

EDINBURGH ECONOMY STRATEGY

ENABLING GOOD GROWTH

JUNE 2018

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FOREWORD

Edinburgh is a city full of success stories. Regularly voted one of the world's best cities to live in, we are also the most visited city in the UK after London, 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 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, and unemployment rates are lower than those of any other major city in the UK. The outlook too is positive, and enhanced by the improvements included in the Edinburgh and South East Scotland City Region Deal, which commits £1bn of investment across the region over the next 15 years.

But fundamental challenges remain. Despite economic growth, over 20% of our children remain in poverty and one in six households still have no adult in work. Supporting the most disadvantaged in our society to progress and prosper remains the most critical challenge the city faces. At the same time, the environment within which Edinburgh's economy operates is undergoing significant change. We need a new strategic approach to help the city adapt to new economic relationships emerging post-Brexit, to transition to a low carbon economy, and to manage the impacts and opportunities arising from technological change and a growing city.

The actions needed to meet these challenges are complex, but the message is clear. The aim of this strategy is to create the conditions for Edinburgh to be a city that takes the lead in ensuring our economy's success benefits all our citizens. We want this strategy to **enable good growth** for Edinburgh's economy. That means delivering actions which encourage an economy that is fair in terms of opportunity, job security and fulfilment, an economy that respects and listens to the voice of its workforce and communities. It also means helping Edinburgh to thrive as a city of innovative businesses who create the new jobs and good career opportunities our citizens need.

To deliver that vision this strategy sets out a clear focus on **inclusion and innovation**, and on an approach to delivery centred on strong **collaboration** between anchor institutions across the city. Building on these priorities for good growth, the strategy describes eight steps we need our city to take over the next five years and beyond.

This vision represents an ambitious challenge for the city, one that cannot be met by any single organisation alone. To be successful, this strategy requires ownership and leadership from the key partners that guide the development of the city. 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 economy strategy is one of the first practical steps to meeting this city vision and on behalf of all stakeholders, we are committed to turning it into a powerful programme of delivery and change over the coming years.



Cllr Kate Campbell

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

1. INTRODUCTION

THE PURPOSE OF THIS STRATEGY

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 challenge for Edinburgh and its economy. These changes come in terms of our trading relationships and links with the EU and the rest of the world, changes, driven by technological advancements, to the way our labour market and our society work, as well as persistent challenges of low income and inequality within our city.

To meet these challenges, we need a new strategy to set out our ambitions for the Edinburgh economy over the next five years and beyond. We need a strategy that describes how City of Edinburgh Council, public agencies, private businesses, universities, colleges, and third sector organisations in the city will work together to ensure that everyone in Edinburgh is able to enjoy the benefits of a successful economy.

Edinburgh is the main economic centre of a wide city region, however, and the single most important driver of growth for Scotland's national economy as a whole. In recognition of this role, this strategy also needs to set a framework for collaboration across the city region on those issues for which cross-boundary joint working is critical. Within a national context, it needs to describe the actions required for the city to support delivery of the Scottish Government Economy Strategy, including its focus on enabling inclusive growth and the creation of opportunity through a fair and inclusive jobs market.

This document aims to meet these needs and:

- Set out a new ambition for Edinburgh's economy
- Describe the way we want our economy to change, and the steps we need to take in order to enable that change, and
- Provide a framework through which everyone who has a stake in the city can contribute to improving the way our economy works.

STRUCTURE

This document is structured as follows:

- Section 2 sets out our vision for Edinburgh's economy
- Section 3 provides an overview of the economic context and challenges for Edinburgh in meeting that vision and sets out the need for a new approach to address these challenges
- Section 4 describes the eight steps we will take to deliver our vision, and
- Section 5 sets out how we will deliver the strategy, describing the partnerships and collaborations that will be critical to its success.

2. VISION AND PRIORITIES

ENABLING GOOD GROWTH

Our vision is for Edinburgh to continue to be the most productive major city in the UK, a welcoming, international city that is home to a truly successful economy in which all our citizens can benefit from the prosperity the city creates.

To meet this vision, our aim for this strategy is to **enable good growth in Edinburgh**.

This means encouraging the changes in approach needed to enable Edinburgh to develop:

- An economy which works to reduce the equality gaps that mark our city
- An economy which makes sure no community, no area, and no group in our society is remote from the opportunity to improve their standard of living
- An economy which improves access to well paid, fulfilling work with the opportunity to progress
- An economy which can inspire the growth of new, innovative, and socially responsible businesses which deliver the jobs and wages our citizens need to thrive
- A resilient and balanced city economy, capable of making the transition to a new digital, low carbon future
- An open and welcoming economy which continues to attract the investors and skilled workers we need to meet our aspirations for the city and our citizens
- An economy where the public, private, and third sectors in the city work in collaboration to fully exploit the opportunities to promote, advance and sustain good growth practices.

Across all these principles, this means encouraging the development of an economy capable of withstanding external shocks, and responding to new opportunities. An economy that respects and enhances the built and natural environment.

PRIORITIES - INCLUSION AND INNOVATION

We recognise that this is an ambitious aim, but it is the right ambition given the challenges Edinburgh faces as a city. To achieve our goal, the framework this strategy sets out is focused towards two priorities – **inclusion and innovation**.

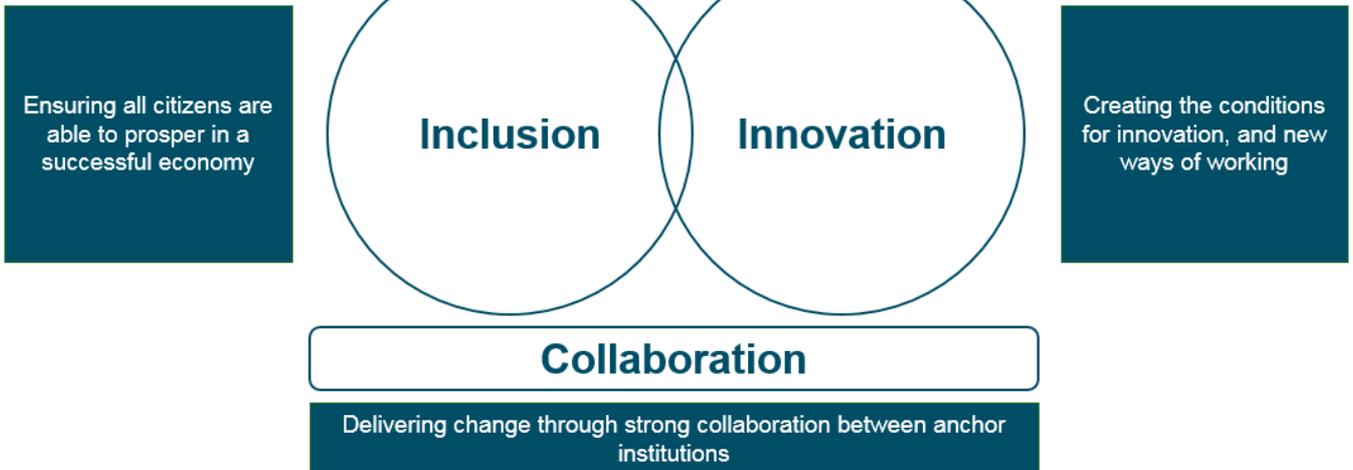
The critical test of success for this economy strategy lies in the degree to which it can help deliver a positive impact for citizens, families, and communities. All our actions set out in this strategy have been designed to focus on improving **inclusion**, ensuring all our citizens can benefit from the city's growth, reducing poverty and inequality, ensuring that our growth is environmentally sustainable and that our economy is fit for the challenges of the future.

At the same time, we know that 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 aim to create the conditions for new innovation to change our city - innovation for new business sectors and job creation, innovation for growth in productivity, innovation in the way services are delivered, and new innovations to tackle the major social challenges our city faces.

**Aim:
Enabling Good Growth**

Priorities for good growth



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, key public sector agencies such as Scottish Enterprise, Skills Development Scotland, as well as our wider business community.

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.

It is also important to recognise that the success of the Edinburgh economy is also dependent on the policy decisions and approach taken by both the Scottish and UK Governments. That is why collaboration with both governments is essential to this strategy.

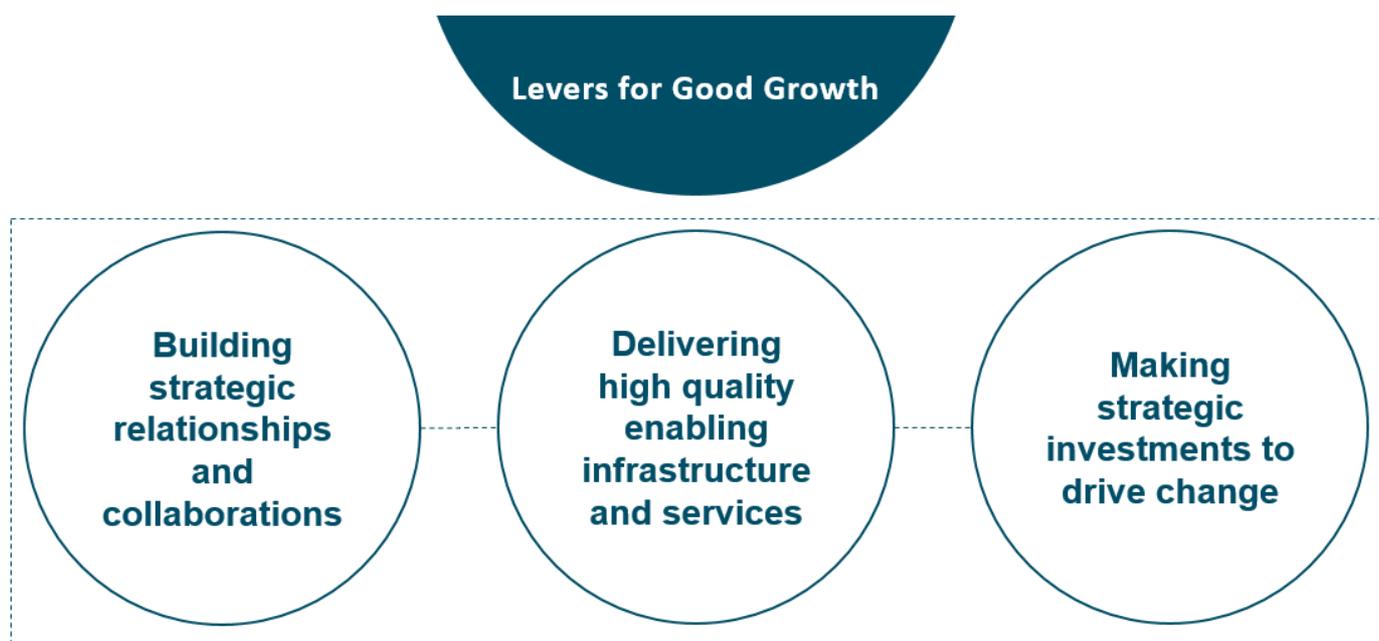
Finally, one key lesson from the past five years is that many of the solutions to the challenges the city faces are held within the city's communities and its enterprising third sector. This strategy needs to champion new ways of partnership with the third sector and social enterprises across all the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

LEVERS FOR CHANGE

Across all of these principles and priorities, 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. To do this, our actions have been designed to take advantage of the specific levers and powers for change available to City of Edinburgh Council and the partners and stakeholders who will work to take this strategy forward.

The steps and actions in this strategy are designed as a package of work which will:

- **Build strategic relationships and collaborations for change** – The actions in this strategy are built around collaborations with partners for delivery of improved, more integrated, higher impact services. Throughout the implementation of this strategy we will use our networks and relationships to promote and take advantage of opportunities to meet our objectives. An example of this approach can be seen in the partnerships built to develop and implement the Edinburgh and South East Scotland City Region Deal.
- **Deliver of high quality enabling infrastructure and services** – The Council and other agencies in the city have responsibility for managing and investing in the key infrastructure needed to ensure Edinburgh remains a vibrant, and thriving capital city. The actions in this strategy aim to ensuring that core enabling infrastructure – including housing, transport, and the built environment – continues to meet the needs of a changing economy, and to ensure that ensuring that core council and partner services – including education and skills, planning and regulation - help deliver on the objectives set out in this strategy.
- **Make strategic investments to drive change** – In addition to delivery of services, the way the Council and its partners use their spending powers has considerable potential impact on the inclusion and growth objectives of this strategy. This includes ensuring public sector procurement spend is accessible to local businesses and social enterprises, but also means using strategic investment programmes (including our investment in housebuilding, and the investment provided through the Edinburgh and South East Scotland City Region Deal) in to create new supply chains and opportunities for the city’s economy, and using Community Benefit from Procurement approaches to ensure new contractors maximise opportunities for wider benefits for citizens (Local Jobs, Apprenticeships, etc.).



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 align to, 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. As such, this strategy does not seek to duplicate these plans, but instead highlights the key steps and changes needed from this across the city’s strategy landscape to deliver our ambitions for the economy.



3. THE NEED FOR A NEW APPROACH

A CITY OF CONTRADICTIONS

Our analysis of Edinburgh's recent economic performance 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 technology sector. 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.

Equally clearly, however, our evidence shows that Edinburgh is a city scarred by stark inequalities. Average incomes are high, with more people in work in the city than ever before. But, 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, in the gender composition of employment in key sectors, as well as inequalities of experience and opportunity related to ethnicity and disability.

Overall, the evidence shows Edinburgh to be 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 address these contradictions, we need a new approach that moves beyond a focus on job or wealth creation alone, to one which directly addresses the inclusion challenges the city faces.

A THRIVING ECONOMY

Latest data on Edinburgh's economy shows that:

- Edinburgh's economy 324,100 people, 13% of all jobs in Scotland. Since 2010 the number of jobs in the city has grown by 34,000, much stronger than the UK or Scottish average
- Edinburgh attracted 39 major known Foreign Direct investment projects in 2017, accounting for around one third of the FDI projects in Scotland
- 59% of Edinburgh residents are educated to degree level or higher, while 56% work in high skilled occupations
- The city records productivity (GDP per capita) rates amongst the highest in the UK, and median earnings are significantly higher than the average
- Edinburgh has a strong base of already-digital and data-ready businesses, including 2 'unicorns', employs 21,335 Digital Technology jobs in the city, and accounts for 25% of all business R&D spend made in Scotland
- Unemployment rates fell to 3.8% in 2017, lower than any other major UK city and comparable to pre-recession low rates
- 3,000 businesses start up in Edinburgh every year, a rate per capita higher than any other area in Scotland
- Edinburgh is the largest UK tourist destination outside London and an international centre for festivals and culture. The city attracts 4 million tourist visits each year with a total expenditure estimated at £1.5bn
- Edinburgh's festivals alone are worth over £313m to the Scottish economy and attract audiences of 4.5m people each year.

CHALLENGES

Despite these strengths, our analysis highlights four key challenges we need this strategy to address if we are to meet its aim of good growth and an economy that works for all its citizens.

Tackling low income, low pay, and spatial inequality

Enabling transition to a new post Brexit, low carbon economy

Maintaining prosperity in a slow growth environment

Managing a growing city

TACKLING LOW INCOME, LOW PAY, AND SPATIAL INEQUALITY

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 able to prosper.

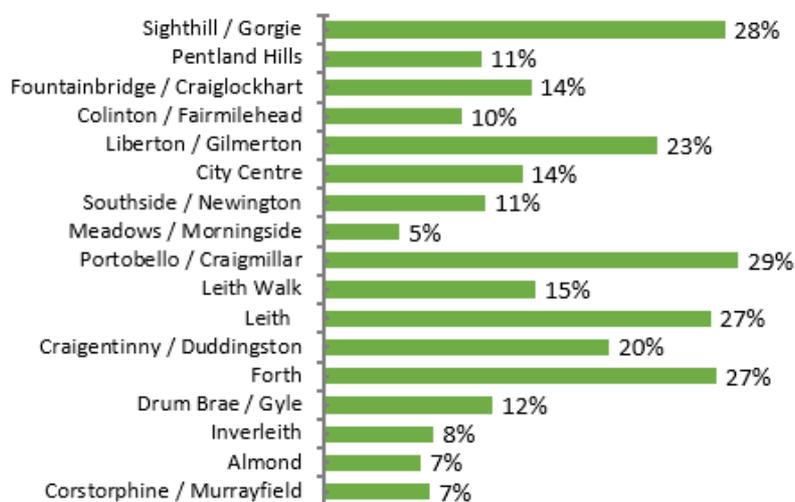
Key datasets show that:

- 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
- 22% of Edinburgh's children grow up in poverty, with a number of wards showing poverty rates at more than 30%
- Only 69% of residents who have been in care secure a positive destination on leaving school, compared to a city average of 93%
- School attainment rates for pupils in deprived areas are less half those of the city average
- Gender inequalities in the labour market are persistent. Median pay rates for men are 13% higher than for women in the city
- Childcare and housing in Edinburgh are expensive and major contributors to poverty and inequality. 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.

In order to address these challenges, this strategy needs to set out new approaches to tackling low income and spatial inequality in the city, to support the creation of a labour market built on principles of fair work and fair pay, to improve access to work and career progression for disadvantaged groups in the city, and to take specific action to build good quality, affordable housing in the city.

Poverty in Edinburgh

Poverty rate by ward



16% of Edinburgh residents live in poverty.

21% of Edinburgh children grow up in poverty.

These averages hide wide inequalities.

At ward level, poverty rates vary between 5% and 29%.

ENABLING TRANSITION TO A NEW, POST BREXIT, LOW CARBON ECONOMY

The environment within which Edinburgh's economy operates is undergoing significant change. This change comes from the UK's decision to leave the EU, the need to transition to a low carbon economy, and the need to manage the impact of technological change and innovation on the city's economy. All of these changes place pressure on the city's ability to maintain the jobs, and career opportunities needed to create a more inclusive economy.

- Edinburgh is home to an estimated 32,000 non- UK EU national residents, more than any other city in Scotland
- Some 5% of all jobs in the city are filled by workers from EU countries, with this ratio much higher in many of the city's key sectors and institutions across Tourism, Hospitality, Health and Social Care, Higher Education, and Financial Services
- Over the next decades, all economies face a challenge to become more resource efficient, and transition to new, low carbon and more environmentally sustainable ways of working
- Critically, the arguments for sustainability lie not only in its environmental necessity, but in the view that achieving it will help make Edinburgh a better city for all its citizens, and protect the city's ability to maintain a thriving economy
- The city also faces the transition to a new economy driven by technological change, increasing automation, and the significant effects these changes are having on the city's labour market
- According to some studies up to 47% of all jobs in developed economies are vulnerable to new technologies over the next 20 years
- Beyond the impact on jobs totals, new technologies are also already having a significant impact on the city's economy, creating both new opportunities and new pressures, creating new business opportunities, but

also, breaking down traditional career progression routes and making it more difficult for some individuals to find secure and rewarding employment.

In order to address these challenges, this strategy needs to work with business to create good quality career progression opportunities for citizens; provide new programmes to build an adaptable, resilient workforce with the skills needed to thrive in the new economy; to maintain Edinburgh as an attractive location for skilled workers and businesses following Brexit; to deliver new action to support the city's transition to a low carbon economy, and; to invest in the infrastructure and skills needed to take a lead role in a new digital economy.

MAINTAINING PROSPERITY IN A SLOW GROWTH ENVIRONMENT

Edinburgh's economic prosperity in recent years has been built on the skills and talent of our workforce, and the innovation and productivity of our business sector. 59% of residents are educated to degree level or above, well above the UK average. At the same time, in the last two years alone the city's culture of entrepreneurship has led Edinburgh to be 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 successful approach to attracting foreign direct investment.

Despite this success, recent data shows that:

- Productivity growth in the city in recent years has been slow. Output per capita grew by only 2% over the past five years, compared against 6% growth across the UK as a whole.
- At the same time, recent forecasts by the EY Item Club show output growth in the city projected at levels below those of competitor UK cities such as Manchester, Cambridge, and Leeds.
- Regional Skills Assessments produced by Skills Development Scotland highlight significant Skills Shortages and Gaps in key growth sectors, indicating a mismatch between labour supply and demand
- Edinburgh produces over 3,000 new businesses each year, but the proportion that grow quickly and to scale is too low.
- At the same time, 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.
- Even when the economy is growing, however, we know that not all Edinburgh residents are able to benefit from the prosperity it provides. 14% of households in the city have no adult in employment, and 23% of residents are economically inactive (a rate no better than the Scottish average).
- Evidence shows that these inequalities themselves are a constraint on productivity, and for a successful, prosperous economy, these rates are unacceptably high.

In order to address these challenges, this strategy needs to continue to invest in the skills of a workforce, and encourage opportunities for more people to participate in an inclusive labour market; support a dynamic entrepreneurial culture in Edinburgh, and make it easy for businesses to start and grow in the city; enable delivery of a supply of workspaces which meets the needs of business at every stage of development, from start up, to growth and expansion; and, deliver efficient planning and regulatory services that are easy to engage with for businesses and communities.

MANAGING A GROWING CITY

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.

With this success, however, comes a number of challenges:

- We are a growing city: with over half a million residents, our population has increased by 12% over the past 10 years and is projected to grow by over 60,000 residents by 2041. Such growth places a demand on the city to continue to provide good quality housing and jobs for an expanding population
- There is strong demand for office and hotel developments within the city centre where there are perceived constraints on the availability of space. At the same time, this focus on the city centre has delayed new developments in other areas of the city, leaving some communities behind, while development has often been driven forward without buy-in from local communities
- Tourism is an important and growing contributor to the city economy. The sector provides over 33,000 jobs each year, with visitor numbers growing by 18% over 2010-2015. Alongside these positive trends, in recent years growth of tourism has been associated with negative impacts too, with unmanaged growth perceived as a risk to both quality of life for residents and to the natural environment of the city
- A key challenge for the city is ensuring these pressures are managed and that Edinburgh continues to offer an excellent year round experience for residents and visitors.

In order to address these challenges, this strategy needs to deliver new plans to guide development in the City Centre, and to deliver residential and business growth in strategic zones across the city; to ensure that development is taken forward with and for the benefit of local communities; to deliver new ways to ensure the success our world leading culture and tourism sectors continues to benefit the whole city.

BOX1: BREXIT AND THE EDINBURGH ECONOMY STRATEGY

Edinburgh's last city-wide economy strategy was developed and published in 2011-12 during a period of fundamental uncertainty and change as the city began its return to growth following the global recession and financial crisis of 2008. This new strategy has again been developed during a time of change, this time arising from the UK Government's decision to leave the European Union.

At the time of publication of this strategy the terms of exit remain subject to negotiation between the UK Government and the EU and questions remain over a wide range of possible outcomes including movement of people post Brexit, import, and export tariffs, and customs procedures for business. While recognising this uncertainty, it remains important that this strategy considers the potential economic effects on Edinburgh, positive and negative, arising from this change, and the policy and strategic responses the city should take to maximise opportunities and mitigate risks.

While the precise short and long term economic effects of Brexit on Edinburgh are uncertain, and subject to significant variation depending on the scenario and modelling assumptions followed, analysis suggests that Edinburgh remains well placed to respond to the challenges posed by Brexit. Analysis on the economic impacts of Brexit on UK Cities finds that cities which are most likely to adapt successfully over the long term include those which are characterised by high productivity economies, an innovative business base, strong business networks, and highly skilled workforces. As the narrative in this strategy has highlighted, these are areas in which Edinburgh's economy already performs strongly, with productivity rates well above the UK average, a rapidly growing technology innovation sector, and over 50% of all employed residents working in high skilled occupations.

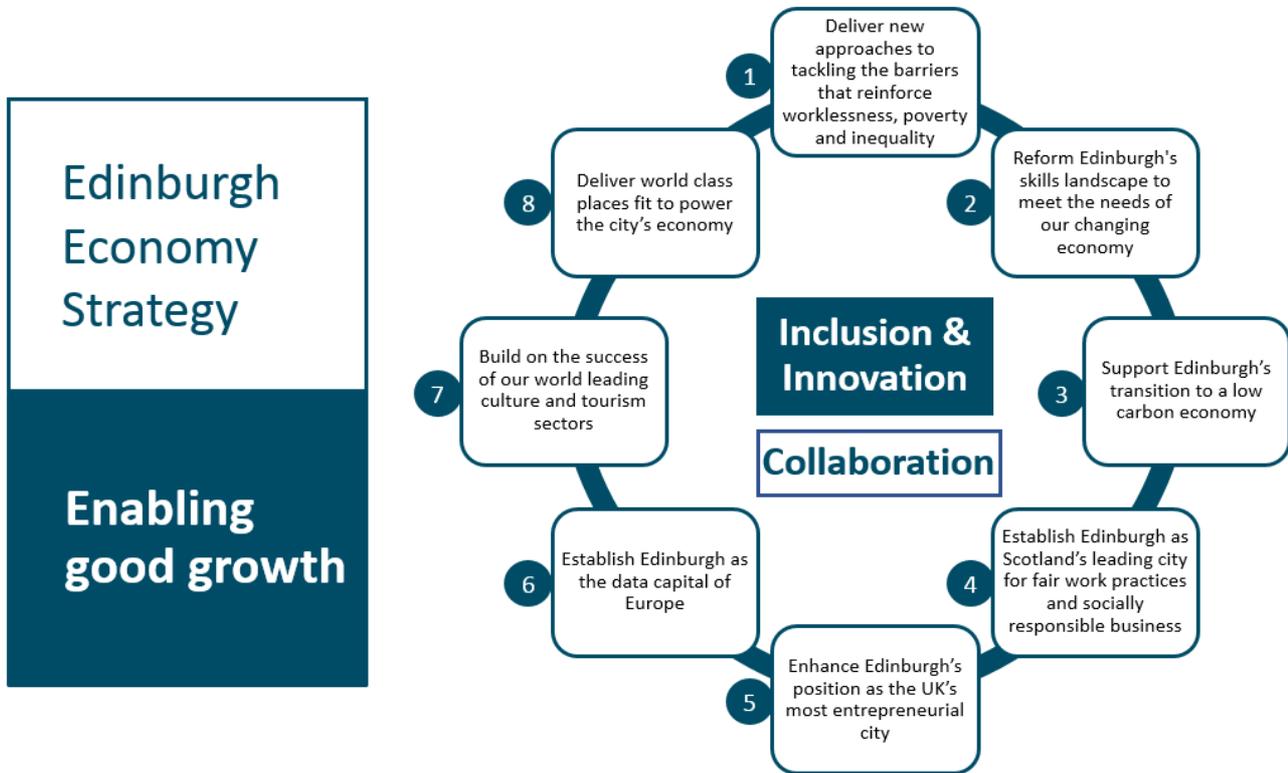
Building on these assets, this strategy aims to maintain the fundamental strengths Edinburgh will need in order to remain a resilient, adaptable city capable of responding to the challenges and opportunities emerging from a post Brexit economy. Key actions which will support this resilience include the strategy's:

- Focus on Innovation– including investment in data driven innovation, actions to support growth businesses, and commitments to maintain Edinburgh as an outward looking International city with a resilient and diverse economy
- Focus on Skills – including investment to develop targeted skills gateways to improve the supply of skills for key technology and innovation sectors, investment in skills and progression pipelines to improve access and progression opportunities, commitment to closer working with business to promote career and learning opportunities in emerging skills sectors, and commitment to maintaining Edinburgh's international connections and reputation as a city open to attracting new talent.
- Focus on Places – Most importantly, the strategy recognises the critical role that Edinburgh's infrastructure, built and natural environments play in maintaining the quality of life that attracts people, business, and investment to the city. As such, actions included in this strategy to invest in infrastructure and manage the growth of the city are key to building a resilient and adaptable economy.

Overall, the vision of good growth this strategy is built around is consistent with the set of actions needed to respond to the potential economic impacts arising for the city from Brexit. To maintain the strategy's focus and relevance throughout this period of change, annual review of the strategy will be critical - alongside strong partnerships between the Council, its partners, and businesses - to ensure that specific new response programmes can developed where required as the terms and impacts of exit become clear.

4. EIGHT STEPS FOR GOOD GROWTH

To meet our vision, and address the challenges the city faces, this strategy sets out eight key steps Edinburgh needs to take over the next five years and beyond. These are the actions we will focus our efforts around, ensuring each action provides a clear impact on our priorities for **inclusion** and **innovation**. 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 eight steps together, as part of single, integrated programme of work will we be able to meet our vision for Edinburgh's economy.



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

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

To effectively tackle the challenge of poverty in Edinburgh the city needs to take a new, person centred approach that aims to intervene before problems become entrenched, and which increases the impact of our interventions. 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. It means taking action now, but also committing to research new and radical ways to prevent and reduce poverty in the city.

Key Actions:

- Deliver targeted support to reduce living costs for people on low incomes:** We will take action to help reduce the cost of living for our most vulnerable residents. The implementation of our City Housing Strategy and Pupil Equity Framework provide good examples of range and impact of action that can be taken in this area. These include action to reduce energy costs, to reduce the cost of attending school, and to access financial support. 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 families, restricting their ability to take up and sustain work. We will work with partners in the private, public and third sectors to improve the availability, flexibility, 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, delivered as part of the Edinburgh and South East Scotland City Region Deal, will provide 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 small areas of intense need, the service will identify the underlying causes of worklessness and increase the impact of local employability services.
- Launch an Edinburgh Poverty Commission:** The challenge of poverty in Edinburgh is well recognized and already embedded in the delivery plans of many partner agencies. More work is required, however, to better integrate, and maximise the impact of these interventions. We will work with partners to launch a new poverty commission in Edinburgh. This commission will build on experience in other UK cities to engage with those with lived experience of poverty and deliver new actions to address the deep seated, multigenerational, poverty, and inequalities in evidence in Edinburgh.
- Research the feasibility of a Citizens Basic Income pilot in Edinburgh:** 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 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. During 2018 we will work with other pilot authorities and the Scottish Government to explore the advantages, disadvantages, and costs of a Citizen's Basic Income scheme in Scotland.

Inclusion	Innovation	Collaboration
These actions will seek to reduce poverty and income inequality in Edinburgh.	These actions incorporate new ways of working, integration of services, and radical reform of welfare systems.	Key partners include – City of Edinburgh Council, Edinburgh Partnership, ESES City Region Deal Partners

REFORM EDINBURGH'S 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.

Key actions:

- Launch a new regional employability and skills programme** – This new programme, delivered as a £25m investment as part of the Edinburgh and South East Scotland City Region Deal, will seek to move employability and skills services from an ‘access to work’ model towards an approach focused on developing career progression opportunities. The programme will strengthen regional delivery to achieve better outcomes for all the region, particularly those facing significant disadvantages to securing and sustaining meaningful, high quality employment. This collaboration will also help to mitigate or reduce skills shortages and gaps, and deliver improvements that boost the flow of individuals from disadvantaged groups into the good career opportunities generated by wider City Region Deal investments.
- Deliver new knowledge systems to improve service alignment and labour market intelligence** – New digital systems shared amongst partner agencies will improve the integration of services, 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.
- Launch an integrated employer offer** – This programme 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 deepen the active participation of employers in the development of the region’s current and future workforce, with the aim of increasing the flow of disadvantaged groups into good employment and minimising the skills shortages and gaps in key sector that could impact on inclusive growth.
- 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 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.
- Deliver targeted skills gateways for key sectors:** This programme will equip citizens with the skills and aptitudes needed to succeed in key sectors such as house building, construction, and low carbon industries. The programme will seek to improve access to jobs in key sectors for priority client groups, while helping industry source the talent they need to grow and flourish.

Inclusion	Innovation	Collaboration
These actions will improve labour market participation, and career progression, particularly for citizens in disadvantaged groups or areas.	These actions incorporate new ways of working, integration of services, and new digital systems to make best use of data for service delivery.	Key partners include – City of Edinburgh Council, Skills Development Scotland, Capital City Partnership, Regional local authorities, Universities, and Colleges.

SUPPORT EDINBURGH'S TRANSITION TO A LOW CARBON ECONOMY

To meet our goal of 'good growth', we need to ensure that the economic growth of Edinburgh is clean, goes hand in hand with the protection of our natural environment and the meeting of our carbon reduction goals. A key priority for this strategy is to enable Edinburgh's economy to transition to more environmentally sustainable, resource efficient ways of working and to benefit from the opportunities offered by the low carbon, and circular economy. In meeting this aim, the strategy is designed to build on and enhance other city wide policies and strategies. Among these, Edinburgh's Sustainable Energy Action Plan contains a range of projects and actions designed to reduce Edinburgh's CO2 emissions by 42% in 2020, compared against a base year of 2005. The plan includes actions to increase energy efficiency of buildings, increase the use of heat networks across the city, increase the use of renewable sources for power and heat, encourage more sustainable use of resources and waste by businesses and consumers, and support more sustainable transport in Edinburgh.

Key actions:

- **Deliver tailored energy advice for households and businesses:** Working with national agencies and other partners we will provide advice for households and businesses to improve resource efficiency, reduce energy costs, and develop more proactive approaches to develop environmentally sustainable business practices.
- **Developing low carbon supply chains.** Planned investments across the city region in housing and development provide an opportunity for construction and refurbishment in low carbon design. We will develop new programmes for improving energy efficiency and sustainable energy solutions across housing and business, leveraging in investment from public and private sectors where appropriate. This will support the development of new supply chains and local markets in energy efficiency and district heating.
- **Delivering the low carbon workforce.** According to some analysis, the low carbon economy is projected to grow at some 11% per annum over the next ten years. A key step in Edinburgh's transition to a low carbon economy will be the development of a workforce are equipped with the necessary skills and knowledge the sector requires. Working with national agencies and local education providers, we will identify gaps and build new programmes to help citizens access the opportunities the industry creates.
- **Promote the business opportunities arising from the circular economy:** We will 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.
- **Deliver a new Sustainable Edinburgh strategy:** Edinburgh's core sustainability strategies and policies provide a programme of work and focus for the period to 2020. Over the next few years we will work with partners to refresh and deliver a new sustainability strategy for the city, setting a forward looking agenda for partnership work over the coming decade.

Inclusion	Innovation	Collaboration
These actions will reduce energy costs for households, and ensure Edinburgh's economy is built within the context of a healthy environment.	These actions incorporate new ways of working, integration of services, and new digital systems to make best use of data for service delivery.	Key partners include – City of Edinburgh Council, Edinburgh Sustainable Development Partnership, Universities and Colleges, National Agencies

ESTABLISH EDINBURGH AS SCOTLAND’S LEADING CITY FOR FAIR WORK PRACTICES AND SOCIALLY RESPONSIBLE BUSINESS

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. Most importantly, however, we need to emphasise that fair work, and socially responsible business is not the sole preserve of one sector and to encourage fair work and socially responsible practices to become the norm across all sectors and all types of business in Edinburgh.

Key actions:

- Co-produce a new Social Enterprise Strategy for Edinburgh** - We will work with Edinburgh Social Enterprise and other sector leaders to co-produce 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. Alongside this strategy, we will work with entrepreneurs across Edinburgh— including large corporate bodies and SMEs, as well as third sector organisations, and social enterprises – to help maximise the impacts they can have in helping to create a more inclusive economy across the city.
- Promote a ‘fair work’ environment for Edinburgh** – Building on work carried out to promote fair work conditions among Edinburgh’s festival workers, a key priority for this strategy is to address the challenge of unfair and exploitative work practices. Towards this, we will engage with trade unions and businesses across all sectors to promote a responsible and credible fair work environment for businesses and workers in Edinburgh. This work will seek to build on the recommendations of the Fair Work Convention to ensure that jobs in Edinburgh provide effective voice, opportunity, security, fulfilment, and respect for workers in a way that benefits individuals, as well as improving productivity and performance for businesses.
- Deliver public sector leadership in fair work and 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 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), and promoting Living Wage Foundation sign up.
- Maximise the community benefit of City Region Deal procurement:** The City Region Deal alone incorporates a total of £1bn worth of construction spend is planned across the Edinburgh and South East Scotland Region. Through an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to ensure fair work, and socially responsible business practices aligned to the principles laid out in the Scottish Government’s Business Pledge. Throughout this process, we will work with partners to find innovative ways to embed low carbon design throughout City Region Deal construction activity.

Inclusion	Innovation	Collaboration
These actions will improve fair work opportunities for Edinburgh citizens, and increased adoption of socially responsible business practices.	These actions incorporate new ways of working with partners and businesses towards good growth objectives.	Key partners include – City of Edinburgh Council, Edinburgh Social Enterprise, Edinburgh Business Forum, Edinburgh Chamber of Commerce, Business in the Community, City Region Deal Partners

ENHANCE EDINBURGH’S POSITION AS THE UK’S MOST ENTREPRENEURIAL CITY

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. Our Edinburgh and Lothian Business Gateway service supports over 2,300 start up, and over 1,400 growing businesses every year.

Key actions:

- Make it easier to do business in Edinburgh:** We want every company trading in Edinburgh to find it easy to do business in the city. This means supporting small and start-up businesses through our Business Gateway service. It also means continuing to improve the performance of planning and regulatory services in Edinburgh. We are committed to working with partners to ensure that Edinburgh’s business support ecosystem encompasses high quality, and responsive regulatory services.
- Inspire entrepreneurship in all our communities:** Working with third and private sector partners, we will deliver new programmes to support citizens in our most deprived communities to develop their ideas and take the first steps into business. We will work with local teams in all areas of the city to ensure that our Business Gateway service is fully embedded in local service offerings, and pilot new projects to close the entrepreneurship gender gap and encourage women in Edinburgh to consider self-employment.
- Launch new approaches to identify and support businesses with the potential to scale-up:** We will ensure that those firms, large and small, which have the ambition and ability to innovate and grow will receive coordinated, seamless support via multi-agency teams. By improving the integration of business support and skills programmes provided by across all agencies, this support will aim to embed an internationally ambitious growth mentality, encouraging the creation of new jobs for citizens from all our communities.
- Deliver workspaces to meet the needs of the future economy.** We will work with partners and private sector developers and make use of strategic investment funds to unlock appropriate sites for new workspaces across Edinburgh. This work will aim to ensure that a supply of affordable, flexible work space of varying sizes is available to support new, and growing businesses and sectors across the city.
- Harness Edinburgh’s opportunities as an international, outward looking city:** We will build on strong collaborations with partners (including Universities, Scottish Development International, and others) to attract overseas businesses to set up, invest and grow in the city. This work will promote Edinburgh as a global meeting place for the flow of knowledge and new ideas, and as an outward looking, capital city, open to business and open to attracting new talent.
- Support local businesses by making our procurement processes streamlined and accessible:** The majority of all current City of Edinburgh Council contracted suppliers are SMEs based in Edinburgh. Over the life of this strategy we will continue to work with businesses and business representative organisations to ensure that we as high a share as possible of our procurement spend is retained within local businesses.

Inclusion	Innovation	Collaboration
These actions will support and sustain local businesses in Edinburgh, including support for business start-ups in deprived areas of the city.	These actions incorporate new ways of working with partners towards good growth objectives, and encourage the growth of new, innovative businesses	Key partners include – City of Edinburgh Council, Scottish Enterprise, Edinburgh Business Forum, Edinburgh Social Enterprise, Chamber of Commerce, FSB.

ESTABLISH EDINBURGH AS THE DATA CAPITAL OF EUROPE

One of the major aims of the Edinburgh and South East Scotland City Region Deal, is to establish the city region as the data capital of Europe. Led by University of Edinburgh and Heriot Watt University, the data driven innovation (DDI) programme aims to build on the city region’s substantial current strengths and opportunities for growth within the digital economy. Fundamental to achieving this is programme’s commitment to support the principles of collaboration and exchange, actively supporting joint working between researchers, business, and the public sector.

Alongside other City Region Deal investments, the DDI programme includes a substantial element of construction activity in the short term. Within the procurement of this activity, community benefit clauses will be used to drive inclusive employment practices and maximise accessibility of the job opportunities created. Over the longer term, the programme will support the good growth ambitions of the city by widening access to the skills and employment opportunities created within the data economy, and by using data assets to drive social benefit across the region.

Key actions:

- Deliver the Data Driven Innovation Programme:** 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 among a number of new developments across the city region, investing in spaces and data infrastructure to encourage talent, research, and entrepreneurship. These developments will link the key sectors of our economy together to help attract new inward investment, fuel new businesses, and create new jobs in the city. Critically, the programme will drive good growth in Edinburgh, drawing on data assets to address some of our city’s most significant social challenges.
- Deliver a targeted skills gateway programme for Data Driven Innovation:** This 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. The programme will seek to equip citizens with the skills and aptitudes necessary to succeed in the opportunities that will emerge from developments in Data Driven Innovation, while helping industry source the talent they need to grow and flourish. Encompassing foundation skills in schools through to the advanced postgraduate training and research needed to drive high value growth, this programme aims to ensure all our citizens get maximum benefit (in terms of jobs, wages, and wellbeing) from the growth of this emerging sector.
- Launch a new City Innovation Strategy:** 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, City of Edinburgh Council, as well as other 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.

Inclusion	Innovation	Collaboration
These actions will improve access to skills and job opportunities in construction, and in the data economy, and use data assets to address social challenges across the city region.	These actions incorporate new ways of working with partners towards good growth objectives, and encourage the growth of new, innovative businesses.	Key partners include – University of Edinburgh, Heriot Watt University, City of Edinburgh Council, Edinburgh Schools and colleges, ESES City Region Deal Partners, EBF.

BUILD ON THE SUCCESS OF 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 places 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.

Key actions:

- Deliver new and improved cultural spaces in Edinburgh:** As part of the City Region Deal programme, 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 represents a £25m investment from the City Region Deal and will provide a 1,000-seat auditorium and studio facilities, 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. In addition to this major programme, we will also work with partners such as the Scottish Rugby Union to develop Murrayfield as one of Scotland’s finest sporting and entertainment complexes, and 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.
- Deliver the PLACE programme to sustain Edinburgh’s status as the world’s leading festival city:** Launched in recognition of the need to invest in a positive legacy following the festivals’ 70th anniversary year in 2017, the Platforms for Creative Excellence (PLACE) programme is an initiative developed by the Edinburgh Festivals, the City of Edinburgh Council and Scottish Government. The programme represents a £15m investment over five years to sustain and enhance the benefits the festivals bring to Edinburgh and Scotland. This investment programme will enable the festivals to diversify their year-round partnerships, drive creative innovation and increase skills development activity for young people, build new relationships with less engaged communities, and increase levels of collaboration across all areas of the city.
- Deliver a new strategy to enhance the success of tourism in Edinburgh:** We will work with Edinburgh’s tourism sector – through the Edinburgh Tourism Action Group (ETAG) – 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; 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.

Inclusion	Innovation	Collaboration
These actions will enhance the benefits for communities of Edinburgh’s culture and tourism sectors, and improve access to fair, good quality jobs.	These actions will encourage the use of innovative approaches and digital technologies in our culture and tourism sectors.	Key partners include – Festivals Edinburgh, City of Edinburgh Council, Scottish Government, ETAG, ESES City Region Deal Partners

DELIVER WORLD CLASS PLACES FIT TO POWER GOOD GROWTH IN EDINBURGH

The physical environment in which citizens live and work affects both the opportunities that people have and their quality of life. In order to manage the pressures of growth and meet the sustainable development needs of the city, our spatial development plans will manage investment across in four key zones across Edinburgh – The City Centre, Waterfront, West Edinburgh, and South-East Edinburgh.

Key actions:

- Deliver a new vision for the City Centre:** A vibrant City Centre is essential to the meeting of our ambitions for Edinburgh’s economy and a critical location for many of the strategic developments outlined in this document. Delivery of a new Central Edinburgh Transformation Project will improve the public realm in the city centre and improve conditions, and access for pedestrians, cyclists, and public transport users.
- Deliver a pipeline of City Centre office development along strategic corridors:** Where demand for office development is high in the city centre, we will ensure that the right balance is found between realising the area’s economic potential, and enhancing it as an attractive place to live. A key part of this approach will involve working with developers and partners to expand the footprint of the city centre along strategic corridors such as Haymarket and Fountainbridge.
- Deliver business and residential growth in Waterfront, West Edinburgh, and South East 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 developments. We will work with Edinburgh Airport and Heriot Watt University, to ensure that **West Edinburgh** reaches its potential as a vibrant new city quarter delivering a new suburban district supported by high quality amenities. In **South East Edinburgh** we will support Edinburgh BioQuarter and continue the regeneration of Craigmillar.
- Link local people to the opportunities created by development:** Across all our development activity, we will create multidisciplinary area regeneration teams to ensure employment and enterprise support is available to help citizens and businesses in deprived communities benefit the opportunities created in their area.
- 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.
- Deliver a modern and efficient transport network:** We will work with Transport for Edinburgh and other partners to 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 update Edinburgh’s Local Transport Strategy to address the connectivity challenges associated with population growth, and social and demographic changes across the city region.

Inclusion	Innovation	Collaboration
These actions will provide affordable housing and transport for citizens, and help local people access jobs created by developments in their area.	These actions will encourage the office and workspaces needed to support the city’s growing business and technology sectors.	Key partners include – Developers, ESES City Region Deal Partners, Construction industry partners, Transport for Edinburgh and other transport partners

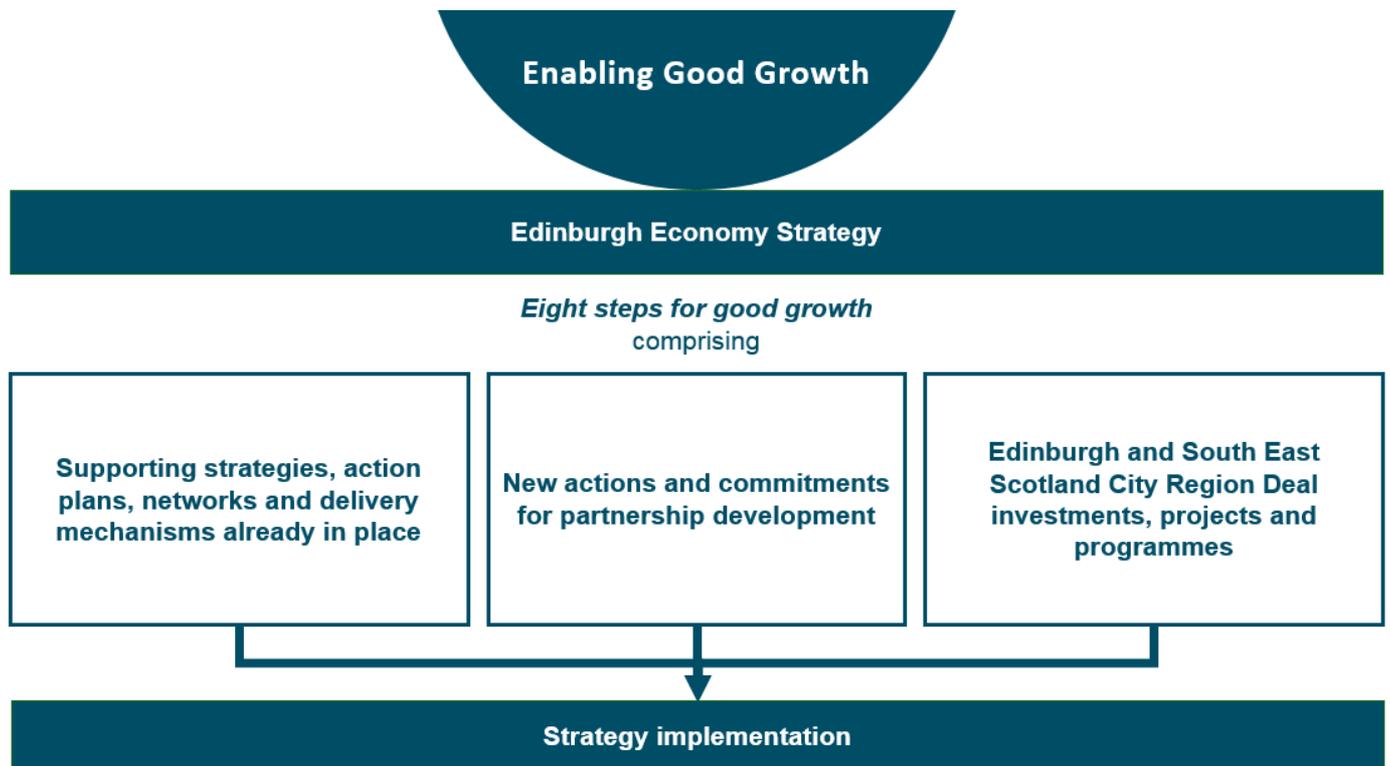
5. PARTNERSHIPS AND COLLABORATIONS FOR GOOD GROWTH

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 eight 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**
- **National and international partnerships**

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 eight steps outlined in this strategy, and the specific contribution of each partner to their delivery. This plan will highlight those areas where new partnership commitments are required to meet the ambitions of the strategy. The approach to collaboration and partnership working set out in this section will be critical to ensuring these actions can be delivered.



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 eight 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 consider how the Council, enterprise agencies and other partners can best engage and work in real collaboration with the private sector. 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 eight steps the strategy lays out. To take forward this collaboration, we will consult on the relaunch of the Edinburgh Business Forum. This approach will bring together public agencies such as the Council and Scottish Enterprise with senior business leaders in the city, and our Universities and Colleges, and the existing sector led business networks in operation across the city.

THE EDINBURGH PARTNERSHIP

The Edinburgh Partnership is the community planning partnership for the City of Edinburgh. The partnership brings 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 third sector, voluntary groups to address the major social, economic, and environmental issues that face our city.

Within this context, endorsement of this strategy by the Edinburgh Partnership Board is critical to the delivery of good growth 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.

PARTNERSHIP ACROSS THE REGION

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.

In line with the Heads of Terms agreed in July 2017, partnership and collaboration arrangements in development for the programme incorporate a joint committee comprising leaders from all six local authorities a university/college sector representative, a business sector representative and a third sector representative. Alongside this body, other

vehicles for regional collaboration are being developed to ensure effective cross region engagement with Scottish Enterprise, Skills Development Scotland and incorporate senior business and industry leadership in the implementation of the projects and programmes which form the City Region Deal.



NATIONAL AND INTERNATIONAL PARTNERSHIPS

The eight 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, the UK, and overseas, seeking to learn from their experiences and successes in facing many of the same issues and opportunities described in this strategy. Throughout these partnerships we will seek to harness the city’s strategic international connections to support the Edinburgh’s good growth priorities and enhance the city’s international reputation.

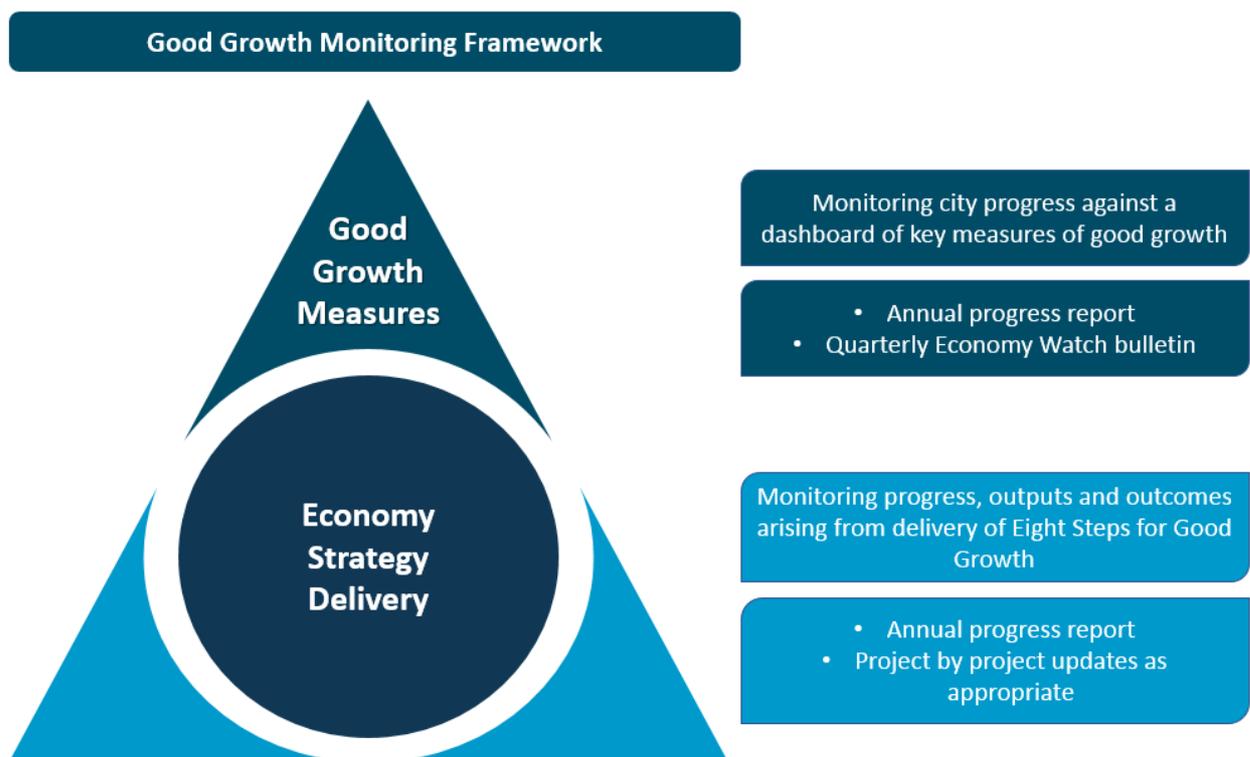
ANNEX 1 : GOOD GROWTH MONITORING FRAMEWORK

MONITORING PROGRESS

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

- Progress towards delivery of specific actions outlined in this strategy, including analysis of outputs and outcomes arising, and
- Progress of the city against a toolkit of key indicators chosen to track progress towards good growth.

This annual progress report will be supported by reports and updates to committee and partners on a project by project basis, where appropriate, and by a quarterly Economy Watch bulletin, providing updates on key statistics relating to the city's economic performance.



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 aims and priorities outlined in the strategy vision and actions
- Provide good quality data published on a regular basis
- Provide a basket of 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 13 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.

Headline baseline data for each indicator is provided in the framework below, along with indicative targets for each measure. Targets have been set using different approaches for each measure, including projection of recent trends, analysis against forecasts produced by external agencies, and benchmarking against high performing comparator cities. Analysis of progress against these targets will provide a useful measure of areas in which the city is progressing well against its good growth ambitions, and areas in which the city faces continuing challenge.

Annual reporting of progress against these measures is aligned to the performance framework developed to monitor implementation of council coalition commitments included in the Programme for the Capital: City of Edinburgh Council Business Plan. As such, annual reporting of progress against delivery of actions outlined in this strategy will incorporate all relevant measures monitored through the Programme for the Capital implementation framework.

Measure	What does this tell us?	Indicator	Baseline Data	Direction of travel	Suggested target by 2023
Jobs	Is Edinburgh's economy continuing to create new jobs?	Employees in employment	255,900 (2017)	Increase	269,000 (2022)
Poverty	Is the success of the Edinburgh economy leading to a reduction in poverty rates?	% of children living in a low-income household	22% (2015)	Decrease	18% (2020)
Poverty gap	Is the spatial inequality gap in poverty between city wards closing over time?	Spatial gap in poverty rates (% point difference between best and worst ward)	25% (2015)	Decrease	18% (2020)
Earnings	Are wages for the average worker rising in real terms?	Median gross weekly earnings	£623 (2017)	Increase	£710 (2022)
Earnings gap	Is the gender earnings gap in Edinburgh closing?	Gender gap in median earnings (% difference male to female hourly pay)	9.5% (2017)	Decrease	5.0% (2022)
Participation	Is Edinburgh maintaining high levels of labour market participation?	Economically active residents as a % of all residents aged 16-64	76.6% (2017)	Increase	78.0% (2022)
Participation gap	Is the success of the Edinburgh economy leading to a closing of participation gaps?	Gender gap in participation rates (% point difference male to female)	5.0% (2015-17)	Decrease	3.8% (2020-22)
Skills	Is Edinburgh maintaining its position as a high skilled economy?	% of workers in managerial, professional, and technical/scientific occupations	56% (2017)	Maintain	56% (2022)
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	2.50 (2017)	Decrease	2.10 (2022)
Productivity	Is Edinburgh maintaining its position as a high productivity economy?	Gross Value Added per capita	£38,396 (2016)	Increase	£41,000 (2021)
Job security	Does the success of the Edinburgh economy result in an improvement in citizen's financial wellbeing?	% of residents who feel confident about their job prospects	63% (2014-16 average)	Increase	70% (2019-21 average)
Financial wellbeing	Does the success of the Edinburgh economy result in an improvement in citizen's financial wellbeing?	% of residents who say their financial position has improved in the past 12 months	20% (2014-16 average)	Maintain	20% (2019-21 average)
Carbon Emissions	Aim is for Edinburgh to transform its energy use by reducing demand, and more efficient transmission and use.	% reduction in carbon emissions from 2005 levels	26% (2014)	Decrease	42% (2019)

