Building Better Cities
Delivering Growth and Opportunities
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MINISTERIAL FOREWORD

Scotland’s cities are rich in history. From the narrow, mediaeval closes of Edinburgh’s Old Town to the magnificent Victorian splendour of Glasgow’s Merchant City, our cities are known and admired throughout the world.

But just as our cities reflect the best of our past, their continued success is vital to our nation’s future. Scotland’s cities are the home to the majority of Scots; they are the engine rooms for the nation’s economic growth and our main centres for higher education and the arts. That is why, two years ago, we embarked on the Cities Review.

We have spoken to hundreds of people, from council leaders to shop-owners, from university professors to community activists – each one with a stake in their city’s future – and a stake in their country’s future. Their views, together with the wealth of knowledge already held by the Executive, academics and others, formed the basis for the analysis report that accompanies our action plan.

During the course of our discussions we realised that we needed to broaden the scope of the review. It had originally been set up as a general review of each of the cities, a useful exercise in itself, but we have widened it to address the strategic importance and future role of each city in 21st-century Scotland.

And since our review began Stirling has become Scotland’s sixth city. Our newest city was not included in our analysis discussions, but many of the lessons learned in the review of the other five cities will apply equally to Stirling.

This statement outlines a framework for addressing the challenges – and opportunities – facing each of our cities as they move confidently into the future. We want them to continue to grow as vibrant, sustainable places where people want to live and work.

We want our cities to work with their neighbours to ensure a considered approach right across Scotland to growth and opportunity.

And we want our cities to take their rightful place alongside their European counterparts as dynamic centres of excellence.

The Executive is signalling its commitment to Scotland’s cities. We have established a £90m City Growth Fund. In addition, we have allocated £20m from the 2003–06 Scottish Budget for land reclamation, prioritised to the areas most affected.

But it is important to understand that this report is not the end of the process … it is the beginning. The Scottish Executive does not have all the solutions, but working in partnership with city leaders and others, we have an historic opportunity to make our cities better places. It is a challenge my Ministerial colleagues and I look forward to tackling with you.

MARGARET CURRAN, MSP
Minister for Social Justice
Scotland’s future is bound up with the future of its cities. This recognition led to a major Review of Scotland’s Cities designed to address the challenges and opportunities faced by Aberdeen, Dundee, Edinburgh, Glasgow and Inverness.

The wide-ranging remit for the review was:

“To review the current prospects for the economic, environmental and social development of our five cities; and to identify Executive policies which will improve those prospects, taking account of interactions between the cities, their surrounding areas and the rest of Scotland.”

The five cities were singled out for attention not just because they include the four largest urban communities in Scotland, but because all five are at the core of wider regions, mutually interdependent in terms of employment, housing and leisure. While Stirling has recently become Scotland’s sixth city, the analysis has not extended to the specific challenges there. Nonetheless, many of the conclusions will apply there too.

The aim of the review was to look at cities as places. To consider the cumulative impacts of policies, both their intended and unintended consequences. To look at how local authorities, the Scottish Executive, public agencies, local communities and the business sector work together to establish a future vision for the cities collectively and individually, translate that vision into an operational strategy and then deliver that strategy. To audit how effective Scotland is at managing strategic change at the city level. Inevitably the review could not cover every issue – health issues for example were not part of the remit. Nevertheless, the review process has been a major exercise to draw together the strategic challenges and the responses for our cities.
Scottish urban policy and practice has often provided a model of good practice by UK and international standards, for example in integrating training and economic development projects and in community-led regeneration of housing.

A Sounding Board, an Academic Advisory Panel and several hundred others involved in city issues have taken the time and effort to contribute to the process.

This statement is not intended to redefine each and every Executive policy of relevance to Scotland’s cities. Its aim is to set out the challenges and directions that will shape policy in the months and years ahead. This statement, and the accompanying analysis report prepared through extensive consultation, draws together the wealth of knowledge already held by the Executive, academics and the broader policy-making community.
KEY ISSUES AND ACTION POINTS

From the evidence base and the analysis we have been given by the Review Report, we have drawn 2 important policy conclusions:

- Our cities are at the centre of Scotland’s economic growth and dynamism.
- Whilst each city is unique and individual, each is at the centre of the region which surrounds it and has a key strategic role to play in the growth and dynamism of that region.

Collectively, our cities have an important strategic role in Scotland’s economic and social development and individually, each has a key strategic role in their geographic area.

We will build that recognition into the development of national government policy. We need our cities to reflect this in their own policies and action to capitalise on the advantages each has and face the distinctive challenges each has to meet. Their difference demands the development of a customised plan to realise the opportunities they have, increase economic growth, create opportunities and secure sustainability.

To back this approach - close gaps in opportunity, improve the quality of life inside our cities and to support each in energising their resources - we will take additional and targeted action and make the resources available to support these.

- £90 million over the next 3 years to support growth and opportunities through the new City Growth Fund;
- Strategic city-region agreements - the City-Vision - to set the priorities for using the City Growth Fund, created in partnership with councils, community planning partnerships and other stakeholders and partners;
- City-Region individual plans - building on strengths and tackling distinctive challenges - ready by May 2003;
- £20 million over the next 3 years to tackle the extensive problem of vacant and derelict land in Glasgow, Dundee and North Lanarkshire. A partnership team will be established to advise and improve delivery mechanisms;
- Support for innovative service delivery vehicles such as Urban Regeneration Companies - where these come forward from a consultation we will initiate early in 2003;
- Support for innovative growth mechanisms - such as Business Improvement Districts - where a consultation in the New Year offers evidence to demonstrate need and value; and
- The City Growth Fund has responded to the debate during the review on whether local authorities should be allowed to recycle buoyancy in Non-Domestic Rates Income into local services. It will apply from April 2003. In addition it has been announced that the UK Government will consult on the options of returning buoyancy to local authorities in England and Wales. In addition to the City Growth Fund we will consider whether there is scope for implementing arrangements for returning buoyancy as a long-term measure.

The dialogue between the Scottish government and Scotland’s cities will continue - alongside the dialogue between our cities and the regions in which they sit. We will develop a shared vision and one which recognises the role each of us plays and the responsibilities each has.

- Ministers will develop a dialogue with each of our cities in building the Vision, recognising the important role that the Executive plays both directly in its own actions, and indirectly through strategic guidance to NDPBs;
The Review has involved extensive analysis – it is now right to move to action, built on local ownership of a City Vision and implementation plan. City councils, the Highland Council and Stirling Council are being invited to facilitate this process, through Community Planning Partnerships, and provide an initial assessment by end February, with full City Visions and implementation plans by the end of May 2003;

For Aberdeen, the City Growth Fund of £11.5m over 3 years offers the prospect of helping tackle skills and transport issues. For the longer term, this will help build on measures to both extend prospectivity from oil, and diversify away from a UK oil and gas focus;

For Dundee, the City Growth Fund of £9.3m over 3 years can help the city grow its new biotechnology and software industries and build opportunities in its disadvantaged areas. £4m over 3 years to pursue land renewal will likewise help deal with the legacy of the past. Overall, improvements in working in partnership is required to realise these benefits;

For Edinburgh, the City Growth Fund of £24.2m over 3 years could make a significant contribution to tackling the transport challenges facing Edinburgh in the short term, and perhaps skills and wider infrastructure issues in the longer term;

For Glasgow, the City Growth Fund of £40.1m over 3 years will enable the realisation of the full wider benefits of the major improvements already underway, including through the M74 Extension, the schools PPP programme and the Housing Stock Transfer. Linked with the additional £16m for Glasgow and North Lanarkshire to address land renewal, these funds reaffirm the Executive’s commitment to responding to the major challenges in Glasgow;

For Inverness, the City Growth Fund of £3.1m will help establish the “Capital” of the Highlands, and help it respond to the economic, social and cultural challenges;

Stirling, which has not been part of the analysis in the Cities Review, has recently gained City status. Many of the themes in this document will be relevant to Stirling. The City Growth Fund of £1.9m over 3 years will enable Stirling to evaluate and develop its response to the challenges of city status.

This statement raises many challenges for the cities, and for Ministers and the Executive. It has outlined the overall policy framework for our cities, and suggested the key challenges and issues which need to be addressed, both in the short and long term. The analysis report provides an invaluable evidence base and analytical framework for policy development and implementation in our cities.

The following new Executive initiatives will all have a part to play in taking forward this agenda.

We will:

- place community planning on a statutory basis through the Local Government in Scotland Bill and publish guidance for community planning partnerships by early 2003;
- publish the new lifelong learning strategy for Scotland early in 2003;
- publish conclusion to the Scottish Higher Education Review early in 2003;
- publish Planning Advice Notes on open space and design and quality in new housing by end 2002 and spring 2003 respectively;
- publish the Framework for future policy towards Scotland’s museums in March 2003;
- publish the Executive’s response to the National Debate Education in 2003;
- build on the conclusions of the Cities Review in the development of the National Planning Framework for Scotland for publication by end of 2003.
OUR INDIVIDUAL CITIES: RECOGNISING DISTINCTIVENESS
Our cities are as different as they are important. Their differences reflect their history, geography, people and economies. There is much we are getting right, but there are also major and very different challenges in each of our cities.
The Cities Review’s audit of the “health” of cities reminds us how much we are collectively getting right:

- Since the mid-1990s, all our cities can point to significant sectors and areas of growth; and almost all have been performing well, in terms of household growth, economic growth, and inward investment;
- Scotland’s cities have performed well in UK terms;
- Glasgow has experienced a higher rate of job formation than any city;
- Dundee and Inverness have developed new knowledge industries, complementing traditional sectors;
- Edinburgh and Aberdeen are near full employment;
- Many of the problems reflect success – traffic congestion and house price inflation;
- A key challenge is to manage that success, and where possible spread the benefits of growth more widely;
- Inverness has an increasing role as “capital” of the Highlands and Islands.

Nonetheless, all of the five cities have complex problems and opportunities. They exhibit problems of a unique intensity:

- They are home to the majority of Scotland’s most deprived communities;
- Residents of Glasgow and Dundee are in worse health than those of any other part of Scotland;
- Aberdeen and Dundee are experiencing significant population loss;
- Problems of traffic congestion are particularly intense in Edinburgh, Glasgow and Aberdeen;
- Cities pose sizeable environmental challenges, both with respect to resource inputs and waste outputs, but also represent opportunities to enhance waste management, recycling etc.

Even a brief summary of the achievements and challenges in our cities makes clear that each of Scotland’s cities is different. Each is facing its own unique challenges in its own distinctive way. The way forward must reflect the particular needs and opportunities of each of our cities and frame policy accordingly. Our cities are not in competition; neither are they competing with rural areas. All Scotland’s cities have successes to be proud of; all the cities have challenges that need to be addressed.
### CITY FACT-FILE

<table>
<thead>
<tr>
<th>Measure</th>
<th>Aberdeen</th>
<th>Dundee</th>
<th>Edinburgh</th>
<th>Glasgow</th>
<th>Inverness</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>212,000</td>
<td>145,000</td>
<td>449,000</td>
<td>579,000</td>
<td>55,000</td>
<td>5,064,000</td>
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<tr>
<td>Population change 1981-2001</td>
<td>3.9%</td>
<td>-19.4%</td>
<td>2.7%</td>
<td>-24.4%</td>
<td>34% from 1970s</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Projected population change to 2016</td>
<td>-11%</td>
<td>-19%</td>
<td>+4%</td>
<td>-4%</td>
<td>-3%*</td>
<td>-2%</td>
</tr>
<tr>
<td>Change in number of jobs since 1995</td>
<td>-1%</td>
<td>-6%</td>
<td>+9%</td>
<td>+10%</td>
<td>-4%*</td>
<td>+7%</td>
</tr>
<tr>
<td>People in paid employment (2002)</td>
<td>82%</td>
<td>76%</td>
<td>81%</td>
<td>68%</td>
<td>84%*</td>
<td>78.5%</td>
</tr>
<tr>
<td>Average weekly wage (2002)</td>
<td>£494</td>
<td>£409</td>
<td>£465</td>
<td>£419</td>
<td>£375*</td>
<td>£403</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>2.1%</td>
<td>6.1%</td>
<td>3.1%</td>
<td>5.9%</td>
<td>3.4%</td>
<td>4%</td>
</tr>
<tr>
<td>Projected population change to 2016</td>
<td>-11%</td>
<td>-19%</td>
<td>+4%</td>
<td>-4%</td>
<td>-3%*</td>
<td>-2%</td>
</tr>
<tr>
<td>Projected traffic growth by 2021</td>
<td>34%</td>
<td>22%</td>
<td>30%</td>
<td>24%</td>
<td>37%*</td>
<td>27%</td>
</tr>
<tr>
<td>Proportion of Scotland's deprived postcode sectors (1998 index)</td>
<td>0%</td>
<td>5%</td>
<td>5%</td>
<td>58%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>S4 pupils gaining 5+ awards at level 5 or better</td>
<td>32%</td>
<td>23%</td>
<td>33%</td>
<td>21%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>S4 Pupils stay on rate to S5</td>
<td>63%</td>
<td>54%</td>
<td>62%</td>
<td>54%</td>
<td>71%</td>
<td>64%</td>
</tr>
<tr>
<td>Residents with a degree</td>
<td>22%</td>
<td>11%</td>
<td>25%</td>
<td>13%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Projected traffic growth by 2021</td>
<td>34%</td>
<td>22%</td>
<td>30%</td>
<td>24%</td>
<td>37%*</td>
<td>27%</td>
</tr>
<tr>
<td>Proportion of Scotland's vacant or derelict land</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
<td>13%</td>
<td>N/A</td>
<td>100%</td>
</tr>
<tr>
<td>Change in number of jobs since 2021</td>
<td>-11%</td>
<td>-19%</td>
<td>+4%</td>
<td>-4%</td>
<td>-3%*</td>
<td>-2%</td>
</tr>
<tr>
<td>Proportion of owner occupied households</td>
<td>58%</td>
<td>53%</td>
<td>69%</td>
<td>46%</td>
<td>67%*</td>
<td>62%</td>
</tr>
<tr>
<td>Neighbourhood Satisfaction (% very satisfied)</td>
<td>54%</td>
<td>55%</td>
<td>58%</td>
<td>44%</td>
<td>64%</td>
<td>59%</td>
</tr>
<tr>
<td>Houses with poor National Home Energy Ratings (1996)</td>
<td>10%</td>
<td>27%</td>
<td>15%</td>
<td>20%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Tourist spending (2000)</td>
<td>£186m</td>
<td>£62m</td>
<td>£877m</td>
<td>£748m</td>
<td>£230m</td>
<td>£4,448m</td>
</tr>
<tr>
<td>Houses with access to a car</td>
<td>62%</td>
<td>51%</td>
<td>59%</td>
<td>41%</td>
<td>73%*</td>
<td>64%</td>
</tr>
<tr>
<td>Proportion of city area which is greenspace</td>
<td>26%</td>
<td>22%</td>
<td>38%</td>
<td>23%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Proportion of waste recycled (2000/01)</td>
<td>3.6%</td>
<td>7.4%</td>
<td>5.5%</td>
<td>3.4%</td>
<td>2.0%*</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

* Data for Highland Region, in the absence of available data for Inverness City.
Our cities are central to building a better Scotland. They will be at the forefront of how we respond to the key challenges of demographic, economic, social and technological change. The policy challenge for our cities reflects the key themes of national policies, but cities also bring particular challenges. Our cities are distinct from each other, and each requires a distinctive policy response.
The policy challenge – promoting growth, opportunities and sustainability

Cities developed as regional centres to provide a focus for commerce and provide employment. They will continue to thrive if they can adapt and change to meet new economic challenges and continue to generate employment. This ability to innovate distinguishes success from stagnation. It distinguishes those cities that can build on their history and geography from those that are bound by them. The ability to innovate is built on a diverse, productive economy, a skilled and flexible workforce, a strong dynamic research and creative base, and on effective connections within and outwith the city.

The dominant scenario for our cities is likely to be vacancies and shortages of workers. The number of 20-39 year olds in Scotland is projected to fall by 15% over the first decade of this century. This provides an economic case for bringing those people in our cities who have lost touch with the labour market back into it, alongside the already compelling social case for doing so. This will require resolving the barriers facing workless and under-skilled households, disconnected from employment opportunities.

We aim to give all Scotland’s children the best start in life, raising performance in our schools and ensuring that all of our young people leave full-time education with the confidence, skills, knowledge and motivation they need to find employment and live fruitful and rewarding lives. Access to quality education and training is the key to unlocking the potential of Scotland’s young people. This will encourage and support lifelong learning and widen access to skills and opportunities.

Scotland’s overriding transport challenge for the next decade is tackling congestion in and around Scotland’s major metropolitan areas. We are commuting further to work, and buying more cars. Traffic growth is projected at 27% by 2021, without taking into account policy effects and changes in infrastructure and services. Our individual choices are creating collective problems, which in turn feed back to become individual problems – stress, harmful emissions, reduced quality of life. Congestion is a consequence of rapid business expansion, but infrastructure bottlenecks soon become an inhibitor of further growth and require a balanced policy response.

Cities not only provide the physical infrastructure for communities; they provide through traditions, culture and behaviours the social infrastructure too. This “social capital” contributes to the success of human and physical capital. Strong communities ensure that the economy is able to exploit the widest possible range of talent across the population of the city. Strong and culturally confident communities are the basis for individual success and the development of individual “capabilities” to learn, thrive and live well.

At present, Scottish cities display patterns of ill health that are common to most cities in the developed world, but in some cases we display them to a greater degree. The remit of the Cities Review did not include health, but it can contribute directly in the solution to the health challenges we face. Across the urban central belt of Scotland, overall life expectancy is shorter than it is in any other region of the European Union. Life expectancy in Drumchapel is 11 years less than in Bearsden. Responding to these facts requires excellent health care provision, effective measures of health improvement built around community involvement, and a wider policy response which this statement outlines.
While Scotland’s overall population is declining, social change means that the number of households will continue to increase overall by 12% over the next 15 years. The patterns of change will lead to strong demand for housing in some areas but not in others. New homes will be required, and existing homes will need to be maintained. This raises different and new policy challenges for government; it increases its role as regulator and influencer, as its role as direct provider reduces.

Strong communities need high quality housing, and more. A high quality of life and a lively “city buzz” encourages people to work, invest and live in the city. “Quality of life” is based on the performance of local schools, safety in communities, the adequacy and appearance of public space, involvement in local decision making etc. It is clear that “neighbourhood satisfaction” varies significantly between and across our cities, with systematic evidence of dissatisfaction with local neighbourhoods in disadvantaged areas.

Strong communities should also be sustainable ones. Our treatment of waste – and our dependence on landfill – contributes to our poor environmental record, but also represents an opportunity for us to improve the environment significantly for the future. This is especially true in our cities. We must ensure we do not compromise future generations in the way past generations have left a legacy of environmental problems across Scotland. This legacy has made its mark on disadvantaged communities who feel they experience a less healthy, more unpleasant environment than others, compounding the other economic and social disadvantages they face. Glasgow, North Lanarkshire and Dundee suffer from Scotland’s most severe derelict land problems. This is blighting the quality of life of residents and constraining economic development.

Responding to these challenges will need effective public service delivery to support growth and opportunities. This requires collective action, characterised by collective trust. The future of our cities is not the sole responsibility of any single body. There needs to be a shared responsibility and partnership between the cities and the neighbouring authorities. The Executive, local authorities, public agencies, the private sector, the communities themselves all have a stake in the outcome.

Therefore, to promote growth and opportunities, we aim for:

- **Working Cities** which adapt creatively to economic change and innovate to improve.
- **Learning Cities** that grow talent, provide lifelong opportunities and attract talent from elsewhere.
- **Connected Cities** which aid accessibility for goods and people and encourage sustainable choices.
- **Living Cities** which provide good quality, affordable housing for strong communities in a sustainable environment.
- **Lively Cities** which provide a “city buzz” in culture, tourism, shopping and leisure.
- **Sustainable Cities** which manage their resource use, energy and travel.
- **Well-governed Cities** with community involvement and strategic national engagement.
THE EMERGING POLICY FRAMEWORK
Our cities require a joined-up policy response. This section outlines how we are responding to the range of policy challenges to provide the overall policy framework for cities, and how key Executive policies stitch together to provide the national context. It sets out how the policy framework is responding to the legacy of the past and the challenges of the future.
Working Cities, which adapt creatively to economic change and innovate to improve
A strong knowledge-orientated economy, including the science base and creative industries, helps cities innovate.

- Smart Successful Scotland, published in January 2001, set out the Scottish Executive’s strategic priorities for the Enterprise Networks in promoting economic development;
- A new £40m equity package will allow more companies, including many in our cities, to invest more in R&D and the commercialisation of our science and technology base.

High quality further and higher education sectors reinforce linkages between the science, finance and business communities.

- Our future strategy for the Higher Education sector for the next 5 to 10 years will be published early in 2003;
- New Intermediary Technology Institutes for Energy, Life Sciences and Communications and Digital Media will strengthen Scotland’s research base and help further develop university/business links.

Effective markets for land and property, and improved delivery of public services to provide infrastructure for business, will help cities resolve employment/housing mismatches, levels of vacant/derelict land, and lagging investment in infrastructure and in the public realm.

- The Executive is developing a National Planning Framework, for publication in 2003;
- The Scottish Enterprise network is delivering key projects at Edinburgh Waterfront, Glasgow Gorbals, Pacific Quay, Clyde Gateway and Waterfront, Ravenscraig, and Dundee Goods Yard;
- Communities Scotland are helping regenerate disadvantaged areas, empowering communities and improving the effectiveness of investment in regeneration and housing.

Learning Cities, which grow talent, provide lifelong opportunities and attract talent from elsewhere
All our young people deserve a first-class education to give them the best start in life.

- The Standards in Scotland’s Schools etc Act 2000 sets out the national framework for improvement in school education, including the development of targets for improvement in the outcomes of education by 2005-06;
- Improved ICT in schools will be delivered through the £20m National Grid for Learning programme.

A culture of lifelong learning will get the best from all our people.

- Learning in employment is being promoted by increasing Modern Apprenticeships to over 25,000 in employment and training by 2006, targeting under-represented groups;
- Over 1,200 people are being helped into work through the £6m Training for Work programme;
- Approximately 39,000 young people from low income families are being or will be helped to remain in education, through the £34m Educational Maintenance Allowances programme.
Learning cities are attractive and exciting cities in which to live and work, which helps attract and retain the best from elsewhere.

- Record numbers of Scots are participating in FE and HE, with 60,000 more enrolments in FE, and 50% participation in HE.

**Connected Cities aid accessibility for goods and people and encourage sustainable choices**

Accessibility for business coupled with sustainability of transport choices will require reduced congestion.

- Scotland’s Transport: Delivering Improvements, published in March, provided a comprehensive vision for transport, built on the principles of sustainable development;

- Executive priorities are tackling congestion, increasing public transport accessibility and integration, and completing missing motorway links.

A package of measures is required to realise a sustainable transport system.

- We have delivered free local off-peak bus travel for elderly people and those with a disability – making it easier for them to travel, improving their quality of life;

- The Executive is delivering our top priority road and rail projects, public transport projects flowing from the Central Scotland Transport Corridor studies, and securing a new Scottish passenger rail franchise;

- Research is underway on the main drivers behind changing land-use and transport patterns in Scotland, and the Executive is working closely with local authorities on demand side measures, including congestion charging.

**Living Cities provide good quality, affordable housing for strong communities in a sustainable environment**

Strong sustainable communities provide good quality housing, education and healthcare, improved public spaces, personal safety, and noise and nuisance-free environments.

- Better rights and standards for tenants and a fairer approach to Right To Buy sales, are being secured through the framework for social rented housing in the Housing Act 2001;

- We are modernising poor quality housing by introducing the Scottish Social Housing Standard to bring housing in the social sector up to standards acceptable for the 21st century;

- The Executive is providing local authorities with funding options to lever in investment, including a streamlined whole-stock transfer process and access to the prudential borrowing regime;

- We are ensuring that the substantial levels of housing investment released through whole-stock transfers are better linked to other regeneration spending to support comprehensive area renewal plans;
Low-income households and pensioners are being supported to insulate their homes under the Warm Deal, and we are providing free central heating and insulation to social sector tenants and the over 60s under the Central Heating Programme;

Safer and cleaner streets are being secured through the “Quality of Life” initiative to improve the local environment;

Neighbourhood wardens and local mediation services aimed at tackling crime, vandalism, anti-social behaviour and the poor quality of the environment will be introduced.

Lively Cities provide a “city buzz” in culture, tourism, shopping and leisure

A city’s retail sector, its visual arts, architecture, theatre, music and vibrant city centre help create “city buzz”.

We are working to improve Scotland’s urban design skills through encouraging better training for Planners and introducing a Designing Places Award for students as part of the 2002 Scottish Planning Quality Awards.

The economic contribution of culture is vitally important, both directly in attracting domestic and overseas tourists and indirectly as a magnifier of Scotland’s image at home and abroad.

The importance of our cities is recognised in the implementation of the National Cultural Strategy;

Our cities are of fundamental importance to the cultural life and identity of Scotland;

Our cities are a major tourism asset and Edinburgh and Glasgow are also major tourism gateways to the rest of Scotland at the heart of Visit Scotland’s marketing effort;

Our Major Events strategy, launched at the end of November, will help our cities;

Scotland has major assets in the form of nationally and internationally significant museums and galleries collections, though there is an imbalance between Edinburgh and our other cities. The Executive is developing a framework of action for Scotland’s museums and galleries which will be based on the principle of a distributed national collection. It will recognise, among other things, that museums and galleries are a key part of the attraction of cities to tourism, inward investment and overall quality of life.

Sustainable Cities will need to manage resource use, energy and travel

Scotland’s cities offer the greatest opportunities to develop financially viable recycling schemes, significantly improve energy conservation and promote more environmentally sustainable forms of transport.

We are increasing recycling and composting of municipal waste to 25% by 2006, through the Local Government Bill and the £230m Strategic Waste Fund;

We are encouraging the use of less polluting forms of transport to address air quality “hot spots” in our cities and support Air Quality Management Areas.

Environmental justice focuses on the legacy of unsustainable choices made by previous generations. Poor people and poor environments all too frequently coincide.

Communities’ local environments are being improved by the new Quality of Life fund set aside to improve Scotland’s neighbourhoods;

The National Waste Plan is being implemented reducing our dependence on landfill sites;

Scotland is implementing the Aarhus Convention, improving people’s access to environmental information and justice.
Well-governed Cities with community involvement and strategic national engagement

Good governance requires community involvement and local and national strategic engagement.

- **The Review of Strategic Planning**, the **Community Regeneration Statement** and the **Cities Review** provide the building blocks of an overall spatial policy for Scotland. This will be taken forward in the National Planning Framework;

- Community Planning provides the overarching framework and other plans and initiatives should flow from it to better link national priorities (jobs, health, education, transport and crime) with local priorities.

Focusing on partnership and delivery will improve policy making at city-region level.

- The patchwork of formal and informal arrangements since Local Government re-organisation in 1996 confirms the need for city-region governance arrangements. Nevertheless, the re-introduction of an additional tier of government is not the only response, nor is it the most effective. Effective joint working between local authorities, key stakeholders and the Executive is the basis for improved city-region governance;

- Greater experimentation and innovation is also required in our use of delivery mechanisms and vehicles. New approaches to delivery have the potential to contribute at a variety of different circumstances and geographical levels. Urban Regeneration Companies have the potential to provide the strategic co-ordination of physical, social and economic regeneration of an area which has been lacking in the past. Business Improvement Districts could help city centres become more attractive and successful, helping business and communities. We will consult early in 2003 on the scope for Urban Regeneration Companies and Business Improvement Districts;

- Appropriate information and evidence at a local level is needed to improve the development and monitoring of effective policies;

- The **Scottish Neighbourhood Statistics** project will help transform the production, dissemination and use of data, at a variety of geographical scales;

- Geographic Information Systems and the role these will play in modernising how the Executive does its business have been identified as an important area for further development;

- A **Scottish Executive Geographic Information Systems** strategy has been developed to better co-ordinate and enhance the use of spatial information both within the organisation and in our dealings with partners and the public.
The Scottish Budget, announced in September, sets out the Executive's spending plans over the next 3 years and includes major announcements which benefited our cities. The contributive to going for growth, building opportunities and securing sustainability.

The Executive is also responding to the policy challenges facing our Cities through two new funding allocations.
Investing in growth

Each of our cities are responding to the pressures of change, and the challenges of economic growth. While these challenges vary in each city and city-region, targeted action can help to ease the transitions. The City Growth Fund will address these pressures. The Fund is to be spent on physical infrastructure, including transport infrastructure, the public realm, physical improvement of sites, and facilities for businesses.

The city authorities will receive the funding directly. However, the Fund is intended to benefit not simply residents of the cities, but the city-region as a whole. The problems to be addressed are beyond the ability of the city authorities alone to solve.

Close consultation will be required with neighbouring local authorities, other public agencies, and the private sector, working through the existing Community Planning Partnerships wherever possible. Close and co-operative partnership working with the private sector will be particularly important if we are to maximise the impact of the funding stream. Proposals for spending the City Growth Fund should be closely tied to planned outcomes, to guide delivery and enable monitoring of success. Guidance is being published separately.

Tackling the legacy of dereliction

The legacy of the past can blight local environments and inhibit regeneration and renewal. The presence of vacant and derelict land around them significantly impacts on the quality of life of some of our most disadvantaged communities. Reclaiming that land, so improving the quality of the local environment, can often provide a vital stimulus for the renewal of communities.

The “stock” of vacant and derelict land in Glasgow, currently 1,400 hectares of brownfield land, includes many sites which have remained vacant or derelict for considerable periods of time. Dundee and especially Glasgow have extensive areas of brownfield land. Elsewhere, North Lanarkshire experiences problems on a national scale, together with a very limited part of South Lanarkshire.

Progress has been made, but a step change in activity is required which will require a clear policy framework, together with an improved delivery.

The supply of brownfield land far exceeds anticipated demand in the foreseeable future, suggesting “greening” not just as a medium-term option but also as a long-term solution. “Greened sites” contribute to environmental justice targets and promote investment on adjacent sites.

Not least of the issues involved will be how developments in Glasgow will be related to proposals for regeneration of the Clyde corridor and the M74 extension corridor, where a substantial share of vacant land in the city lies.

The Executive is determined to ensure that the extra money being made available is combined with better delivery on the ground. A partnership team will devise improved delivery mechanisms for the additional resources. This will be led by the Executive, involving key agencies and the private sector. Delivery needs to take place in the context of a long-term strategy for regeneration, focusing on priority areas, delivery and outcomes and, if successful, will lay the basis for a further programme of improvements over future spending review periods.

Innovative delivery vehicles

The Executive will consult in the New Year on the scope for introducing Urban Regeneration Companies in Scotland, as a joint initiative by Communities Scotland, the Enterprise Network and Local Authorities. Urban Regeneration Companies have been introduced elsewhere and we can build on these lessons to potentially bring a greater degree of strategic co-ordination of economic and community regeneration in our Cities.

The evidence in the cities review report suggests that investment in our city centres is less than it probably should be due to the lack of any systematic mechanism for ensuring investments which are of benefit to the business, and the wider, community are completed. Business Improvement Districts (BIDs), common in the United States, but still untried in the UK, could potentially provide a vehicle for raising collective resources for additional infrastructure, maintenance or other
services in the city, tailored according to local circumstances. BIDs are arguably a form of community budgeting, a locally managed multi-purpose budget targeted on the city centre.

The Executive will consult further on the scope for using these innovative delivery vehicles in a Scottish context, as part of Community Planning.

Boundaries
A recurring theme in the review was that of local government and NDPB boundaries. In many cases they do not fit well, and act as an additional burden on partners at local level in drawing together strategies and implementing them. Nonetheless, the solution is better partnership working amongst local authorities and the public sector.

City of Dundee have made a strong case for change to their boundary in the Monifieth and Invergowrie area. The evidence suggests that joint working in terms of strategy development and implementation with adjacent Councils is not working as well as it should. It so happens that this is also the only part of the country not currently covered by a voluntary regional transport partnership, which is the vehicle used by local authorities to develop Joint Transport Strategies as envisaged by the Transport (Scotland) Act 2001. Dundee, Perth & Kinross and Angus Councils need to give greater attention to effective joint working, as part of the development of the Vision for the City and its implementation. The case for a boundary review will be considered in the light of progress made by the Councils next year.

KEY COMMITMENTS FOR SCOTLAND’S CITIES IN BUILDING A BETTER SCOTLAND

- **INVESTMENT IN INFRASTRUCTURE**[^1] – to support successful and dynamic city-regions; Spend: £20/30/40m for the six cities.
- Increased resources to TACKLE VACANT AND DERELICT LAND in Glasgow, North Lanarkshire and Dundee – removing a blight on our urban communities; Spend: £0/8/12m.
- **FUNDING FOR LOCAL AUTHORITIES TO IMPROVE QUALITY OF LIFE** – making our communities better places to live, by addressing the problems that matter locally; Spend: £180m over 3 years, nationally.
- **TACKLING UNEMPLOYMENT IN DEPRIVED AREAS**
Spend: For instance £0/10/10m for childcare to help people get back into work.
- **INNOVATION AND SCIENCE** – supporting business growth and jobs; Spend: £0/25/35m for science in Higher Education, focused mainly on universities in the six cities.
- **ADDRESSING THE SKILLS GAP** in our cities through increased support for lifelong learning; Spend: £34m on Educational Maintenance Allowances; £25m on Modern Apprenticeships; £121m on Further Education.
- **A MAJOR EVENTS STRATEGY** to exploit the potential of Scotland as a location for high profile “must see” sporting and cultural events – with our cities at the heart of many of these; Spend: £2/3/5m.
- Alternative accommodation and support services to REPLACE OUTDATED HOMELESS HOSTELS in Glasgow; Spend: £7/20/20m extra.
- **AIRPORT RAIL LINKS** – improving business and tourist access to Edinburgh and Glasgow;
- **INVESTING IN SCHOOLS** – the largest ever investment in physical school infrastructure; Spend: £1.15bn nationally.
- **INVESTING IN THE NHS** – after many years of under-funding, the Scottish health budget will rise by 6.5% real terms increase over the next 3 years.
- **INVESTING IN HOSPITALS BUILDING AND IT** – building modern and pleasant hospitals and primary care facilities, improving patients’ experience of NHS; Spend: £750m.

Source: Building a Better Scotland
[^1]: New announcement – fund not separately identified in the Scottish Budget document.
ABERDEEN

has long recognised this and is well placed to achieve the necessary diversification response – with a strong research base, a strong service sector in terms of software and business advice, and a higher business start rate than the average for Scotland.

Short-term priorities
Key requirements are:

- Rectifying skill shortages. Aberdeen is unlikely to be able to generate all the required skills locally. Its population is projected to fall, so it needs to do better at attracting and retaining the skilled and entrepreneurial, in what is a competitive international market for talent. This in turn requires Aberdeen to be a place that mobile skilled professionals and industries want to move to. The challenges here are building a sense of place (a City “buzz”) through strategic cultural investment;
- Improved transport infrastructure, and increasing the availability of high quality business locations for business expansion/development;
- Building on measures to maintain and extend the prosperity of the UK oil and gas industry especially through the application of new technology to the industry; and further development of research and development and the use of new technology in the industry holds the key to extending the prosperity of the sector.

Longer-term directions
In the longer term, Aberdeen will need to adapt to the gradual maturing of the UK oil and gas sector. Looking beyond the UK oil and gas industry will be based on:

- Internationalisation of existing oil and gas firms into global oil and gas industry, thereby building on the knowledge and expertise gained here;
- Diversification into new industries.

Recent experience
Aberdeen has cemented its presence as the oil capital of Europe. The recent history of the city-region is one of success, with high employment, high earnings and excellent “quality of life”. Aberdeen’s experience is well documented by the Aberdeen futures project.

Pockets of deprivation are isolated, but deep. Aberdeen’s success has also been Scotland’s gain through multiplier effects for both incomes and employment, with GDP over 30% above the Scottish average and above full employment. Meanwhile, pressures on the fish-processing and food sectors will pose significant challenges for the wider city-region.

Today’s success may constrain success in the future. High house prices and constraints on the availability of business locations and land, traffic congestion, and skill shortages in a near full employment economy each act as a disincentive to locate and grow businesses in Aberdeen. These concerns look likely to persist with a high level of projected traffic growth and declining population.

Key challenges
While Aberdeen starts from a high base, its growth in recent years has lagged the rest of Scotland. Its success is narrowly based on oil and gas, which in itself is a cyclical industry. Aberdeen

SCOTLAND’S CITIES
ACHIEVEMENTS AND COMMITMENTS

- City Growth Fund will provide city with £11.5m over 3 years;
- Addressing Aberdeen's transport problems is one of the Executive's 10 national transport priorities. A transport strategy for the North-East is being developed, including the appraisal of the case for an Aberdeen Western Peripheral Route;
- New Intermediary Technology Institute on Energy to help strengthen the energy sectors technology base;
- "Quality of Life" initiative worth £3.6m in 2002/03 to help improve the quality of people's everyday lives. Further £6.7m allocated in the Scottish Budget over 3 years.
ABERDEEN

DETAILED ACHIEVEMENTS AND COMMITMENTS

- Increased investment in Aberdeen and Robert Gordon Universities up 24% since 1999 to £83m;
- Nearly 1,300 trainees on Skillseekers, Modern Apprenticeships and Training for Work courses;
- Scottish Enterprise Grampian and Aberdeen City Council assessing case for a Development Company;
- £9.3m for Park and Ride and bus priority measures in and around Aberdeen;
- Nearly £1m to improve transport in the Dyce area; examining future options for rail links to Aberdeen in the Scottish Strategic Rail Study;
- £0.8m for investment in walking, cycling and safer streets projects over the 4 years to 2003-04;
- Food Standards Agency Scotland set up in Aberdeen, bringing in 40 civil service jobs;
- CCTV systems to fight crime in known “hot spots”;
- Providing community safety partnership grants of nearly £207,000 to help Aberdeen develop local solutions to local crime problems;
- State-of-the-art facilities at the Aberdeen Children’s Hospital; worth £25m, part of the largest hospital building programme in NHS history;
- Since 1999, Communities Scotland has supported 512 units of affordable housing in Aberdeen to help regenerate disadvantaged communities and provide housing for those with particular needs; worth £17m;
- Since 1999, over 6,000 houses in the city have benefited from Warm Deal and Central Heating Programmes;
• Over £4.7m of Social Inclusion Partnership funding committed to deprived areas of Aberdeen from 1999 to 2004;

• A total of £18m Lottery funding has gone to Aberdeen City since 1993 including an award of almost £2m by the Scottish Arts Council Lottery Funding towards the £4.5m extension to Her Majesty’s Theatre;

• Sporting facilities for young people and for the community in general, through the £3m New Opportunities Fund PE & Sport programme.
DUNDEE
Recent experience
Recent improvement in Dundee’s economic performance and external image have been based on revitalisation of the city centre, on the back of long-term strategic investment in the cultural, retail and public realms, and the growing clusters of biotechnology, medical science and multi-media software companies. Dundee has a large student population, bringing a vibrancy and diversity to the city.

Nevertheless, a high proportion of manufacturing industries have experienced difficult transitions to new technologies and markets. This has left a legacy of high unemployment and deep social deprivation, declining population and vacant land.

Key challenges
The development of biotechnology and software clusters at the high skill end and call centre developments are providing new opportunities for the Dundee economy. Business links with further and higher education are strong. These are promising developments on which to build. The city’s business birthrate is well below the Scottish average but has scope to improve within the newly developing environment. Recent improvements to the city-centre retail facilities and the excellent cultural and tourism related initiatives are also redefining Dundee.

Maintaining this momentum of growth to offset decline elsewhere can be supported through effective public sector support, which should focus on new industries and on the legacy of economic change. Dundee’s educational and health experience is marked.

Dundee, uniquely among the Scottish cities, loses a disproportionate number of its young people in their 20s: they take with them their skills, energy and spending power. Alone amongst the cities, Dundee is projected to have both declining population and household numbers.

Short-term priorities
Key requirements are:

- Championing the success in biotechnology and games software, together with other new industries;
- Building on improvements in the city centre and in city “image” to make Dundee a place where people aim to live and work. This will require improved joint working with adjacent councils;
- Managing economic transition, and its effects on population change and housing markets. Enhancing the skills and capabilities in deprived communities in Dundee represents both a challenge and an economic opportunity.
Longer-term directions

Dundee is of course midway between two major cities experiencing problems of success – Aberdeen and Edinburgh. Both might provide opportunities e.g. a competitive location in the wider Central Belt economy.

ACHIEVEMENTS AND COMMITMENTS

- City Growth Fund will provide city with £9.3m over 3 years;
- Accelerating land renewal, through additional £2m in both 2004-05 and 2005-06;
- National Office of the Scottish Commission for the Regulation of Care and the Scottish Social Services Council located in Dundee, bringing in over 160 jobs;
- New Intermediary Technology Institute for the Life Sciences will help strengthen the sectors technology base;
- “Quality of Life” initiative worth £2.9m in 2002/03 to help improve the quality of people’s everyday lives. Further £5.4m allocated in the Scottish Budget over 3 years.

DETAILED ACHIEVEMENTS AND COMMITMENTS

- The Digital Media Park, supported by Scottish Enterprise, will capitalise on the city’s strength in the games industry;
- Action Teams for Jobs set up in Dundee to increase employment rates amongst disadvantaged groups within high employment areas;
- £2m to support 1200 trainees on Skillseekers, Modern Apprenticeships and Training for Work courses;
- 8,000 more vocational students at Dundee colleges since 1999;
- Increased investment in Dundee and Abertay Universities – up 24% since 1999 to £64m;
- Over £12m from the Public Transport Fund for bus priority measures, real time information and transport interchange improvements.
Dundee

- £25m of improvements to A90 interchanges west and north of Dundee;
- Future options for rail links to Dundee are being examined in the Scottish Strategic Rail Study and support is being provided for the Tay Estuary Rail Study;
- £570,000 has been provided over the 4 years to 2003/04 for investment in walking, cycling and safer streets projects;
- Scottish Enterprise Tayside supporting city centre improvements, such as the £150m Overgate Centre development;
- Over £1m for CCTV systems to fight crime in known “hot spots”;
- Since 1999, Communities Scotland supported 890 units of affordable housing in Dundee to help regenerate disadvantaged communities and provide housing for those with particular needs worth £22m;
- Over £17.6m of Social Inclusion Partnership funding committed to deprived areas and communities in Dundee from 1999 to 2004;
- Since 1999, over 7,000 homes in the city have benefited from the Warm Deal and Central Heating Programmes;
- Providing community safety partnership grants of nearly £150,000 to help Dundee develop local solutions to local crime problems;
- Tayside NHS Board received an additional £17m as a result of the new funding formula for the NHS;
- Sporting facilities, out of school hours sporting and cultural activities and projects aimed at diverting young people away from criminal activity, through the New Opportunities Fund PE & Sport programme worth £2.6m;
- £35m of Lottery Funding for Dundee since 1993;
- Scottish Arts Council supporting the City’s exciting cultural hub made up of the Dundee Contemporary Arts (DCA), the Scottish Dance Theatre and the Dundee Repertory Company.
EDINBURGH
Recent experience
Edinburgh’s major economic success story is borne on the back of growth in financial, business services, public administration and cultural/entertainment sectors – the right economic mix at the right time. It now enjoys high incomes, high employment, limited deprivation and exceptional “quality of life”. Of the 4 larger cities it has the lowest crime and the highest “neighbourhood satisfaction”. Residents of Edinburgh are twice as likely to have a degree, and half as likely to have no qualifications, than the average for Scotland. Its problems are primarily those of success.

Key challenges
Edinburgh is coming up against constraints to future growth: tight labour market, significant house price inflation, high commercial rentals, traffic congestion, pressures on the green belt. Its key challenge is “growth management”, and this challenge is not a temporary one – both population and the number of households are projected to increase in the future. Edinburgh will need to manage its transport system for business, its use of land, ensuring new sites for both housing and business, and managing the spread of business actively outwards, with all that entails for transport, planning and housing. The pressures for growth risk damage to quality of life, one of the mainsprings of Edinburgh as a business and residential location. Such pressures might also make responding to new challenges more difficult; high house prices stifle job mobility when it is needed most.

Any frustrated growth cannot automatically be assumed to transfer to other Scottish city-regions – the skilled/experienced labour market and supplier base that has developed in Edinburgh over a period of years is in many areas just not available elsewhere in Scotland on a similar scale. Edinburgh’s success may bring opportunities for other areas, but this process will require policy management.

Short-term priorities
Key requirements are:
- Improving transport infrastructure and traffic management. This will improve accessibility for business and widen the travel to work area. Improved transport infrastructure is required within the City, connecting the Waterfront, South-East Wedge and West Edinburgh, and with respect to the wider City Region;
- Rectifying skills shortages, by widening the travel to work area and attracting and retaining fresh talent – for example reminding students from outwith Scotland of the benefits of staying here;
- Managing pressures on greenbelt land for housing and business development. The need is to ensure that the city and the wider city-region works more effectively, whether as a source of labour or a location for back-office/secondary functions.

Longer-term directions
Hard choices for the city lie ahead. Strategic decisions are required on how and where the current and forecast economic and household growth in the city can be accommodated.
ACHIEVEMENTS AND COMMITMENTS

- City Growth Fund will provide city with £24.2m over 3 years;
- The prospect of 9,000 new jobs and recycling 140 hectares of land on Edinburgh’s Waterfront;
- A draft Planning Framework for West Edinburgh was issued for consultation in August and the aim is to issue a final version by March 2003;
- 10 new primary schools, 2 new and 3 refurbished secondary schools and 2 new and one refurbished special schools through £91m PPP programme – improving facilities for over 10,000 of the city’s pupils;
- “Quality of Life” initiative worth £7.6m in 2002/03 to help improve the quality of people’s everyday lives. Further £14.3m allocated in the Scottish Budget over 3 years;
- State-of-the-art facilities at the Royal Infirmary of Edinburgh, at a cost of £180m and £50m for the extension of existing facilities at Edinburgh Western General, are part of the largest hospital building programme in NHS history.
DETAILED ACHIEVEMENTS AND COMMITMENTS

- Currently £3m is being spent to support over 2,000 trainees on Skillseekers, Modern Apprenticeships and Training for Work courses;
- 10,000 more vocational students at Lothian’s Further Education Colleges since 1999;
- Increased investment in Edinburgh, Heriot-Watt, Napier Universities, Queen Margaret University College and Edinburgh College of Art – up by 23% since 1999 to £213m;
- The Executive is working with Edinburgh to address its transport problems;
- Addressing traffic congestion in Edinburgh and a rail link to Edinburgh airport are two of the Executive’s 10 national transport priorities;
- £8.5m for Edinburgh CrossRail which opened in June 2002 – the first new railway completed in Scotland since 1993;
- £1m for preparatory work on Waverley Station, identified as a priority in new Strategic Rail Authority UK investment strategy;
- Future options for rail links to/from Edinburgh being reviewed in the Scottish Strategic Rail Study;
- £15m for preparatory work on the North, West and South Edinburgh tram link;
- Over £25m on improved bus priority routes and related initiatives;
- £1.9m over the 4 years to 2003-04 for investment in walking, cycling and safer streets projects;
- Over £0.5m for CCTV systems to fight crime in known “hot spots”, since 1999;
- All schools now have access to the internet;
- Community safety partnership grants of some £266,000 to help Edinburgh develop local solutions to local crime problems;
- Since 1999, Communities Scotland supported 1458 units of affordable housing in Edinburgh to help regenerate disadvantaged communities and provide housing for those with particular needs worth £49m;
Over £35.4m of Social Inclusion Partnership funding committed to deprived areas and communities in Edinburgh from 1999 to 2004;

Since 1999, over 17,000 houses in the city have benefited from the Warm Deal and Central Heating Programmes;

£219m of Lottery Funding has been made to Edinburgh since 1993;

Refurbishment of the Royal Scottish Academy, with £10m Executive funding as part of the £29m Playfair Project;

Increased support for the Edinburgh International Festival;

Provision of sporting facilities for young people and for the community in general from the New Opportunities Fund PE & Sport programme worth nearly £6m;

Featuring Edinburgh prominently across the VisitScotland product portfolio and in VisitScotland’s international campaigns.
GLASGOW
GLASGOW

Recent experience
Employment growth in Glasgow has out-performed all the cities over the last 5 years. The significant service sector growth in the dynamic city centre, driven by commercial and retail sectors, and underpinned by extensive investment in the public realm, is more than offsetting decline in manufacturing. But the legacy of industrial change remains large. Glasgow remains a dual city: simultaneously witnessing strong growth and acting as the centre of gravity for the West of Scotland, while dealing with the legacy of decline. Prosperity co-exists with extensive and deeply rooted areas of social exclusion, characterised by low skills and low aspirations, which are largely disconnected from growth areas in the city.

Under utilised people/assets co-exist with tight labour market/shortages of readily developable land. There is large backlog of physical dereliction – 9% of the land area of Glasgow is either derelict or vacant. Glasgow must regenerate vacant and derelict land throughout the city and deliver family housing, jobs and business infrastructure. Economic activity rates are amongst the lowest in the UK. For Glasgow to have the same rate of employment as Scotland as a whole would require over 50,000 new jobs; but over 40% of those not in work in Glasgow have no qualifications.

Key challenges
Promoting further growth, while ensuring that prosperity is widened and shared is the key challenge. Strong growth in the knowledge economy and the service sector provide the engine of growth. For this to be sustained, further improvements will be required to the links with Glasgow’s excellent research and learning institutions, its strong tourism presence and business facilities.

Short-term priorities
Key requirements are:

- Widening economic successes to address deep social deprivation. There are major opportunities for regeneration and reconstruction with the M74 Extension, the Housing Stock Transfer and the Schools PPP. The priority is to ensure labour and land markets can respond to this huge boost to the economy, to ensure the benefits are maximised well beyond the construction phases;

- Building capabilities and skills to respond to economic opportunities. Pressures of growth, side by side with deprivation, provide challenges – skill shortages co-exist beside pockets of unemployment and low economic activity, in a city with an extensive learning sector. This represents a huge policy opportunity for Glasgow;

- Improving governance and partnership working. Any response is complicated by the fragmented governance structures at city-region level, and a sense of partnership overload.
Longer-term directions

Glasgow has, since the early 1990s, reinvented itself on its own terms, with growth in employment and investment. This will need to continue – the deeply rooted social problems in Glasgow represent both the biggest challenge in building a better Scotland, and the biggest opportunity. Success would in itself bring new issues to be tackled – Glasgow’s low level of car ownership is likely to converge with the Scottish average as Glasgow prospers, bringing with it increasing strain on the transport system.

ACHIEVEMENTS AND COMMITMENTS

- City Growth Fund will provide city with £40.1m over 3 years;
- Accelerating land renewal, through additional £6m in 2004-05 and £10m in 2005-06 for Glasgow and North Lanarkshire;
- Extending and completing the M74 Motorway at a cost of £214m – due to open in 2008;
- Through the Housing Stock Transfer 80,000 Glasgow council tenants will transfer to community ownership and benefit from £1.6bn over the next 10 years to make their homes warm and dry;
- All 29 secondary schools in Glasgow have been replaced or refurbished, and in some cases extended, in a £230m PPP benefiting all 30,000 of the city’s secondary pupils;
- Major £25m initiative by Scottish Enterprise to address construction skills needs in Glasgow;
- New Intermediary Technology Institute for Communications and Digital Media will help strengthen the sectors’ technology base;
- Major investment of £700m over 10 years in Glasgow’s health infrastructure;
- Scottish Executive Enterprise and Lifelong Learning Department relocated to Glasgow, bringing 160 posts to the city;
- Working together to realise an ambitious vision for the Upper Clyde, from Glasgow Green to the Erskine Bridge, through the Clyde Waterfront Working Group;
- “Quality of Life” initiative, worth £12.5m this year to help improve the quality of people’s everyday lives. Further £23.2m allocated in the Scottish Budget over 3 years;
- Replacing outdated homeless hostels in Glasgow;
- Intervening early to improve the diets of Glasgow’s children, by working to provide healthy nutritious food in schools.
GLASGOW

DETAILED ACHIEVEMENTS AND COMMITMENTS

- Support for creative media, biotechnology, optoelectronics and tourism clusters in Glasgow through Scottish Enterprise;
- Over £9m to support over 5,000 trainees on Skillseekers, Modern Apprenticeships and Training for Work courses; over £3m Training for Work this year to provide 1,300 work-related training opportunities;
- Action Teams for Jobs set up in Glasgow to increase employment rates amongst disadvantaged groups within high employment areas;
- 11,000 more vocational students at Glasgow colleges since 1999;
- Increased investment in Glasgow, Strathclyde, Glasgow Caledonian Universities, RSAMB and Glasgow School of Art – up by 21% to £234m since 1999;
- Executive is working with Glasgow to address transport challenges in Glasgow;
- Assessing, through Scottish Enterprise and local authorities, how the investment in the M74 can be used to turn the area into a sought after city location and which can secure accelerated economic and social development;
- £23m upgrade of the A8 between Baillieston and Newhouse under way;
- Offering support to the £118m PPP contract for the M77 and the Glasgow Southern Orbital Road;
- Putting in place a rail link to Glasgow Airport is one of Executive’s 10 national transport priorities – the Executive is providing £1.5m to help secure Parliamentary Powers for the link;
- £24m has been made available for the Larkhall to Milngavie rail link;
- £21m for quality bus corridors on all the main city centre access routes;
- £12.5m to Strathclyde Passenger Transport for new rolling stock on the West-Central Scotland rail network to be delivered in 2003/04;
- Looking at future options for rail links to/from Glasgow in the Scottish Strategic Rail Study;
- Supporting a study into future transport options along the Clyde Corridor;
- Providing £2.6m for investment in walking, cycling and safer streets projects over the 4 years to 2003/04;
Glasgow Public Realm Programme upgraded the city centre environment to international standards. A Phase II programme will be delivered over the next 3 years to extend this to include Broomielaw, Merchant City and Trongate;

- Over £1m for CCTV systems to fight crime in known “hot spots” since 1999;
- £1m to progress feasibility study into flood protection along the Clyde River corridor;
- 93% of schools now have access to the internet;
- Providing community safety partnership grants of some £333,000 to help Glasgow develop local solutions to local crime problems;
- Funding free local off-peak bus travel for elderly people and those with a disability – making it easier for them to travel, so improving their quality of life;
- Since 1999, nearly 32,000 households in the city have benefited from the Warm Deal and Central Heating Programmes;
- Communities Scotland has supported nearly 5,000 units of affordable housing in Glasgow to help regenerate disadvantaged communities and provide housing for those with particular needs;
- Over £113.5m of Social Inclusion Partnership funding committed to deprived areas and communities in Glasgow from 1999 to 2004, over 38% of the total funding made available in Scotland over the period;
- As part of the recently agreed £700m programme over the next ten years, £52m for the extension of existing facilities at Glasgow Royal Infirmary;

- £292m Lottery Funding has gone to Glasgow City;
- The Scottish Arts Council provide support for 7:84 Theatre Company, the Citizens Theatre and the Tron Theatre; the Centre for Contemporary Arts; Scottish Ballet, the Royal Scottish National Orchestra and Scottish Opera, both also National Companies;
- One-off Scottish Executive funding of £3m in 2001/02 to the Glasgow museums;
- Funding provision of sporting facilities for young people and for the community in general through the New Opportunities Fund PE & Sport programme worth £13m;
- Redevelopment of Hampden Stadium through £25m from the Millennium Commission;
- Featuring Glasgow prominently across the VisitScotland product portfolio (in the City Breaks/Cultural Tourism/Business Tourism marketing themes) and in VisitScotland’s international campaigns.
INVERNESS
INVERNESS

Recent experience

Inverness has experienced significant growth in recent years. Its population increased by a third over the last 30 years. Strong growth has been underpinned by its quality of life: excellent environment, good school education, and low crime. Its prospects are now better than they have ever been. It is firmly established as the principal administrative, medical, professional, leisure and retail centre for the Highlands and wider afield – at the heart of the Highlands city-region.

Key challenges

Making the step from large town to the “capital” of a key city region is a major challenge. Growth has been on a small base, driven by retail, public administration and business services. Inverness is re-invigorating its city centre with enhanced transport links within the city and beyond. The city faces challenges in raising its tourist offering, upskilling the workforce and attracting talent from elsewhere and raising its cultural offerings. Significant progress is being made to turn the University of the Highlands and Islands Millennium Institute into a full university. Inverness has achieved growth on the back of changing industrial structure – the boost of oil related growth has been superseded by expanding ICT, medical services etc. This reinvention of the economic base will need to continue, requiring a highly skilled and flexible workforce. The relatively shallow labour pool in the area, underpins the importance of the learning sector and the need to attract talent into the Highlands as well as maintaining existing population. The role of the city’s cultural offering will be a key part of developing Inverness as a place to live and work.

Short-term priorities

Key requirements are:

- Diversifying the economic base and fostering new and growing industries, including by enhancing investment in transport connections and the availability of sites for business development;
- Establishing and gaining full university status for the University of the Highlands and Islands Millennium Institute;
- Building and attracting a diverse labour pool, attracting people to live and work in the area, as well as attracting visitors through the arts/cultural offering.
Longer-term directions

Inverness is a new city, undergoing change and development. It is more than ever the “capital” of the Highlands city-region. The focus on the fragile western and northern fringe, needs to be complemented with a focus on the success of the city area. In the longer term, the role of Inverness and the wider region will need to be complementary to promote prosperity in the city-region overall. Through the Highland Council and Highlands and Islands Enterprise, Inverness is well placed to rise to this challenge.

ACHIEVEMENTS AND COMMITMENTS

- City Growth Fund will provide city with £3.1m over 3 years;
- Executive contributed initial development funding of £13m towards establishing a University of the Highlands and Islands; together with £33m lottery funding;
- Preparation of a long-term development and transport strategy for the area between Inverness and Nairn. This should be drawn up by Highland Council in association with key stakeholders such as Highlands & Islands Enterprise, the Scottish Executive’s Road Network Management and Maintenance Division and Highlands & Islands Airports Ltd;
- The recent consultation on Air Transport in Scotland has reaffirmed the Executive’s commitment to maintaining lifeline services and to supporting development of new routes where they would be beneficial;
- “Quality of Life” initiative provided Highland Council with £4.3m in 2002/03 to help improve the quality of people’s everyday lives. Further £8m allocated in the Scottish Budget over 3 years.
SCOTLAND'S CITIES

Executive will explore future options for the rural rail network;

£9m new terminal for Inverness Airport opened in 1999;

Executive operating support for Inverness Airport was over £2.7m in 2001/02;

Over £27,000 for CCTV systems to fight crime in known “hot spots” since 1999;

Providing community safety partnership grants of nearly £140,000 to help Highland Council develop local solutions to local crime problems;

Communities Scotland supported 220 units of affordable housing in Inverness to help regenerate disadvantaged communities and provide housing for those with particular needs since 1999;

£25m Lottery Funding has been made to Inverness since 1999;

Funding provision of sporting facilities through the New Opportunities Fund PE & Sport programme, worth over £3m.

DETAILED ACHIEVEMENTS AND COMMITMENTS

- 3,000 more vocational students at Inverness College from 1999;
- £1m to support nearly 500 trainees in Inverness and Nairn LEC area on Skillseekers, Modern Apprenticeships and Training for Work courses;
- Action Teams for Jobs set up in Inverness to increase employment rates amongst disadvantaged groups within high employment areas;
- Executive working with Inverness to improve transport;
- the Executive Public Transport Fund is supporting over £2.5m of improvements to Inverness’ bus station, pedestrian environment and the commuter rail network to/from the city;
- Highland Council has been provided with £798,000 for investment in walking, cycling and safer streets projects over the 4 years to 2003/04;
- Two new grade separated junctions on A9, worth over £4m;
- Executive will explore future options for the rural rail network;
- £9m new terminal for Inverness Airport opened in 1999;
- Executive operating support for Inverness Airport was over £2.7m in 2001/02;
- Over £27,000 for CCTV systems to fight crime in known “hot spots” since 1999;
- Providing community safety partnership grants of nearly £140,000 to help Highland Council develop local solutions to local crime problems;
- Communities Scotland supported 220 units of affordable housing in Inverness to help regenerate disadvantaged communities and provide housing for those with particular needs since 1999;
- £25m Lottery Funding has been made to Inverness since 1999;
- Funding provision of sporting facilities through the New Opportunities Fund PE & Sport programme, worth over £3m.
DEVELOPING THE VISION

The next stage is to move from analysis to action. Building successful cities will require concerted action from a wide range of partners, including local authorities, the wider public sector, business, the voluntary sector and of course communities in our cities.

A key theme of this statement, and of the analysis report, is the importance of partnership. The policy agenda in this statement will require all those involved in managing our city-regions to respond effectively and in partnership.

This is why we are proposing the development of strategic city-region agreements – the City-Vision.

Therefore building on this report, the Executive is looking to the city local authorities, and the Highland and Stirling Councils, to facilitate the development of a 10-year vision for their city:

- to outline how each city will respond to the challenges set out here through the development of a single, overarching strategy for the city; and
- to design an implementation framework which will draw together existing partnerships and processes to ensure they pull in the same direction to achieve the strategic goals in the 10-year vision.

We are asking city authorities to facilitate the process as a key component of the Community Planning framework, which is already being put in place. Development of the City-Vision by the Community Planning Partnership should involve a wide range of stakeholders, especially business representatives and the community.

Many of the challenges are not entirely in the hands of the cities themselves to solve. Many issues including transport, economic development and land use planning require a city-region wide dimension. Liaison with neighbouring authorities and communities should be a key part of the process. The Executive will look to City based Community Planning Partnerships to consider how best to draw together the wider city-region view, as part of the development and implementation of this Vision.

Substantial resources are already available as announced in the Scottish Budget, and particular funding streams to promote growth and ensure land renewal, have been introduced for our cities. Executive Ministers have a key role in taking forward the preparation of a City-Vision and will be involved in the process, this should culminate in the agreement of a vision document which will both set out the vision and outline proposals for action, including allocating the new funds available.
Guidance on the process for agreeing the City-Vision is being published separately. This will outline in greater detail:

- advice and guidance on the development of a City-Vision building on the Cities Review report and policy statement;
- requirements to ensure the City Growth Fund is allocated on the basis of agreed priorities and related to specific policy outcomes;
- support available from the Executive to Community Planning Partnerships in preparation of City-Visions.

City local authorities should facilitate the preparation of a City-Vision and proposals for allocating the City Growth Fund for submission to Ministers.

- Initial analysis and evidence, drawing on the range of existing information, evidence and strategies already available should be provided, alongside a City response to this statement. Councils should provide an outline of the process for developing the City-Vision by the end of February 2003 to allow for consideration and discussion with Ministers during March;
- A full report and City-Vision should be complete for submission to Ministers by the end of May 2003.