



The Tay Cities Deal

Working towards a Smarter and Fairer
Angus, Dundee, Perth & Kinross and North East Fife



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We want the **Tay Cities area**
to be one of the
most productive
knowledge-led
economies in Europe

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Introduction

The area of East Central Scotland covered by Angus, Dundee, Fife and Perth & Kinross councils already has a long and positive track record of collaboration and economic growth. Across the councils high quality services are provided which support and encourage trade and industry of all types to become established and to thrive.



Collaboration with other public bodies, businesses and the voluntary sector is a feature of our area and this Regional Economic Strategy reflects and advances our shared aspirations.

We want the Tay Cities area to be one of the most productive knowledge-led economies in Europe, whilst ensuring that as we become smarter we also become a Fair Work region.

To do this we will work to:

- grow our base of knowledge-led businesses
- support more businesses to trade internationally
- attract investment
- attract and retain talented people
- improve connectivity to, from and around the region
- increase economic participation
- reduce inequalities

By placing inclusive growth at the heart of our economic strategy and the Tay Cities Deal we want to create and take advantage of this once in a generation opportunity to make a lasting difference to our communities and to the businesses that support them.

The backing of the Scottish and UK governments is essential to making the vision a reality, not only through the funding and devolution of powers and responsibilities that the Tay Cities Deal can provide, but also by working in partnership with us over the long term.

Councillor Iain Gaul, leader Angus Council

Councillor Ken Guild, leader Dundee City Council

Councillor David Ross, leader Fife Council

Councillor Ian Miller, leader Perth & Kinross Council

Ellis Watson, chair Tay Cities Regional Business Forum

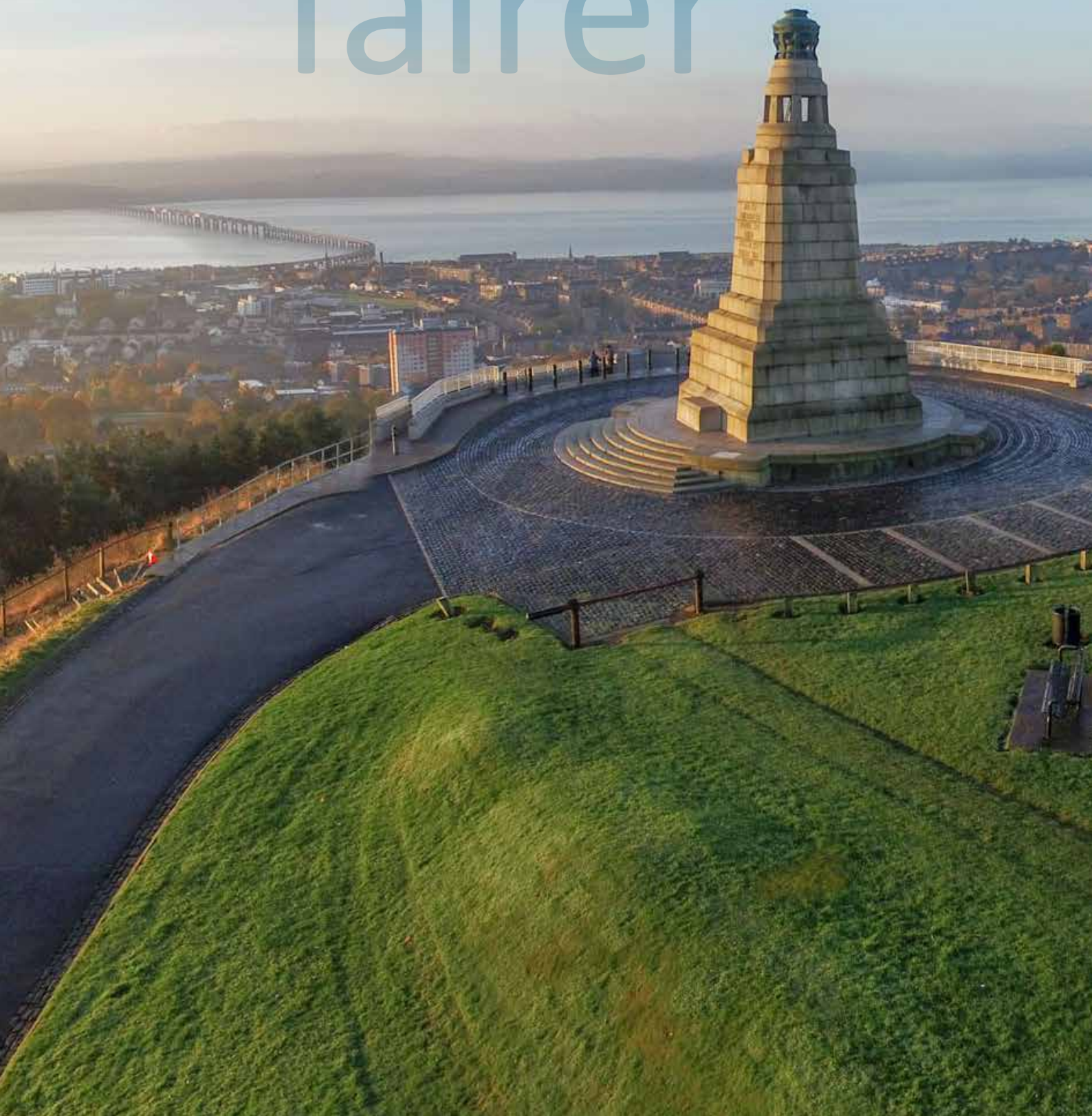
Professor Sir Pete Downes, chair Tay Cities Regional Higher & Further Education Forum

Executive Summary

The Tay Cities Deal



as we become
smarter
we also become
fairer



The Tay Cities Deal

Executive Summary

The Tay Cities Economic Region has the potential to be one of the most productive knowledge-led economies in Europe. The Tay Cities Deal will realise this vision, ensuring that as we become smarter we also become fairer by creating equality of opportunity for all.

The deal is a once in a generation opportunity to deliver transformational change for the people, businesses and future economic prosperity of Angus, Dundee, Perth & Kinross and North East Fife. The actions and investments set out within the deal proposals have been developed through collaboration by the partners to capitalise upon the region's established strengths and address its areas of weakness. They marry aspiration with pragmatism and are founded upon the partners' solid principles of sharing goals and resources to achieve better overall outcomes for the region.

The successful funding and implementation of the deal's 10-year programme will ensure that the region fulfils its potential for the people who live and work here, enable our businesses to grow, attract inward investment, broaden and strengthen our economy, and deliver improved and measurable outputs at regional, Scottish and UK levels.

The direct beneficiaries of the deal will be the 500,000 residents of the region and the 15,500 businesses based within it. Its success will, however, produce exponential and long term benefits by raising productivity levels, closing the jobs gap, fully realising sectoral strengths and opportunities, and addressing inequality of opportunity in employment across generations.

Put simply, by focusing on inclusive growth and tackling the opportunities and challenges in our region around innovation, internationalisation and connectivity, the deal proposals will generate an additional £900 million of GVA per annum for the Scottish economy by raising our GVA per employee to the Scottish average. The deal would also create **up to 15,000 job opportunities over 10 years**, significantly enhancing the employment landscape in the region.

The total cost of the investment within the deal proposal is **£1.83 billion**, of which £763 million (42%) over 10 years, is sought from the Scottish and UK governments and their agencies. The balance would be met by the deal partners in the four local authorities, the private sector, universities, colleges, other public sector partners and the voluntary sector.

The Tay Cities Economic Region possesses considerable assets and strengths and has an agreed and shared vision for its future in the Regional Economic Strategy. The Tay Cities Deal is the mechanism by which economic transformation can be catalysed and delivered through a robust programme of planning, action and evaluation. By building on strong foundations, addressing inequalities and forging even stronger partnerships the deal can deliver a more prosperous and fairer future for the region, its communities, people and businesses with long term benefits for Scotland and the UK.

500,000

residents of the
region will benefit

15,000

job opportunities
over 10 years

£1.83b

total cost of investment
within the deal

Part 1

The Tay Cities Regional Economic Strategy

2017 - 2037



500,000
people

15,500
businesses



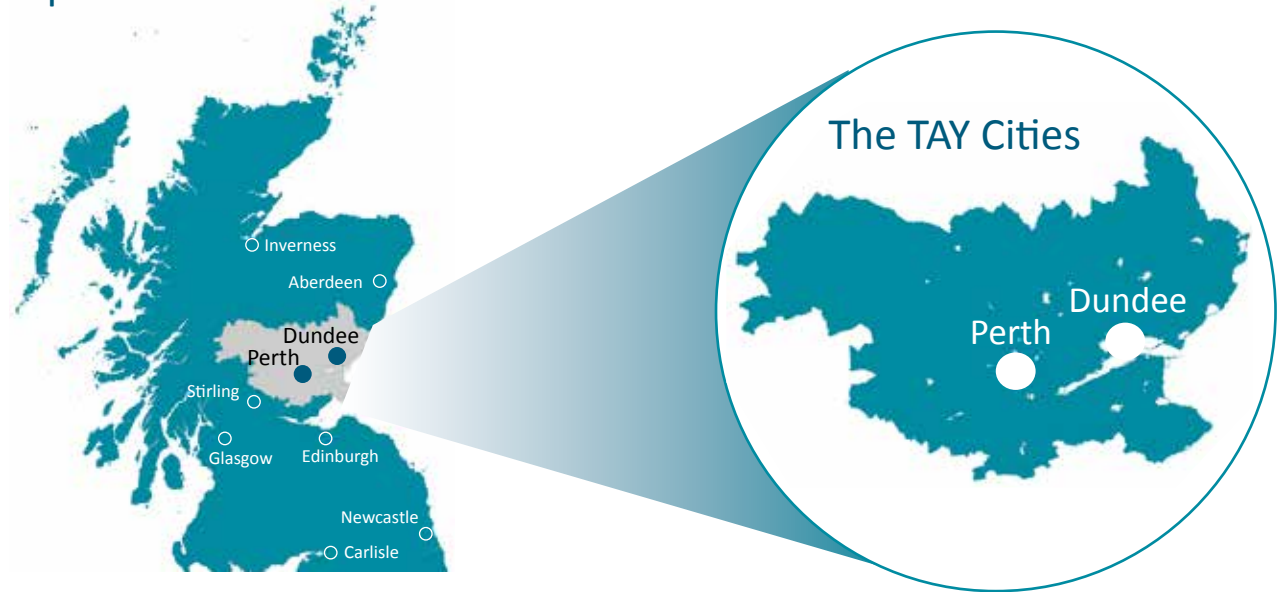
The Tay Cities Economic Region

A Dynamic Place

Our region comprises the local authority areas of Angus, Dundee City, Perth & Kinross and the North East Fife Area of Fife – home to almost 500,000 people and 15,500 businesses. Our two cities - Dundee and Perth - are just over 20 miles apart. They have a combined population of more than 200,000 and between them generate around 70% of the region's economic output. Just over 80% of those in work, work within the region.



A place at the heart of Scotland



78% of people live in 22 settlements

50% live in Dundee and Perth

4 A partnership of 4 councils



+ 32,000

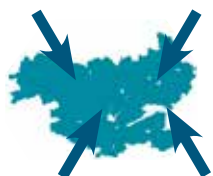
2017

2039

Projected population growth



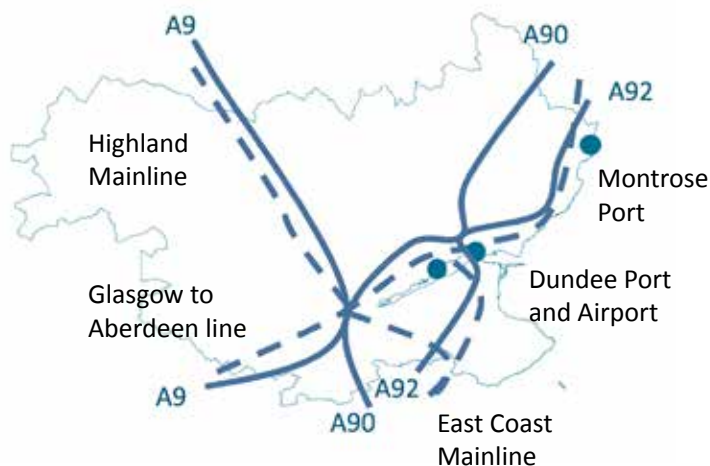
Population growth projected in all 4 council areas



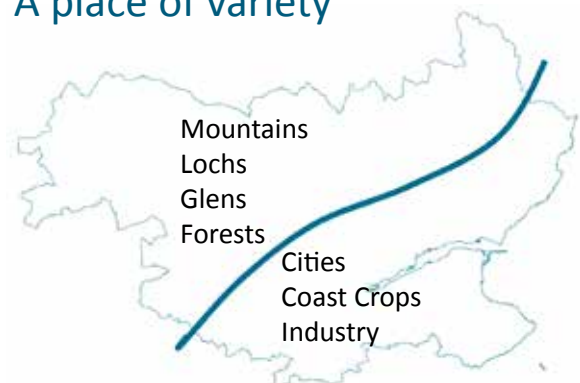
Migration from outside the areas is the key driver

Highest population growth projected in Perth & Kinross

An accessible place



A place of variety



- Stunning and iconic scenery
- UK's largest river catchment (the Tay)
- Quality agricultural land and growing climate
- Inter-connected towns and cities

A place of culture with a strong identity

- Home of media and gaming icons such as the Beano, Dandy and Lemmings
- Historic, literary and royal connections including; Glamis, Killiecrankie, Scone and Arbroath Abbey
- Host to internationally famous golf courses at St Andrews, Gleneagles and Carnoustie
- Iconic food such as Aberdeen Angus Beef, Arbroath Smokie, Forfar Bridie, game meats, soft fruits, jams and marmalades, whiskies, gins and brewing
- Salmon fishing rivers
- Big tree country
- The opening of the V&A Museum of Design in Dundee in 2018
- Home of the JD Fergusson art collection in Perth

A place of business and progress

- Over 15,500 businesses
 - most businesses employ <50
 - small number of large employers
- Home to the headquarters or major operations of:
Aviva (finance), SSE (energy), Alliance Trust (finance), NHS Scotland (health), British Army, Royal Marines (military), Stagecoach (transport), Michelin (tyres), Diageo (drinks), Quaker Oats (food), GSK (pharmaceuticals), NCR (IT), DC Thomson (media), Thorntons (law and property), 4 Local Authorities (public administration), 3 colleges and 4 Universities (education and training).

A place of learning and innovation

- Home to four world class universities with a strong research and innovation base:
 - Abertay University
 - University of Dundee (incl. Ninewells and Perth Royal Infirmary Teaching Hospitals)
 - University of the Highlands and Islands (Perth Campus)
 - University of St Andrews
- Home to the James Hutton Institute (agriculture and food production innovation)
- A strong record of vocational learning at Dundee & Angus College, Perth College UHI and Fife College.

no one who is able
to participate
is left behind



Our Ambition

Our ambition is for the Tay Cities economic region to have one of the most productive knowledge-led economies in Europe, ensuring that in becoming smarter, the region also becomes fairer. At the core of this strategy is a will to ensure that everyone who lives in our region benefits - and that no one who is able to participate is left behind. To fulfil this vision we will ensure that our economic strategy is focused on supporting inclusive growth.



By focusing on **inclusive** growth and tackling the challenges our region faces around **innovation**, **internationalisation** and **connectivity**, we are determined to achieve the following:

1. Raise productivity to the Scottish average or above

Across our region, Gross Value Add (GVA) **per employee** is almost £5,700 lower than the Scottish average (£37,400 compared with £43,100). This equates to a 13% gap. To increase our GVA **per employee** to the current Scottish average would generate an additional £900 million of GVA per annum for the Scottish economy. This can be achieved over the next 20 years by significant investment in:

- skills
- research commercialisation
- growth sectors
- business internationalisation
- infrastructure

2. Close the jobs gap

We have fewer people of working age in employment than across Scotland as a whole. In fact our employment rate is around 1.5 percentage points lower.¹ To close this gap we need to encourage at least 4,700 people of working age into employment by providing more jobs. This is our target over the next 10 years. We will achieve this by:

- Encouraging more people of working age to move into paid employment
- Securing more jobs-focussed inward investment
- Encouraging SME growth
- Upskilling our workforce to take advantage of new employment opportunities
- Upskilling and reskilling our workforce to fill existing and projected vacancies across the public and private sectors

3. Reduce unemployment

The average unemployment rate across the economic region is currently 6.6% compared with the Scottish average of 5.5%. To reduce our unemployment rate by 1.1 percentage points, some 2,600 people who are currently unemployed will be helped back into work through implementing the actions set out in this strategy over the next 10 years. To make a lasting difference we need to prevent people from becoming long-term unemployed (not working for 6 months or more) and target our interventions in those communities where individuals and families experience multiple-deprivation.

4. Focus on Sectoral Strengths and Opportunities

Our approach is to focus our activities over the next 20 years around a number of key regional sectoral strengths. These have been selected to reflect sectors which are either:

- already significant in terms of their share of employment and GVA – and with potential for future growth, or are
- sectors in which we have some specific regional expertise and there is a significant opportunity for growth provided we secure additional private and public sector investment in them.

Building on Strong Foundations

Much has already been achieved by the private, public and voluntary sectors working together to deliver economic growth. This economic strategy therefore also seeks to:


- build on the work that Community Planning Partnerships are doing to address stubborn inequalities in specific localities and to provide a strategic context for Local Outcome Improvement Plans
- support the work of our Developing the Young Workforce regional boards
- influence the way Scotland's Enterprise Agencies deliver regionally
- harness the dynamism and experience of our private sector leaders to support our ambition and work in partnership to deliver improved outcomes
- capitalise on and enhance the role our universities and colleges play in supporting economic growth
- provide a regional context and influence the investments individual Councils are delivering across our cities, towns and rural communities
- identify opportunities for regional collaboration that should help deliver stronger economic outcomes
- provide the context and rationale for securing additional funding into the region through the Tay Cities Deal and any other funding mechanisms

Evaluation Framework

To ensure we're moving in the right direction we will develop an evaluation framework to monitor these high level targets and the overall health of the regional economy. In addition, project level monitoring will be established to monitor outcomes of individual projects. Through the use of Balanced Scorecards, monitoring reports will regularly be considered by the Tay Cities Joint Committee and the Regional Business Forum.

To manage the process, a Programme Office will be established.

we now have a
once in a generation
opportunity

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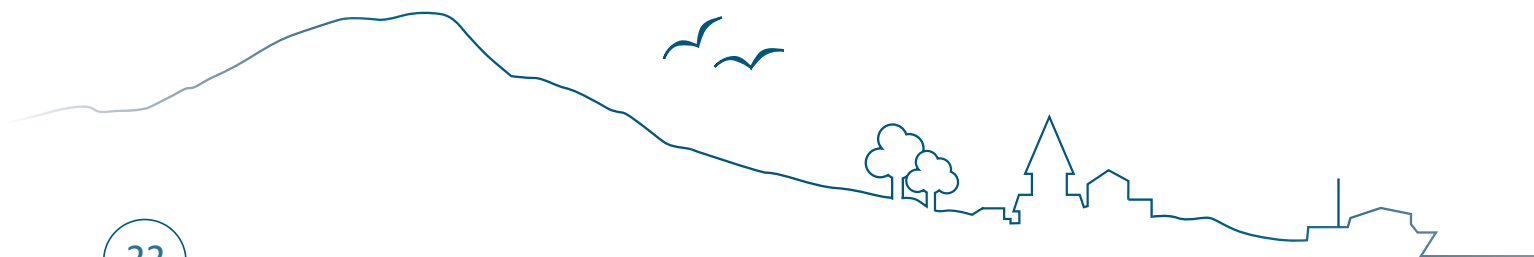
The Opportunities We Have

Our region has a strong heritage and a bright future across a number of key industries and sectors including engineering, food & drink, life sciences, healthcare, tourism, oil & gas, creative industries, digital technologies, energy, financial services and multimedia technologies.



In addition, we now have a once in a generation opportunity to ensure everyone in our region can benefit from some significant opportunities over the coming decade that have the potential to improve our economic position. These include:

- Building on the University of Dundee’s accolade as Scottish University of the Year in both 2016 and 2017 – helping to attract more Scottish, UK and international students, academics and researchers to the region
- The opening of the V&A Museum of Design in 2018 and the impact this will have on the growth of cultural and creative industries, tourism and in changing perceptions of Dundee in particular, but also creating tourism growth throughout Angus, Fife and Perthshire
- Perth’s candidacy for UK City of Culture in 2021, building on the significant progress that has been made to transform Perth into one of Europe’s most dynamic small cities
- Dundee’s candidacy for European Capital of Culture in 2023, the achievement of which would be the culmination of significant endeavour to regenerate the city principally through investment in the Central Waterfront
- Building on the legacy of the Ryder Cup, hosted at Gleneagles in 2014 and capitalising on the recurring visits of The Open to Carnoustie in 2018 and St Andrews in 2020/2021 by securing the long term commitment of these international events to our area through appropriate investment in infrastructure and connectivity
- The University of St Andrews aiming to become the first carbon neutral university in the UK. It intends to establish an Innovation hub for industry commercialisation at the new Eden Campus bringing it back into productive use to support business innovation and growth – contributing to our region’s Eco-Innovation credentials
- The economic growth opportunity of oil and gas decommissioning for Dundee and the wider region, building on our extensive port infrastructure and business base, and our ambition to develop a circular economy approach to this growth sector
- Building on the strengths of the engineering and advanced manufacturing cluster in Angus in support of the Scottish Government’s Manufacturing Action Plan.



The Challenges We Face

Although much has been achieved, of which we can be justifiably proud, more remains to be done. This will require private, public and voluntary sectors to work together more effectively – and with the strong support of the Scottish and UK Governments.



By traditional measures of economic performance, the area performs below the Scottish average:

- economic activity is lower
- productivity is lower
- employment growth is slower
- unemployment is higher

In 2014 the Tay Cities economic region accounted for around 8% of Scotland's economic output (or GVA) at a little over £9bn. The urban core of the region around Dundee and Perth accounts for approximately 70% of this output. ⁱⁱ

In recent years economic output has been growing slowly. Between 2005 and 2014 whilst output increased by around 9% across Scotland as a whole, in the Tay Cities area it was considerably slower at 7%. Across the region only North East Fife is estimated to have grown at a faster rate than Scotland as a whole.

Across the region productivity is below the Scottish average. However, this masks differences across the area:

- In Dundee productivity is broadly in line with the Scottish average at around £43,200 **per employee** compared with £43,100 in Scotland, having grown by 13% between 2005 and 2014
- Productivity in the other parts of the area ranges from around 20% lower than the Scottish average in Angus and in North East Fife, to around 10% below the Scottish average in Perth and Kinross
- There are notable success stories we need to build on such as the high value added manufacturing sector in Angus where productivity is around 20% higher than the Scottish average

However, since 2010 whilst the number of jobs in Scotland has grown by 4%, growth has been slower in the Tay Cities region at an average of just 3%. ⁱⁱⁱ This is largely due to:

- limited employment growth in Dundee of less than 1%
- jobs growth in Angus and Perth & Kinross of 4%
- faster growth of 7% jobs growth in North East Fife

This may be a reflection of Dundee's higher dependence on public sector employment where there is ongoing jobs contraction. North East Fife has experienced significant jobs growth in education and health and social care.

Other labour market data confirm that there are number of other issues being experienced by the Dundee labour market in particular. For example, unemployment amongst those aged 16-65 in Perth & Kinross is below the Scottish average (5.5%) at 4.4%. In Dundee the unemployment rate peaks at 8.7%, almost double the rate in Perth & Kinross. ^{iv}

The Scottish Index of Multiple Deprivation confirms this. Whilst the Tay Cities economic region has a variety of different life experiences containing areas ranked amongst Scotland's most and least deprived, often in close proximity, there is a significant concentration of deprivation in Dundee. In fact, of the 25 most deprived data zones in the region, 22 are in Dundee, 2 in Perth and 1 in Angus. These areas tend to have the highest unemployment, lowest incomes and poorest housing, health and education.

Non-traditional social indicators such as Life Satisfaction and Happiness taken from the Annual Population Survey confirm this. Dundee lags behind its neighbours and both Scotland and the UK as a whole. It shows that for life satisfaction:

- Angus, Perth & Kinross and Fife have ratings above the Scottish average and in recent years their ratings have been rising.
- Dundee has a rating below the Scottish average. ^v

In terms of happiness, only Perth and Kinross residents rate themselves above the Scottish average.

Although multiple deprivation is largely focused in Dundee, wages throughout the entire region are typically below the Scottish average (£434) both in terms of **workplace** and **residence** analysis. ^{vi} However, even between these two indicators there is some regional variation:

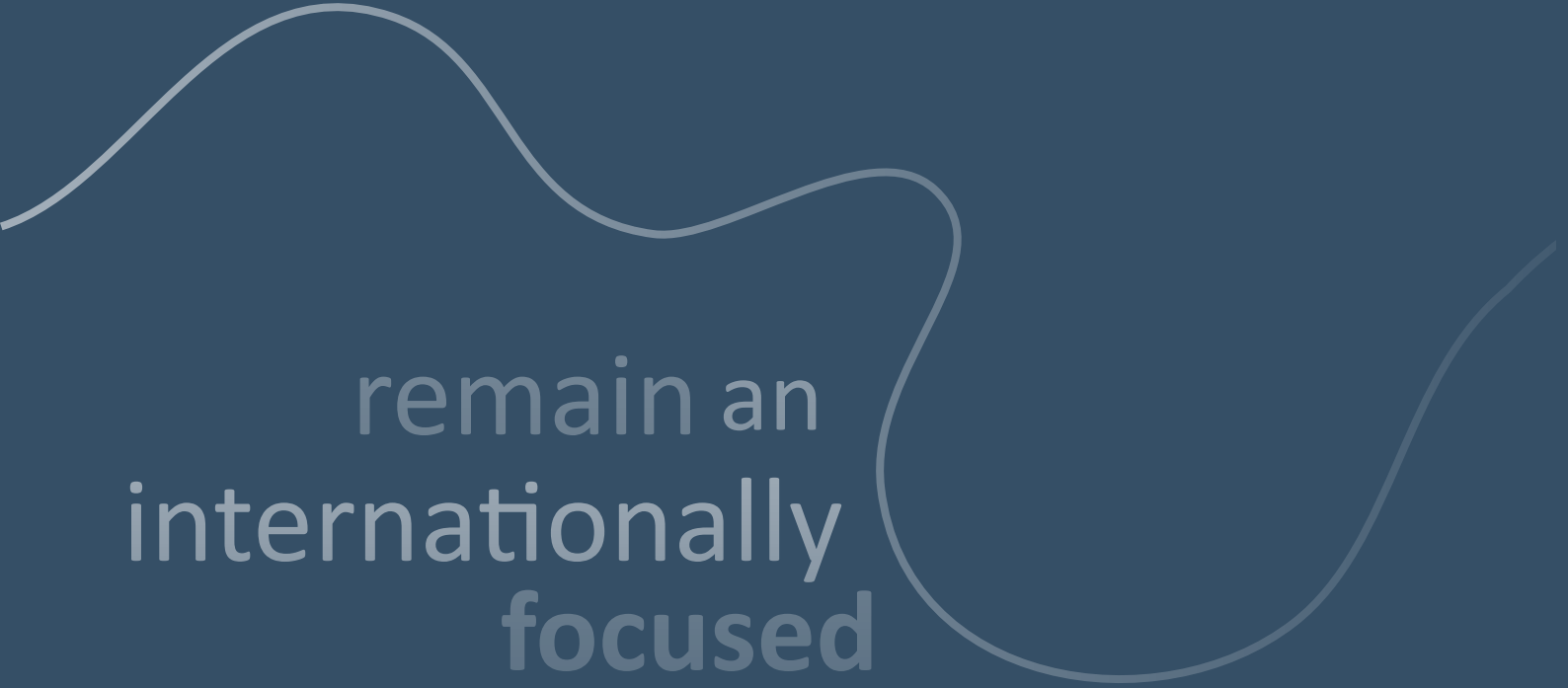
- Dundee has the highest levels of workplace wages at £420 per week, but the median lowest resident wage (£404) in the region, suggesting higher paid jobs in Dundee are often held by those commuting into the city from elsewhere.
- Perth and Kinross has the highest resident wage (£420) but lower workplace wages at £413, implying that residents from Perth & Kinross are more likely to be commuting for higher wages.
- Workplace wages are lowest in Angus at £381 per week.

Moreover, the fact that average wages are below Scottish average on all measures suggests that the Tay Cities economic region is a relatively self-contained labour market. This was confirmed by the 2011 census where in terms of Angus, Dundee and Perth & Kinross, 82% of residents live and work within the Tayside area and a further 9% have no fixed place of employment. In addition, a further 8,000 workers travel from Fife into Tayside and 5,000 from Tayside into Fife.

Moving forward, this analysis highlights two key issues for the area. Our future policy and interventions must focus on:

- Opportunities that support businesses to invest, to move up the value chain, to increase productivity and to encourage entrepreneurial thinking.
- Providing easy access to training and employment opportunities to those urban and rural communities with the highest levels of worklessness – particularly in Dundee where employment growth is slower and deprivation is highest and most concentrated.

To a certain extent growing productivity and providing entry level employment opportunities are competing goals, however, by ensuring that future interventions at all levels have a focus on inclusive growth we can ensure that all residents have access to job opportunities in the area, making the area much more desirable as a place to live and invest. By inclusive growth we mean *“growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly”* (Scotland’s Economic Strategy, 2015).



remain an
internationally
focused
nation

The Global and National Context

This strategy has been prepared at a time when there is considerable uncertainty in the global and national economic environment, and our regional economy is not immune to these effects. It is therefore important to set this Strategy within a wider economic context.



The recently published UK Government's Industrial Strategy aims to build on the UK's sectoral strengths, tackle weaknesses, increase our competitiveness and ensure that we remain an internationally focused nation. Its' approach provides a strong foundation along with Scotland's existing Economic Strategy to support economic growth and prosperity across the UK.

Current economic forecasts from the EY Item Club, predict a slowdown in UK economic activity and low growth in the immediate future. The latest forecast suggests the Scottish economy will grow by 0.4% in 2017 compared with 0.8% for the rest of the UK. Many commentators attribute much of this to the potential impact of the UK's decision to leave the European Union. However, there are a number of underlying factors influencing the 'Brexit effect'.

Falling Consumer Spending

Across the UK, consumer spending peaked in recent years due to a combination of rising employment, low inflation and low interest rates. However, EY note that the growth in UK spending is fading due to a combination of constrained income growth and rising inflation - two factors that are set to continue in the short term.

There are a number of ways in which this may have an impact on our ambitions for the area. In the first instance a slowdown in consumer spending may reduce the number of jobs created in the retail and leisure industries - a key component of our desire to make the area a more attractive tourism destination. These industries are often the first rung on the ladder for those returning to employment or entering the labour market for the first time. As such any reduction in consumer spending may, at some point, limit our ability to tackle inequality.

Moreover, a key strand of the Tay Cities Regional Economic Strategy is to grow our tourism industry by tackling seasonality, increasing length of stay and repeat visits and appealing to higher value markets. While we remain committed to accomplishing this we are aware of the challenge that reduced consumer spending may bring to this sector.

Lower Levels of Business Investment

Falling consumer spending and uncertainty around Brexit are combining to reduce business confidence. As such, business investment is expected to be more subdued over the next five years than had previously been forecast.

This is particularly important to the Tay Cities area in that much of our economic strategy is focused on encouraging businesses to invest for growth and increase productivity. As such, it is important that partners within the area continue to work to build confidence in our business community.



Oil & Gas

The Scottish economy is intrinsically linked to the success of the Oil & Gas sector given the sector's high levels of productivity and the number of well paid jobs it supports particularly in North East of Scotland. The current Oil & Gas downturn has curtailed Scottish economic growth resulting in Scotland lagging behind the UK as a whole in terms of growth. Continued volatility within the sector will have an impact for some time to come across Scotland. Within our region the most immediate impact will be on business forming part of the extensive Oil & Gas supply chain.

The Scale and Pace of Technological Change

The Scottish Government's Inclusive Growth diagnostic identifies the biggest priority nationally as increasing the take-up of digital technology and new business methods, as this is a constraint to both growth and inclusion. Compared with the UK as a whole, and international comparators, Scotland tends to perform less well in the use of certain digital business tools, including Enterprise Resource Planning, Customer Relationship Management and Supply Chain Management. Furthermore there is evidence from the sectoral work undertaken by Scottish Enterprise that the lack of take up of digital skills in particular is holding back productivity growth across all the sectors.

This impacts most on the employment prospects of the most vulnerable. Citizens Advice Scotland surveyed clients seeking advice or assistance with social security benefits and almost three quarters (72%) responded that they would struggle to apply for a job online. Only 28% felt that they would be able to complete an online job application unaided. This highlights a real issue with digital inclusion within some communities.

Conclusion

Cumulatively, the current global and national outlook is a challenge for our area and, in many ways, represents a call to action that requires a concerted push to close the gap between the Tay Cities economic region and the rest of Scotland, reinforcing what we already know we need to do.



put
Inclusive Growth
at the heart of the
Tay Cities Regional Economic
Strategy
and our **Tay Cities Deal**

UK Government's Industrial Strategy 2017

The Prime Minister launched the Government's Industrial Strategy Green Paper on 23 January 2017. This consultation paper contends that whilst the UK economy has significant strengths and that many people, places and businesses are thriving, opportunities and growth remain unevenly distributed across the country.



The approach outlined refers to developing a stronger economy, building on our existing strengths to enable all regions to prosper. It aims to develop a highly skilled, competitive economy that benefits all people. This approach in many ways mirrors our own desire to put Inclusive Growth at the heart of the Tay Cities Regional Economic Strategy and our Tay Cities Deal.

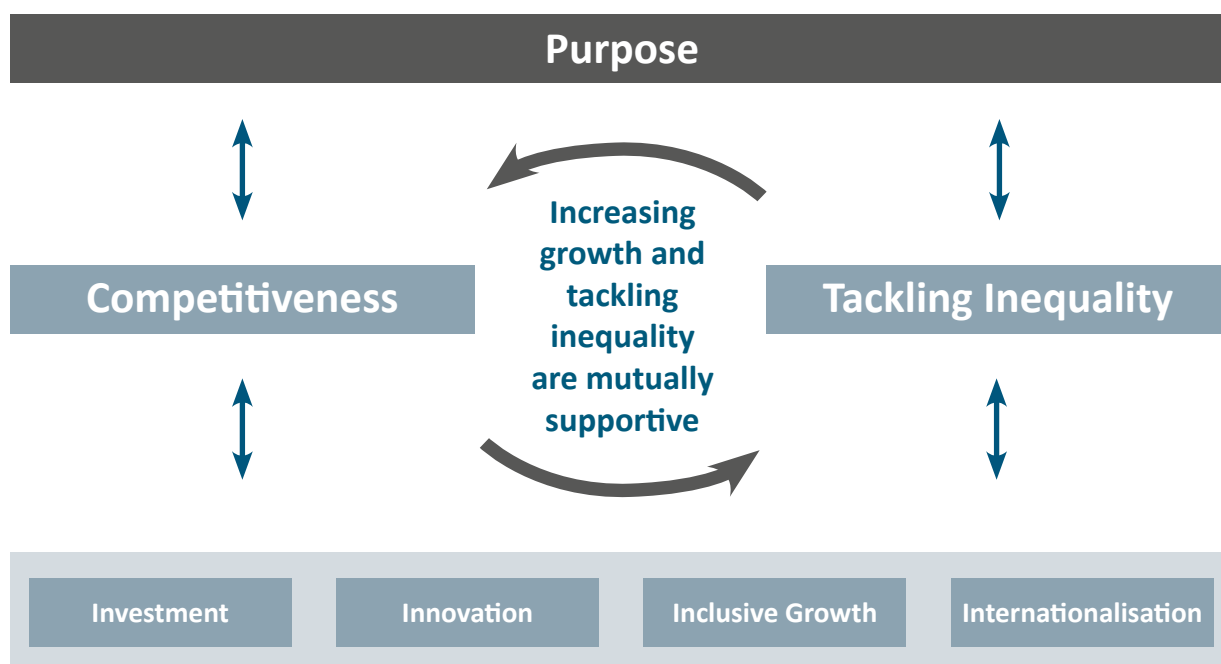
The new UK Industrial Strategy is built on ten interdependent “pillars”:

- **Investing in science, research and innovation** – becoming a more innovative economy, increasing the commercialisation of our science base and developing new technologies.
- **Developing skills** – building a proper system of technical education, boosting key skills in STEM subjects and improving digital proficiency, focusing on developing the skills the employers need now and in the future.
- **Upgrading infrastructure** – focusing on our digital, energy, transport, water and flood defence infrastructure – joining up national investment with regional growth priorities.
- **Supporting businesses to start and to grow** – supporting entrepreneurs and businesses to access finance and wider support to grow.
- **Improving procurement** – using public procurement as a tool to drive innovative new products and services – strengthening skills, developing supply chains and increasing opportunities for SME's.
- **Encouraging trade and inward investment** – aiming to establish the UK as a global leader in free trade – promoting and supporting UK exports, building future trading relations and adopting a more proactive approach to securing overseas contracts.
- **Delivering affordable energy and clean growth** – keeping energy costs down for businesses, building an energy infrastructure for new technologies, and securing economic benefits from the move to a low-carbon future.
- **Cultivating world-leading sectors** – building on areas of existing global excellence, whilst supporting emerging sectors to flourish – developing a new approach to support businesses and business leaders to take the lead in transforming and growing their sectors through sector deals.
- **Driving growth across the whole country** – building on local strengths while addressing barriers to growth through investment in key infrastructure projects and increasing skill levels.
- **Creating the right local institutions** – creating the right structures and institutions to support people, industries and places to maximise local strengths.

Scotland's Economic Strategy

Scotland's economic strategy was published in March 2015 and sets out a framework for a competitive and fairer Scotland. In many respects the Tay Cities regional economy is a microcosm of Scotland's, with a range of both urban and rural and short and long term opportunities and challenges. Ultimately, ensuring that economic growth is sustainable and shared is the objective of both national and local government.





Scotland's Economic Strategy identifies four priorities for sustainable economic growth and these are expressed as:

- **investing** in our people, infrastructure and assets
- fostering a culture of **innovation**
- promoting **inclusive** growth
- enabling Scotland to take advantage of **international** opportunities

We have taken the principles of the four 'I's and interpreted them to help deliver the objectives of our own regional economic strategy:

- **Inclusive Tay** – ensuring fairer economic growth
- **Innovative Tay** – ensuring smarter, more competitive growth
- **International Tay** – growing trade and investment and developing our brand
- **Connected Tay** – investing in supporting infrastructure to improve workforce mobility and business competitiveness

Inclusive Tay



This regional economic strategy has been produced to help us deliver a smarter, fairer economy over the next 20 years. It builds on work already being undertaken to deliver better economic outcomes for everyone, which means focussing on growth that is **inclusive**.



What this means in practice is that inclusive growth must form an integral part of our wider strategic approach that focuses on increasing the competitiveness of the area by building on employment sectors with growth potential. In doing so we must ensure that the opportunities created are open to all and the benefits of enhanced prosperity are distributed fairly. Our intention is to become a recognised Fair Work Region.

Specifically, our approach focuses on the need to connect the opportunities being created through internationalisation, innovation and connectivity to the futures of those in school and those currently seeking work. In other words, the approach seeks to ensure that economic growth enhances the opportunities available for those currently further from work – and that this in turn contributes to economic growth.

We will continue to work in partnership with the Scottish Government to further inform our current thinking on inclusive growth and align and measure outcomes with those set out in the emerging Inclusive Growth Measurement Framework: Economic Performance, Fair Work, Labour Market Access, People and Place.

Our approach

We've built our approach on the key issues presented by the current evidence:

- A deep seated and substantial issue about long term unemployment notably in Dundee but also in deprived communities across the area. Whilst unemployment levels have fallen substantially following the impact of the 2008 recession, long term unemployment has stayed stubbornly high, particularly among men, and there is a steady (though low) flow of people into this group.

Specifically:

- Tay Cities economic region has higher rate of unemployment than Scotland for the working age population as a whole, and for youth and males (but slightly lower than Scottish average for females)
 - Dundee City has twice the Scottish rate of male unemployment
 - Over 40% of JSA (Job Seekers' Allowance) claimants in Dundee city have been claiming for over a year. It is followed by NE Fife with 34.5%
 - 22% of JSA claimants aged over 25 in Dundee have been claiming for over 2 years.
- A range of local efforts and national programmes over the last 20 years have not made a substantial impact on this problem and the statistics show many moving ever further from work. It therefore requires a sustained, coherent, large scale response, focusing on this client group (based in these deprived communities and building links between them and the job opportunities that are available) and with a parallel approach to reducing the flow into longer term unemployment through early identification and intervention.

- Effective approaches to support for this group need to involve a wide range of services working together around the complex needs of both individuals and families. This effort needs to be based in those communities where the priority individuals live and to draw on a wide range of existing specialist resources. This approach is currently being piloted by multi-agency teams in two areas of Dundee.
- The journey to work followed by many of these individuals is likely to be long – and it needs to be actively supported and managed. Many will need additional support when they make the final transition to work – around a range of issues including practical matters, relationships and routines.
- There is evidence (Rocket Science, 2016) that a significant proportion of those finding work – particularly among those initially further from work – subsequently lose the work they find and revert to unemployment. Once in work the evidence suggests that they may be in low paid, insecure roles, or be vulnerable to falling out of work. Thus there is a need for a concerted effort to help them make progress into better paid and more secure roles and so make a sustained move out of unemployment and poverty with its related personal and family costs and a range of demands on public services.
- Finally, there is evidence from employers of a weak match between the skills of recruits and their needs. This has informed the development of a range of ‘close to work’ skill enhancement approaches which can close this gap, enhance the confidence of employers when recruiting and ensure a more successful transition to work. This will both enhance productivity (and ultimately business growth and employment) and increase the propensity of employers to employ.

We will respond to this evidence of need by putting in place a transformational skills programme to address these issues and to complement the support for key growth sectors set out in this economic strategy.

Why we believe this approach will make a difference

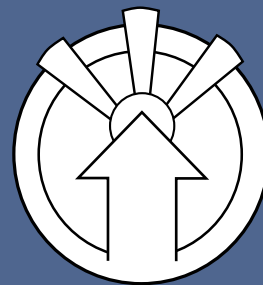
We believe our proposed approach will succeed where previous approaches at both local and national level have failed because we will take a more systematic approach using existing and additional resources in a more focused and effective way. We will also work collaboratively across the region with a strong focus on actively managing the performance of the whole employability and skills service. Our Tay Cities Deal Proposal sets out the specific actions we will take, and the support we seek of the Scottish Government, Skills Development Scotland and the UK Government.

Job opportunities in the area over the next 20 years will be driven by both replacement demand from existing businesses and organisations and over time, the creation of new jobs. Our focus will be to create progression opportunities for those active in the labour market, as well as to ease access restrictions for new entrants to the jobs market, to support our ambition of smarter, fairer growth.

International investment
in any area
creates
employment

A white wavy line graphic that starts on the left side, dips down, then rises to form a large loop before dipping again towards the bottom right. It is positioned behind the text.

An Innovative, International Tay



Innovation is recognised as the most effective route to productivity growth. Moreover, there is a proven link between businesses that meet their international ambitions and those that choose to innovate. Scotland's innovation record is currently below the ambition of the Scottish Government for Scotland to be a first quartile OECD country.



It is estimated that in order to close the Scottish “Innovation Gap” we need to encourage an additional 1800 businesses to innovate, and increase the volume of business R&D spend by £1.8bn.

Putting that in a local context, businesses in the Tay Cities region accounted for only 6% of Scotland’s total business expenditure on R&D in 2015, with businesses investing approximately £56m. If business R&D were to match the area’s proportionate share of economic output as it stands, Tay City region businesses would need to increase their annual spend on R&D by nearly 20%, generating an additional spend of approximately £11m.

Moreover, as part of Scotland’s ambition to move from the third quartile of OECD economies to the first, it also needs to encourage an additional 2,500 businesses to export and to increase overall export sales by around £3.4bn. Within our region this would equate to encouraging and supporting an additional 230 businesses to export, generating additional annual export sales of approximately £300m.

Through this regional economic strategy, and the supporting Tay Cities Deal, we will support more business to innovate and to trade internationally. In addition to supporting all businesses across all sectors to do this, we have also identified nine specific growth opportunities with the potential to deliver significant productivity improvements in the region as well as, over time, new skilled jobs. The Tay Cities Deal Proposal makes the case for specific investment to deliver these growth opportunities.

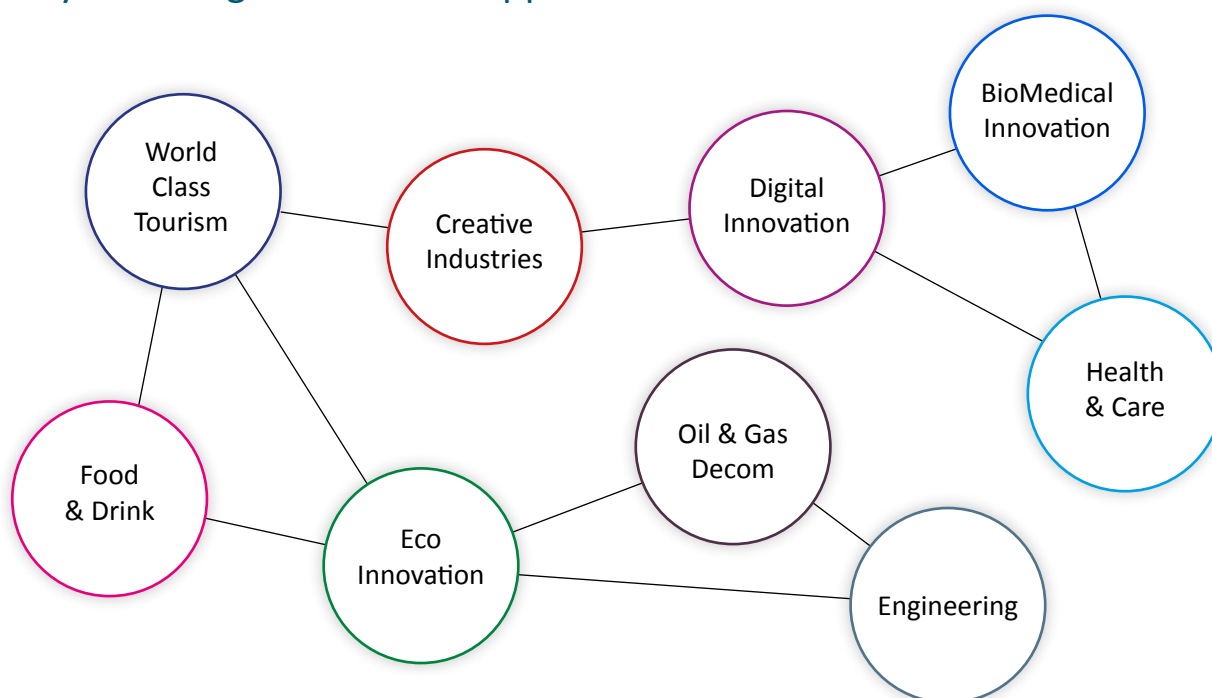
Our approach will be focused on a number of key types of support across these nine growth opportunities to support businesses to innovate, internationalise, diversify and grow. We want our region to be recognised as a living lab for exploring new ways of working and new ways of doing things.

By working together across our region in partnership with the Scottish and UK Governments we will address some of the existing barriers to growth for companies within these sectors and our approach will include:

- support for collaborative partnerships between businesses, academia, research organisations and the public sector
- the development of multi-functional creative spaces, which could be real or virtual, to support commercialisation, cooperation and collaboration
- support for collaborative approaches to training, research and development
- enhanced and sector specific business development support
- investment to improve key products and services



Tay Cities region - Growth Opportunities



Building a World-class Oil & Gas Decommissioning Industry

Our region has and continues to play an important role in supporting Oil & Gas operations in the UK Continental Shelf and in other oil and gas producing basins across the world. Our port infrastructure, business base, academic and training expertise will continue to play a key role here and it has contributed greatly to Scotland becoming a globally recognised centre of industry expertise demonstrating technical, operational and innovative excellence in the sector.

The life cycle of the sector in the North Sea continues to move and decommissioning now represents a significant emerging economic opportunity to the Scottish and UK economies, with a projected 17.6bn spend in the next 10 years. We believe the Tay Cities economic region focusing on port infrastructure in Dundee, Montrose and Methil and drawing on business expertise across the area can become the UK's leading Hub for the decommissioning sector.

As well as activities that will take place offshore and on our quaysides, we see significant synergies with the area becoming a Living Lab for eco innovation in the specific areas of waste management and recycling. To capitalise on the supply chain opportunities that North Sea decommissioning will create, we have formed a new private sector-led partnership - Dundecom - to pitch for and win significant business not only for Dundee but the wider region.

Creating Higher Value Food & Drink Businesses

Food & Drink manufacturing employs over 3,500 across the region. Moreover, when primary agriculture is included, this figure rises to over 13,000 jobs. However, these jobs do not deliver their full productivity potential, with each job in the region being around one-third less productive than the Scottish average. It is estimated that closing the existing productivity gap alone would deliver at least an additional £100million per annum in GVA to the economy.

Most people work in small businesses, sometimes in remoter rural locations, with limited capacity and little or no access to the new skills and technology needed to innovate and grow. In recent years a significant amount of new, small, innovative businesses have started in the area which have the potential to grow into globally successful businesses. They require a solid infrastructure in which to make the transition from start-up to larger scale companies which can compete both nationally and internationally. This could be in terms of premises, research and development or training. This is especially true for the drinks industry with the area having a critical mass of young but successful craft brewers and distillers.

The agriculture sector is facing difficult times, but forward looking businesses are looking to diversify - into food production, retail or agri-tourism products (such as farm tours or food-related visitor experiences) and there are many best practice examples of this across the area. These businesses need the encouragement to show that diversification is a realistic future for them and that there is support available to make their plans a reality.

A significant strength of this region is our cluster of universities, colleges and research institutions (James Hutton) with sectoral expertise not found anywhere else in Scotland. Each are making their own investments toward closing some of the productivity and skills gaps, but will deliver much more with additional targeted investment to help local SMEs to innovate using local produce, adding value, delivering better employment opportunities and developing the skills required for success in the future.

We will work as a partnership of four local authorities, industry, universities, colleges, Scottish Enterprise, Scotland Food & Drink and the James Hutton Institute to drive up innovation in the food and drink sector. The Tay Cities Deal Proposal sets out our investment case to establish a strong framework for support for innovation and internationalisation to close the productivity gap over time.

Commercialising Biomedical Innovation

The region's Biomedical sector sustains more than 4,000 high-value jobs in research, development and manufacturing. Together the Tayside Academic Health Science Partnership, Institute for Medical Science & Technology and BioDundee support the creation of partnerships between academia, the NHS and business. This, together with the region's strengths in the creative, design and digital technologies, uniquely offers Biomedical SMEs and larger organisations a collaborative environment and community in which to develop innovative new products for a global market.

At present a lack of sector-specific commercial accommodation close to our major biomedical facilities at the University of Dundee Medical School and Ninewells Hospital limits expansion of the sector. A number of companies are currently investing in research and innovation partnerships with NHS Tayside and the University of Dundee. However, the lack of available, business-ready, accommodation and bespoke business support for spin-out, or spin-in, companies from these partnerships means they are, due to the international status of these companies, likely to locate outwith the UK without further investment in this region. This will result in a loss of Intellectual Property within the area, fewer jobs being created and a loss of reputation within the Biomedical sector.

We will work as a partnership of four local authorities, industry, Scottish Enterprise, Skills Development Scotland, universities and colleges to ensure we maintain and grow an internationally competitive technical and research skills base and provide the right support environment to grow more businesses in our region. The Tay Cities Deal Proposal sets out the business case for targeted investment over 10 years to grow our Biomedical cluster.

Growing our Creative Industries

Our region is home to a key creative cluster that continues to offer innovative ideas, products, services and digital content, producing winning brands from “Peter Pan” to “Grand Theft Auto”.

Creative industries are worth at least £87.4bn GVA to the UK economy and exports of creative services reached £19.8bn in 2014. In the Tay Cities economic region there are over 1500 creative industry businesses employing over 8,500 people and generating GVA exceeding £120m. Full implementation of the region’s strategy for creative industries would see a step change in the development of an eco-system maximising the potential offered by business models ranging across commercialisation, cooperation and collaboration.

We aim to:

- Create diverse, innovative, creative space focused on the market needs and demand of creative industries through a mix of partnerships including public-private
- Develop these as hubs for commercial generation of new IP, development of innovative products and services, new business models and regional creative communities
- Respond to the strategic and logistical needs of diverse creative businesses, communities and processes through a mix of co-working facilities, studios, events, retail and, in a new move for creative hubs, incorporation of residential and short-stay accommodation
- Support, nurture and grow the scale of the creative economy across the Tay Cities region, increasing creative impact, influence and GVA
- Attract inward investment, incoming projects and talent
- Develop new markets by capitalising on emerging creative service opportunities
- Foster UK and international export markets by growing existing relationships and forging new UK and global creative and commercial connections
- Optimise the use of specialist services and innovative, smart contracts to promote and market the region, support business development and broker business and creative relationships
- Expand the creative and cultural reach of the region towards the growth of related tourism and generation of new audiences and visitors to the region

Our commitment is to work as a partnership of four local authorities, industry, Creative Scotland, Scottish Enterprise, universities and colleges – with the support of the Scottish and UK Governments through the Tay Cities Deal – to ensure that our creative talent is nurtured and supported in Dundee, Perth and across our region.

Developing a World Class Tourism Offer

Tourism is one of our major industries with an estimated 1,580 businesses in the Tay Cities economic region (12% of Scotland's total) and 22,000 people working in the tourism industry, approximately 11% of all jobs in the area. Yet there are some underlying weaknesses, including over reliance on day visits, the domestic market and a recent decline in staying visitors. There is a productivity gap, (as measured by GVA per employee), in comparison with the rest of Scotland – tourism businesses in the Tay Cities economic region are collectively less productive than their counterparts across the rest of Scotland in terms of economic output. Separate analysis of tourism data highlights that seasonality remains a key issue for the sector, particularly outside the main urban centres, with annual hotel room occupancy rates remaining significantly below the national average (66% - Tayside and Fife, 71% -Scotland).

However, this economic region is well placed to grow the value of its visitor economy and establish a world class tourism destination offer. Major tourism investment is underway, planned or in the pipeline, including resort and leisure developments, most notably the V&A Dundee which is projected to attract 270-300,000 visits per annum. This will bring a spotlight to bear on the region and this investment, together with the region's inherent strengths, provide strong foundations on which to build the destination proposition, increase the sector's impact and contribute to the national stretch target in growing the value of tourism to Scotland's economy, (growing visitor spend by £1bn from £4.5 to £5.5bn by 2020).

Growth will come from increasing the attractiveness of the area, increasing length of stay and repeat visits and appealing to higher value markets. To do this we need to support enhanced performance in the sector. We need to develop our tourism workforce, invest in existing and new cultural and heritage attractions, develop and market our world class golf offer, and capitalise on the activities and adventure tourism opportunities presented by our region's greatest natural asset – the River Tay.

Our ambition is very clear. We want to deliver a world class visitor experience in a world class destination. We will work as a partnership of four local authorities, industry, Scottish Enterprise, Creative Scotland, VisitScotland, EventScotland, universities and colleges – with the support of the Scottish and UK Governments through the Tay Cities Deal – to achieve this.

Exploiting our Strengths in Digital Innovation

The Tech Nation Report for 2016 identified Dundee's reputation as a hub of digital excellence particularly in terms of software development, technology services and mobile app development and this expertise can play a crucial role in the wider economic rejuvenation across the Tay Cities area. In addition to developing some of the world's biggest selling games we have significant digital capabilities in other fields, including augmented reality, mobile phone app development, data centres and cloud storage, computer hardware for customer transactions, digital media and entertainment. The region also has an internationally recognised strength in the emerging field of cyber-security which has the potential to create a significant number of jobs over time.

Dundee now has the third fastest growing digital turnover in the UK and many companies, particularly software firms, are operating on a global scale. The presence of Abertay, Dundee and St Andrews Universities, Perth College UHI, and Dundee & Angus College helps with supplying the skills, in terms of software and hardware engineers, that local companies need. Combined with the development of world class digital connectivity across both urban and rural areas and the involvement of Perth and Dundee in the Smart Cities Scotland initiative, (which is developing a range of smart city projects from smart waste to intelligent street lighting), the strengths of the region in digital innovation are bright.

We will work as a partnership of four local authorities, universities and industry to consolidate and grow our digital business base and maintain our reputation for digital excellence. Our Tay Cities Deal Proposal focuses on investment in cyber-security, digital forensic science and digital health.

Creating a Living Lab for Eco-Innovation

Thanks to exceptional natural resources of forest, wind, hydro and solar, the Tay Cities economic region is already contributing significantly to renewable electricity and heat generation, with a diversified supply chain including FTSE 100 business and around 250 SMEs. However, economic benefits are not fully realised or shared across the region and with other key economic sectors, as investments in innovation, synergies and collaborations are not sufficiently developed.

We have the ambition to create a step-change shift to a low carbon, regional economy and establish the Tay Cities region as a UK and European leading living lab for Eco-Innovation, stimulating economy growth and business innovation. Through investment in low carbon technologies we will demonstrate, in a real life situation, that decarbonising heat, transport and decentralising energy generation and use, can support new job opportunities, attract additional investment and open international markets as well as reducing fuel poverty and carbon emission.

Eco-innovation will stimulate innovation and cross-sector fertilisation within clean and renewable technologies, Food & Drink, Oil & Gas and Tourism sectors as well as supporting connectivity, targeted skills and workforce development. We will explore all opportunities that exist within the circular economy in the areas of waste management and Oil & Gas decommissioning. Low carbon industries in Scotland generated £10.7 billion in turnover and supported 43,500 direct and indirect jobs in 2014 (ONS). We aim to capitalise on these opportunities to deliver growth through additional, active, innovative businesses within the supply chain, increase business R&D in low carbon technologies across key region sectors and create or sustain a wide range of types of jobs, including high skilled jobs. These opportunities have been identified in the Scottish Government's Low Carbon Economic Strategy which has been a fundamental driver in the government strategy since its publication in 2010, as well as by the UK Government and InnovateUK funding programmes.

We will work as a partnership of four local authorities, Scottish Enterprise, universities, colleges, Zero Waste Scotland and industry – with the support of the Scottish and UK Governments through the Tay Cities Deal – to accelerate this region's contribution to making Scotland a greener, cleaner more innovative place.

Maximising Job Opportunities in Health and Care

Just like the rest of Scotland, our region faces the challenges presented by an ageing population. Current trends indicate that in the Tay Cities economic region the population is expected to rise from 490,000 in 2014 to 520,000 in 2039, a projected increase of 7%. During the same period the percentage of our population aged 65 or over is projected to increase by 22% (NRS, 2014). The landscape is further complicated by challenges in recruiting and retaining people in a care career due to low pay, anti-social hours and difficult working conditions.

The Scottish Government's stated ambition is to enable everyone to live longer, have healthier lives at home, or in a homely setting, by 2020 whilst also recognising that people are living longer with multiple health conditions and more complex needs, thus increasing the number of people requiring long-term healthcare in their own homes. In order to achieve this, government has directed its policy towards a shift in the balance of care to community based services. These challenges and the shift in policy present an opportunity for the development of a new innovative community based and managed social enterprise company, supported by all four local authorities and third sector organisations in the Tay Cities region, to provide a health and social care service for local people in their own homes and by local people.

We will work as a partnership of four local authorities, NHS Tayside, colleges and the voluntary sector to develop social care services for older people through our approach to inclusive growth, and in doing so create significant numbers of new job opportunities across the region.

Strengthening our Engineering and Manufacturing Capabilities and Capacities

The importance of manufacturing to Scotland's future economic growth and prosperity is increasingly recognised in national policy, including Scotland's Economic Strategy and the recently published Manufacturing Action Plan. To clearly understand the contribution that this sector makes to the Tay Cities economic region a study was undertaken in December 2016. It concluded:

- The Engineering and Advanced Manufacturing (EAM) sector contributed £7.7bn GVA to the Tayside economy in 2014 – 16% of all output in that year. This is lower than across Scotland as a whole, where the industry accounted for 20% of national GVA.
- The sector is a particularly large component of the Angus economy, accounting for a third of all output from the area in 2014. The sector is proportionally smaller in Dundee and Perth and Kinross, although still accounts for 17% and 8% of economic output respectively.
- The Tayside EAM sector grew steadily between 2010 and 2013, outpacing growth across the Scottish sector as a whole. However, there is evidence of a recent downturn in the region, in contrast to continued growth nationally.
- The EAM sectors in Dundee and Perth and Kinross are less productive than the Scottish sector as a whole, with GVA per head amounting to 66% and 63% of the Scottish average respectively. However, productivity in the sector in Angus is 6% above the Scottish average, suggesting that the area is home to relatively high value added manufacturing activities.

- The EAM sector is an important source of well-paying jobs across the region, with workers in the sector earning an average of £24.6k per year, relative to £18.2k across all industries.
- There were 775 manufacturing companies in Tayside in 2015, the majority of which were small businesses employing fewer than 10 people – mirroring the profile of the sector nationally.
- Manufacturing firms in Tayside invested £34.6m in R&D in 2014 – 7.1% of the Scottish total. The majority of this investment was made by companies located in Dundee, with relatively low levels of R&D investment from companies located in Angus and Perth and Kinross.
- There were 8,700 people working in the EAM sector in Tayside in 2015, accounting for 6% of all Scottish jobs in the sector and 5% of all jobs in the region. Tayside has high concentrations of employment in a range of EAM sectors, including architecture, engineering and the manufacture of metals and machinery.

The study identified that replacement demand – i.e. to replace those who retire, change occupations or move away – will result in 2,300 job openings in the regional EAM sector up to 2024 across a range of job types. It also reinforces the significance of the EAM sector as a source of wealth and employment opportunities to the region. However it also identified some key challenges to sustain that contribution over the next decade:

- lack of sufficient R&D to remain competitive
- the need for increased exporting
- future proofing the skills base by collaborative industry/education working
- maximising technology to implement new manufacturing processes
- collaboration on innovation

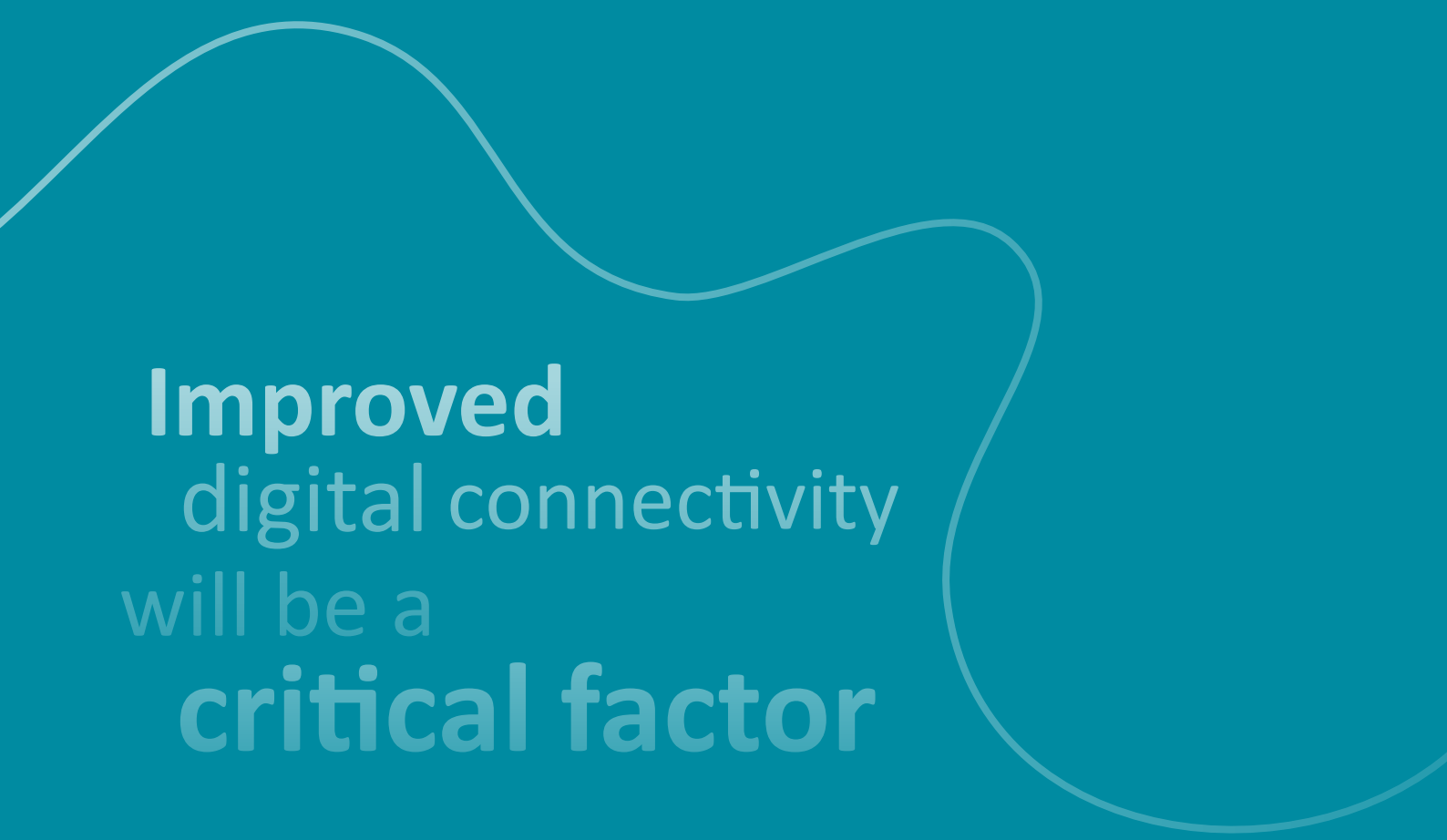
To drive maximum impact and address these key challenges to increase the global competitiveness and innovation will require a coordinated and consistent approach by the public and private sectors across the region. Therefore we will work as a partnership of four local authorities with industry, Scottish Enterprise and Colleges to strengthen the engineering capabilities and capacity of our regional Engineering and Advanced Manufacturing Sector to boost investment and innovation, encourage greater internationalisation and future proof the skills base.

Promoting International Trade and Investment Opportunities

International investment in any area creates employment and in many cases these jobs can be high value. Such jobs provide important opportunities for progression within the labour market, help to retain graduate talent and create more opportunities at all levels in the labour market. To help achieve this we must work together across the public and private sector to attract inward investment into the area and invest in the required infrastructure to support this.

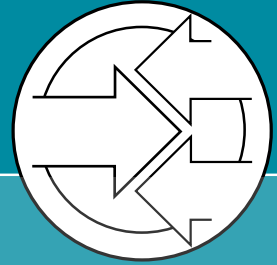
Likewise, our productivity will be improved if more of our businesses could be encouraged and supported to trade beyond their current local and regional markets and ideally internationally. At present our customers tell us our approach is disjointed, with businesses unclear about who does what and, in relation to inward investment, the Tay Cities economic region, underperforms.

We will work as a partnership of four local authorities, Chambers of Commerce, Scottish Development International and the Department of International Trade to establish a Tay Cities International Trade & Investment Partnership. This partnership will provide one stop approach to international services in the area.



Improved
digital connectivity
will be a
critical factor

Connected Tay



Effective and efficient digital and physical connectivity and capacity will underpin, and are essential to, unlocking the full economic potential of the Tay Cities region. Improved connectivity will assist us to realise the opportunities and deliver our ambitions for economic growth.



The region lies at the heart of Scotland's strategic road and rail networks, connecting Scotland's 7 city regions with each other, with the UK and internationally. Despite its central location the region currently suffers from congestion and unreliable journey times as a result of hotspots on the strategic road network, particularly around Dundee and Perth. Poor connectivity impacts upon the competitiveness of businesses in our region and those who access markets through the region. Issues of network and train capacity, lengthy journey times and overcrowding, limit the attractiveness and effectiveness of rail for commuting, business and leisure travel and also constrain the potential for movement of goods by rail. In addition road and rail connectivity to key economic drivers such as ports and visitor attractions are also sub-optimal, as is air and international connectivity through Dundee and Edinburgh Airports.

The majority of people (82%) live and work within the region and connecting the workforce with employment opportunities across the Tay Cities region is vitally important. Lack of mobility, excessive journey times and availability of viable and affordable public transport options contribute to a mismatch between where vacancies exist and where people live. Given the projected timescale associated with delivering significant numbers of new job opportunities within the region, it also remains important that residents of Angus, Dundee, North East Fife and Perth & Kinross are able to access employment opportunities outwith the region.

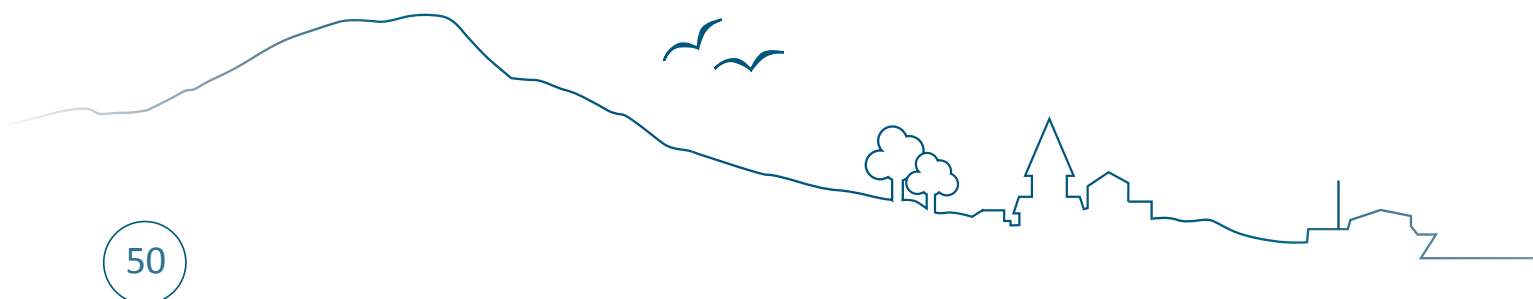
Improved digital connectivity will be a critical factor in the development of knowledge intensive businesses across the Tay Cities region. It is also integral to the development of more business innovation, internationalisation and in supporting inclusive growth. Currently the Tay Cities region lags behind others within Scotland and the UK, and performs well below other international comparators in terms of high speed broadband, fibre to premises provision, mobile coverage, and in terms of access to Public Wi-Fi. Through the implementation of this strategy we aim to:

- support the development of ultrafast broadband in the main urban areas
- support the delivery of superfast broadband in the wider region
- provide improved solutions for improved 4G coverage and develop a roadmap for 5G coverage
- improve the provision of free public Wi-Fi across key settlements.

Connectivity is also needed to ensure that businesses are able to access markets, customers and suppliers more easily and cost-effectively. Improved connectivity will make our region more attractive to investors and tourists. Consequently, improved connectivity to the major transport hubs of Edinburgh, Glasgow, London and other European cities is a vital part of this strategy.

Our approach will focus on improving connectivity to and between key business and tourist locations. However major investment is also required in improved road, rail, port, air and digital connectivity, infrastructure and capacity across the region and beyond. We will develop a range of proposals to invest in both digital and physical transport infrastructure to help to unlock the full economic potential of the Tay Cities region, its people and businesses, and to increase our contribution to the economic growth and wellbeing of Scotland.

We will work together as a partnership of four local authorities, Regional Transport Partnerships, Highlands & Islands Airports Limited, ScotRail Alliance, bus operators, Transport Scotland, BT Openreach and mobile phone operators to invest appropriately in the essential physical and digital connections that will help our economy grow and thrive.



Making It Happen



City Deal

The opportunity to negotiate a tailored ‘city deal’ between the Scottish and UK Governments and the four local authorities represents a generational opportunity to finance the delivery of the Tay Cities Regional Economic Strategy and therefore improve economic outcomes across the area. Equally important is the creation of long-lasting partnerships – not just between the four local authorities but with Government, the private sector and other public and voluntary sector stakeholders. It is these partnerships that will, ultimately, deliver sustainable change.

Empowered Tay

To ensure benefits are fully realised, it is recognised that we must work together differently – expressing willingness to collaborate, to integrate and to innovate. We must also be transparent in our thinking and our decision-making. Above all, evidence from around the world suggests that the most successful cities and regions have strong, coherent and consistent leadership.

Offers to Government

We seek to establish a long-term partnership with both the Scottish and UK Government to transform our economy over the next 20 years. Therefore, the City Deal is as much about offering to work differently together and with both Governments, as it is about seeking additional cash resource. Part 2 of this document sets out in detail what the initial offer to both Governments will be.

Asks of Government

The City Deal proposal seeks additional financial support from both Governments over the next 10 years to co-finance the investment proposed by the four local authorities, universities, colleges, the private sector, other public sector partners and the voluntary sector. However, to help us achieve better outcomes more effectively, the four local authorities are also willing to take on additional statutory and non-statutory responsibilities, provided that new or additional powers are also devolved to enable this to happen more efficiently and on the right scale. The Tay Cities Deal Proposal document sets out this request in more detail as the starting point for a dialogue and agreement.



Tay Cities Joint Committee

To steer the delivery of this strategy, facilitate the devolution of powers, and to provide governance for the city deal, the four Councils have already approved in principle the establishment of a Tay Cities Joint Committee. It is proposed that the Joint Committee will also have responsibilities for the principal levers of economic growth: key aspects of economic development; strategic planning and transport planning (subject to agreement and necessary legislative change). Its membership will comprise elected members from all four local authorities and representatives of the private sector, the higher/further education sectors and the voluntary sector. The Joint Committee will monitor progress with the implementation of the Regional Economic Strategy, the Regional Transport Strategy and the Strategic Development Plan (and whatever replaces it should the current two tier development plan be abolished). The Joint Committee will also monitor the performance of the Tay Cities Deal and be accountable for the management of funding. A dedicated Programme Management Office will also be established.

It is intended that the Tay Cities Joint Committee will be formed in the second half of 2017.

Regional Business Forum

To support, challenge, inform and debate the implementation of this Strategy (and the Tay Cities Deal) a new Regional Business Forum comprising senior leaders from the private sector has been established. The Regional Business Forum will be the single regional voice of our business leaders and will be represented on the Tay Cities Joint Committee.

Regional Higher and Further Education Forum

The university and college Principals have also formed a Forum to ensure the voice of higher and further education is also strongly heard. The HE and FE sectors are significant contributors of economic growth and will also be represented on the Tay Cities Joint Committee.

-
- i Annual Population Survey / Tay Cities Calculations
 - ii Skills Development Scotland / Oxford Economics / Tay Cities Calculations
 - iii Business Register and Employment Survey / Agricultural Census / Tay Cities Calculations
 - iv Annual Population Survey
 - v Office for National Statistics
 - vi Annual Survey of Hours and Earnings
-

Thanks to Scottish Enterprise for their contribution to producing The Tay Cities Regional Economic Strategy.



Part 2

The Tay Cities Deal Proposal



A person wearing a white lab coat and safety glasses is working with a microfluidic device. The device is a clear plastic chip with a grid of small channels, mounted on a blue base. A bright light source is shining on the device, creating a strong glare. The background is blurred, showing other lab equipment.

£1.83 billion
investment
15,000 job
opportunities

High Level Summary

In addition to the many asks and offers detailed in our Proposal, fundamentally we require additional investment over the next 10 years through the city deal mechanism to begin to allow us to achieve our ambition.

The total cost of this proposed investment is **£1.83 billion** of which **£763 million** (42%) over 10 years is sought from the Scottish and UK Governments and their agencies. If every project and programme set out in this Proposal is funded and delivered, we estimate that over this period up to **15,000 job opportunities** could be created across our region.

Introduction

The Tay Cities Regional Economic Strategy sets out the opportunities and challenges facing our economy. The Tay Cities Deal is a specific mechanism to help us achieve our ambition of becoming a smarter and a fairer place by proposing an appropriate scale of new investment, initially over the next 10 years. We are clear that to succeed we must:

- grow our base of knowledge-led businesses
- support more businesses to trade internationally
- attract investment
- attract and retain talented people
- improve connectivity to/from and around the region
- increase economic participation
- reduce inequalities

We are confident that in partnership with the Scottish and UK Governments we can make a sustainable difference. Without additional financial and other support being made available through the city deal mechanism this process will take much longer and the gap between the economic performance of this region and the rest of Scotland will potentially widen. To ensure we remain on course to make a lasting difference, we wish to work closely with the Scottish and UK Governments over the long term. In doing so we need to agree how best to use our collective powers and responsibilities to improve economic outcomes. In fact we would like to work with both Governments to shape policy and design and to deliver innovative public services – promoting this region as a ‘living lab’ for leading edge thinking and doing.

Our Tay Cities Deal will deliver:

- a transformational approach to addressing long-term unemployment and helping those furthest from the workplace progress to a well-paid, secure job
- a workforce that is appropriately skilled to take advantage of new and enhanced job opportunities
- targeted investment across the growth sectors where we believe most new jobs and new businesses will be created
- an internationally focused business base and a cohesive approach to securing inward investment supported by a new public/private trade and investment partnership
- an integrated approach to securing major events and conferences
- a highly connected region that enables residents to access jobs more easily, businesses to access markets more effectively and which supports increased inward investment and tourism
- Appropriate devolution of powers and responsibilities to our new sector Tay Cities Joint Committee which will bring together the public, private and voluntary sectors

Our Proposal comprises our ‘offers’ to the Scottish and UK Government and the ‘asks’ of both Governments.

Offers to Government

We seek to establish a long-term partnership with both the Scottish and UK Government to transform our economy. Therefore, the City Deal is as much about offering to work differently together and with both Governments, as it is about seeking additional cash resource.

Asks of Government

The City Deal proposal seeks additional financial support from both Governments over the next 10 years to co-finance the investment proposed by the four local authorities, universities, colleges, the private sector, other public sector partners and the voluntary sector. However, to help us achieve better outcomes more effectively, the four local authorities are also willing to take on additional statutory and non-statutory responsibilities, provided that new or additional powers are also devolved to enable this to happen more efficiently and at the right scale. The Tay Cities Deal Proposal document sets out this request in more detail as the starting point for a dialogue and agreement.

Our Approach

City Deals are ultimately agreed following a period of discussion and negotiation with the Scottish and UK Governments. However, throughout the process thus far we have engaged in an open and honest conversation with a much wider range of stakeholders in our economy and the proposed investments to help deliver our Regional Economic Strategy are the outcome of this dialogue.

We have adopted the approach recommended by HM Treasury for developing business cases and this Proposal is supported by detailed Strategic Outline Cases for each proposed investment. The Strategic Outline Cases and accompanying Financial Tables are detailed, technical documents so this Proposal summarises each project, the outputs expected of it, the total project costs and the contribution sought from Government. A Programme Office will be established to lead delivery, monitoring and evaluation.

Our Proposal is structured around 5 strategic themes of:

- **Inclusive Tay** – ensuring fairer economic growth
- **Innovative Tay** – ensuring smarter, more competitive growth
- **International Tay** – growing trade and investment and developing our brand
- **Connected Tay** – investing in supporting infrastructure to improve workforce mobility and business competitiveness
- **Empowered Tay** – working in partnership to use our collective powers and responsibilities to improve economic outcomes

The Proposed Deal for an Inclusive Tay



Through Tay Cities Deal skills and training investment we will:

- Work in partnership with over 800 employers and employ over 1,000 apprentices in added-value jobs over the next 10 years
- Create over 1,750 FTE jobs in the care, hospitality and aviation sectors
- Reduce youth unemployment levels by 40%
- Upskill over 3,000 individuals per year, enabling them to progress in their chosen career
- Provide support for 3,000 individuals and 300 employers on how to manage health conditions at work
- Create over 30 local micro social enterprises per year, over 5 years
- Encourage and increase the number of high growth start-up businesses providing mentoring and support
- Extend the current ABC (All Bus Company) Multi-operator Smart Ticketing Project to encompass the entire Tay Cities Region area, benefiting those looking to access employment, in addition to making transport more equitable regardless of rural or city location
- Establish an innovative aviation skills academy in the region
- Establish a world class engineering and advanced manufacturing facility
- Develop enhanced engineering and manufacturing training from foundation to graduate level
- Produce better management information to allow improvement and alignment of services
- Provide opportunities for individuals in areas of multiple deprivation

Our Inclusive Tay approach has been designed to deliver our Regional Economic Strategy whilst being consistent with current strategies and policies at a UK, Scottish, regional and local level. It is not our intention to duplicate existing programmes and projects. We undertook an analysis of the socio-economic profile of the region and this highlighted the main areas of need that are not being adequately met by service provision, or which require larger scale action:

- In terms of national comparisons, the area has a significant unemployment issue
- There are significant unemployment hotspots across the area
- There has been limited success to date in identifying and supporting those at risk of longer term unemployment
- The numbers of those gaining work only to lose it again is too high
- There is no coherent way of assessing the performance of the employment and skills service across the area
- There is a high level of in-work poverty across the region
- There is a need to develop in-work progression opportunities and career pathways

We will not succeed unless we work together across the region and put in place a transformational programme. This must be linked to proposed investment in the economic sectors we believe will create new jobs. Our programme has four components:

1. **Prevention:** Identifying and supporting those most vulnerable to longer term unemployment at the earliest stage, thus reducing both personal cost and the scale of public investment required
2. **Routes to Work:** Creating a complete pathway for those further from work, from neighbourhood based outreach and engagement to in work support to ensure progression to a well-paid, secure job.

There are four components to this strand of the Deal:

- Assessment and integrated neighbourhood action in the areas of highest unemployment, focusing on engaging, assessing and developing and supporting personalised routes forward for those further from work
 - Supporting the transition to work for these clients when they become work ready
 - Helping with transport and childcare costs – especially during the transition phase
 - Helping them build their skills in work and so make progress into better paid and more secure work and significantly reducing the chances of subsequent job loss
3. **Sectoral employment and skills growth:** We propose to create a coordinated and cohesive approach to skills development in key sectors of the economy by developing progression routes for those currently in low paid, low skilled jobs or who are at risk of falling out of work due to redundancy. This will enable people to make progress to more responsible, secure and better paid positions in key sectors of the economy. We want to work with employers to develop career pathways for existing employees. The focus will be around the opportunities created by job turnover and also through the growth opportunities identified in the Regional Economic Strategy - digital innovation, creative industries, eco-innovation, oil and gas decommissioning, engineering, biomedical innovation, food and drink, health and care and world class tourism.
4. **Voluntary Sector:** Working with voluntary/third sector organisations to develop social enterprises, to deliver better skilled tourism jobs across the region and to develop large scale, innovative community-based responses to the specific needs of the care sector.

Active performance management

We want to change the employability and skills system across the region that will enhance outcomes in terms of people finding and making progress in work. To help us we need to:

- Create a performance management structure which is well informed enough to identify areas of weaker performance and senior enough to take rapid decisions on appropriate responses and service design change
- Create an information approach which will allow us to explore performance trends in a consistent manner across the region and to drill down into any areas of concern
- Ensure Government agencies and departments work with us, responding flexibly to the specific needs of our region

Projects	Offers	Asks
<p>Preventing Long-Term Unemployment</p> <p>Programmes and partnership action to reach, engage and provide intensive early support to those most at risk of longer term unemployment, to help them make progress into work and to avoid the significant personal and public costs of longer term unemployment.</p>	<p>Coordinate and consolidate the approach to preventing long-term unemployed by developing a partnership of public sector partners.</p> <p>Work in partnership with Scottish and UK Governments to implement the Inclusive Growth Diagnostic approach to fully understand the underlying key constraints to inclusive growth, to prioritise actions and to develop new methods to tackle these issues.</p>	<p>Revenue funding support in each of the next five years to develop an innovative approach to supporting long-term unemployment.</p>
<p>The Single Gateway Health and Fair Work Service</p> <p>A pilot project that seeks to improve the way in which early support and advice can be accessed by people living or working across the region who are in work but at risk of falling out of work due to ill health or disability or have fallen out of work due to ill health or disability. It seeks to do this by aligning a range of existing, funded, NHS-led in-work support services, a new NHS-led health and work support service for the recently unemployed, the new devolved employment support services and a range of other local and 3rd sector services all behind a Single Gateway, to which all employers, employees and the self-employed who are seeking help with health and work issues can go, or be referred.</p>	<p>Active support to develop a partnership between the NHS, DWP and the public sector, the third sector and local employers, to provide a single gateway service for individuals and employers.</p> <p>Revenue funding from public sector.</p>	<p>Matched revenue funding in each of the next five years.</p>
<p>Aspire and Achieve</p> <p>A project aimed at transforming the way in which we support our most vulnerable young citizens to re-engage with education. This is an innovative community based pilot project bringing together partners from youth work, mental health services, education and the wider business community to provide support for young adults from the most deprived SIMD areas in Dundee, raising the number who obtain and sustain college places.</p>	<p>Revenue funding from private and voluntary sector partners.</p>	<p>Revenue funding support over a period of five years.</p>

<p>Progression Into and In Work Support</p> <p>An integrated service providing a sustained supported and personalised route to and through employment made up of four components:</p> <ul style="list-style-type: none"> • Outreach, assessment and support in a neighbourhood setting • Training for work through the support identified in the Sectoral employment and skills growth strand of work • Transitions to Work to help clients successfully navigate the transition to work and early stages in work • Progression in work, involving both client and employer in developing a skills development pathway to better paid and more secure work. This will help to tackle in work poverty, low pay and the issues presented by insecure work 	<p>Development of an integrated intensive approach for those furthest from work to enable a significant reduction in numbers claiming associated benefits.</p> <p>We will develop a partnership approach to form this support service and work with the private and public sectors.</p>	<p>Revenue funding support to develop the model, in each of the next five years.</p>
<p>ABC Multi Operator Smart Ticketing</p> <p>Proposed extension of the current ABC Multi Operator Smart Ticketing project to encompass the entire Tay Cities economic region to support for the long-term unemployed progressing into employment. The project will provide travel support costs therefore improving access to training and job opportunities as well as social activities.</p>	<p>Financial contribution to the project from Stagecoach and National Express.</p>	<p>Funding support over a period of five years from Scottish Government via Transport Scotland to expand the ABC ticketing scheme region-wide.</p>
<p>Future Skills College</p> <p>Designed as a test bed of inclusive growth for the regional economy. With 'future skills' simply defined as those required for the future economy. FSC has been designed to completely close the gap between education and sustained employment for young people, turning the aspiration of Developing Scotland's Young Workforce into a practical reality.</p>	<p>Over a period of five years local employers, public sector, schools and colleges will work in partnership to develop the skills and opportunities for young people.</p> <p>Funding support from public and higher education sectors.</p>	<p>Revenue funding support over five years from Scottish Government.</p>
<p>Tay Cities Shared Apprentice Programme</p> <p>A collaborative approach across the region between public and private partners to increase the skill levels and target investment in apprenticeship opportunities in Science, Technology, Engineering and Maths (STEM) jobs.</p>	<p>Development of a partnership approach with local employers, especially SMEs, to providing apprenticeships.</p> <p>Funding support from private and public sectors.</p>	<p>Full and delegated authority in the decision making process from Skills Development Scotland in the policy setting of sectors and the awarding and allocation of Modern Apprenticeship contracts across the Tay Cities region.</p> <p>Agreement that the Shared Apprenticeship Model will be given full consideration in the development of all national employability strategies and future policy development.</p> <p>Financial support to develop this model across the Tay Cities Region over the next 10 years.</p>

<p>Tay Cities Hospitality Centre for Excellence</p> <p>This project will significantly help us achieve our ambition to be a world class tourism destination by ensuring our workforce is trained to the standards required by the industry and to address current skills shortages. There is also an option to refurbish Camperdown House in Dundee as a commercial hospitality venue to provide a live training environment.</p>	<p>Development of a partnership approach to providing world class learning and development in the hospitality sector.</p> <p>Revenue funding support from the private and public sector.</p>	<p>Revenue support over a period of ten years to develop the centre of excellence and a contribution to the capital costs of refurbishing/building.</p>
<p>International Aviation Academy, Dundee</p> <p>A first of its kind for Scotland, based on the needs of employers locally, nationally and internationally, providing education and training opportunities in key aviation skills areas.</p>	<p>Creation of new, sustainable jobs through the growth of employers able to utilise the ready supply of trained staff.</p> <p>An exemplar facility showcasing the benefits of public and private sector partnership for the benefit of the local and regional economy</p> <ul style="list-style-type: none"> • Access to disabled aviation and other industry organisations through the linkage with the partner charities and Employers of the Aviation Skills Partnership network • Additional revenue in the travel and accommodation sectors generated by visiting trainees • Capital funding support from the private sector to support the development of the academy • A strengthened regional offer by linking with the aircraft engineering facility at Perth Airport 	<p>Capital funding support in year one to fully develop an innovative aviation skills academy.</p>
<p>The Tay Cities Engineering Partnership</p> <p>Investment will enable the further development of a unique collaboration of private and public sector organisations. Bolstering the existing engineering skill base in order to boost investment and innovation and to encourage greater internationalisation of the regional Engineering and Advanced Manufacturing (EAM) Sector. The project will help strengthen the region's world class EAM sector and link businesses with the National Manufacturing Institute for Scotland.</p>	<p>Create a unique EAM facility</p> <p>Establish an innovative collaboration of private and public sector organisations across the Tay Cities region.</p> <p>Develop new foundation and graduate level apprentice training places and enhanced skills programmes to meet industry needs.</p> <p>Capital and revenue funding.</p>	<p>Capital and revenue funding in Phase One to set up the EAM facility with the expectation that it will be self-funding after three years.</p> <p>Recognition that this world class facility will become the east of Scotland hub of the National Manufacturing Institute of Scotland once this becomes established.</p>

<p>Aeronautical Engineering Academy</p> <p>The Aeronautical Engineering Academy will provide the skills, knowledge and training demanded by the aviation industry in high tech and realistic working environments.</p> <p>A regional collaboration of private and public sector organisations will develop a range of skills programmes including foundation and graduate level places to enhance employability, career development and staff upskilling opportunities.</p>	<p>Development of an internationally recognised facility meeting the needs of the Aviation Engineering Industry.</p> <p>Provide opportunities for transitions training into the aviation sector from other sectors</p> <p>development of a regional collaboration of private and public sector organisations</p> <p>development of new foundation and graduate level apprentice training places to meet skills demand</p>	<p>Capital and Revenue funding over a five year period to further develop the facility until the centre is fully self-financing.</p>
<p>Care in The Tay Cities Region</p> <p>This proposal takes a strategic, sustainable and collaborative approach towards growing social enterprise and local education. It addresses significant demographic and health care challenges by creating new learning and development opportunities which will grow local economies and increases the number of local people entering and sustaining a career in care, whilst also developing local social enterprise.</p>	<p>Support from third and public sector organisations to develop an innovative partnership approach to providing care for local people in their own homes.</p> <p>Revenue support from the voluntary and public sectors.</p>	<p>Revenue funding support from Scottish Government over a period of five years at which time the project is anticipated to be self-financing.</p>
<p>Creating CommuniTAY Business</p> <p>This is an innovative initiative to upskill and develop third sector organisations and social enterprises to take a pivotal role in the development of a distinctive travel and tourism offer for Tay Cities. A targeted and coordinated programme of business development support to develop a unique range of socially driven enterprises that feature diversity, sustainability and creativity.</p>	<p>Provision of co-ordinated business development support across the region from the social enterprise network.</p>	<p>Revenue funding from Scottish Government to support the development of social enterprise businesses in the tourism sector.</p>
<p>Financial Summary 2018-2028</p>	<p>Total Revenue Cost: £60m</p> <p>Total Capital Cost: £11m</p>	<p>City Deal Revenue Contribution: £24m</p> <p>City Deal Capital Contribution: £7m</p>

The Proposed Deal for an Innovative, International Tay



Our Regional Economic Strategy identified a number of growth opportunities where new jobs can be created over the next 10 years. Some of these opportunities principally require new approaches to upskilling our workforce and how we will do this is set out in our approach to Inclusive Growth. The realisation of a number of other opportunities will also require significant capital investment to ensure we can:

- Build a world class oil and gas decommissioning industry
- Develop a world class tourism offer
- Grow our creative industries
- Create higher value food and drink businesses
- Exploit our strengths in digital innovation
- Commercial biomedical innovation, and
- Promote international trade and investment opportunities

Building a World Class Oil & Gas Decommissioning Industry

Through Tay Cities Deal decommissioning investment we will:

- Create between 5,539 and 7,754 new FTE jobs
- Generate additional Gross Value Added (GVA) of between £163m and £228m
- Maximise decommissioning spend within the UK
- Deliver cost savings in the decommissioning process
- Develop exportable skills and knowledge

The importance of the oil and gas sector to Scotland and our region's economy is clear. We want to increase the area's focus on capturing the considerable economic opportunities offered by the decommissioning stage of the oil and gas life cycle and become the focal point for the sector, not just in Scotland but in the UK.

In the United Kingdom Continental Shelf (UKCS) alone it is estimated that over 300 oil and gas installations, 370 subsea installations, over 16,000km of pipelines and more than 5,000 wells will have to be decommissioned. Over the next three decades the sector is estimated to be worth £50 billion and, in the next decade alone, could support peak employment of c 22,700. Gross Value Add has been estimated as being between £8.3bn and £11.3bn.

Decommissioning of infrastructure at this scale requires capability in a number of areas from project management, logistics expertise, infrastructure, health and safety and waste and risk management, all of which businesses across the Tay Cities economic region can provide, therefore offering end to end support. Support through the Tay Cities Deal and Scottish and UK Governments will allow Dundee and the wider region to rise to the challenge and become a multi-disciplinary, internationally recognised centre of excellence in oil and gas decommissioning which will provide a range of job opportunities at all levels and ensure that the area becomes the focal point for the sector's growth. In doing so we aim to capture activity and spend, not just from the UKCS but also intend to support our ability to export know-how and expertise to other oil and gas producing areas across the world where decommissioning is still in its infancy.

Support via the Tay Cities Deal is requested in the form of strategic support for Dundecom which aims to pull together the regional assets of Dundee, Montrose and Methil (Port and Energy Park Fife), port operators, local authorities and private sector partners. We will create a new circular economy approach to decommissioning and a bespoke supply chain that generates savings to UK taxpayers and efficiencies savings to operators.

Projects	Offers	Asks
<p>Dundecom</p> <p>Dundecom is a new private / public sector partnership aimed at creating a major centre in Scotland for oil and gas decommissioning at the Port of Dundee.</p> <p>The project brings together the main ports in the area, together with the Councils and proposes to establish the region as a multi-disciplinary, internationally recognised centre of excellence in the practice of and research into, oil and gas decommissioning.</p> <p>The project seeks to ensure maximisation of economic and social benefits for the region, Scotland and the UK whilst achieving reductions in the cost of decommissioning and reducing the leakage of expenditure beyond the UK through minimising the exportation of decommissioning activity.</p>	<p>Phase 1: Continued commitment of initial capital and revenue investment led by private sector partners and supported by public agencies in infrastructure, land and skills in the Dundee and wider City Region area.</p> <p>Phase 2: Continued support and development of the private sector led partnership, Dundecom</p>	<p>Phase 3: The ask of Government at this stage is to recognise and support Dundecom efforts to become the focal point for the industries' development in Scotland and the UK.</p> <p>Phase 4: There may be a future ask of Governments for further investment in infrastructure and other support mechanisms dependant on the success of Phases 1 -3.</p>
Financial Summary 2018-2028	Total Capital Cost: £310m	City Deal Capital Contribution: £155m

Developing a World Class Tourism Offer

Through Tay Cities Deal tourism investment we will:

- Increase the attractiveness of the region to new, niche and higher value markets
- Deliver new tourism infrastructure and facilities – from cultural venues to marine tourism infrastructure:
 - 10 attractions and venues developed
 - Dundee Marina (300 – 400 berths)
 - Pontoons: Elcho Castle, Tayport, St Andrews, Arbroath and Dundee
 - Moorings: Errol and Newburgh
- Generate over 456,000 additional visits to attractions per annum by 2028
- Generate over £35 million in net additional economic impact per annum by 2028
- Support the creation of over 1,000 new FTE jobs over the lifetime of the supported projects – from the construction phases to steady state operation

The Regional Economic Strategy sets out our ambition to deliver a world class visitor experience in a world class destination. Our strategic direction is shaped by a report we commissioned in 2016 (Tay Cities Region Tourism Study, SQW) which analysed the economic value, performance, business and labour market characteristics of the region. The report highlights an apparent decline in the total number of staying visitors to the region between 2009 and 2015, particularly UK visitors, with some growth in overseas visitor numbers in recent years, albeit with a decline in 2015. This is set against modest growth in Scotland in total staying visitors between 2009 and 2015. In addition, the region is proportionately more dependent on the day visitor market than the staying market (particularly in Dundee and Angus) with day visitor expenditure higher in the region as a percentage of the market than the figure for Scotland.

We have wonderful tourism assets and major developments in the pipeline, with a major focus on the V&A Museum of Design in Dundee. This particular development has the potential to be catalytic – not just for Dundee but for the wider region, heightening the profile of the broader tourism offer and presenting the opportunity for more industry collaboration and partnerships to address strategic priorities. To achieve this we need to make the region more ‘sticky’ as a visitor destination to attract higher spending markets with a greater propensity to stay longer or repeat visit. Accordingly, there is a strategic case for change and investment in a strong portfolio of cultural and heritage attractions and venues, activities and infrastructure (combined with enhanced skills development) in order to deliver improved performance in terms of economic impact and uplift in GVA (and, by extension, productivity).

Our cluster of cultural/heritage attractions and venues are well placed to collaborate and capitalise on the advent of the V&A Dundee – presenting a string of Tay pearls to visitor markets. However, there are specific needs in terms of additional investment to realise this potential and develop best in class facilities commensurate with market trends and demand. Thriving and leading attractions and cultural tourism assets will also support wider development of the creative industries, another key sector for the region.

The Firth of Tay is an under-exploited tourism and recreational asset. Investment in marine tourism infrastructure such as pontoon and marina facilities, on the coast and upstream on the Tay, will unlock new, high value markets, such as sailing and further strengthen the region’s offer. Furthermore, such investment will also support initiatives related to outdoor education skills, as well as supply chain development.

Securing investment in this range of tourism projects, coupled with employability and skills initiatives, will support the Tay Cities Region in increasing expenditure and the economic impact from tourism and improving business productivity. It will support the region in its aspiration to deliver a world class tourism offer. We acknowledge that investment also needs to be combined with new approaches to supporting growth of the tourism sector. Accordingly, partner agencies are addressing the current arrangements for sector support by building on existing collaboration to develop a more integrated approach to tourism development, destination marketing and conferences and conventions.

Projects	Offers	Asks
Tay Adventure We are determined to realise the full potential of Firth of Tay and build on the momentum of recent investment in leisure and recreation infrastructure at Perth, to develop East Scotland's marine tourism proposition. The focus of the project is the provision of marine tourism infrastructure including pontoons, moorings and marina facilities at Dundee, Arbroath, St Andrews, Tayport, Newburgh, Errol, and Elcho Castle. The project will also create new leisure business start-up opportunities.	Partners will develop a new collaborative approach to development and marketing of the area's marine tourism assets. Project partners will provide capital and revenue funding.	Capital funding.
Dundee Cruise Terminal The Dundee Cruise Terminal will create purpose built accommodation for turnaround and transit cruise calls at Dundee Port. The project's ambition is to establish Dundee as a must stop cruise destination in order to establish the city and the wider region as the gateway to the East of Scotland.	Integrated marketing of the region's tourism assets to cruise passengers. Revenue funding.	Capital funding.
Developing Cultural and Heritage Tourism Assets Across the Tay Cities Region The following projects are discrete capital projects and, in addition to investment in them, we will work more cohesively as a collaborative network to address product development, marketing and regional tourism performance.		
Pitlochry Festival Theatre: Vision 2021 Between 2019 and 2021, Vision 2021 will transform PFT into Scotland's leading producing theatre building, establishing a national centre for technical skills training, and delivering a new cultural tourism destination in the rural heart of Scotland. Once transformed, PFT will: <ol style="list-style-type: none"> 1. establish a centre of performance excellence, combining unique, in-house theatre output with multi-art form work from across the UK 2. attract more cultural tourism visits and 3. Build creative capacity and develop new employment pathways through a national centre for technical theatre training and creative learning 	PFT will provide capital and revenue funding.	Capital funding.

<p>Perth Cultural Transformation Projects</p> <p>Perth & Kinross Council has, with a range of public and private sector partners, embarked on a 20 year programme to establish Perth as one of Europe's leading small cities. A key success factor is the transformation of the cultural offer to address current market failure and to capitalise on significant untapped market potential.</p> <p>The cultural transformation programme comprises 3 work streams:</p> <ul style="list-style-type: none"> • a £30M capital investment programme in new cultural attractions • the UK City of Culture 2021 bid for Perth • the proposed relocation of the Stone of Destiny from Edinburgh to Perth <p>The £30M capital investment programme will comprise the redevelopment of two existing sites in Perth:</p> <ul style="list-style-type: none"> • the currently disused City Hall which will be: <ul style="list-style-type: none"> • transformed into a modern state of the art museum • provide space for large scale touring exhibitions • will use digital and high resolution imaging to assist in interpretation of artefacts • Perth Museum and Art Gallery: <ul style="list-style-type: none"> • enabling work to create a purpose built museum collections store is part of the programme and this is underway 	Committed capital and revenue funding.	Capital funding contribution.
<p>Hospitalfield, Arbroath</p> <p>Hospitalfield is a nationally important centre for art and culture. The Hospitalfield Future Plan combines capital investment and intelligent restoration with a clear vision for insightful contemporary cultural programming. Underpinning this ambitious project is a focus on economic sustainability and working in strategic partnership across the region and beyond. This dynamic plan will vastly increase Hospitalfield's ability to become a world class facility for cultural ideas and production as well as a great day out.</p>	Capital and revenue funding from Hospitalfield Trust and a range of funders.	Capital funding.
<p>The Unicorn Centre – Dundee Maritime Museum</p> <p>In order to build upon the growing number of maritime opportunities at Dundee's waterfront it is proposed that a 'multi use building' is constructed to house H.M. Frigate Unicorn. The building itself would be artistically designed and form an attractive venue for repeated visits covering a wide variety of maritime interests, in addition to those offered by the H.M. Frigate Unicorn. It would be specifically configured to accommodate visiting exhibitions and other loan material. The construction would reflect this aspect in its name of 'The Unicorn Centre'.</p>	Capital and revenue funding.	Capital funding.

<p>Dundee Contemporary Arts: DCA 20</p> <p>This project will enable DCA to retain and grow its position as a leading cultural and tourism provider within the region.</p> <p>DCA 20 will renew the promise of DCA by reinforcing its unique ability to catalyse innovation and creativity in the city.</p> <p>Internal structural changes will make a third cinema screen, creating the UK's first dedicated childrens cinema space. They will also create a:</p> <ul style="list-style-type: none"> • new digital area for creative learning, fabrication and events to help deliver our commitment to inclusive growth • reinvigorated food and beverage offer • redeveloped and expanded retail experience to greatly enhance our commercial income streams • new-look interior to help maintain our market position as the most-visited cultural attraction in the city-region • improve the digital and built infrastructure required to cope with 450,000 visits annually • create a new entrance facing the Waterfront to help attract visitors 	<p>Capital and revenue funding.</p>	<p>Capital and revenue funding.</p>
<p>Discovery Point</p> <p>The proposed development will create a significant further enhancement to Dundee's Central Waterfront and, importantly, to the V&A. The project will lead to a complete overhaul of Discovery Point, creating a new museum that portrays the story of RRS Discovery and the men who journeyed on her, in new and engaging ways. This will be delivered under the strapline "Made in Dundee: Designed for Adventure". The project will touch on all aspects of the visitor journey, from initial visitor orientation to the flow of the experience, its contents and their presentation, its learning spaces, the positioning and effectiveness of its commercial areas and, of course, RRS Discovery herself.</p> <p>The development will extend beyond the benefit to day visitors in creating greatly enhanced event and conference spaces that are comparable with the best that the city region has to offer.</p>	<p>Dundee Heritage Trust will provide capital and revenue funding.</p>	<p>Capital funding.</p>

<p>The Comic Centre</p> <p>The proposed project will create the UK's first purpose built permanent comic-based centre/visitor attraction. Substantially based on the brands and archive of DC Thomson, the new attraction will attract a diverse audience, ranging from those who grew up with the brands to those yet to pick up a comic for the first time. The visitor experience will have two defined elements, a) an interactive comic museum with heavily digitised content that tells the stories of how the publications developed, of notable people involved and the characters many have come to love, also displaying original artwork and other material from DC Thomson's extensive archive and, b) a creative hub that will exist with the express intention of encouraging children and others to read, write, animate, programme and generally create in an environment built to support this.</p>	<p>Dundee Heritage Trust and project partners will provide capital and revenue funding.</p>	<p>Capital funding.</p>
<p>Dundee Science Centre</p> <p>Dundee Science Centre plans to undertake the largest capital investment programme that has been delivered for the Science Centre since opening nearly 17 years ago. The project will see the creation of a new Science Learning Institute suite and new interactive exhibition within the Centre, which will enable delivery of inspiring and accessible science engagement for people of all ages and diverse backgrounds. The project will truly transform the science centre and enable it to be a first-class educational facility, visitor attraction and community resource for the Tay Area.</p>	<p>Dundee Science Centre will provide capital funding.</p>	<p>Capital funding.</p>
<p>Regional Tourism Development</p> <p>An integrated and "one team" approach to regional tourism development across the Tay Cities Region. It will capitalise on the increased national and international profile of the area driven by the opening of the V&A Museum of Design in Dundee by addressing new markets and developing the region's tourism products. The main objectives are to:</p> <ul style="list-style-type: none"> • drive greater regional collaboration with the tourism sector across the region • develop a new regional approach to destination marketing • attract more events to the region including major events, conferences and business events • develop the skills of the tourism workforce 	<p>A new regional tourism partnership vehicle supported by the local authorities and industry to grow the value of the visitor economy in the Tay Cities Region.</p> <p>The approach will be to provide a strategic co-ordination framework for enhanced destination development and marketing, particularly in relation to new markets, without compromising the personalities and identities of existing destination brands.</p>	<p>The commitment of partner agencies VisitScotland/ EventScotland and Scottish Enterprise to support and participate in our new regional tourism partnership arrangements.</p> <p>This includes consideration of resources to develop products, skills, marketing to key segments, as well as support for enhanced activity in relation to major events and business tourism.</p>
<p>Financial Summary 2018 – 2028</p>	<p>Total Revenue Cost: £25m</p> <p>Total Capital Cost: £104m</p>	<p>City Deal Revenue Contribution: £5m</p> <p>City Deal Capital Contribution: £63m</p>

Growing our Creative Industries

Through Tay Cities Deal creative industries investment we will:

- Create, stimulate and safeguard more than 4,200 jobs
- Attract more than 1,275 business individuals and companies new to the region over 10 years
- Generate an uplift in Business Gateway introductions of up to 30%
- Support 555 businesses over 10 years and accelerate 125 over 10 years
- Generate GVA for the region of over £250 million
- Upskill 1,300 people
- Contribute to growing destination visitor numbers by at least 250,000 annually

The Tay Cities economic region has a vibrant, emerging and diverse creative industries sector and the ambition to compete globally to deliver cultural and commercial success. Having produced winning creative brands from “Peter Pan” to “The Beano” to “Grand Theft Auto”, we are now looking to grow our unique track record and, for the first time, unlock true potential and realise economic and cultural benefits. Support via the Tay Cities Deal will turn the ambition set out in our Regional Economic Strategy into reality.

Challenges for the sector in this region include lack of scale, limited access to investment and the need to raise the region’s creative industries profile. Beyond offering talented individuals reasons to stay and invest here, we also need the means and the profile to attract key players, talent and projects.

Our Tay Cities Creative proposals - Creative Exchange Perth, Studio Dundee, Studiotel, West Ward Works and the Scottish Games Centre - offer a powerful combination to respond to these challenges and see a step change in the delivery of an eco-system founded on commercialisation, collaboration and communication. All projects collaborated on a differentiation and positioning evaluation to ensure that each is fully complementary and that the positioning presented in each SOC represents a cohesive approach and value for money.

Projects	Offers	Asks
<p>Creative Exchange Perth</p> <p>The Creative Exchange will be housed in a redesigned former city centre primary school building space that will serve a broad spectrum of users from innovative, creative digital businesses to traditional visual artists. The community will include private companies, social enterprises, organisations and charities, who seek to support innovation in the creative sector. It is envisaged that the Creative Exchange will nurture new collaborative thinking and practices that will have a significant social and economic impact on the wider community and enhance the innovation and entrepreneurial ecosystems. The hub will work alongside other centres of excellence across the region creating an arc of excellence and innovation, maximising regional strengths.</p>	<p>Committed capital funding contribution</p> <p>Business Gateway relocated into building.</p> <p>Delivery partnership in place between Perth & Kinross Council and WASPS supported by the University of the Highlands & Islands and Culture Perth & Kinross.</p> <p>Regional collaboration with other Tay Cities Creative projects.</p> <p>Outreach into adjacent SIMD worst 10 and 20% data zones.</p>	<p>Capital and initial revenue funding.</p>

<p>Studio Dundee</p> <p>Studio Dundee is an innovative development focused on the creation, acceleration and nurturing of creative industries and entrepreneurial talent. At its heart is a state of the art co-working space, meeting rooms, break out areas, fully equipped tech lab and 1Gb broadband offered in an affordable, monthly, membership model. The space will be accessible 24/7. It will provide a 'shop window' to the best of the region's design led talent in the heart of the City Waterfront and signpost visitors to the other creative spaces in the city.</p> <p>Studio Dundee will create a new community where entrepreneurs can work, stay, play and learn in an environment designed to foster innovation.</p>	<p>Business Gateway relocated into building.</p> <p>£21.4 million of institutional investment to be secured.</p> <p>Regional collaboration with other Tay Cities Creative projects.</p>	<p>Capital funding.</p>
<p>Studiotel</p> <p>Studiotel sits at the heart of new-to-region talent attraction that will provide activity flows to other TCD creative industries projects. Studiotel is a unique 140 bed stay-and-work, near-market, digital interactive content production studio with a blockchain enabled trust centre and a catalyser programme developing creative talent. Studiotel will attract 1275 new-to-region practitioners to the Tay Cities over 10 years. This influx of talent will result in 550 new jobs and 350 of these will be new freelancers joining the Tay Cities supply chain. This nucleus of new creative activity will attract £17m of new-to-region creative content production investment. The talent catalyser projects will stimulate public-facing showcase events attracting 200,000 visitors.</p>	<p>Project costs to be shared with a Property Investment Company.</p> <p>Regional collaboration with other Tay Cities Creative projects.</p>	<p>Capital and revenue funding.</p>
<p>West Ward Works</p> <p>The West Ward Works Creative Hub project will transform a former printing works into an experimental cultural and creative hub which – at more than 200,000 square feet – will be one of the largest and most dynamic creative industries locations in Scotland. Approaching £18 million will be invested in the project in 3 phases over a 7 year period, allowing the spaces to develop in response to the emerging needs of creative companies in the region. West Ward Works will have three distinct but connected elements. It will be a Centre for Design-led Regeneration (working in partnership with Unesco City of Design) , a Laboratory of Creativity (incorporating a maker campus, affordable workspaces and creative sector bespoke business / skills development) and a New Cultural Venue (promoting design and creative innovation, hosting exhibitions, festivals, dance and music performance).</p>	<p>£3.25 million capital and £625K funding secured.</p> <p>Use of social enterprise model to deliver project.</p> <p>Regional collaboration with other Tay Cities Creative projects.</p>	<p>Capital and revenue funding.</p>

The Scottish Games Centre <p>The Scottish Games Centre is a partnership based initiative which aims to increase the growth of the existing computer games cluster in the Tay Cities region and capitalise on relationships with public agencies, games studios and major digital content commissioners at a local and national level. While parts of Dundee’s existing games cluster are prospering other parts are fragile and the positive role it plays in the region is at risk of being diluted by other geographic clusters competing for talent, investment and reputation. The project aims to offer three complementary strands of activity, coordinated through the Scottish Games Centre. The Centre will provide facilities to promote experimentation and innovation in professional practice, advocacy and representation for the local games business community and wraparound, bespoke business and enterprise support to maximise commercial success.</p>	Revenue funding contribution.	Capital and revenue funding.
Financial Summary 2018-2028	Total Revenue Cost: £31m Total Capital Cost: £48m	City Deal Revenue Contribution: £19m City Deal Capital Contribution £12m

Creating Higher Value Food & Drink Businesses

Through Tay Cities Deal food and drink investment we will:

- Augment and safeguard the over 13,000 jobs in the Agriculture, Food and Drink sectors regionally
- Add an additional £100 million per annum in GVA to the local economy by closing the productivity gap between the region and the Scottish average for the Food & Drink industry
- Deliver a state-of-the-art 50,000sq.m glasshouse with related R&D and apprenticeship programmes, guaranteeing the future of the local soft fruit industry
- Deliver over 7,500sq.m of Research, Development and Innovation space offering global research excellence, as well as technical and skills development facilities to industry not available elsewhere in Scotland

The Regional Economic Strategy highlights increased innovation as essential to sustainable, inclusive growth. Agriculture, food and drink are essential parts of the economic fabric of the Tay Region, as well as the cultural identity and sense of 'place'. The sectors draw their strength from both urban and rural communities. They also form a central part of our international profile and tourism offer. But they underperform in terms of the value-added they deliver for the local economy.

There are strong examples of industry-leading innovations by local food and drink producers. These include a small craft distiller bringing successfully to market a distinctly regional 'Heather Rose Gin' and a local food manufacturer taking distinctly Scottish 'Haggis flavoured crisps' to China. However, we have the ingredients locally to do much more: 40% of Scotland's Class A agricultural land is in Angus alone, Scotland's soft fruit industry has its home in the region, the UK's major potato growers look to the region as a key supplier of this national staple and local Higher Education and Research institutions have internationally recognised expertise in food preparation, product development and wider agricultural research disciplines. Despite these strengths, local GVA derived from the sector is lower in this region than elsewhere in Scotland as much of the value-added to local produce is currently delivered elsewhere. This is largely a result of the overwhelmingly SME and rural nature of the local industry where affordable local access to the technology, skills and capacity to innovate more effectively is lacking.

We will use the Tay Cities Deal as a catalyst to bridge these gaps and deliver a step change in this picture. A series of complementary interventions across the supply and product development chain will take advantage of local academic and research excellence and proven entrepreneurial business skills to provide business with the latest product research, manufacturing technology and skills it needs to innovate more effectively.

Projects	Offers	Asks
Angus Soft Fruits Scotland's first soft fruit glasshouse research and production facility, which will move a key industry to a year-round production model reducing the need for imports, aiding the development of new varieties and developing local skills and employment.	Private sector funding, management and industry / academic collaboration for the provision of new infrastructure and creation of new skills and employment pathways.	Match-funding for initial capital build costs of new glasshouse
Centre for Food & Drink Knowledge and Innovation Providing industry with access to food manufacturing technology not currently available in Scotland and not normally affordable to SMEs - developing new markets, new skills and new products.	New capital and revenue investment in food technology laboratories and equipment on existing University premises and related staff.	Capital for larger pieces of advanced manufacturing technology and a suitable industrial operating environment. New staff and running costs over six years until self-financing (less income projections).
International Barley Hub Creating the world's leading centre for translating excellence in the research of Scotland's single most important crop into economic, social and environmental benefits.	Revenue funding contribution.	Capital for the establishment of dedicated research facility with seminar, meeting spaces and associated equipment.
The Advanced Plant Growth Centre (APGC) Public-private innovation cluster to develop and commercialise new SMART energy and LED light systems for the indoor growth of high value crops.	Full provision of staff, management and knowledge resources to deliver APGC goals. Revenue funding contribution.	Capital for establishment of research facility and associated equipment.
Financial Summary 2018-2028	Total Revenue Cost: £76m Total Capital Cost: £58m	City Deal Revenue Contribution: £27m City Deal Capital Contribution: £52m

Exploiting our Strengths in Digital Innovation

Through Tay Cities Deal digital investment we will:

- Create, stimulate and safeguard more than 2,000 jobs over the next 10 years
- Exploit global reputation for excellence in Forensic Science, Cyber Security and current international networks to build export opportunities
- Increase and retain a talented, highly educated and well paid workforce
- Develop new business locally and attract new business into the area
- Create new products, techniques and applications

As our Economic Strategy highlights, the Tay Cities economic region has a global reputation as a hub of digital excellence and has the skills, talent and ambition to compete and meet demand in a growing world market. Our universities have a long history of producing skilled, creative graduates and have shown that they can create successful industry growth particularly in the areas of software development, technology services and mobile app development.

The world is facing a number of challenges such as personal, financial and economic security, a growing demand from an ageing population with long-term chronic diseases, an increasing burden from mental health issues and the need to provide holistic care for patients with multiple physical and health conditions, requiring new, innovative and creative solutions.

There is a growing global demand and commercial potential for skills and expertise in forensic science and cybersecurity which our three Tay Cities Digital Innovation proposals – JustTech, the cyberQuarter and Brighter Lives by Design - look to meet. They seek to build upon world renowned expertise in digital innovation to create new products, stimulate business growth, meet the growing demand for skills and expertise and ensure that our home grown talent remains in the area.

Projects	Offers	Asks
<p>Just Tech - Jobs Locally, Growth Nationally, Justice Globally</p> <p>Dundee University is recognised as the UK lead for research and education in forensic science. By leveraging this position, we will unlock and exploit the untapped commercial potential to create new products, companies and opportunities in local, national and global markets to serve justice and to develop safe and secure societies. By 2027 we aim to: create new global standards in tests, techniques, analysis, communication and practice in forensic science; build a specialist business portfolio around the growing market for justice system design and technology.</p> <p>Establishment of a Forensic Science Catapult Centre.</p> <p>Investment in a new Innovation Cluster.</p>	<p>Revenue and capital funding contribution.</p>	<p>Capital funding.</p>

<p>The cyberQuarter</p> <p>The project will establish the Tay Cities Region as the location for the cybersecurity sector in Scotland by:</p> <ul style="list-style-type: none"> • Attracting existing cybersecurity firms (relocation) • Supporting the creation of new companies through integration of industrial experience and start-up support with cybersecurity education • Creating a physical Centre for Cybersecurity Innovation with the infrastructure support, as well as direct links to the Tay Cities universities' research and knowledge exchange expertise, necessary to attract existing companies and to nurture start-ups • Developing a concerted response to the digital threat to Scotland's citizens, businesses and global partners by focusing expertise, enterprise and innovation to the create a knowledge network to inform innovative products and services for the global market 	Revenue funding.	Capital funding.
<p>Brighter Lives: By Design</p> <p>The Brighter Lives by Design project seeks to provide a solution to the unprecedented mix of challenges faced by the UK's health and social care sector, including: a growing demand from an ageing population; an increasing burden from mental health issues; and the need to provide holistic care for patients with multiple physical and health conditions.</p> <p>The project will create a range of innovative technological solutions to address and resolve major challenges in the provision of services. It will also create solutions to improve patient experience, enhance service delivery and develop the next generation of care workers. These products will be developed locally and, importantly, will involve extensive cross-collaboration amongst patients, healthcare professionals and experts in technology and design.</p>	Capital funding contribution.	Capital and revenue funding.
<p>Financial Summary 2018-2028</p>	<p>Total Revenue Cost: £58m</p> <p>Total Capital Cost: £48m</p>	<p>City Deal Revenue Contribution: £34m</p> <p>City Deal Capital Contribution: £43m</p>

Creating a Living Lab for Eco-innovation

Through Tay Cities Deal investment in eco-innovation we will:

- maximise low carbon technologies investments within the UK
- support low carbon heat investment opportunities over 10 years, adding £99m to Scotland's economy and £135m to the UK economy and 144 FTE jobs
- support investment in business eco-innovation at Perth West creating 1,055 FTE and at Eden Campus project create 696 jobs by year 25
- encourage an additional 30 active innovating businesses
- increase volume of additional business R&D expenditure in low carbon technologies by £1.8m over 10 years (1% of investment)
- save 10% of fuel costs for participating private and public organisations
- reduce fuel bills by between 10% and 20% for residents connected to district heating schemes
- reduce carbon emissions
- develop exportable skills and knowledge

The Regional Economic Strategy identifies eco-innovation as one of our growth opportunities. Our region is already contributing significantly to renewable electricity and heat generation, with a diversified supply chain that includes a FTSE 100 business and around 250 SMEs. Building on our exceptional natural resources and our diversified supply chain, we will capitalise on eco-innovation opportunities to deliver growth by supporting more businesses to be actively engaged in innovation. We want to encourage more R&D in low carbon technologies, ultimately creating or sustaining a wide range of higher skilled jobs. However, limited collaboration and technological innovation mean that much of the value of the eco-innovation and the circular economy cannot be realised without initial public sector funding.

With the support of the Tay Cities Deal, we will establish the Tay Cities economic region as a leading UK and European living lab for eco-innovation (through the Tay Eco-Valley brand). Using a one-stop approach for asset owners, developers, investors and suppliers, we will facilitate business growth, R&D and attract investment in low carbon technologies. We will demonstrate, in a real life situation, that decarbonising heat and transport, decentralising energy generation/use and developing the circular economy can support new job opportunities, attract additional investment and open international markets as well as help reduce fuel poverty and carbon emission.

We will develop an innovative institutional partnership combining foresight, strategic steer and risk capital. We will deep dive into low carbon heat, low carbon transport and circular economy problems, identify the potential technical merit of technology solutions and their potential market pull and cost effectiveness as well as facilitating their deployment across the region through flexible planning, access to technical support to move from feasibility to full business case and investment grade proposal. We will form a regional energy service company, Tay Cities Energy Services, to capture opportunities arising from low carbon heat. We will create low carbon transport and active travel hubs linking to our Park and Chose proposals and will support eco-innovation across other growth sectors including oil and gas decommissioning, food and drink, engineering and advanced manufacturing.

Projects	Offers	Asks
<p>Tay Eco-Valley - the eco-innovation living lab</p> <p>The overarching objective is to create a user-centred, open-innovation ecosystem in the areas of low carbon heat, low carbon transport, energy efficiency, renewables, remanufacturing and waste material as a resource supported by a public, private and academic partnership.</p> <p>A strong regional public, private and academic partnership has already been formed. The proposal is now to deliver some sector-leading, innovative demonstrators that can be replicated or scaled up/down elsewhere.</p>		
<p>Low Carbon Heat</p> <p>We will foster regional collaboration and expertise through the development of Tay Cities Energy Services, a regional Energy Services Company, attracting investment to build innovative district heating schemes in Dundee, Forfar and Perth using renewables or low carbon technologies, including water or geothermal heat pumps and biomass as sources of fuel:</p> <ul style="list-style-type: none"> • River Tay Heat Pump, the first phase of Perth's District Heating Network • Zero Carbon Forfar • Dundee Low Carbon District Energy Strategy • Dundee Integrated Energy Hub, based around the H2 Energy Park 	<p>District Heating master plan developed to 2040.</p> <p>£15m public sector funding committed to capital projects.</p> <p>Strong working regional partnership established in Scotland through the Heat Network Partnership and Stratego Project as well as with partners in Denmark.</p> <p>Strong engagement with suppliers and contractors through the existing public-private Tay Eco-Valley Board.</p>	<p>Initial revenue funding and capital funding.</p>
<p>Low Carbon Transport</p> <p>We will develop low carbon transport and active travel hubs in Dundee, Forfar, Perth and Cupar offering alternative fuel sources and encouraging a modal shift.</p> <p>This will complement the proposal to develop Park and Chose facilities across the region.</p>	<p>Partners' experience of deploying and maintaining Electrical Vehicle Infrastructure.</p> <p>Hydrogen road map established and feasibility carried out.</p> <p>Experience of running EV or hydrogen vehicles fleet.</p> <p>Funding secured to deploy hydrogen buses.</p>	<p>Capital contribution.</p>

<p>Regional Logistics, Fulfilment and Business innovation Park, Perth</p> <p>The project being progressed by the John Dewar Lamberkin Trust will deliver 20 hectares of employment space in a strategic location within the Tay region. The development will provide space, facilities and infrastructure for research and development into low carbon technologies and, crucially, their application, including sustainable transport and associated energy production, progressive manufacturing facility and logistics and fulfilment park; a central logistics containment site with shared warehousing, cold storage and packing for food and drink and medicine, centred around fulfilment capability.</p>	<p>£10m private sector investment in enabling infrastructure with 50% provided by the private sector.</p>	<p>Capital contribution to a maximum of £5 million.</p>
<p>Business Eco-innovation - Eden Campus</p> <p>Eden Campus will be an exemplar of new production methods of advanced materials through re-use of bio-waste streams in the circular economy to attract industry to invest in the region. It will also integrate these activities with innovation in low carbon energy, demonstrating how zero carbon communities can be developed through the integration of multiple technologies across different sectors.</p> <p>It will do this through provision of new facilities to support industry in their “first of a kind” solutions for sustainable communities in the region and beyond, upgrading value from waste streams to chemicals, transport fuels, advance materials and low carbon integrated energy, creating new economic and employment opportunities in the region:</p> <ul style="list-style-type: none"> • Advanced materials production (industrial biotechnology, bio economy , integrated bio refinery) • Circular bio-economy centre • Integration of materials production with low carbon energy production and storage • Facility to optimise Manufacturing techniques for these advanced materials • Maximising regional and national resources (including carbon capture, reduction and re-use), to advance materials (nanotubes, bio fertiliser, biogas, activated carbon, bio-oils, bio transport fuels (land, marine and aircraft fuels), manufactured at regional level • Whole systems approach to low carbon energy innovation at community scale will accelerate the Governments aspirations towards low carbon communities and inclusiveness as a nation. • Regional high performance computing and research data lab • STEM and industry regional skills academy 	<p>Capital funding.</p>	<p>Capital contribution.</p>
<p>Financial Summary 2018-28</p>	<p>Total Revenue Cost: £5m</p> <p>Total Capital Cost: £342m</p>	<p>City Deal Revenue Contribution: £5m</p> <p>City Deal Capital Contribution: £119m</p>

Commercialising Biomedical Innovation

Through Tay Cities Deal biomedical investment we will deliver:

- A 50% increase in those employed in the Tayside Biomedical Cluster from 400 to 650
- An increase in turnover from £125 to £188 million
- The creation of over 250 high-quality sustainable scientific/MedTech jobs, along with an estimated 120 support jobs
- Increase the pre-incubation and spin-out of University and NHS Tayside research and innovation
- Increase Industry partnering between the University, NHS Tayside and the business sector, increasing commercialisation and economic growth
- Provide development and training for the local workforce and a 3-fold increase in the number of surgical/clinical healthcare professionals attending professional training at Ninewells Hospital & Medical School and the University of Dundee
- Inward investment: the project will attract substantial inward investment from venture capitalists and global pharmaceutical/healthcare companies
- Health outcomes: the project will improve the wellbeing of the Tayside population and workforce through the arising economic impact and healthcare innovations and technologies resulting from the project

The Regional Economic Strategy highlights the importance of the biomedical sector to the area with more than 4,000 jobs in R & D and manufacturing. The region has well established partnerships between Academia, the NHS and business and coupled, with the areas strengths in creative and digital technologies, offers existing businesses in the area and elsewhere in Scotland and the UK a unique collaborative environment in which to develop new products and solutions for the global market.

However, the sector faces constraints primarily in a lack of commercial accommodation in the areas around Ninewells Hospital and the University of Dundee. Whilst industry, academia and NHS partnerships are being formed, there is lack of suitable accommodation to support further spin outs and company growth and expansion. The risk here is that, without intervention, these companies relocate elsewhere in the UK without the full benefits being realised locally.

The Tay City Deal will support a well-established and internationally recognised partnership comprising the NHS, Dundee City Council, University of Dundee, local college sector, local business base and a range of national and international investors. The project will focus on the area's three key strengths namely:

- Biopharmaceuticals/Biotechnology
- Medical Technologies
- Skills Development and Training

Projects	Offers	Asks
<p>Growing the Tayside Biomedical Cluster</p> <p>This projects brings together excellence in the Biopharmaceuticals/Biotechnology, Medical Technologies, and Skills Development and Training. The project is a partnership, the product of collaboration between key stakeholders including the University of Dundee, NHS Tayside, Dundee & Angus College, industry (global and SME level), private sector investors, and Dundee City Council.</p> <p>The project will deliver:</p> <p>Biotechnology/Biopharmaceuticals</p> <ul style="list-style-type: none"> • Development of new, pre incubation space at the University of Dundee and the new biomedical cluster estate at Technopole, Dundee <p>MedTech/Surgical and Clinical Skills Training</p> <ul style="list-style-type: none"> • Development of new MedTech facility within Ninewells and an extension of existing facilities at University of Dundee. <p>Skills Development and Training supporting both Biotech and MedTech priorities</p> <ul style="list-style-type: none"> • Specialist training facilities and workforce development support at Dundee & Angus College • Specialist business support and leadership 	<p>Significant capital contribution.</p>	<p>Capital and revenue funding support.</p>
<p>Financial Summary 2018-2028</p>	<p>Total Revenue Cost: £19m</p> <p>Total Capital Cost: £219m</p>	<p>City Deal Revenue Contribution: £19m</p> <p>City Deal Capital Contribution: £45m</p>

Promoting International Trade and Investment Opportunities

Through the Tay Cities Deal our new approach to trade and investment will deliver:

- at least a 100% increase in the number of companies engaged in international business (over 5 years)
- an increased share of new Foreign Direct Investment in Scotland to at least match that of other city regions
- a clear and progressive brand image that straddles the region's offer, covering both goods and services

Inward investment and international trade development have been identified as priority areas where the 4 local authorities will seek to align their approach and resources with local and national agencies to deliver a step change in performance.

Inward Investment

Over the last five years, Scotland has consistently been the most attractive destination for foreign investors in the UK, outside of London. Over the same period, the Tay Cities region has consistently attracted less than 5% of Scotland's success in this endeavour (EY Attractiveness Survey 2016). In 2015/16, there were 141 planned new jobs and a further 86 planned safeguarded jobs, 227 in total, as a result of completed inward investment projects in 2015/16. The majority of these new/safeguarded jobs were in Fife (103), with a smaller number in Dundee City (85). Though, on a per local authority basis this is above the average for Scotland, it is considerably below other City Regions in terms of new or safeguarded jobs.

The Region has a number of strengths which can be built upon to attract a greater share of inward investment including strong niches in life sciences and digital/creative industries, good port facilities, rail and road connections north and south and proximity to major airports, an experienced workforce in sectors such as manufacturing/engineering and contact centres, a strong pipeline of graduates from the region's colleges and universities and the £1 billion waterfront development.

Challenges include relative remoteness to the central belt/UK, workforce size and perception issues. The local authority areas covered by the Tay Cities Region are relatively small and lack the economies of scale needed to effectively target international markets, there is therefore clear potential to generate greater investment through adopting a collaborative approach.

Exporting

The Scottish Government has a target to grow the value of exporting to the rest of the world, (outside UK, excluding Oil & Gas), by 50% between 2010 and 2017. However, the Global Connections Survey shows that 50% of international exporting value is attributable to around just 50 businesses and that only 16% of all exports are undertaken by small businesses. Furthermore, FSB research shows that just 21% of small businesses are involved in exporting, but a further 21% would consider exporting with the right support.

The total value of exports in Scotland in 2014 was just under £27.5bn. Despite falling by 3% from 2013, total exports in Scotland grew substantially over the ten year period to 2014 by 46%, or £8.7bn.

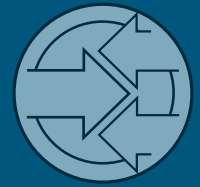
In the Tay Cities Region in 2015/16 (including NE Fife), there were 250 companies assisted by Scottish Development International (SDI). The majority were in Dundee City (78) and Perth & Kinross (76). The regional number had increased slightly from 233 supported companies in the previous year, though this is still some way below other city Regions in Scotland.

A new regional approach

In the recommendations flowing from its 2015 Report on 'Internationalising Scottish Business', the Scottish Parliament Committee for the Economy, Energy and Tourism said: *"We encourage the development of further company-to-company support networks on a regional basis in order to encourage successful exporters to share their experience and expertise. In particular, we believe that Scottish Development International and the enterprise agencies should actively support the development of regional export partnerships."*

Projects	Offers	Asks
<p>The creation of a multi-partner International Trade and Investment Partnership for the Tay Cities Region which will seek to deliver a step change in both international trade activity by companies in the region and an increase in foreign direct investment. The main objectives are to:</p> <ul style="list-style-type: none"> • Increase investment in the Tay Cities Region, securing a greater share of new Foreign Direct Investment (FDI) in Scotland, to match that of other city regions • Build a strong base of exporting our internationally focused businesses and realise at least a 100% increase in the number of companies engaged in international business over the first five years of operation • Market the region consistently, professionally and proactively and respond effectively to inward investment enquiries and visits; this will be done through a clear and progressive brand image that straddles the region's offer, covering both goods and services 	<p>A pan-regional, collaborative partnership for supporting international trade and investment through the four councils and strategic delivery partners.</p> <p>A dedicated, high-profile regional resource with critical mass, equipped to liaise and co-ordinate with local, regional and national partners and act as a conduit for the Region's businesses to access appropriate support and ultimately new markets.</p> <p>Maximised shared strengths and expertise through a hub-and-spoke approach to providing International Trade and Investment support, developing a 'matrix' of skills and expertise amongst local authorities and business support partners.</p> <p>Proactive marketing of the Tay Cities Region through a developed Regional inward investment offer and portfolio of key opportunities.</p> <p>Development, piloting and delivery of innovative and effective approaches to harness the strengths and resources of partners in the region, such as:</p> <ul style="list-style-type: none"> • Drawing on the resources of HE partners across the region to develop an overseas student placement scheme which can benefit and enhance international trading links and provide valuable work experience • A flexible, bespoke support service for businesses that is able to provide the necessary expertise for the right business and at the right time • Development of the USP of the Region and its constituent parts to position it effectively in order to maximise inward investment opportunities 	<p>Commitment from Scottish Enterprise/Scottish Development International to join the proposed Tay Cities Trade & Investment Partnership (which will also include Dundee & Angus and Perthshire Chambers of Commerce) with staff working together to deliver the Partnership's objectives and the Partnership agreeing how best to use the collective public sector resource.</p> <p>Agreement by Scottish Enterprise that new products and services should be co-created with the Tay Cities partners to ensure that the specific growth needs of businesses in this region can be met.</p> <p>Commitment by Scottish Enterprise that key sector teams will work more closely with local authority economic development teams to support the delivery of the Tay Cities Regional Economic Strategy by sharing market intelligence and prioritising resources accordingly.</p> <p>Agreement by Scottish Enterprise that there needs to be a closer operational relationship with the Business Gateway Steering Group and (at present) the third party contractor in Tayside, in agreeing which businesses should be account managed and which should be able to access the full range of SE products and services.</p>

The Proposed Deal for a Connected Tay

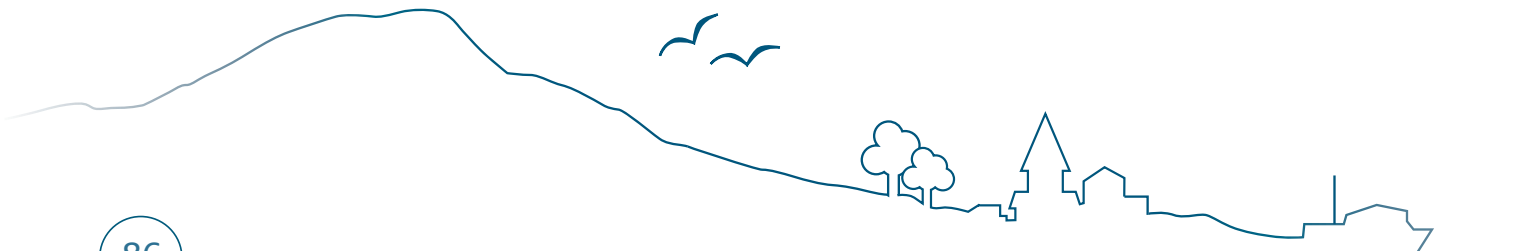


Through Tay Cities Deal investment in connectivity and infrastructure we will:

- Influence the roll-out of ultrafast broadband in the main urban areas and key employment sites
- Ensure the completion of 100% coverage of superfast broadband across the wider region
- Work with mobile operators to deliver improved 4G coverage and provision of a road map for 5G coverage
- Launch a trial of integrated fibre and 5G
- Deliver improved provision of free public Wi-Fi across key settlements
- Create a 'Digital Innovations Centre' capability to promote digital transformation and smart city projects across the area
- Invest in smart mobility to ensure the most effective and efficient use of the transport network
- Develop and deliver the transport infrastructure and capacity needed to unlock economic growth potential regionally and nationally
- Improve physical access to employment, internal and external markets
- Develop the role of Tay Cities region as a national transport hub
- Develop the role of Dundee Airport as a regional and international gateway
- Contribute to national economic, environmental and social outcomes
- Deliver the Tay Cities Regional Transport Model
- Deliver the Montrose to A90 Investment Corridor and invest in infrastructure which will facilitate growth in North Angus and across the region
- Realisation of current MOD land (former airfield) in Arbroath designed to grow both the economy of Arbroath and the place

The proposals for a Connected Tay encompass investment in both transport and digital infrastructure. They aim to provide much more effective and efficient physical and digital connectivity and capacity. Our Economic Strategy sets out the opportunity to unlock the region's economic potential by connecting more of our workforce with employment opportunities, supporting increased inward investment and improving international connectivity. Digital connectivity across the region will be enhanced, particularly in key business locations. Road and rail infrastructure improvements will ensure that residents of Angus, Dundee, Fife and Perth & Kinross can access employment opportunities within the region and also in other parts of Scotland and that the Tay Cities area is well-connected and accessible from other parts of the country. We believe this investment is critical if our businesses are to maintain competitiveness in both existing and new international markets.

Investment in road, rail, port and air connectivity will also ensure that the region's position as a strategically important hub, connecting all of Scotland's city regions, is recognised and optimised and therefore supporting economic growth across Scotland. Consequently, improved connectivity to the other Scottish cities, London and other European cities, is also a vital part of our Proposed Deal.



Increasingly businesses must access new markets nationally and internationally and ultrafast digital connectivity will enable them to do this easily and cost effectively. The intention is that the Tay Cities area also develops its existing digital capability and innovation and becomes a smart city region. Finally, better physical infrastructure also supports growth and this is particularly important in Angus where there is an opportunity to capitalise on the area's location between Aberdeen and Dundee/Perth. Additionally, in Perth and Dundee, where existing road infrastructure is nearing capacity, impacting on journey times and therefore productivity. The Tay Cities Deal provides an opportunity to secure appropriate new investment.

These proposals are supported by a partnership of four local authorities, the Regional Transport Partnerships, Highlands & Islands Airports Ltd, ScotRail Alliance, bus and coach operators, Transport Scotland, BT, Virgin, City Fibre and other broadband and mobile phone operators. With the support of the Scottish and UK Governments through the Tay Cities Deal we intend to develop the physical and digital connections that will help our economy thrive.

Projects	Offers	Asks
World Class Digital Infrastructure We want to support economic development in the Tay Cities area by developing a world class digital infrastructure that is needed by both businesses and communities in urban and rural areas. We want to promote the region as a living lab for digital infrastructure innovation. The project will build on the existing commercial broadband deployment focused largely on the urban areas, and the Scottish Government Digital Scotland Superfast Broadband programme providing broadband into the rural areas. The project will also provide the ultrafast speeds to businesses and communities with enhancements to 4G and 5G.	The offer is to provide the strategic and operational framework for this investment to take place and to remove any barriers including speeding up the planning and permissions processes.	The ask is to access funding from the new UK Digital Infrastructure Investment Fund, the Scottish Government allocation in the Draft Budget for Digital Infrastructure and from relief on Business Rates from 2017 for the deployment of new fibre (should they be introduced in Scotland). Most funding, however, is expected to come from commercial investment where this can be assisted and incentivised by public sector finding.
Smart City Region We aim to promote the Tay Cities as a Smart City Region supported by enhanced capability in digital innovation to be established between the four local authorities. A 'Digital Innovations Centre' will provide a shared approach and investment in digital transformation and smart city projects from Internet of Things (IoT) technologies to data analytics. It will develop new capabilities for service planning, transformation and smart city technologies and provide new business opportunities, higher value employment and enhance digital skills in the region.	The offer from the four local authorities and partners is to collaborate in the establishment of the Centre working closely with the Scottish Government Digital Directorate and the Local Government Digital Office on a range of projects from smart waste to integration of education, health and social care.	The ask of Scottish Government is that the Digital Directorate financially contribute to a scoping and feasibility study for establishing a Digital Innovations Centre as an exemplar project linked to the new Digital Strategy for Scotland and the Local Government Digital Strategy.
Smart Mobility We will invest in the further development of Urban Traffic Control, Real Time Passenger Information, bus priority measures, travel apps, active travel and a Mobility as a Service (MaaS) pilot across the Tay Cities area.	Collaborative working across public and private agencies to achieve shared outcomes for smart mobility.	Revenue contribution and support discussions with the UK Transport Systems Catapult over a potential MaaS pilot.

<p>Park & Choose Facilities</p> <p>As part of the strategic provision of park & choose sites, new facilities to be developed on the eastern edge of Perth and at the southern end of the Tay Road Bridge. Future phases will include additional sites north of Perth and around Dundee following feasibility and site selection.</p>	<p>The offer is commitment of resources to progress this project through design and implementation and ongoing revenue funding.</p>	<p>Capital funding.</p>
<p>Tay Cities Regional Transport Model</p> <p>A new transport model is required to take forward the Connected Tay Projects through the necessary stages of the business case development and the planning process.</p>	<p>The offer from the four local authorities and partners is the commitment of 50% of the funding and staff resources to progress this project and to provide supporting data to aid its development working with Transport Scotland.</p>	<p>The ask is to fund 50% of the cost of the model and for Transport Scotland to work with us to develop and deliver a regional model capable of assessing the Tay Cities Deal projects and informing review and updating of the national Strategic Transport Projects Review.</p>
<p>Cross Tay Link Road (CTLR)</p> <p>This transformational project will ensure Perth's rapid growth can be managed in the planned sustainable way set out in the Development Plan and Regional Transport Strategy. The CTLR will also provide an alternative route across the Tay which will improve the accessibility, environmental quality and attractiveness of Perth city centre.</p>	<p>The offer from the four local authorities and partners is a significant contribution to the capital cost and the commitment of resources to progress this project through the planning and delivery process.</p>	<p>Contribution to the capital funding shortfall to support and enhance the contribution from the local authorities and their partners.</p>
<p>A9 Strategic Connectivity Corridor around Perth</p> <p>The Broxden and Inveralmond Roundabouts have capacity constraints impacting on journey times and productivity. The project proposes taking forward investment priorities identified within Intervention 16 in the Scottish Government's Strategic Transport Projects Review (STPR) and in the Regional Transport Strategy.</p>	<p>The offer is the provision of resources to progress previously identified and necessary improvements at both Broxden and Inveralmond Roundabouts, including through the planning process. It is anticipated that project delivery funding from development contributions will be included in the offer.</p>	<p>The ask of the government is funding to undertake option appraisal, feasibility and design work required over the next 3 to 5 years to identify potential transport interventions to both help reduce congestion at acknowledged bottlenecks on the strategic transport network and facilitate development and inward investment in Perth.</p>

A90 Strategic Connectivity Corridor through or around Dundee Again, journey times and productivity are being impacted unless a longer term solution is found. The project is identified as Intervention No 29 within the Scottish Government's Strategic Transport Projects Review (STPR) as a transport investment priority over the period to 2032, and also referenced in NPF3 and identified as a strategic priority in the TAYPlan Strategic Development Plan and the Tactran Regional Transport Strategy.	The offer is the commitment of resources to progress this project through option appraisal and the planning process.	Funding to undertake option appraisal, feasibility and design work required over the next 3 to 5 years to identify and design a preferred option.
A92 Strategic Connectivity Corridor through Fife This project seeks to deliver improvements from the Tay Bridge to the existing dualled road at Preston roundabout north of Glenrothes, which has been identified as a strategic priority within the SESTran RTS 2015-2025 and TAYPlan Strategic Development Plan.	The offer is to progress the project through the planning process to accelerate the development of the project.	Funding to undertake an options appraisal, feasibility and design work within the next three years to identify and design preferred options.
North East Fife Transport Infrastructure This relates to the Cupar Strategic Development Area. The Cupar Northern Bypass project will unlock development and is identified within the SESTran RTS 2015-2025 and TAYPlan.	The offer is to progress the project through the planning process to accelerate the development of the project.	Forward funding of transport infrastructure to unlock development.
St. Andrews Strategic Development Area This key housing and employment infrastructure project is identified within the SESTran RTs 2015-2025 and TAYPlan and requires a new link road to unlock the development.	The offer is to progress the project through the planning process to accelerate the development of the project.	Forward funding of transport infrastructure.
NE Fife Rail Connectivity As part of the wider assessment of rail connectivity, review and update feasibility studies for enhanced rail services from the Tay Cities area to North East Fife including a potential rail halt at Newburgh/Oudendarde plus options for further rail halts and a possible Leuchars/St Andrews link.	The offer from Fife Council is to manage the proposed feasibility studies.	Revenue funding to meet the cost of studies.
Perth Bus and Rail Interchange The project will provide an integrated transport interchange, better parking, offer an improved passenger experience and a much enhanced visitor arrival in Perth City centre that complements investment at Dundee Rail Station.	Allocated capital contribution. Commitment of resources to progress this project through the planning and delivery process.	Contribution to the capital cost of the improvements. A new partnership with the rail industry and Transport Scotland is also sought to progress the remodelling of Perth rail station to improve capacity for rail passenger and freight services.

<p>Inter-city Rail Corridor Improvements</p> <p>The key objectives are to pursue reduced journey times and increased rail passenger and freight capacity and services between Scotland's cities, including electrification, as set out in the Scotland Route Study:</p> <ul style="list-style-type: none"> • Glasgow - Aberdeen (includes routes Glasgow-Arbroath and Dundee-Aberdeen) • Dundee - Edinburgh • Perth - Edinburgh <p>We also wish to see an improved connection with Edinburgh Airport progressed.</p>	<p>The offer from the four local authorities and partners is the commitment of resources to progress these projects working with the rail industry, Transport Scotland and others.</p>	<p>Funding the cost of work packages with the rail industry, Transport Scotland and others to advance these projects which are already identified in the Scotland Route Study.</p>
<p>Dundee Airport Investment</p> <p>The project proposes an appropriate scale of investment to enhance Dundee Airports as a regional airport/gateway and key component of the Tay Cities strategic transport network. This includes the shorter term investment in upgraded communications and lighting equipment and medium term redevelopment of the passenger terminal and supporting operational areas to help maintain/enhance air services supporting local businesses to access wider markets and encourage tourism.</p>	<p>The offer from Dundee City Council, HIAL and other partners is the commitment of resources to progress this project to define and deliver the necessary improvements.</p>	<p>The ask is to fund option appraisal, feasibility, design and development of the business case for the airport terminal facilities and external operational areas and to provide revenue support to develop route opportunities for Dundee Airport.</p>
<p>North Angus Growth Opportunity</p> <p>This innovative project has been brought together by an emerging private /public sector partnership and proposes investment in infrastructure which will facilitate growth in North Angus. The delivery of the Montrose to A90 Investment Corridor will open up new development land for commercial and housing sites and will support key growth potential in the corridor between Montrose and the A90. This project will improve the infrastructure and connectivity within the Tay Cities area, increasing opportunities for trade and investment and access to employment. The project will also help accelerate housing delivery across the region and will give an opportunity to ensure a significant acceleration in the delivery of affordable and low cost market housing, aligned to Scottish Government targets by presenting new opportunities for housing land associated with the project.</p>	<p>Capital contribution from Angus Council.</p> <p>Financial support from the local authority to progress the appraisals including a contribution to the construction costs.</p> <p>Staff resources to progress construction of new routes through the planning process.</p> <p>Support to business users and freight traffic in maintaining journey reliability.</p>	<p>Capital contribution to the road developments.</p> <p>Capital funding of the port infrastructure development.</p> <p>Uplift in affordable housing grant.</p>

<p>Arbroath Aspiring to Grow</p> <p>The project is designed to grow both the economy of Arbroath and the place through the realisation of current MOD land (former airfield) which has been designated as surplus to requirements by the Defence Infrastructure organisation. The project outcomes from the project are anticipated to be:</p> <ul style="list-style-type: none"> • Reduced inequalities and reliance on welfare benefits. • The removal of the poverty attainment and achievement gap • Increased economic growth in key sectors of food and drink, tourism, manufacturing and engineering and communications. Contributing an additional 500 million to GVA over 50 years from house building alone • Clear pathways to careers early in secondary school to support key sectors locally • A rationalised, integrated and accessible public sector estate • Sustainable growth of the town to support important labour requirements for new business • Increased aspiration by people who live in and around the town • Increase the number of young people and graduates in the area 	<p>Staff resources to progress the project.</p>	<p>Recognition of current low land value of this site which sits outside of the settlement boundary designated in the recently adopted Angus Local Development Plan.</p> <p>Agreement by the MOD to transfer the land at no cost in order to release growth and assist in the creation of a sustainable Arbroath which is equipped for the future.</p>
<p>Financial Summary 2018-2028</p>	<p>Total Revenue Cost: £27m</p> <p>Total Capital Cost: £392m</p>	<p>City Deal Revenue Contribution: £22m</p> <p>City Deal Capital Contribution: £112m</p>

The Proposed Deal for an Empowered Tay

Delivering our Strategy, Ensuring Accountability

We are clear that to achieve our ambition we need to ensure we have sufficient resources and the right fiscal and non-fiscal powers with which to effect change. Some of these levers will be unique to the Tay Cities Region but others will be common to all of Scotland's city regions. Empowering Scotland's Cities, published by the Scottish Cities Alliance in June 2016, sets out the wider ambition of the Alliance.

We would like to maintain a dialogue with the Scottish and UK Governments and work in partnership to encourage innovation in policy development and public service delivery across our region and agree how this is best achieved using existing and new powers and responsibilities.

This document sets out what we believe is more immediately required across the local authority areas of Angus, Dundee, Fife and Perth & Kinross.

As elsewhere in this Proposal, these are expressed as a series of offers to both the Scottish and UK Governments and a series of asks of both Governments.

1. A new approach to city regional governance

Offers	Asks
<p>Establishment of a single Joint Committee to manage the principal levers of economic growth across local government boundaries. It is proposed that the Tay Cities Joint Committee will be responsible for:</p> <ul style="list-style-type: none">• Regional Economic Development• Cross-boundary Strategic Planning• Regional Transport Planning and delivery (including Public Transport) in Angus, Dundee and Perth & Kinross liaising with the South East Scotland Transport Partnership which covers North East Fife <p>These changes will create greater accountability and transparency across local government boundaries and involve key stakeholders in decision making.</p> <p>A new Regional Business Forum comprising senior business leaders from across the area has been formed. In time the Business Forum may replace the Scottish Enterprise Regional Advisory Board which also included public sector members. The Regional Business Forum will be represented on the Tay Cities Joint Committee.</p> <p>A new Higher/Further Education Forum comprising university and college Principals has been formed. The HE/FE Forum will be represented on the Tay Cities Joint Committee.</p> <p>It is also proposed that the voluntary sector will be represented on the Tay Cities Joint Committee.</p>	<p>The transfer of the relevant statutory duties as established by the Transport (Scotland) Act 2005 and set out in the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) (Order) 2005 from the Tayside and Central Scotland Transport Partnership to the proposed Tay Cities Joint Committee.</p> <p>Agreement that the statutory requirement to prepare a Strategic Development Plan, as established by the Planning (Scotland) act 2006, can be undertaken by the proposed Tay Cities Joint Committee rather than the bespoke TAYPlan Joint Committee.</p> <p>This statutory requirement will be reviewed to take account of the outcome of the Planning Review and the Scottish Government is asked to note our desire to retain a form of strategic planning at city region level.</p>

2. A new approach to transport planning

Offers	Asks
<p>We propose creating a single transport planning team bringing together the staff and expertise of the Regional Transport Partnership (TACTRAN) and the 3 Tayside local authorities, working closely with colleagues in Fife Council.</p> <p>It is anticipated that this proposal will result in a stronger partnership that delivers better inter-regional and international connectivity. We will also commit to working more effectively with Transport Scotland with a single voice that represents the entire region, sharing information and agreeing how to make best use of resources to deliver transport projects more efficiently.</p> <p>To radically improve intra-regional and inter-regional connectivity, particularly workforce mobility, we propose to create a single public transport team across the 3 Tayside Councils, working closely with colleagues in Fife Council and other neighbouring authorities.</p>	<p>Support by Transport Scotland for the delivery of the Tay Cities Regional Economic Strategy and Tay Cities Deal through closer collaboration around transport policy, investment and prioritisation. This will require Transport Scotland to support the rationale for investment set out in the Regional Economic Strategy and Regional Transport Strategy, and discuss and agree with us how best to deliver it.</p> <p>Recognition by Transport Scotland that the Tay Cities Deal represents an opportunity for collaboration to agree new strategic priorities that help grow the economy.</p> <p>A commitment to work closely with the Tay Cities transport planning team to ensure that the Scottish Transport Appraisal Guidance (STAG) methodology can be used in a more flexible, transparent manner that recognises the particular social and economic challenges of this region.</p>

3. A new approach to economic development

Offers	Asks
<p>The 4 economic development teams across the Tay Cities Region already work well together on a range of collaborative initiatives. However, to deliver the ambition set out in the Regional Economic Strategy and supported by the Tay Cities Deal Proposals, there are clear benefits in adopting an integrated regional approach across the 3 Tayside Councils (working closely with Fife Council) in the key areas of economic development that the Strategy seeks to influence. The Business Gateway is already delivered across Tayside and managed by Dundee City Council on behalf of Angus and Perth & Kinross. Therefore we propose establishing a similar integrated approach across Tayside in the following key areas:</p> <ul style="list-style-type: none"> • Inward investment and international trade development • Tourism destination development including events and conferences • Employability • Growth sector support <p>This will be achieved by aligning strategic priorities, staff and financial resources to deliver the Regional Economic Strategy. More formal collaboration, including exploration of a single shared service, will be taken forward as part of a wider programme of review and reform. Fife Council will collaborate in a regional approach to trade and investment and to tourism development/destination marketing, recognising the benefits of these approaches to North East Fife.</p> <p>The Business Gateway service in Tayside will be aligned with Inclusive Growth and Internationalisation priorities to ensure SMEs can be supported to make a greater contribution to reducing unemployment.</p>	<p>Commitment from Scottish Enterprise/Scottish Development International to join the proposed Tay Cities Trade & Investment Partnership, (which will also include Dundee & Angus and Perthshire Chambers of Commerce), with staff working together to deliver the Partnership's objectives and the Partnership agreeing how best to use the collective public sector resource.</p> <p>Agreement by Scottish Enterprise that there needs to be a closer operational relationship with the Business Gateway Steering Group and (at present) the third party contractor in Tayside, in agreeing which businesses should be account managed and which should be able to access the full range of SE products and services.</p> <p>Agreement by Scottish Enterprise that new products and services should be co-created with the Tay Cities partners to ensure that the specific growth needs of businesses in this region can be met.</p> <p>Commitment by Scottish Enterprise that key sector teams will work more closely with local authority economic development teams to support the delivery of the Tay Cities Regional Economic Strategy by sharing market intelligence and prioritising resources accordingly.</p> <p>Commitment from VisitScotland and EventScotland for our proposed integrated approach to tourism development – including support for a regional conference, convention, destination development and marketing team, and the attraction and delivery of major events.</p> <p>Commitment from Skills Development Scotland and the Scottish Funding Council to flex and align resources around regional and local skills priorities.</p> <p>Full and delegated authority from Skills Development Scotland in sector policy setting and in awarding and allocating Modern Apprenticeship contracts across the entire Tay Cities economic region.</p> <p>Commitment from the DWP to ensure JobCentre Plus staff can support an integrated approach to employability across the Tay Cities region to ensure a highly responsive, client-centred approach. This will require flexibility in how money and staff are deployed, and participation in an appropriate employability governance structure.</p>

4. A new approach to delivering affordable housing

Offers	Asks
<p>The operation of an effective local housing system is critical to supporting inclusive economic growth – not only in terms of land allocation through the planning system but also in the provision of affordable housing.</p> <p>The Scottish Cities Alliance has already identified this issue and other city region deals are focusing on mechanisms to deliver affordable housing.</p> <p>As part of our proposed absorption of the strategic planning function into the Tay Cities Joint Committee we will commit to continue to work with the Scottish Government on a Housing Needs and Demand Analysis that supports local housing strategies and Local Development Plan allocations.</p>	<p>To facilitate the delivery of a range of housing options and tenures on the ground where it is most needed, we would wish to be consulted formally on all new housing policies set nationally.</p> <p>We would like to see increased flexibility for partners to manage government grant funding across the Tay Cities economic region.</p> <p>We would like to explore the establishment of a new regional housing infrastructure fund.</p> <p>We support the Scottish Cities Alliance view that cities, and in our case all four authorities that make up the economic region, should have first refusal on all surplus public sector land for affordable housing and investigate the creation of a surplus public sector land vehicle to develop affordable housing and deliver training opportunities and jobs.</p>



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