and reinforcement between policies.