

# Edinburgh Business Resilience Group



## Prospectus for Growth

June 2021

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# Foreword

**As Britain emerged from the Second World War, Sir Winston Churchill was surprisingly defeated when The Labour Party, led by Attlee, won a landslide victory.**

While a grateful nation lauded and honoured Churchill – the war had sparked within the people the need for something new, a change of vision, a future that seemed better and brighter. Indeed the immediate post war government saw the birth of the NHS and our own festivals amongst many other changes.

While Scotland and the UK has not emerged from war, it is emerging from the greatest social and economic crisis to hit us since those times of global conflict. The Covid-19 pandemic has created unprecedented challenges.

Our new Scottish Government, like that of Atlee, must own the challenge and work with the UK Government to create a better, brighter future. They share that responsibility. The appetite for change is here. The desire to bring change exists. The need to work together is overwhelming and irrefutable.

The Edinburgh Business Resilience Group (EBRG) is born of that desire. It is a group of over 60 organisations, convened and supported by the Edinburgh Chamber of

Commerce. First convened in 2020, the group brings together a cross-section of Edinburgh's business, education, public sector, third sector, and other key city stakeholders, all working together to ensure that Edinburgh emerges from the global pandemic as a stronger, more resilient and inclusive city economy, offering opportunities for all.

## The group has been set up to:

- Identify & gather insight and information on issues impacting all sectors in the city
- Provide a platform for the city's business community to raise collective issues as we seek to mitigate the impacts of Covid-19
- Positively contribute to the rebuild and redesign of the city region economy, focusing on its recovery and economic growth in a fair, inclusive and sustainable way
- Facilitate meaningful, purposeful engagement between businesses and city and national policy makers, and provide real intelligence and insight to help inform economic policy decisions

This document sets out the ideas, asks and offers the EBRG

have considered and agreed as part of our work. We are eager to work with the City of Edinburgh Council (CEC), the Scottish and UK Governments and all relevant stakeholders to develop and deliver a new 'Agenda for Action' for the city - one which we believe will ensure we can all work collaboratively to ensure our collective economic recovery.

**Ian Marchant,**  
Chair EBRG





# Setting the Context

**Increased trust, and meaningful collaboration will significantly move the dial and create the kind of true partnership we need to recover and grow**

In our work the one recurring theme which emerged is that there appears to be a disconnect at this point in time between businesses and policymakers at both city and national levels.

One member of our group described this as feeling like holding two different conversations: amongst businesses, there is a feeling that long held policies such as those related to sustainability, inclusion and fair work - whilst important and necessary - are being prioritised at the expense of more immediate re-opening decisions and support, and that policymakers are too removed from the realities and difficulties which still face many of our businesses and sectors; while amongst public officials there is a feeling that everything they can do to aid recovery is being done, that there needs to be more understanding that public resources are stretched and depleted, and that engagement and dialogue to understand and support businesses has been happening throughout the pandemic.

In many ways, both views are correct. But to this continuing dialogue we need to bring a meeting of minds and viewpoints, increased trust, and meaningful collaboration which will significantly move the dial and create the kind of true partnership we need to recover and grow. Throughout this document, we refer to the need to 're-set the relationship' between business and policymakers – we need to collectively face up to the challenge of changing our perceptions to facilitate the honest conversation that will enable that re-setting.

In this context, we offer this document – with its ideas and offers which we believe will help set us on the road to recovery and growth - as a basis to start that single, honest conversation. We intend to embark upon focused engagement with politicians at a local and national level, but we will also support engagement designed to help us convene a bigger conversation with all key city stakeholders – so that we can all come together to share views and perspectives which will support Edinburgh's recovery.

# The Short Read

**Edinburgh City Region is one of Scotland's biggest economic drivers, and all forecasts suggest that trend will continue**

Edinburgh is one of the world's greatest cities and has always been a pioneering place, from its status as a capital, to the economic success of its key sectors; financial services, fintech, bioscience, education, tourism, and its international standing in terms of festivals, world heritage and natural and architectural beauty. A city with history, charm, ambition and imagination, real opportunities lie ahead. Amongst many accolades, we are a city with the most educated workforce in the UK, a world leading University (one of the world's top 20) driving data driven innovation, a flourishing tech sector, a Global Open Finance Centre of Excellence programme, and at one point named Best City for Start Ups in the UK.

In addition, the contribution Edinburgh makes goes beyond the city and has a significant impact on the wider Scottish and UK economies. Edinburgh City Region is one of Scotland's biggest economic drivers, and all forecasts suggest that trend will continue.

**In short, Scotland's economic health requires a thriving Edinburgh** (for key economic stats see appendix 1).

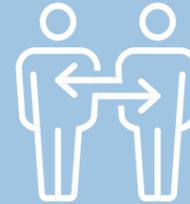
Edinburgh already has an emerging 2050 City Vision for a greener, fairer city, and a structure developed by the City of Edinburgh Council to move towards delivering the vision which includes a five-year economic strategy (shortly to be updated), a City Mobility Plan, City Centre Transformation initiative, a new Tourism Strategy to take us to 2030 and the Edinburgh and South East Scotland City Region Deal. The City of Edinburgh Council has also already established both the Edinburgh Poverty Commission and the Edinburgh Climate Commission to address Edinburgh's challenges in these areas.

Following consultation with businesses, our universities, Festivals and other key stakeholders in the city through the Edinburgh Business Resilience Group, we would like to offer our support to the city and work in collaboration with local and national policy-makers to drive the economic recovery and growth of Edinburgh, leading the way for inclusion, fair work and net zero carbon. We will support the poverty agenda and sustainability strategy by creating high skilled and higher paid jobs, innovating to ensure Edinburgh has a 'green recovery' and can take full advantage of the opportunities to 'build forward fairer'.

# Our Priorities



**To identify priorities and policies** that will support businesses and organisations in the City and accelerate economic recovery and growth for Edinburgh, Scotland and the UK



**To reset our relationships by creating an Agenda for Action**, which will act as a blueprint for future collaboration between business, education, culture and policy makers



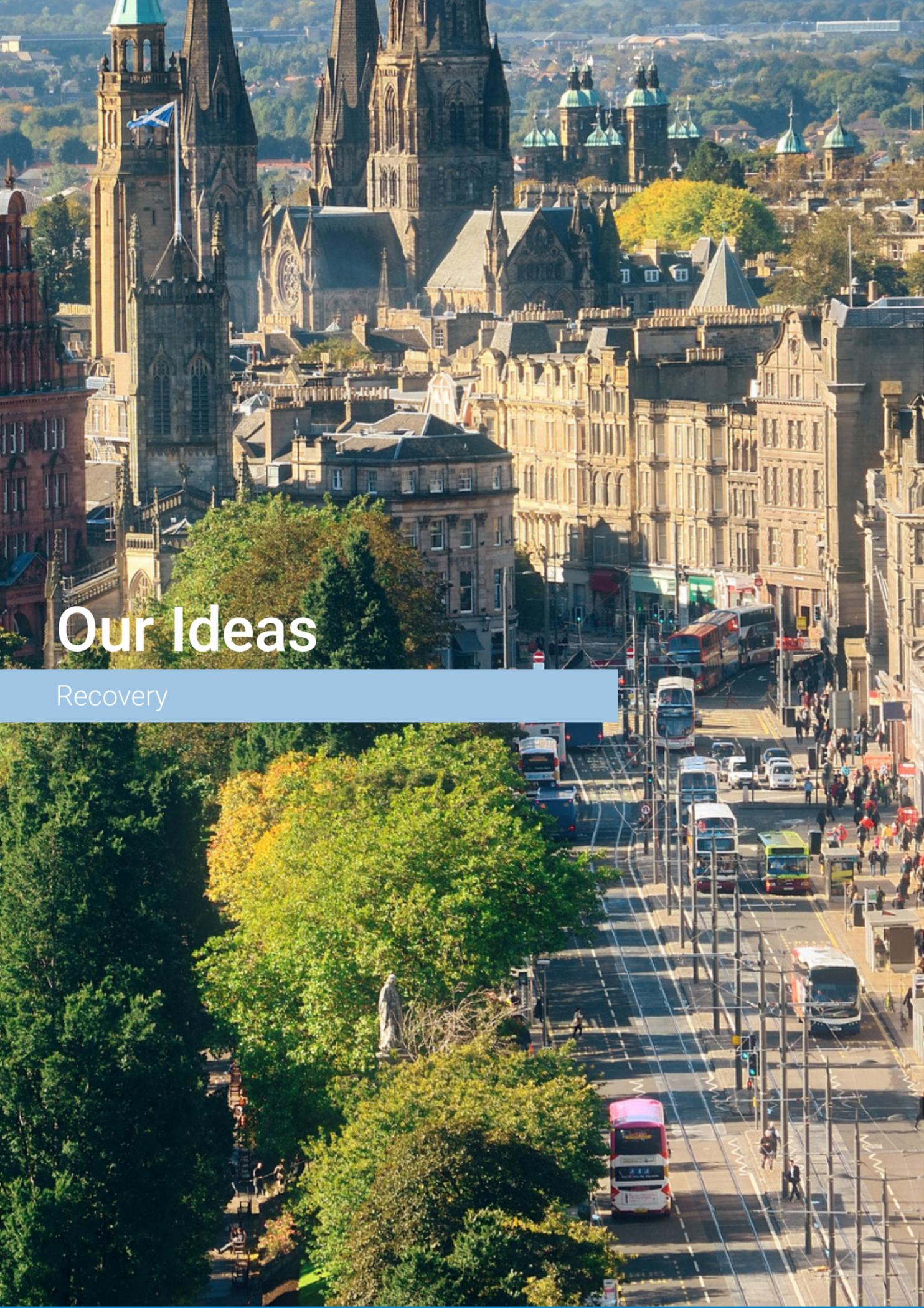
**To work collaboratively** with the City of Edinburgh Council, Scottish Government and UK Government and the private sector to provide resource and expertise to accelerate recovery, reflecting Edinburgh's position as the capital of Scotland, as a major UK city and as a global centre



**To create a powerful collective voice for the city** around an agreed shared narrative.



**Ensure inclusion and Net Zero Carbon** are at the heart of the future economic strategy for the City, and that we collectively work to tackle these critical issues



# Our Ideas

Recovery

# Our Ideas

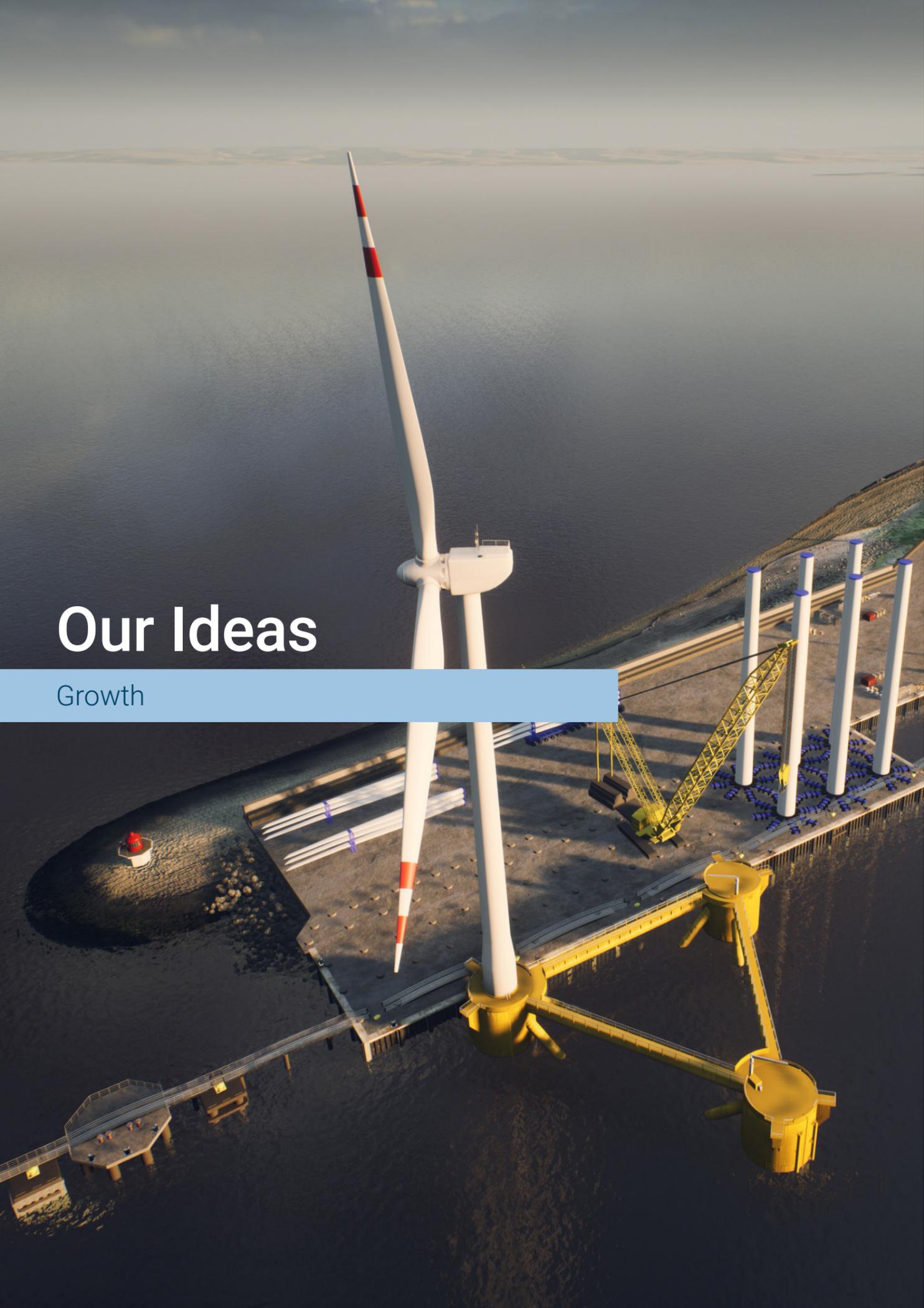
Recovery

**We need ongoing short-term policies that support businesses to return to health**

Economic recovery requires continued support from Scottish and UK Governments to help impacted businesses survive and return to prosperity. Alongside financial support, we also need our political leaders to be cognisant of the level of debt burden, the changing business landscape and the new ways of innovative working being grappled with by our local businesses. We need ongoing short-term policies that support businesses to return to health, enabling them to embrace fair work, inclusion and the green agenda.

**Our ideas for recovery include:**

- Accelerate safe return to work plans
- Revisit and revise social distancing rules and ensure consistency and clarity of policy across sectors - particularly for live events.
- Support for those tackling stifling debt levels
- Increased investment in skills and employability, and increased support for businesses to access existing funding
- Greater policy alignment across the UK nations on specific areas related to Covid regulations and policies.



# Our Ideas

## Growth

# Our Ideas

## Growth

**We are one of the most attractive destinations in the world for talent, investment and entrepreneurs.**

Edinburgh has many opportunities to grow its economy. A fair and green economy is a fundamental building block, but we can also harness our knowledge economy, our Data Driven Innovation leadership, our technology and Financial Services expertise and the international reputation and profile we enjoy as a world leading festival city. All these suggest a business environment and ecosystem that has a lot to build on. We need to tell our story loud and proud that we are one of the most attractive destinations in the world for talent, investment and entrepreneurs.

### Our ideas to support and accelerate growth are:

- Establish a joint venture between City of Edinburgh Council, business, our universities, cultural sector, third sector and communities to set up and create 'Edinburgh Means Business' – an organisation that can 'sell' Edinburgh and provide a landing space for potential investors and businesses who want to make their home here
- Reset the relationship between the public, private and third sectors, to a truly collaborative, engaged and trusting partnership by appointing a 'Business Champion' for the city
- Create/support 'Edinburgh Rewards Local', keeping business and wealth in the city and region for local businesses and communities
- Develop a joint city strategy to support entrepreneurial talent from under-represented groups, increasing the diversity of business ownership
- Open up and speed up the planning and licencing process to make it easy and cost effective to do business in the city
- A more enlightened approach to business rates levying and relief
- Investment in Research and Development and access to support to fuel Edinburgh's status as Britain's Best City for Start-Ups
- Encourage city businesses to do more to support our live events, culture & tourism sector – as we all benefit from this.
- Draw on the approach and learnings from others and promote great case studies like Forth Port's Renewable Energy Hub

# Our Ideas

## A Global City

# Our Ideas

## A Global City

Edinburgh is a city with a global reputation, not just in the obvious areas of culture, festivals, events and tourism, but also in the fields of education, financial services, fintech, innovation and life sciences. We therefore need to consider our future through the prism of Edinburgh as a global city, ensuring that our international reputation in these areas is maintained and enhanced, and that we can continue to claim our place as a global centre of the arts as we emerge from the pandemic.

Our ideas to support our international reputation and growth are:

- Enhance and build on our global reputation for data driven innovation as the Data Capital of Europe, led by the University of Edinburgh and partners, and harness this to facilitate business growth and development. As a City we also need to tell a more integrated story about our strong innovation reputation so we can all play our part in better promoting this on the international stage.
- The Festivals and the City's cultural pre-eminence provide us with a unique platform and opportunity to showcase many of our talents, qualities and attractions. They constitute a huge attraction, not just to tourists, but also to people who come to the city to live, work and study. We need a change in language and attitude around our festivals and events, to better recognise the contribution of the events and cultural sector to Edinburgh's high quality of life, and its role in attracting the talent and human capital so vital to Edinburgh's economic development.
- More ambitious and imaginative cross disciplinary thinking is required to help promote a genuinely symbiotic relationship between business, residents and the arts, to aid our recovery and retain our status as a world-leading creative City
- As a City (and a nation) we need a comprehensive aviation strategy. International business is vital both to Scotland and to Edinburgh, which acts as gateway to the rest of the country. Edinburgh International Airport, which has been a major engine for international trade through developing strategically important routes, has seen passenger numbers drop to 1995 levels <sup>[1]</sup>.
- Investment in digital infrastructure should be sustained, enabling this high-tech city to further capitalise on developments made by necessity through Covid and lockdown and to extend the City's global reach, influence and impact. We need to continue to develop a truly world class infrastructure to become a place international companies want to do business.
- The City needs to line up behind the Scottish Government Inward Investment Strategy - we need to double down on our existing strengths as a city to attract new investment.
- Create a joint, coherent branding for promotion of the city

In summary, we are a city and region that has huge potential to lead the economic recovery of Scotland. Only by building on our broad sectoral strengths and expertise, can we take a leadership role in addressing poverty and creating more jobs that are higher skilled and higher paid. We can lead in green finance, green tourism and data driven innovation to deliver our ambitious targets of achieving net zero carbon by 2030.

We can deliver the city's vision if we work together, sharing insights and capability. The business community has a strong desire to be part of the solutions that drive a successful Edinburgh and Scotland with an economy that puts fairness, inclusion and sustainability at the heart of our efforts.



# The Long Read

## Our City Context

# The Long Read

## Our City Context

As the Capital of Scotland, host city of the Scottish Parliament, the capital of a region which contributes nearly 30% of Scotland's GDP, and 2.2% of the UK's GDP<sup>[ii]</sup>, and the city with the second-highest gross value added (GVA) per resident in the UK outside of London<sup>[iii]</sup>, Edinburgh has a significant role to play on the national stage, both at a Scottish and UK Government level.

Covid-19 has had a significant impact on the lives of Edinburgh citizens and businesses. Urgency and momentum are critical if we want to take first mover advantage post Covid.

**The Highlights** – as a City, we have much to celebrate and be proud of:

- The University of Edinburgh is one of the world's top 20 universities<sup>[iv]</sup>
- Edinburgh is home to eleven festivals
- It is the second most visited city in the UK<sup>[v]</sup>
- Pre-pandemic, Edinburgh was the fastest growing airport in Europe<sup>[vi]</sup>
- The Edinburgh City Region contributes nearly 30% of the Scottish national economy<sup>[vii]</sup>

**The Lowlights** – however, even pre-pandemic, our City was not without its' challenges:

- We have a 'double hump' economy, with a high number of people earning low wages (15% of people earn below the Living Wage) and a number earning high wages (the second highest average earnings in the UK behind London)<sup>[viii]</sup>. It is also a city with unacceptable levels of poverty & inequality – one in five children live in poverty, with levels of child poverty and in-work poverty having risen by about 25% over the past five years<sup>[ix]</sup>.

**The Impact of Covid:**

- In 2020 compared to 2019, footfall in the city centre fell by around 78%<sup>[x]</sup>
- Our Festivals and signature cultural and live events were much reduced in 2020, and many did not take place as we know them. This disruption has continued into 2021.
- Our hospitality and tourism sector effectively closed down
- Edinburgh Airport passenger numbers are down to 1995 levels, and levels of business failure are expected to increase<sup>[xi]</sup>.

If we do nothing, these impacts, and many others, will continue to heighten. If we don't emerge strongly and quickly, then other global cities will seek to capture the ground we have had for decades.

## Why Edinburgh's Recovery Matters

The contribution Edinburgh makes goes beyond the city and has a significant impact on the wider Scottish and UK economies. Edinburgh City Region is one of Scotland's biggest economic drivers, and all forecasts suggest that trend will continue. In short, Scotland's economic health requires a thriving Edinburgh:

- GVA per head in the City of Edinburgh was £44,250 in 2017, compared to a Scottish average of £25,500 and a UK average of £27,555<sup>[xiii]</sup>
- Edinburgh and SE Scotland City Region GDP in 2018 was £47,794 million, compared to £161,295 million for Scotland as a whole, and £2,140,278 million for the UK. Edinburgh City Region therefore contributes nearly 30% of Scotland's GDP, and 2.2% of the UK's GDP<sup>[xiii]</sup>
- GDP per head of £51,224 for Edinburgh, compared to a UK average of £31,976<sup>[xiv]</sup>
- In 2019 it was predicted that the Edinburgh, Glasgow, and Aberdeen regions will account for 84% of the net additional jobs in Scotland to 2027<sup>[xvi]</sup>
- As of September 2019 Edinburgh provided 376,800 jobs<sup>[xvi]</sup> – 15.7% of all jobs in Scotland<sup>[xvii]</sup>, despite only having around 9% of Scotland's total population (2011 population figures)
- Total employment in Edinburgh, East and Midlothian was estimated to be 430,700 in 2019, nearly 18% of Scottish employment<sup>[xvii]</sup>
- In 2019 more than 1 in 6 jobs in Edinburgh were in accommodation, retail and food services<sup>[xix]</sup>
- Over the mid and long term the greatest requirement is forecast to be for skilled workers with higher education level (SCQF 7+) qualifications in the City Region<sup>[xxi]</sup>

## EBRG Key Themes and Priorities

- 1. To identify policies and priorities that will support businesses and organisations in the City and accelerate economic recovery and growth for Edinburgh, Scotland and the UK**
  - Intervention and support will be needed to enable Edinburgh's recovery and rebuild - we can't be complacent that recovery will happen automatically. Business interests are critical to promoting growth and recovery for the City and need to receive greater consideration in the City's decision making.
  - Strong civic leadership is needed to drive new strategies and move existing strategies forward at pace, and not just from politicians and policy makers. Businesses and the wider civic society can and should play their part. As a city we should play to our strengths in key areas such as our reputation as an international city of culture, events, festivals, education and innovation plus our strong financial services sector, fintech, digital and life sciences sectors and use these as engines for growth and recovery.
- 2. To reset our relationships by creating an Agenda for Action, which will act as a blueprint for future collaboration between business, education, culture and policy makers**
  - We need to reposition the economy as a priority for politicians and policy makers to enable collective civic leadership
- 3. To work collaboratively with the City of Edinburgh Council, Scottish Government and UK Government and the private sector to provide resource and expertise to accelerate recovery, reflecting Edinburgh's position as the capital of Scotland, as a major UK city and as a global centre**
  - Closer, meaningful engagement between policy makers and businesses is critical to support a culture of trust, respect and collaboration which enables business to effectively and meaningfully contribute.
  - We need a more integrated form of collaboration, tying together the various boards and forums from across the city and beyond to remove some of the fragmentation which sometimes hampers real change. Perhaps forming more action oriented working groups in a cohesive model under single city leadership could bring about more alignment and deliver greater cumulative benefits.
  - The need to move away from silo working applies in general, but especially in the development of large scale planning & infrastructure projects - greater cross discipline engagement is required to ensure developments are fit for purpose and move at pace.
- 4. To create a powerful collective voice for the city around an agreed shared narrative**
  - We need a collective voice for the city – a single narrative which will allow all key city stakeholders to effectively 'sell' the city better and enhance our international reputation - owned by all of the key actors in the city, not just the city council, so we can all play our part in promoting our city on the national, UK and international stage.
  - We need more positive language about our post pandemic prospects as a city – we have much to be positive about and to celebrate, and we shouldn't be afraid to promote this.
  - We need our leaders to be consistently promoting the message that Edinburgh is 'opening for business' safely – this isn't just important in terms of our international aspirations, but also to instil confidence in our own citizens to re-engage in the economic and cultural life of the city as restrictions continue to ease.
- 5. Ensure inclusion and Net Zero Carbon are at the heart of the future economic strategy for the City, and that we collectively work to tackle these critical issues**

## Our Priorities - A Recovering City

In this section, we summarise some of the ideas and initiatives which have come out of the work of the EBRG which we believe will support the recovery and growth of the city as a vibrant place with opportunities and benefits for all. Against each proposition, we have allocated an indicative timeline of preferred implementation: Now (the next 3-6 months), Next (the next 6-12 months) and Beyond (12 months +).

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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<p><b>Accelerate return to workplace plans</b> – the pace of the vaccination programme and the resultant decline in infection rates means the return to work should be accelerated, with clear guidelines and appropriate support provided to enable businesses to meet liabilities and to help employees feel safe and comfortable.</p> <p>In tandem with the reopening of the live events sector, work with the business events and conference sector to ensure they are also enabled and supported to safely restart.</p>	<ul style="list-style-type: none"> <li>Increase footfall in our city, and enable the safe return of city centre workers who will in turn use transport, bars, restaurants, retail and other city centre attractions</li> <li>Breathe life and energy back into our city centre, and re-start our critical business events sector</li> </ul>	NOW
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<p><b>Revisit and revise social distancing rules and ensure consistency and clarity of policy across sectors.</b> Inconsistencies around social distancing policy create inequality and impact public trust and faith in Government decision making. The impact of current social distancing measures on venue capacity makes the re-opening of many businesses uneconomical.</p> <p>The majority of businesses want to behave safely and responsibly, but need the right policy environment and timely and clear guidance to do so. Many businesses have developed and adapted safe practises which would minimise risk – they, and the public, should be trusted to behave safely and responsibly.</p>	<ul style="list-style-type: none"> <li>Impacted businesses will be enabled to re-open earlier, and reliance on Government funds to support their closure or decreased revenues will decrease.</li> <li>Greater consistency and clarity of policy will increase compliance.</li> </ul>	NOW
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## Our Priorities - A Recovering City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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<p><b>Support for stifling debt levels is needed</b>, especially for smaller businesses, to create an atmosphere where real growth can thrive. More coherent and greater collaboration between the banking sector and governments will be required in the management of the huge amounts of business debt which will stifle investment in innovation and growth, financial innovation, and restructuring of business in the city.</p> <p>Many businesses have taken out significant levels of debt to stay afloat during the pandemic, and, for those who took out loans in the early part of the first lockdown first repayments are now falling due – even though many businesses are not yet in a position to re-open fully or trade effectively.</p>	<ul style="list-style-type: none"> <li>Will help minimise the number of otherwise viable businesses who will go under, stimulate investment appetite and create an environment of business growth</li> </ul>	NOW
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<p><b>Greater policy alignment across the UK nations on specific areas related to Covid regulations and policy is required.</b> The lack of consistency of Covid policy between the four nations has long been a frustration for businesses, especially those who operate across national borders or in areas where this has created an unlevel playing field - such as airlines and aviation and in construction.</p>	<ul style="list-style-type: none"> <li>Greater consistency of policy will make it easier for businesses and citizens to navigate the policy landscape and contribute to increased compliance.</li> <li>In sectors where cross border working is an issue, this will alleviate many of the operational issues currently impeding businesses and reduce friction.</li> </ul>	NOW
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## Our Priorities - A Recovering City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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**In terms of skills and employability, we need increased investment in transferrable skills** – especially digital – to facilitate progress in tackling our double hump economy.

Greater support for older cohorts and lifelong learning is required. We need increased resources and support to ensure we are harnessing skills and talent at all life stages. Is there a role for 'ILA 2.0'?

Employers need to invest in training and future skills as employees and recruits increasingly seek access to training and development. Businesses need incentives to make this a priority, and larger businesses can also model this behaviour through their supply chain management and procurement processes.

As a nation, we need to widen the definition of what we think of as infrastructure to include natural capital etc. We need to ensure we are taking full advantage of all assets – inclusion and diversity will play a huge role by facilitating access to underutilised elements of the labour market such as women returners etc.

- Access to talent and skills, particularly in sectors such as tourism, hospitality, culture, festivals and events, has been hit not just by the effects of the pandemic, but also by the end of the Brexit transition period and its resultant impact on the labour market.
- There are a number of Government schemes and initiatives focussed on supporting young people's routes to employment (Developing the Young Workforce, Youth Guarantee, Apprenticeships, Kickstart etc), but more focus needs to be given to older cohorts who bring the benefit of experience and who also need help to reskill and upskill.
- Business can play their part by developing new and innovative approaches to recruitment and employment practises, increasing the diversity of their talent pool, and investing in training and upskilling.

**NEXT**

## Our Priorities - A Growing City

Edinburgh already has an emerging 2050 City Vision, and a structure developed by the City of Edinburgh Council to move towards this vision which includes a five-year economic strategy (shortly to be updated), a City Mobility Plan, City Centre Transformation initiative, a new Tourism Strategy to take us to 2030 and the Edinburgh and South East Scotland City Region Deal, amongst others. However, we believe the impact of the pandemic has been so significant that we now need to look at these initiatives through a different lens.

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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**As a joint venture with business, set up and create 'Edinburgh Means Business'** – A campaign for recovery which morphs into a body potentially hosted by the Edinburgh Chamber of Commerce, called "Edinburgh Means Business". A slogan about the important role of business in Edinburgh, a calling card for those thinking of relocating to Edinburgh and a signal to policy makers that business expects to be taken seriously and can, where required, take a leadership role in the City. This new joined up business support function/hub could replace the disparate and fragmented arrangement currently drawing on all current agencies. All businesses, as well as policy makers, to be active promoters of Edinburgh Means Business.

Could also include a Knowledge Hub, harnessing the wealth of business experience which exists in our city via a bank of business mentors and incubators.

- Provides a 'landing space' for businesses and potential investors in the city.
- Creates a one-stop-shop for business support in the city, with a place based focus – regardless of business size, scale or potential. Create 'the Edinburgh way' of doing business.
- Could externally and internally promote Edinburgh as a place to invest and do business, and promote the contribution it makes.
- Could contribute to reducing silo working issues, and engender greater collaboration.
- Actively promotes and supports initiatives to support success clusters in our City and enable scaling.
- Where relevant, should be aligned to local and national policy initiatives such as the Logan Review.

**NOW**

## Our Priorities - A Growing City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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**To help reset the relationship between the public, private and third sectors, appoint an Executive Member,** reporting to the Chief Executive of the City of Edinburgh Council, who for 12 months initially will have primary responsibility to support business in Edinburgh re-opening for business. This person could be co-chair of 'Edinburgh Means Business' and help promote enhanced communication between business and the council.

- Help remove barriers, increase trust and accountability, and improve communication and build relationships between business and local policy-makers
- Business could fund the City Business Champion position for at least the initial 12-month period, with an opportunity to review.

NOW

**Create 'Edinburgh Rewards Local'** – a jointly sponsored gift card and loyalty scheme for independent retailers and hospitality businesses that rewards both locals and visitors who spend in Edinburgh.

Explore 'circular economic' (as opposed to Circular Economy) opportunities covering a range of issues such as skills supply and demand, supply chains, resource utilisation, energy and heat and transport/mobility.

- Encourages economic activity in the city, and to ensure that wealth which is created here stays here – a form of localised 'circular economy', boosting opportunities for local citizens and businesses. Ensure 'pent up' spending is focussed on supporting local business.
- Attracts people back into the city centre, helping to protect jobs and employment opportunities
- Private sector support could be harnessed to make this a reality, in the form of sponsorship etc.

NOW

**Develop a joint city strategy to support entrepreneurial talent from under-represented groups** to increase diversity in this area.

- Encourages diversity of business ownership and supports/creates opportunities amongst under-represented groups.
- Builds a more diverse business eco-system

NEXT

## Our Priorities - A Growing City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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**Open up and speed up the planning process.** We need to consider creating a more Vertical City – utilising new and different uses of space which ensures that the whole city operates as a network of neighbourhoods that allow for living, working and visiting in better balance. Business can provide resources and expertise to help with this.

We ask for a more agile predevelopment framework which is also seen to implement zonal change and national policy.

CEC need to agree a plan on how they will address any backlog they have on registrations, licences, approvals and planning applications to allow businesses to plan for the future and need to set a deadline for clearing this backlog. Greater use of digital engagement is needed to speed up the planning processes – lessons can be learned from 2020 to inform.

- Encourages inward investment and development in the city – creating jobs and opportunities
- Enables us to re-purpose some of our existing underutilised building stock, creating innovative opportunities for a more varied experiential city centre where people will want to spend time.

NEXT

**Edinburgh should adopt a more enlightened approach to business rates levying and relief,** looking at a radical change to the taxation base away from property-based to a more mixed and transactional basis. Focus should be given to supporting those sectors – such as hospitality and tourism – worst hit by the pandemic. An interim measure should be adopted to grant relief to the full extent required to stimulate business growth and recovery in vacant or refurbished premises.

- Reducing the burden of taxation will enable employers to utilise resources to invest in other areas such as paying the living wage, increasing employment incentives and benefits and establishing fairer working practises.

NEXT

We need to see **investment in Research and Development that helps fuel Edinburgh's status as Britain's best city for business start-ups,** with twice the national average rate. We need greater support for our already successful incubator and accelerator programmes, to expand and increase the level of support they in turn provide.

- We have a very successful incubator and accelerator model developed in the city, and the concept of intensive and rounded business support has been proven in the number and scale of many of the businesses which have been enabled in this way.

BEYOND

## Our Priorities - A Growing City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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<p><b>City businesses need to do more to support our live events, culture &amp; tourism sector.</b> We need to work to engage larger employers in particular in supporting the arts and culture in the city – as they obviously indirectly benefit from the vibrancy of this sector e.g. subsidised tickets for staff, funding for outdoor city centre events, small city centre venues in empty shops or unused offices etc. Similarly, we should consider a new role for the festivals and live events sector in initiatives around re-purposing &amp; re-invigorating the city centre. How can these sectors bring people back into the city centre – how can we create a more experiential city?</p>	<ul style="list-style-type: none"> <li>City businesses benefit from the vibrancy of our culture, live events and tourism sector – not just economically, but by helping to attract the best talent to want to live and work in the city</li> <li>Will increase ‘local’ engagement with culture and the arts, use under-utilised spaces etc</li> </ul>	NOW
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<p><b>Draw on the approach and learnings from others.</b> Glasgow is a good example, where there is a more industry and innovation led approach with the city council playing a support role e.g. Innovation Districts – market led and likely to be used as models for other parts of the UK. A more industry led approach needs to be adopted.</p>	<ul style="list-style-type: none"> <li>Opportunity for Edinburgh to increase its’ leading reputation for innovation, and help to re-set the relationship between the public and private sector by enabling closer collaboration.</li> </ul>	NOW
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An example of industry led investment closer to home comes from Forth Ports, whose plans to invest £40m to create The Port of Leith Renewable Energy Hub will make a major contribution to Scotland achieving its 2045 net zero greenhouse gases target, help spearhead Edinburgh’s and Scotland’s Covid-19 recovery plan and support up to 1,000 high quality, long term direct jobs and about 2,000 indirect jobs.

## Our Priorities - A Global City

Edinburgh is a city with a global reputation, not just in the obvious areas of culture, festivals, events and tourism, but also in the fields of education, financial services, fintech, innovation and life sciences. We therefore need to consider our recovery through the prism of Edinburgh as a global city, ensuring that our international reputation in these areas is maintained and enhanced, and that we can continue to claim our place as a global centre of the arts as we emerge from the pandemic.

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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<p>Enhance and build on our global reputation for data driven innovation as the <b>Data Driven Capital of Europe</b>, led by the University of Edinburgh and its partners, and harness this to facilitate business growth and development. Many major innovations are already underway and we should leverage the opportunities which our enviable tech eco-system provides (as outlined in the Logan Review) to attract international enterprise.</p>	<ul style="list-style-type: none"> <li>Attract more international investment, and increase the ambitions of our business eco-system</li> </ul>	NOW
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Edinburgh needs to tell a more integrated story about our strong innovation reputation so we can all play our part in pushing and promoting this more on the international stage.

<p>Similarly, the Festivals and the City’s cultural pre-eminence provide it with a unique platform and opportunity to showcase many of its other talents, qualities and attractions. They constitute a huge attraction, not just to tourists, but also to people who come to the City to live, work and study. <b>We need a change in language and attitude around our festivals and events, to better recognise the contribution of the events and cultural sector to Edinburgh’s high quality of life, and its role in attracting the talent and human capital so vital to Edinburgh’s economic development.</b></p>	<ul style="list-style-type: none"> <li>To enhance the value and reputation at a local level of the Festivals, and publicly acknowledge and recognise the hugely significant contribution they make in more ways than just financially or economically.</li> </ul>	NOW
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As part of this, we need strong engagement with those those who regard the Festivals as a threat to the City’s wellbeing and the interests of its residents.

## Our Priorities - A Global City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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More ambitious and imaginative cross disciplinary thinking is required to help promote a genuinely symbiotic relationship between business, residents and the arts, to aid our recovery and retain our status as a world-leading creative City.

- To enhance the value and reputation at a local level of the Festivals, and publicly acknowledge and recognise the hugely significant contribution they make in more ways than just financially or economically.

NOW

Public-private partnerships could be utilised to rectify a historic lack of investment in the cultural and events sector, e.g. through constructing facilities and auditoria to enable better management of crowds, and lessen the impact/maximise the opportunities of tourism to reduce frictions and arguments over the use of public spaces. This investment could extend well beyond the current Old Town and Festivals' heart of Edinburgh to extend the cultural and economic benefits into areas of urban poverty and disadvantage.

As a City (and a nation) **we need a comprehensive aviation strategy**. International business is vital both to Scotland and to Edinburgh, which acts as a gateway to the rest of the country. Edinburgh International Airport, which has been a major engine for international trade through developing strategically important routes, has recently seen passenger numbers drop to 1995 levels<sup>[xxii]</sup>.

- The international aviation sector has been decimated by the pandemic, and the end is not yet in sight for the return of large scale international travel
- An aviation strategy, created in collaboration with the sector, will provide a focus for Scotland's ambitions as an international destination, and enable efforts to be concentrated and coalesced around its' delivery
- We need vibrant and healthy international routes and connectivity to make good on our international trade ambitions, and support our already struggling tourism, culture and events sector.

NEXT

## Our Priorities - A Global City

PROPOSITION	BENEFITS	WHEN - NOW/NEXT/BEYOND
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**Investment in digital infrastructure should be sustained**, enabling this high-tech city to further capitalise on the developments made by necessity through Covid and lockdown and to extend the City's global reach, influence and impact. We need to continue to develop a truly world class infrastructure to become a place international companies want to do business.

- The pandemic has shown us the importance of universal access to a robust, accessible and affordable digital infrastructure. To compete as a modern, global city, we need to ensure we stay at the vanguard of technology so we can attract businesses and individuals to work, live, study and invest in our city.

NEXT

As a business community, we need to do more to encourage business uptake of digital connectivity to harness the genuine benefits this will bring.

**Create a joint, coherent branding for promotion of the city**

- Facilitating the formation of a collective voice for the city will allow all of the key city stakeholders to effectively 'sell' Edinburgh and enhance our international reputation in an aligned and coherent way.

NEXT

The City needs to **line up behind the Scottish Government Inward Investment Strategy - we need to double down on our existing strengths as a city to attract new investment**. We need an Inward Investment Strategy that is built 'outside in' and plays to the strengths the City/Region has on a Global stage

- Inward investment will be critical to our recovery both as a city and nation. As the Capital, much of this inward investment is either concentrated in Edinburgh, or flows through here, and we must ensure we capitalise on inward investment plans to secure our future success.

NEXT

# Appendices

## 1. Our Current Context

- Edinburgh is one of the world's greatest cities and has always been a pioneering place, from its status as a capital (one of only around 200 in the world), to the economic success of its key sectors; financial services, fintech, bioscience, education, tourism, and its international standing in terms of festivals, world heritage and natural and architectural beauty.
- A city with history, charm, ambition and imagination, real opportunities lie ahead. With the most educated workforce in the UK <sup>[xxiii]</sup>, a world leading University (one of the world's top 20)<sup>[xxiv]</sup> driving data driven innovation, a flourishing tech sector, a Global Open Finance Centre of Excellence programme, and named Best City for Start Up in the UK<sup>[xxv]</sup>, with a rate of almost 19% growth in business start-ups in last 5 years (against a national average of 10.6%) and business survival rate 4th in UK at 42.1%<sup>[xxvi]</sup>. Through the Edinburgh and South East Scotland City Region Deal, the University of Edinburgh has delivered data science skills to over 100,000 people in its first two years, supported over 50 new companies, created over a thousand new jobs and attracted tens of millions of inward investment<sup>[xxvii]</sup>, all way ahead of what were considered to be highly ambitious targets.
- Edinburgh is home to eleven Festivals, particularly the world famous Edinburgh International Festival, Festival Fringe and the Edinburgh Military Tattoo, collectively representing the second largest city event in the world (equal to the FIFA World Cup) to the Olympic Games<sup>[xxviii]</sup>. But unlike the Olympic Games – we have done this every year for the last 73 years.
- Tourism is a particularly important sector, with Edinburgh being the 2nd most visited city in the UK behind London<sup>[xxix]</sup>. It provides over 30,000 jobs in the city but up to 4 times that number in the supply chain<sup>[xxx]</sup>. Tourism income to the city amounted to £1.87 billion in 2019, and around half of visitors to Edinburgh are from overseas, bringing the opportunity of investment and international trade that follows the experience of a location and its quality of life and connectivity<sup>[xxxi]</sup>. And it's not just our city which benefits from our vibrant tourist economy – around 66% of visitors to the rest of Scotland use Edinburgh as their gateway to all that Scotland as a whole has to offer.
- Pre-pandemic, Edinburgh Airport was one of the fastest growing airports in Europe with direct flights to over 150 destinations <sup>[xxxii]</sup>. Edinburgh is also the first gigabit city in the UK, being a pilot city for Openreach, and Cityfibre is also investing £100m in providing full-fibre connectivity<sup>[xxxiii]</sup>. Edinburgh is a powerhouse of the Scottish economy with the region contributing over 30% of the national economy. It is also one of the most productive cities in the UK, with the 2nd highest GVA per capita (£44,250 behind London at £48,900, and against an average for Scotland of £25,500)<sup>[xxxiv]</sup>.
- Despite these achievements, we are not a city without problems. From 2016-2041 the population of Edinburgh, East and Midlothian is projected to increase by 17% - more than three times the projected growth rate for Scotland<sup>[xxxv]</sup>. However, we also have what is called a 'double hump' economy, with a high number of people earning low wages (15% earn below the living wage of £9.50/hour) and a high number of people earning high wages (the second highest average earnings in UK behind London)<sup>[xxxvi]</sup>. We need to address the dip between the curves, creating more mid-salary jobs and supporting businesses to provide these – for example, by upskilling our tech capability we believe we will enable people to move between the curves in a way that currently is not possible. We are also a city with unacceptable levels of poverty and inequality – one in five children in Edinburgh live in poverty with levels of child poverty and in-work poverty having increased by 25% over the past five years<sup>[xxxvii]</sup>. We need to lean into this if we are to build 'forward' the kind of economy and society we want for Edinburgh. So... there is much to build on.
- We already have an emerging 2050 City Vision, and a structure developed by the City of Edinburgh Council to move towards this vision which includes a five year economic strategy, a City Mobility Plan, City Centre Transformation initiative, a new Tourism Strategy to take us to 2030 and the Edinburgh and South East Scotland City Region Deal, amongst others. However, we believe the impact of the pandemic has been so significant that we now need to look at these initiatives through a different lens.
- In 2020 compared to 2019, footfall in the city centre fell by 78% with a decrease of over 2 million every month from April to August 2020<sup>[xxxviii]</sup>. The Universal Credit claimant count in the city has increased 161% since February 2020, with over 18,525 claimants<sup>[xxxix]</sup>.
- Our Festivals and signature events as we know them did not take place in 2020, and the hospitality sector almost closed down, resulting in a significant negative impact on the city's economy. And whilst there is good news from our festivals sector already on this year's events, the cancelation of the Edinburgh International Tattoo in 2021 is a significant blow not just to our economic recovery, but to our international reputation as a global cultural capital.
- Edinburgh Airport passenger numbers in May were down 94% compared to 2019, to the lowest levels seen since 1995<sup>[xl]</sup> and the city centre is being fundamentally altered by the lack of visitors and the prospect of most office workers now working from home until at least late summer 2021. Future working patterns and on-line retail trends may continue to impact city centre footfall and property prices, and hotel & hospitality bodies estimate recovery to pre-Covid levels will take until at least 2023<sup>[xli]</sup>.
- The level of business failure is expected to rise and the level of debt incurred by many businesses will impact investment and employment over the coming years.
- 'Shop local' messages and constrained travel has seen a new vitality for our neighbourhoods but the city centre in its current form is suffering and perhaps needs to be re-imagined as more residential – the focus on the '20 minute commute' is necessitating and accelerating the need for a radical rethink around how we can re-boot our city centre. The need for an experiential city centre is now more acute and reinforces the value of our cultural and leisure economy.
- Some positives have emerged from the pandemic – digital adoption has been accelerated, businesses have pivoted to new business models that provide opportunities and efficiencies for the future, and there has been a coming together of communities. A need to connect, even virtually, has provided support and sharing that is unprecedented, and there is a real opportunity for businesses large and small to share best practice to enable a faster recovery to a more inclusive and sustainable economic future.

# Appendices

## 2. The EBRG Approach

In early December 2020, with no obvious end in sight for Covid-19 restrictions, and as the longer term economic impact on our city began to move into ever sharper focus, the Edinburgh Chamber of Commerce convened the first meeting of the EBRG. At that point, over 40 organisations declared an interest in being engaged, from both within our membership and beyond, and the first meeting took place. Since then, the main group have met a number of times, has expanded to over 60 organisations, and a number of 'Task and Finish Groups' have been created each focused around the 5 principles of the City of Edinburgh Council's Sustainable Economic Recovery Plan. Specifically:

- Investment and Infrastructure – Chair, Charles Hammond, CEO Forth Ports
- Employability – Chair, Audrey Cumberland, Principal Edinburgh College
- Business Support – Chair, Les Bayne, Former MD Accenture Scotland, now Alba Arete
- City of Culture and Festivals – Chair, Buster Howes, CEO Edinburgh Military Tattoo
- Innovation – Chair, Peter Mathieson, Principal of the University of Edinburgh

Given the critical importance of the sector to the city economy, we also included Tourism as a priority area requiring specific attention. We understood however, that a forum for supporting this sector already exists in the form of the Edinburgh Tourism Action Group (ETAG) and wanted to avoid duplication of activity. For this reason, we invited Donald Emslie, Chair of the ETAG to join the EBRG, with the intention of ensuring the ongoing work of this well-established group was given a level of visibility in our wider discussions and thinking.

Each Task and Finish Group then embarked on their own series of meetings, and were asked to develop a list of 'asks' and 'offers' within their own area which they felt should be put forward. The groups were encouraged to think of ideas through the following 4 lenses:

- How does this initiative contribute to the recovery and resilience of the city economy?
- How does it help to accelerate Edinburgh's drive to 'Net Zero'?
- How does it help to build a more inclusive and diverse city?
- How does it contribute to making Edinburgh the best place to do business?

The group outputs in each of these areas has formed the basis of this document.

# EBRG Members

- Alba Arete
- Anderson Strathern
- Arcadis
- Bank of Scotland
- Charlotte Street Partners
- City Region Deal
- ClearWater Hygiene
- Crosswind Developments
- DDI Skills Gateway
- Deloitte
- Dentons
- Developing the Young Workforce
- Drumainn Limited
- Dunelm Energy
- East Coast Trains Ltd
- Edinburgh Airport
- Edinburgh College
- Edinburgh Festival Fringe
- Edinburgh International Festival
- Edinburgh Tattoo
- Edinburgh Tourism Action Group
- Edinburgh Voluntary Organisations Council
- Essential Edinburgh
- Eventit
- ExecSpace
- Festivals Edinburgh
- Fintech Scotland
- First Scotland East Limited
- Forth Ports
- G1 Group
- Harvey Nichols
- Heriot-Watt University
- Intercontinental Hotels Group, Kimpton and Plaza
- Jacobs
- Leonardo
- Lloyds Banking Group
- LNER
- LS Productions
- Lyceum Theatre
- Murray Estates
- Natural Ketosis
- Novotel
- Openreach
- Phoenix Group
- Playfair Scotland
- Puzzlefit Consulting
- PwC
- Queen Margaret University
- RBS
- Royal Botanic Gardens
- Royal Highland and Agricultural Society of Scotland
- Royal Lyceum Theatre
- Royal Zoological Society of Scotland
- Scottish Widows
- SFE
- SP Energy Networks
- Stagecoach
- St. James' Quarter Edinburgh
- The Glenmorangie Company
- University of Edinburgh
- Vittoria Group
- Waldorf Astoria
- Waverley Mall
- Zen Consultants

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