



City Chambers
DUNDEE
DD1 3BY

12th June, 2020

TO: ALL MEMBERS OF THE TAY
CITIES REGION JOINT COMMITTEE

Dear Sir/Madam

TAY CITIES REGION JOINT COMMITTEE

Will you please attend a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** on Friday, 19th June, 2020 at 10.00 am, to be held remotely.

Please submit any apologies to Veronica Thomson, Committee Services Officer or telephone (01382) 434205 or by e-mail veronica.thomson@dundeecity.gov.uk.

Members of the Press or Public wishing to join the meeting should contact Veronica Thomson, Committee Services Officer on telephone (01382) 434205 or by e-mail veronica.thomson@dundeecity.gov.uk by **5 pm on Wednesday, 17th June, 2020.**

Yours faithfully

ROGER MENNIE

Clerk to the Joint Committee

1 WELCOME AND APOLOGIES

2 DECLARATION OF INTEREST

Elected members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

3 MINUTE OF MEETING OF 21ST FEBRUARY, 2020 - Page 1

(Copy enclosed).

4 TAY CITIES DEAL UPDATE - Page 5

(Presentation by the Programme Management Officer enclosed).

5 PROGRAMME MANAGEMENT OFFICE REVENUE (PMO) OPERATIONAL BUDGET 2020/21 - Page 9

(Report No TCRJC4-2020 by the S95 Officer enclosed).

6 PROGRESS REPORT – MICHELIN SCOTLAND INNOVATION PARC - Page 13

(Report No TCRJC7-2020 by the Executive Director, City Development, Dundee City Council enclosed).

7 TCD021 CULTURE & TOURISM PROGRAMME- OUTLINE BUSINESS CASE - Page 17

(Report No TCRJC3-2020 by Chair, Culture and Tourism Thematic Board enclosed).

8 ADDITIONAL MEETINGS

In order to facilitate the approval of Business Cases, it has been noted that a number of additional Joint Committee meetings may require to be held. Dates identified for these meetings are :-

- Friday, 17th July, 2020
- Friday, 21st August, 2020
- Friday, 23rd October, 2020
- Friday, 13th November, 2020

The Joint Committee are asked to approve the additional meetings as detailed.

9 DATE OF NEXT MEETING

Friday, 17th July, 2020 at 10 am, to be held remotely.

The Committee may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 6 and 9 of Part I of Schedule 7A of the Act.

10 INDUSTRIAL INVESTMENT PROGRAMME – SIDE DEAL

ITEM No ...3.....

At a MEETING of the **TAY CITIES REGION JOINT COMMITTEE** held at Dundee on Friday, 21st February, 2020.

Present:-

Angus Council

Councillor Bill DUFF
Councillor David FAIRWEATHER
Councillor Angus MACMILLAN DOUGLAS

Dundee City Council

Councillor John ALEXANDER
Councillor Lynne SHORT
Councillor Richard McCREADY

Fife Council

Councillor David ROSS
Councillor Karen MARJORAM
Councillor Andy HEER (substitute for Councillor Tim Brett)

Perth & Kinross Council

Councillor Murray LYLE

Non-Elected Members

Gordon McGUINNESS, Skills Development Scotland
Michael WRIGHT, Scottish Enterprise
Hayley MEARNS, Voluntary Action Angus (substitute for Gary Malone)
Councillor Andrew PARROTT, TACTRAN
Alison HENDERSON, Dundee and Angus Chamber of Commerce
Nigel SEATON, University of Abertay

Also Present

Mo SAUNDERS, Tay Cities Deal
Steve GRIMMOND, Fife Council
Greg COLGAN, Tay Cities Deal
Robin PRESSWOOD, Dundee City Council
Margo WILLIAMSON, Angus Council
Keith WINTER, Fife Council
Vivian SMITH, Angus Council
Jim VALENTINE, Perth & Kinross Council
Kenny McKAIG, Tay Cities Deal
Niall GARDENER, TACTRAN (substitute for Tom Flanagan)
Carol PROKOPYSZYN, University of Dundee
Susan PEART, Tay Cities Deal

Councillor Murray LYLE, in the Chair.

I APOLOGIES

Apologies had been intimated from Councillor Tim Brett, Ms Karen Reid, Mr Grant Archibald, Mr Ellis Watson and Mr Gary Malone.

II DECLARATION OF INTEREST

No declarations of interest were made.

III CONVENER AND VICE CONVENER

The Joint Committee was required to appoint a Convener from Fife Council and Vice Convener from Dundee City Council for 2020/2021.

It was agreed that Councillor David Ross of Fife Council be appointed as Convener and Councillor John Alexander of Dundee City Council be appointed as Vice Convener.

IV MINUTE OF MEETING OF 8TH NOVEMBER, 2019

The minute of meeting of 8th November, 2019 was submitted and approved.

V MATTERS ARISING

On a reference to Article V of the minute of meeting of 8th November, 2019, it was reported that a letter had been sent to UK and Scottish Governments, seeking assurances that going forward all projects would go through the agreed Tay Cities due process and governance, however, no response had been received to date.

VI MEMBERSHIP

The Joint Committee noted that, due to the sad passing of Councillor Brian Gordon, and in terms of Clause Six of the 2017 Minute of Agreement, TACTRAN had appointed Councillor Andrew Parrott of Perth and Kinross Council as their representative on the Joint Committee.

The Joint Committee further noted that, in terms of Clause Six of the 2017 Minute of Agreement, Perth and Kinross Council had appointed Councillor Grant Laing as their representative on the Joint Committee, as a replacement for Councillor David Doogan who had resigned as a Councillor following his election as a Member of Parliament.

VII TAY CITIES DEAL UPDATE

The Tay Cities Programme Manager advised members that whilst UK and Scottish Governments remained committed to achieving a deal, no signing date was currently agreed. The Partnership was continuing to develop and progress key documentation and projects/programmes to achieve the deal.

The Joint Committee noted that the impact of the delay on signing included:-

- Serious Reputational Risk – for both Governments and the Partnership;
- Spend on two projects in particular - Eden Campus and Perth City Hall is being carried out at risk and this cannot continue indefinitely.

VIII INDUSTRIAL INVESTMENT PROGRAMME

There was submitted Report No TCRJC1-2020 by Head of Partnerships and Teamleader of Partnerships, Scottish Enterprise, seeking approval for the Outline Business Case for the Tay Cities Industrial Investment Programme as part of the Tay Cities 'side deal' funding.

The Joint Committee agreed to approve the report 'Tay Cities Industrial Investment Programme Outline Business Case' that set out the case for spend, including key priorities, against the Tay Cities 'side deal' funding of £10 million for the Programme.

IX MICHELIN SCOTLAND INNOVATION PARC – INDUSTRIAL INVESTMENT PROGRAMME

There was submitted Report No TCRJC2-2020 by Executive Director of City Development, Dundee City Council, outlining the proposed governance procedures for the delivery of the £7.5m Michelin Scotland Innovation Parc (MSIP), supported by the Industrial Investment Programme and providing an overview of the proposed projects at MSIP.

The Joint Committee agreed to:-

- (i) note the governance procedures for delivering the £7.5m Michelin Scotland Innovation Parc programme as outlined in the report; and
- (ii) delegate authority to Dundee City Council to approve the MSIP project business cases and enable them to work with partners to deliver the Parc.

X DATE OF NEXT MEETING

Friday, 20th March, 2020, County Hall, Forfar, Angus.

The Committee may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 6 and 9 of Part I of Schedule 7A of the Act.

XI PROFILING OF TAY CITIES DEAL

The S95 Officer and Executive Director, Enterprise and Environment, Fife Council, gave a presentation to the Joint Committee. The Joint Committee noted its content and agreed that a briefing paper be prepared for circulation to the membership. It was further agreed that the Chair write to Westminster and Scottish Governments on behalf of the Joint Committee, expressing concern for the delay in the signing of the deal, and outlining the serious implications this could cause.

David ROSS, Convener.

Joint Committee Presentation

June 2020



Deal Headlines

- No new signing date agreed;
- Partnership and both Governments still committed to reaching a Deal;
- The following matters remain outstanding with government before the Partnership can enter into signing:
 - confirmation from the UK Govt on their Deal period offer;
 - confirmation from the UK Govt on assistance with peak cashflow in the first five years.



Impact of Covid 19

Commitment to Deals - both governments have confirmed their continued commitment to Deals. Deals are seen as part of the economic recovery.

Additional Deal Funding - both governments have confirmed that there is no additional Deal money to that already committed. They encourage the Partnership to actively identify other programmes/funding sources that may be used to support any additional requirements.

Impact of Covid 19 on the Programme - assessment work on the Impact of is being undertaken by the partnership. The programme will be regularly reviewed.



Joint Committee Dates

- Additional Joint Committee Meetings are being scheduled to enable Business Cases to be considered for approval:
 - July 17th
 - Aug 21st
 - Sept 18th (already scheduled)
 - Oct 23rd
 - Nov 13th
 - Dec 11th (already scheduled)



ITEM No ...5.....



REPORT TO: TAY CITIES DEAL JOINT COMMITTEE 19th JUNE 2020

REPORT ON: PROGRAMME MANAGEMENT OFFICE REVENUE (PMO) OPERATIONAL BUDGET 2020/21

REPORT BY: GREG COLGAN, S95 OFFICER

REPORT NO: TCRJC4-2020

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek the Joint Committee's approval on the Programme Management Office (PMO) agreed operational budget for 2020/21.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Committee approve the 2020/21 Revenue Budget for the Tay Cities Region Project Management Office (PMO) as detailed in Appendix A.

3.0 FINANCIAL IMPLICATIONS

The four constituent Councils and the HE/FE institutions will be required to budget for the 2020/21 contributions to the Tay Cities Region Project Management Office. The provisional 2021/22 budget is included to provide an indication of budget levels required for that year.

4.0 BACKGROUND

- 4.1 On the 22nd March 2019 Report No TCRJC1-2019 was submitted and presented by the Tay Cities S95 Officer. The report sought the Joint Committee's approval for the Tay Cities Region 2019/20 to 2021/22 Provisional Revenue Budget.
- 4.2 This report is seeking the Joint Committee's approval on the 2020/21 Revenue Budget, of £331,650 set out in Appendix A. There has been no change to the provisional value agreed by Joint Committee Members on the 22nd March 2019.
- 4.3 The budget is funded by contributions from the four Local Authorities and the HE/FE Forum community. The funding contributions reflect the re-calculated values due to the commitment from the HE/FE sector to support the Project Management Office.

5.0 CONCLUSION

- 5.1 The 2020/21 Revenue Budget is enclosed in order that the Tay Cities Region Joint Committee may approve the Budget and agree the 2020/21 recoveries from the four constituent Councils and other Partners.

6.0 POLICY IMPLICATIONS

- 6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

7.0 CONSULTATIONS

- 7.1 The Clerk to the Joint Committee has been consulted on the content of this report.

8.0 BACKGROUND PAPERS

- 8.1 None.

Report author: Mark Mitchell

Date: 11th March 2020

APPENDIX A

TAY CITIES DEAL PMO PROVISIONAL REVENUE BUDGET 2020/21 & INDICATIVE
BUDGET 2021/22

| | 2019-2020 Agreed Revenue Budget £ | 2020-2021 Proposed Revenue Budget £ | 2021-2022 Indicative Revenue Budget £ |
|-------------------------------------------|-----------------------------------------------|-------------------------------------------------|---------------------------------------------------|
| Staff Costs | | | |
| Gross Pay | 135,340 | 151,300 | 156,430 |
| Superannuation | 23,010 | 25,720 | 26,590 |
| National Insurance | 14,410 | 16,180 | 16,760 |
| Agency Worker | 9,000 | - | - |
| Training and Other Staff Costs | 2,000 | 2,000 | 2,000 |
| Total Staff Costs | 183,760 | 195,200 | 201,780 |
| Property Costs | | | |
| Rent | 7,490 | 7,490 | 7,490 |
| Supplies and Services | | | |
| Supplies & Services | 3,100 | 3,100 | 3,100 |
| Audit Fees | 5,000 | 5,000 | 5,000 |
| Supplies and Services Total | 8,100 | 8,100 | 8,100 |
| Transport Costs | | | |
| Car Allowances | 1,250 | 1,250 | 1,250 |
| Other Transport Costs | 750 | 750 | 750 |
| Transport Costs Total | 2,000 | 2,000 | 2,000 |
| Third Party Payments | | | |
| External Consultants | 80,000 | 80,000 | 80,000 |
| Support Services - Recharges (DCC) | 38,860 | 38,860 | 38,860 |
| Gross Expenditure | 320,210 | 331,650 | 338,230 |
| Income - Contributions | | | |
| Dundee City Council | (44,680) | (46,309) | (47,248) |
| Perth & Kinross Council | (44,680) | (46,309) | (47,248) |
| Angus Council | (44,680) | (46,309) | (47,248) |
| Fife Council | (22,320) | (23,153) | (23,626) |
| HE/FE Contribution | (156,360) | (162,080) | (165,370) |
| Contribution from DCC - Property Costs | (7,490) | (7,490) | (7,490) |
| Total Income | (320,210) | (331,650) | (338,230) |
| Net Expenditure | 0 | 0 | 0 |



REPORT TO: TAY CITIES REGION JOINT COMMITTEE 19th JUNE 2020

REPORT ON: PROGRESS REPORT – MICHELIN SCOTLAND INNOVATION PARC

REPORT BY: ROBIN PRESSWOOD, EXECUTIVE DIRECTOR OF CITY DEVELOPMENT, DUNDEE CITY COUNCIL

REPORT NO: TCRJC7 -2020

1.0 PURPOSE OF REPORT

- 1.1 To provide an update on progress made towards the development of the Michelin Scotland Innovation Parc and the £7.5M funding made available from the Industrial Investment Fund.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Committee note:
- The progress made towards the development of the Michelin Scotland Innovation Parc and the role of the funding secured by Dundee City Council from the Industrial Investment Fund to support this.

3.0 FINANCIAL IMPLICATIONS

- 3.1 None – “side deal” funding for the Industrial Investment Programme is Scottish Government Funding.

4.0 BACKGROUND

- 4.1 Dundee City Council secured £7.5M of funding from the Industrial Investment Fund to help deliver the Michelin Scotland Innovation Parc project. The governance procedures for this funding were outlined in Committee Report TRCJC 2-2020 and approved at Committee on the 21st of February 2020. A subsequent Committee Report to Dundee City Council's City Development Committee (9th March 2020 – Report No. 82-2020) approved the processes and gave delegated authority to the Directors of City Development and Corporate Services to approve the MSIP Business Cases going forward.
- 4.2 The governance procedures outlined in that report were as follows:
- Dundee City Council is given delegated authority to approve future MSIP business cases for the 2 elements of the project – Creation of the Parc and the Innovation Hub – approved, as outlined above.
 - Prior to delivering the projects, Scottish Government will be consulted and both Scottish Enterprise and Dundee City Council must give appropriate approval. Following Scottish Enterprise approval process will ensure that the projects follow the appropriate Green Book process.

- Dundee City Council will keep the Joint Committee of the Tay Cities Deal informed with progress on the development of the Business Cases and the delivery of the projects.
 - Dundee City Council and MSIP Ltd will provide regular updates to the Scottish Government (monthly) and the Tay Cities Joint Committee (bi-monthly) and via the Tay Cities Deal Management Group.
- 4.3 This report provides the first update on progress towards the delivery of the Parc and projects to be supported by the Industrial Investment Fund. Reporting procedures have been developed between MSIP Ltd and Dundee City Council and Dundee City Council and the Tay Cities Region Joint Committee/Scottish Government and form part of the letter of offer from the Scottish Government to Dundee City Council and the letter of offer from Dundee City Council to MSIP Ltd.
- 4.4 **Enabling Infrastructure:** Dundee City Council has developed its Business Case for the Enabling Infrastructure Works element of the programme. This will see £4M of the Industrial Investment Fund grant being invested alongside funding from Scottish Enterprise and Michelin PLC in a £17.6M programme of infrastructure works which will ensure that the Michelin Scotland Innovation Parc is established, supporting the transition from a large single user site to one that supports multiple occupancy. Dundee City Council based their business case on the one developed by Scottish Enterprise to secure support from their Executive Leadership Team on the 10th of March 2020 for their element of the funding. This ensured that the Business Case followed the required Green Book Principles.
- 4.5 As agreed in the Governance Procedures, the Business Case was approved by Robin Presswood, Executive Director of City Development and Gregory Colgan, Executive Director of Corporate Services in mid-May 2020. This allowed Dundee City Council to transfer the funding to MSIP Ltd before the end of May, which then released Michelin PLC's share of the funding for the works.
- 4.6 Procurement of the contractor for the construction works to be carried out using the existing DCC Procurement Hub Major Projects Framework which is a recognised OJEU compliant procurement route. Wilmott Dixon Construction Limited are the sole supplier throughout the UK for this framework with the Robertson Construction Group Limited being the partner delivering projects in Scotland. The framework provides the public and private sector with the potential to engage with organisations and deliver projects of varied value using a variety of contracts to suit the construction of new and existing buildings as well as retrofit, refurbishment, civils and utilities services works. The Council Procurement Framework was established via OJEU processes meaning that this appointment can be made directly through the Framework given DCC are a partner in MSIP Ltd. The design team are now in place and preliminary design works are progressing well despite the lockdown constraints. They are also working with the DCC Design and Property Services Team who will have sight of all the briefs and responses to any sub-contracted work to ensure that these are appropriate.
- 4.7 A number of officers from City Development are also directly involved in the Project Team, supporting the Council's engagement with the project – this includes:
- Ross Mackenzie,
 - Neil Martin,
 - Diane Milne ,City Development,
 - Sandy Flight ,Financial Services
 - Jim Murray, Legal Services.
- Dundee City Council staff engaging in the project have ensured, and will continue to do so, that the relevant experience and expertise has been used to shape the project and ensure delivery goes to plan. The project team includes officers from Scottish Enterprise, Skills Development Scotland, Dundee City Council and Michelin.
- 4.8 **Innovation Hub:** work is progressing on the Business Case for the Innovation Hub, which will see £3.5M of the Industrial Investment Fund grant being used to deliver an Innovation Hub on the Parc. This Business Case will be completed and approved before the end of June 2020 to enable Dundee City Council to transfer the funding to MSIP Ltd as required by the 30th of June which will release the second tranche of funding from Michelin PLC.

- 4.9 Dundee City Council's Design and Property Team are acting as client agents.
- 4.10 Dundee City Council will provide further updates to the Tay Cities Region Joint Committee on a bi-monthly basis, along with informal monthly progress reports and quarterly financial report and formal progress reports to the Scottish Government.

5.0 POLICY IMPLICATIONS

- 5.1 We are working with the Scottish Government to identify opportunities to improve equality and diversity outcomes throughout the project's development and delivery.

6.0 CONSULTATIONS

- 6.1 The Scottish Government and Scottish Enterprise were consulted and contributed to the preparation of this report.

7.0 BACKGROUND PAPERS

- 7.1 None.

Robin Presswood, Executive Director of City Development

DATE: 4th June 2020

Diane Milne, Senior Policy Officer, City Development



REPORT TO: TAY CITIES REGION JOINT COMMITTEE 19th JUNE 2020

REPORT ON: TCD021 CULTURE & TOURISM PROGRAMME - OUTLINE BUSINESS CASE

REPORT BY: KEITH WINTER, CHAIR, CULTURE & TOURISM THEMATIC BOARD

REPORT NO: TCRJC3-2020

1.0 PURPOSE OF REPORT

- 1.1 This report seeks approval of the Outline Business Case (OBC) for TCD021 Culture & Tourism Programme

2.0 RECOMMENDATIONS

- 2.1 The Joint Committee is asked to:
- a. Approve the OBC
 - b. Agree the projects recommended within the OBC
 - c. Note that the Management Group has approved the OBC for TCD021 Culture & Tourism Programme

3.0 FINANCIAL IMPLICATIONS

- 3.1 This OBC establishes the content of the culture and tourism programme and outlines the projects being recommended for support. Each of the projects within the programme will be brought to Joint Committee for consideration of financial implications in due course.

Each project is required to secure 50% match funding in order to be considered for Tay Cities Culture & Tourism programme funding.

4.0 INTRODUCTION

- 4.1 The Culture & Tourism Programme is an important element of the Tay Cities Deal. It will help to build on the significant culture and tourism offering across the Tay Cities Region, bring new attractions to the area and increase both the cultural offering and visitor numbers. It will also help to create jobs and link to skills opportunities in the hospitality and tourism sector. The outline business case is directly aligned with the recently approved Tourism Strategy for the Region and has offerings related to the recently launched Cultural Strategy for Scotland.

4.2 BACKGROUND

- 4.2.1 The Heads of Terms for Tay Cities were signed in November 2018 and a Culture and Tourism Programme was announced totalling £27m. A further £10m was identified for Pitlochry Festival Theatre. The management group has over the last year developed the attached Outline Business Case with Scottish Government, established a Culture and Tourism Board which reports to the Management Group and a sub advisory group was established to commission consider and score Strategic Outline Cases for projects in the programme.
- 4.2.2 Much work had been undertaken to establish projects through vigorous assessment processes that were to be submitted to Government in advance of signing the Heads of Terms and a decision was taken by the Management Group to continue to work with the projects initially proposed.
- 4.2.3 An initial round of SOC's were considered and feedback was provided to project owners. A further iteration of project SOC's were then considered in detail and scored by the advisory group and recommendations on project selection made to the Thematic Board, who in turn made recommendations to the Management Group. The recommendations in summary are –
- 4.2.4 Discovery Point and Hospitalfield House progress to OBC and FBC for the early part of the programme.
- 4.2.5 In the medium term seek an OBC from The Comic Centre & West Ward Works project and the Tay Adventures Project.
- 4.2.6 Also, that support be given to the Unicorn Project by Historic Environment Scotland to explore alternative funding opportunities and for this project to be considered for Tay Cities in the medium to longer term.
- 4.2.7 Two projects not supported at this time were the Dundee Cruise Terminal and Dundee Contemporary Arts project who withdrew from submitting a second SOC for consideration. Should any resources become available later in the programme, the programme will be reopened and both encouraged to submit a proposal. This is important as there is a 50% match funding requirement and this could prove challenging for some of the applicants. However, the recommendations are being made with the expectation that all will secure the match requirement.
- 4.2.8 The Management Group are content that this programme will meet the targets set out in the Culture and Tourism OBC, align with the recently approved Tourism Strategy and provide a valuable balance between cultural and tourism activity in the Region.

4.3 NEXT STEPS

- 4.3.1 The OBC for TCD021 Culture & Tourism Programme is presented for approval which if granted will enable the project Final Business Cases to be developed for Joint Committees full consideration in order to draw down the allocated funding. Funding is drawn down when the project submits a claim for money which has already been spent.
- 4.3.1 Should the OBC for the programme be approved, full business cases for each of the projects proposed in the OBC will be brought forward for Joint Committees further consideration.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues. Impact assessments will be submitted for each of the projects in the programme.

6.0 CONSULTATIONS

- 6.1 The Scottish Government has been consulted and has participated in the preparation of the OBC for the programme and it should be noted that the business case is iterative and will continue to evolve, and be reviewed by the Scottish Government, as new projects are introduced.
- 6.2 Scottish Government now have Version 3 of the OBC, which they are currently reviewing and we await feedback from them. The JC will also receive Version 3 of the OBC for next meeting on 26th March.
- 6.3 Scottish Government are committed to working in partnership with Tay Cities as the programme evolves in the coming months and years.
- 6.4 The Tay Cities Management Group has considered and agreed the OBC and consulted with the thematic board for Culture and Tourism and the advisory group who scored all projects had within its membership Visit Scotland, Creative Scotland, Historic & Environment Scotland, Scottish Enterprise, Dundee & Angus Chamber and Angus and Dundee Council's.

7.0 BACKGROUND PAPERS

- 7.1 Tay Cities Deal Culture and Tourism Programme Outline Business Case

Author: Alison Beddie, Scottish Enterprise

DATE: 06/03/2020



Project Title: Culture and Tourism Investment Programme

Organisation: Angus Council and Dundee City Council

Outline Business Case (OBC)

Version No:3.1

Date: 30/04/2020

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1. EXECUTIVE SUMMARY

- 1.1 The Scottish Government via the Tay Cities Region Deal have agreed to make available up to £37 million to support a Regional Culture and Tourism Investment Programme ('the Programme') that will invest in key economic assets in culture and tourism. The Scottish Government expects this to include an investment of up to £10 million in Pitlochry Festival Theatre.
- 1.2 In addition, UK Government will invest up to £10 million in a Perth City Transformation project in order to transform the cultural offer of Perth and achieve economic development objectives for the wider Tay Cities Region, which will complement substantial cultural and creative industries investment in Dundee.
- 1.3 The overarching objective of the Programme is to contribute to a wider Tay Cities ambition to be a highly desirable place to live, work, visit and invest in, by building on and strengthening the region's existing culture and tourism offering. Our ambition is clear - to deliver a world class region with world class culture and visitor experiences in world class destinations.
- 1.4 The Programme will also benefit from and contribute to other Deal initiatives, including:
 - The Connected Tay workstream, which will help to address visitor transport and sustainability challenges; and make the region more accessible.
 - The Regional Skills and Employability Programme within the Inclusive Tay workstream, which will ensure that projects receiving support through the Culture and Tourism Investment Programme can contribute to inclusive growth by attracting new workers into the sector, particularly those from disadvantaged groups, as well as supporting the upskilling and re-skilling of existing workers.
- 1.5 The Programme will be developed in conjunction with the private sector and national agencies. It will be designed to maximise the use of public funds and leverage additional private sector investment. It will invest in a wide range of assets to ensure that the entire region can continue to build its visitor economy and creative industries capacity, reinforcing the culture-led regeneration that is already transforming the region through investments such as the V&A Dundee.
- 1.6 The Programme brings together and aligns the symbiotic sectors of culture (and its associated creative industries business base) with tourism and the visitor economy. It recognises that visitors are attracted to places that have a rich and diverse cultural offer that is authenticated by local voices and expressions of identity. This ranges from film locations to contemporary art, from comics to games design, and from innovative service design to Victorian engineering.
- 1.7 The Programme will be managed and delivered collaboratively by a partnership between the four Tay Cities local authorities, industry, Scottish Enterprise, Creative Scotland, Historic

Environment Scotland, and VisitScotland, with the support of the Scottish and UK Governments.

- 1.8 The Culture and Tourism Thematic Advisory Board will maintain strategic oversight over all culture and tourism programmes and projects across the Deal. The Board will ensure projects align and where appropriate, directly engage with other Deal activities, particularly within the Connected and Inclusive workstreams, as well as regional and national tourism, creative and cultural initiatives, and any other relevant policy/strategic activity.
- 1.9 Development of the Programme will proceed as follows –

Stage One: Project selection

- 1.10 The Culture and Tourism Thematic Advisory Board ('Advisory Board') will create and empower a Project Assessment Panel to implement the project selection process outlined in appendices 1 and 2 of this Programme business case.
- 1.11 The Panel will make recommendations to the Advisory Board as to which projects should be taken forward and invited to submit an Outline Business Case. The Board will in turn seek approval from the Tay Cities Region Deal Management Group and ultimately the Tay Cities Region Deal Joint Committee.
- 1.12 The selected projects will then be incorporated within a further Programme OBC. All projects selected for inclusion within the Programme will ultimately be required to submit a Green Book-compliant Full Business Case before funding can be drawn down.

Stage Two: Project delivery and regional collaboration

- 1.13 The Advisory Board will ensure a region-wide, collaborative approach is taken to the development and implementation of all projects and programmes under their remit. The Board will reach out to other regional groupings and organisations, such as the Regional Cultural Agencies Group and the currently forming Regional Tourism Leadership Group, in order to drive increased collaboration between existing and new tourism and cultural assets. This will in turn help maximise visitor spend, regional visitor spread, and dwell time, as well as ensuring new creative businesses are supported to grow and develop new products and services.
- 1.14 The delivery timescales for the Programme and the resultant spend profile for each constituent project are still to be developed and will be included in further iterations of the Programme business case.

2 PROGRAMME BACKGROUND

- 2.1 The Tay Cities Region Deal ambition is to transform the regional economy by delivering inclusive growth: raising the productivity of the region and increasing the participation of its workforce. Its themes reflect the Regional Economic Strategy and focus on inclusion, industry, innovation, internationalisation and empowerment.
- 2.2 The partners believe that this investment has the potential to secure over 6,000 jobs and lever in over £400 million in investment over the next 10-15 years, decisively reducing the region's economic equality gap as part of the drive to boost productivity.
- 2.3 The Scottish Government, via the Tay Cities Region Deal, have agreed to make available up to £37 million to support a Regional Culture and Tourism Investment Programme ('the Programme') that will invest in key economic assets in culture and tourism. The Scottish Government expects this to include an investment of up to £10 million in Pitlochry Festival Theatre.
- 2.4 In addition, UK Government will invest up to £10 million in a Perth City Transformation project in order to transform the cultural offer of Perth and achieve economic development objectives for the wider Tay Cities Region, which will compliment substantial cultural and creative industries investment in Dundee.
- 2.5 The investment will create a cultural offer in Perth that responds to both local audiences and visitors, complementing other cultural attractions to produce a compelling, cohesive 'brand' for Perth as a major cultural city. This will contribute to a deepening and modernising of the regional cultural and tourism offer that successful projects within the Programme will further enhance.
- 2.6 These significant investments support the overall Tay Cities ambition - to deliver a world class region with world class cultural and visitor experiences in world class destinations.

3 WHAT IS THE CULTURE AND TOURISM INVESTMENT PROGRAMME?

- 3.1 The overarching objective of the Programme is to contribute to a wider Tay Cities ambition to be a highly desirable place to live, work, visit and invest in, by building on and strengthening the region's existing culture and tourism offering.
- 3.2 The intent of the Programme is to provide match funding to help drive forward significant and transformational culture and tourism projects, maximising these to increase the whole region's domestic and international profile as a place to visit, build a business, live and work.
- 3.3 This investment will aim to ensure that, by supporting the development of world class cultural and tourism assets and experiences, the region becomes a successful, sustainable destination, attracting new visitors, new businesses and new investment, delivering new and securing

existing jobs, and building a reputation for strong and effective partnership between the public and private sectors.

- 3.4 The Programme will comprise projects that make a significant contribution to the cultural landscape of the region, enhancing its creative industries and its year-round attractiveness as a destination of choice. Building on existing attractors including world class golf destinations, natural assets including the River Tay, internationally recognised cultural icons, world leading creative industries and some of Scotland's most accessible adventure tourism experiences, the Programme will expand and further diversify the region's offer in order to attract a larger and more varied range of visitors.
- 3.5 The Programme expects supported projects to show how their activities will add to this mix, attracting new international markets, and creating more reasons for creative businesses to grow and base themselves in the region and for travellers, outdoor adventurers, and cultural enthusiasts to spend more time and more money in the region.
- 3.6 The Programme will be developed in conjunction with the private sector and with national agencies. It will be designed to maximise the use of public funds and leverage additional private sector investment. It will invest in a wide range of assets to ensure that the entire region can continue to build creative industries capacity and reinforce culture-led regeneration. This will in turn enable the region to develop its national and international creative business base and cultural visitor offer, deliver global excellence in cultural programming, and develop a sustained evidence base linking cultural engagement with quality of life and increased local ambition that could be used to inform future development and investment decisions regionally and across Scotland.
- 3.7 In order to deliver on these ambitions, the projects chosen for inclusion within the Programme will, collectively:
 - Attract new domestic and international markets;
 - Create more reasons for creative businesses to grow and base themselves in the region;
 - Encourage travellers, outdoor adventurers, and cultural enthusiasts to spend more time and more money in the region;
 - Bring increased investment;
 - Grow and sustain new businesses, particularly within the creative industries and sustainable tourism sector;
 - Increase overnight or longer stays;
 - Bring new and returning visitors; and
 - Create sustainable jobs.
- 3.8 The Programme also aims to lever additional opportunity to deliver impact by working with other Deal initiatives, including:
 - The Connected Tay workstream, which could help to address visitor transport and sustainability challenges; and

- The Skills and Employability Programme within the Inclusive Tay workstream, which will ensure that projects receiving support through the Programme can contribute to inclusive growth by attracting new workers into the sector, particularly those from disadvantaged groups, as well as supporting the upskilling and re-skilling of existing workers.

4 WHY THE PROGRAMME IS NEEDED: THE CASE FOR CHANGE

- 4.1 Tourism is one of the major industries within the Tay Cities region, with an estimated 1,580 businesses (12% of Scotland's total) employing 22,000 people, representing approximately 11% of all jobs in the region. The area has a diverse landscape and a mixed portfolio of market propositions. Whilst it has pockets of high profile, high quality cultural and tourism attractors, it lacks the consistency that today's travellers demand.
- 4.2 The tourism sector in the Tay Cities region has many challenges to overcome, including seasonality, staffing and skills, leadership, connectivity, and availability of investment, again with significant variation across the region. In some areas there is a reliance on day visitors and the domestic market, which is typically less valuable than international markets, whilst in others the international high-spending market is strong. Lack of consistency and strong, cohesive product offer is a key challenge that this Programme will address.
- 4.3 In terms of productivity, tourism performs poorly at a national level when compared to other sectors. The Tay Cities region's tourism productivity figures (measured by GVA per employee) are even lower than the national average, indicating that tourism businesses in the region are collectively less productive than their counterparts across the rest of Scotland in terms of economic output. It is anticipated that this Programme will not only invest in raising the standard of products available to our visitors but will also motivate and raise aspirations across the entire region, further building on the confidence and profile that are increasing as a result of unique, anchor projects such as the V&A Dundee.
- 4.4 The Tay Cities region is home to some of Scotland's most high profile and successful tourism and cultural assets, including world famous golf courses at St Andrews, Gleneagles and Carnoustie; historic attractions such as Glamis Castle, Scone Palace, Arbroath Abbey and Blair Castle; and cultural attractions such as Hospitalfield, V&A Dundee and Pitlochry Festival Theatre. The natural environment in the region also has something for all tastes and plays a crucial role in attracting visitors. However, quality is not consistent across the region. The visitor economy (both domestic and international) in Perth and Kinross and North East Fife is more mature and established than the rest of the region. Across the region there is also a need to upgrade the visitor infrastructure to ensure that the technology driven demands of modern travellers are met.
- 4.5 There are high levels of creative talent locally, but levels of collaboration between these skilled individuals and the visitor economy are quite low. This Programme will encourage and support greater connections between new and existing creative talent, supported projects, and the broader visitor economy. Research undertaken in 2014 by the organisations developing this

Programme to provide evidence for the need for more regional collaboration across tourism also highlighted the requirement for a broader range of relevant attractions that would appeal to the area's developing markets.

- 4.6 Some of the region's tourism and cultural infrastructure does not meet the needs and expectations of current and future markets, as highlighted in recent Future Trends research by Scottish Enterprise.¹ Technological innovation and variety and depth of offer are key challenges, particularly when the broader region is compared to Dundee's iconic new attraction. The research found that that travellers want to discover what lies beneath a region, understand its people, and engage with its strengths. They wish to curate their visit in a seamless way with a broad and compelling offer that is easy to purchase and helps them feel they've learned about the place. At present, the pockets of high-quality experiences mentioned above are not consistently matched by equal quality experiences or cultural offers showcasing the region's creative community, the products they make or design, and the cultural work they produce. The Programme will help to address this inconsistency by encouraging collaborations between funded projects and regional creative talent.
- 4.7 The capital investment from this Programme will help future-proof the region's offering, making more effective use of its natural, cultural, physical and commercial assets. Economic growth and wider beneficial impacts will come from increasing the attractiveness, depth of offer, and profile of the area. The partners involved in creating and managing this Programme have extensive experience in successful national and regional tourism destination development – local authorities along with Scottish Enterprise, VisitScotland and Creative Scotland are already working across Scotland helping places identify what is needed to grow their sustainable tourism and creative economies, and this learning has helped shape this Programme. National agencies' focus on building resilient and sustainable creative economies has helped partners prioritise areas of culture and creative opportunity to be the focus for this Programme, ensuring fit with other complimentary initiatives and investment programmes.
- 4.8 A consistently higher quality product will also increase the area's appeal to higher value markets. Addressing the issue of inconsistent quality will improve customer experiences across the region, leading to improved reputation that in turn can drive additional growth. Tourism and cultural audiences are highly motivated by word-of-mouth recommendations, much of this online. It is vital that this investment Programme helps create a profile of a region that delivers exceptional experiences.
- 4.9 Moreover, it is anticipated that projects supported by the Programme will in turn attract new businesses linked to sustainable tourism and cultural growth, and this should increase good quality employment opportunities. Research into the region's potential new markets² highlights

¹ <https://scottishtourismalliance.co.uk/megatrends/>

² *Audit and Appraisal of Tourism Opportunities in East Scotland and V&A DUNDEE Tourism Opportunities – Next Steps and Implementation*, (available on request)

the need for existing and new cultural attractors to work collaboratively to create a rich proposition that is promoted effectively.

- 4.10 The agencies and industry groups involved in the creation of this Programme, and oversight by the Advisory Board, will enable connections into and back out from the region. For those growing up and/or studying in the region, there are significant opportunities to grow new creative businesses and to use these to simultaneously create products and services for international markets while also growing the profile and attractiveness of the region.
- 4.11 For visitors, the Tay Cities Region is enormously varied in terms of the experiences on offer, a competitive strength. However, as stated above some of the quality is inconsistent and the geographic spread requires to be better balanced. Offering urban, coastal, and rural experiences within a short travel time from key transport hubs, the area has a unique opportunity - if it is able to fully capitalise on key assets - to benefit from visitor dispersal from the central belt and appeal to UK short break markets, including London and the north of England, and a range of international markets. Further information about key market trends and opportunities is available in Appendix 3.
- 4.12 With the right investment and an area-wide, collaborative approach the region is well placed to grow the value of its visitor economy and establish a world class tourism and cultural destination offer. The opening of V&A Dundee in September 2018 and the city's status as the UK's only UNESCO City of Design has put a spotlight on the region, which the Programme will seek to capitalise on.

5 STRATEGIC CASE

- 5.1 Strategically, the Programme brings together and aligns the symbiotic sectors of culture (and its associated creative industries business base) with tourism and the visitor economy. It recognises that visitors are attracted to places that have a rich and diverse cultural offer that is authenticated by local voices and expressions of identity. This ranges from film locations to contemporary art, from comics to games design, and from innovative service design to Victorian engineering.
- 5.2 The Tay Cities Regional Economic Strategy (2019) ³ supports the Tay Cities Deal ambition to transform the regional economy by delivering inclusive growth: raising the productivity of the region and increasing the participation of its workforce. Within the strategy, tourism and food and drink are identified as key sectors. This Programme aims to deliver against these ambitions, particularly with regard to the creation of new jobs and improving productivity.
- 5.3 Tourism is identified as a growth sector in Scotland's Economic Strategy (2015) ⁴ where we can build on existing advantages to increase the industry's productivity and growth. The 2019 Programme for Government highlights a desire to ensure that more impact is delivered from

³ https://www.taycities.co.uk/sites/default/files/tay_cities_res_2019.pdf

⁴ <https://www.gov.scot/publications/scotlands-economic-strategy/>

the visitor economy by dispersing travellers to all parts of Scotland, with a focus on helping less discovered areas benefit from customer trends including ‘living like a local’ and experiencing the culture and creativity of places. This Programme will help realise these ambitions by significantly improving the quality and profile of the region’s tourism and culture offer and thus increasing the region’s attractiveness to both domestic and international visitors.

- 5.4 The national tourism strategy - Tourism Scotland 2020 (2012) ⁵ - aims to increase the value of tourism to Scotland through leveraging our key assets, including strong and vibrant destinations, our natural and built environment, and our cultural and events offer. This Programme will support the delivery of these ambitions by deepening what the Tay region can offer domestic and international customers and by delivering an uplift in quality of visitor offer across the region, in line with the diverse demands of Scotland’s key markets.
- 5.5 The Tay Cities Region Tourism Strategy, a collaboration between industry and public partners, was launched in summer 2019. The strategy aims to continue building on a strong culture of collaboration across the region by identifying three regionally important connector themes, which if maximised will help grow domestic and international revenues, increase the profile of the region internationally, and support inclusive growth by creating more good quality year-round employment opportunities. These themes are:
- **Culture and the creative industries** - where the region has some longstanding and more recently developed assets, coupled with one of Scotland’s most vibrant creative industries clusters, ranging from digital gaming to repertory theatre and live music.
 - **Food and drink** – already the largest producer of soft fruits in Scotland, the region has been identified as playing a key role in the delivery of Scotland’s Food Tourism Action Plan (2018). Going forwards, tourism across the Tay region should take advantage of the area’s significant high-quality food and drink product and provenance to appeal to travellers and local markets that demand fresh, seasonal food and drink that has a strong local story.
 - **Outdoor adventure** – highlights the breadth and depth of opportunity that exists in the region, from water-based activities and soft adventure to full-on white-knuckle experiences. The region has something for all tastes and by offering a broad variety this accessible area will tap into domestic adventure seekers and those from further afield wishing to experience more of what Scotland has to offer.
- 5.6 By focusing on continued, market-led development of these pan-region strengths regional partners, including industry, believe that they will deliver significant impact for businesses and make an increasing contribution to Scotland’s national tourism ambitions. The Programme will deliver significant investment in key regional infrastructure to support this ambition – helping to modernise and future proof the area for generations to come and helping to more evenly distribute customer demand across the region. As noted above there is inconsistent quality and variety of cultural and tourism attractors in the region. Some areas, such as St Andrews, have extensive experience in matching product and strength of visitor economy. This Programme

⁵ <https://scottishtourismalliance.co.uk/wp-content/uploads/2019/03/Tourism-Scotland-2020-final.pdf>

aims to help make products more consistent across the entire region, improving the overall offer to visitors and opportunity to creative enterprises.

- 5.7 A national Creative Industries Strategy⁶ was published by Creative Scotland in 2016 and this approach, itself aligned to Scotland's Economic Strategy, has informed the work of Creative Scotland and its partners in skills and enterprise since this time. Dundee has in place a clear Cultural Strategy and in recent years has taken a lead in producing a local Creative Industries Strategy,⁷ and there is active partnership work in place with all the Tay Cities Region Deal (TCRD) partners and Creative Scotland in supporting local-level creative business support. This includes the recent Place Partnerships with Dundee; Perth and Kinross; Fife; and currently with Angus.
- 5.8 The Programme will encourage the use of key local creative assets and skills within successful projects, including collaborations with makers and designers and partnerships with regional academic institutions. The Programme will work with successful projects to use creativity to lever international profile for the region and will investigate opportunities for creative enterprises to develop their international markets through partners including SDI.
- 5.9 Following a national culture conversation in 2017 and a public consultation in 2018, the Scottish Government published a Culture Strategy for Scotland in February 2020. The strategy presents an extended view of culture that includes the everyday and emerging, the established and more formal, celebrating culture as part of every community and essential to our lives and wellbeing. One of the guiding principles set out in the strategy acknowledges that place – community, landscape, language, and geography – is important, reflects the creativity of the past, and provides inspiration for cultural expression today.
- 5.10 The vision, ambitions and aims of the strategy support delivery of the National Outcome for Culture – “We are creative and our vibrant and diverse cultures are expressed and enjoyed widely” – and provide valuable national strategic context in which to nest the objectives of the Programme. Projects supported by the Programme will be expected to align with this strategic context and be able to demonstrate how project level objectives will contribute towards wider strategic impact.
- 5.11 The Regional Cultural Agencies Group brings together the four local authorities, VisitScotland and the V&A Dundee to have strategic oversight and jointly plan for cultural, arts and creative activity across the region. This grouping will participate in the Culture and Tourism Advisory Board, acting as a point of contact for a broad range of commercial, public and third sector organisations working in culture and creative industries and supporting the Programme's aims

⁶ <https://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/strategic-plans/creative-scotland-10-year-plan-unlocking-potential-embracing-ambition>

⁷ <https://dundeecreates.creativedundee.com/>

around increased collaboration and coordination across the region from all types of large and small tourism and cultural organisations.

- 5.12 The historic environment is a key aspect of the tourism industry and Scotland's international reputation. Our Place in Time (Scotland's strategy for the historic environment), sets out a vision of how the historic environment can be understood, valued, cared for and enjoyed. The strategy was developed collaboratively by organisations and specialists in the historic environment sector and beyond.
- 5.13 Our Place in Time identifies four strategic priorities: (1) ensuring that the cultural, social, environmental and economic value of our heritage continues to contribute to Scotland's wellbeing; (2) investigating and recording our historic environment to continually develop our knowledge, understanding and interpretation of the past, and how best to conserve, sustain and protect it; (3) caring for and protecting the historic environment in order to both enjoy and benefit from it, and to conserve and enhance it for future generations; and (4) sharing and celebrating the richness and significance of our historic environment.
- 5.14 As part of the strategy, HES have established a heritage tourism group to look at how to make full and effective use of heritage assets to promote Scotland to both domestic and international audiences, growing the overall value of heritage tourism in Scotland. HES have and will continue to be involved in the Programme ensuring the cultural, social, environmental and economic value of heritage continues to contribute to Scotland's well-being through the projects it supports.
- 5.15 It is important the business community across the region can fully capitalise on investments made through the Programme. At a pan-sector level the Programme will engage with the Tay Cities Region Enterprise Forum to ensure their broad range of business networks are clear about what this investment could mean for them. Through organisations guiding and delivering the cultural and tourism specific strategies and initiatives mentioned above, the opportunities for businesses arising from the Programme will be regularly highlighted. This approach will encourage innovation and product development to complement projects that are awarded Programme funding.

6 FIT WITH OTHER TAY CITIES REGION DEAL PROJECTS AND PROGRAMMES

- 6.1 The Programme aims to lever additional opportunity to deliver impact through outcomes from other Deal initiatives, including:

- **Connected Tay**

This workstream will help to address digital connectivity, visitor transport, and sustainability challenges. Improving digital and transport connectivity will give local people better access to jobs and training and help the region to unlock its full economic potential. A key challenge for travellers across the region is accessing rural and semi-rural destinations. The Culture and Tourism Thematic Advisory Board ('Advisory Board') will work closely with the Deal's Transport and Digital Boards to explore ways in which digital and transport investments

might improve the visitor experience and the productivity of businesses involved in the Programme.

- **Digital Connectivity**

The Scottish Government has committed to delivering superfast broadband access to 100% of premises in Scotland by 2021. Through the Tay Cities Region Deal, the Scottish Government will also invest £2 million to support 5G testbeds and trials in the Tay region, helping to put it at the forefront of 5G deployment, whilst the UK Government has committed up to £2 million to improve rural connectivity in Angus and Perth and Kinross. There is much research and evidence that the future development of tourism and creative industries will be digitally focused. This investment will be instrumental in helping to support innovative digital activity for the future, creating opportunity for much needed innovation and projects to be created and implemented for the culture and tourism sectors, bringing opportunities for new jobs, new ways of working, and a focus on sustainability.

- **Transport**

Despite its central Scotland location, the region suffers from congestion, unreliable journey times, accessibility for both disabled people, and those in living in the regions most deprived areas, and a lack of affordable public transport. This impacts citizens, businesses and visitors across the region, limiting economic growth, reducing employment opportunities, and stifling visitor experience – evidenced through feedback from regional tourism businesses. Workers across the cultural and visitor economies are typically engaged in shift patterns, may work anti-social hours, and often rely on public transport. For businesses to operate efficiently reliable public transport links into all parts of the region are vital. The regional partners have recognised this and, with support through the Deal, have outlined an approach that will focus on improving connectivity to and between key business and tourist locations. Up to £3.5 million will be invested in a Low Carbon and Active Travel transport hub and up to £15 million in a Perth Bus and Rail Interchange project, which will support improved connectivity for the region and into the region for domestic and international visitors, as well as workers.

- **Inclusive Tay Workstream**

This workstream will ensure that projects receiving support through the Programme can contribute to inclusive growth by supporting local people and attracting new workers into the sector, particularly those from disadvantaged groups, as well as supporting the upskilling and re-skilling of existing workers.

- **Employability and Skills**

The Scottish Government will invest up to £20 million to support delivery of the Tay Cities Skills and Employability Development Programme. This Programme will reduce skills shortages and gaps and deliver incremental system-wide improvements to ensure inclusive growth by boosting the flow of individuals from disadvantaged groups, supporting reskilling into the career opportunities that will be generated through and as a result of the investment

in the Tay Cities Region Deal. Employment in jobs associated with the tourism sector can sometimes be at lower than average salaries, and some back office, repetitive roles are under threat from automation. However, the sector does offer richly rewarding roles for workers to develop interpersonal and leadership skills, and the introduction of technology can free up individuals to undertake stimulating, valuable face-to-face engagements with customers.

- 6.2 The Skills and Employability Programme will seek to ensure that all Tay Cities Region Deal projects and programmes support quality jobs and the upskilling of workers, as well as a commitment to move towards support of the Fair Work Agenda. They will do this through working with various partners and stakeholders including; the Hospitality Industry Trust, which supports scholarships across the sector focusing on craft skills (chefs), service excellence, and global best practice; Historic Environment Scotland, who could help develop sustainable heritage skills; Developing the Young Workforce; and Women in Tourism, which supports more female leaders to develop into senior roles. Upskilling the tourism workforce, particularly in digital and data skills, will be achieved through engaging in existing partnerships such as Digital Tourism Scotland.
- 6.3 The creative industries sector offers employment that is often richly rewarding but can be precarious and exclusive. Bodies such as Creative Dundee offer support, building the social capital and inclusiveness that is necessary for success in this extensive, but often fragmented sector.
- 6.4 The new world of work offers many challenges, but the region is well equipped to address these. For example, HE/FE could promote hospitality opportunities to help develop more skilled staff for the sector and plug some of the known skills gaps, helping to address some of the shortage of trained staff for the tourism sector, which is a challenge both nationally and regionally, while business accelerators linked to creative study can help translate creative aspirations into strong enterprises.

7 ECONOMIC CASE

- 7.1 Sustainable tourism is one of the major industries within the Tay Cities region, with an estimated 1,580 businesses (12% of Scotland's total) employing 22,000 people, approximately 11% of all jobs in the region. By comparison, the region's creative industries sector (including digital) comprises 1,550 businesses, employing 7,725 people, approximately 2.5% of all jobs in the region. Sustainable tourism contributes £620m GVA to the Tay Cities region economy, with creative industries (including digital) contributing £476m GVA. Both sectors are characterised by small businesses, with 87% of creative industries (including digital) and 76% of sustainable tourism businesses having fewer than 5 employees.
- 7.2 The creative industries are one of the fastest growing industry sectors in the UK with export growth in Scotland up 29% since 2016, and Dundee is increasingly being acknowledged as

defining the strategy for other global cities in how it harnesses creativity and cultural resources to develop a better, more connected city.⁸

- 7.3 Within Dundee alone, recent research found that organisations engaged in cultural delivery generate considerable economic impacts and benefits, directly supporting up to 562 FTE positions per annum, generating £12.4 million of GVA. This increases to 782 FTEs per annum generating £21.8 million of GVA when the indirect and induced effects are included. The impact is further boosted when the wider expenditure by cultural visitors and audiences at venues and events is captured. This supports up to 225 FTEs in the wider tourism sector, generating up to £8.7 million in GVA per annum, including indirect and induced effects.⁹
- 7.4 As part of the Tay Cities Region Deal process partners have established a strong regional economic partnership to drive the economy, which has identified both challenges and opportunities for the economy over the coming years.
- 7.5 The partners are clear that for the economy to thrive they must:
- Grow their 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; and
 - Increase economic participation and promote inclusive growth

8 CULTURE & TOURISM INVESTMENT PROGRAMME OBJECTIVES

- Infrastructure – through investment of up to £37 million, alongside £37 million private or public match funding, deliver tourism and cultural infrastructure that will help the region attract new international and domestic visitors and increase the variety, quality and accessibility of the region’s cultural assets.
- Visitor Economy – In line with the regional Tourism Strategy targets grow overnight visitor spend across the region to £550m by 2024, a growth of 3% per annum from 2019 – 2024, decrease seasonality, and improve visitor dwell time and geographic spread over the life of the Programme.
- The business base – grow the cultural, creative, environmental/nature, and tourism business base, and increase the sustainability of existing businesses over the life of the Programme.
- Grow the cultural and tourism infrastructure to enable more effective trading activities, increasing the trading incomes of cultural businesses by 30%, supporting local products and services to be sold as part of the offer.

⁸ <https://www2.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors/LADatabase>

⁹ Ref: Ekosgen Economic and Social Impact of Dundee’s Cultural Strategy and Action Plan - Executive Summary (*available on request*)

- Establish benchmarks for culture-led regeneration, ensuring links to employability and creative business development support over the life of the Programme.

8.1 At this stage it is not possible to calculate the economic impacts for this Business Case but the following set of key metrics has been created for the Programme, alongside wider benefits expected to be delivered. Appendix 4 lists details of additional, supporting tourism metrics which have been used to inform the main metrics below.

9 PROJECT METRICS –

- Creation of at least 320 sustainable new jobs
- Public and private sector match funding - £37 million
- Growth in the number of creative and tech start-ups by 100% over 5 years¹⁰
- Increase in trading income of cultural businesses by 30% over 5 years
- Increase in overnight stays by 3% per annum 2020 - 2024
- Growth in overnight visitor spend across the region by 3% per annum to £550m by 2024
- International visitor markets:
 - Stay – Increase by 5% over 10 years
 - Spend – Increase by £5 million over 10 years

9.1 The creative and cultural metrics above were agreed with Creative Scotland. The tourism metrics were drawn from the Regional Tourism Strategy in 2019. It is intended to review metrics when the selected projects have submitted their full OBCs.

9.2 More robust work will be undertaken to develop metrics for domestic markets and seasonality as outlined in the objectives. These metrics will be more fully developed as the Programme progresses.

9.3 Wider Benefits

- Establish benchmarks for culture-led regeneration
- Anchor the international profile of the region on collaboration/partnerships, including the UNESCO Creative Cities partnership
- Connectivity (Delivered by Transport Board)
 - Digital
 - Transport
- Skills and Employability (Delivered by the Skills Board)
 - Hospitality
 - Creative industries

¹⁰ <https://technation.techcityuk.com/cluster/dundee/>

- 9.4 The first Regional Tourism Strategy, launched in 2019, provides a sharp focus on the area's tourism opportunities. The strategy lays out a mission to work collaboratively to strengthen tourism in the region, ensuring regional and seasonal spread and a continued commitment to delivering quality visitor experiences. Appendix 4 shows how this will be measured.

9.4.1 Draft Logic model – The Logic model is high-level at this point until the projects for the programme have been confirmed.

| Inputs | Potential Activities (projects) | Outputs – World Class Culture and Tourism Assets | Outcomes – Increase Visitor Economy | Impact – Economic Growth |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Tay Cities Region Deal Capital Funding to the value of £37 million.</p> <p>Public/private sector match funding £37 million.</p> | <ul style="list-style-type: none"> • Pitlochry Festival Theatre • Hospitalfield • The Unicorn Centre • Discovery Point, • Dundee Comic Centre and West Ward Works Ltd • Tay Adventure • Dundee Cruise Terminal • DCA 20 Dundee Contemporary Arts (DCA) | <p>Creation of new tourism and culture assets</p> <p>Actual total capital expenditure</p> <p>Linkages between tourism and culture programme activity and other Tay City Deal programmes and projects</p> <p>Increased collaboration between tourism, cultural and creative communities. Improved understanding of regional tourism and cultural assets.</p> | <p><u>Improved Sector quality</u></p> <p>Improvements in the cultural and tourism offering in the region.</p> <p>Increase in trading income of Cultural Businesses</p> <p>Increase in visitor satisfaction, sentiment and regional profile</p> <p><u>Improved sector performance</u></p> <p>Increased visitor numbers to region and increased visitor dispersal.</p> <p>Jobs secured and created.</p> <p>Supported businesses reporting improvements in productivity and resilience</p> <p>New cultural and tourism products attracting additional UK and international markets</p> <p>Increase in domestic and international visitor spend.</p> | <p>Net additional employment</p> <p>Jobs safeguarded New Jobs</p> <p>Actual Increase in overnight stays</p> <p>Actual increase in visitor satisfaction and sentiment Jobs safeguarded New Jobs Actual visitor profile</p> <p>Progress addressing the region's inclusive growth challenges – new jobs uptake by deprived communities and PC groups.</p> <p>Actual increase in Visitors</p> |

| | | | | |
|--|--|--|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| | | | Growth in number of Creative and Tech start ups | Actual increase in visitor spend Actual visitor dispersal data Jobs safeguarded New Jobs |
|--|--|--|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------|

10 MARKET FAILURE

- 10.1 As noted elsewhere in this business case, the region has challenges in terms of product quality, consistency and alignment with market demand. In order to contribute to the opportunities outlined in the overall Deal in terms of creation of jobs and sustainable growth for the region, the investment in this Programme is needed to underpin a period of growth across the whole region's cultural and tourism landscape.
- 10.2 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). There is a circular argument that improvements in seasonality can be underpinned by more variety of year-round attractions, which will in turn lead to increased demand for accommodation, food and drink and retail offers. The need to pump-prime investment in regional tourism and cultural infrastructure to ensure this circle continues is clear.
- 10.3 Key to helping address seasonality is a strong accommodation offer. There is good evidence of tourism accommodation investment in the region – Dundee, North Fife and parts of Tayside have seen positive new and upgraded accommodation brought to market. However, despite these positive developments, it remains the case currently that the whole tourism and culture market is not working effectively enough. Developing and enhancing the activities, events and attractions that bring the visitors year-round to use the accommodation will aid the seasonality challenge.
- 10.4 In terms of cultural and tourism attractions, the high up-front costs and initial risk makes commercial development a challenge for investors. Public money is required to share risk with commercial investment in this space, pump-priming appropriate opportunities that will deliver new culture and tourism products into the regional mix.
- 10.5 This will then provide a deeper selection of the good quality propositions the region needs, which will appeal to a broadening range of audiences from domestic and international markets. All the above provides evidence of the market failure in the region and offers opportunities for the Programme to address some of these failings via the projects selected for the investment funding.
- 10.6 The driver for change is significant, as evidenced by the current market failure. The aim of making the Tay Cities region “sticky” by developing a compelling world class regional offer capable of attracting higher spending markets with a greater propensity to stay longer and/or repeat visits is achievable, with the right investment and growth plans in place.
- 10.7 A successful destination relies on the availability and delivery of a range of various component parts at key stages in the visitor journey. This includes the outstanding natural environment in the region, provision of attractive public space, the existence of a critical mass of attractors and attractions, the cultural offering, connectivity through transport routes, cycling and walking

paths, and selection of varied accommodation availability, food and drink provision, and the night time economy, all of which bring higher spending visitors to the region.

- 10.8 Many of these component parts offer no direct return to the private sector and require public funding to support their existence, as the beneficiaries are widely dispersed throughout the overall destination offering. These are known as externalities, both positive and negative. Positive externalities arise out of the wider benefits to places that occur when visitors spend time and money in the area.
- 10.9 The cultural and wider creative economy is a significant employer in Scotland, which enhances the environment in which everyone lives and generates ideas and innovation.
- 10.10 The region will take the opportunity to ensure our traditional offering is expanded to take a more cultural focus, for example more emphasis on the 'USP's in the region, i.e Comics, Computer Games, Design, Natural Environment and others, which all support the recently launched Cultural strategy (Feb 2020.)
- 10.11 Inclusive growth will also be positively impacted on via this process providing a more rounded and comprehensive cultural and tourism offering to local people and visitors to the region.
- 10.12 Projects selected will be expected to have in place and be able to demonstrate a fair and open approach to recruitment of project-related posts to ensure applicants from Scottish Index of Multiple Deprivation (SIMD) deprived communities and/ or protected characteristic groups are encouraged and supported to apply for the roles being created.
- 10.13 From the two early projects being taken forward it is anticipated the following could result:
 - Educational and learning opportunities for communities that the projects will deliver. For example; Discovery project with its focus on Climate Change and exploration – this could be seen as highly relevant and motivational
 - The increased community outreach work with one of Scotland's most deprived communities in Arbroath via Hospitalfield
 - Increased access to arts and culture education via Hospitalfield in line with the SG's National Performance Outcome on Culture
- 10.14 In summary, this programme will address the following market failures:
 - Attractions not evenly spread across the region
 - Need for a sustainable, collaborative approach to culture and tourism development
 - Connectivity between cultural infrastructure and the visitor economy
 - Region has a traditional offering but has huge potential to build on a more contemporary offering through comics, computer games, design, architecture, fashion and music, natural environment, outdoor adventure opportunities.
 - Inclusion – quality and offering for the visitor and local population – enabling local creative cultural expression to form the basis of export – including the visitor economy

11 COMMERCIAL CASE

- 11.1 The ambition is clear, 'to deliver a world class region with world class culture and visitor experiences in world class destinations.
- 11.2 The partnership of four local authorities, industry, Scottish Enterprise, Creative Scotland, Historic Environment Scotland, VisitScotland, with the support of the Scottish and UK Governments through the Tay Cities Region Deal, will offer the mechanism to achieve this.
- 11.3 These organisations are responsible for developing the Outline Business Case for the £27m investment fund, which is available to those culture and/or tourism projects published in the Tay Cities Region Deal Proposal and that were not referenced as named projects in the Tay Cities Deal Heads of Terms. Depending on the selection of projects via the assessment process a further call for culture and tourism projects could be initiated in the future should funds allow.

12 CULTURE AND TOURISM PROJECTS

- 12.1 Projects should contribute to an inclusive, innovative, international, connected and empowered Tay Cities region; support economic growth; and deliver fair, sustainable employment.
- 12.2 The Programme's strategic priorities are :-
- A **clear, strategic rationale** aligned to regional and national creative industries, and culture and tourism priorities.
 - The development of **world class visitor experiences** aligned to the Tay Cities Regional Tourism Strategy, which will encourage more visitors to stay and for longer.
 - Developments that build upon the creative and cultural infrastructure in the region, adding capacity to enable key strengths to be developed.
 - A **collaborative approach** to project delivery, working with private and public sector stakeholders.
 - A **sustainable approach** to delivering economic, cultural, and social impacts, while protecting the built and natural environment.
 - Enabling the Tay Cities region to become a better place to **live, work and visit**.
- 12.3 The Pitlochry Festival Theatre project has a ring-fenced allocation of up to £10m within the Programme. This project will be expected to develop and submit a full business case directly to the Advisory Board and not the Project Assessment Panel.

13 PROJECT SELECTION PROCESS: LONG LIST TO SHORT LIST

- 13.1 Prior to agreeing the Deal Heads of Terms, the regional partners issued an open, public call for potential project ideas. All applicants were asked to submit an initial 2-page outline. A significant number of projects were put forward. These were reviewed for strategic fit and economic viability by Themed Groups and then discussed by the Tay Cities Region Deal

Management Group, who made recommendations to the relevant local authority Leaders and Chief Executives. Approximately 30 of the proposals did not meet the regional partners' objectives and therefore were considered unsuitable for inclusion in the Deal bid. These projects were rejected.

- 13.2 The remaining projects were then reviewed by Ernst & Young, who provided a commentary on each¹¹, and project owners were invited to submit a Strategic Outline Case (SOC). These were then scored for strategic fit and economic viability by the Tay Cities Region Deal Management Group, together with Scottish Enterprise and Scottish Futures Trust, to identify the project shortlist. Projects were then included in the original bid document¹² from which the Heads of Terms were agreed.
- 13.3 The total value of the tourism and culture projects included in the original bid document was £129 million, with an ask for £68 million to be funded through the Deal. Alternative funding was subsequently secured for one project (Dundee Science Centre), reducing the ask by £3.9 million. The Heads of Terms gave a welcome contribution of £47 million to this area of activity – from the Scottish Government, £27 million for a Regional Cultural and Tourism Investment Programme, and as part of this Programme, a further £10 million for Pitlochry Festival Theatre. The UK Government contributed a further £10 million towards a Perth Cultural Transformation project that included Perth City Hall.
- 13.4 Following the process outlined above, the remaining projects from the original Tay Cities Region Deal bid are seeking investment through the Programme.

These are as follows:

- Hospitalfield – growing the impact of this national visual arts institution in Angus, including supporting a wider tourism market and growing the cultural reputation of Angus, complementing the V&A Dundee, the McManus in Dundee, and Perth's Museum and Art Galleries.
- Dundee Maritime Centre/The Unicorn – the development of a new maritime visitor attraction at the Dundee waterfront.
- Discovery Point – showing the world Dundee's maritime heritage more dynamically and encouraging visitors to explore the city's world class waterfront.
- Dundee Comic Centre and West Ward Works Ltd – a brand new museum showcasing not only the comic books from the DC Thomson stable but other global brands such as Marvel, while building on the contemporary creative and social ambitions represented by this unique Dundee legacy.
- Tay Adventures - a marine tourism project that will allow visitors to explore the iconic River Tay by water, bike, and foot.

¹¹ Available on request

¹² Available on request

- Dundee Cruise Terminal - a must stop cruise destination to establish the city and the wider region as the gateway to the East of Scotland.
- DCA 20 - renewing the promise of Dundee Contemporary Arts (DCA) by reinforcing its unique ability to catalyse innovation and creativity in the city.

13.5 Following Heads of Terms agreement in November 2018 each project's SOC was reassessed by the regional partners to ensure it was up to date and met the overarching aims of the Programme, as set out in the Heads of Terms agreement.

13.6 There is not sufficient funding available to support all the projects originally in scope, therefore the scoring criteria will be critical to ensure investment is made in the right projects. Criteria for assessment can be seen at Appendix 1. The expectation is that each project will contribute 50% match for the funding they are allocated from the Programme.

13.7 Following initial selection of projects via the Project Assessment Panel, a further call for culture and tourism projects could be initiated should funds allow.

14 RISK

14.1 Project selection took place in January 2020 and the successful projects are now working on their respective OBC's. Individual project risks will be captured, in detail once they have been submitted.

14.2 The following risks and mitigations have been identified for the Programme as a whole

| Main Programme Risks | |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risks | Mitigation |
| Projects presented do not meet quality required. | Provide clear strategic guidance. |
| Projects presented do not make sufficiently strong strategic case. | Each project business case will need to demonstrate evidence of strategic alignment and market demand. |
| Projects presented fail to support programme objectives. | Clearly articulate required of project outcomes. |
| | To ensure projects deliver quality benefits, e.g. sustainable jobs, the Advisory Board will ensure project owners have opportunities to engage with other public/academic and commercial activities (e.g. skills programmes, supplier development, etc). |
| Projects presented do not secure enough match funding. | Projects that cannot evidence 50% match funding will not be supported through the Programme. |
| | At OBC stage, projects will need to demonstrate long term commercial sustainability, and a |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Projects are not sustainable and do not secure the additional capital/revenue funding and wider support needed to fully exploit City Deal capital investment. | demand pipeline, including plans for future capital investment, maintenance, operational delivery, further development etc |
| The Programme's funding profile is not equally balanced over the 10-15 lifetime of the Deal. | The Advisory Board will be responsible for ensuring all Programme financial profiling is robust and accords with the financial profile for the Deal as a whole, in order to avoid under or over spends. |
| Project costs increase beyond the funding available from the Deal and/or matched funding, resulting in project overspend. | All projects will be required to submit robust implementation plans, which will include contingency arrangements and effective risk management processes. If any overspends do occur, they will be the responsibility of project owners to address. |
| Failure to seize the opportunity presented by the V&A Dundee as a key anchor for both creative industries and tourism in the region. | Ensure the prioritisation of projects that deliver against long-term sustainability of the creative and cultural sectors, while delivering effective external visitor engagement. |

14.3 It should also be noted that there are several key dependencies that the programme requires to be effective and deliverable. These are as follows:

- Commitments from VisitScotland to work with Deal partners to promote the destination and its offer as it develops, and for Scottish Government and its agencies to fully engage in the delivery of the Programme through provision of wider support where appropriate;
- Effective partnership working between regional partners and Creative Scotland to develop creative and cultural opportunities that will help to grow sustainable creative businesses and/or add value to the visitor economy;
- Private sector engagement and commitment to the delivery of the Deal and by making wider supporting investments in the quality and range of the visitor offer to ensure an overall quality destination experience; and
- Effective engagement with other workstreams within the Deal, particularly Inclusive and Connected Tay, in order to ensure the benefits of Programme investment can be maximised.

15 FINANCIAL CASE

- 15.1 The timescale for the Programme and the resultant spend profile from projects being supported is still to be developed and will be included in a future iteration of the Business Case. It is expected to span 10 years, and the spend to be phased across this timeframe.
- 15.2 The TCRD Culture and Tourism Programme requires the selected projects to provide an equal amount of match funding to the TCRD grant secured. TCRD funds will not be released unless an equivalent sum of match funded is committed. Projects may gain provisional approval subject to confirmation of match funding.
- 15.3 The phasing of the release of TCRD monies will be individually negotiated between TCRD Programme Management Office and the project, and will vary depending on the phasing requirements of external funders and the TCRD programme as a whole.
- 15.4 Although a fixed ratio of 1:1 is not required in any one financial year, it would not be appropriate for all TCRD monies to be spent upfront, with external funding contributions being spent at the end of the project. Profile of spend will be fixed jointly before the project's Final Business Case is agreed.

16 MANAGEMENT CASE

- 16.1 The Programme will be managed and delivered collaboratively by the partnership of four local authorities, industry, Scottish Enterprise, Creative Scotland, Historic Environment Scotland and VisitScotland, with the support of the Scottish and UK Governments.

17 PROGRAMME GOVERNANCE

- 17.1 **Stage One:**
- 17.2 The Advisory Board will create and empower a Project Assessment Panel to implement the project selection process outlined elsewhere in this Programme business case.
- 17.3 The Panel will make recommendations to the Advisory Board as to which projects should be taken forward and invited to submit an Outline Business Case. The Board will in turn seek approval from the Tay Cities Region Deal Management Group and ultimately the Tay Cities Region Deal Joint Committee.
- 17.4 The selected projects will then be incorporated within a further Programme OBC. All projects selected for inclusion within the Programme will ultimately be required to submit a Green Book-compliant Full Business Case before funding can be drawn down.
- 17.5 A sub group of the assessment panel with expertise across the tourism and creative sectors as well as Green Book and business case compliance will be appointed by the Thematic Board. Green Book expertise will be drawn from Scottish Enterprise and the local authority where some staff have undergone recent Green Book training. Should additional support be required

this will be outsourced.



17.6 Stage Two: Project delivery and regional collaboration:

- 17.7 The Advisory Board will ensure a region-wide, collaborative approach is taken to the development and implementation of all projects and programmes under their remit.
- 17.8 The Board will reach out to other regional groupings and organisations such as the Regional Cultural Agencies Group and the currently forming Regional Tourism Leadership group in order to drive increased collaboration between existing and new tourism and cultural assets, with the aim of maximising visitor spend, regional visitor spread, and dwell time, as well as ensuring new creative businesses are supported to grow and develop new products and services. See Appendix 5 for the Terms of Reference for the Board.
- 17.9 The Programme assessment panel group will continue and offer support to the projects as required. Once selected projects have been approved, the assessment panel will be disbanded, and membership of the Thematic Board will be reviewed to ensure that representation and skills from assessment panel is not lost.
- 17.10 Templates for project SOC guidance and selection scoring for the SOC's and OBC's have been drafted and approved by the Management Group and are included in Appendices 1 and 2 for information.

18 PROJECT SELECTION AND RECOMMENDATIONS

18.1 Introduction

On 8th January 2020 an assessment panel made up of the following organisations met to discuss six Strategic Outline Cases, which were submitted by Culture and Tourism project owners included in the Tay Cities Deal bid.

18.2 Projects

1. Dundee Heritage Trust – Discovery Point
2. Hospitalfield
3. Comic Centre – Westward Works
4. Tay Adventures
5. Dundee Maritime Heritage - Unicorn
6. Dundee Cruise Terminal
7. DCA 2020 – (Project asked to be withdrawn from the Programme)

18.3 Review Panel

- Angus Council
- Dundee City Council
- VisitScotland
- Scottish Enterprise
- Creative Scotland
- Historic Environment Scotland

18.4 The assessment panel scored the projects against the criteria set out elsewhere in this business case and agreed that the top four projects were in a position to deliver against the targets outlined above.

18.5 Stage 1 – Governance

The recommendations from the assessment panel were then submitted to the Culture and Tourism Thematic Advisory Board for discussion at a meeting on 24th January 2020.

18.6 The key recommendations from the assessment panel were agreed by the Board. These recommendations were subsequently also agreed at the Management Group meeting on 30th January 2020.

18.7 Projects fall into three categories: -

1. Early opportunities
2. Projects supported in principle - Require further development
3. Applications on hold

18.8 Stage 3 Project Selection and Recommendations

18.9 Early Opportunities

The two projects identified as ‘Early Opportunities’ were considered ready to move forward in terms of both scoring highly against the criteria and ability to meet the programme’s requirement for 50% match funding.

18.10 Hospitalfield and Discovery Point will therefore be progressed to final agreed OBC as soon as possible.

18.11 Hospitalfield – recognised this project is well-developed and close to being able to start. There is scope to review and develop the articulation of benefits, especially cultural benefits.

18.12 Discovery Point – ambitious project (and remaining need to test realism of that ambition) but attractive proposition, with strengthening delivery team and partnership opportunities (continue to develop wider partnerships).

18.13 Early Opportunities

| Dundee Heritage Trust Discovery Point | TCRD C&T Investment Funding requested | Match Funding |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------|
| | £2.5 million | £7.5 million |
| Projected outcomes and impacts | | |
| <p>A clear alignment with key national, regional and local tourism strategies – particularly growing visitor numbers, attracting more overnight and longer stay visitors, delivering a unique and authentic tourist offer, enhancing the region’s international reputation, expanding food tourism offer, making best use of our infrastructure and making the most of our beautiful country’s natural resources.</p> <ul style="list-style-type: none"> • An uplift in visitor numbers to Discovery Point of 42,000 • Increase our trading income by 58% from the “without investment” baseline projection levels (which will help contributed to the Regional target of 30% over 5 years) • A growth in overnight visitors from 47% to 52% – contributing towards the Regional target of growth of 3% per annum • Additional direct visitor spend impact spend of more than £1.6 million per year • Additional direct, indirect and induced visitor spend impacts of £2.4 million per year • An additional 78.2 FTE jobs will result from the project • 76.5 temporary person years-worth of construction employment based on capital spend of £8 million • Construction phase equivalent to a one-off GVA impact of just over £3.7 million. • Match funding of £7.5 million • A leverage rate of 75% (TCRD at 25% of total funding) – with options for that to increase further • Expanded and more efficient use of infrastructure • A growth in International visitors – our international visitor numbers have already grown to 25% of our total. As this project will increase our visitor numbers there will be a corresponding increase in overseas numbers (This equates to 10,500 extra overseas visitors if modelled at the current rate). • However, our expectation would be with the improved offer will appeal to wider and more international markets and this combined with new foreign language initiatives (due to be rolled out from next year, e.g. our China Ready strategy which will be further rolled out to this project’s new attractions) would increase the international visitors further and therefore contribute to the Regional Targets. | | |

| Hospitalfield | TCRD C&T Investment Funding requested | Match Funding |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
| | £5.5 million | £5.5 million |
| Projected outcomes and impacts | | |
| <p>Phase 1</p> <p>Future Plan</p> <ul style="list-style-type: none"> • The restoration of the existing purpose built studios • Development of an additional studio building • The redesign of the garden and garden buildings • Development of additional residential accommodation of a high quality (50%) • Creation of 13 new jobs at Hospitalfield, five 5 of which will be in high skilled occupations. <p>Meeting the priorities for:-</p> <p>Improving facilities for artists and community use.</p> <p>Opening and engaging with the public – becoming a destination with international reach.</p> <p>Economic sustainability – growing the business activity by 50% percent in the first 2 to 3 years and then increasing to 100% by year 5 to 6.</p> <p>Focussing on the buildings that are most at risk.</p> <p>Creating excellent physical access to the site.</p> <p>Phase 2</p> <p>Future Plan - Mortuary Chapel</p> <ul style="list-style-type: none"> • Re-organise governance • Full renovation <p>Meeting the Priorities for:-</p> <p>Focussing on the buildings that are most at risk</p> <p>Opening and engaging with the public – becoming a destination with international reach.</p> <p>Developing an exciting and little known architectural gem and asset for the region.</p> <p>Developing training programmes to engage visitors and local people with the history and heritage of this building</p> <p>Currently building is opened to the public twice a year with circa 300 visitors.</p> <p>After the project is complete the visitor numbers have the potential to rise to 8,000 in the first year to 16,000 in year three.</p> <p>Phase 3</p> <ul style="list-style-type: none"> • Restoration of Hospitalfield House • Creation of a new archive and reception building as part of the visitor experience • New gallery space and shop <p>Meeting the Priorities for:-</p> <p>Opening fully to the public and becoming a destination of a high quality that is complimentary in the region with other cultural and heritage locations.</p> <p>Completing the restoration project for future generations to enjoy.</p> | | |

18.14 Projects supported in principle - Require further development

The three projects identified as ‘medium term’ were considered relevant and had a good fit with the programme’s criteria and targets. However, it was noted that they all needed further work to develop the projects for inclusion in the programme. Indicative timescales for the three projects are to work towards a final SOC during 2020, with a view to agreeing OBCs by end of March 2021. This to be kept under review and will be discussed again at next C&T Thematic board meeting.

18.15 Comic Centre and West Ward Works

Viewed as a critical project and noted that the concept is correct.

Work is now to develop the proposals. The relationship with Verdant Works is also important.

- Governance not in place for delivery of the project (Risk)
- Economic Impacts need to be strengthened
- Other key areas were identified and fed back to Comic Centre

| Comic Centre & West Ward Works | TCRD C&T Investment Funding requested | Match Funding |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
| | £6.5 million | £6.5 million |
| <p>Projected outcomes and impacts</p> <p>The International Centre for Comics has a threefold mission:</p> <ul style="list-style-type: none"> • To create a place which will celebrate and build on the pride Dundonians have for their comic book heritage and the city’s global role in comics past, present and future; • To harness the accessibility and immediacy of comics to equip audiences of all ages, from near and far, with new skills in communication and literacy; • To establish a counterpoint and complement to V&A Dundee for visitors, grow the city’s brand as the UK’s only UNESCO City of Design and unlock the full economic impact of Dundee’s tourism assets. <p>Specific project outputs include:</p> <ul style="list-style-type: none"> • Establishment of a new cultural attraction that is expected to average at least 80,000 visitors a year over its first five years • Deliver an estimated direct gross visitor spend impact of £2.47m annually; • Support an estimated direct, indirect, and induced gross visitor spend impact of £3.7m annually • Support the creation of 64 FTE jobs. <p>These outputs rise to £4.9m Gross Value Added annually, and 84 additional jobs created with the estimated impact on Verdant Works economic outputs, plus construction related one-off impacts of £4.76m and 93 temporary person-years’ worth of employment.</p> | | |

18.16 Tay Adventures

The total value of the project is large, and most of financial focus is on Lock Gates and Marina development in Dundee.

The multi-project nature is a challenge both in terms of overall coherence and for match funding.

The benefits, especially tourism benefits, need to be better articulated.

Strategic linkages, especially with Marine Strategy for Scotland to be developed.

- Need to better reflect the use of the river
- Significant ask for a large amount of the available funding, which is mostly the cost of the new Lock Gates, which the project is dependent on.
- Project needs a better economic impact case

| Tay Adventures | TCRD C&T Investment Funding requested | Match Funding |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
| | £15.9 million | £15.9 million |
| <p>Projected outcomes and impacts</p> <p>The Tay Adventures projects focus on water based requirements and land based activities. The projects that make up the whole have engaged key partners including local authorities, harbour trusts, fisheries bodies, the private sector and Forth Ports.</p> <p>The key outputs of the Tay Adventures project are:</p> <ul style="list-style-type: none"> • 300 berths at Dundee marina for sail from, sail through and sail to opportunities – installation of two new dock gates to allow almost 24 hour access to the marina • Installation of a new water taxi step ashore pontoon at Tayport Harbour • 2 new mooring sites at Errol and Newburgh • 2 new pontoons at V&A Dundee and Elcho Castle • Development of a new heritage centre with a focus on the River Tay and its heritage e.g. salmon fishing, reed collection, cobble making, the story of the river and its environment at Willowgate • Development of 4 unique, floating, self-catering holiday homes at the Willowgate Activity Centre • Refurbishment of 10 old salmon bothies creating unique accommodation along the length of the river from Perth to Dundee • Development of a new off-road cycle path between the Park and Choose facility being developed at Walnut Grove, the Willowgate Activity Centre on the banks of the River Tay and Perth City Centre – enabling active travel opportunities • Regeneration of the Signal Tower Museum in Arbroath, with a focus on maritime heritage • Creation of new jobs – direct, indirect and induced – 53 jobs created, 20 safeguarded • Increased number of visitors to the region, enhancing length of stay and spend | | |

18.17 Dundee Maritime Centre – Unicorn

Potential to explore alternative funding sources that may be more suitable to support than City Deal.

- SOC needs to show a clear understanding of how it will connect to the visitor economy in the future
- The SOC has scope and opportunities to further develop the project
- HES and DCC has offered support to help develop the project going forward

| Unicorn | TCRD C&T Investment Funding requested | Match Funding |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------|
| | £5.5 million | £5.5 million |
| Projected outcomes and impacts Specific project outputs include: <ul style="list-style-type: none"> • Deliver growth in (paid) annual attendance from 14,000 to a steady state of over 55,000 by year three • Deliver an estimated gross visitor spend of over £800,000 annually • Support an estimated direct, indirect and induced gross visitor spend impact of over £2m annually • Support the creation of 35 FTE jobs and double that number in volunteering opportunities; and • Further essential training/work experience of staff and volunteers. More broadly it is anticipated the development of the DMHC to have a wider catalytic/regenerative effect on the immediate area surrounding it. | | |

18.18 Applications on hold

The **Cruise Terminal** project was considered unsuccessful due to:

- SOC had not moved on from the last submission.
- From the information provided the project was not considered innovative or ambitious and does not demonstrate impact of proposed investment on cruise visitor numbers.
- Not clear how the project would enhance growth in the cruise market, or the regional economy.

The project has been notified of the panel's feedback and its decision.

18.19 At a **DCA2020** Board meeting a decision was taken to pause their involvement in the programme. However, DCA would like to issue a statement of intent that they remain aligned to the programme. Their aim is to undertake a full feasibility study for a capital development at DCA in early 2020 which will inform proposed fundraising and business plans, which may result in a reworking of the Tay Cities Region Deal Strategic Outline Case.

18.20 Should there be, in the future, another call for applications, both of these projects remain eligible to re-apply. Reasons for rejection reflect the stage of development and not any fundamental issue with the proposals themselves.

19 APPENDICES

Appendix 1

| Tay Cities Deal Regional Culture and Tourism Investment Programme Criteria and Guidance for Applications 2019 | |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Background | <p>The Tay Cities Region Deal brings together public, private and voluntary organisations in the local authority areas of Angus, Dundee, Fife and Perth and Kinross to deliver a smarter and fairer region.</p> <p>The local authorities and partners that make up the Tay Cities region have negotiated with the UK and Scottish Governments to secure investment and greater local powers.</p> <p>Under the deal, business, higher and further education, local government and the third sector will work together to create growth more quickly and sustainably using the public investment to bring greater prosperity and equality.</p> <p>The Tay City Region Deal (TCRD) will help to build on the investment already made in culture-led regeneration, supporting new businesses and ensuring the region can deliver: growth in new creative start-ups; scale up of creative businesses; increased sustainability of the tourism and cultural offer; uplift in the number of staying visitors; an increase in the average length of stay; and an increase in the amount of spent per visitor.</p> <p>Key deliverables include:</p> <ul style="list-style-type: none"> • Creation of at least 100 sustainable new jobs • Public & private sector leverage - £37 million • Growth in the number of creative and tech start-ups by 100% over 5 years¹³ <p>Increase in trading income of cultural businesses by 30% over 5 years</p> <ul style="list-style-type: none"> • Increase in overnight stays by 3% per annum 2020 - 2024 • Growth in overnight visitor spend across the region by 3% per annum • International visitor markets: <ul style="list-style-type: none"> ○ Stay – Increase by 5% over 10 years ○ Spend – Increase by £5million over 10 years <p>Projects need to submit robust, Green Book compliant business cases setting out clear economic impacts across the region and confirm 50% match funding.</p> |

¹³ <https://technation.techcityuk.com/cluster/dundee/>

| | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Projects selected for the Programme will have a phased delivery as appropriate to their requirements and affordability constraints across the Programme timeline of 10 years.</p> <p>Heads of Terms – Tay Cities Region Deal</p> <p>Building on world-class locations such as St Andrews, Gleneagles and the new V&A Dundee, the Scottish Government will invest £37 million, subject to approval of a programme business case, to support a Regional Culture and Tourism Investment Programme that will invest in key economic assets in culture and tourism. The Programme will be developed in conjunction with the private sector and with national agencies and will be designed to maximise the use of public funds and leverage additional private sector investment. It will invest in a wide range of assets to ensure that the entire region can continue to develop its national and international visitor offer. This investment will attract longer stays in the region and ensure the region can deliver uplift in the number of staying visitors; an increase in the average length of stay; and in the amount spent per visitor.</p> <p>Subject to approval of robust, Green Book compliant business cases that set out clear economic outcomes and successfully securing match funding, the Scottish Government expects the Programme to provide up to £10 million in the Pitlochry Festival Theatre with the balance of investment supporting further priority projects that can demonstrate a strong economic impact across the region.</p> <p>The capital investment programme will be complemented by investment in hospitality and training as part of the Tay Cities Deal Skills Development Programme leading to jobs growth and career progression in this growing sector of the economy, and improvements in transport and digital connectivity delivered through deal's Connected Tay workstream.</p> <p>In addition, UK Government will invest up to £10 million for the Perth City Transformation project to transform the cultural offer of Perth to achieve economic development objectives for the Tay Cities Region alongside substantial cultural investment in Dundee. The programme will create a cultural offer in Perth which responds to both local audiences and tourism visitors, complementing other cultural attractions to produce a compelling, cohesive 'brand' for Perth as a major cultural city.</p> <p>As visits to Scotland, and this region increase, there is an opportunity to grow the volume and value of the visitor economy, create jobs and support the region's long-term economic success, as highlighted in the emerging Tay Cities Regional Tourism Strategy.</p> <p>The Regional Culture and Tourism Investment Programme will be managed collaboratively by the region's four local authorities, Scottish Enterprise Creative Scotland, HES and VisitScotland. The Project Assessment Panel will initially consider capital projects included in the <u>Tay Cities Region Deal</u></p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Proposal¹⁴ (Deal outlined in pages 67-71). All decisions will be subject to the Joint Committee's approval of a suitable robust business case.</p> <p>Robust, Green Book compliant business cases will be required for each of the projects to set out clear economic impact across the region and successfully secured match funding.</p> |
| <p>What are you looking for in an application? The key Areas the fund seeks to address</p> | <p>Projects should contribute to an inclusive, innovative, international, connected and empowered Tay Cities Region; support economic growth; and deliver fair, sustainable employment.</p> <p>Programme Priorities are;</p> <ul style="list-style-type: none"> • A clear, strategic rationale aligned to regional and national creative industries, culture and tourism priorities. • The development of world class visitor experiences aligned to the Tay Cities Regional Tourism Strategy, which will encourage more visitors to stay and for longer. • Developments that build upon the creative and cultural infrastructure in the region, adding capacity to enable key strengths to be developed. • Significant contribution to the economic growth of the region. • A collaborative approach to project delivery, working with private and/or public-sector stakeholders. • A sustainable approach to delivering economic, cultural and social impacts, while protecting the built and natural environment. • The Tay Cities region will be a better place to live, work and visit. <p>Each supported project will be expected to contribute towards Programme-level objectives listed in the 'Background' Section above.</p> |
| <p>What will the Programme fund?</p> | <p>The Programme will fund capital projects in order to support the growth of culture and tourism in the Tay Cities region. There is no revenue funding available through the Programme.</p> |
| <p>How much funding can be applied for? What is the minimum/maximum a business/organisation can apply for, and over how long?</p> | <ul style="list-style-type: none"> • The Programme will provide a maximum of 50% of approved capital project costs. • Applicants must provide a minimum of 50% match funding. • The Programme is expected to run over a period of 10 years. While it is recognised that confirmation of match funding is difficult over a long-time period, evidence of plans and approaches to ensure match funding will be provided for the project will be expected. • Realistic timescales and budget planning to spread project funding over the life time of long-term projects will also be expected. |
| <p>What happens next?</p> | <ul style="list-style-type: none"> • The Project Assessment Panel reviewed the refreshed SOC's on Fri 17th May 2019. • Feedback was provided to project owners following the review. |

¹⁴ https://www.taycities.co.uk/sites/default/files/tay_cities_deal_0.pdf

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| | <ul style="list-style-type: none"> • The Programme Outline Business Case (OBC) will go to the Joint Committee for approval. • When the Programme OBC has reached a suitable stage of development project owners will be asked to submit their SOC to go forward to the Project Assessment Panel. |
| Criteria to consider | <p>Strategic Fit To what extent does the project fit with and deliver against the Tay Cities Region Deal's aims and objectives, as well as relevant national and regional tourism, creative industries and culture priorities?</p> <p>Evidence of Match Funding</p> <ul style="list-style-type: none"> • Has match funding been confirmed? • Is a minimum 50% match funding confirmed or due to be confirmed at the time the project is submitted for assessment? • Is there evidence of partnership working/collaboration at a regional level? • Has the applicant demonstrated evidence of working in collaboration with private and public stakeholders? • Are there clear outputs, outcomes, and impacts? Do these align with/contribute sufficiently to the Programme's objectives? <p>Capacity to deliver Does the applicant have the experience to deliver the project and comply with the Programme guidelines in the timescale provided?</p> <p>Contribution to Inclusive Growth Does the project demonstrate a contribution to the region's key inclusive growth challenges, i.e.:</p> <ul style="list-style-type: none"> • Weak productivity and slower growth • Skills, health outcomes, and earnings • Low economic participation • Need for sustainable places <p>Project need/demand Does the project demonstrate a market for the product/service? Is the project suitably ambitious, and does it represent good value for money in return for investment?</p> <p>Does the project offer a regionally significant opportunity? Is the project transformational in relation to creativity, culture, and/or tourism?</p> <p>Will the project bring in new visitors from outside the region?</p> <p>Will the project support the growth of the creative industries sector in the region?</p> <p>Can the project evidence sustainability beyond the period of capital investment?</p> |

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| Contact Details of the programme | <p>If relevant to your project we would encourage you to seek general advice and guidance for your SOC from Visit Scotland, Creative Scotland and Historic Environment Scotland.</p> <p>VisitScotland – Caroline Warburton caroline.warburton@visitscotland.com Creative Scotland – Clive Gillman Clive.Gillman@creativescotland.com Historic Environment Scotland - George Findlater george.findlater@hes.scot</p> <p>Any Queries/Questions or advice required please use the contact details below.</p> <ul style="list-style-type: none"> • Angus Council: Alison Smith smithaj@angus.gov.uk • Dundee City Council: Rory Young rory.young@dundeecity.gov.uk • Alison Beddie, Scottish Enterprise alison.beddie@scotent.co.uk |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Appendix 2

Tay Cities Deal Regional Culture and Tourism Investment Programme
Assessment and Scoring Sheet - Draft

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|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Applicant: | Assessor: |
| Project Reference: | Score: |
| Project Title: | |
| Recommendation | Date: |
| Total Project Costs | |
| Tay Cities Deal Funding Requested | |
| Match Funding Sources | Amount and Date Confirmed or to be Confirmed |
| Profile Spend between 2019/20 – 2034/35 2019/20 2020/21 2021/22 2022/23 2023/24 | |

| Criteria | High (3) | Medium (2) | Low (1) | None (0) (no evidence to support relevant criteria) | Score | Comments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------|----------|
| Strategic Fit To what extent does the project fit with and deliver against Tay Cities Region Deal's aims and objectives, as well as relevant = national and regional tourism, creative industries and culture priorities. | There is a good fit with Tay Cities Region Deal's aims and objectives and relevant national and regional tourism, creative industries and culture priorities. The project is delivering a high number of outcomes/objectives. | There is a good fit with Tay Cities Region Deal's aims and objectives and one national and regional tourism, creative industries and culture priority. The project is delivering an acceptable number of outcomes/objectives. | There is limited fit with Tay Cities Region Deal's aims and objectives and any national and regional tourism, creative industries and culture priorities. The project is delivering limited outcomes/objectives. | | | |
| Evidence of Match Funding Has match funding been confirmed? Minimum 50% and match funding confirmed or due to be confirmed at the time the project is submitted for assessment | The project has match funding in place and has provided written evidence of confirmation. | The project is sourcing or has match funding pending but it is yet not confirmed. Written evidence provided. | The project has no match funding confirmed. | | | |

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| Evidence of partnership working/collaboration Has the applicant demonstrated evidence of working in collaboration with private and public stakeholders? | The project has provided strong evidence of working in partnership and collaboration with private and public stakeholders | The project has provided good evidence of working in partnership and collaboration with private and public stakeholders | The project has provided limited evidence of working in partnership and collaboration with private and public stakeholders | | | |
| Outputs and Impacts Has the applicant clearly demonstrated the project outputs and impacts in line with the programme objectives, which are as follows: <ul style="list-style-type: none"> • Creation of at least 100 sustainable new jobs • Public & private sector leverage - £37 million • Growth in the number of creative and tech start-ups by 100% over 5 years¹⁵ | The project demonstrates two or more positive outputs and impacts to the Tay Cities Regional Culture and Tourism Investment Programme. The project is delivering a high number of outputs/impacts. | The project demonstrates one or more positive output and impacts to the Tay Cities Regional Culture and Tourism Investment Programme. The project is delivering an acceptable number of outputs/impacts. | The project demonstrates limited outputs and impacts to the Tay Cities Regional Culture and Tourism Investment Programme. The project is delivering limited number of outputs/impacts. | | | |

¹⁵ <https://technation.techcityuk.com/cluster/dundee/>

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| <p>Increase in trading income of cultural businesses by 30% over 5 years</p> <ul style="list-style-type: none"> • Increase in overnight stays by 3% per annum 2020 - 2024 • Growth in overnight visitor spend across the region by 3% per annum • International visitor markets: <ul style="list-style-type: none"> ○ Stay – Increase by 5% over 10 years ○ Spend – Increase by £5million over 10 years | | | | | | |
| <p>Capacity to deliver</p> <p>Does the applicant have the experience to deliver the project and comply with the Programme guidelines in the timescale provided?</p> | <p>The organisation has a well-established track record of project management/delivery in this area and has evidenced its capability to deliver and comply with financial and audit requirements;</p> | <p>The organisation has a known track record of project management/delivery in this area and has presented some evidence of capability to deliver and comply with financial and audit requirements;</p> | <p>The organisation has presented some evidence of experience and capability to deliver in this field and comply with financial and audit requirements;</p> <p>Some elements of the Strategic Outline Case</p> | | | |

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| | Strategic Outline Case appears realistic and achievable. | Strategic Outline Case appears mostly realistic and achievable. | appear unrealistic/unachievable | | | |
| Contribution to Inclusive Growth Has the applicant demonstrated the project's contribution tackling the region's key inclusive growth challenges, i.e.: <ul style="list-style-type: none"> • Weak productivity and slower growth • Skills, health outcomes, and earnings • Low economic participation • Need for sustainable places ** | The project demonstrates a significant contribution to the regional partners' inclusive growth priorities. The project is delivering a high number of outcomes/objectives. | The project demonstrates a satisfactory contribution to the regional partners' inclusive growth priorities. The project is delivering an acceptable number of outcomes/objectives. | The project demonstrates a limited contribution to the regional partners' inclusive growth priorities. The project is delivering a limited number of outcomes/objectives. | | | |
| Project need/demand Has the applicant demonstrated an unmet demand for the product/service? | The project has presented strong and comprehensive evidence of need or a gap in provision. | The project has presented significant evidence of need or a gap in provision | The project has presented limited evidence of need or a gap in provision | | | |

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|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------|--|--|--|
| Value for money Is the project suitably ambitious, and does it represent good value for money in return for investment? | The project is commendably ambitious and demonstrates good value for money. | The project is quite ambitious and demonstrates fair value for money. | The project is unambitious and demonstrates low value for money. | | | |
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Appendix 3

Tourism Market Trends and Opportunities

Primary drivers for visiting Scotland are 50% scenery and landscape, and 33% history and culture. For European visitors this is 71% scenery and landscape, and 51% history and culture. For long haul visitors this is 53% scenery and landscape, and 52% history and culture.¹⁶

Drawing on VisitScotland's segmentation research, a snapshot of the most significant markets for Tayside which offer the opportunity for future growth and the kinds of experiences travellers from these markets are looking for is shown in Table 1 below. These segments are an excellent match for what the region has to offer and represent the best prospect for overnight stays.

The largest contributors to visitor spend across Tay Cities are domestic visitors, drawn from the "Home Turf" market grouping within the national tourism strategy. The USA – part of "Distant Cousins" in the national strategy - is the main international market for the region, alongside Germany, Netherlands, France and the Nordic countries– all part of "Near Neighbours" within the national strategy.

Table 1 – Significant markets for Tay Cities Region

| Primary Markets | Description |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UK - Curious Travellers | Curious Travellers will lean towards more cultural hobbies and interests. The underlying attribute is a genuine openness towards learning new things. |
| UK – Food Loving Culturalists | Food-Loving Culturalists will seek out a relaxing holiday experience where they can enjoy great food and drink and engaging cultural activities. They enjoy short breaks in the UK and will recommend quality experiences when their host has gone the 'extra mile'. |
| UK -Engaged Sightseers | A love of holidays drives Engaged Sightseers to plan numerous breaks in a year. They enjoy general sightseeing and touring, taking in historical places as well as scenery and nature. They relish engaging with friendly locals and seeking out an authentic experience. |
| USA – Heritage Sightseers | Sense of connection, visiting friends and relatives, want to experience Scotland's natural beauty, rich history and culture. |

¹⁶ <https://www.visitscotland.org/research-insights/about-our-visitors/why-people-choose-scotland>

Appendix 4

Tay Cities Region Tourism Strategy – Supporting Indicators

Supporting Indicators

| Indicator | Source | Frequency |
|-----------------------------------------------------------------|------------------------------------------------|-----------|
| Accommodation Occupancy | Scottish Accommodation Occupancy Survey (SAOS) | |
| ~ Hotels | | Monthly |
| ~ GH/B&B | | Monthly |
| ~Self-Catering | | Monthly |
| ~Camping/Caravan | | Monthly |
| UK Visits: Avg Length of Stay | Great Britain Tourism Survey (GBTS) | Annual |
| UK Visits: Avg Spend per Day | Great Britain Tourism Survey (GBTS) | Annual |
| Int'l Visits: Avg Length of Stay | International Passenger Survey (IPS) | Annual |
| Int'l Visits: Avg Spend Per Day | International Passenger Survey (IPS) | Annual |
| Seasonality: visits by quarter | GBTS/IPS | Annual |
| Visitor Sentiment overall visitor satisfaction rating | Scotland Visitor Survey | 3-4 years |

Factors to be taken into consideration when developing the framework include:

- Frequency of collection
- Recency of data
- Consistency of data
- Regional accuracy of data
(e.g. only part of Fife is included in the region)

Appendix 5

Culture and Tourism Thematic Advisory Board

Membership

Representatives on this group will include:

- Management Group Representative - Chair
- Local Authority representatives (2/3; one of which will be the appointed Thematic Lead)
- Enterprise Forum representative (Tourism)
- HE/FE Forum representative
- Scottish Enterprise representative
- VisitScotland representative
- Creative Scotland Representative
- Historical Environment Scotland
- Regional Cultural Agencies Group

Purpose

The group's purpose will be to develop and maintain oversight of the Regional Culture and Tourism Investment Programme and Culture & Tourism Projects, and its remit will include:

- Develop the Culture and Tourism Investment Programme and thereafter review the programme taking into account regional and national developments
- Project prioritisation and resourcing
- Review and assess business cases and provide advice and guidance to project owners on their submissions
- Provide advice, guidance and recommendations to the Management Group on the development and approval of business cases
- Review any requests for change to approved projects and make recommendations to the Management Group
- Leading and maximising the collaboration with Tay Cities Region Deal partners
- Development of external partnerships with industry, public bodies and academia to further develop and influence the Culture and Tourism Investment Programme
- Regular progress reporting on the Culture and Tourism Investment Programme to funders and key stakeholders

Meeting schedule

The group will initially meet monthly. This will be reviewed as required.

Current status and implementation

The group has been constituted and will evolve according to demands of the Tay Cities Region Deal programme.

