

# CAPITAL REVIEW

QUARTERLY ECONOMIC BULLETIN FROM THE CITY OF EDINBURGH COUNCIL ISSUE 20 SPRING 2007

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THE CITY OF EDINBURGH COUNCIL



## EDINBURGH'S STRING OF PEARLS

» A new direction for the  
Capital's city centre

» DONALD MACRAE SHARES HIS VIEW » 10 QUESTIONS FOR SIR TOM FARMER » CITY EXPERTS FACE THE BIG QUESTION » JOINING FORCES » CREATIVE CAPITAL SHOUTS OUT

## the first word

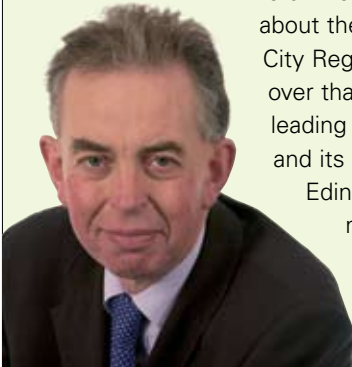
This 20th issue of *Capital Review* marks an important milestone in the history of the magazine. Every quarter, for exactly five years, *Capital Review* has provided a valuable forum for sharing information and opinions about the economic future of the Edinburgh City Region. The contributors to *Capital Review* over that period reads like a roll call of the leading lights of Edinburgh's business world and its public sector. For many people across Edinburgh City Region, *Capital Review* is now essential reading.

To celebrate this anniversary, your copy of *Capital Review* includes

a complimentary booklet called *Edinburgh by Numbers*, packed with useful statistics about the city.

I hope that you find it useful and enjoy the bulletin.

**Andrew Holmes,**  
Director, City Development Department,  
The City of Edinburgh Council



## Garry Sturgeon

Tragically, this fifth anniversary of *Capital Review* coincides with the sadly premature death of the man who developed the idea of the magazine and nurtured its evolution over the first four years. Garry Sturgeon was an outstandingly talented and popular character within the City of Edinburgh Council – and *Capital Review* was typical of his innovative thinking.



Even those not familiar with Garry's face are likely to have been familiar with his work because he was the driving force behind a number of projects that are currently shaping the city. Examples include the Glasgow-Edinburgh collaboration project, the Edinburgh Business Assembly and the 2020 Scenario Planning Exercise.

Behind Garry's commitment to his work lay a passion for the city that was infectious and a sense of optimism that seemed capable of winning over even the most hardened cynics. But, whilst one of Garry's great strengths was his ability to think 'outside the box', what was perhaps even more valuable was his ability to inspire others to do the same.

His considerable contribution to the future economic success of Edinburgh will inspire many to carry on his good work but he will be greatly missed – as a colleague and, more importantly, as a wonderful friend, father and husband.

The *Capital Review* team

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MEDIA

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THIS MAGAZINE IS PRINTED ON ENVIRONMENTALLY RESPONSIBLE PAPER MANUFACTURED USING 50% RECYCLED WASTE AND 50% FIBRE FROM WELL MANAGED FORESTS, CONTROLLED SOURCES AND RECYCLED WOOD.





## The VIEW from HERE

With a new Parliament just elected, Professor Donald MacRae takes stock of the health of Scotland's economy



"It's the economy stupid," is the oft-repeated advice to all politicians approaching an election. By this time, Scottish voters will have pronounced on the future of MSPs and their parties at

Holyrood. Has the campaign followed the advice?

Since the advent of devolution in 1999, Scotland's economic performance has improved slightly versus the rest of the UK but there is still a gap in performance north and south of the border. Annual growth as at quarter four 2006 in Scotland was 2.6% compared to the more robust 2.8% for the UK. This gap is expected to widen as the UK picks up to a forecasted 2.7% to 3.0% annual growth in 2007 compared to a static Scottish 2.3%.

While three of the main Scottish political parties favour an increase in powers for the Scottish Parliament, there are many who argue that insufficient use has been made of the Scottish Parliament's existing powers. One example where powers have been exercised is business rates.

All parties agree on Scotland's low level of business start-up although perhaps not quite on the severity of the problem. Although this is improving compared to international competitors, the verdict here is 'could do better'!

The same applies to business expenditure on research and development. Much evidence shows that countries or regions with high levels of business R&D have high levels of economic growth. This is usually assumed to result from high levels of productivity (output per hour) sourced from high levels of innovation (usually new and more efficient products or processes) ultimately sourced from business research and development.

**A PARTICULAR SCOTTISH SUCCESS STORY IS THE NUMBER OF PEOPLE IN WORK – CLAIMANT UNEMPLOYMENT IS NEAR A 30-YEAR LOW**

At 0.58% of GDP between 1999 and 2005, Scotland's low level of R&D spend compares poorly to an OECD average of 1.51%. In European patent applications Scotland again comes behind similarly sized countries such as Denmark, Norway and even behind Iceland. But there are several innovative schemes in place to encourage R&D ranging from the intermediary technology institutes (ITIs) to the R&D Plus scheme.

### High government expenditure

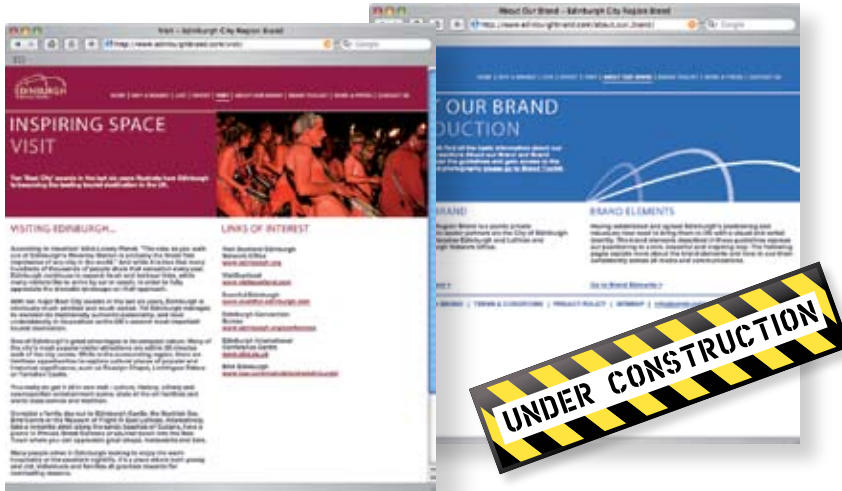
There is less agreement over the size of the public sector and its effect on the overall economy. Total government expenditure in Scotland is comfortably in excess of 50% of GDP – one of the highest in Europe. Many agree this is too high but there are few suggestions for lowering this percentage. At least two parties agree on converting Scottish Water into a company limited by guarantee. This would reduce the burden of funding the capital expenditure required over the next ten years by allowing Scottish Water to borrow. Some argue it might also increase the efficiency of delivery.

A particular Scottish success story is the number of people in work. Claimant unemployment is near a 30-year low while the overall employment rate is in the top 25% of all OECD countries. Edinburgh is a particular success story but now suffering from the problems of success highlighting the need for excellent communication links.

Whatever happens over the next few months, Edinburgh city will have to cope with the problems of success rather than the problems of failure. As ever, 'it's the economy stupid'.



# Inspiring Investment...



As *Capital Review* goes to press, it is almost two years to the day since the Edinburgh Inspiring Capital Brand was launched. Since then the Brand team has been busy forging partnerships with a wide range of stakeholders aimed at marketing the city region as an internationally attractive place to 'Live, Invest, Visit and Study'. The success of these efforts is evident as a raft of private sector partners have already adopted the Brand.

These include Edinburgh Airport, Harvey Nichols, Jones Lang LaSalle and the prestigious Waterfront development. By working closely with various partners, the team has also ensured a presence for the city at events including MIPIM, the international property exhibition and the VisitScotland EXPO.

Much of this activity is geared towards the key goal of bringing more investment to the city and surrounding areas. Indeed, the City

Council has publicly stated its intention to make a major gear shift in the priority it gives to inward investment. This is in response to a strong message from the private sector that the city should be doing more to promote itself as an investment location.

Although the Council, led by the City Development Department, has an important role, the task has to be carried out in partnership with others, particularly Scottish Enterprise (which has an existing dedicated team), the Chamber of Commerce and Scottish Development International. The private sector is already investing considerable sums in city promotion and is seen to be a key player in the process. The City Council and brand team recently hosted a workshop involving all of these partners to develop an action plan for inward investment.

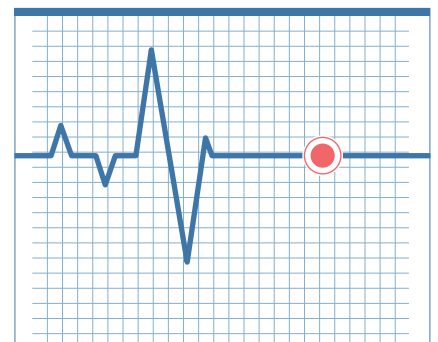
The launch of the Inspiring Capital DVD in January was a key milestone and this will be followed up later this year by the launch of a new website to promote the whole Edinburgh City Region. Watch this space for further information about the launch and for details on how the inward investment agenda is taking shape.

## MADE IN EDINBURGH

### No 11 Underwater detection

It started off as a spin-out from Heriot-Watt's Ocean Systems Laboratory and was developed from cramped offices in Morningside. But five years on and Edinburgh firm SeeByte has sold its SeeTrack 'situation awareness' software to customers in the US, Europe and New Zealand. The 'SeeTrack' system enables people and automated machines to detect events, visualise data and to fully understand what's going on around them, even underwater.

It has been adopted by the US Navy to clear mines, and by oil companies to survey pipelines and repair platforms in the North Sea and the Gulf of Mexico. Soon it will be used by an Italian rail operator to monitor their trains. With 30 staff, the company has relocated to Orchard Brae House and is bullish about the prospects for its technology as growth continues.



Keep your finger on the pulse of Edinburgh's economy...

[www.capitalreview.co.uk](http://www.capitalreview.co.uk)

The *Capital Review* website includes a wealth of archived material from past issues, a valuable database of regularly updated information on the local economy and lots of downloadable research. Make use of this free resource – and tell your colleagues about it too.

# HECTOR is here



Edinburgh's status as a centre of academic excellence has been enhanced with the decision to locate one of the world's most advanced supercomputers in the city region. HECTOR (High End Computing Terascale Resources) will come into full service in October at the University of Edinburgh's Advanced Computing Facility (ACF) on the Edinburgh Technopole Estate, Midlothian.

Capable of an initial 60 Teraflops (million million calculations per second), HECTOR will be Europe's fastest supercomputer and the flagship capability system of UK academic research. Open to academics from across the UK, the machine is expected to inform a wide range of studies including

global warming, nanoscience and aeronautics.

With funding secured from the UK Research Councils, the £113m project will see US firm Cray Inc supply and upgrade the machine over a period of six years. Day-to-day operations will be undertaken by the University's Edinburgh Parallel Computing Centre (EPCC) – the leading computational science technology transfer centre in Europe. HECTOR will replace two machines due to be decommissioned in the near future.

A development of national importance, HECTOR will cement the UK's position on the global supercomputing map and reaffirm Edinburgh's position at the heart of UK academic research.

## Edinburgh hotels a UK favourite

A report by accountancy firm PKF has revealed that Edinburgh's hotels have the highest occupancy rates outside London. Nearly eight out of 10 hotel rooms in the capital are occupied all year round, fending off competition from other hotspots such as York and Brighton.

According to the Hotel Britain 2007 study, £66.92 was generated per night for each available hotel room in 2006 – significantly higher than the national average of £50.44 and second only to London, which earned £97.12 per night.

Fiona Thomson, a partner in PKF's Hotel Consultancy Services said: "Edinburgh continues to be an all-year-round destination both for tourist and business visitors, and it is highly likely that there will be continued expansion within this market in the next couple of years."

## MY CITY VISION

Zoe Clark,  
Director of Edinburgh  
World Heritage



### What sort of city region would you like to see?

One that is dynamic, thriving and successful but hasn't lost sight of what makes it special. We need to value the things that make this city unique and give it a competitive edge. These special characteristics include the streetscape, the views, the contrast between the narrow wynds of the Old Town and the cool rationality of the Georgian New Town. Edinburgh needs to build on these characteristics as it finds its own solutions for the future.

### How successfully is the city moving towards this vision?

I think there is now a recognition that we can successfully balance the needs of heritage and those of development. It is possible to have it all – to treasure what we have, whilst developing Edinburgh for the 21st century. The city is making positive steps by capitalising upon opportunities presented by, for example the re-development of the St James Centre. Edinburgh's Skyline Study is the first of its kind in the UK and considers both how to protect Edinburgh's unique skyline and how to enhance it.

### What more must the city do?

We must be prouder of what we've got and regard our historic environment as an asset. Edinburgh is internationally important but we are not good at exploiting that. We need to articulate why it's so special, attracting visitors and generating a sense of civic pride. Our historic environment is about people. It has the power to enrich our lives by providing a sense of identity. When we work together, we can make great things happen.

# presswatch

WHAT HAS THE MEDIA BEEN SAYING ABOUT EDINBURGH'S ECONOMY?



## EDINBURGH WATERFRONT DEVELOPMENT COULD EARN BILLIONS

The redevelopment of Edinburgh's waterfront will generate more than £6 billion for the Scottish economy, according to figures just released. The project, which will transform Granton and Leith, is also expected to create 20,000 construction jobs and a similar number of permanent posts. Around £1 billion is being spent building new flats, offices and shops. In total around 350 acres of land are being brought back to life.

STV NEWS, 3 MAY

## NATO ASSEMBLY TO BRING £1M TO CAPITAL ECONOMY

Hundreds of politicians from around the world are set to meet in Edinburgh in an event set to bring £1 million to the city economy.

The Nato Parliamentary Assembly will hold its annual meeting in the Capital in 2009.

Around 600 politicians from the 26 countries making up Nato - the North Atlantic Treaty Organisation - will be in the city for five days.

THE SCOTSMAN, 2 APRIL

## TOURISM BOOST FOR LOCAL ECONOMY

The annual VisitScotland Expo event was held in Edinburgh for the first time in more than a decade. It gave more than 50 firms in the capital and 200 Scottish businesses the chance to woo more than 500 buyers from across the world. The two-day event at the Royal Highland Hall, Ingliston generated £1.7m for the local economy.

BBC NEWS, 17 APRIL

## TATTOO DRUMS UP £50M A YEAR FOR CITY

The Edinburgh Military Tattoo generates almost £50m for the city's economy every year, according to new figures released on 27 April 2007. Research commissioned by the world-famous event found that visitors to the Tattoo ploughed £49m into Edinburgh, as well as spending a further £37m elsewhere in the country.

THE SCOTSMAN, 24 APRIL

## SALARIES ON THE RISE

The average wage in Edinburgh has increased by a quarter in just five years and earnings in the capital are rising faster than anywhere else in Scotland, according to new figures. The city's booming economy has seen the average income jump from £20,100 in 1999-2000 to £25,300 in 2004-05, according to figures provided by HM Revenue & Customs. The increase is about a third higher than the rise seen in Glasgow, and nearly double the rise in the average Scottish income.

THE SCOTSMAN, 13 APRIL

## MANUFACTURING LEADS THE WAY

The Scottish economy and the Edinburgh financial services sector were given positive health checks recently in two separate surveys. Lloyds TSB Scotland said the Scottish economy continued to grow above the trend rate during the past three months, according to its latest Business Monitor, giving a net balance of 28 per cent. Separately, a survey from Scottish Financial Enterprise (SFE) said the country's financial services industry expected its prospects to improve this year, with confidence up for 63 per cent of respondents.

THE SCOTSMAN, 29 MARCH

## Thriving through Working Together

The theme of this year's Edinburgh City Region conference on 8 June reflects the buzz of activity around city region joint working which is taking shape in the economic development, transport and land use planning fields.

The former Local Economic Forum for Edinburgh and the Lothians was disbanded last November and arrangements for a new Regional Economic Forum covering the wider city region are well underway. There are high hopes that the new Forum could help provide the powerful leadership needed to capture the potential economic benefits from working at the city region scale. There is strong support for private-sector involvement in the new Forum and one of the challenges will be to articulate the benefits to businesses and enlist their active participation.

This year's pre-conference spring seminars complemented the discussions on the Forum, touching on leadership, governance, connectivity, productivity and the knowledge economy.

The conference itself will explore the issues around developing a regional consensus, looking at progress within the Edinburgh City Region and learning from other regions. The views of stakeholder groups in the private and HE sectors will also form part of the day which will conclude with a civic reception hosted by the City of Edinburgh Council.

A conference flyer is enclosed in this Issue. For further copies or more information contact Pat Herd (pat.herd@keme.co.uk).

For more information on the Regional Economic Forum contact Veronica Noone (veronica.noone@scotent.co.uk).

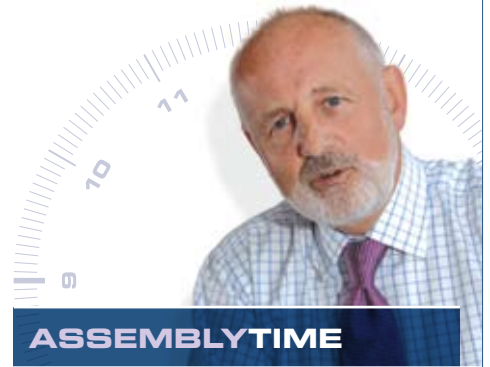


## Edinburgh named business hotspot

Edinburgh's growing status as a key European business destination was reinforced by a new survey this spring. Research carried out by Opinion Matters as part of Vodafone UK's Working Nation Study revealed that Edinburgh is the best place to work in the UK. The study also dubbed the capital as 'the new business hotspot'.

The survey of 2,400 UK workers, published on 30 April, found that Edinburgh is home to the most successful businesses in the UK – 76% of whom saw year-on-year financial growth.

The study also revealed that Edinburgh-based employers have the best staff retention record in the UK, with 61% of senior Edinburgh employees reporting a below average level of staff turnover. In fact, the capital's employees are among the happiest in the UK – 55% of respondents said they were satisfied or very satisfied in their role.



### ASSEMBLYTIME

#### Geoff Ball, Chair of the Edinburgh Business Assembly champions investment in the city's public realm

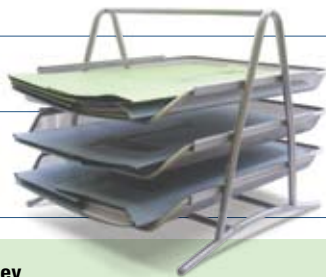
The Edinburgh Business Assembly views the city centre as one of Edinburgh's greatest assets. I was therefore pleased that the Assembly had the opportunity in February to hear from the city centre's Development Partnership Director, Jonathan Guthrie. Jonathan spoke about the importance of the city centre's roles as the public face of the city, a showcase for the vibrant atmosphere, high quality of life and first-rate business environment that Edinburgh affords and the core of the city's shopping and leisure destination which is of such vital importance to our continued economic wellbeing. Yet, in the face of increased competition from retail centres across the Lothians, the performance of Edinburgh's city centre has declined. With Birmingham, Manchester and Glasgow among a range of cities to have revitalised their core shopping areas, without action we risk becoming a second tier retail destination.

The Assembly's discussion focussed on the need to create better opportunities for retailers, to improve transport and to enhance the quality of public realm which the Assembly regards as a success factor that could bring immediate benefits. An approach which aims to increase footfall, and ultimately trade, through the creation of attractive, high-quality streetscapes and public realm improvement will secure the area's future as a thriving shopping destination.

Coming years will see attention focus upon the revitalisation of the city centre. I recently visited Dublin and was impressed by its streetscape improvements and modern tram network which have created an internationally renowned retail destination; we should follow their example. The Assembly will support investment in a high-quality city centre and the creation of an environment more stimulating and diverse than any out-of-town retail centre.

## THIS JUST IN:

Time for another snapshot from the world of economy-linked research...



**THE REPORT:** Edinburgh's Top Employers Survey  
**PRODUCED BY:** City Development Department  
**ON BEHALF OF:** City of Edinburgh Council

**WHAT WAS IT?** A comprehensive survey to determine who the largest employers operating in Edinburgh are and how many people they employ.

**KEY FINDINGS:** Around half of the jobs in Edinburgh are in organisations employing over 100 people in the city, and a third in organisations employing over 1,000 people.

The top 25 employers employ one-third of workers in Edinburgh and consist of seven finance companies, five retailers, four public sector institutions, four transport/infrastructure organisations, three higher education institutions and two manufacturing companies.

There is a healthy presence of multinational companies in Edinburgh, employing a total of 4,500 people in Edinburgh, particularly in finance and hospitality. However, none of these employs more than 1,000 people.

Edinburgh has many medium-sized law firms with at least 16 employing over 100 people, all of which are clustered in the New Town or Exchange areas.

**INTERESTING FACT:** The top 10 finance firms account for 33,000 jobs in the city, (over two-thirds of finance jobs, and one-tenth of all jobs).

For a list of the top 25, see *Edinburgh by Numbers*.



## QUESTIONS FOR.. Sir Tom Farmer

**CR> You are perhaps best known for your role as a highly successful entrepreneur. What advice would you give to budding young entrepreneurs?**

**STF>** I think we must be clear about what we mean by the word 'entrepreneur'. To me, it is someone who sees opportunities and grasps them. The essential ingredients required for success are enthusiasm, energy and free time. People often try to do things they don't have the energy for and outside influences distract them. I married the girl next door, and she became part of a tremendous support network for me. That's the package you need.

**CR> How do you think Edinburgh city region and Scotland can best harness the talents of the next generation of entrepreneurs?**

**STF>** We're very good at looking on the negative side, but if you compare today's support mechanisms – banks, universities, colleges, Scottish Enterprise – with that of 10-20 years ago, it's truly at a fantastic level. We

need to help people to give it a go and make sure there's not too much red tape. We should also encourage SMEs to join the business organisations that are around because it's important to have someone to talk to.

**CR> How important is it for the business community to have strong links with the further- and higher-education sector?**

**STF>** It's crucial that universities create spin-offs. It's important for the reputation of the universities themselves and for the whole economy. One of the things we are not very good at in Scotland is publicising our spin-off successes – we should celebrate them more.

**CR> Having now created not one but two highly successful auto care businesses – what's next?**

**STF>** I'm certainly not looking for a new career! I count myself as very fortunate for having been surrounded by so many good people and being in good health. My plan is to carry on with what I'm doing now, helping new

business start-ups and continuing to invest in the property development business. I retire every day, but to me retiring means going to sleep!

**CR> What key strengths do you believe a business must have in order to thrive?**

**STF>** Common sense – you must keep your two feet on the ground. I often see people become very successful and then get carried away. Of course it's important to stop and smell the flowers, otherwise what's life about? However, you are still responsible for leading your own business. If you don't want to be out front at all times, you need to move on.

**CR> You are of course also very well known for your philanthropic activity and have invested heavily in the city – what motivates you?**

**STF>** A lot of who we are comes about because of the people we associate with and the environment we're born into. I was surrounded by people who taught me to give something back,



**Celebrated entrepreneur and philanthropist Sir Tom Farmer champions the value of working together, common sense... and coming second rather than first**

because it's the right thing to do and it makes good business sense. It's about trying to protect the reputation you worked so hard to build up. We all go wrong at times but if you have a reputation for doing your best, people will remember that. Marks and Spencer is a good example. It's a great company and one that treats its people well, so we all wanted it to pull through.

**CR> Of all the many projects and ventures you have been involved in, which has been the most rewarding?**

**STF>** There's really not one thing I could choose – I'm lucky in that I enjoy everything I do. However, professionally, I do get such satisfaction from knowing that I was the first Kwik-Fit fitter!

**CR> Edinburgh has changed a lot since you started up in business. What in your opinion has been the most positive change?**

**STF>** A general uplift in the environment people live in – not just housing but also the shops, schools and so much more. That doesn't mean that all is right. There are still improvements to be made, but what strikes me is a general feeling that everyone – the Council, private sector and people of Edinburgh – is working together to make things happen.

**CR> What is your reaction to the collaboration initiative between Edinburgh and Glasgow?**

**STF>** It will prove to be the greatest initiative of recent times. It exemplifies this spirit of working together. It doesn't mean that either city will lose its identity. Glasgow and Edinburgh have always had a friendly rivalry and there's no harm in that – the banter is good! The other day I left my office here in Blackhall at 9.45am and was in Glasgow by 10.45am, and that's without the high-speed trains, though I think they're a great idea. When I was a boy growing up in Leith, going up town was a big adventure, like a holiday. One day we will get to the stage where going from Edinburgh to Glasgow is no different to going from Leith to Corstorphine. Also, when I fly in to Edinburgh now I see a long corridor of lights leading to Glasgow in

the west, and why shouldn't there be? It will make us more competitive and ultimately stronger.

**CR> What is the secret of your own success?**

**STF>** Marrying the girl next door! The secret is you can't do it on your own. I am often asked why it worked for me, and it all comes down to the people who surrounded me. They encouraged me to get up when I fell down and to enjoy my success. I also believe you should aim to come 'second first'. Let someone else be first, find out how they succeeded and then work out how you could do it better. Edinburgh is going through a period of change that will be of tremendous benefit to everyone living here. It doesn't matter who gets the credit – what matters is that we work together to preserve this great city. □

**I'M LUCKY IN THAT I ENJOY EVERYTHING I DO. HOWEVER, PROFESSIONALLY, I DO GET SUCH SATISFACTION FROM KNOWING THAT I WAS THE FIRST KWIK-FIT FITTER!**

**CV**

Born 10 July 1940, Sir Tom Farmer KBE, KCSG, grew up in Leith. Starting out as a garage apprentice, he left in 1964 to start his own business, Tyres & Accessory Supplies, which he sold four years later for £450,000. He retired to the US on the proceeds but returned to Scotland, hungry for fresh challenges. In 1971 he founded Kwik-Fit, which he sold to Ford in 1999 for more than £1bn. Sir Tom now oversees a portfolio of retail, commercial property and other business investments. His accolades include Scottish Businessman of the Year (1989), and the Andrew Carnegie Medal of Philanthropy (2005). Sir Tom received a CBE in 1990 and was knighted in 1997. Active in the local community, Sir Tom owns Hibernian Football Club and the island of Inchkeith. He lives in Barnton with Anne, his childhood sweetheart and wife of 36 years.





# The

**It's one of the capital's most significant redevelopment projects, it's happening in the city centre and it's happening right now. Jonathan Guthrie, City Centre Partnership Director, explains the 'String of Pearls'**

**J**onathan Guthrie points playfully at the glass on the table. "Is your glass half full, or half empty?" he says. "Do you see Edinburgh as a place full of potential and opportunity? Or do you see it as a place with issues and problems?"

It's one of the questions Jonathan often finds himself asking as he tackles one of Edinburgh city centre's most ambitious regeneration initiatives in decades – the so-called 'String of Pearls' project.

In March 2004, Jonathan was seconded from Standard Life to the Edinburgh City Centre Management Company. The idea was to progress

parts of the City Centre Action Plan – primarily to 'promote the selective redevelopment of buildings in Princes Street'. As a 'glass well-over-half-full' kind of person, he jumped at the opportunity.

This year Jonathan's secondment was transferred to the City of Edinburgh Council and he now works in the Council's City Development Department. The project has rapidly gathered pace – and grown. It now represents a major opportunity to tackle some of the problems that have beset Edinburgh city centre for years – empty buildings, traffic congestion, a poor pedestrian experience, and a lack of distinctive, quality shopping on Princes Street.

But if you're wondering why you haven't heard about this initiative before, there's a reason. Jonathan has been anxious not to create too high a level of expectation. The emphasis has been on practical activity at ground level with developers, landowners and other stakeholders – rather than showboating by releasing aspirational architectural sketches to the papers.

Indeed, this occasion is the first time that the City Centre Partnership Director has spoken in depth to a publication about the project. *Capital Review* provided Jonathan with a glass of water, and he provided the answers.

# string of pearls.....

## What is the City Centre Development Partnership hoping to achieve – and why has its vision become known as the 'String of Pearls'?

The String of Pearls is a chain of interconnected developments stretching from Calton Hill to Haymarket. Each one is different and each one is an entity in its own right, yet they all complement each other. It's called the String of Pearls because each part of the city has value and beauty yet, as a whole, the sum is even greater than the parts. This thinking now forms the basis of the entire project. The brief to the design team was simple. Edinburgh should become a global destination that exceeds every expectation. That was it. No measures, no targets, no percentages – in fact nothing that would limit the team's imagination or innovative thinking.

## When will the project start for real?

People keep asking me that and the answer surprises them. It's already started. For instance, the scheme proposed by ING for St Andrew Square received planning permission in March and will start once it gets through the Section 75 negotiation [the process that establishes what the developers' obligations will be]. The St James Centre project is very much part of the project. The Council has now approved a development brief and the planning application is expected at the end of the year. The St Andrew Square public realm project has now started. The Grassmarket project will be going out to tender later this year. So there is a lot happening already that forms the first phases of the String of Pearls concept.

## Why has the profile of the initiative not been higher?

It's about meeting expectations. There have been several occasions in recent years when the papers have published wonderful architects' visions for Edinburgh city centre without making it clear that these visions have not even been costed. Then comes disappointment

when nothing materialises. There's no point getting excited about what something looks like if you can't afford it. That's why, right at the beginning, we made a conscious decision not to wind people up with that sort of approach. Our priority is to create good opportunities for developers and encourage the support of stakeholders such as landowners, retailers, residents, businesses and the heritage community. What we are doing will be for the benefit of everyone in the short, medium and long-term.

## EACH PART OF THE CITY HAS VALUE AND BEAUTY YET, AS A WHOLE, THE SUM IS EVEN GREATER THAN THE PARTS

## What are the main challenges you are tackling?

Our early work focused on understanding the key issues facing Edinburgh city centre. These included the following observations:

- Spaces for people are disjointed and constrained by transport and servicing vehicles.
- Access to and around the city centre, (including car parking, walking routes, cycling and public transport), tends to be disjointed and segregated with specific solutions for individual issues.
- Retail servicing competes with pedestrians and potential spaces for quality environments.
- Buildings have high vacancy rates because of problems with access and value. This has an impact on the quality of maintenance and design of buildings.



**Jonathan Guthrie**  
City Centre Partnership Director

Edinburgh-born Jonathan attended the Royal High School and studied Architectural Technology at Napier. A member of the Chartered Institute of Architectural Technologists, he began his career with Hurd Rolland Partnership and Comprehensive Design Group. In 1991, he joined Standard Life, working in facilities on major projects, service developments and relationship management. He was seconded to Edinburgh City Centre Management in March 2004 to develop the City Centre Regeneration Project and the secondment was transferred to the City of Edinburgh Council this year.

The members of the City Centre Development Partnership Board are: Myles White of Henderson Global Investors, Michael Daggett of ING, Paul Sargent of Multidevelopments, Ron McAulay of Network Rail, Andrew Murphy of John Lewis, Charles McKean of Edinburgh World Heritage, Stephen Gallagher of Scottish Enterprise Edinburgh and Lothian, Tom Aitchison, Andrew Holmes and two senior elected members from the City of Edinburgh Council.

> continued



These continue to be key issues. That's why the developments we are working on place an emphasis on the quality of the public realm, on good public transport links (such as the tram), on initiatives such as the proposed underground car parks for George Street and Chambers Street and on solving the building vacancy issue in Princes Street.

**Why is the quality of the public realm such an issue?**

We want to encourage people to walk to, in and around the city centre. And we want them to have a genuinely enjoyable experience that encourages them to return. Crucially, delivering great quality public spaces also raises the value of adjacent land and buildings, which helps the partnership between the public and private sectors.

**What sort of a reaction are you getting from developers and landowners?**

We have a queue of some of the world's leading investors here looking for the right opportunities. We just need to help them – and let them help us to create what we want as a city. Without having to spend a huge amount of public cash, we've already managed to create something that is very attractive to investors. I've also noticed a change amongst many of the landowners in Princes Street, some of whom have recently transferred their management responsibilities to property companies who are very much development-orientated rather than investment-orientated.

**What has been the reaction of the heritage community?**

To date there has been an encouraging level of support for our approach from some quarters of the heritage community. This is something I am keen to build on in the coming months. It's important to recognise that the biggest threat to Edinburgh's World Heritage status is that we do nothing. Sensitive interventions are always more likely to help us succeed and maintain the great level of heritage we have. We're not ripping up the centre and dropping in tower blocks. We're creating a welcoming public realm with attractive buildings that complement the existing architectural mix.



**WE'RE CREATING A WELCOMING PUBLIC REALM WITH ATTRACTIVE BUILDINGS THAT COMPLEMENT THE EXISTING ARCHITECTURAL MIX**

**Parts of Princes Street have been an eyesore for many years. When will that change?**

I estimate that we can expect to see new buildings within the next five to six years – not a long time. If we are going to be successful, we need to meet private sector targets – and they tend to be a lot shorter than those in the public sector. Parts of Princes Street are up to 60% vacant. Some upper floors are never used – and never have been since they were built in the late sixties. What drives this is the fact that ground floor retail space – including what would normally be taken up by the staircase – pays about £210/215 per square foot – that can be more than all the other floors put together. A key part of the project is to address and find ways

of introducing mixed residential, hotel and office use. There are several issues around this but we are tackling these positively in partnership with many stakeholders.

**How would you sum up the benefits of what you're endeavouring to achieve?**

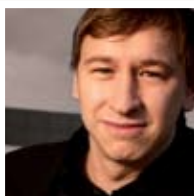
There will be a major public benefit in terms of the vibrancy of the city centre and quality of investment. Shareholders will benefit from fully occupied buildings paying full commercial rents. Landowners will clearly benefit. The city benefits because, instead of empty space, it will have rateable income and the kudos that comes from delivering such an important project. Scotland will benefit from having a capital city that is thriving across each sector. Everyone benefits. □



## WHAT'S HAPPENING?

- **St James Centre:** A major public consultation has just been completed about the future of the centre.
- **St Andrew Square:** Work on a £2.6m scheme to open the gardens to the public has just started while a major scheme to redevelop the old Scottish Provident offices on the South side of the square are due to start within the next couple of months.
- **Grassmarket:** A multi-million pound makeover will see the area resurfaced, adding new benches, bollards, public toilets, landscaping and security.
- **Ross Bandstand:** Various proposals to rejuvenate Princes Street Gardens are under discussion.
- **Underground car parks:** Pilot plans are under discussion, with Chambers Street and George Street both identified as potential sites
- **Waterloo Place:** Two new hotel developments are on the horizon, one is already on site and the other is now going through the planning process.

## The Edinburgh City Centre Design Team



**Martin Bates,**  
Director,  
Broadway Malyan  
0131 524 0250

Leading European architectural practice Broadway Malyan brings expertise in delivering commercially successful, mixed-use city centre schemes. The practice will input to the preparation of the Council's City Centre Development Framework document designed to create the condition for re-illumination of the capital.



**Colin McPherson,**  
Associate Director,  
URS  
0131 524 8428

Ranked the 'Number One' design firm by Engineering News-Record magazine, URS Corporation (NYSE: URS) will play a key role in delivering changes to the city centre. Colin has overall responsibility for investigating geotechnical constraints and servicing strategy, traffic and transportation, and structural proposals.



**Paul Sherry**  
Director, Faithful+Gould  
Cost Consultancy  
0131 221 5600

One of the world's leading project- and cost-management consultants, Faithful+Gould takes financial responsibility for the masterplan feasibility studies for the city centre project. Heading up the project for Faithful+Gould is Paul Sherry, one of the key players in Scotland's commercial property sector and an expert in providing robust cost-management services.



**David Hood**  
Project Manager  
& CDM Co-Ordinator  
0131 225 3569

David Hood takes project management responsibility for the overall delivery of the city centre project. Managing the procurement process from inception to completion, David's overarching aim is to achieve the perfect balance of 'the eternal triangle' – time, quality and cost – as well as assisting and supporting the plethora of top-quality designers and professionals.



**Fred Robinson**  
Director,  
Arup Scotland  
0131 331 1999

Fred Robinson, a director at Arup, has been assessing the feasibility of recycling heat from retail buildings for use in residential buildings and using this type of heat recovery system in conjunction with district heating networks powered by renewable fuel sources.

# the big question



LEFT TO RIGHT: FIONA MORIARTY | RAYMOND O'HARE | FIONA MORTON | BRENDAN DICK | LAURA GORDON | GORDON DRUMMOND | JANE WOOD | RICHARD JEFFREY | SUSAN RICE | ALAN ROBERTSON | RICCARDO MARINI

In the last issue of *Capital Review*, our main feature posed this question: 'What must Edinburgh do to become more competitive?' To help celebrate the fifth anniversary of the magazine, we asked some of the many opinion-formers who have appeared in previous issues of *Capital Review* to provide their answers

## LOSE THE 'RUSH HOUR'

Edinburgh thinks big, is outward-looking and, arguably, punches above its weight. But we need more lateral thinking on how we apply these age-old characteristics to exploit our world-leading ICT capabilities. The latest developments in social media enable unrivalled education, networking, partnership and open collaboration opportunities. As technology changes the way we work, we have to make more effort to change the way we think about work, for the sake of our environment, our economy and our future. Flexibility is fundamental in a global economy, and the rush hour is so last century.

**BRENDAN DICK**  
NATIONAL MANAGER, BT SCOTLAND

## START COMPETING!

For a city with so much going for it, Edinburgh seems to shy away from the idea of competing head to head with its rivals and really going for it in promoting the city as a great place to live and work.

Edinburgh needs to grow and the city region concept does address this but the planning process, housing supply and transport infrastructure, whilst improving, needs to do more to provide a substantial labour pool for incoming or aggressively growing businesses. An aspirational education system is also vital. The pace of embracing and driving modernisation and change also

needs to be accelerated. The Holyrood parliament is still young but if as a small country and a small city we are to compete effectively, we must pull together, focus on the key aims and support strong leadership in moving positively forward.

**FIONA MORTON**  
MANAGING PARTNER, RYDEN

## JOIN UP THE DOTS

Edinburgh has to be able to work more efficiently in the local and global marketplace by becoming less fragmented in service delivery. There are too many organisations and agencies delivering key services that market the city. As the capital of Scotland, Edinburgh should be more ambitious about what it can, and should, shout about. Budgets should be increased by local authority and enterprise networks for this and private and public sector partnerships should be improved upon. Edinburgh needs one strategic partnership delivering services to the city above and beyond what is expected of the local authority.

**JANE WOOD**  
HEAD OF CORPORATE AFFAIRS, BOOTS, SCOTLAND

## TAKE RESPONSIBILITY

Edinburgh needs to be bolder, more confident and much more aware of its fantastic image and reputation. That means that every one of us who either lives or works in Edinburgh has a responsibility to personally

make a difference to how Edinburgh comes across to the outside world. As citizens and businesses, we must constructively feed back to local and central government about what we need to allow us to do the job better. As government, we must listen to this feedback and not be defensive or shy away from the issues. If every one of us feels genuinely responsible, then Edinburgh will thrive and become even more competitive on the global stage.

**RAYMOND O'HARE**  
HEAD OF MICROSOFT SCOTLAND

## BLOW OUR OWN TRUMPETS

Four things. Firstly, increase the scale of our labour market (and therefore our economy) by successfully delivering the planned projects to improve transport links to and within the city. Secondly, increase the supply of business and residential property in order to ensure that rents and prices are competitive. Thirdly, ensure that Edinburgh remains a great place in which to live and work, especially for educated and talented youngsters. We start from a strong position but must avoid complacency here. Finally, let's blow our trumpet a bit louder. Edinburgh is already competitive in most respects but we are not good enough at marketing that to the wider world.

**ALAN ROBERTSON**  
MANAGING DIRECTOR, JONES LANG LASALLE, SCOTLAND



**MAKE THIS THE PLACE**

We need to start behaving like a region where there is true collaboration, delivered because there is a shared vision and inspirational leadership. This means that the two economic engines of Scotland need to crank up the volume and collaborate in a more tangible way. The development of a single economic space does not mean loss of identity whether physical or economic. It means (such as the single economic space which is a reality between Copenhagen and Malmö) developing communication, economic and movement linkages which are second to none and allowing the ensuing 'psycho-geography' to compress the physical barriers which exist. We need to understand that good movement, good economics and good communications are not mutually exclusive with outstanding environments. To be truly competitive, the attractiveness of a place and wellbeing are as important as the more easily quantifiable (from an economic perspective) targets we set. This all boils down to place making. Let's go out there and show the world we can do it.

**RICCARDO MARINI**  
CITY DESIGN LEADER

**ATTRACT HIGH-GROWTH BUSINESS**

To be more competitive, Edinburgh City Region must attract and retain high-quality, high-value head office jobs in the knowledge and experience economies. Edinburgh should play to its strengths in the areas of quality of workforce, reputation and history of innovation to attract more world-class, high-

growth companies, both large and small, that can benefit from the unique skills and opportunities that Edinburgh, as the capital of Scotland, provides.

**RICHARD JEFFREY**  
CHAIR, EDINBURGH TOURISM ACTION GROUP

**EMBRACE OPTIMISM**

We live in one of the best city regions in the world yet there is still sometimes self-doubt, pessimism and scepticism that stifles growth, innovation and productivity. Fostering greater optimism, self-belief and a can-do attitude would have the greatest impact on ensuring that the Edinburgh City Region remains competitive.

**GORDON DRUMMOND**  
GENERAL MANAGER, HARVEY NICHOLS, EDINBURGH

**TAKE A STEP BACK**

A genuine awareness of the competitors would be the best vantage point. Looking outside can help us see how far we've come, and also how much further we can go. When we measure ourselves, we should be looking at the European and global stage. Edinburgh is a major tourist destination, a powerful financial services centre with strong universities and highly successful international festivals. The city has grown up but we can sometimes be too close to notice the difference.

**SUSAN RICE**  
CHIEF EXECUTIVE, LLOYDS TSB, SCOTLAND

**IMPROVE THE PUBLIC REALM**

A competitive city region needs a successful, vibrant retail offering but sustainable, successful retailing doesn't just 'happen'. For the Edinburgh City Region to develop a

first-class offer requires the vision, skills and determination of retailers, combined with a supportive local infrastructure. In other words, the public and private sector need to be able to work together to create a local environment which encourages enterprise and makes life easier to do business. Retailers will play their part; however it is paramount that retailing and the urban realm is a top priority for our city leaders, who need to focus on a clear and bold vision for the future (see p10-13).

**FIONA MORIARTY**  
DIRECTOR, SCOTTISH RETAIL CONSORTIUM

**DEVELOP GREATER CRITICAL MASS**

International benchmarking data provided by BAK Basel shows that the region needs to do more to compete effectively with the best in Europe. In particular, the city region must improve productivity levels in order to sustain long-term growth. It must ensure that businesses and universities work together to innovate and create value. It must also improve connectivity within the region to ensure that the labour market is able to perform effectively and externally so that businesses have good access to global markets. The city region needs to get its governance right so that planning and transport as well as water and drainage, utilities and telecoms infrastructure support the growth of the economy. Finally, the city region needs to develop scale and greater critical mass in certain key sectors. This points to the need for greater collaboration with Glasgow in particular.

**LAURA GORDON**  
GLASGOW-EDINBURGH COLLABORATION DIRECTOR

## EDINBURGH: KEY INDICATORS

	1991	1999	2000	2001	2002	2003	2004	2005	2006 (projected)	2012 (projected)	Source :
<b>1] POPULATION &amp; HOUSEHOLDS</b>											
Population	436,320	447,190	448,430	449,020	448,080	448,370	453,670	457,830			Gro(S)
Households	188,714	201,737	203,388	204,956	206,361	207,552	209,094	211,731	213,633		Scottish Executive
Average household size	2.28	2.15	2.12	2.11	2.10	N/A	2.12	2.11	2.10		Scottish Executive
Population density (persons/sq km.)	1,671	1,705	1,710	1,712	1,708	1,710	1,730	1,746			Gro(S)
Births	5,591	4,906	4,691	4,463	4,485	4,506	4,594	4,564			Gro(S)
Deaths	5,563	5,000	5,039	4,665	4,596	4,595	4,483	4,477			Gro(S)
Migration		1,514	1,988	1,322	-719	379	5,138	4,103			Gro(S)
% of population aged 25 to 64	51.6%	53.6%	53.8%	53.9%	54.1%	54.2%	54.3%	54.7%			Gro(S)
<b>2] LABOUR MARKET</b>											
Population aged 16+ in employment		219,000	219,000	228,000	233,000	225,000	228,800	233,900			Labour Force Survey
Total employee jobs	248,886	270,244	291,978	297,471	308,941	312,469	312,773	317,199			National Statistics
% of jobs in service sector	82.2%	86.4%	89.0%	90.0%	90.6%	91.7%	91.3%	91.7%			National Statistics
Economic activity rate – males (w/kg age)		82.6%	83.5%	83.7%	83.4%	82.8%	83.3%	83.4%			Labour Force Survey
Economic activity rate – females (w/kg age)		73.7%	76.5%	76.9%	78.1%	75.8%	75.9%	78.4%			Labour Force Survey
Claimant unemployment [1]	17,626	9,745	8,190	6,876	6,737	7,324	7,285	7,07%	7.16%		National Statistics
Claimant unemployment rate		3.3%	2.8%	2.3%	2.3%	2.5%	2.5%	2.3%	2.4%		National Statistics
ILO unemployment rate		5.1%	5.2%	3.8%	4.3%	5.7%	5.2%	4.8%			Labour Force Survey
Long-term as % of all unemployment [2]		20.4%	20.7%	17.8%	11.9%	11.4%	13.9%	11.9%	15.1%		National Statistics
Job vacancy notifications [3]		2,476	2,974	3,781	4,021	3,715	3,066	3,585	3,929		National Statistics
<b>3] EDUCATION</b>											
% of pop'n aged 16-74 with first or higher degree				29.0%	31.0%	34.0%	32.0%				2001 Census
Students in higher education institutions		53,706	55,153	58,699	62,059	60,225	62,220	63,845			Scottish Educ. Dept.
<b>4] WEALTH &amp; PRODUCTIVITY</b>											
Average gross weekly earnings [4]		£398.22	£410.44	£446.62	£492.60	£503.40	£503.20	£518.80	£566.20		New Earnings Survey
Gross Value Added (GVA)		£8,983	£9,476	£10,079	£10,981	£11,771	£12,523				National Statistics
GVA per capita [5]		£20,083	£21,042	£22,447	£24,507	£26,253	£27,615				National Statistics
VAT-registered businesses		11,775	12,030	12,215	12,250	12,255	12,370	12,495			National Statistics
Funds under managem't (all Scotland, £bn)		£234	£351	£310	£294	£316	£325	£308			SFE
<b>5] TRAVEL</b>											
Inward commuting	71,490			84,659							2001 Census
... as % of total working population	29.3%			31.7%							2001 Census
Outward commuting	17,210			22,336							2001 Census
... as % of total resident workforce	9.1%			10.9%							2001 Census
Households with access to car	53.5%		59.0%	60.5%	60.0%	63.0%	60.0%	60%			2001 Census / SHS
No. of licensed vehicles (priv/ light goods)		173,400	178,200	182,400	188,500	181,700	160,900	162,200			Scottish Transport Stats
Traffic volumes (mill veh km. on 'A' roads)		1,424	1,424	1,675	1,700	1,706	1,746	1,733			Scottish Transport Stats
Forth road Bridge two-way annual flows (mill)		21.87	22.17	22.61	23.37	24.01	23.56	23.81			Scottish Transport Stats
Airport passenger arriv's + depart's (mill)	2.34	5.09	5.49	6.04	6.91	7.48	7.99	8.45	8.6	11.5	Scottish Transport Stats



## EDINBURGH: KEY INDICATORS

	1991	1999	2000	2001	2002	2003	2004	2005	2006	2012 (projected)	Source :
<b>6] TOURISM</b>											
UK tourist bednights (mill)			8.2	8.0	8.3	8.1		6.1			VisitScotland
Overseas tourist bednights (mill)		5.1	4.2	4.2	4.6	4.9		7.1			VisitScotland
Visitors to Edinburgh Castle (thou)		1,220	1,204	1,127	1,148	1,173	1,244	1,187	1,214		VisitScotland
Edinburgh's world ranking for conferences [6]		13	12	15	9	16	24	23			ICCA
<b>7] HOUSING</b>											
Owner-occupation (% of households)	67%		69%	68%	68%	72%	70%	65%			Census/SHS
Housing completions [7]	1,284	3,096	1,891	1,863	2,559	2,561	2,442	2,597			Housing Audit
'Brownfield' as % of all completions	65%	79%	80%	91%	94%	89%	93%	94%			Housing Audit
Residential land values for flats (£m/ha)			£6.0	£7.0	£7.5	£6.8	£7.4	£7.5	£7.5		Valuation Office
Average house price – suburban semi [8]		£76,202	£87,114	£82,252	£113,148	£140,807					ESPC
Average house price – 1 bed flat, Leith		£39,258	£47,715	£49,804	£60,697	£72,387	£90,936	£89,682	£110,255		ESPC
<b>8] COMMERCIAL PROPERT</b>											
City centre 'zone A' retail rentals (£/sq ft.)		£225	£225	£240	£220	£220	£220	£220	£220		Ryden
No. of retailer 'requirements' – UK ranking [9]		10	9	12	10	10	7	9	9		Focus
Prime city centre office rentals (£/sq ft.)		£24	£29	£29	£29	£27	£27	£27	£27		Ryden
Office floorspace take-up (sq m. gross)		106,374	104,924	91,001	60,476	79,081	92,512	81,327			Ryden
<b>9] GENERAL DEVELOPMENT</b>											
Non-householder planning applications		1,961	2,302	1,977	2,567	2,423	2,441	2,137	2,051		Accounts Commission
Building warrants issued		4,918	5,810	4,793	7,468	6,042	6,506	6,344			Accounts Commission

### FOOTNOTES

- [1] Claimant unemployment and claimant unemployment rates as at April each year.
- [2] Long-term unemployed are those who have been unemployed continuously for a year or more.
- [3] For 2001 and earlier years, vacancies are the total number of job vacancies notified to the six job centres in Edinburgh in April of each year. Figures after 2001 relate to the Jobcentre Plus district of Edinburgh.
- [4] Average gross weekly earnings in April, before deductions for tax and National Insurance, for those whose pay was not affected by absence.
- [5] GVA figures are workplace based, however, GVA per capita figures are per head of resident population.
- [6] Out of 400 cities, based on number of conferences with at least 50 delegates.
- [7] Relates to year ending March 31.
- [8] Figures are for each year, first quarter.
- [9] Edinburgh city centre's ranking out of the 50 most 'sought after retail locations' in UK, excluding Greater London.

## Fresh plans for *Capital Review* online!

*Capital Review* magazine's complementary website, [www.capitalreview.co.uk](http://www.capitalreview.co.uk), already provides a wealth of useful statistics, downloadable research and useful archived material. However, over the course of 2007, the *Capital Review* team will be embarking on a major upgrade of the website, creating an even more useful resource for our readership. The new-look website will feature regular news updates, more downloads and more frequently updated statistics. We're also keen to hear your views and suggestions, so please contact the *Capital Review* team at [capital.review@edinburgh.gov.uk](mailto:capital.review@edinburgh.gov.uk) with any feedback or ideas.



# Glasgow and Edinburgh join forces



Ann Faulds » D&W

**Ann Faulds, Partner at Dundas & Wilson, explores how successful collaboration can help our cities remain competitive in the global market place**

THE RECENT ELECTIONS provided a good opportunity for us all to reflect on how best we can exploit our strengths in a global market that increasingly has to respond to climate change and other related challenges. The pursuit of sustainable economic growth is now embedded in Scottish Executive policy and will no doubt remain a key objective in shaping development. The challenge for the business sector, as well as our new political leaders, is to build on our strengths to support further sustainable economic growth. Innovation is critical because we face a raft of environmental uncertainties and challenges, but sometimes practical solutions are staring us in the face.

City-region collaboration is a key initiative with a successful European track record for supporting economic growth and creating synergies in an increasingly global market place. The social, economic and cultural benefits of pooling resources make such obvious good sense that Edinburgh and Glasgow have both committed to a collaboration initiative. Given that the two cities collectively generate more than half of Scotland's wealth, a successful collaboration should create a force to be reckoned with – both within the UK and Europe.

### High ambitions

Edinburgh has enjoyed sustained growth in recent years but still faces many challenges especially in terms of its physical infrastructure, which has to cope with this growth without 'overheating'. Likewise, Glasgow is undergoing radical change and redevelopment but also has its own challenges, not least in the Clyde Gateway. Each city is highly ambitious and increasingly good at exploiting its strengths. Each city is also well aware of what it needs to do to improve. Transport is an obvious example and improved road and rail connectivity between the cities is vital to a successful collaboration initiative. The welcome appointment of Laura Gordon as Collaboration Director has provided a focus for this initiative.

Like many businesses, Dundas & Wilson operates in both cities but has a 'one office' approach that works well for us – we see the benefits of effective team working under a



### THE SOCIAL, ECONOMIC AND CULTURAL BENEFITS OF POOLING RESOURCES MAKE SUCH OBVIOUS GOOD SENSE

unified brand and culture. That business model should be just as effective for two cities. Effective collaboration, however, requires not just vision but also a strength of purpose and direction. Successful cities, like successful businesses, need strong leaders with clear visions of success.

In 2004, a think tank report on collaboration between Manchester and Liverpool predicted that, if successful, the two cities could match London, Frankfurt, Berlin or Paris. The same think tank also said that Edinburgh and Glasgow combined could actually equal or surpass Manchester/Liverpool.

At the time, this claim was readily dismissed by some people as quite unrealistic and it was said that the two cities coming together would never, ever happen. Let's make it happen!



Supported by **D&W** and **Halcrow**



# SHOUT from the top

The campaign to base Creative Scotland in Edinburgh has seen the capital display a refreshing assertiveness, says Fraser Allen

FIONA MORTON COULDN'T HAVE PUT IT BETTER. Asked how Edinburgh City Region can become more competitive (see p14-15), the Managing Partner of Ryden replied: "Start competing!" It's fair to assume, therefore, that Fiona supports the campaign to locate Creative Scotland in the capital. The old music-hall cliché of dour, reserved Edinburgh may be well past its sell-by date but it's still refreshing to see the city take such a bold, competitive approach to hosting Scotland's new national arts body.

Creative Scotland is the successor to the Scottish Arts Council and Scottish Screen. The Scottish Arts Council is currently based in Edinburgh with around 90 staff and Scottish Screen is based in Glasgow with 37 HQ staff. As part of its public service relocation policy, the Scottish Executive is considering a range of options for the location of the new, larger body. Could it, for instance, head north to Inverness, as Scottish National Heritage did?

## Location, location...

The argument for distributing civil service functions throughout the country has its merits. But there are exceptions where the only logical location for a key agency is the nation's capital. Creative Scotland is one of those exceptions and the recent campaign highlights three important reasons why.

Firstly, the Edinburgh City Region has long established its essential role as a key driver of the national economy. The fact that Edinburgh is the seat of government, hosts a number of national and international banks, is home to the national records – and the national arts body – gives Edinburgh a unique 'capital status' which helps to boost business confidence in the city. Undermining this status will not only threaten the continued economic growth of the city but of the nation as a whole.

Secondly, Edinburgh is the cultural capital of Scotland – and arguably the arts festival capital of Europe. The Edinburgh International Festival will be Creative Scotland's largest revenue client. To create distance between the two makes no sense.

And thirdly, with the regeneration of Edinburgh's

northern waterfront, there is a perfect opportunity to locate Creative Scotland in a purpose-built environment with VisitScotland and EventScotland. The synergy benefits of basing all three agencies together in the city that is the leading visitor gateway to Scotland are obvious.

The sight of the Leader of the City of Edinburgh Council and luminaries from the Edinburgh arts and business world mobilising to push these benefits has been impressive – and a vindication of the growing value and influence of the Edinburgh Business Assembly. The campaign began with a press reception and the launch of a promotional booklet and online petition back in February. As *Capital Review* prepared to go to press, the debate had slipped into pre-

election purdah but a decision is anticipated early in the life of the new parliament.

Whether Edinburgh's campaign proves successful remains to be seen, but the fact that the campaign is taking place at all is a positive development in itself. Edinburgh is speaking up and Edinburgh is competing. That's a big step in the right direction. □

**For further information about the campaign to locate Creative Scotland in Edinburgh, or to sign the online petition see: [www.edinburgh.gov.uk](http://www.edinburgh.gov.uk)**

## EDINBURGH IS SPEAKING UP EDINBURGH IS COMPETING





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