

EXECUTIVE SUMMARY

The CITIE Scotland Analysis comes at a pivotal time for the country's seven major cities, Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth, and Stirling, which together account for a third of Scotland's total population. In the last year alone, three of the seven cities, Aberdeen, Edinburgh, and Inverness, have negotiated historic City Deals, collectively worth over £1.5 billion¹) that will accelerate local growth over the coming decades.

As a group, Scotland's seven cities have also embarked on a collaborative smart city initiative, the '8th City' project, to develop new capabilities, technologies, and processes that will enable more intelligent, sustainable, and vibrant local economies. The Scottish Cities Alliance secured £10 million of ERDF funding for Scotland's 8th City – The Smart City programme which, once match funded, will see £24 million invested to make Scotland's cities smarter, using technologies to transform the delivery of city services.

Innovation and entrepreneurship have never been more crucial qualities in helping secure the long-term sustainable prosperity of Scottish cities, in

creating grass roots local employment opportunities, in providing a fertile innovation ground that attracts big international business, for acting as an idea generation pool to help local government solve some of its most complex urban challenges.

While the CITIE Scotland Analysis reveals good average performance, as a result of these major investments and initiatives, it is expected that Scottish cities could improve significantly in the near future, especially in the Leadership and Infrastructure dimensions.

Scotland's biggest cities, Glasgow and Edinburgh, already display performance rivalling that of leading cities from the CITIE global analysis, including places like Paris and Tel Aviv. And while smaller cities, indeed the smallest analysed using the CITIE Framework, expectedly register lower performance, they also punch above their weight. Good performance in both big and small cities is also underpinned by a number of important national initiatives related to digital infrastructure, skill-building, procurement and other policy areas. However, it is only if these major investments are made in parallel with smart policy tweaks that are mindful of the start-up and innovation ecosystem, we will realise an important multiplier effect that can set the cities on a path towards enduring prosperity.

Section one: An introduction CITIE

This section of the report explains the CITIE framework. The CITIE framework is a diagnostic tool that captures over 35 individual data points per city region. This is supplemented with qualitative data from interviews, to generate a snapshot of the areas of relative strength and weakness in a city region’s capabilities for stimulating innovation and entrepreneurship. These capabilities are organised into nine distinct roles the city can play, as a Customer, for example, of innovation within their procurement practices, or as a Host of innovation, using their physical spaces. It is our aspiration that the framework helps city governments to recognise where they are excelling and where they could benefit from adopting best practices from other global cities.

Section two: Scotland cities’ performance and recommendations

Within *CITIE: The Scotland Analysis* the team worked closely with multidisciplinary practitioners, to go beyond the analysis of the current perspective, to set out 13 definitive and actionable recommendations to the cities that will support them to accelerate their support for innovation and entrepreneurship, and compete with the global leaders.

Some of the key recommendations set out below, indicate where the Scottish cities, are collectively performing below average, or have the opportunity to collaborate in the development of solutions and make a step change in performance.



DATAVORE
Establish Offices of Data Analytics



ADVOCATE
Develop best practice soft-landing packages for business relocating to Scottish cities



DIGITAL GOVERNOR
Experiment with open-source citizen engagement tools



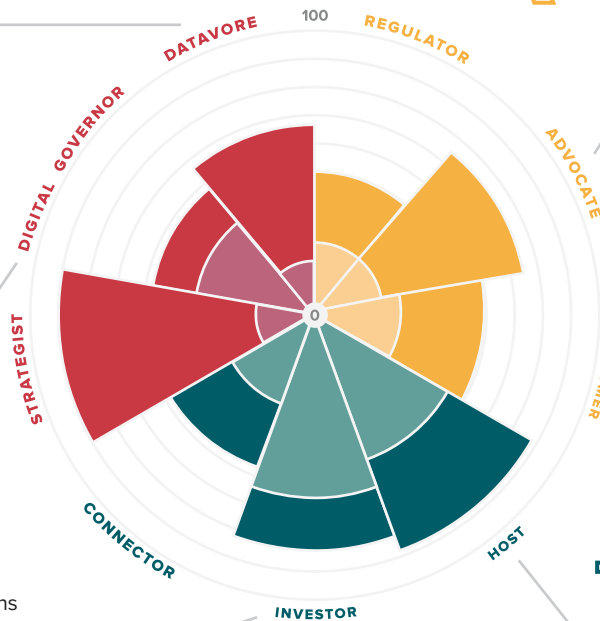
CUSTOMER
Design a Scottish cities challenge prize series



INVESTOR
Support venture capital trade missions to connect local start-ups to funding



HOST
Engage in ecosystem matchmaking to complement hard infrastructure investments



Maximum and minimum CITIE profile of the Scotland cities and highlighted recommendations

13 RECOMMENDATIONS TO THE SCOTTISH CITIES

RECOMMENDATION 1: **Undertake collective analysis of emerging business models and develop a 'play book' for Scottish cities**

RECOMMENDATION 2: **Develop best practice soft-landing packages for business relocating to Scottish cities**

RECOMMENDATION 3: **Ensure start-ups and SMEs are represented on trade missions**

RECOMMENDATION 4: **Design a Scottish cities challenge prize series**

RECOMMENDATION 5: **Engage in ecosystem matchmaking to complement hard infrastructure investments**

RECOMMENDATION 6: **Support venture capital trade missions to connect local start-ups to funding**

RECOMMENDATION 7: **Establish city-wide IoT platforms to stimulate digital infrastructure innovation**

RECOMMENDATION 8: **Ensure success of transformative digital and smart city strategies through dedicated teams and champions**

RECOMMENDATION 9: **Open-source strategies to promote regional learning and innovation**

RECOMMENDATION 10: **Experiment with open source citizen engagement tools**

RECOMMENDATION 11: **Engage citizen and city employees to generate real-time insights**

RECOMMENDATION 12: **Establish Offices of Data Analytics**

RECOMMENDATION 13: **Make all city procurement contracts 'Open by Default'**

Section three: Analysis of the cities

This section provides the geographic lens, setting out for each city, their individual performance against the CITIE framework, key strengths, promising practices, and priority areas for improvement.

CITIE: The Scotland Analysis shows leading examples in different domains, for example, in Host with Perth's Angel Share programme, to Investor and Dundee's Dare School Team Challenge for digital game development, and Glasgow's Smart City Observatory in Davore.

Within each city region, the report pulls out two potential areas for improvement and refers to relevant global best practice from which we hope the city regions draw inspiration.

The objective of the report is to provide a pragmatic diagnostic and offer city leaders with actionable insight, which, for limited financial investment, can yield significant positive improvement in their ability to attract and retain the most sought-after entrepreneurial talent.

Taken together, Scottish cities' performance compares with many of the 40 global leading cities from the 2015 CITIE analysis. Compared to international peers from previous CITIE analyses, Scottish cities as a group outpace European counterparts in six of CITIE's nine policy roles, with clear strengths in the Openness and Leadership dimensions. The reverse is true for North American peers, which Scottish cities trail on all but one of the nine roles. Still, relative strength in the Leadership dimension reflects Scotland's evident and growing commitment to augmenting cities' digital capabilities, capacity to engage citizens and businesses in decision-making, and, skills to develop better policy insights using data.

By cities actioning policy tweaks and amplifying existing initiatives on an individual basis, and by recognising where important opportunities exist for collaboration across the region, Scottish cities have the potential to take the lead in their innovation capability.

“ We welcome the CITIE Scotland report which highlights that Scotland's cities as a group are performing well and even outperforming our European peers across six of CITIE's nine policy roles including clear strengths in openness and leadership.

The report highlights that digital technologies have been key to unlocking faster economic growth by 2.3 per cent in real terms, and this underlines the vital role the Alliances' Smart Cities Scotland Programme, including the 'Scotland's eighth City – the Smart City' project, will play in developing the new capabilities, technologies and processes that will drive the future success of Scotland's city economies.

I am delighted that the research shows that Scotland's seven cities

are at the forefront of this hi-tech agenda. Between them, Scotland's cities are rivalling cities such as Paris and Tel Aviv and punching above their collective weight in terms of innovation. This provides a strong basis for the cities to build on existing activity and work together to deliver our Smart Cities Scotland ambition to be world leading in this field.

The Alliance, which is the collaboration between the seven cities and the Scottish Government, will work together to take forward some of the key recommendations of the report which are pivotal to securing Scotland's cities ongoing success to the benefit of its citizens, businesses and Scotland. ”

Councillor Andrew Burns
Chair of the Scottish Cities Alliance