

A Vision for the Edinburgh Business Assembly

"Bringing a clear business perspective to Edinburgh's future success"

Introducing the EBA...

1. The Edinburgh Business Assembly (EBA) was launched just over a year ago in May 2005. It is unique in Scotland and the UK. The EBA's purpose is simple – to champion Edinburgh's growth and future prosperity.
2. The role of the EBA is to contribute a business perspective to strategic city thinking. In doing this the EBA will consider the key issues that are critical to the long term success and sustainable growth of the city, lobby, if appropriate support and provide constructive criticism. The EBA will advocate for key projects based on their merits and priority to the business community.
3. In the past year the EBA has been actively engaging key public and political leaders. It has been developing a collective understanding and forming views on the key issues and priorities for the city.
4. The EBA supports the Council's vision for Edinburgh in 2015 – outlined below. It is a challenging but achievable vision. This document sets down the framework for the EBA to contribute to shaping the city's future direction through provoking comment and further debate.

City Context

5. Cities are back – if they were every truly away. Increasingly cities are where people want to live, where companies want to invest and where tourists want to visit. In Edinburgh's case the slow growth of the late 1990s has been overcome in the last 6 years:
 - research recently published by Cambridge Econometrics confirms Edinburgh's position as one of the fastest growing city economies in the UK over the next 5 years. The capital's economy has been the fastest growing since 2002 and is set to continue to outperform the rest of the UK until at least 2010
6. Not surprisingly cities are recognised as the key drivers of national economies. This is certainly the case in Scotland with Edinburgh and Glasgow combined generating over half of the country's wealth.

7. Edinburgh's sustained growth in recent years has been unprecedented. It is now the most successful city economy in the UK outside London. However, in a European context Edinburgh's relative performance is less impressive:
 - in 2004, Professor Michael Parkinson established that Edinburgh generates roughly half the GDP per capita of the best performing European cities. Parkinson found that of the top 61 European cities Edinburgh came 25th
 - in 2006, BAK Basel Economics found that compared with the metropolitan regions studied, GDP per capita in "Metro Edinburgh" was low, ranking 15th in the 20 studied
8. Complacency and lack of ambition are the biggest threats to business and to the city. To outperform European competitors clear priorities must be established and delivered through decisive action.

Strategic Direction

9. Leadership is vital. Successful cities need strong leaders with a clear view of the future. In Edinburgh, the Council has set out a vision for the city in 2015 as follows:
 - lead the most successful and sustainable city region in Northern Europe
 - sustain the highest quality of life of any UK city competing with the best in the world
 - keep and attract the people needed to drive its talent and knowledge economy and provide every citizen with the best personal opportunities for work, education and development
 - be a safe and tolerant, creative and connected city, promoting the well-being of both people and place
10. The business sector has a different role. The primary concern is to deliver value to shareholders. Increasingly however businesses must target broader objectives to address the interests of stakeholders and so help to create an environment conducive to further wealth creation. The business sector must therefore seek to inform the leadership of the city, and the country, on the priorities of the business community to help achieve the ambitions of both.

Challenges

11. The global economy presents significant opportunities and delivers considerable benefit – from cheaper goods and services to unparalleled access to information and communications. It also presents everyone with challenges and threats. This is as true for cities as it is for companies. Edinburgh is a high-cost, high-value location. Increasingly Edinburgh's competitive strength comes from existing skills and knowledge and the ability to add value to ever more sophisticated business products, processes and services.
12. Edinburgh can not compete on cost with cheaper locations. The priority must be to improve the productivity of the higher added-value operations and to retain and

attract more key decision makers in business. There is value and competitive advantage in our education sector. In particular, Edinburgh's skilled and educated workforce is a key driver of this competitive advantage – increasingly so in future. These assets must be maximised by actively promoting more and better ways of linking our education sector into business.

13. Growing cities, like growing companies, need investment. In recent years, Edinburgh has benefited from very significant investment decisions from key global businesses based in the city. Future investment of this quality and scale cannot necessarily be expected. The city must have a proactive programme of targeting new inward investment alongside the development of key indigenous businesses.

Collaboration

14. The EBA believes that it is important for the city to collaborate and engage constructively with other interested parties. Beyond the city, there are signs that collaborative working with Glasgow offers the potential to deliver value and benefit for both cities and for Scotland in the longer term.

Infrastructure and place

15. In its first year, the EBA has met regularly and consulted key individuals on city finance, planning, transport and major infrastructure projects. The EBA has discussed and, with a proven business case, will formally support the following projects:

- trams lines 1,2 and 3
- development of Waverley Station
- sustaining and improving capacity on the Forth Road Bridge

16. The EBA emphasises the importance of transport to the future prosperity of the city, the region and Scotland. To compete with the best performing cities in Europe the city must develop a modern, integrated transport system. Although detailed scrutiny of the following projects has not been possible, the EBA's additional infrastructure priorities are:

- rapid incremental development of existing rail connections around Edinburgh
- full analysis of the potential for High Speed Rail between London and Edinburgh/Glasgow
- continuation and expansion of the Route Development Fund to secure additional direct flights to Edinburgh Airport
- rail connection to Edinburgh Airport
- proactive development of key city centre events and festivals
- enhancement of the city centre – including parking, traffic management and the public realm
- development of the retail offer in the city centre

Leadership and governance

17. Leadership and governance issues will be as important to the future success of the city as physical and transport infrastructure. There is an increasing recognition that strong leadership combined with the appropriate policy levers is essential for cities to respond appropriately to the many challenges they face. To prosper cities need more power and resources. Accordingly, the EBA would formally support:

- recognition of the importance of city regions as the key building blocks of a successful Scottish economy
- the continuation and expansion of the successful Cities Growth Fund beyond 2008
- the retention of a proportion of the business rates generated in Edinburgh for investment in key city projects
- agreement of the Scottish Executive to pilot the Local Authority Business Growth Incentive scheme (LABGI) for selected infrastructure projects