

21 February 2017

Agenda Item No.

Economy Theme Annual Report

Report by: Robin Presswood, Head of Economy, Planning & Employability Services

Wards Affected: All

Purpose

The purpose of this report is to provide an annual update for members of the Fife Partnership Board on the progress being made by Fife Council and the Fife Economy Partnership in delivering the Economy Theme of the Fife Community Plan.

Recommendation(s)

Members of the Fife Partnership Board are asked to:

- Note the new structure being put in place for the Fife Economy Partnership to enable it to be more effective in delivering the new Fife Economic Strategy.
- Request each agency to support the continuing negotiations with the UK and Scottish Governments on the scope and timing of a City Deal for Edinburgh and the South East Scotland City Region.
- Note the considerable progress achieved by both the Fife and Longannet Task Forces and the transfer of the responsibility for the governance of the remaining Fife Task Force Operations to the Fife Economy Partnership.

Resource Implications

There are likely to be both revenue and capital resource requirements as the new *Fife's Economic Strategy 2017-27* is implemented. These will require business planning by each agency including Fife Council, Scottish Enterprise and Fife College.

Legal & Risk Implications

There are no legal implications. There is a risk that reductions in public service funding may impact on the delivery of individual projects and services by members of the Partnership.

Impact Assessment

An EqIA has not been completed and is not necessary for the preparation of this report as it comprises reports on progress and achievements.

Consultation

The Chair of the Fife Economy Partnership was consulted on the content of this report.

1.0 Background

December 2015 FPB Actions

- 1.1 Members of the Fife Partnership Board were previously asked to:
- Remit the Partnership and Policy Manager to formally endorse the Edinburgh and South East Scotland City Region Deal on behalf of the Partnership at the website www.acceleratinggrowth.org.uk.
 - Note the range of interventions identified by the Tullis Russell/Fife and Longannet Taskforces to mitigate the impact of the closures of Tullis Russell and Longannet Power Stations.
 - Support Fife Council's proposed campaign to lobby for a review of the business rating scheme in Scotland.

Economic Context

- 1.2 **In the UK**, the economy grew by 2% in 2016, down from 2.2% in 2015¹. Strong consumer spending drove growth in the service sector, while the manufacturing and construction sectors remained static.
- 1.3 In January, the Bank of England increased its growth forecast for UK, expecting the economy to grow by 2% in 2017. The Bank still sees the economy slowing in 2018 when it expects growth of 1.6%, stating that negative growth from the Brexit vote will occur, just later than it had initially expected.
- 1.4 The **Scottish Government's** latest 'State of the Economy' report highlights that performance following the EU referendum had been better than forecast, but is weaker than the UK:

Indicator	UK	Change on year	Scotland	Change on year	Fife	Change on year
GDP growth (Q3 2016)	0.6%		0.2%			
Employment rate (Oct 15-Sept16)	73.9%		72.8%		70.3%	
Unemployment rate (Oct15-Sept16)	4.9%		4.9%		5.4%	

¹ January 2017 initial estimate from the Office for National Statistics

- 1.5 Scotland may be the only part of the UK to see a decline in employment next year according to a report by PWC. The report states that, due to the Brexit vote and constitutional uncertainty along with ongoing difficulties in the oil and gas sector, overall economic growth could slow to 0.9% in 2017 compared to the forecast 1.8% growth for 2016.
- 1.6 The past year has seen the **Fife** labour market continue to strengthen, with a fall in the number of people claiming Jobseekers Allowance (JSA) – between December 2015 and December 2016, the number of JSA claimants in Fife fell by 886 or 0.4% to 4,034. In 2016, there were 9,760 registered private sector businesses operating in Fife, 220 more than the previous year.

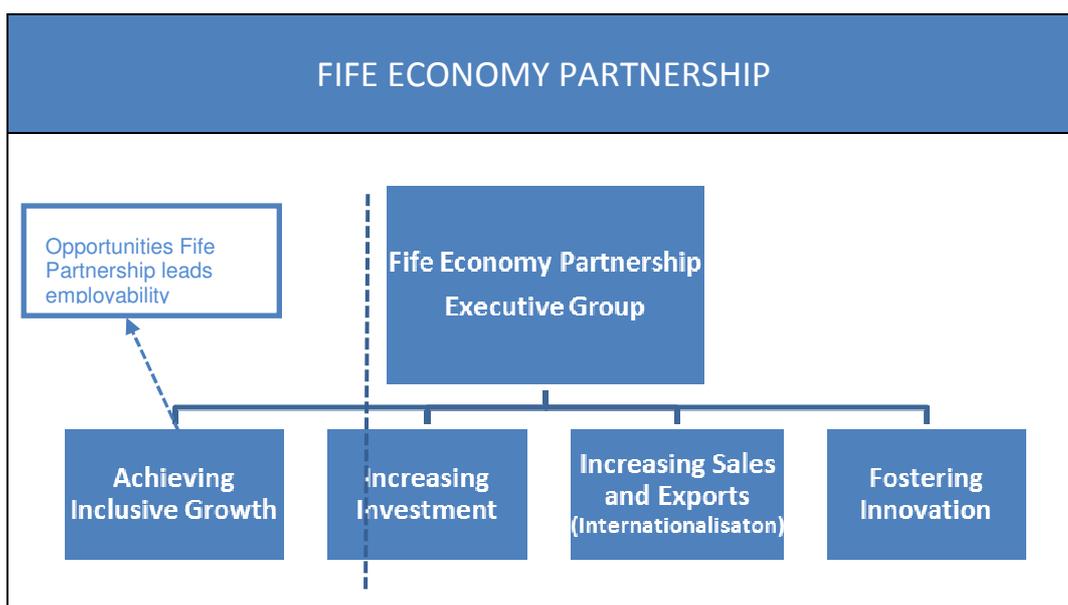
2.0 Issues and Options

Performance Reporting

- 2.1 Appendices 1 and 2 outline the performance, progress and achievements made towards the Community Plan’s four longer term economy theme outcomes over the past 12 months.

Review of Fife Economy Partnership

- 2.2 The Fife Economy Partnership (FEP) is a private sector led partnership established in 2008 and previously reviewed in 2011. The partnership is responsible for overseeing the development and delivery of the Fife Economic Strategy.
- 2.3 A new economic strategy has now been developed - *Fife’s Economic Strategy 2017-2027* – which is being brought to this Board for endorsement in a separate agenda item. At its meeting on the 12 December 2016, the FEP reviewed its structure and remit and agreed to establish a new partnership that can effectively deliver the priorities and objectives set out in the new strategy.
- 2.4 The Partnership agreed to adopt the following model:



2.5 This partnership structure will comprise the following elements:

- *Fife Economy Partnership* – an overall partnership which will meet twice a year with one formal meeting a year to review the progress of Fife’s Economic Strategy.
- *Fife Economy Partnership Executive Group* – this group will drive forward the work of the partnership and will meet on four occasions annually.
- *Delivery Groups* – co-ordinated through the Executive Group, these groups will report quarterly on progress towards the implementation of the strategy objectives for each of the groups. The groups will develop action plans to take forward the activities required to deliver on each of the strategy’s strategic objectives.
- *Central Fife Task Force Senior Officer Group* – a short term delivery group to take over the governance and monitoring arrangements for the delivery of the Central Fife Economic Recovery Plan following the winding down of the Fife (Tullis Russell) Task Force (see para 2.10).

2.6 The revised structure will ensure that there is practical commitment from partners who will contribute to implementation and monitoring activities. The new model will also ensure clarity of relationship between the different elements of the partnership structure.

City Deals

2.7 The authorities in the Edinburgh and South East Scotland City Region are continuing their negotiations with the Scottish and UK Governments on the scope and timing of a City Region Deal. Terms of reference were signed by the Scottish and UK Governments and councils in March 2016.

2.8 The Deal aims to make a step-change in economic growth in the region through a programme of infrastructure investment with enabling regional programmes tackling inclusive growth and accelerating innovation and productivity.

2.9 Fife Council is also engaging with the Tay Cities local authorities (Angus, Dundee, Perth and Kinross) in developing a City Deal which will include projects in North East Fife. [The Tay Cities Deal submission](#) was launched on 3 February.

Fife Taskforce

2.10 The Fife Task Force held its eighth meeting on 25 October 2016. Noting the success of the implementation of the activities to date, the progress in dealing with immediate workforce issues, and the emphasis moving from an emergency response to a longer-term effort to effect structural changes in the Central Fife Economy, it was agreed that there was no requirement for further meetings. A senior officer group with representation from Fife Council, Scottish Government and Scottish Enterprise, along with the Fife Economy Partnership, will oversee the implementation of the Central Fife Economic Recovery Plan and responsibility for the governance of Fife Task Force Operations is being transferred to the FEP.

2.11 £5.1 million of a £6 million resource allocation from the Scottish Government has been committed to approved projects. Business cases are being prepared to allocate the remainder of the funds.

Longannet Task Force

- 2.12 At the fourth meeting of the Longannet Task Force (27 September 2016) the Scottish Government confirmed that financial resources would be made available from its Economic Stimulus Fund. £4.7m will be allocated to support the delivery of local economic development projects in Kincardine (£2.7 m) and Clackmannanshire (£2m).
- 2.13 Scottish Power is making further workforce reductions (31) with the company, PACE and Skills Development Scotland (SDS) offering necessary support.
- 2.14 The Longannet Task Force continues to monitor the direct and indirect impacts from the closure of the power station with a focus on workforce needs and on delivering capital projects to support economic development infrastructure within the local communities. Scoping is also underway to establish the best way to stimulate the economic profile of the sub region.
- 2.15 The local authorities on the Task Force (Fife, Falkirk, West Lothian, North Ayrshire and Clackmannanshire) have also been working closely with Government agencies to progress a Strategic Transport Appraisal and feasibility study for a sub-regional employment park and to align Participatory Budgeting resources ensuring that the local communities see and benefit from economic recovery measures locally.

3.0 Conclusions

- 3.1 Stephen Doran, Chair of the Fife Economy Partnership, concludes:

'Over the past year, we've seen a number of companies investing in Fife, an increase in the number of new business start-ups. We've also seen great examples of companies expanding including the Pitreavie Group, Surface Heating Systems, David L Douglas and my own company, Raytheon, which has seen record output and headcount growth.

The Fife Economy Partnership, together with the Opportunities Fife Partnership and Fife Council has spent the year developing a new economic strategy for the region which sets out how we will work together towards achieving stronger, sustainable and more resilient economic growth for Fife which is shared more equally for all.

The FEP has also reviewed its organisational and governance structures and I believe that the new structure which will be launched early this year will help us be more effective in both delivering our new strategy and representing and involving Fife's businesses.'

List of Appendices

1. Appendices 1a-1d – Outcome Performance Reports
2. Appendix 2 – Performance Statistics

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OUTCOME PERFORMANCE REPORT
HIGH LEVEL OUTCOME : INCREASING EMPLOYMENT

DATE: January 2017

LONG TERM OUTCOME: More Dynamic Businesses

OUTCOME LEAD: Robin Presswood, Head of Economy, Planning & Employability Services

<p>Activity update: Actions taken to achieve the outcome</p>	<p>Support to Companies – Helping Businesses Start Up Through the delivery of workshops, training, advisory and specialist support services, <i>Business Gateway Fife</i> helped 586 new businesses to start up in Fife during 2015/16. This support is estimated to result in the creation of 707 jobs.</p> <p>Support to Companies – Helping Existing Businesses Grow <i>Business Gateway Fife</i> provided support and advice to 750 businesses in Fife in 2015/16, 17% more than the previous year. The Fife Task Force is funding an additional two Business Gateway Advisors over a three year period, focusing on building growth capacity to strengthen Fife’s business base. Enhanced Business Gateway support has also been provided in West Fife, Clackmannanshire and Falkirk since April 2016.</p> <p>In September 2016, Scottish Enterprise was supporting 112 companies in Fife through its <i>account management approach</i>.</p> <p>The seventh <i>Fife Business Week</i> took place from 7-11 November 2016, with around 700 individuals attending the 30 events, seminars and workshops – 160 more people than the previous year.</p> <p>Support to Companies – Helping Businesses Export The <i>Fife International Partnership</i>, launched in September 2015 provides a one-stop-shop export service to increase the number of businesses trading overseas. Led by Fife Council, the service provides a single point of contact to the support and advice offered by the council, Business Gateway Fife, Scottish Development International (SDI) and Fife Chamber of Commerce.</p> <p>In 2015/16, Scottish Development International (SDI) provided one-to-one help and advice to 109 Fife businesses.</p> <p>The UK Government’s ‘Exporting is GREAT’ roadshow visited St Andrews on 8 September, providing businesses with free expert advice on how to sell overseas.</p> <p>Financial Assistance to Businesses <i>Fife Investment Fund</i> provided grants and loans to 130 new and existing small businesses during 2015/16, support which is forecast to create 290 additional jobs.</p> <p>In 2015/16, 5 Fife companies received <i>Regional Selective Assistance (RSA)</i> awards totalling £787,340 support which is forecast to create 39 new jobs and safeguard 45 existing jobs. A further 4 Fife companies received RSA awards totalling £545,000 which is forecast to create 33 new jobs and safeguard 16 existing jobs Apr-Sept 2016/17.</p> <p>The Fife Task Force provided £150,000 of financial assistance to Glenrothes</p>
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	<p>Papers Ltd (GPL), a phoenix company operating from the Tullis Russell site manufacturing specialist industrial crepe paper which employs ten people.</p> <p>Scottish Enterprise provided financial support to ScotAsh securing the company's future on the Longannet site and safeguarding up to 16 jobs.</p> <p>Social Enterprise Development Fife Council's Economic Development Team has been working to improve the support available to both new start and existing enterprises. In 2015/16, 32 new and 124 existing social enterprises were supported.</p>
<p>Any factors that have affected progress towards the outcome. Current and future challenges</p>	<p>Fife's Business Base Although the number of businesses in Fife has increased by 18% (or 1,470 businesses) over the last decade, this represents only 5.6% of the Scottish business base, less than Fife's proportional share of Scotland's working age population (6.7% in 2014).</p> <p>Fife has a lower rate of business start-ups compared with other parts of Scotland – in 2014 it had 51 business start-ups per 10,000 of the working age population compared to the Scottish average of 62 – although the number of business start-ups supported by Business Gateway Fife is higher than the national average.</p> <p>Whilst Fife's three year business survival rate is now slightly above the Scottish average (63.4% compared with 62.8%), it is still considerably lower than the survival rate of the 5th best performing local authority in Scotland (68.8%).</p> <p>Result of EU Referendum The outcome of June's EU Referendum and continuing constitutional uncertainty have impacted on private sector investment confidence.</p> <p>Fife Council has set up a <i>Brexit Business Advisory Group</i>. Led by the Leader of the Council, with representation from Fife businesses, the group had its first meeting at the end of January.</p>
<p>Examples of collaborative working across outcomes Include examples of what has been achieved by working in partnership to best meet the needs of communities</p>	<p>Improving Companies' Access to Public Sector Contracts <i>Supplier Development Programme (SDP)</i> Monthly procurement surgeries have taken place giving businesses one-to-one sessions with a Fife Council Procurement Officer and over 120 delegates attended a Meet the Buyer event organised in November.</p> <p><i>Amount of public sector spend retained by companies in Fife</i> In 2014/15, 2,154 Fife companies received contracts from Fife Council, more than double the number in the previous year and higher than all previous years. The proportion of council contracts going to Fife companies increased from 31% to 41%.</p> <p>Making Fife the Best Place to Do Business Fife Council's <i>Best Place to Do Business Action Plan</i> aims to simplify the way the Council delivers its services to businesses. Work continues to streamline the Council's online information and processes available to businesses through FifeDirect.</p> <p>The ePlanning and new eBuilding Standards portals give businesses a cheaper and more convenient way to apply for permission to carry out building works. More than 55% of applications for building warrants are now made online, only 4</p>

	months from the launch of the service.
Examples of prevention and/or early intervention initiatives delivered during reporting period	<p>Skills for Working Over 2,900 young people in Fife took part in <i>Culture of Enterprise</i> activities which were supported by 180 businesses during 2015/16. A digital version of the Enterprise Game was piloted amongst primary and secondary schools.</p>
<p>Next steps Key planned actions over the next 12 months</p>	<p>Improving access to finance for Fife's SMEs Fife Council will engage with national agencies to ensure that sources of financial support are accessible and relevant to Fife's business needs. A new pan Scotland loans scheme - Business Loans Scotland - which Fife Council's Economic Development Team helped set up, will be launched in February</p> <p>Improving access to public sector support <i>Fife's Economic Strategy</i> commits to simplifying and streamlining the assistance that's available to new and existing businesses, in particular smaller businesses. The ongoing Scottish Government Enterprise and Skills Review will publish wide-ranging proposals to streamline the delivery of public sector support to businesses in Spring 2017, with the intention that the implementation of these proposals will commence during 2017.</p> <p>Making Fife the Best Place to Do Business Fife Council is developing a system for businesses to pay non-domestic rates online.</p> <p>Improving companies' access to public sector contracts Fife Council will review its Procurement Strategy during 2017/18 including the support available for SMEs and the Council's approach to community benefit.</p>

OUTCOME PERFORMANCE REPORT

HIGH LEVEL OUTCOME : INCREASING EMPLOYMENT

DATE: January 2017

LONG TERM OUTCOME : Modern Business Infrastructure

OUTCOME LEAD: Robin Presswood, Head of Economy, Planning & Employability Services

<p>Activity update: Actions taken to achieve the outcome</p>	<p>Fife Council's Invest in Fife Team During 2015/16, the 'one-stop-shop' service for companies planning to locate and/or expand in Fife, handled 96 investment enquiries and won 6 investment projects. The £71 million investment secured from these projects is expected to create 365 new jobs.</p> <p>Between April and September 2016, the team handled 66 enquiries and delivered 5 projects. The £238,000 investment secured from these projects is expected to create 928 jobs and safeguard a further 13 jobs.</p> <p>Employment Land The Council completed site servicing work at Queensway, Glenrothes and acquired sites at Muiredge, Buckhaven and Westway, Dalgety Bay.</p> <p>Vacant and derelict sites have been cleared, remediated and developed in Cowdenbeath, Thornton, Glenrothes, Tayport and Methil.</p> <p>Industrial Estate Regeneration Fife Council has continued to regenerate Queensway Industrial Estate and is working with Queensway Data Centres Ltd with the view to developing a major data centre.</p> <p>The Council has also continued to regenerate Hillend and Donibristle Industrial Estate in Dalgety Bay and has sold a building to a local company who have refurbished the property to provide a business centre providing accommodation for local businesses.</p> <p>Energy Park Fife Fife Council's site servicing works at Levenmouth Business Park are nearing completion and initial marketing of the Park is underway. Additional funding has been secured from the Scottish Government's Vacant and Derelict Land Fund to carry out remediation and site preparation works on an adjacent site at Muiredge, Buckhaven.</p> <p>John Smith Business Park, Kirkcaldy Following its purchase of Iona House, the Council is completing refurbishment of the office accommodation with grant support from the Fife Task Force. The building continues to be occupied by Fife Cultural Trust on a short-term rolling lease and the second floor has been leased to a major international company.</p> <p>The Council sold a 0.6 hectare site to Marston's who have commenced construction of a family pub/restaurant. Planning consent has also been granted for a 60 bed hotel on an adjacent site.</p> <p>Inchdairnie Distillery, Glenrothes A new distillery was officially opened in May 2016 on a site sold by Fife Council to John Fergus and Co. Further phases of development including additional bonded</p>
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	<p>warehousing are due to be constructed over the next few years representing an overall investment of circa £8million and securing highly skilled employment in the local area.</p> <p>Fife Council's Business Property Portfolio Occupancy in 2016 reached 92% and 94% of tenants were satisfied or very satisfied with Economy, Planning and Employability Services as their landlord.</p> <p>Town Centres <i>Town & Neighbourhood Centre Capital Fund</i> Between 2015 and 2018, this fund provided £3million of investment with nine projects already having secured funding and a further three projects in development.</p> <p><i>Business Gateway Fife's Town Centre Investment Fund/Business Support Fund</i> These funds assisted 39 businesses in 2016 contributing £94k of funding to investment projects totalling £271,411 and supporting 237 jobs.</p> <p><i>Lochgelly</i> The Town Centre Living Project has created 31 new affordable mid-market rent homes and phase one of the St Andrews Church restoration has started.</p> <p>Business vacancy rates in the town have halved in the last four years. The town won two 2016 Place-making awards and was named Scotland's Most Improved Town at the 2016 Scottish Urban Regeneration Forum (SURF) Awards.</p> <p><i>Kirkcaldy</i> Kirkcaldy hosted Scotland's Towns Conference 2016 attended by over 150 local, national, and international delegates, including key policymakers.</p> <p>The £1.2 million Adam Smith House and Close heritage regeneration project, led by the Adam Smith Global Foundation in partnership with Fife Council, has been completed.</p>
<p>Any factors that have affected progress towards the outcome</p>	<p>Fife's ageing industrial and commercial property stock is unsustainable and is restricting inward investment as well as the expansion of existing businesses.</p> <p>Many of Fife's industrial estates and properties need significant investment. Challenges in the Scottish, UK and global economies and recent changes in empty property relief have impacted negatively on the property industry making it unlikely that the private sector will invest on any scale in business infrastructure over the next five years.</p>
<p>Examples of collaborative working across outcomes</p>	<p>Town Centres <i>Cupar Could Charrette</i> 350 people took part in this successful town centre consultation comprising four days of public surgery and workshops led by Cupar Development Trust in partnership with Fife Council.</p> <p><i>Cowdenbeath</i> 15 High Street businesses signed up for an innovative Shutter Art Project led by Fife Council involving Police Scotland, Beath High School and local businesses. The project's artwork has improved the look and feel of the town at night.</p>
<p>Examples of prevention and/or early intervention initiatives delivered during reporting</p>	<p>Next Generation Broadband The Scottish Government's Digital Scotland Superfast Broadband programme supported by £2.8 million Fife Council investment aims to ensure that Fife's broadband coverage and speeds match or exceed national averages.</p>

<p>period</p>	<p>Since the start of the project, the percentage of Fife premises with access to fibre broadband has increased from 69.2% to 93% (as of end of September 2016).</p>
<p>Next steps Key planned actions over the next 12 months</p>	<p>Energy Park Fife Scottish Enterprise and Fife Council are progressing a 3rd phase of investment on the main Energy Park site which will focus on improving mooring and marine access and further investment in site infrastructure. Specifically this phase will upgrade the site to ensure that the Park can provide internationally competitive infrastructure and continue to secure high value energy supply chain contracts.</p> <p>Queensway Industrial Estate A series of acquisitions in this area adjacent to the Tullis Russell site are underway to assemble land and make it available for development.</p> <p>Work is underway to design, consent and construct new business units using a combination of Task Force funds and prudential borrowing by Fife Council. These will provide small, modern, fit-for-purpose business accommodation aimed at the local market. The units will be ready for occupation in autumn 2017.</p> <p>Next Generation Broadband During 2017, the Scottish Government intends to begin its R100 (Reaching 100%) Programme to deliver superfast broadband to premises not included in current private and public sector investment programmes. A market review exercise to scope requirements is expected shortly. Fife Council will consider its potential role in this programme as more information becomes available.</p> <p>Town Centres The new Fife Economic Strategy commits both Fife Council and its partners to adopting the Town Centre First Principle and ensuring that both the public and private sectors give priority to town centre sites.</p> <p>Fife Council will also further develop its Town and Local Centres Fund to pump-prime private sector investment. Key projects, including Leven Civic Hub and Cupar Burgh Chambers, will see construction work start.</p> <p>A new five year built heritage <i>CARS/THI regeneration programme</i> will be delivered in Inverkeithing from April 2018, subject to the approval of external funding bids and the programmes in Anstruther (2012-2017) and Cupar (2014-2019) will be completed.</p>

OUTCOME PERFORMANCE REPORT

HIGH LEVEL OUTCOME: INCREASING EMPLOYMENT

DATE: January 2017

LONG TERM OUTCOME: Improving the Knowledge and Research Base

OUTCOME LEAD: Robin Presswood, Head of Economy, Planning & Employability Services

<p>Activity update: Actions taken to achieve the outcome</p>	<p>Encouraging Innovation <i>Scottish Enterprise Support</i> Over 2015/16</p> <ul style="list-style-type: none"> ○ 14 businesses were awarded <i>innovation support grants</i> ○ 4 companies received a <i>research and development (R&D) grant</i> ○ 5 businesses received a <i>SMART R&D Award</i> <p>In the 1st half of 2016/17:</p> <ul style="list-style-type: none"> ○ 15 businesses were awarded <i>innovation support grants</i> ○ 4 companies received a <i>research and development (R&D) grant</i> ○ 5 businesses received a <i>SMART R&D Award</i> <p>Fife Entrepreneurial Leadership Programme Eleven business leaders are taking part in a programme designed to help SMEs across Fife with growth potential achieve transformational change.</p> <p>The programme builds on a pilot which ran earlier this year and saw nine business leaders complete the course.</p> <p>Designed by Fife Council's Economic Development Team and Edinburgh Napier University, the programme is funded by the Fife Task Force.</p> <p>Increasing industrial links and spin-out companies from the University of St Andrews Award-winning University of St Andrews spin-out company MOFgen received £300,000 of investment from Mercia Fund Management and the Scottish Investment Bank.</p> <p>The funding will allow MOFgen to further commercialise its pioneering cutting-edge technology for coating medical devices which will reduce Healthcare Acquired Infections (HAIs), prevent procedural complications and improve healing rates.</p>
<p>Any factors that have affected progress towards the outcome</p>	<p>Company expenditure on research and development Whilst the amount spent by companies in Fife on research and development (R&D) increased slightly in 2015, it was only 2.7% of Scotland's total. Fife's 2015 spend per head of population was £65 compared with £162 for Scotland as a whole.</p>
<p>Examples of collaborative working across outcomes</p>	<p>Levenmouth Community Energy Project This pioneering project is developing Methil's Hydrogen Office into the world's leading demonstrator of innovative uses of hydrogen derived from renewable sources,</p> <p>Led by Bright Green Hydrogen along with partners Fife Council and Toshiba, the project has already seen the creation of the world's first fleet of hydrogen-fuelled refuse trucks.</p>

<p>Examples of prevention and/or early intervention initiatives delivered during reporting period</p>	<p>Encouraging Fife’s next generation of entrepreneurs A pilot <i>Talent Academy</i> supported ten S6 pupils from Balwearie High School to create their own production company. The team performed at Lochgelly Centre and the Royal Lyceum in Edinburgh, gaining valuable enterprise experience.</p> <p>A pilot <i>4 to Fortune</i> programme saw S2 pupils at St Columba’s High School grow an initial £4 seed fund as big as they could over a four week period. The programme is now being rolled out to all primary schools in Fife.</p>
<p>Next steps Key planned actions over the next 12 months</p>	<p>Encouraging Enterprise and Innovation</p> <p><i>Glenrothes Enterprise Hub</i> A new Enterprise Hub will open in Glenrothes town centre in Spring 2017 providing enterprise training and business support services to commercial and social entrepreneurs and business start-ups in Central Fife.</p> <p>Funded by the Fife Task Force, the Hub will provide a ‘one-stop-shop’ to help those made redundant by recent company closures to gain upskilling and business training and/or consider self-employment. It will also provide start-up support for groups wishing to set up a community social enterprise.</p> <p><i>Kincardine Enterprise Hub</i> A business and community enterprise facility is to be developed in Kincardine. Part-funded by the Longannet Task Force, the facility will provide accommodation for the Coalfields Regeneration Trust Scotland to deliver regeneration services along with lettable business space, conference and meeting facilities for the use of sole traders, entrepreneurs and agencies. The hub aims to stimulate an enterprise culture in the area and encourage business growth and community enterprise.</p> <p><i>Links with the University of St Andrews</i> Fife Council is working with the <i>University of St Andrews Knowledge Transfer Centre</i> to identify new opportunities for encouraging businesses to take advantage of the University’s expertise.</p> <p>The University is engaged in the development and delivery of Technology Innovation Support for the Low Carbon Energy Sector. This is based on an Energy Technology Partnership (ETP), an alliance of 12 Scottish universities delivering world-class capability and resources in energy research, development and demonstration.</p> <p>STEM Strategy The Fife Science, Technology, Engineering and Maths (STEM) Strategy 2012-2022, designed to ensure that the education and skills delivered within Fife is able to drive forward growth within science, technology, engineering and maths related industries, has been relaunched.</p> <p>Culture of Enterprise Fife Council is introducing a wider, more structured programme into all Fife’s primary and secondary schools.</p> <p>Adam Smith Enterprise Academy This project will deliver a retail showcase and education centre in Kirkcaldy town centre, including a retail academy to support skills development for retail, tourism and hospitality. The project, led by Adam Smith Global Foundation, will be delivered by a partnership including Fife Council, Fife Task Force, Fife College and Fife Cultural Trust. The Enterprise academy will open in Spring 2017.</p>

OUTCOME PERFORMANCE REPORT

HIGH LEVEL OUTCOME: INCREASING EMPLOYMENT

DATE: January 2017

LONG TERM OUTCOME: Growing Business and Employment in Key Sectors

OUTCOME LEAD: Robin Presswood, Head of Economy, Planning & Employability Services

<p>Activity update: Actions taken to achieve the outcome</p>	<p>Tourism</p> <p>www.welcometofife.com website</p> <p>The new website launched in November 2015 has provided a strong platform for all of the Partnership's 2016 on-line activity. 79,309,085 individuals visited the Welcome to Fife site between January and the end of November 2016, 126% more than the same period of 2015.</p> <p>During the 2016 Scotland-wide Year of Innovation, Architecture and Design a dedicated area on the website was developed to showcase specific sites across Fife. Between April and November 2016 almost 2,500 individuals visited this area of the website.</p> <p>The website also showcases the new Fife YouTube video #cometolifeinfife https://www.youtube.com/watch?v=L1CZgvwidLI which has received over 75,069 social media views. The Fife Cultural Trust is also showing the video in its venues across Fife and businesses have embedded the video into their own websites.</p> <p><i>Feast of Fife: food bloggers conference</i></p> <p>16 food bloggers from the UK and Ireland attended this two day event which received excellent social media coverage with over 160 instagram posts and 1,000 people viewing a 'Facebook live' food demonstration by Jamie Scott.</p> <p><i>World Host – roll out of customer care training</i></p> <p>71 businesses are now World Host accredited with 626 individuals having undertaken training</p> <p><i>Golf</i></p> <p>In November the Fife Golf Partnership attended the International Golf Tourism Market in Mallorca - the largest golf exhibition in the world.</p> <p><i>Fife Business Tourism Group</i></p> <p>The group represented Fife at four UK trade events in 2016 under the 'Welcome to Fife' brand. 311 buyers have signed up for further information and a 'Bid Builder' section has been added to welcometofife.com.</p> <p>Manufacturing</p> <p><i>Events</i></p> <p>The Centre for Engineering, Education and Development (CEED) has delivered quarterly manufacturing business breakfasts and monthly growth 500 workshops in partnership with Fife Council.</p> <p><i>Support from Scottish Manufacturing Advisory Service(SMAS)</i></p> <p>25 companies undertook manufacturing reviews with support from SMAS during 2015/16 leading to reduced waste and improved cost, quality and delivery performance – 7 more than the previous year.</p>
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	<p>A further 12 companies undertook reviews during the 1st half of 2016/17.</p> <p>Energy and Low Carbon <i>Offshore Wind</i> Bifab has commenced work constructing substructures for the Beatrice Offshore Wind Project. The contract, which is safeguarding 200 jobs, will run through until April 2017.</p> <p>Babcock has been awarded a multi-million pound contract by Dong Energy for the construction of a world 1st reaction compensation station for Hornsea Project One.</p> <p>The ORE Catapult will continue to invest in its Levenmouth Demonstration Turbine with a further £500,000 received from the Scottish Government to create a digital clone of the turbine to enable the Catapult to monitor the behaviour of the turbine’s blades, tower and substructure in real-world conditions.</p> <p>The Catapult is offering a number of SMEs access to the turbine to prove and commercialise innovative new sensing technologies.</p> <p>The ORE Catapult received a Scottish Renewables Green Energy Award under the Best Community Engagement Category in recognition of its ongoing work with the new Levenmouth Academy.</p> <p><i>Energy Systems and Storage</i> The Levenmouth Community Energy Project was awarded £4 million from the Scottish Government’s Local Energy Challenge Fund. The project aims to demonstrate that green hydrogen can tackle two of Scotland’s biggest energy challenges – energy storage and low carbon transport.</p> <p>The Project is being led by Bright Green Hydrogen with project partners Fife Council and Toshiba.</p> <p>In July a fleet of 17 hydrogen vehicles – 10 Renault Kangoos, seven diesel dual fuel Transits and two refuse collection vehicles – were installed in Methil and Fife Council’s vehicle depot at Bankhead in Glenrothes.</p> <p><i>Oil & Gas/Engineering/Fabrication</i> Work is being carried out with Zero Waste Scotland to create a more circular economy in the sector, maximising the benefits to local firms.</p> <p><i>Heat/Geothermal</i> In December the University of St Andrews’ biomass plant was officially opened. The £25 million energy centre located on the east side of the former paper mill site at Guardbridge produces hot water from a biomass boiler which is pumped four miles through an underground pipeline to St Andrews where it heats University buildings.</p> <p>The project, which will deliver 6,000 tonnes of carbon reductions per year, was awarded the Sustainable Development Award at the Scottish Green Energy Awards 2016.</p>
<p>Any factors that have affected progress towards the outcome Current and future</p>	<p>Tourism The living wage implementation is having and will continue to have an impact in the tourism sector; particularly within the hotel sector. Staff retention could be affected as well as prices if all salaries are to be increased to take account of the</p>

<p>challenges</p>	<p>living wage increases. The impact of potential business rates increases will also have a serious impact on hotels.</p> <p>Manufacturing The fall in oil and gas prices has impacted on Fife’s engineering and manufacturing sector with a number of companies closing or downsizing.</p> <p>Following a round table forum held in January 2016, Fife Council’s Economic Development Team continues to identify support solutions for affected businesses with assistance from Business Gateway Fife, the Scottish Manufacturing Advisory Service (SMAS) and Fife Council’s Employability Service.</p> <p>Energy and Low Carbon <i>Oil and Gas</i> The low oil price also brought an increasing interest in activities related to decommissioning, which Fife Council is currently researching.</p> <p><i>Low Carbon and Renewables</i> Changes in the subsidy regime at the UK level are still causing continuing uncertainty with regards to long term investment in all renewables sectors.</p>
<p>Examples of collaborative working across outcomes Include examples of what has been achieved by working in partnership to best meet the needs of communities</p>	<p>Tourism <i>Forth Bridge World Heritage Ambassadors</i> Following their launch in January 2016, videos have been created to highlight each ambassador’s passion for the Forth Bridge to help its promotion as a tourist destination.</p> <p><i>#AccessibleFife</i> The Accessible Tourism Fife business group, launched by Fergus Ewing MSP in January 2016, is encouraging businesses to prepare their own Access Statements so that disabled visitors know how each business can accommodate their needs.</p> <p><i>Outlander</i> A business group has been set up to take advantage of the Outlander series, members include those that own sites in Fife that appear in the series and tour operators.</p> <p>Energy and Low Carbon <i>Oil & Gas/Engineering/Fabrication</i> Fife Council is working with the East of Scotland local authorities to develop the economic opportunities arising from decommissioning.</p> <p>There is ongoing work with Zero Waste Scotland to develop the circular economy aspects and develop connections with the supply chain to maximise the benefits to local firms.</p>
<p>Examples of prevention and/or early intervention initiatives delivered during reporting period</p>	<p>Manufacturing <i>Primary Engineer Programme</i> Following last year’s pilot programme aimed at promoting engineering as a career choice, a further 37 primary schools sent teachers for Primary Engineer Training.</p> <p>12 prizes were won by Fife schools at the Primary Engineer East of Scotland final.</p> <p>An Engineering in Fife local trademarked programme is being created to provide a progressive and challenging journey for young people through early years as part of the “I Can” Framework and Developing the Young Workforce agenda.</p> <p><i>Raytheon Quadcopter</i> A successful pilot partnership was created with Raytheon UK where their STEM</p>

	<p>Ambassadors coached teams of third year pupils in four secondary schools through contextualised engineering education that culminated in them building and flying their own quadcopter.</p> <p>The six month programme brought business and education together with young people working with engineers.</p> <p>'The 5 Falcons' from Inverkeithing High Schools won the Fife final and went on to represent Fife at the UK Final at Stow Maries Aerodrome in Essex.</p> <p>Energy and Low Carbon <i>Green Business Fife</i> Green Business Fife continues to thrive as Fife's largest green network. Having secured sponsorship from Diageo plc and Wm Tracey Ltd, it is now a self-sustaining, not-for-profit organisation with over 400 members.</p> <p>In 2016 Green Business Fife has been involved in a number of successful events including a Green Champions Training course and Innovation in Energy Storage & Systems event which highlighted local energy storage and renewable energy projects.</p>
<p>Next steps Key planned actions over the next 12 months</p>	<p>Tourism <i>Golf</i> The Ricoh Women's British Open is taking place for the first time at Kingsbarns Golf Links in August 2017.</p> <p><i>Forth Bridge World Heritage activities</i> The Forth Bridge tourism business group set up to drive marketing activity to the area is moving towards establishing itself as a co-operative. Dr Jeff Sanders, Dig It! 2017 Project Manager, joined the group and the group will participate in Scotland in Six – promoting the six world heritage sites in Scotland during the 2017 year of History, Heritage and Archaeology.</p> <p>Energy and Low Carbon <i>Glenrothes District Heating Scheme</i> A business case has been developed by Fife Council, RWE and the Scottish Government's Local Carbon Infrastructure Transition Programme (LCITP) for the development of a District Heating Scheme in the centre of Glenrothes linked to the RWE Biomass CHP plant. A capital bid was submitted to the Scottish Government's LCITP in November 2016 for £16.8 funding for the delivery of this project. The project is now successfully through to the final due diligence stage.</p> <p>Manufacturing Enterprise Development Raytheon UK has agreed to participate and support a full roll-out across all Fife schools in 2017 of its Quadcopter Programme in partnership with Fife Council Economic Development as part of their own STEM Strategy. 37 STEM ambassadors will be engaged across Fife.</p>

PERFORMANCE STATISTICS

Key



N/A – Data not yet available

Outcome 1: More dynamic businesses				
Indicator	Baseline 2009	Progress to date 2015	Target 2020	Performance
Business start-ups per 10,000 adults (16-64) who are resident in Fife.	38.8	54.4	62.5 (to match the Scottish average by 2020)	
<p>Source: Business Demography 2015, ONS; 2015 Mid-year Population Estimates, National Records of Scotland</p> <ul style="list-style-type: none"> In 2015, 1,260 new businesses were started in Fife - 90 more than in 2014. Fife's business start-ups (per 10,000 working age adults) increased from 50.4 in 2014 to 54.4 in 2015. Fife's relative increase in new business start-ups has narrowed the gap in meeting the 2020 target from 10.8 in 2014 to 8.1 in 2015. These figures are based on the number of new VAT/PAYE registrations and therefore do not include new single employee businesses and those which fall below the VAT threshold. 				

Outcome 2: Developing a modern business infrastructure

Indicator	Baseline 2011	Progress to date 2015	Target 2020	Performance
Percentage of settlements (5,000+ population) with an immediately available 7 year supply of employment land.	20%	40%	40%	▲

Source: Fife Employment Land Audit 2016

- Between 2014 and 2015 there were some changes in Fife's employment land allocation. The number of key settlements (settlements with a population of 5,000 or more) with a sufficient supply of employment land, across all use classes, increased from seven to eight.
- This now increases the percentage of key settlements with an adequate supply from 35% in 2014, to 40% in 2015. This means Fife has met the 2020 target four years ahead of schedule.

Note: In 2013 Leven was combined with Buckhaven/Methil and renamed Levenmouth, and the Howe of Fife was added as a key settlement.

Outcome 3: Improving the knowledge and research base

Indicator	Baseline 2009	Progress to date 2015	Target 2020	Performance
Employment in knowledge industries	53,200	50,900	61,700	▼

Source: Business Register and Employment Survey, ONS

- Between 2009 and 2015, the numbers employed in the knowledge industries in Fife contracted by 2,300 or 4.3%. This compares with a 3.1% Scotland-wide increase in knowledge employment in the 2009-2015 period.
- Fife's employment in knowledge-based sectors has fluctuated in the last 6 years, reaching the lowest point in 2014. However, in the last year, the proportion of people employed in knowledge jobs has increased by 5%.

Notes:

These results should be viewed with caution due to the difficulties in defining this industry. The definition of knowledge industries is due to be reviewed, which will give more robust employment figures in the future.

All BRES employment figures are rounded to the nearest 100 for data confidentiality.

Outcome 4: Growing business and employment in key sectors

Indicator	Baseline 2009	Progress to date 2015	Target 2020	Performance
The number of jobs in Fife based businesses in the tourism and renewable energy sectors	2,200* Renewable jobs	2,200 Renewable jobs	2,800 Renewable jobs	○
	11,300** Tourism-related jobs	11,100 Tourism-related jobs	11,000 Tourism-related jobs	▲

Source: Business Register and Employment Survey, ONS

*This is the figure from the most recent data download (29/12/16) which suggests a revision to the data, as the previous baseline was 2,100.

**This is the figure from the most recent data download (29/12/16) which suggests a revision to the data, as the previous baseline was 11,100.

- Between 2009 and 2015 Fife's employment in renewables has remained constant at around 2,200. Scotland-wide the increase in renewables employment during the same period was significant at 18.9%.
- Although the number of tourism jobs in 2015 remains below the 2009 baseline figure, Fife has actually exceeded the 2020 target five years early. Fife's tourism-related employment has been lower than the baseline figure for the last six years, but an increase in jobs over the past year narrowed the gap in 2015 to around 200 jobs.

Notes:

The tourism definition is due to be reviewed as key elements of the tourism sector are missing from the current Scottish Government definition (e.g. theatres and performing arts).

All BRES employment figures are rounded to the nearest 100 for data confidentiality.